



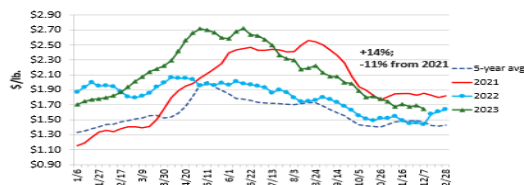
# U.S. Meat Bulletin

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## SUPPLY & DEMAND

Beef wholesale prices – especially of end & thin meats - moved decisively lower last week on broad-based weakness in institutional buying & abundant supplies. Ribs, tenderloins, and other steak items held mostly firm last week, but the USDA CHOICE cutout value was dragged lower on a decline in round and chuck prices, which are nearing seasonal lows. Declines over the 2<sup>nd</sup> half of this year in fatty trimming, short plate & flank prices have also contributed to the overall weakness of the cutout (see GRAPH below). In contrast, values of middle meats are near record highs, and despite reports of shaky consumer spending. Moreover, supplies of higher graded beef are still available; in recent weeks, the % of cattle grading USDA PRIME have hovered near record levels for this time of year at 10.3%. In cattle markets, animals have been backing up in feedlots due to higher placements of cattle during the fall. Higher cattle weights have also increased recent beef supplies (see MOVING AHEAD next week). Last week, live cattle markets moved sideways, as the market digested the recent unanticipated decline in live cattle prices. Some analysts believe weaker cattle prices could discourage – at least in the short run – any incentive by cow-calf producers to hold back females for herd rebuilding purposes. USDA slightly increased its forecast for 2024 beef production due to the current bulge in fed cattle, but the agency still forecasts a 3.5% drop in beef output next year. Cattle futures turned upwards at the end of last week, while the cutout rallied yesterday (Monday Dec 11) on aggressive pre-holiday spot buying.

### Short Plate Primal

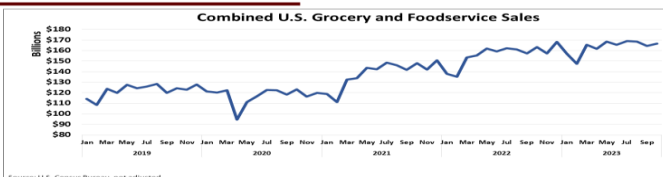


Source: USDA/AMS

**Beef Choice Beef Cutout Value: 11/12/2023 – US\$290.43/cwt. (-2% from 4/12/2023)**

Wholesale pork prices ended last Friday steady-to-slightly lower than the previous week. Sustained export ham demand from **Mexico** helped steady the cutout value as weekly slaughter levels reach their annual peaks in the lead up to the Christmas & New Year's holidays. Following the holidays, ham demand usually drops until pre-Easter (March 31, 2024) buying resumes. The overall tone of the pork market remains bearish however, with December and February futures trading at a discount to cash. There was more evidence last week of producers downsizing their herds in response to poor financial fundamentals, with one of the larger U.S. vertically integrated pork processors announcing they were exiting production contracts with almost two dozen swine finishing operators. There was however more bullish news from fresh U.S. trade data, with U.S. pork exports to Mexico hitting monthly volume (99K tons) and value (\$212 million) records during October. Non-Asia destinations have been the drivers of U.S. pork exports this year, with the volume of U.S. pork exports to all Asian destinations this year accounting for only 42% of total exports. In CY 2019, approximately 52% of U.S. exports were shipped to Asian markets. **Chinese** hog prices dropped through last week, increasing financial stress on farmers, but also offering a glimmer of hope that producers may be culling animals. China's live hog price hit RMB 14.22/kg. late last week, the lowest since the 3<sup>rd</sup> week of July. Analysts are reporting that large Chinese pork producers, which have been attempting to power through the current market weakness, may now capitulate to the challenging financial conditions and trim herds (see TRADE next column).

