



U.S. Meat Bulletin

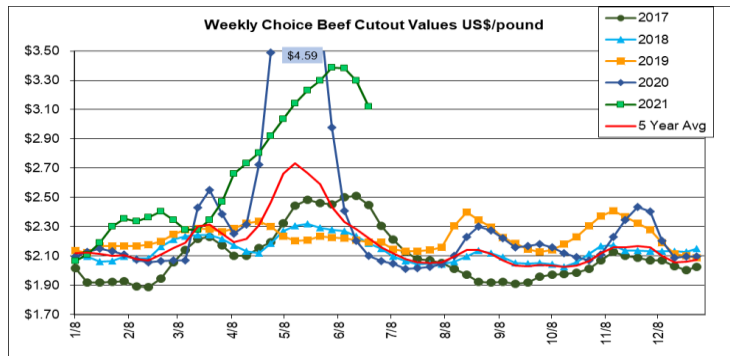
June 29, 2021

Volume XIII | Issue 6.4

Note: The U.S. Meat Bulletin will take a publishing break July 6 in observance of U.S. Independence Day holiday.

SUPPLY & DEMAND

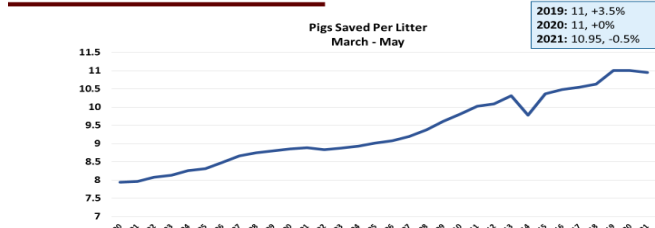
The beef cutout continued its downward move in what analysts are describing as a seasonal softening, but wholesale beef prices across all cuts remain historically lofty. Last week's biggest corrections were seen in the rib and loin primals as institutional purchasing for the July 4th holiday had already been filled by early in the week. That said, 'underutilized' grilling cuts such as petite tenders were still trading at historical highs last week, a sign that demand remains robust. The easing of beef prices occurred in contrast with a solid move upward in live fed cattle prices. U.S. plants harvested 661,000 head last week, a large volume, and year to date beef production is now up 6.1% from the COVID-affected H1 2020. USDA's cattle on feed report issued last Friday yielded no major surprises and confirmed that the number of cattle in feedlots over 120 days, though still high, is trending downward. That should mean tighter fed cattle supplies will become more apparent this fall. Placements of cattle into feedlots during May were down 3.6% from the previous 5-year average, and for the 1st 5 months of the year were down 3% from pre-pandemic 2019. Analysts believe placements will further decline in the next few months as the pipeline of young cattle shrinks. Beef exports the week ending June 17th were strong, with large shipments reported to China and large new orders from Korea, and at a time of nearly unprecedented high prices for Asian cuts.



Beef Choice Beef Cutout Value: 28/6/2021 - US\$297.43/cwt. (-7% from 21/6/2021)

The cutout dropped for the 2nd consecutive week as lower exports to China and the beginning of seasonally lower mid-summer demand weighed on wholesale prices. All pork primal values moved lower, with medium trimmed spareribs closing last Friday nearly 1/3rd lower than 2 weeks earlier. Even with the correction though, the cutout value is 49% higher than pre-pandemic late June 2019. USDA also published its quarterly hog inventory report, and it showed large near-term supplies of market hogs, but also signs that the pipeline could tighten during the 2nd half of the year (see MOVING AHEAD next column). Last week's estimated slaughter was 2.368 million head, down 2.8% from last week and down 9.8% from last year (and down 1% from 2019). Year to date pork production is up 1.4% from the pace of last year with slaughter up 0.9%. Lean hog futures followed pork prices lower last week as a bearish sentiment spread over the marketplace; the August futures contract settled last Friday at a 2-month low. Although end-of-May total cold storage stocks were still -21% from the previous 5-year average, pork stocks did increase 1% from April. And U.S. pork exports for the week ending June 17 were 10% lower from the prior 4-week average, although higher shipments to Mexico are helping to offset lighter activity to China. Yesterday, traders again turned optimistic about China as domestic hog prices there surged over this past weekend as a result by a government announcement that it would start to buy pork for the reserves.

