

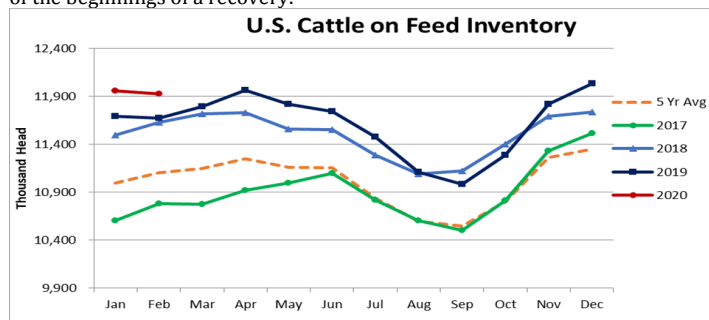


U.S. Meat Bulletin

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SUPPLY & DEMAND

Lackluster seasonal demand and higher harvest numbers caused wholesale beef prices to weaken again last week. Estimated slaughter of 628K head was higher week-on-week and approximately 47,000 head larger than the same week a year ago. Heavier weights are adding to supplies, with year to date U.S. beef production up 2% from last year, while slaughter is up only 0.7%. On the cattle side, the number of cattle on feed, though high (see GRAPH below), should start to moderate, with one U.S. analyst estimating that placements of feeder cattle into feedlots during the 1st half of February were down sharply month-on-month. Moreover, the number of cattle on feed over 150 days dropped in Feb from January, offering some optimism that the flow of finished fed cattle into plants is remaining current. The outlook for firmer fed cattle prices during H2 remains. Grading continues to be excellent; for the year-to-date, 9.5% of fed beef production graded USDA PRIME, up from 9.1% last year. Consequently, wholesale PRIME ribeye prices have experienced a large correction, and average values have fallen roughly 45% from the peak reached last September of \$14.87/lb. Average imported lean grinding beef (90% trim) prices also continued to drop last week, with prices hitting their lowest level since the China-driven run-up last fall. The current weakness is due to demand destruction in China, where overall foodservice receipts continue to be pummeled by the coronavirus outbreak. There were reports of some restaurant re-openings last week in South China, offering some hope of the beginnings of a recovery.



Beef Choice Beef Cutout Value: 24/2/2020 - US\$207.07/cwt. (<-1% from 14/2/2020)

The pork cutout rose slightly last week on new hope for additional China sales and a seasonal pre-Easter uptick in ham demand. However, optimism plummeted yesterday as global equity markets swooned over intensified coronavirus fears. U.S. pork futures have seesawn in the last few weeks, and yesterday's (Feb 24) April contract close, down sharply from that of last Friday, was near the level of the Jan 31 close. USDA's cold storage report yesterday indicated Jan 31, 2020 stocks of picnics, hams and bellies had jumped sharply since a month earlier, but total pork stocks were up just +11% from year ago levels. Analysts however continue to focus on coronavirus-impacted demand conditions in China as that market has been the USA's largest export destination so far this year, taking 37% of total US pork muscle cut exports through mid-Feb. As of yesterday, port and wholesale market activity in China was still slow. But fundamental Chinese pork demand is still strong, and domestic supplies are currently limited as evidenced by high live hog prices. The lowest average live hog price in any province (outside of the far west) is U.S. \$4.61/kg. (Heilongjiang), over 5X the U.S. indicative live hog price of approximately \$0.87/kg. Given the continued challenges of interprovincial transport, and slack foodservice & factory canteen demand, China's hog prices should be softer in provinces that normally export live hogs. Although retail meat sales have skyrocketed due to the coronavirus, they have not made up for the steep fall in meat usage by the foodservice sector, ranging from hotels to independent noodle shops. Select restaurants started to open up at the end of last week in some Tier 1 cities (e.g. Guangzhou), but foodservice orders for frozen meat stored in regional cold storage markets throughout China is still likely -70% to -80% of normal levels. The lack of this foodservice demand has kept wholesale market freezers full, and slowed clearance of newly arriving imported product. Demand should pick up though with authorities lowering the virus alert level in several provinces and with new safety protocols in place (e.g. temperature checks) for restaurant workers and dine-in guests. Moreover, Chinese authorities & companies are racing to get factories back in operation. Pressure to maintain export velocity continues as U.S. pork production so far this year is +3.8% with slaughter up 3.3%.

