

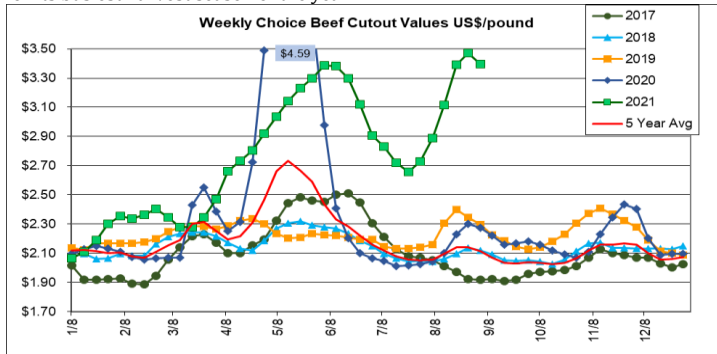


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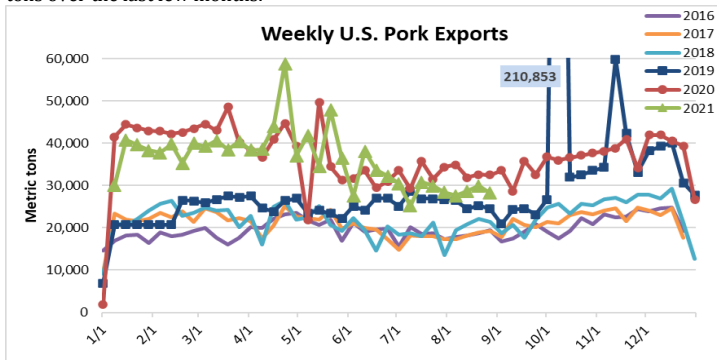
SUPPLY & DEMAND

The unprecedented rise of wholesale beef prices came to an end last week, with the beef cutout closing last Friday **-2%** from the previous week's close. With the Labor Day long weekend coming to a close yesterday, and schools re-opening, an unusual summer of extraordinary demand will now transition into the fall buying season, culminating in peak institutional purchasing for the Thanksgiving (November 25), Christmas and New Year holidays. Due to continually rising prices, and new concerns over the Delta variant, retailers have been buying much larger volumes of beef for forward delivery, raising some concern among analysts about how spot demand may play out in the coming months. Pork prices are also falling, creating more reasonably priced protein options to beef. And because retail lag wholesale prices, consumers may face higher priced beef in the weeks ahead even though wholesale values are decreasing. Also, yesterday saw the end of pandemic-related federal unemployment benefits. Although 26 states already scaled back those benefits earlier this year, yesterday's deadline marked the largest cutoff of unemployment benefits in history, affecting approximately 7.5 million workers. Federal benefits under the pandemic relief program provided U.S. \$300 extra per week to unemployed workers. Despite these headwinds, demand for beef remains historically strong and wholesale beef prices of many cuts remain at unprecedented levels. Moreover, beef export demand remains strong. **Brazil's** BSE cases last week (see TRADE next column) will see exports to **China** likely pause for at least several weeks, while **Argentina** is extending its export restrictions until October. Live U.S. cattle prices remained steady last week but are expected to firm next week as packing plants resume a full week operating schedule and as the industry gears up for its busiest harvest season of the year.



Beef Choice Beef Cutout Value: 3/9/2021 - US\$336.42/cwt. (-2% from 30/8/2021)

The pork cutout settled lower last Friday marking the 4th week of consecutive declines. After reaching record levels in August, belly values have declined but are still up **37%** from 2019 at \$3.53/lb. Heavy bone-in ham values stabilized after falling for the last 4 weeks but are now attractively priced given the elevated prices of other proteins. Boxed pork trim values have also corrected downward but closed last Friday **+44%** from last year and up **87%** from 2019. Year to date U.S. pork production is still running below last year's pace. Last week's harvest was a weak 2.398 million head, down **2.8%** from the same week last year. Live hog weights averaged 280 lbs. (127 kgs.), down 2 lbs. from the same time in 2020. Cash hog prices are following the cutout lower (see story MOVING AHEAD next column). New U.S. pork export orders for the week ending August 26th showed strong interest by **Mexican** and Latin American buyers, including those in **Colombia, Honduras, and Costa Rica**. But new orders from **China** of less than 2K tons demonstrated the weakness in that market as domestic Chinese hog prices continue their slump. The slow China business has pulled down the weekly pace of all U.S. pork muscle cut exports from the 40K-per-week range that existed through early May to below 30K tons over the last few months.

