



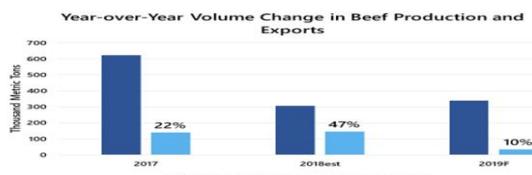
U.S. Meat Bulletin

Feb 12, 2019 Volume XI | Issue 2.1

SUPPLY & DEMAND

The beef cutout moved sideways last week as tepid demand saw some primal values fall while others moved slightly higher. In a sign of firm demand, the primal value of ribeyes held up well in January, normally a time of weak (post-Christmas) demand. According to the **Livestock Marketing Information Center** (LMIC), average primal rib values were up 9% in January compared to the same month last year. Brisket and short plate primal values during the 1st month of the year also started the year strong, averaging 10% and 14% higher respectively to the values of Jan 2018. Brisket export activity is also helping the cutout; November 2018 U.S. beef exports were record large for this month, with the 1st 11 month value of 2018 trade of \$7.63 billion already exceeding the full-year record set in 2017 (\$7.27 billion). Because of the government shutdown, USDA reporting has been delayed, but all indications point to a strong export performance in Dec as well. Despite the severe weather 2 weeks back, live fed cattle prices have failed to jump, although carcass values have moved higher which analysts believe reflect the challenging feedlot conditions of last month. But there is market optimism in the rising cattle futures market, as carcass weights are likely 3% below a year ago and ultimately may drop 4% below by May 1.

Exports absorbed nearly half of the beef production increase in 2018

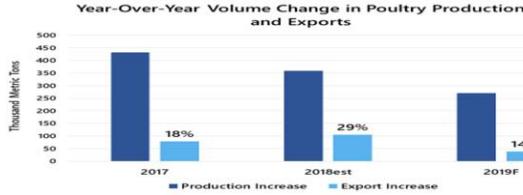


Source: USDA Feb WASDE, variety meats not included

Beef Choice Beef Cutout Value: 11/2/2019 – US\$216.88/cwt. (< 1% from 28/1/2019)

Larger pork production last week weakened the pork cutout, with all average primal values closing lower last Friday compared to the previous week. The reference primal ham value stood at US \$ 0.99/kg last Friday, the lowest level since April 2015. U.S. pork production for the first 5 weeks of the year is running approximately 1.5% ahead of the pace of last year. Hog futures have also been grinding lower absent fresh news on US-China trade negotiations and progress on the elimination of extra **Mexican** duties on U.S. pork. Chinese live hog prices have also been falling, both due to weak seasonal demand plus reported higher culling over African Swine Fever fears. These factors, combined with ample supplies of competing proteins (e.g. chicken), have weighed on the market. As of last Friday, the most active April hogs futures contract had moved lower in 12 out of the 14 previous trading days, closing last Friday at a 5-month low.

Additional poultry production weighing on domestic market



Source: USDA Feb WASDE, variety meats not included

Hog Carcass Cutout Value: 11/2/2019 – US\$65.46/cwt. (-4% from 28/1/2019)

ACTIVITIES:

SIAL, Shanghai : May 14-16, 2019

Hofex, Hong Kong: May 7-10, 2019

Food Show, Taipei June 19-22, 2019

MARKET MAKERS

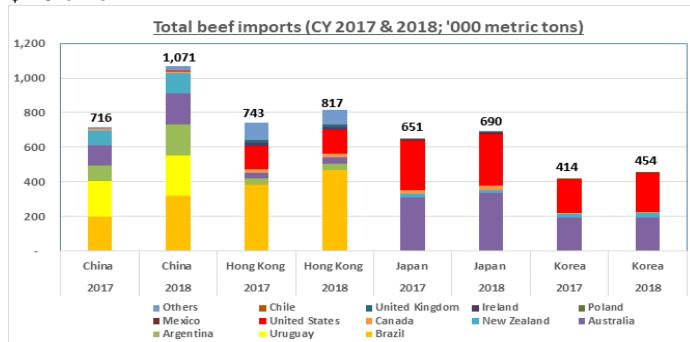
In a move strengthening its value-added meat portfolio, **Tyson Foods Inc.** has announced it will acquire 4 integrated poultry processing operations in **Thailand**, and one value-added chicken facility each in the **Netherlands** and the **United Kingdom** from **Brazil's BRF S.A.** for US\$340 million.

