



# U.S. Meat Bulletin

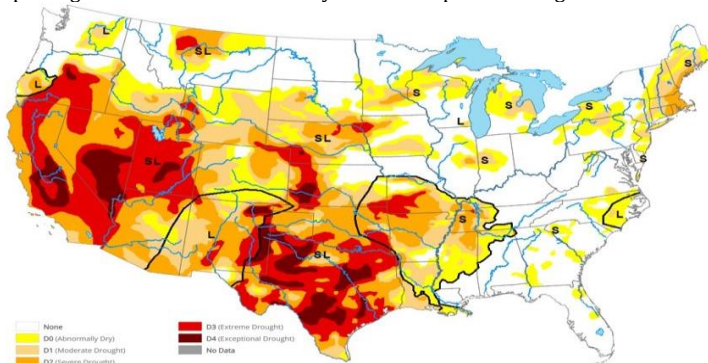
August 10, 2022

Volume XIV | Issue 8.2

**Note: we will take a summer break, with the next U.S. Meat Bulletin to be published Aug 23.**

## SUPPLY & DEMAND

Wholesale U.S. beef prices traded largely steady week-on-week as summer demand remained firm and more signs emerged of tightening live cattle supplies. Retailers are trying to gauge how beef demand will play out this fall as inflation concerns continue to influence consumer buying behavior. The uncertainty is creating more hand-to-mouth ordering from institutional buyers, but there is more optimism at the macro level that inflation is slowly coming under control and that any recession may not be deep. Consumer spending on travel & restaurant visits has been sizzling, with gasoline prices down 20% since mid-June. There were media reports last week of strong beef sales at 2 large family style steakhouse chains, Longhorn Steakhouse (559 outlets) and Texas Roadhouse (approx. 600 outlets), a sign that mainstream demand is robust. Moreover, news of financial challenges for a once-adored large alternative meat company provided confirmation that consumer loyalty to beef is thriving. Live cattle prices firmed last week as data shows the number of cattle on feed dropping as well as the number of cattle outside of feedlots. The latter number, which on July 1 was a million head lower than a year ago, is a clear indication that the reservoir of animals that will enter feedlots later is dropping. That said, heifers, potentially the future breeding herd, are entering feedlots in elevated numbers as drought conditions continue to stress cow-calf operations. A rare tropical storm brought rain to some of the driest parts of the SW U.S. last week, but much of Texas & the SW region remains in severe drought (see MAP below). As overall cattle supplies contract, the number of cows coming to slaughter should start to fall in the months ahead, creating even more demand by processors for fed cattle. Last week's cattle harvest totaled 651,000 head last week, down from the previous week. Analysts will be closely watching fed cattle weights this fall for any indication of a lightening trend due to cattle being pulled forward. Beef export demand remains robust with the U.S. exporting over U.S. \$1 billion in every month except Feb during H1 2022.



**Beef Choice Beef Cutout Value: 9/8/2022 - US\$264.73/cwt. (-2% from 1/8/2022)**

The pork cutout noticeably softened last week on resistance to high wholesale price growth in the previous weeks, summer seasonal demand weakness and high frozen inventories. Prices of bone-in hams turned downward last week after a sharp multi-week uptick, while spot butt values dropped nearly 17% week on week. Sparerib prices also fell. The supply of all pork in cold storages at the end of June was 22.4% higher than a year ago, with pork belly inventory up 46.2%. Inventories of frozen bone-in hams are just 7% higher than year-ago levels, with values jumping from the U.S. \$0.60/lb. range at the beginning of the year to last week's \$1.17/lb. There was a slight rise in last week's U.S. hog slaughter, with the 2.34 million head processed exceeding the average 2.27 million head pace of the previous 3 weeks. Still, this is the time of year when pork supplies hit their annual lows, due both to a smaller hog pipeline and the adverse impact on performance of hot weather. Within a few weeks, the weekly pace of harvest will pick up, with a likely negative impact on pork values; currently October lean hog futures are trading at a 19% discount to the August contract. The 2<sup>nd</sup> highest level of weekly pork export orders to **China** this year were reported during the week ending July 28, but the newly released H1 2022 U.S. red meat monthly export data showed total U.S. pork exports (including variety meats) of 1.286 million tons to all destinations was -18% off last year's pace. The tonnage is still the 3<sup>rd</sup> largest ever for the Jan-June period.

