



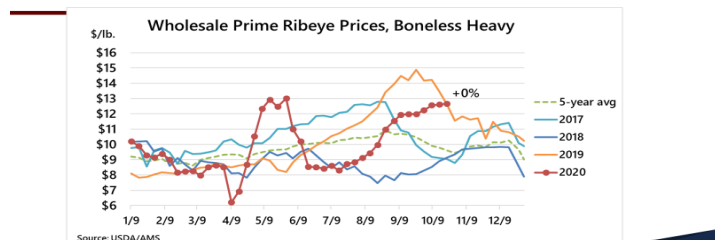
# U.S. Meat Bulletin

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## SUPPLY & DEMAND

The beef cutout drifted lower last week, contravening normal October market conditions when wholesale beef prices normally firm. Demand remained somewhat lackluster with pre-election financial markets taking a hit and restaurants re-closing due to a spike in COVID cases. Over the last few weeks, packers have managed to sell forward more beef, which could mean less buying interest ahead; year-end holiday buying usually begins in earnest in mid-November. Not all beef values are weakening however, and MEF has fielded question about the recent rise in PRIME ribeye prices (see GRAPH below). Prime ribeyes caught the attention of consumers this year as home chefs splurged on restaurant-quality items to help alleviate stay-at-home fatigue. Retailers, seeing interest in higher graded items during the pandemic, have been more aggressive at stocking them, helping to propel demand. Moreover, Australian grain-fed supplies to Asian markets, including white tablecloth steakhouses throughout the region, have been tight and pricing high, increasing the competitiveness of U.S. middle meats. Prices of other items weakened last week despite a low slaughter volume (638,000 head) but some analysts point out that the ratio of wholesale beef-to-pork prices has not been this low in 4 years, which should provide some support for the beef cutout in the weeks ahead. Live cattle prices last week felt pressure from slower beef demand and higher carcass weights.

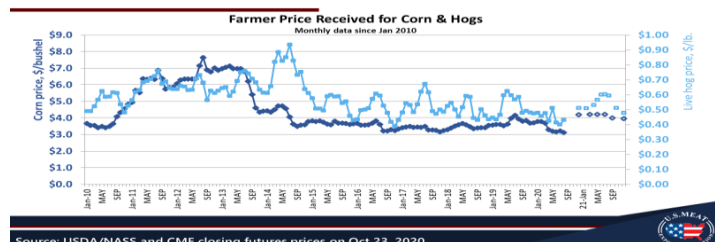
Wholesale Prime ribeye prices = \$12.66/lb. for the week ending October 23



**Beef Choice Beef Cutout Value: 2/11/2020 - US\$208.65/cwt. (+<1% from 26/10/2020)**

After increasing from early September through mid-October, the pork cutout value eased last week to its lowest level in 6 weeks due to increased product availability and tepid demand, especially for spot-bought bellies. The cutout still remains 15% above last year's value. Last week's market was driven by a sharp drop in belly values (-24% from the previous week), but also weakness across all other primals. Picnic and butt primal values are now below year-ago levels. Moreover, as explained above, concerns about more COVID-19 restaurant and business lockdowns caused many commodities to swoon last week. Last week's hog slaughter totalled 2.683 million head, with year to date production now running up 1.8% from last year with slaughter up 0.9%. The market outlook is somewhat murky. December lean hog futures still show optimism that pork values will hold, but February lean hog futures have seen more chop. There is also some concern that Chinese pork purchases for pre-Chinese New Year (Feb 12) delivery may have peaked, but Chinese pork prices remain high and #3 supplier **Germany** remains out of the market. Still, average weekly net U.S. pork sales to China for the 1<sup>st</sup> 3 weeks of October was a relatively low 3,200 tons. On the other hand, recent Chinese purchases of corn (see MOVING AHEAD next column) have caused U.S. prices of this key hog production input to firm, which could negatively impact U.S. producer profit margins.

