



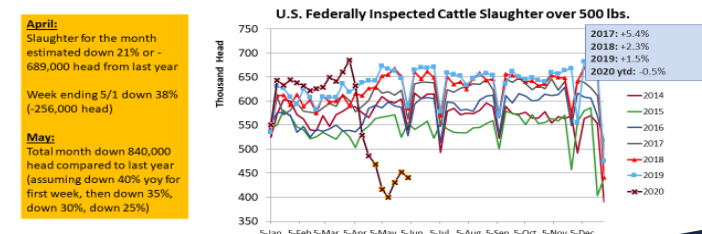
# U.S. Meat Bulletin

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## SUPPLY & DEMAND

Wholesale beef prices last Friday closed **28%** higher from the previous week as slaughter plant closures & slowdowns coupled with aggressive retail and wholesale buying led to a further tightening of supplies. The beef cutout value increased another **11.6%** yesterday (Monday May 4). Through yesterday, average U.S. beef wholesale values across all cuts had increased **75%** in the last 12 days. Demand is getting a boost from the warmer weather and new foodservice purchases due to the re-opening of businesses in several states. Average wholesale USDA CHOICE brisket and loin primal values closed last Friday over **61%** and **38%** higher than the previous week's settlement due to renewed buying by steakhouse, smokehouse and BBQ restaurants. Plants struggled last week with closures and slower processing speeds as companies rushed to implement virus mitigation measures at facilities. USDA estimated last week's cattle harvest at 425,000 head, down **37%** year-on-year and down from 465k head the previous week. Reduced harvests are pinching supplies; the world's #1 grocer **Kroger**, among other chains, announced last weekend that it will limit purchases of ground beef and selected fresh pork items at some stores due to looming tight supplies. This comes at a time when retail sales of meat have surged. Although most meat in the U.S. is sold chilled, stocking up has driven frozen meat purchases higher; according to a study by the **American Frozen Food Institute**, frozen meat retail sales increased **101%** in the month ending April 5. Coordinated government & industry strategies are now being implemented to assure the safety of front-line meat plant workers, whom the CEO of the North American Meat Institute are calling "heroic". The President's new Executive Order to keep meat plants open (see next column) should help to ameliorate operational disruptions due to the virus. Companies are making heavy investments in their frontline meat plant workers, including adding bonuses, increasing disability coverage, providing PPE, and increasing health screening of workers at facilities. Due to a backed-up fed-cattle supply and limited processing space, analysts note that price discovery of fed cattle through negotiated bidding remains very limited, with plants and feedlots determining how a limited number of cattle can move to open harvest facilities. Analysts are cautiously optimistic that this week's cattle harvest numbers will rise from last week's very low level.

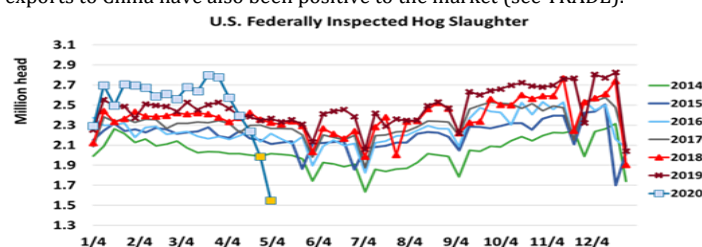
**U.S. Cattle Slaughter** — up significantly in the first quarter of 2020, but covid-19 related slowdowns led to sharply lower slaughter levels in April. On April 28, President Trump signed an executive order to ensure meat plants will continue to operate to the greatest extent possible as they continue to follow guidelines from the CDC and OSHA



Source: USDA/NASS, last 6 data points are preliminary estimates

**Beef Choice Beef Cutout Value: 4/5/2020 - US\$410.05/cwt. (+31% from 27/4/2020)**

As with beef, wholesale pork prices shot up last week, with last Friday's pork cutout value closing at a **29%** premium to the April 24<sup>th</sup> close. Last week's closed plants and slower processing line speeds saw a **22%** week-on-week reduction of U.S. pork production from a 1.545 million head weekly harvest, a level over 1 million head lower than a month earlier. Hogs are backing up and there has been some culling to trim herd levels (see next column). Hog futures closed higher yesterday on news that several of the very large U.S. pork plants that had closed would be re-opened this week. Strong U.S. pork exports to China have also been positive to the market (see TRADE).



