



U.S. Meat Bulletin

August 8, 2023

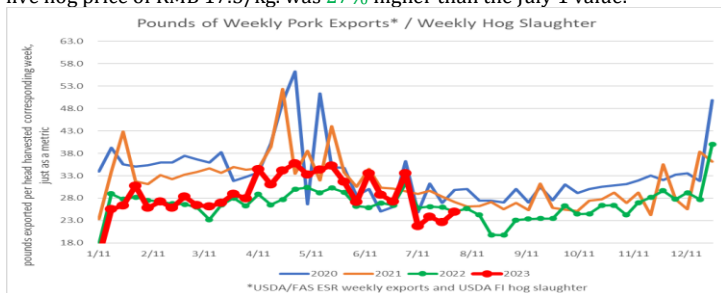
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SUPPLY & DEMAND

Last week, wholesale beef prices – across all cuts – held mostly steady with the previous week even as steak cut values softened. In the remaining weeks of August ahead, analysts will be closely watching for clues for overall demand as institutional buying for the summer grilling season begins to wane. Talk of an economic soft landing & new data showing average U.S. wage growth is now above the inflation rate will be supportive to consumer confidence and demand prospects. But with retail beef prices in record territory, buyers are likely to remain cautious, despite high awareness that beef supplies will continue to tighten well into next year. Heat waves during July curbed beef grilling activity, although long term forecasters are predicting cooler temperatures for much of this month as the nation moves toward fall. Beef packing plants have been reducing slaughter activity as they try to establish a floor under sliding wholesale beef prices. Last week's harvest of 613,000 head was 6K head lower than the previous week and 35K head below the same week in 2022. The average national live fed steer price last Friday of just under U.S. \$1.85/lb. was lower from the previous week, but with significant variation between southern U.S. feed yards and those in the north. Moreover, activity in the spot cash live cattle markets was described as thin, with questions remaining about high prices can rise. Following the cash market, live cattle futures firmed slightly at the end of last week. At the feedlot level, operators continue to try & manage volatile feed costs, while facing rising ask prices for the dwindling pipeline of feeder cattle & calves. New beef export sales during the week ending July 27th were noticeably lower than the previous 4-week average, with double digit declines in new sales to all major Asian markets.

Beef Choice Beef Cutout Value: 7/8/2023 - US\$301.49/cwt. (-<1% from 31/7/2023)

Last week's wholesale pork prices were mostly flat-to slightly firmer compared to the previous week, with the weekly harvest of 2.338 million head being slightly lower than the previous week, but similar to the same week a year ago. Bone-in ham values were steady week-on-week while the belly primal strengthened early in the week before correcting downward last Friday. Still, last Friday's belly primal close of \$2.27/lb., the highest since August 2021, was nearly triple its recent low value of \$0.77/lb. in May. Despite the recent runup in wholesale pork prices, the U.S. pork industry faces several headwinds, as outlined by the U.S. producer association in its latest quarterly market update (see MOVING AHEAD next column). Live hog prices are expected to seasonally correct as fall harvest activity ramps up, and new rules by various states on how pigs must be raised are complicating interstate commerce. New Jersey last week became the 15th state to ban the use of gestation crates for sows. Producers note that complying with the new regulations costs thousands of dollars per sow and argue that individual crates – contrary to allegations that they harm animal welfare - reduce stress and potential harm to sows who often fight during the weeks following the conceiving of litters. Under the California ban on gestation crates, producers & processors must ensure that all fresh pork products sold in the state, regardless of where they were produced, comply with the new state law. The U.S. pork industry believes that the U.S. Supreme Court's upholding of the California rule could lead to the establishment of de facto borders to interstate U.S. commerce as jurisdictions enact their own animal welfare laws. Some legalists argue that the California ruling goes against the 150+ year-old federal "dormant commerce clause" which prohibits states from discriminating against or unduly burdening interstate commerce. On the trade side, the pace of U.S. pork exports continues to run above year-ago levels, but for the past several weeks, the ratio of weekly export volumes to weekly slaughter has declined slightly (see GRAPH below.) **China's** live hog price rally of the last several weeks stalled last week, but last Friday's average live hog price of RMB 17.5/kg. was 27% higher than the July 1 value.

