



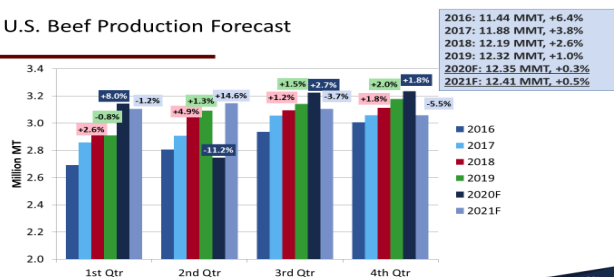
U.S. Meat Bulletin

November 17, 2020 Volume XII | Issue 11.3

SUPPLY & DEMAND

Live cattle and beef prices jumped last week on what analysts called seasonal holiday buying, but COVID related restaurant re-closings likely drove retailers to lock down forward supplies in the expectations of household re-stocking of pantries & freezers. Demand was strong across all cuts, with roasting items, including ribs, chucks and rounds, enjoying heavier buying interest. Despite the recent strength in beef prices, values of most wholesale foodservice cuts, including ribeyes, tenderloins, briskets, top butts and petite tenders, remain below year-ago levels. Consumer demand carried through to live cattle markets where average fed cattle prices increased 3-4% through the week. The surge in the market occurs after an October where large cattle supplies continued to overhang the market even as processors were aggressively purchasing cattle. The throughput of cattle through harvest plants has jumped since July, and at the end of last month, the supply logjam created in the spring had more-or-less resolved itself according to analysts. This caused the USDA last week to again increase its forecasted 2020 U.S. beef output, with the new estimate of 12.35 million tons now +0.3% from the record production level last year. Analysts are also scrutinizing USDA's quarterly forecasts for production next year, which currently envision a sharp contraction in production during H2 2021 (see GRAPH below). U.S. beef monthly data for Jan-Sept 2020 reports exports were down -6% (excluding variety meats) from the pace of 2019, but USDA weekly figures show higher weekly shipments for 5 of the 6 weeks through November 5, a sign of recent demand firmness from overseas buyers. Chinese buyers have been outbidding those in Japan, Korea, and Taiwan for certain Asian cuts, and during the week ending Nov 5, new reported net sales to China again outpaced those to any other destination (see related story in TRADE next column.)

Quarterly U.S. Beef Production Forecast

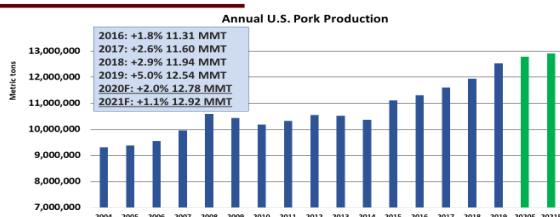


Source: USDA/WASDE November 2020, carcass weight equivalent, commercial production

Beef Choice Beef Cutout Value: 16/11/2020 - US\$226.95/cwt. (+4% from 9/11/2020)

The U.S. pork cutout closed lower again last Friday marking its 4th consecutive week-on-week drop. A +14% appreciation in the value of the picnic primal to a 6-month high was offset by declines in bellies, hams and loins. Last week's pork market news was dominated by revised USDA supply & demand forecasts. Based on the continuing recovery of China's hog herd, USDA last week dropped its 2020 US pork export forecast and raised its pork production outlook, which lowered its average cash hog price projection for the year. The revisions caused lean hog futures to move south toward the end of last week. And although USDA forecasts large corn & soybean crops, China's growing hog herd will drive U.S. exports of both corn and beans to record levels this year. Prices of both hog inputs during 2020/21 are projected to be the highest since 2013/14 and stocks could tighten quickly if exports exceed current expectations. U.S. pork exports during the week ending Nov 5 were the highest since May, with USDA reporting large new sales to #1 and #2 markets **China** and **Japan**.

USDA expects U.S. pork production to be 2% to a new record in 2020



Source: USDA/NASS & WASDE estimates

Hog Carcass Cutout Value: 16/11/2020 - US\$81.85/cwt. (-4% from 9/11/2020)

ACTIVITIES:

HOFEX, Hong Kong: May 12-14, 2021

MARKET MAKERS

Tyson Foods has announced that it will build new fully cooked production facilities in China and Thailand and expand its factory in the Netherlands, adding 100,000 tons of fully cooked poultry capacity to its global portfolio. Tyson says that during the 2019 financial year Tyson generated \$5.4 billion in international sales - including U.S. meat & poultry export sales - while making more investments in expanding its footprint in markets including China, India, Brazil.