Hog Carcass Cutout Value: 24/2/2020 - US\$66.32/cwt. (+6% from 14/2/2020)

MARKET MAKERS

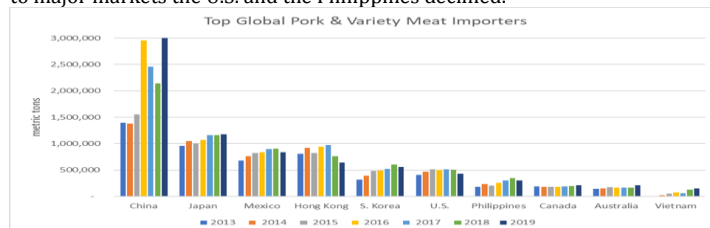
JBS USA will acquire the case-ready meat & poultry facilities of U.S. based **Empire Packing Co. LP** for US\$238 million according to a JBS press release. Empire operates 5 case ready plants spread throughout the continental U.S. In addition to offering custom or co-packing case ready production, Empire markets case-ready products under the **Ledbetter** brand.

MOVING AHEAD

We often discuss the dynamics of the livestock & meat markets, but the fundamental question driving producer behavior, and the expansion or contraction of production, is whether they can make money. So how did the U.S. livestock industry fare last year? The **Daily Livestock Report** recently summed up **Iowa State University** estimates of 2019 hog industry profitability, with ISU estimating that throughout the entire year, the average profit for selling one market hog was U.S. \$12.40 per head, nearly double the 2018 average profit per animal. The average selling price for the year was U.S. \$1.53/kg on a carcass basis. Total average production costs across all enterprises last year were U.S. \$125.33 per head, just over 1% higher than costs in 2018. January ISU data shows that production costs increased at the beginning of this year while live market hog selling prices dipped to \$1.38/kg. That meant the average producer lost money last month. The ISU estimates obviously do not apply to all producers, but provide a general sense of profitability considerations that can drive producer sentiment. The Livestock Marketing Information Center (LMIC) calculates similar profitability metrics for the U.S. cattle feeding industry. LMIC has estimated that a typical Southern Plains feedlot in 2019 earned a net profit of U.S. \$9.51 per head by feeding out a 750 pound feeder steer. As is common in many years, feedlots incurred large losses in some months while operating strongly in the black in others, with swings of US \$200 per head depending on market conditions. If as forecast U.S. cattle supplies begin to tighten later this year, feedlots may be forced to pay more for feeder animals, adding pressure to margins. For both beef and pork, feed costs are critical determinants of profitability. Inclement weather raised concerns about corn costs a year ago, but better-than-expected yields resulted in a decent crop, and current prices in the US in the \$3/bushel range (U.S. \$118/ton) are deemed as reasonable to livestock producers.

TRADE

We now have a clear picture of the total volume of the world's pork trade last year. The globe's major importers last year brought in +9% pork last year, led by a +41% increase in inbound shipments by China (see GRAPH below). Chinese pork and pork variety meat imports of 3.01 million tons accounted for 36% of the global pork trade in 2019. The 8.4 million tons of pork trade last year was a new record. Due to bilateral trade friction between the U.S. & China, the EU was the largest beneficiary of China's demand surge in 2019. Full EU data shows that of its total 4.2 million tons of exports (+21%), 60% was shipped to China and HK (2.4 million tons, +57%). U.S. exports last year to China/HK of 660 thousand tons (+89%) accounted for one-quarter of total exports, or about 6.5% of total U.S. pork production. Total U.S. pork exports last year grew +9%, which analysts saw as an under-performance given China's large demand & favorable U.S. prices. Outside of China, the global pork trade sagged, with exports by major players to non-China destinations dropping by 4% to 5.16 million tons. Higher imports by Australia (+27% to 207K tons), Canada (+7% to 213k tons) and Vietnam (+20% to 152k tons) were more than offset by declines by Mexico (-7% to 840K tons), HK (-15% to 643k tons), and Korea (-8% to 554k tons). No. #2 global market **Japan** imported 1.17 million tons last year, up 1% from 2018. Inbound shipments to major markets the U.S. and the Philippines declined.