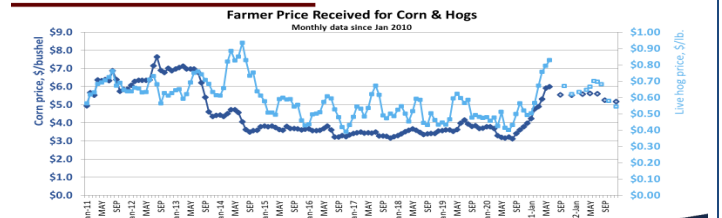


Hog Carcass Cutout Value: 3/9/2021 - US\$108.15/cwt. (-1% from 30/8/2021)

MOVING AHEAD

There has been much focus on tight beef supplies and high prices, but despite falling for over a month, current wholesale pork values are strong from a historical perspective as well. As of last Friday, the value of the U.S. pork cutout of U.S. \$1.09/lb. was **42%** above year-ago levels and **48%** above pre-pandemic 2019. High prices have been driven by the same pandemic demand forces as those for beef, but unlike its protein competitor, U.S. pork production has been running lower than the pace of last year. And year-on-year output has been noticeably slower over the last 3 months, with analysts claiming that labor constraints have resulted in an **8.7%** drop in harvest numbers since early June. To be sure, expectations are that this year's pork output of approximately 12.62 million tons will be the 2nd largest output ever, but high pork prices and processing margins suggest the market would remain healthy even with larger harvests. Looking from the demand side, the average retail price of all pork items in US supermarkets reached US \$4.60/lb in July, the 4th consecutive monthly record level. And despite CoVID restrictions and consumer apprehension, national receipts from limited-service restaurants, large users of pork-based bacon and sausage, were **+11%** during H1 2021 when compared to pre-pandemic 2019. Low volumes of frozen pork in cold storage have exacerbated market tightness, with August 1 stocks hitting the lowest July 31 level since 2010. The result has been unprecedented prices for items such as bacon; branded retail bacon prices are currently averaging near \$6.40 per lb., up **35%** from last year, while in the southeast U.S., bacon features last week were **+265%** above year-ago levels. Unlike U.S. cattle raisers who have been unhappy about languishing fed cattle prices in the face of surging beef prices, hog raisers are enjoying buoyant live hog prices (see light blue line below) and solid profitability. According to Lowa State University, farrow to finish profits in June were over U.S. \$62 head, the highest margins since 2014. As the graph below shows, high profits are more due to high prices rather than lower production costs. Grain - especially corn - remains expensive and estimated breakeven costs during July of this year of U.S. \$65/cwt. were the highest for any month since November 2013. Looking ahead, the seasonal ramp up in the hog harvest is already causing wholesale pork prices to fall, and lean hog futures suggest carcass prices will further ease as the year progresses. The outlook for next year is uncertain with major unknowns including grain prices, China demand and whether frenetic U.S. consumer purchasing weakens.

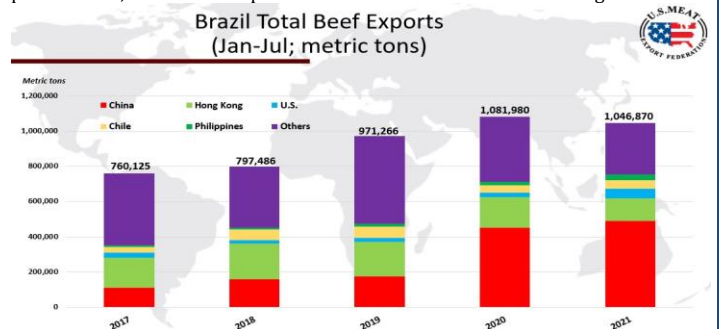
Current corn and hog futures are indicating that higher feed and hog will ease from the 2021 highs but will remain relatively high in 2022



Source: USDA/NAASS and CME closing futures prices on August 26, 2021

TRADE

Brazil, the world's top beef exporter, has suspended exports to #1 import market **China** following the confirmation of 2 atypical BSE cases announced simultaneously. The cattle were found in two separate locations in the cattle producing regions of Minas Gerais and Mato Grosso. Brazil's animal health protocol with China calls for the suspension of exports in the event of a BSE case, with exports to re-start once Chinese veterinary authorities have reviewed an epidemiological dossier. Brazil ceased exports to China for 13 days following the last atypical case in late May of 2019, with shipments to China in June of 2019 declining by only **30%** before returning to normal trend levels. According to OIE rules, atypical cases do not affect producing country's official risk status for BSE. Atypical BSE generally occurs in older cattle, usually 8 years of age or greater, with scientists believing that it arises rarely and spontaneously in all cattle populations. As of this morning, none of Brazil's other main markets had suspended imports. Brazil's beef exports through July were down **3%** from the pace of 2020, but annual shipments are still on track to be the 2nd largest ever.

