



Protein Market Watch

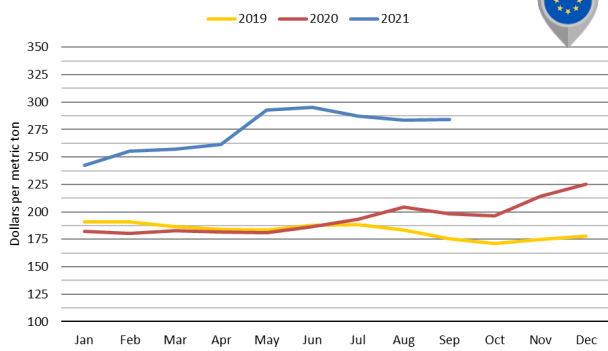
Farming inputs prices

CORN



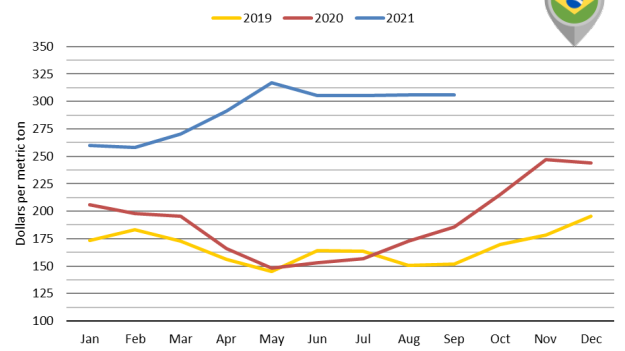
- The USDA estimates future maize production up 8% from the previous season, i.e. 1198 Mt. This volume will meet strong international demand.
- On international market, prices are high but stable. However, the increase in cost of energy could impact the price of raw materials and in particular corn with the costs of drying.
- In China, prices are stable. Good harvest forecasts (+5% vs 2020) could ease prices and reduce the country's import needs.

Feed maize (average market price, EU without UK)



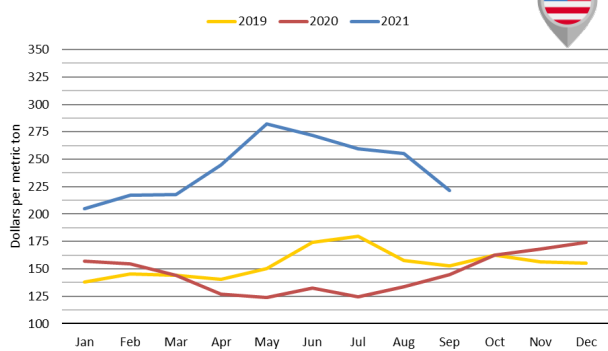
Source: EC Agridata

Yellow corn (wholesale price, Campinas)



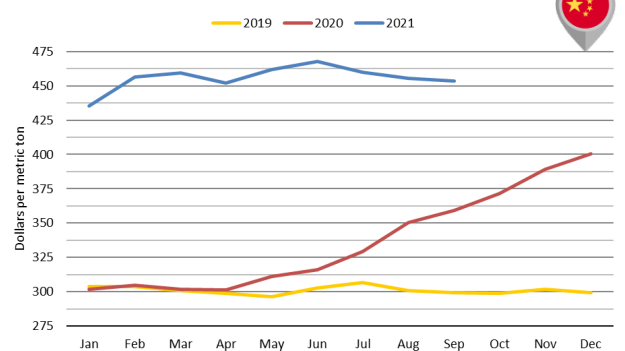
Source: Cepea

Yellow corn #2 (market price, Chicago)



Source: USDA ARS Feed Grains database

Corn (cash price, China mainland)



Source: Chinese Ministry of Agriculture and Rural Affairs

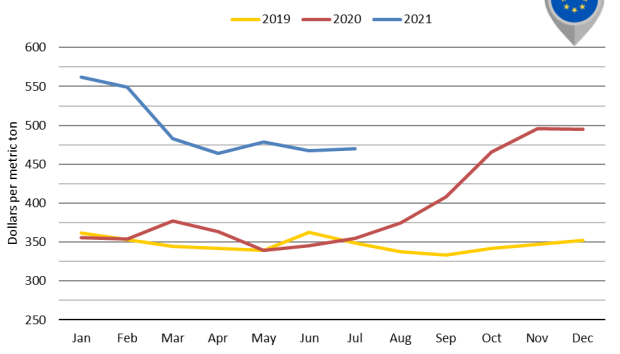
SOYMEAL



- As for maize, world soybean production is estimated to be up 6% compared to the previous harvest, i.e. 385Mt. International demand being strong, end-of-season stocks withdraw.
- The increase in price of energy and oils affects seed's prices. The price of meal has not yet been impacted but we can expect an increase in the coming weeks.

