



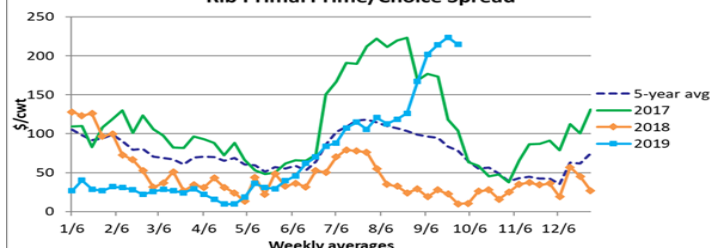
U.S. Meat Bulletin

Oct 8, 2019 Volume XI | Issue 10.1

SUPPLY & DEMAND

The USDA CHOICE beef cutout continued its seasonal move lower last week, **softening 1%** week-on-week to \$2.13/lb. Average wholesale beef prices are now the lowest since July. The cutout is still **+4%** from last year however, with all wholesale beef prices getting support from higher graded ribs, where demand from both high end restaurants and retail is strong. Last week, the USDA PRIME-to-CHOICE cutout spread was \$0.65/lb., up from only \$0.09/lb. last year. We will provide more analysis of USDA grading trends in next week's U.S. Meat Bulletin. Live cattle prices continue to slowly recover from the sharp drop experienced after the major beef plant fire on August 9. Last week, live fed cattle prices hovered around the U.S. \$1.07/lb level, a few dollars below the U.S. \$1.12/lb level just before the fire. Year to date U.S. beef production is up **0.1%** from last year with slaughter up **1.1%**.

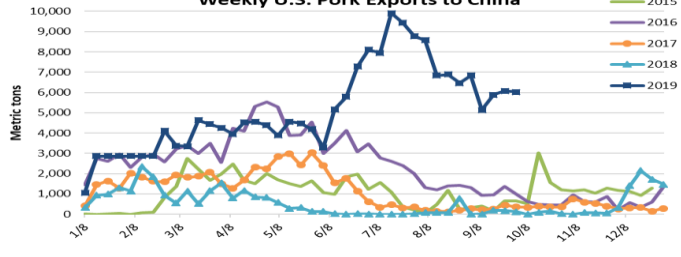
Rib Primal Prime/Choice Spread



Beef Choice Beef Cutout Value: 7/10/2019 - US\$211.09/cwt. (-2% from 23/9/2019)

Despite high slaughter rates, the pork cutout has moved higher over the last 2 weeks. The **+5%** rise last week to U.S. \$0.75/lb. was propelled by sharp increases (**+19%**) in the belly primal, but also firmness in butt values. Weekly slaughter was a high 2.669 million head, **+6.8%** from the harvest level during the same week a year ago. Hog futures moved in the opposite direction of pork prices last week, with the December futures contract moving lower for 4 straight days to close at U.S. \$ 0.68/lb. Despite signs of renewed export demand, market observers were somewhat disappointed by weekly export and sales numbers reported for China last Thursday for the week ending September 26. On that day, a spokesman from China's Ministry of Commerce said China had purchased "considerable" amounts of U.S. soybeans and pork ahead of the next round of trade talks that will commence in Washington this Thursday. No further official statements have been released regarding the exact level of exemptions or duty reductions for U.S. pork imports that were reported by Xinhua on September 13th, and many analysts believed that China's official statements meant larger orders would be in store. The last big U.S. pork sales to China were the 10,878 tons reported for the week ending Sept 5. Monthly trade statistics for August show that total U.S. pork exports to China were nearly 57K tons, nearly 5X the level of August 2018, but **-7.5%** from July 2019 exports. Another possible reason for the bearish market sentiment last week was USDA's 9/27 Quarterly Hogs & Pigs report, which showed a record 77.678 million head of all swine were held on U.S. farms as of Sept. 1. Also bearish, but positive from a productivity standpoint, was the **3.6%** year-on-year increase in the average pigs per litter index to 11.11 head (Q1 2010 was approx 9.6 head). The improving pigs per litter number suggests that slaughter numbers will be higher in the months ahead. Despite the large numbers, Iowa State University estimates show that August breakeven values for carcasses were U.S. \$0.61 - \$0.64/lb., below current futures prices. In short, the average U.S. producer is still operating profitably.

