



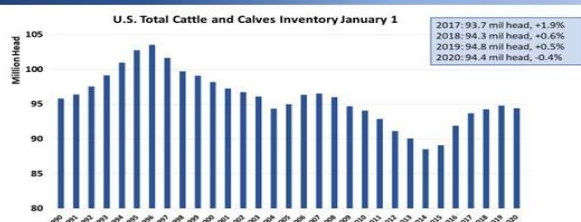
U.S. Meat Bulletin

Feb 4, 2020 Volume XII | Issue 2.1

SUPPLY & DEMAND

Fear about the global impact of the coronavirus on meat demand caused both wholesale beef prices and cattle futures markets to drift lower last week. In recent years, beef prices have moved south or at best sideways during the 1st 6-8 weeks of the year before spring demand started to pull up the cutout. In the meantime, this year began with a high number of cattle on feed and thus short-term market pressure. USDA reported that January 1, 2020 cattle in feedlots of 11.958M head was **2.3%** higher from a year earlier. Analysts knew that December feedlot placements were one of the highest on record, but optimism remained over demand as beef packers pulled in **6.3%** more cattle into plants during the month as the rate of female slaughter accelerated (see MOVING AHEAD next column). That said, feeding conditions have been excellent, adding pounds to each head harvested, and putting more pressure on the market to move supplies. Last week, average slaughter weights were 16 pounds above year-earlier levels. Exports were excellent during the 1st 3 reporting periods of this year, with beef shipments to **Japan, Korea, HK & Vietnam, and Taiwan**, through Jan 23 all up over **50%** from the same period a year-ago. But it is far too early to predict exports moving forward, especially given the big unknowns of the impact of the coronavirus. China is a very small component of the USA's export portfolio, purchasing less than 1% of total beef exports last year. But hopes have been high about new beef market access granted under the phase 1 trade deal. Although it is too early to gauge coronavirus-related market impacts, overall Chinese demand should considerably weaken simply from the sharp and steep decline in restaurant traffic (see TRADE next column).

U.S. cattle inventory contracts slightly

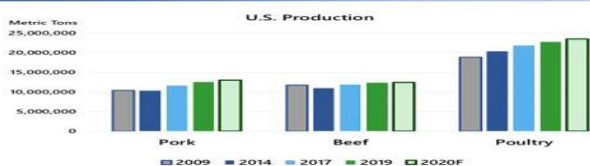


Source: USDA/NASS

Beef Choice Beef Cutout Value: 3/2/2020 - US\$211.56/cwt. (-1% from 17/1/2020)

After 2 weeks of gains, the pork cutout value closed last Friday down week-on-week. Last week's close of U.S. \$0.73/lb was above year-ago levels but almost on par with the cutout value of this Jan 1. Average butt and ham values both fell by over **10%** last week as fears over reduced **China** demand due to the coronavirus hit market sentiment. Hog futures tanked as well last week, but were up yesterday (Monday) in tandem with rises in U.S. equity markets. China has arguably been the most important market for U.S. pork exporters in recent months, with weekly USDA data on pork muscle cut shipments showing the mainland accounted for 40% of shipments during the 1st 3 weeks of this year. Outstanding pork sales (sold but not yet shipped) for China now total 251,708 tons for 2020 delivery, with accumulated exports to China reaching 52,046 tons during the January 1 - January 23, 2020 period. Pressure will be on throughout this year to move more pork offshore. Final 2019 USDA production numbers show last year's total pork production totaled 12.54 million tons, **+5%** from 2018 output and **+8%** from that of 2017. USDA is forecasting another sizeable increase in pork output this year of **+3.6%**, but as significantly, is forecasting a large increase in poultry production of **+3.3%** to 23.52 million tons (see GRAPH below).

