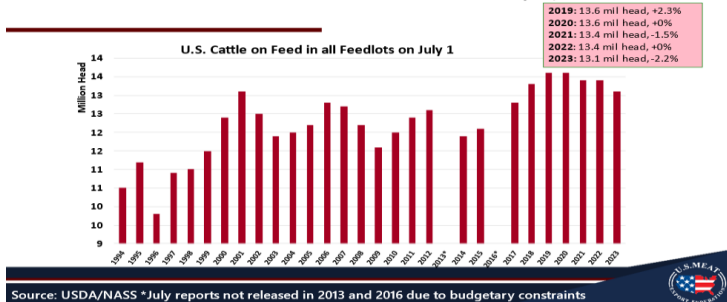


SUPPLY & DEMAND

The USDA CHOICE beef cutout softened again last week as hot weather discouraged outdoor cooking, while continued high retail prices vis-à-vis those of pork & chicken dampened consumer demand for beef. Mid-summer typically sees weaker beef consumption, especially of steaks and heavy roasts, and to date, this year is exhibiting no exception. There has been concern that the excessive heat is affecting cattle feeding performance, which has led to values of higher graded beef items (e.g. USDA PRIME) remaining relatively steady. Last Friday saw the release of 2 anticipated USDA cattle reports, the monthly cattle-on-feed report, and quarterly data on U.S. cattle inventory numbers (see MOVING AHEAD). Both reports added bullishness to cattle markets, as they yielded data showing noticeable YOY declines in cattle-on-feed, total cattle, cow & calf numbers. While the data generally conformed to analyst forecasts, live fed cattle prices jumped by several cents through last week, with top fed cattle spot values hitting U.S. \$1.90/lb. in some areas. Futures jumped as well; last Thursday, the August contract surged past U.S. \$1.82/lb., a record high for this contract. The weakness in wholesale beef prices and the increase in fed cattle prices are now pinching beef harvest plant margins. Processors – on average – managed to turn a profit for most weeks through Q2, but are now operating in the red. That could lead to declines in slaughter activity – and lower fed cattle prices - in the weeks ahead as processors try to rebalance the market. The cattle-on-feed report showed that as of July 1, there were 11.2 million head of cattle in U.S. feedlots, **-2% YOY**. Surprisingly though, USDA said the volume of cattle placed into feedlots during the month of June was **3%** higher than the same month a year earlier. Some analysts question the accuracy of this number, but lower grain prices last month could have incentivized feeders to fill pens. If true, strong placements during June mean even less cattle will be available to put on feed in subsequent months, with the cattle inventory report verifying that trend; according to the report, the supply of cattle outside feedlots still to be placed on feed (calves under 500 lbs., other steers over 500 lbs., and non-replacement heifers over 500 lbs.) totaled 34.4 million head on July 1, down **3.6%** from last year and the lowest since 2014. Corn prices, which had softened recently, spiked last week as news circulated of new logistical problems moving Ukrainian grain to international markets. Analysts noted last week that feedlot operators have faced a particularly difficult operating environment this year, with high input prices (including calf & feeder prices), volatile grain prices and see-sawing predictions about the future of beef demand complicating planning.

Cattle on feed in all feedlots down 2.2% on July 1, 2023



Beef Choice Beef Cutout Value: 24/7/2023 – US\$304.16/cwt. (-1% from 17/7/2023)

Firmness in ham and belly spot wholesale prices helped to push up the USDA pork cutout value last week. Pork sales continue to benefit from high beef prices, and the prospect of even higher values in the months ahead as cattle & beef supplies continue to tighten. To be sure, prices of grilling items – especially ribs – fell back last week as backyard BBQ activity slowed in the wake of a scorching heat wave affecting up to 100 million Americans. The heat may be affecting the average weight of market hogs, with the YOY decline of 1 pound per animal helping to add a bullish bias to the market. Last week's hog harvest of 2.316 million head was lower than the previous week, also helping to boost the market. Pork exports and new export sales during the week ending July 13 were mixed, with higher activity from **Japan** but lower new purchasing orders from **Mexico**. Number #1 pork import market **China** released its H1 hog inventory and marketing numbers, providing more evidence that total pork and meat supplies are abundant; as of July 1, China's producers held 435.17 million live pigs, a year-on-year increase of **1.1%**. In the first half of the year, China statistics shows that 375 million live pigs were marketed, an increase of **2.6%**.

