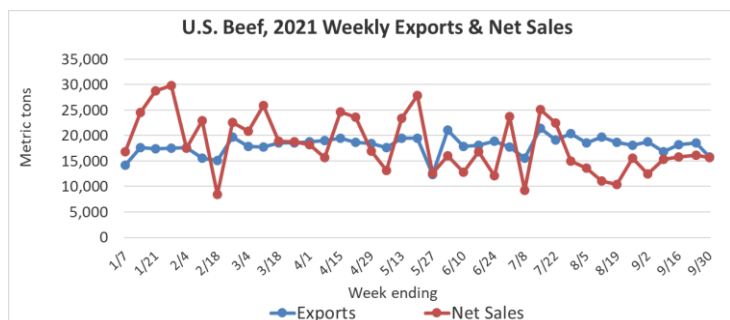


## SUPPLY & DEMAND

The beef cutout closed lower week-on-week due to declines in primal rib, loin and plate values. As in previous weeks, last week's decline was a gentle, with wholesale prices remaining elevated: e.g., primal rib prices closed last Friday +22% from last year's historically high level. There is circumstantial evidence that recently rising wholesale and retail beef prices may be crimping purchasing and consumption. Last week, the [U.S. Department of Labor's](#) latest consumer price index showed average retail beef prices in September rose 4.8% month-on-month, helping to push up the overall retail food price monthly inflation rate 0.9% from August. Although U.S. beef demand remains historically strong, new calculations from the [Livestock Marketing Information Center](#) estimate that beef demand cooled during Q3 from Q2. Export demand has been extraordinary, and exports are forecast to be record high this year, but the export pace has moderated from the torrid pace of early summer - albeit slightly - over the last 10 weeks or so. Looking ahead, U.S. institutional buyers are beginning to plan Thanksgiving (November 25) and year-end holiday sales, and with cattle harvest levels still somewhat constrained, the uptick in seasonal demand should help limit sharp declines in wholesale beef prices. And although pork prices are declining, competitive protein values remain elevated; turkey prices are currently 15+% higher than year-ago levels and frozen stocks are low. Finally, U.S. foodservice revenues, while continuing to move higher in September, registered the slowest month-on-month growth since the economy reopened from the lockdowns. Any shift back to at-home consumption would be a boon to beef demand as a dollar of retail beef purchases will buy more than a dollar spent in restaurants. Live cattle prices showed little movement last week due to the relatively slow 646 thousand head harvest week.



**Beef Choice Beef Cutout Value: 18/10/2021 - US\$280.09/cwt. (-3% from 4/10/2021)**

Weak bone-in ham export orders, continued concerns about labor availability and supply chain resiliency combined to pressure the wholesale pork complex last week. Although last week's harvest of 2.597 million head was below year ago levels, the market believes seasonally higher processing activity will mute any potential gains in wholesale pork prices. Softness in bone-in hams & bellies were the main drivers of last week's weak market overtone. Lean hog futures also declined last week based on what are seen as deteriorating pork market fundamentals. The CME lean hog index stood at about \$89/cwt. last Friday, the lowest value since March 11. But lean hog futures suggest even lower prices lie ahead; The December lean hog futures contract closed at a nearly \$11.50/cwt. discount to the index. As Biden announced new measures to alleviate supply chain challenges, the general media focused on analysis suggesting that trucking and shipping woes will last well into next year. Although supply chain weaknesses were prominent in the news last week, pork exports for the latest reporting week Oct 1-7 showed relatively large shipments and new orders. Exports to **Mexico** were slightly off their most recent 4-week average, but new weekly sales to **Japan** were historically large and **Korean** buyers also purchased aggressively to take advantage of lower U.S. prices. And after falling for months on end, **Chinese** pork prices have stabilized and turned upward after the government made sizeable reserve purchases, and analysts are now forecasting the opening of another pork supply hole next year due to this year's aggressive liquidation. In the 1<sup>st</sup> hint that domestic players may be eyeing that shortage, Dalian hog futures rose sharply during several trading sessions last week. In a new USDA report, the agency's analysts are now pegging 2022 Chinese pork production at 5% below the level of this year. USDA says this decline, equating to 2.25 million tons, will help drive 2022 Chinese pork imports higher, and when combined with import growth from other markets, will push 2022 next year's global pork trade to another record high level.

