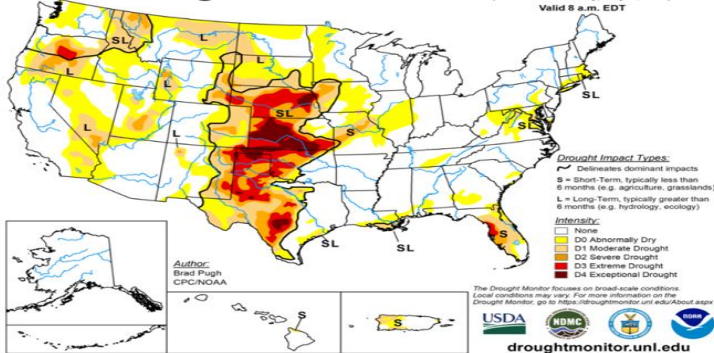


## SUPPLY & DEMAND

USDA CHOICE wholesale beef cut values moved sideways last week, with weakness in ribs counterbalanced by firmness in sirloins and other 'underutilized' cuts, including outside skirts. Buyers are now focused on summer demand, which should hit its first peak with the upcoming Memorial Day (see MOVING AHEAD next column). Live fed cattle prices – on average – weakened through last week even as the industry harvested 646K head, 23K head more than the previous week. The slaughter number somewhat surprised the market which has been expecting a gradual decline in weekly slaughter levels. Overall, beef output remains constrained by YOY declines in average carcass weights; last week, average fed steer carcass weights were 11 pounds lighter than a year earlier. According to newly released USDA data, the number of feeder and stocker cattle sold during the first four months of 2023 was 4% higher than during the same period in 2022. This was unexpected given that last year's calf crop, the source of feeder and stocker cattle, was 2% lower than the previous year. But the higher cattle sales number is likely a timing issue; cattle prices have been significantly stronger this year as compared to a year ago, incentivizing cattle to be pulled through the pipeline. In addition, drought continues to affect grazing in main cattle states Texas, Oklahoma, Kansas, Nebraska, meaning cattle have entered feedlots or grow yards earlier than normal (see GRAPH below). Still, the number of cattle on feed on May 1 is estimated to be down 3% YOY hitting the lowest May 1 total since 2018.

### U.S. Drought Monitor

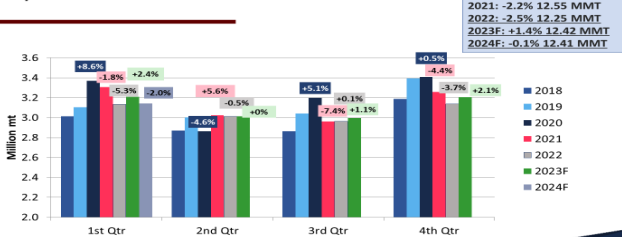
May 2, 2023  
(Released Thursday, May 4, 2023)  
Valid 6 a.m. EDT



**Beef Choice Beef Cutout Value: 15/5/2023 - US\$301.98/cwt. (-2% from 8/5/2023)**

The pork cutout value rose 1.9% last week as spot ham prices increased on both domestic and export demand. Export interest also helped firm picnic values. A legal decision on the way pork can be marketed in the U.S. was the talk of last week's market. The U.S. Supreme Court upheld a decision by a lower court that pork sold in the state of California must originate from farms that provide a minimal housing space to pregnant sows of 24 square feet. U.S. pork producers had argued that the rule contradicted laws prohibiting states from discriminating against interstate commerce, i.e., imports from other states. When the rule is implemented in the coming months (and barring further court appeals) any pork sold in the State of California will have to originate from compliant farms. The rule will thus create a de facto border around the state, requiring onerous paperwork that will raise prices to consumers for everything from pork chops to bacon. California has nearly 40 million residents who account for an estimated 15% of total domestic U.S. pork consumption. California has little pork production and thus is dependent on outside supplies. The market reaction to the ruling last week was muted as analysts digested potential impacts.

