



U.S. Meat Bulletin

February 6, 2024

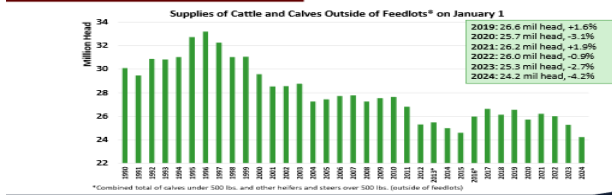
Volume XVI | Issue 2.1

Editor's Note: The next edition of U.S. Meat Bulletin will be published February 20, 2024. We wish all our readers and their families a happy and prosperous Year of the Dragon.

SUPPLY & DEMAND

Wholesale beef prices were largely steady-to-slightly weaker through last week, as seasonally weak demand patterns set in. Buying activity was hand-to-mouth as large supermarket buyers remained cautious about demand due to overall high retail prices. Average retail beef prices fell in December month-on-month, but pork & chicken fell faster, widening the gap between the competing proteins. Lean trimming prices have surged since the beginning of the year as cow slaughter has declined, with further declines expected as the year progresses. USDA's latest cattle inventory report confirmed that the U.S. cattle herd shrank significantly last year, and across all categories of animals (see MOVING AHEAD next column). Both feedlot operators and processing plants are bracing for a dwindling cattle pipeline ahead, especially if the cow-calf sector starts holding back females for breeding. Although cattle on feed numbers remain somewhat elevated, supplies of cattle available outside of feedlots dropped by a sizeable 4.2% last year (see GRAPH below). Fed cattle prices are projected to further escalate this year, which will challenge processors especially if demand for beef weakens. Industry analysts **CattleFax** (CF) projects 2024 fed steer prices will average U.S. \$1.84/lb. this calendar year (liveweight) compared to \$1.75/lb. in 2023. CF estimates feeder steers (800 pounds) will cost \$2.40/lb., up \$0.20 per pound from 2023. In the next several weeks, live fed cattle & futures prices may seesaw, as beef packing plants try to trim their slaughter schedules due to poor margins. Although there is only a month of data available, U.S. beef exports through the end of January (muscle cuts only) were off to a slow start, with volumes shipped to all markets -10% from the pace of last year.

Supplies of cattle available to enter feedlots in 2024 are down 4.2% year-over-year



Source: USDA/NASS

Beef Choice Beef Cutout Value: 5/2/2024 - US\$293.48/cwt. (-2% from 29/1/2024)

The composite USDA pork cutout value moved sideways last week, as small gains in the ham, belly & rib primal were offset by slight declines in picnic, butt and loin values. The pork cutout has started off on a strong note this year, with most analysts believing that the gains to date are more due to weather-related disruptions to the live hog supply chain than a pick-up in demand. A nearly 40% gain since the beginning of the year in spot belly prices accounts for a large part of the overall appreciation in the cutout (see TRADE next column). This coming Sunday's Super Bowl match - the most watched TV broadcast of the year - will help marginally on the demand side as households stock up on pork-based cold cuts, hot dogs & sausages, and pizza chain restaurants gear up for a surge in take-away orders. On the production side, the year is not off to a good start. In the 3rd week of this January, weaned feeder pig (40 pounds) prices, a proxy for the sentiments of hog raisers, were 50% lower than the same week in 2023. Estimated average producer returns last December were -\$16.50 per head, the 16th consecutive month of losses. On the positive side, the average hog feed bill for producers was -19.4% from a year earlier, and the lowest since March 2021. The small silver lining on the feed cost side is factoring into the recent gain in lean hog futures, with the April contract trading at a 4-month high last week. A modest pre lunar New Year rally that saw Chinese live hog prices appreciate 17% (from RMB 14.16/kg to 16.59/kg.) in the 12-day period ending last Friday may be adding optimism. Weekly data shows total U.S. pork muscle cut exports through the end of January were down 5% from last year's pace.



