



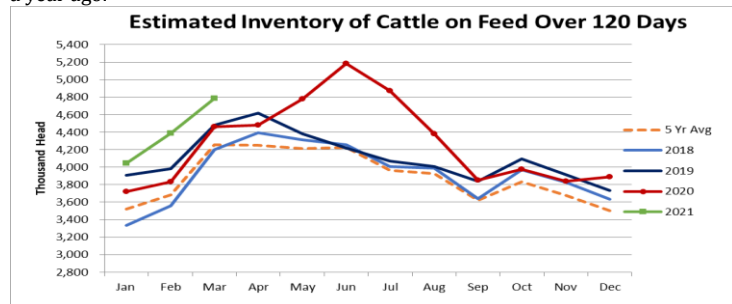
U.S. Meat Bulletin

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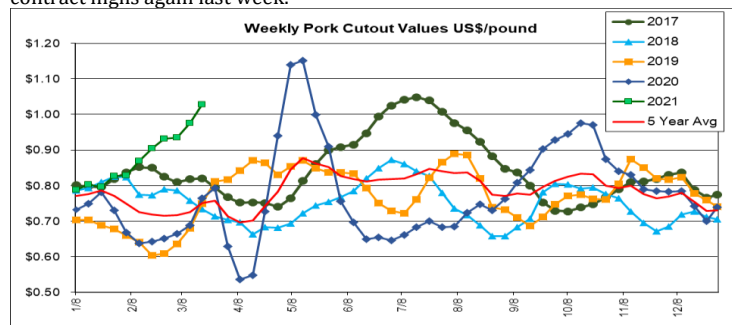
SUPPLY & DEMAND

After softening about 5% from the high of \$2.40/lb. reached in mid-February, the USDA CHOICE beef cutout closed last Friday steady with the previous week, and near the level of the most recent 5-year average value for this time of year. There is a tug of war between bullish & bearish factors. USDA's Cattle on Feed report of last Friday was generally seen as neutral to the market, but showed – as expected – that the March 1 inventory of cattle that had been on feed for over 120 days was 4.8 million head, up 7.2% from last year and up 12.5% from the previous 5-year average. This suggests that at least in the near term, supplies of slaughter ready cattle will be large. Although USDA estimated that placements of cattle into feedlots during February were down 1.9% year on year due to storms & freezing conditions, some analysts thought that number was too high given that many feeder cattle auction markets were closed nearly for a full work week during the middle of the month. But almost all agree that March placements will be large. The plentiful supply of slaughter-ready cattle has been pressuring cattle prices (which have been hovering around \$114/cwt for the last seven weeks), but most analysts see tighter cattle supplies during H2 of the year given low placements during Q4, 2020. Another bullish factor are declining average cattle slaughter weights. Still, cattle futures fell at the end of last week, perhaps on the negative media coverage of the U.S.-China talks. **China** has emerged to become the #3 export destination for U.S. beef so far this year. And during the week ending March 11, USDA reported new U.S. beef sales to China of 5,300 tons, the 2nd largest weekly total for China ever. A final factor that is giving some bearish pressure to cattle prices, but supporting beef prices, is the slower pace of slaughter this year; maintenance activity at some plants has in part caused year to date U.S. cattle slaughter to fall 3.3% from the pace of a year ago.



Beef Choice Beef Cutout Value: 22/3/2021 - US\$230.95/cwt. (+3% from 15/3/2021)

Last Friday the pork cutout again closed higher week-on-week, extending an unprecedented contra-seasonal climb (see graph below). The U.S. \$1.00+/lb. close was the 1st time since the summer of 2017 the cutout breached the 1-dollar-per-pound level except during the CoVID disruptions of last spring. Compared to the previous week, prices were higher for all primals: picnics were +7%, butts +7%, loins +6%, ribs +6%, hams +5%, and bellies +5%. Price growth for bellies and hams are driving up the overall cutout value, but analysts can't entirely explain why prices continue to climb higher (see MOVING AHEAD next column). Last week's estimated slaughter was 2.524 million head, down 2.1% from last week and down 9.8% from last year. Overall, the nation's harvest pace is slightly below that of last year, with recent activity notably slower than earlier this year. There is no talk of a market hog backlog despite hog weights running a few pounds over year-ago levels; live hog prices increased another 4% last week after rising a similar % the week before. Overall, investors remain bullish, with lean hog futures traded at new contract highs again last week.