Higher Number of Pigs Saved Per Litter = Increasing Productivity; productivity to return to growth trend following the covid-19 impact on the supply chain in 2020, but slight decrease from March - May reflects challenges from PRRS in March



Source: USDA/NASS

Hog Carcass Cutout Value: 28/6/2021 - US\$115.13/cwt. (-5% from 21/6/2021)

MARKET MAKERS

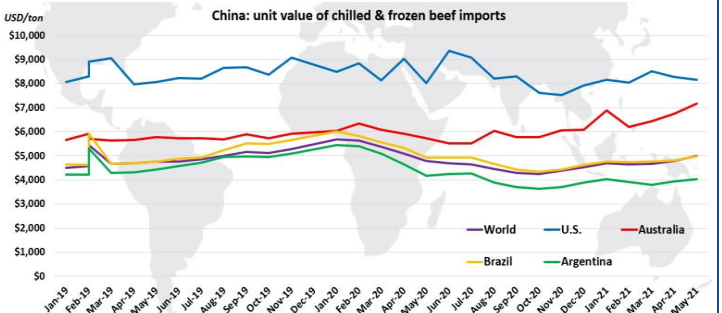
American Foods Group, the nation's 5th largest packer, has announced that it will construct a new state-of-the-art beef harvest facility. The Wisconsin based company is currently conducting due diligence on greenfield sites. The company currently processes an estimated 6,500 head per day of fed and non-fed cattle in 4 facilities. In pork processor news, producer owned pork processor Wholestone Foods has announced it will invest upwards of U.S. \$500 million to build a swine harvest and processing facility in South Dakota, indicating in its public statements it had already procured land for the facility. Wholestone's 200+ farmers and hog raisers purchased a 10,500 head-per-day pork processing plant in Fremont, Neb., from Hormel Foods in 2018.

MOVING AHEAD

USDA has released its highly anticipated June 1 Hogs and Pigs report, and the new data showing a year-on-year 2.2% decline of all hogs and pigs was generally aligned with analyst's expectations. Although total herd numbers were down from 2020, they increased 1% from the March 2021 report, indicating that producers managed to somewhat rebuild herds after experiencing health issues over the winter. The inventory of hogs over 120 pounds, including the heavier weight category of >180 pounds, was higher than forecast, leading some analysts to posture that the recent decline in pork prices and lean hog futures were due in part by a flush live hog pipeline. But recent high grain prices have also tempered producer incentives to expand production, which were reflected in expected lower farrowings during this past March-to-May quarter, but also in reduced farrowing intentions in the coming 6 months. In addition to anticipated lower farrowings, the average pigs-per-litter number declined during the March-May quarter (see graph previous column), as well as the quarterly pig crop which dropped 3%. That quarter's supplies will be slaughtered between September and December timeframe, leading analysts to conclude that overall market hog supplies will tighten in Q4. The nation's breeding herd on June 1 stood at 6.23 million head, down 1.5% year on year but in line with expectations. Beyond the data now showing a possible Q4 hog tightening, the report's data yielded no major surprises. There is still uncertainty about demand however, as meat has enjoyed a boon during the pandemic, but the U.S. reopening is expected to bring more normalcy back to food purchasing behavior. That said, over the last 2-3 months, the foodservice industry's reopening has provided an additional demand bump. But pork import demand from China is dropping; with domestic prices swooning, most imported muscle cut items in inventory and on the water will yield major losses to traders at current international prices.

TRADE

China has published May trade data and monthly beef imports of 167K tons slowed from the large volumes of March and April, but still remain high historically. Jan-May imports, including variety meats, totaled 985.5K tons, a 18.6% increase from the record pace of 2020. Imports of U.S. beef reached a record 12,400 tons during the month, a stunning 1,000+% increase from May 2020. May was the 1st month in decades that China's imports of U.S. beef exceeded those of Australia. The per ton value of China's beef import prices have been somewhat stable over the last year (see graph below), except for the pronounced rise in prices of product from Australia, which remains in the low point of its cattle cycle. There are some questions if price stability will be maintained. South American traders have recently reported a softer undertone to the China market. Red meat consumption is generally weaker in the hot summer months when hot pot demand wanes. But in addition to seasonal factors, the swoon in pork prices could lead to more conservative beef buying by traders now needing to more carefully monitor cash flows.