**Hog Carcass Cutout Value: 9/8/2022 -US\$123.85/cwt. (-3% from 1/8/2022)**

### 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

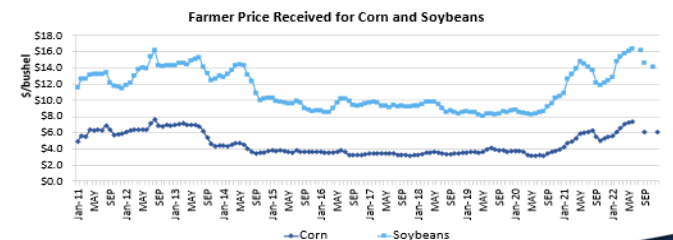
## MARKET MAKERS

The 5<sup>th</sup> largest U.S. beef processor, American Foods Group, will soon commence groundbreaking on a new U.S. \$450 million 2,400 head-per-day beef processing facility in the state of Missouri. Once operational, the plant will become AFG's 5<sup>th</sup> beef processing plant. When combined with its other plants in Wisconsin, Nebraska, Minnesota, and South Dakota, AFG will have a combined daily harvest capacity of 9,000 head per day. Missouri has the nation's 3<sup>rd</sup> largest cow herd behind Texas and Oklahoma, and it is believed that the new facility will mainly process cows, bulls and fed Holstein steers.

## MOVING AHEAD

The USDA has just released its 18<sup>th</sup> weekly crop progress report. At just about midway through the corn & soybean growing season - and despite hot July weather - both the corn and soybean crops are progressing well. Agricultural analysts & investors have focused on this year's U.S. crops due to the conflict in Eastern Europe, global food inflation, and high summer temperatures throughout much of the Northern Hemisphere. Good crop conditions and last week's agreement on the resumption of grain shipments out of Ukraine have put downward pressure on grain prices, with the prices of both corns and soybeans now near their start-of-year levels. Although weather risks remain with corn and soybean harvests months away, the drop in grain prices is good news for U.S. cattle & hog producers. Corn, soy & other grain and feed inputs can represent 45-50% of the total costs of production of a typical U.S. market hog, and 38% of a fed steer or heifer, although these numbers can vary considerably. Feeder cattle prices are generally more sensitive to grain price movements than fed cattle. On the hog side, for over 100 years and until the increase of more vertically integrated production, farmers who grew both corn & hogs viewed the latter as an alternative strategy for marketing their corn; if corn prices were low the farmers would feed hogs rather than market the grain. Looking at higher up the food chain, commodities such as corn generally contribute only about 15% of retail food costs. A 2013 quick analysis by a Purdue economist estimated that corn represented 10.3% of the retail price of beef and 12.8% of the price of pork at that time.

Corn and soybean futures surged after startf Eastern Europe conflict + expectations of lower South American soybean production, but futureBave adjusted and are now trading below price levels seen earlier this year

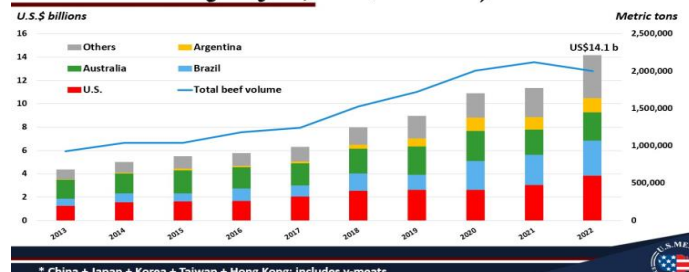


Source: USDA/NASS and CME closing futures on August 5, 2022

## TRADE

Asia's beef import bill has grown at a compound annual growth rate of 12.5% over the last 10 years, with Jan-June 2022 record expenditures growing 25% over those of 2021. The new H1 figures demonstrate the durability of beef import demand during the pandemic, despite lockdowns & other social distancing measures that crimped foodservice receipts throughout much of the region this year. At the onset of the pandemic, global beef exporters, including the U.S., had predicted a slowdown in imports, but a surge in retail e-commerce, restaurant takeaway, new home meal replacement options at supermarkets all resulted in an offset in the volumes lost at foodservice by retail. Imported volumes over the 10-year period grew slower than value (see blue line in GRAPH below), a testimony of the growth in consumer spending power in the region.

