



U.S. Meat Bulletin

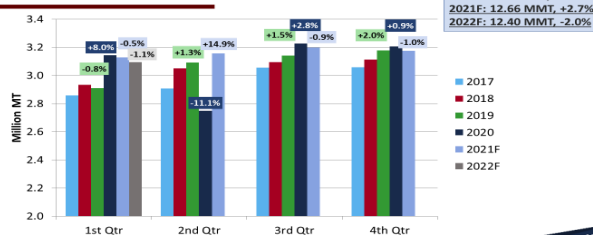
June 16, 2021

Volume XIII | Issue 6.2

SUPPLY & DEMAND

After 11 weeks of consecutive week-on-week increases, the USDA CHOICE cutout closed even last Friday with that of the previous week. Last Friday's cutout close was **52%** above the level of mid-June 2019. The USDA SELECT grade cutout value dropped **1%** from its record level, causing the value spread between the CHOICE and SELECT average to reach a historical U.S. \$30.56/cwt last Friday. Retail and foodservice demand is exceptional as the U.S. continues to relax social distancing restrictions; California eliminated remaining restrictions on a wide range of businesses effective yesterday June 15. Domestic purchasing across all proteins is described as very robust. In the beef category, middle meats are driving a large part of the surge in overall wholesale prices, but other cuts such as briskets, short plates and short ribs, in addition to grinding meat, are all trading at record or near record levels. Moving forward, many analysts believe that the seasonal slowdown in beef demand in July will push values lower, and the CHOICE cutout did fall slightly the 1st 2 days of this week. Last week's 665,000 head harvest was encouraging to those that blame limitations in current industry processing capacity for high beef prices and steady live fed cattle values (see MOVING AHEAD next column). Year-to-date slaughter levels are still **1%** below those of pre-pandemic 2019, and harvest weights are also below year-ago levels. But the USDA is still forecasting record 2021 beef production of 12.66 million tons (+2.7% YOY) and despite expected slowdowns in the cattle harvest and beef output later this year (see graph below). Beef exports are also propping up prices; total overseas shipments of beef muscle cuts through early June were **+15%** from the pace of 2020 and **20%** higher than pre-CoVID 2019. In recent weeks, MEF has heard of more concern about record high U.S. prices from foreign buyers.

USDA expects beef production to tighten during the second half of 2021 compared to 2020



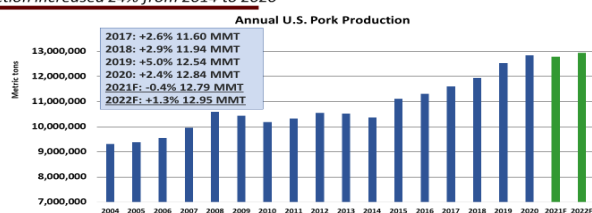
Source: USDA/WASDE June 2021, carcass weight equivalent, commercial production

Beef Choice Beef Cutout Value: 15/6/2021 - US\$334.43/cwt. (-1% from 7/6/2021)

The pork cutout again moved higher last week, closing at a **32%** premium to the pre-pandemic mid-June 2019 value. A double-digit appreciation in spot butt prices helped drive last week's increase. The cutout value is now approaching the record high set in July 2014 of U.S. \$134/cwt. after experiencing a **25%** lift since early April. Wholesale pork prices are receiving support from domestic retail and foodservice demand, seasonally lower slaughter, and low cold storage stocks. Exports have been supporting values as well, although shipments during the week ending June 3rd were the lowest so far this year. The export news, and a new emergency government announcement out of China to arrest crashing hog prices (see TRADE next column), caused the CME July lean hog futures contract value to fall yesterday (Monday June 14) after drops in the previous 4 sessions. That comes after the contract hit the second-highest level since trading began a half century ago early last week. Looking forward, the USDA has slightly reduced its 2021 production forecast as it now sees higher expected slaughter being offset by lighter carcass weights. This year's pork production is estimated to drop **0.4%** from the 2020 record to total 12.79 million mt. During the second half of 2021, pork production is expected to be down **2.3%** from 2020. After dropping next year, USDA now predicts 2022 pork production will be record large at 12.95 million mt, up **1.3%** over this year's output.

