

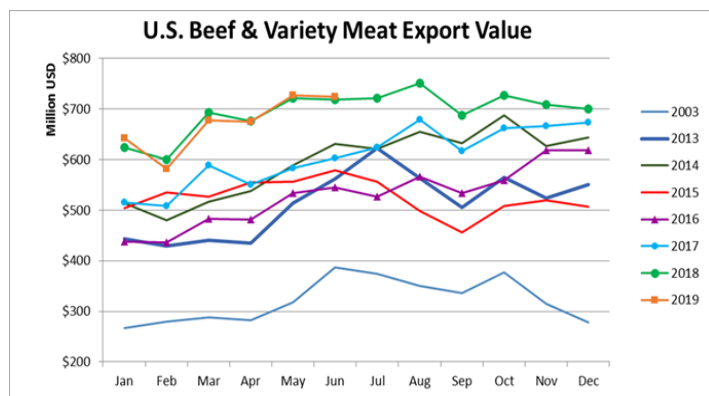


# U.S. Meat Bulletin

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## SUPPLY & DEMAND

The beef cutout managed to grind higher last week on firm rib demand, and increased buying interest in briskets. Last week's live cattle harvest was slightly lower than that of the previous week, which supported wholesale beef values. Carcass weights continue to run below year-ago levels. The last data from mid-July show average national steer weights at 393 kgs., and average heifer weights at 361 kgs. The lower year-on-year averages are providing some encouragement to the market, which is expecting total beef supplies to grow 1% this year. The latest outlook on trade prospects were mixed last week as the administration announced fresh 10% tariffs on \$300 billion of **Chinese** imports, while also announcing the conclusion of a new U.S. beef market access package to Europe (see **TRADE** next column). We will be providing a more complete overview of H1 2019 beef exports in next week's bulletin, but overall, the total volume of U.S. beef and beef variety Jan-June exports totaled just below 619 thousand tons, **-1.9%** year on year. The value of exports reached U.S. \$3.942 billion, **-0.9%** year-on-year. While exports to many markets grew, steep volume declines were registered in shipments to #4 & #5 markets **Canada** (48.7 thousand tons, **-17%**) and **Hong Kong** (38.5 thousand tons, **-34%**).



**Beef Choice Beef Cutout Value: 5/8/2019 - US\$214.70/cwt. (<+1% from 29/7/2019)**

The pork cutout eked out more gains last week as international buying interest for hams, and a strong uptick in belly values (+10% week-on-week), drove the composite index of primal values higher. Although cash values, rose, rising trade tensions with **China** caused hog futures to sink late last week, with the most active October contract hitting the lowest price level in 9 months. As of last Friday, October futures were trading at a 13% discount to the nearby August contract, suggesting that analysts expect pork prices to fall as harvest levels start to ramp up in Q4. The media has tried to link the U.S. administration's new threatened tariffs on China to a 14,700 ton downward adjustment to weekly U.S. pork sales that were reported in USDA's latest export data, but the sales adjustment pre-dates the administration's August 1 announcement. U.S. pork primal prices have shown significant fluctuations this summer, with ham and belly values being whipsawed by the uncertainty of trade market access. The market is likely to see additional volatility following this morning's announcement by the Chinese government that it will cease further purchases of U.S. agricultural products, although details on the exact scope of the new restrictions is unclear. In the meantime, the U.S. Treasury named China a currency manipulator just a day after the Chinese Renminbi sank below RMB 7=US \$1. The RMB has devalued approximately 5.5% since reaching a near-term high in late February of 6.685.

**Hog Carcass Cutout Value: 5/8/2019 - US\$88.13/cwt. (+5% from 29/7/2019)**

## ACTIVITIES:

Restaurant & Bar, Hong Kong: Sep 3-5, 2019

World Pork Congress, Chengdu: Sept 25-26, 2019

FHC, Shanghai: Nov 12-14, 2019

## MARKET MAKERS

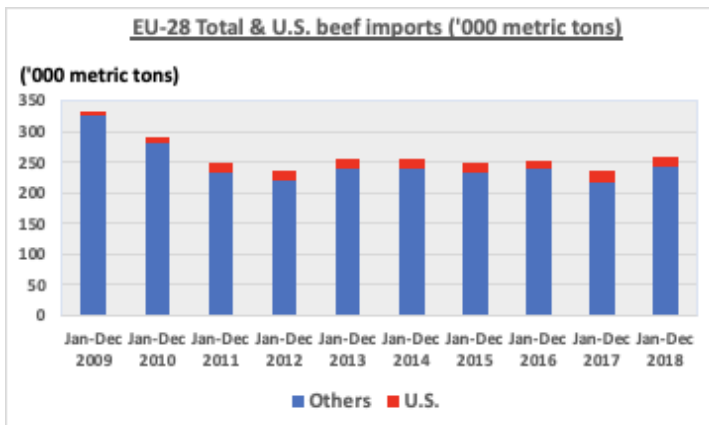
U.S. sausage processing giant **Johnsonville LLC** has formed a joint venture, called **Frabelle Corp.**, with Manila-based **Frabelle Fishing Corp.** to manage Johnsonville's business in the Philippines. Johnsonville-brand sausages will be sold exclusively through Frabelle's sales and marketing network.

