USMEF Korea 1991 - 2021

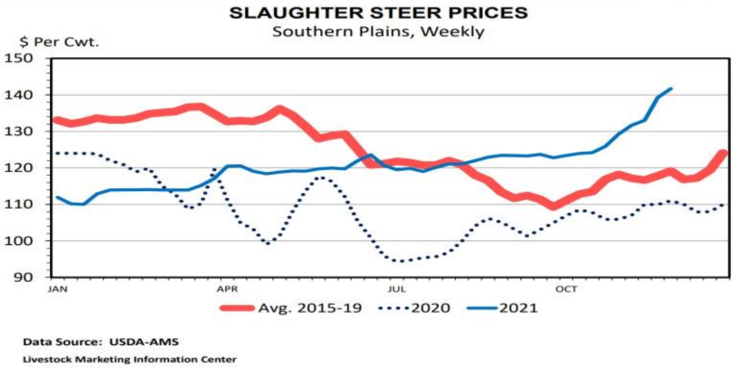
U.S. Meat Bulletin

December 14, 2021 Volume XIII | Issue 12.2

Note: Due to the upcoming Winter Solstice holiday, the next U.S. Meat Bulletin will be published December 22.

SUPPLY & DEMAND

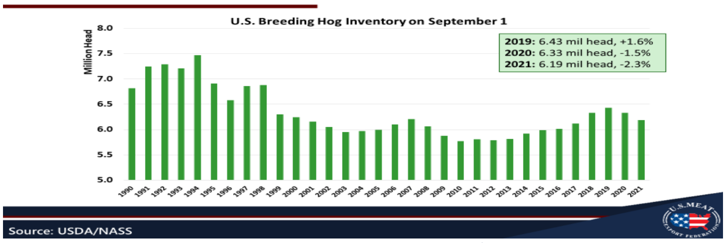
Wholesale beef prices softened again through last week, the result of institutional buyers having covered Christmas holiday supply needs early, plus new consumer reticence in some areas of the U.S. about dining out as CoVID cases rise in the colder weather. Spot buying activity has been contra-seasonally tepid, with those buying to fill short term supply needs enjoying better values than a month ago on popular Christmas items like ribeyes and striploins. Restauranteurs are reporting solid demand for Christmas bookings, at least compared to a year ago. The biggest issue facing restaurants is the rising cost of labor, which, along with food prices, has contributed to the highest menu price inflation in 39 years. On the retail side, with beef wholesale prices at the lowest level since early April, anecdotal reports suggest that retailers are offering discounts & features on popular beef items to help push sales. Media reporting on high prices may have scared consumers, but recent featuring could help re-incentivize consumers to buy beef in the weeks ahead. On the live cattle side, the increase in fed steer values stalled last week; slowdowns in processing activity for the next 2 weeks will moderate packer demand & temporarily pressure pricing. There was more good news about the trade picture. The $8.53 billion value of Jan-Oct U.S. beef exports has now eclipsed last year's 12-month record.



Beef Choice Beef Cutout Value: 13/12/2021 – US$263.22/cwt. (-3% from 6/12/2021)

The pork cutout closed last Friday steady with the previous week as the industry recorded another slow slaughter week of 2.601 million head. Labor issues are continuing to plague plants & restrain harvest activity. On the demand side, domestic institutional buyers are completing their Christmas ham purchases, but forward buying earlier in Q4 has meant less feversish activity in this year's pre-holiday market. Wholesale bone-in ham prices are lower than year-ago levels, with retail Christmas ham prices just slightly higher than 2020. Lean hog futures managed to bounce toward the weekend on expectations of tighter hog supplies early next year. USDA's hog and pigs report, to be released at the end of this week, is expected to show farrowings contracted in the Sept-Nov 2021 quarter and that producers will further pull back during the Dec 2021-Feb 2022 quarter. That would set the market up for a smaller pipeline of market pigs next summer, and higher prices. Smaller beef supplies could provide additional support to the pork complex. Herd health issues affected production last winter and if similar problems persist this season, higher sow productivity will need to offset the market impact. On the trade side, larger U.S. October exports helped pull the 1st 10 month total trade volume equal to last year's record export pace, with higher trade with **Mexico** and other western hemisphere markets compensating for decreases in shipments to **China, Australia** and **Taiwan.**

