

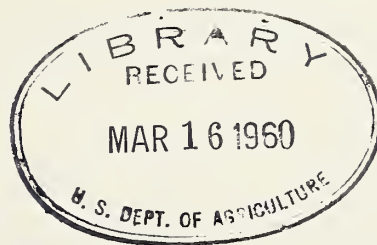
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# Prospects for Foreign Trade in



**LIVESTOCK AND MEAT**

Foreign Agricultural Service  
UNITED STATES DEPARTMENT OF AGRICULTURE  
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## CONTENTS

	Page
Summary . . . . .	1
Current world situation:	
Livestock . . . . .	1
Meat . . . . .	1
Lard . . . . .	3
Tallow and greases. . . . .	4
Wool . . . . .	4
Mohair . . . . .	5
The United States in the world setting:	
Meat . . . . .	5
Variety meats . . . . .	6
Lard . . . . .	9
Tallow and greases. . . . .	10
Casings . . . . .	11
Hides and skins . . . . .	11
Wool . . . . .	12
Mohair . . . . .	12
Building world markets:	
Promotion activities . . . . .	12
Participation in trade association meetings. . . . .	14
Market information. . . . .	14
Reducing foreign trade barriers . . . . .	15

# PROSPECTS FOR FOREIGN TRADE IN LIVESTOCK AND MEAT

## SUMMARY

Prospects are for continued large world trade in livestock and meat products during 1960. The United States will again be both an important exporter and importer, moving large quantities of byproducts abroad and taking sizable numbers of feeder cattle. Its meat imports, however, are expected to decline somewhat from the record level of 1959.

Beef imports may remain at relatively high levels, even though increases in production of both beef and pork in the United States are forecast. This is because farmers are feeding out animals to a greater extent than usual to take advantage of favorable livestock prices and low feed prices, leaving a shortage of low-grade beef and mutton to be supplied by imports. The decrease in U.S. meat imports in 1960 will result from reduced supplies in the principal exporting countries and larger U.S. supplies.

Lard, tallow, and variety meats are the most important U.S. livestock products marketed abroad. Lard supplies should be even larger than the high level of 1959 and exports are expected to reach an alltime high. U.S. exports of variety meats with more competitive prices, larger supplies, and aided by trade liberalization measures in several European countries should establish a new record high. Reduced domestic demand and extremely low prices should lead to a future upturn in tallow exports.

Cattle hides and calfskin shipments will probably show some recovery from the low level of the previous year. Sales of U.S. hog casings abroad will probably remain high in line with increased domestic production.

## CURRENT WORLD SITUATION

### Livestock

World livestock numbers are continuing to increase moderately. Numbers of all species are expected to reach record totals by January 1960. This increase has been encouraged by a greater demand for meat since World War II, which is due to the post-war rise in incomes, living standards, and population in many countries.

World trade of live animals gained in 1959, as many countries placed increased emphasis on building their livestock industry. One of the principal steps in this build-up is the importation of quality breeding stock, and consequently trade of this nature has increased significantly. Trade of slaughter animals also increased some, but remains a small percentage of total world livestock and meat trade.

### Meat

World meat production rose substantially in 1959, but a more moderate rise is expected during 1960. Principal factor in the 1959 gain was increased pork production. Beef and veal rose only slightly, and lamb and mutton remained about level. The more moderate rise of 1960 will be due to substantially smaller gains in pork production and only modest increases in beef, veal, lamb, and mutton.

In 1958, meat production was about the same as in 1957, but 17 percent more than the 1951-55 average. Beef and veal were 15 percent above this average; pork was up 19 percent; and lamb and mutton 17 percent.

TABLE 1.--Meat and livestock products: U.S. and foreign production, consumption, and trade, average 1951-55 and annual 1958, with comparisons

Commodity	1951-55		1958 <sup>1</sup>		Percent change 1958 over 1951-55 average	
	Foreign	United States	Foreign	United States	Foreign	United States
Beef and veal:	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Percent</i>	<i>Percent</i>
Production.....	29,028	12,885	33,809	14,550	16.4	12.9
Pork:						
Production.....	21,687	10,775	28,207	10,525	30.1	-2.4
Mutton, lamb, and goatmeat...	6,042	678	7,187	685	18.9	1.0
All meat, incl. horsemeat:						
Production.....	57,366	24,338	69,774	25,760	21.6	5.8
Exports.....	4,246	140	5,943	101	39.9	-27.9
Imports.....	4,067	467	4,675	1,117	14.9	139.2
Consumption.....	57,187	24,622	68,506	26,645	19.8	8.2
Lard:						
Production.....	6,201	2,618	9,581	2,458	54.5	-16.1
Exports.....	113	555	238	387	10.6	-30.3
Imports.....	733	---	701	---	---	---
Consumption.....	6,821	2,063	10,044	2,071	47.3	0.4
Tallow and greases:						
Production.....	2,503	2,897	3,474	3,077	38.8	6.2
Exports.....	291	1,024	717	1,133	146.4	10.6
Imports.....	1,492	3	1,534	2	2.8	-33.3
Consumption.....	3,704	1,876	4,291	1,946	15.8	3.7
Variety meats:						
Production.....	<sup>2</sup> 923	1,676	<sup>2</sup> 1,210	1,762	31.1	5.1
Exports.....	<sup>3</sup> 164	30	<sup>3</sup> 245	70	49.4	133.3
Sausage casings:						
Exports.....	---	17	---	17	---	---
Imports.....	---	14	---	16	---	14.3
Mohair:						
Production.....	23	14	24	20	4.3	42.9
Exports.....	13	2	15	13	15.4	550.0
Wool:						
Production (greasy).....	4,244	296	5,017	293	18.2	1.1
Exports (actual weight)....	2,314	1	2,567	5	10.9	400.0
Imports (actual weight)....	3,511	441	3,815	255	8.7	-42.2
Consumption (clean).....	2,082	412	2,480	310	19.1	-24.8

<sup>1</sup> Preliminary. <sup>2</sup> United Kingdom, Australia, New Zealand, Canada, Ireland, Uruguay, Denmark, Argentina, West Germany. <sup>3</sup> Australia, New Zealand, Canada, Ireland, Uruguay, Denmark, Argentina.

