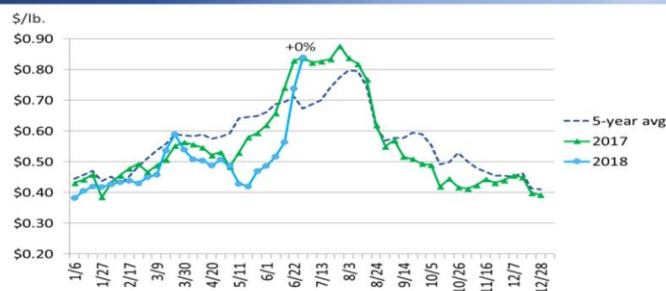


SUPPLY & DEMAND

The beef cutout value fell last week in a seasonal pattern as buyers had largely completed ordering for tomorrow's July 4th holiday the week before last. Rib, loin and brisket prices softened, while heavy ground beef featuring at supermarkets help keep prices stable of the July 4th BBQ staple. The beef comprehensive cutout value, an average of wholesale values of cuts, ground beef and trimmings (see price graph below), is approximately 10% below year-ago levels, and in-store July 4th beef promotions in the US have been active. Live fed cattle prices drifted lower for the 3rd week in a row following the release June 23rd of USDA's latest monthly cattle-on-feed (COF) report. On June 1, the number of cattle in large-scale feedlots totaled 11.553 million head, up 4% from a year-ago and the highest level recorded since the USDA began reporting the series in 1996. In addition, the COF report showed more placements than expected of cattle into feedlots during May. Supplies of market-ready fed cattle should remain plentiful moving forward, but the harvesting activity of plants continues to be robust given good domestic and export demand. Additional **Canadian** import duties of 10% were placed on cooked US beef items on July 1, but were not expected to impact overall exports because of the small size of that category of trade. A similar 25% retaliatory duty could be placed on **Chinese** imports of US beef this Friday July 6th, but with less than 0.5% of total US beef exports moving to China, the direct impact on trade volumes should be minimal.

42% Trim Boxed



Source: USDA/AMS

Beef Choice Beef Cutout Value: 2/7/2018 – US\$211.88/cwt. (-3% from 25/6/2018)

Despite fear over trade, the pork cutout moved higher last week due to surging belly prices. All primal values moved higher this week except for ribs, where July 4th buying had largely been completed by last Friday's close. Although still priced lower than a year ago, belly values have been seasonally increasing for the last 8 weeks, and are now at the highest level since last August. Even ham values managed to gain despite facing higher duties from two main markets, **China** and **Mexico**. The big market news last week was the release of USDA's quarterly hogs and pigs report. The report showed that the breeding herd on June 1 had jumped 3.5% year-on-year, a much larger number than had been expected and a sign that a much larger supply of market hogs could be coming during Q4. USDA is currently estimating that US pork production will increase 4.4% this year, but analysts will be closely watching next month's forecast to see if the agency revises that forecast upward. Year to date U.S. pork production is up 3.5% from the pace of last year, and slaughter numbers are up 2.7%. Following this week's holiday period, slaughter numbers should start to move higher in the next 4 weeks.

Hog Carcass Cutout Value: 2/7/2018 – US\$86.65/cwt. (+3% from 25/6/2018)

MARKET MAKERS

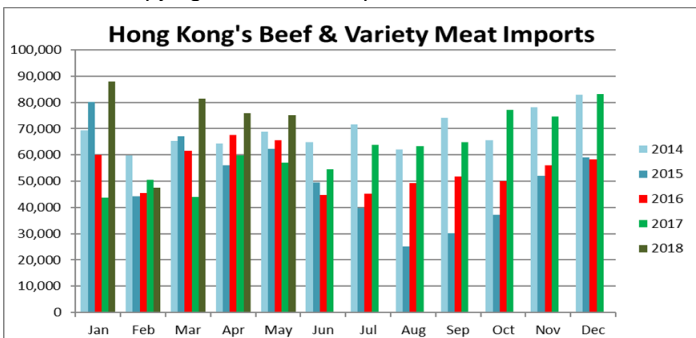
In a major food industry acquisition, **Conagra Brands** has announced that it will buy **Pinnacle Foods** for \$10.9 billion. Although neither company has red meat slaughtering facilities, both companies are involved in the meat business through their production and marketing of branded meat snacks and frozen meal entrees. Pinnacle sells frozen meal brands like **Birds Eye**, **Duncan Hines**, and **Hungry-Man**. Despite media reports that market-driving millennials are now seeking more fresh and healthy choices, sales of frozen prepared foods have been growing. Conagra markets meat-heavy frozen food brands including **Healthy Choice** and **Banquet**, as well as meat snacks like **Slim Jim**.

