

# International Market Development Activities For U.S. Beef

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Fourth Quarter FY09  
July 1 – September 30, 2009



## TABLE OF CONTENTS

ASEAN.....	3
Caribbean.....	4
Central & South America.....	5
China/Hong Kong.....	6
Europe.....	7
Japan.....	8
Korea.....	9
Mexico.....	10
Middle East.....	11
Russia.....	12
Taiwan.....	14

### Annex

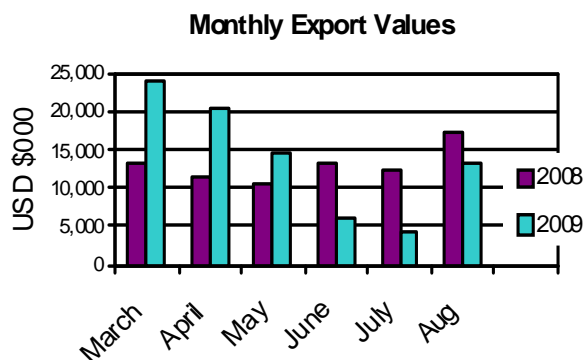
U.S. Beef Export Statistics – YTD through August 2009.....	I
U.S. Beef Export Statistics – Calendar Year 2008.....	II

*USMEF activities described in this report are funded through the beef checkoff as well as various USDA market development programs and the national and state soybean and corn checkoffs.*

# ASEAN

## Market Developments

Through August, U.S. beef/bvm CY2009 exports to the ASEAN region were 39,553 mt valued at \$122.5 million. This represents a 16 percent increase in volume and a 27 percent increase in value compared to the same period in 2008. Exports to the region dipped well below 2008 levels in June and July, but rebounded significantly in August.



Vietnam is the primary destination for U.S. beef in the ASEAN region. January-August exports to Vietnam totaled 32,229 mt valued at nearly \$103 million – an increase of 28 percent in volume and 41 percent in value compared to the same period in 2008. Although the domestic market is relatively small, Vietnam has become an important trans-shipment point to other destinations in East Asia for most major beef

exporting countries. According to Global Trade Atlas data, beef exports from South America to Vietnam have increased dramatically in 2009, with exports from Brazil (+405 percent), Argentina (+376 percent) and Paraguay (+259 percent) leading the way. This surge in imports from South America is coming at the expense of Australia (-20 percent) and New Zealand (-54 percent), which have lost significant market share.

Demand for U.S. beef in the Philippines and Indonesia, the second and third-largest beef import markets in the ASEAN region, is moving in opposite directions. U.S. beef/bvm exports to the Philippines have declined 30 percent in volume and 23 percent in value compared to January-August 2008. (Most major beef exporters have experienced a decline in this market in 2009, though Australia has managed a 2 percent increase.) U.S. beef/bvm exports to Indonesia, however, have risen by 46 percent in volume and 4 percent in value over January-August 2008. Variety meat makes up about 75 percent of the volume and about 40 percent of the value of this year's beef/bvm exports to Indonesia.

## Fourth Quarter Activity Highlight

### **USMEF Event Pairs ASEAN Buyers with U.S. Exporters**

The ASEAN region has emerged as a major destination for U.S. beef exports and captured the interest of a growing number of U.S. suppliers. In September, USMEF brought U.S. and ASEAN business contacts together for a "Meet the Buyers" conference in Denver. U.S. processors, traders and exporters saw the conference as a valuable opportunity to make business connections in a heavily populated region that holds great growth potential for U.S. exports. Buyers, importers and distributors from the Philippines, Singapore, Thailand and Vietnam had the opportunity to meet face-to-face with these suppliers to discuss their product needs and share information about their markets. Prior to the Denver event, participants from the ASEAN region toured Cargill's beef processing plant in Dodge City, Kan., the National Beef processing plant in Liberal, Kan., and the JBS beef plant in Greeley, Colo.



***Buyers, importers and distributors from the ASEAN region meet with U.S. meat industry representatives***

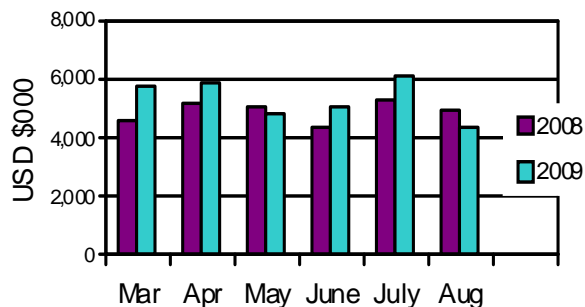
"I'm very excited because this is my first opportunity to go to slaughterhouses and to meet new suppliers from the U.S.A.," said Imelda Ventus, purchasing manager for DOP Philippines, Inc. "We would really like to expand our business with suppliers in the United States and are interested in exploring the possibility of importing beef directly from U.S. packers."

