



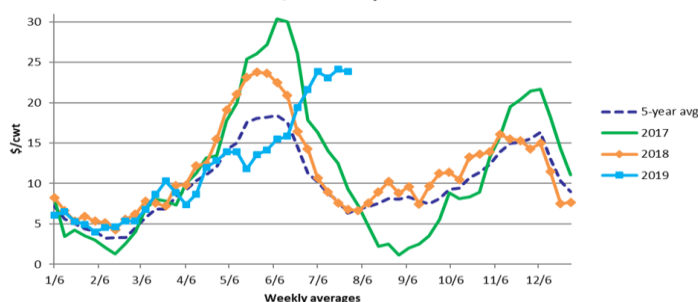
U.S. Meat Bulletin

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SUPPLY & DEMAND

Strength in the values of the brisket and round primals helped keep last Friday's beef cutout closeout even with the previous week. Choice beef values have been supported by a slight dip in USDA CHOICE-and-above grading percentages. As a consequence, the seasonal choice-select spread has widened to what some analysts are predicting will be its annual peak (see chart below). All beef primal values are above year-ago levels, a sign of firm beef demand. Exports to some big markets such as **Hong Kong** continue to be challenging however, and reference U.S. bone-in short rib values last week hit a low for the year (see TRADE next column). USDA's most recent cattle on feed report showed that as of July 1, the number of animals in scale U.S. feedlots totaled 11.485 million head, **+1.8%** from year-earlier levels and the highest number since COF reporting began in 1996. At the state level, COF numbers were lower year-on-year in the northern feeding states of Nebraska, Iowa, South Dakota and Minnesota, which has created a widening price gap between fed cattle sourced from northern and southern (e.g. Texas) feedlots. Analysts attribute the price spread to the lingering effects of the harsh weather of the past winter, especially in the northern feeding states. Average national carcass weights remain below year-ago levels but are trending upward. Year-to-date U.S. beef production is up **0.3%** with slaughter up **1.3%**. Production increases may slow as signs are appearing that the U.S. cattle herd expansion is easing (see MOVING AHEAD next column).

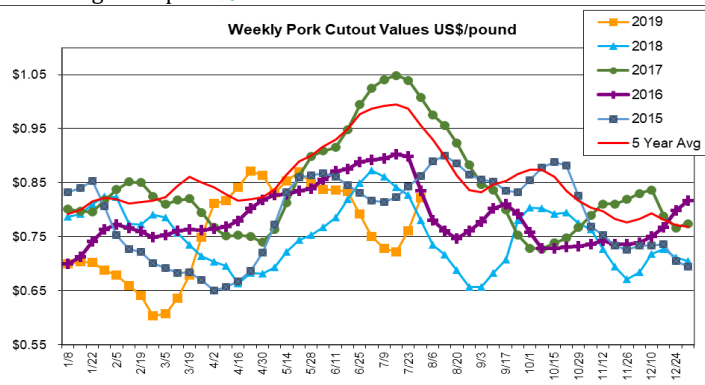
Choice/Select Spread



Beef Choice Beef Cutout Value: 29/7/2019 - US\$213.26/cwt. (<-1% from 15/7/2019)

After falling for 8 consecutive weeks, the pork cutout rallied for the 2nd consecutive week, closing last Friday at U.S. \$ 0.82/lb. or **+8%**. Average national live hog prices jumped **10%** week-on-week. Market sentiment may be receiving a boost by unconfirmed reports that **China** is providing a 25% point reduction on U.S. pork import duties to select importers through the end of the year. Ham values rose by double digits last week, and the latest USDA export sales report (for week ending July 18) showed the largest weekly pork sales to **Mexico** since March. Prices for next summer's futures contracts are now above U.S. \$.090/lb., indicating the market expects big exports next year. Year to date U.S. pork production is up **4.2%** from last year with slaughter up **3.5%**.

Weekly Pork Cutout Values US\$/pound



Hog Carcass Cutout Value: 29/7/2019 - US\$84.04/cwt. (+15% from 15/7/2019)

MARKET MAKERS

Cargill Protein North America has announced a new initiative to reduce greenhouse gas emissions by 30% across its North American beef supply chain by 2030. The initiative is called **BeefUp Sustainability**, and will involve a collaborative effort by Cargill and **The Nature Conservancy** to improve best sustainability practices including those related to grazing efficiencies, manure handling, and water usage.

