There has been a lot of conversation about international beef trade this week with the arrival of a shipment of beef from Brazil. I would like to share with you some thoughts from last week. In truth, it is important that we make some noise about this because it is easy for that story to get lost in the media noise and if we don’t then we risk that story being misused to promote a policy that would disrupt our cattle and beef industry.

There are three key takeaways from last week. We should be clear that: 1) our trade is and will continue to be for lean beef trimmings; 2) there is no reason to think Brazil will flood our market with beef; and 3) we need to properly engage with Brazil and other emerging markets to increase the value of our cattle and beef.

Open borders, and the opportunity to properly engage with Brazil and other emerging markets, are why we need to exchange beef. For a typical Western beef producer, the majority of our herd will be slaughtered each year. For beef quality and value, we are primarily interested in taking the highest-quality cuts of beef—ribs, strip steaks, etc.—from that carcase. However, the majority of the muscle ends up as trimmings and this is where we need the opportunity to exchange beef.

This is how lean beef trimmings are used:
- In the United States, we use trimmings for beef processing and feed yard sectors.
- In Canada, we use trimmings for feedlot feed and commercial beef to meet demand for lean beef.
- In Mexico, we use trimmings for feedlot feed.
- In Australia and New Zealand, we use trimmings for commercial beef to meet demand for lean beef.
- In Brazil, as this shipment demonstrates, we exchange trimmings for commercial beef to meet demand for lean beef.

The trimmings from that Brazilian beef will end up as ground beef. We export trimmings and import ground beef. We are interested in trimmings because they are the part of the carcase that is not used in the United States. While it is true that we currently import beef from 18 countries, the vast majority (83%) comes from just Canada, Mexico, Australia, New Zealand, and Brazil. For the year-to-date, 123,890,000 metric tons of beef were produced in the United States in 2020 and 11,735,000 metric tons of beef were exported in 2020.

In the United States, we need to increase the amount of beef we consume. In 2019, our per capita consumption was 68.6 pounds. We need to increase this number to 73 pounds as we work to increase the number of emergency food recipients who are able to access this resource. In order to achieve this goal, we need to take as much of our beef as we can in trimmings and find the markets where we can fetch the prices we need to make this happen.

We produce high quality grain-finished beef, and as a result we produce a lot of fatty trimmings. Our objective is to find markets where our trimmings can fetch higher prices and where we can make the most of our beef.

We export a lot of cuts Americans don't consume: tongues, rounds, offals. Foreign consumers are willing to pay a premium. In short, the market allows every cut of beef or beef product to flow to the market where it will sell at the best price.

Foreign consumers are willing to pay a premium for these cuts. In fact, we recently produced a 2020 Beef Export Market Review and it should be noted that we see significant global opportunities to sell high-quality beef overseas. We export to over 180 countries, and the U.S. is the world’s largest beef exporter. For example, beef is the #1 U.S. agricultural export, and exports make up 27% of total U.S. agricultural exports. When we add that to the fact that we are the world’s largest beef exporter, it becomes clear that we have a lot of opportunity to increase the value of our cattle.

The NCBA is committed to fighting for the right to free trade in beef and for increasing the value of our cattle and beef. This week’s shipment demonstrates the need to focus on the value we need to get for our trimmings. We will continue to have conversations with Brazil, and other emerging markets, to help increase the value of our cattle and beef.

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