



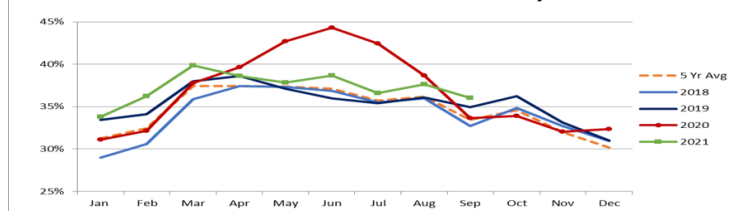
U.S. Meat Bulletin

September 28, 2021 Volume XIII | Issue 9.3

SUPPLY & DEMAND

The average value of all wholesale beef cuts ended last Friday down on the previous Friday's close, the 4th consecutive week of what have been modest declines from record high levels. Red-hot demand may be slightly cooling especially as consumers encounter rising prices in supermarkets. Retail prices normally trail wholesale price movements by weeks, and analysts believe that average US retail beef values will continue to rise again in October. In the meantime, pork is getting cheaper and attracting consumers who are becoming more budget conscious, especially as government pandemic assistance has ended and equity markets have slumped. The market weakening is occurring despite muted harvest activity; last week US beef plants processed 641,000, down 2.4% from the previous week and -2.1% from last year. It is important to note that beef values remain elevated, with last week's cutout close of \$3.09/lb. +42% year-on-year. The much-watched USDA CHOICE ribeye reference price of \$14.18/lb. last Friday was only -4% from the record level of 2 weeks earlier. On the live cattle side, prices of fed steers dropped slightly last week, with the market failing to get traction from the consensus view that the cattle supply pipeline will tighten. Last Friday's USDA cattle on feed report showed that total cattle in feedlots on Sept 1 was the 2nd highest ever (11.2 million head) and that animals in lots over 120 days remained historically high. August placements were also larger than forecast. That suggests large numbers of animals remain to be worked through. Cattle futures have also been lackluster, with many non-industry investors in commodity plays moving out of the market with the recent Wall Street declines. Labor at plants remains constrained and there is new concern that vaccine mandates for federal workers including USDA inspectors and graders will exacerbate the tightness. Enforcement of the federal rules could start by mid-November.

Percent of Cattle on Feed Over 120 Days



Beef Choice Beef Cutout Value: 27/9/2021 - US\$302.70/cwt. (-7% from 13/9/2021)

After week on week declines, the pork cutout value ended last Friday higher than the previous week. Last week's wholesale market was supported by buyers taking advantage of low bone-in ham values, while the belly and rib primal also saw some strength. Interestingly, pork tenderloin values have been rising counterseasonally and were trading last week at +35% of last year's value. Average wholesale pork prices across all cuts are approximately -20% from the annual peak reached in mid-June but are at the 2nd highest level ever after the highs reached in 2014, when animal health issues significantly affected U.S. pork supplies. Pork prices - like tenderloins - continue to benefit from high competitor meat prices, including almost all popular beef cuts and boneless chicken breasts, the latter which are trading above the value of boneless pork loins. Also putting a floor under prices has been relatively tight cold storage stocks; at the end of August, total pork volumes in cold storage were -19% from the previous 5-year average and -24% from 2019. Last Friday's quarterly USDA hogs and pigs report was also market-bullish as it showed a lower total inventory of hogs, lower market hog inventories, and lower breeding sow numbers than all analysts' pre-report estimates. The USDA numbers provided further evidence that the U.S. hog herd ran into health challenges this past winter, but a return in growth to the average pigs sow figure for the June-August 2021 period (11.13) indicates those challenges could be in the rear view mirror. Still, the report drove lean hog futures up the limit yesterday as it also revealed tighter inventories of lighter weight hogs that will come to market later this year and early in 2022. U.S. pork exports for the week ending September 16 were noticeably higher than the previous weeks, with the largest shipments this year to Mexico helping to offset continued weak sales to China. Chinese retail pork prices for some cuts have fallen below the RMB 10 level per catty (1.1 pounds), a psychological level signaling abundant supplies of pork are available to consumers.



