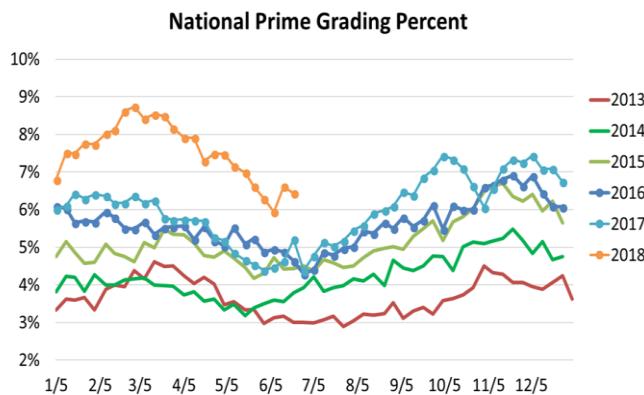


SUPPLY & DEMAND

Boxed beef prices drifted seasonally lower on tepid mid-summer demand, and cattle prices eased as well. Mid-July is one of the weaker period for beef movement as high temperatures keep people indoors or in pools, lakes and the beach. Average values for ribs, loins and briskets all fell noticeably last week. Movement of boxed beef is still decent given the high harvest levels, but live fed cattle prices have come off their early May highs by approximately 12%. Live prices have seesawed through the early summer, in part due to uncertainty over trade policy and exports. That said, the market was somewhat buoyed last week from May U.S. beef export numbers, which were the highest in history (value) for any single month (see TRADE next column). Looking ahead, analysts believe that a large number of cattle were placed into feedlots during June, setting up expectations for a high July 1 cattle on feed number. USDA's next report should be released at the beginning of next week, and it should continue to show record cattle-on-feed numbers. The futures market expects cattle prices to fall moving into August, but analysts are split between the optimistic view that domestic and foreign demand for U.S. beef remains strong, and the pessimists that see more challenges ahead as the industry moves larger volumes of fed cattle through the beef supply chain pipeline.



Source: USDA/AMS

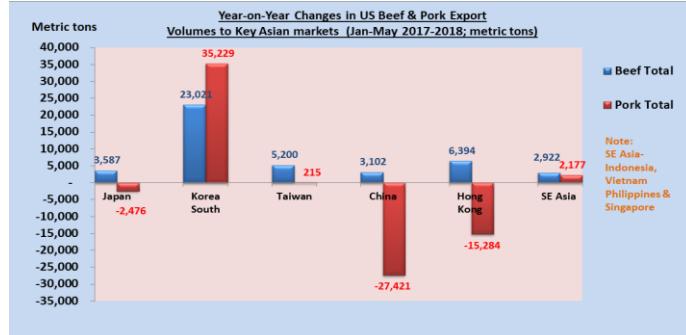
Beef Choice Beef Cutout Value: 16/7/2018 - US\$203.76/cwt. (-2% from 9/7/2018)

The pork cutout moved lower last week as increased production, new import tariffs by **Mexico** and **China**, and the mid-summer seasonal demand slump weighed on the marketplace. Only average belly values managed to gain last week, while hams ground lower based on fears over slackening export demand. On July 10, the ham primal experienced the largest single day decline since early March losing \$4.18 per hundred pounds from the previous day. Hog futures dipped to new lows mid-last week before rallying on Thursday and Friday. Uncertainty continues to grip the pork market as almost 40% of pork exports are to markets where new retaliatory duties are in place. **Iowa State University** has calculated that producers have lost almost US \$2 billion, or \$18 per hog, since early March when trade war rhetoric started to ramp up. Producers are now operating in the red. Live weight prices for 51-52 percent lean carcasses are expected to average about \$49/cwt. in the third quarter of 2018 before dropping sharply in the last quarter to near \$40. Current estimates of costs of production are near \$50; estimated losses for the July-December 6-month period could average \$25 per head. Current estimates of total average losses for the calendar year of 2018 are estimated at \$10 per head and \$12 per head in 2019. Producers will get some help from lower input costs, especially soybeans as prices move lower due to additional Chinese import duties on beans. U.S. soybean prices dropped to near-10-year lows last Friday, with soybeans for November delivery dipping to \$8.26 a bushel, the lowest level since late 2008. Prices have fallen nearly 20% since March. A finishing hog will consume over 100 pounds of soybeans as part of its rations.

