



U.S. Meat Bulletin

September 8, 2020 Volume XII | Issue 9.2

SUPPLY & DEMAND

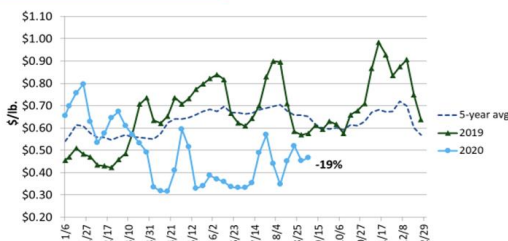
The beef cutout drifted lower last week as buying activity weakened following the runup to yesterday's Labor Day holiday. Live fed cattle prices also softened as overall market sentiment shifted in a slightly more negative direction. CoVID continues to plague restaurant operations, exports in July were on the weak side, and cattle weights are still 20+ pounds above year-ago levels. There is still a major backlog of cattle to work through according to analysts, and several more months of catchup may be required to restore more normal market conditions. Moreover, feedlots continue to place large numbers of cattle on feed, which could be bearish for fed cattle prices early next year. Cattle futures, after rising from July through late August, drifted lower for the 2nd consecutive week last week. Beef slaughter continues to run behind due to the early spring plant disruptions. Year to date U.S. beef slaughter is down 4.4% year on year while beef output is -1.8%, and despite heavier average cattle weights. Last week's slaughter of 633,000 head was down 3.2% from the previous week. After beef exports dropped 31% year-over-year in May to 62,123 tons and fell 33% year-on-year in June (at 60,469 tons), July beef muscle cut exports rebounded to 83,536 tons, the highest volume since March. But the volume was still down 7% (or -6,200 mt) from July 2019. Weekly export numbers show some catch up in exports in August (see table below), but overall, lower shipments to financially hit Mexico largely account for the 9% drop in the total volume of beef and beef variety meats exported during the 1st 7 months of this year (see table below).

| Country | YTD 2017 | YTD 2018 | YTD 2019 | YTD 2020 | YOY |
|--------------|----------------|----------------|----------------|----------------|-----------|
| TOTAL | 488,685 | 571,692 | 529,142 | 534,491 | 1% |
| JAPAN | 170,153 | 187,245 | 171,439 | 180,320 | 5% |
| KOREA | 103,425 | 150,005 | 147,539 | 155,267 | 5% |
| MEXICO | 57,486 | 60,944 | 58,171 | 38,945 | -33% |
| HK | 54,530 | 54,270 | 35,202 | 33,242 | -6% |
| CANADA | 39,539 | 38,354 | 32,080 | 35,356 | 10% |
| TAIWAN | 30,356 | 43,078 | 43,041 | 43,042 | 0% |
| OTHERS | 32,922 | 35,255 | 37,412 | 38,542 | 3% |
| CHINA | 274 | 2,541 | 4,258 | 9,777 | 130% |

Beef Choice Beef Cutout Value: 4/9/2020 - US\$225.85/cwt. (-1% from 31/8/2020)

The pork cutout was pulled higher last week, as large China purchases helped drive market sentiment (see GRAPH below). The primal ham value surged 18% on reports of increased China buying, while lower slaughter numbers during the pre-holiday week (2.484 million head) also helped support values. The October hog future contract saw a double-digit increase to a 4-month high. The direction of the market looking forward remains somewhat uncertain though as Q4 production will be record large and the pandemic continues to wreak havoc on the economy. There is some optimism that the return of some students to schools and universities could support institutional pork buying; other restaurants are also adapting to pandemic conditions through operational modifications (see MOVING AHEAD). On the export side, net sales to all destinations during the week August 21-27 totaled 53,600 tons, the 2nd highest weekly volume so far this year. New weekly sales to number #1 and #2 markets China (28,710 tons), and Mexico (14,710 tons) were both the 4th highest for each destination so far this year. Soybean futures increased to a 2-year high based on new reported sales to the #1 buyer China.

