



U.S. Meat Bulletin

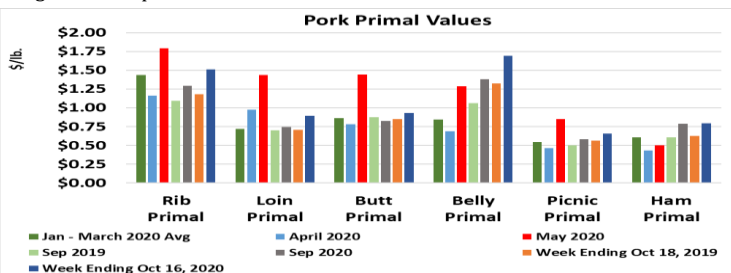
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SUPPLY & DEMAND

The beef cutout drifted lower last week on weak demand for most wholesale cuts, except steak items. The beef market showed more life at the end of last week, but the cutout moved lower yesterday on a continued sell-off in the futures markets. Still, analysts believe demand will move seasonally higher at least for the next 6 weeks. Optimism about the short-term moving forward may be getting support from high wholesale pork prices. Moreover, some data shows that consumers are filling freezers again as CoVID cases surge across many states. A recent survey by the [Sports and Leisure Research Group](#) found that 52% of U.S. consumers plan to stockpile groceries this fall, mostly due to uncertainty over a winter CoVID wave. The average grocery bill across the nation rose **11%** during the week ending October 6, the highest since the 1st week of June and the 2nd highest since [Investnet Yodlee](#) started conducting these types of surveys in January. In cattle markets, live fed cattle spot prices moved sideways last week after advancing the previous weeks. Fed cattle futures declined, especially toward the weekend, with the sell-off continuing into yesterday 10/19. Feeder cattle contracts have also swooned, primarily because of rising corn prices. The reason for the sell-off in cattle futures over the past few trading sessions remains unknown at this point. In the short term, cattle values should get support in the next few months from the rising wholesale beef market. In addition, analysts believe that the supply of cattle on feed over 150 days dropped significantly during September as placement activity slowed and harvest activity increased. Last week's slaughter totaled 654,000 head, up **2.7%** from last week and up **1.7%** from the same week last year. Year to date U.S. beef production is down **1.3%** from last year with slaughter down **3.9%**. A prominent cattle market analyst has estimated that harvest activity will remain strong through the remainder of the year, with total U.S. cattle slaughter in 2020 ending up **-2.5%** from the level of 2019.

Beef Choice Beef Cutout Value: 19/10/2020 - US\$209.74/cwt. (-2% from 9/10/2020)

After jumping through the week, the pork cutout lost ground Friday but closed **+3%** week-on-week. The cutout value is now approximately a quarter above its year-ago level, with all primals higher (see GRAPH below). Lean hog futures contracts traded last week at the highest level since the beginning of the year. Analysts are somewhat puzzled why the cutout is currently performing so well - and as a 2nd wave of CoVID infections is hitting many states across the nation. Last week's harvest of 2.688 million head, while smaller from the previous week, was still sizeable, suggesting that high prices are the not result of supply bottlenecks. Through last week, U.S. pork production was **+1.8%** from the pace of last year with slaughter up **1.0%**. There has been no extraordinary single factor driving the cutout; rather, all cylinders are working together to drive pork demand, including firm export demand from top markets **Mexico** and **China**, plant labor shortages that are pushing up values for further trimmed products, increased advertising for pork at retail stores, falling retail prices, and low frozen inventories of bellies and ribs. Restaurants continue to improve their pandemic operating models, esp. for takeaway and delivery, which has steadily driven renewed wholesale demand for key foodservice items such as bellies. Concerns about winter CoVID related lockdowns may be stimulating forward buying by retail chains. On the supply side, some analysts believe backed up supplies of hogs are not as high as originally forecast. On the export front, while weekly U.S. exports to #1 market China are lower now than during the Jan-April period, the US is back-filling more ham business to **Canada** and **Mexico**, both of which are exporting more product to China; China's imports of Mexican pork through August were up over **1,000%**.