Current corn and hog futures are indicating higher feed and hog prices in 2021



**Hog Carcass Cutout Value: 2/11/2020 - US\$84.00/cwt. (-9% from 26/10/2020)**

## ACTIVITIES:

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

## MOVING AHEAD

As November begins, America is close to wrapping up its annual corn & soybean harvest, a critical period for all of U.S. agriculture and especially the livestock & meat industry whose health depends on having an abundant supply of these primary inputs. Although estimates of total planted acres, harvested acreage and yields were steadily lowered during the August to October period, analysts are uniformly confident that this year will see the 2<sup>nd</sup> largest corn crop on record. Despite ample supplies, U.S. corn prices have jumped in recent weeks due to unprecedented sales of corn to **China**; during the week of July 30, U.S. corn exporters sold 1.94 million metric tons of corn to China, the largest daily sales total to China ever. Due to a lower domestic harvest, a draw down in its own corn stocks, and reviving feed demand from its rapidly recovering hog herd, analysts have estimated China may purchase up to 4 times its 7.2-million-ton annual quota during the 2020-2021 crop year. USDA China reported earlier last month that state-owned feed companies were recommending to the central government to allocate an additional 20 million tons in quotas at lower-tariff rates; volumes imported above 7.2 million tons are subjected to 65% duties. But even before further additional quotas are awarded, Chinese importers have already ordered more than double the annual quota level. The USA's largest competitors in the China corn import market are **Ukraine, Brazil, and Argentina**, but analysts see weather and financial risks among these 3 suppliers that could make the U.S. the most competitive among all suppliers for fulfilling large Chinese orders in the months ahead. Chinese trade data shows Jan-Sept Chinese corn imports totaled 6.67 million tons, with the Ukraine capturing 73% of that share; U.S. shipments totaled 1.506 million tons. But U.S. sales activity to China has ramped up recently. Outstanding sales of corn to China for this marketing year (September 2020 - August 2021) are 8.68 million tons, an all-time high. At this pace, analysts foresee China becoming the 2<sup>nd</sup> largest corn importer behind **Mexico**. Last Friday, USDA again reported large fresh corn export sales, but corn futures prices dropped off their near-term highs in part due to CoVID-related weakness in the financial markets. In addition to direct overseas shipments of the commodity, corn and soybeans are also exported through meat exports. In 2019, corn exported through U.S. beef and pork shipments totaled 480 million bushels of corn. Although that is only 3.4% of production that year, analysts have calculated that beef and pork exports contributed more than 12% of the per bushel price of corn (\$0.46/bushel) based on an annual average price of \$3.75/bushel. With 2019 U.S. production totaling 13.62 billion bushels, the value of pork exports to the U.S. corn crop was \$6.26 billion. U.S. soybean exports to China are also off to a strong start in the current marketing year, averaging over 1.1 million tons per week since the beginning of September. Sales are near record highs, with exporters reporting nearly 15 million tons in sales of U.S. soybeans to China since early August, valued near \$6.2 billion at current prices.

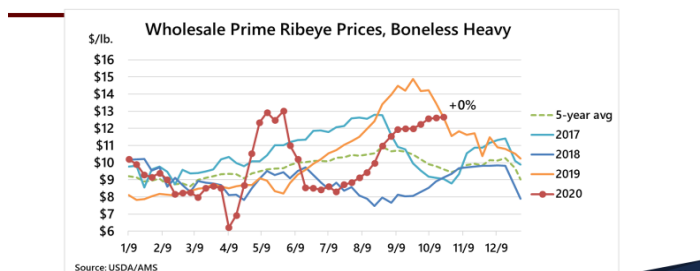
## TRADE

The USTR and USDA last week issued a report highlighting the progress in implementing the agricultural provisions in the U.S.-China Phase One Economic and Trade Agreement, which the agencies say is delivering "historic" results for American agriculture. USDA and USTR calculate that China has purchased approximately 71% of its agreed upon target purchase amount for U.S. agricultural products in 2020. For agricultural products covered by the agreement - which include U.S. beef, pork and poultry - China committed to make an additional \$12.5 billion of commercial purchases in 2020 above 2017 levels, implying an annual target of \$36.6 billion when calculated on a China import basis and \$33.4 billion on an FOB export basis. The Phase One Agreement went into effect February 14, 2020, and USDA notes that with March constituting the first full month of the agreement, the agencies' tabulations cover 7 months of agreement sales. According to the report, China has purchased \$23.6 billion in agricultural products so far this year. U.S. Census trade data is only available through August 2020 and it shows total U.S. food, agricultural and related product (including seafood, forestry products, distilled spirits & ethanol) exports to China for the 1<sup>st</sup> 8 months of the year totaling U.S. \$10.7 billion, up 9% from last year's pace. China was the 3<sup>rd</sup> largest export destination, trailing Canada (\$16.3 billion) and Mexico (\$12 billion). Total agriculture and related product exports during the period were U.S. \$97.23 billion (-4% year-on-year). As explained above, Chinese purchases of soybeans & corn have ramped up in recent weeks, and USDA & USTR also cite what will likely be record Chinese purchases of U.S. pecans, peanuts, pet food, and alfalfa. The joint report also highlights the accomplishments of the Phase 1 deal in expanding market access for U.S. agricultural products. According to USDA & USTR, before the Phase One Agreement, only approximately 1,500 facilities were approved by China to export agricultural goods. Today, that number has increased to more than 4,000 facilities.

