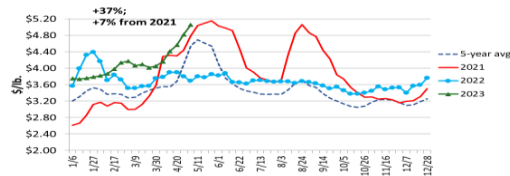


SUPPLY & DEMAND

The fully bullish beef and live cattle rally that characterized much of April hit a pause last week as topy pricing led to cautious buying activity in wholesale markets. High pricing has also slowed export interest. The USDA CHOICE cutout closed at U.S. \$3.09/lb. last week, steady with the previous Friday but up **20%** from year earlier levels. Beef prices remain lofty and with continued concern over the state of the economy & meat demand, high priced items – such as ribs – have faced some price resistance in recent days. Action last week in steak markets focused on top butts, commonly merchandised as “sirloin” and at price points well below rib-eyes, striploins and tenderloins. Year to date beef production is down **4.9%** from the pace of last year, and year to date slaughter is **-3.3%**. After a dramatic run-up, live fed cattle prices moved a few cents lower last week to the U.S. \$1.72 - \$1.78/lb. range liveweight. That follows a sell down in live fed cattle & feeder cattle futures as concern over beef demand grows in the minds of analysts and despite evidence pointing to tighter fed cattle supplies ahead. While it is too early to make a convincing argument that U.S. consumers are pulling back on their purchases of high-priced beef, data is clearly showing export performance is lagging. Jan-March total beef exports were down **-8%** in volume and **-22%** in value. According to weekly data through April 27th, U.S. beef muscle cut shipments (volume) are **-13%** YOY, with double digit decreases for main Asian markets **Korea (-16%)**, **Japan (-13%)**, **China (-15%)** and **Taiwan (-15%)**.

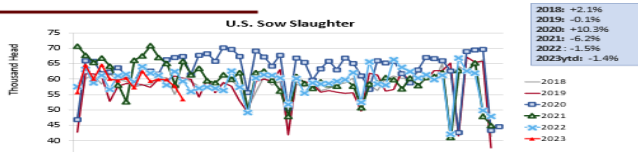
Choice Beef Loin Top Butt, boneless



Beef Choice Beef Cutout Value: 8/5/2023 – US\$308.56/cwt. (+1% from 24/4/2023)

Last Friday the USDA pork cutout value ended higher week-on-week for the 3rd consecutive week. Last week's rise was fueled by continued strong export interest by Mexico in attractively priced U.S. hams, as well as by domestic institutional buying of butts in preparation for the grilling season. After 3 weeks of gains in prices, questions are swirling as to whether the wholesale market is poised for a reversal. On the one hand, there could be more market pressure in the short term if analysts are correct that U.S. producers are currently liquidating herds due to negative financials (see MOVING AHEAD next column). This was the sentiment in the lean hog futures market, which moved lower at the end of last week over belief that there continues to be a mismatch between abundant live hog supplies and lackluster domestic wholesale buying activity, especially for bellies which is a principal driver for overall hog carcass values. On the other hand, attractive U.S. pork prices are driving more international buying interest, which accounts for approximately one-quarter of total U.S. pork sales. March U.S. pork export volume was the largest since May 2021. **Mexico** has been the driver of the export uptick this year, with total March shipments to the #1 market the second largest on record. But surprisingly, the biggest volume growth YOY for Q1 was **China**, with U.S. shipments there (including HK) rising +30,600 tons during the Jan-March period. U.S. January-March pork muscle cut & pork variety meat exports totaled 716,691 tons, up **14%**. International interest in U.S. pork remains strong, with shipments during the week ending April 27th the highest so far this year and with large new weekly purchases by **Korea, China**, and the **Philippines**.

In 2022, sow slaughter was down 1.5% year-over-year but was up 1.9% from 2019; through early April 2023, sow slaughter down 1.4% year-over-year



Hog Carcass Cutout Value: 8/5/2023 – US\$81.94/cwt. (+4% from 24/4/2023)

