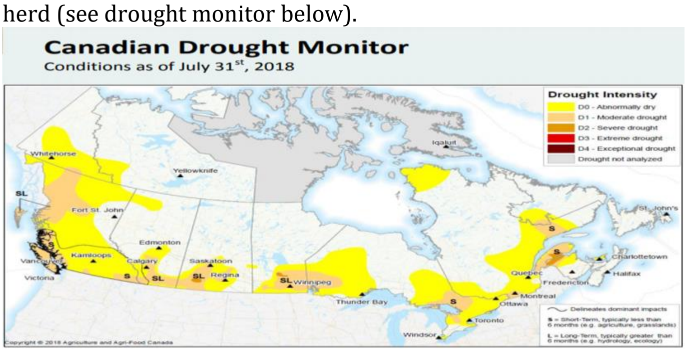
U.S. MEAT EXPORT FEDERATION

U.S. Meat Bulletin

Sep 4, 2018 Volume X | Issue 9.1

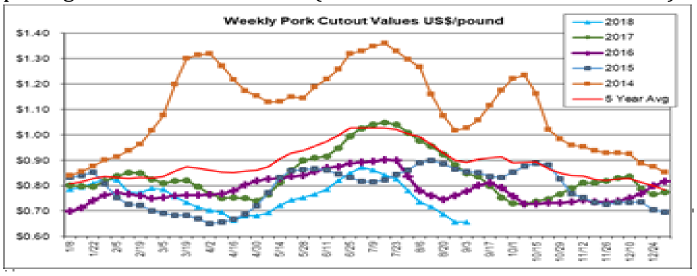
SUPPLY & DEMAND

After 3 weeks of gains, the beef cutout eased last week, with wholesale beef orders softening after yesterday's Labor Day holiday. Labor Day marks the end of summer and will see beef demand dynamics shift as consumers put grills away and emphasis turns to roasts. Live cattle and beef values have held up well this summer according to analysts, but will come under more pressure for the remainder of the year as pork production seasonally ramps up and wholesale pork prices stay low. One sign of concern to market watchers is the high number of cattle that have been in feedlots for 150 days or more, referred to as front-end cattle. On September 1, analysts estimate the number of front end cattle was 31% above the previous year on September 1 and the 2nd largest number ever for that date. The supply is forecast to decline percentage-wise into November and December then increase again. Last week, USDA released its summary of the combined cattle inventories for the U.S. and Canada (USDA released the inventory for just U.S. cattle in July). The July cattle inventory for Canada was the lowest since 1988. Drought in major Canadian cattle producing areas has resulted in animals being sent to feedlots or to the U.S. instead of being retained to rebuild the herd (see drought monitor below).



Beef Choice Beef Cutout Value: 31/8/2018 – US$209.69/cwt. (-2% from 27/8/2018)

The steady decline over the past 2 months of wholesale pork prices halted last week as news of a new U.S. trade deal with the USA's #1 overseas pork market **Mexico** was announced. Although the additional tariffs may not be lifted for months, the news of an agreement boosted market optimism. Despite the positive trade news, wholesale ham values, a major export item to south of the border, declined again last week. The reference wholesale ham primal value dropped to the lowest level since late May last week to settle at approximately $0.53/lb. The close marked the 4th consecutive week of lower finishes for heavy bone-in hams values, and the item is now 28% cheaper than this time last year. Live fed hog prices continue to drift lower, and last week settled at approximately U.S. $0.80/kg. Despite lower prices, slaughter plants are handling the larger flow of animals, and average harvest weights of 126 kgs. were similar to the levels of a week ago. The U.S. pork industry could be the recipient of nearly U.S. $850 million in USDA trade assistance funds from an agricultural assistance package announced last week (see MOVING AHEAD next column.).



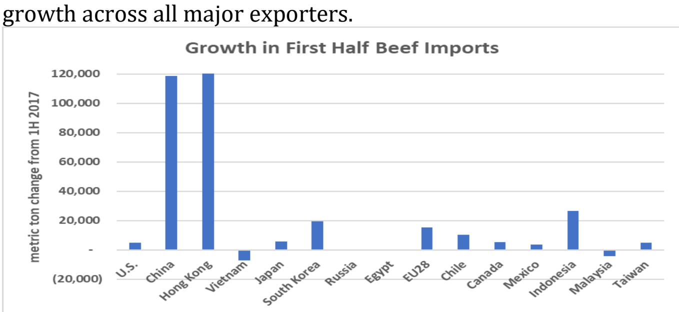
Hog Carcass Cutout Value: 31/8/2018 – US$67.21/cwt. (+3% from 27/8/2018)