### Quarterly U.S. Pork Production Forecast



Source: USDA/WASDE May 2023, carcass weight equivalent, commercial production

**Hog Carcass Cutout Value: 15/5/2023 - US\$84.38/cwt. (+3% from 8/5/2023)**

## ACTIVITIES:

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

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

## MARKET MAKERS

Iconic high end steakhouse chain **Ruth's Hospitality Group**, operator of over 150 **Ruth's Chris** steakhouse outlets worldwide, both company-owned and franchised operations, is being acquired by the large restaurant group **Darden Restaurants**, operators of popular family chains including **Olive Garden** and **LongHorn Steakhouse**. Media reports that the acquisition value will total U.S. \$715 million. Darden's fiscal year 2022 annual revenues neared U.S. \$9.7 billion while Ruth's Chris sales are \$860 million. The chain opened its first outlet in Asia in Taipei 30 years ago, before expanding to **Hong Kong, Singapore, Japan, China** – where it operates 4 restaurants – and Manila & Jakarta.

## MOVING AHEAD

One of the major seasonal factors driving U.S. meat consumption behavior is the U.S. summer grilling season. Defined as the period between Memorial Day (May 29) and Labor Day (September 4), outdoor grilling activity can start as early as March in southern U.S. locations and as much as 2 months later in the colder north. Grilling activity peaks on the July 4<sup>th</sup> Independence Day holiday, with concentrated outdoor cooking activity also taking place on the summer bookend Memorial and Labor Days. According to consumer surveys, grilling season can see an average household, which prepares dinner at home 4-5 days per week, cooking outdoors up to 10 days a month during the 4-month summer period. Summer grilling encompasses 2 types of outdoor cooking activity; the high heat gas or charcoal open fire grills which are normally utilized to prepare seafood, steak, hamburgers, hot dogs, sausages, pork chops, and boneless chicken breasts or the low & slow often wood-fired closed BBQ smoking pits used to prepare beef briskets, pork ribs, pork butts (for pulled pork), whole chickens and other muscle cut sub-primals. Although burgers and hot dogs dominate grilling activity from a volume standpoint, hobbyists have fueled a surge in low-and-slow cooking in the past few decades, especially with the development of more automated app-controlled smoking pits. According to historical data, U.S. boxed beef prices peak in May with the onset of outdoor grilling. The last few years saw different metrics due to CoVID induced demand distortions, but this year is seeing price firmness in popular grill items such as beef striploins and top butts. To be sure, outdoor grilling is not the only driver of summer meat demand; ground beef consumption usually increases as well as vacationers frequent the drive-in lanes of QSR burger establishments. Bacon consumption normally also grows in summer as bacon, lettuce & tomato (BLT) sandwich intake jumps. This year though, high retail bacon prices have discouraged consumption, causing a slump in belly prices and low overall hog carcass values.

## TRADE

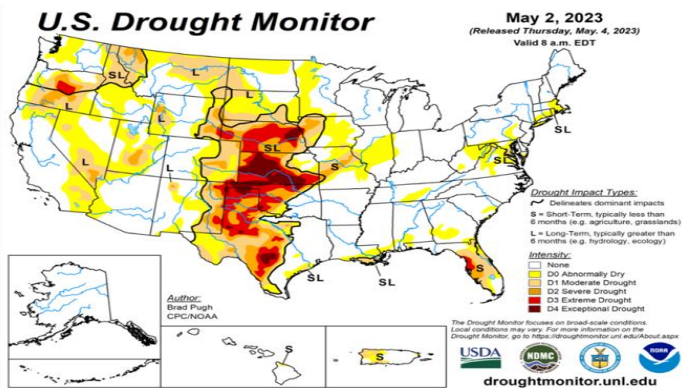
Except for those in the U.S., beef carcass prices are well below year-ago levels in major South American producers & exporters, and in **Australia** (see GRAPH below). Reasons for the softening prices vary. In Australia, cattle supplies are cyclically ramping up, while weak China demand for beef is leading to lower South American offer prices. In **Argentina**, last year's very cold winter combined with a very dry spring, summer and autumn is incentivizing a culling of cows on a scale that is negatively affecting cattle prices overall. The situation is complicated by surging inflation which exceeded 100% for the 1<sup>st</sup> time in 30 years in February. **Brazil's** Jan-April beef exports are -14% the pace of a year ago due to BSE-related declines in shipments to both China (-21%) **Egypt** (-42%) & the U.S. (-17%). Despite the Q1 hiccups, USDA is still forecasting global beef production this year to be level with 2022 output, while also predicting that 2023 global beef trade will be marginally higher than that of last year, with gains in shipments by Brazil, Australia, and **India** offsetting U.S. declines. USDA is also predicting flat 2023 Chinese beef imports. The supply-demand mismatch in China appears to be continuing, with foodservice operators in Tier 1 markets reporting lackluster consumer spending during the May Day holidays despite a resurgence in travel. As we reported last week, China's Q1 beef imports were record large, adding pressure to wholesaler margins.