The September 1 breeding inventory decreased for the second year in 2021



Hog Carcass Cutout Value: 13/12/2021 – US$87.03/cwt. (+4% from 6/12/2021)

ACTIVITIES:
SIAL, Shanghai: May 18-20, 2022
Food & Hotel Asia, Singapore: September 5-8, 2022

MARKET MAKERS

Several proposed new U.S. beef processing enterprises have gained key approvals to proceed with construction of their plants. **Lava Angus Processing** has received a nod from local Kansas officials for the construction of a new small-scale (50 head per day) beef plant 3 hours west of Kansas City, and **Sustainable Beef LLC** has received support from officials in North Platte, Nebraska on beginning construction of a 1,500-head-per-day facility in that locale. In a separate development, USDA announced on Nov 22 the investment of $32 million in grants to 167 small scale U.S. meat and poultry slaughter and processing facilities to support expanded capacity and efficiency.

MOVING AHEAD

USDA has approved the first U.S. government certified program for the production of beef with reduced greenhouse gas emissions. **Low Carbon Beef LLC** (LCB), an Oklahoma based cattle consulting enterprise, will allow beef farmers and ranchers to earn a premium by reducing carbon emissions in their cattle operations by at least 10% from industry standard quantitative baselines established by LCB. USDA will then verify LCB's measurements & scoring of groups of cattle under its AMS Process Verified Program (PVP). Scoring is determined by data LCB collects from cattle's entire life span, from birth to harvesting, to ensure they meet the standards required for low carbon certification. LCB doesn't own the cattle, but rather serves as the verification body, conducting the necessary record keeping, annual on-site verifications, and compliance to ensure the product meets the requirements of the process. In turn, USDA's AMS audits and verifies LCB's process. Beef that meets the standard will be able to utilize USDA's PVP shield in the marketing of the product. Criteria used to measure reductions – among others - include the use of methane reducing feeds, the use of renewable energy sources, the use of sustainable manure management practices, and enhanced feed conversion processes which can reduce the environmental footprint of production. LCB is currently reaching out to producers, processors and institutional end users in their effort to build a marketing supply chain for PVP-verified low carbon beef.

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TRADE

For the 1st time over a sustained multi-month period, **Korea** has surpassed **Japan** as the #1 export destination for U.S. beef, at least in value terms (see GRAPH below). Japan remains the top volume market but the average per ton value of all beef products exported there of U.S. $ 7,222/ton is below the U.S. $8,208/ton for Korea during the Jan-Oct 2021 period. The pace of U.S. exports to Korea – in value terms - was up 33% YOY, compared to 19% for Japan. Total Jan-Oct Korean beef imports of 434 thousand tons was a record pace as well, up 5% YOY. A major trend this year has been a large 21% YOY jump in chilled beef imports, fueled in part by pandemic purchasing behavior which saw consumers select more fresh beef options. Logistics and delivery advances have allowed online meat retailers to offer chilled choices, and some home meal replacement (HMR) vendors are now choosing chilled beef for their meal creations. Observers believe that the proportion of chilled beef to total beef imports will grow from its current share of 23% to 50% in the longer run. Korea's ascension to the most valuable U.S. beef export destination comes as USMEF celebrates 30 years of operations in the market. USMEF opened its Seoul office in 1991 as strict government conrols on import volumes and distribution channels were relaxing. Most restrictions on beef imports have been lifted; current import duties of 13.3% will be phased down to 0% in 2026 under the terms of the KORUS free trade agreement. However, Korea is 1 of the few markets worldwide to limit U.S. imports to product from under-30-month cattle.

