



# U.S. Meat Bulletin

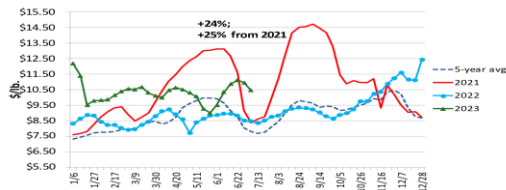
July 11, 2023

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## SUPPLY & DEMAND

The composite beef cutout value moved decisively lower this week as holiday buying pauses until the runup to the next Labor Day holiday period (September 4). There was weakening in the spot values of rib & loin cuts, as renewed concern developed over consumer pocketbook issues, including continued high food prices. Primal beef cut values normally soften from June into July, but last year prices strengthened after July 4<sup>th</sup> as realization heightened of tighter beef supplies moving forward. Last week's downward movement suggested that more historical seasonal trends may unfold this year, but primal values this year are a significant **24%** above year-ago levels. Retailers are now feeling the squeeze as they are paying more at wholesale but believe they will get push back from consumers if they raise retail prices. The situation looks to get more challenging as beef supplies further contract in H2. Live fed cattle prices moved higher through last week as beef processors looked to secure ample supplies after the July 4<sup>th</sup> holiday-shortened slaughter. The percentage of cattle grading USDA CHOICE and above fell as lighter cattle were procured to meet the larger harvest schedule for this week. Live fed cattle futures increased in tandem with spot values, with feeder cattle futures showing particular strength because of recent sharp drops in grain prices (see MOVING AHEAD next column). Lower corn input prices will incentivize feedlots to look for more calves, which will send more signals to cow-calf producers to hold back females for breeding. Year to date beef cow slaughter is down **15%**, while rains have brought drought relief to pasture areas, albeit with regional differences. U.S. beef exports continue to run below year-ago levels, but 1<sup>st</sup> half 2023 export data suggests that this will still be one of the largest beef export years ever (see TRADE next column).

### Choice Ribeye

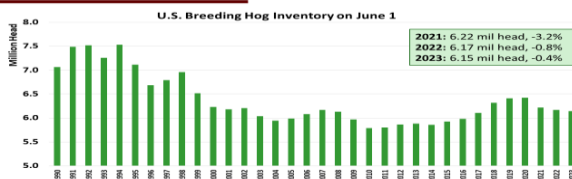


Source: USDA/AMS, boneless heavy

**Beef Choice Beef Cutout Value: 10/7/2023 - US\$313.79/cwt. (-4% from 3/7/2023)**

Wholesale pork prices rose last week as ham, rib and belly prices all firmed. Bellies showed the largest jump, driven in part by falling retail bacon prices. Following the July 4<sup>th</sup> holidays, supermarkets are featuring pork ribs as attractive alternates to high-priced beef items. Deli meat demand is strong as processors seek to re-stock following the July 4<sup>th</sup> holidays, when hot dog and sausage consumption is high. Market analysts **Urner Barry** noted last week that average fresh bacon prices sold at \$5.50/lb. last week, down from \$6.17 a year earlier. Average pork rib items are roughly **10%** under prices a year ago. Overall, Urner Barry's retail price index is **-11.5%** the 3-year average. Lean hog futures also moved higher last week alongside the seasonal gains in cash hog prices and higher wholesale pork prices. USDA's somewhat bearish hog inventory report of Friday 29 appears to be in the rear-view mirror as more optimistic market news prevailed through last week. There was positive news on the trade side; monthly USDA data showed a strong performance for exports during May, while weekly data for H1 also showed double-digit YOY gains in pork muscle cut exports (see TRADE). In **China**, a main mover of pork prices & hog markets worldwide, government officials announced that they may soon start a new round of pork reserve purchases given that prices have fallen into a low "warning" zone. China's sow numbers are also declining, albeit from high levels, as producers trim herds amid poor financials.

