U.S. Meat Bulletin

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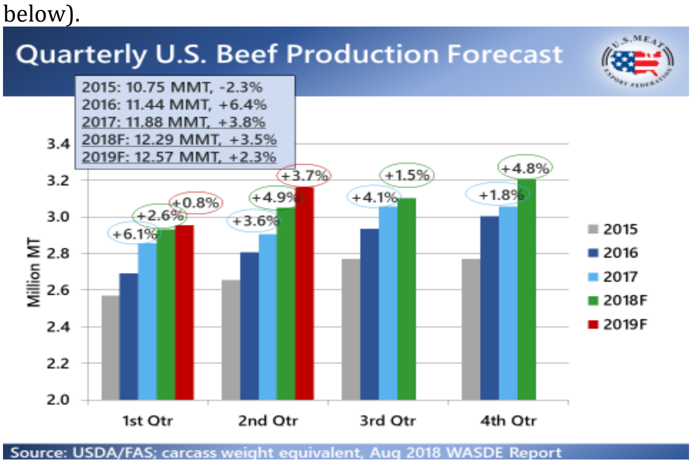
SUPPLY & DEMAND

The beef cutout ended lower last week as seasonal weakness in beef demand slowed activity in the wholesale boxed beef market. The cutout decline was led by weakness in the average primal prices for briskets and thin meats (plates and flanks). Still, despite larger production, the average beef cutout value remains about 10% higher than a year ago. Cattle futures advanced last week, surging on Friday on optimism about overall strong demand and possible major changes in red meat trade flows due to the African Swine Fever detection in Western Europe (Belgium). Analysts note that retailers normally pull back on the featuring of middle meats during September and October. Retail meat observer Urner Barry noted that pork and chicken promotions at supermarkets last week were on the increase; September is national chicken month, encouraging poultry featuring. Optimists cite stable cattle weights as evidence that feedlot operators have been able to market their animals steadily to plants, with recent fed cattle carcass weights hovering near the levels of a year ago and the same time in 2016. Analysts also note that this spring's (March & April) placement of feeder cattle into lots this year was modest, and the placement mix in May and June contained a higher proportion of lighter weight cattle, two trends that should help market imbalances from building into the fall. Nevertheless, USDA is predicting a large increase in Q4 beef production (see GRAPH below).



Beef Choice Beef Cutout Value: 17/9/2018 – US$206.04/cwt. (-2% from 31/8/2018)

The pork cutout received a boost last week as Hurricane Florence saw several large pork plants in the Southeast implement precautionary work stoppages. Live hog prices and futures moved sharply higher after a case of African swine fever was confirmed in **Belgium**, its first case since 1985 and the first in Western Europe in many decades. **Korea, Japan** and **China** have implemented trade bans on Belgium pork imports, raising prospects for more demand for U.S. products. Belgium exports small volumes of pork to Asia, but the outbreak raised concerns about the prospect of ASF detections in major neighboring pork producing powerhouses like **Germany** and **France.** Another factor influencing markets last week was USDA's revised corn production forecast, which predicted higher output, record yields, higher stocks and lower prices. After the report's issuance, corn prices plunged 3.4% to $3.54/bushel. If USDA's forecast is correct, this year's corn crop would be the 2nd highest on record.

Hog Carcass Cutout Value: 17/9/2018 – US$76.02/cwt. (+13% from 31/8/2018)

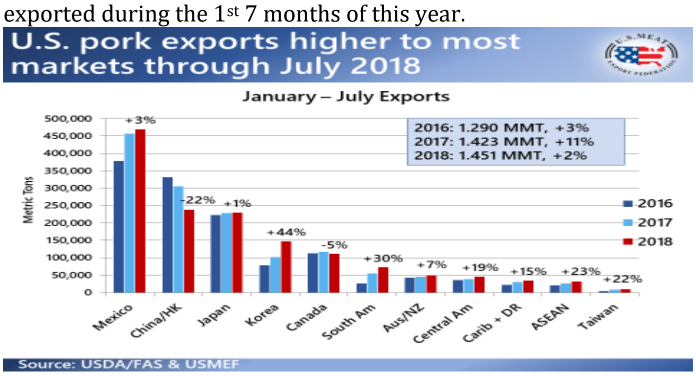
ACTIVITIES:
FHC, Shanghai : Nov 13-15, 2018

