

# Recent Price Trends in the Meat Industry



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U.S. Import and Export Price Indexes contain data on changes in the prices of nonmilitary goods and services traded between the United States and the world. The U.S. Bureau of Labor Statistics produces these indexes, which are Principal Federal Economic Indicators.

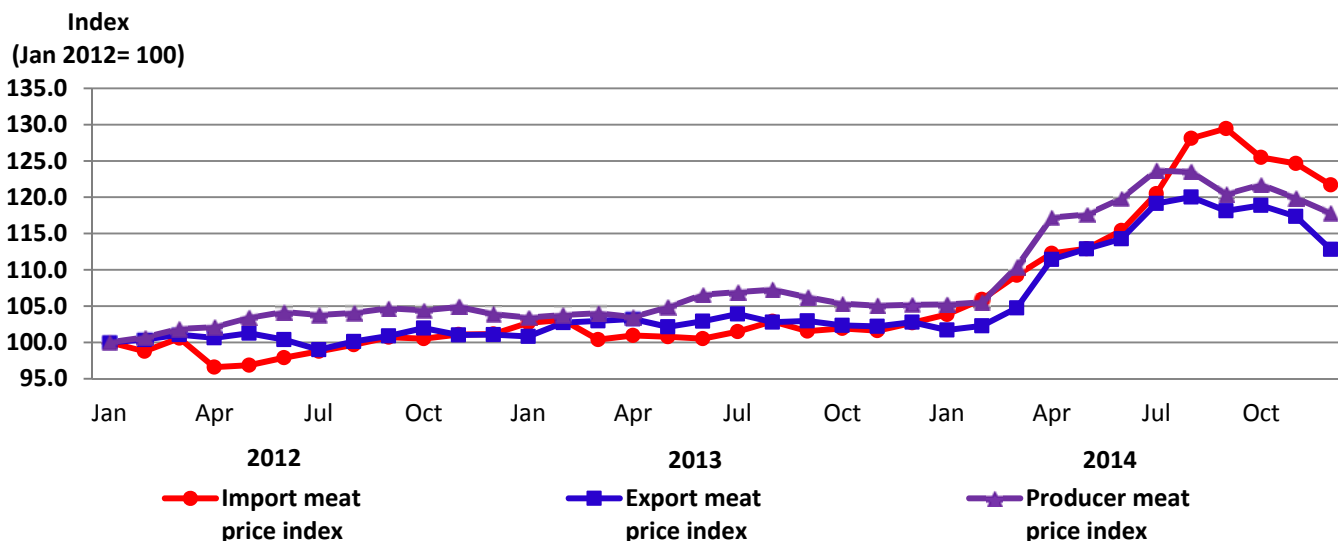
## Q: How have import meat prices trended over the 2012–2014 period? (See chart 1.)

- Import meat prices recorded little change in the first 2 years, increasing 1.2 percent between January and December 2012 while remaining unchanged between January and December 2013. The index then jumped 17.2 percent between January and December 2014, with most of the rise happening during the first 3 quarters of the year.
- From September 2013 to September 2014, drought in several states, coupled with disease and a higher worldwide demand for meat pushed up meat prices. After September 2014, the falling meat prices were mostly attributed to increasing slaughter levels, waning disease, and weakening buying activity.

## Q: How did import meat prices compare with other economic data?

- Because of exchange rate volatility, imported meat prices began fluctuating more than domestic meat prices from August to December 2014. Tighter U.S. provisions in the labeling of imported meat have caused a negative impact on meat imports in recent years.
- Between 2012 and 2013, the trade dollar value for imported meat advanced 5.1 percent from \$7.1 billion to \$7.5 billion. In 2014, trade dollar values rose sharply to \$10 billion, a 33.5-percent over-the-year increase.

**Chart 1. Import, export, and producer meat price indexes**



Source: U.S. Bureau of Labor Statistics.



**Q: How have export meat prices trended over the 2012–2014 period? (See chart 1.)**

- For the years 2012 and 2013, export meat prices were relatively stable, rising 0.8 percent and 1.7 percent, respectively. In 2014, export meat prices rose 18.0 percent between January and August, and then dropped 6.0 percent from August to the end of the year.
- Exports meat prices were mainly impacted by slowing global economic growth, weaker currencies in some countries, and market access restrictions in countries such as China and Russia.