USDA expects 2021 U.S. pork production to hold roughly steady following six years of record production

Production increased 24% from 2014 to 2020



Source: USDA/NAASS & WASDE estimates

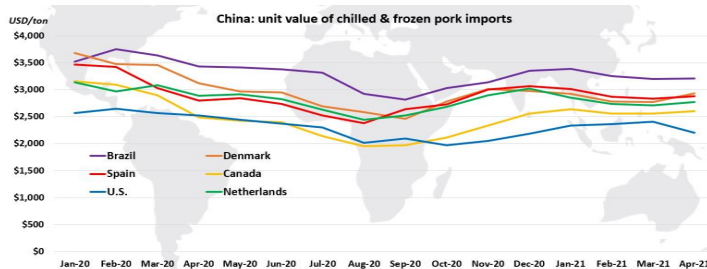
Hog Carcass Cutout Value: 15/6/2021 - US\$122.51/cwt. (-9% from 7/6/2021)

MOVING AHEAD

USDA is committing \$4 billion in investments to strengthen the U.S. food system and supply chains. The initiative is part of the White House's *Build Back Better* multi-pronged strategy to secure supply chains of critical products including semiconductors, pharmaceuticals, industrial batteries and other key commodities and inputs to manufacturing. The President is also establishing a supply-chain disruptions task force to address bottlenecks that arose during CoVID and now, the rapidly rebounding economy. The U.S. Secretaries of Commerce, Transportation and Agriculture will lead the team. USDA's *Build Back Better* efforts seek to improve fairness and competitiveness in agricultural markets, while providing ongoing support for producers and workers, creating greater resilience in U.S. food supply chains and improve access by by America's needy to nutritious food. Funding will include a mix of grants, loans, and other "innovative" financing mechanisms to address obstacles that exist in four major work areas; 1) food production, 2) food processing, 3) food distribution and aggregation, and 4) the functioning of markets and availability to all of nutritious food. As relates to livestock and meat, USDA said that it will "seek to increase transparency and competition with attention to how certain types of conduct in the livestock markets and the meat processing sector have resulted in thinly-traded markets." USDA also says that it will seek ways to address what it sees as a shortage of small meat processing facilities and the regional food system infrastructure needed to support them. CoVID disrupted meat processing operations last year but the market impact on meat supplies was relatively short lived. That said, even very small meat processing facilities were fully booked last year as large supplies of market-ready livestock looked for processing space. It is not clear how *Build Back Better* funds will be utilized to expand U.S. meat processing capacity, but there are already private investments underway that should see beef harvest capacity increase by 4K head per day over the next 2 years. **JBS USA** has just announced it will spend \$130 million to increase annual processing capacity by 300,000 head at 2 of its Nebraska beef plants, and a new 500-head-per-day facility is being built by **AB Foods** in Idaho. In the meantime, labor tightness is holding recent daily cattle harvest levels at about the 120K head-per-day level, below the estimated daily capacity of 127K (for the 30 largest packers). Last week's *Build Back Better* announcement came on the heels of a June 4th USDA announcement that it was allocating U.S. \$500 million to purchase domestically produced food for the Emergency Food Assistance Program. Another \$500 million will be used to assist small and disadvantaged U.S. farmers and build storage capacity for local food banks.

TRADE

There was broad media attention last week on rising commodity prices in **China** and a surging producer price index. Referencing high pork prices, China's central economic planning agency late last month warned that it would crack down on commodity speculation, hoarding & false market information. But just as these reports are starting to hit the financial press, Chinese pork prices continue to nosedive, prompting the **National Development and Reform Commission (NDRC)** to announce last week that it could start buying pork - ostensibly domestic - for reserve stockpiling and to set a floor on prices if the ratio of live hog to grain prices fell below a certain threshold. For much of last year and until early March this year, China sold reserves, mostly imported product. During 2020 and through March 10 of this year, China sold 880,000 tons of frozen pork to help temper prices. Counterintuitively, as its hog herd appears to be re-populating, China's corn futures prices have also dropped recently, likely due to a large influx of imports. While domestic pork prices have dropped over 50% since the beginning of the year, imported pork prices, at least through April, remained steady (see GRAPH below). Analysts believe China's pork imports, especially of muscle cuts, will fall in the coming months.



