Q: How have import meat prices trended over the 2010–2012 period? (See chart 1.)

- Import meat prices increased overall between 2010 and 2012. Prices rose over most of 2010 before peaking in April 2011. From April 2011 until the end of 2012, import prices remained mostly unchanged.
- High global feed prices and growing global demand for meat products contributed to higher import prices during the three-year period. Overall, the import price index for meat advanced 37.9 percent from December 2009 to December 2012.
- Foreign beef supplies remained down over the three year period, as Canadian herds held at low levels.

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

- Import meat prices were more volatile than domestic meat prices due to exchange rate fluctuations.
- From 2010 through 2012, similar to import meat prices, domestic meat prices also rose.
- A weaker U.S. dollar in 2011 caused the import meat prices to rise faster than domestic prices. In comparison, domestic meat prices advanced 27.1 percent over the three-year period.
Q: How have export meat prices trended over the 2010–2012 period? (See chart 2.)

- Price trends have shown a continuous increase in prices, with the total dollar value of meat exports increasing throughout 2010 and 2011, before leveling off in 2012.
- Rising production costs from elevated feed prices and a reduced herd size have driven the increase in prices. Drought and the higher use of corn for ethanol have reduced the supply of animal feed which raised production costs. Product availability declined as domestic farmers reacted to higher input prices by reducing the size of herds.
- Asian demand increased, especially for pork, as the Chinese economy grew and consumers demanded more animal proteins.

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

- Export price indexes in foreign currency terms can be approximated by multiplying the dollar price index by an index of the movement of the U.S. dollar compared to a weighted average of the currencies of major trading partners produced by the Federal Reserve.
- The total U.S. dollar value of meat exports generally rose, primarily due to higher prices.

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

Import and export price indexes can provide a new perspective for your trade analyses. 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, IPP 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.