



# U.S. Meat Bulletin

March 14, 2023

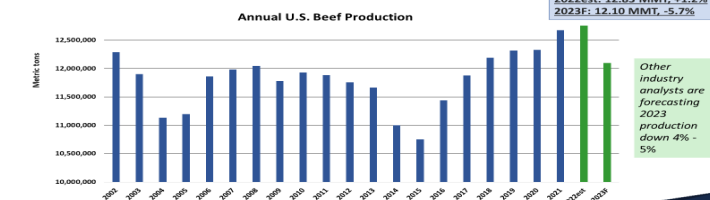
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## SUPPLY & DEMAND

Wholesale U.S. beef prices closed slightly down last Friday on the previous week's close. Institutional buyers were cautious by the weekend following several consecutive days of bearish news in the equity and financial markets. Perhaps more importantly, retailers are concerned about the coming end on March 31 of CoVID-related federal "emergency" food assistance benefits. Following the onset of the pandemic, the USDA-administered Supplemental Nutrition Assistance Program (SNAP) allowed all SNAP-qualifying U.S. households to receive approximately \$95 extra per month in food assistance. Those benefits are now being unwound, which will affect 16 million households in over 32 states. (NOTE: an estimated 41 million U.S. residents receive some SNAP benefits, or about 12% of the population.) The reduction in value of benefit vouchers, which can be exchanged in supermarkets for almost any foodstuffs, could affect purchasing of common household staples such as ground beef. The worry was heightened last week as the failure of 2 large banks prompted fear of wider financial contagion, this coming just after the U.S. Federal Reserve warning that more interest rate hikes may be necessary to tame inflation. Prior to last week, wholesale beef prices had been on a consistent upward trajectory for 3 weeks (the March cutout value is at its highest level for this time of year), buoyed by bullish sentiment and a range of data showing tightening fed cattle supplies. USDA will publish its monthly cattle-on-feed report this coming Friday and it is expected to show that the number of cattle on feed at the beginning of this month had dropped 200K from the Feb 1 number and were as much as 6% lower than March 1, 2022. Placements of cattle into feedlots during February is also forecast to have dropped, as data shows the number of cattle purchased by feedlots during the month at auction fell. Feedlots will now adjust strategies to expectations of tighter cattle supplies, which will affect the entire sector (see MOVING AHEAD next column). And although cattle futures fell late last week due to growing concerns that macroeconomic conditions will deteriorate, live fed cattle prices remained steady at the U.S. \$1.65/lb. Calf prices continued to climb last week, testimony to the shrinking pool of feeder cattle ahead. On the export side, news was on the bearish side; bets increased that **China** would re-open its market to **Brazilian** beef in the coming weeks, while new USDA data showed January 2023 total U.S. beef exports were **-15%** the level of January 2022, with big declines registered in shipments to **Korea** and **China/HK**.

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Source: USDA/NASS & WASDE estimates

**Beef Choice Beef Cutout Value: 13/3/2023 - US\$284.86/cwt. (-2% from 6/3/2023)**

The pork cutout value moved higher last week on pre-Easter seasonal demand & continued firm **Mexican** purchasing interest in U.S. hams. Slight falls in U.S. retail bacon prices are offering new support to wholesale belly values. Retail bacon values are 4-5% lower than a year ago, not a major downturn, but below the January 2023 YOY GDP growth of all foodstuffs consumed at home +11.3%. Also supporting pork values are slightly lower (-2 pounds) YOY average hog slaughter weights. Last week, the total hog harvest was below 2.5 million head, a week-on-week drop of 15K head, but USDA is still expecting 2023 total pork output to rise 1.5% YOY. Year-to-date U.S. pork production is +0.7%. Lean hog futures moved higher last week on expectations of further wholesale pork price appreciation and lower grain prices; last week USDA increased its estimate of the important end-of-crop-year corn stocks figure, a measure of forecasted grain availability at the end of the marketing year. Positive sentiment over exports grew last week with USDA's release of January trade figures. Total pork exports during the month - including variety meats - totaled 237K tons, up 13% from Jan 2022. The YOY increase in export volume to #1 and #2 markets **Mexico** and **China** was over 20,000 tons, equivalent to a 1,000-container increase for just January alone.