**Hog Carcass Cutout Value: 18/10/2021 - US\$100.78/cwt. (-10% from 4/10/2021)**

## MOVING AHEAD

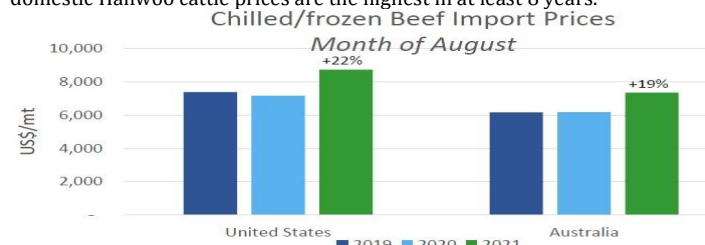
On October 6 the USDA announced the allocation of another \$100 million in federal loan guarantees to help expand U.S. meat and poultry processing capacity. The \$100 million is on top of an earlier July 9th \$500 million pledge by the USDA to support "new competitive entrants in meat and poultry processing" in the U.S. USDA has said the government assistance will be leveraged with other private funding so as to be impactful to the sector overall. The new round of federal support is part of the U.S. administration's \$4 billion effort announced on June 8 to strengthen agricultural supply chains announced. USDA says its funding is also being allocated to ameliorate what it characterizes as excessive concentration in the meat processing industry. So how far could U.S. \$600 million go to expand capacity? According to a 2020 Texas A&M study, the estimated cost of constructing a 20-head per week small-scale 3,000 square feet beef processing plant on a greenfield site would be in the region of \$1.2 million. Pre-occupational capital expenses, including the design costs of the facility, consulting, utility prepayments, soil tests and an environment impact study would likely add another \$300,000. Processing equipment will cost another \$400,000, and once operations started, per head processing costs could equal \$675 per head. Other studies for slightly larger facilities estimate start up expenditures at roughly \$100,000 per slaughtering hook, meaning that a 25-head-per-day facility would need to secure \$2.5 million just to turn on the lights. At this rate, USDA's \$600 million would translate into roughly an additional 6,000 head of additional daily capacity, across an industry that currently harvests approximately 128.5 thousand head per day. Given that USDA believes its seed money will work to unlock additional private capital, the impact could be higher. High slaughter margins for existing facilities over the last few years have incentivized private investment in expanding slaughtering capacity, and at least 7 projects are underway which will add an estimated 5,200 head-per-day in additional harvest space (see TABLE below).

Packer	Announced		Capacity hd/day	State	Est Investment	Ownership	Est on-line
	Date	Action					
AgriBeef/True West	Aug 2020	New Plant	500	ID		Producer	TBD
FPL	Oct 2020	Expansion	500	GA	\$120 mln	FPL	Q42021
Iowa Premium/National Beef	Mar 2021	Expansion	1,250	IA	\$100 mln	National Beef	Q42022
Sustainable Beef	Mar 2021	New Plant	1,400	NE	\$300 mln	Feeder	TBD
Missouri Prime	Mar 2021	Converted pork plant	500	MO		NexGen, feeders	Mar 2021
JBS	Jun 2021	Expansion	1,050	NE	\$150 mln	JBS	Q42021
American Food Group	Jun 2021	New Plant		WI		AFG	TBD
<b>TOTAL</b>	<b>+1,500 head/day IA = 7,700</b>						
	<b>128,540/day current so +5.5%</b>		<b>5,200</b>				

Source: company press releases and news coverage  
<https://www.desmoinesregister.com/story/money/agriculture/2021/06/25/iowa-firm-company-cattlemens-heritage-bulls-325-million-beef-plant-near-council-bluffs-meats-packing/53541501/>

## TRADE

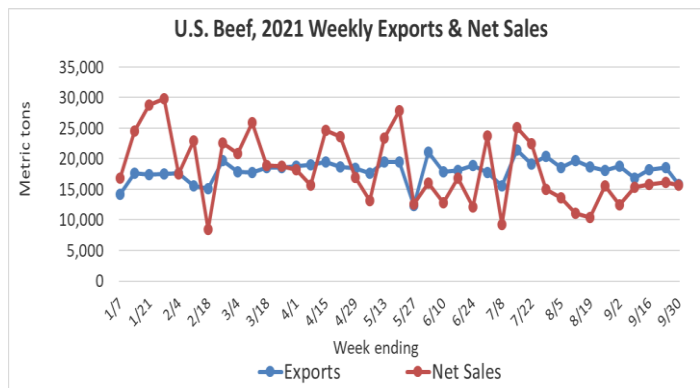
Despite ongoing COVID restrictions, **Korea's** beef imports through September of 331.6 thousand tons are on a record pace. The 9-month import volume is up nearly 6% over last year's previous record volume. Importers are not only purchasing more but paying higher prices (see graph below). Korea's 2-decade long trend of year-on-year increases in meat consumption has continued undeterred by the pandemic. Per capita beef consumption of 13 kgs is now double that of **Japan's** and USMEF calculates that Korean consumers have the highest per capita intake of US beef than any other U.S. export market. Through September, U.S. market share was 57% vs. 34% for Australia. As in other markets, Korean consumer food spending shifted to retail during the early uncertain stages of the pandemic, but restaurants remained open - albeit with restrictions - throughout much of the pandemic. And with 61+% of the population now fully vaccinated, restaurant restrictions are set to further ease in the coming weeks. In the meantime, retail spending is staying strong and online spending has skyrocketed, with fresh food e-commerce sales growing 15% for the 2-month period June to August 2021. USMEF is forecasting total Korean beef imports will grow to 475K tons in 2022 from a forecasted record high level of about 470K tons this year. Despite record beef imports, domestic Hanwoo cattle prices are the highest in at least 8 years.