## CARIBBEAN

### Market Developments

Through August, U.S. beef/bvm CY2009 exports to the Caribbean region (excluding the Dominican Republic) were 10,961 mt valued at \$41.7 million. Exports to the region have increased by 9.5 percent in volume and 5 percent in value compared to January-August 2008.

**Monthly Export Values**



Jamaica remains the top volume destination for U.S. beef/bvm in the region, with January-August totals of 3,173 mt valued at just over \$7 million. But remarkable growth in the Bahamas has pushed it past Jamaica as the top Caribbean value market. At 2,490 mt valued at \$10.7 million, exports to The Bahamas are up 31 percent in volume and 24 percent in value compared to the same period in 2008, and it is now the 12<sup>th</sup>-largest value market for U.S. beef/bvm this year.

The United States has also surpassed Brazil as the leading beef/bvm exporter to the Netherlands Antilles, where January-August U.S. exports (about \$4.6 million) were nearly three times the value achieved over the same period in 2008. Meanwhile, Brazilian beef/bvm exports to the Netherland Antilles have declined by about one-third, and Paraguay's exports have dropped by 63 percent.

### Fourth Quarter Activity Highlight

#### **USMEF, Texas Beef Council Host Caribbean Chefs Barbecue**

Despite facing a downturn in tourism and a very challenging economic environment, the Caribbean region continues to perform well as a destination for U.S. beef exports. To capitalize on this positive momentum, USMEF recently partnered with the Texas Beef Council (TBC) and the Beef Checkoff Program to host a team of nine Caribbean chefs for an educational tour to better familiarize them with U.S. beef production and with barbecue cuisine that utilizes U.S. beef.

The week began with a "Beef 101" seminar at the West Texas A&M University meat laboratory in Amarillo, where Dr. Ty Lawrence provided a demonstration on carcass evaluation and fabrication of beef value cuts. This was followed by an up-close look at cattle production at the Heritage Feeders feedlot near Happy, Texas. The group also toured the cow/calf operation at the Johnson Cattle Company, where they enjoyed a barbecue chuckwagon dinner. The following day, the chefs toured the Tyson beef processing plant in Amarillo and enjoyed lunch at Dyer's Bar B Que, where they were served beef cuts from both the brisket and the shoulder clod.

The group then traveled to Austin for an all-day seminar with the TBC. Sessions included a focus on the attributes of Texas beef with Tom Perini of Perini Ranch Steakhouse and Catering and TBC Beef Quality Manager Jason Bagley. They also provided barbecue pit training and culinary demonstrations using the brisket as well as alternative beef cuts.



**Tom Perini of Perini Ranch Steakhouse and Catering instructs chefs from the Caribbean region on the art of Texas barbecue**

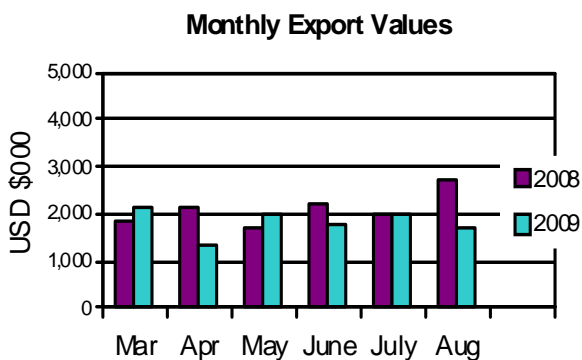
Perini also advised the chefs on preparation of a full barbecue menu, while Bagley and USMEF's Elizabeth Wunderlich teamed up for a sensory evaluation session on the qualities and attributes that make U.S. beef stand out.

"Value cuts have been a major focus for the Beef Checkoff Program and the Texas Beef Council, as we try to enhance the value of the beef carcass," Bagley said. "That is one thing we really try to emphasize with these international teams – how they can make their businesses more profitable by featuring these newer, underutilized cuts. And we not only like to show them what the cuts are and where they come from, but also bring in someone with expertise in seasoning, cooking and menu preparation so they can offer something new to their customers that the chef down the street doesn't have."

## CENTRAL & SOUTH AMERICA

### Market Developments

Through August, U.S. beef/bvm CY2009 exports to the Central/South America region were 7,029 mt valued at \$15.4 million – a 6 percent decline in both volume and value compared to January-August 2008. The top volume market is Peru (2,918 mt valued at \$3.8 million), a significant purchaser of beef livers and other variety meats, though exports to Peru have slipped about 20 percent compared to last year.



