



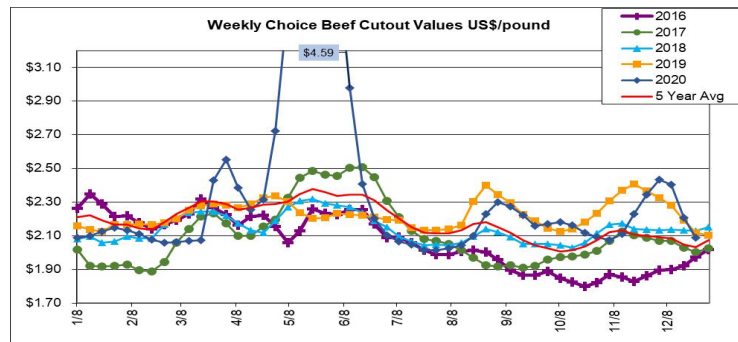
U.S. Meat Bulletin

December 22, 2020 Volume XII | Issue 12.3

Editor's Note: The next edition of U.S. Meat Bulletin will be published January 5, 2021. We wish all our readers and their families a warm holiday season and a safe and happy new year.

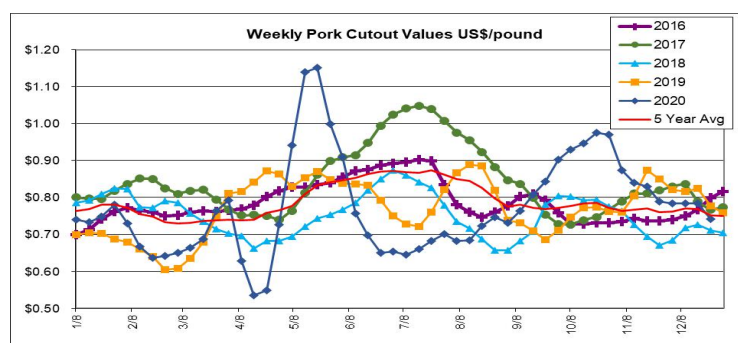
SUPPLY & DEMAND

The beef cutout drifted lower again last week based on seasonal post-Christmas demand weakness, with all primal values falling except briskets. Wholesale prices for USDA CHOICE rib-eyes moved sharply lower as buyers had covered needs for the holidays. Although beef prices should hold or firm in the next coming weeks because of holiday-shortened slaughter schedules at plants, there is some concern that restaurant lockdowns will expand with spreading winter COVID infections. The cutout has fallen 14% since hitting its peak of U.S. \$243/cwt. on Dec 1. Last Friday's USDA Cattle on Feed report showed the overall number of cattle on feed on Dec 1 to be even with year-earlier levels, while a sharp decline in November placements was expected, and gives the market a slight bullish tone moving forward. With the decline in Oct and Nov placements and total cattle on feed numbers moderating, the pipeline of cattle from feedlots to plants are currently in relative balance. But these 2 months of declining placements will work to reduce fed cattle supplies in Q2 2021 resulting in higher prices starting in the April-to-May time frame. The total U.S. cattle herd size on Jan 1 next year 2021 is likely to be -0.5% from Jan 1 2020, almost all due to a decline in beef cattle numbers (vis-à-vis dairy cattle). Predicting beef demand is fraught with uncertainty due to the virus, but the new coronavirus relief package should help sustain consumer spending early next year.



Beef Choice Beef Cutout Value: 21/12/2020 - US\$210.92/cwt. (<+1% from 14/12/2020)

After holding steady for 3 weeks, the pork cutout dropped 5% in value last week to its lowest level since the end of August. The drop was attributed to the end of seasonal wholesale purchases of heavy hams for this Friday's Christmas. Otherwise, last week's market sentiment was unsettled as spotty domestic demand was offset by last Thursday's report of robust new exports and sales to China for the week ending Dec. 10. Lean hog futures trading continues to be choppy, with analysts awaiting this week's cold storage and quarterly USDA hogs & pigs inventory report. The latter should provide insights into whether U.S. producers sought to expand production during the contra-seasonal run-up in pork prices during Q3 (see GRAPH below). Weekly pork production continues to run ahead of year-ago levels, mainly due to heavier animal weights. Last week the U.S. processed 2.792 million hogs, with live weights averaging 294 lbs. (133 kgs), up 7 lbs. from last year. Producers continue to be concerned about growing feed prices; last week Jan 2021 soybean futures traded at their highest level since 2014, while there is growing concern that Chinese imports of corn will drive up U.S. livestock production costs (see MOVING AHEAD next column).



