

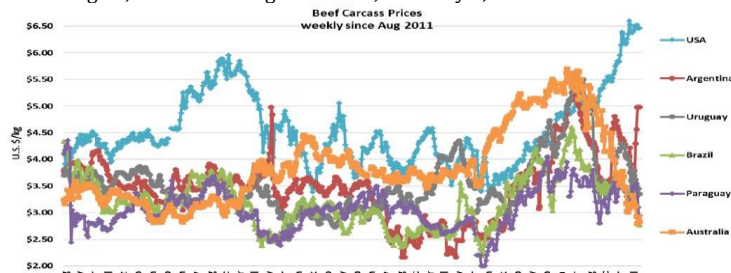


U.S. Meat Bulletin

September 12, 2023 Volume XV | Issue 9.2

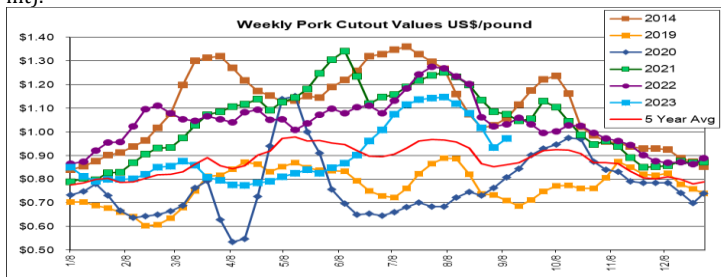
SUPPLY & DEMAND

Wholesale beef prices moved sideways last week, with strength in the rib primal values offsetting weakness in flanks & chucks. Institutional buyers are starting to forecast end-of-year demand, and with the firm realization that the overall supply pipeline of beef is tightening. Fears of consumer pushback against high beef prices moved to the back burner last week as media reported on the resilience of the U.S. economy. Forecasters are predicting a strong Q3 U.S. GDP growth rate, underpinned by low unemployment and robust overall consumer spending & retail sales. Still, with energy prices again rising, along with consumer debt, there is caution & uncertainty about the outlook for U.S. consumer spending this coming holiday season. Live cattle markets strengthened last week on herd supply fundamentals, while both fed & feeder cattle futures moved near record territory. The question over the next few months is how meat processors will moderate the flow of cattle into their plants in order to maintain a balance between already-high wholesale beef prices and rising live animal prices. Fed live cattle prices are currently in the range of U.S. \$1.80 - \$1.85/lb., but analysts are near uniform in their predictions that increased herd tightening will see U.S. \$2.00/lb. cattle next year. There has been a spate of new beef plant projects announced in the last year or so, which theoretically could increase competition for the limited fed cattle supply. However, much of the newly announced capacity will take several years to complete (see MARKET MAKERS next column). The U.S. now clearly has the most expensive cattle among major beef producers (see GRAPH below), which is contributing to a slowdown in the pace of beef exports. July U.S. beef muscle cut exports were **22%** below the volume exported during July 2022, with the combined YOY decrease in shipments to **Japan, Korea and China** exceeding 20,000 tons during the month, or nearly 1,000 containers.



Beef Choice Beef Cutout Value: 11/9/2023 - US\$310.11/cwt. (-1% from 1/9/2023)

Although the belly primal continued to weaken through last Friday, firmness in hams and butts contributed to a week-on-week rise in the USDA pork cutout value. The price gain came following a **19%** decline in the cutout over the previous 4 weeks. The lower slaughter helped to put a floor under wholesale pork prices but moving forward, weekly slaughter volumes should increase, resulting in pressure on cash hog prices. Last week's holiday-shortened plant schedules saw a total of 2.234 million hogs processed, roughly level with the same Labor Day holiday week in 2022. Lighter average hog weights this summer have meant YTD U.S. pork output has fallen below earlier forecasts, with year-to-date production up just **0.2%** from last year's pace; slaughter is up **1.3%** YOY. July U.S. trade data was published last week and showed another robust month for pork exports. January to July total U.S. pork exports (including variety meats) totaled 1.687 million tons, **+13%** YOY; value reached \$4.675 billion, **+10%**. The biggest market gainers so far this year in volume terms have been **Mexico** (+74,480 tons), **China/HK** (+47,810 tons), **Australia/NZ** (+19,150 mt), and the combined markets of ASEAN (+14,750 mt).