Weekly U.S. Pork Exports to China



Hog Carcass Cutout Value: 7/10/2019 - US\$77.75/cwt. (-11% from 23/9/2019)

ACTIVITIES:

FHC, Shanghai: Nov 12-14, 2019

SIAL, Shanghai: May 13 - 15, 2020

MOVING AHEAD

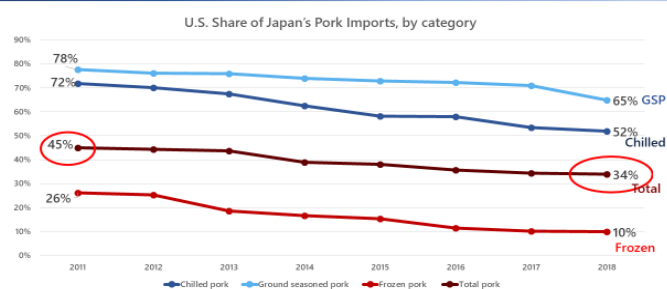
ASF continues to roll through the Asia Pacific with the island nation of **East Timor** reporting its first case last week. East Timor shares an island with **Indonesia's** province of East Nusa Tenggara and is located approximately 700 kilometers northwest of Darwin, **Australia**. Given the extensive bilateral trade between the U.S. and China, swine health experts continue to believe that ASF constitutes a major and growing risk to U.S. herds. From September 24-27, the swine industries of Iowa and 13 other states, the USDA, and state governments, conducted a simulation exercise of how an ASF outbreak in the southern state of Mississippi would be managed at a national level following a disease confirmation. The exercise provided an opportunity to the industry to further test its *Secure Pork Supply* (SPS) system, a disease preparation plan that would help producers maintain business continuity in the event of a foreign animal disease outbreak (FAD). SPS would allow live animal movements from producers who, through appropriate record-keeping, can document they are not infected with the FAD. The crux of SPS involves the ability of producers to request movement of animals from non-infected production premises to a non-infected destination premise. State governments issue standardized 7-digit alpha-numeric premises identification numbers (PINs) that producers can turn into printable bar codes allowing easy identification of each production site and for sample submissions to diagnostic labs. Other key aspects of SPS include maintaining detailed records on the movement of animals, feed, supplies, equipment, production site personnel, and visitors, and formulating a written biosecurity plan for each premise. SPS is a voluntary, and is formulated to assist national and state government FAD response plans, including USDA APHIS's *ASF Disease Response Strategy* which can be found at

https://www.aphis.usda.gov/animal_health/emergency_management/downloads/asf_strategies.pdf.

TRADE

The U.S. administration announced Sept. 16 that it had reached an agreement with **Japan** to lower and/or eliminate tariffs on each other's agricultural products. Outside of agriculture, the mini-agreement provides preferential access for each country's digital products. U.S. trade authorities have not announced the implementation date for the new pact, but speculation is that it could come into force early next year as it would not require U.S. congressional approval. When the agreement is implemented by Japan, it is understood that U.S. red meats will be accorded the same tariffs currently in effect for U.S. competitors that were lowered when the CPTPP and EU-Japan free trade agreements were implemented in Dec 2018 and Feb 2019 respectively. The U.S. could see some immediate benefits such as the lowering of the duty on frozen beef from 38.5% to 26.6%. The U.S. share of the frozen beef import market dropped from 50% in 2003 to 34% last year, and large-volume items such as short plate have been trading at a significant tariff disadvantage to Aust. and Canadian product. Japan has agreed to phase down its beef duties to the U.S., CPTPP members and EU suppliers to 9% by 2033. Under the new free trade agreements, Japan has managed to maintain its minimum import, or gate price of Yen 524/kg. for chilled/frozen pork, but will phase down the maximum duty it assesses to Yen 50/kg. in 10 years. This will provide incentives for the import of low cost pork items such as picnics in later years and allow low cost producers such as the U.S. to better exploit its competitive advantage; under the current gate price system, any pork priced below Yen 524/kg. is assessed a duty equal to the difference between that gate price and its invoice value. In the shorter term, the U.S. will be put back on even tariff footing with its competitors for items such as ground seasoned pork (GSP), and sausages, where competitors currently are taxed at 13.3% & 6.6% respectively, compared to the current rates on the U.S. of 20% & 10%.