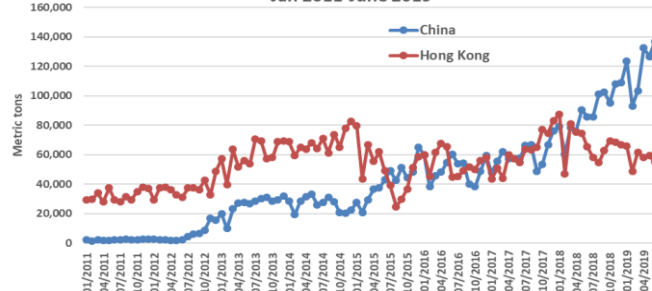
MOVING AHEAD

USDA released its bi-annual cattle inventory report on July 19, and it showed that on July 1 the nation's cattle herd of 103.2 million head was **+1%** higher than July 1, 2018. However, the report showed that number of beef replacement heifers of 4.4 million head was **-4.3%** from year-ago levels, an indication that the expansion of the U.S. cattle herd has slowed or stopped. Replacement heifers are the genetic building block for the cow herd, with ranchers expecting them to become fertile cows that produce calves. Although practices vary, research suggests that maximum longevity for optimum economic returns for commercial cow calf operations is within the range of 8 to 11 years. According to **Oklahoma State University's** cattle industry expert Derrell Peel, the U.S. cattle herd has reached an expansion plateau, with inventories set to stay steady through next year in contrast with other cattle cycles where clear signs of liquidation would be apparent following peak herd numbers. According to Peel, domestic beef demand will be a key driver of herd size changes moving forward, with uncertainty on the trade front also a main factor influencing whether markets can remain stable. Other numbers from USDA's bi-annual inventory report showed very few changes from last year; all cows and heifers that had calved totaled 41.7 million head this July 1st, just **0.2%** below year ago levels. Beef cows on July 1, 2019 stood at 32.4 million head, even with a year ago. Steers weighing 500 pounds or over reached 14.7 million head, **+1.4%** year-on-year.

TRADE

China's beef imports continue to surge, with direct June shipments reaching a record 133,744 tons, **+61%** year-on-year and approximately 10,000 tons above record May imports. Country breakdowns of China's beef import data for June are not yet available, but full H1 2019 **Hong Kong** data is available, and it continues to show a clear downward trend in beef imports. First half 2019 HK imports were down **19%** to 351,672 tons, with decreases registered by all main suppliers, including **Brazil** (207,730 tons, **-14%**) and the **U.S.** (50,990 tons, **-30%**). USDA recently released its annual livestock & products annual report and it is forecasting that China's beef imports in 2019 will grow **+40%** this year to 2.05 million tons (carcass weight basis.) USDA predicts a further 800K tons growth in imports to 2.8 million tons next year.

China & Hong Kong Beef & Variety Meat Imports Monthly Jan 2011-June 2019

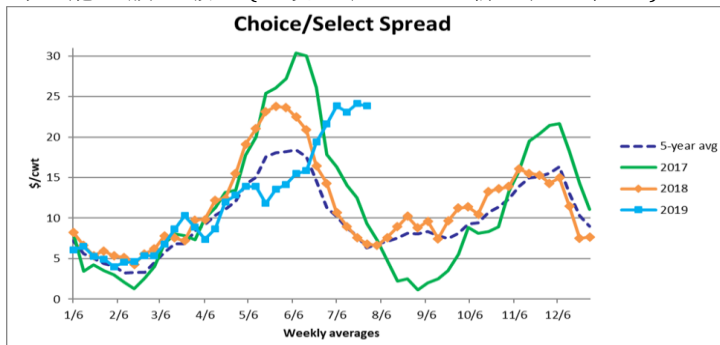


ACTIVITIES:

World Pork Congress, Chengdu: Sept 25-26, 2019
Restaurant & Bar, Hong Kong: Sep 3-5, 2019
FHC, Shanghai: Nov 12-14, 2019

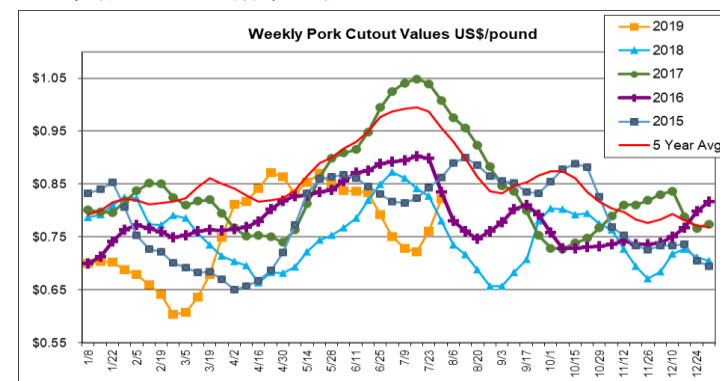
供应与需求

牛前胸肉与後腿肉稳健的原始分切价格有助让上周五的牛肉分切收盘价与前一周持平。美国农业部 Choice 及以上评级的百分比略有下降支撑了 Choice 等级牛肉的价格。因此，季节性 Choice-Select 价差扩大到一些分析师预测的年度峰值(见下图)。所有牛肉大分切价格都高於去年水平，显示牛肉需求稳定。然而，至香港等一些大市场的出口仍充满挑战，而上周美国带骨牛小排价格创下今年新低(见贸易新闻栏)。美国农业部最近公布的牛只在养头数报告显示，截至 7 月 1 日，美国育肥场的动物总数为 1148.5 万头，较去年同期增长 1.8%，是自 1996 年开始的牛只在养头数报告以来的最高数量。以州的层级来看，内布拉斯加州、爱荷华州、南达科塔州、明尼苏达州等北方育肥州的在养头数同比下降，这导致来自北部与南部(如德州)的育肥牛只价格差距扩大。分析师将价格差异归因於去年冬季恶劣天气的持续影响，尤其在北方育肥州。全国屠体平均重量仍低於去年水平，但呈现上升趋势。年初至今美国牛肉产量增长 0.3%，屠宰量增长 1.3%。随着美国牛群扩张的放缓，成长量的增长也可能放缓(见产业新知栏)。



