



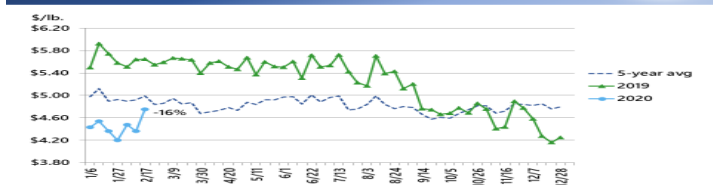
U.S. Meat Bulletin

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SUPPLY & DEMAND

Wholesale beef primal values moved lower again last week due to continued coronavirus concerns (and despite the fact the U.S. exports very little beef to China) plus weak seasonal demand. Cattle futures also drifted lower through last week, but found a bit of momentum last Friday with reports of a new CoVID-19 vaccine breakthrough. Fear of the widening CoVID-19 outbreak is creating negative psychological pressure around cattle and beef markets but overall analysts are in agreement that bullish U.S. cattle market fundamentals remain. To be sure, fed cattle supplies are at a cyclical peak, and slaughter weights far higher than year-ago levels, but the expansion phase of the U.S. cattle cycle is ending. Feeding conditions have definitely been a positive to supplies, and packing plants have been processing animals at an aggressive pace so analysts don't view the current supply of market-ready cattle as excessively burdensome. Year to date beef production as of the end of last week was up 0.7% from last year, with slaughter down 0.3%. With the decline in futures prices – the June futures contract closed last Friday -6% from a month earlier – some see a buying opportunity, noting that the Spring demand surge is just a few weeks away. This week will see lower slaughter numbers due to yesterday's holiday. The impact of the coronavirus on Asian beef demand is still too early to gauge, although MEF is hearing of large drops in foodservice traffic & revenues in **Japan, Korea, Taiwan, Hong Kong, Singapore**, and of course **China**. U.S. beef exports during the week ending Feb 6 were down slightly week-on-week and were mixed to Asia with large shipments to Japan being somewhat offset by lower shipments to Korea, Taiwan and **HK**. But through the end of the week of Feb 6, U.S. beef muscle cuts exports were up 48% year-on-year.

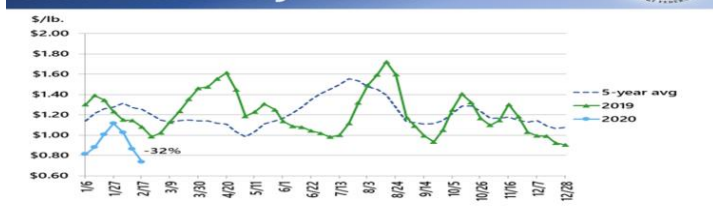
Choice Bone-in Short Ribs



Source: USDA/AMS
Beef Choice Beef Cutout Value: 14/2/2020 - US\$207.26/cwt. (<-1% from 10/2/2020)

The pork cutout closed last Friday at just under U.S. \$0.63/lb., down 4.5% week-on-week as concerns lingered about the impact the coronavirus may be having on U.S. pork export movements to **China**. The April lean hog futures contract closed -13% from month ago levels. Through the week of Feb 6 China was the largest export market for U.S. pork exports, accounting for 37% of total exported volume of muscle cuts since the beginning of the year. Although not a popular export item, lower belly values have led the cutout's decline. At approximately U.S. \$0.74/lb., the belly primal value is at its lowest value since May 2015. Other primals closed higher last week than their year-ago level, including picnics +36% and hams +26%. Year-to-date U.S. pork production is up 3.7% from last year, with slaughter up 3.1%. Contrary to earlier expectations, China's ports were unable to get even close to restoring normal operating conditions last week as quarantine & travel restrictions constrained the return to work of drivers and stevedores. Over last weekend and in response to high live hog and fresh pork prices, China's leadership announced new policy efforts to revive live hog, pork and other agricultural product supply chains - including those for imported products - that have been hit by nationwide transport bottlenecks.