Guatemala is the leading value destination with January-August totals of 1,423 mt valued at \$4.95 million. This is an increase of 13 percent in volume over last year, but value declined 5 percent. While Guatemala is the leading destination in the region for beef muscle cut exports, Panama is the fastest-growing market for muscle cuts. January-August muscle cut exports to Panama grew by 384 percent in volume (to 353 mt) and tripled in value (to \$1.6 million) over 2008.

### Fourth Quarter Program Highlights

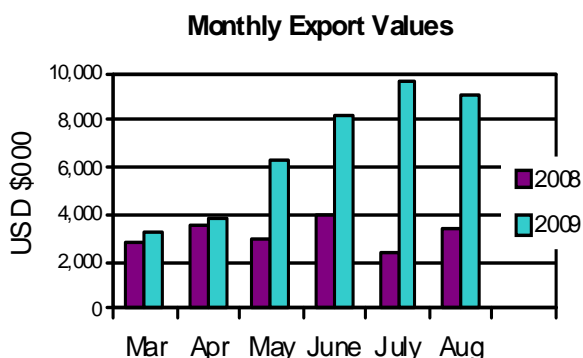
#### **USMEF Provides Value Cuts Training in Guatemala**

USMEF recently stepped up its efforts to provide training to importers and processors in Guatemala on the methods of deriving beef value cuts such as the Flat Iron, Ranch Cut and Petite Tender from the shoulder clod. Training has also been provided on proper cooking methods and on import specifications for the raw materials from which these cuts are derived.

## CHINA/HONG KONG

### Market Developments

Exports of U.S. beef/bvm exports to the China/Hong Kong region from January through August were 13,756 mt valued at nearly \$46 million – an astounding increase of 117 percent in volume and 80 percent in value over the same period in 2008. This dramatic growth was achieved despite the continued lack of direct access for U.S. beef to Mainland China, and the fact that exports of U.S. beef/bvm to Hong Kong are still restricted to boneless cuts from cattle less than 30 months of age.



U.S. lawmakers may have improved the chances of ending China's ban on U.S. beef imports by negotiating an agricultural spending bill that removed an important obstacle to imports of cooked poultry from China into the United States. The FY 2010 agriculture appropriations bill will allow USDA to use appropriated funds to undertake a risk assessment of

poultry processing facilities in China as a necessary step toward permitting imports of processed poultry products from China. The provisions regarding Chinese poultry will become effective only after the Secretary of Agriculture notifies Congress that certain food safety conditions have been met.

### Fourth Quarter Program Highlights

#### **Hong Kong Restaurant Promotions Showcase Versatility of U.S. Beef**

Confronted with a difficult economic environment, Hong Kong's restaurants are competing ferociously for the pinched consumer wallet. Restaurants have been eager to win customers with special features, and promotions highlighting the versatility of U.S. beef was a prominent component of activities at many restaurants during July, August and September. Offerings ranged from a pan-fried U.S. Top Choice tenderloin at Spasso's - one of Hong Kong's most highly regarded Italian restaurants - to innovative U.S. beef heel shank dishes at the Lee Fa Yuen Korea House.



#### **Hong Kong foodservice promotions feature a wide range of U.S. beef cuts**

USMEF's foodservice strategy in Hong Kong continues to focus on the promotion of underutilized cuts, but increased attention has been paid recently to capitalizing on the availability of competitively priced middle meats. U.S. Prime and Top Choice ribeyes are seen as high-value offerings in competition with Australian Wagyu and new-to-market authentic Japanese Wagyu beef. The Hotel Nikko featured U.S. Prime ribeyes cooked in a variety of ways - including teppanyaki preparation - at its Cafe Serena restaurant for a three-month period commencing July 15.

British Chef Patrick Barrett of The Epicurian Group prepared meals using two U.S. underutilized beef cuts - the hanger steak and the top blade muscle. Barrett also incorporated U.S. boneless short ribs into one of the famous curry preparations at Jimmy's Kitchen - a venerable Hong Kong institution that has been in continuous operation since the early 1930s. U.S. beef is also featured on the menu of the Pan Tray, a new bistro that is part of the Stone Grill Group. This two-week U.S. beef promotion featured a unique steak preparation using the Chuck Flap Tail. The Pantray is also featuring boneless short ribs and hanger steak.

