

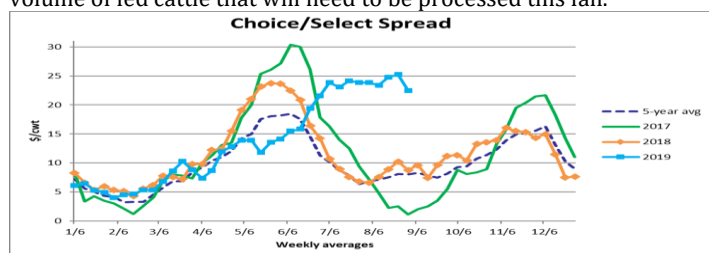


U.S. Meat Bulletin

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SUPPLY & DEMAND

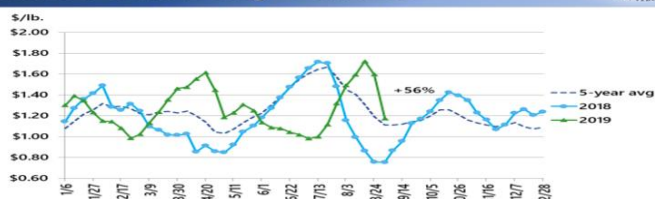
The U.S. beef cutout weakened last week as wholesale beef movement slowed into this past Labor Day holiday weekend and the market awaited further market clarity following the closure 3 weeks ago of a major packing plant. Almost all primals saw lower week-on-week values. The spread between USDA CHOICE and SELECT grade beef continued to remain unseasonably wide as buyers continued to be willing to pay premiums to assure CHOICE supplies, especially after the plant fire. Beef and seafood were the most prominently featured proteins over this past weekend, with retail prices of some round cuts running well below year-ago levels, but with ground beef and some steaks higher. Live cattle prices, which had somewhat recovered the week before last from the market fallout from the fire, drifted lower last week as plants gave workers holiday time for the 3-day weekend. Although it has been 3 weeks since the fire, the market is still adjusting to having one of its largest harvest facilities out of commission; cattle have to be moved to other plants and companies need to add on Saturday harvests that are challenging in a labor market with near full employment. Futures began last week on an optimistic note, with news of a possible trade deal with **Japan**, but drifted lower through the week as cattle purchasing slowed into the long weekend and analysts reminded the industry about the large volume of fed cattle that will need to be processed this fall.



Beef Choice Beef Cutout Value: 30/8/2019 - US\$231.77/cwt. (-3% from 26/8/2019)

The pork cutout value contracted **10%** last week, the sharpest weekly drop in the composite pork index in 5 years. Wholesale belly values lost just shy of a quarter of their value during last week. That said, the choppy belly price close last Friday was still above year-ago levels and the most recent 5-year average. Hog futures continue to zig-zag based on vague news and rumors about a U.S.-China trade deal. Chinese import duties on U.S. pork increased another 10 percentage points this past Sunday September 1, and now stand at 72%. U.S. pork exports to China are up year-on-year (Jan-June = 158K tons, **+24%**), but some analysts estimate that U.S. CY 2019 shipments to the ASF-stricken market could have reached 800K tons if duties were equal to the 12% of its most active competitors, **Brazil** and the **EU** (see story next column). U.S. live hog average prices stood at approximately U.S. \$0.98/kg (**-13.6%** week-on-week) after last Friday's close, while those in China rose to U.S. \$3.70/kg.

U.S. Pork Belly Primal



Source: USDA/AMS

Hog Carcass Cutout Value: 30/8/2019 - US\$72.31/cwt. (-8% from 26/8/2019)

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

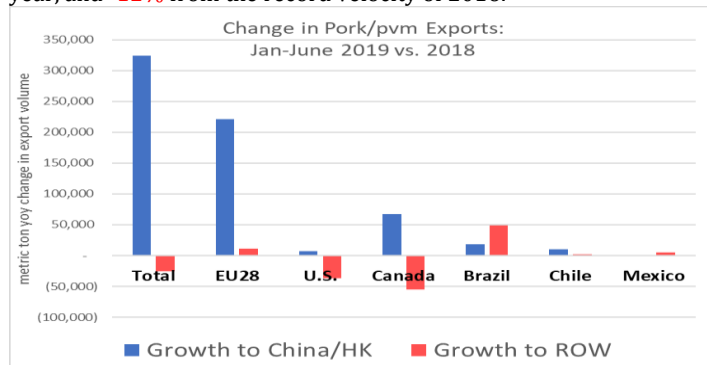
JBS majority owned poultry producer **Pilgrim's Pride Corp.** will acquire **Tulip Limited**, the UK's largest integrated pork supplier, from **Danish Crown**. Tulip's primary revenue source is private label production of over 4,700 products for UK retailers. JBS purchased 64% of Pilgrim's Pride in September of 2009. Almost 8 years later to the day in September 2017, JBS sold **Moy Park**, its British poultry unit, to Pilgrim's for \$1 billion.

