



U.S. Meat Bulletin

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SUPPLY & DEMAND

The USDA CHOICE beef cutout closed higher last Friday for the 3rd consecutive week, rising 1% from the previous week. The cutout was +20% from pre-CoVID 2019 levels for this time of year. Values of most primals rose last week even as average beef retail prices drifted slightly lower. There has been a rebound in chuck roll prices after volatile price movements during the 1st 5 months of the year, although top blades are at a one year low and priced extremely favorably compared to other steak items (see GRAPH below). June is the most active time of the year for backyard grilling & institutional buyers are focused on preparing for Father's Day (June 19). That said, inflation continues to make consumers more cautious about their protein choices, and some retailers are reporting larger chicken sales, despite overall high poultry prices. Live fed cattle prices softened marginally on the lower holiday-shortened harvest week. Fed cattle prices normally fall in the summer as slaughter peaks between May and August, but then rise in Q4. Cattle futures have been trading on the firm side as markets see tighter cattle inventories ahead. There has been some improvement in drought conditions in grazing areas such as Colorado, but the west and Southwest remain abnormally dry. Still, any improvement in pastures could see a decline in the movement of cattle into feedlots, which will be bullish to prices. Through the end of May, beef export activity was brisk, with Jan-May shipments to **China, Korea, Taiwan, and Indonesia** proceeding at a record pace. China lockdowns are easing, and wholesale markets in Shanghai, a major imported beef consumption center, have re-opened. This should help the movement of some inventories that have been stuck over the past 2 months.

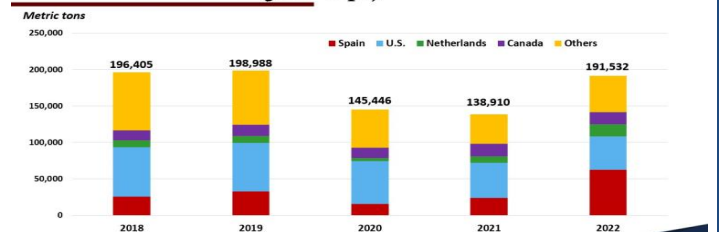
MOVING AHEAD

Last week, **USDA** issued an announcement highlighting new agency investments to shore up U.S. agriculture by strengthening critical supply chains, while addressing what it says are structural impediments - that became manifest during the pandemic - to the smooth production and distribution of U.S. agricultural & food products. The breadth of the initiatives, totaling U.S. \$2.8+ billion, signals a more aggressive policy effort to provide more robust food security to all Americans. Almost all U.S. food production, distribution and retail market activities are in private hands, with the U.S. government role restricted to regulatory issues such as ensuring food is safe and that commercial practices remain fair and competitive. USDA also directly subsidizes food purchases by America's needy & implements programs to mitigate agricultural production risk; e.g., crop insurance, conservation programs, farm safety net programs, lending, and disaster programs. But USDA investment in supply chains resiliency is relatively new. The fresh effort involves U.S. government investment in 4 specific buckets: food production, food processing, food distribution and food markets. On the meat side, USDA will allocate up to \$675 million in supporting private investment in new meat & poultry (M&P) processing capacity, with funds earmarked for smaller more geographically dispersed facilities. Another \$600 million is being earmarked for investment in other non-M&P supply chain infrastructure, such as cold-storage facilities, refrigerated trucks, and processing facilities. On the food distribution side, USDA announced investments of \$550 million in "regional food business centers" & other initiatives to ensure smaller producers have resilient access to markets. There has been significant debate about how resilient the U.S. M&P supply chain is, with the **North American Meat Institute** stating last week that "throughout the pandemic, regardless of slowdowns in processing, there was record beef production. This is resiliency by definition."

