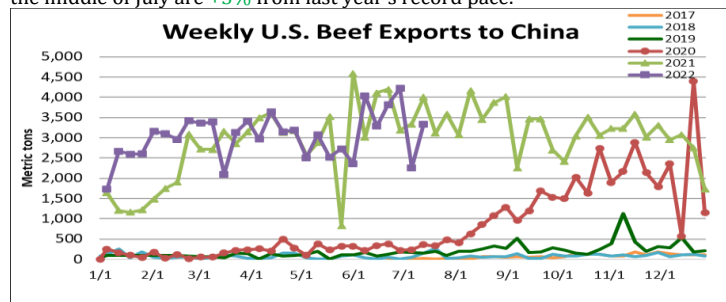


## SUPPLY & DEMAND

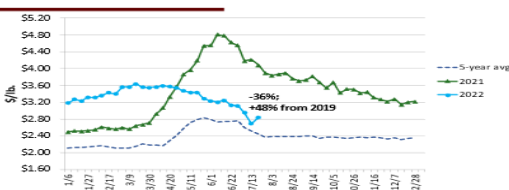
Wholesale beef prices closed last Friday mostly even with the previous week. Rib prices were steady, but values of primals associated with grilling, including the flank and brisket, were lower as scorching heat hit many U.S. population centers (see MOVING AHEAD). Beef prices continue to buck the historical trend of summer weakness by staying firm, and despite increased harvest activity; last week's 674K head volume was one of the higher of this year. On the live cattle side, the average fed steer price eased slightly last week to average U.S. \$140/cwt. USDA released its latest monthly cattle on feed report, showing that the July 1 inventory of cattle in feedlots of 11.34 million head was slightly above expectations, with the volume of cattle placed into feedlots during June exceeding forecasts. Placements were higher in Colorado and Texas with declines in Nebraska and Kansas. USDA also released its semi-annual total cattle inventory report, and it showed all cattle and calves at 98.8 million head, down 2% from 2021, and the lowest since the 98.1 million registered in 2015 at this time of year. We will discuss that report in more detail next week. The nation's hot weather is currently pushing more cattle to markets, which should accelerate the drop in feeder cattle supplies later this fall. This dynamic helped push fed cattle futures modestly upward late last week and yesterday. While investors see higher cattle prices ahead, there are still relatively large numbers of animals in feedlots now. In spite of the strong dollar, new U.S. beef export sales during the week ending July 14<sup>th</sup> were high, with large new orders reported from **Korea, Japan, and China**. U.S. beef muscle cut exports through the middle of July are +3% from last year's record pace.



**Beef Choice Beef Cutout Value: 25/7/2022 - US\$268.11/cwt. (-1% from 18/7/2022)**

Pork wholesale prices surged again last week, as harvest levels remained low and ham demand continued strong. The August lean hog futures contract surged to a three-month high as investors followed the bullish sentiment in the cash market. Lower hog weights are also helping to drive price firmness. High temperatures affected a large part of the U.S. last week, and heat can affect hog growth, with stress a particular risk during transport to plants. In addition to strength in the ham market, spot belly prices also jumped, driven by seasonal mid-summer bacon demand. Although most pork primal prices have strengthened in recent weeks, rib values have drifted lower with some specifications, including St. Louis, at the lowest levels since last April (see GRAPH below). Interestingly, October lean hog futures are trading at a wide discount to the August contract, a sign that investors believe the flow of live hogs to plants will improve in the fall. U.S. pork exports continue to be sluggish, except to **Mexico**, where high turkey prices are lifting the competitiveness of pork. But U.S. pork is having difficulty in other price sensitive markets, including **Australia, the Philippines and China**, especially over the last few months as the dollar has hit recent historical high levels. China's June pork muscle cut imports of just over 122K tons were the lowest monthly volume since March 2019 but there is still optimism for more trade later this year.