**ACTIVITIES:**  
 Food & Hotel China 2021, Shanghai: November 9-11, 2021  
 Food Taipei, Taiwan: December 22-25, 2021

## 供应与需求

由於肋排、里肌肉和胸腹肉价值的下跌，牛肉分切价周环比收低。与前几周一样，上周的下跌幅度不大，批发价格仍然保持高位：例如，上周五的肋排分切价格比去年的历史高位上涨了 22%。有间接证据表明，近期上涨的牛肉批发和零售价格可能会抑制采购和消费。上周，[美国劳工部](#)最新公布的消费者物价指数显示，9 月份平均牛肉零售价环比上涨 4.8%，助於推动整体食品零售价格的月度通胀率，较 8 月份上涨 0.9%。尽管美国牛肉需求仍保持着历史性的强劲，但来自[畜牧营销资讯中心](#)的最新计算结果估计，第三季度牛肉需求比第二季度有所下降。尽管过去 10 周出口速度已从初夏的速度略微放缓，但出口需求异常强劲，预计今年的出口量将创下历史新高。展望未来，美国机构投资者开始计划感恩节（11 月 25 日）和年底假期的销售，同时由於屠宰牛只水平仍受到一定的限制，季节性需求的上升应有助於限制牛肉批发价格的大幅下跌。即使猪肉价格正在下降，但具有竞争力的蛋白质价值仍处于高位；目前火鸡价格比去年同期增长 15% 以上，但它的冷冻库存低。最後，虽然 9 月份美国餐饮服务业收入持续有所增长，但是经济解封後以来，环比增长速度最慢。任何家庭消费的转变都将有利於牛肉需求，因零售购买 \$1 美元的量将在餐厅消费 \$1 美元的量还要多。由於 64.6 万头的周屠宰量相对较低，上周活牛价格几乎没有变动。



**美国农业部牛肉屠体价格指数（特选级）：2021 年 10 月 18 日 - \$280.09 美元/百磅（较 2021 年 10 月 4 日减少 3%）**

上周，带骨後腿肉出口量疲软，以及劳动力供应和弹性供应链的持续担忧，带给猪肉批发市场压力。尽管上周屠宰量低於去年同期水平，仅为 259.7 万头，但市场认为季节性较高的屠宰活动将抑制猪肉批发价格的上涨。带骨後腿肉和腹肉出口量的疲软为上周市场疲软的主要驱动力。由於猪肉市场基本面不断恶化，上周瘦猪期货价格下跌。上周五 CME 瘦肉猪价格指数是自 3 月 11 日以来最低值，约为 \$89 美元/百磅。但瘦猪期货表明未来价格会更低；12 月瘦猪期货合约收盘价较折让近 \$11.50 美元/百磅。随着拜登宣布缓解供应链挑战的新措施，一般媒体关注的分析表明，卡车运输和航运的困境将持续至明年。尽管上周新闻中供应链弱点突出，但 10 月 1 日至 7 日最新报告周的猪肉出口显示相对较大的出货量及新订单。[墨西哥](#)的出口略低於近 4 周的平均水平，但对 [日本](#) 的每周新销售量为历年最大的，以及 [韩国](#) 买家利用美国较低的价格也正在积极采购。在连续数月下跌後，[中国](#) 猪肉价格在政府大量储备购买後企稳回升，现在分析师预测，由於今年的大规模清算，明年将再次出现猪肉供应缺口。上周几个交易日大连生猪期货大幅上涨，这可能汇市中国国内企业正在关注短缺的第一个迹象。於 USDA 的一份新报告中，该机构的分析师目前预计 2022 年中国猪肉产量将比今年水平低 5%。USDA 表示，这一相当於 225 万吨的下降将有助於推动 2022 年中国猪肉进口量的增加，再加上来自其他市场的进口增长，将推动明年 2022 年的全球猪肉贸易再创历史新高。