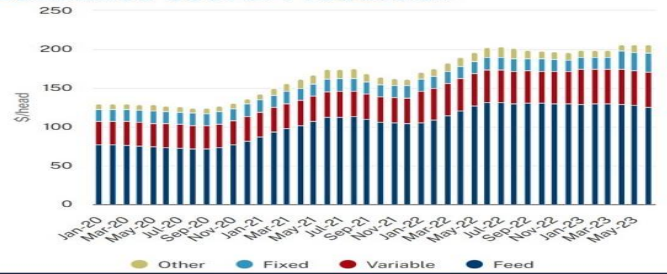


Hog Carcass Cutout Value: 7/8/2023 -US\$115.31/cwt. (-2% from 31/7/2023)

MOVING AHEAD

Despite the increase of the USDA pork cutout reference value from U.S. \$0.77/lb. in early April to \$1.14/lb. last week, U.S. pork producers continue to face a myriad of challenges. That's according to the National Pork Producer's Council's (NPPC) latest Q3 economic update, which notes that "while prices are higher now than three months ago, record-high production costs will continue to put significant pressure on producer margins." NPPC estimates average production costs and breakeven price levels for hog producers have risen 9% from 2022 and are +60% over the last three years (see GRAPH below). Feed costs are +70%, while fixed and non-feed variable costs, including labor, transportation, and energy, are up 50%. Interest expenses were up 28%. While current live hog values are translating into profitable production metrics for most producers, NPPC points out that in 8 out of the last 10 years, live hog prices have peaked between June and August and then fallen 30% within the following 3 months. NPPC notes that the larger YOY March-May 2023 pig crop will translate into more market hogs during Q4, when production peaks and prices drop. As of last Friday, December 2023 lean hog futures were trading near the U.S. \$0.75/lb. range while nearby August futures are over U.S. \$1.00/lb. Volatility in feed prices has added uncertainty, although producers are breathing some relief from USDA's recent forecasts predicting corn and soybean meal prices from the 2023-2024 crop will be lower than last year. Poor financials during the 1st half of the year, and uncertainty over feed costs and consumer demand caused pork producers to farrow 3.9% fewer sows from June to August this year. USDA's mid-year inventory report projected that producers would farrow 4.5% fewer sows YOY during the upcoming September to November period. NPPC believes that will translate into smaller pork supplies during the 1st half of next year, after total U.S. pork output this year increases an estimated 1.3%. NPPC concludes that it's not just larger supplies that have pressured prices, but overall consumer pork demand, which has retreated from the historically high levels experienced during the pandemic.

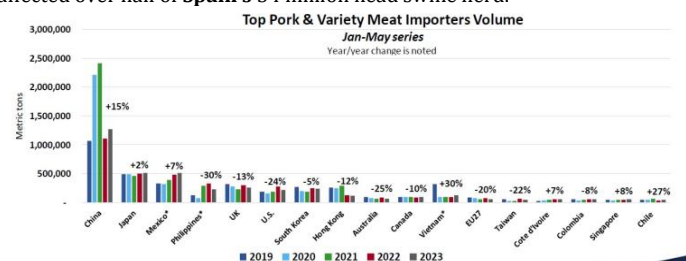
Estimated Cost of Production



Source: Iowa State University

TRADE

Trade data through May shows that the global pork trade contracted through the first 5 months of the year, despite increased imports by top tonnage markets **China, Japan and Mexico**. Imports fell to almost all 2nd tier markets including the **Philippines, the U.K., Korea, the USA, Australia, and Canada** (see GRAPH below). In its latest quarterly outlook on global pork markets, Rabobank forecasts further weakening in global pork demand during the 2nd half of the year, driven by underperforming consumer demand in China, the EU & the U.S. Rabobank notes contrasting market dynamics in China and the EU, with European consumption pressured by high pork prices early in the year. In China, there are abundant pork supplies, and prices are on the low side, but demand remains constrained by the macroeconomic outlook. As NPPC noted above in its H2 2023 outlook, Rabobank also predicts that lower world grain prices will provide some cost pressure relief to producers globally. The bank also notes however that animal disease issues remain threats to market stability. ASF outbreaks continue in Asia and Europe, and PRRS has affected over half of **Spain's** 34 million head swine herd.