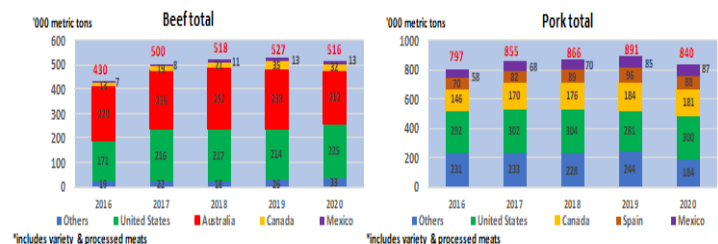
MOVING AHEAD

In addition to its international announcements, **Tyson** last week issued a statement that that it has developed guidelines for its suppliers that will work to protect forests and other ecosystems. The company's new Forest Protection Standards will be applied during its sourcing of cattle for beef production, soy, palm oil and pulp, paper and packaging. The company's move comes after an independent assessment earlier this year calculated that approximately 94% of Tyson's land footprint does not result in deforestation. There has been a flurry of activity within global livestock industries in recent months concerning the issue of deforestation and sustainable production. One driver of the new sustainability focus is the European Union's new Farm to Fork Strategy (FFS), an integral part of the EU's new Green Deal which has a goal according to the European Commission of making "food systems fair, healthy, and environmentally friendly." FFS establishes clear 2030 goals to reduce antibiotic usage in the livestock and aquaculture industries, implement more comprehensive animal welfare practices, and reduce the contribution the EU agricultural & food sector makes to global deforestation and forest degradation. The details of FFS policies are still under review and discussion by European stakeholders, with the European Commission scheduled to publish legislative proposals in 2021. Among the additional FFS measures being discussed are those which would "avoid or minimize the placing of products associated with deforestation or forest degradation on the EU market." FFS statements of principles suggest that measures to encourage sustainability among its foreign suppliers of commodities such as beef should be legally enforceable. According to a new USDA **Economic Research Service** study of FFS's economic impacts on both the EU and its global trading partners, ERS concluded that the adoption of EU sustainability standards globally would result in higher global food prices, a reduction in agricultural trade and a growth in food insecurity, especially among those fragile populations involved in producing agricultural products for export to the EU. The U.S. cattle industry, as represented by NCBA, wrote a letter last week to the USDA asking the agency to "educate" the EU about the environmental benefits of the U.S. cattle production system, which it calls the most environmentally friendly cattle production system worldwide. NCBA says that the USA's unique silvopasture system of strategically grazing cattle in forested areas to maximize nutritional and environmental benefit is unique among global cattle production systems for its sustainability outcomes.

TRADE

China has been the big story in meat trade news this year, but for the U.S. beef and pork industry, **Japan** remains the top destination for both species by value. Jan-Sept beef and pork exports to Japan totaled U.S. \$2.661 billion out of a total Q1-Q3 trade to all destinations worth \$11.24 billion. Combined beef and pork exports to China/HK were valued at \$2.433 billion though volumes shipped to China exceeded shipments to Japan. Japan's total Jan-Sept 2020 beef imports, including variety meats, were down year-on-year by 2% to 516K tons, but the U.S. has picked up share due to supply constraints by **Australia**. The USA's imported beef market share increased from 40% last year to 43.6% this year. Japan's total Q1-Q3 pork imports dropped 5.8% to 840K tons, but like for beef, the U.S. has increased its market share from 31.6% in 2019 to 36% this year. On the pork side, the U.S. has gained from larger shipments of ground seasoned pork, while for beef, U.S. exports of short plate and brisket have increased. Japan is recently experiencing an upsurge in new CoVID cases, which is casting fresh uncertainty over foodservice sector performance; Japan's total restaurant revenues have gradually recovered from their -40% trough in April with Sept total sales just -14% the Sept 2019 pre-CoVID level.