### Pork St. Louis Spareribs



Source: USDA/AMS, vacuum packed

**Hog Carcass Cutout Value: 25/7/2022 - US\$127.82/cwt. (+5% from 18/7/2022)**

### ACTIVITIES:

- Food & Hotel Asia, Singapore: September 5-8, 2022
- Restaurant and Bar, Hong Kong: September 6-8, 2022
- FHC Shanghai Global Food Trade Show: Nov 8-10, 2022
- SIAL, Shanghai: December 7-9, 2022

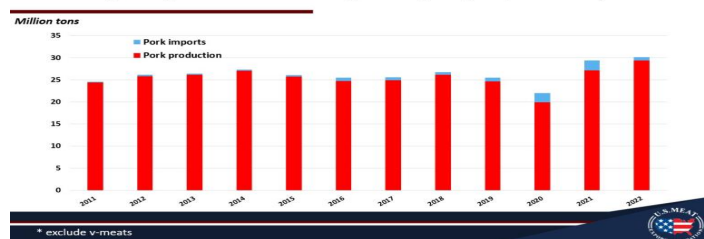
## MOVING AHEAD

Last week, one-third of the USA's 330 million inhabitants were baking under extreme temperatures, with similar conditions prevailing in **China** and **Europe**. Excessive heat affects both meat consumption and production. On the consumption side, high temperatures can discourage outdoor grilling activity, a reason that may be contributing to current weakness in pork rib & beef brisket prices. That's in theory though, and this summer beef and pork wholesale beef prices have strengthened rather than weaken as they do normally during the dog days of summer. Heat's impact on livestock production is much clearer. Heavier cattle, especially those in feedlots, are susceptible to heat stress. Producers must pay attention to the temperature-humidity index (THI), a combined measurement of heat & air moisture levels. Humidity is especially important as cattle do not sweat effectively and rely on respiration to cool themselves. Heat also reduces the appetite of cattle, while also lowering feed conversion ratios. While the U.S. southern plains are very hot during the summer, humidity is generally low. This year though, dryness has particularly intensified across the southern plains. Drought affects pasture growth, resulting in less grazing and a reduction in the number of times farmers have been able to cut and bale hay for winter feeding; current hay prices in parts of Texas are 60% higher than just 3 months ago. Drought's impact has accelerated what was already a cyclical culling of the U.S. breeding herd; cow slaughter during the 1<sup>st</sup> half of this year was +14.6%, with last Friday's semi-annual cattle inventory report providing fresh evidence of the trend. Although most U.S. hogs are housed in temperature-controlled barns, swine are more susceptible to the effects of heat stress than other farm animals, and producers must ensure proper engineering of their enclosures to minimize heat risk.

## TRADE

The globe's pork exporters have high expectations for **Chinese** pork imports during this 2<sup>nd</sup> half of the year, but is such bullishness warranted? It's too early to say, but the 1<sup>st</sup> half was unambiguously a challenging one for traders. Demand has been weak with intermittent lockdowns, and currently, due to seasonal summer slackness. According to official data, national foodservice receipts dropped 15.6% YOY during Q2 2022. On the optimistic side, the high demand season lies ahead, and domestic live hog & pork prices have risen. In addition, factory activity has recovered, and industrial employee canteens are important end-users of pork. Our recent Bulletins have discussed the rise in live hog prices, but the wholesale cost of fresh domestic pork muscle cuts used by China's meat processors has increased roughly 20% since June 1 to reach the U.S. \$4,400/ton range. That increases the spread between the wholesale cost of imported frozen muscle cuts, and thus the incentive to import. That said, China market analysts believe any further price rise may be gentler than earlier expected. First, total pork supplies during the H2 were high. China's National Bureau of Statistics has announced that domestic pork production during the 1<sup>st</sup> half of this year totaled 29.39 million tons, an 8.2% rise YOY. That's a domestic supply increase equal to nearly 2.24 million tons. H1 total imports of 1.312m tons were back to pre-ASF levels but when added to domestic output, supplies were the highest ever for a Jan-June period (see GRAPH below). Secondly, domestic pork producers are responding quickly to positive market fundamentals. Most large publicly listed pork producing companies experienced financial pressure during the 1<sup>st</sup> half of this year as live hog market prices stayed below breakeven costs. But since the start of the hog rally in mid-June, most production has been profitable & a number of major expansion plans have been announced. With average farrow-to-finish production costs currently in the range of U.S. \$2.30 - \$2.50/kg, and live hog selling prices settling at \$3.36/kg. Last Friday, even average producers are earning U.S. \$100+ per head. The values of all Dalian futures contracts are also above production costs, providing some optimism for the next 12 months. A final reason to expect more muted price growth ahead is that the government is using its pork reserve buying and selling activity more aggressively to try and tame price volatility. This effort has a new sense of urgency as inflation - though tame by western standards - is creeping up, with pork remaining a main component of China's CPI index.

