

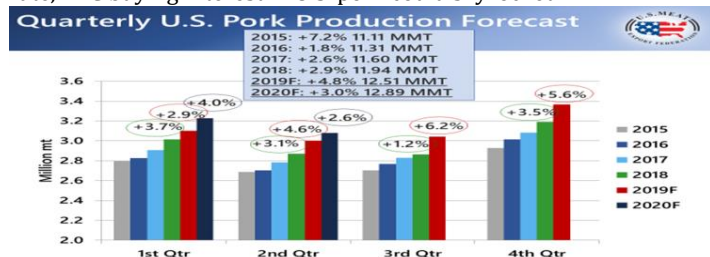
SUPPLY & DEMAND

Last Friday's market close saw the beef cutout move lower week-on-week on seasonal weakness in the wholesale beef market. Boxed wholesale beef values have more or less returned to the levels that existed before the big August 9 beef plant fire in Kansas, with the USDA CHOICE cutout ending last week at approximately \$2.20/lb, down from the high reached after the fire of \$2.42 (August 21) and only a few cents above the U.S. \$2.16/lb level just before the blaze. Most beef prices still remain above year-ago levels, but items like USDA PRIME ribeyes are trading in record territory. Last week, average PRIME product prices were nearing U.S. \$14.50/lb., **+78%** from last year. Although beef prices may be finding more equilibrium, the fire continues to weigh on the live animal market. Due to the increased leverage of packing plants due to reduced national capacity, cattle feeders are losing an average of \$118 on every animal sold, but wholesale beef prices, though slipping, are allowing beef packers to capture a high \$430 per head margin.



Beef Choice Carcass Cutout Value: 16/9/2019 - US\$220.62/cwt. (-3% from 9/9/2019)

The pork cutout closed lower last Friday week-on-week, although positive news about possible China pork purchases drove futures up sharply in both the Thursday and Friday trading sessions. Average USDA reference values for heavy bone-in hams increased for the 2nd week in a row, up **6%** week-on-week to \$0.61/lb., and up **22%** from last year but otherwise lower than all recent years and down from \$0.71/lb. from the previous 5-year average. The values of all other primals drifted lower last week. Optimism on the China trade was boosted by strong reported sales in the most recent weekly USDA report, and a somewhat cryptic **Xinhua** media report that stated China "will exclude some agricultural products such as soybeans and pork from the additional tariffs on U.S. goods." No additional details were available as of September 15. Outside of China, trade data showed the U.S. exported a record monthly volume of pork during July (233,242 tons), with a rebound in shipments to **Mexico**. The U.S. needs to export more pork as production begins to seasonally ramp up. Year to date U.S. pork production is up **3.7%** from last year with slaughter up **3.2%**. USDA's most recent WASDE report forecasts Oct-Dec U.S. pork production will increase **5.6%** year on year. Analysts will be eagerly watching early this week for details on China's tariff exemptions; if duties are rolled back to the 12% MFN rate, PRC buying interest in U.S. pork could skyrocket.



Hog Carcass Cutout Value: 16/9/2019 - US\$68.66/cwt. (-5% from 9/9/2019)

ACTIVITIES:

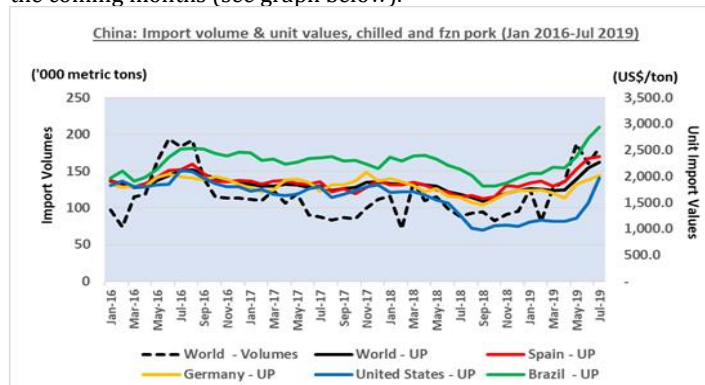
World Pork Congress, Chengdu: Sept 25-26, 2019
FHC, Shanghai: Nov 12-14, 2019

