



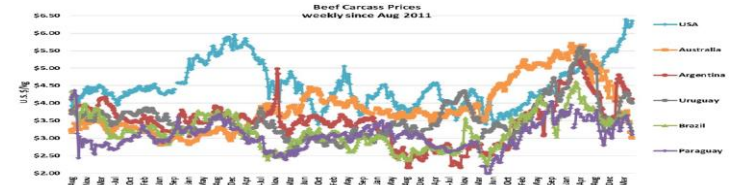
# U.S. Meat Bulletin

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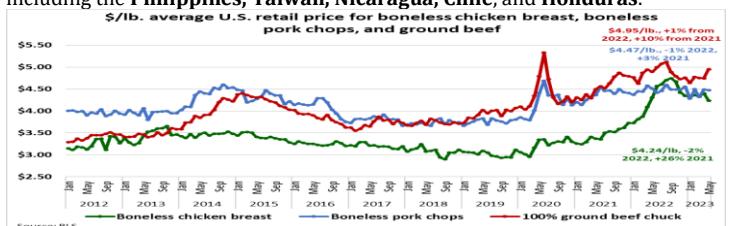
## SUPPLY & DEMAND

The beef cutout continued its upward climb last week, even as buyers grew more cautious about possible demand impacts of surging beef prices. Ribs and briskets both saw large week-on-week rises in values as spot buying activity for these Father's Day (June 18) items swelled. Institutional buying will now shift to preparing for the July 4<sup>th</sup> Independence Day holiday. The industry is closely watching how consumers will react to beef prices that are again rising. During the pandemic years, economic stimulus helped consumers stomach sky-high beef prices, but with that federal support now past, there is new uncertainty over buying behavior moving forward, especially as the price gap grows between staple supermarket beef items such as steaks and substitutes like pork chops and boneless chicken breasts. Consumers viewing the entire animal protein basket are seeing – on average – lower prices than a year ago, but the average value of all fresh beef items hit a record U.S. \$8.08/lb. in May, up 5.3% from last year. In the live cattle markets, trade was a bit unsettled as analysts weighed both bullish and bearish factors. While live fed & feeder cattle prices were generally firm last week, June dryness in the Midwest crop heartland has elevated concern over the corn crop; corn prices spiked last week with weather analysts stating that the corn belt is experiencing its 2nd driest April-to-June period since the 1960s. In the meantime, beef export activity continues to be challenged by high prices, with the spread between U.S. live fed cattle prices and those of its principal competitors the widest in recent history (see GRAPH below). High imported beef stocks in **China** and the rest of Asia are weighing on demand; although the USDA CHOICE beef cutout was 10-15% higher in April 2023 compared to the same month a year earlier, the average U.S. beef export price to the 4 main north Asian markets of **Japan, Korea, China and Taiwan** was -12% YOY (see TRADE next column).



**Beef Choice Beef Cutout Value: 16/6/2023 - US\$343.09/cwt. (+2% from 12/6/2023)**

Values of all pork primals showed firmness last week as summer demand for processed meats such as bacon, hot dogs and deli meats climbed. That demand has caused the value of various pork trimming specifications to advance sharply, with 42% chemical lean (CL) & 72% CL's up 30% & 40% respectively in the last 6 weeks. The steady rise in butt values since mid-January has also accelerated in recent weeks, likely the result of both export demand and domestic smoking activity (i.e., pulled pork). The value of the reference belly primal has advanced 30% since May 26<sup>th</sup> as falling retail bacon prices have helped sales which had been in the doldrums for months. Rising belly and other primal prices have helped push the pork cutout value to over U.S. \$0.90/lb., the highest levels seen since December 2021. Last week's harvest of 2.33 million head was considered light and helped support the generally bullish market overtones. Live hog weights have been lighter YOY, and when combined with the lower harvest activity over the past 4 weeks, have constrained pork output at the time of peak seasonal demand. The fact that frozen pork stocks are at a 52-week high did not influence last week's positive market sentiment and rising beef prices have also helped propel the recent rally. Based on rising CME lean hog futures values, traders anticipate more upward movement in the weeks ahead. The August lean hog futures contract hit a 6-week high in the middle of last week and the futures market has now turned bullish. Pork exports during the week of June 2<sup>nd</sup> rebounded after relatively soft activity the previous week, with encouraging volumes reported for secondary markets, including the **Philippines, Taiwan, Nicaragua, Chile, and Honduras**.