MOVING AHEAD

On August 27, 2018 Secretary of Agriculture Sonny Perdue announced that the **U.S. Department of Agriculture** is authorizing up to U.S. $12 billion in trade mitigation programs (TMP) to offset the negative impacts to farmers of tariffs imposed on U.S. agricultural imports, principally by **Mexico** and **China** The Department will be using three different mechanisms under the mitigation package. The Market Facilitation Program will provide direct payments to corn, cotton, dairy, hog, sorghum, soybean, and wheat producers starting September 4, 2018. Under this program, eligible pork producers could receive U.S. $8 per head in compensation for the trade-related losses in hog values and exports since the onset of current trade friction. The U.S. $1.2 billion Food Purchase and Distribution Program will see the USDA purchase up to U.S. $14.8 million in beef products and $558 million in pork for distribution to states and The Emergency Food Assistance Program (TEFAP). (TEFAP) is a Federal program that helps supplement the diets of low-income Americans, including elderly people, by providing them with emergency food and nutrition assistance at no cost. Disbursements are normally made to states who in turn allocate food to the needy. The final component of the TMP is the Agricultural Trade Promotion Program. Up to U.S. $200 million will be made available, on a cost share basis, to eligible U.S. organizations like USMEF for activities such as consumer advertising, public relations, point-of-sale demonstrations, participation in trade fairs and exhibits, market research, and technical assistance. Funding for this trade promotion component should be made available by early next year. According to the USDA, the amounts of assistance for these 3 programs are based on economic analysis of the damage caused by tariffs "illegally" imposed on imports of these crops by some U.S. trade partners.

TRADE

Last week we noted the slight decline in global trade volumes for pork through the 1st half of 2018 when compared to last year's pace. Beef has been different, with **China** being a major driver for increased trade volumes of beef globally so far this year. Exports by top global suppliers was up about 10% in volume terms and 14% in value terms during H1 2018, reaching nearly U.S. $16 billion. Among the largest exporters, and despite its trade 'wars', the **U.S.** has led beef export growth with a 10% volume rise in H1 (value up 21% to $3.96 billion.) **Australian** growth followed, up 17%, then **Brazil** at $2.6 billion, up 1%. Exports in US dollars were also higher for all the other leading exporters, including **NZ** +6%, **Argentina** +44%, **Canada** +12%, **Uruguay** +10%, the **EU** +11%, **Mexico** +14% and **Paraguay** +14%. Beef import growth into China and **HK** combined totaled approximately 240,000 tons, and accounted for 73% of global trade growth of 330,000 tons. But widespread growth in imports, including that by **Indonesia** and **Korea** has helped underpin higher trade values and supported growth across all major exporters.

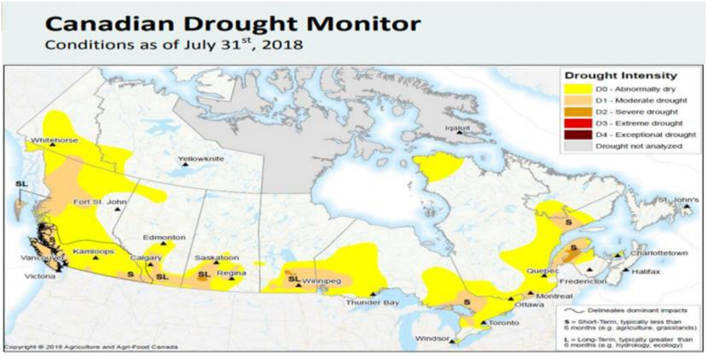


ACTIVITIES:
Restaurant & Bar, Hong Kong: Sep 4 - 6, 2018
FHC, Shanghai : Nov 13-15, 2018

美国肉品新知
2018 年 9 月 4 日 第十卷 9.1 期

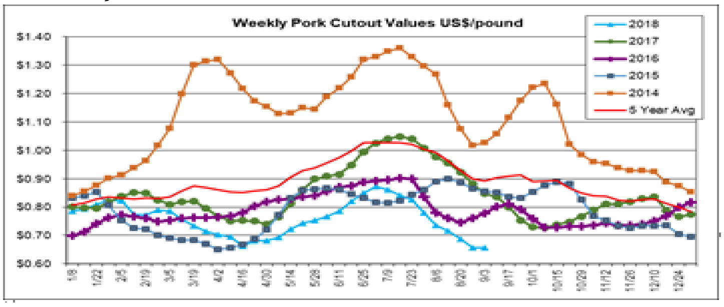
供应与需求

经过三周的涨势，上周牛肉分切价格有所回落，昨日劳动节假期後批发牛肉订单减少。劳动节标示着夏季即将结束，消费者对牛肉的需求由室外烧烤(grill)转为室内烘烤(roast)。分析师指出，虽然今年夏天的活牛和牛肉价格走稳，但随着猪肉产量季节性增加和批发猪肉价格维持在低位，活牛和牛肉价格将於今年剩馀的时间面临更大的压力。市场观察者正关注的迹象是肥育场已肥育 150 天或更长时间的牛只数量很高，这些牛只被称为前端牛。9 月 1 日，分析师估计当天前端牛的数量比去年高出 31%，是有史以来第二大的数量。预计供应量将按百分比下降至十一和十二月，而後再次增长。上周，美国农业部公布了美国和加拿大两国的牛只库存总数(美国农业部在七月只公布了美国的牛只库存头数)。加拿大七月份的牛只库存头数是自 1988 年以来的最低水平。加拿大主要牧场发生乾旱导致牛只被送往肥育场或美国，而不是被保留以重建牛群(见以下乾旱监测图)。