In Western Europe, a major beef producing and importing region, beef production increased slightly in 1958, while imports showed a slight drop. However, beef production was down sharply in the largest exporting area--South America. It rose only slightly in Oceania and was down in the United States and for North America as a whole.

USDA official inspects boxes of boneless beef imported from New Zealand. High U. S. demand and prices in the past 2 years have drawn record meat shipments from abroad, especially of the lower grades. Forecast for 1960 calls for somewhat smaller imports.

Total world pork production in 1958 was up 4 percent from 1957. The greatest increases were in most of the West European countries and Canada. The USSR also showed a substantial increase. In 1959, however, there was a sharp increase in North American production, but only slight gains in other areas of the world.

Despite the small change in production in 1958, world meat trade continued to expand, with record imports by the United States a dominant development. U.S. imports rose to 1.1 billion pounds (about 19 percent of total world imports), with beef and veal accounting for about one-half of the total. U.S. meat imports increased again in 1959, but only moderately; they are expected to decline somewhat in 1960.

Also contributing to the high level of trade in 1958 were unusually large imports of meat by Canada and the Philippines. Canada also increased its exports substantially. And Australia, New Zealand, Argentina, Denmark, and some East European countries (mainly Yugoslavia and Czechoslovakia) continued to export at high levels. Mexican, Brazilian, and Irish exports also increased substantially during this period.

Imports by the United Kingdom, the world's leading meat importer, declined 4 percent during 1958 but still accounted for 57 percent of world imports. West European imports, including the United Kingdom, although declining 8 percent, still accounted for 70 percent of all meat entering world commerce.

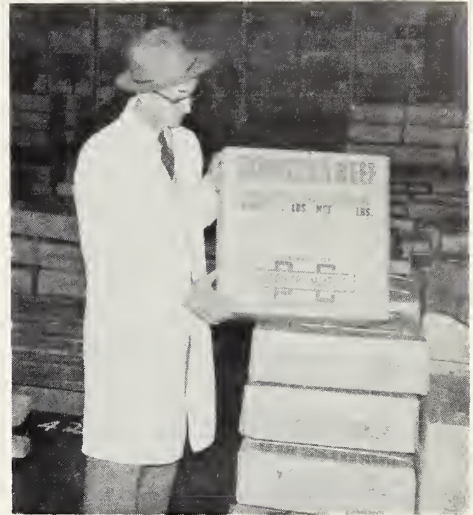
In 1958, too, world meat demand remained strong, and prices of all meats and animals continued high. In late 1959, prices, especially for pork, were showing a tendency to weaken in North American markets, and in the United Kingdom the lamb and mutton market declined. Meat prices in other areas generally remained high, especially in South America.

In most countries the demand for pork and pork products has continued strong. Particularly in West Germany, the Netherlands, France, and the United Kingdom, demand has exceeded supply and North American pork variety meat exports have increased substantially to these countries. Also exports of pork carcass meats and pork products have increased, mainly to the Latin American countries, thus providing some relief for North American surpluses. The recent removal of pork variety meats and offals from import restrictions by the United Kingdom and France may give some stimulus to U.S. sales to European markets.

The remaining U.K. restrictions on other pork and pork products, however, will continue to be a limiting factor in trade with the United States. Various barriers imposed by Italy, France, Germany, and Switzerland, to support their domestic prices, will continue to be an additional limiting factor to U.S. exports.

### Lard

World lard output in 1959 was 13.0 billion pounds, about 1 billion pounds above that of a year earlier. Production in major producing countries, including Communist China, was 8.6 million pounds--up 6 percent from 1958. Most of the increase occurred in the



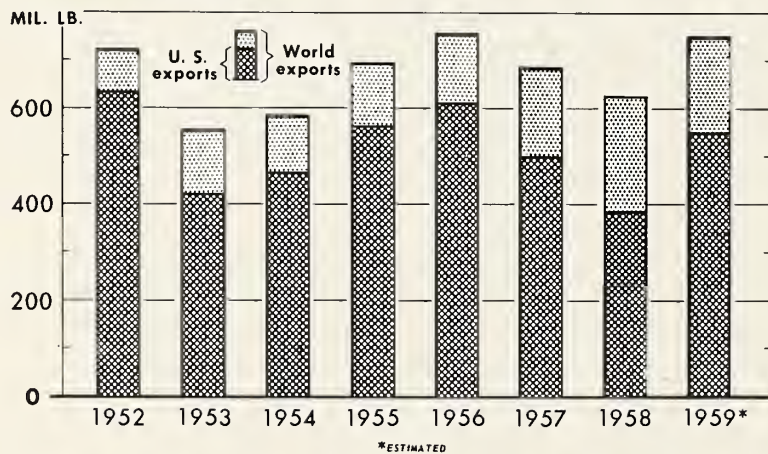
United States and Canada, where hog slaughter was up 12 and 32 percent, respectively. U.S. output in 1959 is expected to total 2,725 million pounds, up 11 percent from 1958. A further increase in world output is expected in 1960, but the rise will not be as sharp as during the previous year, for the increase in world hog slaughter is expected to be smaller--up 3 percent compared with 8 percent in 1959. A decline is forecast for Canada and Argentina, but production in most of the other producing countries will rise slightly.

World exports fell from 685 million pounds in 1957 to 625 million in 1958, and are expected to reach 750 million pounds by the end of 1959.

### Tallow and greases

World production of tallow and greases in 1959 was 7.1 billion pounds, about 9 percent above 1958 production. This largely reflected a 12-percent increase in U.S. output, and a further substantial gain in Australian production. Output in Argentina declined somewhat in 1959. New Zealand production of beef tallow also declined but this was partly offset by an increase in mutton tallow. In 1960, world output is expected to attain another record peak, as both cattle and hog slaughter in the United States increase.

