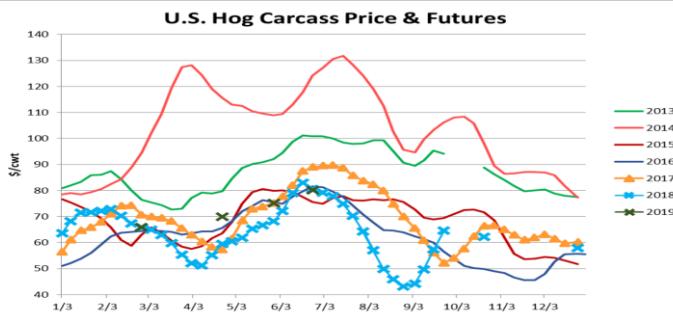


SUPPLY & DEMAND

The beef cutout remained steady last week, as strength in the rib complex was offset with weakness in the plate and flank primals. Beef trimmings, both fatty (50%) and lean manufacturing beef (90%) have come under pressure in recent weeks, but analysts believe the price drops will soon stimulate more featuring by retailers. The 50CL reference price has fallen below \$50 per cwt for the first time since last October while the 90CL price has dipped below \$200 per cwt for the first time since the first week of January 2017. Live fed cattle prices should start to advance seasonally as the final quarter of the year begins. Demand for beef will be the key factor in determining how far live fed cattle prices advance but weekly slaughter levels are ramping up, which should be a positive for fed cattle values. Over the last 2 weeks, weekly harvest levels have exceeded 650,000 head. In general, fed cattle prices have been more solid than expected and despite a notably larger supply of cattle in the pipeline. For example, the supply of cattle-on-feed more than 150 days being almost 33% higher than a year ago, but feedlots have been able to keep cattle pricing steady as packers aggressively source cattle. Packers continue to up harvest levels as rib, loin, plate and brisket primal values remain at levels 10% higher than year-ago levels. And although round and chuck primal values are below year-ago levels, items such as trimmed chuck rolls sold to Korea remain at high levels.

Beef Choice Beef Cutout Value: 1/10/2018 - US\$205.08/cwt. (<-1% from 25/9/2018)

Despite a very large slaughter week and increasing production, the pork cutout – and live hogs – managed to advance last week in reaction to positive trade news (see TRADE next column.) In its latest WASDE report USDA projected total pork production for Q4 to be 6.3% higher than Q4 2017. Following the release last week of USDA's most recent hogs and pigs report, which showed inventory numbers slightly below analyst's explanations, analysts now believe that Q4 output could be more restrained, with available market ready hogs in Q4 possibly being only 3.5% higher than last year. According to USDA, on Sept. 1, the total swine herd size was 75.5 million head, up 3% from a year ago and from June 1. The breeding inventory, at 6.33 million head, was also up 3% from last year, and up slightly from the previous quarter. The market hog inventory, at 69.2 million head, was up 3% from last year, and up 4% from last quarter. In terms of profitability, analysts expect lower costs of production to continue, although they don't anticipate them to be dramatically lower. Corn prices are lower but are expected to remain near year-ago levels, but soybean meal prices, influenced by a large crop and higher tariffs, are lower than they were last year. Meal prices are expected to stay lower for the next six to nine months, but forecasts could quickly change with new developments on the trade front. ASF in China and Europe have boosted market sentiment, and U.S. pork export sales during the latest reporting week of September 14 were robust, with large bookings for Mexico, Canada, Japan & Australia.



Hog Carcass Cutout Value: 1/10/2018 - US\$81.05/cwt. (+1% from 25/9/2018)

MOVING AHEAD

As African Swine Fever (ASF) spreads in **China** and Europe, the USDA's **Animal and Plant Health Inspection Service** (APHIS) has announced plans to strengthen traceability initiatives in order to minimize disruptions to commerce of non-infected animals in the event of a major animal disease outbreak. The goals of the enhanced plant are: 1) advance the electronic sharing of data among federal and state animal health officials, veterinarians and industry, including sharing basic animal disease traceability data with the federal animal health events repository (AHER); 2), use electronic ID tags for animals requiring individual identification in order to make the transmission of data more efficient; 3), enhance the ability to track animals from birth to slaughter through a system that allows tracking data points to be connected; and 4), elevate the discussion with states and industry to work toward a system where animal health certificates are electronically transmitted from private veterinarians to state animal health officials. A key part of the plan is the sharing of state and industry information with AHER as the U.S. moves toward a more comprehensive national traceability system for all livestock. Under the new plan, the USDA will cease providing free metal traceability tags, and will move to a program of disseminating electronic tags on a cost share basis. In early 2010, USDA announced a new approach for responding to and controlling animal diseases, referred to as the *Animal Disease Traceability* (ADT) framework. ADT legislated that livestock moved interstate must be officially identified and accompanied by an interstate certificate of veterinary inspection (ICVI) or other documentation.

