



U.S. Meat Bulletin

December 8, 2020 Volume XII | Issue 12.1

SUPPLY & DEMAND

After rising for the previous 4 weeks, the USDA CHOICE cutout value fell slightly last week based on weaker values of rounds, chucks and briskets. Wholesale beef prices fell again yesterday Monday Dec 7 on concern over COVID-crimped foodservice demand. Over the last month, rib demand has continued to drive firmness in the overall cutout. The Choice rib primal value moved higher for the 5th consecutive week, closing last Friday at **+33%** from the last week of October. Choice ribeye rolls continue to set new records, with boneless heavy ribeye values up **35%** year-on-year. Besides ribs, other items trading above their 5-year averages include chuck rolls, which recently have enjoyed renewed interest from overseas buyers. Interestingly, tenderloins remain below year-ago values. Live cattle values were mixed last week as the market contemplated the impact to beef demand of spreading restaurant lockdowns and post-Christmas retail demand. The week ended on a slightly positive note for feedlotters as analysts saw recent soaking rains in South America as being a possible indicator that grain prices had seen a top. Last week's slaughter reached 667,000 head, up **18.3%** from last week but down **2.2%** from the same week last year. Despite the beef packing sector spending over US \$1 billion since March on facility safety and PPE provision, worker availability and retention currently ranks as the #1 issue among U.S. beef processors, according to a new survey by industry journal [The Cattle Buyers Weekly](#) (CBW). Year to date U.S. beef production is down **1%** from last year, with slaughter down **3.4%**. CBW estimates that daily U.S. slaughter capacity among the 54 largest harvest plants that are operated by the top 30 beef packers is steady with pre-pandemic levels at 126,095 head per day.

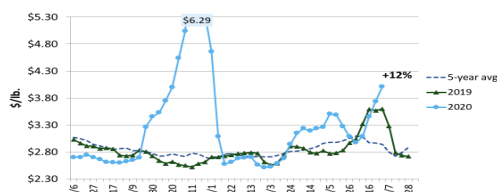
MOVING AHEAD

U.S. pork prices, as indicated by the pork cutout value, have been on a rollercoaster this year, with COVID plant disruptions and large but unsteady **China** purchases playing large roles in this year's volatility. Currently, from a pure number's perspective, the nation's slaughter activity appears to be quite normal. The biggest daily hog slaughter last month was 497,000 head, just 1K head smaller than the largest harvest day in November 2019. And last week, U.S. plants managed to harvest 2.789 million head, one of the largest slaughter weeks this year. Experts say this is an indication that processors have increased labor efficiencies while managing to mitigate the impact of COVID on plant personnel. The U.S. meat industry collectively has spent billions of dollars since the onset of the pandemic on re-engineering workstations, purchasing PPE, and installing temperature scanners to screen employee's health. But tight meat plant labor conditions are not a COVID-driven phenomenon. Even before the virus, the rural mid-west communities & counties where many of America's largest meat plants are situated recorded some of the lowest unemployment rates in the country. Labor tightness may not be manifest in overall harvest numbers, but they can create other issues affecting bottom lines, such as the inability to keep pace on the fabrication of higher value-added labor-intensive items, such as boneless hams & loins, and rib products. Many of the larger U.S. meat packers now view labor shortages as a systemic challenge, and several industry leaders are responding by increasing investment in more plant mechanization. **Tyson** has invested in a manufacturing automation center, an R&D facility tasked with the goal of exploring plant automation technologies, while **JBS** has taken a controlling stake in a NZ based robotics company **Scott Technology**. Scott has developed equipment and operational protocols for automated boning in NZ lamb plants. Mechanization of meat processing, especially in harvest plants, is inherently challenging, because of the natural variation in animal sizes, weights and other dimensions. That said, there are some operation that are relatively low hanging fruit for mechanization. Conveyor systems can reduce driver-operated forklift vehicles, which can reduce personnel density in plants. Robots can also be used to help size & package finished products. But research on the potential to automate other critical processes continues, including carcass evisceration, ribbing bellies, & separating loins from the rib and main belly primal. Experts say vision technologies are developing fast, allowing for faster and more accurate scanning and measuring of individual carcass and primal characteristics. Although mechanization is often viewed as a negative to the overall welfare of workers, in meat plants especially, additional technology usage can address employee safety issues by potentially reducing ergonomic risks and hazardous tasks. Automation does not necessarily eliminate workers; consultant group **Deloitte** sees a potential shortage of skilled manufactured workers of up to 2.4 million positions in the U.S. between 2018 and 2028. The U.S. meat & poultry slaughter & processing industry employs an estimated 500,000 workers.