### 供應與需求

上週牛肉分切價格下跌，違反 10 月正常季節性價格，通常情況下，牛肉批發價格通常在 10 月份之前都是堅挺的。由於大選前金融市場受到衝擊，以及 CoVID 病例激增導致餐館重新關門，需求仍然有些乏力。在過去的幾週裡，屠宰商設法向前銷售更多的牛肉，這可能意味著未來的購買興趣減少；年末的假期購買通常在 11 月中旬開始認真。然而，並不是所有的牛肉價值都在減弱，MEF 對最近 PRIME 肋眼價格的上漲提出了質疑（見下圖）。今年，隨著家庭廚師大肆購買餐廳品質的產品，以幫助緩解家庭疲勞，PRIME 肋眼引起了消費者的注意。零售商在疫情期間看到人們對更高等級的產品感興趣，於是更加積極地進貨，幫助推動需求。此外，澳大利亞對亞洲市場的穀飼供應，包括整個亞洲地區的高級牛排館，一直都很緊張，定價也很高，增加了美國肉品的競爭力。儘管上週屠宰量較低（63.8 萬頭），其他項目的價格走軟，但有分析師指出，牛肉及豬肉的批發價格比 4 年來從未如此之低，這應該為未來幾週的牛肉減產提供一些支撐。上週活牛價格感受到牛肉需求放緩和胴體重量增加的壓力。

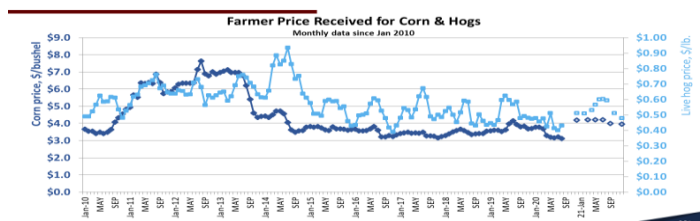
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### 美國農業部牛肉屠體價格指數 (特選級)：2020 年 11 月 2 日 - \$208.65 美元/百磅 (較 2020 年 10 月 26 日增加小於 1%)

豬肉分切價格從 9 月初到 10 月中旬增加後，上週回落至 6 周以來的最低水平，原因為產品供應增加，需求平淡，尤其是檔購的豬腹脊肉。豬肉分切價格仍比去年的數值高出 15%。上週的市場是由豬腹脊肉價值急劇下降（比前一週下降 24%），但也有其他原始大分切也都疲軟。前腿肉及梅花肉的原始價值現低於去年同期水平。此外，如上所述，對更多 COVID-19 餐廳和企業停業的擔憂導致上週許多商品大跌。上週豬屠宰總量為 268.3 萬頭，年初至今的產量目前比去年增長 1.8%，屠宰量增長 0.9%。市場前景有些模糊。12 月瘦豬期貨仍顯示出豬肉價值將保持樂觀，但 2 月瘦豬期貨出現更多斬獲。也有人擔心，中國春節前（2 月 12 日）交貨的豬肉採購量可能已經達到頂峰，但中國豬肉價格仍然居高不下，第三大供應國德國仍未出局。不過，10 月前 3 週美國對中國的豬肉平均每週新淨銷售量還是比較低的 3,200 噸。另一方面，近期中國對玉米的採購（見下一欄 MOVING AHEAD）導致美國這一關鍵豬肉生產的價格堅挺，但也可能會對美國生產商的利潤率產生負面影響。