**猪屠体分切价格：2021 年 10 月 18 日 - \$100.78 美元/百磅（较 2021 年 10 月 4 日减少 10%）**

**美国肉类出口协会活动预告：**  
 FHC 上海环球食品展：2021 年 11 月 9-11 日  
 台北国际食品展，台湾：2021 年 12 月 22-25 日

## 产业动态

10 月 6 日，USDA 宣布再拨款 1 亿美元的联邦担保贷款，以助於扩大美国的肉类和禽肉的屠宰能力。这 \$1 亿美元为 USDA 7 月 9 日先前承诺的 \$5 亿美元支持美国“肉类和禽肉屠宰领域的新竞争者”。USDA 表示，政府援助将与其他私人资金一起使用，以便对整个行业产生影响。新一轮的联邦支持为美国政府 6 月 8 日宣布的 40 亿美元加强农业供应链的一部分。USDA 表示，其资金也被分配用於改善肉类屠宰业过度集中的情况。那麽，6 亿美元能在多大程度上用於扩大产能呢？根据 2020 年德州农工大学一项研究，在绿地上建造一座每周屠宰 20 头牛只的小型 3,000 平方英尺牛肉屠宰厂，预估成本约为 120 万美元。占用前资本支出，包括屠宰厂的设计成本、谘询、公用事业预付费、土壤测试和环境影响研究，可能会再增加 \$30 万美元。屠宰设备将另外花费 \$400,000 美元，一旦开始运营，每头屠宰成本可能相当於 \$675 美元。其他针对规模稍大屠宰厂的研究估计，每个屠宰钩的启动支出约为 \$100,000 美元，这意味着每天必须屠宰 25 头已确保 \$250 万美元的启动支出。按照这个速度，USDA \$6 亿美元将转化为大约 6,000 头额外的日产能，而目前整个产业每日屠宰量约为 128,500 头。鑑於 USDA 认为其本金将有助於释放更多的私人资本，其影响可能会更大。在过去几年中，现有工厂的高屠宰利润激励私人投资扩大屠宰能力，至少有 7 个项目正在进行中，估计将增加每日 5,200 头的额外屠宰（请参见下表）。

2020-2021 Publicly Announced Beef Packing Capacity Expansion							
Packer	Announced		Capacity hd/day	State	Est Investment	Ownership	Est on-line
	Date	Action					
AgriBeef/True West	Aug 2020	New Plant	500	ID		Producer	TBD
FPL	Oct 2020	Expansion	500	GA	\$120 mln	FPL	Q42021
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American Food Group	Jun 2021	New Plant		WI		AFG	TBD
TOTAL			+1,500 head/day IA = 7,700 128,540/day current so +5.5%				5,200

Source: company press releases and news coverage  
<https://www.desmoinesregister.com/story/money/agriculture/2021/05/25/iowafarm-company-cattlemens-heritage-build-325-million-beef-plant-near-council-bluffs-meatpacking/5345418007/>

## 贸易新闻

尽管大家持续受到 CoVID 的限制，但截至 9 月，[韩国](#) 牛肉进口量达到 33.16 万吨，创历史新高。9 个月以来的进口量比去年创下的纪录增长近 6%。进口商不仅购买量更多，而且支付的价格也更高（请参见下图）。韩国长达 20 年的肉类消费量同比增长趋势并未受到疫情的影响。并且每人平均 13 公斤的牛肉消费为现在 [日本](#) 的两倍，据 USMEF 计算，韩国消费者对美国牛肉的每人平均摄取量高於美国任何其他出口市场。截至 9 月，美国的市场份额为 57%，而澳洲为 34%。与其他市场一样，在疫情初期期间韩国消费者的食品支出转向零售，尽管餐厅在疫情有些限制但仍然有营业。现在随着 61% 以上的人口已完全接种疫苗，未来几周将进一步放宽对餐厅的限制。与此同时，零售支出保持强劲，在线支出也急剧上升，生鲜电商销售额於 2021 年 6 月至 8 月的两个月期间增长了 15%。USMEF 预测，韩国 2022 年牛肉进口总量将增至 47.5 万吨，而今年预计将创下约 47 万吨的历史新高。尽管牛肉进口量创历史新高，但韩国国内的韩牛价格仍为至少 8 年以来最高水平。

