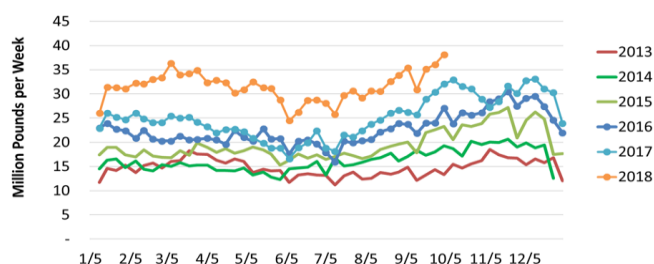


SUPPLY & DEMAND

The cutout moved sideways last week as firmer demand for ribs and rounds was offset by weaker interest in striploins, short loins and thin meats (e.g. plates & flanks). The cattle industry was hopeful that wholesale beef demand would improve this month, but analysts note that prices of some cuts rose sharply in September and have so far been unable to get further traction. We have mentioned before in this Bulletin that Asian beef buyers have been willing to pay historically record high prices for items such as short ribs this summer and early fall. Exports have continued at a strong pace; during the latest weekly reporting week of September 28–October 4, U.S. beef cut exports reached a marketing year high, although sales moved slightly lower than the pace of recent weeks. Like wholesale beef, live cattle prices have been moving sideways and analysts are hopeful that the growing supplies of cattle in feedlots can be absorbed in the marketplace. Cattle are grading higher, evidenced by higher USDA PRIME and **Certified Angus Beef** production (see next column.) USDA has sharply lowered its estimate of CY 2018 beef production; output is expected now to be up only 2.9% this year, vs. the +3.5% forecasted last month. The lower estimate is based on estimated lower 4th quarter fed cattle slaughter and lighter average carcass weights due to an increasing proportion of cow slaughter.

U.S. Prime Beef Production

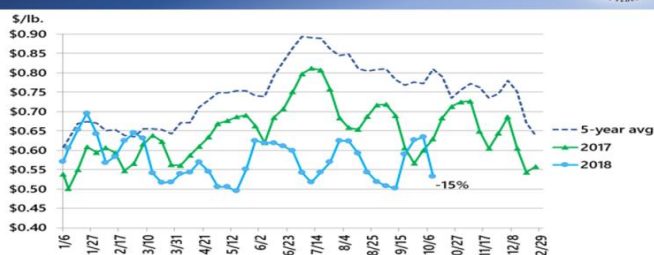


Sources: USDA/AMS, USDA/NASS, USMEF estimates

Beef Choice Beef Cutout Value: 15/10/2018 – US\$204.80/cwt. (+1% from 8/10/2018)

After holding steady the week before, the pork cutout moved lower last week to close at U.S. \$0.79/lb. For the last six weeks, U.S. pork production was down 3% from last year's pace, in part due to hurricane disruptions. Heavy-bone in ham prices had moved higher for the previous 3 weeks, but with more availability, prices have adjusted lower and are 15% lower than a year ago. Boneless rollout hams however have moved higher. Year to date pork production is only up 2.5% from last year with slaughter up 2.2%. Consequently, USDA has lowered its pork production forecast for 2018 based on lower than expected H2 2018 commercial hog slaughter and lighter carcass weights. USDA is now forecasting that 2018 pork production will only reach 11.99 million tons, but will expand by 5.2% next year to reach 12.61 million tons.

Heavy Bone-in Hams



Source: USDA/AMS, 23-27#

Hog Carcass Cutout Value: 15/10/2018 – US\$81.50/cwt. (+2% from 5/10/2018)

ACTIVITIES:

FHC, Shanghai : Nov 13-15, 2018

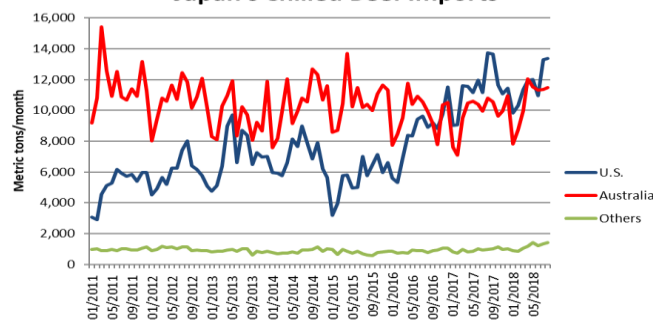
MOVING AHEAD

Record volumes of **Certified Angus Beef (CAB)** were sold during the 2018 fiscal year (Oct 2017–Sept 2018). Total CAB sales reached 549 thousand tons, an 8.1% increase from 2017 sales. U.S. beef production totaled approximately 12 million tons during 2017, with CAB claiming that 18.5% of all fed cattle harvested in the U.S. during fiscal 2018 reached the brand's requirements. Several sub-categories of CAB products also witnessed impressive sales gains. Highly sought CAB PRIME production reached 13,248 tons, a growth of 31% from a year earlier. We reported last week that overall USDA PRIME production has increased substantially across the entire fed beef category. CAB value-added items such as smoked briskets, marinated fajita meat and burgers also showed substantial growth. Although only 93,900 tons of CAB were exported during FY 2018, CAB claims that 42% of the growth in total sales were accounted for by exports, with strong sales increases reported for **Korea, Canada, Japan, Hong Kong, and Mexico**. CAB has nearly 20,000 licensed partners in the retail and foodservice sectors, and producers can earn approximately US \$50 per head premium for cattle that meet the CAB program specifications.