Hog Carcass Cutout Value: 24/7/2023 – US\$117.21/cwt. (+4% from 17/7/2023)

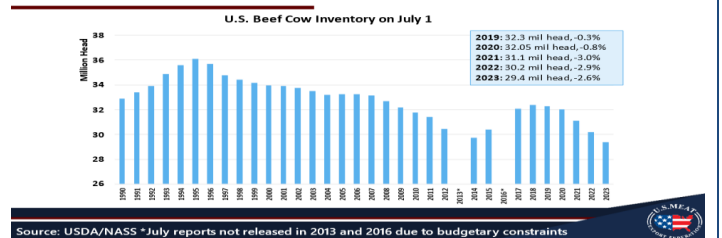
ACTIVITIES:

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

MOVING AHEAD

USDA's quarterly cattle inventory report held few surprises in terms of reminding the market that the U.S. cattle herd continues to contract. USDA estimated that the total inventory of cattle & calves as of July 1 stood at 95.9 million head, down 2.7 million head (**2.7%**) from the same time last year. The mid-year inventory was slightly lower than the pre-report forecast consensus and was the lowest July 1 figure since 2014. The total number of cows and heifers, an indication of the size of the breeding herd, stood at 38.8 million head, down 800,000 head (**-2.0%**). All the reduction in that number was accounted for by reductions in beef cow numbers, while the size of the dairy breeding herd remained roughly the same as a year earlier. The record low beef cow inventory of 29.4 million head along with a 100,000 head (**2.4%**) decline in beef replacement heifers signals that cow-calf operators, at least through the end of H1, were still not holding back animals for a new round of breeding. USDA also estimated that the 2023 calf crop will total 33.8 million head, down **2%** from 2022. The 2023 calf crop inventory number represents the future pipeline of cattle which will be backgrounded and then fed out, mostly during 2024.

Smaller beef cow inventories

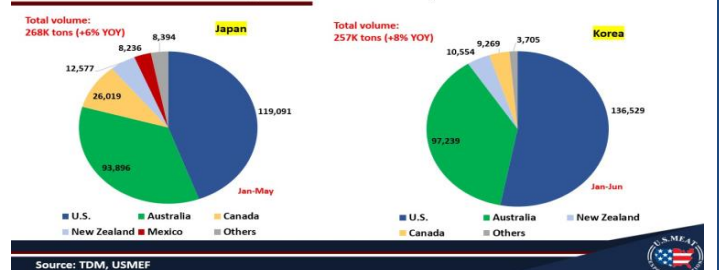


Source: USDA/NAASS *July reports not released in 2013 and 2016 due to budgetary constraints

TRADE

South Korea and **Japan** remain the #1 and #2 export markets for U.S. beef in volume and value terms and the 2nd and 5th largest destinations for U.S. pork, according to U.S. trade statistics. On the beef side, through May, U.S. beef exports (volume) to each market were down **13%** YOY, the result of lower U.S. exportable supplies, high prices, and a strong U.S. dollar. Korea's customs import data shows a slightly different story, with Jan-June total beef imports of 257.3K tons up **8%** YOY, driven by larger imports from both the U.S., Korea's leading supplier with a H1 market share (MS) of 53%, and **Australia** (38% MS). Higher Korean imports are the result of the removal of remaining COVID restrictions, a rebound in foreign visitors, and more attractive international beef pricing. Through May, the average per ton import value of all beef entering Korea totaled U.S. \$7,534/ton, **-18%** from the same period in 2022. Weaker imported beef movement in China and more exportable supplies in Australia have led to lower prices in the Asia region. Interestingly, Korean imports have increased despite large supplies of domestic *Hanwoo* beef, which are projected to grow further in the 2nd half as the industry continues to downsize the herd. Jan-May beef imports into **Japan**, the 2nd largest global beef import market, also grew YOY; shipments totaled 268K tons, **+6%**. Japan trade data shows higher imports from the U.S. (44% MS), Australia (35% MS), and **Canada** offset lower volumes from **NZ** and **Mexico**. There is somewhat conflicting information from Japan on the beef market situation. On the one hand, data shows total meat inventories at the highest level since record-keeping began in 1994; imported beef stocks are at near record levels, and up **25%** YOY. Japan's monthly domestic beef production has also been the highest in 8 years for every month so far this year, adding to the overall supply pressure. On the positive side, as in Korea, beef consumption is also rebounding, with Japan tourist arrivals hitting 2 million during the month of June, the highest since January 2020. This is boosting foodservice business, which has also been rebounding from the end of COVID restrictions, and positioning the market for even better conditions during H2.