Hog Carcass Cutout Value: 22/3/2021 - US\$103.26/cwt. (<+1% from 15/3/2021)

MARKET MAKERS

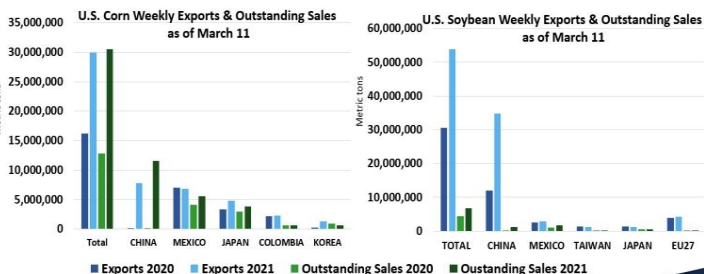
National Beef has announced it will double the daily harvest & processing capacity of its Tama, Iowa beef plant by the end of next year through a U.S. \$100 million investment. The expansion will add a 2nd production shift and enable the Lowa Premium facility to process 2,500 head per day.

MOVING AHEAD

Analysts are scrambling to explain the recent surge in U.S. pork prices, and it appears significant changes to both supply & demand factors are at work. This Thursday's quarterly USDA Hogs & Pigs report will provide more clues about the current herd size and status, but one of the 1st reasons cited is the slower year-to-date harvest activity. Aligning the pace of 2021 weekly U.S. hog slaughter with the same number of equivalent full weeks of last year show that this year's slaughter pace is -1.2% off that of 2020. Inclement winter weather and its impact on logistics has been cited as one reason for the small slowdown, but there have also been reports of animal health challenges this winter on some farms. Disease data is lacking, although if this week's USDA report shows a dip in the Dec-Feb pig crop and swine inventories in the under 50-pound category, that could imply producers have experienced herd health issues. But most analysts believe very strong demand – esp in the U.S. - for pork & pork items are behind high prices. COSTCO stated in a recent investment call that sales of its bacon were up 45% year-on-year. During the pandemic, retail sales of pork grew significantly, and a \$1 spend on pork at retail results in greater volume disappearance of product than a \$1 spend on pork at a restaurant. The recent price surge could also reflect stocking behavior, both by supermarkets that may want to hedge against even higher prices later, but also by pandemic related restaurant re-openings. On the export side, the most recent USDA weekly export report saw the largest overseas shipments during the week ending March 11 since mid-January. Because weekly slaughter numbers are running 100 – 150 thousand head below the pace of early in the year, aggressive export activity can work to quickly tighten supplies and push pricing higher. Still, through mid-March total pork export volumes were still running -12% to last year's pace, with YOY shipments to #1 and #2 markets **China** and **Mexico** off -25% and -13% respectively. Recently though, optimism has increased that the pace of U.S. pork exports will accelerate, especially to China where new reports have surfaced of a ASF second wave.

TRADE

Although analysts are now projecting China's hog herd will recover slower than what was forecast as recently as Q4 last year, some are puzzled about continued aggressive large volume China purchasing of feed grains. If China has been hit by new ASF outbreaks, that would decrease feed-grain demand the logic goes. Last week, China purchased 3.88 million tons of U.S. corn, and outstanding exports and sales of both corn and soybeans are running way ahead of year-ago levels (see chart below). But is this activity strategic buying for stockpiles or genuine demand for feed by China's livestock sector? There is no clear answer although domestic prices for corn, soymeal, and compound pre-mixed feed for hogs have all softened in recent days. Chinese analysts cite slackening demand on the hog side due to ASF-related herd culling, while high feed costs have started to crimp the profitability of certain livestock production models, especially those for poultry and wean-to-finish hog operations. Last week, China's **Ministry of Agriculture** announced a new initiative to encourage livestock producers to adjust the corn and soy content of rations downward and increase the feeding of other grains – including rice & wheat. (There are some reports recent U.S. wheat imports are being channeled into feed use.) Current Chinese corn prices are near U.S. \$460/ton while U.S. May corn futures prices are trading around \$218/ton so corn importing still appears profitable. And although Chinese live hog prices have dropped roughly 20% since reaching a pre-Chinese New Year high of approximately \$5.50/kg., they remain very high relative to global prices. U.S. live hog prices last week averaged approximately \$1.52/kg., suggesting pork imports will stay strong as well.