美国农业部牛肉屠体价格指数(特选级):2018 年 8 月 31 日—$209.69 美元 / 百磅 (较 2018 年 8 月 27 日减少 2%)

美国宣布与排名第一的海外猪肉市场**墨西哥**达成新的贸易协议，导致在过去两个月稳步下跌的猪肉批发价格於上周跌停。虽然额外的关税政策在几个月内不会解除，但协议的消息提振了市场的乐观情绪。尽管有积极的贸易消息，上周後腿肉批发价格再次下跌，该部位肉是出口至南美国家的主要商品。参考後腿肉大分切批发价格上周跌至五月底以来最低水平，收於每磅约 0.53 美元。此次收盘意味着带骨後腿肉价格连续第四周收低，该部位肉比去年同期便宜 28%。已肥育活猪价格持续走低，上周收於每公斤约 0.8 美元。尽管猪肉价格较低，屠宰厂正在处理较大的猪只流量，且平均屠宰重量为 126 公斤，与一周前的水平相似。美国猪肉产业可能会获得上周所宣布来自美国农业部一项农业援助计画近 8.5 亿美元的贸易援助资金(见右栏产业新知)。



猪屠体分切价格：2018 年 8 月 31 日-$67.21 美元/ 百磅(较 2018 年 8 月 27 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

2018 年 8 月 27 日，美国农业部长 Sonny Perdue 宣布**美国农业部**正在批准高达 120 亿美元的贸易减缓计画(TMP)，以抵销美国农产品被课徵额外进口关税对农民所带来的负面影响，这些影响主要来自**墨西哥**和**中国**。该部门将在减缓计画下执行三种不同的机制。Market Facilitation Program(市场促进计画)将於 2018 年 9 月 4 日开始向玉米、棉花、乳制品、活猪、高粱、大豆和小麦生产者提供现金援助。根据该计画，符合条件的猪肉生产者可以获得每头猪只 8 美元的补助，以补偿自当前贸易摩擦发生以来猪只价值和出口贸易方面相关的损失。涉及 12 亿美元的 Food Purchase and Distribution Program(食品采购和分销计画)中，美国农业部将购买高达 1,480 万美元的牛肉和 5.58 亿美元的猪肉，以分配给各州和用於紧急食品援助计画(TEFAP)。TEFAP 是由联邦政府所负责，透过免费提供紧急食品和营养援助，协助低收入美国人民，包括老年人。通常这些食品会分派给各州政府，再分配给有需要的人。TMP 最後一个项目为 Trade Promotion Program(农业贸易推广计画)。该项目以成本分摊的形式向符合条件的美国组织，例如美国肉类出口协会，提供高达两亿美元的资金，并用於消费者广告、公共关系、销售点展示、贸易会议和展览出席、市场研究和技术援助等活动。该贸易推广计画部分的资金应该於明年初提供。根据美国农业部的说法，这三个项目的援助金额是对基於一些美国贸易夥伴「非法」对这些进口农作物徵收关税所造成的损害的经济分析。

贸易新闻

上周我们注意到，2018 年上半年全球猪肉贸易量与去年同期相比略有下降。牛肉的表现与之相反，今年迄今，**中国**是全球牛肉贸易量增长的主要推动力。在 2018 年上半年，全球主要供应国的出口量增长约为 10%，价值增长 14%，达到近 160 亿美元。在最大的出口国之中，尽管出现了贸易战争，**美国**已经带动上半年牛肉出口增长，出口量增长 10%(价值增长 21%，达到 39.6 亿美元)。随後分别为**澳洲**，其出口值增长 17%；**巴西**出口值增长 26 亿美元，增长 1%。以美元计算，所有其他主要出口国的出口值均有上涨，包括**纽西兰** +6%、**阿根廷** +44%、**加拿大** +12%、**乌拉圭** +10%、**欧盟** +11%、**墨西哥** +14%，以及**巴拉圭** +14%。中国和**香港**的牛肉进口总量约为 24 万吨，占全球贸易总增长 33 万吨的 73%。但各国的进口量均普遍成长，包括**印尼**和**韩国**，两国的进口有助於巩固更高的贸易价值，并支撑所有主要出口国的出口增长。