Source: TDM, reported exports to Mexico, Philippines, and Vietnam

ACTIVITIES:

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

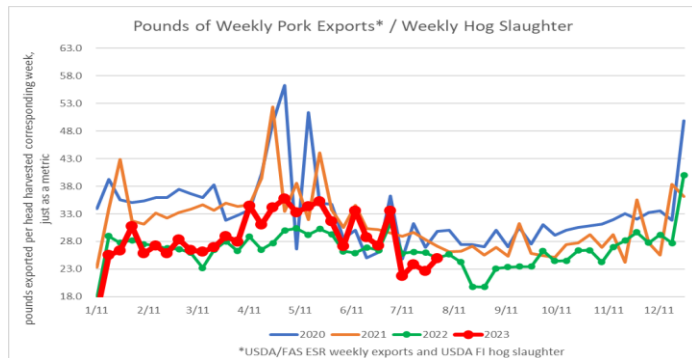


供应与需求

上周，尽管牛排部位分切价格走软，但所有牛肉部位的批发价格仍与前一周期基本持平。在未来八月的剩余几周内，随着夏季烧烤季节的机构购买开始减弱，分析师将密切关注整体需求的情况。关于经济软着陆的讨论以及显示美国平均工资增长目前高于通胀率的新数据将支撑消费者信心和需求前景。但由于牛肉零售价格创历史新高，尽管人们高度认识到明年牛肉供应将继续紧张，但买家可能仍保持谨慎态度。七月份的热浪抑制了牛肉烧烤活动，但长期预报预测，随着美国即将进入秋季，本月大部分时间气温会降低。牛肉屠宰厂一直在减少屠宰活动，试图在牛肉批发价格下滑的情况下建立一个底线。上周屠宰量为 613,000 头，比前一周减少 6,000 头，比 2022 年同周减少 35,000 头。上周五全国出栏牛平均价格略低于 1.85 美元/磅，较前一周有所下降，但美国南部育肥场的出栏价格与北部育肥场之间存在显著差异。此外，现货活牛市场的活动被描述为清淡，对高价格的疑虑仍然存在。继现货市场之后，活牛期货价格于上周末小幅坚挺。在育肥场层面，育肥场主继续尝试和管理波动的饲料成本，同时面临着架子牛和犊牛数量不断减少的要价上涨。截至 7 月 27 日的一周，新牛肉出口销量明显低于前 4 周平均水平，对所有主要亚洲市场的新销量均出现两位数下降。

美国农业部牛肉屠体价格指数（特选级）：2023 年 8 月 7 日 - \$301.49 美元/百磅（较 2023 年 7 月 31 日减少 <1%）

上周猪肉批发价格与前一周期相比大多持平至小幅坚挺，周屠宰量 233.8 万头，略低于前一周，但与去年同期持平。带骨后腿价格环比持平，而腹部初级分切价格在上周初走强，然后于上周五下跌。虽然有所下跌，上周五腹部初级分切部位收盘价为 2.27 美元/磅，为 2021 年 8 月以来的最高水平，几乎是近期 5 月份低点 0.77 美元/磅的三倍。尽管最近猪肉批发价格上涨，但正如美国生产者协会在其最新季度市场更新中概述的那样，美国猪肉行业面临着许多阻力（请参阅产业动态专栏）。随着秋季屠宰活动的增加，生猪价格预计将出现季节性调整，而各州关于饲养生猪的新规定将使国际贸易变得复杂化。新泽西州上周成为第 15 个禁止母猪使用妊娠栏的州。生产商指出，遵守新规定每头母猪要花费数千美元，并认为单独的板条箱——与它们危害动物福利的指控相反——减轻了母猪的压力和潜在伤害，因为母猪在怀孕后的几周内经常打架。根据加州妊娠栏禁令，生产商和加工商必须确保在该州销售的所有新鲜猪肉产品，无论其产地在哪里，都需符合新的州法律规定。美国猪肉行业认为，美国最高法院维持加州规则可能会导致美国州际贸易事实上的边界的建立，因为各司法管辖区制定了自己的动物福利法。一些法律主义者认为，加州的裁决违反了已有 150 多年历史的联邦“潜在商业条款”，该条款禁止各州歧视州际商业或对州际商业造成过度负担。贸易方面，美国猪肉出口增速继续高于去年同期水平，但过去几周，周出口量与周屠宰量的比率略有下降（见下图）。中国过去几周的生猪价格上涨上周陷入停滞，但上周五生猪平均价格为 17.5 元/公斤，比 7 月 1 日的值高出 27%。



