

SUPPLY & DEMAND

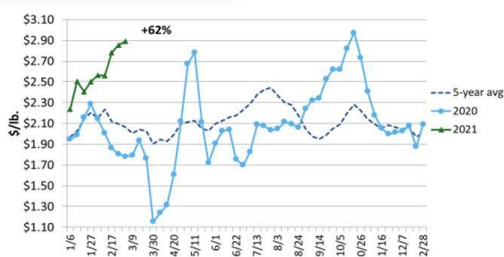
As expected, the beef cutout weakened last week on seasonal slackness in beef demand, but most primals are trading higher than year-ago levels. March is traditionally the slowest month for beef demand, but historical patterns suggest that retailers will step back into the market by the end of the month to start filling the pipeline for beef grilling cuts. A year ago, CoVID related supply chain disruptions were just starting to unfold, making year-on-year price comparisons for the next few months meaningless. But comparisons with wholesale prices 2 years ago (see chart below) show the current strength in the beef marketplace. Average live fed steer prices remained steady last week at U.S. \$1.14/lb. The deep freeze of several weeks ago – as predicted - reduced average cattle weights, but interestingly, for the week ending Feb 20, U.S. slaughter cattle set yet another grading record, with 86.07% of cattle graded reaching USDA CHOICE or higher. Of this amount, 11.73% of cattle graded USDA PRIME. The state of Nebraska had the highest amount of PRIME beef at 16.63% according to USDA data. In the futures market, the CME April live cattle future contract is still trading at a premium to cash at U.S. \$1.19/lb, but has pulled back from its life-of-contract high of \$1.26/lb. set on Feb. 16. Still, there is general optimism about the market ahead. Cattle supplies look to tighten during H2, and exports are getting off to a decent start with Jan monthly trade – of muscle cuts – even with year-ago levels. Export activity during the week ending Feb 25 was also noticeably strong, with large shipments and/or new sales reported for **China**, #1 market **Japan**, and **Korea**.

BEEF	3/6/2020	3/5/2022	YOY
USDA CHOICE	\$2.07/lb.	\$2.34/lb.	13%
USDA SELECT	2.02	2.24	11%
Rib	3.31	3.84	16%
Chuck	1.65	1.99	21%
Round	1.80	1.92	7%
Loin	2.71	3.14	16%
Brisket	1.66	1.70	3%
Short Plate	1.48	1.40	-5%
Flank	1.14	1.08	-5%
50% trim	0.60	0.46	-23%

Beef Choice Beef Cutout Value: 8/3/2021 - US\$231.08/cwt. (-3% from 1/3/2021)

After rising over the previous five weeks, the pork cutout closed last Friday even with the previous week. Rises in the values of butts, bellies and loins were offset by lower week-on-week values for hams. Futures prices remained elevated and there is general optimism about the direction of the market led by U.S. foodservice re-openings (see MOVING AHEAD next column), the continued spread of ASF in **China** and other Asian countries, and more recently, strong exports. Net export sales during the week ending Feb 25 of 59,600 MT were the highest in 6 months, led by the largest new bookings by China since last September. The market is also getting support from lower overall slaughter numbers so far this year. Last week's harvest totaled 2.563 million head, down 3% from last week and down 4.4% from last year. Year to date U.S. pork production is down 2.3% from last year with slaughter down 4.0%. Over the past few weeks, there have been conflicting reports about whether ASF in China has led to another significant culling. Piglets are in short supply, with prices now rising after easing from July through the end of 2020. But average swine feed prices in China, as reported by the Ministry of Agriculture, have reached their highest level in year, suggesting demand for feed is still strong.