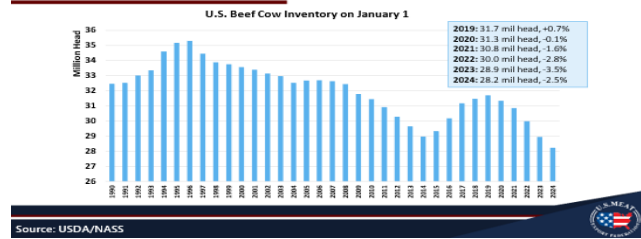
Source: BLS, USDA/AMS; wholesale prices through Jan 26, 2024, retail prices through December 2023

Hog Carcass Cutout Value: 5/2/2024 - US\$87.60/cwt. (-2% from 29/1/2024)

MOVING AHEAD

USDA released Jan 1 cattle inventory figures last week, and they confirmed the contraction of the U.S. herd continues. Total U.S. cattle and calves of 87.16 million head was 1.9% below Jan 1, 2023, levels, and the lowest figure since 1951. The number of beef cows fell 2.5% YOY (see GRAPH below) while year-beginning heifer replacements, the engine of future re-growth in the U.S. herd, touched 4.93 million head, a 10% fall from 2 years earlier. Because it takes 2+ years to raise a replacement heifer which can then calve, the lower heifer replacement number will translate into a smaller calf crop and thus further declines in total slaughter this year and 2025 as well. While this may sound dire, U.S. beef cattle productivity continues to improve, meaning on average one fed cattle is now producing much more beef than just a decade ago. And although USDA's latest forecast projects 2024 beef production to be the lowest since 2016, estimated record average fed cattle weights will help offset some of the decreases in slaughter. Based on the current supply of cattle in feedlots, U.S. beef production is expected to be down only slightly in the first half of this year (as fed beef production holds close to year-ago), but then start to contract more significantly in the second half of the year and into 2025. The slaughter decline will also be driven by the re-start of herd rebuilding, especially given the growing incentives of high cattle prices and improved forage conditions (i.e., less forecasted drought). In summary, USDA's latest report showed liquidation continued through 2023, and beef production may not show YOY increases until 2027, but the seeds of the expansionary phase of the next cattle cycle are now about to get underway.

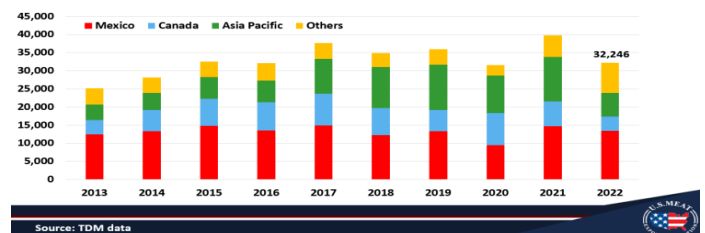
Beef cow inventories have been decreasing from the cycle peak of 31.7 mil head in 2019 and for January 1, 2024, beef cow inventories totaled 28.2 million head, down 2.5% year-over-year and down 11% from 2019



TRADE

Those following the U.S. pork wholesale market are aware that fluctuations in the belly primal value are one of the big movers of the weekly composite USDA pork cutout value - an index for the overall U.S. wholesale pork prices. Belly values can show large week-to-week changes (see GRAPH column 1), mainly because most bellies are sold under contract to bacon processors & the supplies that trade on the spot market are thin. Another development is that major hog packing companies are building their own bacon production capabilities, meaning that a greater % of belly production is further processed internally & not traded in the wholesale market. For example, **Tyson Foods** has just opened a new U.S. \$355 million 400,000 square foot bacon plant in Kentucky. Tyson says it sells U.S. \$1 billion in bacon per year. Most bellies cut from U.S. hogs go into bacon production, with an estimated 1.18 million tons of the product manufactured annually. Surveys show that 270 million Americans are regular bacon consumers, and annual per capita U.S. bacon consumption is high at nearly 8 pounds per person. The strength - and profitability - of the domestic bacon business is the reason why relatively few bellies are in the U.S. pork export mix. U.S. bacon exports are also modest, and most of the 30-35K tons per annum the U.S. has shipped internationally over the last 10 years has gone to neighbors **Mexico & Canada** (see GRAPH below). Exports to Asia are modest, with main markets being **Japan and Korea**.