June breeding hog inventory down 0.4% year-over-year



Source: USDA/NASS

**Hog Carcass Cutout Value: 10/7/2023 -US\$107.95/cwt. (-1% from 3/7/2023)**

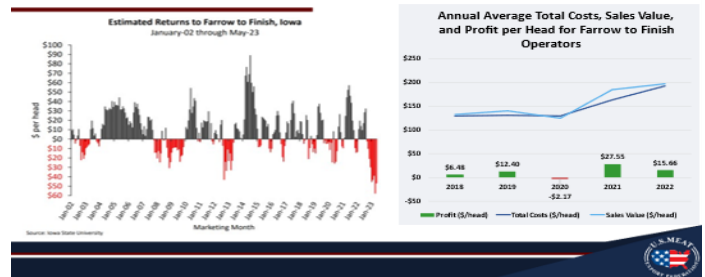
## ACTIVITIES:

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

## MOVING AHEAD

We noted last week that USDA's June crop acreage report held unexpected news in that it estimated that farmers in the U.S. have planted much more corn than originally forecast. USDA estimates that 94 million acres (38 million hectares) were seeded with corn this year, a **2.3%** increase from USDA's March estimate and **6.2%** higher than last year. Corn prices have moved sharply lower since the publication of the report, which is a major positive for cattle and swine raisers. According to **Iowa State University** estimates from last year, feed costs - mainly corn - accounted for 24% of the total costs of feeding out a 760 lb. steer to 1,350-1,400 pounds, while feed inputs equal 50-60% of total production costs for the average hog raising enterprise. Feeder cattle prices generally move inversely to feed costs, and since the report's publication, feeder cattle futures have noticeably risen. Lower corn prices, which closed at U.S. \$4.97 per bushel (\$196/ton) last Friday, **-19%** from a month earlier, are also brightening the outlook for hog raisers, who have been producing deep in the red in recent months (see GRAPH below). Although the outlook for U.S. livestock producers looks brighter than in early June, the final corn harvest will greatly depend on the weather's cooperation in the next 3 months, and especially this month when corn ear development is the most rapid. Small swings in weather-influenced corn yields can yield sharp movements in prices. For example, one analyst has calculated that if yields per acre fall **8%** from the current estimate of 175/acre to 161/acre, average corn prices could rise from the U.S. \$5/bushel range to over \$7.25/bushel, a **45%** jump. Other variables which influence corn prices are export demand, and the volume of corn utilized in ethanol production (38% of last year's total harvest). USDA's crop progress report also reported additional good news for cattle farmers; acreage planted for hay production increased **5%** from last year. Last year, drought resulted in national hay stocks dropping to their lowest level in nearly 50 years, a factor which drove liquidation in the U.S. cattle herd.

Producer losses in 2023 due to high cost of production environment, but feed prices expected to ease later this year



## TRADE

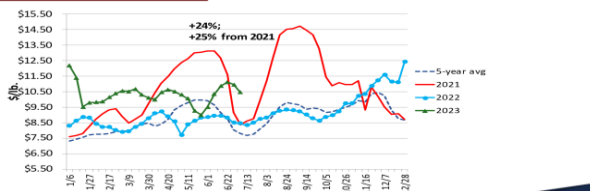
With USDA's publication last Friday of beef & pork muscle cut exports & sales for the week ending June 29, we have a good picture of US red meat export performance for H1 2023. The pace of U.S. beef exports is down from last year and 2021 but is on track to be the 3<sup>rd</sup> largest ever. Pork shipments are up YOY but are below the volumes of the last 3 years when China made extraordinary purchases (see TABLE below). Although pork exports (excluding variety meats) of 838K tons to all destinations were up **9%** during the Jan-June period, shipments to Asia were mixed, with a **7%** YOY decline in volumes (101K tons) for #2 market **Japan** being somewhat offset by a **9%** increase for **Korea** (to 73K tons). Interestingly, exports to **China** of muscle cuts were up **21%** to 121.4K tons, and at a time when the ratio of China's carcass reference price to that in the U.S. is low. **Mexico** remains the largest U.S. market for pork, but shipments during the 1<sup>st</sup> half of the year were slightly below the pace of a year ago. On the beef side, U.S. exports were down **14%** YOY through the end of June to 415K tons. U.S. shipments are lower across all markets, the result of lower supplies and an increase in Australian beef shipments to major Asian markets. USDA's weekly reports do not include variety meats; monthly data through May shows that the value of U.S. pork variety meat exports for the 1<sup>st</sup> 5 months of the year were record high (U.S. \$447 million), driven by strong China business. China accounts for 75% of total U.S. pork variety meat exports by value.