Japan & Korea year-to-date 2023 total beef imports ('000 metric tons)

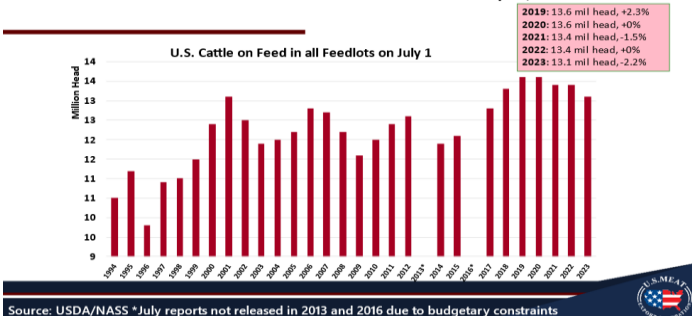


Source: TDM, USMEF

供应与需求

上周，由于炎热的天气阻碍了户外烹饪，美国精选级牛肉分切价格再次走低，而牛肉相比猪肉和鸡肉的零售价格持续走高，抑制了消费者对牛肉的需求。仲夏时节，牛肉消费量通常会减弱，尤其是牛排和烤肉，迄今为止，今年也不例外。人们担心过高的热量会影响牛的饲养性能，这导致较高等级牛肉（例如美国最佳级牛肉）的价格保持相对稳定。上周五，美国农业部发布了2份预期牛只报告，包括月度牛只报告以及美国牛只存栏数量的季度数据（请参阅产业动态）。这两份报告都增加了牛市的看涨情绪，因为它们提供的数据显示，育肥场牛只数量、牛只总数、母牛和犊牛数量同比显著下降。虽然数据总体符合分析师的预测，但上周出栏牛价格上涨了几美分，顶级出栏牛现货价格在某些地区触及1.90美元/磅。期货价格也大幅上涨；上周四，8月合约价格飙升至1.82美元/磅以上，创该合约历史新高。牛肉批发价格疲软和出栏牛价格上涨正在挤压牛肉屠宰工厂的利润。平均而言，屠宰场在第二季度的大部分时间里都实现了盈利，但现在却处于亏损状态。随着屠宰场试图重新平衡市场，这可能会导致未来几周屠宰活动下降，并导致出栏牛价格下降。牛只育肥报告显示，截至7月1日，美国育肥场有1120万头牛，同比下降2%。但令人惊讶的是，美国农业部表示6月份放入育肥场的架子牛数量比去年同期增加了3%。一些分析师质疑这一数字的准确性，但上个月较低的谷物价格可能会刺激育肥者填满围栏。如果属实，六月份的大量牛群转移到育肥场意味着接下来几个月可用于育肥的牛将会更少，牛只库存报告证实了这一趋势；根据该报告，7月1日，育肥场外仍待育肥的牛（500磅以下的小牛、500磅以上的其他公牛和500磅以上的未进入育肥场的小母牛）供应量总计3,440万头，比去年下降3.6%，为2014年以来的最低水平。由于乌克兰谷物运往国际市场出现新的物流问题的消息传出，最近已经疲软的玉米价格上周飙升。分析师上周指出，今年育肥场面临着特别困难的经营环境，投入价格高（包括犊牛和架子牛价格）、谷物价格波动以及对牛肉未来需求的变化不定的预测使规划变得复杂。

Cattle on feed in all feedlots down 2.2% on July 1, 2023



美国农业部牛肉屠体价格指数（特选级）：2023年7月24日 - \$304.16 美元/百磅（较2023年7月17日减少1%）

上周后腿和腹部现货批发价格的坚挺帮助推高了美国猪肉分切价格。猪肉销售继续受益于高挺的牛肉价格，并且随着牛和牛肉供应继续收紧，未来几个月的牛肉价格走势甚至更高。可以肯定的是，由于影响多达1亿美国人的灼热热浪导致后院烧烤活动放缓，上周烧烤食品（尤其是排骨）的价格有所回落。高温可能会影响出栏生猪的平均体重，每头生猪的平均体重同比下降1磅，这有助于增加市场的看涨倾向。上周生猪屠宰量为231.6万头，较前一周有所下降，也有助于提振市场。截至7月13日当周，猪肉出口量和新出口销量好坏参半，出口到日本的数量增加，但墨西哥的新采购订单减少。猪肉进口第一市场中国公布上半年生猪存栏和出栏数据，进一步证明猪肉和肉类供应总量充裕；截至7月1日，中国生猪存栏43,517万头，同比增长1.1%。上半年，中国统计数据显示，全国生猪出栏3.75亿头，增长2.6%。

