

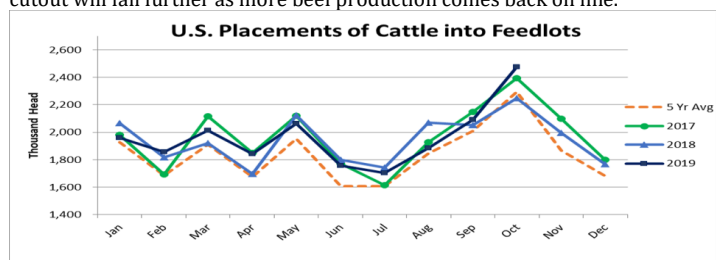


# U.S. Meat Bulletin

November 26, 2019 Volume XI | Issue 11.3

## SUPPLY & DEMAND

The beef cutout fell last week, with drops in all major average primal values. Analysts attribute last week's softness to the end of Thanksgiving buying but also institutional pushback against high middle meat prices. During the run-up to this Thursday's Thanksgiving, retail buyers are focused on turkey and ham features. Chucks and rounds, which have enjoyed increased demand as late as late due to shortages and high prices of imported manufacturing beef, started strong last week but also weakened toward the end of the week following the general decline of the entire market. According to **Australian** estimates, over the last decade, the U.S. has annually imported between 20-35% of its manufacturing beef needs. Imported lean manufacturing beef is mixed with domestic fatty (50% chemical lean) beef to reach a desirable ground beef mix, usually 80:20 lean-to-fat or 75:25. The average values of 50% fatty beef are now almost **45%** higher than year-ago levels. Australian & **New Zealand** lean beef supplies have been very high priced due to growing demand for manufacturing beef from Asian markets, especially **China**. Moreover, prices have stayed firm despite increased U.S. cow slaughter; during October, U.S. cow slaughter was **+4.7%** year-on-year. Anticipation of a bearish USDA Cattle on Feed report last Friday sent cattle futures values lower toward the end of last week, but the report showed that the much-watched number of cattle placed into feedlots during October was more modest than estimated (see graph below). The market should treat the report as being bullish, but the number of cattle on feed – and especially those on feed for more than 120 days – remains large. On another bullish note, the large beef facility that experienced a fire in early August will start processing cattle again next week. The 6K head-per-day plant will need until early next year to return to full capacity, but its re-opening should be positive to live cattle prices, which dived following the plant's closure. That said, given last week's weakness in boxed beef prices, analysts are pondering whether the cutout will fall further as more beef production comes back on line.



**Beef Choice Beef Cutout Value: 25/11/2019 - US\$233.24/cwt. (-2% from 18/11/2019)**

The pork market was unsettled last week, with belly and ham values noticeably slipping (see MOVING AHEAD next column). USDA reported frozen stocks of pork bellies at 45,920 million pounds (20,829 tons), up **72%** from a year ago. Average spot belly prices last Friday ended **>25%** lower than the previous Friday's close, but bounced yesterday (Monday) as volatility continues in the pork marketplace. U.S. pork production is in the midst of its seasonal Q4 surge; commercial U.S. hog slaughter during October of 12.301 million head (equaling 1.18 million tons of pork production) was **+5.6%** from year-ago levels and was an all-time monthly record. Sow slaughter remains muted, an indication that producers are generally bullish about market prospects moving forward. U.S. pork export numbers for the latest reporting week (week ending November 14) were large, but skewed by catch-up export and sales numbers that had not been reported in previous weeks. For example, reported pork sales to **Japan** of over 21 thousand tons were a weekly record. Accumulated pork exports to China so far this year now total 275,800 tons and outstanding sales (product sold but not shipped) for 2019 are 138,400 tons. Outstanding sales for 2020 are 232,600 tons.

Year to Date Accumulated Pork Exports				
Country	YTD 2017	YTD 2018	YTD 2019	YOY
TOTAL	957,237	997,220	1,372,968	38%
Australia	31,180	34,968	52,763	51%
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Colombia	34,332	47,440	47,923	1%
Hong Kong	55,823	52,594	35,220	-33%
Japan	168,276	162,839	185,110	14%
Korea	111,744	155,395	140,668	-9%
Mexico	356,477	364,418	460,607	26%