Hog Carcass Cutout Value: 21/12/2020 - US\$72.34/cwt. (-6% from 14/12/2020)

MOVING AHEAD

The U.S. meat industry is looking forward to more normal operating conditions next year, but one challenge being highlighted by analysts is the likelihood of decade-high corn & soybean prices in 2021. With the corn harvest completed about 1 month ago, current USDA estimates put the total U.S. crop at 14.507 billion bushels (368.5 million tons), a 6.5% increase from the previous year's crop and the 3rd highest output on record. Moreover, initial crop testing suggests this will be the highest quality crop in 5 years, with higher average test weights (higher test weight corn has more nutrient density & thus is more preferred by livestock producers), lower moisture and lower total damage. Despite the good harvest, analysts believe that prices will remain relatively high next year due to large increases in export demand, with China being the major driver. Specifically, forecasts are for domestic livestock feeding to account for 38% of total U.S. corn usage next year, ethanol and corn byproduct production to account for 34%, but exports to jump to 18% of disappearance; in 2019/2020, exports only accounted for 13% of total usage. Holdover stocks account for the rest of the corn utilization balance sheet. Tighter stocks usually translate into higher prices, and USDA is forecasting that corn prices next year will average U.S. \$4 per bushel (U.S. \$157 per ton), significantly above the \$3.56/bu (\$140/ton) average during 2019/20. If realized, these would be the highest corn prices since 2013/14, according to agricultural bank Cobank. With corn accounting for 55-70% of total pork and poultry production costs, U.S. corn powers not only the U.S. livestock industry, but also like industries in China, Mexico, Japan, Korea and Taiwan, some of the U.S.'s largest corn import markets. The U.S. is the world's largest corn exporter, accounting for approximately 36% of the global corn trade. And in China, where locally grown corn costs U.S. \$10/bu (U.S. \$396/ton), import demand is particularly strong due to not only the rebuilding of the nation's hog herd following the ASF epidemic, but also to a rapidly modernizing industry that is substituting high quality industrial feed for backyard ingredients and ad hoc feed sources. To be sure, there are other corn producing and exporting nations, particularly Brazil and Ukraine, but drought has been hurting the southern Brazilian corn crop this summer, and a poorer-than-expected Ukraine harvest could see that country's corn export availability drop by up to 20%. China's corn imports totaled 7.8 million tons between January and October, a 1,151% increase from last year. China maintains a 7.2-million-ton tariff rate quota on imports, and this is the 1st time ever that imported volumes have breached the quota level. USDA pegs China's 2020-21 (Oct-Sept) corn import needs at 13 million tons, although some private analysts forecast much higher purchases. Although China only accounts for a little under 10% of total U.S. corn exports this year (through Oct), and is the 4th largest export destination after Mexico, Japan, and Colombia, it is viewed as the wild card demand driver in U.S. corn markets this year.

TRADE

Which producer will be the global pork supplier of the future? Two recent forecasts suggest that while the combined countries of the EU constitute by far the largest pork exporting block, European pork output is set to fall 5% (1 million tons) between 2020 and 2030, or about 1 million tons. According to new European Commission estimates, environmental concerns in several EU Member States, coupled with the risk of ASF and changes in consumers' preferences are likely to constrain EU pork production in the medium term. After growing by an average of 0.5% over the last decade to peak at 23.156 million tons in 2018, EU pork output is forecast to fall annually by about 0.5%. The report further predicts that EU consumers will consume less pork in the future, while turning more toward poultry. It is not clear if & how the European Union's targets for the new Farm to Fork Strategy (FFS) of sustainable agricultural production could further constrain output and/or consumption. According to the strategy's stated goals, EU livestock production in the future should be accompanied by sustainable food & animal welfare labelling to link on-farm sustainability efforts to consumer demand. Some believe increased sustainability regulations could increase production costs and decrease average producer profitability. In contrast to the EU outlook, USDA is forecasting U.S. pork production to increase annually by 1% to 13.76 million tons by 2030, driven by continued gains in pigs per litter and growth in hog carcass weights.

