

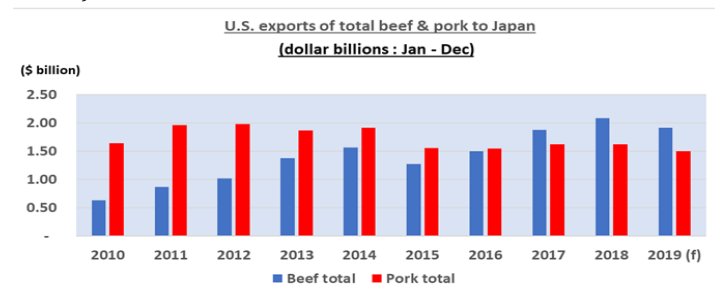


U.S. Meat Bulletin

December 10, 2019 Volume XI | Issue 12.2

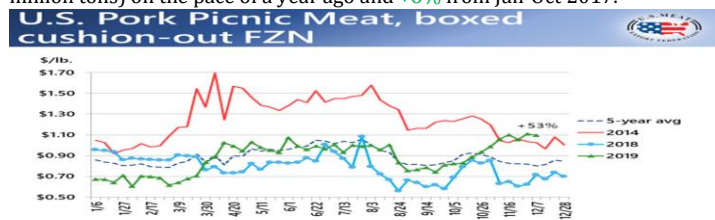
SUPPLY & DEMAND

High slaughter volumes and the completion of Christmas beef purchasing bookings from the institutional sector saw the cutout, and all of its 7 primal values, drift lower last week. Despite year-to-date production being up 0.4% from the pace of last year, last Friday's cutout closed 7% above the level of the same time last year. Of recent interest to analysts has been the continued counter-seasonal high spread this fall between average USDA CHOICE beef and USDA SELECT beef. For the week ending Nov 22, 9.6% of graded cattle reached PRIME, 71% CHOICE, and 16% SELECT. Although the CHOICE & PRIME percentages are above year-ago levels, the % of total cattle grading CHOICE and SELECT is running below year-ago levels due to increased harvesting of cows, bulls and other ungraded cattle. Secondly, the % of CHOICE cattle grading in the upper 2/3rds CHOICE and selling at a premium under branded programs is increasing, which may be further diminishing the overall supply of lower CHOICE cattle & beef. From January through mid-November, 31.9% of fed beef graded upper 2/3rds CHOICE, up from 31.6% for the same period in 2018, 29.4% in 2017 and 28.5% for the previous 5-year average. Branded beef across all programs is commanding a U.S. \$ 0.053/lb. premium over low CHOICE beef across all cuts, but up to U.S. \$0.40/lb. for items like ribeyes. Moreover, this overall premium has been increasing; the spread between the Branded CHOICE cutout and the all-CHOICE cutout is up 8% from the \$ 0.049/lb. spread (premium) for the same time last year, and up 21% from the \$0.043/lb. spread of 2014 - 2018. U.S. beef exports during October under-performed, with year-on-year falls in monthly volumes to all top #5 markets (**Mexico, Japan, Korea, Canada, and HK**). The outlook has brightened however with new market access deals being finalized with Japan and the EU in the last 2 weeks (see TRADE next column.)



Beef Choice Beef Cutout Value: 9/12/2019 - US\$223.64/cwt. (-4% from 2/12/2019)

The pork cutout moved sideways last week as uncertainty continued to grip the market and large numbers of hogs came to market. Reports that China will exempt some punitive duties on U.S. pork imports drove futures last Friday to a 2-week high. On the production side, USDA estimates that 2.799 million hogs were processed last week, an all-time record weekly high. Despite the large output, primal values held their values last week, except picnics, which rose slightly, and bellies, which dropped. China's announcement last Friday by the Ministry of Finance stated that China's tariff commission was "working" on a tariff exclusion program, and as of today, there has been no further hard news on the program. With live hog prices in the U.S. low (U.S. \$ 0.75/kg. liveweight) and the cutout 14% above year ago levels, processing margins are in the U.S. \$60 per-head range. U.S. pork exports to China of 55K tons in October surpassed those to #1 market **Mexico** for the month, and helped drive total Jan-Oct U.S. pork exports +5% (to 2.13 million tons) on the pace of a year ago and +6% from Jan-Oct 2017.



Source: USDA/AMS Boxed Cushion Out, FZN

Hog Carcass Cutout Value: 9/12/2019 - US\$81.98/cwt. (-1% from 2/12/2019)

ACTIVITIES:

Food & Hotel Asia, Singapore: March 31 - April 3, 2020

SIAL, Shanghai: May 13-15, 2020

Food Taipei, Taiwan: June 17-20, 2020

MARKET MAKERS

Cargill is doubling down on its commitment to reduce total greenhouse gas emissions (GHG) from all of its agricultural operations by pledging a 30% reduction in GHG output per ton of product produced within its supply chain by 2030. The effort includes working with farmers and beef ranchers on improved soil health and carbon storage programs, including a newly announced initiative to capture the value from cattle manure-based nutrients, fiber, and energy at the farm level.