TRADE

Last week was another busy one for US trade negotiators, as the U.S. announced the completion of negotiations on updated trade agreements with **Mexico** and **Canada**, and **Japan** issued a release stating that it would enter into bilateral talks with the U.S. Japan noted in its statement however that "with regard to agricultural, forestry and fishery products, outcomes related to market access as reflected in Japan's previous economic partnership agreements constitute the maximum level." This means that market access for U.S. red meats will not increase beyond the commitments Japan made during the Trans Pacific Partnership (TPP) talks. If the U.S. and Japan reach agreement on an overall pact, Japan's 38.5% current import duty on frozen beef could drop quickly to the 26.9% (29.3% for chilled) duty prevailing under the current **Japan-Australia** Economic Partnership Agreement (EPA). So far, Australia is the only major beef supplier to gain relief from the 38.5 percent tariff, but under the terms of the TPP, similar conditions will be extended to beef imports from Canada, **New Zealand** and Mexico, and the rate for those beef suppliers, including Australia, will eventually drop to 9%. In other major trade news, the U.S. and Canada reached a last minute deal Sunday to save the 25-year old North American Free Trade Agreement (NAFTA). The new pact, called the **United States-Canada-Mexico Agreement**, will expand access to Canada's dairy and poultry markets and otherwise preserve the current duty free trade in agricultural and other goods that existed under NAFTA rules. Approximately 24% of the USA's \$7.114 billion in beef exports are shipped to the two neighbors, with 36% of the value of total US pork exports (US \$6.192 billion in 2017) moving just north and south of the US border. In other trade news, effective Sept. 24, **China** imposed additional tariffs on approximately \$60 billion in imports from the United States, including an additional 10% tariff on pork stomachs and casings (HS tariff codes 05040011, 05040012, & 05040029) Other U.S. red meat products were also included on the latest retaliation list, but they are items not currently eligible for export to China, including chilled lamb and brined beef.

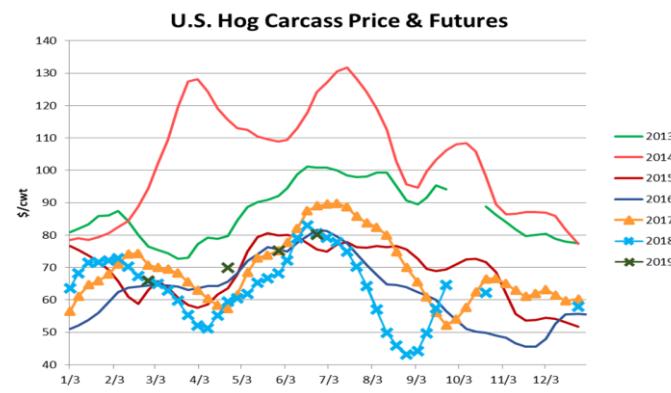
ACTIVITIES:
FHC, Shanghai : Nov 13-15, 2018

供应与需求

上周牛肉分切价维持稳定，表现强劲的肋脊部价格抵消了胸腹部和腹肋部大分切的价格疲软。肥肉比例较高之瘦肉率达50%和90%的牛绞肉价格均面临压力，但分析师认为价格下跌将带动零售促销活动。瘦肉率达50%的牛绞肉参考价格自去年十月以来首次跌至每英担50美元以下，而瘦肉率达90%的牛绞肉价格则自2017年1月第一周以来首次跌至每英担200美元以下。随着今年最后一季来临，已肥育活牛价格将开始季节性上涨。牛肉的需求将是决定已肥育活牛价格上涨多少的关键因素，但每周屠宰量正在增加，这将对已肥育牛只的价格带来正面影响。在过去两周内，每周屠宰水平已超过65万头。总的而言，尽管牛只供应明显增加，已肥育牛只的价格仍然比预期稳定。举例来说，肥育150天以上的牛只在养头数供应比一年前高出近33%，但肥育者仍能够维持牛只的价格稳定，屠宰商因此积极采购牛只。由於肋脊部、腰脊部、胸腹部和前胸肉大分切的价格保持在比去年同期高10%的水平，屠宰商继续增加屠宰量。尽管後腿和肩胛部大分切价格低於去年同期水平，出售给韩国的商品如修清下肩胛肉的价格仍处於较高水平。

美国农业部牛肉屠体价格指数(特选级):2018年10月1日-\$205.08美元/百磅(较2018年9月25日减少少於1%)

