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Implications of the Trans-Pacific Partnership for Meat, Poultry, and Seafood Trade

The Trans-Pacific Partnership (TPP) is a plurilateral free trade agreement presently being negotiated among eleven countries (TPP11): Australia, Brunei Darussalam, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam, and the United States. In 2011, beef, pork, poultry, lamb, and seafood trade with the TPP11 countries accounted for about 27% of total U.S. exports of these products and 53 % of total U.S. imports (tables 1 and 2). While the TPP has implications for all sectors of the economy, potential outcomes for different agricultural sectors are likely to vary based on existing trade relationships and the unique issues commodities face.

The TPP builds on work done in previous Free Trade Agreements and is designed to improve regulatory coherence among TPP members, while at the same time maintaining the flexibility for unforeseen trade events or future expansion of participating countries (USTR, 2011).

Table 1. United States livestock, poultry, and fish export statistics, calendar year 2012

Partner Country	Beef	Pork	Lamb	Poultry meat	Fish
	----------Total (Million $)----------				
World	5,506.51	5,499.59	21.38	5,026.08	5,019.16
TPP11	2,064.67	1,615.32	10.89	1,530.00	1,082.70
% US Exports	37%	29%	37%	30%	22%
Australia	4.12	181.96	0.16	1.18	21.53
Canada	1,099.86	512.06	3.44	409.51	964.36
Chile	49.45	1.07	0.04	36.23	3.07
Malaysia	0.02	0.00	0.00	9.19	8.97
Mexico	875.42	897.29	6.84	951.47	22.64
New Zealand	1.85	0.00	0.03	0.12	3.39
Peru	27.08	0.05	0.00	9.65	8.91
Singapore	0.14	21.99	0.31	52.55	21.78
Vietnam	6.71	0.90	0.07	60.10	28.06

Source of Data: U.S. Department of Commerce, Bureau of Census.

Table 2. United States livestock, poultry, and fish import statistics, calendar year 2012

Partner Country	Beef	Pork	Lamb	Poultry meat	Fish
	----------Total (Million $)----------				
World	3,552.18	1,023.97	624.49	199.63	12,643.42
TPP11	3,224.92	820.69	622.05	198.24	4,926.49
% U.S. Imports	91%	80%	100%	99%	39%
Australia	1,100.22	0.00	414.37	0.00	21.39
Canada	868.13	788.99	0.07	136.21	2,148.26
Chile	0.48	9.70	0.48	61.91	988.40
Malaysia	0.00	0.00	0.00	0.00	179.22
Mexico	516.11	22.00	0.60	0.13	422.19
New Zealand	739.99	0.00	206.54	0.00	104.37
Peru	0.00	0.00	0.00	0.00	177.58
Singapore	0.00	0.00	0.00	0.00	35.71
Vietnam	0.00	0.00	0.00	0.00	849.37

Source of Data: U.S. Department of Commerce, Bureau of Census.

Source: USDA Economic Research Service Livestock, Dairy and Poultry Outlook, Apr. 16, 2013 Sources: United States Trade Representative (USTR). 2011. "Enhancing trade and investment, supporting jobs, economic growth, and development: Outlines of the Trans-Pacific Partnership Agreement." Available at: http://www.ustr.gov/about-us/press-office/fact-sheets/2011/november/outlines-trans-pacific-partnership-agreement.

Trans-Pacific Partnership Invites Japan's Entry

The trade ministers of the eleven countries currently negotiating the Trans-Pacific Partnership (TPP) Agreement formally invited Japan into their ranks on April 20, 2013, pending the conclusion of their respective domestic procedures. The news of Tokyo's invite comes just over a month after Japanese Prime Minister Shinzo Abe announced that his country would be pursuing a seat at the table in the trans-Pacific negotiations. Officials have said that they hope Japan's membership will be in effect by July.

The decision to invite Japan into the eleven country talks took center stage during the weekend meeting of TPP officials, which occurred on the margins of the Asia-Pacific Economic Cooperation (APEC) trade ministers' gathering in Surabaya, Indonesia. In their announcement on April 20 the TPP ministers stressed that the process of formalizing Japan's entry will be conducted "in a manner that allows the negotiations to continue expeditiously toward conclusion."