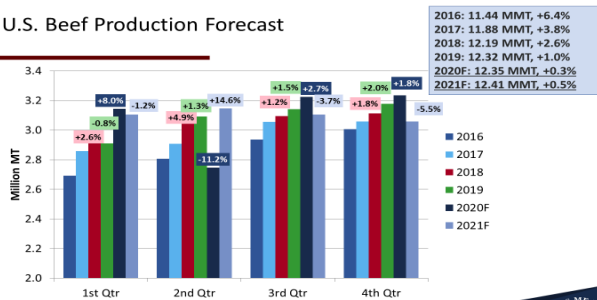
Japan: Beef & Pork Imports
Jan to Sep 2016 - 2020 ('000 metric tons)



供應與需求

上週活牛及牛肉價格因分析師所謂的季節性節日，買盤跳漲，但因 COVID 相關的餐館重新關閉，促使零售商預期鎖定遠期供應家庭囤貨至儲藏室及冰櫃。所有分切肉的需求都很強勁，包括肋排、肩胛及後腿肉在內的烤肉產品的購買興趣較高。儘管近期牛肉價格走強，但大多數批發餐飲業分切肉的價值，包括肋眼、菲力、牛胸肉、上後腰脊肉及肩胛小菲力，仍低於去年同期水平。消費者的需求延續至活牛市場，本週已肥育牛隻平均價格上漲了 3-4%。市場的暴漲發生在 10 月份之後，即使加工廠積極採購牛隻但大量的牛隻供應仍繼續佔據市場。7 月以來，農場可收成的牛隻產量躍升，上月底據分析師所稱，春季造成的供應困局已基本解決。這使得 USDA 上週再次上調 2020 年對美國牛肉產量的預估，新的預估值為 1,235 萬噸，目前較去年創紀錄的產量水平增加 0.3%。分析師也在仔細研究 USDA 對明年產量的季度預測，目前預計 2021 年下半年產量將大幅萎縮（見下圖）。2020 年 1-9 月美國牛肉每月出口數據顯示，出口量較 2019 年下降 6%（不包括牛雜碎），但 USDA 每週數據顯示，截至 11 月 5 日，6 週中有 5 週的出貨量數據上升，表示近期海外買家需求強勁。中國買家對某些亞洲分切肉的出價一直高於日本、韓國及台灣地區的買家，截至 11 月 5 日一週內，新的報告顯示中國的淨銷售量再次超過其他任何目的地的淨銷售量（見貿易新聞下一欄的相關報導）。

Quarterly U.S. Beef Production Forecast

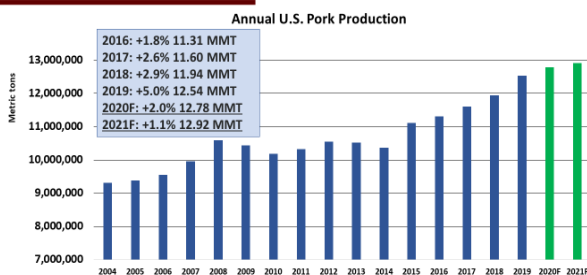


Source: USDA/WASDE November 2020, carcass weight equivalent, commercial production

美國農業部牛肉屠體價格指數（特選級）：2020年11月16日 - \$226.95 美元/百磅（較2020年11月9日增加4%）

上週五美國豬肉分切價格再次下跌，這是連續第 4 週下跌。前腿肉分切價值增加 14%，創 6 個月新高，但被豬腹脊肉、豬後腿肉及里肌肉的下跌所抵消。上週豬肉市場消息以 USDA 供需預測修正為主。基於中國豬群的持續恢復，USDA 上週下調了 2020 年美國豬肉出口預測，並且上調豬肉產量展望，從而下調了今年平均現金豬價預測。這些修正導致瘦豬期貨在上週末向南移。儘管 USDA 預測玉米及大豆作物產量大增，但中國豬群不斷增長將推動美國今年玉米和豆類的出口量創下新高。預計 2020/21 年期間同時輸出豬隻的價格將達到 2013/14 年以來最高水平，如果出口量超越目前預期，庫存量可能會迅速緊張。截至 11 月 5 日當週美國豬肉出口量為 5 月以來最高，USDA 報告對 1、2 號市場中國及日本的新銷量較大。

USDA expects U.S. pork production to be 2% to a new record in 2020



Source: USDA/NASS & WASDE estimates

豬屠體分切價格：2020年11月16日 - \$81.85 美元/百磅（較2020年11月9日減少4%）

產業新知

Tyson 食品日前宣佈，將在中國和泰國新建全熟產品設施，並擴建荷蘭工廠，為其全球產品組合增加 10 萬噸全熟禽肉。Tyson 表示，在 2019 財政年度，Tyson 的國際銷售額為 54 億美元其中包括美國肉類與肉禽出口銷售，同時進行更多的投資，擴大在中國、印度、巴西等市場的足跡。

