



# U.S. Meat Bulletin

February 23, 2021 Volume XIII | Issue 2.3

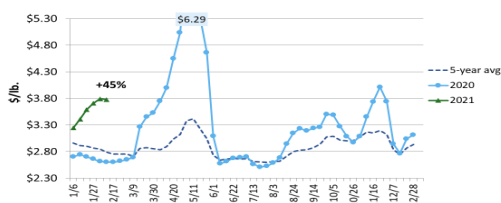
## SUPPLY & DEMAND

The beef cutout gained ground last week as severe cold weather slowed cattle slaughter and January retail sales spiked as US consumers spent stimulus checks. Monthly national retail spending jumped by its largest margin in 7 months as a steep decline in U.S. CoVID cases and accelerating vaccinations drove optimism about Q1 2021 economic prospects. Meat department sales during January across the U.S. increased **15.5%** YOY, excluding online-only and delivery e-commerce sales. Still, weather was the defining factor shaping last week's beef market, with wholesale beef prices rising while live cattle prices felt pressure from the reduced slaughter activity (see MOVING AHEAD next column). After a harvest of 552,000 head last week, one of the lowest on recent record for a normal work week, plants will be playing catch up for the next few weeks. By the end of last week, temperatures were rising, and on-farm operations were resuming some sense of normalcy, although the snow melt could muddy feedlots and further affect feeding performance. During the extended cold weather, analysts believe some cattle lost 30-60 pounds in weight due to cold weather stress. Interestingly, prior to the cold spell, winter feeding conditions had been optimal, resulting in a new weekly record for grading during the 1<sup>st</sup> week of February. Of all cattle graded that week, 84.76% reached USDA PRIME or CHOICE, with just under 15% of all Nebraska graded cattle reaching USDA PRIME. The frigid temperatures likely affected grading over the subsequent two weeks, but there is a supply of large, long-fed cattle that are working through the supply chain that could keep those grading percentages high. According to last Friday's USDA Cattle-On-Feed report, the inventory of cattle as of Feb 1 that had been on feed over 120 days was 4.389 million head, up **14%** from last year and up **4%** from the previous 5-year average.

## MOVING AHEAD

Some of the most widespread extreme cold weather to hit the U.S. in decades caused disruptions in U.S. livestock and meat supply chains last week, most notably in Texas where cities like Houston saw rare sub-freezing temperatures and snow. However overall, the market impact of the unusual weather should be minimal, according to analysts. The cold spell was notable for its duration, with areas of the southern plains enduring 250-300 hours of continuous sub-zero weather levels before temperatures began to climb at the weekend. Some if not most cattle auction markets in Texas shut down entirely last week, an unprecedented occurrence. Texas has the nation's largest cattle population at approximately 14 million head, while its 4+ million cows rank #1 as well. Extreme cold, snow packs and ice is commonplace in big northern cattle states like Nebraska and the Dakotas, and overall last week's total U.S. slaughter was only **11.8%** lower than the same week a year ago despite the sub-zero cold front extending clear south to the Mexican border. Although cattle can tolerate – and even thrive – in weather that is considered Arctic to humans, animals in the southern plains face more risk because of their lack of familiarity & exposure to icy conditions. Cattle require more energy to thrive when temperatures drop below 18F (-8C). For each degree below 18, maintenance rations need to be increased by 1%. It is believed that last week's weather stalled overall weight gain for a good portion of the nation's cattle on feed. Latest average slaughter steer weights were still running 19 pounds higher than year-ago levels but are now poised to decline rapidly under recent weather developments. To be sure, average carcass weights decline seasonally anyway through May, but this year could see a particularly sharp drop off over the next few weeks. Of more concern during the cold weather is calving activity, which normally reaches its seasonal peak at this time of the year in Great Plains states like Kansas. Newborn animals – born wet – may experience frozen ears and tails, a condition that can lead to a higher risk of injury later in life, and thus lower market values when sold on. Moreover, cold mixed with snow and rain leads to more adverse effects on animals of all ages as the risk of hypothermia escalates. In addition to the challenges at the farm & ranch level, some meat plants slowed hours due to sporadic power shortages and the difficulty of transporting cattle. At the feedlot level, attention was focused on keeping pens dry and ensuring water supplies did not ice up. There were also reports that shortages of natural gas briefly affected the production of flaked corn for feedlot rations. Although most pigs are now housed in climate-controlled barns, producers throughout the Midwest last week had to step up the frequency of checks of water and power supplies, and ventilation equipment to ensure animals remain dry and good air flow is maintained.