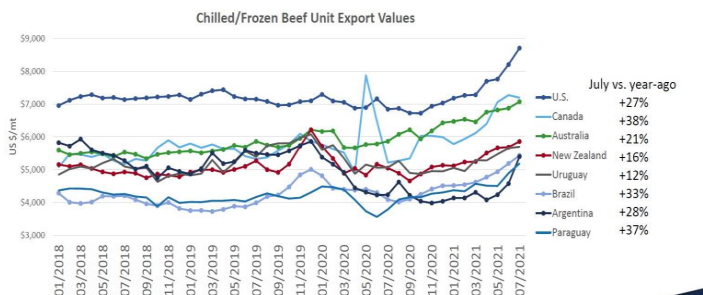
Hog Carcass Cutout Value: 27/9/2021 - US\$111.95/cwt. (+11% from 13/9/2021)

MOVING AHEAD

In addition to the labor tightness issues mentioned in last week's Bulletin. U.S. meat exporters are facing severe logistical challenges moving meat products from plants to their overseas customers. Shipping has been particularly problematic, with conditions exacerbated by the rush to move mainly Asian-manufactured goods to the U.S. in advance of what is forecast to be record Christmas holiday consumer spending. On Sept 13, 76 agricultural commodity groups called upon the White House to address the skyrocketing costs of transporting their goods overseas, as well as the delays. The [Agriculture Transportation Coalition](#) (AgTC) is specifically asking for legislative changes which would help control fees when importers and exporters fail to pick up or return containers to terminals on time, even if delays are beyond their control. According to AgTC, container shipping costs have risen 300-500% in the past 2 years, while US agricultural products, depending on the item, are losing 10-40% of their value to these added costs. The pandemic upended already fragile supply chains, with Asian exporters rushing to find containers and book shipping slots to the U.S., where the demand for goods has skyrocketed. This year more than ever, containers are being quickly unloaded and sent back to Asia empty in order to increase velocity. The ocean shipping challenges are being compounded by a shortage of U.S. truck drivers as well as U.S. tariffs on imports of Chinese-made truck chassis that have slowed imports of this critical supply chain component. Together, these developments have worked to delay the shipping of many Midwest-produced ag products to west coast ports. And at ports, operators are experiencing their own shortage of stevedores, which is slowing down cargo unloading and offloading. As of last Friday, a record 157 vessels were in or anchored off of the nation's 2 largest ports of Long Beach and Los Angeles awaiting loading and unloading. Normally, ships need not to anchor and await open port docks. Another complicating factor has been hurricane Ida's slowing of U.S. crop exports from the Mississippi River delta region. Shipping delays can result in lead to large losses to meat traders, especially in falling markets. For example, given that Chinese domestic pork prices fell 12% in August alone, a 1-month delay in the arrival of imported pork cuts would have resulted in a similar decline in value of those products. The White House (WH) Supply Chain Task Force has been meeting with food and agriculture industry stakeholders to identify solutions to the logjams and a month ago appointed a special envoy to address port congestion issue. The comment period for President Biden's Feb 2021 executive order directing Federal agencies - including the USDA - to secure and strengthen American agriculture's supply chains expired June 21 with concrete solutions to be recommended by early next year. And on Sept 17, LA announced its ports are expanding the hours during which trucks can pick up and return containers in order to maximize nighttime operations. Although many believe the conditions will remain challenging into next year, market forces should gradually work to reduce the logistical bottlenecks. For example, the manufacturing of new shipping containers is increasing; China, which accounts for over 95% of all shipping container production, increased its output of 20-foot containers by 235% YOY during H1 2021, while the country's refrigerated container production of 260,000 TEU was up 100%.

TRADE

Although the U.S. beef cutout value has been declining from record highs in the last few weeks, **China's ban on Brazilian beef imports** have seen values of some U.S. beef cuts, especially short plate and short ribs, soar to new highs as Chinese buyers seek out any and all supplies. China's peak beef consumption season is normally delineated by the autumn solstice, which was widely celebrated in China, HK, Taiwan and Korea last week. But export beef export prices were already surging prior to Brazil's BSE finding (see graph below). Australian cattle & heavy steer carcass prices reached new records last week while **Argentine export restrictions** have driven up offers on key China items like shin/shank. **Paraguay and Uruguay** have faced their own logistical challenges getting beef to ports for export, exacerbating the overall beef supply situation. China traders had assumed that BSE related restrictions on Brazil beef imports would be lifted within 2 weeks, but as that timeframe came and went, buyers have been aggressively chasing supplies.