Heavy Bone-in Hams



Source: USDA/AMS, 23-27#

Hog Carcass Cutout Value: 4/9/2020 - US\$80.56/cwt. (+11% from 31/8/2020)

ACTIVITIES:

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

MARKET MAKERS

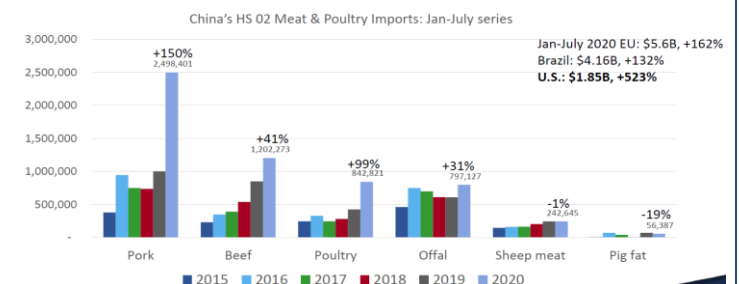
Smithfield Foods, Inc. has announced it will become carbon negative across all its operations by 2030. The company said it will be able to achieve this without purchasing carbon credits. Already a protein-industry leader in the production of biogas, Smithfield claims it can meet the 2030 target by stepping up its renewable natural gas ventures, increasing the use of wind power, improving regenerative cropping practices on its supplying farms, reducing its transportation footprint, and improving animal ration efficiencies. Last year, Smithfield announced a goal to reduce overall solid waste sent to landfills by 75% by 2025.

MOVING AHEAD

The U.S. \$860+ billion restaurant industry continues to adapt to the shifting pandemic landscape. New data from **NPD** shows that drive-thru quick service restaurants have fared the best during the outbreak. While traditional full-service restaurants experienced a -48% decline in traffic during Q2, with fast casual posting a -26% contraction, restaurants with drive thru service saw only a -17% fall during the quarter year-on-year. All restaurants have experienced an expansion in business during Q3 but establishments offering drive thru services continue to be the least affected. But drive thru is not the only successful adaptation for operators. Other so-called pandemic best practices include shrinking menu options while also offering more family-sized value meals. Large QSR operators have seen gains in drive thru efficiency by cutting some lower volume menu items, while family pack promotional deals – often priced near retail deli offerings – have proven popular in some hard-hit full-service restaurant chains offering takeaway. Take-out orders have also benefitted from the expansion of curbside pick up service. Even QSR operators who have full drive thru services are offering curbside pickup. Another popular innovation has been the conversion of parking lots into outdoor seating areas. With some states placing restrictions on indoor dining, operators have expanded seating capacity by using parking areas to serve customers, and with social distancing. As the U.S. heads into cooler weather, some restaurants have erected tents or other temporary structures to allow for all-weather outside dining. Marketing departments of large chains, and independents, are inventing new ways to entice customers, including holding virtual happy hour specials, and even on-line 'date nights' for couples. Although operating conditions remain unprecedented for U.S. foodservice operators, the industry continues to innovate for survival.

TRADE

In July, **China** imported a record volume of pork for a single monthly period as domestic supplies continue to be pinched and domestic prices remain far above world levels. Total July trade, including variety meats, reached 548k tons, approximately 24K tons above the previous record set in June. Beef imports of just under 208K tons breached the 200K ton level for only the 2nd time ever. Jan-July imports of all meat & poultry totaled 5.646 million tons, +76% or 2.4 million tons from the pace of a year ago (see GRAPH below). The total value of the trade double to reach U.S. \$18.25 billion. By value, **Brazil** is by far the largest supplier of M&P to China with Jan-July sales equaling U.S. \$4.16 billion, while the USA's \$1.935 billion in trade ranks it #2. As China enters the peak winter holiday buying period, analysts project that the country could see an unprecedented 10 million tons of total M&P imports this year, up from the record 6.2 million tons imported in 2019. Although wholesale imported M&P product movement to end-users was somewhat lackluster during July & August, traders are now reporting brisk sales with the start of September, as schools fully re-open and restaurants traffic and receipts in many areas return to near pre CoVID levels. Last Friday, the China national average pork price of RMB 36.81/Kg. (U.S. \$5.38/kg.) was 17% higher than 3 months ago, a sign that the domestic supply of hogs and pork is still constrained. China's Ministry of Agriculture is predicting that domestic hog supplies will rebound strongly during Q4.