### Choice Chuck Roll 1x1



Source: USDA/AMS

**Beef Choice Beef Cutout Value: 19/2/2021 – US\$239.23/cwt. (+1% from 8/2/2021)**

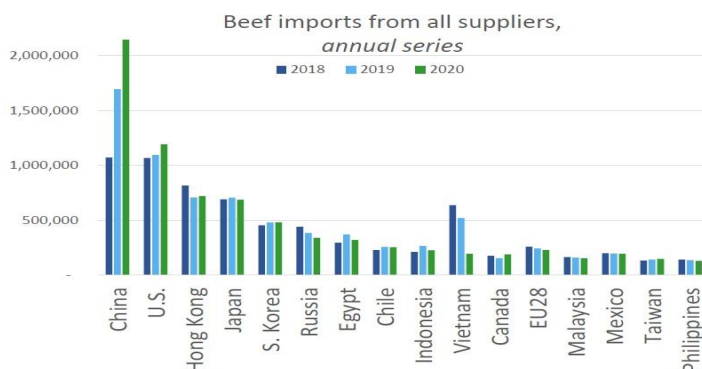
The pork cutout registered a solid gain last week as winter weather disrupted hog deliveries and pork demand stayed firm. Last Friday's close was the highest since October, with all primal values moving north due in part to logistical challenges brought on by the frigid weather. Weekly estimated slaughter was a weak 2.438 million head, down **8.1%** from the previous week and down **6.6%** from the same week last year. Year to date pork production is now down **2.5%** with slaughter down **4.6%**. April lean hog futures ended last week lower for the 1<sup>st</sup> time in 5 weeks, with pressure coming after a Canadian pork plant closed for CoVID reasons; analysts believe more Canadian hogs will now move south of the border for processing. That said, greater speculation in commodity markets has given a boost to hog futures and the spread between the April lean hog contract value and current cash prices is wide. In terms of market fundamentals, some believe U.S. producers have had more animal health issues this winter leading to a contraction in sow numbers, although recent inventory numbers are not yet available. Moreover, market bulls see continued strong **China** import demand as more reports of ASF challenges surface there. Total U.S. pork exports for the 1<sup>st</sup> 6 weeks of 2021 are down **13%** from the pace of last year, but U.S. pork exports were exceptionally strong during Q1 2020 due to unprecedented Chinese carcass purchases for state reserves.



**Hog Carcass Cutout Value: 19/2/2021 – US\$91.49/cwt. (+8% from 8/2/2021)**

## TRADE

Global beef imports increased **1%** in 2020 when compared to 2019, according to MEF estimates. Total trade reached 7.604 million tons, a new volume record driven by record Chinese imports of 2.145 million tons, the highest volume of beef ever imported annually by any one market. China's 451 thousand tons year-on-year increase in beef purchases was primarily offset by lower imports of **Indian** beef by **Vietnam**, in part due to pandemic production disruptions in the former, and in part due to challenges posed by re-export channels from Vietnam to China, where Indian beef remains ineligible. The pandemic also curtailed beef imports – albeit slightly – into main markets **Japan**, **Indonesia**, and **Egypt**. Beef imports into the **USA** and **Canada** increased last year due to pandemic related supply disruptions during March & April, and a consequent sharp rise in domestic prices.



