



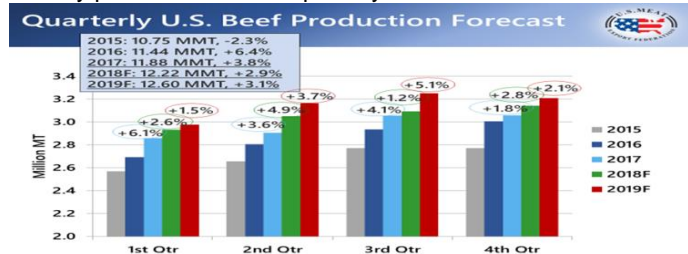
U.S. Meat Bulletin

Dec 18, 2018 Volume X | Issue 12.3

NOTE: This is the last U.S. Meat Bulletin of 2018. The U.S. Meat Export Federation's Asia staff wishes you and your families the warmest holiday season and a prosperous 2019.

SUPPLY & DEMAND

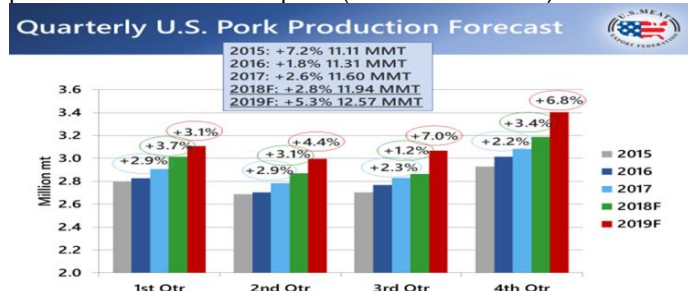
The beef cutout again moved sideways last week, marking another week of unremarkable price movements. Ribs and tenderloin values have eased, albeit from very high levels. Q1 typically sees a seasonal slowdown in beef demand as meat cases return to a post-holiday assortment and bargain cut featuring increases. Although beef production is expected to increase by 3.1% in 2019 (see graph below), demand should exceed that of last year as well. Beef availability will drop in Q1 as it always does, though the drop from December to January will be larger than average. Lower year-on-year fed cattle weights signal that feedlots are marketing cattle in an orderly manner, which has helped drive futures higher. In addition, the placements of cattle into feedlots was lower year-on-year during the September to November 2018 period. Analysts note that beef by product values – especially hides – continue to weaken.



Source: USDA/FAS, carcass weight equivalent, Dec 2018 WASDE Report

Beef Choice Beef Cutout Value: 17/12/2018 – US\$212.67/cwt. (-1% from 10/12/2018)

The pork cutout value increased last week, the 2nd consecutive week of gains. That said, trading was unsettled given the proximity of next week's holidays, and holiday ham values started to see weakness as Christmas buying by processors slowed. Year to date U.S. pork production is up 2.6% from last year with slaughter up 2.4%. Last week's slaughter reached a high 2.612 million head, up 2.1% from last week and up 1.4% from last year. Live weights were 286 lbs. (129.7 kgs.), up 1 lb. from last week and steady with last year. Pork production is expected to increase by 5.3% next year, and will be supported by plentiful grain supplies. But corn prices have risen lately due to very strong exports to Asia since the beginning of the marketing year on September 1 (see MOVING AHEAD next column). The U.S. accounts for 34% of total global corn production and 38% of exports (estimated 2018/19).



Source: USDA/FAS, carcass weight equivalent, Dec 2018 WASDE Report

Hog Carcass Cutout Value: 17/12/2018 – US\$71.96 /cwt. (-1% from 10/12/2018)

ACTIVITIES:

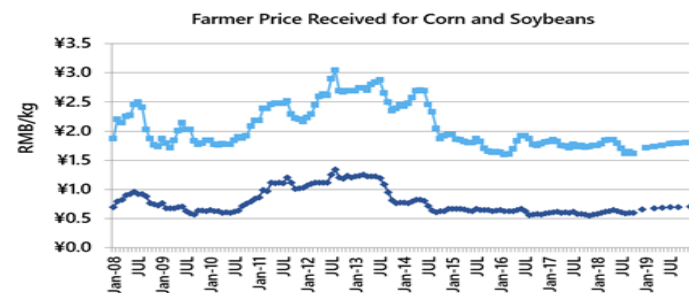
SIAL, Shanghai : May 14-16, 2019
Hofex, Hong Kong: May 7-10, 2019
Food Show, Taipei June 19-22, 2019

MARKET MAKERS

The world's largest restaurant chain **McDonald's** announced last week new strategic policies to reduce the usage of medically important antibiotics in the cattle from which it sources its beef. Specifically, the group stated that by the end of 2020 it will establish usage reduction targets for medically important antibiotics in its 10 most important beef sourcing markets. McDonald's also announced it was joining the U.S. Centers for Disease Control and Prevention (CDC)'s *Antimicrobial Resistance (AMR) Challenge*.