Consumers are still spending more at grocery stores and restaurants with near record large spending in October 2023 (down just 1% from the July 2023 record)



Source: U.S. Census Bureau, not adjusted

**Hog Carcass Cutout Value: 11/12/2023 – US\$86.62/cwt. (+3% from 4/12/2023)**

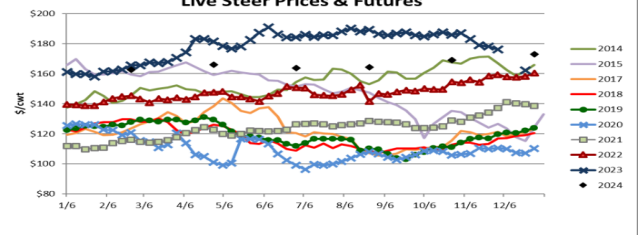
## ACTIVITIES:

Food & Hotel Asia, Singapore: April 23-26, 2024  
SIAL, Shanghai: May 28-30, 2024

## MOVING AHEAD

Over the last 10 weeks, the buildup in U.S. cattle in feedlots has caught the market by surprise, but fundamentals still suggest the U.S. is in the contraction phase of its current herd cycle. Values of all categories of live cattle have slumped since October. Cash fed cattle prices have dropped by \$10 per cwt. (100 pounds liveweight = U.S. \$0.10/lb.) since the end of October (see GRAPH below). Feeder cattle have traded around \$7 per cwt. lower, with calves losing \$1 to \$5 per cwt. since the slump started. Wobbly beef demand may be part of the equation, but some simple supply math can explain a large part of the reversal. Over the last 6 months, meat processors have slowed slaughter activity in an attempt to cap rising fed cattle prices and keep a floor under wholesale beef prices. According to the Daily Livestock Report, fed cattle slaughter during Q2 dropped 4.3% YOY during Q2 and 7.1% during Q3. That equated to a 731,000 head reduction in the number of cattle moving to packing plants during the period. At the same time, the movement of cattle from pastures & backgrounding into feedlots (placements) during the April to October period grew by 77,000 head, resulting in the total number of cattle on feed as of November 1 being unexpectedly higher than November 1, 2022. As animals backed up, feedlots lost further marketing leverage against meat packers, forcing live feeder and fed cattle prices lower. The increase in placements over the last 2 months does not mean total U.S. cattle numbers have increased. This year's calf crop will be approximately 1.9% down from last year, with the 2022 new calf number having declined 2% compared to 2021. All total, the calf crop has been declining for the last 5 years and this year will be 2.5 million head (-7%) smaller than the level of 2018. The higher placements of the last few months represent a change in the timing of the flow of cattle through the supply chain, with increased placements now to be offset later by far lower placements. When cow-calf producers start to hold back heifers for breeding, the cattle supply shortage will become more manifest. In short, analysts now expect 1<sup>st</sup> half 2024 beef production will be larger than earlier projected because of the higher feedlot supplies – and heavier cattle weights – but beef production later in the year could plummet, resulting in the forecasted 3.5% decline in full year beef production.

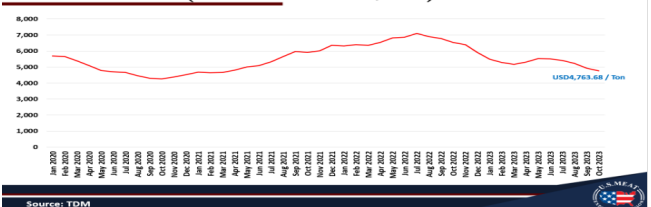
### Live Steer Prices & Futures



## TRADE

**China's** total meat & poultry (M&P) imports for Jan-October of 6.29 million tons was 4.3% higher than last year, but 79% higher than the pace of pre-ASF & pre-CoVID Jan-Oct 2018. Although overall demand has been weak, total meat supplies are at or near record highs based on domestic Chinese official meat & poultry production data. Post CoVID, meat imports have stayed elevated, despite a rebound in Chinese pork output and steadily increasing beef production. Through this October, the volume of pork imports was +3% YOY, beef +3%, poultry +2% & sheep meat +20%. The big unknown remains the volume of imported M&P in Chinese cold storages, and the extent to which this will be carried over into next year & drive 2024 imports lower. For items like beef, importers often make longer-term buying commitments to exporters, which can result in sustained import activity regardless of market conditions. Average per ton beef import prices into China (see GRAPH below) have been drifting lower since the summer of last year, a possible indication of weaker demand overall. To be sure, beef carcass prices in **Australia, Brazil, Uruguay** and **Paraguay** are all currently lower than a year ago, with supply factors playing a part. But China accounts for a high percentage of beef exports for these suppliers, and weak China demand can feed through and negatively influence domestic market conditions.