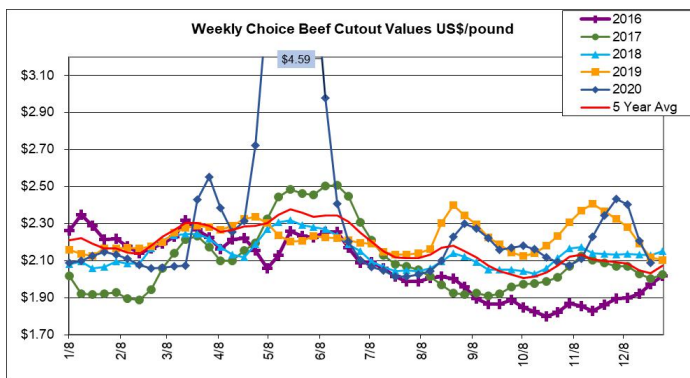
ACTIVITIES:

HOFEX, Hong Kong: May 12-14, 2021
SIAL, Shanghai: May 18-20, 2021

編輯筆記：下期《美國肉品新知》將於2021年1月5日發布。祝福所有讀者及其家人一個美好的假期，並在新的一年平安快樂。

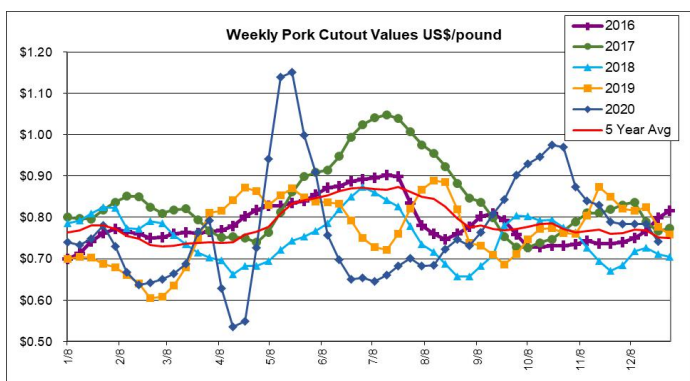
供應與需求

基於聖誕節後的季節性需求疲軟，上週牛肉分切再次走低，除牛胸肉外，其他價格均下跌。由於買家已採買完假期的需求，USDA CHOICE 肋眼的批發價格大幅下跌。由於假期縮短屠宰時間，牛肉價格在接下來幾週將保持或穩定，但有人擔心，隨著冬季 COVID 感染的蔓延，餐廳的停擺將擴大。自12月1日，創下\$243 美元/百磅巔峰後，該分切已下跌 14%。上週五 USDA 牛隻在養頭數報告顯示，12月1日已肥育牛隻總數與去年同期持平，而11月置入肥育場的牛隻預計將急劇下滑，帶給市場輕微的看漲基調。隨著10月和11月置入肥育場牛隻的下降和牛隻在養總頭數的減緩，目前從肥育場到屠宰廠的牛隻管道應是相對平衡的。但這兩個月置入肥育場牛隻的數量下降，將有助於減少2021年第二季已肥育牛隻供應，導致從4月到5月時段價格開始上漲。2021年1月1日，美國牛隻總數與2020年1月1日相較可能會下降 0.5%，幾乎都是由於肉牛數量減少所致（相對於乳牛）。由於這種病毒，對牛肉需求的預測充滿不確定性，但是新的冠狀病毒緩解措施將有助於維持明年年初的消費者支出。



美國農業部牛肉屠體價格指數（特選級）：2020年12月21日 - \$210.92 美元/百磅（較2020年12月14日增加+1%）

穩定保持3週後，上週豬肉分切價格下跌 5%，至8月底以來最低水平。下降的原因由於本週五聖誕節去骨後腿肉 (heavy hams) 的季節性批發採購結束。除此之外，上週市場情緒不穩定，因為上週四關於12/10日當週對中國的最新出口和銷售強勁報告抵消了美國市場需求不振的情況。瘦豬期貨交易繼續波動，分析師在等待本週的冷藏和 USDA 豬肉庫存季報。後者應能提供有關美國生產商是否在第三季豬肉價格反季節性上漲期間，尋求擴大產量的見解（見下圖）。豬肉的每週產量持續高於去年同期水平，主要原因是動物體重增加。上週，美國加工 279.2 萬頭豬隻，平均活體重量為 294 磅（133 公斤），比去年增加 7 磅。生產商繼續關注飼料價格上漲，上週 2021 年 1 月大豆期貨交易量達到 2014 年以來的最高水平，同時越來越多人擔心中國的玉米進口量將推高美國畜牧生產成本（見下欄產業動態）。