MOVING AHEAD

Despite large harvests and **Chinese** import duties, December has been a good month for U.S. corn prices, and other agricultural crops in general. This month alone, the price of corn has risen from U.S. \$3.50 a bushel to more than \$3.80 (39.368 bushels = 1 metric ton), an 8% gain (see graph below; note prices in RMB/kg.). Mid-summer 2019 futures contract prices have moved higher as well. Analysts believe the recent gains are related to the Trump-Xi announcements following their dinner at the G20 meeting. Media reports last week of a large Chinese purchase of U.S. soybeans should provide additional momentum to the market. This year's U.S. corn harvest of 371.5 million tons did not match the records set in 2014 and 2016, but average yields will likely be the highest ever. Corn prices are critical variables to beef and pork producers. For cattle, feeder cattle normally show an inverse price relationship with corn, as the grain is one of the main variable costs in feedlot production systems. Most analysts project that 2019 corn usage by the U.S. livestock, seed, ethanol, and further processing industries will be similar to that of this year, making exports the wild card in the overall supply and demand picture. However, China isn't even on the top 10 export destinations of U.S. corn. As a market, it has imported, from all suppliers, an average of 3.32 million tons annually over the past 5 years, far less than the 14.6 and 9.7 million tons imported by **Japan** and **Korea** respectively. But China's corn importation has been erratic in recent years, and President Xi has pledged it would buy more U.S. agricultural products as part of a trade deal, raising hopes for larger U.S. exports next year.



Source: USDA/NASS and CME closing futures on December 10

TRADE

It is looking like the U.S. dollar is closing out the year on a high note, meaning U.S. beef and pork exports continue to face strong currency headwinds, similar to conditions in Dec 2015. Compared to mid-Dec 2017, the USD was stronger vs. the Euro by 4%, the Canadian dollar by 4%, the Brazilian real by 17%, the Chinese RMB by 4%, the Chilean peso by 5% and the Mexican peso by 6%. The stronger dollar also means that global pork prices, when stated in US dollar terms, are lower year-on-year, although weak Chinese import demand is also a contributor. Compared to last year, Nov live hog prices were lower for both major importers and major exporters: **Japan** -24%, **Brazil** -19%, **Korea** -16%, **EU** -10%, **U.S.** -10%, **China** -9%, **Canada** -8%, **Taiwan** -7%, **Chile** -3% and **Mexico** -3%. Weaker currencies partly contributed to lower prices in USD terms, especially in the case of Brazil and Mexico.



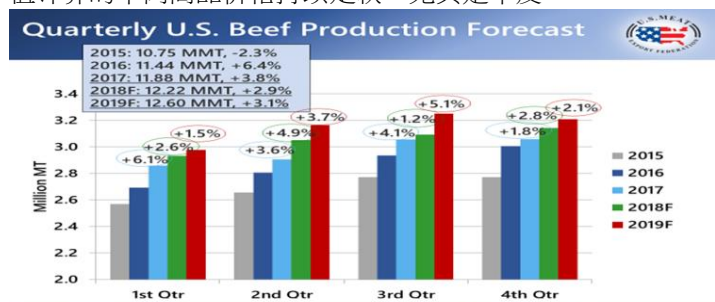
美国肉品新知

2018年12月18日 第十卷12.3期

编注：这将是 2018 年最後一期美国肉品新知。美国肉类出口协会亚洲区全体员工祝您和您的家人佳节愉快，新一年大吉大利。

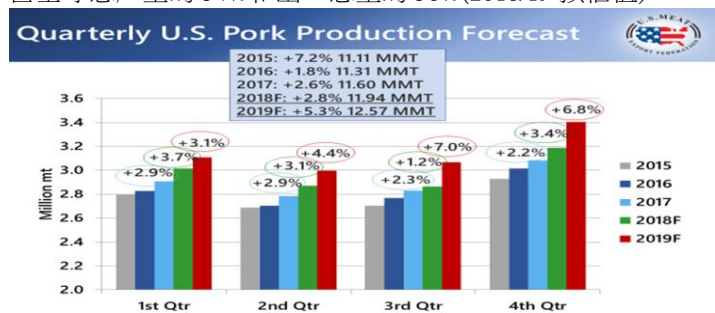
供应与需求

上周牛肉分切价格再次持平，意味着又一周的价格走势平稳。虽然肋脊部和腰里肌肉(菲力)的价格仍然高昂，但其价格已经走缓。第一季的牛肉需求通常会季节性放缓，因为节後的肉品供应将回归常态，以及特惠牛肉商品的促销活动增加。尽管 2019 年的牛肉产量预估将增长 3.1%(见下图)，其需求量也应超越去年水平。明年第一季度的牛肉供应量将一如既往地下跌，12 月至 1 月期间的跌幅大於平均水平。同比较轻的已肥育牛只重量表明肥育场的可供屠宰牛只供应稳定，这有助推动期货价格走高。此外，在 2018 年 9 月至 11 月期间，置入肥育场的牛只头数也同比较低。分析师指出，按价值计算的牛肉商品价格持续走软，尤其是牛皮。



