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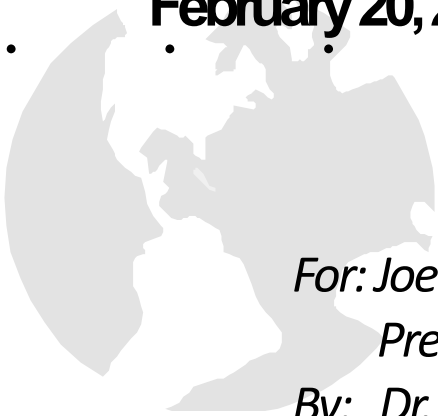
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# 2017 Exports Perspectives

**February 20, 2018**



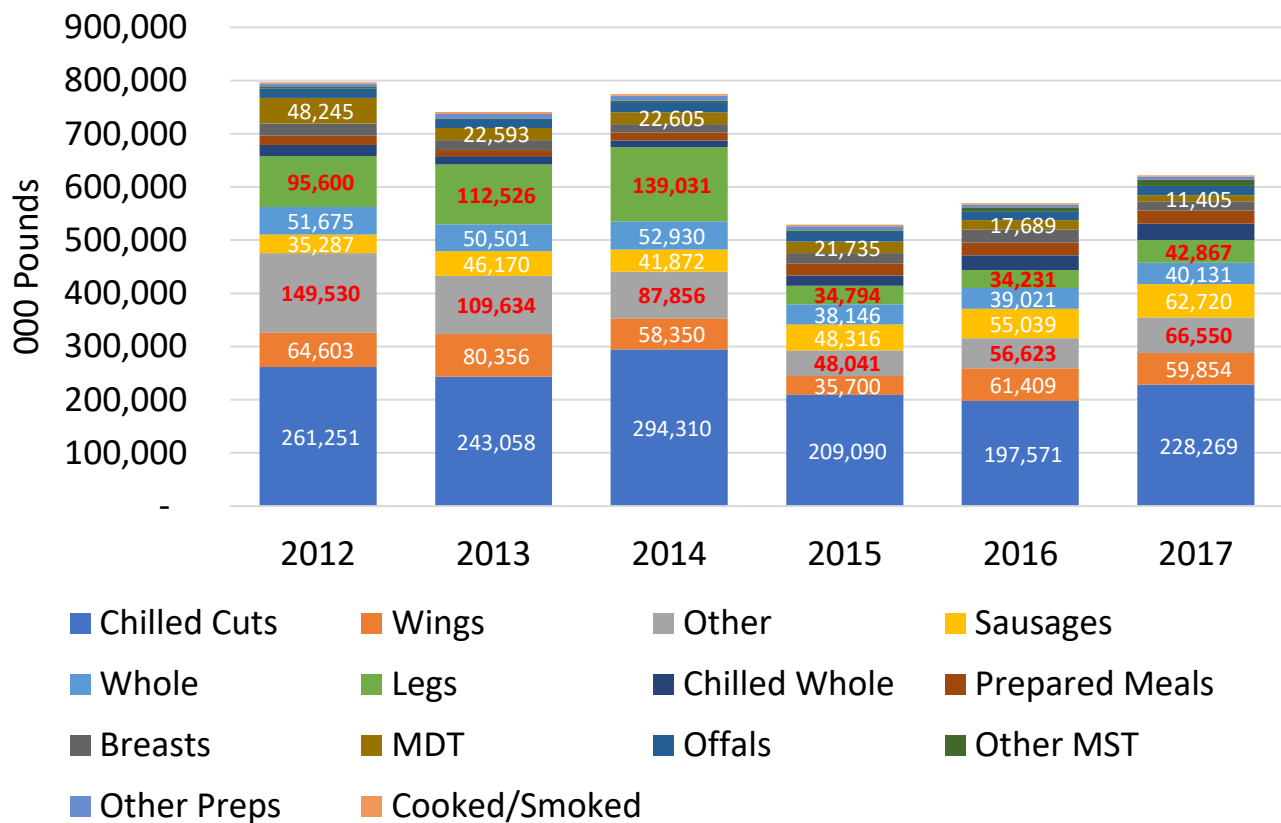
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**Summary:** USDA has released December 2017 exports, completing the calendar year data. What follows is a detailed look at 2017 turkey exports two years after the 2015 HPAI outbreak, and some challenges ahead.