美国农业部牛肉屠体价格指数 (特选级): 2019 年 7 月 29 日 — \$213.26 美元 / 百磅 (较 2019 年 7 月 15 日减少小於 1%)

在连续 8 周下跌後，猪肉分切零售价格连续 2 周上涨，上周五收於 0.82 美元/磅(+8%)，全国生猪平均价格上周成长 10%。市场情绪可能受未经证实的报导影响，也就是中国将在年底前向选定的进口商减免 25% 的美国猪肉进口关税。上周後腿肉价格达两位数成长。最新的美国农业部出口销售报告(截至 7 月 18 日当周)也显示自 3 月以来至墨西哥的最大的每周猪肉销售量。明年夏季期货合约价格目前高於 0.090 美元/磅，显示市场预估明年出口量大。年初至今美国猪肉产量比去年增长 4.2%，屠宰量增长 3.5%。



猪屠体分切价格: 2019 年 7 月 29 日 — \$84.04 美元/百磅 (较 2019 年 7 月 15 日增加 15%)

产业动态

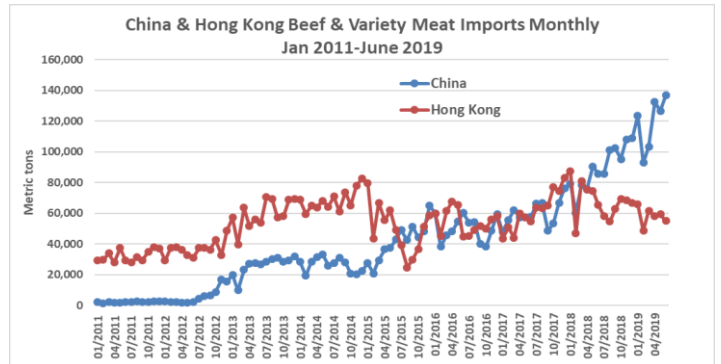
Cargill Protein North America 宣布一项新计画，预计在 2030 年前将其北美牛肉供应链的温室气体排放量减少 30%。该计画被称为 **BeefUp Sustainability**，将涉及 Cargill 与 **The Nature Conservancy** 针对改善最佳永续实践，如放牧效率、粪便处理、水资源利用的共同努力。

产业新知

美国农业部於 7 月 19 日发布半年一度的牛只总头数报告，结果显示，7 月 1 日全国牛只数量为 1.032 亿头，比 2018 年 7 月 1 日高出 1%。然而，该报告显示，为数 440 万头的牛肉用後备小母牛较去年减少 4.3%，这表示美国牛只扩张已放缓或停止。後备小母牛是牛群重要的基因组成，牧场主希望它们成为可生育仔牛的繁殖肉母牛。虽然实际各有不同，但研究显示，商业母仔牛的最佳经济报酬寿命在 8-11 年之间。根据 **Oklahoma State University** 养牛业专家 **Darrell Peel** 说法，美国牛只已达扩张饱和，明年在养头数将保持稳定，而牛只在数量达峰值後，清楚的清盘迹象将会更明显。**Peel** 表示，美国国内牛肉需求将成为影响牛群规模变化的关键因素，而贸易方面的不确定性也将是影响市场能否保持稳定的重要因素。根据美国农业部半年一度的在养头数报告内的其他数据显示，今年与去年的变化不大。今年 7 月 1 日，所有产犊的母牛与小母牛总数达 4170 万头，仅比去年水平减少 0.2%。2019 年 7 月 1 日的肉母牛总头数为 3240 万头，与前一年相比持平。体重 500 磅或以上的小公牛达 1470 万头，同比增长 1.4%。

贸易新闻

中国的牛肉进口量持续激增，6 月的直接进货量达创纪录的 133,744 吨，同比增长 61%，比 5 月创纪录的进口量还增加约 10,000 吨。中国 6 月牛肉进口数据的全国细项尚未公布，但 2019 年上半的香港数据已公布，牛肉进口量持续呈现明显下降趋势。2019 年上半香港进口量下降 19% 至 351,672 吨，所有的主要供应商均下降，包括巴西(207,730 吨, -14%)和美国(50,990 吨, -30%)。美国农业部最近发布了家畜与产品的年度报告，预测 2019 年中国牛肉进口量将增长 40% 至 205 万吨(屠体重量)。美国农业部预估，明年进口量将增长 80 万吨，达 280 万吨。



美国肉类出口协会活动预告:

香港餐展: 2019 年 9 月 3-5 日

上海国际食品饮料及餐饮设备展览会: 2019 年 11 月 12-14 日