ACTIVITIES:

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

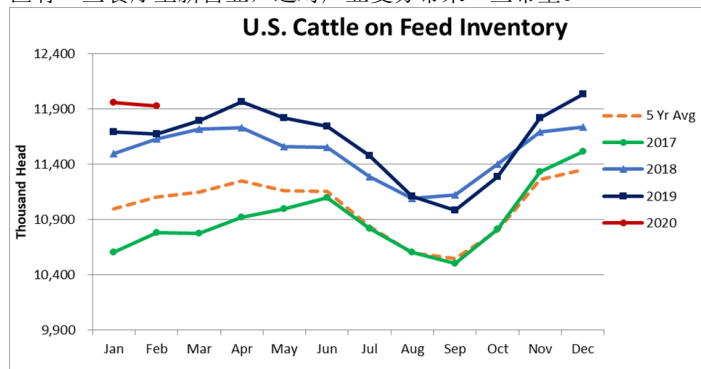
SIAL, Shanghai: May 13-15, 2020

Food Taipei, Taiwan: June 17-20, 2020



供应与需求

季节性需求不足和屠宰量增加导致上周牛肉批发价格再次走低。预估每周屠宰量为 62.8 万头牛只，周环比成长，且比去年同期增长约 4.7 万头。较重的牛只重量使得牛肉供应量增加；截至目前为止，美国牛肉产量比去年增长 2%，而屠宰量仅增长 0.7%。在牛只方面，虽然牛只在养头数很高(见下图)，但应该会开始减少；一位美国分析师预估，2 月上半月置入肥育场的牛只头数月环比急剧减少。此外，2 月肥育超过 150 天的牛只在养头数与 1 月相比有所减少；有人乐观地认为，送进屠宰场的已完成肥育牛只头数持稳。下半年已肥育牛只价格前景仍然坚挺。牛肉评级持续很高；年初至今已肥育牛肉产量中有 9.5% 被评为美国农业部极佳级，高于去年时的 9.1%。极佳级肋眼批发价格因此有较大的回调，其平均价格较去年 9 月峰值每磅 14.87 美元下跌约 45%。上周进口牛绞肉(瘦肉率达 90%)平均价格也持续下跌，其价格跌至自去年秋天受中国推动后的最低点。当前的价格疲软是因中国需求减弱所致，中国总体餐饮业营收因冠状病毒疫情爆发而持续受到打击。有报导称，上周华南地区有一些餐厅重新营业，这对产业复苏带来一些希望。



美国农业部牛肉屠体价格指数 (特选级) : 2020 年 2 月 24 日 - \$207.07 美元/百磅 (较 2020 年 2 月 14 日减少小于 1%)

因市场对在中国的猪肉销售增加抱持希望，且复活节前的季节性需求增长，上周猪肉分切价格小幅上涨。然而，随着全球股市对冠状病毒的担忧加剧，昨日乐观情绪走低。在过去几周里，美国猪肉期货价格上下震荡；昨天(2 月 24 日)4 月期货收盘价格较上周五大幅下跌，直逼 1 月 31 日时的水平。昨日美国农业部低温储藏食品报告显示，自 1 个月前开始，2020 年 1 月 31 日的前腿肉、后腿肉和腹肋肉库存量已急剧增加，但猪肉总库存量仅比去年同期增长 11%。分析人士继续关注受冠状病毒影响的中国需求状况，因为该市场是今年迄今为止美国最大的出口目的地；在 2 月中旬之前其占美国猪肉总出口量的 37%。截至昨日，中国港口和批发市场活动仍缓慢。但中国猪肉的基本需求依然强劲，活猪价格居高不下证明了目前国内供应有限。在中国所有省分(不包括偏远西部地区)中，最低的平均活猪价格为每公斤 4.61 美元(黑龙江)，是美国活猪指标价格约每公斤 0.87 美元的 5 倍以上。鉴于跨省运输仍面临挑战以及餐饮服务行业和工厂食堂对猪肉的需求疲软，出口省份的活猪价格应该会走软。尽管因冠状病毒导致零售肉类销量猛增，却无法补足从酒店至独立店面等餐厅肉类使用量的急剧下跌。上周末，一些一线城市(如广州)开始开设高级餐馆，但餐饮业在中国各区冷冻肉库存订单量仍可能比正常水平减少 70% 至 80%。餐饮业对肉类的需求疲软使得批发市场的冷藏柜已满，并减慢了新进口产品的清关速度。尽管如此，在中国当局下调几个省份的疫情警报等级，并针对餐厅工作人员和用餐客人制定新的安全协议(例如体温检查)下，需求应该会增加。此外，中国当局和公司正争相恢复工厂运营。美国维持出口速率的压力持续存在，因为今年迄今为止美国猪肉产量增长 3.8%，屠宰量增长 3.3%。