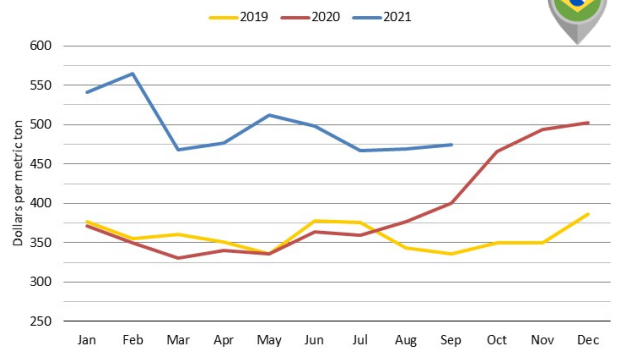
- In China, prices are still high but stable. Good harvests forecasts and the diversification of raw materials in animal feed could slow down the price races in China or at least limit their increase.

Soybean meal, Brazil origin, high protein (CIF Rotterdam)



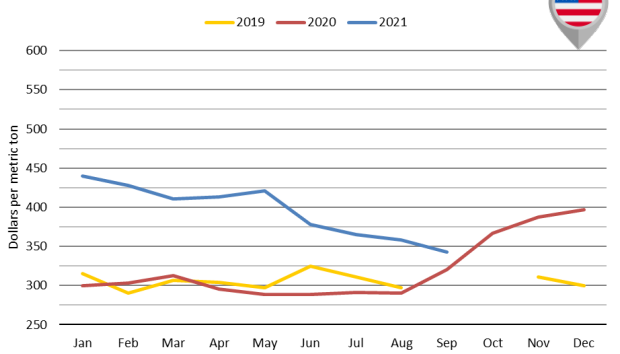
Source: World Bank's Pink Sheet

Soybean meal (wholesale price, Espirito Santo)



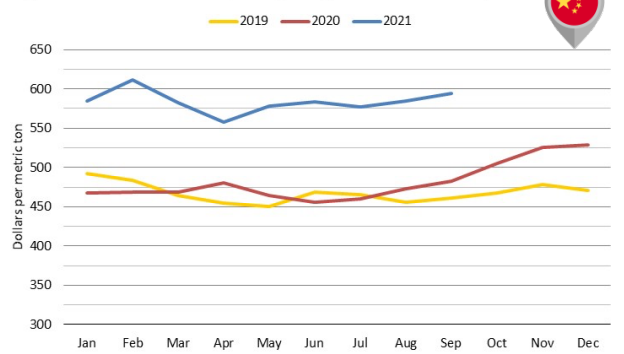
Source: Conab

Soybean meal, high protein (wholesale price, Illinois)



Source: USDA ARS Feed Grains database

Soybean cake and meal (cash price, China mainland)

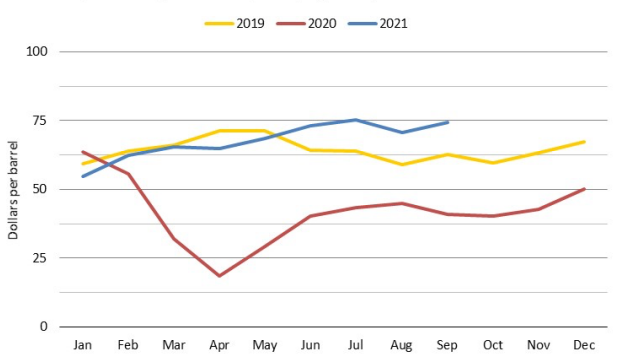


Source: Chinese Ministry of Agriculture and Rural Affairs

ENERGY

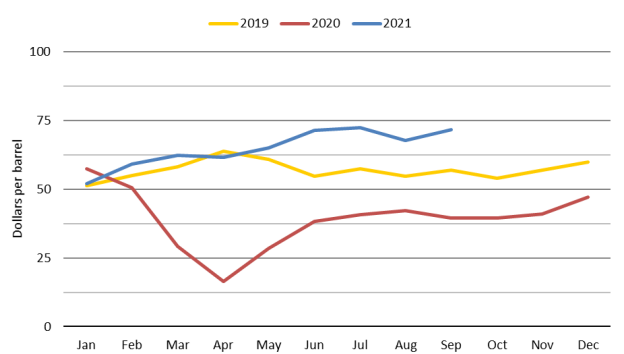


Crude oil, Brent Spot Price (Europe, FOB)