Hog Carcass Cutout Value: 19/10/2020 - US\$98.10/cwt. (+3% from 9/10/2020)

ACTIVITIES:

Restaurant & Bar, Hong Kong: November 11-13, 2020
Food & Hotel China, Shanghai: November 10-12, 2020

MARKET MAKERS

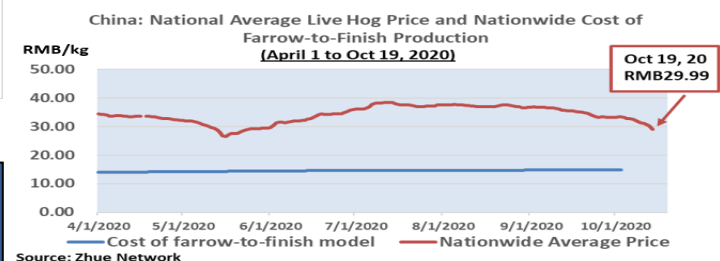
Southern U.S. beef processor **FPL Food** has secured financing to transform itself from a cow processing & ground beef enterprise to a vertically integrated high-quality grain-fed beef producer, according to industry journal [Cattle Buyers Weekly](#). The transition will take 3 years, but FPL has already acquired an Angus genetic herd and will soon begin work on rebuilding its harvest and fabrication facility. FPL is the 13th largest U.S. beef processor but until now, approximately 95% of its harvest has been of non-fed cattle.

MOVING AHEAD

America's pig farmers are measurably becoming more sustainable according to a new report published September 15 by the **National Pork Board (NPB)**. Greater production efficiencies, as measured by various metrics of farrowing rates (% of sows mated that give birth), piglet death losses, and female death losses, mean greater sustainability. The report, the 8th produced since 2011, was collated using 2017-2019 data from 600 sow farms and nearly 40 million pigs. The report shows that the best U.S. farms are continually improving swine management practices and their genetic pool, pushing the overall industry to greater efficiencies. That said, there continues to be a wide range in performance between different farms, with the range in some key productivity indexes widening. Year-to-year gains for the industry at large can be incremental, but other studies have clearly shown steady improvements in productivity over the long term. During the period 1960 to 2015, average U.S. feed conversion ratios were reduced from 4.5 pounds (feed required to produce 1 pound of meat) to 3 pounds and average market hog weights grew from 200 to 281 pounds. Water and energy used per pound of pork produced declined by nearly 26% and 7% respectively during the period, and most dramatically, pork production's land usage footprint has declined 76%, primarily due to rapid gains in output per acre of feed grains fed to pigs. Although U.S. pork production accounts for less 0.3% of total greenhouse gas emissions in the U.S., experts have opined that total carbon neutrality - across the entire industry - is achievable in the coming decades. In early September, pork industry leader **Smithfield** announced that by 2030, they would be removing more carbon emissions from the atmosphere annually than they will produce. They foresee attaining carbon neutral status by altering hog diets to reduce methane, applying no-till farming practices to their company-owned farms, expanding renewable energy projects, and maximizing their transportation logistics networks, all while reducing refrigeration, lighting and equipment energy use.

TRADE

China's hog prices continue to fall after the conclusion of the Golden Week holidays last week. With the U.S. cutout at relatively high levels, the ratio of Chinese average hog prices to U.S. wholesale pork values late last week hit their lowest level since August of last year, excluding the short period of CoVID-related price spikes in April and May. With per-hog profit margins for farrow-to-finish operators averaging U.S. \$375 per head during Q3, incentives are still strong for producers to expand as fast as possible. In September, the 12 largest publicly listed Chinese pork producing companies sold just under 5.7 million market pigs, a **16.5%** month-on-month and an increase of **87.54%** year-on-year. Other reports suggest that the nation's hog herd is recovering quickly, and the Ministry of Agriculture has stated that total swine and sow inventories are now 80% of pre-ASF levels. Imports have also been historically high; China reported last week that it imported 3.286 million tons of pork during the 1st 3 quarters of 2020, a YOY increase of **132.2%**. Depending on the data set used, the Jan-Sept preliminary trade figure implies between 380-440K tons of pork (excluding variety meats) were imported into China during September, above the monthly average of 355K tons imported during Jan-August. Traders told MEF last week that China's wholesale markets for imported pork were relatively quiet following Golden Week, but that demand would increase seasonally as winter peak consumption season approaches. However, traders were also eyeing the recent domestic hog price drops with caution.