尽管屠宰周数量非常大且产量增加，猪肉分切和活猪价格在上周因乐观的贸易新闻而上涨(见右栏贸易新闻)。在世界农业供给需求报告(WASDE)中，美国农业部预计第四季度的猪肉总产量将比2017年第四季高出6.3%。美国农业部上周发布最新的猪肉季报显示，猪只库存略低於分析师的预估；分析师现在认为第四季的产量成长可能更加有限，已完成肥育的猪只总量可能仅比去年高出3.5%。根据美国农业部，9月1日猪群总数为7,550万头，比一年前和6月1日增长3%。种猪群库存量为633万头，比去年同期增长3%，略高於上一季度。市场活猪库存为6,920万头，比去年增长3%，且比上一季增长4%。在利润率方面，虽然分析师预计生产成本不会大幅降低，但将持续下跌。玉米价格较低，但预计仍接近去年同期水平；大豆的价格则因大丰收和较高的关税而低於去年。预计未来六至九个月的作物价格将保持较低水平，但随着贸易动向，预测可能会随时改变。中国和欧洲爆发非洲猪瘟ASF)提振了市场情绪，9月14日最新的报告显示，因墨西哥、加拿大、日本和澳洲大量需求，美国猪肉出口销售强劲。



猪屠体分切价格:2018年10月1日-\$81.05美元/百磅(较2018年9月25日增加1%)

产业新知

随着非洲猪瘟ASF在中国和欧洲蔓延，美国农业部动植物卫生检验署(APHIS)宣布计划加强可追溯性举措，以便在重大动物疾病爆发时尽量减少对未受感染动物的影响。改善的目标为：1)促进联邦和各州动物卫生检验官员和兽医，以及各业界之间的电子数据共享；包括与联邦动物卫生检验档案库(AHER)分享基本动物疾病可追溯性数据；2)对需要个人识别的动物使用电子身分标签，以便更有效地传输相关数据；3)透过能够连接追踪点的系统，提高对动物从出生到屠宰过程的追踪能力；4)与各州政府和各业界积极讨论，努力建立一个能将动物卫生证明从私人兽医电子传递给各州动物卫生检验官员的系统。该计划的关键是AHER能够共享各州和各业界的消息，使美国政府能对所有家畜建立更全面的国家可追溯系统。根据该新计划，美国农业部将停止提供免费的金属可追溯标签，并将转向以成本分摊为基础的传播电子标签计划。2010年初，美国农业部宣布了一种应对和控制动物疾病的新方法，称为Animal Disease Traceability(ADT)架构。ADT立法规定，州际移动的牲畜必须要有官方鉴定，并附有州际兽医检查证书(ICVI)或其他证明文件。

贸易新闻

上周对美国贸易谈判代表来说是另一个忙碌的时期，因为美国宣布完成与墨西哥和加拿大的最新贸易协定谈判，同时日本发布声明称将与美国进行双边会谈。日本在其声明中指出，“就农业、林业和渔业产品方面，日本以前的经济合作协议所反映的，与市场准入相关的结果达到了最高水平”。这意味着美国红肉市场准入将不会超出日本在跨太平洋夥伴协定(TPP)谈判期间所做的承诺。如果美国和日本就整体协定达成协议，日本目前对冷冻牛肉课徵的38.5%进口关税可能迅速下跌至现行日澳经济夥伴协定下的26.9%(冷藏牛肉关税为29.3%)。到目前为止，澳洲是唯一获得38.5%关税减免的主要牛肉供应国，但根据TPP条款，类似的条件将扩展适用从加拿大、纽西兰和墨西哥进口的牛肉，以及包括澳洲在内的牛肉供应国的关税税率最终将下跌至9%。在其他主要贸易新闻中，美国和加拿大在周日最後一刻达成协议，以挽救已有25年历史的北美自由贸易协议(NAFTA)。这项名为United States-Canada-Mexico Agreement(美国-墨西哥-加拿大协定)将扩大美国商品至加拿大乳制品和家禽市场的出口，并同时保留目前在NAFTA下获准出口的农产品和其他商品的免税贸易。美国71.14亿美元的牛肉出口中约有24%运往两个邻国，而其中美国猪肉出口总额(2017年为61.92亿美元)的36%则运往美国南北边境。自9月24日起，中国对美国进口价值约600亿美元的商品徵收额外关税，包括对猪肚和猪肠的10%额外关税(HS关税代码为05040011、05040012，和05040029)。其他美国红肉产品也包括在最新的报复名单中，但它们是目前尚未被允许出口到中国的商品，包括冷藏羊肉和腌制牛肉。

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