Record U.S. production of poultry, pork, and beef in 2020



Source: USDA/NASS, carcass weight, does not include variety meats

Hog Carcass Cutout Value: 3/2/2020 - US\$69.84/cwt. (-7% from 17/1/2020)

ACTIVITIES:

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

SIAL, Shanghai: May 13-15, 2020

Food Taipei, Taiwan: June 17-20, 2020

MOVING AHEAD

Just published USDA data now allows us to get a full picture of the dynamics of last year's U.S. cattle & beef markets. Overall, the total U.S. cattle herd contracted **0.4%** in 2019, with all cattle and calves in the U.S. January 1, 2020 totaling **94.4 million head**, compared to the 94.8 million on January 1, 2019. The U.S. breeding herd also shrank; this Jan 1, all cows and heifers that had calved totaled 40.7 million head, down **1%** from the 41 million on January 1, 2019. Beef cow numbers on Jan 1, 2020 were 31.3 million head, down **1%**, with milk cows also falling slightly to 9.33 million head at the beginning of this year. An erosion in cow/calf profitability led to last year's slight contraction in cow numbers. In addition, slaughter capacity was somewhat constricted – especially after the August, 2019 packing plant fire – which helped packers maintain pricing leverage against cattle feeders. As a result, average live cattle prices remained steady overall year-on-year, while wholesale beef prices during 2019 – on average – increased from 2018. On the processing side, total commercial cattle slaughter last year rose just **0.55%** to 33.55 million head, with an increase in female slaughter accounting for all the growth. Total 2019 fed heifer and cow slaughter reached 16.23 million head, an increase of **5.7%**. Steer slaughter decreased **2%** to 16.298 million head. At the beginning of last year, analysts expected harvest levels, and beef production, to increase by 2-3%, but the higher proportion of females in the slaughter mix ultimately resulted in lower final beef production numbers; total U.S. beef output last year reached 12.315 million tons, just **0.28% above** the level of 2018. Total slaughter and beef production numbers appear in the table below. As mentioned in column 1, Jan 1, 2020 cattle on feed numbers were up **2+%** year-on-year indicating the pipeline of cattle into plants in the next few months should be abundant, but then supplies could tighten as the national cattle herd continues to move into a contraction phase.

US Beef & Pork Production

	2017	2018	2019	2019 vs 2018
Total cattle slaughter (million head)	32.19	33.00	33.55	+1.7%
Total beef production (million tons)	11.66	12.19	12.32	+1.0%
Total commercial hog slaughter (million head)	121.32	124.44	129.91	+4.4%
Total pork production (million tons)	11.60	11.94	12.54	+5.0%

TRADE

USMEF staff in our HK and China offices are working from home this week as the number of coronavirus (2019-nCoV) cases escalates. This week should have seen the traditional large-scale re-opening of many businesses and economic activity on the mainland after the lunar new year, but lockdowns and self-imposed at-home quarantining will see much of the PRC population off the streets. It is still too early to estimate the impact of the 2019-nCoV on China's meat markets. Import and customs clearance activity slows during the 2-week CNY, while many restaurants close as families stock up on foodstuffs from retail markets before New Year's eve (Jan 24). But establishments that did open during the New Year found little traffic as the populace hunkered down at home. International media have reported on restaurant closings by major operators such as **McDonald's** and **Starbucks** but the entire catering sector (hotel, restaurant & institutional), the world's 2nd largest with an estimated U.S. \$ 650+ billion in receipts last year, has been pummeled by plummeting customer numbers. A report late last week by the **Evergrande (Hengda) Research Institute** estimated that the virus likely resulted in U.S. \$70 billion in losses to China's foodservice industry during the principal 7 days of the CNY. As the virus case load increases, more restaurant closures are expected. Hotel business is evaporating as travel restrictions curtail travel. During health emergencies and home quarantining, food retailing usually thrives, but it is doubtful that home consumption can make up for the loss in foodservice sales. This is especially true for beef, where away-from-home consumption such as that at hot pot and Korean BBQ restaurants is a high proportion of China's total intake. How the sharp slowdown in foodservice sales will impact the imported meat supply chain remains to be seen. Newly released Chinese data show that total Dec 2019 meat & poultry imports hit a record monthly high of just under 697 K tons. A government statement last Saturday said that meat imports during the 1st 2 weeks of Jan were also high, and that imported stocks were abundant. Meat wholesalers will return to work this week, during which indicators will become available of overall meat supply & demand at the wholesale level. But signs are that constrained demand and logistical challenges will work against the meat market regaining its vibrancy soon.