豬屠體分切價格：2020年12月21日 - \$72.34 美元/百磅（較2020年12月14日減少6%）

產業動態

美國肉類產業期待 2021 年的經營狀況更加正常，但分析師強調明年將面臨的挑戰為玉米及大豆價格可能會達到十年來最高價。隨著 1 個月前完成的玉米收割，目前 USDA 估計美國總收成將達到 145.07 億蒲式耳（3.685 億噸），較去年增長 6.5%，是有史以來第三高產量。除此之外，初步的作物試驗表示，這將是 5 年內最高質量的作物，其平均試驗重量更高、水分、總損失較低，如玉米，測試重量及營養密度結果較高，因此更受到畜牧業生產者的青睞。儘管收成豐盛，但分析師認為，由於出口需求大幅增長，明年價格仍將保持相對高，其中中國是主要推動者。具體而言，明年預測動物飼料將占美國玉米總用量的 38%，乙醇和玉米副產品的產量將佔 34%，出口將躍升至消失的 18%。2019/2020 年，出口僅佔總用量的 13%，保留庫存佔玉米可利用平衡表的其餘部分。緊縮的庫存通常將導致價格上漲，USDA 預測明年玉米價格平均為 4 美元/蒲式耳（157 美元/噸），明顯高於 2019/20 年度平均價格 3.56 美元/蒲式耳（140 美元/噸）。Cobank 稱，如果實現，這將是 2013/14 年度以來最高的玉米價格。玉米佔豬肉和禽肉生產總成本的 55-70%，因此美國玉米不僅為美國畜牧業帶來動力，且與中國、墨西哥、日本、韓國及台灣等地的產業一樣，是美國最大的玉米進口市場。美國是全球最大的玉米出口國，約佔全球玉米貿易量的 36%。而在中國，當地種植的玉米價格為 10 美元/蒲式耳（396 美元/噸），進口需求特別強勁，這不僅是由於 ASF 疫情導致了中國豬群的重建，也是由於迅速現代化的工業正在用高質量的工業飼料替代後院原料和特別飼料來源。這肯定還有其他玉米生產國和出口國，尤其是巴西及烏克蘭。但因今年夏天，乾旱損害巴西南部的玉米作物，烏克蘭收成比預期差，使該國玉米出口供應量可能會下降 20%。今年 1 月至 10 月，中國玉米進口總量為 780 萬噸，比去年增長 1,151%。中國維持對進口的 720 萬噸關稅配額，是有史以來第一次進口量突破配額水平。USDA 將中國 2020-21 年度（10 月-9 月）玉米進口需求定為 1300 萬噸，儘管一些私人分析師預測採購量遠高於此。但截至今年十月中國只佔美國玉米出口總量不到 10%，是僅次於墨西哥、日本和哥倫比亞的第四大出口目的地，但中國然被視為今年美國玉米市場的需求動力。

貿易新聞

哪家生產商將成為未來全球豬肉供應商？最近的兩項預測表明，儘管歐盟被視為最大的豬肉出口地區，但歐洲豬肉產量在 2020 年至 2030 年之間將下降 5%（100 萬噸），或約 100 萬噸。根據歐盟委員會新的估計，歐盟多國成員對環境的擔憂，再加上 ASF 的風險和消費者偏好的變化，可能會在中期制約歐盟豬肉產量。在過去十年平均增長 0.5%，到 2018 年達到巔峰 2315.6 萬噸後，歐盟豬肉產量將預計每年下降約 0.5%。該報告進一步預測，歐盟消費者未來將減少豬肉消費，而同時更多將轉向禽肉。目前尚未清楚關於歐盟可持續農業生產最新農場到餐桌戰略 (FFS) 的目標以及如何進一步限制產量和/或消費。根據該戰略的既定目標，未來歐盟的畜牧業生產應該會伴隨著可持續的食品和動物福利標籤，以將農場的可持續發展努力與消費者需求聯繫起來。一些人認為，增加可持續發展法規可能會增加生產成本，並降低生產者的平均盈利能力。與歐盟的前景不同的是 USDA 預測，至 2030 年美國豬肉產量將每年平均增長 1%，達到 1376 萬噸，這是由於每窩豬持續增長及豬屠體平均重量的增長所推動的。

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