U.S. Pork Belly Primal



Source: USDA/AMS
Hog Carcass Cutout Value: 14/2/2020 - US\$62.75/cwt. (-3% from 10/2/2020)

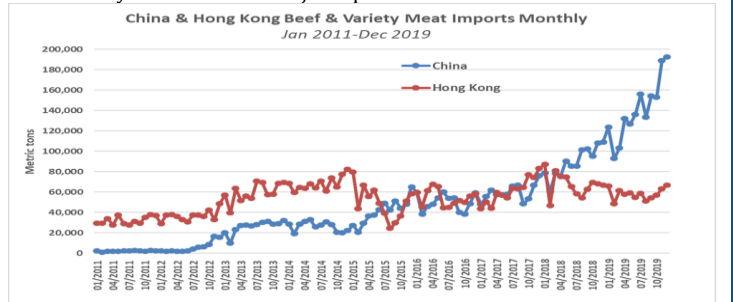
ACTIVITIES:
 Food & Hotel Asia, Singapore: March 31 - April 3, 2020
 SIAL, Shanghai: May 13-15, 2020
 Food Taipei, Taiwan: June 17-20, 2020

MOVING AHEAD

In the past, beef produced from dairy animals such as Holsteins faced considerable bias along the supply chain. Packing plants tried to avoid processing fed Holsteins because of their large size and the tendency of the breed to develop liver problems which complicated slaughter floor operations. Over the last 2 years however, enthusiasm has grown from producers to chefs for beef derived from so-called beef-on-dairy (Bod) calves. Early programs started by crossing Angus bulls with Holstein cows, but experimentation widened and breeders have found recent success with Limousine bulls being bred to Jersey cows, and Angus-Simmental bull crosses bred to Holstein cows. The goal is to optimize live animal muscle definition and conformation while attaining high beef marbling and carcass yield scores, while not sacrificing performance in feedlots. Experts state that beef-on-dairy calf programs must be carefully managed, and experience suggests that before entering conventional feedlots, Bod cattle should ideally be placed in grow yards for 5-6 months and fed a forage-rich diet. In addition, the health management of very young calves is critical to how they perform on feed at a later stage. After 7-8 months in conventional feed yards, breeders have found Bod cattle are able to finish out at 1,300-1,400 pounds with over 80% of the animals grading USDA CHOICE. The new production regimes have developed from the consolidation and increasing competitiveness in the dairy industry. As dairies have increased in size, the percentage of females retained in the herds for replacement milking animals has dropped, opening up a new supply of heifer calves. To be sure, beef derived from Bod 2.0 breeding programs is still small, but **Rabobank** projects that just under 3.5 million Holstein and Jersey dairy calves may be available from the approximate 9.5 million head U.S. dairy cow population. If channeled into Bod production, this number of dairy calves would represent 13% of the total fed beef supply. And because genetic variability in the U.S. dairy herd is narrow, carefully managed Bod production regimes can yield pens of consistently-sized and uniformly shaped animals, which is desirable to harvest plants. In addition, most U.S. dairy cattle can be source and age verified, an attractive attribute for those making traceability claims.

TRADE

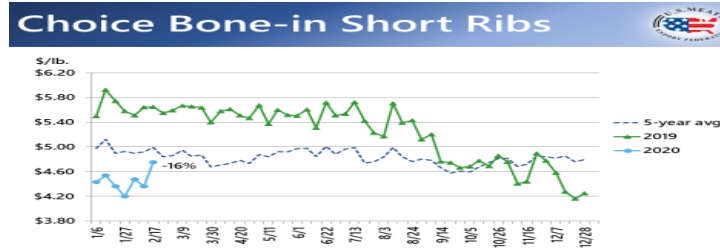
Last Friday Feb 14, the U.S.-China phase 1 trade deal went into effect, which starts the clock on a 30-day period after which China should expand access for U.S. beef to cattle of all ages, officially recognize the current U.S. cattle traceability system, and adopt maximum residue levels for select synthetic growth promoting hormones. Within this period, China should also update its approved U.S. meat & poultry plant list and begin to implement an expedited system for making new-to-market plants import eligible. The new terms will be considered implemented when USDA's FSIS updates its Export Library (<https://www.fsis.usda.gov/wps/portal/fsis/topics/international-affairs/exporting-products>) reflecting the new access conditions. As of today, there is no further news on how China's COVID-19 crisis may impact the trade deal calendar, but there will be challenges to quickly ramping up U.S. beef export volumes due to logistical & other commercial bottlenecks. That said, the U.S. cattle & beef industry was already aware that the China market for U.S. beef would develop slowly. Even though China reduced U.S. beef import duties by 5% to 42% effective Feb 14, the U.S. still faces a large duty handicap compared to other suppliers. But the market is large and growing more diversified. Full year 2019 data shows China's beef & variety meat imports reached a record 1.69 million tons last year, registering +58% growth. Hong Kong beef imports dropped -13% to 705.5 thousand tons, but combined total PRC/HK beef imports grew +24% to 2.4 million tons, with inbound shipments accelerating toward the end of last year (see graph below). **Brazil** is the largest supplier to both China (399,642 tons +24%) and HK (413,300 tons, -12%). **Argentina** saw the strongest growth to China (375,581 tons, +108%) but imports from **Australia** (314,208 tons, +76%), **NZ** (221,354 tons, +91%), and **Uruguay** (297,592 tons +29%) were all larger. China was the largest market last year for all these major exporters.