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

## 供應與需求

上週，由於嚴寒的氣候減緩了牛隻屠宰速度，使牛肉的銷售量有所增長，且美國消費者措施刺激銷售狀態，使1月的零售額激增。由於美國 COVID 病例急劇下降，以及疫苗接種加速，推動了2021年第一季經濟前景樂觀的情緒，使美國每月零售支出躍升7個月以來的最大幅度。美國1月的肉類銷售額與去年同比增長15.5%，其中不包括僅限於網路販售和電子商務的銷售。儘管如此，氣候仍影響上週牛肉市場決定性的因素，牛肉批發價格上漲，活牛價格則因屠宰活動減少受到了壓力（見下欄產業動態）。上週屠宰的55.2萬頭牛為近期正常工作周最低的記錄之一，使接下幾周屠宰廠將迎頭趕上。至上週末，氣溫回升，農場也恢復到正常狀態，但是融雪可能會使肥育場變得泥濘及影響飼養成效。在長時間的寒冷天氣中，分析師認為，由於寒冷的氣候，一些牛隻的體重將下降30-60磅。有趣的是，因寒流來臨前，冬季為最佳飼養條件，使2月第一週每週評分創下新記錄。在該周分級的活牛當中，有84.76%達到了USDA PRIME或CHOICE等級，而在內布拉斯加州(Nebraska)所有分級的牛隻中只有不到15%達到USDA PRIME。寒冷的氣候可能會影響隨後兩周的分級，但長期大量供應肥育的牛隻正在整個供應鏈中運轉，這可能會使分級比例保持較高的水平。根據上週USDA的牛隻在養頭數報告，截至2月1日，肥育120天以上的牛隻庫存量為438.9萬頭，較去年增長14%，也較前5年平均水平增長4%。

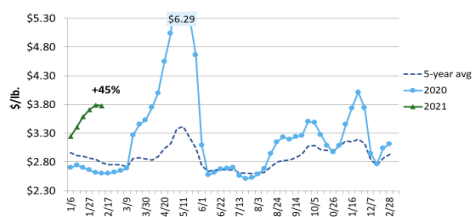
## 產業動態

上週，美國出現數十年來最廣泛的嚴寒氣候，導致美國畜牧和肉類供應鏈出現中斷，最明顯的在德州(Texas)，休斯頓(Houston)等城市出現罕見的冰點溫度及降雪。不過，分析師認為，整體而言，天氣異常對市場的影響較小。寒冷的天氣將持續一段時間，周末南部平原地區氣溫開始回升之前，零度以下的天氣將會持續250-300小時。德州上週甚至出現了一件前所未有的情況，因大部分牛隻拍賣市場開始出現完全關閉狀態。德州擁有全美最大約1,400萬頭的牛群，其中400多萬頭牛也排名第一。在內布拉斯加州(Nebraska)和達科塔州(Dakotas)等較北方的養牛大州，天氣極度寒冷和積雪司空見慣，整體而言，儘管零度以下的寒流清晰地向南延伸至墨西哥邊境，但上週美國總屠宰量僅比去年同期減少11.8%。即使牛隻可以忍受人類認為的極其寒冷氣候，但由於牠們缺乏對冰雪環境的熟悉與接觸性，南部平原上的動物將面臨更多的風險。當溫度降至18F(-8C)以下時，牛隻需要更多的能量來茁壯成長。當溫度每低於18度時，它們所需的飼料配給量將增加1%。美國上週氣候使大部分肥育牛隻的總體增重停滯不前。最新的平均屠宰公牛體重仍較去年同期水平高19磅，但隨著近期天氣的變化，現在平均屠宰體重有望迅速下降。可以肯定的是，平均屠體重量將在5月前，按季節性的下降，但今年接下來的幾周平均屠體重量可能會急劇下降。在寒冷的天氣中，產犢活動更令人擔憂，產犢活動通常在每年的這個時候在堪薩斯州(Kansas)等大平原州達到季節性高峰。因新生動物出生時身體較濕，在寒冷的天氣下可能會將牠們的耳朵和尾巴凍傷，導致之後受傷的風險較高，且在出售時會降低市場價值。此外，隨著低溫風險的增加，寒冷的氣候與雨雪交替時，將造成各年齡的動物出現更多不利的影響。除了農場和牧場面臨的挑戰外，由於零星的電力短缺和牛群運輸的困難，一些肉類屠宰廠減緩了工作時間。在肥育場方面，飼養者專注如何保持欄舍乾燥及確保供水不結冰。也有報導稱，天然氣短暫的短缺影響肥育場使用的玉米飼料生產。現在大多數的豬隻都被安置在溫控的豬舍中，但上週整個中西部地區的業者不得不加強水、電源以及通風設備的檢查，以確保動物能保持乾燥，並保持良好的空氣流通。