## **EUROPE**

### **Market Developments**

The most significant event of the past quarter regarding U.S. beef exports to the European Union was the opening of the new, zero-duty quota for high-quality U.S. beef. Basic elements of the agreement are as follows:

- On August 14, the EU opened the new 20,000 mt tariff rate quota for high quality beef at an in-quota tariff of zero. This is in addition to the existing 11,500 mt tariff rate quota which carries an in-quota tariff of 20 percent.
- After three years and subject to the agreement of both countries, the tariff rate quota will be increased to 45,000 mt and the retaliatory tariffs (resulting from the EU's hormone ban) will be lifted from EU exports of all of the remaining affected products.
- During the fourth year of the agreement, the two countries will address the duration and terms of the agreement after the fourth year.
- Exports under the new "High-Quality Beef" (HQB) quota must meet a product definition similar to the definition currently applied to HQB beef exports to the EU. The components of the definition are: beef from cattle less than 30 months of age, on feed for at least 100 days with minimum energy and intake requirements, and carcasses must be quality graded. While beef-exporting countries other than the United States have access to the quota, it is unlikely that a significant portion of their production will meet this product definition.

Export activity so far under the new quota has been very encouraging. The new duty-free quota appears to already have had a positive impact on demand for high-quality U.S. beef and has definitely stimulated more importer interest in the product. USMEF's strategy for capitalizing on this increased demand for U.S. beef concentrates resources on maximizing publicity at the point of sale and complementing the strategies of distributors and importers to help stimulate sales.

### **Fourth Quarter Activity Highlight**

#### **U.S. Beef Showcased at Amsterdam HRI Event**

USMEF recently joined forces with beef importer Nice to Meat for an educational session and tasting event at the Bloomingdale Beach Club near Amsterdam. Nearly 250 chefs, restaurant owners and suppliers to the region's hotel, restaurant and institution (HRI) sector were in attendance for the program. U.S. Consul General Julie Ruterbories delivered the event's opening remarks, followed by introductory information on U.S. beef from USMEF-Europe Director John Brook and Mikel Powe, owner and CEO of Nice to Meat. The loin cuts presented at the event were dry-aged ribeyes and striploins. Flank steaks, value cuts from the shoulder clod and U.S. beef burgers were also featured.



Nice to Meat is developing a turnkey steakhouse concept, whereby anyone who wants to open a steakhouse can source everything they need from one supplier. In addition to the beef supply and meat broilers, this package may also include dry-aging cabinets that will display the beef to restaurant customers.

“Feedback at and immediately following the event has been very encouraging,” Brook said. “The HRI representatives felt that showcasing high-quality, dry-aged beef for their customers is a great way to differentiate the product.”

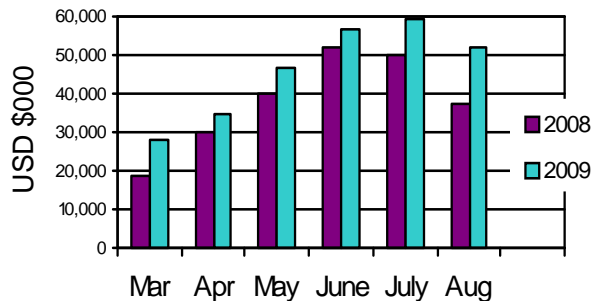
***Attendees receive a full demonstration on preparation and presentation of high-quality, dry-aged U.S. beef***

## JAPAN

### Market Developments

Through August, U.S. beef/bvm CY2009 exports to Japan were 62,688 mt valued at about \$321 million – an impressive increase of 22 percent in volume and 21 percent in value over the same period in 2008. This increase was achieved in spite of Japan’s continued restriction on U.S. beef exports to beef from cattle 20 months of age and younger.

**Monthly Export Values**



While Japan’s economy has been adversely affected by the global economic crisis, the impact on beef demand seems to be less dramatic than in many other countries due to Japan’s strong currency and associated consumer buying power. For this reason, together with soft middle meat prices in the U.S., Japan is a primary target for U.S. promotions featuring high-quality loin cuts. In recognition of the trend toward more cautious consumer spending, however, USMEF has also targeted many promotions toward

moderately priced restaurants and retail chains.

At the end of August, Japan’s political environment received a dramatic jolt when the Democratic Party of Japan (DPJ) scored an overwhelming election victory, capturing an even larger majority than expected in the lower house of the Diet. The Liberal Democratic Party (LDP) not only lost its long-standing majority, but also saw several of its most influential leaders defeated in their bids for reelection. While some observers have speculated that the DPJ victory could hamper efforts to gain expanded access for U.S. beef in Japan, the election’s actual impact on that issue remains unclear.