MOVING AHEAD

Which is bigger in the U.S., crop or livestock production? A recent analysis of historical farm income data by agricultural economist **Chris Hurt** found that the total value of U.S. crop and livestock output has been roughly equal for decades, although that of crops has been slightly higher in almost all years. According to USDA, in 2018, income from crops throughout the entire U.S. agricultural sector was \$198 billion, while income from raising commercial animals and livestock totaled \$175 billion. But over the years, there have been major shifts in the structure of U.S. farm production. After WWII, a typical U.S. farm, already quite large by international standards, consisted of a single family engaged in both crop and livestock production. According to Hurt, farms nurtured both crops and animals to take advantage of their complementary nature; e.g., the ability to recycle animal waste to the crop enterprise. Beginning in the 1950s, large scale egg & poultry production began to move off of family farms to specialized operations, a trend that continued with the growth of larger cattle feedlots and hog operations in the 1960s and '70s. At the same time, the grain export boom of the 1970s saw many farms focus only on crop production. Animal production began to concentrate in certain states; hog production in Iowa, cattle feedlotting in Texas & Nebraska, and dairy in Wisconsin. And where the natural resource base (e.g. soil & water) of states largely define their crop enterprises, other factors are at play in the geographic distribution of livestock industries such as the availability of labor, environmental policies, and meat distribution considerations.

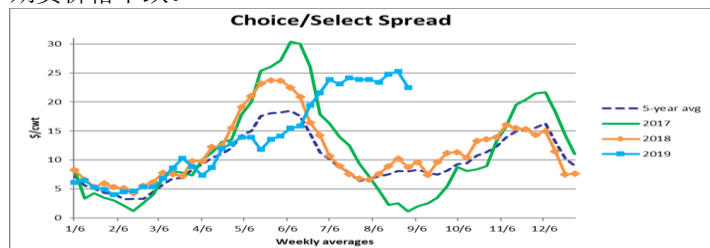
TRADE

Among major pork exporting countries, the **EU** and **Brazil** saw the most growth in export volumes during H1 2019, with total global trade growth rising about **+8%**, driven largely by **China** demand. Pork & PVM exports from the EU grew 232 thousand tons Jan-June (**+13%**), with 95% of the increase accounted for by increased China purchases. Year-on-year, Brazil shipped overseas an additional 68 thousand tons (**+25%**) during H1, with growth in sales to **Russia**, **Chile** and **Vietnam**. While U.S. exports to China/HK through June were **+4%**, total U.S. pork exports fell **-2%** year-on-year during the 1st half of 2019 due to sharp declines in shipments to **Mexico**. The USA's pork trade with China accounted for 18% of total U.S. pork exports during H1 2019. The world is awaiting a big spike in China imports, but through July, total China & HK pork imports of approximately 1.9 million tons was just **+10%** over the pace of last year, and **-12%** from the record velocity of 2016.



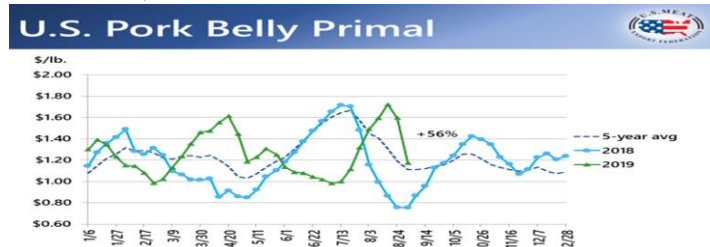
供应与需求

上周美国牛肉分切价格疲软，因为於上周劳动节周末假期时批发牛肉价格走缓，以及市场仍在等待进一步厘清有关在 3 周前一间主要屠宰场关闭的消息。几乎所有的大分切价格均周环比下跌。由於买家仍愿意支付溢价以确保其特选级牛肉的供应，尤其是在屠宰场大火之後，导致美国农业部特选级和可选级牛肉之间的价差持续不合理地扩大。在过去这个周末，牛肉和海鲜明显是销售最好的蛋白质；後腿肉部分商品的零售价格远低于去年同期水平，但是牛绞肉和牛排商品的价格较高。由於屠宰场提供工作人员为期 3 天的假期，活牛价格在上上周火灾影响後开始回稳，并於上周下跌。尽管火灾已经过去 3 周，市场仍因其中一间大型屠宰场关闭正进行调整；受影响屠宰场的牛只必须转移到其他屠宰场，且须额外於星期六进行屠宰，这於接近饱和的劳动力市场来说是个挑战。上周期货市场开始乐观，有消息显示可能与日本达成贸易协议有关，但由於上周末长假期牛肉采购放缓和有分析师提醒业者今年秋季有大量的已肥育牛只需要屠宰，上周期货价格下跌。