### China chilled and frozen beef imports (unit value: USD/ton)

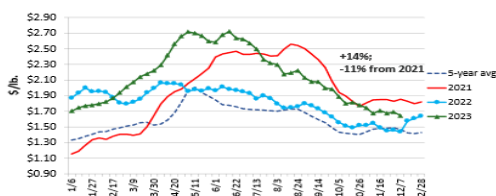


Source: TDM

## 供应与需求

由于机构购买普遍疲软且供应充足，牛肉批发价格（尤其是肩胛和后腿部和薄肉部位）上周大幅下跌。上周，肋排、里脊肉和其他牛排产品价格基本保持坚挺，但美国精选级牛肉分切价格因后腿和肩胛部价格下跌而下跌，目前价格已接近季节性低点。今年下半年，肥碎肉、胸腹和腹肋价格的下降也导致了牛肉分切价格整体疲软（见下图）。相比之下，尽管有报道称消费者支出不稳定，但腰脊部和牛排部位肉的价格仍接近历史高位。此外，仍然有更高等级的牛肉供应；最近几周，美国农业部极佳级等级牛的比例徘徊在每年这个时候的历史最高水平，10.3% 左右。在活牛市场上，由于秋季牛只转移到育肥场的数量较多，育肥场的牛只数量一直在增加。牛体重增加也增加了最近的牛肉供应（见产业动态专栏）。上周，活牛市场横盘整理，市场消化了近期活牛价格的意外下跌。一些分析师认为，牛价疲软可能会阻碍——至少在短期内——母牛牛犊生产者重建牛群而保留母牛的任何动机。由于目前出栏牛数量激增，美国农业部小幅上调了对 2024 年牛肉产量的预测，但该机构仍预测明年牛肉产量将下降 3.5%。活牛期货在上周末尾上涨，而昨天（12 月 11 日星期一）由于节前现货购买积极，分切部位价格上涨。

### Short Plate Primal



Source: USDA/AMS

美国农业部牛肉屠体价格指数（特选级）：2023 年 12 月 11 日 - \$290.43 美元/百磅（较 2023 年 12 月 4 日减少 2%）

上周五猪肉批发价格较前一周持稳至小幅下跌。由于每周屠宰量在圣诞节和新年假期前达到年度峰值，来自墨西哥的持续出口后腿需求帮助稳定了分切价格。假期结束后，后腿需求通常会下降，直到复活节前（2024 年 3 月 31 日）购买恢复。然而，猪肉市场的整体基调仍然看跌，12 月和 2 月期货交易价格低于现货。上周有更多证据表明，生产商因财务基本面不佳而缩小猪群规模，美国一家较大的垂直一体化猪肉加工商宣布，他们将停止与近 24 个生猪育肥经营者的生产合同。然而，美国最新贸易数据带来了更多利好消息，10 月份美国对墨西哥的猪肉出口量（9.9 万吨）和价值（2.12 亿美元）均创下历史新高。非亚洲目的地一直是今年美国猪肉出口的推动力，今年美国向所有亚洲目的地的猪肉出口量仅占总出口量的 42%。2019 年，美国约 52% 的出口产品运往亚洲市场。中国生猪价格上周下跌，增加了农民的财务压力，但也给去产能化带来了一线希望。中国生猪价格在上周晚些时候触及 14.22 元/公斤，为 7 月第三周以来的最低水平。分析师报告称，一直试图摆脱当前市场疲软局面的中国大型猪肉生产商现在可能会屈服于充满挑战的金融状况并削减猪群（见下一篇贸易新闻专栏）。

Consumers are still spending more at grocery stores and restaurants with near record large spending in October 2023 (down just 1% from the July 2023 record)