MOVING AHEAD

U.S. private industry standards, especially those from big chains such as **Walmart** and **McDonald's**, are driving new animal welfare initiatives above and beyond government regulations such as USDA's 61 year-old Humane Methods of Livestock Slaughter Act. In 1998, 30 years after the implementation of USDA's welfare regulations for slaughter facilities, foodservice giant McDonald's announced its own standards requiring all of its beef suppliers to pass animal welfare audits. Since that time, more animal handling standards and programs have been introduced to improve practices throughout the supply chain. For example, in 2008 the Global Animal Partnership (GAP) began certifying welfare practices, and last year over 3,700 farms and 416 million animals received GAP certification. GAP's 5-Step Animal Welfare Rating System provides consumers with information on how the animal was raised, while also encouraging producers to move up the step system by increasingly mimicking natural environments. Once a third-party audit has been conducted and a GAP step rating has been determined, meat products derived from the certified production may display a GAP certified marketing label. For beef cattle, the GAP system's different tiers reflect both the extent to which the animals have been raised entirely in a pasture environment, in addition to specifying standards for other animal handling practices, including weaning, castration and transport times. The highest GAP 5+ rating specifies that the animal spent its entire time on one farm under pasture conditions (no feedlots). One of the latest animal welfare programs to be launched is noted animal care expert Temple Grandin's Responsible Cattle Care Program. Grandin's system involves the objective scoring at meat harvesting facilities of responsible care and management indicators such as degrees of lameness, cleanliness, injuries, and internal health. The program, audited by **Food Safety Net Services (FSNS)**, is already being used by Texas-based **Nolan Ryan Beef**. In addition to these programs, the principal U.S. cattle and pork industry trade associations operate product quality assurance (PQA) programs, which include certifiable on-farm animal handling guidelines. Most recently, the 4 largest U.S. beef packers have pledged to adhere to the NCBA's Beef Quality Assurance-Transport (BQAT) Certification program by Jan 1, 2020. On the pork side, the National Pork Board's PQA-plus program includes on-farm assessments of producer animal handling practices such as available living space, timely euthanasia, air temperature, air quality and evidence of acts of abuse or neglect. Large pork packers such as **Hormel** have only been sourcing hogs from PQA+ certified farms for over 10 years. Over 71 thousand U.S. producers have been PQA+ certified and 18,000 farms have been PQA+ assessed.

TRADE

Although **China** continues to dominate media reports about the global meat trade, the U.S. has scored 2 other major market access milestones in the last 2 weeks. First, the Upper House of **Japan's** Parliament approved the U.S.-Japan trade agreement on Dec 4, paving the way for the agreement to be implemented Jan. 1, 2020. A week earlier, the European Parliament gave final approval to granting the U.S. an 18.5K ton dedicated share of Europe's high quality beef quota. The U.S. tariff rate quota will grow to 35K tons over 7 years. The Japan agreement will put the U.S. on the same competitive footing as other major beef & pork supplying countries and will see import duties on price sensitive U.S. items such as beef short plate and ground seasoned pork fall on the 1st day of next year. With the agreement, U.S. beef & pork total exports next year are forecast at \$2.3 billion and \$1.7 billion respectively, up from a forecast \$1.92 billion and \$1.5 billion this year (see GRAPH previous column). USMEF projects that by 2025, U.S. red meat exports to Japan will approach \$5 billion - roughly \$2.8 billion for beef and more than \$2 billion for pork. The agreement opens new opportunities for processed red meat products, with tariffs on these products phasing to zero. Through October, U.S. beef and pork exports to Japan totaled U.S. \$2.896 billion, \$250 million or 8% below the pace of a year ago. In Europe, U.S. beef exports have been plagued by restrictive quotas and trade uncertainty; through October, beef shipments of U.S. \$168 million were -14% the value pace of a year ago. Analysts expect the new EU TRQ to be implemented early next year.