### **U. S. Increases Share Of World Lard Trade**



USDA

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World exports of tallow and greases totaled 2.0 billion pounds in 1959--an increase of about 8 percent over 1958. Most of the increase was in shipments from the United States, although Australian exports also rose. U.S. exports were approximately 1,300 million pounds, about 20 percent higher than a year earlier. Australia continued to increase its exports, mainly to Japan, a major U.S. market.

### Wool

World wool production of 5.4 billion pounds in 1959 was up slightly from the previous year. Five Southern Hemisphere countries--Australia, New Zealand, Union of South Africa, Argentina, and Uruguay--account for over half of the world's production and 85 percent of the world's exports of raw wool. Output continued to increase in Australia, New Zealand, and South Africa in 1959, but production in South America is expected to be lower because of heavy rains and floods. U.S. output of about 305 million pounds (including greasy equivalent of pulled wool output) was 4 percent larger in 1959.



World wool consumption in 1958 was 6 percent below the record 1957 level. Consumption declined in most of the major consuming countries of the Free World. This decline has been reversed in 1959, and world consumption is expected to attain another record peak. The large accumulated wool stocks in Argentina and Uruguay at the beginning of the 1958-59 season have been largely exported. As a result, carryover stocks in the major producing countries at the beginning of the 1959-60 season were relatively low. Wool prices, which had declined sharply in the second half of 1957 and throughout most of 1958, improved somewhat in 1959. In September, prices ranged from 12 to 32 percent above those of a year earlier, with the larger increase in the coarse types.

Mohair

World mohair production is estimated at around 49 million pounds in 1959. This is 6 percent above the 46 million pounds produced in 1958.

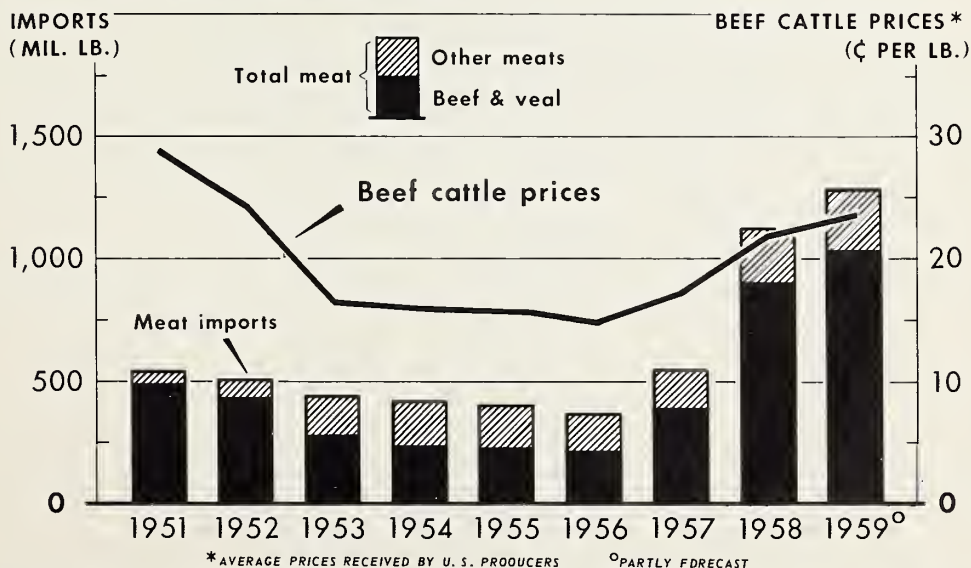
**THE UNITED STATES IN THE WORLD SETTING**

Meat

The United States, which accounted for about 10 percent of the world's total imports of meat and meat products in 1957, doubled this percentage in 1958, and sharply increased its position as the world's second largest importer.

With almost 97 million head of cattle, 57 million head of hogs, and 33 million head of sheep, the United States produced almost 26 billion pounds of meat in 1958, or about 28 percent of total world production. This was over twice the production of the USSR--the world's second largest meat producer. When U.S. production dropped by 2.3 billion pounds from 1956 to 1958, it would have taken more than the combined exports of Australia, New Zealand, and Argentina to fill this gap. In fact, the total of the world's trade in meat for 1958--at 5.8 billion pounds--amounted to only 22 percent of U.S. production in that particular year.

**U. S. Meat Imports Up;  
Cattle Prices Remain High**



In 1959, U.S. livestock numbers and meat production increased. While U.S. imports increased some over 1958, exports, led by pork, were also up substantially and are expected to increase further in 1960. Imports are expected to be down somewhat next year.

The unusually heavy imports during 1958--counting the carcass weight equivalent of livestock imported--were still only about 6 percent of total U.S. output, even though it dropped during that time. Live cattle imports, which were also unusually high during 1958, were equivalent to 1,443 million pounds of carcass meat, or about one-fourth of the total imports in 1958.

Slightly reduced supplies of cattle caused farmers to hold back cows from slaughter to build up herds. Also, other animals which might have been slaughtered for boning were held on farms to utilize large feed supplies. Slaughter of cutter and canner cattle fell from 17 percent of total slaughter in 1957 to 12 percent in 1958. The consequent sharp price increase for low-grade meat encouraged foreign exporters, especially in New Zealand, Australia, Argentina, and Ireland, to increase their shipments to the United States.

The movement of meat from Australia and New Zealand is likely to continue, but at reduced levels. Trade contacts have been made, refrigerated ships have been shifted from the European run, and packing plants have been modified to meet the demands of the U.S. market. The shortage of beef in the United Kingdom during 1959 and early 1960 will increase prices there and attract some of the trade which might otherwise come to the United States. This, however, is not expected to offset the positive factors which have already been set in motion.

