



U.S. Meat Bulletin

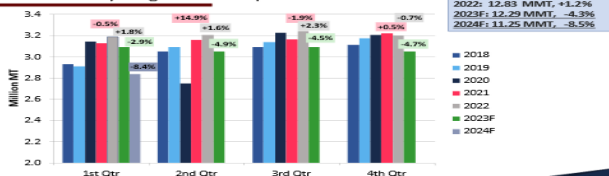
July 5, 2023

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SUPPLY & DEMAND

The USDA CHOICE beef cutout value moved slightly lower last week as buying activity for the July 4th holiday came to an end, and excessively hot weather in the southern U.S. tempered outside grilling activity. As of last weekend, and despite the highest early July retail beef prices in history, U.S. supermarkets were featuring steak items such as ribeyes at attractive prices last weekend, helping to fuel consumer buying interest. Spot live fed cattle prices were somewhat mixed last week, but cattle futures rose on a big downward move in corn prices (see pork section below). August feeder cattle futures jumped to new historical highs on the grain news, benefiting feedlotters who are doing their best to manage what have been volatile grain markets. Recent rain in southern U.S. pasture lands will see more heifers being held back for breeding, which should further limit the cattle supply pipeline in the months ahead. USDA is forecasting significant reductions in YOY quarterly beef production for the rest of this year and into the 1st quarter of next year (see GRAPH below). Year to date U.S. beef production is down 4.6% from last year, and year to date slaughter is -3.4%.

USDA expects beef production to be below year -ago levels through 2023, with more significant year -over-year decreases starting in Q2 followed by a significant drop in Q1 of 2024



Source: USDA/AWASDE June 2023, carcass weight equivalent, commercial production

Beef Choice Beef Cutout Value: 3/7/2023 - US\$328.34/cwt. (-1% from 26/6/2023)

The last week of June saw another jump in the USDA pork cutout, with wholesale values of all primals rising noticeably. Pork butt prices surged nearly 10% week on week, while values of bone-in hams and retail items including pork loins also firmed. Last minute wholesale buying activity for yesterday's July 4th holiday & lighter average hog weights helped to lift the market. Last week's pork harvest of 2.332 million head was in line with seasonally slower summer slaughter activity. USDA released its quarterly hogs & pigs inventory report last week and it showed the March-May 2023 pig crop was 0.8% above the year ago level, implying a greater pipeline of market-ready hogs during Q4. USDA is still forecasting total U.S. pork supplies this year will increase 1.4% YOY, but output during H1 was only up 0.3% suggesting the pace of processing activity will accelerate in H2. Difficult financial conditions for pork producers during April & May led to negative production sentiment through much of Q2, with producers indicating that they will farrow less pigs during the June to November period. But USDA's report indicated that producers saw surprisingly strong gains in pigs saved per litter, with the 11.36 head average achieved during the March-to-May quarter representing a 3.3% jump compared to the same 3-month period a year ago (see GRAPH below). If the data is accurate, then the jump in productivity could offset any decline in farrowings. The June 1 U.S. breeding herd of 6.146 million head was higher than forecast given that analysts were expecting a contraction after the challenging financials during Q2. Last week saw considerable volatility in grain & oilseed markets, with USDA issuing its updated crop acreage report on Friday projecting U.S. farmers planted more corn than originally forecast. Last week saw plunging corn futures with values decreasing nearly 16% over 6 consecutive trading sessions, the largest 6-session loss during a June month in at least 30 years. USDA's frozen meat stock report for May yielded conflicting signals to the pork market, with stocks of hams and bellies above trend, but with analysts noting that higher frozen supplies could reflect staging for stronger export demand ahead.