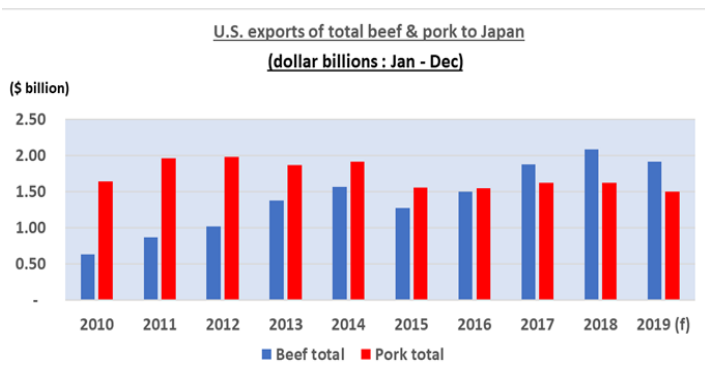


美国肉品新知

2019年12月10日 第十一卷 12.2

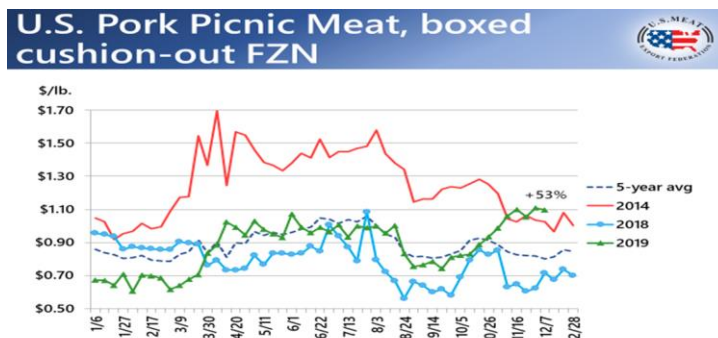
供应与需求

高屠宰量加上各机构部门已完成采购圣诞节用牛肉，上周牛肉分切价格，包括所有 7 个大分切原始价格均下跌。尽管今年迄今产量比去年增长 0.4%，上周五分切价格却比去年同期高 7%。分析师近来关注的是：今年秋天美国农业部特选级和可选级牛肉的平均价差反季节性持续升高。截至 11 月 22 日当周，9.6%的牛只达到极佳级，71%被评为极佳级和 16%为可选级。虽然特选级和极佳级的牛只百分比均高于去年同期，但由于肉母牛、公牛和其他未评级的牛只屠宰量增加，使得特选级和可选级的牛只总占比仍低于去年同期水平。其次，较高品质排前 2/3 和属品牌计划下以较高价格售出的特选级牛肉百分比持续增加，这可能会进一步减少较低级特选级牛只和牛肉的总体供应。从 1 月到 11 月中旬，31.9%的已育牛肉被评为前 2/3 特选级，高于 2018 年同期的 31.6%，也高于 2017 年的 29.4%和前 5 年的平均 28.5%。所有在计划中的品牌牛肉价格比所有较低特选级牛肉分切价格每磅高出 0.053 美元，部分分切如肋眼的价格更高出每磅 0.4 美元。其价格仍一直上涨；特选级品牌牛肉和所有特选级牛肉之间的价差(溢价)比去年同期的每磅 0.049 美元高 8%，比 2014 年至 2018 年期间的每磅 0.043 美元高 21%。10 月美国牛肉出口表现不佳，往前 5 大市场(墨西哥、日本、韩国、加拿大和香港)的月出口量均同比下跌。但近两周美国与日本和欧盟达成新的市场准入协议使得市场前景乐观(见右栏贸易新闻)。



美国农业部牛肉屠体价格指数 (特选级) : 2019 年 12 月 9 日 - \$223.64 美元/百磅 (较 2019 年 12 月 2 日减少 4%)

由于市场持续不确定性以及大量活猪进入市场，上周猪肉分切价格持平。有报导指，中国将免除对美国猪肉进口的某些惩罚性关税，这导致上周五期货价格上涨至两周以来高位。生产方面，美国农业部估计上周屠宰 279.9 万头活猪，创每周历史新高。尽管产量很高，上周除了前腿肉价格略有上涨和腹肋肉价格下跌，其他大分切价格维持不变。中国财政部于上周五宣布，其关税委员会正在「制定」一项关税排除计划；截至目前尚未有关该计划进一步的报导。由于美国活猪价格处于低位(每公斤活体重 0.75 美元)，且比上年同期水平高 14%，因此屠宰利润为每头 60 美元左右。10 月美国往中国的猪肉出口量为 5.5 万吨，超过当月至最大市场墨西哥的出口量，并推动 1 至 10 月美国猪肉出口总量与去年同比增长 5%(至 213 万吨)，比 2017 年 1 至 10 月时增长 6%。



Source: USDA/AMS, Boxed Cushion Out, FZN
猪屠体分切价格 : 2019 年 12 月 9 日 - \$81.98 美元/百磅 (较 2019 年 12 月 2 日减少 1%)