In early 1959, U.S. Department of Agriculture scientists discovered that the processes to which imported cured and salted boneless refrigerated beef were subjected did not completely kill foot-and-mouth disease organisms in the meat, so imports of this type of beef from areas infected with foot-and-mouth disease were immediately prohibited. Almost all of the 142 million pounds of meat imported under the tariff category "other meat, canned, prepared or preserved", was cured boneless beef from infected areas including Argentina, Paraguay, Brazil, and Uruguay; this prohibition has sharply reduced the importation of beef from South America. However, some transfer of this type of trade to shipments of canned beef or fully cured beef, such as corned beef, is taking place.

U.S. cattle imports during 1958 rose sharply to over 1.1 million head--a new record. Over 80 percent of these animals were feeders, bought by U.S. farmers to convert abundant feed supplies into meat. During the first quarter of 1959, imports of cattle from Canada dropped sharply and remained low throughout the remainder of the year. Imports from Mexico rose during that quarter, but later in the year the Mexican Government placed a quota on cattle exports to protect supplies for domestic consumption. Also, it substantially increased export taxes on cattle. These factors, together with a decline in U.S. demand, caused a reduction in this trade with Mexico.

Live sheep and lamb imports showed some increase in 1959 when shipments from Australia were received for the first time. These imports may rise further in 1960.

### Variety Meats

The 1958 U.S. exports of variety meats--at 70 million pounds--were 24 percent below those of 1957. Increased prices cut the drop in value to \$15.9 million--only 15 percent below 1957.

Most of this reduction was due to limitations on dollars allocated for the purchase of U.S. variety meats by the West German Government during 1958 in an effort to support lagging German hog prices. Dollar allocations were increased toward the end of 1958

TABLE 2.--U.S. exports of livestock, meat, and meat products: Volume and value, annual 1956-58

Commodity	Quantity			Value			1958 value as percent of	
	1956	1957	1958 <sup>1</sup>	1956	1957	1958 <sup>1</sup>	1956	1957
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars	1,000 dollars	Percent	Percent
Beef and veal.....	89,291	88,536	24,772	27,694	28,867	9,661	35	33
Pork.....	75,571	78,000	54,248	19,325	27,670	20,590	107	74
Lamb and mutton (except canned).....	583	1,313	744	296	671	504	170	75
Sausage, bologna, and frankfurters..	6,949	9,900	4,177	3,089	5,563	2,327	75	42
Meat and meat products, canned, n.e.c.....	2,538	7,419	5,325	758	2,222	1,477	195	66
Baby food, canned.....	607	1,127	1,659	259	502	704	272	140
Horse meat (all kinds).....	11,190	7,246	3,896	2,852	1,970	1,114	39	57
Variety meats.....	99,427	91,179	69,557	18,641	18,671	15,854	85	85
Sausage casing, natural, hog.....	7,339	8,402	8,279	4,311	6,930	8,374	194	121
Sausage casing, natural, n.e.c.....	10,881	10,110	8,408	3,326	3,244	3,382	102	104
Lard.....	611,394	501,262	386,542	79,523	74,453	52,020	65	70
Tallow and greases <sup>2</sup> .....	1,501,675	1,391,771	1,119,444	122,889	121,046	97,376	79	80
Hides and skins.....	1,000 pieces	1,000 pieces	1,000 pieces	56,918	64,913	53,372	94	82
Mohair.....	8,877	11,167	9,831	13,474	11,840	11,876	88	100
Livestock:	Number	Number	Number					
Cattle and calves.....	36,860	43,945	25,582	9,966	12,011	7,946	80	66
Sheep and lambs.....	60,410	36,029	17,487	1,089	743	382	35	51
Hogs.....	10,255	3,907	907	532	261	56	11	21
Total.....	---	---	---	364,942	381,577	287,015	79	75

<sup>1</sup> Preliminary.

<sup>2</sup> Includes inedible tallow, inedible animal greases and fats, inedible animal oils, n.e.c., neatsfoot oil and stock, oleic acid or red oil, and stearic acid.

TABLE 3.--U.S. imports of livestock, meat, and meat products: Volume and value, by type, annual 1956-58

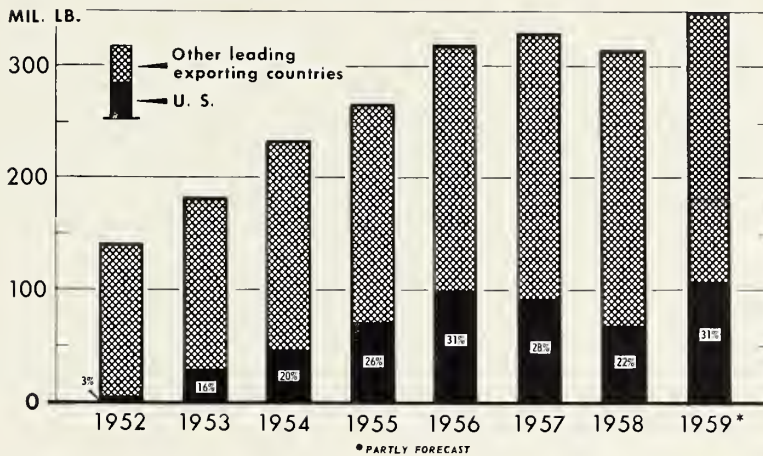
Commodity	Quantity			Value			1958 value as percent of--	
	1957		1958 <sup>1</sup>	1956		1957	1956	1957
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars	1,000 dollars	Percent	Percent
Beef and veal.....	111,860	232,484	477,821	29,346	59,280	152,752	521	258
Pork.....	139,395	133,030	182,750	94,576	97,898	125,827	133	129
Lamb and mutton.....	1,372	3,543	23,976	324	835	5,511	1,701	660
Other, canned, prepared or preserved.....	5,532	15,180	141,402	2,223	4,089	32,508	1,462	795
Variety meats, edible, fresh or frozen.....	98	330	2,127	20	69	491	2,455	712
Casings, sheep, lamb, and goat.....	5,540	4,995	4,858	12,179	11,591	10,163	83	88
Other natural casings....	8,877	11,648	11,410	2,871	4,112	4,201	146	102
Lard.....	0	0	0	0	0	0	0	0
Tallow and greases <sup>2</sup> .....	1,666	5,204	1,912	1,129	389	166	15	43
Hides and skins.....	55,514	43,979	44,830	52,301	38,015	42,126	81	111
Livestock:	Number	Number	Number					
Cattle.....	159,359	727,853	1,152,407	15,629	70,934	137,330	879	194
Sheep.....	3,158	17,832	39,769	98	331	732	747	221
Hogs <sup>3</sup> .....	382	746	9,094	32	65	363	1,134	558
Total.....	---	---	---	210,728	287,608	512,170	243	178

<sup>1</sup> Preliminary.