MOVING AHEAD

During the 3rd week of August, the spot or negotiated price of barrows and gilts sold to packing plants fell below US $ 0.40/lb. (US $0.88/kg.) for the first time since 2016. The August monthly average price was US $0.43/lb., 41% below year ago levels. But what do these prices mean in terms of profitability and financial sustainability of producers? For fattened hogs sold in August, **Iowa State University** estimates that producers lost US $40 per head on average during the month. These calculations are based on spot prices and costs of inputs. Modern hog marketing arrangements have moved away from pricing hogs on the negotiated or spot market to other formulas, such as basing prices upon the wholesale value of the meat sold (i.e. the carcass cutout value), pricing derived from the value of hog futures, or pricing based upon the cost of inputs (i.e. mostly feed). The volume of barrows and gilts sold on a spot basis during the summer quarter of last year was only 4.4%, indicating alternative schemes are now the main drivers for pricing. According to the Daily Livestock Report (DLR), in the current quarter, approximately 47% of live hog selling arrangements are based on formulas linked to wholesale pork and pork product prices. Selling on these formulas would have netted an average premium of US $ 0.07/lb. (live weight basis) premium over a spot sales agreement. This year, selling hogs based upon production cost factors is a trend; in the most recent 2 month period, 34% of hogs sold used this method compared to 27% last summer. Selling hogs using production cost formulas would have netted an average premium of US $ 0.17/lb. over the average value of a spot transaction.

TRADE

Despite facing significant tariffs from **China** (62%) and **Mexico** (20%)**,** U.S. pork exports through July are still running 2% ahead of the pace of last year in volume terms and are up 3% in value. Mexico upped its duties to the current 20% level on July 5th, while China added on July 6 an additional 25% duty on the first 25% retaliatory duty addition implemented April 2nd. While pork exports to Mexico dipped slightly in July, and were the lowest monthly volume so far this year, year-on-year growth earlier this year meant that through the 7th month of this year, pork exports volumes south of the border are still up 3%. Export velocity to Mexico has been maintained through lower pricing; ham values are approximately ¼ lower than year ago values, driving live hog values deeper into the red as described in MOVING AHEAD column above. Mexican processors have more limited short term options for sourcing fresh hams from alternative suppliers. However, July 2018 US pork exports to China, including variety meats, were 38% below those in July 2017, evidence that the tariffs are curtailing trade, and despite lower prices. Despite being the largest pork supplier to China, the US market share of 19.5% in Q1 of this year is evidence that China has more options for pork supplies, especially from the **EU**, but also **Brazil**; the latter's pork exports to China were up 217% during the 1st 8 months of this year. Mexico and China accounted for approximately 43% of total US pork exported during the 1st 7 months of this year.

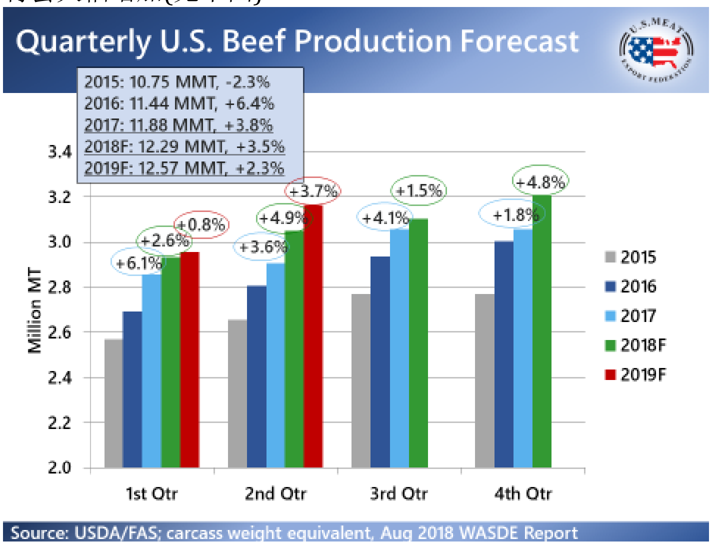


美国肉品新知

2018 年 9 月 18 日 第十卷 9.2

供应与需求

由於牛肉需求季节性疲软，减缓批发箱装牛肉市场的活动，牛肉分切价格上周收低。分切价格下跌主要是因为前胸肉和瘦肉率较高(胸腹肉和腹胁部)的大分切均价疲弱。尽管产量较大，平均牛肉分切价格仍比一年前高出约 10%。整体需求表现强劲，以及因西欧(比利时)检测出非洲猪瘟可能导致红肉贸易流量发生重大变化，乐观的情绪使得上周牛只期货价格上涨并於周五飙升。分析师指出，零售商通常会在九月和十月期间撤回排类商品的促销活动。零售肉品市场分析公司 Urner Barry 指出，上周超市正增加猪肉和鸡肉的促销活动；九月是全国性的鸡肉月，将推动更多的禽肉促销。乐观主义者举出稳定的牛只重量作为肥育场经营者能够稳定提供其动物至屠宰厂的证据，最近已肥育牛只屠体的重量水平与去年和 2016 年同期相比大致持平。分析师也指出，今年春季(三月和四月)肥育场的已肥育牛只头数并不多，五月和六月则以较轻重量的牛只占大多数，这两种趋势应该有助於於秋季前重建失衡的市场。然而，美国农业部预计第四季度牛肉产量将会大幅增加(见下图)。



