



U.S. Meat Bulletin

December 24, 2019 Volume XI | Issue 12.4

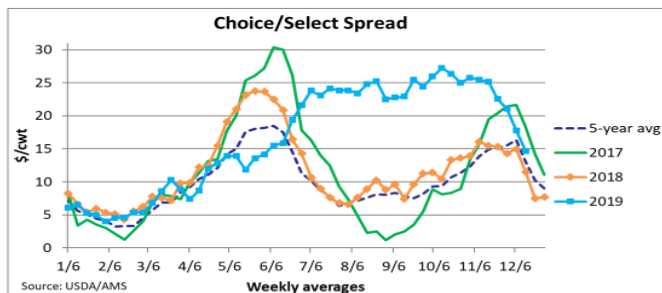
Editor's Note: The next edition of U.S. Meat Bulletin will be published January 7, 2020. We wish all our readers and their families a warm holiday season and a happy new year.

MOVING AHEAD

SUPPLY & DEMAND

The cutout dropped last week as meat wholesale markets weakened in advance of this week's Christmas holiday. Middle meats were under pressure as most wholesalers had already filled holiday restaurant and retail orders earlier in the month. Tightness in supplies of USDA SELECT grade beef saw average primal chuck, round and brisket values of this lower graded beef invert with USDA CHOICE values, a rare occurrence and a sharply changed situation from the counter-seasonal high spread of just several weeks ago. (see graph below & MOVING AHEAD next column). This week will see light boxed beef trading as families huddle around Christmas trees, open presents and feast on seasonal hams, turkeys, and beef roasts. Harvest facilities will begin their next full week of beef processing Jan 6. Analysts note that when Christmas falls on a Wednesday, followed by a mid-week New Year's holiday, the beef industry is usually only operating 2 to 3 days of the week. This will cause beef output to drop this week and next, which should set up for robust market conditions the 2nd week of January. U.S. beef exports are ending the year on a slightly weak note, with total muscle cut exports for 2019 through the week of Dec down -4% according to USDA's weekly export and sales report. Declining exports to HK have accounted for most of the volume loss, but there has been weakness in shipments to **Japan (-7%)**, **Canada (-18%)** and **Mexico (-1%)**. Interestingly, China, where U.S. beef has faced 47% duties throughout the year, are +134%, albeit off a low base (see TRADE next column).

The Choice/Select held over \$21/cwt from late June through November on strong demand for Choice beef; The Choice/Select spread is moving seasonally lower in December

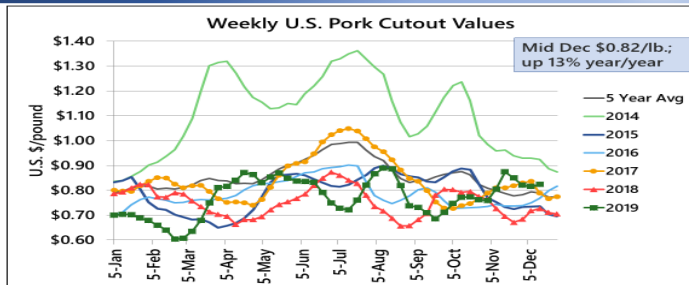


Source: USDA/AMS

Beef Choice Beef Cutout Value: 23/12/2019 - US\$211.57/cwt. (-3% from 16/12/2019)

Weak seasonal demand for hams and bellies, caused by scheduled plant down times over the holidays, caused the pork cutout to close 6% lower week-on-week last Friday. And despite big export numbers for the week ending Dec 12, the lack of clarity over the announced U.S.-China trade deal caused slight bearishness during last Friday's pork futures trading session. Weekly pork exports to both **China** and **Mexico** were large during the latest USDA reporting week. Volumes to China totaled over 15K tons (approximately 750 containers), while the 11.4 thousand tons exported to Mexico was the largest weekly volume since July 2015, apart from the large totals reported by USDA in their October export reporting catch-up.