**Hog Carcass Cutout Value: 16/6/2023 - US\$92.33/cwt. (+5% from 12/6/2023)**

**ACTIVITIES:**  
 Restaurant and Bar, Hong Kong: September 5-7, 2023  
 FHC Shanghai Global Food Trade Show: Nov 8-10, 2023

## MARKET MAKERS

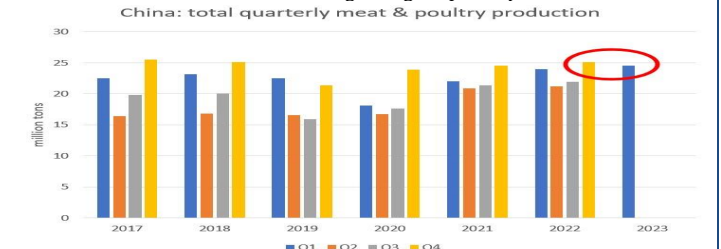
Retail Giant **Walmart** has announced it will break ground on a new U.S. \$250+ million case-ready beef facility in Kansas to process Angus beef from **Sustainable Beef LLC**, a new slaughter and fabrication plant being constructed in Nebraska. Walmart announced in 2019 its goal to create an end-to-end beef supply chain and in August last year, announced they would acquire a minority stake in Sustainable Beef LLC.

## MOVING AHEAD

New data on the financial position of U.S. cow calf operators indicates average returns are in strong positive territory, providing evidence that the beginnings of a new expansionary phase in the cattle cycle may be getting underway. According to the **Livestock Marketing Information Center (LMIC)**, cow-calf returns for operators in the Southern Plains cattle area are approaching the levels of 2014, which was the beginning of the expansion phase of the last U.S. cattle cycle. LMIC is currently estimating cow-calf returns will average \$250 in 2023; in contrast, returns were -\$200/head in 2019, triggering the large female culls & herd contraction of the past few years. Also figuring in price to LMIC's estimate are the high values cow-calf operators are enjoying for slaughter cows. Although a common notion is that producing calves simply involves putting cows out on pasture and letting nature do the rest, operators face a number of costs, all of which have recently been rising sharply. Costs include those of maintaining pasture (e.g., fertilizer), hay expenses, machinery and trucking costs, mineral supplements, expenses related to breeding, insurance, & water, among others. Costs vary across operators in different geographical areas and among farms of different sizes. Improved weather has recently given many U.S. cow-calf operators an additional boost, with U.S. pastures in much better shape than 6 weeks ago. According to USDA, the percentage of U.S. pastures in poor to very poor conditions last week was 20%, which is slightly above the 5-year average of 18.2% but a significant improvement compared to 46% a year earlier; in early May the % of U.S. pastureland which was in poor condition stood at 37%. Although overall conditions are conducive to an expansion in the cattle herd, 2023 will still see a decline in the total U.S. cattle herd. Moving forward, analysts will be watching cow & heifer slaughter numbers. Cow & heifer slaughter is expected to decrease further in the 2<sup>nd</sup> half of 2023, but more heifer retention must occur before the herd size can start to stabilize. This should begin to happen this fall when young weaning heifers will be held back for breeding. These will then be bred next year, calve in 2025 allowing U.S. beef production to begin to increase in 2026.