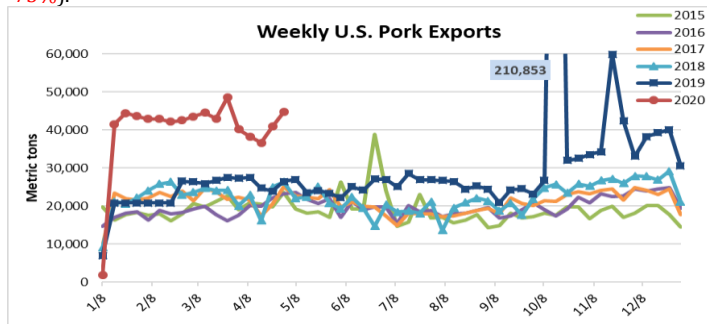
**Hog Carcass Cutout Value: 4/5/2020 - US\$107.81/cwt. (+28% from 27/4/2020)**

## CORONAVIRUS AND U.S. RED MEAT SUPPLY CHAIN ASSURANCES

Several important federal announcements have been made in recent days addressing the need to stabilize U.S. livestock and meat markets amid the COVID-19 outbreak. First, on April 28, the President signed an executive order (EO) that will direct federal resources toward keeping meat-processing plants open. Citing the Defense Production Act, the EO orders the U.S. Secretary of Agriculture to utilize all resources of the federal government to ensure that meat processing plants, deemed critical national infrastructure, to remain operating in order to insure stable meat supplies to consumers. The Defense Production Act (DPA), enacted in 1950, gives the government broad powers to direct industrial production infrastructure during periods of crisis. The President said his administration would "take all appropriate action" to ensure that meat and poultry processors "continue operations." As part of the order, the USDA could use its powers under the DPA to direct supplies of protective gear and guidance for plant employees. Under the EO, meat processors are advised to adhere to the latest **CDC** and **Occupational Safety and Health Administration (OSHA)** meat-facility-specific guidelines to assure worker safety. In order to ameliorate the economic damage that the pandemic has inflicted upon the entire agricultural sector including livestock raisers, USDA announced April 17 a U.S. \$19 billion **Coronavirus Food Assistance Program (CFAP)**. CFAP is designed to provide immediate cash relief to farmers and ranchers, while ensuring food security to U.S. consumers. The program will provide approximately U.S. \$5.1 billion in relief to America's beef producers and \$1.6 billion to pork producers. A second \$3 billion component of CFAP will see up to \$100 million of U.S. government direct purchases of meat products which will be directed to food banks, community and other non-profits serving needy Americans. Current estimates by national cattle and swine producer groups estimate damages to their sectors of U.S. \$13.6 billion and \$5 billion respectively. The University of Missouri estimated in mid-April that total CoVID-19 losses to the U.S. agricultural sector could reach \$31 billion. On the processing side, as noted in column 1, the slowdown in the nation's hog slaughter is causing a backup of hogs at growing units. USDA's **Animal and Plant Health Inspection Service (APHIS)** is establishing a **National Incident Coordination Center** to provide direct support to producers whose animals cannot move to market as a result of processing plant closures & slowdowns. APHIS's center, along with state veterinarians and other state officials, are helping producers to identify potential alternative markets, and if necessary, advise and assist on depopulation and disposal methods. A similar effort was undertaken during the Highly Pathogenic Avian Influenza emergency in 2015. Assistance with disposal is being provided by USDA's **Natural Resources and Conservation Service (NRCS)**. NRCS has an **Environmental Quality Incentives Program (EQIP)** that can provide cost share assistance for disposal efforts.

## TRADE

Despite ongoing production dislocations, U.S. beef and pork exports have continued at high levels. U.S. shipments of pork overseas have been particularly resilient. During the latest reporting week ending April 23, U.S. pork muscle exports totaled 44,700 tons, up **+15%** from the prior 4-week average. Weekly exports to **China** of 20,680 tons, **+19%** were the second highest on record, and exports to **Mexico** (9,570 tons, **+19%**) and **South Korea** (3,330 MT, **+22%**) rebounded from the previous week and were the highest in 5 weeks. New net pork sales reported during the week of 50,300 tons were up **+12%** from the prior 4-week average and were driven by large purchases by China (35,140 tons, **+68%**). Observers are closely watching the direction of new U.S. beef sales to Asia, and there was more weakness during the latest reporting week, with new net sales reported at 9,400 tons, down **-43%** from the prior 4-week average. Sales increased to **Taiwan & Canada**, but slowed considerably to **Japan** (2,860 tons, **-57%**) and **Korea** (1,190 tons, **-75%**).