Source: US Energy Information Administration / Thomson Reuters

Crude oil, WTI Spot Price (Oklahoma, FOB)



Source: US Energy Information Administration / Thomson Reuters

Farming outputs prices

BROILER CHICKEN



Prices remain high, improvements in foodservice performance are driving further increases in trade volumes. The prices are expected to decrease gradually in 4Q 2021, as supply increases. Early outbreaks of HPAI in Russia, Ukraine and Germany could compromise production and trade during next Winter and Spring.



Broiler price decrease as Poland's supply is increasing, but labor and logistic challenges could disrupt the supply chain. Moreover, several northern European countries face the risk of a new episode of HPAI with rising outbreaks on backyard flocks. This could affect exports.



Chicken prices remain high as demand keeps pressure on supplies of chicken in September. The labor shortages are slowing poultry supply along with elevated prices for packaging, transport and grain. US broiler exports continued to rise until August (new record: 2.4 Mt).

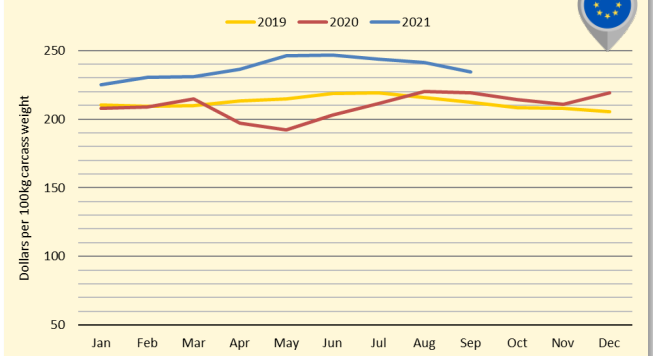


Brazil's meat industry keeps facing strong demand for chicken meat in the local market and for exports. Prices continue to soar. Exports progress to the Middle East, Europe and Philippines. Brazil is taking advantage of the tight supply and HPAI outbreaks in Europe to conquer new markets.



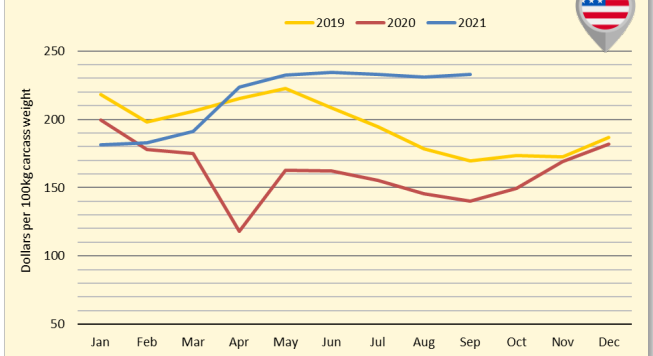
The price of broilers in China decreased by 6% in September, in order to follow pork prices. The chicken imports are down 24% in August 2021.

Broiler chicken (average market price, EU without UK)



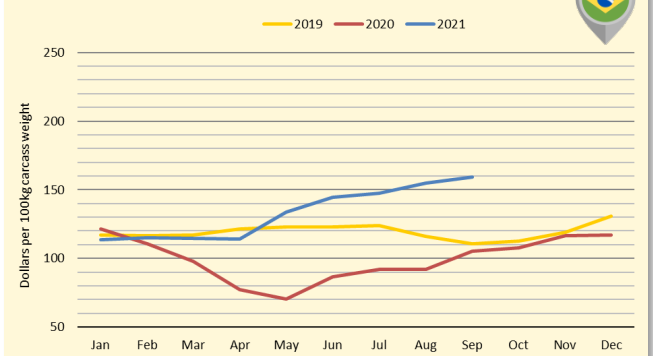
Source: EC Agridata

Whole broiler (wholesale price, national weighted average)