<sup>2</sup> Includes edible and inedible tallow, oleo oil and stearine animal oils and fats, n.e.c., stearic acid, animal fats and greases, n.e.c., and animal oils.

<sup>3</sup> 200-pound equivalent.

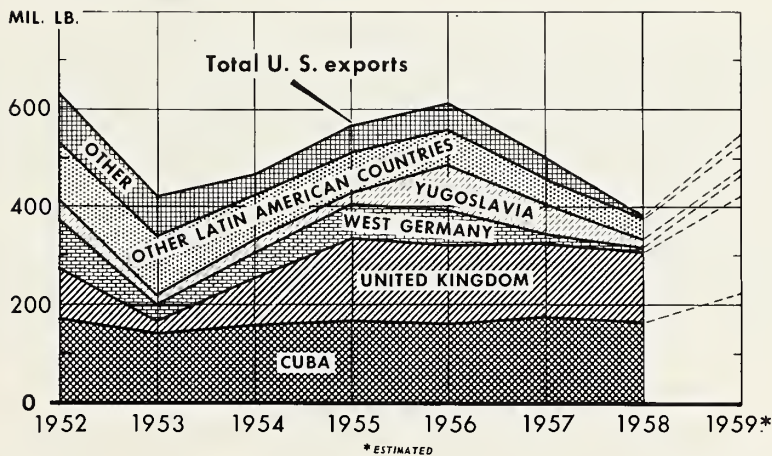
## U. S. Variety Meat Exports Reach New High in 1959



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## U. S. Lard Exports Up; Cuba & U. K. Top Markets



USDA

FAS-NEG. 1953

and exports to West Germany, the largest U.S. export market for variety meats, rose sharply. Since then U.S. trade to this market has continued at a high level. Exports to the Netherlands, the second most important U.S. variety meat outlet, have also increased in 1959. The United Kingdom, which early in 1959 increased its dollar allocation for the purchase of certain beef variety meats from the United States and Canada, has now removed restrictions on all variety meat imports. With the present large supplies of pork variety meats and anticipated large supplies of other variety meats, U.S. exports to these and other markets are expected to gain still further in 1960.

### Lard

Approximately one-fifth of the total U.S. lard output is marketed abroad. In 1959, U.S. lard exports rose more than 50 percent, following a sharp decline during the previous 2 years. The U.S. share of the world lard trade in 1959 was 73 percent compared with 62 percent in 1958.

Specifically, U.S. lard exports in 1959 increased about 62 million pounds to Cuba--the largest customer--53 million pounds to the United Kingdom, and 30 million pounds to West Germany. Larger exports to these markets reflected increased demand and some displacement of exports from other countries. Also, larger supplies in the United States and substantially lower prices stimulated exports in 1959. Lard was again declared eligible for shipments under Public Law 480. Another important development in the U.S. lard trade was the large-scale shipment of bulk lard in tankers through the St. Lawrence Seaway to England. A further rise in U.S. exports is expected in 1960, with increasing supplies and with prices remaining relatively low. Lard output in Western Europe will probably increase slightly, but shipments from Canada may be reduced. These factors and especially the price position of U.S. lard should result in both an absolute and proportionate increase in the U.S. share in world lard trade.

### Tallow and greases

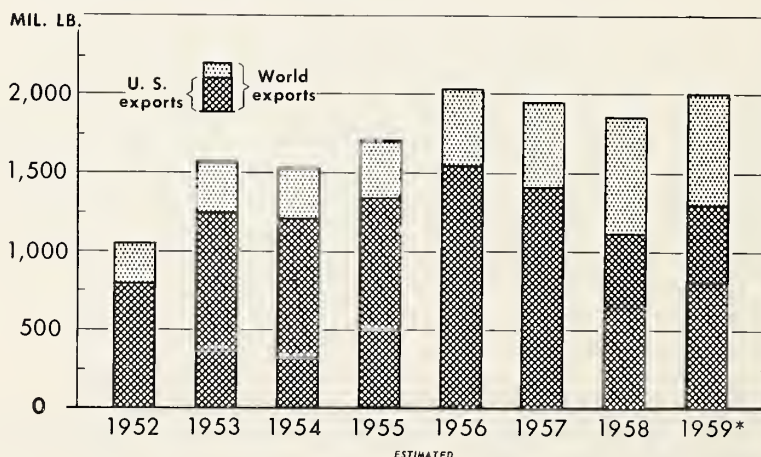
In 1959, the United States produced about half of the world's tallow and greases and accounted for 65 percent of world trade. U.S. output totaled 3.4 billion pounds--about 12 percent above those of a year earlier.

Although U.S. cattle slaughter was down slightly in 1959, the output of tallow rose, owing to the increased proportion of heavy-weight cattle slaughtered. Production of greases also increased with the sharp rise in hog slaughter. Another substantial increase in tallow and grease production is expected in 1960, as both cattle and hog slaughter are expected to rise.