MOVING AHEAD

Iowa State University (ISU) publishes estimates of U.S. hog production costs in its *Estimated Livestock Margins* monthly report. Higher feed & labor prices drove average annual live swine production costs 3.5% higher than 2017. Specifically, ISU's model estimates that the cost of producing 1 kilogram of live weight of market swine totaled US \$1.057 for the 1st 11 months of 2018, equating to a year-on-year cost increase of U.S. \$4.42 per head. These costs equated to \$1.41 per kg on a carcass basis. On the feed side, producers in 2018 buying corn, soybean meal, and dried distillers' grains paid more than in 2017, and also paid more for hired labor under the current tight labor market. So how did costs relate to revenues? According to one analyst at **Compeer Financial**, ISU's average cost estimates would not have covered average revenues of \$1.33 per kg. of pork (carcass basis) over the 11 month period. To be sure, many larger operators enjoy lower costs due to scale & other production efficiencies, but the ISU model does suggest that an average producer may have been operating in the red, or close to breakevens over the duration of most of last year. It is noted though that many modern operations utilize risk management tools and strategies to 'beat' the average, by locking in feed costs and hog selling prices using futures markets.

TRADE

In our January 29 **U.S. Meat Bulletin**, we published the 2018 beef export results of **Australia** and **Brazil**. The two trade powerhouses saw their exports grow by double digits last year (each grew by +11% in volume terms YOY), largely due to increased demand by North Asian markets, including **China**, **Japan**, **South Korea**, and **Hong Kong**. The graph below shows the total CY 2018 beef imports by those big 4 markets. China's import volume grew +50%, breaching the 1 million ton level (1.07mmt, U.S. \$4.9 billion) for the 1st time. All major exporters saw their trade grow substantially to what is now the largest beef import market, with **Argentina** becoming the fastest growing major supplier (180K mt, +109%). Others included **Brazil** (323k mt, +63%), **Uruguay** (231k mt, +11%), and Australia (178k mt, +49%). The ramp up in direct sales to China did not dampen trade volumes to HK, where total imports increased 10% to 817K tons. Japan's total beef imports, including variety meats, reached a record \$4.3 billion in 2018, +9%, with volume reaching a post-BSE (2003) high of 690,000 tons. Imports from the U.S. totaled \$2.036 billion, (+9.5%, the biggest since 2000) and from Australia \$1.898 billion (+9%). South Korea's customs cleared beef imports reached a record 453,818 tons (+9.6%), valued at U.S. \$2.9 billion.





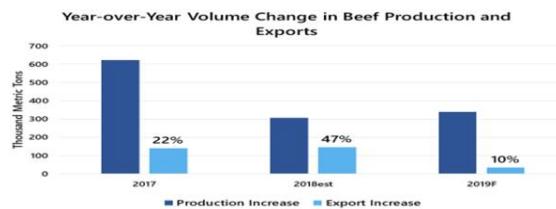
美国肉品新知

2019年2月12日 第十一卷 2.1期

应与需求

上周牛肉分切价格持平，需求疲弱导致某些牛肉大分切价格下跌，而部分牛肉价格则略微走高。由於需求旺盛，一月亮眼的原始价格维持强劲；一月时(圣诞节后)需求通常走弱。根据 **Livestock Marketing Information Center (LMIC)** 统计，一月肋脊部大分切平均价格比去年同月增长 9%。前胸肉和胸腹肉大分切价格也於今年第一个月开始走强，分别比 2018 年 1 月的价格高出 10% 和 14%。出口强劲也有助於推动分切价格；2018 年 11 月美国牛肉出口创下当月纪录，去年前 11 个月的贸易总额为 76.3 亿美元，已超过 2017 年全年纪录(72.7 亿美元)。由於美国政府关闭，美国农业部的报告推迟发布，但所有迹象均表明去年 12 月份的出口表现强劲。尽管两周前的天气恶劣，已肥育活牛价格未有上涨，屠体价格却走高：分析师认为这反映上个月肥育场所面临的挑战。牛只期货市场的前景乐观，因为屠体重量可能比一年前减少 3%，并最终可能於 5 月 1 日前减少 4%。

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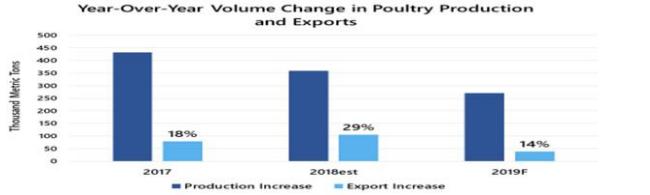