产业新知

Cargill 承诺在 2030 年将减少其供应链中每吨牛肉 30%的温室气体排放量，从而降低其所有农业生产活动的温室气体总排放量。这项工作包括与农民和牛肉农场合作以改善土壤健康和碳储量计划，其中一项新的举措为在农场中从以牛粪为基础的营养、纤维和能源中获取价值。

产业动态

美国私营企业标准，尤其来自沃尔玛公司和麦当劳等大型连锁企业，正推动政府规定以外新的动物福利倡议，例如美国农业部 61 年前提出的 Humane Methods of Livestock Slaughter Act。在 1998 年美国农业部对屠宰厂实施相关福利法规 30 年之后，餐饮业巨头麦当劳订立自家标准，要求其所有牛肉供应商必须通过动物福利审核。从那时起，业界便引入更多动物处理标准和程序，以改善整个供应链的作法；举例来说，2008 年动物权益非营利组织 Global Animal Partnership (GAP) 开始对企业动物福利行为进行认证，去年共超过 3,700 个农场和 4.16 亿动物获得 GAP 认证。GAP 的 5 步动物福利评级系统 (Animal Welfare Rating System) 为消费者提供有关动物肥育方式的信息，同时也鼓励生产者透过更多的模拟自然环境来提升其步进系统。一旦进行第三方审核并确定其 GAP 评级后，来自该认证生产来源的肉类产品便可能会贴上 GAP 认证的行销标签。在肉牛方面，GAP 系统不同层级除反映动物在放牧环境中被完全肥育的程度，也规范其他动物的饲养方式，包括断奶、阉割和运输时间。最高评级 GAP 5+ 表示该动物一生都在放牧环境下肥育(无置入肥育场)。最新的动物福利计划之一是由著名的动物福祉专家 Temple Grandin 所推出的 Responsible Cattle Care Program。Grandin 计划涉及对肉类屠宰设备的客观评分，包括负责照料和管理指标，例如动物跛行、清洁、伤害和内在健康的程度。该计划经 Food Safety Net Services (FSNS) 审核后已被位于德州的 Nolan Ryan Beef 所采用。除上述计划，美国主要的养牛和猪肉产业贸易协会也实施产品质量保证(PQA)计划，其中包括可认证的在养动物肥育指南。近来，美国最大的 4 煎牛肉屠宰厂已承诺在 2020 年 1 月 1 日之前遵守全国食用牛生产者协会(NCBA)的牛肉质量保证和运输(BQAT)认证计划。猪肉方面，国家猪肉委员会(National Pork Board)的猪肉质量保证(PQA-plus)计划对生产者肥育在养动物的方式进行评估，例如可居住空间、及时安乐死、空气温度和质量、以及任何虐待或忽视动物的行为证据。许多大型的猪肉屠宰商如 Hormel 仅在有 PQA+ 认证的农场购买猪只，并已连续 10 几年。超过 7.1 万间美国生产商已取得 PQA+ 认证，并且有 1.8 万个农场已通过 PQA+ 评估。

贸易新闻

尽管中国持续在有关全球肉类贸易的媒体报导中占据一席之地，在过去两周中，美国也在另外两个主要的市场准入取得里程碑。首先，日本议会于 12 月 4 日批准美日贸易协定，并将于 2020 年 1 月 1 日开始实施。一周前，欧盟也最终批准，授予美国 18.5 万吨专属欧洲进口优质牛肉配额的份额；美国的关税配额将在 7 年内增加至 3.5 万。与日本的协议将使得美国与其他主要牛肉和猪肉供应国处在相同水平，并将于明年第 1 天减少对价格敏感的美国肉类商品如牛胸腹肉和已调味猪绞肉微收进口关税。根据协议，明年美国牛肉和猪肉的出口额预计分别达到 23 亿美元和 17 亿美元，高于今年所预估的 19.2 亿美元和 15 亿美元(见左栏图表)。美国肉类出口协会预测到 2025 年，美国至日本的红肉出口额将接近 50 亿美元，其中牛肉约为 28 亿美元和猪肉约为 20 亿美元。该协议为红肉加工产品开拓新的商机，这些产品的关税将逐步降至零。截至 10 月，美国至日本的牛肉和猪肉出口总额为 28.96 亿美元，比去年同期减少 2.5 亿美元或下跌 8%。在欧洲，配额限制和贸易不确定性一直阻碍美国牛肉出口；截至 10 月，牛肉的出口额为 1.68 亿美元，同比下跌 14%。分析师预估新的欧盟关税配额将在明年年初实施。

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：2020 年 3 月 31 日-4 月 3 日
中国国际食品及饮料展 - 上海：2020 年 5 月 13-15 日
台北国际食品展 - 台湾：2020 年 6 月 17-20 日