U.S. has lost 11% market share of Japan's total pork import since 2011



Source: GTA and USMEF estimates

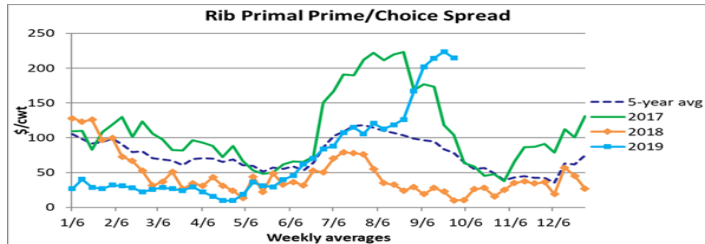


美国肉品新知

2019年10月8日 第十一卷 10.1期

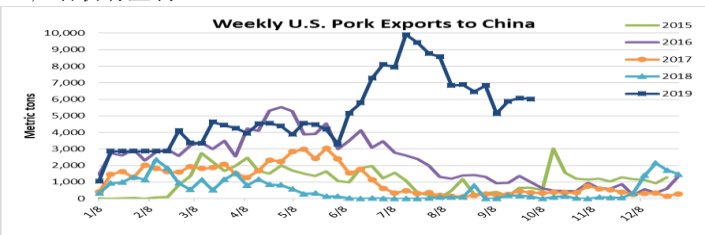
供应与需求

上周美国农业部特选级牛肉分切价格持续季节性走低，周环比下跌1%或每磅下跌2.13美元。目前批发牛肉平均价格是自7月以来的最低水平。但与去年相比，牛肉分切价格仍上涨4%；高档餐厅和零售通路对较高评级肋脊部的需求强劲，使得所有批发牛肉价格得以被支撑。上周美国农业部极佳级和特选级牛肉分切价差为每磅0.65美元，与去年相比每磅上涨0.09美元。我们将于下周美国肉品新知中提供更多有关美国农业部评级趋势的分析。活牛价格在8月9日一间主要牛肉屠宰场发生大火急剧下跌后逐渐走稳。上周已繁育活牛价格徘徊在每磅1.07美元左右，仅比大火发生之前每磅1.12美元低一点。年初至今，美国牛肉产量比去年增长0.1% 屠宰量增长1.1%。



美国农业部牛肉屠宰体价格指数（特选级）：2019年10月7日—\$211.09美元/百磅（较2019年9月23日减少2%）

尽管屠宰量很高，但过去两周猪肉分切价格持续走高。上周腹肋肉价格急剧上涨(+19%)以及梅花肉价格坚挺，使得上周猪肉分切价格上涨5%至每磅0.75美元。每周屠宰量高达266.9万头，与去年同期相比增长6.8%。上周活猪期货价格与猪肉价格走势相反，12月期货合约价格已连续第4个交易日走低，收于每磅0.68美元。尽管市场上有新的出口需求迹象，市场观察家对截至上周四9月26日中国当周的每周出口和销售数据感到有些失望。中国商务部发言人当天表示，在本周四于华盛顿进行下一场贸易谈判之前，中国已经购买「相当数量」的美国大豆和猪肉。根据新华社9月13日的报导，目前并没有关于豁免或减少美国猪肉进口关税的进一步官方声明，但许多分析人士认为，中国的官方声明暗示着将会有更多的订单。美国最近一次销售大量猪肉至中国是在9月5日当周，出口量为10,878吨。8月月度贸易统计数据显示，美国往中国的猪肉出口总量接近57,000吨，高出2018年8月取得水平的近5倍，但比2019年7月时的出口总量减少7.5%。上周市场情绪看空的另一个可能原因是美国农业部于9月27日发布的猪肉季报显示，截至9月1日，美国所有农场的猪只在养头数创纪录达到776.78万头。猪只产仔率同样看跌，但市场情绪仍乐观，每头猪只每窝平均产仔率同比增长3.6%，达到11.11头(2010年第1季时约为9.6头)。每窝仔猪头数提高表明未来几个月的屠宰量将更高。尽管屠宰量增加，爱荷华州立大学估计显示8月屠宰体的收支平衡值为每磅0.61至0.64美元，低於当前期货价格。简而言之，平均所有美国生产者仍有盈利。