TRADE

On September 26th, the U.S. and **Japan** announced that they will enter negotiations to complete a bilateral Trade Agreement on Goods (TAG). The news has caused some relief to U.S. beef and pork exporters, although the timing for the completion of a TAG remains uncertain. The U.S. faces accelerating competitive challenges as import duties on beef on beef for principal competitor **Australia** continue to be phased down under the TPP-11 agreement, and U.S. pork products will be at a disadvantage as Japan's pork duties fall for European suppliers once the EU-Japan Economic Partnership Agreement (EPA) is implemented. Most are expecting the EPA to come into force early in 2019, and already Japanese importers, distributors and processors are eyeing more opportunities for sourcing from Europe. On the beef side, U.S. beef already faces a major competitive disadvantage. Japan's current duties for Australian chilled and frozen beef are 29.3% and 26.9% respectively, while U.S. products face a 38.5% tariff. Japan's imports (including variety meats) during the first 8 months of the year totaled 460,160 tons, up 6% from the pace of a year ago. Japan's imports of chilled beef rose faster, increasing 8% to reach 186,622 tons through August. Total imports from the U.S. were up 2%, reaching 192,844 tons, while those from Australia increased by 11% to 223,450 tons. Chilled imports from the U.S. grew 4% to nearly 93,000 tons, while those from Australia were up 10% to 84,300 tons (see GRAPH below). The faster Australian growth can be explained partly by its current duty advantage and by drought-induced increases in slaughter and beef production (manufacturing beef for Japan). U.S. frozen beef exports were hampered from August 2017 through the end of March this year when import volume safeguards were exceeded during the April to June quarter of last year. Under the SG, the import duty on U.S. frozen beef 'snapped back' to 50%, widening the spread between it and Australian product, which through March 31 of this year was taxed at 27.2%.

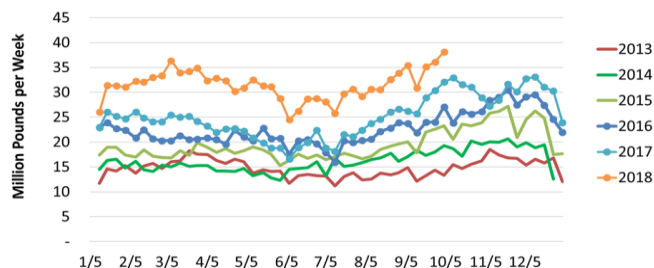
Japan's Chilled Beef Imports



供应与需求

由於对前腰脊肉、前腰脊部与瘦肉（如胸腹和腹肋肉）的兴趣减弱，抵消了对肋脊部与後腿部的稳定需求，导致上周牛肉分切价格进行横盘整理。养牛业希望本月批发牛肉需求会有所改善，但分析师指出，9 月份部分分切价格大幅上涨，迄今未能进一步提升。我们之前在肉品新知曾提到，亚洲牛肉买家在今年夏季和初秋愿意为例如牛小排等部位支付历史性的高价。出口持续保持强劲增长趋势；在 9 月 28 日至 10 月 4 日的最新一期周报中指出，美国牛肉分切出口达到年度销售新高，尽管销售额略低於近几周的速度。如同批发牛肉市场，活牛价格持续进行横盘整理，分析师希望饲养场中不断增加的牛供应量能够在市场上被吸收。从美国农业部极佳级与安格斯认证牛肉产量增加趋势可观（见下一专栏），牛只的评级越来越高。美国农业部已大幅降低了对 2018 年牛肉产量的估计；预计今年产量仅增长 2.9%，而上个月的预测为 +3.5%。较低的产量估计是基於第四季度猪屠宰量下降与因为牛屠宰利用率增加而有较轻的平均屠体重量。