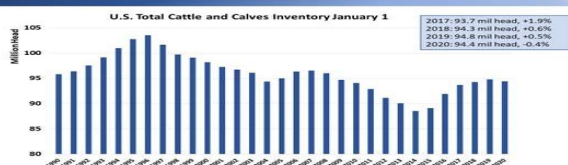
美国肉品新知

2020年2月4日 第十二卷 2.1期

供应与需求

市场对全球新型冠状病毒对肉类需求的影响感到担忧导致上周牛肉批发价格和牛只期货价格走低。近年来，在春季需求开始推动分切价格之前，每年初的第6至8周牛肉价格通常走低或持平。与此同时，今年初时有大量的牛只在养头数，造成短期市场压力很大。美国农业部报告称，2020年1月1日牛只在养头数为1958.8万头，与去年同期相比增加2.3%。分析家表示12月置入肥育场的牛只头数是有纪录以来最高，但随随着雌性牛只屠宰率提升，牛肉屠宰商於本月引进多6.3%的牛只至屠宰厂，市场乐观情绪仍然高涨(见右栏产业新知)。牛只肥育条件良好，每头牛只的牛肉产量增加，这位市场带来更大的压力以转移供应。上周屠体平均重量比去年同期高出16磅。今年前3个报告期内，出口表现良好；截至1月23日，至日本、韩国、香港、越南和台湾的牛肉出口比去年同期增长50%以上。但目前要预测出口增长还为时过早，尤其新型冠状病毒所带来的影响仍是未知数。中国仅占美国出口很小一部分，去年其采购的牛肉量占不到美国牛肉总出口的1%；但在新的第一阶段贸易协议下市场对牛肉准入的希望很高。尽管目前仍无法衡量与新型冠状病毒相关的市场影响，仅因餐厅客流量急速下跌，中国的总体需求应会大大减低(见右栏贸易新闻)。

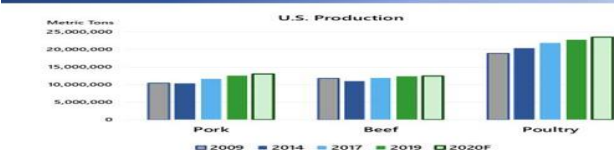
U.S. cattle inventory contracts slightly



美国农业部牛肉屠体价格指数 (特选级)：2020年2月3日 - \$211.56 美元/百磅 (较2020年1月17日减少1%)

继连续两周上涨后，上周五猪肉分切价格周环比收低。上周收盘价格为每磅0.73美元，高于去年同期水平，但几乎与1月1日时的分切价格持平。由于对新型冠状病毒打击中国市场导致其需求减少的担忧，上周梅花肉和后腿肉平均价格下跌10%以上。上周活猪期货价格也下跌，但随着美国股市上涨，昨日(星期一)其价格上涨。对于美国猪肉出口商来说，近几个月来中国一直是最重要的市场；美国农业部(USDA)每周公布的猪肉分切出口数据显示，今年前1至3周，中国占其出口总量的40%。今年至中国的猪肉销售(已售出但尚未出口)出色，目前总计达251,708吨，而在2020年1月1日至1月23日期间，至中国的猪肉出口量累计达到52,046吨。今年将有更多的猪肉向海外转移的压力。USDA 2019年最终产量数据显示，去年猪肉总产量为1,254万吨，比2018年增长5%，比2017年增长8%。USDA预测今年猪肉产量将再增长3.6%；值得注意的是，禽肉产量也将大幅增长3.3%至2,352万吨(见下图)。