### Asia's beef import bill & major suppliers (Jan-Jun; U.S.\$ billions)



\* China + Japan + Korea + Taiwan + Hong Kong; includes v-meats

编辑笔记：下期《美国肉品新知》将于2022年8月23日发布。

## 供应与需求

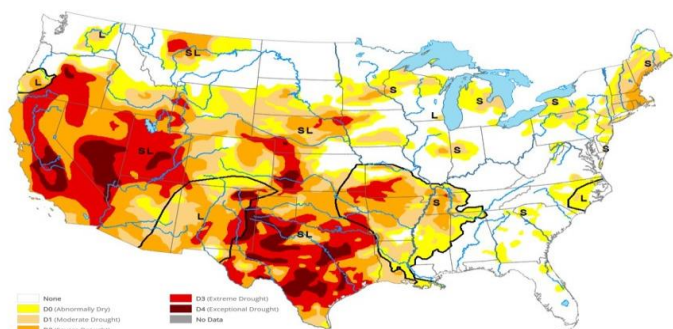
因夏季需求依然强劲，且有更多迹象显示未来几个月活牛供应趋紧，因此美国牛肉批发价格周环比基本稳定。由于通胀担忧仍在持续影响消费者的购买行为，零售商正试图判断今年秋季牛肉需求将如何变化。这种不确定性增加了机构买家仅用于现用的订单，但宏观层面的乐观情绪更多，他们认为通胀正慢慢得到控制，衰退可能不会太严重。自6月中旬以来，汽油价格下跌了20%，消费者在旅游和餐馆消费方面的支出一直攀升。上周有媒体报道称，两家大型家庭式牛排连锁店的牛肉销售强劲，分别是 Longhorn Steakhouse (559 家分店) 和 Texas Roadhouse (大约有 600 家分店)，表明主流需求仍然强劲。此外，一家曾经受追捧的大型肉类替代公司面临财务危机的消息证实了消费者对牛肉的青睐程度正在上升。上周，活牛价格走强，因为数据显示，育肥场内牛的数量和育肥场外牛的数量都在下降。育肥场外的牛只数量在7月1日比一年前减少了100万头，这是一个明确的迹象，表明以后可以进入育肥场的储备牛只正在减少。也就是说，由于旱条件继续给母牛小牛生产模式带来压力，可能成为未来繁殖群体的小母牛进入育肥场的数量增多。上周，一场罕见的热带风暴给美国西南部一些最干旱的地区带来了降雨，但德克萨斯州和西南部的大部分地区仍然处于严重干旱中(见下图)。随着活牛的整体供应收缩，未来几个月将被屠宰的母牛的数量应该会开始下降，这将导致加工商对出栏牛的需求进一步增加。上周的活牛屠宰量为651,000头，低于前一周。分析师将密切关注今年秋天的出栏牛体重，因牛只提前进入育肥场导致整体出栏体重将有下降的趋势。2022年上半年，除2月外，美国的牛肉出口每月都超过10亿美元，牛肉出口需求依然强劲。

## 产业新知

美国第五大牛肉加工企业 American Foods Group, 将斥资 4.5 亿美元在密苏里州动工建设一座新的牛肉加工厂，其日加工量可达 2400 头牛。一旦投入运营，该工厂将成为 AFG 的第 5 家牛肉加工厂。与威斯康星州、内布拉斯加州、明尼苏达州和南达科他州的其他工厂合并后，AFG 的日屠宰量总计将达到 9000 头。密苏里州拥有仅次于德克萨斯州和俄克拉荷马州的全国第三大奶牛群，相信新的工厂将主要加工奶牛、公牛和育成的荷兰牛。

## 产业动态

美国农业部刚刚发布了第 18 期农作物生长周报。7 月份也是玉米和大豆作物生长季的中期，尽管天气炎热，两者生长情况都很好。由于东欧冲突、全球食品通胀以及北半球大部分地区的夏季高温，农业分析师和投资者们密切关注着今年美国农作物的生长情况。谷物丰收以及上周乌克兰恢复谷物出口协议的尘埃落定，给谷物价格带来了下行压力，现在玉米和大豆的价格都接近于今年年初的水平。尽管天气风险依然存在，而玉米和大豆的收成还有几个月才会到来，但谷物价格下跌对美牛美猪生产商来说是利好消息。在美国活畜交易市场，猪牛生产商们在玉米、大豆及其他谷物和饲料的投入成本占生猪生产总成本的 45-50%，占一头阉牛或小母牛生产总成本的 38%，尽管这些数据会受不同因素影响而产生浮动。通常，谷物价格的波动对架仔牛的影响大于育肥牛。在生猪养殖方面，100 多年来，直到增加更垂直一体化生产模式，既种植玉米又养猪的农民，将养猪视为销售玉米的另一种经营途径；如果玉米价格低，就用来喂猪，不作出售。在食品链的上层，玉米等大宗商品成本通常只占食品零售成本的 15% 左右。2013 年普渡大学的一位经济学家曾做过一项快速分析，据估计当时玉米价格只有牛肉零售价格的 10.3%，猪肉价格的 12.8%。