**Hog Carcass Cutout Value: 25/11/2019 - US\$84.01/cwt. (-6% from 18/11/2019)**

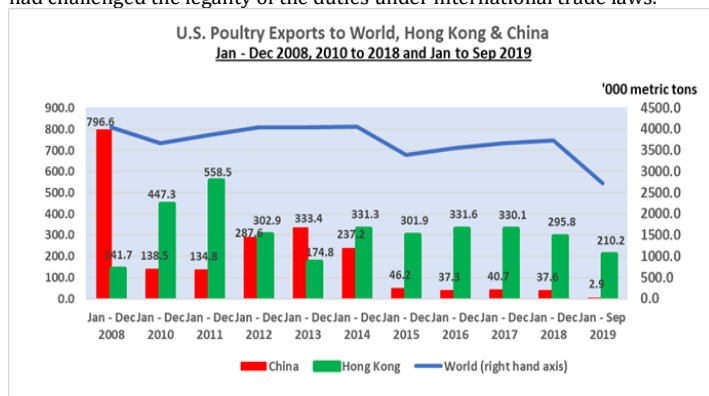
ACTIVITIES:  
SIAL, Shanghai: May 13 - 15, 2020  
Food Show, Taipei: Jun 17 - 20, 2020

## MOVING AHEAD

U.S. hog slaughter plants are running near capacity, with USDA estimating last week's slaughter at 2.758 million head, significantly above the 2.245 million head processed during the same week a year ago. Tightness in capacity generally translates into lower live hog prices as growers compete with each other to lock in harvesting space. On the pork side, processors continue to find willing buyers despite higher output, and the pork cutout value remains approximately **30%** higher than year ago levels. In column 1, we mentioned recent large export numbers, but demand in the U.S. has remained solid as well. This has been most noticeable in the ham complex, where the current primal value is nearly double year-ago levels. Several forces are working to prop up ham values. First, **China** continues to buy whole carcasses from the U.S. In the last 8 weeks of export sales reporting, weekly exports to the mainland have averaged 10 thousand tons, equating to an offtake of over 70K animals per week, each with 2 hams. Second, exports to Mexico have increased markedly since it eliminated the punitive 20% on U.S. imports in late May. Thirdly, during the 1<sup>st</sup> week of Nov, China reopened its market to Canadian pork, resulting in a fall in product crossing into the U.S. These international developments have unfolded just as peak domestic ham demand kicks in, starting from spot interest for product for this Thursday's Thanksgiving holiday, but also in buying activity for Christmas. The **Daily Livestock Report** estimates that during the 1<sup>st</sup> 2 weeks of November, just 5% of total U.S. ham production was available for spot purchase.

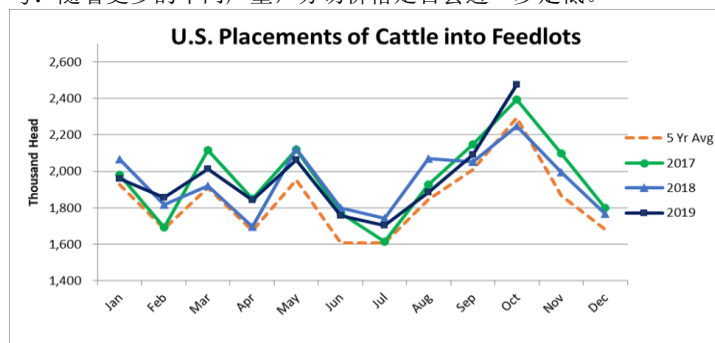
## TRADE

China announced last week it would re-establish import eligibility to U.S. poultry imports after a 4-year ban. Last Friday, China's General Administration of Customs (GACC) updated its supplier eligibility library allowing in poultry imports from 172 U.S. facilities, making the restored access effective for products produced on or after November 22. According to the U.S. Poultry and Egg Export Council (USAPEEC), the China market for U.S. chicken, turkey, duck, and breeding stock exports could be an opportunity worth \$2 billion a year. China put its import ban in place in January 2015 following the detection of highly pathogenic avian influenza (HPAI) in Oregon. USAPEEC commented last week following the announcement that China maintained its ban even though the U.S. had been free of HPAI since 2017, and long after every other country that had imposed a similar ban had lifted it. As an ostensible *quid pro quo*, USDA's FSIS last week lifted its restrictions on the import of Chinese cooked poultry products derived from locally slaughtered birds. Heralded as an early harvest for a possible upcoming larger bilateral trade deal, China's need for additional poultry – and all animal protein imports – is high given the multi-million ton decline in Chinese pork production. Through September 2019, China imported just shy of 560 thousand tons of poultry, up **50%** from the pace of a year ago, but below the record Q1-Q3 import level of 630 tons recorded in 2008. **Brazil** holds a 70% share of the current import market, although 8 other countries (**Argentina, Chile, France, Poland, Hungary** [duck only], **Russia, Belarus** and **Thailand** also enjoy some access. From a U.S. export perspective, China eligibility should boost total exports. The current U.S. poultry export portfolio is somewhat diversified, with the top 5 destinations **Mexico, Hong Kong, Cuba, Taiwan** and **Angola** accounting for less than half of total exports. U.S. direct poultry exports to China peaked in 2008 at just under 800K tons; in that year China still only accounted for 20% of total U.S. poultry exports (see graph below). U.S. poultry exports to China have faced obstacles since 2010, when China imposed anti-dumping and countervailing duties against U.S. white feathered broiler exports. Those were not dropped until late February 2018 following a Jan 2018 WTO ruling in favor of the U.S. which had challenged the legality of the duties under international trade laws.