Source: MLA World Beef Report, USMEF estimates

## 供应与需求

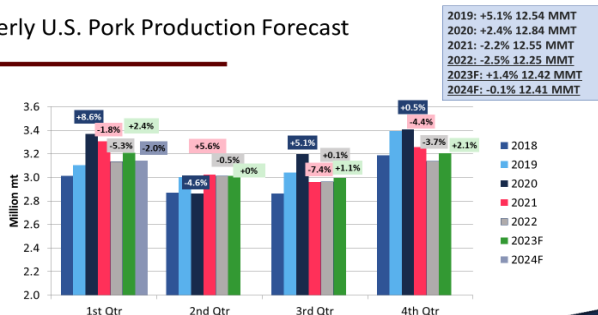
美国精选级批发牛肉分切价格上周横盘整理，肋骨的疲软被牛后腰脊部和其他“未充分利用”的分切部位（包括外裙肉）的价格坚挺所抵消。买家现在关注的是夏季需求，这应该会在即将到来的阵亡将士纪念日时达到第一个高峰（请参阅下一栏的产业动态）。尽管上周屠宰了 646,000 头牛，比前一周增加了 23,000 头，但上周出栏牛平均价格走低。屠宰量令市场感到有些意外，市场一直预计周出栏量会逐渐下降。总体而言，牛肉产量仍然受到平均胴体重同比下降的限制；上周，平均牛只胴体重比一年前轻了 11 磅。根据美国农业部最新发布的数据，2023 年前四个月出售的架子牛数量比 2022 年同期高出 4%。考虑到去年的小牛产量（架子牛的来源），这是出乎意料的，小牛产量比上年下降 2%。但更高的牛只销量可能是一个时间问题；与一年前相比，今年的牛价明显走强，这促使牛只卖出。此外，干旱继续影响德克萨斯州、俄克拉荷马州、堪萨斯州和内布拉斯加州的主要养牛州的放牧，这意味着牛比正常情况更早进入育肥场或养牛场（见下图）。尽管如此，预计 5 月 1 日育肥的牛只数量同比下降 3%，达到 5 月 1 日自 2018 年以来的最低水平。



**美国农业部牛肉屠体价格指数（特选级）：2023 年 5 月 15 日 - \$301.98 美元/百磅（较 2023 年 5 月 8 日减少 2%）**

上周猪肉分切价格上涨 1.9%，因为现货后腿价格因国内和出口需求而上涨。出口兴趣也有助于巩固前腿部位的价格。关于猪肉在美国销售方式的法律决定是上周市场的话题。美国最高法院维持了下级法院的一项裁决，即在加利福尼亚州出售的猪肉必须来自为怀孕母猪提供最少 24 平方英尺住房空间的农场。美国猪肉生产商辩称，该规定与禁止各州歧视州际贸易（即从其他州进口）的法律相矛盾。当该规则在未来几个月实施时（除非进一步向法院上诉），在加利福尼亚州销售的任何猪肉都必须来自合规的农场。因此，该规则将在该州周围形成事实上的边界，需要繁琐的文书工作，这将提高从猪排到培根等各种商品的价格。加州有近 4000 万居民，估计占美国国内猪肉消费总量的 15%。加州的猪肉产量很少，因此依赖外部供应。随着分析师消化潜在影响，市场对上周裁决的反应平淡。

## Quarterly U.S. Pork Production Forecast



**猪屠体分切价格：2023 年 5 月 15 日 - \$84.38 美元/百磅（较 2023 年 5 月 8 日增加 3%）**

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(本周)