U.S. Beef Muscle Cut Exports				U.S. Pork Muscle Cut Exports			
Country	YTD 2021	YTD 2022	YTD 2023	Country	YTD 2021	YTD 2022	YTD 2023
GLOBAL				GLOBAL			
TOTAL	464,727	481,768	414,865	TOTAL	999,521	771,131	837,991
Korea	129,058	131,754	109,055	China	288,926	100,392	121,350
Japan	132,408	129,193	106,071	Japan	115,567	108,904	101,449
China	70,412	79,135	66,827	Korea	70,244	66,889	73,164
Taiwan	28,368	32,426	31,014	Australia	24,927	13,063	24,204
Hong Kong	17,278	9,978	11,760	Philippines	32,064	6,451	9,869
Indonesia	6,180	9,343	5,730	Hong Kong	2,042	1,215	1,300

## 供应与需求

由于假期购买暂停直到下一个劳动节假期（9月4日）到来，上周牛肉分切综合价格大幅下跌。由于对消费者钱包问题（包括持续高涨的食品价格）的担忧再次加剧，肋脊部和腰脊部位的现货价格走软。初级牛肉分切价格通常从6月到7月走软，但去年7月4日之后价格走强，因为人们意识到未来牛肉供应将趋紧。上周的下跌趋势表明，今年可能会出现更多历史季节性趋势，但今年的初级分切肉价格较去年同期大幅上涨24%。零售商现在感受到了压力，因为他们在批发时支付了更高的价格，但他们相信，如果他们提高零售价格，他们将受到消费者的抵制。随着下半年牛肉供应进一步收缩，情况似乎变得更具挑战性。上周，由于牛肉屠宰厂希望在7月4日假期缩短的屠宰后确保充足的供应，出栏牛价格上涨。由于屠宰厂采购了较轻的牛以满足周内较大的屠宰计划，因此美国农业部精选级及以上等级的牛的百分比有所下降。出栏牛期货与现货价格同步上涨，由于近期谷物价格大幅下跌，架子牛期货表现特别强劲（请参阅产业动态专栏）。较低的玉米投入价格将激励育肥场寻找更多的小牛，这将向母牛-小牛生产者发出更多减少母牛出栏以用于繁殖的信号。今年迄今为止，母牛屠宰量下降了15%，降雨缓解了牧场地区的干旱，尽管存在地区差异。美国牛肉出口继续低于去年同期水平，但2023年上半年出口数据表明，这仍将是自有史以来最大的牛肉出口年之一（参见下一栏贸易新闻）。

### Choice Ribeye

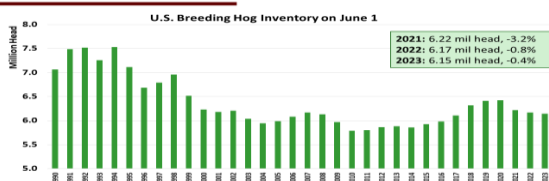


Source: USDA/AMS, boneless heavy

美国农业部牛肉屠体价格指数（特选级）：2023年7月10日 - \$313.79 美元/百磅（较2023年7月3日减少4%）

由于后腿部、肋排部和腹部价格均坚挺，上周猪肉批发价格上涨。腹部的涨幅最大，部分原因是零售培根价格下跌。7月4日假期之后，超市推出排骨作为高价牛肉的有吸引力的替代品。熟食肉类需求强劲，因为加工商在7月4日假期后寻求补充库存，当时热狗和香肠的消费量很高。市场分析师 Umer Barry 上周指出，新鲜培根上周的平均售价为 5.50 美元/磅，较去年同期的 6.17 美元有所下降。排骨类产品的平均价格比一年前低约 10%。总体而言，Umer Barry 的零售价格指数比 3 年平均水平低 11.5%。随着现货生猪价格季节性上涨和猪肉批发价格上涨，瘦肉型生猪期货价格上周也走高。随着上周较为乐观的市场消息盛行，美国农业部 29 日周五发布的略显悲观的生猪库存报告似乎已成为过去。贸易方面有积极消息。美国农业部月度数据显示 5 月份出口表现强劲，而上半年的周度数据也显示猪肉出口同比增长两位数（参见贸易新闻）。在全球猪肉价格和生猪市场的主要推动者中国，政府官员宣布，鉴于价格已跌至低“警戒”区，他们可能很快就会开始新一轮猪肉储备购买。中国的母猪数量也在下降，尽管是在较高水平，因为生产商在财务状况不佳的情况下削减了猪群数量。