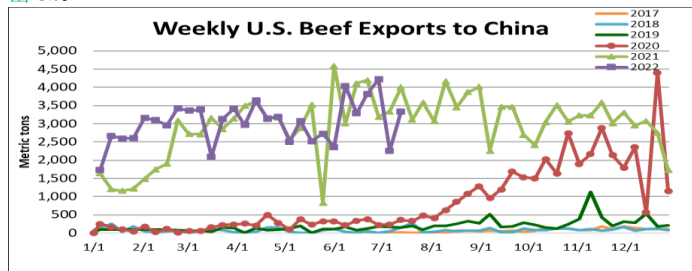
### China: pork production + imports (Jan-Jun; volume)



\* exclude v-meats

## 供应与需求

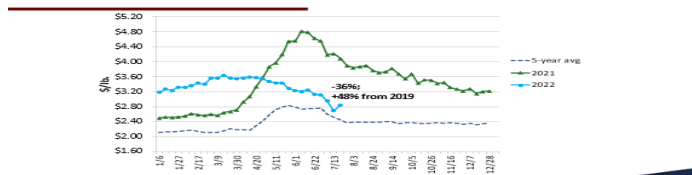
上周五牛肉批发价格收盘与前一周基本持平。肋脊部位价格稳定，但是由于酷热袭击了美国许多人口中心，与烧烤相关的大块分切部位（包括腹肋肉和前胸）的价格下降了（参见产业动态栏）。尽管最近几周屠宰量有所增加，牛肉价格持续逆转夏季疲软的历史趋势而保持坚挺。上周 67.4 万头的屠宰量是今年较高的记录之一。活牛方面，上周已肥育活牛平均价格小幅回落至 140 美元/百磅。美国农业部发布了最新的月度育肥场牛只报告，显示 7 月 1 日育肥场中牛只存栏量为 1134 万头，略高于预期，而 6 月份移入育肥场的牛只数量也超过了预测值。其中，科罗拉多州和德克萨斯州移入育肥场的牛只数量增加，而内布拉斯加州和堪萨斯州移入育肥场的牛只数量则减少了。美国农业部还发布了半年度的牛只存栏报告，显示所有肉牛和小牛的总存栏量为 9880 万头，比 2021 年下降 2%，是自 2015 年此时统计的 9810 万头以来的最低水平。我们将在下周更详细地讨论该报告。全国炎热的天气正在将牛只推向市场，这将加速今年秋季晚些时候待育肥牛供应量的下降。这些动态的更新推动了上周晚些时候以及昨天牛只期货的上涨。虽然投资者预计未来牛价会上涨，但目前育肥场中的牛只数量仍然相对较多。尽管美元走强，但截至 7 月 14 日当周报告的最新牛肉出口销量仍然很高，主要是来自**韩国、日本和中国**的大量新订单。截至 7 月中旬，美国牛肉出口量比去年的创纪录水平仍高出 3%。



美国农业部牛肉屠体价格指数（特选级）：2022 年 7 月 25 日 - \$268.11 美元/百磅（较 2022 年 7 月 18 日减少 1%）

上周猪肉批发价格再次飙升，生猪出栏量仍然很低，而后腿肉的需求持续强劲。由于投资者追随现货市场的看涨情绪，8 月瘦肉猪期货合约价格飙升至三个月高点。较低的生猪出栏体重也有助于推动价格维持坚挺。上周，高温影响了美国大部分地区。高温会影响生猪生长，尤其高温还会使生猪运输到工厂的过程中存在热应激风险。除了后腿肉市场走强外，在仲夏季节性培根需求的推动下，现货腹部肉价格也在飙升。尽管最近几周大多数猪肉的初级分切肉价格都走强了，但肋骨的价格走低，包括圣路易斯在内的一些规格的猪肉肋骨价格处于去年 4 月以来的最低水平（见下图）。有趣的是，10 月瘦肉猪期货的交易价格较 8 月合约大幅折让，这表明投资者认为生猪流向工厂的数量将在秋季有所改善。美国猪肉出口继续低迷，但**墨西哥**除外，那里的高昂的火鸡价格正在提升猪肉的竞争力。但美国猪肉在其他价格敏感市场遇到困难，包括**澳大利亚、菲律宾和中国**，尤其是在过去几个月，美元触及近期历史高位。中国 6 月猪肉进口量略高于 12.2 万吨，是自 2019 年 3 月以来的最低月度进口量，但市场对于今年晚些时候的贸易仍持乐观态度。

## Pork St. Louis Spareribs



Source: USDA/AMS, vacuum packed  
猪屠体分切价格：2022 年 7 月 25 日 - \$127.82 美元/百磅（较 2022 年 7 月 18 日增加 5%）