Record U.S. production of poultry, pork, and beef in 2020



猪屠体分切价格：2020年2月3日 - \$69.84 美元/百磅 (较2020年1月17日减少7%)

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

产业新知

美国农业部最新发布的数据使我们能够全面地了解去年美国牛只和牛肉市场动态。总体而言，2019年美国牛群总数收缩0.4%；2020年1月1日美国所有牛只和仔牛头数为9,440万头，而2019年1月1日则为9,480万头。美国繁殖用牛群头数也有所减少。今年1月1日，母牛和小母牛总头数为4,070万头，与2019年1月1日时的4,100万头水平相比减少1%。2020年1月1日肉母牛头数为3,130万头，减少1%；乳母牛头数也略微减少，为933万头。母牛/仔牛利润降低导致去年母牛头数略有减少。此外，屠宰产能收缩，尤其在2019年9月屠宰场大火之后，使屠宰商得以维持与牛只肥育者之间交易的定价杠杆。最终活牛平均价格同比持平，而2019年牛肉批发价格相较2018年也有所上涨。屠宰方面，商用牛只屠宰总量仅增长0.55%，达到3,355万头，其中雌性牛只屠宰增长占了所有的成长比。去年已肥育小母牛和母牛屠宰总量达到1,623万头，增长5.7%。小公牛屠宰量减少2%至1,629.8万头。去年年初分析家们预计屠宰量和牛肉产量将成长2至3%，但由于混合屠宰中雌性牛只占比较高，导致最终牛肉产量减少；去年美国牛肉总产量达到1231.5万吨，仅比2018年增长0.28%。下表列出屠宰量和牛肉总产量。如第1句中所述，2020年1月1日牛只在养头数同比增长2%以上，这表明未来几个月内置入肥育场的牛只头数应该足够，而随后随着全国种牛群持续进入缩减阶段，供应可能会趋紧。

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贸易新闻

随着新型冠状病毒(2019-nCoV)病例数量增加，美国肉类出口协会香港和中国办事处的员工本周在家办公。农历新年之后，本周应该可以看到大陆有许多大规模的传统企业重新开放和经济活动，但是封锁和自我在家隔离的措施将使很多中国人流落街头。估计2019-nCoV对中国肉类市场的影响还为时过早。在为期两周的农历新年期间，肉品进口和清关活动有所放缓；而因家庭在除夕(1月24日)前从零售市场购买食品，许多餐厅关门。新年期间营业的场所几乎没有人流，大多民众选择留在家中。国际媒体报导几个主要的运营商如麦当劳(McDonald's)和星巴克(Starbucks)等关闭其餐厅，以及全国整个餐饮业(酒店、餐厅和福利机构)因消费者数量暴跌而受到重创；该餐饮业规模为全球第二大，去年总营收估计超过650亿美元。根据恒大研究院于上周末发布的一份报告：估计在农历新年主要的7天假期内，该病毒可能对中国餐饮服务业造成700亿美元的损失。随着病毒确诊案例增加，预计将会有更多的餐厅倒闭。由于旅游限制，酒店营收也正蒸发。突发的公共卫生事件和居家隔离措施通常会促进零售食品销售，但人们怀疑这样的家庭消费是否能够补足餐饮业的损失。这尤其适用在牛肉方面，牛肉在外食消费如火锅和韩式烧烤餐厅的消费量占中国总消费量中很高的比例。餐饮销售受急遽放缓将如何影响肉类供应链仍尚待观察。中国最新发布的数据显示：2019年12月肉类和家禽的总进口量创立历史新高，仅略低于69.7万吨。上周六政府发表声明：1月前两周的肉类进口量也很高，进口库存充足。肉类批发商将于本周恢复工作，在此期间批发层面肉品总体供需指标也将可用。但是有迹象表明，需求受限和物流挑战皆不利肉类市场在短时间内恢复运作。