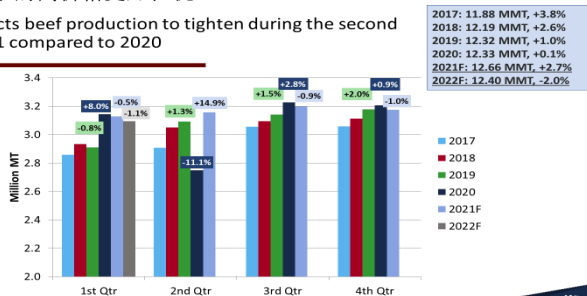
ACTIVITIES:

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

供应与需求

在连续 11 周的周环比上涨后，上周五 USDA CHOICE 分切价与前一周的收盘价持平。上周五的收盘价较 2019 年 6 月中旬的水平高出 52%。USDA SELECT 等级的分切价从创纪录的水平下降 1%，导致 CHOICE 和 SELECT 平均值之间的价差较上周五达到 \$30.56 美元/百磅的历史水平。随着美国持续放宽社交距离的限制，零售和餐饮服务业需求异常旺盛；加利福尼亚州自昨天 6 月 15 日起取消了对广泛企业的其他限制。美国国内对所有蛋白质的采购被描述为非常强劲。在牛肉类别中，排类商品推动了整体批发价格的上涨，但除了绞肉外，其他分切肉如牛前胸肉、胸腹肉和牛小排均处于创纪录或接近创纪录的水平上交易。展望未来，许多分析师认为，7 月牛肉需求的季节性放缓将推动价值走低，而 CHOICE 分切价在本周的第 2 天略有下降。上周 66.5 万头的屠宰量对那些指责目前加工产业能力的限制，导致牛肉价格高涨和肥育牛价稳定的人来说是令人称赞的（请参阅下一栏的产业动态）。年初至今的屠宰水平仍较 2019 年疫情前的水平低 1%，屠宰重量也低于去年同期水平。但 USDA 仍预测 2021 年牛肉产量将达到创纪录的 1266 万吨（与同比增长 2.7%），尽管他们预计今年下半年牛只屠宰量和牛肉产量将放缓（请参见下图）。牛肉出口也在支撑价格；截至 6 月初，牛肉分切的总出口量较 2020 年的速度增长 15%，较 2019 年 CoVID 前增长 20%。不过，最近几周，MEF 听说国外的买家对美国创纪录的高价格更加担忧。

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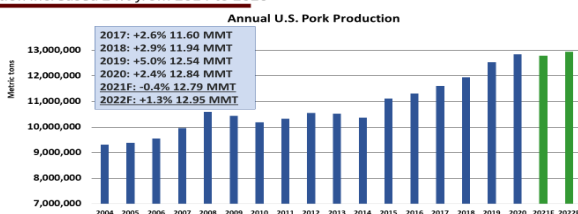


Source: USDA/WASDE June 2021, carcass weight equivalent, commercial production

美国农业部牛肉屠体价格指数（特选级）：2021年6月15日 - \$334.43 美元/百磅（较 2021 年 6 月 7 日减少 1%）

上周猪肉分切价再次走高，收盘价较 2019 年 6 月中旬疫情前的价值高 32%。猪肉现货价格的两位数升值有助于推动上周的上涨。在经历自 4 月初以来的 25% 涨幅后，猪肉分切价目前正接近 2014 年 7 月创下 \$134 美元/百磅的历史新高。猪肉批发价格受到美国国内零售和餐饮服务需求、季节性较低的屠宰量、较低的低温储藏库存的支持。出口也一直支撑着价值，尽管截至 6 月 3 日当周的出货量为今年迄今为止的最低值。出口消息，以及中国政府宣布遏制生猪肉价格暴跌的新紧急声明（请参见下栏贸易新闻），导致芝加哥商品交易所 7 月瘦猪期货合约价值在昨天（6 月 14 日星期一）继前 4 个交易日的下跌之后又出现了再一次的下跌。此前，该合约在上月初创下开始交易半个世纪以来的第二高水平。展望未来，USDA 略微下调了 2021 年的产量预测，因为它现在认为较高的预期屠宰量被更轻的屠体重有所抵消。今年的猪肉产量估计将比 2020 年的记录下降 0.4%，总量为 1,279 万吨。在 2021 年下半年，猪肉产量预计将比 2020 年下降 2.3%。于明年下降之后，USDA 预测 2022 年猪肉产量将达到创纪录的 1295 万吨，较今年的产量增长 1.3%。

USDA expects 2021 U.S. pork production to hold roughly steady following six years of record production
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Source: USDA/NAASS & WASDE estimates

