

Emerging Issues in Global Meat Trade: Dissecting the Issues Influencing Global Meat Trade

The Emerging Issues in Global Meat Trade Conference was jointly sponsored by the USDA-Economic Research Service and Farm Foundation. It highlighted pertinent international trade issues and implications in the livestock and meat sectors. The conference was September 18 and 19, 2008, at the Economic Research Service headquarters in Washington, D.C. Approximately 52 participants attended.

The keynote address, “Doha Developments Round: Implications for Meat,” was given by Andrew Burst, Foreign Agricultural Service. He characterized the Doha as having three pillars for success: market access, export competition, and domestic support. The object of Doha is to reduce trade barriers, especially tariffs on special products, for all participating countries. The outcome of the round is difficult to predict. While talks have stalled recently, there are efforts to continue for a successful round before changes in many administrations impact the continuity of the negotiations.

The first session, *Forces Driving Global Meat Trade*, was covered in three presentations. In his presentation, “Global Meat Demand and Supply: Where is the Meat?” Dr. Merritt Cluff, FAO, described the drivers and issues affecting supply and demand in the global meat market. Production will expand in the traditional meat-producing countries and some nontraditional countries, like China, Russia, and India. Increasing incomes in developing countries and population growth in both developing and developed countries will account for the bulk of growth in meat demand. Greg Doud, NCBA, (“Influence of Regional Trade Agreements on Meat Trade”) presented his thoughts on the lack of success of multilateral trade agreements. Mr. Doud suggested to the audience that we should perhaps find more effective means of gaining access to markets than bilateral agreements which require consensus among many industries. Dr. Warren Preston, AMS, (“What’s Inside the COOL Legislation?”) presented the details of the current Interim Final [?] Rule consistent with the 2008 Farm Act-mandated country-of-origin labeling requirements. Implementation begins on September 30, 2008 but do not apply to covered commodities produced or packaged before that period.

The second session, *Cloning: Implications for International Trade*, provided an overview of the science (Dr. Robert Wall, ARS, “Cloning Technology: Myths and Facts”) and commercial aspects (Leah Wilkinson, ViaGen, “Cloning Technology: Challenges and Opportunities”) of cloning. Dr. Wall emphasized the difference between cloning and genetic engineering. Ms. Wilkinson outlined commercial uses of cloning in show horses, rodeo bulls, and pets and described industry responses to consumer fears. The discussion from the panel focused primarily on the potential markets, validity of health concerns, and the ability to trace and identify cloned animals and their progeny.

Reflecting on recent Avian Influenza and BSE events, the third session, *Safety and Quality Attributes of Meat: Public and Private Responses*, addressed responses by industry, government, and consumers to food safety and quality issues related to animal disease outbreaks and mitigation policies. Using BSE as their representative/empirical

disease, Dr. Kristyn Stone, APHIS (“Impact of Animal Diseases on Meat Trade: The Case of BSE”), compared actual imports of Canadian cattle into the United States after trade in all cattle born after March 1, 1999 could be imported with trade projections used to analyze the rule before it was implemented, while Dr. Clark Nardinelli, FDA (“Cattle Materials Prohibited in Animal Feed: Past and Future Effects on Trade”), described the changes and fine points of the Final Rule published in April 2008 regarding cattle materials prohibited in animal feeds. Fred Kuchler, ERS (“The Effects of Avian Influenza News on Consumer Purchasing Behavior: A Case Study of Italian Consumers’ Retail Purchases”), showed that consumers did react to news stories about Avian Influenza, but only for a short period after an outbreak. Mike Ollinger, ERS (“Effects of Private Standards on Meat Trade”), described some standards set by private industries and entities in response to diseases, mostly in plants.

The final session, *Feed Grains: Implications for Animal Production and Meat Trade*, focused on market activity surrounding coproduct feeds derived as byproducts from ethanol production. Ed Allen, ERS (“Feed Grain Suppliers and Its Impact on World Meat Trade”), presented the world outlook for feed grains, and the other presenters emphasized markets, trade, and feeding of distillers’ grains and corn gluten coproducts. He emphasized that there will be enough grains for livestock to meet the growing demand for meat. However factors such as Brazilian corn exports, Chinese soybean imports, and the price of oil will impact the price. Kimball Nill, U.S. Soybean Export Council (“GMO and Livestock Feeding and Implications of GMO in Meat Trade”), briefly described issues surrounding the lack of adoption and acceptance of GMO crops in many countries and the challenges those activities pose for livestock feeding abroad. Vince Breneman, ERS (“Implications of Ethanol Production on Meat Supply/Production: Evidence for Shifts in Livestock Feeding Centers”), described the mixed evidence for increased livestock feeding in those states with increased numbers of ethanol producing plants. According to his analysis there is mixed evidence that feeding centers are moving closer to ethanol plants. He feels a clearer picture will develop about these shifts as new and better data become available in the near future. Dan Keefe, U.S. Grains Council (“International Traded in Distillers’ Grains: Global Demand for DDGS and U.S. Exports”), provided much insight into the markets for distillers’ grains. He described the growth in both quantity and value of U.S. exports of distillers grains, primarily to Mexico, Australia, Turkey, and Central American countries.

The wrap-up session, led by Richard Stillman, ERS, was somewhat dominated by interest in cloning and multilateral trade agreements. Much of the cloning discussion centered on acceptance of the technology and its implications for production from the progeny of clones. The discussion surrounding trade agreements proceeded in the context of the Doha negotiations.