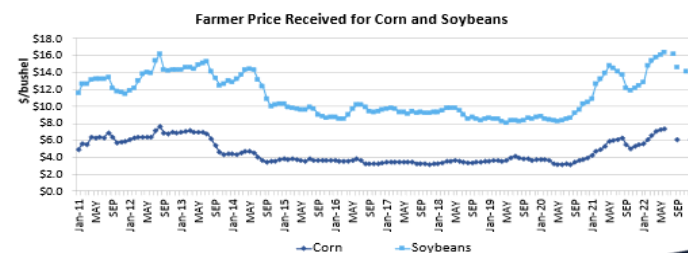
美国农业部牛肉屠体价格指数 (特选级)：2022 年 8 月 9 日 - \$264.73 美元/百磅 (较 2022 年 8 月 1 日减少 2%)

由于对前几周批发价格居高的抵制、夏季季节性需求疲弱以及冻品库存居高等原因，上周猪肉分切价格明显走低。带骨后腿价格在经历了数周的大幅上涨后，上周开始下跌，而肩胛肉现货价格则在上周下跌了近 17%。排骨的价格也下降了。6 月底，所有冷库猪肉供应量较上年同期增长 22.4%，腹部肉库存增长 46.2%。冷冻带骨后腿的库存仅较上年同期增长 7%，而其价格从今年年初的大概 0.60 美元/磅跃升至上周的 1.17 美元/磅。上周美国生猪屠宰量略有上升，234 万头的屠宰量超过了前 3 周平均 227 万头的屠宰量。尽管如此，由于生猪供应减少和炎热天气的负面影响，今年的这个时候猪肉供应量还是触及了年度低点。在未来几周内，每周的屠宰速度将加快，这可能对猪肉价格产生负面影响。目前 10 月份瘦肉猪期货合约价格较 8 月份合约价格下降 19%。截至 7 月 28 日的当周，美国对中国的猪肉出口订单量在今年排名第二，但最新发布的 2022 年上半年美国红肉月度出口数据显示，美国对所有目的地的猪肉出口总量(包括猪副)为 128.6 万吨，比去年同期下降 18%。而该出口量仍然是有史以来在 1-6 月期间第三大出口量。

猪屠体分切价格：2022 年 8 月 9 日 - \$123.85 美元/百磅 (较 2022 年 8 月 1 日减少 3%)

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

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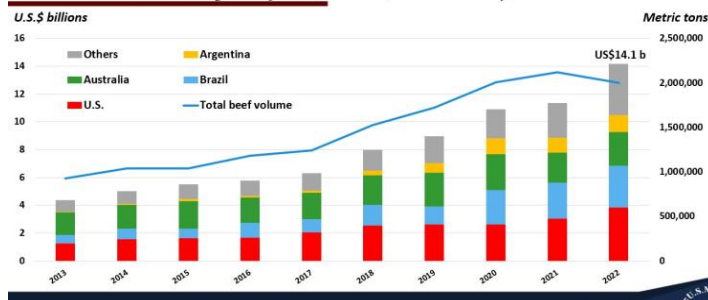


Source: USDA/NASS and CME closing futures on August 5, 2022

## 贸易新闻

在过去 10 年里，亚洲牛肉进口总额已经以年均 12.5% 的复合增长率在增长，据记录，2022 年 1 至 6 月的支出比 2021 年增长了 25%。中国新的上半年贸易数据证实了疫情期间对牛肉进口的持续需求，尽管今年的疫情封锁和其他社交距离防疫措施，妨碍了亚洲大部分地区餐饮服务行业的收入。在疫情爆发初期，包括美国在内的全球牛肉出口国曾预测进口贸易会呈放缓趋势，但由于零售电商、餐厅外卖服务、超市售卖的家庭预制菜的牛肉进口量迅速上升，并与餐饮服务行业的损失相抵消。十年来，进口量的增长慢于进口金额的增长(如下图中蓝色曲线)，同时证明了该地区消费能力的增长。

## Asia's beef import bill & major suppliers (Jan-Jun; U.S.\$ billions)



\* China + Japan + Korea + Taiwan + Hong Kong; includes v-meats