

Restrictions in Export Markets for Brazilian and U. S. Beef

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Brazil: Competitive Factors in Brazil Affecting U.S. and Brazilian Agricultural Sales in Selected Third Country Markets

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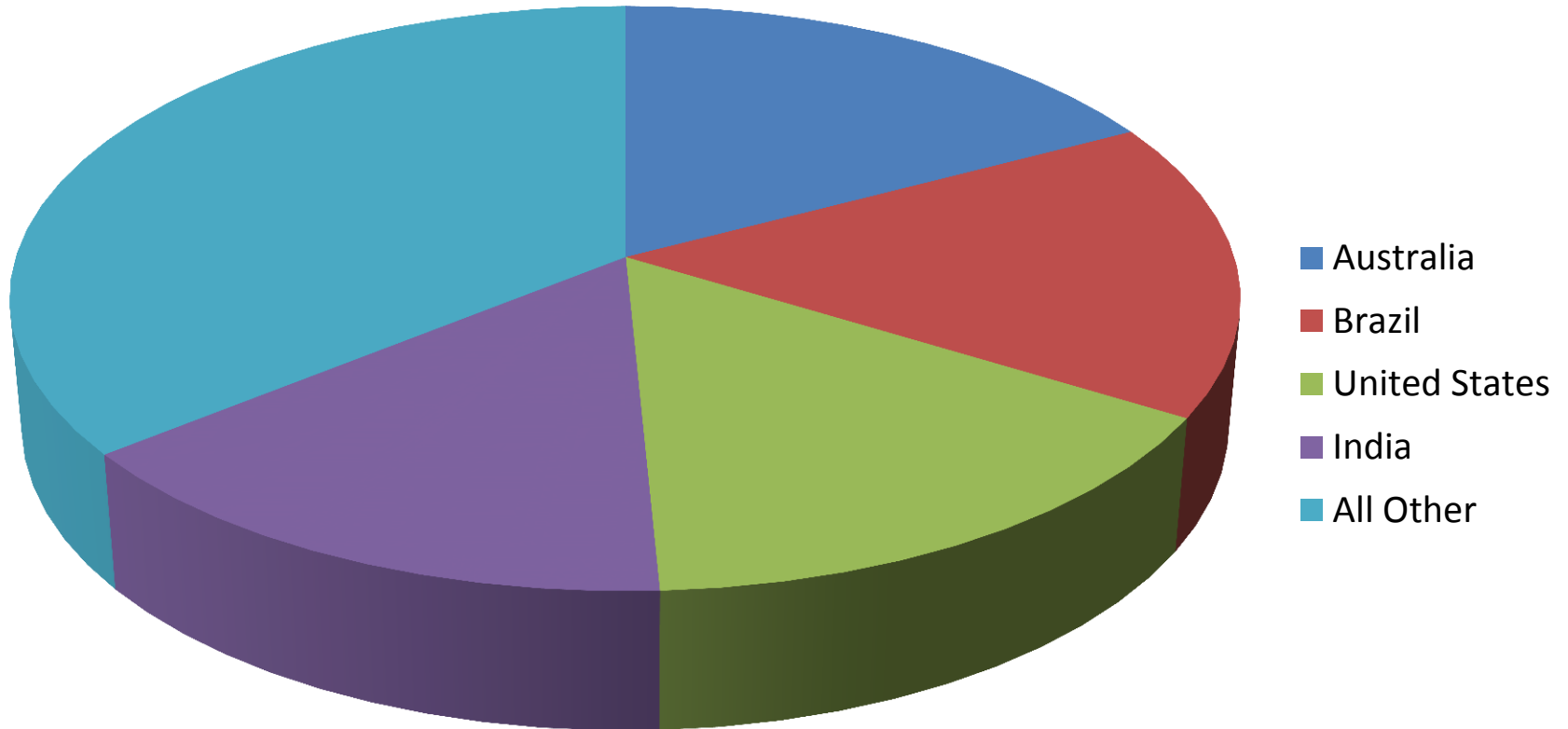


