

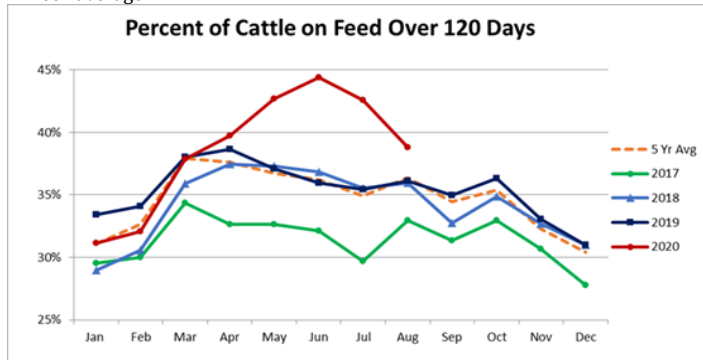


# U.S. Meat Bulletin

August 25, 2020 Volume XII | Issue 8.4

## SUPPLY & DEMAND

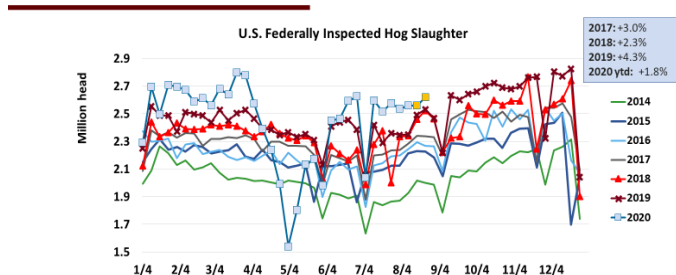
The beef cutout gained for the 3<sup>rd</sup> straight week last week as improved domestic and international demand propped up loin, rib and chuck prices. Next weekend's long Labor Day (Sept 7) holiday will see more supermarket featuring of beef, plus overall consumer spending continues to improve as new CoVID infections drop and more areas of the U.S. re-open. Foodservice operators have also adjusted business models to cater to pandemic-related shifts in consumer eating-out behavior (see MOVING AHEAD next column). After increasing by 3.2% from the previous week last Friday, average cash fed steer prices were up 2.0% from the previous week, reaching just under \$1.07/lb. (live weight) last Friday. Last Friday's USDA monthly Cattle on Feed report showed the number of cattle placed into feedlots during the month grew 11% over the pace of a year ago, above the average analysts' estimates of approximately 6%. The total number of cattle on feed as of Aug. 1 reached 11.284 million head, up 2% from last year and above pre-report forecasts. The report was generally viewed as bearish to the market, and cattle futures eased yesterday (August 24) in reaction to USDA's new data. But the number of slaughter ready cattle continues to ease after the surge in May/June and states continue to work through the cattle backlog. On August 1, USDA's report showed that the inventory of cattle on feed over 120 days was 4.4 million head, up 9.2% from last year and up 13.8% from the previous 5-year average but down from 5.2 mil head in June and 4.9 mil head in July. The percent of total cattle on feed over 120 days also continues to decline, though remains high (see graph below). Halfway through August, analysts see evidence of continued good cattle movement to packing plants as well as placements of cattle into feedlots. In the international arena, weekly beef exports for the week ending August 13 were the 3<sup>rd</sup> largest this year, while new net sales were up double digits from the previous 4-week average.



**Beef Choice Beef Cutout Value: 24/8/2020 - US\$224.47/cwt. (+3% from 17/8/2020)**

After increasing 6% the previous week, the pork cutout moved higher last week closing last Friday at the highest value since the 1<sup>st</sup> week of June but still 9% below the level of a year ago. The cutout moved up again yesterday as the USDA's most recent cold storage report showed that U.S. frozen pork inventories fell in July to the lowest level for any month in 9 years. Hams continued to advance last week, and the primal ham value increased over 10% from last Friday to yesterday alone. Last week's total harvest of 2.618 million head was the largest in several weeks and 2020 U.S. pork production to date is +2.1% from the pace of last year, and despite the pandemic disruptions. Domestic demand appears to be more robust than weak U.S. foodservice numbers would indicate. The weekly volume of pork exports has held relatively steady and in a tight range between 30-35K tons for the past 12 weeks.