## 供应与需求

上周牛肉分切价格下跌，所有大分切平均价格均下跌。分析师将上周的价格疲软归因于感恩节采购活动结束，以及昂贵的排类商品价格回落。在本周四感恩节前夕，零售商以火鸡和猪后腿肉为主打商品。由于供应短缺和进口加工用牛肉的高价格，近期市场对肩胛部和后腿部的需求增加，并於上周走强，但随着总体市场普遍走缓，该两部位的需求也於本周减弱。根据澳洲估计，在过去 10 年中，美国每年进口其加工用牛肉需求的 20 至 35%。进口的加工用瘦牛肉用来与国内含脂肪(瘦肉率达的 50%)的牛肉混合，以生产出理想的牛仔肉，通常瘦肉和脂肪的比率为 80:20 或 75:25。现在脂肪率 50%的牛肉的平均价格比去年同期高出近 45%。由于亚洲市场(尤其是中国)的加工用牛肉需求持续成长，澳洲和纽西兰的瘦牛肉供应价格一直很高。此外，尽管美国肉母牛屠宰量增加，其价格仍保持坚挺；10 月美国肉母牛屠宰量与去年相比增长 4.7%。上周五美国农业部牛只在养头数报告看跌，导致上周末牛只期货价格较低，但该报告显示，10 月备受关注的牛只在养头数比预估的还要少。市场认为该报告应该看涨，一些分析师认为本周期期货市场将上涨。另一看涨的消息是：据产业媒体报导，在 8 月初发生大火的大型牛肉屠宰场将於下周开始运营。该工厂将需要到明年年初才能恢复至日产能 6000 头的水平，但重新开放应该会对活牛价格带来积极的影响。即便如此，鉴于上周箱装牛肉价格疲软，分析师正思考：随着更多的牛肉产量，分切价格是否会进一步走低。



美国农业部牛肉屠体价格指数 (特选级)：2019 年 11 月 25 日 - \$233.24 美元/百磅 (较 2019 年 11 月 18 日减少 2%)

上周猪肉市场不稳定，腹肋肉和后腿肉价格显著下跌(见右栏产业动态)。美国农业部公布冷冻腹肋肉库存为 4952 万磅(20,829 吨)，比去年同期增长 72%。上周腹肋肉平均现金价格与上上周五收盘价相比下跌 25%以上，但昨日(周一)价格因猪肉市场持续波动而反弹。美国猪肉产量处于第四季度季节性激增；10 月美国商用猪只屠宰量为 1230.1 万头(想当渔 118 万吨的猪肉产量)，比去年同期增长 5.6%，创下单月历史新高。种母猪屠宰量放缓，这表明生产商看好市场前景。最新的报告(截至 11 月 14 日当周)显示美国猪肉出口量极高，可能受到前几周未报告的出口和销量数字所影响。举例来说，据报导导致日本的猪肉销量超过 2.1 万吨，创下每周纪录。今年迄今为止，至中国的猪肉出口量累计为 275,800 吨，销量极出色(已售出但尚未出口的商品)已达 138,400 吨。2020 年的销量为 232,600 吨。