FHC 上海环球食品展：2023 年 11 月 8-10 日

## 产业新知

标志性的高端牛排连锁店的 **Ruth's Hospitality Group (Ruth 餐饮集团)**，在全球拥有超过 150 家 **Ruth's Chris** 牛排店，包括公司自营和有特许经营权的门店，正在被大型餐饮集团 **Darden Restaurants** 餐厅收购，该集团经营的热门家庭连锁店包括 **Olive Garden** 和 **LongHorn Steakhouse**。媒体报道，收购价值将达到 7.15 亿美元。Darden 餐厅 2022 财年的年收入接近 97 亿美元，而 Ruth's Chris 牛排店的销售额为 8.6 亿美元。30 年前，该连锁店在台湾地区台北市开设了其在亚洲的第一家分店，然后扩展到**香港地区、新加坡、日本、中国大陆**（经营 4 家餐厅）、马尼拉和雅加达。

## 产业动态

推动美国肉类消费行为的主要季节性因素之一是美国夏季烧烤季。时间被定在 5 月 29 日纪念日和 9 月 4 日劳动节期间，在美国南部地区，户外烧烤活动最早在 3 月开始，在较冷的北部地区则要晚两个月。烧烤活动的举办在 7 月 4 日独立日假期达到顶峰，户外烹饪活动也集中在夏季初的纪念日和末尾劳动节举办。根据消费者调查，在烧烤季节，一个平均每周有 4-5 天在家烹饪晚餐的家庭，在为期 4 个月的夏季，每月有多达 10 天在户外烹饪。夏季烧烤包括两种类型的户外烹饪方式：高温燃气烧烤或木炭明火烧烤，通常用来烹饪海鲜、牛排、汉堡包、热狗、香肠、猪排和无骨鸡胸肉；或者通常用来低温和慢煮的木柴燃烧的封闭式烧烤炉，用来烹饪牛胸肉、猪肋排、猪梅花肉（用于手撕猪肉）、整鸡和其他部位肉。虽然从数量上看，烧烤活动中汉堡和热狗占多数，但在过去的几十年里，烧烤爱好者推动了低温和慢煮食物的增长，特别是随着 APP 应用程序控制的自动化烟坑的发展。根据历史数据，美国批发包装的牛肉价格在 5 月份随着户外烧烤的开始而达到峰值。过去几年，由于新冠疫情引起的需求变化，出现了不同的指标，但今年看到受欢迎的用作烧烤的西冷和上后腰脊肉的价格坚挺。可以肯定的是，户外烧烤并不是夏季肉类需求的唯一推动因素；由于度假者经常光顾汉堡店快餐店的自驾点餐服务，牛碎肉消费通常也会增加。培根的消费通常在夏季也会增长，因为人们吃培根生菜和番茄（BLT）三明治的次数大增。但今年，培根较高的零售价格影响了消费量，导致腹部肉价格下滑，整体猪肉价格低。

## 贸易新闻

除美国外，南美主要生产国和出口国以及**澳大利亚**的牛肉胴体价格都远低于去年同期水平（见下面的图表）。各生产国价格下跌的原因各不相同。在**澳大利亚**，牛只的供应正在呈周期性的增长，而中国对牛肉的需求疲软，导致南美洲国家报价价格降低。在**阿根廷**，去年非常寒冷的冬季加上非常干燥的春季、夏季和秋季，促使了规模性的母牛的产能去化，负面影响到了牛只的整体价格。通货膨胀率的飙升使情况更加复杂，2 月份的通货膨胀率在 30 年以来第一次超过了 100%。**巴西** 1-4 月的牛肉出口量比一年前减少了 14%，原因是由于疯牛病，对中国的出口量减少了 21%、对**埃及**的出口量减少了 42% 和对美国的出口量减少了 17%。尽管第一季度出现了小插曲，美国农业部仍然预测今年的全球牛肉产量将与 2022 年的产量持平，同时还预测 2023 年的全球牛肉交易量将略高于去年，因为巴西、澳大利亚和**印度**的出口量增加抵消了美国出口量的下降。美国农业部也预测 2023 年中国牛肉进口量与 2022 年持平。在中国，进口牛肉供应过多和需求疲软似乎仍在继续，一线城市的餐饮业者报告说，尽管旅游复苏，但五一假期期间消费者消费乏力。正如我们上周所报告的，中国第一季度的牛肉进口量创下了新高，给批发商的盈利增加了压力。