Derind Belly 9-13# Boxed



Source: USDA/AMS

Hog Carcass Cutout Value: 8/3/2021 - US\$94.93/cwt. (+3% from 1/3/2021)

MOVING AHEAD

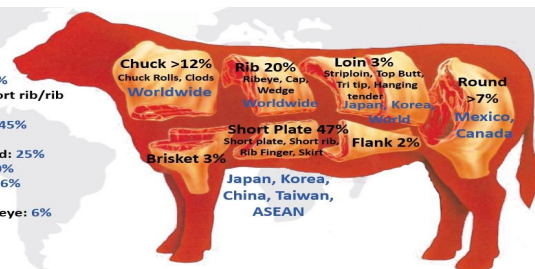
Meat market analysts this spring are closely watching what type of bump economic re-openings will have on demand in coming months. The question is an important one as U.S. beef and pork wholesale prices – across all cuts - are significantly higher than year ago & most recent 5-year averages, despite continued operational restrictions for U.S. foodservice operators. Last spring's spike in red meat prices were supply driven, but might a rapid foodservice rebound create a similar jump, or, is this already happening? With the U.S. now having administered 92 million doses of vaccine, and with CoVID cases and hospitalizations down sharply from January, a number of states last week announced re-openings of businesses and schools, including Texas, California, and Michigan, among others. January's -2.6% decline in U.S. foodservice receipts represented the 11th successive month of year-on-year declines in foodservice receipts, but foodservice operators now have more optimism than at any point over the last year. To be sure, the National Restaurant Association's (NRA) Restaurant Performance Index (RPI) still showed in January that the sector was in contraction, but the NRA is forecasting that total foodservice sales this year will grow +11% to reach U.S. \$731 billion, a figure which will still be 15.4% lower than pre-pandemic 2019 but a vast improvement from last year's dreadful conditions. In the meantime, retail has prospered, and there is little question that retail meat sales have offset some losses in demand at foodservice, although it is difficult to estimate by how much. Total retail sales for goods of all types in Jan 2021 were +11% from the pre-pandemic levels of last Jan., and food has even been higher. And with a new \$1.9 trillion stimulus package moving through congress, the confluence of more disposable income & foodservice industry re-openings could provide an additional demand lift. Focusing on pork, where current wholesale prices are already high, the foodservice sector accounts for approx. 37% of total pork utilization by volume. Bacon, derived from pork bellies, is the largest single foodservice item sold, accounting for roughly 1/3rd of total foodservice pork usage and with most of that consumed during breakfast and lunch. Although QSR's have weathered the pandemic better than other restaurant types, and roughly 3/4 of all foodservice bacon is sold at limited service outlets, the return of workers to offices could see demand surge for foodservice breakfast and lunch services, driving even more purchasing interest for bacon and pork bellies. Current belly prices are already high, and lean hog futures values suggest that they will climb even higher this summer. On top of that, Jan freezer stocks were the lowest in years. Even if the re-openings have already been factored into current high belly prices, the brighter prospects for foodservice should work to underpin the current firmness in red meat market values.

TRADE

Despite a worldwide image of the U.S. as a major exporter of high-quality steak, most beef exported consists of cuts from the plate, rib and chuck areas of the animal. The percentages of total U.S. production exported of various beef cuts appears in the graphic below. Late last week, a 1,350-pound fed steer ready for harvest had a value of approximately U.S. \$1,540. Last year, exports to all destinations accounted for U.S. \$302 of a typical slaughter steer, with the value of beef exports to just two markets, Japan and Korea, accounting for \$144.90 - or 48% - of that. Exports of just 2 items to those 2 markets, short plate exports to **Japan** and short rib exports to **Korea** were valued on average at \$55.60 per animal. In addition to muscle cuts, the U.S. exports variety meats, such as tongues to **Japan**, tripe to **Mexico**, livers to **Egypt**, and omasum to **HK** & other Asian markets. Variety meat exports equated to more than 24 pounds per head of fed slaughter, equating to a per head value of U.S. \$34 last year. Total U.S. beef and beef variety meat exports last year reached \$7.65 billion, a 5% drop from 2019. On a volume basis, exports accounted for U.S. 13.5% of total U.S. output.