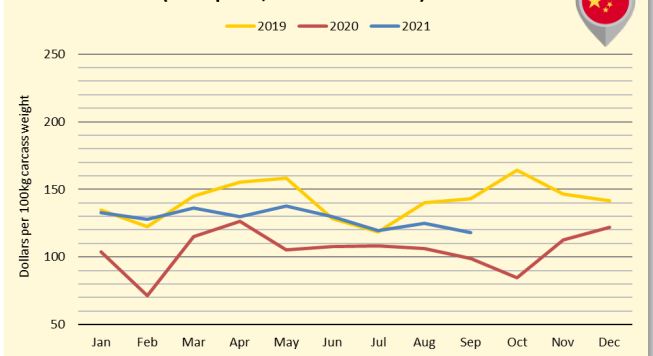
Source: USDA AMS reports

Whole chicken (chilled, wholesale price, Sao Paulo state)



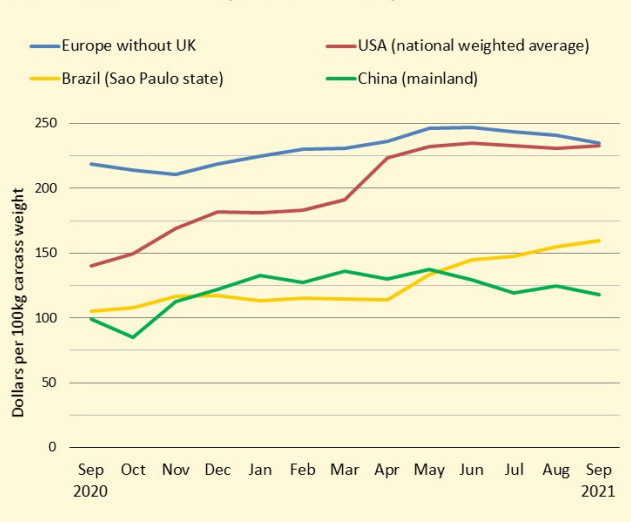
Source: Cepea

Broiler chicken (cash price, China mainland)



Source: National Development and Reform Commission

Broiler chicken market prices: zone comparison



NB: all broiler prices include the cost of delivery to the slaughterhouse, and the cost of slaughter

PORK MEAT



Divided observations of pig prices in the world. In general, world trade is hampered by insufficient logistics capacity which keeps the price level of transport high. Inflation can harm meat consumption.



Pork price continues to drop: supply clearly exceeds demand as much of exports to Asia, especially China, lag significantly behind volumes of Summer 2020. Pork consumption remains questionable.



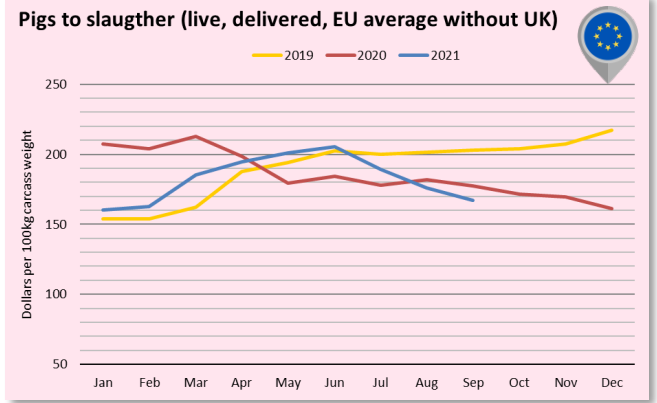
Pig price follows a declining trend, but remains above last year's level, as well as above the average of the years 2015-2019. Despite good producer prices, US pig herd continues to decline. Labour issues are getting more and more attention. Due to the continuing rise in meat prices, a decrease in consumption is expected.



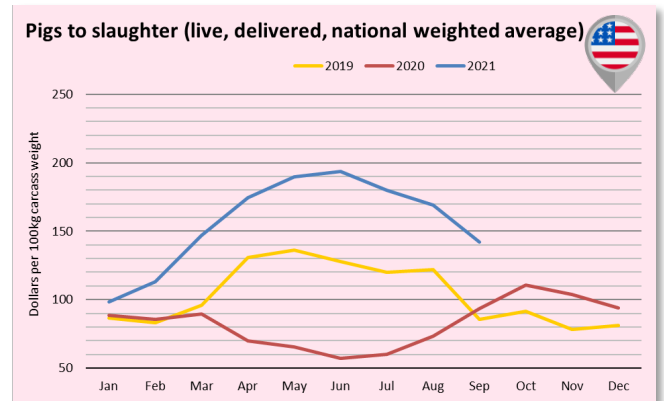
According to the USDA, the production increase will reach almost 5% in 2021. Pork exports continue to break records, but prices are reportedly under pressure.