**Hog Carcass Cutout Value: 13/3/2023 - US\$88.80/cwt. (+2% from 6/3/2023)**

## MOVING AHEAD

Once a year in February, the USDA publishes data on cattle marketed by small feedlots, or those with a one-time capacity of under 1,000 head. This data allows for a calculation of the total number of feeding yards in the country, revealing in the process that despite the popular images of massively scaled U.S. operations, most cattle feeding enterprises are at the smaller end of the scale. According to last month's report, the number of feedlots in the U.S. at the end of 2022 totaled 26,093, a drop of 1,027 operations from a year earlier. The decline was almost completely limited to smaller feedlots, which at 24,000, account for 92% of all feeding operations. Of the 2,093 feedlots that have a capacity over 1,000 animals, only 80 operations in the U.S. can simultaneously feed more than 50,000 animals. However, these 80 facilities account for an outsized 35.2% of all fed slaughter cattle. Large and small feedlots operate differently, with smaller facilities often being managed by farmer-feeders that may retain their own calves & feed animals from their own crop harvests. Research from South Dakota showed that smaller feedlots in that state tended to put animals on feed at a younger age than larger operations. This, among other factors, leads to the average turnover time per year (the number of times pens are turned over) of smaller feedlots being in the 1.2 - 1.3 range. At the other end of the scale are the mega-feeders, which specialize only in the feeding phase of the cattle life cycle. These operations are in a competitive battle to maximize capacity utilization of their pens, with an average annual turn of 1.9 for the largest scale feedlots (50K head & over). The largest operator in the U.S. - and the world - is **Five Rivers Cattle, LLC**, which can feed 900,000-head across eleven U.S. locations. The company's Kuner Feedlot in Colorado, which can feed up to 100,000-head at a time, claims to be the largest single operation anywhere. Research on an unnamed feedlot in the Southern Plains by University of Oklahoma academics highlighted some of the performance parameters of a typical large-scale feeder.

AgEcon Search: A Profile of Cattle Feeding	
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Average Pen Size	112 head
Steer to Heifer Ratio	66 : 34

The above data was collected over a 7-year period starting about a decade ago. While providing a useful reference to understanding general performance trends of large U.S. feedlots, operators are constantly shifting strategies - average purchase weights, days on feed, market weights - to optimize revenues in the face of shifting costs. A big trend this spring are the lower YOY market weight of animals, the result of mostly weather-related challenges over the past winter for many major feeding operations. Looking ahead, feeders will face competition to secure dwindling feeder cattle supplies, a trend that is already contributing to the YOY drop in the number of feeding operations USDA found in its recent survey.

## TRADE

Meat trade analysts are continuing to eye **China's** beef market for hints of direction. Two major questions loom; how soon will the beef export suspension of #1 supplier **Brazil** be lifted and how will China's beef demand unfold as the market continues to adjust to a post CoVID 'new normal'? Last week, the media reported that Brazil's Minister of Agriculture would move up a planned March trip to Beijing to try and expedite an agreement to restart shipments. Exports have been suspended since Feb. 22 following confirmation of an atypical BSE case in a 9-year-old cow. Media is also reporting that Brazil will seek changes in its trade protocol with China to remove provisions requiring self-suspension of exports upon any new confirmed BSE case. Based on CY Brazil's 2022 beef export value to China of U.S. \$7.95 billion, the country's exporters could be losing up to \$22 million every day the suspension remains in effect. As to the post CoVID appetite for imported beef, signs so far are positive. Although most major exporters have only published trade data for January. Brazil's pre-suspension Jan-Feb exports of 170K tons were record large for the 1<sup>st</sup> two months of the year. Monthly U.S. data for January showed U.S. beef exports to China of 12,903 tons were -22% the level of Jan 2022, but weekly USDA data (for muscle cuts only) shows exports through March 2<sup>nd</sup> were +12% YOY. In its semi-annual assessment of China's livestock markets, USDA predicted last week that China's total beef imports would drop slightly this year, mainly due to the Brazil suspension; last year, Brazil accounted for 40% of China's total import volume. According to traders, imported wholesale beef values in China have firmed since the Brazil stoppage, but markets are cautious given expectation for a quick restart. Given USDA's estimates for another year of higher domestic beef production, the agency is forecasting record Chinese beef consumption of 10.8 million tons (carcass weight) this year.