MOVING AHEAD

Although market analysts called last week's Hogs and Pigs report bearish, the upward movement in the pigs-saved-per-litter metric demonstrates the progress American pig farmers have made in increasing industry productivity. The average pigs saved per litter reached a record high of 10.63 for the March-May period, compared to 10.55 last year. Analysts note that the increase in the scale of US hog farming has strongly correlated with sow productivity. In 1994, the average number of pigs weaned on operations with less than 5,000 head was 8 head. The average number weaned on all operations was 8.19 and the average on operations with 5,000 or more head was 8.73. Ten years later, productivity had increased on farms of all sizes, with operations raising 5,000 or more head weaning 9.97 pigs per litter while the national average was 9.93 pigs per litter and operations with less than 5,000 head weaned 9.41 pigs per litter. Since 1990, the number of farms with hogs has declined by over 70 percent, as individual enterprises have grown larger. This has worked to increase the average productivity long-term trend line across the entire industry; average litter sizes rose 47% from the 7.2 pigs in 1980 to 10.6 pigs in 2017, making an average annual gain of 1.3%. To be sure, there have been down years; the effects of Porcine Diarrhea Virus (PEDv) in 2013 and 2014 saw the average number of pigs per breeding animal decline.

TRADE

Hong Kong's 2018 beef import surge continued in May as **Brazil's** reliance on the territory and **China** continued following the **Russian** ban on its beef and pork imports last November. Jan-May total HK beef imports increased 43% to reach 365,246 tons, led by the 62% increase from Brazil (204,483 tons). Jan-May imports from the **U.S.** were up 24% to 63,434 tons and from **Australia** up 27% to 13,707 tons. Total Jan-May Brazilian beef exports are up 18% to over 606 thousand tons, with China and HK occupying the #1 & #2 export destinations.



ACTIVITIES:

Restaurant & Bar, Hong Kong: Sep 4 - 6, 2018
FHC, Shanghai : Nov 13-15, 2018

供应与需求

上周牛肉分切价格呈现季节性模式下跌，起因於买家已在上周为明天的节日(七月四日美国国庆日)完成订单。肋排、里肌、前胸肉价格走软，而超市里大量的牛绞肉有助於让七月四日的烧烤主食维持价格稳定。牛肉综合分切价格(切割肉、绞肉、修切肉的平均批发价格)(请见下图表)较去年同期水平低约 10%，而美国商家今年针对七月四日的店内牛肉促销也十分活跃。美国农业部六月 23 日公布最新的每月牛只在养头数(COF)报告之後，活体已育肥牛只价格来到连续第三周下跌。截至今年六月一日，大型育肥场的牛只总数为 1155.3 万头，较去年同期增长 4%，是美国农业部自 1996 年开始纪录以来的最高水平。

此外，COF 报告显示，五月份送入育肥厂的牛只比预期的多。为市场就绪的已育肥牛只供应依然充足，然有鉴于美国加拿大针国内与出口的良好需求，屠宰场的收成仍然强劲。七月一日对煮熟美国牛肉的进口关税增加 10%，但由于该类贸易规模较小，预计不会对整体出口造成影响。本周五(七月六日)进口至中国的美国牛肉可能会被加收约 25%的报复性关税，但由于美国进口至中国的牛肉只占出口总量不到 0.5%，对于贸易量的直接影响应是微乎其微。

42% Trim Boxed



Source: USDA/AMS

美国农业部牛肉屠体价格指数 (特选级)：2018 年 7 月 2 日
—\$211.88 美元 / 百磅 (较 2018 年 6 月 25 日减少 3%)