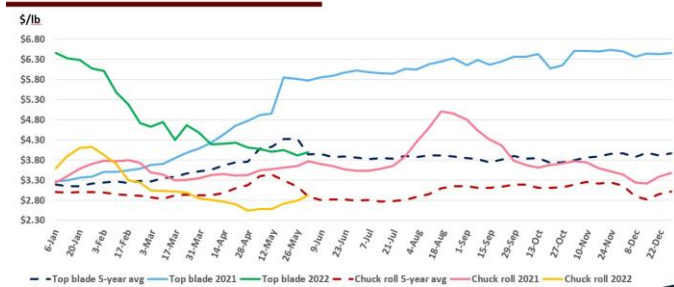
TRADE

Korea is the latest country to announce tariff reductions to tackle growing inflation. Korea has announced it will eliminate import duties on 7 essential food items including wheat, flour and cooking oil until the end of the year. As part of import tax relief package, Korea will also establish a tariff-rate quota (TRQ) of 50K tons on pork imports with a zero in-quota duty rate. The finance ministry estimates that the removal of import duties will reduce average import prices of pork by 20%. (Total 2021 pork imports were 421K tons.) Details of the TRQ have yet to be published but Korea waived pork duties on 60K of imports in Jan 2011 when an outbreak of FMD caused a third of the Korean hog herd to be culled. At that time, the TRQ was divided into a 10K ton retail pork belly sub-quota and a 50K ton tranche for processors. Since then, free trade agreements have seen import duties for main suppliers the U.S. the **EU** and **Chile** fall to zero, but frozen pork from **Canada** and **Mexico** are currently assessed duties of 9.6% and 25% respectively. Korea's Jan-Apr pork imports of 191K tons (muscle cuts) are +38% from the pace of last year but slightly off the peak activity of Jan-April 2019 prior to the start of China's ASF related buying spree. High imports this year are being driven by a post COVID spending boom and more recently, by a new ASF finding in a domesticated hog herd, the 1st in 7 months. Korea's May average carcass price of U.S. \$2.66/lb. was +38% YOY and approximately 140% higher than current U.S. carcass prices. Interestingly, forecasters are still predicting near record 2022 Korean pork production. Back on the trade side, U.S. exporters have seen their market share fall the 1st 4 months of the year due to competitive **Spanish** picnic prices (see graph below). Bellies for BBQ and picnics for further processing account for over 80% of total pork imports, with collar butt imports taking an additional 14% share. Traditionally, the EU has supplied most of the bellies, while the U.S. is competitive in picnics. Since last fall, weak China buying activity has seen EU picnic prices trade 20+% lower than U.S. offers, but the price gap has since narrowed, fueling optimism that U.S. exports to Korea could accelerate in the 2nd half of the year.

Korea chilled and frozen pork imports (Jan - Apr)



USDA CHOICE Chuck roll and top blade values

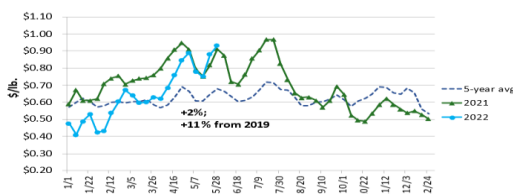


Source: USDA/AMS, 114D 3

Beef Choice Beef Cutout Value: 6/6/2022 - US\$269.58/cwt. (+2% from 23/5/2022)

The pork cutout closed 2% higher last Friday, the 3rd consecutive week of increases. Wholesale pork prices are at their highest level in 6 weeks, driven by solid retail demand for summer grilling items and in part because of lower YOY hog slaughter numbers. Heavy bone-in ham demand from #1 market **Mexico** continues to be strong, with prices last week moving to their highest level since last July (see GRAPH below). New export sales of pork to Mexico during the week ending May 26th were the largest since March. In addition to hams, values of loins, butts and picnics also increased last week, while bellies held steady amid some concern that consumers are shunning high bacon prices. Pork demand is also receiving a boost from a HPAI-induced turkey shortage. Turkey supplies are expected to be tight during the critically high demand period of the next 3 months in the lead up to the early November Thanksgiving holiday. Through last week, 2022 pork slaughter in the U.S. totaled 53.052 million head, down 4.6% YOY. Pork exports to non-Mexico markets continue to be handicapped by low EU pricing, but U.S. competitiveness may improve in H2.