美国农业部牛肉屠体价格指数(特选级): 2018 年 12 月 17 日—\$212.67 美元/百磅 (较 2018 年 12 月 10 日减少 1%)

上周猪肉分切价格连续第二周上涨。尽管如此，下周的假期将导致交易仍不稳定；假期时後腿肉价格开始疲软，因为屠宰商於圣诞节的采买活动放缓。年初迄今美国猪肉产量比去年增长 2.6%，屠宰量增长 2.4%。上周的屠宰量达到 261.2 万头，与上上周相比增长 2.1%，与去年相比增长 1.4%。上周活猪重量为 286 磅(129.7 公斤)，比上上周增加 1 磅，与去年持平。预估明年猪肉产量将增长 5.3%，并受谷物丰收支撑。但自 9 月 1 日营销年开始以来，由於至亚洲的出口非常强劲，近期玉米的价格上涨(见右栏产业新知)。美国玉米产量占全球总产量的 34%和出口总量的 38%(2018/19 预估值)。



猪屠体分切价格: 2018 年 12 月 17 日 — \$71.96 美元/百磅 (较 2018 年 12 月 10 日减少 1%)

美国肉类出口协会活动预告:

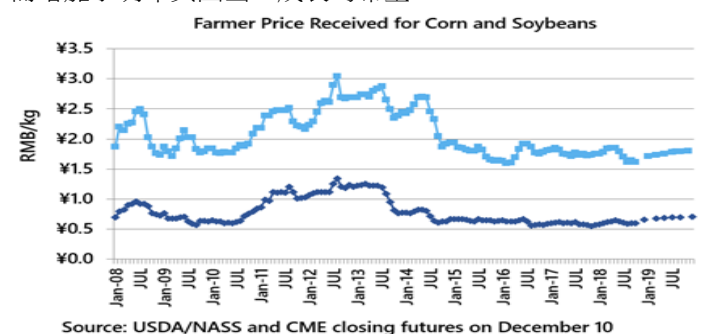
中国国际食品和饮料展览会, 上海: 2019 年 5 月 14-16 日
Hofex, 香港: 2019 年 5 月 7-10 日
国际食品展, 台北: 2019 年 6 月 19-22 日

产业动态

全球最大的餐饮连锁餐厅 McDonald's 上周宣布了新的政策，以减少其牛只使用医药性重要抗生素的含量，该公司牛肉商品均来自这些牛只。具体而言，McDonald's 表示在 2020 年底前，它将在其 10 个最重要的牛肉来源市场建立减少使用医药性重要抗生素的目标。McDonald's 也宣布参加美国疾病控制与防御中心(CDC)的 Antimicrobial Resistance (AMR) Challenge。

产业新知

尽管谷物丰收和受中国进口关税影响，12 月美国玉米和其他农作物价格强劲。仅在本月，玉米的价格从每蒲式耳 3.5 美元上涨至 3.8 美元以(39.368 蒲式耳相等於 1 公吨)，涨幅为 8%(见下图；价格单位为人民币/公斤)。2019 年夏季中期的期货合约价格也走高。分析师认为，最近的涨幅与美国总统川普和中国国家主席习近平在二十国集团(G20)峰会晚宴後的公告有关。上周中国大量采购美国大豆的报导为市场提供额外的动能。今年的美国玉米收成成为 3.715 亿吨，与 2014 年和 2016 年的纪录不符，但平均产量可能是有史以来最高。玉米的价格对牛肉和猪肉肥育者来说是关键变量。就牛只方面来说，已肥育牛只和玉米的价格通常呈现反向关系，因为谷物是肥育场生产系统中主要的可变成本之一。大多数分析师预测，2019 年美国畜牧、种子、酒精和其他加工业所使用的玉米量将与今年相似，这将使得出口成为整体供需无法预测的一环。中国并不是美国玉米的十大出口目的地；在过去五年中，它向所有供应国所购买的玉米量平均为每年 332 万吨，远低于日本和韩国，这两国的进口量分别为 1,460 万吨和 970 万吨。近年来中国的玉米进口持续不稳定，国家主席习近平已承诺将会购买更多美国农产品作为贸易协议的一部分，从而增加了明年美国出口成长的希望。



贸易新闻

美元似乎正处於今年的抛售潮，这意味着美国牛肉和猪肉出口将面临强劲的货币逆风，类似的现象同样发生在 2015 年 12 月。与 2017 年 12 月中旬相比，美元兑欧元的汇率上涨 4%，兑加元汇率上涨 4%，兑巴西雷亚尔汇率上涨 17%，兑人民币汇率上涨 4%，以及兑墨西哥比索汇率上涨 6%。美元走强也意味着以美元计算全球猪肉的价格同比走低，尽管中国进口需求疲软也是其中一个影响因素。与去年相比，11 月主要进口国和主要出口国的活猪价格均走低：日本 24%、巴西-19%、韩国-16%、欧盟-10%、美国-10%、中国-9%、加拿大-8%、台湾-7%、智利-3%，和墨西哥-3%。部分的货币疲软导致美元价格下跌，尤其是巴西雷亚尔和墨西哥比索。