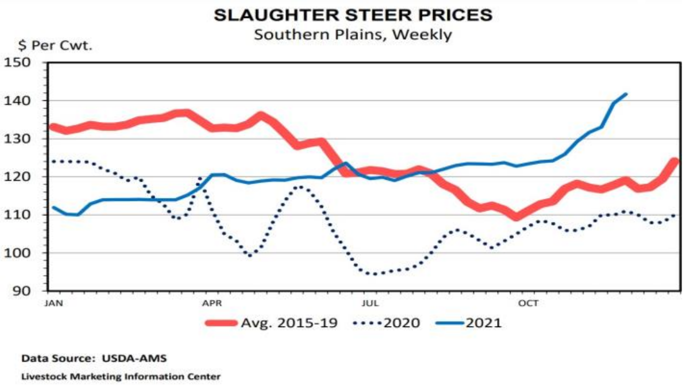
U.S. total beef exports 2019-2021 (Jan-Oct, value)

美 国 肉 品 新 知
2021 年 12 月 14 日 第十三卷 12.2 期

编辑笔记：下期《美国肉品新知》将於 2021 年 12 月 22 日发布。

供应与需求

上周牛肉批发价格再次疲软，因机构投资者提前满足了圣诞节假期的供应需求，再加上美国一些地区随着 CoVID 病例在寒冷的气候下不断的增加，进而使消费者不愿外出就餐。现货采购活动反季节不温不火，而那些以满足短期供应需求而购买的人，正享受比一个月前价值更好的圣诞热门商品，如肋眼和前腰脊肉。餐馆老板也报告，至少与一年前相比，今年圣诞节预订需求强劲。而餐馆面临的最大问题为劳动力成本以及食品价格的上升，导致菜单价格上涨达到 39 年来的最高水平。在零售方面，由於牛肉批发价格处於 4 月初以来的最低水平，有传闻表明，零售商为了帮助推动销售，正在为受欢迎的牛肉产品提供折扣和促销活动。媒体对於高价的报导可能震惊了消费者，但近期的促销活动可能有助於在接下几周内重新激励消费者购买牛肉。在活牛方面，上周已肥育小公牛价值的增长停滞不前；未来 2 周屠宰活动的放缓，将缓和屠宰商的需求，并暂时给定价带来压力。关於贸易的情况也有更多好消息。美国 1 月至 10 月的牛肉出口额为 85.3 亿美元，并现已超过去年 12 个月的纪录。



美国农业部牛肉屠体价格指数（特选级）：2021 年 12 月 13 日 – $263.22 美元/百磅（较 2021 年 12 月 6 日减少 3%）

由於该产业屠宰纪录再次为 260.1 万头的屠宰量，上周五猪肉分切价与前一周持平。劳工问题持续困扰着屠宰厂，并限制了屠宰活动。在需求方面，美国国内机构投资者正在完成他们圣诞节後腿肉的采购，但第四季度初的远期购买意味着，今年假期前市场的狂热活动将有所减少。今年带骨後腿肉批发价格低於去年同期水平，而圣诞後腿肉零售价格仅略高於 2020 年。由於明年年初生猪供应预计将趋紧，瘦猪期货周末将成功的反弹。美国农业部於本周末发布的猪肉季报，预计显示 2021 年 9 月至 11 月季度的产仔猪数收缩，以及生产商将於 2021 年 12 月至 2022 年 2 月的季度会进一步撤资。这为明年夏季市场规模较小的生猪供应量，以及较高的价格奠定基础。规模较小的牛肉供应也可以为整体猪肉提供额外的支撑。去年冬季猪群健康问题影响了生产，因此若本季持续发生类似的问题，则需要提高母猪生产力来助於抵消市场的影响。在贸易方面，美国 10 月出口的增加，第 1 次拉动了 10 个月的总贸易量，相当於去年创纪录的出口水平，同时与**墨西哥**和其他西半球市场贸易的增加，弥补了对**中国**、**澳大利亚**和**台湾**出口的减少。

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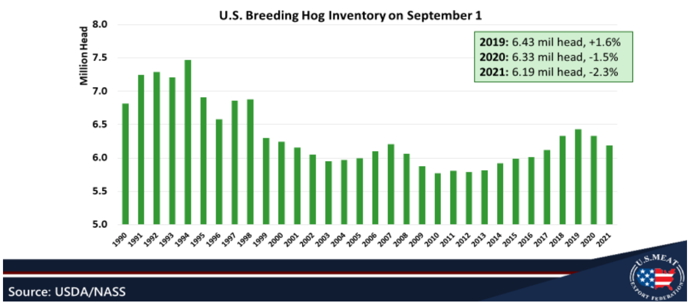

