



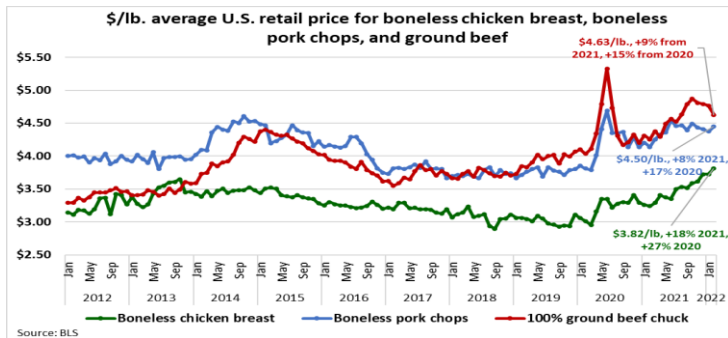
U.S. Meat Bulletin

March 22, 2022,

Volume XIV | Issue 3.4

SUPPLY & DEMAND

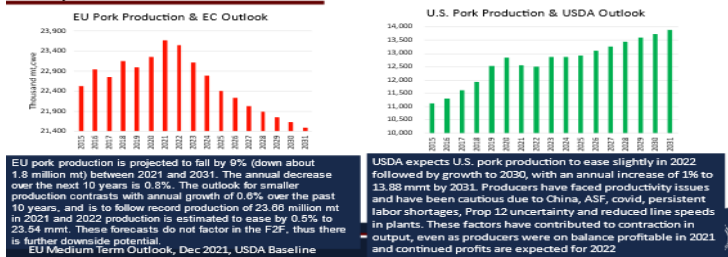
Wholesale beef prices turned upward last week after 6 consecutive weeks of decline. Strengthening rib and loin prices – driven in part by the activity of early spring grillers – managed to slightly offset weakness in chucks & clod demand. The ground beef market is getting more attention as inflation forces consumers to trade down their protein choices, and prices of alternates – including chicken cuts and pork chops - increase (see graph below). With inflation at its highest in decades, U.S. consumer sentiment turned sharply negative in March, with the number of Americans who predict their personal finances will worsen this year reaching the highest percentage since the mid-1940s according to the University of Michigan Consumer Sentiment Index (MCSI). Live fed cattle prices struggled to lift last week, as the total numbers of cattle on feed continue to be historically high and slaughter levels muted. In addition, spreading drought is continuing to drive more animals into feedlots. Cattle feeders have been in aggressive in filling pens because of high margins but the Russia-Ukraine conflict's impact on grain markets is quickly changing those financials (see MOVING AHEAD next column). Cattle futures moved up at the end of last week, but remain volatile, and USDA's cattle on feed report this Friday could impart a negative tone on the market. Strong new U.S. beef export sales to **China** were reported during the week ending March 11, a positive sign amidst otherwise negative news from the market where CoVID lockdowns are impinging foodservice sales.



Beef Choice Beef Cutout Value: 21/3/2022 – US\$258.50/cwt. (+1% from 14/3/2022)

The pork cutout drifted slightly lower last week on unsettled retail demand and consumer buying resistance linked to higher gas prices. Institutional ham buying for Easter (April 15) is mostly complete and values for value-added boneless rollout hams have also been easing, along with loins. Last week's national harvest of 2.435 million head was still well below capacity, with USDA reporting low activity at harvest plants last Saturday. Some saw the recent weakness of the **Mexican** peso as a negative sign for exports but during the week ending March 18, USDA reported large new sales to that #1 market. Lean hog futures were choppy last week, with see-saws in the grain market spilling over into livestock markets (see MOVING AHEAD next column). Three U.S. pork harvest plants have received permission from USDA to increase maximum processing line speeds in a new trial of how faster harvesting may affect worker safety and wellbeing. Employee organizations are comfortable with the trial after receiving assurances from the plants that staffing would increase to manage the additional velocity. Faster line speeds will increase harvest efficiencies and potentially lower processing costs. Although U.S. pork exports are off to a slow start, the Russia-Ukraine conflict is bringing into clearer focus the competitive advantages of the U.S. pork sector over that of its main rival, the **EU** (see TRADE next column.)