**Q: What are the top six exporting states and territories for Meat Manufacturing? (See chart 2.)**

- In 2014, the total trade value of exported meat and meat packaging products was over \$23.7 billion. The top six exporting states accounted for 51.7 percent of the total trade value.
- Combined, Texas (\$3.5 billion) and Nebraska (\$2.2 billion) accounted for about 24 percent of the total U.S. meat exports.
- The next four top exporting states- Iowa (\$2 billion), Kansas (\$1.7 billion), Georgia (\$1.4 billion) and California (\$1.4 billion) accounted for another 28 percent of all meat and meat packaging products.

**Q: How are import and export price indexes useful to you?**

Import and export price indexes can provide a new perspective for your trade analysis. Although many sources report domestic market prices and trade volume, BLS data are unique in measuring import and export price inflation.

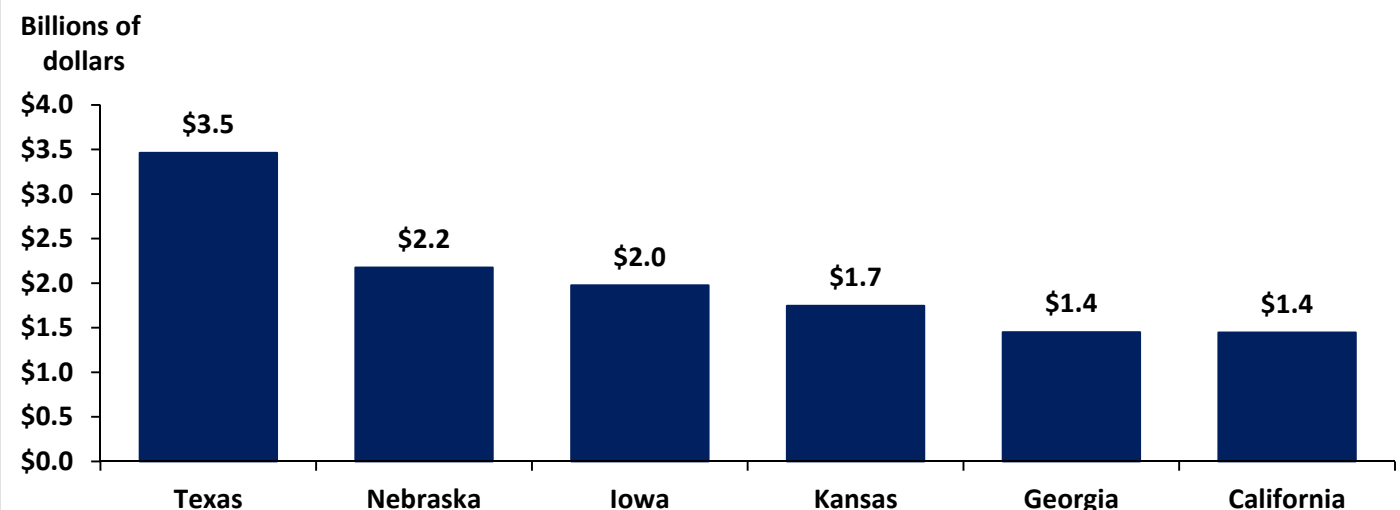
For example, if you are involved in the meat industry and you are considering conducting business overseas, import and export meat price indexes can supplement your industry research by providing long-term import and export price trends.

**Q: How are import and export price indexes used?**

Import and export price indexes are used for a variety of purposes:

- In the conversion of U.S. trade figures from current dollars to constant dollars in U.S. trade statistics including the Bureau of Economic Analysis' Quarterly Gross Domestic Product and the Census Bureau's monthly U.S. trade statistics.
- To assess the impact of international trade on domestic inflation and the competitive position of the United States.
- As a tool for analyzing fiscal and monetary policy, measuring the impact of exchange rates, and escalating trade contracts.
- To identify industry-specific and global price trends.

**Chart 2. Top six exporting states and territories for Meat Manufacturing in 2014**



Source: U.S. Census Bureau, Foreign Trade Statistics.

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