猪屠宰体分切价格：2019年10月7日—\$77.75美元/百磅（较2019年9月23日减少11%）

美国肉类出口协会活动预告：

上海国际食品饮料及餐饮设备展览会：2019年11月12-14日

中国国际食品及饮料展—上海：2020年5月13-15日

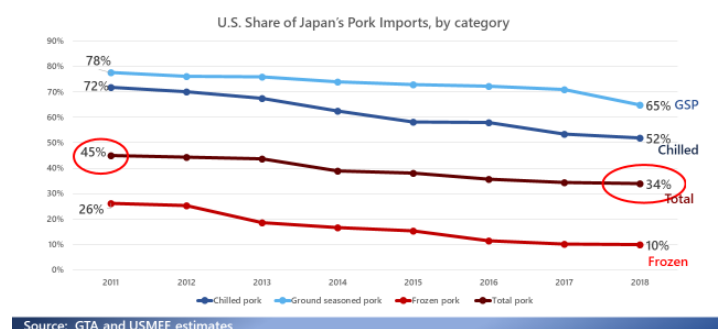
产业新知

非洲猪瘟持续席卷亚太地区，岛国东帝汶上周报告了第一例病例。东帝汶与印尼的东努沙登加拉省共享一个岛屿，位於澳洲达尔文西北约700公里处。鉴于中美之间大量的双边贸易，养猪卫生专家仍然认为，ASF对美国牛群构成了重要且日益增加的风险。从9月24日至27日期间，爱荷华州和其他13个州的养猪业者，美国农业部和各州政府进行了一次演习，模拟美国南部密西西比州在疾病确诊后国家如何控制非洲猪瘟爆发。这次演习为该产业提供进一步测试其Secure Pork Supply (SPS)系统的机会，该系统是疾病预防计划，可协助生产者在发生外来动物疾病爆发(FAD)时保持业务运作。SPS允许生产者在进行活动物运输时透过适当的纪录和保存方式，以证明这些动物没有受到FAD感染。SPS的关键在於生产者将动物从未受感染的生产场所移动到另一位未受感染的目的地的能力。州政府发布标准化的7位字母数字生产场所识别号码(PINs)，生产商可将其转换为可印刷的条码，从而轻松辨识每个生产地点，并将样品提供给诊断实验室。SPS其他关键点也包括维护动物、饲料、供应、设备、现场生产人员和访客的活动详细记录，并未每个生产场所制定书面生物安全计划。SPS是自愿性的，旨在协助国家和州政府FAD应对计划，包括美国农业部动植物卫生检验署(APHIS)的ASF Disease Response Strategy，详细资讯参照以下网址：
https://www.aphis.usda.gov/animal_health/emergency_management/downloads/asf_strategies.pdf。

贸易新闻

美国政府于9月16日宣布已与日本达成协议，以降低和/或取消彼此农产品关税。除了农产品外，小型协议也为其他国家的数码产品带来关税优惠。美国贸易当局尚未宣布该协议的实施日期，但据推测该协议将于明年年初生效，因为它并不需要得到美国国会的批准。当日本实施该协议时，美国红肉将被课徵与目前竞争对手相同的关税，税率分别比实施2018年12月跨太平洋夥伴全面进步协定(CPTPP)和2019年2月欧盟-日本自由贸易协定时还低。美国可能会立即受益，例如其冷冻牛肉的关税率将从38.5%降至26.6%。美国在日本的进口冷冻牛肉市场份额从2003年的50%减少至去年的34%，从美国大量的进口商品如胸腹肉的关税相對於澳洲和加拿大明显长期处于不利地位。日本已同意将美国、CPTPP成员和欧盟供应商的牛肉关税减至9%直至2033年。在新的自由贸易协定下，日本须设法维持其冷藏/冷冻猪肉的最低进口量或交货价格在每公斤524日元，但会在10年内将其评估的最高关税税率降低至每公斤50日元。这将激励未来几年一些较低价格的猪肉进口如前腿肉，并允许低成本生产国如美国更好地利用其竞争优势；在当前的交货价格系统下，任何低於每公斤524日元的猪肉，其关税应该等於交货价格与发票价值之间的差额。在短期内，美国某些商品将享有与其竞争对手相同的关税税率，如调味猪绞肉(GSP)和香肠，目前竞争对手在这两项商品的税率分别为13.3%和6.6%，而美国目前的税率为20%和10%。

U.S. has lost 11% market share of Japan's total pork import since 2011



Source: GTA and USMEF estimates