Source: TDM, USMEF estimates

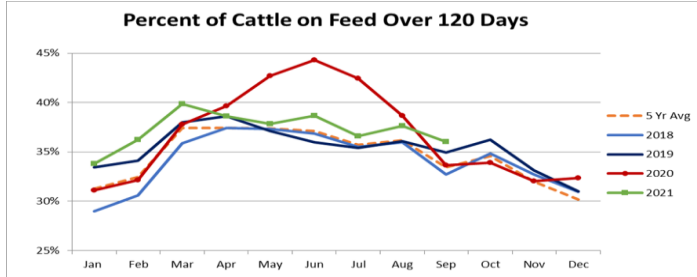
ACTIVITIES:

Food & Hotel China 2021, Shanghai: November 9-11, 2021



供应与需求

截至上周五，所有批发牛肉分切的平均价格低于前一周五的收盘价，这是连续第4周从历史高水平适度地下降。尤其是当消费者面临超市价格上涨的情况下，火热的需求可能会略有降温。零售价格通常会落后于批发价格的波动数周，分析师认为，美国牛肉的平均零售价格将在10月份再次上升。同时，猪肉越来越便宜，因此吸引了越来越有预算意识的消费者，尤其是当政府所提供的疫情救济已经结束并且股票市场下滑的时候。尽管屠宰活动弱化，但市场仍出现疲软；上周美国牛肉厂加工64.1万头，比前一周下降2.4%，较去年减少2.1%。值得注意的是，上周部位肉价格仍然高涨，上周的屠体价格收盘价为3.09美元/1磅，同比增长42%。上周五备受关注的USDA CHOICE肋眼参考价格为14.18美元/磅，较2周前的创纪录水平仅减少4%。在活牛部分，上周已繁育小公牛的价格略有下滑，市场无法从牛只供应渠道将紧缩的见解中获得牵引力。上周五USDA牛只在养头数报告显示，9月1日牛只在养头数达到有史以来的第二高（即1120万头），在繁育场饲养超过120天的牛只数量仍保持在历史高位。8月份置入繁育场牛只的数量也比预测大。这显示仍有大量的动物需要处理。牛只期货表现低迷，随着近期华尔街股市的下跌，许多从事大宗商品交易的非本业投资者纷纷撤离市场。工厂的劳动力仍然受到限制，目前新的担心是，对联邦工作人员（包括USDA工厂检查员和评级员）的联邦强制接种疫苗政策将加剧劳动力的紧张状况。该规则将从11月中旬开始强制执行。



美国农业部牛肉屠体价格指数（特选级）：2021年9月27日 - \$302.70美元/百磅（较2021年9月13日减少7%）

猪肉分切价格经过一周的下跌后，上周五收盘价较前一周高。上周猪肉批发市场受到了买家对低价带骨后腿肉的支撑，而腹部和肋脊部的价格也出现些许增长。有趣的是，猪里肌肉的价格一直呈现反季节性地上涨，上周的交易价格较去年增长35%。猪肉各部位的平均批发价格与6月中旬达到的年度峰值相比约为下降20%，但仍位于2014年达到最高峰值后的第二高水平，当时动物健康问题严重影响了美国猪肉供应。猪肉价格，如里肌肉，持续受益於竞争对手的高价肉品，如所有热门的牛肉分切和去骨鸡胸肉，后两者的交易价格高于去骨猪里肌肉的价格。相对紧缩的冷冻库存量为价格设定了底线，8月底，冷库猪肉总供应量比前5年平均水平减少19%，比2019年减少24%。上周五USDA猪只的季度报告呈现牛势，因为该报告显示出较低的生猪总库存量、市场生猪库存量和繁殖种母猪量，这些数值比所有分析师先前的估计得要低。USDA的数据进一步证实了美国猪群在去年冬天遇到健康难题的看法，但2021年6月至8月期间的种母猪平均数（11.13）恢复增长表明这些难题可能已是过去式。尽管如此，该报告很推动昨天瘦猪肉期货价格增长，这还显示，体重较轻的生猪库存量在今年年末和2022年初将有些紧张。截至9月16日，美国猪肉出口量明显高于前几周，其中今年大量销往墨西哥的量有助于冲销对中国持续疲软的销售。中国某些猪肉分切的零售价格已经跌破了10人民币/1斤（即1.1磅）的水平，此心理水平显示消费者将获得充足的猪肉供应。