With Japan's entry, TPP countries would account for nearly 40 percent of global GDP and about one-third of all world trade. TPP Ministers noted that Japan's participation in the negotiation will underscore the economic significance of TPP and its promise as a pathway toward a Free Trade Area of the Asia Pacific.

Source: Bridges Weekly Trade News Digest, Vol 17, Number 14, 25th April 2013 http://ictsd.org/i/news/bridgesweekly/160589; Office of the United States Trade Representative Press Release 04/20/2013

Japan: Egg Product Imports in metric tons

2011	Powdered Yolk	Powdered Whole	Liquid Yolk	Liquid Whole	Powdered Albumen
Jan	142.7	241.8	427.4	223.5	912.5
Feb	212.3	309.4	566.0	178.5	755.5
Mar	200.5	144.7	691.5	218.7	596.1
Apr	214.5	323.6	947.9	210.1	1,004.5
May	192.3	427.8	732.3	260.8	1,013.2
Jun	146.6	320.2	845.0	201.3	1,067.4
Jul	176.6	176.5	964.2	567.3	861.0
Aug	283.0	336.2	915.2	370.6	1,137.7
Sep	289.2	349.2	1,432.7	219.1	800.7
Oct	165.9	425.7	431.9	225.3	980.7
Nov	99.1	414.1	544.2	273.8	1,051.4
Dec	220.9	545.2	523.0	249.4	540.4
YTD	2,343.6	4,014.4	9,021.3	3,198.4	10,721.1
2012					
Jan	199.7	492.8	374.2	281.3	1,005.4
Feb	207.1	271.9	545.7	154.2	710.9
Mar	295.0	425.0	541.7	226.0	885.4
Apr	133.0	209.3	417.5	200.1	779.2
May	104.8	299.4	755.1	231.4	908.0
Jun	138.2	285.2	628.6	238.5	905.0
Jul	231.3	287.6	797.4	228.8	855.5
Aug	203.5	211.0	896.8	184.2	1,016.8
Sep	146.7	333.9	714.7	204.4	1,207.0
Oct	213.5	259.6	860.0	197.8	1,223.2
Nov	175.2	214.1	650.3	251.8	1,103.3
Dec	203.8	222.2	367.4	254.7	791.3
YTD	2,251.8	3,512.0	7,549.4	2,653.2	11,391.0
2013					
Jan	104.0	262.3	303.0	252.3	729.8
Feb	102.2	123.3	344.4	206.6	763.1
Mar	222.5	248.3	482.6	220.6	647.6
YTD	428.7	633.9	1,130.0	679.5	2,140.5

Source: Agriculture & Livestock Industries Corporation (ALIC)

INSPECTED EGG PRODUCTS-U.S. & CANADA IMPORT/EXPORT TRADE

U.S. Exports to Canada, in Pounds (000) (Preliminary)

Week Ending Apr 27, 2013 Year-To-Date*

Type	2013	2012 /1	2013 /2	2012
Liquid	0	0	1,241	431
Frozen	0	0	0	0
Dried	0	10	59	10
Total	0	10	1,300	441

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending Apr 27, 2013 Year-To-Date*

Type	2013	2012 /1	2013 /2	2012
Liquid	273	164	4,132	5,949
Frozen	47	15	480	370
Dried	0	0	4	0
Total	320	179	4,616	6,319

INSPECTED SHELL EGGS

U.S Exports to Canada, In 30-Dozen Cases (Preliminary)

Week Ending Apr 27, 2013 Year-To-Date*

	2013	2012 /1	2013 /2	2012
Liquid	0	0	0	0
Frozen	0	1,320	34,040	26,820
Dried	5,080	6,770	70,250	62,062
Total	780	60	12,453	11,193
Liquid	11,691	4,080	75,589	41,688
Frozen	0	0	0	0
Dried	17,551	12,230	192,332	141,763

/1 Comparable Week, to-date figures may not total due to rounding.
/2 Includes revisions to previous week(s)
*Note: Year to-date totals reflect comparable time periods.
Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