**Exports by Product:** Based on the USDA/FAS GATS database 2017 calendar year turkey exports came in at 621 million pounds, up 9% over 2016. The chart below shows export details by product category. With the exception of sausage, no product exports have grown over this entire period. HPAI obviously played a key role in the reduced 2015-2017 export volumes

**Annual Turkey Exports by FAS Product Category**  
*(Frozen Products Unless Indicated as Chilled)*



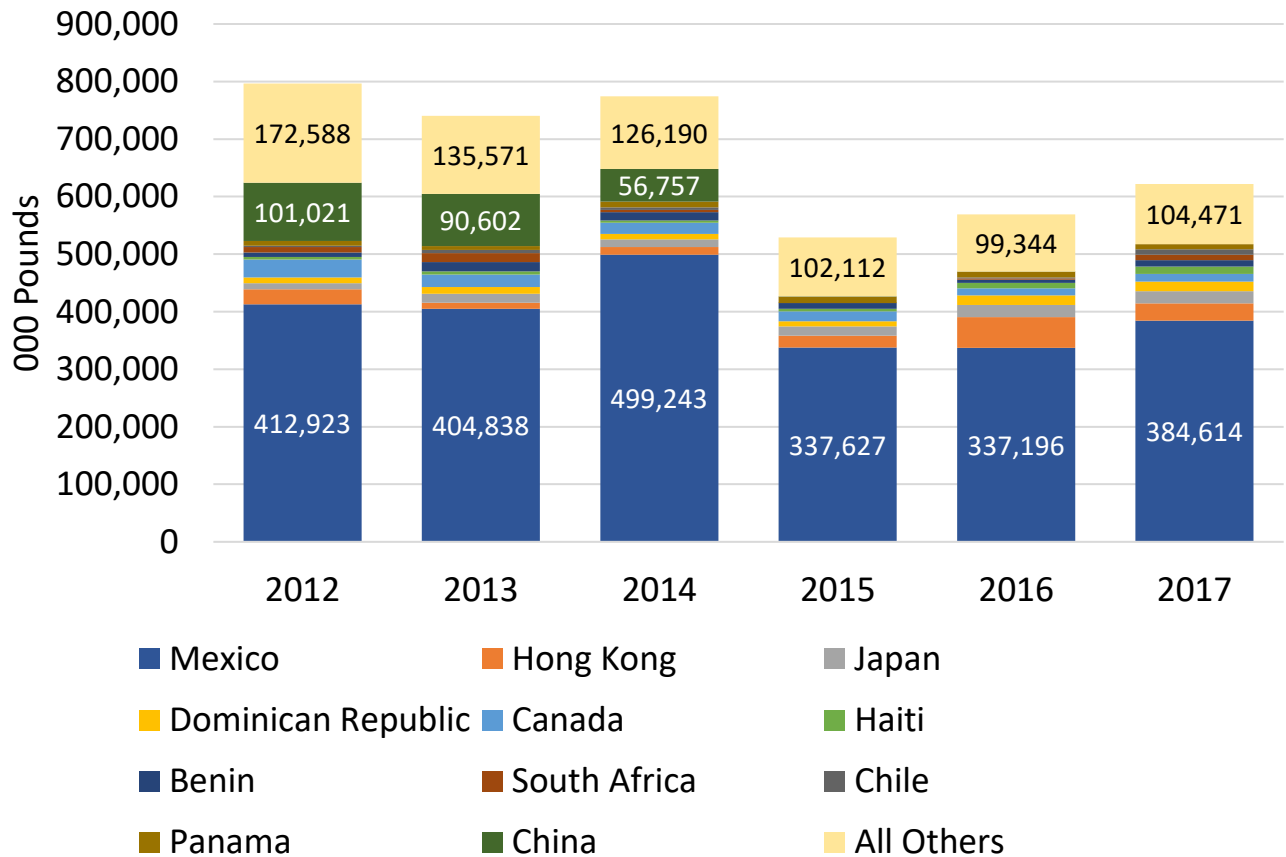
**Exports by Country of Destination:** The only significant export destination showing growth over 2012-2017 was Hong Kong. The 2015 loss of the China market was particularly damaging. That 2017 volume was zero. Also, our largest market, Mexico, remains below pre-HPAI levels, but is trending in the right direction and getting closer to 2012.

Russia was also importing small amounts of U.S. turkey before 2015, and had zero 2017 volume. In total, all minor markets have recovered to pre-HPAI volumes, but the destination mix has changed.

Getting the China market back is going to be difficult, at best. China is still severely restricting U.S. chicken imports despite two WTO rulings that those restrictions are in violation of WTO rules. Turkey is

politically not as important to China as chicken, limiting our leverage to restore access. On a more positive note, U.S. turkey does not compete with a Chinese product. We must continue efforts to have their HPAI restriction lifted, but it's going to take some time.