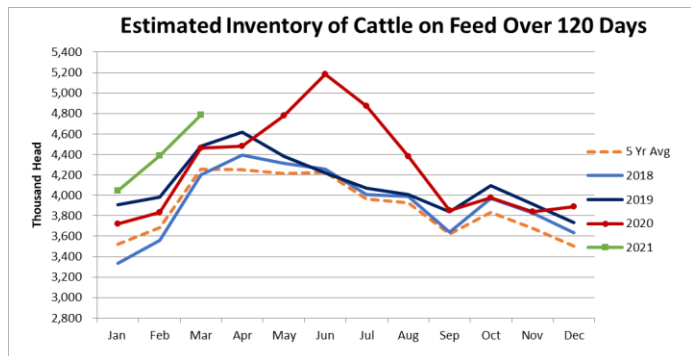
ACTIVITIES:

SIAL, Shanghai: May 18-20, 2021

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

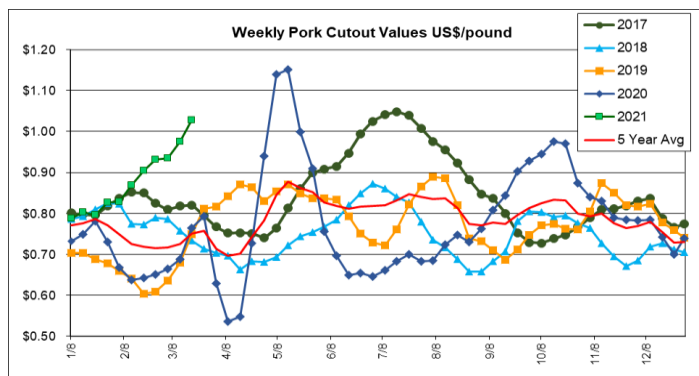
供應與需求

自2月中旬達到2.40美元/磅的高點回落約5%後，上週五USDA CHOICE牛肉分切價的收盤價與前一周持平，並接近近5年的同期平均水平。看漲與看跌因素之間存在著拉鋸戰。USDA上週五的牛隻在養頭數報告對市場普遍持中立態度，但正如預期，3月1日顯示飼養120天以上的牛隻為480萬頭，較去年同期增長7.2%，且較前5年平均水平增長12.5%。這說明，至少在短期內，待宰牛供應量較大。儘管USDA估計，由於暴風雨和嚴寒氣候的影響，2月進入肥育場的牛隻投放量與同比下降1.9%，但一些分析師認為這個數字過高，因本月中旬許多拍賣肥育牛的市場幾乎關閉了一整個工作周。可是幾乎所有人都同意，3月的投放量會變更大。充足的待宰牛供應一直在施壓牛市價格（過去七週牛市價格一直徘徊在114美元/磅），但由於2020年第四季期間的投放量較低，因此大多數分析師認為該年度下半年的牛供應將趨緊。另一個看漲因素為牛的平均屠宰體重下降。儘管如此，牛市期貨在上週末還是出現下跌現象，這可能由於媒體對中美談判的負面報導所產生的現象。今年中國已成為美國牛肉的第三大出口目的地。截至3月11日，USDA報告稱，美國牛肉對中國的新銷量為5,300噸，這是中國有史以來第二大的每週總銷量。造成牛市價格壓力的下跌但支撐牛肉價格的最後一個因素為今年的屠宰速度較慢，一些屠宰廠的維護活動部分導致年初至今美國牛的屠宰量較去年同期下降3.3%。



美國農業部牛肉屠體價格指數（特選級）：2021年3月22日 - \$230.95美元/百磅（較2021年3月15日增加3%）

上週五，豬肉分切價再次按週上漲，延續了前所未有的反季節攀升（見下圖）。美國\$ 1.00 +美元/磅的收盤價是自2017年夏季以來第一次，除了去年春季CoVID中斷期間以來，分切價突破1美元/磅的水平。相較前一周，所有分切價格均上漲：前腿肉上漲7%，上肩肉上漲7%，里肌肉上漲6%，肋排上漲6%，後腿肉上漲5%，腹脅肉上漲5%。腹脅肉和後腿肉的價格上漲正推動整體分切價的上漲，連分析師都無法完全解釋價格為什麼價格持續攀升（請參閱下一欄的產業動態）。上週估計的屠宰量為252.4萬頭，較前一周下降2.1%，且較去年同期下降9.8%。總體而言，美國的屠宰速度略低於去年的速度，且近期活動明顯慢於今年年初。儘管生豬重量比去年同期水平高出幾磅，但沒有積壓生豬市場的說法，上週生豬價格又上漲4%，與此前一週上漲了類似的百分比。整體來看，投資者仍然樂觀，上週瘦豬期貨交易量再次創下合約新高。