U.S./CANADIAN LIVE POULTRY SLAUGHTERED UNDER INSPECTION

Week Ending Apr 27, 2013 (Preliminary)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	2,061	1,470	3,531
Last Week	1,720	1,423	3,143
Same week yr ago	1,998	1,429	3,427
To-date/2013*	27,968	23,987	51,955
To-date/2012*	27,979	24,889	52,868

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	464	0	464
Last Week	468	0	468
Same week yr ago	412	0	412
To-date/2013*	6,123	0	6,123
To-date/2012*	5,325	36	5,361

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. Fowl Slaughtered in the U.S. and Canada

	Light Hens	Heavy Hens	Total Hens
	----------Thousands----------		
Head	2,525	1,470	3,995
Last Week	2,188	1,423	3,611
Same week yr ago	2,410	1,429	3,839
To-date/2013*	34,091	23,987	58,078
To-date/2012*	33,304	24,925	58,229

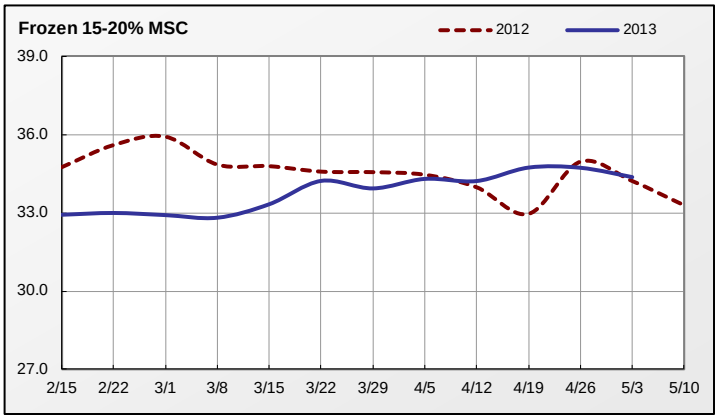
*Note: Year to-date totals reflect comparable time periods.

NATIONAL MECHANICALLY SEPARATED CHICKEN (F.O.B. Shipper Dock or equivalent; negotiated prices in trucklot and less-than-trucklot volumes reported in thousand pound quantities, cents/pound; delivery within 2 weeks.)

MSC prices continue to trend steady to firm on all fat contents. Supplies are light to moderate. Schedules are normal. Demand is mixed for both domestic and export channels; though there seems to be more domestic interest this week versus export. Industry is intently watching the marketplace and the usual influencing factors, as well as looking for any new developments or changes that might offer any indication in market direction. Market activity is moderate to active. Supplies of raw materials are light and moving well. Frames are steady to firm and trading between 14-16 cents FOB, mostly 15 FOB.

Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

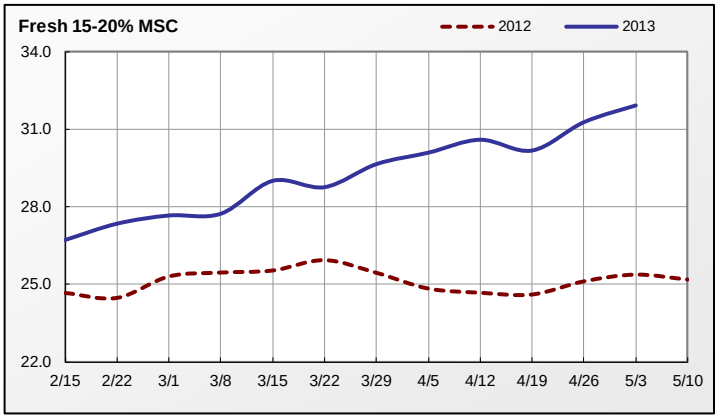
	Frozen			Fresh		
Fat Content	3-May-13	Last Week	Last Year	3-May-13	Last Week	Last Year
15% or Less						
Price Range			-	32.00 - 33.00	30.00 - 31.00	24.00-25.00
Wtd Avg Price			-	32.67	30.55	24.80
Volume Traded	-	-	-	184	224	204
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	32.00 - 38.00	33.00 - 38.00	30.00-37.00	28.00 - 35.00	27.00 - 34.00	24.00-27.00
Wtd Avg Price	34.37	34.73	34.22	31.93	31.28	25.38
Volume Traded	3,666	3,361	1,160	5,712	4,508	3,253
Volume Exported	3,546	3,281	1,040	245	326	245
20% or More						
Price Range	-	-	-	22.50	22.50	22.50
Wtd Avg Price	-	-	-	22.50	22.50	22.50
Volume Traded	-	-	-	82	82	41
Volume Exported	-	-	-	-	-	-