U.S. exports in 1959 were about 20 percent above those of a year earlier. Shipments to most major destinations increased sharply, with a notable exception of Mexico, where imports were restricted by controls. Exports to the Netherlands were up about 60 percent, and shipments to Italy and Japan were up 10 and 15 percent, respectively. As in the case of lard, exports of tallow and greases have been stimulated by increased U.S. supplies and significantly lower prices. Shipments are expected to increase further in 1960 along with a further expansion in production and relatively low prices.

Long-run prospects for tallow hinge on a number of factors, one of the most important being the rate of displacement in existing utilizations as compared with the rate of increase in alternative utilizations. For example, the displacement of tallow in soap making may be offset by greater use in feeds. The long-run impact of these utilization

### **U. S. Tallow Exports Rebound As World Trade Nears Record**



shifts are difficult to evaluate in terms of their relative end-use values; if tallow for use in feeds has a lower value than in soap, the long-run trend would be for a downward drift in the value of raw material.

### Casings

World, or even U.S., production statistics are not available for natural casings, but data on the raw stock indicate it is in excess of utilization. In the United States and in some other countries, demand has been declining over the past several years as a result of the rapid growth of the synthetic casings industry. Production of synthetics has more than doubled in recent years.

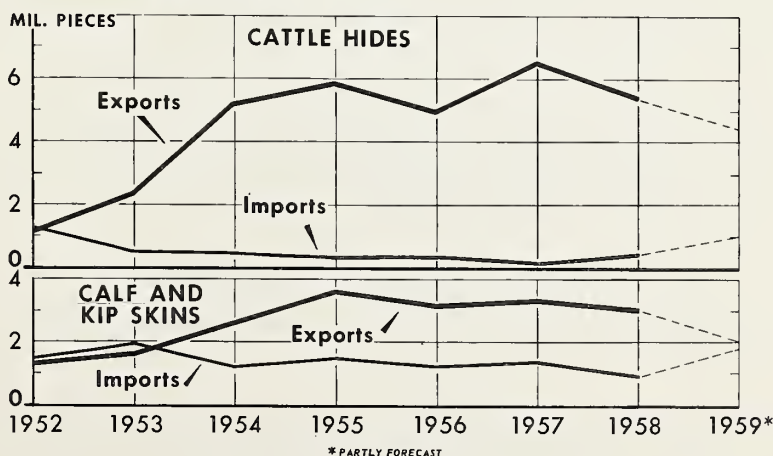
U.S. exports of hog and beef casings have been about 18 million pounds annually in recent years. These exports go chiefly to Western Europe, Australia, and New Zealand. The United States imports about 5 million pounds of sheep and lamb casings yearly, principally from Australia, Argentina, and New Zealand, and 11 million pounds of other natural casings--mainly from Canada, Denmark, and Argentina.

### Hides and skins

U.S. production of bovine hides and skins moved to generally lower levels in 1959 for the third year in succession. World production estimates are not available, but output in Argentina--the largest supplier outside the United States--also declined in 1959.

After 1952, the United States shifted from a net importer to a substantial net exporter of cattle hides and calfskins. Total exports of these hides and skins rose to a record 9.8 million pieces in 1957. In the following 2 years they declined to a level of 7.2 million in 1959, the lowest since 1953. Prices of cattle hides were relatively stable following the Korean War and until 1959. In that year, prices rose sharply as a result of increased demand and reduced supplies in both Argentina and the United States. Prices of some types of cattle hides in the United States during much of 1959 were more than double the level of a year earlier. As a result, U.S. exports declined and imports increased. Hide prices generally eased somewhat in late 1959 as cattle slaughter increased. The United States is a substantial net importer of goat and sheep skins, although exports of the latter have increased in recent years.

## U. S. Hide & Skin Exports Down as Imports Rise



U.S. production of bovine hides and skins in 1960 is expected to rise as cattle slaughter begins to increase from low levels of recent years. Exports are also expected to increase, especially if prices decline significantly from 1959 levels.

U.S. exports of hides and skins go primarily to Japan, Western Europe, and Canada. Some displacement in the use of hides by synthetics is to be expected in these areas as in the United States. The high world hide prices during 1959 probably accelerated this displacement.

### Wool

Practically all carpet wool used in this country and about half of the apparel wool are imported. Carpet wool imports in 1958 were 123 million pounds, clean basis, and apparel wool imports were 67 million pounds. With a sharp reversal in the downward trend in wool consumption, imports in 1959 have almost doubled. Duty-free imports (carpet wool) were up 115 percent in January-August 1959 and dutiable imports (apparel wool) were up 68 percent. Carpet wool imports have been aided by the suspension of duties in mid-1958 on certain grades of coarse wool if used in carpets and other specified uses.

U.S. mill consumption and imports of apparel wool were down sharply in 1958 for the second year in a row. The rate of consumption in 1959 has recovered sharply as a result of an increase in both consumer and inventory demand.

### Mohair

The United States, Turkey, and the Union of South Africa account for the bulk of world mohair production. With recent declines in Turkey, the United States at 20.9 million pounds in 1958 became the world's leading producer. U.S. output in 1959 increased to an estimated 23.0 million pounds. In 1958, U.S. exports totaled 13.2 million pounds, or about 80 percent of the clip. Western Europe, led by the United Kingdom and the Netherlands, has been the major export outlet. Japan is a minor importer. Shipments in 1959 are expected to reach another record high.

Mohair prices are supported by the National Wool Act of 1954, but annual average prices have been above the support level of 70 cents per pound, and no payments have been made under the Act. Exports have played a significant role in maintaining prices above the support level in recent years. When exports declined sharply in late 1957 and early 1958, prices fell sharply, but a resumption of exports during the latter part of the 1958 season brought the season's average up to 72.3 cents.

Average mohair prices for the first 6 months of the 1959 season ranged from 86 to 98 cents per pound, and it is not expected that any payments will be made in 1959. Although prices and demand have historically been highly changeable, the outlook for mohair during the next year appears favorable.