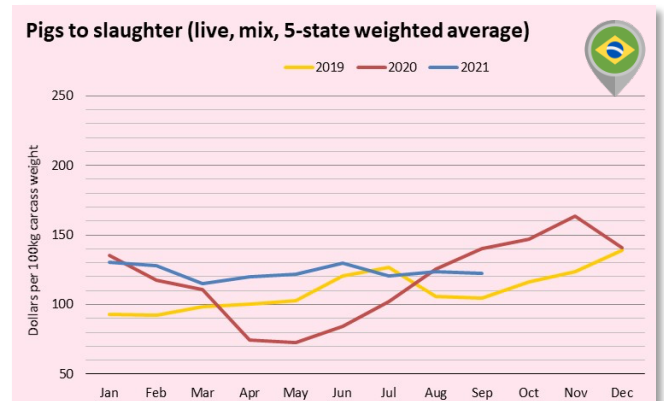
China continues to confirm that pork supplies have reached pre-ASF crisis levels. Due to low prices, the reduction of the pig herd has resumed. There is enough supply to keep imports relatively low.



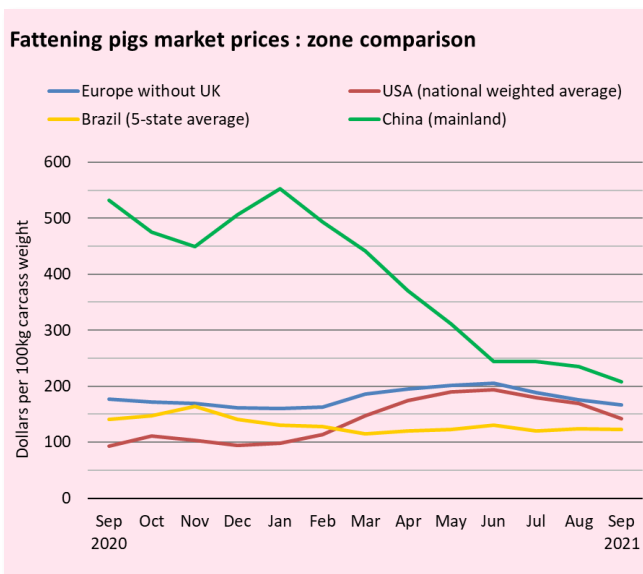
Source: EC Agridata



Source: USDA AMS reports



Source: Cepea



NB: prices are for live pigs, delivered to the slaughterhouse (but for Brazil, where pigs are collected on farm in 3 states out of 5)



Source: Chinese Ministry of Agriculture and Rural Affairs

BEEF MEAT



Cattle supply for all types of animals remains tight. Prices of live fed cattle in Europe increase and exceed record levels. Trade between European countries continues to resume.



Prices remain high and demand strong. The US Agriculture and Justice departments will investigate whether the big four meatpacking companies—Tyson Foods, JBS, National Beef and Cargill (which control 85% of the beef market, collectively) are fixing or manipulating prices.

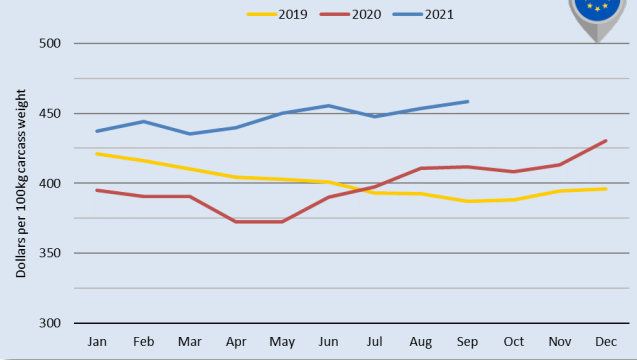


Fed cattle prices faded in the Brazilian market in the first fortnight of October. Purchasers face uncertain behavior domestic and international demand, opting to work with short slaughter scales. In September, Brazil sent 112 000 tons of beef to China (+60% vs 2020). But China banned Brazilian beef imports early September, when 2 cases of BSE were discovered (but after the above shipment). Growing concerns...