豬屠體分切價格：2021年3月22日 - \$103.26美元/百磅（較2021年3月15日增加1%）

產業新知

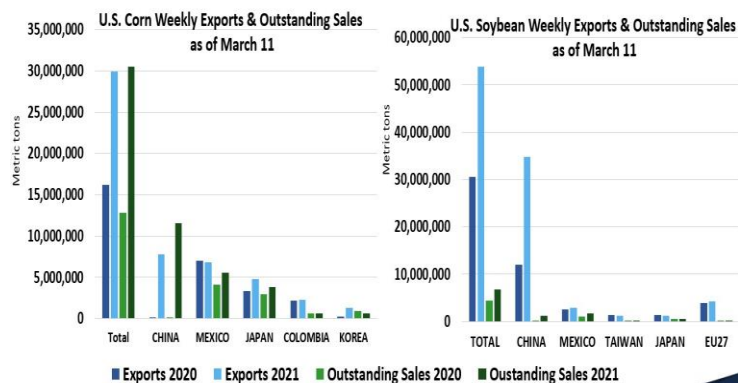
National Beef 宣布，將在明年年底前通過1億美元的投資，將其Tama, Iowa牛肉屠宰廠的每日屠宰量和加工生產能力提高一倍。此次擴建將增加第二個生產班次，並使Iowa Premium屠宰場的每日屠宰量達到2,500頭。

產業動態

分析師正在爭相解釋近期美國豬肉價格暴漲的原因，且供需兩方的因素似乎都發生了重大變化。USDA本週四發布的生豬季度報告將提供更多關於當前豬群規模和狀態的資訊，其中提到的第一個原因為年初至今的屠宰活動放緩。將年初至今，美國2021年生豬屠宰速度與去年同期相比，今年的屠宰速度較2020年下降1.2%。冬季惡劣的氣候及對物流的影響也被認為是小幅放緩的原因之一，但同時有報導稱，今年冬季一些農場的動物健康受到挑戰。目前我們缺乏疾病的數據，但是若本周USDA報告顯示12月至2月，50磅以下的生豬總頭數出現下滑，可能意味著生產者受到豬群健康的問題。但大多數分析師認為，高價格的背後是非常強勁的需求，尤其是美國對豬肉及豬肉製品的需求。COSTCO在近期的一次投資電話會議上表示，其培根的銷售量較同比增長45%。在疫情期間，豬肉的零售量大幅增長，在零售店購買1美元的豬肉，較在餐廳消費1美元豬肉導致的產品消失量更大。近期價格上漲也可能反映了庫存行為，既可能是超市往後想對沖更高的價格，但也可能是被疫情影響的餐館重新開業造成價格的上漲。在出口方面，USDA最近的每週出口報告顯示，截至3月11日，海外出口量為1月中旬以來最大。由於每週的屠宰量較年初減少了10至15萬頭，因此積極的出口活動可以迅速收緊供應並推高價格。儘管如此，截至3月中旬，豬肉出口總量仍較去年同期速度下降12%，其中對第一和第二大市場中國和墨西哥的出貨量同比分別下降25%和13%。不過近期，人們對美國豬肉出口加快速度的樂觀情緒有所增強，尤其是對中國豬肉的出口，新的報告已出現了第二波ASF。

貿易新聞

儘管現在分析師預測中國豬群的恢復速度將較去年第四季預測時來的慢，但一些人對中國持續積極大量購買穀物感到困惑。若中國受到新的非洲豬瘟(ASF)衝擊，那麼順理成章，這將減少穀物需求。上週，中國購買了3萬噸以上的美國玉米，玉米和大豆的出口及銷售量均遠超過去年同期水平（見下圖）。但是，這項活動是為了庫存的戰略性購買還是中國畜牧業對飼料的真正需求？儘管近幾天美國玉米、大豆粉、豬用混合飼料的國內價格都有所回落，但目前沒有明確的答案。中國分析師指出，由於與ASF相關的豬群被淘汰，生豬方面的需求將放緩，而高昂的飼料成本已開始削弱一些畜牧生產模式的盈利能力，尤其在禽肉和剛斷奶至成年的生豬生產。上週，中國農業部宣佈了一項新措施，他們開始鼓勵畜牧業者向下調整飼料的玉米和大豆含量，並添加其他包括大米和小麥的穀物。（有報導稱，美國近期進口的小麥正被輸送至肥育場使用。）當前中國玉米價格將近460美元/噸，而美國5月玉米期貨價格大約為218美元/噸，因此玉米進口似乎仍然有利可圖。儘管中國自春節前達到最高價5.50美元/公斤，中國的生豬價還是大約下降20%，但相對全球價格而言，它們仍然位於高價。上週美國生豬價格平均約為1.52美元/公斤，這表明豬肉進口也將保持強勁。



美國肉類出口協會活動預告：

中國國際食品及飲料展覽會，上海：2021年5月18-20日

香港餐飲展/HOFEX，香港：2021年9月7-9日