Higher Number of Pigs Saved Per Litter = Increasing Productivity;

Pigs per litter for Mar - May 2023 increased significantly from previous year and reached a new record, following disruptions from covid-PHRS in prior years



Source: USDA/NASS

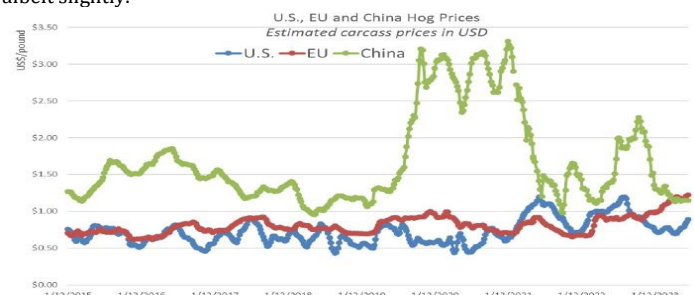
Hog Carcass Cutout Value: 3/7/2023 - US\$108/cwt. (+9% from 26/6/2023)

MOVING AHEAD

With the passing of the July 4th holiday yesterday and the start of the back half of 2023, it is a good time to highlight the top-of-mind trends and issues facing the U.S. meat industry this mid-summer. According to analysts at Midan Marketing, sustainability continues to be 1 of 3 topics in the forefront of industry leader minds. Midan observes that both processors & consumers have, until now, associated sustainability mainly with animal welfare claims. California's new rule mandating that all pork sold in the state must originate from farms with certain animal confinement specifications has been one of the talked-about issues within the entire livestock & meat industry. Although the state has delayed implementation of the rule until 2024, there are expectations that animal welfare will become even more important to the way meat is marketed in the years ahead. Also on the sustainability side, several packers have announced new products with specific carbon-saving claims - such as Tyson's Brazen Beef brand - but commercial sales volumes of these products are still low. Consumer advocacy groups are closely watching the sustainability statements made by meat companies, which suggests that any specific product claims will be under close scrutiny. Midan's 2nd trend of note is the rapid incorporation of artificial intelligence into all aspects of meat production & marketing. On the processing side, meat giant IBS has announced that it will use AI to better sort carcasses and fabrication, while on the foodservice side, online restaurant reservation platform OpenTable is using ChatGPT to give more customized recommendations to consumers on where & on what to dine. Software company Adobe's new Generative Fill tool is seen as game-changing content creation technology for all those in the meat & food marketing sphere, allowing the rapid creation of engaging images which could adorn anything from meat packages to restaurant menus. The final trend of interest noted by Midan is the rapid introduction by major U.S. retailers of personalized health & nutrition platforms for shoppers. Consumers already are focusing more on product claims such as all-natural or high protein, but new apps such as Albertson's Sincerely Health will offer digital advice to shoppers about diet, nutrition, and exercise, and all customized to the profile of each shopper. Midan notes that many U.S. supermarkets already have pharmacy services, so the integration of health & wellness messaging into the grocery shopping experience is a logical progression in the way food is marketed and sold.

TRADE

Chinese live hog prices have been remarkably stable over the last few months, but last week moved suddenly lower based on weak post Dragon Boat Day demand. Coupled with a depreciation in the RMB, Chinese live hog prices are 6+% lower than a month ago in dollar terms, tempering expectations of an improvement in import prospects. China's lean pork carcass reference value on June 29th was U.S. \$ 1.11/lb., not that much higher than the US pork carcass base price of U.S. \$ 0.94/lb. on the same day. Over the last several weeks, European carcass prices have been higher than those in China, the 1st inversion in recent history. Although estimated average production costs of farrow-to-finish producers in China have been easing slightly on lower grain input costs, China's live hog price of RMB 13.73/kg. last week was substantially below estimated breakeven costs of RMB 17/kg. China's Ministry of Agriculture released May production statistics last week, and it showed a slight drop in total sow numbers from April and 11% rise in slaughter (at scaled plants) for the 1st 5 months of the year, evidence that producer losses are incentivizing a trimming of herds. But large supplies of meat continue to overhang the market, with Jan-May total pork imports +15% YOY at 1.269 million tons, and total meat & poultry imports up 11% to 3.162 million tons. Analysts appear divided over the direction of the pork market moving forward. The current value of the Dalian Jan 2024 futures contract of approximately RMB 17/kg. suggests the market expects prices will seasonally rise during Q4, but that margins will be slim. Others see no large-scale panic culling by major producers, who are leery of downsizing when the market could make a turn for the better, albeit slightly.