Contrasting views...the U.S. is the pork supplier of choice for the future; EU industry analysts now see EU pork production down 5% this year



Hog Carcass Cutout Value: 21/3/2022 – US\$101.61/cwt. (-2% from 14/3/2022)

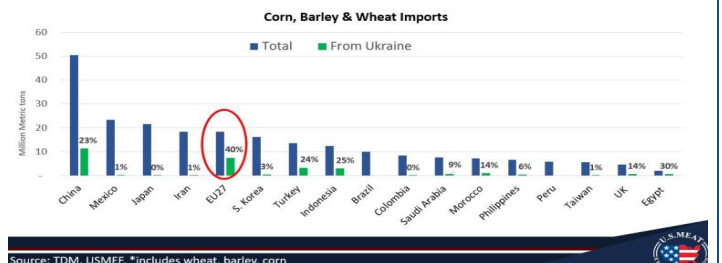
ACTIVITIES:
SIAL, Shanghai: May 18-20, 2022
Food & Hotel Asia, Singapore: September 5-8, 2022

MOVING AHEAD

Cattle markets have been volatile in recent weeks, in line with the spikes and swoons that all financial & equity markets have experienced. In particular, feeder cattle prices and their respective futures contracts have been under pressure in recent weeks due to spiking grain prices related to global grain market uncertainty (see TRADE below). Heavier feeder cattle, 750 lb. steers, dropped significantly during early March from an average of about \$1.65/lb. (liveweight) to \$1.56/lb. That is still well above last year's \$1.38, but the decline has come as the overall cattle pipeline tightens. Other headwinds include rising gasoline prices, which some have noted have lowered calf and feeder cattle prices in country auctions in areas far from feedlots. Similarly, transportation costs to and from pastures has also become more of an issue as energy prices climb. With the overall U.S. cattle herd in decline, many cow-calf operators were expecting 2022 to yield significant profits, but spiking feed costs have rapidly altered feedlot & cow-calf financials. Grain markets continue to be extremely volatile & headline-driven; mid-last week grain futures plummeted as oil softened and media reported on progress in diplomatic efforts to resolve the conflict. Despite the respite, grain prices are expected to remain historically high this year. USDA is forecasting that the average price of corn (farmgate price, crop year) this marketing year will average U.S. \$222/ton, significantly above the average U.S. \$178/ton of 2021; prices in the more "normal" 2019/20 crop year were \$140/ton. The other variable moving ahead is mother nature and whether key grazing areas will see adequate moisture this spring. With grain costs high, operators want cattle to add as much weight as possible on pasture. But with over 75% of the U.S. currently experiencing some sort of drought, the pressure to move cattle into feedlots remains high.

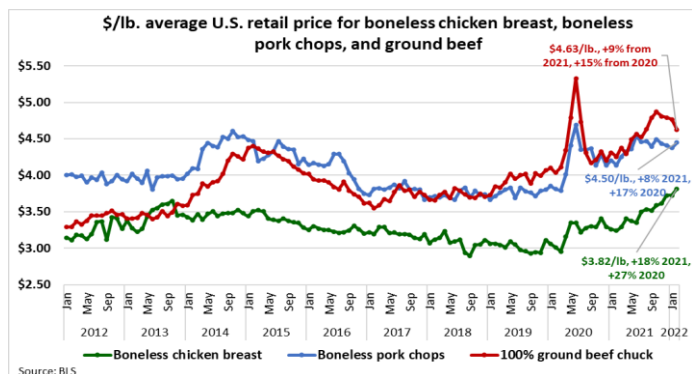
TRADE

Over the last week, more media stories have appeared around the threat the current Russia-Ukraine conflict poses to global food security. Although neither country is a major beef and pork importer or exporter (Ukraine is sizeable poultry exporter though), their grains – especially Ukrainian corn – are utilized as key inputs in the world's two largest pork producing regions, **China**, and the **European Union**. 15.9 million tons of Ukraine's total 2021 corn exports of 24.7 million tons went to producers in these two areas. Ukraine accounts for 40% of the EU's total imports of corn, barley, and wheat (see graph below), and 29% of China's corn imports. Over the last several weeks, European feed & livestock groups have been pressing their respective governments to guarantee grain supplies. **Spain**, the 2nd largest buyer of Ukraine corn after China, has asked EU agricultural authorities to waive GMO & other phytosanitary restrictions so the country's pork and poultry producers can access corn from previously banned suppliers, especially **Argentina**. The feed industry of **France**, Europe's largest grain producer and exporter, has asked its government to guarantee supplies to local livestock producers, even if that means implementing export quotas. The grain pinch, which has caused prices to soar, comes at a difficult time for Europe's pork industry, which was already suffering from Africa Swine Fever outbreaks & resultant import bans (esp. Germany), CoVID related supply chain disruptions & rising input costs, and low China pork import demand (China accounted for 47% of the EU's total pork exports vs 24% for the USA in 2021). These factors led to high losses for pork producers throughout the EU late last year, and a reduction in output. From December 2020 through December 2021, the **Polish** swine breeding herd declined 20%, Germany's -11%, and **Denmark's** -3%. Some forecast a 5% EU-wide decline in pork production this year. Although the herds of other major producers such as Spain have remained steady, continued input cost rises have caused average market hog losses in the range of U.S. \$20 - \$50 head, according to experts. And although EU prices have moved sharply higher since the beginning of the year, uncertainties remain for the sector. Europe's new comprehensive Farm-to-Fork agricultural sustainability policies are also discouraging the expansion of production. Longer run forecasts predict that EU pork production will continue to fall while that of the U.S., Europe's principal competitor in international markets, will increase (see GRAPH previous column).