Monthly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

	Frozen			Fresh		
Fat Content	Apr 2013	Mar 2013	Apr 2012	Apr 2013	Mar 2013	Apr 2012
15% or Less						
Wtd Avg Price	32.00	31.00	-	30.29	29.16	25.39
Volume Traded	40	80	-	775	561	367
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	34.54	33.40	33.93	30.55	28.52	24.83
Volume Traded	8,831	6,348	6,532	20,114	17,485	14,195
Volume Exported	8,191	5,700	5,292	1,428	1,958	1,997
20% or More						
Wtd Avg Price	-	-	-	22.14	22.00	22.50
Volume Traded	-	-	-	286	367	245
Volume Exported	-	-	-	-	-	-

Note: Volume exported refers to that portion of the total volume that is destined for export markets.



Source: USDA AMS Livestock, Poultry & Grain Market News (www.ams.usda.gov/lpsmarketnewspage)

NATIONAL YOUNG TURKEY PARTS

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 03 MAY 2013.

The market on bulk parts was steady. Demand and offerings was light to moderate. The market on tom breast meat undertone is steady to barely steady. Demand and offerings light to moderate. Breast trim and scapula demand was moderate to good. Offerings light. The market on thigh meat was steady to barely steady. Demand and offerings were light to moderate. Bulk parts trading was slow to moderate. For domestic: fresh breast trim 107 cents, fresh scapula 120-120.75 cents, fresh wing meat 90 cents, fresh full cut wings 42 cents, fresh tails 56 cents, fresh tom necks 45 cents, frozen #1 thigh trim 93 cents, frozen tails 57 cents, grade A breast non basted 8-10 lbs. 132 cents, 12-16 lbs. 137 cents delivered. For export: fresh tom drums 61 and frozen scapula 119 to port.

EXPORT TRADING

FRIDAY, MAY 3, 2013	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		W	63.50	54	67.17	162
WINGS FULL-CUT - TOMS	44.00		44.00	240	43.06	402
WINGS, V-TYPE, TOM		W	76.00	594	76.00	1,026
TAILS		R	51.00	40	55.25	160
MECHANICALLY SEPARATED 2/	37.00		37.00	40	37.00	58
THIGH MEAT - FROZEN	112.00-113.0		112.40	200	113.71	726

THURSDAY, MAY 2, 2013	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		W	63.50	54
WINGS FULL-CUT - TOMS	45.00		45.00	54
WINGS, V-TYPE, TOM		W	76.00	594
TAILS	51.00		51.00	40
MECHANICALLY SEPARATED 2/		M	37.00	18
THIGH MEAT - FROZEN		W	112.85	94

WEDNESDAY, MAY 1, 2013	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	63.50		63.50	54
WINGS FULL-CUT - TOMS	40.00		40.00	108
WINGS, V-TYPE, TOM	76.00		76.00	594
TAILS	55.00		55.00	80
MECHANICALLY SEPARATED 2/		M	37.00	18
THIGH MEAT - FROZEN	112.00-114.00		112.85	94

TUESDAY, APRIL 30, 2013	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	69.00	108
WINGS FULL-CUT - TOMS		W	42.00	400
WINGS, V-TYPE, TOM		M	76.00	432
TAILS		M	60.00	40
MECHANICALLY SEPARATED 2/		M	37.00	18
THIGH MEAT - FROZEN		M	114.50	432

MONDAY, APRIL 29, 2013	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	69.00		69.00	108
WINGS FULL-CUT - TOMS		W	42.00	400
WINGS, V-TYPE, TOM	76.00		76.00	432
TAILS	60.00		60.00	40
MECHANICALLY SEPARATED 2/	37.00		37.00	18
THIGH MEAT - FROZEN	110.00-116.00		114.50	432

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.):
M=MONDAY T=TUESDAY W=WEDNESDAY R-THURSDAY F=FRIDAY
2/ 15-20% fat with skin added.