U.S. Prime Beef Production

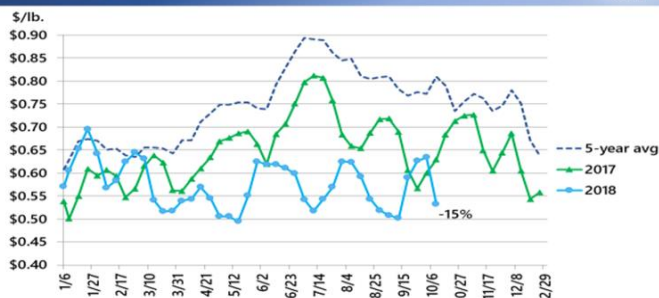


Sources: USDA/AMS, USDA/NASS, USMEF estimates

美国农业部牛肉屠体价格指数(特选级):2018 年 10 月 15 日—\$204.80 美元 / 百磅 (较 2018 年 10 月 8 日增加 1%)

猪肉分切价格在维持前一周稳定後，上周下跌至 0.79 美元/磅。过去六周，美国猪肉产量比去年同期下降 3%，部分原因是受到飓风影响。带骨後腿肉价格在过去 3 周内走高，但由於供应量增加，调整后价格反而较低，更比一年前降低了 15%。然而，去骨後腿肉价格是为上升的情况。年初至今猪肉产量仅比去年增加 2.5%，屠宰量增加 2.2%。因此，美国农业部根据 2018 年 H2 商业生猪屠宰量和较轻的屠体重量，下调了其 2018 年的猪肉产量预测。美国农业部目前预估 2018 年猪肉产量将仅达到 1199 万吨，但明年将增长 5.2%，达到 1261 万吨。

Heavy Bone-in Hams



Source: USDA/AMS, 23-27#

猪屠体分切价格：2018 年 10 月 15 日-\$81.50 美元/ 百磅(较 2018 年 10 月 5 日增加 2%)

美国肉类出口协会活动预告:

上海国际食品饮料及餐饮设备展览会:
2018 年 11 月 13-15 日

产业新知

安格斯认证牛肉 (CAB) 於 2018 会计年期间 (2017 年 10 月至 2018 年 9 月) 创下历史销售量纪录。安格斯认证牛肉销量总计达到 54.9 万吨，较 2017 年销量成长 8.1%。2017 年美国牛肉产量总计约 1200 万吨，安格斯认证牛肉协会表示在 2018 会计年度期间，18.5% 的美国屠宰牛只达到了该品牌的要求。此外，安格斯认证牛肉产品的几个子类别也证明了其极佳的销售。其中，广受市场欢迎的安格斯认证牛肉极佳级产量达到 13,248 吨，比去年同期增长 31%。根据上周报告，在整体畜养牛只类别中美国农业部极佳级产量有大幅度的增加。安格斯认证牛肉附加价值品项，如烟熏牛胸腹肉，调味墨西哥肉与汉堡销售也有显著增长。虽然在 2018 会计年度中安格斯认证牛肉仅出口 93,900 吨，但安格斯认证牛肉协会表示 42% 的销售增长是来自韩国，加拿大，日本，香港和墨西哥的出口销售。安格斯认证牛肉协会在零售和餐饮通路拥有近 20,000 间授权合作夥伴，而符合 CAB 计划规格的生产商可以获得每头牛约 50 美元的溢价。

贸易新闻

9 月 26 日，美国和日本宣布将进行谈判，以完成双边货物贸易协定 (TAG)。尽管完成 TAG 的时机尚不确定，这消息将为美国牛肉和猪肉出口商带来了一些缓解。由於主要竞争对手澳洲对牛肉的进口关税持续在 TPP-11 协议下逐步减少，美国面临着竞争加剧的挑战。同时，一旦欧洲与日本的经济合作协议 (EPA) 开始实施，日本对欧洲供应商的猪肉关税将下降，更将美国的猪肉产品处于不利地位。大多数人都希望 EPA 能够在 2019 年初生效，而日本的进口商，经销商和加工商已经开始关注从欧洲更多的采购机会。在牛肉方面，美国牛肉已经面临重大的竞争劣势。日本目前对澳洲冷藏和冷冻牛肉的关税分别为 29.3% 和 26.9%，而美国产品的关税为 38.5%。今年前 8 个月日本进口 (包括杂碎肉) 总量为 460,160 吨，比去年同期增长 6%。截至 8 月份，日本冷藏牛肉进口增加 8%，达到 186,622 吨。美国进口总量增长 2%，达到 192,844 吨，而澳洲进口量增加 11%，达到 223,450 吨。来自美国的冷藏进口量增长了 4%，达到近 93,000 吨，而来自澳洲的进口量增长了 10%，达到 84,300 吨 (见下图)。澳洲的进口量快速增长部分可归因於其税收优势以及乾旱导致屠宰和牛肉产量增加 (为日本制造的牛肉)。从 2017 年 8 月到今年 3 月底，美国冷冻牛肉出口受到阻碍，因去年 4 月至 6 月期间超过了进口量保障措施。根据 SG，美国冷冻牛肉的进口关税回升至 50%，扩大了与澳洲产品之间的差价，截至今年 3 月 31 日，澳洲产品的税率为 27.2%。

Japan's Chilled Beef Imports