TRADE

After widespread predictions that **China's** pork prices would drift lower this winter as domestic pork supplies ramped up, prices have turned upward. After falling to RMB 28.79/kg on Oct 29, the national live hog reference price has inched higher, hitting RMB 33.22/kg on Dec 5, an increase of approximately **15%**. There are several factors that are working to support local pork prices. First, there has been a slowdown both in meat & poultry importation, and in the velocity of imported product movement through the China supply chain. China's October pork imports, including variety meats, totaled 421.6K tons, the lowest volume since February, but still **+61%** from shipments in Oct 2019. China has been testing imported meat & seafood & its packaging for virus traces at ports since July, but in September required secondary COVID testing & certification at cold storage facilities in wholesale markets. Early last month, China's National Health Commission issued new requirements for the disinfection of imported cold-chain foodstuffs at incoming ports, cold storage warehouses, and end-user establishments (e.g. supermarkets, restaurants). The layering of new disinfection requirements over COVID testing has resulted in product flow bottlenecks. Moreover, media reports of continued findings of virus particles on imported meat & seafood has dampened consumer's appetites for imported proteins, especially at retail where country of origin labeling is more prominent. Traders have also been less aggressive in their import orders, as dozens of meat facilities in Europe, Australia, and North & South America have been delisted following positive COVID findings, and Germany remains ineligible due to ASF. The import challenges come at a time of growing seasonal demand for pork, including large stocking of product for traditional dried & cured meat production (*la rou*). In addition, national hog values may be getting a boost by new rules implemented Dec 1 banning the importation of live market hogs into the designated south-central China region.

Choice Chuck Roll 1x1

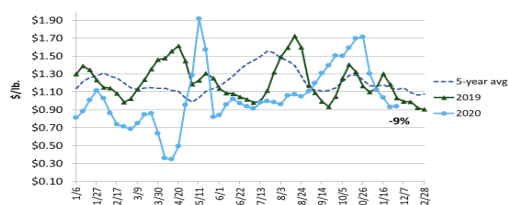


Source: USDA/AMS

Beef Choice Beef Cutout Value: 7/12/2020 - US\$230.80/cwt. (-4.5% from 23/11/2020)

The pork cutout moved sideways last week as an unsettled tone crept over the marketplace. Analysts believe that retailers have already stocked up for the holiday season, meaning that fresh product demand will be for the uncertain period behind it. Harvest activity should ramp up seasonally over the next few weeks, further pressuring supplies. Due to renewed COVID lockdowns in some parts of the country, foodservice-dependent items including bellies and ribs saw softer demand last week, while ham values managed to firm. Overall, exports remain strong relative to the pace of a year ago, but the outlook in #1 export market **China** remains cloudy due to increased testing of imported meats and other perishables for COVID (see TRADE next column) & a rebound in the domestic herd. Labor & staffing issues also resurfaced in U.S. plants last week with continued COVID cases being reported nationwide (see MOVING AHEAD next column). February lean hog futures continue to seesaw, albeit in a somewhat narrow trading range, but June, July & August 2021 futures contracts have been trading at a premium to current live hog values, a sign that the market expects greater market normalcy next year.

U.S. Pork Belly Primal



Source: USDA/AMS

Hog Carcass Cutout Value: 7/12/2020 - US\$77.90/cwt. (+0.2% from 23/11/2020)

ACTIVITIES:

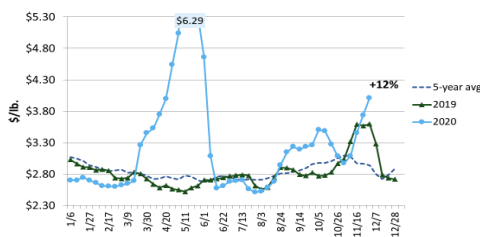
HOFEX, Hong Kong: May 12-14, 2021

SIAL, Shanghai, May 18-20, 2021

供應與需求

USDA CHOICE 分切肉價格在前 4 週上漲後，上週基於後腿肉、肩胛和牛胸肉價格疲軟。牛肉批發價格昨日（12 月 7 日星期一）再次下跌，原因在於擔心 CoVID 限縮了餐飲服務的需求。在過去一個月中，肋排需求持續推動，整體分切仍堅挺。Choice 肋排價格已連續第 5 週走高，上週五收盤價較 10 月最後一周增長 33%。Choice 修清肋眼肉捲接連創新紀錄，無骨肋眼（heavy ribeye）與去年同期相較增長 35%。除肋排以外，其他交易量高於 5 年平均水平的產品，包括最近重新受到海外買家關注的下肩胛眼肉捲。有趣的是，腰內肉的價值仍低於去年同期。上週活牛價值喜憂參半，因市場在盤算餐廳停業的蔓延及聖誕節後零售需求對牛肉需求的影響。本週末，因分析師認為最近因南美洲降雨，使穀物價格已出現見頂的可能指標，因此對飼料商來說較為樂觀。上週屠宰量達到 66.7 萬頭，比前一週增長 18.3%，但比去年同期下降 2.2%。據行業雜誌《牛市買家週刊》（CBW）最新調查顯示，儘管牛肉包裝行業自 3 月以來在設施安全及個人防護裝備規定上花了超過 10 億美元，但工人目前的可用性和保留率仍然是美國牛肉加工廠的首要問題。年初至今美國牛肉產量比去年下降 1%，屠宰頭數下降 3.4%。CBW 估計，由前 30 家牛肉包裝商經營的 54 家最大屠宰廠中，美國的每日屠宰能力仍穩定，如疫情前水平每日 126,095 頭。

Choice Chuck Roll 1x1

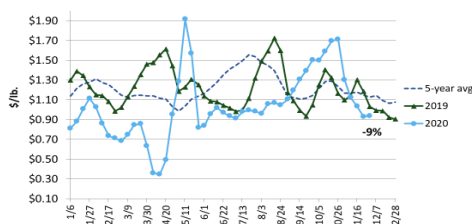


Source: USDA/AMS

美國農業部牛肉屠體價格指數（特選級）：2020 年 12 月 7 日 - \$230.80 美元/百磅（較 2020 年 11 月 23 日減少 4.5%）

上週豬肉分切價格平盤整理，不穩定的基調悄然籠罩市場。分析師認為，零售商已經為假期備貨，這意味著新鮮產品需求將成為不穩定的狀態。未來幾週，屠宰活動因應季節性而增加，進一步給供應者帶來壓力。由於美國部分地區再次因 CoVID 出現封城，上週包括豬腹脊肉及豬肋排等依賴餐飲業的產品需求疲軟，而豬後腿肉價值則得以堅挺。整體來說，與去年相比，美國出口量仍然強勁，但第一大出口市場，中國的前景仍然不明朗，因進口肉類及其他易腐壞食品的 CoVID 檢驗增加（見下一欄貿易新聞），以及美國國內畜牧群規模的反彈。上週美國屠宰廠的勞動力和人員問題再次出現，美國 CoVID 病例也持續在國內增加（見下欄產業動態）。2 月瘦豬期貨繼續搖擺不定，儘管交易價格範圍較窄於當前生豬價格，這表明市場明年預期將恢復正常。