美国农业部牛肉屠体价格指数 (特选级)：2019 年 8 月 30 日 — \$231.77 美元 / 百磅 (较 2019 年 8 月 26 日减少 3%)

上周猪肉分切价格下跌 10%，这是猪肉复合指数 5 年来的最大跌幅。上周腹肋肉价格仅小幅下跌 4 分之 1。也就是说，上周波动的腹肋肉收盘价格仍高於去年同期水平和近 5 年来的平均水平。因有关美中贸易协议的模糊新闻和谣言，活猪期货价格仍上下起伏。中国於上周日 9 月 1 日对美国猪肉加徵额外 10% 进口关税，目前为 72%。美国至中国的猪肉出口量同比增长(1 月至 6 月期间进口量为 15.8 万吨，+24%)，但一些分析师预估，若美国面临的关税和其他活跃的竞争对手如巴西和欧盟一样为 12%，2019 年美国至该受非洲猪瘟影响的市场的猪肉出口量可能达到 80 万吨(见右栏)。上周五收盘後，美国活猪平均价格约为每公斤 0.98 美元(周环比下跌 13.6%)，而中国活猪平均价格上涨至每公斤 3.7 美元。



猪屠体分切价格：2019 年 8 月 30 日 — \$72.31 美元 / 百磅 (较 2019 年 8 月 26 日减少 8%)

美国肉类出口协会活动预告：

香港餐展展：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

JBS 握有多数股权的家禽肉生产商 Pilgrim's Pride Corp. 将和 Danish Crown 收购 Tulip Limited，这间公司是英国最大的猪肉供应商。Tulip 的主要收入来源是为不同英国零售商生产超过 4,700 种的自有品牌。JBS 在 2009 年 9 月购入 Pilgrim's Pride 64% 的股权。大约在 8 年後，在 2017 年 9 月，JBS 以 10 亿美元的价格将其位於英国的家禽工厂 Moy Park 卖给 Pilgrim's。

产业新知

作物和畜牧生产量，哪个在美国更高？农业经济学家 Chris Hurt 就最近对历史农业收入数据的分析发现，几十年来美国作物和畜牧产值基本相同，尽管几乎在所有年份作物的产值仍较高。根据美国农业部数据显示，2018 年总体农业的作物收入为 1,980 亿美元，而商用动物和畜牧的收入为 1,750 亿美元。多年来美国农场生产结构发生了重大的变化。在第二次世界大战之後，一个典型的农场由从事作物和畜牧生产的单一家庭所组成，在当时按国际标准来看农场规模已经相当大。根据 Hurt 所述，农场同时生产作物和动物以善用它们的互补性；举例来说，回收动物废弃物给作物生产。自 50 年代开始，大规模的鸡蛋和家禽肉品生产开始从家庭农场转移到专业化生产，这一趋势在 60 年代和 70 年代随着大型牛只肥育场和活猪生产增长而维持。与此同时，70 年代谷物出口繁荣使得许多农场只关注作物生产。动物生产开始集中在某些州，例如爱荷华州的活猪生产、德州和内布拉斯加州的牛只肥育，以及威斯康辛州的乳制品生产。在国家的自然资源基础(如土壤和水)影响各州作物生产的情况下，其他因素在畜牧业的地理分布中扮演重要的角色，例如劳动力的可获得性、环境政策和肉品分配考量。

贸易新闻

在主要猪肉出口国中，欧盟和巴西是 2019 年上半年出口增长最快的国家；全球贸易总量增长约 8%，主要是受中国需求所推动。1 至 6 月期间，欧盟猪肉和猪杂碎出口增长 23.2 万吨(+13%)，其中 95% 增长来自中国成长的采购量。与去年同期相比，於今年上半年巴西出口量增长 6.8 万吨(+25%)，其中往俄罗斯、智利和越南的销量成长。尽管 6 月美国往中国/香港的出口增长 4%，由於至墨西哥的出口量大幅减少，2019 年上半年美国猪肉出口总量同比减少 2%。2019 年上半年，美国与中国的猪肉贸易量占美国猪肉出口总量的 18%。全世界正瞻望中国进口大幅飙升：至 7 月，中国和香港的猪肉进口总量约 190 万吨，比去年同期增长 10%，比 2016 年时的纪录减少 12%。