尽管对于贸易的忧虑，由于腹肋肉价格飙升，上周猪肉分切价格走高。除了肋排之外，本周所有大分切价格皆走高，其中七月四日的买盘大致上已在上周五收盘时完成。虽然仍低于一年前的价格，然过去八周的腹肋肉价格持续呈季节性成长，目前是去年八月以来的最高水平。尽管面临来自中国与墨西哥这两个主要市场增高关税，但甚至后腿肉价格也呈现上涨。上周的重大市场消息为美国农业部的每季生猪与猪肉报告，根据该报告，六月一日的繁殖用猪群数量与去年同期相比成长 3.5%，远远超乎预期，并显示第四季市场可能会出现更大的生猪供应量。美国农业部目前预估今年美国猪肉产量将成长 4.4%，但分析师将密切关注下个月的预测，看看该部门是否会将此预测数值向上调整。今年初至今美国猪肉产量较去年同期成长 3.5%、屠宰量成长 2.7%。在本周假期过后，屠宰数量应在未来四周内开始走高。

猪屠体分切价格：2018 年 7 月 2 日-\$86.65 美元 / 百磅(较 2018 年 6 月 25 日增加 3%)

美国肉类出口协会活动预告：

香港餐饮展: 2018 年 9 月 4-6 日

上海国际食品饮料及餐饮设备展览会: 2018 年 11 月 13-15 日

产业新知

在食品产业一项重要的收购中，Conagra Brands 宣布将以 109 亿美元的价格收购 Pinnacle Foods。虽然两家公司都没有红肉屠宰设备，但两家公司都透过生产与行销品牌肉类零食与冷冻餐食从事肉类生意。Pinnacle 销售冷冻餐食，如 Birds Eye、Duncan Hines、Hungry-Man。尽管媒体报导指出，驱动市场生态的千禧世代正在寻求更新鲜健康的选择，冷冻即食产品的销售仍持续成长。Conagra 销售肉类为主的冷冻食品品牌，如 Healthy Choice 与 Banquet；以及肉类零食品牌，如 Slim Jim。

产业动态

虽然市场分析师声称，上周的生猪与猪肉报告行情看跌，但每窝仔猪存活率的上升显示，美国养猪户在提高产业生产力有所进展。今年 3 月到 5 月间，每窝仔猪存活率的平均达到破纪录的 10.63 头，去年同期为 10.55 头。分析师指出，美国养猪户规模的增加与母猪生产力高度相关。1994 年头数低于 5,000 头的猪只养殖场其每胎离乳仔猪数为 8 头，所有猪只养殖场的每胎离乳仔猪数为 8.19 头，头数高于 5,000 头的猪只养殖场其每胎离乳仔猪数为 8.73 头。十年后，各种规模的猪只养殖场生产率都有所提高，头数低于 5,000 头的猪只养殖场其每胎离乳仔猪数为 9.41 头，所有猪只养殖场的每胎离乳仔猪数为 9.93 头，头数高于 5,000 头的猪只养殖场每胎离乳仔猪数为 9.97 头。自 1993 年以来，随着个体企业的规模扩大，生猪养殖场的数量下降了超过 70%，这有助于提高整个产业的平均生产力长期趋势线：平均仔猪数从 1980 年的 7.2 头增加到 2017 年的 10.6 头，平均每年成长 1.3%。然而无可否认，有几年猪只生产率是下跌的，2013 年和 2014 年受到猪流行下痢病毒(PEDv)影响，每胎平均产仔数下降。

贸易新闻

2018 年香港牛肉进口激增，起因於去年 11 月俄罗斯禁止进口牛肉与猪肉，导致巴西持续依赖中国与香港。今年 1 月至 5 月香港牛肉进口总量成长 43%、达到 365,246 公吨，其中巴西成长 62% (204,483 公吨)。今年 1 月至 5 月美国进口量成长 24%、达到 63,434 公吨，澳洲进口量成长 27%、达到 13,707 公吨。今年 1 月至 5 月巴西牛肉进口总量成长 18%、达到超过 60.6 万公吨，中国与香港是其第一与第二大出口目的地。