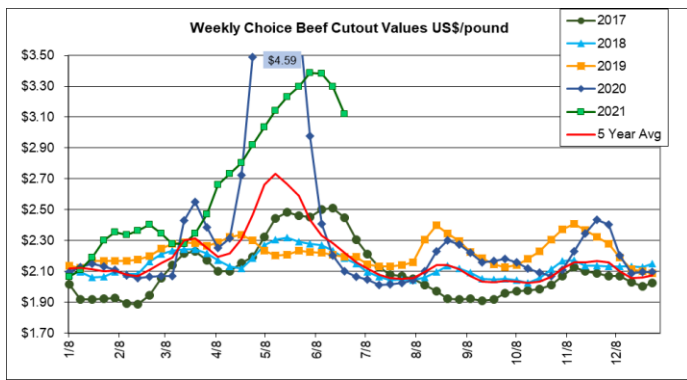
ACTIVITIES:

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

编辑笔记：下期《美国肉品新知》将于2021年7月13日发布。

供应与需求

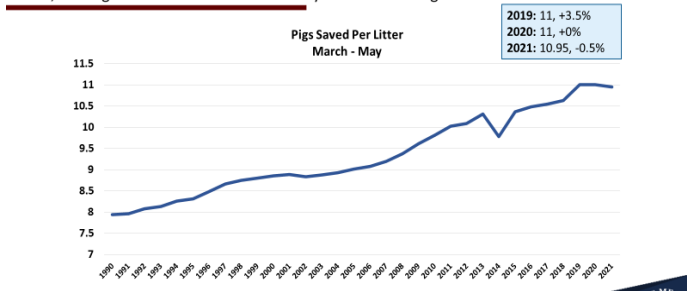
牛肉分切价持续下降，分析师将其描述为季节性疲软，但所有分切的牛肉批发价格仍然处于历史高位。由于7月4日假期的机构采购在本周初已经完成，因此上周最大的调整出现在肋排和里肌肉中。尽管如此，上周肩胛小菲力等“未充分利用”烧烤部位仍处于历史高位，这表明需求仍然强劲。牛肉价格的回落与肥育牛价格的稳步上涨形成鲜明对比。美国屠宰场上周屠宰了661,000头，产量较大，目前为止，牛肉产量较受CoVID影响的2020年上半年增长6.1%。USDA上周五发布的牛只在养头数报告没有产生重大意外，并确认肥育场中120天以上的牛只数量虽然仍然很高，但呈下降趋势。5月进入肥育场的牛只数量较前5年平均水平下降3.6%，今年前5个月的数量较2019年疫情前下降3%。分析师认为，未来几个月的牛只数量将下降，因为年纪较轻的牛只的供应量将收缩。截至6月17日的一周，牛肉出口强劲，据报导有大量货物运往中国，还有来自韩国的大量新订单，而此时亚洲分切的价格几乎是前所未有的高。



美国农业部牛肉屠体价格指数（特选级）：2021年6月28日 - \$297.43美元/百磅（较2021年6月21日减少7%）

由于对中国的出口减少，以及夏季中期需求开始下降，批发价格连续第二周下降。所有的猪肉主要价值都在走低，上周五收盘时，中等修切的猪腹肋排较前两周低近1/3。即使有修正的想法，分切价值也比2019年6月底疫情前高49%。USDA还发布了季度生猪库存报告，报告显示近期市场生猪供应量较大，但也有迹象表明供应量可能于今年下半年会收紧（请参阅下一栏的产业动态）。上周的估计屠宰量为236.8万头，较上周下降2.8%，较去年下降9.8%（比2019年下降1%）。年初至今，猪肉产量比去年增长1.4%，屠宰量增长0.9%。上周，由于市场看跌情绪蔓延，瘦猪期货跟随猪肉价格走低；8月期货合约上周五以2个月低点结算。尽管5月底的冷藏库存总量仍较前5年平均水平下降21%，但猪肉库存确实比4月增加1%。截至6月17日当周，美国猪肉出口量比前4周平均水平低10%，尽管对墨西哥的出口量增加有助于抵消对中国活动的减少。昨天，由于中国政府宣布将开始购买猪肉作为储备，中国国内生猪价格在上周末飙升，贸易商再次对中国持乐观态度。

Higher Number of Pigs Saved Per Litter = Increasing Productivity; productivity to return to growth trend following the covid-19 impact on the supply chain in 2020, but slight decrease from March - May reflects challenges from PRRS in March