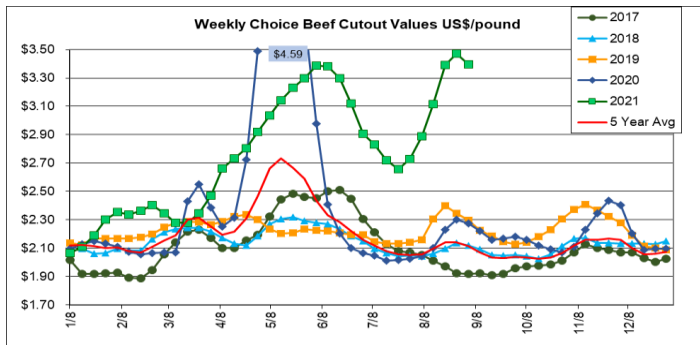


ACTIVITIES:

Restaurant and Bar/HOFEX, Hongkong: September 7-9, 2021 (TODAY!)

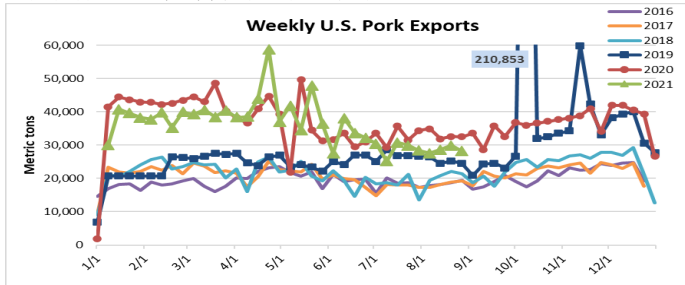
供应与需求

上周牛肉批发价格史无前例的上涨告一段落，上周五牛肉分切价比前一周的收盘价下降 2%。随着劳动节周末昨天结束、学校重新开学，夏季出现的异常需求现在将转变为秋季需求购买，最终在感恩节（11月25日）、圣诞节和新年期间达到机构购买高峰假期。由于价格持续上涨，以及大家对 Delta 变种病毒的新担忧，零售商一直在大量购买用于远期交货的牛肉，因此引起了分析师对未来几个月现货需求可能出现的一些担忧。为牛肉提供了价格更合理的蛋白质选择，猪肉价格也在下降。而且由于零售价格滞后于批发价格，即使批发价格正在下降，消费者可能在未来几周面临更高价格的牛肉。此外，昨天看到与疫情相关的联邦失业救济金也结束了。尽管今年年初已有 26 个州缩减了这些福利，昨日截止的日期标志着历史上最大的失业救济金削减，影响了约 750 万工人。疫情救济计划下的联邦福利每周提供失业工人 \$300 美元的额外资金。尽管存在这些不利因素，牛肉的需求仍然是历史性的强劲，而许多牛肉分切的批发价格仍然处于前所未有的水平。此外，牛肉出口需求依然强劲。上周巴西的狂牛病病例（请参见下一栏贸易新闻）将使对中国的出口可能暂停至少数周，而阿根廷则将其出口限制延长至 10 月。美国活牛价格上周保持稳定，但预计下周将坚挺，因屠宰厂恢复了全周的运营计划，并且该行业正准备迎接年度最繁忙的屠宰季节。



美国农业部牛肉屠体价格指数（特级选）：2021年9月3日 - \$336.42 美元/百磅（较2021年8月30日减少2%）

上周五猪肉分切价格走低，这是连续第四周下跌。于 8 月份达到创纪录水平后，腹肋肉价值有所下降，但仍比 2019 年上涨 37%，至 \$3.53 美元/磅。带骨后腿肉价格在过去 4 周下跌后趋于稳定，但鉴于其他蛋白质价格上涨，现在的价格具有吸引力。箱装猪切修碎肉价格也向下修正，但上周五收盘较去年增长 44%，较 2019 年上涨 87%。年初至今，美国猪肉产量仍低于去年的速度。上周的屠宰量为 239.8 万头，较去年同期下降 2.8%。生猪平均体重为 280 磅（127 公斤），比 2020 年同期下降 2 磅。生猪价格也跟随猪肉分切价格走低（请参见下一栏产业动态）。截至 8 月 26 日当周，美国新猪肉出口订单显示出墨西哥和拉丁美洲买家的强烈兴趣，包括哥伦比亚、洪都拉斯和哥斯达黎加的买家。但由于中国国内生猪价格持续低迷，来自中国的不到 2,000 吨的新订单表明该市场疲软。缓慢的中国业务拉低了所有美国猪肉分切出口的周速度，自 5 月初的每周 4 万吨范围拉低至过去几个月的 3 万吨以下。