供应与需求

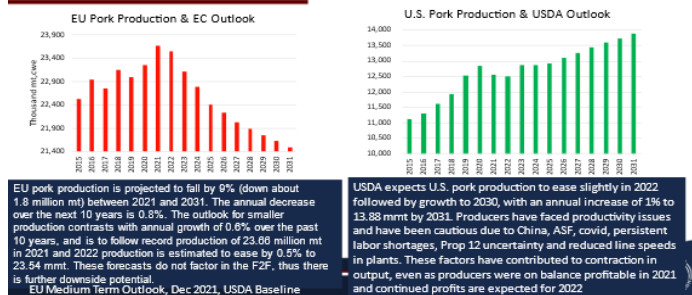
在连续 6 周下跌后，上周牛肉批发价格有所回升。肋脊部以及腰部价格的上涨有部分原因来自早春烧烤活动所推动的，同时这也略微抵消了肩胛部以及上肩胛需求的疲软。随着通货膨胀迫使消费者减少购买蛋白质，以及替代品(包括鸡肉和猪排)的价格有所上涨，牛绞肉市场目前越来越受到关注(请参见下图)。根据密西根州大学消费者信心指数(University of Michigan Consumer Sentiment Index)，随着通货膨胀达到十年来的最高水平，美国 3 月份消费者信心急剧下降，并预计今年将有一部分美国人的个人财务状况将恶化，达到 1940 年代中期以来的最高百分比。由于牛只在养头总数持续处于历史高位且屠宰水平低迷，上周活体已肥育牛只价格难以上涨。此外，不断蔓延的干旱正在继续促使更多的牛只进入肥育场。由于利润率高，肉牛肥育者一直在积极填补牛栏，但俄乌冲突对谷物市场的影响正在迅速改变这些财务状况(请参见下一栏产业动态)。牛只期货在上周末上涨，但仍然处于不稳定，同时美国农业部本周五的牛只在养头数报告可能会给市场带来负面的影响。据报导，截至 3 月 11 日的一周内，美国对**中国**的新牛肉出口销售强劲的消息，成为被 CoVID 影响的餐饮业销售市场来说是一个乐观的迹象。



美国农业部牛肉胴体价格指数(特选级): 2022年3月21日 - \$258.50 美元/百磅 (较 2022年3月14日增加 1%)

由于零售需求的不稳定，以及消费者购买阻力与石油价格上涨有关，进而使上周猪肉分切价格略有下降。复活节(4月15日)所出现的后腿肉购买大致已完成，增值无骨后腿肉以及里肌肉的价格也在缓和下降。上周美国屠宰量为 243.5 万头，但仍然远低于产能，美国农业部上周六也报告屠宰厂的屠宰活动也处于相对较低。近期有一些人将**墨西哥**比索的疲软视为出口的一个负面现象，但美国农业部报告称，截至 3 月 18 日的一周内，该第一大市场的新销售量较大。上周瘦猪期货走势不稳，以及谷物市场摇摆不定，持续蔓延至畜牧市场(请参见下一栏产业动态)。美国三家猪肉屠宰厂已获得美国农业部的许可在一项新的试验中提高加工线最快的速度，以了解加快的屠宰活动可能会影响工厂人员的安全和健康。员工组织在得到工厂的保证后，对该试验感到非常满意并将增加人员以应对额外的屠宰速度。加快的生产线速度津贴将提高屠宰效率，并可能降低屠宰成本。尽管现在美国的出口较缓慢，但俄乌冲突使美国猪肉行业相对于其主要竞争对手，**欧盟**的竞争优势变得更加明显(请参见下一栏贸易新闻)。

Contrasting views...the U.S. is the pork supplier of choice for the future; EU industry analysts now see EU pork production down 5% this year



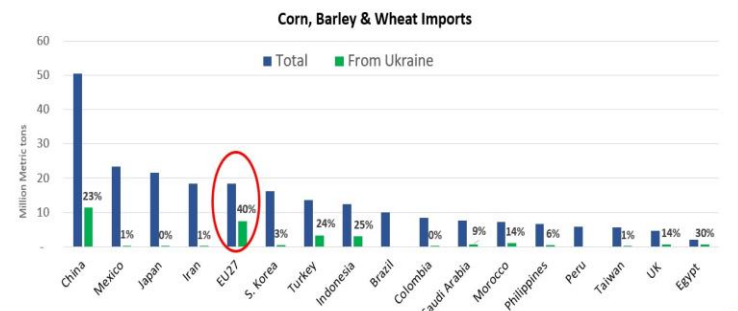
猪屠体分切价格: 2022年3月21日 - \$101.61 美元/百磅 (较 2022年3月14日减少 2%)