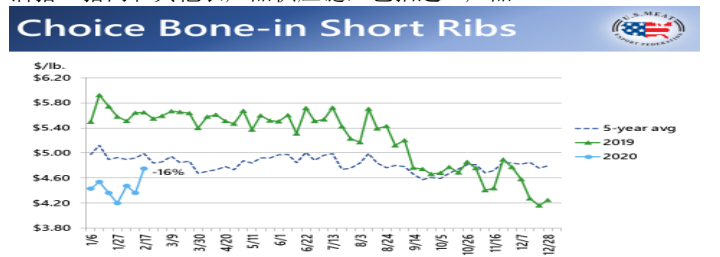
供应与需求

由於市场对新型冠状病毒(CoVID-19)持续担忧(尽管美国出口至中国的量很少加上季节性需求疲软),上周批发牛肉价格再次走低。牛只期货价格於上周也持续走低,但上周五有关新的 CoVID-19 疫苗突破报导为其带来一些动力。对 CoVID-19 疫情扩大的担忧正为牛只和牛肉市场带来负面的心理压力,但总体而言,分析家一致认为看涨的美国牛市基础仍然存在。能够肯定的是已肥育牛只供应处于周期性高峰,屠宰量远高于去年同期水平,但美国牛只周期扩张阶段已经结束。肥育条件对供应绝对有利,屠宰场也持续积极屠宰动物,因此分析人员并不认为目前可供屠宰牛只的供应为过重的负担。截至上周末,年初至今的牛肉产量比去年**增长 0.7%**,屠宰量**减少 0.3%**。上周五 6 月期货收盘价格较 1 个月前**下跌 6%**;随着期货价格下跌,一些人看到了买入机会,并指出春季需求激增仅几周之遥。由於昨日的假期(2 月第 3 个星期一为总统日),本周屠宰量将减少。尽管美国肉类出口协会收到**日本、韩国、台湾、香港、新加坡和中国**出现餐饮业客流量和营收大幅下跌的消息,但 CoVID-19 对亚洲牛肉需求的影响还言之过早。截至 2 月 6 日当周,美国牛肉出口周环比略有减少,而在亚洲地区的出口涨跌不一,至日本的大量出口与至韩国、台湾和**香港**较低的出口量相互抵销。但在 2 月 6 日当周结束时,美国牛肉分切出口量同比增长**48%**。



Source: USDA/AMS
美国农业部牛肉屠体价格指数 (特选级): 2020 年 2 月 14 日 - \$207.26 美元/百磅 (较 2020 年 2 月 10 日减少小於 1%)

由於市场对冠状病毒可能对美国至中国的猪肉出口产生影响感到持续担忧,上周五猪肉分切价格收於每磅 **0.63 美元**以下,周环比**下跌 4.5%**。4 月瘦肉猪期货收盘价格较月前水平**下跌 13%**。截至 2 月 6 日当周,中国是美国最大的猪肉出口市场;年初迄今,估计美国至中国的猪肉出口量占其出口总量的 **37%**。尽管猪腹肋肉并不是受欢迎的出口商品,其较低的价格导致猪肉分切价格下跌。腹肋肉原始价格约为每磅 **0.74 美元**,是自 **2015 年 5 月**以来最低水平。上周其他大分切收盘价格高於去年同期水平,包括前腿肉价格**上涨 36%**及後腿肉价格**上涨 26%**。年初至今,美国猪肉产量比去年**增长 3.7%**,屠宰量**增长 3.1%**。和先前的预测相反,由於检疫规定和旅行限制影响驾驶员和货船卸装工人重返工作,上周中国港口无法恢复正常运营状态。於上周末,为因应活猪和生鲜猪肉高昂的价格,中国领导人宣布新的措施以振兴因全国交通瓶颈而受到严重打击的活猪、猪肉和其他农产品供应链,包括进口产品。