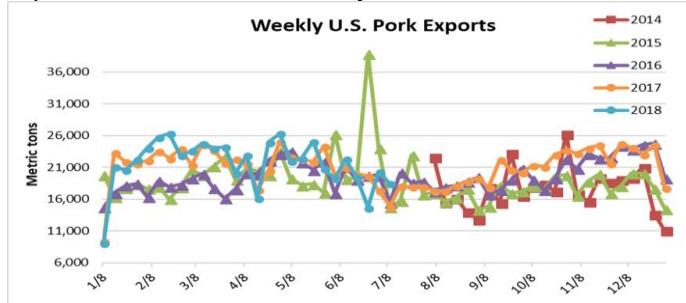
Hog Carcass Cutout Value: 16/7/2018 - US\$83.37/cwt. (-2% from 9/7/2018)

TRADE

The trade story continued to dominate livestock market movements last week as the U.S. administration announced it will place an extra 10% duty on US \$200 billion in **Chinese** imports as early as August 30. Interestingly, the 200-page list of targeted items include fresh/frozen pork and beef offal, even though there is no veterinary protocol allowing imports of such items from China. However, other agricultural and food products that China exports to the U.S. in large quantities are listed, including many seafood products (\$2.68 billion exports to U.S. in 2017), and fruits and vegetables. The U.S. product list can be found at https://ustr.gov/sites/default/files/301/2018-0026%20China%20FRN%207-10-2018_0.pdf. China issued a statement that it would retaliate, but has yet to publish a list of targeted items. The impact of the unfolding trade battles on U.S. meat exports still appear minimal, but delays in the release of data make a 'live' assessment difficult. U.S. trade data for May was just released and showed total US beef and pork exports (volume, and including variety meats and processed products) up year-on-year by 10% and 3% respectively. With the exception of pork exports to China and **HK**, where trade was down anyway due to recovering domestic production & lower total imports, U.S. red meat exporters have enjoyed strong Asian demand (see graph below).



Weekly export and export sales data is available through July 5th, and while it is showing some slowdown in the pace of sales and shipments, total export numbers are still trending at a similar pace to that of the last several years (see graph below). China and Mexico have implemented additional duties on pork & pork variety meats of 50% and 20% respectively, and the biggest impact is likely to be on price-sensitive variety meats; 55% of U.S. pork v-meat exports are shipped to these 2 markets. Unfortunately, USDA's weekly export data does not include variety meats, and it will be at least a month until the impact can be assessed from monthly trade data.



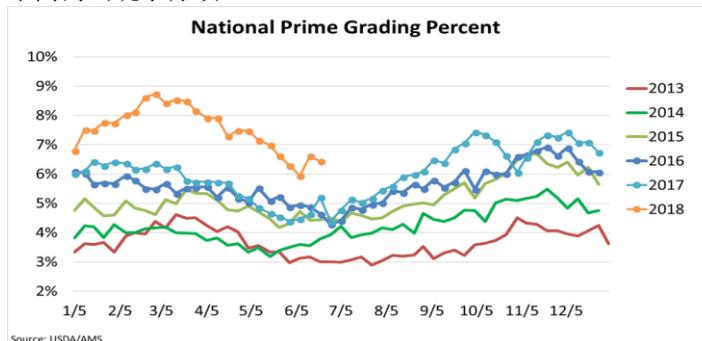
Surging U.S. pork sales to **Korea** have somewhat offset the declines to China and Hong Kong. And through May, U.S. pork exports to **Mexico** were still taking place at a blistering pace, up 6% from the record pace of last year. **Colombia** is also emerging as a major export destination for U.S. pork. On the beef side, China's additional 25% duty on beef that was implemented July 6th is expected to have a minimal impact on the U.S. industry, but analysts are watching the pace of shipments to **HK**, the USA's 4th largest overseas market.

ACTIVITIES:

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

供应与需求

由於夏季中期消费者对牛肉需求一般，箱装牛肉价格季节性下跌，牛只价格也随之下跌。七月中旬是牛肉表现走软的时期之一，因为高温使人们长时间停留在室内或泳池、湖泊和海滩。上周，肋脊部、腰脊部和牛前胸肉的平均价格均显着下跌。由於屠宰水平较高，箱装牛肉走势仍然不错，但已肥育牛只价格从五月初高位回落约 12%。由於贸易政策和出口的不确定性，牛只价格於初夏时已开始动荡。尽管如此，从五月美国牛肉数据来看，上周市场有所提振；五月是创下历史新高(价值)的单月(请见右栏贸易新闻)。展望未来，分析师认为六月份大量的牛只将放置在肥育场，并期望 7 月 1 日的牛只在养头数将会增加。美国农业部下一份报告应该於下周初发布，报告将显示创纪录的牛只在养头数。期货市场预计牛只价格於八月将持续下跌，但乐观者认为国内外市场对美国牛肉的需求依然强劲，悲观者则因业者须消化更大量的已肥育牛只供应链而看到了更多的挑战：分析师们因两方意见不同而出现了分歧。