MOVING AHEAD

Cattle raising has come under considerable criticism for its heavy environmental footprint, but official and expert statistics suggest otherwise. Moreover, cattle – as ruminants – are efficient up-cyclers in that they can convert plants of little or no value into high quality edible protein and other products such as leather and pharmaceuticals. According to the U.S. Environmental Protection Agency (EPA) and cattle life cycle analyses, 3.3% of the USA's total greenhouse (GHG) gas emissions (methane and nitrous oxide) come from beef cattle. On a global scale, beef life cycle emissions total 6% of the world's GHG emissions, with the U.S. cattle industry's impact totaling less than 0.5%. The U.S., as a leader in beef production efficiencies through its advanced cattle genetics, modern nutrition programs and animal husbandry practices, has one of the lowest beef GHG emission intensities of any global producer. Most of the U.S. advantage is evident by the lower numbers of cattle needed to produce a given quantity of beef. The U.S. cattle herd accounts for approximately 8% of the world total, but U.S. beef output is 18% of the global total, according to Dr. Sara Place, the Senior Director of Sustainable Beef Cattle Research at the NCBA. Despite the U.S. beef industry being characterized as one dominated by grain-feeding systems, U.S. cattle derive most of their nutrition from the grasses they consume in the cow-calf and stocker phases of production before they enter feedlots. Approximately 90% of what grain-finished beef cattle eat are these grasses and forage plants that are not in competition with the human food supply. The efficiency of the U.S. cattle & beef industry continues to improve; compared to 1975, it takes 36% fewer cattle to produce the same amount of beef today.

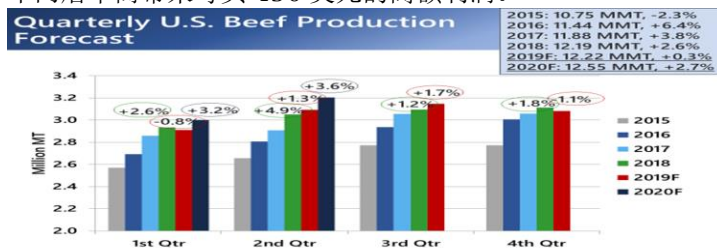
TRADE

Chinese live hog and pork prices have now reached record levels, with the national average live hog price standing at RMB 27.42/kg. (U.S. \$3.87/kg) on Sept 12. U.S. live hog prices in Iowa & Minnesota averaged U.S. \$0.86/kg on the same day, highlighting the value disparity. Chinese hog prices have climbed **+60%** since early July. However, the impact of China's pork shortage is still in the beginning stages of affecting global markets. During August, average hog carcass prices were still lower than the 5-year average in many of China's main supplying countries: U.S. **-2%**, **Canada -1%**, **Brazil -14%**, and **Chile -4%**. The **EU**, China's main pork supplier with a 63% market share of total imports through July, was the exception, with carcass prices up **7%**. As indicated in the previous column, optimism pervaded the U.S. futures market late last week as Chinese officials announced Chinese buyers were making inquiries about purchasing U.S. pork. Although headline news has highlighted slow U.S. ag sales to China, PRC purchases have been strong recently, and despite import duties of 72%. The U.S. shipped over 3,000 containers (60+ thousand tons) of pork to China in July, and the most recent weekly sales report (week ending Sept 5) showed over 10K tons of new sales. Average imported pork prices into China are rising, suggesting that the global impact of the shortage will become more evident in the coming months (see graph below).



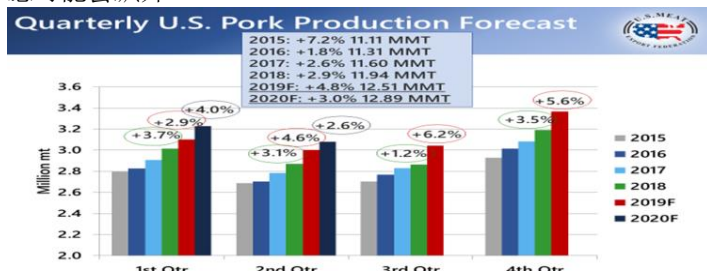
供应与需求

由於批发牛肉市场季节性疲软，上周五牛肉分切价格逐周下跌。箱装批发牛肉价格或多或少恢复到8月9日堪萨斯州一间大型牛肉屠宰场火灾之前的水平，上周美国农业部特选级牛肉分切价格约为每磅2.2美元，低於火灾後(8月21日)2.24美元的高点，且比火灾前每磅2.16美元仅高出几美分。大多数牛肉价格仍高於去年同期水平，但某些商品如美国农业部极佳级肋眼的交易量创历史新高。上周极佳级牛肉商品平均价格接近每磅14.5美元，比去年**上涨78%**。尽管牛肉价格可能会趋向平衡，火灾仍然对活动物市场造成影响。全国产能减少导致屠宰场杠杆率增加，肥育业者每卖出一头牛只平均损失118美元；尽管批发牛肉价格下滑，仍为牛肉屠宰商带来每头430美元的高额利润。