### Fourth Quarter Activity Highlight

#### **Leading Japanese Retail Chain Buyer Endorses U.S. Beef**

U.S. beef’s progress in Japan can be measured by the strong increase in exports over last year, or by the fact that the United States is the only one of the three largest U.S. beef exporting countries to register sales gains during the current continuing economic downturn. Another indicator is more subtle, but signals a profound shift in thinking. A leading regional retail chain in northern Japan, York Benimaru, recently

partnered on a beef promotional campaign with USMEF to promote specific steak products, including strip loins in July, and barbecue cuts in August.

USMEF market research consistently shows that a leading factor in encouraging consumers to buy U.S. beef is when the stores they trust and patronize endorse it. In a special promotion with York Benimaru, supported by the Beef Checkoff, USMEF developed a set of advertisements that featured photos of the retail chain's meat buyer and his personal endorsement of U.S. beef to the customers of the chain's 160 stores.

"The endorsement of the buyer, who is seen by customers as the expert, is extremely rare for imported meat products," said Takemichi Yamashoji, USMEF-Japan senior marketing director. "In Japan, an endorsement by the meat buyer is seen as the sign of quality, safety and taste."

Early reports show that the promotion generated results between 10 percent and 30 percent above those from the same time last year.

The York Benimaru chain is part of 7&I Holdings, one of the first companies in Japan to resume sales of U.S. beef. USMEF-Japan has worked closely with the organization to explore joint promotional opportunities; this initiative is the latest.



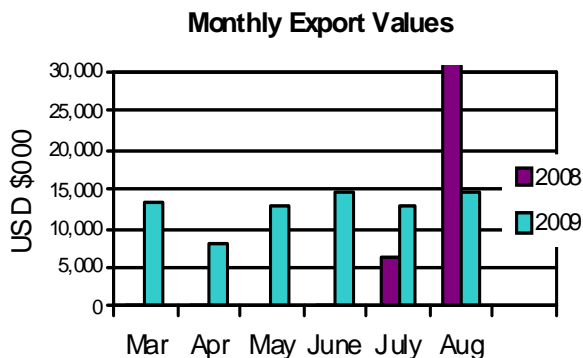
**USMEF advertising emphasizes the connections between U.S. beef and the natural environment.**

The point-of-sale materials are designed to accomplish three tasks: speak to the commitment of U.S. beef producers to the quality of the beef and the special care they take with cattle; depict the meat buyer and his endorsement; and publicize that week's special promotion.

## KOREA

### Market Developments

Through August, U.S. beef/bvm CY2009 exports to South Korea were 31,882 mt valued at \$125.5 million, making Korea the sixth-largest market for U.S. beef by volume and fourth-largest by value. Performance in June, July and August showed significant improvement over the previous three-month period, as the value of beef/bvm exports to Korea increased by more than 20 percent. Exports are still well short, however, of the amount seen in January and February of this year and in the latter months of 2008. While consumer sentiment towards U.S. beef seems to be improving, the industry is still battling misperceptions about the safety and quality of U.S. beef as well as a difficult economic climate.



Global Trade Atlas data for the first eight months of 2009 illustrates the tough climate facing all beef-exporting countries in Korea. Total beef/bvm exports to Korea have declined in value by about 22 percent compared to the same period in 2008, with exports from Australia dropping by 40 percent and exports from New Zealand falling by 52 percent. U.S. market share has climbed to almost one-third (32.25 percent), but this is still far short of the 70 percent share U.S. beef once enjoyed in Korea.

**Fourth Quarter Activity Highlight**

**Campaign Pitches U.S. Beef Gift Sets for Korean Thanksgiving Holiday**

Koreans celebrated the Thanksgiving holiday known as Chuseok on Oct. 3, which presented a special opportunity to promote U.S. beef throughout September. Beef is not only popular for family meals on this occasion but is often given as a holiday gift.

In anticipation of this holiday, USMEF-Korea sent news releases to Korean media, purchased advertisements in several major daily newspapers and placed a feature article in the national daily newspaper *JoongAng Ilbo* in an effort to raise awareness and boost sales of U.S. beef gift sets. The publicity campaign was made possible through funding from the Market Access Program, the Beef Checkoff Program and a special allocation of checkoff support from the Nebraska Beef Council. The gift sets were available at some five-star hotels, and USMEF arranged promotions at retail outlets such as Lotte Mart, E-Mart and Homeplus. These promotions ran at 47 retail outlets through Oct. 2, the eve of the Chuseok holiday.