猪屠体分切价格：2023 年 8 月 7 日 - \$115.31 美元/百磅（较 2023 年 7 月 31 日减少 2%）

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

尽管上周美国农业部猪肉分切参考值从 4 月初 0.77 美元/磅上调至 1.14 美元/磅，美国猪肉生产商继续面临诸多挑战。这是根据国家猪肉生产者委员会（NPPC）最新的第三季度经济更新指出的，“虽然现在的价格比三个月前更高，但创纪录的高生产成本将继续对生产者的利润造成巨大压力。” NPPC 估计，生猪生产者的平均生产成本和盈亏平衡价格水平较 2022 年上涨了 9%，在过去三年中上涨了 60%（见下图）。饲料成本增加了 70%，而包括劳动力、运输和能源在内的固定和非饲料可变成本则增加了 50%。利息支出增长了 28%。虽然目前的生猪价格正在转化为大多数生产商的盈利生产指标，但 NPPC 指出，在过去 10 年中的 8 年中，生猪价格在 6 月至 8 月期间达到顶峰，然后在接下来的 3 个月内下跌了 30%。NPPC 指出，2023 年 3 月至 5 月生猪产量同比增加将在第四季度转化为更多的出栏生猪，届时产量达到顶峰且价格下降。截至上周五，2023 年 12 月瘦肉型生猪期货交易价格接近 0.75 美元/磅范围，近期 8 月期货价格超过 1.00 美元/磅。尽管美国农业部最近预测 2023-2024 年玉米和豆粕价格将低于去年，但饲料价格的波动增加了不确定性。今年上半年财务状况不佳，加上饲料成本和消费者需求的不确定性，导致今年 6 月至 8 月猪肉生产商产仔母猪减少 3.9%。美国农业部的年中库存报告预计，在即将到来的 9 月至 11 月期间，生产商的产仔母猪数量将同比减少 4.5%。NPPC 认为，这将导致明年上半年猪肉供应量减少，而今年美国猪肉总产量预计将增长 1.3%。NPPC 的结论是，不仅供应量增加对价格造成压力，而且猪肉消费整体需求也已从疫情期间的历史高位回落。

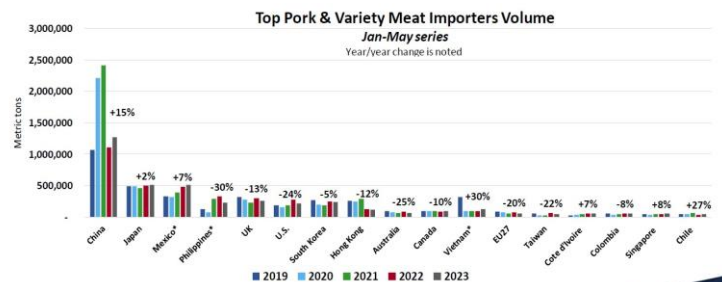
Estimated Cost of Production



Source: Iowa State University

贸易新闻

截至 5 月份的贸易数据显示，尽管中国、日本和墨西哥等主要吨位市场的进口量有所增加，但今年前 5 个月全球猪肉贸易仍出现萎缩。几乎所有二线市场的进口量均下降，包括菲律宾、英国、韩国、美国、澳大利亚和加拿大（见下图）。在最新的全球猪肉市场季度展望中，荷兰合作银行预测，由于中国、欧盟和美国消费者需求表现不佳，今年下半年全球猪肉需求将进一步疲软。荷兰合作银行指出，中国和欧盟的市场动态形成鲜明对比，今年年初，欧洲消费受到猪肉价格高企的压力。中国猪肉供应充足，价格偏低，但需求仍受到宏观经济前景的制约。正如 NPPC 在其 2023 年下半年展望中所指出的那样，荷兰合作银行还预测，世界粮食价格下降将在一定程度上缓解全球生产商的成本压力。不过，该银行还指出，动物疾病问题仍然对市场稳定构成威胁。亚洲和欧洲非洲猪瘟疫情仍在持续，蓝耳病已影响西班牙 3,400 万头猪群中的一半以上。



Source: TDM, reported exports to Mexico, Philippines, and Vietnam