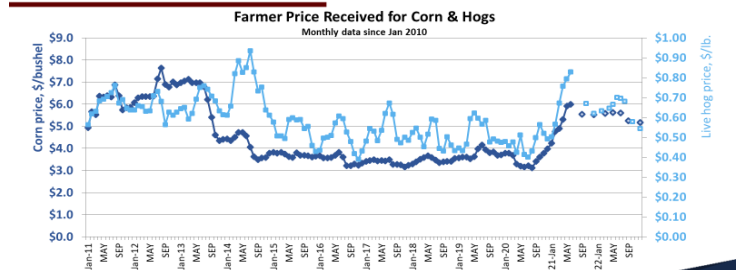
猪屠体分切价格：2021年9月3日 - \$108.15 美元/百磅（较2021年8月30日减少1%）

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 (今天!)

产业动态

大家也一直关注牛肉供应紧张和价格高涨，尽管价格下跌了一个多月，但从历史角度来看，当前的猪肉批发价值也很强劲。截至上周五，美国猪肉分切价为 \$1.09 美元/磅，比去年同期高 42%，比 2019 年疫情前高 48%。与牛肉相同的疫情需求力量推动了高价，但与其蛋白质竞争对手不同的是，美国猪肉产量一直低于去年的速度。过去 3 个月的同比产量明显放缓，分析师称，自 6 月初以来，劳动力的限制导致屠宰数量下降了 8.7%。可以肯定的是，今年预计的猪肉产量约为 1,262 万吨，这将是历史以来的第二大产量，但高猪肉价格和加工利润表明，即使屠宰量的增加，市场仍将保持兴旺发达的。从需求端来看，美国 7 月份连续第 4 个月创历史新高，超市所有猪肉商品的平均零售价格达到 \$4.60 美元/磅。尽管有 CoVID 限制和消费者的担忧，但与 2019 年疫情前相比，有限服务餐厅、培根和香肠大量使用者的全国收入在 2021 年上半年增长了 11%。冷冻猪肉的少量库存加剧了市场供应紧张，8 月 1 日的库存达到了 2010 年以来 7 月 31 日的最低水平。其结果是培根等物品的价格空前高涨；品牌培根零售价格目前平均价格接近 \$6.40 美元/磅，比去年上涨 35%，而在美国东南部，上周的培根价格比去年同期高出 265%。与在牛肉价格飙升的情况下对肥育牛价格疲软感到不满的美国养牛业者不同，养猪业者正在享受生猪价格上涨（请参见下方的浅蓝色线）和稳固的利润率。根据爱荷华州立大学的数据，6 月份产仔猪的利润超过 \$62 美元，为 2014 年以来的最高利润。如下图所示，更多高利润是由于价格高而不是生产成本低。尤其是玉米的谷物仍然昂贵，今年 7 月的盈亏平衡成本估计为 \$65 美元/百磅，是自 2013 年 11 月以来的最高月份。展望未来，生猪屠宰水平的季节性上升已导致批发猪肉价格下跌，而瘦猪期货表明随着今年的进展，屠体价格将进一步下降。明年的前景不确定，主要的未知因素包括谷物价格、中国需求以及美国消费者的狂热购买力是否减弱。

Current corn and hog futures are indicating that higher feed and hog will ease from the 2021 highs but will remain relatively high in 2022



Source: USDA/NASS and CME closing futures prices on August 26, 2021

贸易新闻

在同时确认及宣布两起非典型狂牛病病例后，全球最大牛肉出口国巴西已暂停对第一大牛肉进口市场中国的出口。这些牛只于两个不同地点，米纳斯吉拉斯和马托格罗索州的养牛区所发现的。巴西与中国签订的动物卫生协议要求在发生狂牛病的情况下暂停出口，一旦中国兽医当局审查了流行病学档案，则重新开始出口。在 2019 年 5 月底发生最后一起非典型病例后，巴西停止了对中国的出口 13 天，2019 年 6 月对中国的货运量仅下降了 30%，然后又恢复到正常趋势水平。根据世界动物卫生组织的规定，非典型病例不会影响生产国对狂牛病的官方风险状态。非典型狂牛病通常发生在年龄 8 岁或较老的牛只身上，科学家认为它很少发生在所有牛群中，而且是自发的。截至今天上午，巴西其他主要市场均未暂停进口。截至 7 月，巴西的牛肉出口量比 2020 年下降 3%，但以年度出货量仍有望成为有史以来第二大的出口量。