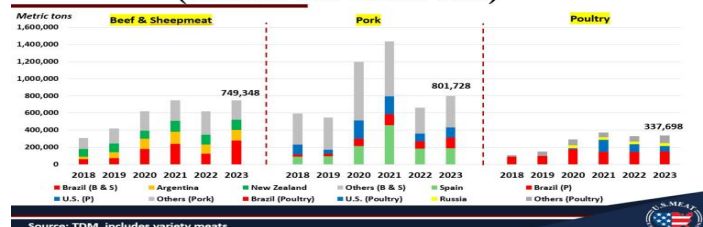
MOVING AHEAD

Two weeks ago, we highlighted a report by the **National Pork Producers Council (NPPC)** noting the challenges American hog producers were facing with rising costs and weak wholesale pork prices. Wholesale prices have inched up over the last few weeks, but new industry data suggests that producers are pulling back on production as they continue to face high grain prices, high labor costs & interest rates, and for some, herd health challenges. According to **Iowa State University** calculations, returns to farrow-to-finish swine farms averaged -\$34 per head during Q1, with losses most certainly higher for less efficient producers. The latest USDA quarterly hogs & pigs report – which reported nationwide-wide swine herd inventory data from March 1 – already was showing evidence of negative industry sentiment with the statistic that producers intended to farrow **2.9%** less hogs during the June-August 2023 quarter than the same quarter a year earlier. Media reports surfaced last week that a major U.S. pork producer would cease operations at dozens of farms in the state of Missouri, although no reasons were provided for the planned closures nor information on under what conditions the facilities may reopen. This comes just weeks after the announcement of the shuttering of a 5+K-head-per-day pork processing plant in Minnesota. A more convincing indicator of herd contraction would be a spike in sow slaughter, but interestingly, in the 4-week period between mid-March to mid-April, sow slaughter was down **2.9%** from the same period last year (see GRAPH previous page). But the low sow slaughter may be an indication that sow slaughter space is limited, a hypothesis that is supported by a sharp **59%** downturn in slaughter sow prices between early March and earlier last week; sow prices are **-66%** from the level of a year ago, an indication that at least some producers wish to liquidate. Sow harvesting generally takes place at dedicated sow slaughter facilities due to the larger weight of the animals, with most sow meat sold for processing into sausages. Several years ago, the daily capacity of the USDA's 15 largest sow plants stood at approximately 20,000 head, just a fraction of the industry's total hog slaughter capacity of over 500K head. Any sow liquidation underway now will be reflected in the next June USDA quarterly hog inventory report, with consequent lower market hog numbers not occurring until Q4. So, what does this mean for international buyers of U.S. pork? If a herd contraction is underway, the industry may be in the middle of a supply correction, meaning pork production could moderate later in the year. For foreign processors able to utilize sow meat in their formulas, it may mean bargain processing material is currently available.

TRADE

China is back to work after its Golden Week holidays and global meat industry attention is focused on the upcoming (May 18-20) SIAL food exhibition in Shanghai. SIAL will provide crucial information to meat & poultry exporters on the market outlook of China's meat importers, processors, distributors, and end-users. At the current time, buyer sentiment is cautious, the result of large inventories, negative wholesale margins, and end-user demand that is mixed. There is no question that China has abundant meat supplies. New data shows that Q1 imports, while not record large for any category, were high despite consumption plummeting during the 10-12-week COVID peak wave period between November 2022 and the end of February (see below). The big imports in Q1 come on top of large domestic production, especially of pork. China just announced that its Q1 2023 pork output totaled 15.9 million tons, **+2%** from Q1 last year and the highest Q1 production in recent years. Official Chinese statistics show China's pork production peaked in 2014, reaching 58.2 million tons in 2014. Production bottomed out at 41 million tons in 2020 during the height of the ASF outbreak, before rebounding an astonishing 14+ million tons to reach 55.4 million tons last year. Chinese statistics estimate last year's domestic beef output reached a record 7.18 million tons, a number that if accurate would suggest China consumed a record volume of beef per capita in 2022, and during a period of exceptionally weak demand by restaurants, where high volumes of beef are normally utilized.

China : Q1 Meat & Poultry Imports (volume: '000 metric tons)



ACTIVITIES:

SIAL, Shanghai: May 18-20, 2023 (**next week**)

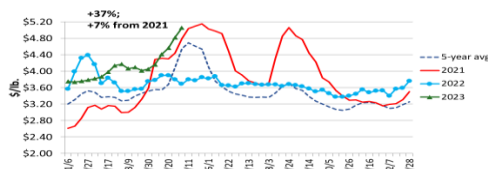
FHC Shanghai Global Food Trade Show: Nov 8-10, 2023