Hog Carcass Cutout Value: 11/9/2023 - US\$99.45/cwt. (+6% from 1/9/2023)

MARKET MAKERS

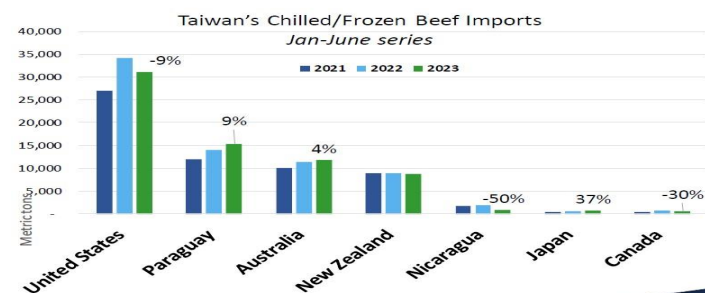
Producer Owned Beef, a company comprised of Texas cattle ranchers, has announced it will break ground on a greenfield \$670 million large-scale beef harvest and fabrication plant by the end of this month in Amarillo Texas. The project was first announced a year ago, but recent press releases state that the project is now ready to move forward with the construction phase. The project has secured financial support from the **Amarillo Economic Development Corp.**, which is gifting the company 610 acres to develop the facility as well as providing another \$11 million in incentives for the project. Another state business development entity, the **Texas Enterprise Fund**, is offering a grant totaling \$12.2 million for the planned facility. The plant will be designed to harvest up to 3,000 head of cattle per day and employ an estimated 1,600 workers, which would place it on the top 20 list of largest U.S. beef plants. Producer Owned Beef boasts a unique cooperative ownership structure, whereby the company's majority equity owners are the cattle ranchers and feeders supplying cattle to the plant. Rather than sell cattle to the plant under arms-length contracts, the company's producer owners will receive a percentage of the revenue based upon the wholesale selling prices of the beef and collectively share profits from the plant. Groundbreaking for the plant had been delayed for several months since the original August 2022 announcement of the enterprise, with a new projected opening date of late 2026. Producer Owned Beef is among a half a dozen new beef projects announced over the past few years (see chart below), including the **Saline River Farms** project we highlighted in last week's Bulletin. Among the new projects, **Agri Beef's** True West beef plant in Idaho has been completed and has commenced operations. Last week, the USDA announced a new U.S. \$123 million tranche of grant funds to support the expansion of U.S. meat and poultry processing capacity. Individual grants will range from \$250K to \$10 million. The USDA has already allocated over \$200 million through its Rural Development division to support U.S. meat processing capacity expansion. In 2021, the current U.S. administration announced that as part of its \$1.9 trillion American Rescue Plan stimulus program, it would allocate up to U.S. \$1 billion to "increase competition" by jump-starting independent meat processing projects to "enhance the resiliency of the food supply chain."

New U.S. beef facility projects

Company	Plant Type	Location	Projected opening date	Cost	New/Added Processing Capacity
Central Valley Meat	Beef Plant Expansion	Hanford, CA	N/A	N/A	3,000 head/day
FPL Food	Beef Plant Expansion	Augusta, GA	2023	\$120 million	1,400 head/day
Agri Beef True West	New Plant	Jerome, ID	Started operating June 2023	\$200 million	500 head/day
Cattlemen's Heritage	New Plant	Mills County, IA	2025/2026	\$550 million	2,000 head/day
American Foods Group	New Plant	Wright City, MO	End of 2024	\$800 million	2,400 head/day
Sustainable Beef LLC	New Plant	North Platte, NE	Open in 2025	\$325 million	1,500 head/day
Greater Omaha	Beef Plant Expansion	Omaha, NE	Grant approved under the Meat and Poultry Expansion Program	\$20 million	700 head/day
Producer Owned Beef	New Plant	Amarillo, TX	Late 2026	\$670 million	3,000 head/day
Saline River Farms	New Beef Plant + Expansion	Illinois, IL	2025/2026	\$800 million	1,600 head/day

TRADE

Taiwan has announced it will extend tariff cuts on beef and several other strategic commodities due to continued high global prices. The duty reductions, from NT \$10/kg. (U.S. \$0.31/kg.) to NT \$5/kg. (\$0.16/kg) for 16 categories of beef products will be maintained through the end of the year. Duty reductions first implemented in December of 2021 will also be extended for key items such as wheat, milk powder, butter, and gasoline. Taiwan's Jan-July imports of 86K tons are just slightly higher than the pace of last year. Despite a weak Taiwan dollar, the market's U.S. dollar import bill has dropped considerably, with the average per ton value of its beef imports - from all sources - of U.S. \$8,466/ton down **19%** from the H1 2022 average import value. Per ton values have dropped for all major suppliers, including the U.S. (-23%), Australia (-17%), Paraguay (-12%) and New Zealand (-4%).