ACTIVITIES:

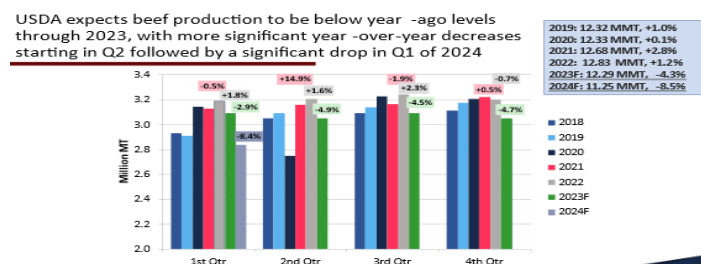
Restaurant and Bar, Hong Kong: September 5-7, 2023

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

Web: www.usmeat.org.cn

供应与需求

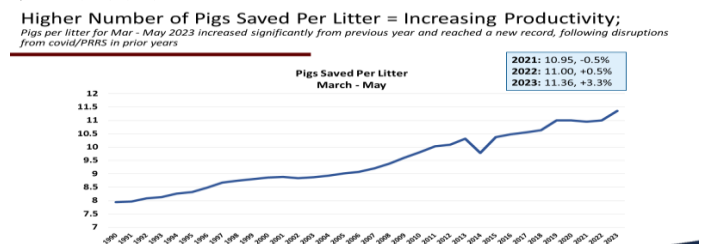
由于 7 月 4 日假期的购买活动结束，且美国南部过热的天气抑制了户外烧烤活动，上周美国精选级牛肉分切价格小幅下跌。截至上周末，尽管 7 月初的牛肉零售价格达到历史最高水平，但美国超市上周末仍以颇具吸引力的价格推出肋眼牛排等牛排产品，有助于刺激消费者的购买兴趣。上周现货出栏牛价格涨跌互现，但活牛期货价格因玉米价格大幅下跌而上涨（见下文猪肉部分）。受谷物消息影响，8 月份育肥牛期货价格跃升至历史新高，使尽最大努力设法管理波动的谷物市场的育肥场主受益。美国南部牧场最近的降雨将更多小母牛留下用于繁殖，这将进一步限制未来几个月牛只的整个供应渠道。美国农业部预测，今年剩余时间和明年第一季度，季度牛肉产量同比将大幅下降（见下图）。今年迄今为止，美国牛肉产量比去年下降了 4.6%，今年迄今为止的屠宰量同比下降 3.4%。



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

美国农业部牛肉屠体价格指数（特选级）：2023 年 7 月 3 日 - \$328.34 美元/百磅（较 2023 年 6 月 26 日减少 1%）

六月的最后一周，美国农业部猪肉分切价格再次大幅上涨，并且所有初级分切肉的批发价格均显著上涨。肩胛部价格周环比上涨近 10%，带骨后腿和里脊肉等零售产品的价格也坚挺。昨天 7 月 4 日假期的最后一刻批发购买活动和生猪平均体重下降帮助提振了市场。上周生猪屠宰量为 233.2 万头，与夏季屠宰活动季节性放缓相符。美国农业部上周发布了季度生猪和仔猪库存报告，显示 2023 年 3 月至 5 月仔猪数量比去年同期增长 0.8%，这意味着第四季度出栏生猪数量增加。美国农业部仍预测今年美国猪肉供应总量将同比增长 1.4%，但上半年产量仅增长 0.3%，表明下半年屠宰活动步伐将加快。4 月和 5 月猪肉生产商面临的困难财务状况导致第二季度大部分时间生产情绪消极，生产商表示他们将在 6 月至 11 月期间减少母猪产仔数。但美国农业部的报告显示，生产者的每窝母猪生产量出现惊人的强劲增长，3 月至 5 月季度的平均出生活猪数量达到 11.36 头，与去年同期 3 个月相比增长了 3.3%（见下图）。如果数据准确，那么生产力的提升可能会抵消产仔数的下降。6 月 1 日美国能繁母猪数量为 614.6 万头，高于预期，因为分析师预计第二季度财务状况严峻后将出现母猪数量萎缩。上周谷物和油籽市场出现相当大的波动，美国农业部周五发布了最新的农作物种植面积报告，预计美国农民种植的玉米数量超出了最初的预测。上周玉米期货价格暴跌，价格连续 6 个交易日下跌近 16%，创下至少 30 年来 6 月份最大的 6 个交易日跌幅。美国农业部 5 月份冷冻肉库存报告向猪肉市场发出了相互矛盾的信号，后腿部和腹部库存高于趋势水平，但分析师指出，冷冻猪肉供应量增加可能反映出未来出口需求强劲。