Source: USDA Feb WASDE, variety meats not included

美国农业部牛肉分切价格指数(特选级)：2019年2月11日—\$216.88 美元/百磅 (较 2019 年 1 月 28 日减少少於 1%)

上周猪肉产量增加导致猪肉分切价格走弱，上周五所有大分切平均价格均较上上周低。上周五後腿肉原始价格为每公斤 0.99 美元，是自 2015 年 4 月以来最低水平。今年前五周美国猪肉产量比去年同期增长约 1.5%。在对美中贸易谈判以及 **墨西哥** 取消对美国猪肉徵收额外关税两方面没有进一步消息下，活猪期货价格也走低。因季节性需求疲软，和对非洲猪瘟的担忧造成更多猪只遭到扑杀，导致中国活猪价格持续下跌。上述所提到的因素，加上竞争性蛋白质(例如鸡肉)的供应充足，已对整个猪肉市场带来影响。截至上周五，最为活跃的四月活猪期货合约在前 14 个交易日中有 12 天走低，且收盘价为 5 个月以来最低点。

Additional poultry production weighing on domestic market



Source: USDA Feb WASDE, variety meats not included

猪屠体分切价格：2019年2月11日—\$65.46 美元/百磅 (较 2019 年 1 月 28 日减少 4%)

美国肉类出口协会活动预告：

中国国际食品和饮料展览会, 上海: 2019 年 5 月 14-16 日

Hofex, 香港: 2019 年 5 月 7-10 日

国际食品展, 台北: 2019 年 6 月 19-22 日

产业动态

为增强其增值肉类商品组合，**Tyson Foods Inc.** 宣布将收购位於 **泰国** 的四家家禽综合加工公司，以及巴西 **BRF S.A.** 旗下於 **荷兰** 和 **英国** 的鸡肉增值加工厂，总价值为 3.4 亿美元。

产业新知

Iowa State University (ISU) 在其 **Estimated Livestock Margins** 月度报告中公布美国猪只生产成本的估算值。较昂贵的饲料和劳动力价格导致去年年均活猪生产成本比 2017 年高出 3.5%。具体而言，ISU 估计，2018 年前 11 个月生产 1 公斤活体重的可供屠宰猪只的成本总计为 1.057 美元，每头猪只的生产成本同比增加 4.42 美元；依屠体重计算，该成本相当於每公斤 1.41 美元。在饲料方面，生产者於 2018 年购买玉米、大豆和酒糟的花费高於 2017 年，并在当前紧张的劳动力市场上支付更多予雇佣。那麼成本与收入有何关系呢？根据 **Compeer Financial** 的一位分析师，ISU 的平均成本估算值并不包括每公斤猪肉(屠体重)1.33 美元的平均收入。无可否认地，许多大型企业因其生产规模和效率而享有较低的生产成本，但 ISU 数据明确显示，多数生产商在去年大部分时间内可能以收支盈馀或接近无亏营下运营。值得注意的是，许多现代企业透过稳定饲料成本和期货市场内猪只销售价格，利用风险管理工具和策略来“突破”平均收入。

贸易新闻

在上一期 1 月 29 日的 **美国肉品新知** 中，我们发布了 2018 年 **澳洲** 和 **巴西** 牛肉出口结果。去年这两个贸易强国的出口增长率达到两位数(同比增长 11%)，这主要是因为包括 **中国**、**日本**、**韩国** 和 **香港** 在内的北亚市场需求增加。下图显示 2018 年(日历年)该四大市场的牛肉进口总量。中国进口量增长 50%，首次突破 100 万吨(107 万吨，49 亿美元)。所有主要出口国至目前最大的牛肉进口市场的贸易量均大幅增长，**阿根廷** 为牛肉出口增长最快的供应国(18 万吨，+109%)。其他主要供应国包括 **巴西**(32.3 万吨，+63%)、**乌拉圭**(23.1 万吨，+11%) 和 **澳洲**(17.8 万吨，+49%)。至中国的直接出口增加并未影响香港的贸易量，该地区进口总量增加 10% 至 81.7 万吨。日本的牛肉进口总额，包括牛杂碎在内，於 2018 年达到创纪录的 43 亿美元，增长 9%，**进口量** 是自狂牛病(2003 年)後的最高点，高达 69 万吨。来自美国的进口总额为 20.36 亿美元(+9.5%)，自 2000 年以来最高水平)和澳洲为 18.98 亿美元(+9%)。韩国海关清关的牛肉进口量创纪录，达到 453,818 吨(+9.6%)，总额 29 亿美元。