## U.S. Hog Slaughter



Source: USDA/NASS and USDA/AMS, last 2 data points are preliminary estimates

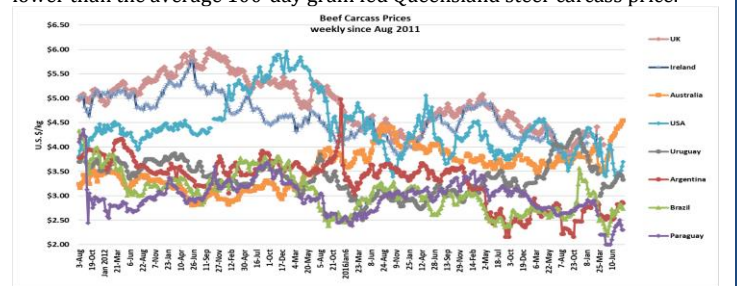
**Hog Carcass Cutout Value: 24/8/2020 - US\$74.57/cwt. (<+1% from 17/8/2020)**

## MOVING AHEAD

The robust increase in recent weeks of beef and pork cutout values begs the question of whether there is an upturn in U.S. consumer spending that is helping to drive additional meat purchases. CoVID-driven increases in retail spending are well documented, but with away-from-home consumption historically accounting for roughly half of domestic meat intake, what is the latest data telling us about the state of the restaurant industry? A recent U.S. Census Bureau report estimates that total U.S. retail sales, across all categories including foodservice, during July increased 1.2% from June and was +2.7% from July 2019. On a year-on-year basis, total July 2020 U.S. retail sales were +5.8%, a sign that consumers are indeed opening their wallets. Total spending is being driven by strong YOY increases in sporting goods, automobiles, building materials, and supermarket sales, the latter which were up 11% in July compared to the same month in 2019. The retail category with the strongest growth are so-called "non-store retailers", which includes e-commerce sales of everything, including food & meat. U.S. consumer e-commerce spending during Q2 2020 was up nearly 32% compared to Q1, and online sales now account for an estimated 16.1% of all U.S. sales, up from 11.8% during Q1 2020. Retail meat & food sale growth could be offsetting weak sales at restaurants, which remain one of the hardest hit spending categories, along with clothing and travel. Total U.S. consumer spending on away-from-home foodservice and beverage services was -18.9% YOY during July 2020. For the Jan-July period, the YOY decline in foodservice spending was -21.2%. Restaurant dining reached its nadir in early March but has shown small signs of a recovery since. To be sure, there are significant variations geographically and by restaurant type. Foot traffic at retail outlets, including restaurants & bars, in the southern states of Alabama and Mississippi is being described as near normal, while foodservice activity in New York and California is still down significantly; according to Opentable.com, an online restaurant reservation service, early August data for both states show dining is still -72% and -63% respectively. Nationally, Opentable data shows that only approximately 70% of all restaurants offering reservation service are currently open, and that for those that are, the number of seated diners from online, phone, and walk-in reservations across the U.S. this past Saturday August 22 was -43% YOY. On the other hand, most QSR establishments, except those at gas stations, have been less severely affected. Outlets that offer both drive thru and mobile order-and-pay, like **Starbucks**, have been big winners during the pandemic. According to QSR magazine, in 2019, 72% of all QSR business was for off-premises consumption, a figure that no doubt has increased this year. Given that the QSR sector likely accounts for the majority of the volume of beef & pork utilized by the entire U.S. restaurant sector, fast food's relative success during the pandemic offers clues to why overall U.S. red meat demand remains not that aberrational given the severity of the pandemic disruptions.

## TRADE

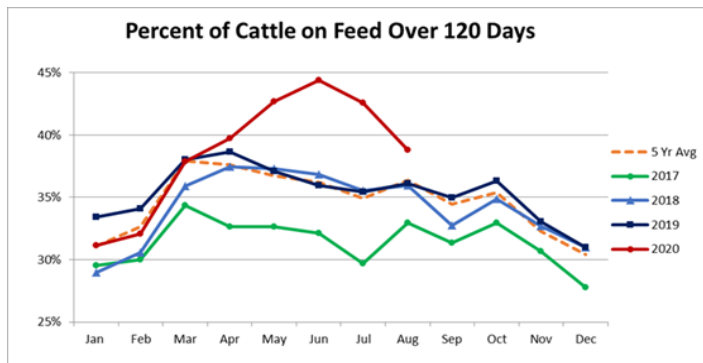
Interest in U.S. beef has grown over the last month as **Australian** cattle prices move to the highest level among all major beef exporting countries (see graph below). Australia's cattle slaughter continues to drop with harvests in the main eastern states down 30% YOY the week before last, the lowest non holiday or flood related weekly total in recent history. After holding for the 1<sup>st</sup> 6 months of the year, Australia's July beef exports fell 23%, the lowest export volume for this month since 2016. Moving forward, analysts expect product availability will be limited by the temporary closure of plants, including the country's largest processing facility. Recent rain across eastern Australia bodes well for herd rebuilding, but in the short run, will further tighten supplies as producers seek to expand production. Further hampering exports is a resurging Australian dollar; since mid-March, the dollar has appreciated nearly 24% relative to the U.S. greenback. As of last week, the average USDA CHOICE steer carcass value of U.S. \$4.12/kg was U.S. \$0.60/kg lower than the average 100-day grain fed Queensland steer carcass price.