U.S. bacon & bacon products exports 2013-2022; Jan-Dec (volume: million tons)



ACTIVITIES:

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



美国肉品新知

2024年2月6日

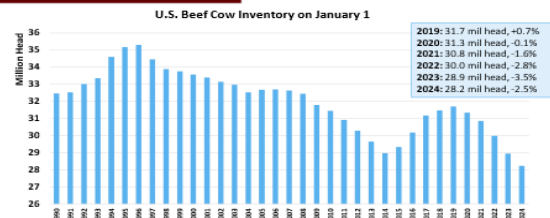
第十六卷 2.1期

编辑笔记：下期《美国肉品新知》将于2024年2月20日发布。祝福所有读者及其家人一个美好的假期，并在龙年平安快乐。

产业动态

美国农业部上周公布了1月1日的牛库存数据，并证实美国牛群的萎缩仍在继续。美国牛和犊牛总数为8716万头，比2023年1月1日的水平下降1.9%，为1951年以来的最低数字。肉母牛数量同比下降2.5%（见下图），而年初的后备小母牛，美国牛群未来重新增长的引擎，触及了493万头，比两年前下降10%。由于饲养一头后备小母牛并养育到产仔需要2年以上的时间，因此后备小母牛数量的减少将导致小牛产量减少，从而导致今年和2025年的总屠宰量进一步下降。虽然这听起来很可怕，但美国肉牛的生产率持续提高，这意味着平均一头出栏牛现在生产的牛肉比十年前要多得多。尽管美国农业部的最新预测预计2024年牛肉产量将是2016年以来的最低水平，但估计创纪录的平均出栏牛体重将有助于抵消屠宰量的部分下降。根据目前育肥场的牛供应情况，预计今年上半年美国牛肉产量仅略有下降（因为牛肉产量接近去年同期），但下半年将开始大幅收缩直到2025年。屠宰量下降也将受到畜群重建重新开始的推动，特别是考虑到高牛价和牧场条件改善（干旱预测较少）的激励作用不断增强。总而言之，美国农业部的最新报告显示，清算持续到2023年，牛肉产量可能要到2027年才会出现同比增长，但下一个养牛周期扩张阶段即将开始。

Beef cow inventories have been decreasing from the cycle peak of 31.7 mil head in 2019 and for January 1, 2024, beef cow inventories totaled 28.2 million head, down 2.5% year-over-year and down 11% from 2019

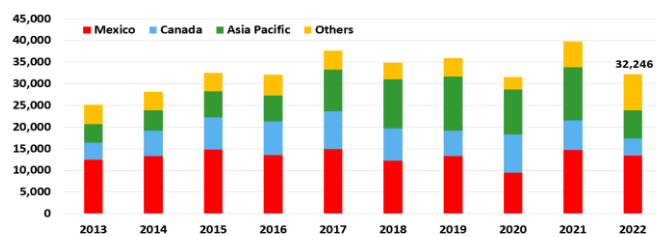


Source: USDA/NASS

贸易新闻

关注美国猪肉批发市场的人都知道，腹部初级分切价格的波动是美国农业部每周综合猪肉分切价格（美国猪肉批发价格总体指数）的主要推动因素之一。腹部价格可能会出现较大的每周变化（参见左下第一个图表），主要是因为大多数腹部肉是根据合同出售给培根加工商的，而且现货市场上交易的供应量很薄弱。另一个发展是，主要的生猪屠宰公司正在建立自己的培根生产能力，这意味着更大比例的腹部肉在内部进行进一步加工，而不是在批发市场上交易。例如，泰森食品公司刚刚斥资3.55亿美元在肯塔基州开设了一家占地40万平方英尺的新培根工厂。泰森食品称其培根年销售额达10亿美元。大多数从美国生猪身上切下来的腹部肉都用于培根生产，估计每年生产118万吨该产品。调查显示，2.7亿美国人是培根的经常消费者，美国培根年人均消费量高达近8磅。国内培根业务的实力和盈利能力是美国猪肉腹部部位出口量相对较少的原因。美国的培根出口量也很少，过去10年美国每年向国际出口的3-3.5万吨培根中，大部分销往邻国墨西哥和加拿大（见下图）。对亚洲的出口量不大，主要市场是日本和韩国。

