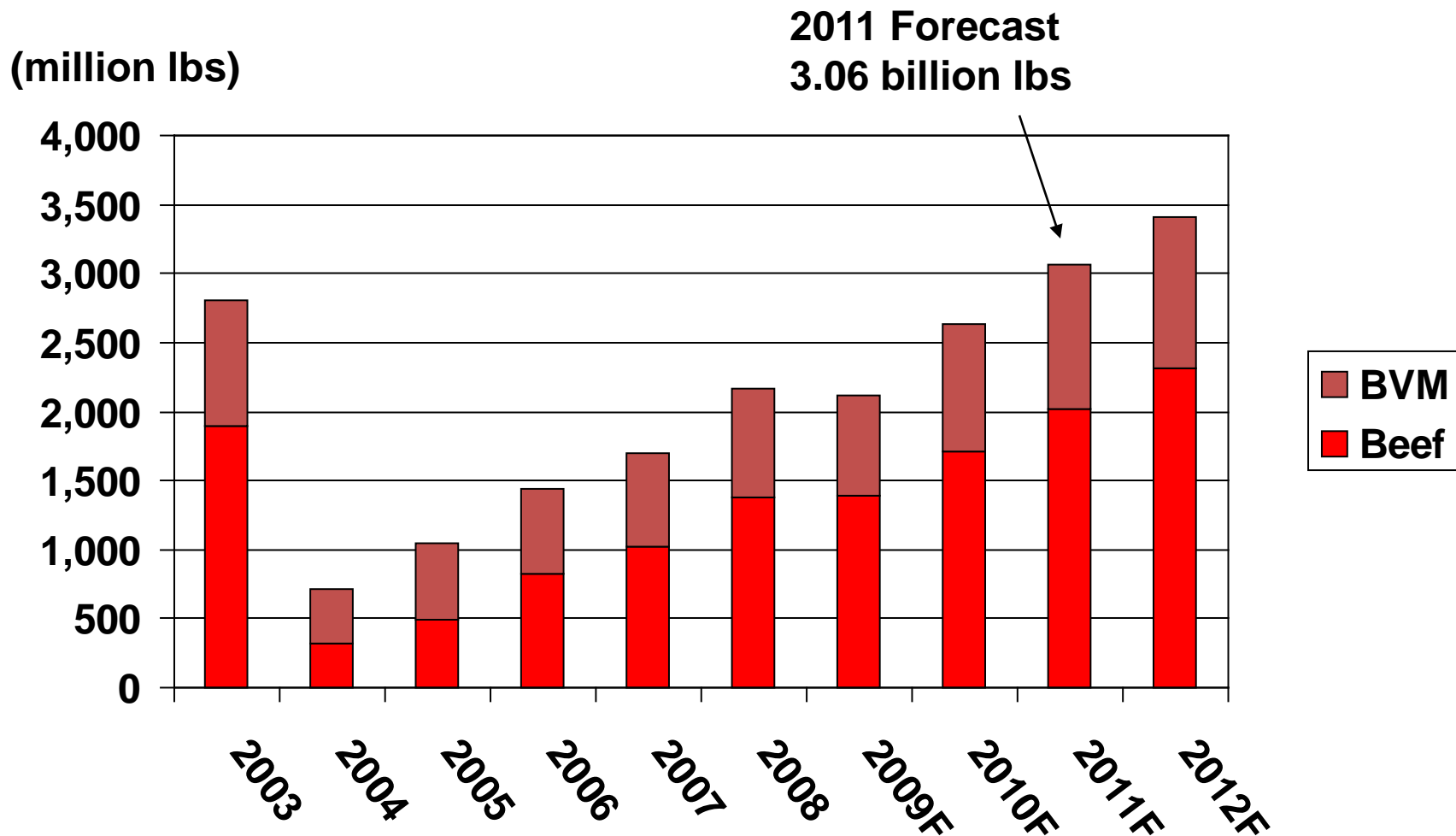


Beef Industry Long Range Plan Goals



Beef Industry LRP Goal: Export 3.0 Billion Pounds by 2010

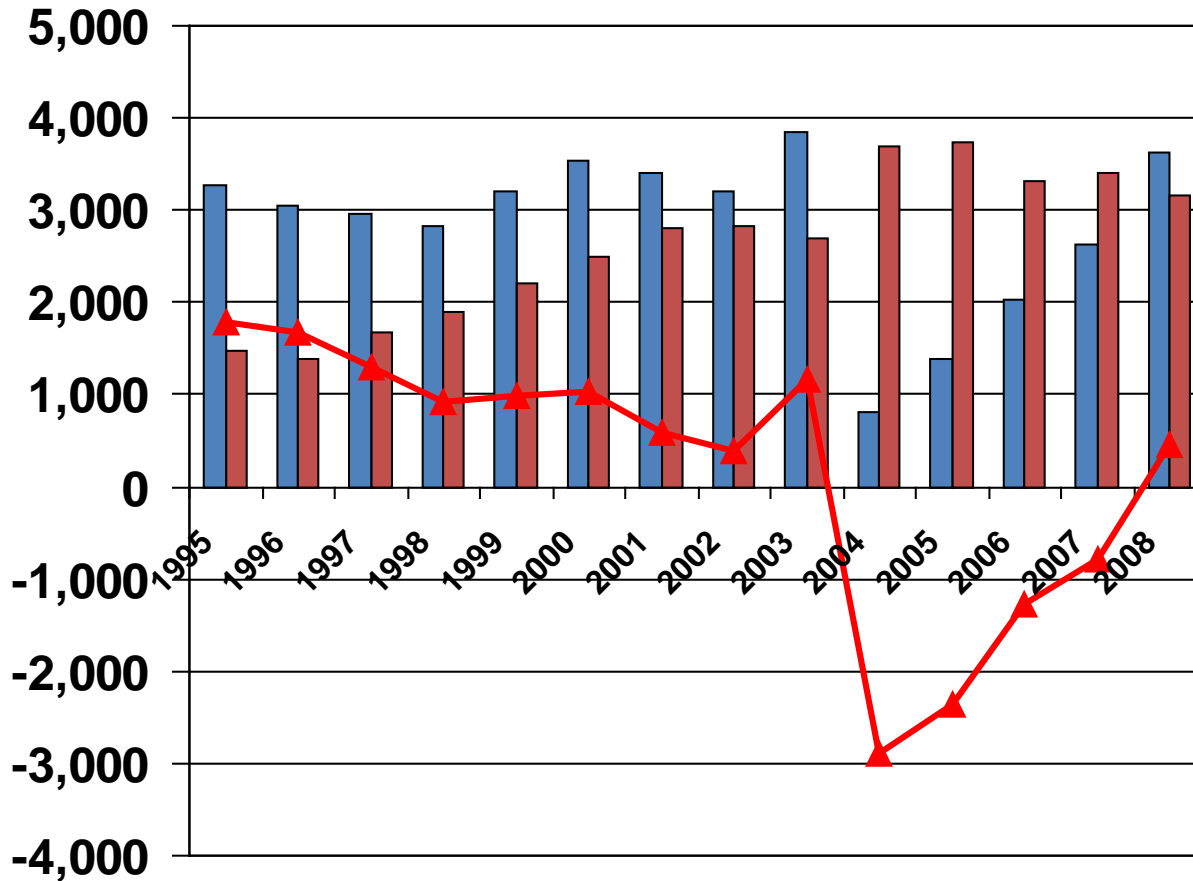


Source: USDA/USMEF Forecast



Beef Industry LRP Goal: Become a Net Exporter by 2010

(million \$)



2007 Net Imports
\$780 million

2008 Net Exports
\$453 million

2009 Jan-May
Net Imports
\$40 million



Source: USDA/FAS; Million USD



USDA Funding Update

Thad Lively

U.S. Meat Export Federation



USDA Funding Update

- Administration's budget included a 20% cut in MAP funding for 2010 from the level in the Farm Bill
- MAP & FMD fully funded in House version of 2010 Appropriations Bill
- Both programs also fully funded in Senate version of the bill that was sent to the floor of the Appropriations Committee
- Senate version includes report language on the management of the programs
- USDA has pledged to administer the programs according to the wishes of Congress this year, but cautioned us about ongoing budget pressure

Review of FY10 Planning Process



Your Planning Process

NOVEMBER



Assess Industry Situation

JANUARY



Determine Planning Factors

JANUARY
(Annual Convention)



Committees Prioritize Factors

MARCH



OC Reviews Priorities

Your Planning Process

APRIL



**Plan Developed Based on
Priorities**