Heavy Bone-in Hams



Source: USDA/AMS, 23-27#

Hog Carcass Cutout Value: 6/6/2022 - US\$108.79/cwt. (+2% from 23/5/2022)

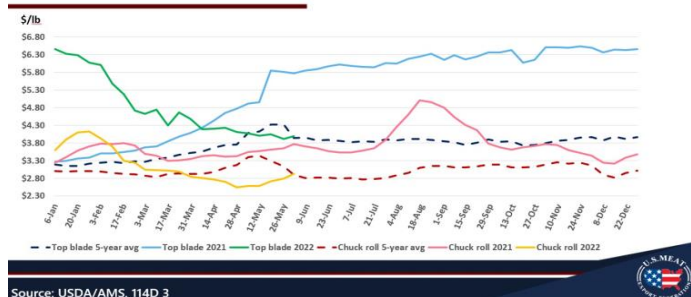
ACTIVITIES:

- Food & Hotel Asia, Singapore: September 5-8, 2022
- FHC Shanghai Global Food Trade Show: Nov 8-10, 2022
- SIAL, Shanghai: December 7-9, 2022

供应与需求

上周五，美国特选级牛肉分切价格连续第三周收高，较前一周上涨1%，与2019年新冠之前同期的价格相比上涨了20%。尽管牛肉平均零售价格略有下降，但上周大部分初级分切肉价格都有所上涨。在今年前5个月的价格波动之后，上脑的价格出现了反弹，但是牛板腱的价格仍是一年来最低的，而且与其他牛排产品相比价格非常优惠(见下图)。6月是一年家中家庭烧烤最活跃的时候，机构买家都在为父亲节(6月19日)做准备。尽管如此，通货膨胀仍使消费者对肉类的选择愈加谨慎。据一些零售商所说，尽管整体家禽价格仍较高，但鸡肉的销量有所增加。活牛价格因假期周屠宰的时间缩短而小幅走低。在5月至8月间屠宰量达到峰值时，夏季育肥牛的价格通常会下降，但在第四季度价格会上升。随着市场预期未来活牛存栏量将趋紧，活牛期货交易一直走强。科罗拉多州等放牧地区的干旱情况有所改善，但西部和西南部仍然异常干旱。不过，牧场情况的任何改善都会使牛只进入育肥场的数量下降，推动价格上涨。截至5月底，牛肉出口活跃，1-5月对**中国、韩国、台湾和印尼**的出口量均创历史新高。中国的疫情封锁正在放开，进口牛肉的消费中心-上海的批发市场已经重新开放，这应该有助于过去两个月滞留的一些库存的消化。

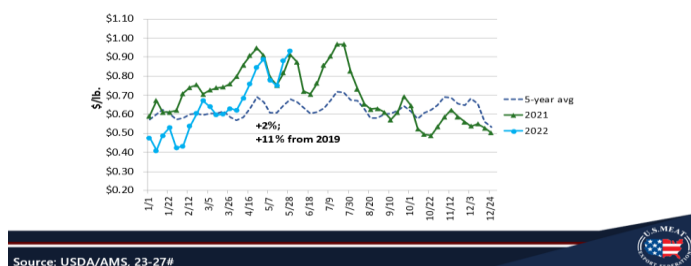
USDA CHOICE Chuck roll and top blade values



美国农业部牛肉屠体价格指数(特选级): 2022年6月6日 - \$269.58 美元/百磅 (较2022年5月23日增加2%)

上周五，猪肉分切价格在收市时上涨了2%，这是连续第三周上涨。猪肉批发价格处于6周以来的最高水平，这主要是由于夏季烧烤产品的零售需求强劲，部分原因是同比生猪屠宰量下降。头号市场**墨西哥**对带骨后腿的需求持续强劲，上周带骨后腿的价格升至去年7月以来的最高水平(见下图)。在截至5月26日的一周内，对墨西哥的出口销售量是自3月以来最大的。除了后腿肉，上周背脊肉、肩胛肉和前腿肉的价格也有所上涨，而腹部肉的价格则保持稳定，原因是业界担心消费者不会选择高价格的培根。猪肉需求也因高致病性禽流感引发的火鸡短缺而得到提振。在11月初的感恩节假期到来之前的未来3个月的需求极高的时期，火鸡供应预计将会趋紧。截至上周，美国2022年猪肉屠宰总量为5305.2万头，同比下降4.6%。对非墨西哥市场的猪肉出口继续受到欧盟低价格的阻碍，但美国的竞争力在下半年可能会提高。

Heavy Bone-in Hams



猪屠体分切价格: 2022年6月6日 - \$108.79 美元/百磅 (较2022年5月23日增加2%)