猪屠体分切价格：2021 年 12 月 13 日—$87.03 美元/ 百磅（较 2021 年 12 月 6 日增加 4%）

产业新知

美国几家拟建的牛肉加工企业已获得关键批准，并且可以继续建设其工厂。**Lava Angus Processing** 已获得堪萨斯州(Kansas)当地官员的同意，并将在堪萨斯城以西 3 小时车程处建造一家新的小型牛肉屠宰厂（每日屠宰 50 头牛只），而 **Sustainable Beef LLC** 也获得内布拉斯加州北普拉特(North Platte, Nebraska)官员的支持，开始在该地区建设每日屠宰 1,500 头牛只的工厂。在另一项发展中，美国农业部於 11 月 22 日宣布向 167 家小型美国肉类和禽肉屠宰及加工厂，投资$ 3200 万美元，以支持他们扩大产能和提高效率。

产业动态

美国农业部已批准了第一个美国政府所认证的减少温室气体排放牛肉生产计划。**Low Carbon Beef LLC** (LCB) 是一家总部位於俄克拉荷马州(Oklahoma) 的养牛谘询企业，它将允许养牛户和牧场主通过其养牛业中的碳排放量从 LCB 建立的产业标准定量基线减少至少 10%来赚取溢价。随後，美国农业部将根据其 AMS 流程验证计划(Process Verified Program; PVP) 验证 LCB 对牛群的测量和评分。评分会由 LCB 从牛只的整个生命周期(从出生至屠宰)收集的数据来决定，以确保它们符合低碳认证所需的标准。LCB 并不是拥有这些牛只，而是作为验证机构，进行必要的记录保存、年度现场核查及遵守，并确保产品符合程序的要求。反过来，美国农业部的 AMS 会审核和验证 LCB 的流程。符合标准的牛肉将能够在产品的销售中利用美国农业部的 PVP 做为保证。用於衡量减排量的标准包括减少甲烷饲料的使用、可再生能源的使用、可持续粪便管理实践的使用以及改进的饲料转化过程来减少生产的环境足迹。LCB 目前正在与生产商、加工商和机构最终用户联系，努力为经 PVP 验证的低碳牛肉建立营销供应链。

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贸易新闻

在持续数月的期间，在价值方面，**韩国**首次超过**日本**成为美国牛肉的第一大出口目的地（请参见下方图表）。而日本仍然是进口量最大的市场，但在 2021 年 1 月至 10 月，出口至日本的所有牛肉产品价值为 $7,222 美元/吨，低於韩国的 $ 8,208 美元/吨。美国对韩国的出口速度（按价值计算）同比增长 33%，而日本为 19%。韩国 1 至 10 月的总牛肉进口量也创历史新高为 43.4 万吨，同比增长 5%。今年的一个主要趋势是冷藏牛肉进口量同比大幅增长 21%，部分原因来自疫情带来的消费行为，导致消费者选择购买更多新鲜牛肉。物流和配送的进步使在线上的肉类零售商能够提供冷藏肉品的选择，同时一些家庭代餐(HMR) 供应商现在也开始选择使用冷藏牛肉。观察人士也认为，从长远来看，冷藏牛肉占牛肉总进口量的比例将从目前的 23%增长到 50%。在 USMEF 庆祝在韩国市场运营 30 周年，韩国成为了美国最有价值的牛肉出口目的地。USMEF 於 1991 年开设了首尔办事处，当时韩国政府正在放宽对进口量和分销渠道的严格管制。现在大部分牛肉进口限制也已经取消了；根据韩国自由贸易协定的条款，目前 13.3% 的进口关税将在 2026 年逐步并降至 0%。然而，韩国现在仍为全球少数几个限制美国进口 30 个月龄以下牛只产品的市场之一。

U.S. total beef exports 2019-2021 (Jan-Oct, value)

美国肉类出口协会活动预告:
SIAL 国际食品展(上海)：2022 年 5 月 18-20 日
新加坡国际食品与饮料展 - 新加坡：2022 年 9 月 5-8 日