June breeding hog inventory down 0.4% year-over-year



Source: USDA/NASS

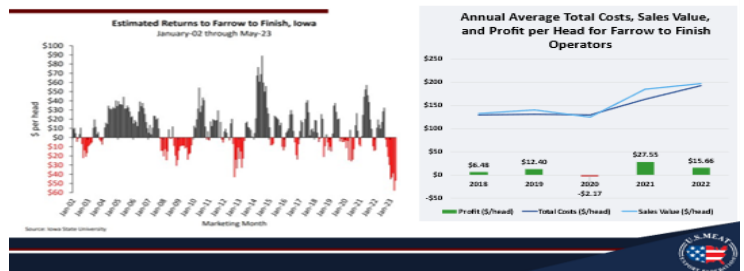
猪屠体分切价格：2023年7月10日 - \$107.95 美元/百磅（较2023年7月3日减少<1%）

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

## 产业动态

我们上周注意到，美国农业部 6 月份的农作物种植面积报告有一个意外的消息，据估计美国农民种植的玉米远高于原先的预测。美国农业部估计今年有 9400 万英亩（3800 万公顷）的种植了玉米，比其 3 月份的估计增加 2.3%，比去年增加 6.2%。自报告公布以来，玉米价格大幅走低，这对养牛和养猪者来说是一个重大优势。根据爱荷华州立大学去年的估计，饲料成本——主要是玉米——占将 760 磅的阉公牛喂养到 1350-1400 磅的总饲料成本的 24%，而饲料投入相当于一般生猪养殖企业总生产成本的 50-60%。架子牛的价格通常与饲料成本成反比，自报告发表以来，架子牛的期货价格已经明显上涨。玉米价格下降，上周五收盘价为 4.97 美元/每蒲式耳（196 美元/吨），比一个月前下降了 19%，这也使近几个月一直处于亏损状态的生猪养殖者的前景更加光明（见以下图表）。尽管美国畜牧业生产者的前景看起来比 6 月上旬要好，但秋季玉米收成的结果将在很大程度上取决于未来 3 个月的天气，特别是这个月是玉米穗发育最快的时候。受天气影响的玉米产量的小幅波动都可能导致价格估算上的大幅波动。例如，一位分析家计算出，如果每英亩的产量从目前估计的 175/英亩下降 8% 到 161/英亩，那么玉米平均价格可能从美国的 5 美元/蒲式耳范围上升到 7.25 美元/蒲式耳以上，涨幅达 45%。影响玉米价格的其他变量包括出口需求，以及用于乙醇生产的玉米数量（占去年总收成的 38%）。美国农业部的作物进度报告还为牛农场主带来了额外好消息：干草种植面积比去年增加了 5%。去年，干旱导致全国干草库存为 50 年来的最低水平，这是导致美国牛只畜群去化的一个因素。

Producer losses in 2023 due to high cost of production environment, but feed prices expected to ease later this year



## 贸易新闻

随着美国农业部上周五公布了截止至 6 月 29 日一周牛肉和猪肉的出口和销售情况，我们对美国 2023 年上半年的红肉出口表现有了很好的了解。美国牛肉出口量比去年和 2021 年有所下降，但出口量有望成为有史以来第三大。猪肉出口量同比增长，但低于过去 3 年中国大举采购的数量（见下表）。尽管在 1-6 月期间，美国出口到所有目的地的猪肉出口量（不包括副产品）为 83.8 万吨，增长了 9%，但对亚洲的出口量却不尽相同，对第二大市场日本的出口量 10.1 万吨同比下降 7%，但对韩国出口量增长 9% 至 73,000 吨，稍微抵消了日本的降幅。有趣的是，对中国的猪肉出口增长了 21%，达到 12.14 万吨，而此时中国的胴体参考价格与美国的参考价格之比很低。墨西哥仍然是美国最大的猪肉市场，但今年上半年的出口量略低于一年前。在牛肉方面，截止至 6 月底，美国出口量同比下降 14%，为 41.5 万吨。美国对所有市场的出口量都有所下降，这是因为供应量减少和澳大利亚对亚洲主要市场的牛肉出口量增加。美国农业部的周报不包括肉类副产品；截止至 5 月的月度数据显示，受中国生意强劲的推动，今年前 5 个月美国猪副产品出口值创历史新高为 \$4.47 亿美元。按价值计算，中国占美国猪副产品出口总值的 75%。

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