供应与需求

由于定价过高导致批发市场的谨慎购买活动，4 月大部分时间的牛肉和活牛的涨势在上周暂停。高定价也减缓了出口的购买意愿。美国农业部精选级分切牛肉上周五价格收于 3.09 美元/磅，与前一个周五持平，但比去年同期增长 20%。牛肉价格仍然居高不下，并且由于对经济状况和肉类需求的持续担忧，排骨等高价商品最近几天面临一些价格阻力。上周牛排市场的行动主要集中在牛上后腰脊肉，通常以“西冷”的名称销售，价格远低于肋眼牛排、前腰脊肉和腰里脊肉。今年迄今为止牛肉产量比去年同期下降了 4.9%，今年迄今为止的屠宰量同比下降 3.3%。经过大幅上涨后，上周活牛价格下跌几美分至 1.72 - 1.78 美元/磅（活重）。在此之前，尽管有证据表明未来的育肥牛供应趋紧，但由于分析师对牛肉需求的担忧加剧，出栏牛和架子牛期货出现抛售。虽然现在就美国消费者正在减少购买高价牛肉做出令人信服的论据还为时过早，但数据清楚地表明出口表现滞后。1 月至 3 月的牛肉出口总量下降了 8%，价值下降了 22%。根据截至 4 月 27 日的每周数据，美国牛肉出口量同比下降 13%，亚洲主要市场韩国（-16%）、日本（-13%）、中国大陆（-15%）和台湾地区（-15%）出现两位数下降。

Choice Beef Loin Top Butt, boneless

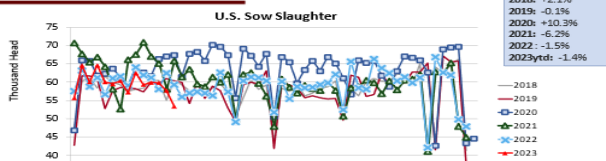


Source: USDA/AMS, 1843

美国农业部牛肉屠体价格指数（特选级）：2023 年 5 月 8 日 - \$308.56 美元/百磅（较 2023 年 4 月 24 日增加 1%）

上周五，美国农业部猪肉分切价格连续第 3 周收高。上周的上涨是由于墨西哥对价格诱人的美国后腿的持续强劲出口购买意愿，以及国内机构为准备烧烤季节而购买的肩胛部位。在价格上涨 3 周后，关于批发市场是否会出现价格逆转的问题不断涌现。一方面，如果分析师判断美国生产商目前由于财务状况不佳而正在产能去化是正确的，那么短期内可能会有更多的市场压力（请参阅下一栏产业动态）。这是瘦肉猪期货市场的情绪，该市场在上周末走低，原因是人们相信充足的生猪供应与低迷的国内批发采购活动之间仍然存在不匹配，尤其是对腹部肉来说，它是白条肉整体价格的主要驱动力。另一方面，具有吸引力的美国猪肉价格正在推动更多的国际购买兴趣，这约占美国猪肉总销量的四分之一。3 月份美国猪肉出口量是自 2021 年 5 月以来最大的。墨西哥一直是今年出口增长的推动力，3 月份向第一大市场的总出口量是有记录以来的第二大出口量。但令人惊讶的是，第一季度销量同比增长最大的是中国，1 月至 3 月期间美国对中国（包括香港）的出口量增加了 30,600 吨。美国 1-3 月猪肉和猪副产品出口总量为 716,691 吨，增长 14%。国际上对美国猪肉的兴趣依然浓厚，截至 4 月 27 日当周的出口量是今年迄今为止的最高水平，韩国、中国和菲律宾的每周新采购量也很大。

In 2022, sow slaughter was down 1.5% yearover-year but was up 1.9% from 2019; through early April 2023, sow slaughter down 1.4% yearover-year