**ACTIVITIES:**  
 Restaurant & Bar, Hong Kong: postponed  
 SIAL, Shanghai: September 28-30, 2020

## 供应与需求

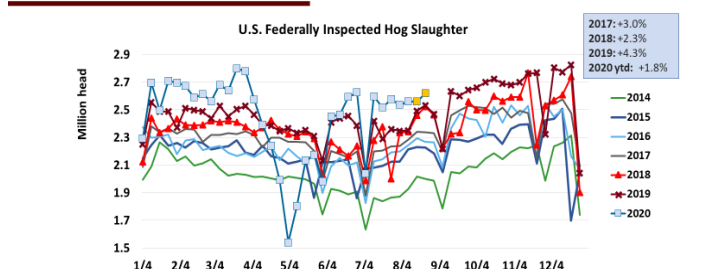
由於美国国内与国际需求的改善支撑里肌、肋脊、肩胛的价格，上周连续三星期牛肉分切价格增长。下周末的劳动节(9月7日)长假期将有更多超市以牛肉为特色，加上随着新增 CoVID 感染人数减少以及美国更多地区重新开放，消费者的总体消费持续改善。餐饮业者还调整商业模式，以适应疫情期间消费者外出用餐的行为转变(请见产业动态栏)。在上周五较之前一周增长 3.2% 後，平均现金育肥小公牛价格在上周五比之前一周上涨 2.0%，略低於 1.07 美元/磅(活体重)。上周五，美国农业部的牛只在养头数报告显示，当月育肥场置入的牛只数量比去年同期增长 11%，高於分析师预估的 6%。截至 8 月 1 日，牛只在养数量达 1128.4 万头，比去年同期增长 2%，高於报告前的预测。普遍认为该报告对市场是看跌的，而由於美国农业部新的数据，昨天(8月24日)牛只期货下跌。然而在 5/6 月屠宰量激增後，待宰牛只数量持续减少，显示各州在努力解决积压的牛只。美国农业部 8 月 1 日的报告显示，超过 120 天的在养牛只总头数为 440 万头，比去年同期增长 9.2%，比前五年的平均水平增长 13.8%，但低於 6 月的 520 万头和 7 月的 490 万头。尽管仍很高，但超过 120 天的在养牛只头数百分比正在下降(见下图)。八月中旬，分析师见到了牛只持续运送至屠宰场与置入育肥场的良好证据。国际舞台上，截至 8 月 13 日当周的每周牛肉出口是今年第三大，而新的净销售较之前 4 周是两位数增长。



美国农业部牛肉屠体价格指数 (特选级)：2020 年 8 月 24 日 - \$224.47 美元/百磅 (较 2020 年 8 月 17 日增加 3%)

继前一周增加 6% 後，上周猪肉分切价格上涨，上周五收盘价为 6 月第一周以来的最高值，但仍比一年前低 9%。由於美国农业部最新的冷冻库存报告显示，美国 7 月的冷冻猪肉库存下降到 9 年来的最低水平，昨天分切价格再次上升。上周後腿肉价格持续上涨，仅上周五到昨天，大分切後腿肉价格就上涨 10% 以上。上周的总收获量为 261.8 万头，是数周以来的最大收成，尽管受到疫情大流行的干扰，但 2020 年截至目前美国猪肉的产量比去年同期增长 2.1%。美国国内需求似乎比疲软的美国餐饮数据显示的更为强劲。在过去 12 周，每周猪肉出口量始终保持相对稳定，并介於 3-3.5 万吨之间。