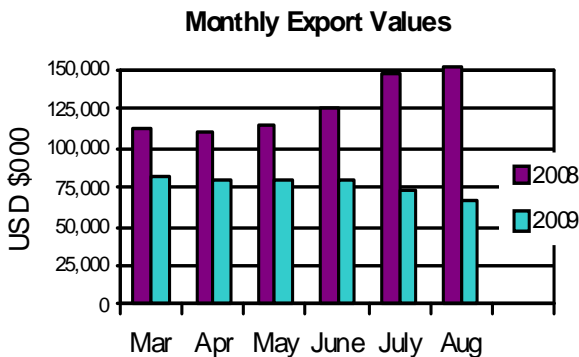
“It’s very important that we generate positive publicity for U.S. beef, especially with informative articles and strong visual images,” said USMEF-Korea Director Jihae Yang. “We are still working to rebuild Korean consumers’ image of U.S. beef and to make them aware of its availability on this special holiday occasion.”

***Advertisements in major Korean newspapers promote U.S. beef gift sets***

**MEXICO**

**Market Developments**

Through August, U.S. beef/bvm CY2009 exports to Mexico were 201,970 mt valued at \$636.7 million. While Mexico is still by far the leading volume and value destination for U.S. beef exports, these totals represent a 28 percent decline in volume and a 35 percent drop in value compared to January-August 2008. The weak Mexican peso and sluggish economy in Mexico have caused consumers to curb spending and substitute lower-priced proteins for beef, causing U.S. beef/bvm exports to fall far below the record-setting pace they established during the summer months of 2008.



Global Trade Atlas data for the first seven months of 2009 show a sharp reduction in total beef exports into Mexico, with the value falling by about one-third (32.88 percent). The United States still holds the lion’s share of

the market – 84.5 percent compared to 86 percent last year. Though it has enjoyed a more favorable exchange rate with Mexico over the past year, Canada made only a modest gain in beef/bvm market share (rising from 11.9 percent to 13.26 percent) and the total value of its exports to Mexico have fallen by 25 percent. The remaining 2 percent of beef/bvm market share in Mexico is divided among several beef-exporting countries, and none of them have recorded gains in 2009.

January-August beef/bvm exports to the Dominican Republic (included in the same marketing region with Mexico) have increased 8 percent in volume (to 1,958 mt) but have declined 9 percent in value (to \$10.2 million) from the same period in 2008.

#### **Fourth Quarter Activity Highlight**

#### **USMEF-Mexico Partners with Costco to Boost U.S. Beef Performance**

Responding to a continuing economic slump that has driven down sales of beef over the past year, USMEF-Mexico has partnered with Mexico's Costco stores to help the retail chain promote U.S. beef more effectively. USMEF designed a seminar to equip Costco personnel with the knowledge and confidence they need to more effectively promote U.S. beef, especially to business customers (small restaurants and others) who have been hit hard by the recession. Participants in the seminar included Costco Perishables Director Carlos Mora, Costco Meat Buyer Luis Galindo and 35 wholesale managers from 32 Costco stores.



USMEF dietician Georgina Gomez spoke to the group about the nutritional attributes of U.S. beef and the importance of including it in a daily diet. Dr. Tony Mata's presentation included a cutting demonstration and introduction of several new cuts. He also offered effective selling points to use when communicating with Costco shoppers.

***Dr. Tony Mata performs a beef cutting demonstration for Costco personnel in Mexico***

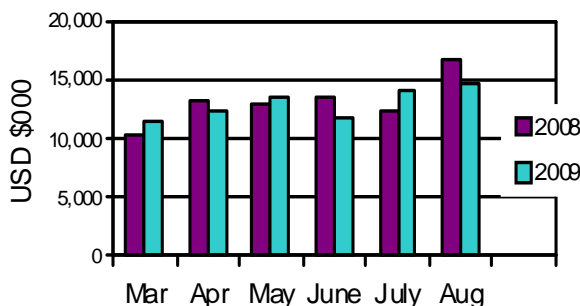
### **MIDDLE EAST**

#### **Market Developments**

Exports of U.S. beef/bvm to the Middle East region in the first eight months of 2009 were 63,132 mt valued at \$94.8 million – essentially the same volume as January-August of last year, with a 3 percent decline in value. It is significant to note, however, that muscle cut exports to the region have nearly doubled in volume (to 13,217 mt, an increase of 95 percent) and increased by 34 percent in value (to \$46 million). While the United States is still the dominant supplier of variety meat to the Middle East, bvm exports to the region have declined by 11 percent in volume and 23 percent in value compared to 2008.