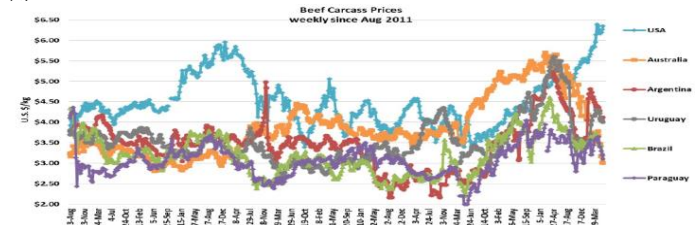
## TRADE

The global meat industry closely watched reports last week that the **Chinese** government will implement new economic & financial stimulus programs to prop up its flagging economy. China cut interest rates on 2 types of instruments, with media reports speculating that more measures will be rolled out in the coming weeks. A range of economic data released in the last few weeks showed that the Chinese economy weakened in May compared to April. That has meant slower restaurant traffic and slower movement of the large stocks of domestic & imported meat that are believed to be housed in warehouses. Wholesale prices of imported beef, the majority of which ends up in the foodservice industry have dropped; the average per ton export value of **Brazilian** beef shipped to China dropped from U.S. \$7,218 to \$5,255 (-27%) from May 2022 to May 2023. Wholesale prices of some imported beef cuts are below current export offers. Trader estimates on the volumes of beef in storage range from 500K tons to 2 million tons. No official data exists on stocks, but 1 million tons of beef inventories would equate to just several months of consumption, assuming USDA's estimate of domestic production of 5.2 million tons (product weight) and imports of 2.7 million tons (2022). Also weighing on the market are large domestic meat supplies; in the first quarter of 2023, China produced 24.56 million tons of meat & poultry, up 2.5% year on year. Low domestic live hog & pork prices have continued in the last few weeks; live hog prices last week hovered in the RMB 14.2/kg. range (U.S. \$0.91/lb.), almost the exact same level as the beginning of Q2 in April.



## 供应与需求

上周牛肉分切价格继续攀升，尽管买家对牛肉价格飙升可能对需求产生的影响变得更加谨慎。随着这些父亲节（6月18日）商品的现货购买活动激增，肋脊部和前胸部的价格都出现了较上周的大幅上涨。机构购买现在将转向为7月4日独立日假期做准备。该行业正在密切关注消费者对再次上涨的牛肉价格的反应。在新冠大流行期间，经济刺激措施帮助消费者忍受了天价牛肉价格，但随着联邦政府的支持结束，未来的购买行为出现了新的不确定性，特别是当牛排等主要超市牛肉产品与猪排和无骨鸡胸肉等替代品之间的价格差距越来越大时。消费者看到整个动物蛋白产品的平均价格低于一年前，但所有新鲜牛肉产品的平均价格5月份达到创纪录的8.08美元/磅，比去年同期增长5.3%。在活牛市场，分析师权衡了看涨和看跌因素，交易有些不确定性。虽然上周出栏牛和架子牛价格普遍坚挺，但中西部作物中心地带6月的干旱加剧了人们对玉米作物的担忧；上周玉米价格飙升，天气分析师表示玉米带正在经历自1960年代以来第二个最干旱的4月至6月时期。与此同时，牛肉出口活动继续受到高价格的挑战，美国出栏牛价格与其主要竞争对手之间的价差是近期历史上最大的（见下图）。中国和亚洲其他地区的大量进口牛肉库存正在对需求造成压力；尽管2023年4月美国精选级牛肉分切价格比去年同期高出10-15%，但美国牛肉出口到日本、韩国、中国大陆和中国台湾地区这4个主要北亚市场的平均价格同比下降12%（见下一栏贸易新闻）。



美国农业部牛肉屠体价格指数（特选级）：2023年6月16日 - \$343.09美元/百磅（较2023年6月12日增加2%）

由于夏季对培根、热狗和熟食等加工肉类的的需求攀升，上周所有猪肉初级分切肉的价格都非常坚挺。这种需求导致各种猪肉碎肉规格的价格大幅上涨，在过去6周内，42%瘦肉率（CL）和72% CL分别上涨了30%和40%。自1月中旬以来，肩部价格的稳步上升在最近几周也有所加速，这可能是出口需求和国内烧烤活动（即手撕猪肉）的推动。自5月26日以来，参考腹部初级分切肉的价格上涨了30%，因为零售培根价格的下跌帮助了几个来一直处于低迷状态的销售。上涨的腹部和其他初级分切肉价格帮助将猪肉分切价推高至每磅0.90美元以上，这是自2021年12月以来的最高水平。上周233万头的屠宰量被认为是略少的，帮助支撑了普遍看涨的市场色彩。生猪重量同比下降，再加上过去4周屠宰量的减少，限制了季节性需求高峰期的猪肉产量。冷冻猪肉库存处于52周高点的实际情况并没有影响上周的积极市场情绪，牛肉价格上涨也有助于推动近期猪肉价格的反弹。基于瘦肉猪期货价格上涨，贸易商预计未来几周会有更多上涨趋势。8月瘦肉猪期货合约价格在上周中旬触及6周高点，期货市场目前转为看涨。继前一周出口相对疲软后，6月2日当周的猪肉出口量出现反弹，二级市场（包括菲律宾、中国台湾地区、尼加拉瓜、智利和洪都拉斯）的出口量令人鼓舞。