猪屠体分切价格 : 2020 年 2 月 24 日 - \$66.32 美元/百磅 (较 2020 年 2 月 14 日增加 6%)

产业动态

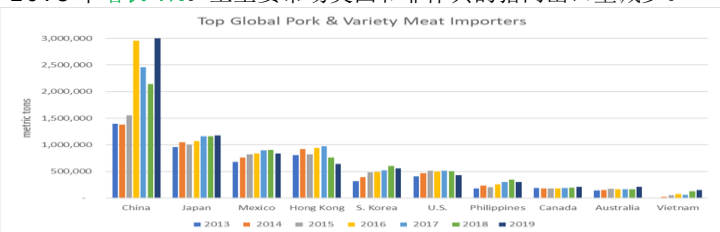
根据 JBS 的新闻稿，JBS USA 将会以 2.38 亿美元收购总部设在美国的 Empire Packing Co. LP 盒装肉品和禽肉加工厂。Empire 拥有 5 个盒装加工厂，遍布在美国内陆地区。除了提供客制化或代加工盒装服务外，Empire 也在 Ledbetter 品牌下销售盒装产品。

产业新知

我们经常讨论畜牧和肉类市场动态，但是驱动生产者行为，以及生产扩张或收缩的基础在于他们是否可以赚钱。那么去年美国畜牧业的表现如何呢？Daily Livestock Report 最近总结 Iowa State University(ISU)对 2019 年养猪业盈利能力的预测；ISU 估计，全年每出售一头市场活猪的平均利润为 12.4 美元，几乎是 2018 年时每头动物平均利润的 2 倍。按屠体计算，该年平均销售价格为每公斤 1.53 美元。去年所有企业的猪只平均总生产成本为每头 125.33 美元，比 2018 年高出 1%。ISU 的 1 月数据显示，今年年初生产成本增加，而市场活猪售价下跌至每公斤 1.35 美元，这意味着平均生产商上个月亏损。ISU 的估算显然并不适用于所有生产者，但提供在利润率考量方面的一般理解，有助推动市场生产情绪。畜牧营销信息中心(LMIC)为美国养牛业者计算出类似的利润率指标。LMIC 估计，2019 年一典型位于南部平原地区的肥育场每饲养一头 750 磅的小公牛，净利润为 9.51 美元。正如许多年来普遍的情况，肥育场在某些月份遭受到巨大损失，并在某些月份赚取盈利；根据市场状况，每头牛只利润波动幅度为 200 美元。若如预测那样，今年下半年美国牛只供应将会开始紧张，而肥育场可能会被逼迫为肥育动物去支付更高的价格，从而增加其获利压力。对牛肉和猪肉来说，饲料成本是决定其利润率的关键因素。1 年前恶劣的天气使得市场对玉米成本感到担忧，但作物丰收导致其产量好于预期，目前美国玉米价格为每蒲式耳 3 美元(每吨 118 美元)，这对畜牧生产者来说是合理的。

贸易新闻

我们现在已清楚知道去年全球的猪肉贸易总量。去年全球主要进口国的猪肉进口量增长 9%，其中中国的进口量增长 41%(见下图)。2019 年中国猪肉和猪杂碎进口总量为 301 万吨，占全球猪肉贸易总量的 36%。去年全球猪肉贸易量为 840 万吨，创下新纪录。由于中美双方之间的贸易摩擦，欧盟是 2019 年中国需求激增的最大受益者。根据欧盟的数据显示，在其总计 420 万吨的出口(+21%)中，有 60% 出口至中国和香港(240 万吨；+57%)。去年，美国至中国/香港的出口量为 66 万吨(+89%)，占其出口总额的四分之一，约占美国猪肉总产量的 6.5%。去年美国猪肉出口总额增长 9%，分析师认为这是由于中国需求旺盛和美国价格有利所导致。在中国以外，全球猪肉贸易量减少，主要出口国至中国以外地区的出口减少 4% 至 516 万吨。澳洲(+27% 至 20.7 万吨)、加拿大(+7% 至 21.3 万吨)和越南(+20% 至 15.2 万吨)进口增长与墨西哥(-7% 至 84 万吨)、香港(-15% 至 64.3 万吨)和韩国(-8% 至 55.4 万吨)的进口减少相互抵销。排名第二的进口国日本去年进口 117 万吨猪肉，比 2018 年增长 1%。至主要市场美国和菲律宾的猪肉出口量减少。



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