MAY



**Plan Recommendation
Budget Committee Approval**

JUNE



ARs Developed Based on Plan

Your Planning Process

JULY
(Summer Conference)



**Committees Review ARs
Recommend ARs for Funding**

AUGUST



**ARs Finalized Based on
Committee Direction**

SEPTEMBER



**Operating Committee Acts on
Authorization Requests**

FY 2010 Planning Priorities

Planning Priorities	ABBREVIATIONS
Make mealtime for Americans easier by being convenient, a terrific value and great tasting.	CONVENIENCE
Be a part of government and health organizations' nutrition guidance.	NUTRITION GUIDELINES
Aggressively share environmental practices and animal welfare efforts.	ENVIRONMENTAL PRACTICES
Own protein in the minds of consumers.	OWN PROTEIN
Provide thought leaders with science-based industry information.	SCIENCE-BASED INFORMATION
Take proactive steps to protect public health from emerging threats.	EMERGING HEALTH THREATS
Educate targeted decision makers about attributes that differentiate U.S. beef from international competitors.	INTERNATIONAL MARKETING
Directly associate with a healthy lifestyle.	HEALTHY LIFESTYLES
Protect consumers from <i>E. coli</i> and <i>Salmonella</i> .	E. COLI AND SALMONELLA
Responsibly employ economically viable practices without negatively impacting beef quality or safety.	PRODUCTION PRACTICES