Source: USDA/NASS

猪屠体分切价格：2023 年 5 月 8 日 - \$81.94 美元/百磅（较 2023 年 4 月 24 日增加 4%）

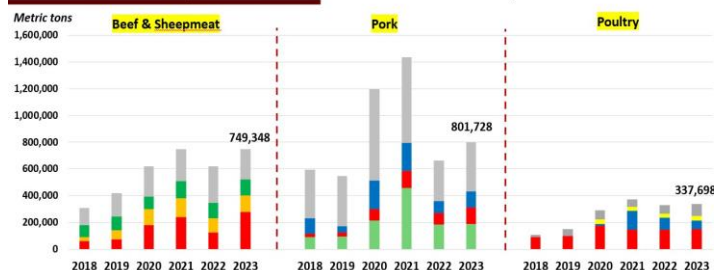
产业动态

两周前，我们重点讨论了国家猪肉生产者委员会(NPPC)的一份报告，该报告指出，美国生猪生产商的正面面临成本上升和猪肉批发价格疲软的挑战。批发价格在过去几周小幅上涨，但新的行业数据表明，由于生产商连续面临粮食价格高企、劳动力成本和利率高企，有些生产商面临猪群健康方面的问题，生产商正在减少生产量。根据爱荷华州立大学(Iowa State University)的计算，第一季度，从自繁自养猪只养殖农场平均每头猪的收益降低了 \$34 美元，而成效较低的养猪场的损失更高。最新的美国农业部生猪季度报告，报告了从 3 月 1 日之后的全国生猪存栏数据，已经显示出负面的行业情绪，统计数据显示，在 2023 年 6 月至 8 月的季度，生产商打算比去年同期减少繁殖生猪数量 2.9%。上周有媒体报道称，美国一家主要猪肉生产商将停止密苏里州数十家养猪农场的运营，不过没有提供该计划性关闭的原因，也没有提供关于这些养猪场在什么条件下可能重新开业的消息。就在几周前，美国明尼苏达州一家日屠宰量超过 5000 头的猪肉加工厂宣布关闭。一个更有说服力的导致猪群数量收缩的迹象会是母猪屠宰量的快速上升，但有趣的是，在 3 月中旬至 4 月中旬的 4 周里，母猪屠宰量比去年同期下降了 2.9%（见上页图表）。但母猪屠宰量低可能是由于母猪屠宰场的空间有限，3 月初至上周早些时候屠宰的母猪价格大幅下跌 59% 也印证了这一猜测；母猪价格较一年前下降了 66%，这表明至少有一些生产商希望产能去化。由于母猪重量较重，通常在专门的屠宰加工厂中进行屠宰，大多数母猪肉被出售加工成香肠。几年前，美国农业部 15 家最大的母猪屠宰厂的日屠宰量约为 2 万头，只占生猪屠宰行业里总生猪屠宰量 50 多万头的一小部分。现在正在进行的任何产能去化都将反映在美国农业部下一份 6 月生猪季度存栏报告中，随之而来的生猪出栏数量下降要到第四季度才会出现。那么，这对美国猪肉的国际买家来说意味着什么呢？如果猪群数量正在收缩，行业可能正处于供应调整期间，这意味着今年晚些时候猪肉产量可能会放缓，同时，对于能够在其配方中使用母猪肉的外国加工厂来说，这可能意味着目前可以买到便宜的加工原料。

贸易新闻

五一假期结束后，中国进入重新开始工作的阶段，全球肉类行业的注意力都集中在即将 5 月 18 日在上海开幕，为期 3 天（5 月 18-20 日）的西雅国际食品展会 SIAL 上。SIAL 将为肉类和家禽出口商提供有关中国肉类进口商、加工商、分销商和终端用户市场前景的重要信息。目前，买家情绪呈谨慎小心，原因是库存大、批发环节亏损，以及终端用户需求参差不齐。毫无疑问，中国的肉类供应充足。新的数据显示，尽管在 2022 年 11 月至 2023 年 2 月底为期 10 - 12 周的新冠疫情高峰时期，消费量急剧下降，中国第一季度任何类别的进口量都没有达到创纪录水平，但进口量还是高的（见下图）。在中国所有肉类产量都大的基础上，进口量也很大，尤其是猪肉。中国刚刚宣布，其 2023 年第一季度猪肉产量总计 1590 万吨，比去年同期增长 2%，是近年来第一季度产量里最高的一年。中国官方统计数据显示，2014 年中国猪肉产量达到峰值，达到 5820 万吨。在非洲猪瘟爆发最严重的 2020 年，产量降至低点 4100 万吨，然后令人惊讶的是在去年反弹了 1400 多万吨，达到 5540 万吨。中国统计数据估计，去年国内牛肉产量达到创纪录的 718 万吨，如果这一数字准确，则表明中国在 2022 年的人均牛肉消费量创历史新高，还是当餐馆对牛肉需求异常疲软的时候，而且通常餐馆是牛肉需求量高的地方。

China : Q1 Meat & Poultry Imports (volume: '000 metric tons)



Source: TDM, includes variety meats

美国肉类出口协会活动预告：

SIAL 国际食品展(上海)：2023 年 5 月 18-20 日(下周)

FHC 上海环球食品展：2023 年 11 月 8-10 日