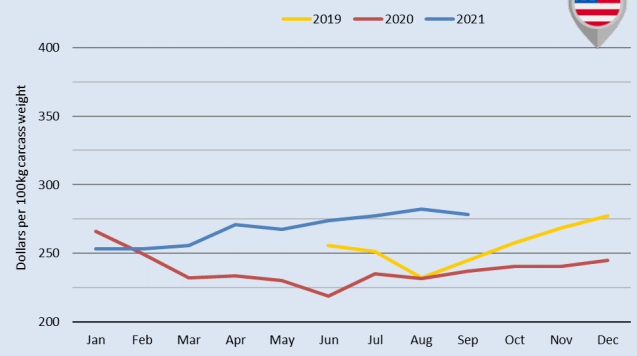
Domestic prices are still increasing. Despite the ban of Brazilian beef, imports are still high. With the ban of Australian meat, demand for US grain-fed beef has soared. Beef imports from the US have reached 83,000t in the first eight months of 2021.

Beef, all males (live, delivered, EU average without UK)



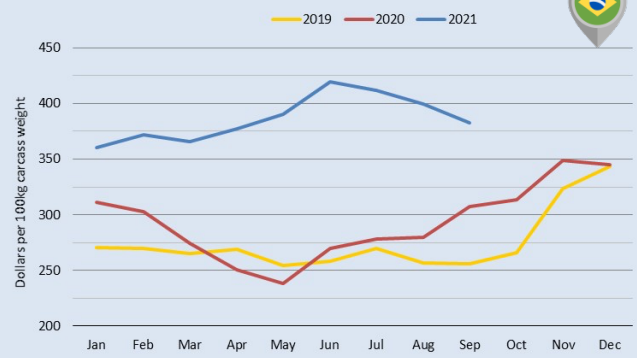
Source: EC Agridata

Steers, all grades (live, delivered, 5-area weighted average)



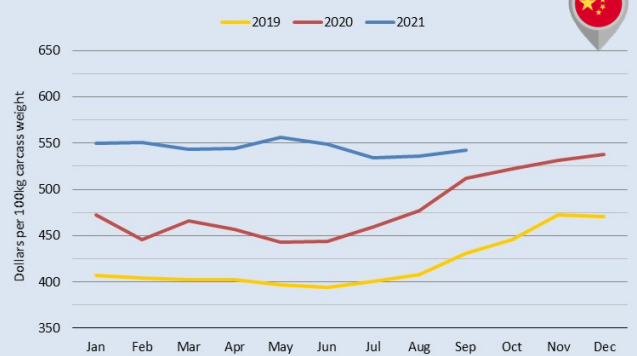
Source: USDA AMS reports

Beef, all males (live, on farm, Sao Paulo state)



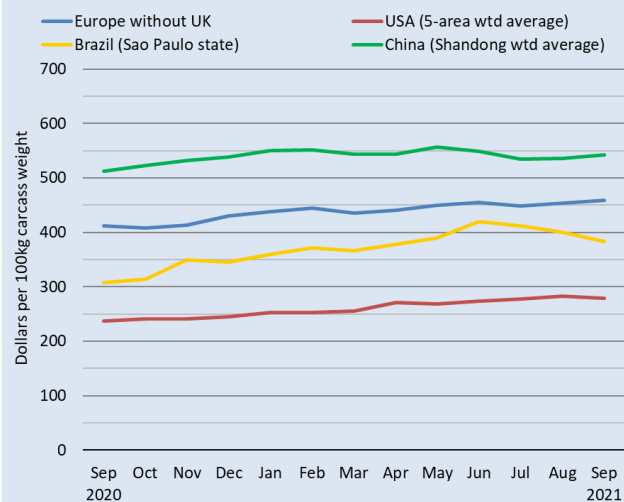
Source: Cepea

Beef cattle (cash price, Shandong weighted average)



Source: CASS

Male cattle market prices : zone comparison



NB: prices are for live cattle (male only), but the transportation to the slaughterhouse is either included or not, depending on the data available for each zone. International comparison should then be interpreted with caution.

Market news

News

► Title

Body

Link to the original news, 2021/xx/xx

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PROTEIN MARKET WATCH is a monthly newsletter edited by Ceva Headquarters (Libourne, France)

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