產業動態

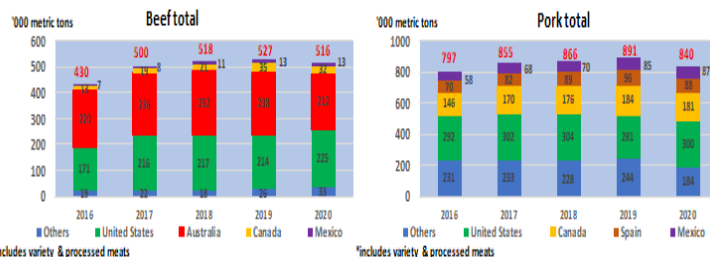
除了在國際上宣布，Tyson 上週還發表，他們已經為供應商制定了指導方針，將致力於保護森林和其他生態系統。該公司在採購牛肉生產用的牛隻、大豆、棕櫚油和紙漿、造紙及包裝時，將執行新的森林保護標準。該公司年初的一項獨立評估算出 Tyson 公司約 94% 的土地足跡不會導致森林砍伐後取得的。最近幾個月，全球畜牧業內部就砍伐森林和可持續生產問題開展了大量活動。新的可持續發展重點的一個驅動力是歐盟推出新的“農場到餐桌戰略”(FFS)，這是歐盟新的“綠色政務”的一個組成部分，歐盟委員會認為該戰略的目標是使“食品系統公平、健康、環保”。FFS 制定了明確的 2030 年目標，以減少畜牧業及水產養殖業中抗生素的使用，採取更全面的動物福利措施，並減少歐盟農業及食品行業對全球森林砍伐和森林退化的貢獻。歐洲利益相關者仍在審查與討論 FFS 政策的細節，歐盟委員會計劃在 2021 年公佈立法提案。正在討論的其他 FFS 措施包括“避免或盡量減少將與森林砍伐或森林退化有關的產品投放到歐盟市場”的措施。FFS 的原則聲明建議，鼓勵牛肉等商品的的外國供應商可持續發展的措施應是法律上可執行的。根據 USDA 經濟研究局的一項新研究，FFS 對歐盟及其他全球貿易夥伴的經濟影響顯示，ERS 認為，在全球範圍內採用歐盟可持續發展標準將導致全球糧食價格上漲，農產品貿易減少，糧食不安因素增加，特別在參與生產出口歐盟的農產品的人群顯現較脆弱。美國養牛業代表 NCBA 上週致信至 USDA，要求該機構向歐盟“教育”美國養牛生產體系的环境效益，同時也稱美國養牛生產體系是全球最環保的養牛生產體系。NCBA 表示，美國獨特的森林牧場制度，在森林放牧牛群實現營養及環境效益的最大化是獨一無二可持續發展的全球養牛生產體系。

貿易新聞

中國是今年肉類貿易新聞的大事，但對於美國牛肉及豬肉行業來說，按價值計算，日本仍然是這兩種肉類的首要目的地。1-9 月牛肉和豬肉對日本的出口總額為 26.61 億美元，其中 1-3 季度對所有目的地的貿易總額為 112.4 億美元。牛肉及豬肉出口到中國/香港的總價值為 24.33 億美元，但運往中國的數量超過了運往日本的數量。日本 2020 年 1-9 月牛肉進口總量（包括雜碎肉）同比減少 2% 至 51.6 萬噸，但由於澳大利亞的供應限制，美國的市佔率有所回升。美國牛肉市場佔有率從去年的 40% 上升到今年的 43.6%。日本 Q1-Q3 豬肉進口總量下降 5.8% 至 84 萬噸，但與牛肉一樣，美國的市場佔有率從 2019 年的 31.6% 增加到今年的 36%。在豬肉方面，美國從較大的調理豬絞肉出貨量中獲得收益，而對於牛肉來說，美國的胸腹肉及牛前胸肉的出口量也有所增加。日本近期新的 COVID 案例激增，使餐飲業的業績帶來新的不穩定性；日本餐飲業總收入已從 4 月的 -40% 低谷逐步恢復，9 月總銷售額為 2019 年 9 月 COVID 前水平的 -14%。

Japan: Beef & Pork Imports

Jan to Sep 2016 - 2020 ('000 metric tons)



*Includes variety & processed meats

*Includes variety & processed meats

**美國肉類出口協會活動預告：
Hofex, 香港: 2021年5月12-14日**