美国农业部牛肉屠体价格指数 (特选级): 2019年9月16日 — \$220.62 美元 / 百磅 (较2019年9月9日减少3%)

尽管有关中国采购猪肉的好消息促使上周四和五猪肉期货价格大幅上涨，上周猪肉分切价格周环比下跌。根据美国农业部参考平均价值，带骨後腿肉价格连续第2周上升，周环比**上涨6%**至每磅0.61美元，与去年相比**上涨22%**，但仍低於近年来最低水平以及前5年每磅0.71美元的平均价格。上周其他猪肉原始价值均下跌。美国农业部最新每周报显示，中国贸易的乐观情绪得到提振，**新华通讯社**报导称，中国「将排除加徵大豆和猪肉在内等美国农产品的额外关税」。截至9月15日，中国之外其他国家并没有其他进一步消息，当日显示7月美国猪肉出口量创历史新高(233,242吨)，至**墨西哥**的出口量有所反弹。由於产量季节性增长，美国必须出口更多猪肉。年初至今美国猪肉产量比去年**增长3.7%**，屠宰量**增长3.2%**。美国农业部最新世界农业供需报告(WASDE)预测，10月至12月美国猪肉产量将同比**增长5.6%**。上周早些时候分析师热切关注中国关税豁免的细节；若关税回落至12%的最惠国税率，中国对美国猪肉的采购意愿可能会飙升。



猪屠体分切价格: 2019年9月16日 — \$68.66 美元/百磅 (较2019年9月9日减少5%)

美国肉类出口协会活动预告:

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

产业新知

由於环境污染问题严重，牛只肥育业受到不少批评，但官方和专家的统计数据表明不然。此外，作为反刍动物，牛只是有效的「升级再造者」(up-cycler)，它们可以将很少或没有价值的植物转化为高质量的可食用蛋白质和其他产品，例如皮革和药品。根据美国国家环境保护署(EPA)和牛只生命周期分析，美国温室气体(GHG)排放总量(甲烷和一氧化二氮)的3.3%来自於肉牛。在全球，牛肉生命周期的排放量占世界GHG排放总量的6%，而美国养牛业者所带来的影响占不到总量的0.5%。美国作为牛肉生产效率的领导者，透过其先进的牛遗传学、最新的营养计划和畜牧管理，该国是全球所有生产国中牛肉GHG排放强度最低的国家之一。美国所处之多数优势非常明显，生产一定量的牛肉所需的牛只数量较少。根据全国食用牛生产者协会(NCBA)肉牛永续科学研究的资深主任 Sara Place 博士，美国种牛群约占全球牛只头数的8%，但美国牛肉产量占全球总产量的18%。尽管美国牛肉产业被称为以谷物饲养系统为主导，美国牛所摄取的营养大多来自於它们进入肥育场前在肉牛育种和母仔牛育成阶段时所进食的牧草。所谓的穀饲肉牛中大约有90%吃的是这些牧草或草料，这些食物对人类的食物供应并没有影响。美国牛只和牛肉产业的效能持续提升；与1975年相比，现今生产相同数量的牛肉所需用到的牛只减少36%。

贸易新闻

中国活猪和猪肉价格现已达到创纪录水平，9月12日全国平均活猪价格为每公斤27.42人民币(每公斤3.87美元)。美国爱荷华州和明尼苏达州在同一天活猪价格平均为每公斤0.86美元，凸显两国的价差。自7月初以来，中国活猪价格已经**上涨60%**。然而中国猪肉短缺对全球市场所造成的影响仍在初期阶段。於8月，中国许多主要供应国的猪只屠体平均价格仍低於5年平均水平：美国**低2%**、加拿大**低1%**、巴西**低14%**和智利**低4%**。但**欧盟**是例外，该国的屠体价格**上涨7%**；欧盟是中国主要的猪肉供应国，7月来自该国的进口量占其市场总量的63%。如左栏供应与需求提及，由於中国官员宣称中国买家正在询问购买美国猪肉的问题，上周末美国期货市场情绪普遍乐观。尽管头条新闻提出美国往中国的销售缓慢，以及进口关税为72%，中国近来的猪肉采购量持续强劲。7月美国向中国出口3,000多柜(60,000多吨)猪肉，最新的每周销售报告(截至9月5日当周)显示销售量超过1万吨。进入中国猪肉平均价格正**上涨**，这表明供应短缺对全球市场所带来的影响将在未来几个月更加显着(见下图)。