美国肉品新知

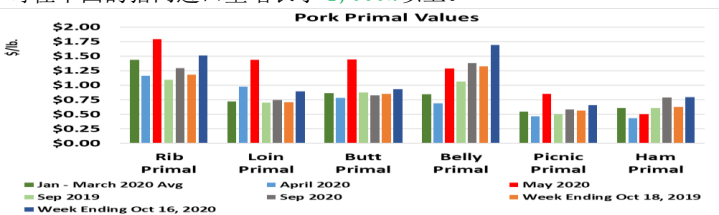
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供应与需求

牛肉大部分的批发分切需求疲软，除了排类品项，上周牛肉分切价格下降。上周牛肉市场出现更多生机，但昨天牛肉分切价格在期货市场因持续的抛售而下跌。尽管如此，分析师相信，在未来的六周内，需求将会有季节性的增长。短期上涨的乐观情势可能受助於猪肉的高批发价格。除此之外，有数据显示随着 CoVID 病例开始在各州飙升，消费者又开始将冷冻库塞满。根据 Sports and Leisure Research Group 近期的一项调查发现，52%的美国消费者计画在今年秋天大量储备食品杂货，这是由於 CoVID 冬季第二波爆发的不确定性。截至 10 月 6 日，美国国内平均食品杂货的帐单增加 11%，这是自 6 月第 1 周以来的最高点，并且是 Investnet Yodlee 自 1 月以来开始进行这类型调查以来的第二高水平。在牛只市场，已肥育活牛的现货价格在前几周增後，上周呈现持平状态。已肥育牛期货下跌，特别在周末，直到昨天 10 月 19 日仍持续有抛售。架子牛只期货下跌，主要因为玉米价格上涨。截至目前为止，牛只期货在过去几个交易日中被抛售的原因仍不清楚。在短期，牛只价格应该会在接未来的几个月将受到批发性需求增加而获得支持。此外，分析师相信，随着放置在养牛只活动趋缓和屠宰活动增加，9 月期间在养 150 天以上的牛只供给头数显着地下降。上一周的屠宰量总共为 65.4 万头，比上周增加 2.7%，比去年同期增加 1.7%。从今年初至今，美国牛肉生产量比去年减少 1.3% 而屠宰量减少 3.9%。一位著名的牛只市场分析师预估，在今年剩下的时间里，屠宰活动将保持强劲，2020 年美国的牛屠宰总量将比 2019 年下降 2.5%。

美国农业部牛肉屠体价格指数 (特选级) : 2020 年 10 月 19 日 - \$209.74 美元/百磅 (较 2020 年 10 月 9 日减少 2%)

猪肉分切价格跃升，周五居於劣势，以较上周同期增长 3% 关市。随着所有大分切价格增长，猪肉分切价格目前约比於去年同期水平高 1/4 (请见下方图表)。上周瘦猪肉期货合约交易达到今年初以来的最高水平。分析师对於为什麼目前出色的分切价格感到有些疑惑，并且随着第二波 CoVID 感染正开始席卷美国各州。上周 268.8 万头的周屠宰量仍然相当可观，尽管它小於前几周的屠宰量，这说明高价格不是因供给瓶颈所造成的结果。上周期间，随着屠宰量增加 1.0%，美国猪肉产量比去年同期增长 1.8%。市场上至今没有特别的单一要素能带动分切价格，相反地，所有驱动要素正一同拉升猪肉需求，这些要素包含对前几大市场如墨西哥和中国稳固的出口需求、屠宰场劳动力的短缺推升再次加工产品的价值、零售通路的猪肉商品广告量增加，零售价格的下滑及低库存量的冷冻猪腹肋肉及肋排等因素所致餐厅持续改善他们因疫情大爆发的营运模式，尤其如外带和外送，这让重点食品服务品项的批发需求又开始稳定增加，如腹肋品项。有关冬季 CoVID 封城的担忧可能会刺激零售零售业预先的采购。从供给面来看，有些分析师相信，备用猪只供应量并不如原预期地高。从出口面来看，尽管美国到中国排名第一市场的出口量较 1 到 4 月下降，但美国正向加拿大和墨西哥补上更多後腿肉贸易，这两个国都正往中国出口更多产品；在 8 月期间，墨西哥往中国的猪肉进口量增长了 1,000% 以上。