Source: USDA/NASS

猪屠体分切价格：2023 年 7 月 3 日 - \$108 美元/百磅（较 2023 年 6 月 26 日增加 9%）

美国肉类出口协会活动预告：
香港餐饮展 - 香港：2023 年 9 月 5-7 日
FHC 上海环球食品展：2023 年 11 月 8-10 日

产业动态

随着昨天 7 月 4 日假期的过去和 2023 年后半段的开始，现在是强调今年仲夏美国肉类行业面临的首要趋势和议题的好时机。根据 Midan 营销公司的分析师，可持续发展仍然是行业领导者心中的三大前沿话题之一。据 Midan 观察，直到现在，加工商和消费者都将可持续发展主要与动物福祉声明关联在一起。加利福尼亚州的新规则，强制规定所有在该州销售的猪肉必须来自具有特定牲畜圈养规格的农场，这已成为整个畜牧业和肉类行业中的一个被讨论的话题。尽管该州已将该规则的实施时间推迟到 2024 年，预计动物福祉在未来几年会对肉类的销售方式变得更加重要。此外，在可持续发展方面，几家屠宰商已经发布了带有特定碳减排声明的新产品——比如泰森的 Brazen Beef 品牌——但这些产品的商业销量仍然很低。消费者权益组织正在密切关注肉类公司的可持续性发展声明，这表明任何具体的产品声明都将受到仔细的审查。Midan 营销公司的分析里，第二个值得注意的趋势是人工智能迅速融入肉类生产和营销的各个方面。在肉类加工方面，JBS 宣布将使用人工智能来更好地分拣胴体和加工制造，而在餐饮服务方面，在线餐厅预订平台 OpenTable 正在使用 ChatGPT 向消费者提供更多定制化的推荐，包括在哪里吃和吃什么。软件公司 Adobe 的新的可生成性填充工具被视为颠覆性的改变所有肉类和食品营销领域的内容创建技术，允许快速创建吸引人的图像，可以给从肉类包装到餐厅菜单的任何东西加以装饰。Midan 指出的最后一个感兴趣的趋势是，美国主要零售商们迅速推出了针对顾客的个性化健康和营养平台。消费者已经在更多地关注产品声明，如全天然或高蛋白，但新的应用程序，如 Albertson's Sincerely Health 将为顾客提供有关饮食、营养和锻炼的数字化建议，并根据每位顾客的个人资料进行定制。Midan 指出，美国许多超市已经有了药房服务，因此将健康和保健信息整合到杂货店的购物体验中是食品营销和销售方式中的一个合理进展。

贸易新闻

在过去的几个月里，中国的活生猪价格一直非常稳定，但上周由于端午节后需求疲软，价格突然下跌。加上人民币贬值，中国活生猪价格按美元计算比一个月前低 6% 以上，对进口前景改善的预期有所降低。6 月 29 日，中国的瘦肉型猪肉胴体参考价格为 \$1.11 美元/磅，没有比同日美国的猪肉胴体基本价格 \$0.94 美元/磅高多少。过去几周，欧洲的胴体价格一直高于中国，这是近期历史上的第一次反转。尽管由于谷物饲料投入成本的降低，中国自繁自养生产商的预估平均生产成本已经略有减少，但中国上周的活生猪价格 RMB 13.73 元/公斤，大大低于 RMB 17 元/公斤的预估盈亏平衡成本。中华人民共和国农业部上周发布了 5 月生产统计数据，显示 4 月份开始母猪总数略有下降，今年前 5 个月的屠宰量（在有规模的屠宰厂）增长了 11%，这表明生产商的损失正促使他们削减畜群。但大量的肉类供应持续积压市场，1-5 月猪肉进口总量同比增长 15%，为 126.9 万吨，肉类和家禽进口总量增长了 11%，达到 316.2 万吨。分析师们对猪肉市场未来的发展方向存在分歧。大连 2024 年 1 月期货合约的当前价格约为 RMB17 元/公斤，表明市场预计第四季度价格将出现季节性上涨，但利润将非常微薄。另一些人则认为，主要生产商们不会大规模的削减畜群，在市场可能出现好转的情况下，这些生产商对缩减规模持谨慎态度，尽管只是小幅好转。