Purpose of this Presentation

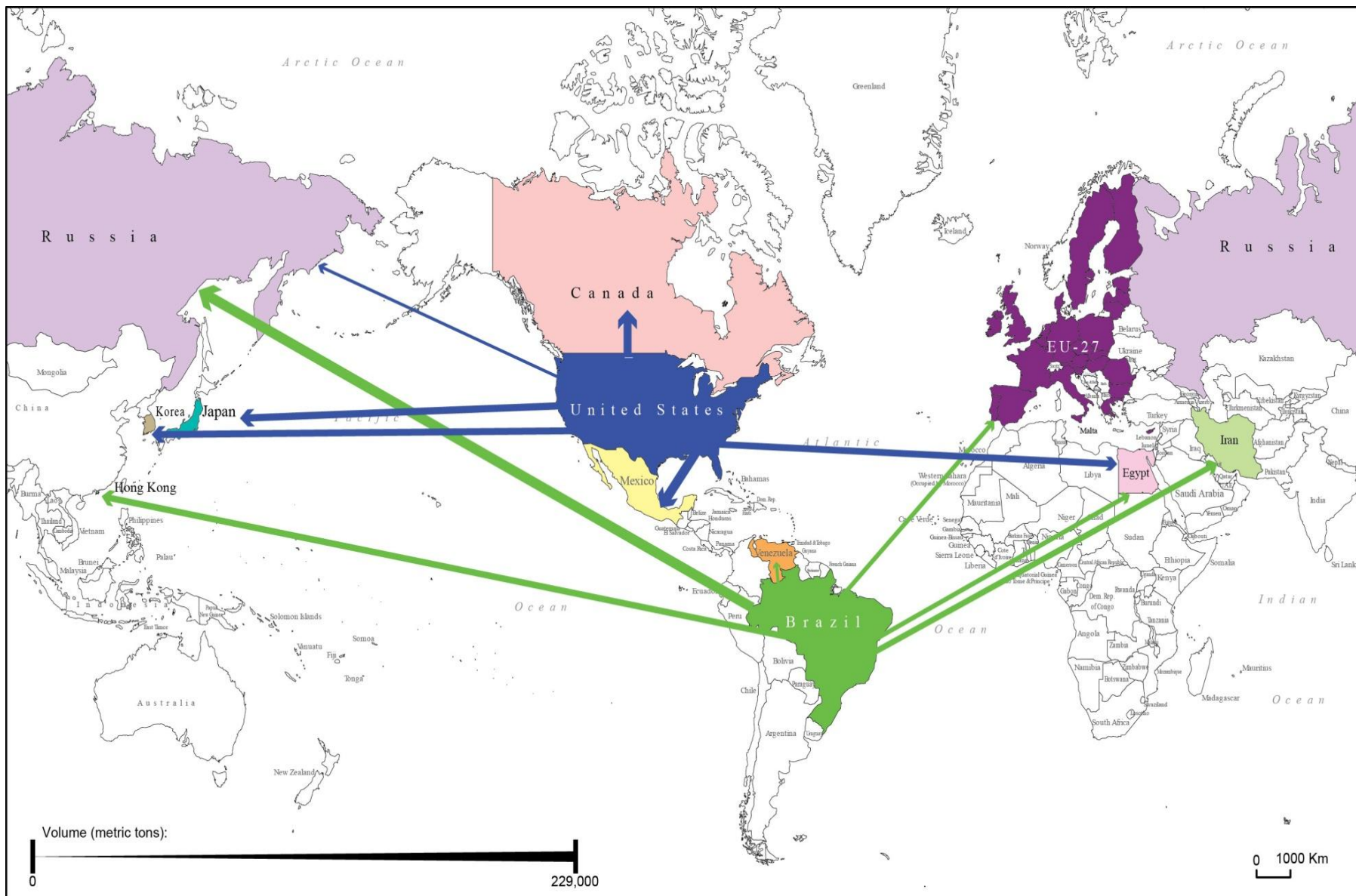
- Provide an overview of Competition between the United States and Brazil in 3rd Country Markets for Beef
- Estimate the Effects of Removing Non-Tariff Measures (NTMs) on Trade in Beef