## BUILDING WORLD MARKETS

### Promotional activities

In 1959 increasing emphasis was placed on furthering the interests of U.S. producers through on-the-scene investigations of problems involving importers of tallow, hides and skins, lard, and variety meats. For example, FAS personnel visited Japan,



Mexico, Cuba, Portugal, Spain, Italy, Switzerland, West Germany, the Netherlands, France, and the United Kingdom in an effort to--

1. Resolve various trade complaints;
2. Bring about greater cooperation between exporters and importers; and
3. Evaluate each country's current and prospective market for livestock and meat products.

Also, in late 1959 a marketing specialist from FAS, accompanied by a representative of the U.S. tallow industry, visited selected Central and South American countries to study the existing and potential market for U.S. tallow and greases. They held discussions with foreign trade groups and government officials, which centered around marketing procedures and problems pertinent to increased exports of tallow and greases to these areas. The countries included in this project were Chile, Colombia, Costa Rica, Dominican Republic, Haiti, Ecuador, Guatemala, Peru, and Venezuela. During the course of this trip, the FAS marketing specialist also availed himself of every opportunity to create interest in the importation of U.S.-produced breeding cattle, sheep, swine, and other livestock products. The tallow promotion films "Soap and Children" and "The Raw Material of Magic" were shown to many interested groups during this trip. Both of these films were produced as a result of joint FAS-tallow-industry, sponsored projects.

The production of the film "The Raw Material of Magic" was the first of a two-phased project designed to show modern methods of processing, handling, and shipping of animal fats and proteins. English, French, Spanish, Italian, German, and Japanese sound tracks have been produced to accompany the showing of this film. In carrying out the second phase of this project, two representatives from the National Renderers' Association will show the film to interested groups of importers, soapmakers, and other users of inedible fats in Spain, Italy, Germany, Austria, Greece, Yugoslavia, and Turkey. This trip has been designed to stimulate interest in U.S. tallow and also to determine what further marketing development activities should be initiated to increase U.S. exports.

In Japan, highly successful soap and tallow promotional work was continued throughout calendar year 1959. The latest campaign differed from previous soap and tallow promotional work in that it emphasized the development of new markets in the rural farming districts rather than in the urban areas of Japan. As part of this overall market promotional effort, a technically qualified representative of the tallow industry visited Japan in the latter part of 1959. The purpose of this visit was to evaluate the effectiveness of the program thus far and to make recommendations concerning the desirability of continuing this type of promotional work for another year.

The Japanese market for another U.S. product also received special attention in 1959. A Hide Study Team from Japan visited the United States. This group consisted of Japanese hide and leather industry representatives and government officials. The visit was sponsored jointly by the Foreign Agricultural Service and the four U.S. livestock industry associations. During the visit, members of the team were provided an opportunity to acquaint themselves with the various U.S. methods of handling hides and skins at the different stages of processing. The group also had opportunities to discuss with members of U.S. industry and with government officials, marketing problems involving past shipments, and necessary measures for solutions. While in the United States, the Japanese team visited slaughter plants, storage facilities for hides and skins, importing and exporting groups, tanneries, and several large shoe manufacturing plants. The visit was part of a continued effort to resolve complaints by the Japanese concerning U.S. hide shipments. It was also a follow-up of recommendations made by the United States Hide and Skin Team which visited Japan in the fall of 1958.

U.S. livestock sales abroad were promoted in several ways during 1959. For example, a representative of the American Berkshire Association was sent to Chile to judge hogs at the Chilean Livestock Exposition. During this trip the representative worked closely

with government officials, breed associations, and farmers to promote the sale of pedigreed hogs to that country. In late 1959, FAS also cooperated in sending a cattle judge to Colombia to judge Brahman and Santa Gertrudis cattle at the Girardot Cattle Fair.

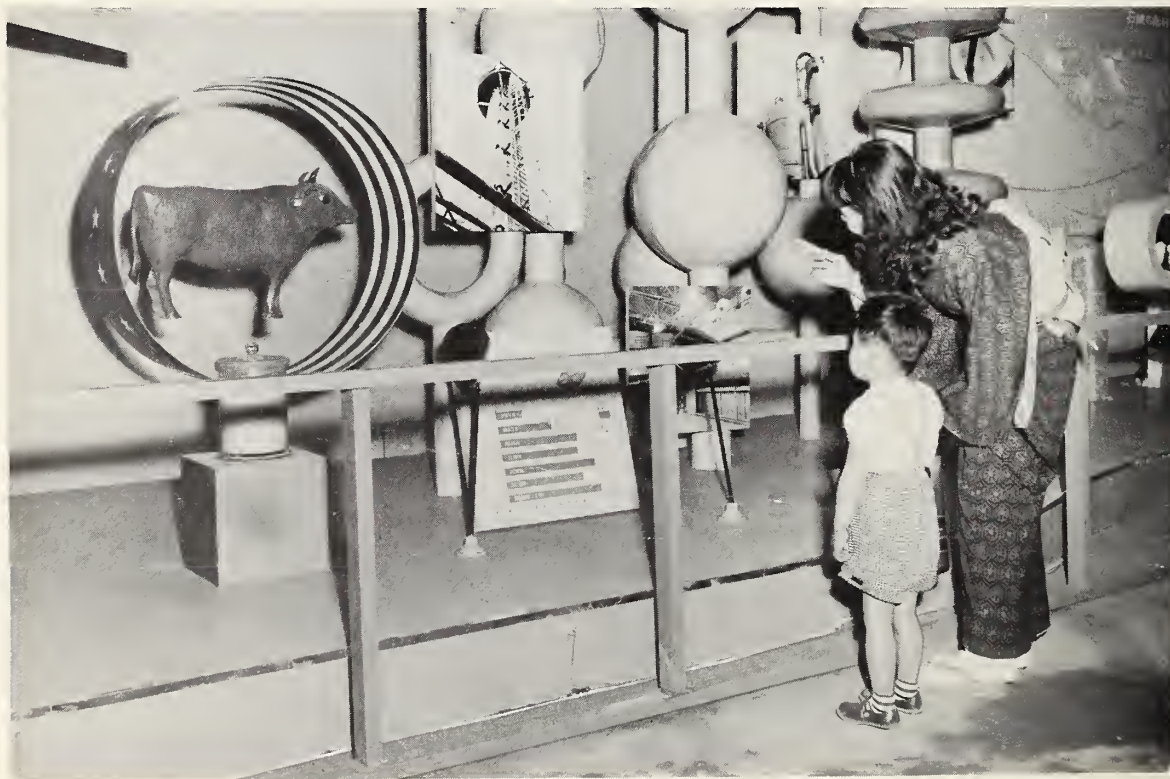
In mid-1959, the FAS Livestock Division cooperated closely with purchase missions visiting the United States from Ecuador and Chile. At the completion of the tour the Chileans bought approximately \$75,000 worth of hogs, sheep, goats, cattle, horses, and turkeys. Also, it is anticipated that from 500 to 700 head of livestock of various breeds will be purchased by Ecuador.