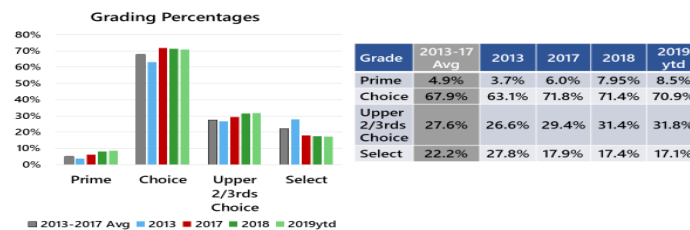
U.S. Pork Cutout



Hog Carcass Cutout Value: 23/12/2019 - US\$76.83/cwt. (-3% from 16/12/2019)

The U.S. beef industry is enjoying a strong seasonal finish to 2019, despite challenging conditions at the feedlot level earlier in the year. In the last 2 months, higher carcass weights have boosted beef production; after trending lower year-on-year for much of the first 3 quarters; average carcasses increased in size in October and November, and are now higher year over year. For example, peak steer carcass weights were 912 pounds during mid-November this year, heavier than the early November 2018 high of 904 pounds. Q4 feedlot conditions have been much better than early this year when cold and inclement weather led to poor feeding efficiencies, longer feed times, and reduced carcass weights. As we wrote in last week's Bulletin, the early-year conditions contributed to the lower output of beef that reached the USDA CHOICE grade, and despite higher (+0.8%) steer and heifer slaughter for the year. Lower choice supplies have resulted in a high CHOICE-SELECT spread that has remained wide well historical trends (see graph column 1). Interestingly, the percentage of higher graded beef has increased (see graph below), likely the result of slowly improving genetics plus demand by restaurants and retailers for more marbled product. Average primal beef prices peaked in mid-November when the composite CHOICE cutout reached \$240.66/cwt. At that point, SELECT was valued at \$215.52/cwt. The cutout has weakened on seasonal factors since that point but is still up from year ago levels.

Increase in Prime and Choice grading percentages since 2013



TRADE

Both the **China** and **U.S.** governments have announced the completion of an "enforceable" bilateral Phase One trade deal which include agreements on purchases of U.S. agricultural, energy and other goods, and commitments by China to undertake structural reforms in the areas of intellectual property, technology transfer, agricultural policies, financial services, and currency and foreign exchange practices. USTR's December 13 press release does not provide details on the terms of the new agreements, but general media is reporting that China has committed to make structural changes in its agricultural policies & regulations in addition to purchasing up to U.S. \$40 billion in agricultural products from the U.S. in each of the next 2 calendar years. Total U.S. agricultural exports to China last FY reached U.S. \$12.775 billion, with soybeans accounting for 39% of total value. That was down from \$25.9 billion (including \$3.26 billion in forestry & seafood products) in FY 2015. There have been reports that China may move toward adopting CODEX MRL standards for residue levels of synthetic hormones in beef. This would bring China into alignment with import rules with most other Asian markets, including **Japan**, **Korea**, **Hong Kong**, **Taiwan**, and most other SE Asian markets. Most importantly, such a rule change would make it easier to supply China with beef produced from most U.S. fed cattle production. China's current zero tolerance on synthetic hormone residues and unique traceability requirements have limited the pool of eligible cattle that are processed into beef for China. As a result, last fiscal year (October 2018 - Sept 2019), U.S. beef exports to China totaled U.S. \$71.5 million, while those to Hong Kong reached \$810 million. U.S. agricultural exports to China have been crimped by punitive import duties, including 72% on pork and 47% on beef. Industry analysts have noted that China's ability to import vastly higher amounts of U.S. agricultural products will depend on prevailing duty rates. What remains unclear is what - if any - duties will be rolled back to allow U.S. products to be able to compete on a level playing field with those of its competitors. USTR's Dec 13 press release stated that the U.S. will be maintaining 25% tariffs on \$250 billion of Chinese imports, along with 7.5% tariffs on approximately \$120 billion of Chinese imports. Final details of the agreement text are unlikely to be available until the early Jan signing of the agreement, reportedly in Wash DC, which will follow the current ongoing review and translation of the complete agreement texts by both sides' legal teams.