**美国农业部牛肉屠体价格指数(特选级): 2018年7月16日
-\$203.76 美元/百磅 (较2018年7月9日减少2%)**

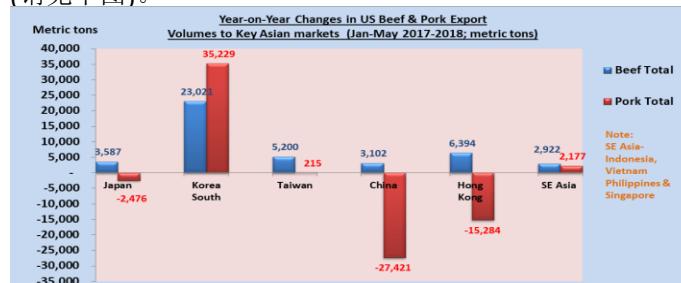
由於猪肉产量增加、**墨西哥**和**中国**的新进口关税政策以及夏季中期季节性需求走软打压市场，上周猪肉价格下跌。因对出口需求放缓的担忧，上周只有猪腹肋肉平均价格成功上涨，而後腿肉价格则下跌。於 7 月 10 日，後腿肉大分切价格相较前一天下跌了每百磅 4.18 美元，这是自三月初以来单日最大跌幅。在周四和周五价格反弹之前，活猪期货价格於上周中旬跌至新低。不确定因素继续影响着猪肉市场，因为近 40% 的猪肉都是出口到实施新报复性关税的市场。**爱荷华州立大学**计算出，自三月初贸易战言论开始加剧以来，屠宰商已经损失了近 20 亿美元，相等於每头猪只损失 18 美元。屠宰商正以赤字营运。预估在第四季大幅下跌至近 40 美元之前，2018 年第三季瘦肉率达 51 至 52% 屠体的活体价格平均约为 49 美元/英担。目前的屠宰成本预估接近 50 美元；七月至十二月这六个月期间内，估计每人损失平均为 25 美元。目前预估 2018 总平均损失为每头猪 10 美元，2019 年则为每头 12 美元。由於中国对美国豆类课徵额外进口关税导致其价格走低，生产者因而从较低的投入成本获得一些帮助，尤其是大豆。上周五美国大豆价格跌至近十年新低，十一月交割的大豆价格跌至每蒲式耳 8.26 美元，为 2008 年底以来最低水平。自三月以来，大豆价格已下跌近 20%。大豆为猪只粮食的一部分，每头完成肥育的猪只均消耗掉超过 100 磅的大豆。

猪屠体分切价格: 2018年7月16日-\$83.37 美元/百磅 (较2018年7月9日减少2%)

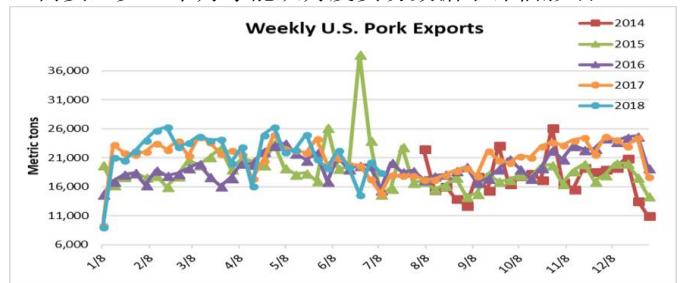
贸易新闻

由於上周美国政府宣布，将於 8 月 30 日对达 2000 亿美元的**中国**进口商品课徵 10% 额外关税，贸易故事继续主导着牲畜市场走势。有趣的是，这份两百页的目标清单中包含生鲜/冷冻猪肉和牛肉内脏，这并没有兽医协议证明允许美国从中国进口此类商品。然而，中国大量出口到美国的其他农产品和食品也被列入名单中，包括许多海鲜产品(2017 年出口至美国金额为 28.6 亿美元)，以及水果和蔬菜。详尽的美国目标物品清单可在此查询：
https://ustr.gov/sites/default/files/301/2018-0026%20China%20FRN%207-10-2018_0.pdf

中国发表声明表示将进行报复，但尚未公布目标物品清单。正在展开的贸易战对美国肉类出口影响仍然很小，但延迟发布的数据使得「现况」难以评估。五月美国贸易数据刚发布，显示美国牛肉和猪肉总出口(重量，包括杂碎和加工产品)分别同比增长 10% 和 3%。除了出口到中国和**香港**的猪肉外，因其国内产量回升及总进口量减少，贸易量下降，美国红肉出口商正获利於亚洲市场的强劲需求(请见下图)。



每周出口和出口销售数据将於 7 月 5 日前发布，尽管销售和出货速度有所放缓，总出口数据走势与过去几年相似(请见下图)。中国和墨西哥对美国猪肉和猪杂碎产品分别徵收 50% 和 20% 的额外关税，受最大影响的可能是以价格主导的猪杂碎；55% 的猪杂碎出口至这两个市场。不幸的是，美国农业部发布的每周出口数据并不包括杂碎，并且需要至少一个月才能从月度贸易数据中评估影响。



美国猪肉在**韩国**的销售高涨在一定程度上抵销了中国和**香港**的销售下跌。至五月份，美国在**墨西哥**的猪肉出口仍然以惊人的速度增长，比去年的创纪录水平高出 6%。**哥伦比亚**也正成为美国猪肉的主要出口目的地。在牛肉方面，中国於 7 月 6 日实施的额外 25% 牛肉关税预计对美国产业影响不大，但分析师正在关注往美国第四大海外市场**香港**的出货速度。

美国内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