Proposed FY 2010 Authorization Requests





Focus on Education

- **Seminars**
- **Teams**
- **Shows**
- **Promotions**
- **Consumer Communications**

Educating our Customers



Educating our Customers





USMEF Planning Cycle

April → Develop recommended allocations

May → Submit UES to FAS

June → Review by USMEF Budget & Audit Committee

July → Review by JIMC; Final review & approval by USMEF Executive Committee

September → BPOC approval

December → Allocation of MAP funds



Funding Allocation Decisions: Factors Considered

- **Market size (volume & value)**
- **Current & medium-term market access**
- **Current & medium-term competitive environment**
- **Degree of penetration (product & programs)**
- **Cost of doing business**
- **Size & scope of the program**
- **Historical funding and spending levels**
- **Program management, including evaluation results**



Assumptions

- **Economies of primary export markets will return to positive growth in 2010**
- **Currencies of most export markets and primary competitors will strengthen against the dollar**
- **Exports will rebound from 2009 levels**
- **Negotiations with Taiwan, Hong Kong, Japan, and China will produce expanded market access**

FY2010 ARs

FM-01-2010	ASEAN	\$ 89,168
FM-02-2010	Caribbean	\$ 69,105
FM-03-2010	Central/South America	\$ 66,876
FM-04-2010	Dominican Republic	\$ 22,292
FM-05-2010	Europe	\$ 189,481
FM-06-2010	Middle East	\$ 111,460
FM-07-2010	Greater China	\$ 200,627
FM-08-2010	Japan	\$ 1,337,515
FM-09-2010	Mexico	\$ 824,801
FM-10-2010	Russia	\$ 144,897
FM-11-2010	South Korea	\$ 1,125,742
FM-12-2010	Taiwan	\$ 276,420
FM-13-2010	Implementation	\$ 2,457,000
	TOTAL	\$ 6,915,384

Committee Discussion and Recommendations on Proposed ARs



FY2010 Attachment As

FM-05-2010	Europe	\$ 50,000	+21%
FM-07-2010	Greater China	\$ 50,000	+20%
FM-08-2010	Japan	\$ 225,000	+14%
FM-11-2010	South Korea	\$ 125,000	+10%
FM-12-2010	Taiwan	\$ 50,000	+15%
	TOTAL	\$ 500,000	



Committee Discussion and Recommendations on Proposed Attachment As



Thank You



FY09 & FY10 Comparison

Authorization Request		2009	2010	% Change
FM-01-2010	ASEAN	\$ 99,160	\$ 89,168	-10%
FM-02-2010	Caribbean	\$ 77,400	\$ 69,105	-11%
FM-03-2010	Central/South America	\$ 80,400	\$ 66,876	-17%
FM-04-2010	Dominican Republic	\$ 26,800	\$ 22,292	-17%
FM-05-2010	Europe	\$ 200,000	\$ 189,481	-5%
FM-06-2010	Middle East	\$ 120,000	\$ 111,460	-7%
FM-07-2010	Greater China	\$ 190,000	\$ 200,627	+6%
FM-08-2010	Japan	\$ 1,322,064	\$ 1,337,515	+1%
FM-09-2010	Mexico	\$ 875,000	\$ 824,801	-6%
FM-10-2010	Russia	\$ 210,000	\$ 144,897	-31%
FM-11-2010	South Korea	\$ 1,250,000	\$ 1,125,742	-10%
FM-12-2010	Taiwan	\$ 290,000	\$ 276,420	-5%
	<i>Program Subtotal</i>	<i>\$ 4,740,824</i>	<i>\$ 4,458,384</i>	<i>-6%</i>
FM-13-2010	Implementation	\$ 2,340,000	\$ 2,457,000	+5%
	TOTAL	\$ 7,080,824	\$ 6,915,384	-2%



Weekly Beef Exports through July 9

Top 6 Markets

1. Mexico -30% (87,476 MT)
 2. Canada -13% (35,091 MT)
 3. Japan +15% (31,992 MT)
 4. Greater China (Vietnam & Hong Kong)
+25% (29,381 MT)
 5. Korea ~ (24,270 MT)
 6. Taiwan +4% (12,992 MT)
- Total: -7% (230,591 MT)

Asia: +55%, excluding Korea +17%