Source: USDA/NASS

猪屠体分切价格：2021年6月28日 - \$115.13美元/百磅（较2021年6月21日减少5%）

产业新知

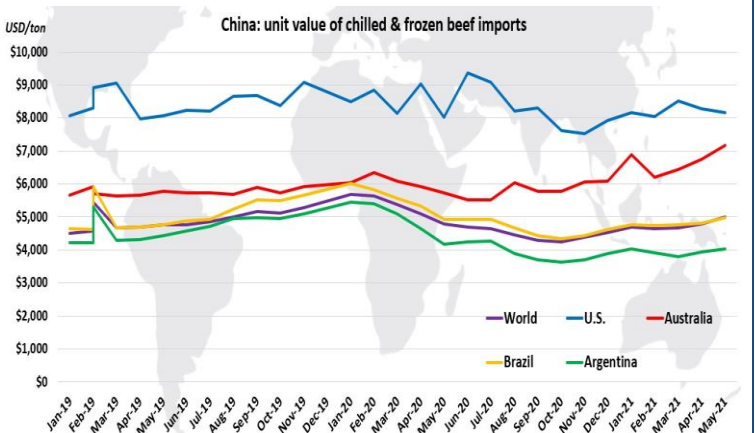
美国第五大屠宰商 American Foods Group 宣布将新建一个使用最先进的牛肉屠宰场。这家总部位于威斯康辛州的公司目前正在对新建场地进行尽职调查。目前该公司的4个屠宰场中估计每天屠宰6,500头已肥育和未肥育牛只。在猪肉加工商新闻中，生产商拥有的猪肉加工商 Wholstone Foods 宣布，它将在南达科他州投资超过5亿美元建立一个猪的屠宰和加工厂，并在其公开声明中表示已经为该设施采购了土地。Wholstone公司的200多名农民和养猪人于2018年从 Hormel Foods 购买了位于内布拉斯加州弗里蒙特市的一个日产10,500头的猪肉加工厂。

产业动态

USDA 发布了备受瞩目的6月1日生猪和猪报告，新数据显示所有生猪和猪同比下降2.2%，与分析师的预期基本一致。尽管牛群总数量比2020年有所下降，但比2021年3月的报告增加1%，表明生产者在经历了冬季的健康问题之后，设法在一定程度上重建了牛群。超过120磅的生猪库存，包括重量大于180磅的类别，高于预测值，导致一些分析师认为，近期猪肉价格和瘦猪期货的下跌部分是由于生猪供应量充裕造成。但最近的高粮价也削弱了生产者扩大生产的积极性，这反映在过去的3月至5月季度中，预期产仔猪的数量减少，也反映在未来6个月产仔猪意向的减少。除了预期的产仔数减少之外，3月至5月季度的平均每窝生猪数量下降（请参见前一栏的图表），以及季度生猪产量下降3%。该季度的供应量将在9月至12月的时间内屠宰，因此分析师得出结论，整体生猪市场供应将在第四季度收紧。6月1日，美国全国种猪群量为623万头，与同比下降1.5%，但符合预期。除了现在的数据显示第四季度的生猪可能收紧外，该报告的数据没有产生重大的意外。然而，需求仍然存在不确定性，因为肉类在疫情期间受益匪浅，但美国重新恢复将使食品购买行为恢复正常。也就是说，在过去的2-3个月里，餐饮服务业的重新开业提供了额外的需求增长。但是，来自中国的猪肉进口需求正在下降；随着美国国内价格的下滑，大多数进口分切项目的库存将在目前的国际价格下给贸易商带来重大损失。

贸易新闻

中国公布了5月份的贸易数据，每月16.7万吨的牛肉进口量，较3月和4月的大量进口有所放缓，但仍保持历史高位。1月至5月，包括杂碎肉在内的进口总量为98.55万吨，较2020年创纪录的速度增长18.6%。当月美国牛肉进口量达到创纪录的12,400吨，较2020年5月增长1,000%。五月为数十年来，首次中国进口的美国牛肉量超过澳大利亚。过去一年，中国牛肉进口价格的每吨价值有些稳定（请参见下图），除了来自澳大利亚的产品价格明显上升，而澳大利亚仍处于养牛周期的低点。有一些问题是，价格稳定是否能持续保持。南美贸易商近期的报告称，中国市场的基调较为疲软。在炎热的夏季，当火锅需求减弱时，红肉的消费量普遍较弱。但是，除了季节性因素外，猪肉价格的下跌可能导致现在需要更仔细监测现金流流的贸易商更加保守地购买牛肉。



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