As a result, muscle cuts have accounted for 48.6 percent of the value of U.S. beef/bvm exported to the Middle East in 2009. By comparison, muscle cuts made up only 35 percent of the value of U.S. exports in January-August 2008. In terms of volume, muscle cuts have made up 21 percent of U.S. beef/bvm exports in 2009 compared to less than 11 percent in January-August 2008.

**Monthly Export Values**



**Fourth Quarter Activity Highlight**

**U.S. Beef Showcased at Middle East Junior Chef Competition**

The most talented young chefs of the United Arab Emirates (UAE) recently gathered at Dubai’s Oasis Centre to compete for the coveted title of Middle East Junior Chef of the Year. With support from the Beef Checkoff Program and the Market Access Program, USMEF sponsored the 12th annual edition of this competition, organized by the Emirates Culinary Guild in conjunction with the Dubai Summer Surprises shopping festival. The competition is also supported by Dubai’s Department of Tourism and Commerce Marketing.

The Junior Chef of the Year competition promotes U.S. beef among five-star hotels and high-end restaurants in the region. More than 800 skilled young chefs competed in various classes at the seven-day event, including 12 classes that featured U.S. beef. Participants must be under 25 years of age, and are required to compete in three classes in order to qualify for the grand prize.



*The Middle East’s best young chefs prepare U.S. beef dishes*

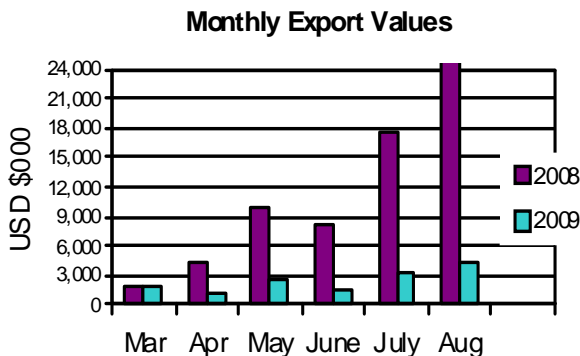
The kitchen work stations, as well as the entire competition premises, were decorated with Beef Checkoff and USMEF logos. Chefs participating in every U.S. beef class were equipped with Beef Checkoff/USMEF linen stitched aprons, hats and an educational U.S. beef kit. U.S. beef also benefited from outstanding media exposure, with local and regional television coverage and several print media outlets featuring stories about the event.

To promote a wide range of beef cuts, all chefs were required to use the U.S. beef cut of their choice - other than tenderloin. Competitors chose top sirloin butt, sirloin flap meat, tri-tip peeled top sirloin, chuck shoulder clod, short ribs, bottom sirloin butt, ribeye, striploin and beef liver. Chef Jannes Siahaan of The Edge restaurant won the overall title. Chef Mario Coelho, also of The Edge, took top honors in the U.S. beef cookery competition.

**RUSSIA**

**Market Developments**

Through August, U.S. beef/bvm CY2009 exports to Russia were 15,497 mt valued at \$18.16 million. This is a 46 percent decline in volume and a 73 percent decline in value compared to January-August 2008. August exports of \$4.22 million were almost triple the value of those achieved in June (\$1.45 million), which suggests a modest recovery in demand is underway.



While the ruble has recently strengthened to some degree against the U.S. dollar, it is still far weaker than in 2008. Although this has made it extremely difficult for the United States to compete for muscle cut exports to Russia, the U.S. is not the only beef exporter finding 2009 to be a very difficult year. Total beef/bvm exports to Russia are down 21 percent compared to January-August last year, with Brazil (-21 percent), Uruguay (-48 percent), Paraguay (-51

percent) and Australia (-64 percent) all weathering significant declines in export value. Among major exporters, only Argentina and Canada have posted increases in exports to Russia, with Canada's exports mainly limited to beef livers.

Russia temporarily suspended beef exports from several U.S. states during the A-H1N1 flu outbreak, including the key beef production states of Kansas, Texas and Washington. These bans were all eventually lifted by mid-July, and all U.S. states are now eligible to export beef to Russia. Russia recently announced plans to accept bone-in beef from Canadian cattle under 30 months of age and boneless cuts from cattle 30 months of age and older. (U.S. exports remain limited to boneless cuts from cattle under 30 months of age.)

#### **Fourth Quarter Activity Highlight**

#### **U.S. Beef Stars at Russian Academy of Hospitality's 10<sup>th</sup> Anniversary Celebration**

U.S. beef was the star attraction at master classes for the top chefs of St. Petersburg at the 10<sup>th</sup> anniversary of the St. Petersburg-based Academy of Hospitality, a professional non-commercial organization of more than 360 companies in the food service sector covering all 11 Russian time zones.