美国农业部牛肉屠体价格指数(特选级):2018 年 9 月 17 日—$206.04 美元 / 百磅 (较 2018 年 8 月 31 日减少 2%)

飓风佛罗伦斯来袭，东南部几家大型猪肉屠宰厂预防性停工，推动上周猪肉分切价格。在**比利时**确认非洲猪瘟病例後，活猪价格和期货价格大幅上涨，这是自 1985 年以来的第一个案例，也是几十年来西欧的第一例。**韩国、日本**和**中国**已对比利时猪肉进口实施贸易禁令，并预期对美国商品的需求将会增加。虽然比利时向亚洲仅出口少量猪肉，但疫情引发了**德国**和**法国**等邻近的主要猪肉生产大国对非洲猪瘟检测的担忧。上周影响市场的另一个因素是美国农业部修订玉米产量的预估值，预计产量将会增加并创下纪录，库存增加以及价格下跌。报告发布後，玉米价格暴跌 3.4%至每蒲式耳 3.54 美元。若美国农业部的预测是准确的，今年的玉米产量将是有史以来第二高。

猪屠体分切价格：2018 年 9 月 17 日-$76.02 美元/ 百磅(较 2018 年 8 月 31 日增加 13%)

美国肉类出口协会活动预告:
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

在八月的第三周，出售给屠宰厂的阉猪和种女猪的现货或商定价格自 2016 年以来首次跌至每磅 0.4 美元以下(每公斤 0.88 美元)。八月份月平均价格为每磅 0.43 美元，比去年同期水平低 41%。但这些价格对生产商的盈利能力和财务可持续性意味着什麼呢？以八月出售的肥育猪只来说，**爱荷华州立大学**估计，该月生产商平均每头猪只损失为 40 美元。损失估计基於现货价格和投入成本。当今猪只营销安排已经由协商或现货市场上的订价猪只转向，例如根据售出肉品(即屠体分切价值)的批发价格定价、从猪只期货价格得出定价，或者基於投入成本(主要为饲料)定价。去年夏季季度销售的阉猪和种女猪数量仅为总量的 4.4%，这表明替代方案是目前订价的主要驱动因素。根据 Daily Livestock Report (DLR)，本季度大约 47%的活猪营销安排是基於批发猪肉和猪肉产品价格。与现货销售协议相比，以上述公式销售猪只将获得平均每磅 0.07 美元(以活体重量为基准)的溢价。今年，根据生产成本因素销售活猪是一种趋势；在最近两个月的时间里，34%的活猪以这样的方式销售，去年夏天仅为 27%。以生产成本公式销售活猪将获的平均每磅 0.17 美元溢价，超过现货交易的平均价值。

贸易新闻

尽管**中国**(62%)和**墨西哥**(20%)面临着高企的关税，截至今年七月份美国猪肉出口量仍比去年同期增长 2%，价值增长 3%。墨西哥於 7 月 5 日将其关税提高至目前的 20%，而中国在 4 月 2 日第一次增加 25%的报复性关税後，於 7 月 6 日再课徵额外 25%税率。虽然七月出口至墨西哥的猪肉量略有下降，是今年迄今最低的月度量，但今年早些时候的同比增长意味着今年七月前出口至南美洲的猪肉总量仍然增长 3%。透过降低价格维持了至墨西哥的出口速度；後腿肉价格比一年低约四分之一，如以上产业新知中所提到，活猪价持续下跌。墨西哥加工商的短期选择更为有限，仅能从替代的供应商采购生鲜後腿肉。尽管价格下跌，2018 年 7 月美国出口至中国的猪肉量，包括杂碎，比 2017 年 7 月减少 38%，显示了新的关税政策正减少贸易。虽然美国是中国最大的猪肉供应国，但今年第一季度美国市场份额仅占 19.5%，这表明中国有更多的猪肉供应来源可以选择，特别是**欧盟**和**巴西**；今年前八个月，後者出口至中国的猪肉量增长 217%。至今年七月止，墨西哥和中国占美国猪肉出口总量的 43%。