U.S. Pork Belly Primal



Source: USDA/AMS

豬屠體分切價格：2020 年 12 月 7 日 - \$77.90 美元/百磅（較 2020 年 11 月 23 日增加 0.2%）

產業動態

以豬肉分切價格所示，美國豬肉價格在今年經歷了急轉突變的波動，隨著 CoVID 屠宰廠生產的中斷及中國大量但不穩定的採購扮演了今年波動中重要的角色。目前，從純數字的角度來看，美國全國的屠宰量似乎較正常。上個月每日最多豬隻屠宰量為 49.7 萬頭，僅比 2019 年 11 月當月每日最多屠宰量小於 1 千頭。而上週，美國屠宰廠成功收穫 278.9 萬頭，是今年最大的屠宰週之一。專家表示，這說明屠宰業者提高了勞動效率，同時也設法減輕 CoVID 對屠宰廠人員的影響。自疫情發生以來，美國肉類行業集體花費數十億美元，用於重新設計工作崗位、購買個人防護裝備、安裝溫度掃描儀來篩檢員工的健康狀況。但肉類屠宰場勞動條件的緊張，並非因 CoVID 而有所驅動。即使在疫情爆發前，許多所在美國中西部農村社區及縣，較大的肉品屠宰廠失業率在美國是最低的。勞動緊縮可能不會出現在整體屠宰量，但可能會產生其他底線影響的問題，例如無法跟上高附加值的勞動密集型產品的製造速度，如去骨後腿肉、腰內肉以及肋排產品。許多美國大型屠宰業者都將勞動力短缺視為系統性的挑戰，有些產業領袖正透過增加屠宰廠機械化的投資來做應對。Tyson 公司投資了一間製造自動化中心，這個研發機構的任務是探索工廠自動化的技術，而 JBS 公司則控股了一家，位於紐西蘭的機器人公司 Scott Technology。Scott 公司已開發紐西蘭羊肉廠，自動化去骨的設備及操作規程。肉類加工的機械化，特別在於屠宰廠中，由於動物體積、重量及其他尺寸的自然變化因素，本身就具有挑戰性。儘管如此，有一些操作對於機械化來說，效果相對不佳。輸送系統可以減少駕駛員操作的叉車，從而降低屠宰廠的人員密度。機器人也可以用來幫助成品的尺寸及包裝。但有關其他關鍵過程自動化潛力的研究仍持續，包括將屠體內臟、胸側腹脅、背脊肉、肋排及主腹脅肉分離。專家表示，視覺技術發展迅速，可以更快更準確地掃描和測量單個屠體和原始特徵。儘管機械化通常被視為不利於工人的整體福利，尤其在肉類屠宰廠。但額外的技術使用可以通過潛在地降低人體工程學風險及危險任務來解決員工安全問題。自動化不一定會淘汰工人，諮詢集團 Deloitte 認為 2018 年至 2028 年期間，美國潛在的技術製造工人短缺高達 240 萬個職位。美國肉類和家禽屠宰及加工行業估計僱用了 50 萬名勞工。

貿易新聞

在廣泛的預測下，今年冬季中國豬肉價格走低後，將隨著中國國內豬肉供應量的增加而價格轉為上行。在 10 月 29 日跌至人民幣 28.79 元/公斤後，全中國豬隻參考價節節攀升，12 月 5 日達到人民幣 33.22 元/公斤，漲幅約 15%。有幾個因素在支撐中國本地豬肉價格。首先，無論是肉禽進口量，還是進口產品，在中國供應鏈中的流動速度都有所放緩。中國 10 月豬肉進口量（包括品豬碎肉）共計 42.16 萬噸，是 2 月以來最低量，但相較 2019 年 10 月的出貨量，仍有增長 61%。自 7 月以來，中國一直在港口對進口的肉類、海鮮及其包裝進行新冠病毒追查檢驗，但自 9 月起，中國要求在批發市場的冷藏設施中，進行二次 CoVID 測試和認證。上月初，中國國家衛生健康委員會發佈進口冷鏈食品在進口岸、冷藏庫及終端用戶機構（如超市、餐館）的最新消毒要求。新的消毒要求增加 CoVID 檢測，造成產品流通瓶頸。此外，媒體報導不斷發現進口肉類及海鮮上有殘留病毒顆粒，削弱了消費者對進口蛋白質的興趣，特別在原產國標誌更為突出的零售市場。貿易商在進口訂單方面也不太積極，因歐洲、澳大利亞、北美和南美的幾十家肉類工廠在 CoVID 調查結果呈陽性後被除名，而德國由於 ASF 的原因仍不符合資格。在對豬肉的季節性需求不斷增長的情況下，包括傳統肉乾和生產醃製肉品（la rou）的大量產品庫存，進口挑戰也隨之而來。此外，12 月 1 日實施禁止向指定的中國中南部地區進口市場活豬的新規定，這可能會促使中國活豬價格的提升。

美國肉類出口協會活動預告：

HOFEX, 香港: 2021 年 5 月 12-14 日

中國國際食品和飲料展覽會, 上海: 2021 年 5 月 18 日-20 日