Current corn and hog futures are indicating higher feed and hog prices in 2021



### 豬屠體分切價格：2020 年 11 月 2 日 - \$84.00 美元/百磅 (較 2020 年 10 月 26 日減少 9%)

### 產業動態

隨著 11 月的到來，美國即將結束一年一度的玉米和大豆收割，這對美國所有的農業，尤其是畜牧業和肉類行業來說是一個關鍵時期，他們的健全有賴於這些主要投入的充足供應。雖然在 8 月至 10 月期間，總種植面積、收穫面積和產量的預估不斷降低，但分析師一致認為，今年將迎接有史以來第二大的玉米收成量。儘管供應充足，但由於對中國的玉米銷售量空前，近幾週美國玉米價格跳漲；7 月 30 日當週，美國玉米出口商向中國銷售 194 萬噸玉米，創下有史以來對中國的最大日銷售總額。由於國內收成較低，自身玉米庫存縮減，以及迅速恢復豬群帶來飼料需求復甦，分析師估計中國在 2020-2021 作物年度可能會購買高達 420 萬噸年度配額的 4 倍。USDA 針對中國市場上月初報告指出，國有飼料企業正向中央政府建議以較低的關稅率分配額外的 2000 萬噸配額；進口量超過 720 萬噸時，需繳納 65% 的關稅。但即使在進一步增加配額前，中國進口商已訂購超過年度配額水平的兩倍多。美國在中國玉米進口市場最大的競爭對手是烏克蘭、巴西以及阿根廷，但分析師認為，這 3 個國家供應商中的天氣及金融風險會使美國成為所有供應商中最具競爭力的國家，以完成未來幾個月的大訂單。中國貿易數據顯示，1-9 月中國玉米進口總量為 667 萬噸，如果該份額，烏克蘭佔據了 73%；美國出貨總量為 150.6 萬噸。但近期美國對中國的銷售活動有所提升。本銷售年度（2020 年 9 月-2021 年 8 月）對中國的玉米未銷售量為 868 萬噸，創歷史新高。按照這個速度，分析師估計中國將成為僅次於墨西哥的第二大玉米進口國。上週五，美國農業部再次報告大量的新鮮玉米出口銷售量大增，但玉米期貨價從近期高點回落，部分原因是金融市場上 CoVID 相關的疲軟。除了直接的穀物出口外，玉米一和大豆一還通過肉類出口。2019 年，通過美國牛肉和豬肉運往海外出口的玉米總量為 4.8 億蒲式耳。雖然這只占當年產量的 3.4%，但分析師計算出，按照年均價 3.75 美元/蒲式耳計算，牛肉和豬肉出口對玉米每蒲式耳價格的貢獻超過 12%（0.46 美元/蒲式耳）。2019 年美國總產量為 136.2 億蒲式耳，豬肉出口到美國玉米作物的價值為 62.6 億美元。美國對中國的大豆出口在本銷售年度也有一個強勁的開端，自 9 月初以來，平均每週出口量超過 110 萬噸。銷售量接近歷史新高，出口商報告稱，自 8 月初以來，向中國銷售的美國大豆接近 1500 萬噸，按當前價格計算，價值接近 62 億美元。

### 貿易新聞

USTR 及 USDA 上週發佈一份報告，強調了美中第一階段經貿協定中農業條款的實施進展，這兩個機構表示，該協議正在為美國農業帶來“歷史性”成果。據美國農業部和 USTR 計算，2020 年中國對美國農產品的購買量約占其協議目標採購量的 71%。對於協議所涵蓋的農產品—其中包括美國牛肉、豬肉和家禽，中國承諾在 2020 年要比 2017 年的水平再進行 125 億美元的商業採購，這意味著按中國進口計算，年度目標為 366 億美元，按 FOB 出口計算為 334 億美元。第一階段協議於 2020 年 2 月 14 日生效，USDA 指出，由於 3 月份構成協議的第一個完整月份，各機構的表格涵蓋了 7 個月的協議銷售。根據報告指出，今年以來，中國已購買 236 億美元的農產品。只到今年 8 月美國人口普查的貿易數據顯示，今年前 8 個月美國出口至中國的食品、農產品及相關產品（包括海產品、林產品、蒸餾酒及乙醇）總額為 107 億美元，比去年增長 9%。中國是第三大出口目的地，僅次於加拿大（163 億美元）和墨西哥（120 億美元）。本期農業及相關產品出口總額為 972.3 億美元（同比下降 4%）。如上所述，近幾週中國對大豆和玉米的採購量增加，USDA 及 USTR 還提到，中國對美國胡桃、花生、寵物食品及苜蓿的採購量可能會創下紀錄。聯合報告還強調第一階段交易在擴大美國農產品市場準入方面的成就。根據 USDA 及 USTR 的數據，在第一階段協議之前，中國只有大約 1500 個設施被批准用於出口農產品。今天，這個數字已經增加到 4,000 多個設施。

美國肉類出口協會活動預告：  
 香港餐展：2020 年 11 月 11-13 日  
 FHC 上海環球食品展 - 上海：2020 年 11 月 10-12 日