### Exports by Destination 2012-2017

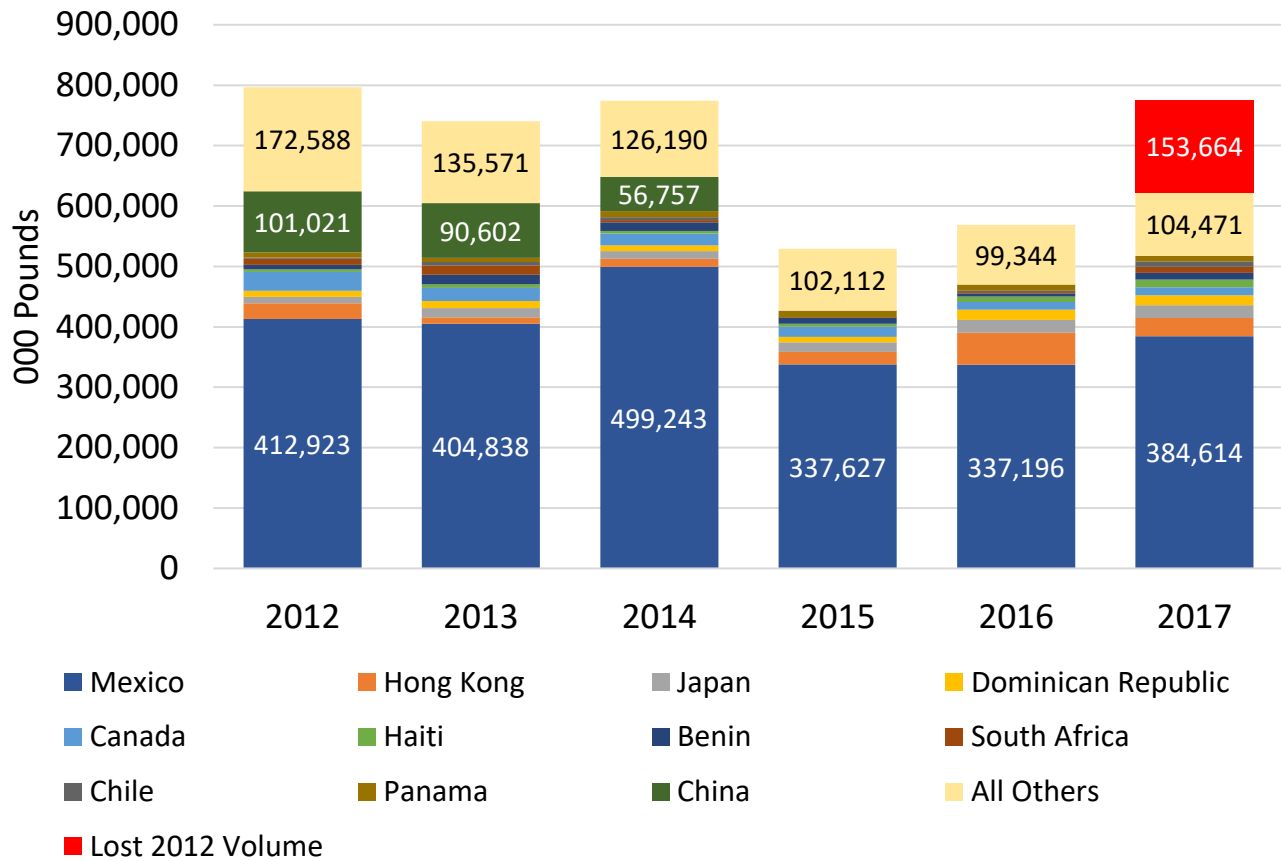


**What If?:** What if we could get China, Russia and other significant lost volumes (Philippines and Angola) back to 2012 pre-HPAI volumes? If that had happened in 2017 exports would have been close to the all-time 2012 record!

The final chart shows 2017 exports with 2012's lost China, Russia, Philippines and Angola volumes restored. If that had happened we would have seen the second best exports ever, as good as 2014 and just behind 2012.

The export market challenge is to either restore access to those lost markets, find new markets, or increase volumes to current markets. Ideally, we could be successful with all three initiatives. The steady 2016-2017 recovery is very encouraging, but it's going to take a significant efforts to completely overcome HPAI export damage.

## Exports by Destination 2012-2017



**Summary:** The positive 2016-2017 export trend is encouraging. We are seeing continued export volume increases of products that are adding increasing value to U.S. producers. Continued export progress will take continued marketing efforts on the part of exporting U.S. producers and political pressure on China and Russia for restored market access.

**Notice:** Key monthly turkey production, trade, use and stocks data and analysis are now on a dedicated page of the FarmEcon LLC website. These data are updated monthly on or about the the date that monthly USDA exports are released. That is generally late in the first week of the month. December 2017 data were released on February 6 2018.

This FarmEcon website feature is <http://www.farmecon.com/Pages/TurkeySupplyUseTracker.aspx>.

This new site feature is being provided by FarmEcon LLC as a service to the industry.