Top Export Cuts:

- Short plate cut: 95%
- Short rib/chuck short rib/rib finger: 85%
- Gooseneck round: 45%
- Outside skirt: 33%
- Chuck shoulder clod: 25%
- Chuck cuts: 15%-20%
- Top inside round: 16%
- Inside skirt: >10%
- Heavy boneless ribeye: 6%
- Top butt: 8%
- Striploin: 5%
- Brisket: 4%
- Tenderloin: 4%



ACTIVITIES:

SIAL, Shanghai: May 18-20, 2021

Restaurant and Bar/HOFEX, Hongkong: September 7-9, 2021

供應與需求

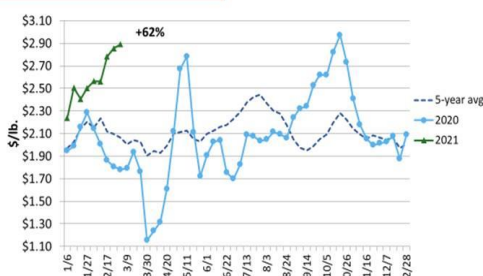
不出所料，上週牛分切價因季節性需求的疲軟而減弱，但大多數價格都高於去年同期。理論上 3 月為牛肉需求最少的月份，歷年來零售商將在月底前重新進入市場，開始為烤肉分切供應量做準備。一年前，COVID 相關供應鏈才剛開始中斷，使近幾個月的同比價格相較變得無意義。但與前 2 年的批發價格相比（見下圖），可以看出目前牛肉市場的強勢。上週活肥育小牛平均價格穩定在 1.14 美元/磅。正如預期，前幾周嚴寒的天氣減少牛隻平均體重，但有趣的是，截至 2 月 20 日，美國屠宰牛又創下新的分級記錄，86.07% 的牛隻分級達到 USDA CHOICE 以上的等級。其中，11.73% 的牛隻分級達到 USDA PRIME。根據 USDA 的數據，內布拉斯加州(Nebraska)PRIME 等級牛肉數量最多，達到 16.63%。在期貨市場上，芝加哥商品交易所(CME)4 月活牛期貨合約仍以較現金溢價交易，價格為 1.19 美元/磅，但至 2 月 16 日創下的合同期高點 1.26 美元/磅回落。儘管如此，人們對未來市場仍普遍持樂觀態度。牛肉供應於下半年看似趨緊，並且自 1 月月度牛肉分切交易開始，與去年同期相比也是如此。截至 2 月 25 日，出口活動也明顯強勁，據報導中國、第一大市場日本和韓國有了大的出貨量和/或新的銷售額。

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美國農業部牛肉屠體價格指數（特選級）：2021年3月8日 - \$231.08 美元/百磅（較2021年3月1日減少3%）

豬肉分切價於前 5 周上漲後，上週五收盤價與前一周持平。上肩肉、腹脊肉和里肌的價值上漲被每周較低的後腿肉平均價下降所抵消。期貨價格仍處於高位，在美國餐飲業重新開張的帶動下（見下欄產業動態），ASF 在中國和其他亞洲國家的持續蔓延，以及近期強勁的出口，使市場感到樂觀。截至 2 月 25 日當周的淨出口銷售量為 59,600 噸，為 6 個月以來最高，其中國是去年 9 月以來最大的新訂購量。市場也自今年較低的整體屠宰量中獲得支撐。上週屠宰總量為 256.3 萬頭，較上週下降 3%，相較去年下降 4.4%。年初至今，美國豬肉產量較去年下降 2.3%，屠宰量下降 4.0%。近幾周，有不同報導關於中國的 ASF 是否導致另一次大規模的剔除。仔豬供不應求，從 7 月到 2020 年底，價格緩解後目前有所上升。但是，根據 Ministry of Agriculture 報告，中國豬飼料平均價格已達到一年來的最高水平，表示現在飼料需求依然強勁。