U.S. bacon & bacon products exports 2013-2022; Jan-Dec (volume: million tons)

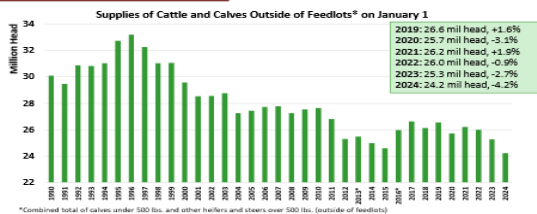


Source: TDM data

供应与需求

上周，随着季节性疲软的需求模式出现，批发牛肉价格基本稳定至小幅走软。由于整体零售价格较高，大型超市买家对需求保持谨慎态度，购买活动勉强维持。12月份牛肉平均零售价格环比下降，但猪肉和鸡肉下降更快，扩大了竞争蛋白质之间的差距。自今年年初以来，由于母牛屠宰量下降，瘦碎肉价格飙升，预计随着时间的推移，屠宰量将进一步下降。美国农业部最新的牛库存报告证实，去年美国所有类别的牛群均大幅减少（请参阅产业动态）。育肥场经营者和屠宰厂都在为未来养牛数量的减少做好准备，特别是如果母牛-犊牛行业开始留存母牛繁殖的话。尽管育肥牛的数量仍然有所增加，但去年育肥场以外的牛的供应量大幅下降了4.2%（见下图）。预计今年出栏牛价格将进一步上涨，这将对屠宰厂构成挑战，尤其是在牛肉需求可能减弱的情况下。行业分析师CattleFax (CF) 预计，2024年出栏牛平均价格将为1.84美元/磅（活重），而2023年为1.75美元/磅。CF估计架子牛（800磅）成本为2.40美元/磅，较2023年每磅上涨0.20美元。在接下来的几周内，由于利润不佳，牛肉屠宰厂试图削减屠宰计划，出栏牛和期货价格可能会出现波动。尽管只有一个月的数据，但截至1月底的美国牛肉出口（不包含副产品）开局缓慢，运往所有市场的数量比去年同期下降了10%。

Supplies of cattle available to enter feedlots in 2024 are down 4.2% year-over-year



Source: USDA/NASS

美国农业部牛肉屠体价格指数（特选级）：2024年2月5日 - \$293.48 美元/百磅（较2024年1月29日减少2%）

美国猪肉分切综合价格上周横盘整理，后腿、腹部和肋脊部的小幅上涨被前腿、肩胛和腰脊部价格的小幅下降所抵消。今年猪肉开局势头强劲，大多数分析师认为，迄今为止的猪肉价格上涨更多是由于天气相关的生猪供应链中断，而不是需求回升。自今年年初以来，现货猪肉价格上涨了近40%，这在分切部位整体升值中占了很大一部分（参见贸易新闻）。即将到来的周日超级碗比赛——今年收视率最高的电视转播——将在需求方面略有帮助，因为家庭会囤积猪肉冷盘、热狗和香肠，而披萨连锁餐厅则准备迎接外卖订单需求激增。在生产方面，今年开局并不顺利。今年1月第3周，代表生猪饲养者情绪的断奶仔猪（40磅）价格比2023年同周下降50%。去年12月生产者平均回报预计为每头-16.50美元，连续第16个月亏损。从积极的一面来看，生产商的平均生猪饲料费用同比下降19.4%，为2021年3月以来的最低水平。饲料成本方面的一线希望反映到近期瘦肉型生猪期货的上涨，上周4月合约交易价创4个月新高。农历新年前的小幅上涨使得中国生猪价格在截至上周五的12天内上涨了17%（从14.16元/公斤至16.59元/公斤），这可能会增加乐观情绪。每周数据显示，截至1月底，美国猪肉出口总量比去年下降5%。



Source: BLS, USDA/AMS; wholesale prices through Jan 26, 2024, retail prices through December 2023

猪屠体分切价格：2024年2月5日 - \$87.60 美元/百磅（较2024年1月29日减少2%）

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