美国肉类出口协会活动预告:
新加坡国际食品与饮料展 - 新加坡: 2022年9月5-8日
FHC 上海环球食品展: 2022年11月8-10日
SIAL 国际食品展(上海): 2022年12月7-9日

产业动态

上周，**美国农业部**发布了一项声明，强调了关于将通过加强关键的供应链来支持对美国农业新机构的投资，同时解决它所牵扯的结构性障碍，这些障碍在疫情期间对美国农产品和食品的顺利生产和流通产生了较大的影响。这些举措的总投资规模达到28亿美元以上，这意味着美国农业部将为所有美国人的粮食安全采取更有力和积极的措施。在美国，几乎所有的食品生产、物流配送和零售市场活动的行为都受控于私人，美国政府的作用仅限于确保食品安全以及公平的商业行为和合理竞争等监管问题。美国农业部对贫困人口的食品购买支出给予直接补贴，并施行了一系列减轻农业生产风险的项目;例如，农作物保险、自然保护规划、农业安全网规划、贷款和灾害规划。但美国农业部对弹性供应链领域的投资相对较新。美国政府在该领域的投资主要涉及到四个方面:食品生产、食品加工、食品配送和食品市场。在肉类方面，美国农业部将拨款高达6.75亿美元，用来支持在新的肉类和家禽加工产量领域的私人投资，同时这些资金被指定用于规模较小、地理位置更加分散的生产设施。而另有6亿美元指定用于投资其他非肉类和家禽供应链的基础设施，如冷藏设备、冷藏车和加工设备。在食品物流配送方面，美国农业部宣布向“区域食品商业中心”和一些其他举措投资5.5亿美元，以确保小型生产商有相对弹性的通道可以进入市场。关于美国肉类和家禽供应链弹性有多大的问题上，一直存有争议，上周，**北美肉类协会**表示“在整个疫情期间，即使生产加工被放缓，牛肉产量都创下了新纪录。”这就是我们对弹性的定义。

贸易新闻

韩国最近宣布降低关税，以应对日益严重的通货膨胀。截止到今年年底，韩国将取消小麦、面粉、食用油等七种主要食品的进口关税。作为进口关税减免方案的一部分，韩国还将在进口猪肉方面设立5万吨的关税配额(TRQ)，并且在配额内关税比率为零。美国财政部预估，因为进口关税的取消，猪肉的平均进口价格将会下降20%。(2021年猪肉进口总量为42.1万吨。)虽然关税配额TRQ的具体细节还没有公布，但在2011年1月因猪口蹄疫导致三分之一的猪被宰杀后，韩国对进口的6万多头猪免除了关税。当时，TRQ关税配额被分为两个部分，分别是零售五花肉配额1万吨和加工商配额5万吨。从那以后，根据自由贸易协定，美国、**欧盟国家**和**智利**作为主要供应商国家的进口关税降至零，但**加拿大**和**墨西哥**的冷冻猪肉的关税目前分别被评估为9.6%和25%。韩国1-4月的猪肉进口量为19.1万吨(纯肉部位)，较去年**增长38%**，但数值还是略低于2019年1-4月中国因为非洲猪瘟出现的采购热潮前的峰值。今年进口量处高位的主要原因是新冠病毒疫情后出现的爆发性消费，以及最近7个月来首次在饲养猪群中发现的非洲猪瘟病例。韩国5月份的平均屠体价格为每磅2.66美元，同比**上涨38%**，比当前美国屠体价格高出约**140%**。值得注意的是，预测专家预估2022年韩国猪肉产量将接近创纪录的水平。说到贸易方面，由于**西班牙**的猪肩胛价格具有一定的竞争力，美国出口商今年头4个月的市场份额有所下降(见下图)。用于烧烤的猪五花和深加工的猪肩胛占猪肉进口总量的80%以上，其中肩胛梅花肉占14%的份额。按照传统，欧盟国家占据大部分猪五花的供应，而美国在肩胛部位具有一定的竞争力。自去年秋季以来，中国较弱的购买力导致欧盟的肩胛部位价格比美国的报价低20%以上，但后来两者之间的价格差距已经缩小，因此，人们对下半年美国对韩出口可能会加速的乐观情绪也随之高涨。

Korea chilled and frozen pork imports (Jan - Apr)