## ACTIVITIES:

Food & Hotel Asia, Singapore: April 25-28, 2023  
 SIAL, Shanghai: May 18-20, 2023

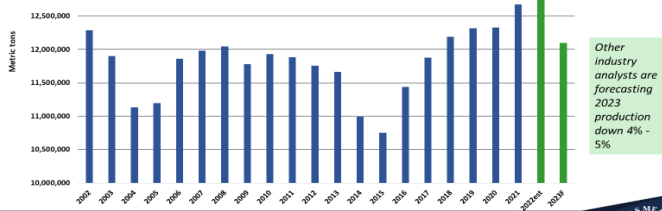
## 供应与需求

美国牛肉批发价格上周五收盘时与前一周收盘时略有下降。在股市和金融市场连续多日传出利空消息后，机构买家上周末变得谨慎起来。但也许更重要的原因是，零售商担心与新冠相关的联邦“紧急”食品援助福利将于3月31日结束。疫情爆发后，美国农业部管理的营养补充援助计划(SNAP)允许所有符合该计划的美国家庭每月额外获得约95美元的食品援助。这些福利现在正在被取消，这将影响到超过32个州的1,600万家庭。(注:估计有4,100万美国居民获得了一些SNAP福利,约占总人口的12%)。几乎可以在超市兑换任何食品的福利券的减少,可能会影响绞牛肉等普通家庭主要食物的购买。上周,由于两家大型银行的倒闭加剧了人们对更广泛的金融危机蔓延的担忧,而这恰好发生在美国联邦储备委员会警告可能需要更多加息以抑制通货膨胀之后。上周之前,牛肉批发价格已连续3周呈上升趋势(3月分切价处于一年中这个时候的最高水平),受到看涨情绪和一系列显示牛只供应趋紧的数据的提振。美国农业部将于本周五发布其月度育肥牛只报告,预计将显示本月初的育肥牛只数量比2月1日减少了20万头,比2022年3月1日减少了6%。据预测,2月份进入育肥场的牛只数量也有所下降,因为数据显示,育肥场2月在拍卖会上购买的牛只数量有所下降。育肥场现在将根据牛供应紧张的预期调整策略,这将影响整个行业(请参见产业动态)。由于人们越来越担心宏观经济状况将恶化,牛只期货价格上周晚些时候下跌,但出栏牛只的价格仍稳定在每磅1.65美元(活重)。小牛犊的价格上周继续攀升,证明未来架子牛的数量在减少。出口方面,消息偏向空;有关中国将在未来几周重新开放巴西牛肉市场的押注增加,而美国农业部的最新数据显示,2023年1月美国牛肉出口总量比2022年1月下降15%,对韩国和中国/中国香港地区的出口量大幅下降。

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Annual U.S. Beef Production



Source: USDA/NASS & WASDE estimates

美国农业部牛肉屠体价格指数(特选级): 2023年3月13日 - \$284.86美元/百磅(较2023年3月6日减少2%)

上周,由于复活节前的季节性需求以及墨西哥对美国后腿肉的兴趣持续强劲,使得猪肉分切价格走高。美国培根零售价格的小幅下跌为腹部肉的批发价格提供了新的支撑。培根零售价格比一年前下降了4-5%,不是严重的下降,但比2023年1月家庭消费的所有食品GDP同比增长11.3%的情况要低。支持猪肉价格的还有略低的平均生猪屠宰重量(-2磅)。上周,生猪总屠宰量低于250万头,比上一周减少了1.5万头,但美国农业部仍预计2023年猪肉总产量将同比增长1.5%。今年迄今美国猪肉产量增长0.7%。瘦肉猪期货价格上周走高,因市场预期猪肉批发价格将进一步上涨,谷物价格将进一步走低;上周,美国农业部提高了对重要的农作物年末玉米库存数据的估计,这是一种衡量销售年度末预测谷物供应量的指标。美国农业部上周公布了1月份的贸易数据,出口的乐观情绪有所增强。当月猪肉出口总量(包括猪副产品)达到23.7万吨,比2022年1月增长13%。对第一和第二市场墨西哥和中国的出口量同比增长超过2万吨,相当于仅1月份就增加了1000个集装箱。

猪屠体分切价格: 2023年3月13日 - \$88.80美元/百磅(较2023年3月6日增加2%)