Derind Belly 9-13# Boxed



Source: USDA/AMS

豬屠體分切價格：2021年3月8日 - \$94.93 美元/百磅（較2021年3月1日增加3%）

產業動態

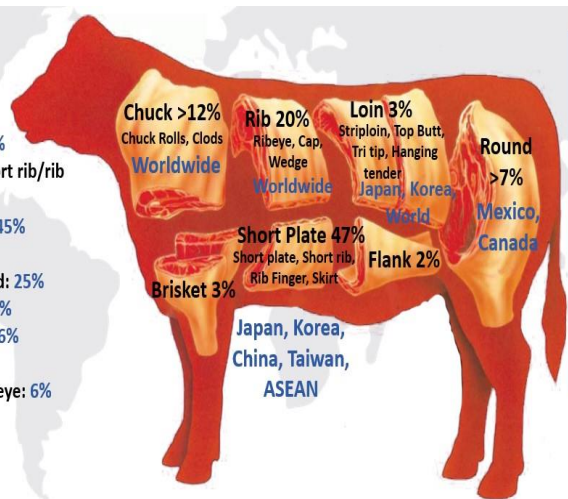
今年春季，肉類市場分析師正在密切關注接下幾個月經濟重新開放對需求會產生的衝擊。這是一個重要的問題，因為儘管美國餐飲服務業經營者持續受到經營限制，但美國牛和豬肉所有分切的批發價格中，都遠高於一年前和近 5 年的平均水平。去年春季，因供應的驅動使紅肉價格的飆升，但餐飲業的快速反彈是否會造成類似的上漲，或者，這種情況是否已經在發生？美國目前已接種了 9,200 萬劑疫苗，而自 1 月起 COVID 病例和住院率急劇下降，上週許多州包括德州(Texas)，加利福尼亞州(California)和密歇根州(Michigan)等也宣布重新開放店家營業和學校。美國 1 月餐飲業收入下降 2.6%，這已經是餐飲服務業收入連續第 11 個月同比下降，但餐飲服務業經營者現在都較去年樂觀。可以肯定的是，National Restaurant Association (NRA) 的餐飲業績指數(RPI)於 1 月仍顯示該行業處於萎縮狀態，但 NRA 預測，今年餐飲業總銷售額將增長 11%，達到 7,310 億美元，這個數字仍然較 2019 年疫情前下降 15.4%，但相較去年最嚴重時有了很大的改善。在此，零售業也在蓬勃發展，儘管很難估計，但肉類零售量已抵消餐飲服務需求的一些損失。2021 年 1 月，各類商品的零售總額較去年 1 月疫情前的水平增長 11%，食品價格甚至更高。隨著美國國會新的 1.9 萬億刺激計劃的推進，更多可支配收入與餐飲業重新開業可能會帶來額外的需求提升。關注於豬肉，目前的批發價格高，且餐飲業占豬肉總用量的 37%。源自豬腹脊肉的培根為最大單一餐飲服務項目，約占餐飲服務豬肉總用量的 1/3，且大部分消費都在早餐和午餐期間。儘管 QSR 在疫情期間比餐飲類經歷較少的考驗，並且大約 3/4 的培根都在有限的專賣店銷售，但隨著上班族返回辦公室辦公，使經營早餐和午餐的業者需求激增，從而推動對培根和豬腹脊肉的購買興趣。目前豬腹脊肉價格已經很高，瘦豬期貨價值顯示，今年夏天豬腹脊肉價格將進一步攀升。除此之外，1 月冷凍庫存為多年來最低的。即使店家重新開張已經成為當前高昂腹脊肉價格的因素，但餐飲業的美好前景應有助於鞏固當前紅肉市場價值的堅挺性。

貿易新聞

儘管美國在全世界為主要出口高質量牛排的國家，但大多數出口胸腹、肋排和肩胛部位。下圖為美國各種牛肉分切出口量與總產量的百分比。上週末，一頭重 1,350 磅的已肥育小公牛價值約 1,540 美元。去年，出口至所有目的地的待宰小公牛價值為 302 美元，其中僅出口至日本和韓國這兩個市場的牛肉價值為 144.90 美元，占其中的 48%。僅向這兩個市場出口了 2 種產品，對日本的胸腹肉和對韓國的帶骨小排出口，平均每頭牛價值為 55.60 美元。除了肌肉切割外，美國還出口多種肉類，如向日本出口的牛舌，向墨西哥的牛肚，向埃及的肝臟，向香港和其他亞洲市場出口的重瓣胃。去年，雜碎出口量超過相當於每頭 24 磅的肥育屠宰重量，也相當於每頭去年價值為 34 美元。去年美國牛肉和牛雜碎出口總額達到 76.5 億美元，較 2019 年下降 5%。按數量計算，出口量占美國總產量的 13.5%。

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美國肉類出口協會活動預告:

中國國際食品和飲料展覽會,上海: 2021年5月18-20日
香港餐飲展/HOFEX,香港: 2021年9月7-9日