## MOVING AHEAD

USDA has announced new details of its U.S. \$16 billion package of support for America's farmers. The program is the 2<sup>nd</sup> installment of farm aid following the U.S. \$12 billion allocated in late July, 2018. The funding support is being provided to counter the impact of tariffs & other trade actions that have hit U.S. farm good exports. Like the first tranche, the new support package will consist of \$14.5 billion of direct payments to producers under the Market Facilitation Program (MFP), direct government purchases of U.S. \$1.359 billion of commodities for distribution to low income families and food banks under the Food Purchase and Distribution Program (FPDP), and an additional \$100 million in funding for export promotion under USDA's Agricultural Trade Promotion Program (ATP). Hog producers will be eligible to receive \$11 per head, based on their inventories between April 1 and May 15, 2019. The value of total U.S. agricultural exports during the 1<sup>st</sup> half of 2019 reached U.S. \$67.7 billion, **-5.4%** from the pace of last year. H1 2019 agricultural exports to #4 overseas market **China** dropped **-19.6%** to U.S. \$5.44 billion.

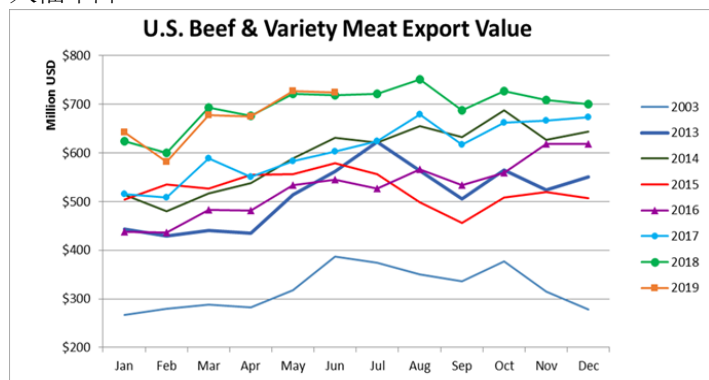
## TRADE

At a White House ceremony last Friday Aug. 2, President Trump, USTR, and EU officials formally signed an agreement granting the U.S. a country-specific share of the European Union's 45,000 ton duty-free high-quality beef (HQB) quota. According to the USTR press release, annual duty-free U.S. beef exports could grow from \$150 million to \$420 million when the agreement is fully implemented. The U.S.-specific share of the quota will begin at 18,500 mt and will increase over 7 years until reaching 35,000 mt. Other major beef suppliers, including **Uruguay, Australia and Argentina, New Zealand and Canada** will share the remainder of the quota volume. Although the agreement was approved by the European Council in mid-July of this year, European Parliament consent is still required before new higher quota tonnages are allocated, but observers believe the new arrangements may begin to be implemented by the beginning of next year. In 2016, the National Cattlemen's Beef Association, the U.S. Meat Export Federation, and the North American Meat Institute requested USTR to initiate tariff penalties under Section 301 of the Trade Act to enforce the WTO Organization dispute finding in favor of the United States against the EU's ban on the use of hormones in cattle production. U.S. beef exports to the EU have struggled in recent years, with the current restrictive quotas being filled within weeks of each quarterly announcement. This has disrupted the supply chain and processing schedules for EU-compliant U.S. cattle, as 97% of U.S. product is shipped chilled. The new quotas should increase the supply of available U.S. beef for **China**, since it maintains similar import conditions as the EU.



## 供应与需求

上周牛肉分切价格因针对肋排的需求与前胸肉的兴趣而稳健上涨，上周活牛产量略低於前一周，这支撑了牛肉批发的价格。屠体重量持续低於去年同期水平，根据 7 月中旬的最新数据显示，全国平均小公牛重量为 393 公斤，平均小母牛重量为 361 公斤。較低的同比平均值为市场提供了一些鼓励，预计今年牛肉供应总量将增长 1%。上周最新的贸易前景好坏不一，因为政府宣布对中国 3000 亿美元的进口产品徵收 10% 新关税，同时也宣布对欧洲的美国牛肉市场准入新计画(见贸易新闻栏)。我们将在下周提供更完整的 2019 年 H1 牛肉出口总览，但整体而言，1 月-6 月美国牛肉与杂碎出口总量略低於 619 千吨，同比下降 1.9%，出口总额达 39.42 亿美元，同比下降 0.9%。虽然对许多市场的出口增长，但对第四大市场加拿大(48.7 万吨，-17%)与第五大市场香港(38.5 万吨，-34%)的出货量大幅下降。