I: Competition between the United States and Brazil in 3rd Country Markets for Beef

Global Beef Exports (1,000 mt CWE)



Brazil and the United States Largely Exported Beef to Different Markets in 2011



Where Brazil and the United States Compete

- Russia

Imports under TRQ

Brazil has a tariff advantage

- EU-27

U.S. exports must meet NHTC regulations

Brazil exports subject to SPS & traceability

Imports under TRQs

Where Brazil and the United States Compete

- China/Hong Kong

Brazil exports a small volume of beef to China and more to Hong Kong

China bans imports of U.S. beef.

Some Hong Kong imports of U.S. beef are reportedly finding their way to China.

China and Hong Kong are considered one market in this analysis.

- Egypt

No NTMs identified

II: Estimate the Effects of Removing Non-Tariff Measures (NTMs) on Trade in Beef

Applied General Equilibrium Model

- Derived from the Global Trade Analysis Project (GTAP) model of world trade.
- 21 economies.
- 50 sectors, including 38 sectors representing food and agricultural products.
- 3 beef sectors; fresh/chilled and frozen beef, beef edible offal, and processed beef.
- Land disaggregated into agroecological zones (AEZs).
- Land in 2 AEZs in Brazil allowed to increase.

Price Gaps

- Markets were identified in which NTMs restricted beef trade.
- For markets with NTMs, price gaps were calculated.
- A price gap is the difference between the import price for beef from one supplier in one market and the price of global imports from that supplier.
- Price gaps are constructed at the HS-6 level and summed to the GTAP sectors.
- Price gaps may be due to factors in addition to the identified NTMs.

Price Gaps

	Estimated NTM AVEs removed in simulation, percent					
		China/HK	EU-27	Japan	Korea	Russia
Beef meat	U.S.	44	118	23	8	23
	Brazil	3	101	9	12	6
	Other	12	38	(^a)	(^a)	9
Beef offal	U.S.	93	61	(^a)	14	34
	Brazil	35	148	12	27	23
	Other	25	(^a)	200	(^a)	19
Processed beef	U.S.	(^a)	^b 118	(^a)	(^a)	(^a)
	Brazil	(^a)	(^a)	(^a)	(^a)	(^a)
	Other	(^a)	(^a)	(^a)	(^a)	(^a)

(a) No NTM identified or price gap zero.

(b) Price gap for beef meat used for processed beef.

Model Results

Simulated effects of the removal of beef NTMs

Product	Exporter	Exports to the world, 2010	Change in
			exports to the world
			Million \$
Beef meat	U.S.	3,379	3,449–6,749
	Brazil	3,964	(131)–48
	Other	9,933	998–2,043
Beef offal	U.S.	466	146–739
	Brazil	214	117–952
	Other	647	924–1,127
Processed beef	U.S.	146	61–679
	Brazil	539	(160)–(41)
	Other	470	(26)–(16)

Model Results

Simulated effects of the removal of beef NTMs

Product	Source	Change in imports				
		China/HK	EU-27	Japan	Korea	Russia
		million \$				
Beef Meat	U.S.	1–1	3,135–6,590	686–1,338	(4)–24	(25)–32
	Brazil	(4)–(4)	602–808	0–0	0–1	(357)–(256)
	Other	(15)–(6)	(252)–137	(140)–(137)	(58)–(55)	385–823
Beef Offal	U.S.	0–1	12–82	(96)–(94)	19–44	138–461
	Brazil	0–1	166–1,196	0–0	0–0	0–0
	Other	(12)–(7)	2–13	1,025–1,370	(50)–(21)	(59)–5
Processed Beef	U.S.	0–0	66–708	0–0	0–0	0–0
	Brazil	0–0	(166)–(48)	0–1	0–0	0–0
	Other	0–0	(75)–(26)	3–23	0–0	(1)–0

Thanks!

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