Source: USDA/AMS
猪屠体分切价格: 2020 年 2 月 14 日 - \$62.75 美元/百磅 (较 2020 年 2 月 10 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

产业动态

以往供应链中来自乳牛如霍尔斯坦牛(Holsteins)的牛肉得到生产者极大偏好。屠宰商试图避免屠宰已肥育霍尔斯坦牛,因为此品种的体型较大且容易有肝脏问题,导致屠宰场作业变得复杂。然而在过去两年,生产者对所谓乳牛犊(Bod)牛肉的热情扩展至厨师上。早期计划始於将安格斯牛肉和霍尔斯坦牛交配,但实验持续扩张:肉牛育种业者最近成功将利木赞牛(Limousine)和娟珊牛(Jersey),以及安格斯-西门特牛(Angus-Simmental)和霍尔斯坦牛相互交配。此作法目的在於优化牛肉肌肉和型态,同时也能在不牺牲肥育场产能的情况下获得更富量的大理石纹和更高的精肉率等级。专家指 Bod 计划必须经严格管理,并建议牛只进入肥育场之前应理想地在生长场中育成 5 至 6 个月和饲喂丰富的草料。對於非常幼小的仔牛来说,健康管理對於它们在後期的在养表现至关重要。在一般肥育场肥育 7 至 8 个月後,肥育业者发现: Bod 牛只的活体重量可达到 **1,300 至 1,400 磅**,超过 **80%**的牛只可被评为美国农业部特选级。乳业的整合和日益提升的竞争力已经发展出新的生产制度。随着乳牛场的规模扩大,保留在牛群中用於替代挤奶动物的雌性百分比减少,从而开辟新的小母牛供应渠道。可以肯定的是,从 Bod 2.0 育种计划取得的牛肉仍然很少量,但 Rabobank 预测大约 **950 万头**美国乳牛种群中可能仅不到 **350 万头**为霍尔斯坦仔牛和娟珊仔牛。若透过 Bod 育种计划,乳牛犊数量将占已肥育牛肉总供应量的 **13%**。而且美国乳牛场中的牛只基因变异性很小,因此经谨慎管理的 Bod 生产制度将可以产出一栏大小且型态一致的动物,这對於屠宰商而言是非常理想的。此外,大多数美国乳牛都可以进行来源和年龄查证,这對於提出产品可追溯性的人来说极具吸引力。

贸易新闻

开始计时 30 天後,於 2 月 14 日星期五中美第一阶段贸易协议生效:中国应扩张准入所有年龄的美国牛肉供应,并正式承认当前的美国牛肉可追溯系统,以及对综合生长激素采用最大残留容许量。在此期间,中国也应更新其美国肉类和禽肉屠宰场准入名单,并开始实施加速系统以确保新准入的工厂具有进口资格。当美国农业部食品安全和检验署更新其出口资料库以显示新的准入条件时(<https://www.fsis.usda.gov/wps/portal/ffsis/topics/international-affairs/exporting-products>),新的协议条款将被视为实施中。截至今天,目前尚无关於中国 CoVID-19 疫情如何影响贸易协议的进一步消息,但由於物流和其他商业瓶颈,美国牛肉出口量将面临的挑战迅速增加。美国牛只和牛肉产业已经意识到美国牛肉在中国市场将会缓慢发展。尽管中国自 2 月 14 日起将美国牛肉进口关税降低 **5% 至 42%**,但与其他供应国相比,美国仍面临巨大的关税障碍;但中国市场很大,且越来越具多样性。2019 年全年数据显示,去年中国牛肉和杂碎进口量达到创纪录的 **169 万吨,增长 58%**。香港牛肉进口量**减少 13%**至 **70.55 万吨**;但中国/香港牛肉进口总量合计**增长 24%**至 **240 万吨**,至去年底进口量迅速成长(见下图)。巴西是中国(**399,642 吨; +24%**)和香港(**413,300 吨; -12%**)的最大供应国。阿根廷至中国的出口**增长(375,581 吨; +108%)**最为强劲,而中国从**澳洲(314,208 吨; +76%)**、**纽西兰(221,354 吨; +91%)**和**乌拉圭(297,592 吨; +29%)**的牛肉进口量均有所增长。去年中国是这些主要出口国的最大市场。