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: 2023年4月25-28日  
SIAL国际食品展(上海): 2023年5月18-20日

## 产业动态

每年2月,美国农业部公布一次小型育肥场(单次育肥的牛只数在1000头以下)牛只交易的数据。这些数据可以计算出美国育肥场的总数,在统计过程中我们发现,尽管大规模的育肥场占据较大比例,但大多数养牛企业都属于小规模。上个月的数据显示,截至2022年底,美国育肥场总数为26,093个,比2021年同期减少了1,027个。育肥场数量下降几乎完全局限于规模较小的育肥场,其数量有2.4万个,占美国育肥场总数的92%。在美国可容纳1,000只以上动物的育肥场有2,093个,一次可以同时容纳5万只以上牛只的育肥场只有80个,仅这80个育肥场售出的屠宰牛只就占了美国所有牛只屠宰量的35.2%。大型和小型育肥场的经营方式不同,较小型的通常由农民饲养者管理,他们可能会保留自己的小牛,并用自己收成的农作物喂养牛只。来自南达科他州的研究表明,该州较小的育肥场比大型育肥场更倾向于给牛只在年龄较小时进行人工喂食,这是导致小型育肥场每年的平均出栏次数在1.2-1.3次之间的其中一个因素,而大型育肥场的平均出栏次数为1.9次。Five Rivers Cattle有限责任公司是美国甚至世界上最大的育肥场企业,在美国共喂养90万头牛并且分布在11个地方。该企业在科罗拉多州Kuner育肥场一次最多可以育肥10万头牛,据称是世界最大的单体系育肥场之一。俄克拉何马大学的学者对南部平原一个无名的育肥场进行了研究,强调了典型的大型育肥场的一些性能参数。

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上面给出的平均值来自大约10年前开始统计的7年期间的数据。虽然它们为了解美国大型育肥场的总体性能趋势提供了有用的参考,但育肥场经营者正在不断调整策略——包括牛只平均的购入重量、育肥天数、市场售卖重量——从而优化收入,以应对不断变化的成本。今年春季,牛只的市场售卖重量倾向比去年同期下降,这主要是由于过去的冬季,许多大型育肥场的工作面临天气挑战。展望未来,育肥者将不得不应对育肥牛只供应减少的问题,这一趋势可能也是美国农业部在最近的调查中发现的育肥牛只数量同比下降的原因之一。

## 贸易新闻

肉类贸易分析师仍在密切关注中国牛肉市场的走势。面临的两个主要问题分别是:第一大进口牛肉供应国巴西,何时解除牛肉出口暂停输华?和随着中国市场继续调整到新冠疫情后的“新常态”,中国的牛肉需求将如何发展?上周,有媒体报道称,巴西农业部长将推迟原定于3月份访问北京的计划,此次访问为了促进达成重启牛肉出口的协议。自今年2月22日巴西一头9岁大的母牛确诊非典型疯牛病后,牛肉出口被暂停输华。媒体还报道,巴西将征求意见改变与中国的贸易协定,取消在任何新确诊的疯牛病例时自行暂停出口的条款。根据巴西2022年度对中国的牛肉出口价格为79.5亿美元计算,暂停禁令生效后,巴西出口商每天的损失可能高达2,200万美元。至于后疫情时代是否促进了牛肉进口,迄今为止进口牛肉贸易表现积极。尽管大多数重点出口商只公布了1月份的贸易数据。巴西牛肉在暂停输华前的1月-2月的出口量为17万吨,创下历来1月-2月出口量的纪录高位。美国1月份的月度数据显示,美国对中国的牛肉出口量为12,903吨,比2022年1月的水平下降了22%,但美国农业部的牛肉周数据显示,截至3月2日那一周,美国牛肉出口量同比增长了12%。美国农业部在上周发布的中国牲畜市场半年度评估报告中预测,中国今年的牛肉进口总量将略有下降,主要原因是巴西暂停进口牛肉;去年,巴西牛肉占中国牛肉进口总量的40%。贸易商表示,自巴西牛肉暂停进口以来,中国进口牛肉批发价格已企稳,但市场对巴西进口牛肉的快速重启较为谨慎。鉴于美国农业部预计今年中国牛肉产量将继续增加,并且预计,尽管中国进口量下降,但中国今年的牛肉消费量将达到创纪录的1,080万吨(胴体重量)。