猪屠体分切价格 : 2020 年 10 月 19 日 - \$98.10 美元/百磅 (较 2020 年 10 月 9 日增加 3%)

美国肉类出口协会活动预告:
香港餐饮展: 2020 年 11 月 11-13 日
FHC 上海环球食品展 - 上海: 2020 年 11 月 10-12 日

产业动态

根据产业期刊 Cattle Buyers Weekly，美国南方牛肉加工厂 FPL Food 在融资到位後，其工厂从母牛加工和牛绞肉企业转型为一个垂直整合的高品质谷饲牛肉育成业者。此转移将历时 3 年，但 FPL 已经收购安格斯基因牛群，并且着手重建他们的屠宰和分切设备。FPL 是美国第 13 大的牛肉加工厂，但目前约略有 95% 的屠宰量是未肥育牛只。

产业新知

根据 9 月 15 日 National Pork Board (NPB) 的一篇新报导指出，美国的猪农户正适当地朝向永续发展。更大的生产效能代表更好的永续经营，这是根据各种分娩率(母猪交配後的生育百分比)、小猪仔的死亡损失、母猪死亡损失指标的评估。该报告是 2011 年以来的第八份报告，是使用 2017-2019 年 600 个母猪农场和将近 4,000 万头猪的资料。报导显示，美国最好的农场正逐渐改善猪只管理业务和基因库，这正推动整个产业提高效率。也就是说，随着一些重点生产力的指标扩大，在不同的农场之间将不断有不同程度的绩效。产业逐年的获利大体上是逐步递增，但其他研究清楚显示，以长期来看生产量稳定进步。在 1960 到 2015 年期间，美国饲料平均转换率从 4.5 磅(生产 1 磅肉所需的饲料)下降到 3 磅，市场猪只平均重量从 200 磅增长到 281 磅。在这段期间，每 1 磅猪肉生产所需的水和能源分别下降将近 26% 和 7%，最具戏剧性的是，猪肉生产的土地使用足迹已下降 76%，主要由於每英亩用来饲养猪的谷饲料产量急剧增长。虽然，美国猪肉产量在美国温室气体总排放量中少於 0.3%，但专家们认为横跨整个产业的总碳量平衡将在未来几十年内达到。9 月初，猪肉产业领导者 Smithfield 宣布在 2030 年，他们每年从大气中减少的排放量将超过他们所产出的排碳量。他们预见能实现碳平衡的状态，透过改变猪的饮食减少甲烷排放量、将免耕的做法运用在隶属於公司的农场、扩张再生能源的专案、强化公司物流运输网络、同时减少冷冻冷藏、照明和设备能源的使用。

贸易新闻

中国猪肉价格在上周黄金周假期後持续下跌。随着美国猪肉分切价格在相对较高，上周中国平均猪肉价格对美国批发猪肉价格的比例达到自去年 8 月以来的最低点，这不包含在 4 到 5 月期间 CoVID 相关的短期价格飙升。第三季，随着怀孕至育成猪经营者每单位的猪肉净利润率平均来到每头 375 美元，这仍是生产者可能尽速扩张的强劲诱因。在 9 月，中国 12 间大型的猪肉生产上市公司出售近 570 万头猪，较前一个月增加 16.5%，较去年同期增加 87.54%。其他报导指出国内的猪只群数量正迅速的恢复，农业部表示目前猪和母猪的总在养头数达到非洲猪瘟前在养头数 80% 的水平。进口量创下历史新高，中国上周的报导指出在 2020 年前三季猪肉进口量达 328.6 万吨，较去年增长 132.2%。根据所使用的数据组，1 到 9 月原始的贸易图表说明在 9 月期间，有 380-440 千吨的猪肉(不包含砸碎肉)进口到中国，这高於 1 到 8 月每月平均 355 千吨的进口水平。贸易商在上周通知 MEF，在黄金周後，中国的批发贸易市场对进口的猪肉的需求是相对地平稳，但随着秋季和冬季采买季节高峰邻近，需求将呈现季节性增长。然而，贸易商同时正谨慎地关注近期国内猪肉价格下跌。