美国肉品新知

2020年9月8日第十二卷9.2期

供应与需求

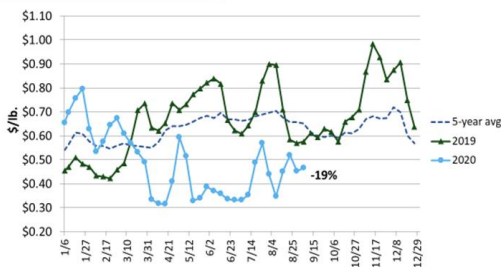
由於昨日劳动节假期临近，消费者购买活动减少，上周牛肉分切价格下跌。随着市场情绪转为悲观，已肥育活牛价格也走低。CoVID持续影响餐厅营运，七月的出口疲软，以及牛只体重仍比去年同期重20磅以上。分析师称，目前仍有大量牛只库存，若要恢复到较正常的市场状态可能还需要几个月的时间。此外，肥育业者持续置入大量牛只至肥育场中，这可能对明年初已肥育牛只价格不利。牛只期货价格於七月至八月下旬期间上涨後，上周连续第二周走低。由於早春时屠宰厂作业中断，牛肉屠宰量仍持续落后以往水平。今年迄今，尽管牛只平均体重增加，美国牛肉屠宰量同比减少4.4%，而牛肉产量减少1.8%。上周牛只屠宰量为63.3万头，与前一相比减少3.2%。继五月牛肉出口同比减少31%至62,123吨，以及六月出口同比减少33%(60,469吨)，七月牛肉分切出口反弹至83,536吨，是自三月以来最高水平。但与2019年7月时的出口水平相比，出口量仍减少7%(或-6,200吨)。每周出口量显示八月出口有所增加(见下图)，但总体而言，至经济受创的墨西哥的出口量减少导致今年前七个月牛肉和牛杂碎出口总量减少9%(见下图)。

| Country | YTD 2017 | YTD 2018 | YTD 2019 | YTD 2020 | YOY |
|---------|----------|----------|----------|----------|------|
| TOTAL | 488,685 | 571,692 | 529,142 | 534,491 | 1% |
| JAPAN | 170,153 | 187,245 | 171,439 | 180,320 | 5% |
| KOREA | 103,425 | 150,005 | 147,539 | 155,267 | 5% |
| MEXICO | 57,486 | 60,944 | 58,171 | 38,945 | -33% |
| HK | 54,530 | 54,270 | 35,202 | 33,242 | -6% |
| CANADA | 39,539 | 38,354 | 32,080 | 35,356 | 10% |
| TAIWAN | 30,356 | 43,078 | 43,041 | 43,042 | 0% |
| OTHERS | 32,922 | 35,255 | 37,412 | 38,542 | 3% |
| CHINA | 274 | 2,541 | 4,258 | 9,777 | 130% |

美国农业部牛肉屠体价格指数(特选级)：2020年9月4日 - \$225.85美元/百磅 (较2020年8月31日减少小於1%)

上周猪肉分切价格走高，中国大量采购激励市场情绪(见下图)。由於有报导称中国采购量增加，後腿肉大分切价格飙升18%，而劳动节假期前一周猪只屠宰量减少(248.4万头)也有助於支撑价格。十月活猪期货价格上涨两位数，达到四个月以来最高点。尽管第四季产量将创下纪录，大流行持续对经济造成严重冲击，市场前景仍不明确。人们乐观地认为，一些学生返回学校和大学可推动公共机构的猪肉采购活动；其他餐厅也因应大流行下的环境去改变其营运模式(见右栏产业动态)。在出口方面，8月21日至27日当周至所有目的地的净销量总计为53,600吨，是今年迄今第二高周销量。截至目前为止，在分别排名第一和第二的出口市场中国(28,710吨)和墨西哥(14,710吨)新的周销量均是每个目的地的第四高。根据最大买家中国的销售报告，大豆期货价格升至两年以来最高点。