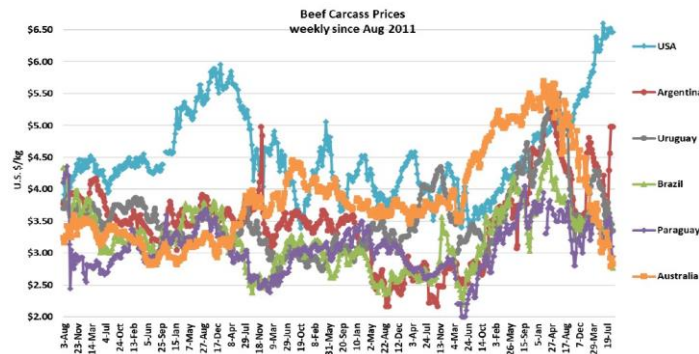


ACTIVITIES:

FHC Shanghai Global Food Trade Show: Nov 8-10, 2023

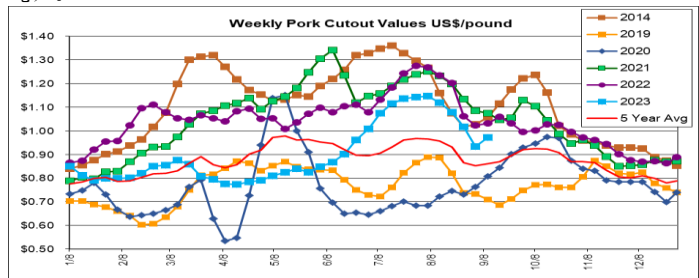
供应与需求

上周，批发牛肉价格横盘整理，肋脊部初级分切的价格走强抵消了腹肋和肩胛部的疲软。机构买家开始预测年底需求，但坚定地意识到牛肉的整体供应正在收紧。上周，随着媒体报道聚焦于一直坚韧的美国经济，消费者对高昂牛肉价格的担忧逐渐被抛到了一边。预测者预计，在低失业率和强劲的整体消费者支出和零售销售的支撑下，美国第三季度GDP将强劲增长。尽管如此，由于能源价格再次上涨，加上消费者债务增加，人们对即将到来的假日季美国消费者支出前景持谨慎和不确定态度。上周，活牛市场因牛群供应基本面走强，而出栏牛和架子牛期货价格均接近创纪录水平。未来几个月的问题是肉类加工商将如何调节牛进入工厂的速度，以在已经很高的牛肉批发价格和不断上涨的活牛价格之间保持平衡。出栏牛价格目前在1.80美元至1.85美元/磅之间，但分析师几乎一致预测，随着牛群紧缩程度的加大，明年活牛价格将达到2.00美元/磅。在过去一年左右的时间里，有大量新的牛肉工厂项目宣布，理论上这可能会加剧对有限的出栏牛供应的竞争。然而，大部分新宣布的产能将需要几年时间才能完成（请参阅下一栏产业新知）。美国现在显然拥有主要牛肉生产国中最昂贵的牛肉（见下图），这导致牛肉出口速度放缓。7月美国牛肉出口量较2022年7月下降22%，当月向日本、韩国和中国的出口量同比减少超过2万吨，即近1,000个集装箱。



美国农业部牛肉屠体价格指数（特选级）：2023年9月11日 - \$310.11 美元/百磅（较2023年9月1日减少1%）

尽管上周五腹肋部初级分切价格继续走弱，但肩胛部和后腿部的坚挺导致美国农业部猪肉分切价格环比上涨。价格上涨是在过去4周分切价格下降19%后出现的。屠宰量下降有助于为猪肉批发价格奠定基础，但展望未来，每周屠宰量应该会增加，从而对现货生猪价格造成压力。上周因假期而缩短的屠宰计划总共屠宰了223.4万头生猪，大致与2022年劳动节假期一周持平。今年夏季生猪平均体重较轻，意味着年初至今美国猪肉产量已低于此前的预测，今年迄今为止的产量仅比去年增长0.2%；屠宰量同比增长1.3%。上周公布的美国7月贸易数据显示猪肉出口又一个强劲的月份。1-7月美国猪肉出口总量（含副产品）总计168.7万吨，同比增长13%；价值达到46.75亿美元，增长10%。今年迄今为止，就出口量而言，最大的市场增长者是墨西哥（+74,480吨）、中国/香港（+47,810吨）、澳大利亚/新西兰（+19,150吨）以及东盟综合市场（+14,750吨）。