ACTIVITIES:

Food & Hotel Asia, Singapore: March 31 - April 3, 2020
SIAL, Shanghai: May 13-15, 2020
Food Taipei, Taiwan: June 17-20, 2020



美国肉品新知

2019年12月24日 第十一卷 12.4

编者注:下一期的美国肉品新知将于 2020 年 1 月 7 日出刊,我们预祝所有读者及其家人有一个温暖的假期,新年快乐。

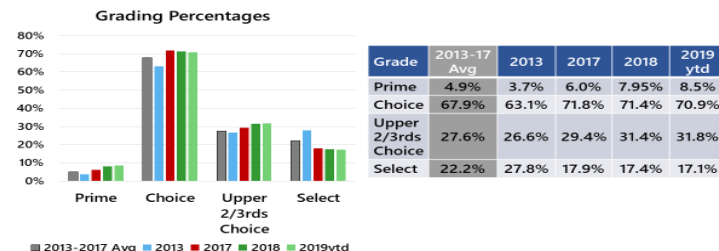
产业动态

尽管今年初有些育肥场面临艰困情况,美国牛肉业仍在 2019 年末保持强劲的季节性增长。在过去两个月中,较高的屠体重量提升了牛肉的产量,在前三季多数时间呈现同比下降走势后,10 月和 11 月的平均屠体尺寸增加,且较去年同期上升。例如,今年 11 月中旬的小公牛屠体重量高点为 912 磅,较 2018 年 11 月初的 904 磅高。今年第四季的育肥场条件要比今年初好很多,年初碰上寒冷恶劣的天气,导致育肥效率低落、育肥时间延长、屠体重量降低。正如上周的美国肉品新知提到,尽管今年的小公牛与小母牛屠宰量较高(+0.8%),但年初的状况导致达到 USDA CHOICE 级的牛肉产量下降。较低的 CHOICE 级供应导致较高的 CHOICE-SELECT 价差,并持续保持较宽的历史趋势(见图一)。有趣的是,高等级牛肉百分比有所增加(见下图),这可能因为缓慢的基因改良以及餐厅与零售对大理石油花产品的需求。大分切牛肉平均价格在 11 月中旬达到高点,当时 CHOICE 综合分切价格达到 US\$240.66/cwt。当时,SELECT 的价格为 US\$215.52/cwt,此後受季节因素影响,分切价格有所减弱,但仍较一年前水平有所上升。

供应与需求

由於肉类批发价格在本周圣诞假期前走弱,上周牛肉分切价格下跌。由於多数批发商已在本月初完成假期期间的餐厅与零售订单,排类商品面临压力。USDA SELECT 等级牛肉供应紧张,使该等级的大分切肩胛部、後腿部、前胸肉平均价格与 USDA CHOICE 等级的情况颠倒。这种情况极少发生,且与前几周的反季节高点差额相比发生了急遽变化(见下图&产业动态栏)。随着家家户户团聚於圣诞树旁拆礼物、享用节日氛围的火腿、火鸡、烤牛肉,本周可观察到些许箱装牛肉交易。屠宰设施将于 1 月 6 日开始进行下个整周的牛肉加工。分析师指出,圣诞节是在星期三,随后是位於周间的新年假期,牛肉产业通常只在一周营业 2 至 3 天。这将导致本周和下周的牛肉产量下降,应该会令 1 月第二周的牛肉市场价格强劲。根据美国农业部的每周出口和销售报告,美国牛肉出口在今年底略有疲软,2019 年截至 12 月的肌肉分切总出口下降 4%。对香港的出口下降是造成出口量下降的主因,然对日本(-7%)、加拿大(-18%)、墨西哥(-1%)的出口也始终疲软。有趣的是,尽管基点较低,但中国全年对美国牛肉徵收的关税为 47%,增长 134% (详见贸易新闻栏)。