Heavy Bone-in Hams



Source: USDA/AMS, 23-27#

猪屠体分切价格：2020年9月4日 - \$80.56美元/百磅 (较2020年8月31日增加11%)

美国肉类出口协会活动预告：

香港餐饮展：延期

中国国际食品及饮料展 - 上海：2020年9月28-30日

产业新知

Smithfield Foods, Inc. 宣布將於2030年前在其所有企业实现负碳排放。该公司表示能在不获得碳信用额度的情况下达到此目标。Smithfield 已经是蛋白质产业中以沼气生产的领导者，声称可透过加强其再生天然气事业，增加风能使用，改善其农场可再生作物种植的方式，减少运输服务碳足迹及提升动物粮食配给效率以实现2030年的目标。Smithfield 於去年宣布另一目标：2025年前将送往垃圾填埋地的固体废物减少75%。

产业动态

美国价值860亿美元以上的餐饮产业持续因应大流行环境而不断变化。NPD 最新数据显示，得来速快餐店在疫情爆发期间的表现最好。全桌边服务餐厅在第二季度的客流量减少48%，快速慢食餐厅的客流量减少26%，但得来速快餐店的客流量在第二季仅同比减少17%。所有餐厅在第三季均经历业务扩张，但得来速快餐店受到的影响最小。尽管如此，得来速快餐店并非成功经营的唯一选择。其他所谓在大流行下的最佳模式也包括缩减菜单选择，以及提供更多家庭分量食物。大型快餐店运营商已透过减少一些销量较差的菜单以提高得来速服务的效率；而家庭套餐促销优惠在一些遭受疫情重创并提供外卖的全桌边服务连锁餐厅中很受欢迎，这些套餐的价格通常接近零售店的熟食产品。路边取货服务扩展也令外送订单受益。甚至是大受欢迎的创新是将停车场转换为室外座位区。随着一些州对室内用餐设下限制，运营商利用停车区扩增座位数，在社交距离下为客户提供服务。随着美国天气转凉，一些餐厅已经架起帐篷或其他临时设施以允许全天候户外用餐。大型连锁餐厅的营销部门和一些独立经营餐厅正发想吸引顾客的新方法，包括举办虚拟欢乐时光特惠活动，甚至是为情侣提供在线的「约会之夜」。尽管對於美国餐饮业者来说目前状况仍是史无前例，该产业依然不断创新以求生存。

贸易新闻

七月中国单月猪肉进口量创历史新高，中国国内因供应持续紧张导致猪肉价格仍远高于世界水平。包括猪杂碎在内，中国七月贸易总量为54.8万吨，比六月时的创纪录水平高出约2.4万吨。其牛肉进口量不到20.8万吨，这仅是第二次突破20万吨。一月至七月期间，中国所有肉类和禽肉(M&P)进口总量为564.6万吨，比去年同期增长76%，即240万吨(见下图)。贸易总值上涨一倍达到182.5亿美元。按价值计算，截至目前为止巴西是中国M&P的最大供应国，一月至七月的销售额相当於41.6亿美元；而美国的销售额为19.35亿美元，排名第二。随着中国进入冬季采购高峰期，分析师预测，今年中国的M&P进口量可能达到前所未有的1,000万吨，远高于2019年时创纪录的620万吨。尽管七月和八月期间M&P批发产品至终端用户的交易情况并不活跃，九月初的销售开始增加；贸易商最近报告：随着学校全面重新开放，以及许多地区的餐厅客流量和交易量已恢复至接近CoVID爆发前的水平。上周五，中国猪肉平均价格为每公斤36.81人民币(每公斤5.38美元)，比三个月前的价格高出17%，这表明国内活猪和猪肉供应仍然紧张。中国农业部预测，国内活猪供应将於第四季强劲反弹。