#### Participation in trade association meetings

FAS representatives participated in various trade association meetings where, through formal speeches, round table discussions, and informal talks, the export picture was outlined in detail and the purpose and aims of the Foreign Agricultural Service emphasized. Examples of this type of activity are talks given before the Oklahoma Cattlemen's Association, the National Hide Association, the National Association of Hide Exporters and Importers, the International Brangus Breeder's Association, and the Annual Convention of the National Renderers' Association. Round-table discussions were also held in cooperation with the National Renderers' Association, the Western States Meat Packer's Association, the American Meat Institute, and the National Independent Meat Packer's Association.

#### Market information

The publication of pertinent information, relative to developments in foreign countries, that might affect imports of U.S. produced livestock and meat products has continued to be one of the most important functions of the FAS Livestock Division. For



U.S. tallow is displayed at trade fair in Japan, a major foreign user of U.S. beef tallow. Here, fair visitors look at artist's impression of how pure beef tallow is made into soap products.

example, in 1959 twelve circulars were published which covered world statistics on animal numbers, international trade in livestock and meat products, and production and consumption of meat. In addition, ten world summaries were prepared and published in the monthly supplement Foreign Crops and Markets. Two major competitive studies were also completed by FAS personnel during 1959 with the publication of circulars entitled "The Australian Livestock and Meat Industry and the United States Producer" and "The New Zealand Livestock and Meat Industry and the United States Producer". Also, throughout 1959 approximately 350 spot market news reports were prepared for publication in "Foreign Crops and Markets." In general, these reports passed on to the trade, farmers, and the general public, information relative to current production, marketing, demand, and prices, as reported to FAS by the agricultural attaches stationed abroad. "Foreign Agriculture" magazine was also used to good advantage in an effort to bring to the attention of parties concerned interesting dissertations relative to such topics as "Outlook for U.S. Pork Sales in Europe", "Effect of Large Beef Imports on U.S. and World Meat Industries", "Trade Prospects in Livestock and Meat Products", "Australian Lambs Arrive in U.S.", "Mohair, the Feast or Famine Fiber", "Is U.S. Lard Losing Out on World Markets?", "Wool Faces Increased Competition From Man-Made Fiber", and "U.S. Tallow Future in Japan."

Arrangements were made to continue to send The Daily Yellow Sheet of the National Provisioner, which gives Chicago prices for all types of meat products, to about 30 agricultural attaches located in countries where there is a potential market for U.S. meat products. Attaches are also provided with current meat inspection and grading regulations and with promotional material from U.S. livestock breed associations.

#### Reducing foreign trade barriers

In the past year, several foreign governments have reduced trade barriers, permitting larger U.S. sales of livestock and meat products in foreign markets. Still, many barriers remain, some of them hold-overs from the early postwar years of dollar shortages. Efforts are being made at the highest level in government to gain greater access for U.S. agricultural products to the markets of the great trading nations, which are now in financial position to liberalize further their trade policies.

One of the first liberalization moves of 1959 was taken in January when West Germany increased the scope of its import tender for variety meats to include beef livers.

Later, the United Kingdom raised its import quota for frozen beef tongues from North America to \$3.4 million for the year beginning April 1, 1959, from \$2.5 million for the year before. Beginning in June, the United Kingdom relaxed dollar restrictions on breeding cattle and beef tongues.

With some relaxation in import restrictions, U.S. exports of variety meats to France during the first half of 1959 rose by 241 percent above the same period in 1958. In September 1959, France liberalized dollar imports of tallow and from January 1, 1960, variety meats.

In an effort to stimulate its livestock industry, Colombia removed an import ban on most classes of breeding stock. This action is resulting in increased sales of U.S. livestock to Colombia.

There are a number of basic programs under which the United States has shipped livestock and meat products to nations handicapped by lack of purchasing power. The two most important of these are Title I sales under Public Law 480, which are paid for in foreign currency, and dollar purchases financed under Section 402 of the Mutual Security Act.

In 1959, no livestock and meat products were considered to be in surplus under P.L. 480. Total shipments under Title I through the fiscal years 1955-59 were valued at \$ 80,361,000:

	<i>1,000 pounds</i>	<i>1,000 dollars</i>
Meat .....	113,192	38,032
Lard .....	188,077	25,514
Tallow.....	184,979	16,815

At various times since the beginning of these programs, most of the livestock and meat products have been considered as being in surplus for Section 402 purposes. (The declaration of an item as being surplus for Section 402 means that ICA authorizes procurements only from the United States.) In May 1959, cattle hides were removed from this surplus designation; however, lard, tallow and greases, and pork and pork variety meats presently have this designation. Total shipments under Section 402 for fiscal years 1955-59 amounted to \$ 60,654,000:

	<i>1,000 pounds</i>	<i>1,000 dollars</i>
Meat .....	34,073	9,120
Lard .....	175,594	23,401
Tallow.....	184,770	13,637
Hides and skins.....	61,632	14,142
Live animals (head) .....	33	354



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