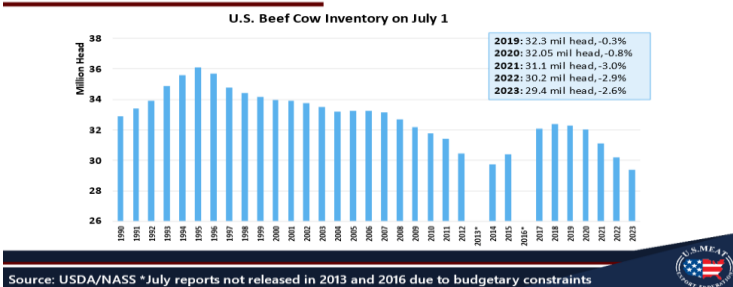
猪屠体分切价格：2023年7月24日 - \$117.21 美元/百磅（较2023年7月17日增加4%）

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

美国农业部的季度牛只存栏报告在提醒市场美国牛群继续萎缩方面并没有什么意外。美国农业部估计，截至7月1日，牛只和犊牛的总存栏量为9590万头，比去年同期减少270万头（-2.7%）。年中库存略低于报告前预测的一致看法，为2014年7月1日以来的最低数字。作为种牛群规模指标的母牛和小母牛总数为3,880万头，减少80万头（-2.0%）。这一数字的所有减少都是由于肉母牛数量的减少，而奶牛种群的规模与去年同期大致相同。肉母牛存栏量创历史新低，为2,940万头，加上替代小母牛减少10万头（-2.4%），这表明母牛-犊牛经营者至少在上半年末仍没有为了新一轮的繁殖减少售卖。美国农业部还估计，2023年犊牛产量为3,380万头，比2022年下降2%。2023年犊牛存栏量代表了未来的牛群数量，这些牛将在2024年进行牧场培育和谷物育肥。

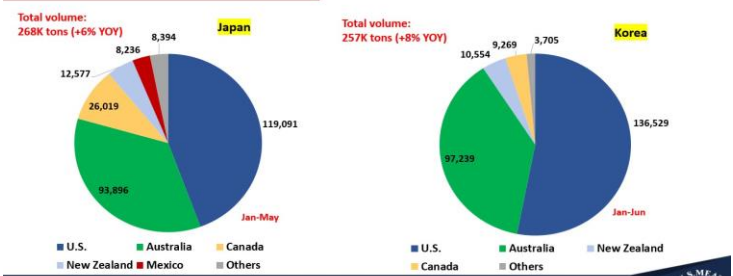
Smaller beef cow inventories



贸易新闻

根据美国贸易统计数据，就数量和价值而言，韩国和日本仍然是美国牛肉的第一大和第二大出口市场，也是美国猪肉的第二大和第五大目的地。在牛肉方面，截至5月份，美国对各个市场的牛肉出口量（数量）同比下降13%，这是美国出口供应量减少、价格高企和美元走强的结果。韩国海关进口数据的情况略有不同，1-6月牛肉进口总量为25.73万吨，同比增长8%，这是由于来自美国（韩国主要供应商，上半年市场份额为53%）和澳大利亚（市场份额38%）的进口量增加所致。韩国进口量增加是由于取消剩余的新冠病毒限制、外国游客的反弹以及更具吸引力的国际牛肉定价。截至5月，进入韩国的所有牛肉平均进口价值总计7,534美元/吨，较2022年同期下降18%。中国进口牛肉走货疲软和澳大利亚出口供应增加导致亚洲地区价格下跌。有趣的是，尽管国内韩牛肉供应很大，但韩国进口量仍在增加，随着该行业继续缩小牛群规模，预计下半年韩牛肉供应将进一步增长。全球第二大牛肉进口市场日本的1-5月牛肉进口量也同比增长；进口量总计26.8万吨，增长6%。日本贸易数据显示，来自美国（占比44%）、澳大利亚（占比35%）和加拿大的进口量增加抵消了来自新西兰和墨西哥进口量的下降。日本关于牛肉市场状况的信息有些相互矛盾。一方面，数据显示肉类库存总量处于1994年有记录以来的最高水平；而进口牛肉存栏量接近历史最高水平，同比增长25%。今年迄今为止，日本国内牛肉月产量也创8年来最高水平，增加了整体供应压力。积极的一面是，与韩国一样，日本牛肉消费也在反弹，6月份日本游客人数达到200万人次，为2020年1月以来的最高水平。这正在提振餐饮业务，餐饮也从新冠限制结束后开始反弹，并为下半年更好的市场情况做准备。

Japan & Korea year-to-date 2023 total beef imports ('000 metric tons)



Source: TDM, USMEF