Increase in Prime and Choice grading percentages since 2013

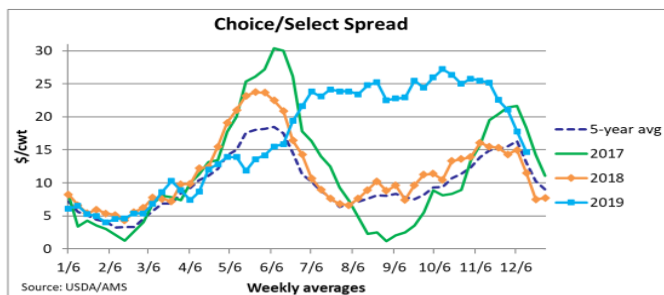


Source: USDA/AMS

贸易新闻

中国与美国政府已宣布完成一项“可强制执行”的双边第一阶段贸易协议,其中包含关于采购美国农业、能源和其他商品的协议,以及中国承诺在知识产权、技术转移、农业政策、金融服务及货币和外汇措施进行结构性改革。美国贸易代表署 12 月 13 日的新闻稿并未提供关于新协议条款的详细信息,但一般媒体报导宣称,在未来的两年中,中国承诺除了向美国农业部购买多达 400 亿美元的农产品外,还将针对农业政策与法规进行结构性调整。上一财务年度,美国对中国的农产品出口总额达到 127.75 亿美元,其中大豆占总值的 39%。与 2015 财务年度的 259 亿美元(包括 32.6 亿美元的林业与海鲜商品)相比有所下降。有报导称,中国可能会朝着采用 CODEX MRL 标准的牛肉中合成生长激素残留标准迈进。这将使中国与多数亚洲市场,如日本、韩国、香港、台湾和大多数其他东南亚市场保持一致的进口规则。最重要的是,该规则变更将使多数美国育肥牛肉产品更容易供应至中国。中国目前对合成生长激素残留的零容忍和独特的溯源要求限制了符合出口至中国资格的牛只数量。因此,上一财务年度(2018 年 10 月至 2019 年 9 月),中国对美国的牛肉出口总额为 7150 万美元,而对香港的牛肉出口总额则为 8.1 亿美元。美国对中国的农产品出口受惩罚性进口关税的压制,其中包含 72%针对猪肉与 47%针对牛肉。业界分析师指出,中国进口大量美国农产品的能力将取决于现行关税税率。目前尚不清楚—若真有其事—将会针对哪些产品的关税调降,并使美国产品能够与其他竞争对手的产品在同一公平的环境竞争。美国贸易代表署 12 月 13 日的新闻稿表示,美国将对 2500 亿美元的中国进口商品维持 25%关税,以及对约 1200 亿美元的中国进口商品徵收 7.5%关税。协议文本的最终细节要到 1 月初签署该协议(据报导将在华盛顿特区)後才能提供,该协议将遵循双方法律团队目前正在进行的审查与翻译。

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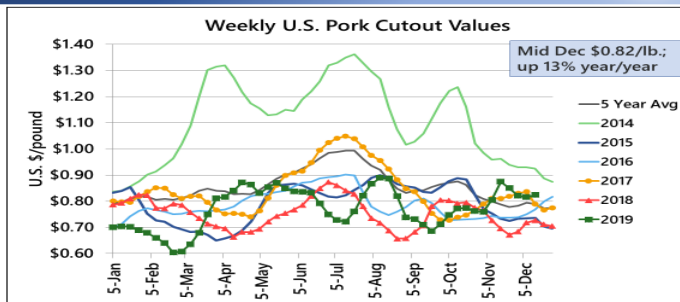


Source: USDA/AMS

美国农业部牛肉屠体价格指数 (特选级): 2019 年 12 月 23 日 - \$211.57 美元/百磅 (较 2019 年 12 月 16 日减少 3%)

假期间预定的屠宰场停产导致猪後腿肉与猪腹肋肉的季节性需求疲软,因此猪肉分切价格在上周五下降 6%。尽管截至 12 月 12 日当周的出口量很大,但由於美中贸易的公布协议缺乏明确性,上周五的猪肉期货交易时段还是出现一些看跌情绪。最近的美国农业部每周报告显示,每周向中国和墨西哥的猪肉出口量很大。对中国的总出口量超过 1.5 万吨(约 750 个货柜),而对墨西哥的总出口量为 1.14 万吨,是除了美国农业部在 10 月出口报告中提到的大量总追赶量以外,自 2015 年 7 月以来的最大周出口量。

U.S. Pork Cutout



猪屠体分切价格: 2019 年 12 月 23 日 - \$76.83 美元/百磅 (较 2019 年 12 月 16 日减少 3%)

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