## 貿易新聞

根據MEF的估計，2020年全球牛肉進口量相較2019年增長1%。貿易總額達到760.4萬噸，在中國創紀錄214.5萬噸進口量的推動下，創下新的交易量，為任何市場有史以來最高的年度牛肉進口量。中國牛肉採購量與同比增加45.1萬噸，主要因為越南減少進口印度牛肉所抵銷，一部分為疫情影響了生產中斷，另一部分由於越南對中國的轉口渠道帶來的挑戰，印度牛肉在中國仍不符合條件。疫情也略微減少牛肉向主要市場日本、印尼及埃及的進口。由於去年3、4月疫情期間的供應中斷，以及隨之而來的國內價格急劇上漲，向美國及加拿大進口的牛肉有所增長。

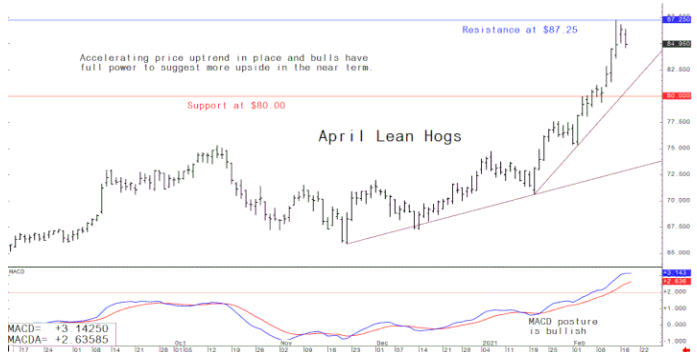
### Choice Chuck Roll 1x1



Source: USDA/AMS

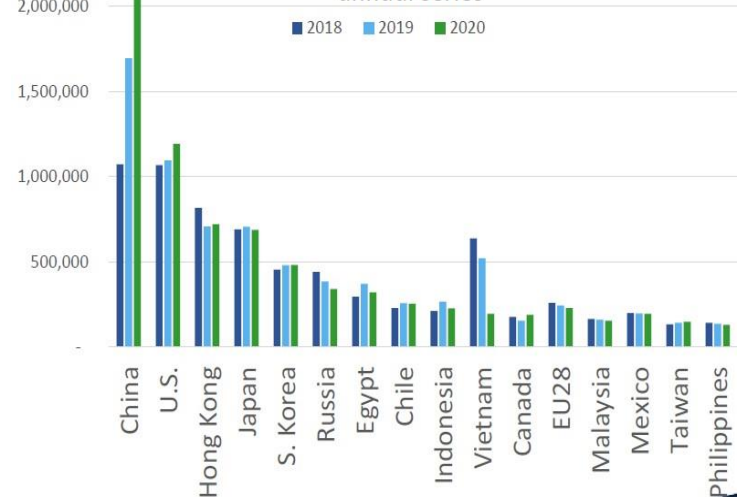
美國農業部牛肉屠體價格指數(特選級): 2021年2月19日 - \$239.23美元/百磅 (較2021年2月8日增加1%)

上週，由於冬季氣候中斷生豬供應，豬肉需求保持堅挺，豬肉分切價格也穩定成長。由於寒冷氣候帶來的物流挑戰，使上週五的收盤價為10月以來最高，且所有價格也向北移動。周度預估屠宰量為234.8萬頭，較前一周下降8.1%，較去年同期下降6.6%。年初至今，豬肉產量已下降2.5%，屠宰量也下降4.6%。由於COVID，加拿大豬肉廠關閉後，4月瘦豬期貨價格上週收盤下跌。分析師認為，現在將有更多的加拿大生豬將轉移至南部邊境進行加工。儘管如此，4月瘦豬合約價值與當前現金價格之間的價差較大，但商品市場較大的投機行為將推動生豬期貨的增長。在市場基本方面，一些人認為，儘管近期尚無庫存數據，但美國因今年冬季出現了更多動物健康問題，導致母豬數量減少。此外，隨著更多有關於ASF挑戰的報導出現，市場認為中國進口需求將持續強勁。2021年第1至第6周美國豬肉出口總量較去年同期下降13%，但由於中國前所未有的採購屠體，使2020年第一季美國豬肉出口異常強勁。



豬屠體分切價格: 2021年2月19日 - \$91.49美元/百磅 (較2021年2月8日增加8%)

Beef imports from all suppliers, annual series



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