猪屠体分切价格：2023年9月11日 - \$99.45 美元/百磅（较2023年9月1日增加6%）

美国肉类出口协会活动预告：

FHC 上海环球食品展：2023年11月8-10日

产业新知

Producer Owned Beef 是一家由德克萨斯州牧场主组成的公司，宣布将于本月底在德克萨斯州阿马里洛破土动工一座耗资6.7亿美元的大型牛肉屠宰和加工厂。该项目在一年前首次宣布，但最近的新闻稿称该项目现已准备好推进施工阶段。该项目已获得阿马里洛经济发展公司的财政支持，赠予该公司610英亩土地用于开发该设施，并为该项目提供另外1,100万美元的奖励。另一个州商业发展实体，德克萨斯企业基金正在为计划中的设施提供总计1,220万美元的赠款。该工厂的设计产量将达到每天屠宰3,000头牛，并雇用约1,600名工人，这将使其跻身美国最大牛肉工厂前20名之列。Producer Owned Beef拥有独特的合作所有权结构，该公司的多数股权所有者是向工厂供应牛的牧场主和饲养者。该公司的生产所有者将根据牛肉的批发销售价格获得一定比例的收入，并共同分享工厂的利润，而不是根据公正的合同将牛出售给工厂。自该企业最初于2022年8月发布公告以来，该工厂的奠基工作已推迟了几个月，新的预计开业日期为2026年末。Producer Owned Beef是过去几年宣布的六个新牛肉项目之一（参见下表），包括我们在上周的公报中强调的 **Saline River Farms** 项目。新项目中，**Agri Beef** 位于爱达荷州的 True West 牛肉工厂已竣工并开始运营。上周，美国农业部宣布拨款1.23亿美元，支持扩大美国肉类和家禽加工产能。个人资助金额从25万美元到1,000万美元不等。美国农业部已通过其农村发展部门拨款超过2亿美元，以支持美国肉类加工能力的扩张。2021年，现任美国政府宣布，作为其1.9万亿美元的美国救援计划刺激项目的一部分，将拨款最多10亿美元，通过启动独立肉类加工项目来“增加竞争”，以“增强食品供应链的弹性”。

New U.S. beef facility projects

Company	Plant Type	Location	Projected opening date	Cost	New/Added Processing Capacity
Central Valley Meat	Beef Plant Expansion	Hanford, CA	N/A	N/A	3,000 head/day
FPL Food	Beef Plant Expansion	Augusta, GA	2023	\$120 million	1,400 head/day
Agri Beef True West	New Plant	Jerome, ID	Started operating June 2023	\$200 million	500 head/day
Cattlemen's Heritage	New Plant	Mills County, IA	2025/2026	\$550 million	2,000 head/day
American Foods Group	New Plant	Wright City, MO	End of 2024	\$800 million	2,400 head/day
Sustainable Beef LLC	New Plant	North Platte, NE	Open in 2025	\$325 million	1,500 head/day
Greater Omaha	Beef Plant Expansion	Omaha, NE	Grant approved under the Meat and Poultry Expansion Program	\$20 million	700 head/day
Producer Owned Beef	New Plant	Amarillo, TX	Late 2026	\$670 million	3,000 head/day
Saline River Farms	New Beef Plant + Expansion	Illinois, IL	2025/2026	\$800 million	1,600 head/day

贸易新闻

由于全球价格持续走高，中国台湾地区宣布将延长牛肉和其他几种战略商品的关税削减。关税减免由10新台币/公斤（0.31美元/公斤）减至5新台币/公斤（0.16美元/公斤），16类牛肉产品的关税减免将维持到年底。2021年12月首次实施的关税减免也将延长用于小麦、奶粉、黄油和汽油等关键商品。中国台湾地区1-7月进口量为8.6万吨，仅略高于去年水平。尽管台币疲软，但市场以美元计价的进口费用大幅下降，所有来源的牛肉进口平均每吨价值为8,466美元/吨，比2022年上半年平均进口价值下降19%。所有主要供应商的每吨价格均有所下降，包括美国（-23%）、澳大利亚（-17%）、巴拉圭（-12%）和新西兰（-4%）。

