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**COVID-19 Impacts on Arkansas’ Agricultural and Rural Economies**

**UPDATE:**

**Beef, Pork, and Chicken Exports**

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Exports represent a significant component of meat demand. In 2019, 22.9%, 16.4%, and 11.1% of pork, chicken, and beef production, respectively, was exported.[[1]](#footnote-1) A major source of uncertainty in livestock and poultry markets has thus been the extent to which COVID-19 would affect meat and chicken exports. So far, the impact of COVID-19 on exports has been remarkably small for pork and chicken, considerably more significant for beef.

Beef and pork export data are available on a weekly basis. With respect to pork, 2020 weekly exports have exceeded the prior year level for just about every week of the year. The primary reason for this has been strong growth in exports to China. Figure 1 shows weekly pork exports to China for 2018 through 2020 year-to-date.

Data Source: USDA Foreign Agricultural Service, Export Reporting System

**Figure 1.** Weekly U.S. Pork Exports to China

China pork production has been severely hampered by African Swine Fever (ASF). According to USDA estimates, domestic pork production in China in 2020 will amount to about 36 million metric tons (mmt). This is down from over 54 mmt just two years ago and will be, if realized, the smallest domestic pork production in China since about 1997. In short, the reduction in pork production in China has, so far, outweighed any negative effects on pork demand such that U.S. pork exports to China remain quite strong, year-over-year.

On the other hand, beef exports have fallen considerably as a result of COVID-19. This is not likely primarily due to demand effects but rather to the supply constraints that occurred over the last couple of months as a result of COVID-related packing plant disruptions. Figure 2 shows weekly U.S. beef exports to all destinations for 2018 through 2020 year-to-date.

Data Source: USDA Foreign Agricultural Service, Export Reporting System

**Figure 2.** Weekly U.S. Beef Exports to All Destinations

For much of May and June, exports were obviously lower than over the past couple of years. In fact, monthly data reveal that beef exports for May, at just over 62,000 metric ton, were the lowest for the month of May since 2009. In the most recent three weeks, though, beef exports have largely recovered and are back to about even with the last couple of years.

Data on chicken exports is available on a monthly basis. It is likely that COVID-related disruptions had some adverse impact on chicken exports in May (most recent data available) but that impact does not appear to be too dramatic in historical context. Figure 3 shows monthly chicken exports to all destinations for 2018 through 2020 year-to-date.

Data Source: USDA Foreign Agricultural Service, Global Agricultural Trade System

**Figure 3.** Monthly U.S. Chicken Exports to All Destinations

Exports were up from year-earlier levels in each of the first four months of 2020 – by as much as nearly 15% in March. After March, chicken exports fell significantly into April, while remaining above the level of the last couple of years. May exports were basically in-line with April. The fact that exports did not fall substantially between April and May (as did beef exports) suggests that COVID-related disruptions were largely manageable in terms of their impact on exports.

Of course, it is impossible to discern from this data what exports might have been in the absence of COVID. Certainly, foreign demand is historically strong, and year-over-year export growth was widely anticipated in the market. These expectations largely had to do with (what else?) China. After several years of avian-influenza-induced market closure, China opened back up to U.S. chicken late last year. With the phase I trade deal in place and with ASF reducing protein supplies in that country generally, the table was set in 2020 for robust growth in chicken exports to China. So far, China has, in fact, been a big customer – including in May. U.S. chicken exports to China have increased every month for the first five months of the year, even at April and May exports to the rest of the world fell sharply. In May, China accounted for over 14% of all foreign sales – the largest share of U.S. chicken exports for that country since 2009. In short, chicken exports probably have suffered some from COVID-19 disruptions, but with strong fundamentals in China, exports have held up well in recent historical context.

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1. These figures are based on annual export and production estimates in the most recent *World Agricultural Supply and Demand Estimates* report from USDA World Agricultural Outlook Board. [↑](#footnote-ref-1)