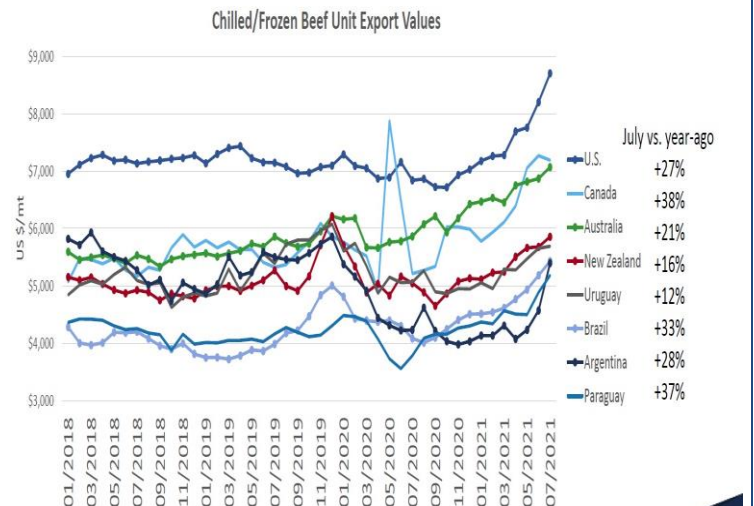
猪屠体分切价格：2021年9月27日 - \$111.95美元/百磅（较2021年9月13日增加11%）

产业动态

除了上周肉品新知提到劳动力紧张的问题外，美国肉类出口商正面临着将肉类产品从工厂运往海外客户的严峻物流难题。船运问题尤其严重，该状况受到亚洲制造商预期圣诞节将创消费纪录，而急于将商品提前运往美国，因此船运问题变得更加严重。9月13日，76个农业商品团体呼吁白宫解决海外货运成本飙升和船运延期的问题。美国农业运输联盟（AgTC）特别提出修改立法，这将有助于控制进出口商未能按时提取或归还货柜的费用，即使货运延期或超出他们的控制。根据AgTC，在过去两年中，货柜运输成本上升了300-500%，而根据不同的美国农产品品项，这些增加的成本使其价值损失10-40%。这场疫情倾覆本已脆弱的供应链，亚洲的出口商急于寻找货柜并预订前往美国的船期，而美国对货物的需求已经飙升。今年，为了提高速度，货柜比以往更快速地被卸下并将空箱送回亚洲。美国卡车司机短缺以及美国对中国制造的进口卡车底盘徵收关税，让供应链重要零组件的进口放缓，这使远洋运输的挑战更加严峻。各种事态的发展推迟了许多中西部生产的农产品被运往西部岸港口的时间。而在港口，运营商正面临装卸工人短缺的问题，这导致货物装卸的速度减慢。截至上周五，创纪录的157艘船在美国最大的两个港口长滩港和洛杉矶港附近停泊等待装卸。通常情况下，船舶不需要停泊并等待港口码头开放。另一个复杂的因素是飓风艾达减缓了美国密西西比河三角洲地区的农作物出口。船运延期会造成肉类贸易商巨大亏损，特别是在市场下跌的情况。例如，考量到中国国内猪肉价格仅在8月份下跌12%，进口猪肉分切延迟1个月到会导致这些产品价格出现相似的下降。白宫表示正在努力解决国家运输基础设施的弊病。白宫供应链任务小组持续与食品和农业行业的利益相关者会面，以确定解决僵局的办法，并在一个月前任命了一名特使来解决港口堵塞的问题。总统拜登2021年2月的行政命令指示联邦机构（包括USDA）保护和加强美国农业供应链，该项行政命令的评论期已于6月21日结束，具体解决方案将于明年年初提出。并且在9月17日，洛杉矶宣布其港口延长卡车提取和归还货柜的时间，为了使夜间营运时间最大化。尽管许多人认为明年的情况仍将具有挑战性，但市场力量逐渐发挥作用并减少物流瓶颈。例如，新的货柜的制造正在增加；中国占有所有航运货柜产量的95%以上，在2021年上半年，其20英尺货柜的产量同比增长了235%，而该国20英尺标准货柜的冷藏货柜产量为26万个，增长了100%。

贸易新闻

尽管过去几周美国牛肉分切价格从历史高位回落，但由于中国禁止巴西牛肉进口，导致尤其是胸腹肉和牛小排的部分美国牛肉分切价值飙升至新高，中国买家也正在寻求其他任何供应。上周在中国、香港、台湾和韩国广为庆祝中秋，而中国的牛肉消费旺季通常也以中秋节为界。但在巴西发现狂牛病之前，出口牛肉的价格已经在飙升（请参见下图）。上周澳洲牛只和体重较重的小公牛屠体价格创下新高，而阿根廷的出口限制推动了中国主要项目如前腿/后腿的报价。巴拉圭和乌拉圭已面临牛肉出口的物流挑战（将牛肉运往港口以出口），进而加剧了整体牛肉供应的形势。中国贸易商原以为中国对巴西牛肉BSE事件的相关进口限制将在两周内解除，但随着时间的推移，买家已积极的在追逐其它供应来源。



美国肉类出口协会活动预告：
FHC 上海环球食品展，上海：2021年11月9-11日

Source: TDM, USMEF estimates