产业动态

近几周，牛市一直在波动，并且与所有金融和股票市场经历过的飙升和低迷是一致的。尤其是因全球谷物市场的不确定性导致谷物价格飙升，未肥育牛只价格及其各自的期货合约在近几周一直处于压力之下(请参见下方贸易新闻)。3月初，体重较重的未肥育牛只(750磅)，从平均每磅约 \$1.65 美元大幅下降(活体重)至 \$1.56 美元/磅。这仍远高于去年的 \$1.38 美元，但是随着整体牛群收紧而出现下跌。其他不利因素包括石油价格上涨，一些人指出，在远离肥育场地区的乡村拍卖中，仔牛以及未肥育牛只的价格已经在下降。同样，随着能源价格的上涨，往返牧场的运输成本也成为一个更大的问题。随着美国牛群的整体下降，许多母仔牛育成者预计 2022 年将产生可观的利润，但飙升的饲料成本已迅速改变了肥育场和母仔牛的财务状况。谷物市场持续的极度不稳定且受到头条新闻的驱动；上周中旬，随着石油价格走软以及媒体报导解决冲突的外交进展，谷物期货出现暴跌。尽管有所缓解，但今年谷物价格仍预计保持在历史高位。美国农业部预测，本年度销售的平均玉米价格(农场出厂价格，作物年度)为 \$222 美元/吨，远高于 2021 年的平均 \$178 美元/吨；以及较“正常”的 2019/20 作物年度的价格 \$140 美元/吨。另一个前进的动态是大自然，以及今年春季关键放牧区是否会有足够的水分。由于谷物成本高，经营者希望牛只在牧场上尽可能的增加重量。但由于美国 75% 以上的地区目前正经历某种干旱，因此将牛群投放肥育场的压力仍然较大。

贸易新闻

上周，有许多媒体报导了当前俄乌冲突对全球粮食安全构成的威胁。尽管这两个国家都不是主要的牛肉和猪肉进口或出口国(虽然乌克兰是一个相当大的禽肉出口国)，但它们的谷物，尤其是乌克兰的玉米，经常是**中国**和**欧盟**这两大猪肉生产国的关键产品。2021 年乌克兰玉米总出口量为 2470 万吨，其中 1590 万吨出口给中国和欧盟的生产商。乌克兰占欧盟玉米、大麦和小麦总进口量的 40%(请参见下图)，同时也占中国玉米进口量的 29%。在过去几周，欧洲的饲料和畜牧业团体一直在敦促各自的政府以确保谷物的供应。乌克兰玉米的第二大买家是仅次于中国的**西班牙**。目前西班牙已要求欧盟农业当局放弃基因改良和其他植物检疫限制，以便该国的猪肉和禽肉生产商可以从之前被禁止的供应商，尤其是**阿根廷**获得玉米。作为欧洲最大的谷物生产和出口国，**法国**的饲料业已要求其政府保证对当地畜牧生产者的供应，即使这意味着实施出口配额。正值欧洲猪肉业处于困难时，谷物紧缩导致价格飙升，同时欧洲已遭受到非洲猪瘟爆发、另外由此产生的进口禁令(尤其是德国)、与 CoVID 相关的供应链中断和投入成本上升，以及中国猪肉进口需求低(2021 年中国占欧盟猪肉出口总量的 47%，而美国占 24%)。这些因素导致去年底整个欧盟的猪肉生产商损失惨重，产量也有所下降。从 2020 年 12 月至 2021 年 12 月，**波兰**种猪群下降了 20%，**德国**下降了 11%，**丹麦**下降了 3%。一些预测认为，今年欧盟范围内的猪肉产量将下降 5%。据专家称，尽管西班牙等其他主要生产国的猪群保持稳定，但投入的成本持续上升导致市场生猪平均损失约 \$20 至 \$50 美元之间。尽管欧盟的价格自年初以来已大幅上涨，但该行业的不确定性依然存在。欧洲新的从农场到餐桌的可持续性农业发展政策也阻碍了生产的扩大。长期预测表明，欧盟的猪肉产量将持续的下降，而欧洲在国际市场上的主要竞争对手美国的猪肉产量将增加(请参见前一栏的图表)。



Source: TDM, USMEF, *includes wheat, barley, corn

美国肉类出口协会活动预告:
SIAL 国际食品展(上海): 2022年5月18-20日
新加坡国际食品与饮料展 - 新加坡: 2022年9月5-8日