The chefs worked with alternative U.S. beef cuts such as top blade and top sirloin, which USMEF is now promoting in Russia, as well as loin cuts such as tenderloin, ribeye and striploin, which USMEF has traditionally promoted in Russia.

"We are very pleased to be able to team up with the Academy of Hospitality for the promotion of U.S. beef," said Yuri Barutkin, USMEF St. Petersburg manager. "The Academy has a very solid reputation as a highly professional organization among food service managers and professionals. The fantastic attendance at the master classes and the professional level of attendees from across the country were indications that we made the right choice of partner. I believe that the contacts we made in the course of three days will help us make an impact on the sales of U.S. beef in restaurants, not only in St. Petersburg but in regions far beyond."



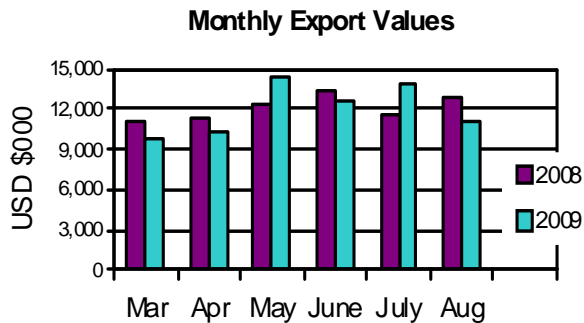
***USMEF's Yuri Barutkin promotes U.S. beef in St. Petersburg***

The late July celebration opened with a series of master classes for more than 150 restaurant and hotel chefs and food service managers. Guests could see and sample for themselves the high quality and versatility of U.S. beef cuts. All master classes were followed by tasting of the prepared dishes. Following the master class and tasting, the program included a trade show where USMEF-Russia handed out brochures, souvenirs and educational materials.

# TAIWAN

## Market Developments

Through August, U.S. beef/bvm CY2009 exports to Taiwan were 17,176 mt valued at \$85.3 million. While this is an 11 percent decline in volume and a 7 percent decline in value compared to January-August 2008, exports to Taiwan have been increasing over the past few months. After the first quarter of 2009, beef/bvm exports to Taiwan were trailing their 2008 pace by about 25 percent. Stronger performance was achieved from May through August, as cumulative beef/bvm exports during that period exceeded last year's May-August value by 3.3 percent.



On a value basis, the United States is the largest supplier of beef to Taiwan with 37 percent of the market. The U.S. also dominates the imported chilled beef market with 76 percent market share. These results have been achieved in spite of market access restrictions that have limited U.S. exports to boneless muscle cuts from cattle less than 30 months of age. Negotiations on an agreement that will expand access for U.S. beef are expected to be completed in the fourth quarter of CY2009.

## Fourth Quarter Activity Highlight

### **Exploring New Foodservice Opportunities for U.S. Beef in Taiwan**

Taiwan's foodservice operators are facing the ongoing challenge of a decline in restaurant traffic due to sustained weakness in the country's economy. As a result, chefs are feeling increased pressure to develop new menu ideas that will meet customer demand for special items at more competitive prices. In response, USMEF-Taiwan is working closely with leading hotels and restaurant chains to promote cutting, preparation and presentation of alternative cuts of U.S. beef, with an emphasis on how varied cuisine can be developed with U.S. beef.

As part of the strategy, USMEF recently conducted a U.S. Beef Culinary Creation & Marketing Seminar featuring U.S. beef in dishes from Taiwan's aboriginal cuisine, which is well-known for natural taste with little seasoning and no artificial flavoring. The event was well-attended by chefs, foodservice directors, food and beverage managers and purchasing managers from Taiwan's five-star hotels and leading restaurant chains, as well as media representatives and influential bloggers.



***Journalists and other attendees observe a U.S. beef dish being prepared at the U.S. Beef Culinary Creation & Marketing Seminar in Taiwan***

Two chefs well-versed in this cuisine cooked U.S. beef using traditional cooking methods such as slate barbecue, poaching and stewing – all designed to optimize the tenderness and juiciness of the U.S. beef cuts. USMEF also invited a master chef, Mr. Eddie Chen from National Kaohsiung Hospitality College, to demonstrate creative Western beef dishes with aboriginal ingredients in order to create new, economical menu ideas.

“While our foodservice customers are aware of U.S. beef and its many attributes, USMEF is always thinking of new services we can offer them to help their businesses,” said Davis Wu, USMEF-Taiwan director. “In addition to promoting our product, it’s also vital that we assist our loyal customers in finding fresh ideas and opportunities for featuring U.S. beef.”