**美国农业部牛肉屠体价格指数 (特选级)：2019 年 8 月 5 日 — \$214.70 美元 / 百磅 (较 2019 年 7 月 29 日增加小於 1%)**

猪肉分切上周获得更多收益，由於後腿肉的国际购买兴趣与腹肋肉价格强劲上升(周同比增长 10%)，推动大分切价格综合指数走高。尽管现金价格上涨，与中国紧张的贸易局势升级导致生猪期货上周末下挫，最活跃的 10 月合约创 9 个月以来的最低价格水平。截至上周五，10 月期货价格较近期 8 月合约折让 13%，这显示分析师预计猪肉价格将在第四季开始上涨。媒体试图将美国政府对中国的威胁关税与美国农业部最新出口数据报告中的每周美国猪肉销售量下调 14,700 吨作连结，但销售调整早於 8 月 1 日的政府公告。美国猪肉价格在今年夏天出现显着波动，因贸易市场准入的不确定性使得後腿肉与腹肋肉价格受到拉扯。在中国政府宣布将停止进一步购买美国农产品後，市场可能出现更多波动，尽管相关限制的确切范围及细节尚不清楚。在此同时，在人民币汇率跌破人民币 7=美元 1 後，美国财政部将中国列为汇率操纵国，自 2 月底达到近期高位 6.685 後，人民币贬值约 5.5%。

**猪屠体分切价格：2019 年 8 月 5 日 — \$88.13 美元 / 百磅 (较 2019 年 7 月 29 日增加 5%)**

美国肉类出口协会活动预告：

香港餐展：2019 年 9 月 3-5 日

中国国际肉类工业展览会，成都：2019 年 9 月 25-26 日

上海国际食品饮料及餐饮设备展览会：2019 年 11 月 12-14 日

## 产业动态

美国香肠加工巨头 **Johnsonville LLC** 与位於马尼拉的 **Frabelle Fishing Corp.** 成立一家名为 **Frabelle Corp.** 的合资企业，负责管理 **Johnsonville** 在菲律宾的业务，**Johnsonville** 品牌的香肠将透过 **Frabelle** 的业务与行销网路独家贩售。

## 产业新知

美国农业部已公布其为美国农民提供的 160 亿美元支援计画的最新细节，该计画是继 2018 年 7 月底分配的 120 亿美元之後的第二批农业补助。援助资金是用来因应对美国农业出口产品造成影响的关税与其他贸易行动，与第一笔补助相同，本支援计画由共计 145 亿美元的直接支付给生产者的 MFP 计画(Market Facilitation Program)、政府直接购买 13.59 亿美元商品以分配给低收入家庭与食品银行的 FPDP 计画(Food Purchase and Distribution Program)、美国农业部 ATP 计画(Agricultural Trade Promotion Program)中用以推广出口的额外 1 亿美元所组成。根据 2019 年 4 月 1 日至 5 月 15 日之间的库存情形，生猪生产者每头猪可获得 11 美元。2019 年上半年美国农产品出口总值达到 677 亿美元，比去年同期下降 5.4%，2019 年上半年对第四大海外市场中国的农产品出口下降 19.6% 至 54.4 亿美元。

## 贸易新闻

在 8 月 2 日举行的白宫仪式上，美国总统川普、美国贸易代表署、欧盟官员正式签署了一项协议，授予美国欧盟 45,000 吨免税优质牛肉(HQB)配额的特定国份额。根据美国贸易代表署的新闻稿，当协议全面施行时，美国每年的免税牛肉出口额将从 1.5 亿美元增长到 4.2 亿美元。美国的特定配额将从 18,500 公吨开始，并在未来 7 年间逐步增至 35,000 公吨，其他主要牛肉供应国如乌拉圭、澳洲、阿根廷、纽西兰、加拿大将享有其馀的配额。虽然该协议於今年 7 月中旬获得欧盟理事会的批准，但在分配新的更高配额吨位前仍需获得欧洲议会的同意，观察人士认为新的安排可能会在明年年初开始实施。在 2016 年，美国养牛协会、美国肉类出口协会、北美肉品研究所要求美国贸易代表署根据贸易法第 301 条要求 WTO 启动关税处罚，以强制执行 WTO 争议，并支持美国反对欧盟禁止於牛只产业中使用贺尔蒙的规定。美国对欧盟的牛肉出口近年持续挣扎，目前的限制配额在每季公布的前几周内就会填满。这已扰乱了符合欧盟法规的美国牛只供应链与加工进度表，因为 97% 的美国产品都是冷藏运输。新的配额应会增加中国可用的美国牛肉供应量，因为其进口条件与欧盟相似。