### Year to Date Accumulated Pork Exports

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TOTAL	957,237	997,220	1,372,968	38%
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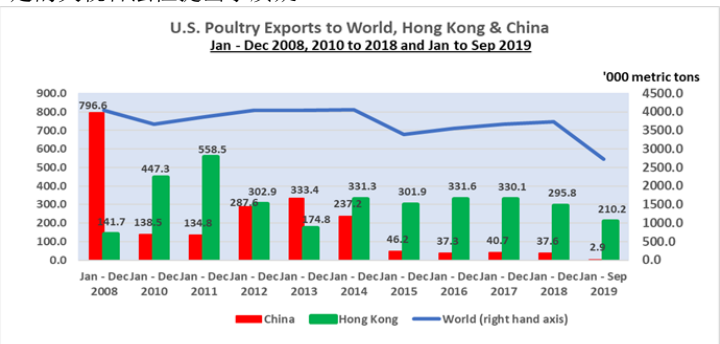
猪屠体分切价格：2019 年 11 月 25 日 - \$84.01 美元/百磅 (较 2019 年 11 月 18 日减少 6%)

## 产业新知

美国活猪屠宰场产能已接近饱和，美国农业部估计上周屠宰量为 275.8 万头，显著高于去年同一周的 224.5 万头。产能紧绷通常会导引活猪价格下跌，因为肥育业者会相互竞争以获取屠宰空间。猪肉方面，尽管产量增加，屠宰商仍在寻找有意愿的买家，猪肉分切价格仍比 1 年前高出约 30%。在左栏供应与需求我们提到近期大量的猪肉出口，美国的市场需求也维持稳定；这在后腿肉的反应最为明显，目前后腿肉的原始价格几乎是 1 年前的两倍。一些因素正试图推动后腿肉价值：首先，中国持续从美国采购完整的屠体。在过去 8 周的出口销售报告显示，每周至中国的平均出口量为 1 万吨，相当于 7 万个以上的屠体，而每只屠体有 2 个后腿肉。第二，自 5 月底中国取消对美国进口的 20%惩罚性关税以来，至墨西哥的出口显著增加。第三，在 11 月的第 1 周，中国重新开放加拿大猪肉进口，导致出口至美国的产品减少。随着国内后腿肉需求正值高峰：从消费者为本周四感恩节假期开始采购现货，至圣诞节的购买活动，这些国际动态已经展开。据 Daily Livestock Report 估计，11 月的前两周中美国后腿肉总产量中仅有 5%的可作现货购买。

## 贸易新闻

中国上周宣布，在实施 4 年禁令后，她将重新确立美国禽肉商品的进口资格。上周五中国海关总署(GACC)更新其供应商合格资料库，允许从 172 个美国工厂进口禽肉，11 月 22 日或之后生产的产品将得以进入。根据美国家禽蛋品出口协会(USAPEEC)的数据，出口至中国市场的美国鸡肉、火鸡肉、鸭肉和种畜可能创造 20 亿美元的商机。在俄勒冈州发现高致病性禽流感(HPAI)后，中国于 2015 年 1 月实施了进口禁令。上周 USAPEEC 发表评论：尽管美国在 2017 年宣布已灭 HPAI，且之后其他所有实施类似禁令的国家也陆续开放进口，中国仍维持其禁令。作为交换条件，美国农业部食品安全检验局(FSIS)上周取消使用本地禽类所制成的中国即可烹调的禽肉商品的进口限制。预期美国可能与中国提前达成更大的双边贸易协议，鉴于中国猪肉产量减少数百万吨，中国对家禽以及所有动物性蛋白的需求非常高。截至 2019 年 9 月，中国仅进口 56 万吨禽肉，比 1 年前增长 50%，但低于 2008 年第一季至第三季创纪录的 630 吨。尽管来自其他 8 个国家(阿根廷、智利、法国、波兰、匈牙利(仅鸭肉)、俄罗斯、白俄罗斯和泰国也有一定的进口量，巴西在当前进口市场中占有 70%的份额。从美国出口角度来看，中国开放进口应能促进总出口量。目前美国出口的禽肉产品较为多样化，至排名前 5 的出口目的地：墨西哥、香港、古巴、台湾和安哥拉共和国的出口量占总出口不到一半。美国直接出口至中国的禽肉量在 2008 年达到顶峰，接近 80 万吨；当年中国仍只占美国禽肉总出口的 20%(见下图)。自 2010 年中国对美国白羽肉鸡出口徵收反倾销和反补贴税以来，美国至中国的家禽出口一直面临障碍。直到 2018 年 1 月世界贸易组织(WTO)对美国提出有利的裁决后，这些徵收条款于 2018 年 2 月下旬才被撤销，该裁决对国际贸易法规规定的关税合法性提出了质疑。



美国肉类出口协会活动预告：  
中国国际贸易及饮料展 - 上海：2020 年 5 月 13-15 日  
国际食品展，台北：2020 年 6 月 17 - 20 日