## U.S. Hog Slaughter



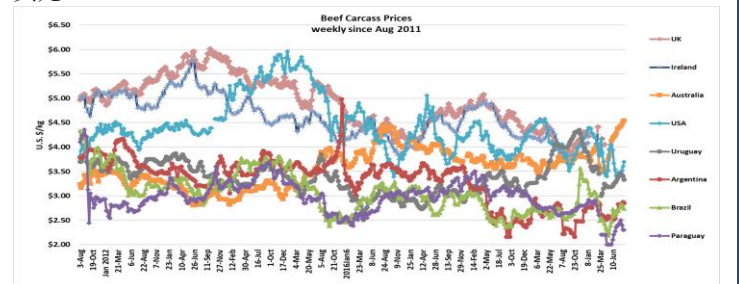
Source: USDA/NASS and USDA/AMS, last 2 data points are preliminary estimates  
猪屠体分切价格：2020 年 8 月 24 日 - \$74.57 美元/百磅 (较 2020 年 8 月 17 日增加少於 1%)

## 产业动态

最近几周牛肉和猪肉分切价格的强劲增长带出一个问题，即美国消费者支出是否回升，进而有助增加肉类的购买量。CoVID 疫情驱动的零售支出增长已充分得到纪录，但从历史上来看，外食消费占美国国内肉类摄取量的约一半，有关餐饮业最新现况的数据是什麼？一份 U.S. Census Bureau 最近的报告预估，包括餐饮业在内的美国所有零售类别销售总额，今年 7 月较 6 月增加 1.2%，且较 2019 年 7 月增加 2.7%。2020 年 7 月美国零售总额同比增长 5.8%，表明消费者确实有在打开钱包。体育用品、汽车、建材、超市的销售同比强劲增长推动总支出，後者在今年 7 月较去年同期增长 11%。增长最快的零售类别是所谓的“非商店零售商”，包括食品和肉类在内的所有电子商务销售。2020 年第二季，美国消费电子支出和第一季相比增长近 32%，而线上销售占美国销售总额的 16.1%，高於 2020 年第一季的 11.8%。肉类和食品的零售增长可能抵销餐厅疲软的销售额，餐厅、服饰、旅行仍是最受打击的支出类别。2020 年 7 月，美国消费者外食餐饮支出同比减少 18.9%。1-7 月期间，餐饮服务支出同比下降 21.2%。餐饮业在 3 月初达最低点，此後虽有小幅回升的迹象，但仍是美国经济受到负面影响最大的行业之一。可以肯定的是，在地理位置与餐厅类型方面存在很大差异。南方阿拉巴马州和密西西比州的零售点，包含餐厅和酒吧的人流量被描述为接近正常水平，而纽约州与加州的餐饮服务活动仍显着减少。根据线上餐厅订位系统 Opentable.com 数据，两州 8 月初的用餐率分别下降 72% 和 63%。Opentable 数据显示，美国全国目前提供订位服务的所有餐厅中，仅约 70% 处于营业状态，而在上周六(8月22日)，当中来自网路、电话、现场的内用餐厅订位人数同比减少 43%。另一方面，除加油站外的多数 QSR 场所受影响程度较小。疫情流行期间，像星巴克一样提供得来速与线上订购付款的商家是最大赢家。根据 QSR 杂志报导，2019 年所有 QSR 销售有 72% 来自外带或外送消费，该数字无疑在今年将有所增长。鉴於 QSR 区块可能占美国餐饮业整体牛肉和猪肉用量的大部分，疫情期间速食快餐业的相对成功提供了线索，说明为何美国整体红肉需求保持正常水平。

## 贸易新闻

由於澳洲牛只价格在所有主要牛肉出口国中排名最高，上个月市场对美国牛肉的兴趣有所增加(见下图)。澳洲牛只屠宰量持续减少，东部主要几州的屠宰量与上上周同比减少 30%，是近期纪录非假期或受洪水影响的最低每周水平。在今年前六个月维持住後，7 月澳洲牛肉量减少 23%，是自 2016 年以来当月最低水平。展望未来，分析师预计产品供应将因屠宰厂(包括该国最大的屠宰厂)临时关闭而受到限制。澳洲东部最近降雨预示着牛群重建，但在短期内，由於生厂商正试图扩大生产，这将促使供应紧张。澳元回升也进一步阻碍牛肉出口；自 3 月中旬以来，相对於美元，澳元已升值近 24%。截至上周，USDA CHOICE 等级小公牛屠体平均价格为每公斤 4.12 美元，比昆士兰州肥育 100 天的小公牛屠体价格平均每公斤低 0.6 美元。



美国肉类出口协会活动预告：  
香港餐饮业：延期  
中国国际食品及饮料展 — 上海：2020 年 9 月 28-30 日