猪屠体分切价格：2023年6月16日 - \$92.33美元/百磅（较2023年6月12日增加5%）

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

## 产业新知

零售巨头沃尔玛宣布将在堪萨斯州新建一个价值 \$2.5 亿多美元的包装牛肉加工厂，以加工来自内布拉斯加州正在建设的一个新屠宰和加工厂 Sustainable Beef LLC 可持续牛肉有限责任公司的安格斯牛肉。沃尔玛在2019年宣布了要创建端到端牛肉供应链的目标，并于去年8月宣布他们将收购 Sustainable Beef LLC 的小部分股份。

## 产业动态

美国母牛小牛经营者财务状况的新数据表明，经营者的平均收益处于强劲的正区间（即盈利的），这表明养牛周期的新扩张阶段可能刚刚开始。根据牲畜市场信息中心（LMIC）的数据，南部平原养牛地区母牛小牛的经营者的收益接近2014年的水平，也是上一个美国养牛周期牛群扩张阶段的开始。LMIC目前估计，2023年，母牛小牛的平均收益将达到\$250美元；相比之下，在2019年每头牛的收益是-\$200美元，引发了过去几年的大规模雌性牛只去化和畜群收缩。被纳入LMIC估算的还包括对母牛小牛经营者来说，屠宰母牛的高价格。尽管一个普遍的观念是，生产小牛只需要将母牛放牧，交给大自然养育，但经营者面临着许多成本方面的支出，近年来所有这些成本支出都在急剧上升。成本包括牧场的维护成本（例如肥料）、干草费用、机器和货车运输成本、矿物质补充剂、与育种相关的费用、保险、水以及其他费用。不同地理区域的经营者以及不同规模的农场之间的成本各不相同。最近天气的改善给许多美国母牛小牛经营者带来了额外的助力，美国牧场的状况比6周前好得多。根据美国农业部的数据，上周，美国牧场条件处于不好至非常不好的比例为20%，略高于5年平均水平18.2%，但与去年同期的46%相比有了明显改善；5月初，美国牧场草地不好的比例为37%。尽管总体情况有利于牛群扩张，但2023年美国牛群总数仍然下降。展望未来，分析师将关注母牛和小母牛的屠宰数量。母牛和小母牛的屠宰量预计将在2023年下半年进一步减少，但在总牛群规模开始稳定之前必须保留更多的小母牛。这应该会在今年秋天开始，断奶的年幼小母牛将被留下生育。这些牛将于明年繁殖，2025年产犊，从而使得美国的牛肉产量在2026年开始增加。

## 贸易新闻

上周全球肉类行业密切关注有关中国政府将实施新的经济和金融刺激项目以支撑经济疲弱的报道。中国下调了两项政策利率，媒体报道推测未来几周将推出更多政策措施。过去几周公布的一系列经济数据显示，与4月份相比，5月份中国经济走弱。这意味着餐厅客流放缓，存放在仓库中的大量国产和进口肉类库存消耗也变慢。进口牛肉的大部分最终进入到餐饮终端，它们的批发价格下降了；进口到中国的巴西牛肉的平均每吨出口价格也从2022年5月的\$7,218美元/吨下降到2023年5月的\$5,255美元/吨，降幅为27%。有些进口牛肉的批发价格甚至低于目前的出口报价。贸易商估计目前中国市场的牛肉库存量在50万吨到200万吨之间。并没有有关库存的官方数据，但100万吨牛肉库存就相当于几个月的消费量，这是根据美国农业部估算中国2022年国内牛肉产量为520万吨（产品重量），而进口量为270万吨而得出的。对市场有影响的还有大量国内肉类供应；在2023年第一季度，中国肉类和禽类生产量为2,456万吨，同比增长2.5%。过去几周，国内生猪和猪肉价格持续低迷；上周生猪价格徘徊在14.2元/公斤左右（\$0.91美元/磅），几乎与第二季度初4月份的水平完全相同。