Source: U.S. Census Bureau, not adjusted

猪屠体分切价格：2023 年 12 月 11 日 - \$86.62 美元/百磅（较 2023 年 12 月 4 日增加 3%）

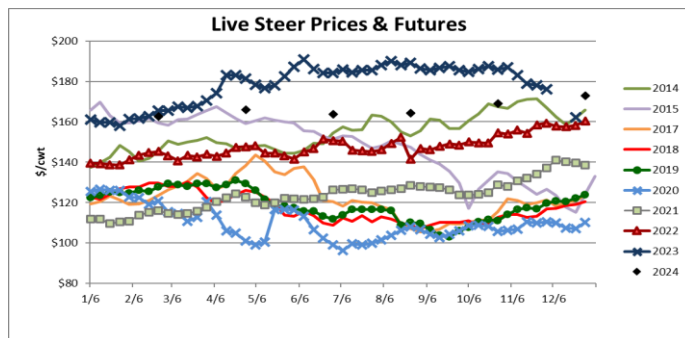
美国肉类出口协会活动预告：

新加坡国际食品与饮料展 - 新加坡：2024 年 4 月 23-26 日

SIAL 国际食品展(上海)：2024 年 5 月 28-30 日

## 产业动态

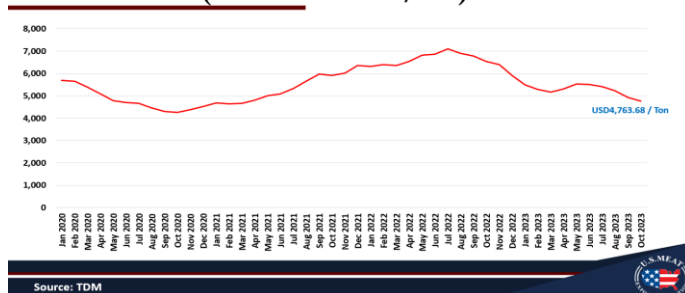
过去 10 周，美国育肥场牛的增加令市场感到意外，但基本面仍然表明美国正处于当前牛群周期的收缩阶段。自十月份以来，各类活牛的价值均出现下滑。自 10 月底以来，出栏牛的现货价格每 100 磅下降了 10 美元（100 磅活重 = 0.10 美元/磅）（见下图）。自价格下跌开始以来，架子牛的交易价格每英担下跌约 7 美元，小牛每英担下跌 1 至 5 美元。牛肉需求的不稳定可能解释降价的其中一部分，但一些简单的供应计算可以解释大部分的逆转。在过去的六个月中，肉类屠宰场放慢了屠宰活动，试图限制出栏牛价格的上涨，并保持牛肉批发价格的底线。根据《每日牲畜报告》，第二季度出栏牛屠宰量同比下降 4.3%，第三季度同比下降 7.1%。这相当于在此期间运往屠宰厂的牛数量减少了 731,000 头。与此同时，4 月至 10 月期间，从牧场转移到育肥场（安置）的牛增加了 77,000 头，导致截至 11 月 1 日的育肥牛总数意外高于 2022 年 11 月 1 日。随着育肥场牛只数量增加，育肥场对肉类屠宰场失去了进一步营销的影响力，迫使出栏牛和架子牛的价格走低。过去两个月安置量的增加并不意味着美国牛的总数有所增加。今年的新生犊牛数量将比去年下降约 1.9%，其中 2022 年新生犊牛数量比 2021 年下降 2%。总体而言，新生犊牛数量在过去 5 年里一直在下降，今年将为 250 万头（-7%）低于 2018 年的水平。过去几个月的较高安置量代表了牛在供应链中流动的时间发生了变化，现在增加的安置量将在以后被低得多的安置量所抵消。当母牛-牛犊生产者开始保留小母牛进行繁殖时，牛的供应短缺将变得更加明显。简而言之，分析师现在预计 2024 年上半年牛肉产量将高于之前的预测，因为育肥场供应量增加，而且牛体重增加，但今年晚些时候的牛肉产量可能会大幅下降，导致全年牛肉产量预计下降 3.5%。



## 贸易新闻

中国 1-10 月肉类和家禽（M&P）进口总量为 629 万吨，比上年增长 4.3%，但比 2018 年 1-10 月非洲猪瘟和新冠病毒爆发前的进口量高出 79%。尽管总体需求疲软，但根据中国国内官方肉类和家禽生产数据，肉类供应总量已达到或接近历史新高。尽管中国猪肉产量反弹且牛肉产量稳步增加，但新冠病毒疫情结束后，肉类进口量仍居高不下。截至今年 10 月，猪肉进口量同比增长 3%，牛肉增长 3%，家禽增长 2%，羊肉增长 20%。最大的未知数仍然是中国冷库的进口肉类和家禽数量，以及这将在多大程度上延续到明年并导致 2024 年进口量下降。对于牛肉等产品，进口商通常会向出口商做出长期购买承诺，这可能会导致无论市场状况如何，进口活动都会持续存在。自去年夏季以来，中国每吨牛肉的平均进口价格（见下图）一直在走低，这可能表明整体需求疲软。可以肯定的是，澳大利亚、巴西、乌拉圭和巴拉圭的牛肉屠体价格目前均低于一年前，供应因素起到了一定作用。但中国在这些供应商的牛肉出口中所占比例很高，而中国需求疲软可能会对出口国国内市场状况产生负面影响。

### China chilled and frozen beef imports (unit value: USD/ton)



Source: TDM