美国肉类出口协会活动预告：  
新加坡国际食品与饮料展 - 新加坡：2022 年 9 月 5-8 日  
香港餐饮展 - 香港：2022 年 9 月 6-8 日  
FHC 上海环球食品展：2022 年 11 月 8-10 日  
SIAL 国际食品展(上海)：2022 年 12 月 7-9 日

## 产业动态

上周，美国 3.3 亿居民中有三分之一的人遭受了极端高温天气，同样，**中国和欧洲**也有类似情况发生。过高的气温会影响肉类市场的生产力和消费力。消费层面上，高温天气会给户外烧烤活动带来阻碍，也可能是目前猪肋排和牛前胸肉价格疲软的原因之一。不过，今年夏天牛肉和猪肉的批发价格走强，而不像往年三伏天，价格普遍走弱。高温对牲畜生产方面带来的影响更为显著。尤其是那些在饲养场体重较重的牛只，更容易受到热应激的影响。生产者必须持续关注温度-湿度指数 (THI)，这是对热度和空气湿度的综合测量标准。牛的饲养对环境的湿度要求很高，因为牛的汗腺不发达，而是依靠呼吸系统来降低自身的体温。气温高也会影响牛的食欲，换言之，会降低饲料转化率。虽然美国南部平原地区的夏季非常炎热，但湿度普遍较低。然而，今年南部平原的干旱加剧，影响了牧草生长，导致放牧减少，农民也减少了为冬季饲养而收割干草的频率；目前德克萨斯州部分地区的干草价格比 3 个月前高出 60%。干旱加速了美国肉牛育种群体的周期性淘汰速度；上周五公布的半年度牛只库存报告中显示，今年上半年的奶牛屠宰量增长了 14.6%。虽然大多数美国生猪都被安置在恒温的猪舍里，但生猪比其他家畜更容易受到热应激的影响，生产商们必须安排妥当的围场设施，以最大限度地降低高温风险。

## 贸易新闻

全球猪肉出口商对**中国**今年下半年猪肉的进口贸易持较高的期望，但现在对未来的贸易趋势下定论为时尚早。对于猪肉进口状况来说，今年上半年毋庸置疑是充满挑战的半年。由于中国间歇性的隔离措施和最近夏季气候的影响，市场对猪肉的需求很疲软。官方数据显示，在 2022 年第二季度，全国餐饮服务收入同比下降 15.6%。但值得期待的是，市场需求在逐渐恢复，国内生猪和猪肉价格已经上涨。而且，工厂生产进程已经恢复，工厂的职工食堂是猪肉进口商们首要的终端用户。我们最近的公报讨论了生猪价格的上涨，但自 6 月 1 日以来，中国肉类加工企业使用的国内鲜猪肉的批发价格上涨了约 20%，达到了每吨 4,400 美元的水平。这增大了与进口冷冻猪肉批发价格之间的差价，从而刺激了猪肉进口贸易经济。尽管如此，中国市场分析师认为，之后的上涨幅度都可能比此前预期的要更加温和。原因如下，首先，今年下半年的猪肉供应总量很高。据中国国家统计局公布，今年上半年国内猪肉总产量为 2939 万吨，同比增长 8.2%。相当于国内供应量增加了近 224 万吨。据估计，上半年猪肉进口总量为 130 万吨，已经恢复到非洲猪瘟爆发之前的水平，如果加上国内本地猪肉的产量，供应量则达到了 1-6 月同期的历史最高水平(见下图)。其次，国内猪肉生产商对于积极的市场发展前景反应迅速。今年上半年，由于生猪市场价格低于盈亏平衡点，多数大型上市猪肉生产商企业都经历了不小的财务压力。但自 6 月中旬生猪价格回升以来，大多数生产进程已经开始盈利，并宣布了多项扩张计划。目前，从出生到育成猪的平均生产成本在每公斤 2.30 - 2.50 美元之间，生猪销售价格固定在每公斤 3.36 美元。上周五，连一个中等规模的生产商，每头生猪也能带来 100 美元以上的收益。目前大连期货交易合约价格都要比成本高，大家对未来 12 个月的市场交易情况持乐观情绪。猪肉价格涨幅得到缓解的最后一个原因是，政府正更积极地利用猪肉收储和销售计划，缓解猪肉价格的上涨。随着通胀上涨(以西方标准衡量已算温和)，给上述这些抑制措施带来些许阻碍，猪肉仍是中国 CPI 指数里的重要组成部分。

## China: pork production + imports (Jan-Jun; volume)