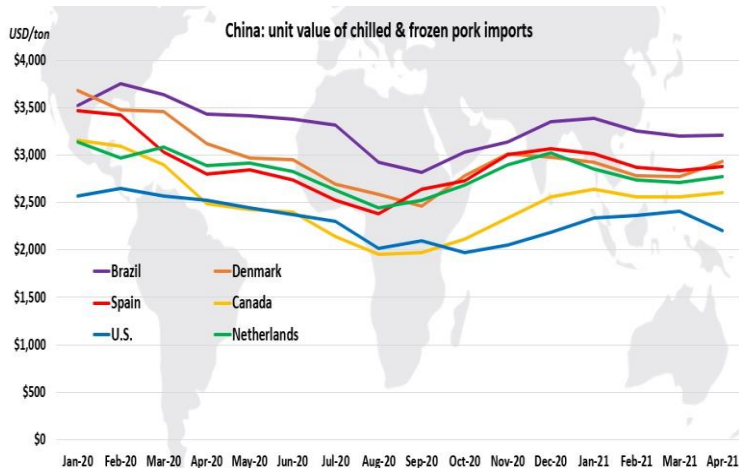
猪屠体分切价格：2021年6月15日 - \$122.51 美元/百磅（较 2021 年 6 月 7 日减少 9%）

产业动态

USDA 正承诺投资 40 亿美元，以加强美国的食品系统和供应链。该倡议为白宫的“Build Back Better”多管齐下战略的一部分，以确保关键产品的供应链，包括半导体、药品、工业电池和其他关键商品和制造业的投入。美国总统也正在建立一个供应链中断工作组，以解决在 CoVID 期间和现在经济迅速反弹时出现的瓶颈问题。且美国商务、交通部和农业部长将领导该小组。USDA 的“Build Back Better”正努力寻求改善农业市场的公平性和竞争力，同时为生产者和工人提供持续的支持在美国食品供应链中创造更大的弹性，并改善美国弱势群体获得营养食品的机会。资金将包括赠款、贷款和其他“创新”融资机制的组合，以解决四个主要工作领域存在的障碍：1) 食品生产，2) 食品加工，3) 食品分配和聚集，以及 4) 市场的运作和所有营养食品的供应。关于畜牧和肉类方面，USDA 表示将“寻求提高透明度和竞争力，并关注畜牧市场和肉类加工部门的一些类型行为是如何导致市场交易稀薄”。USDA 还表示，这将设法解决它认为的小型肉类加工设施和支持这些所需的区域食品系统基础设施的短缺问题。去年，CoVID 中断了肉类加工业务，但对肉类供应的市场影响相对较短。也就是说，即使是非常小型的肉类加工厂，去年订单也已额满，因为大量可上市的畜牧产业正在寻找加工空间。目前尚未清楚他们将如何利用 Build Back Better 资金来扩大美国肉类加工能力，但已经有私人投资正在进行，预计接下来两年牛肉的屠宰能力每天将增加 4,000 头。JBS USA 刚刚宣布将斥资 1.3 亿美元，将其内布拉斯加州 2 家牛肉屠宰厂的年加工能力提高 30 万头，并且 AB Foods 正在爱达荷州建造每日屠宰 500 头的新工厂。与此同时，劳动力紧张使近期每日屠宰牛只的数量保持约 12 万头的水平，低于估计的每日屠宰量 12.7 万头（对于 30 家最大的屠宰商）。上周，USDA 在 6 月 4 日宣布将拨款 5 亿美元用于为紧急食品援助计划购买美国国内生产的食品后，又发布了 Build Back Better 计划。另外的 5 亿美元将用于帮助美国小农和弱势的农民，并为当地食品银行建立储存容量。

贸易新闻

上周，中国日常用品价格上涨以及生产者物价指数飙升，引起了媒体的广泛关注。上个月底，中国中央经济计划署针对猪肉价格高企发出警告，称他们将严厉处罚商品投机买卖、囤货和宣传虚假市场讯息的人。但就在这些报导开始于财经新闻上播出后，中国的猪肉价格持续暴跌，促使国家发改委（NDRC）上周宣布，它可以开始购买表面上为中国国内的猪肉用于储备猪肉库存并设定价格下限，但前提下为生猪肉与谷物价格的比率低于一定的门槛。去年大部分时间至今年 3 月初，中国主要在出售之前储存的猪肉和进口产品。2020 年至今年 3 月 10 日，中国为了帮助调节价格，共售出 88 万吨冷冻猪肉。与此相反的是，随着生猪群似乎重新繁殖，中国的玉米期货价格近期也有所下跌，可能是由于大量进口产品的涌入。自今年年初以来，虽然中国国内猪肉价格下跌了 50% 以上，但至少 4 月进口的猪肉价格仍然保持稳定（请参见下图）。并且分析师也认为，接下来几个月中国的猪肉进口量，尤其是猪肉分切肉的进口量将开始下降。



美国肉类出口协会活动预告：

香港餐饮展/HOFEX, 香港: 2021年9月7-9日