## ACTIVITIES:

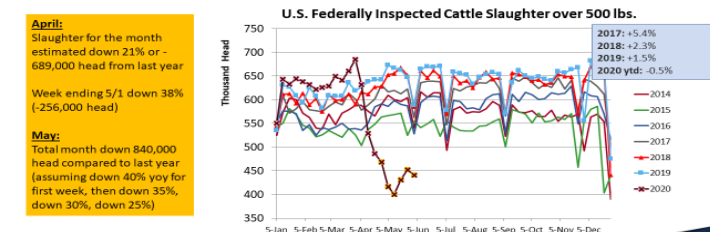
SIAL, Shanghai: September 28-30, 2020

Food Taipei, Taiwan: December 17-20, 2020

### 供应与需求

上周五的牛肉批发价较前一周收盘上涨 **28%**，起因於屠宰场的关闭和放缓，加上积极的零售和批发购买导致供应进一步趋紧。昨天(5月4日/星期一)，牛肉分切价格再次上涨 **11.6%**。到昨天为止，过去 12 天内美国牛肉所有部位的批发均价平均增长 **75%**。由於天气转暖及一些州解封带动的餐饮采购，需求目前得到推动。由於牛排馆、烧烤餐厅、BBQ 餐厅的重新采购，上周五美国农业部 Choice 等级牛前胸肉与里肌大分切批发平均价格较上周收盘价分别高出 **61%**与 **38%**。由於公司急於在设施实施病毒缓解措施，上周屠宰厂因关闭和处理速度缓慢而挣扎。美国农业部估计上周的牛只收成为 42.5 万头，同比下降 **37%**，而前一周为 46.5 万头。收成减少使供应紧张；全球第一大的食品杂货商 **Kroger** 上周末宣布，由於供应紧缺，将在某些商店限购牛绞肉和特定新鲜猪肉品项。这发生在零售肉类销售激增之时。尽管美国多数肉类是冷藏出售，但库存增加推动了冷冻肉购买的增长。根据**美国冷冻食品协会**的研究，截至 4 月 5 日的一个月中，冷冻肉零售额增长了 **101%**。目前正在实施政府与行业的协调战略，以确保一线肉类工厂工人的安全，北美肉类研究所 CEO 将他们称为“英雄”。总统颁布的新的行政命令要求肉类工厂保持开放状态(请参阅隔壁栏)，应有助於减轻因病毒引起的运营中断。公司正对其一线肉类工厂工人进行大量投资，包括增加奖金，调高伤残保险，提供个人防护装备以及增加对工人的健康检查。由於有後备牛只供应且工厂空间有限，分析师指出，通过谈判招标发现育肥牛只的价格涨幅仍非常有限，屠宰厂和育肥场决定了数量有限可移往屠宰厂收成的牛只。分析师对本周的牛只收成数量将从上周的低水平上升感到谨慎乐观。

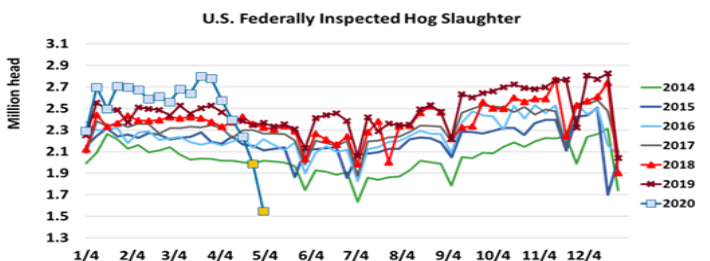
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**美国农业部牛肉屠体价格指数 (特选级)：2020 年 5 月 4 日 - \$410.05 美元/百磅 (较 2020 年 4 月 27 日增加 31%)**

与牛肉一样，上周猪肉批发价格暴涨，上周五的猪肉分切价格较 4 月 24 日收盘价溢价 **29%**。上周关闭的工厂和较慢的生产线速度使得美国猪肉产量比上周下降了 **22%**，从每周 154.5 万头的总产量下降，比一个月前减少了 100 万头。後备猪只已在准备，并进行一些剔除工作以削减畜群水平(请参阅隔壁栏)。生猪期货昨日收高，因有消息称已经关闭的几家美国大型猪肉工厂将在本周重新开业。美国对中国的强劲猪肉出口也对市场有利(见贸易新闻栏)。



**猪屠体分切价格：2020 年 5 月 4 日 - \$107.81 美元/ 百磅 (较 2020 年 4 月 27 日增加 28%)**

美国肉类出口协会活动预告：

中国国际食品及饮料展 — 上海：2020 年 9 月 28-30 日  
台北国际食品展 — 台湾：2020 年 12 月 17-20 日

### 新型冠状病毒和美国红肉供应保证

这几天公布了几项关于 CoVID-19 爆发期间稳定美国牲畜和肉类市场必要的重要联邦公告，首先，总统於 4 月 28 日签署一项行政命令(EO)，将联邦资源用於确保肉类加工厂的开放。EO 引用《国防生产法》，命令美国农业部长动用联邦政府的所有资源，确保肉类加工厂(被视为关键的国家基础设施)能持续运转，以稳定地向消费者供应肉类。1950 年颁布的《国防生产法》(DPA)赋予政府在危机时期指导工业生产基础设施的广泛权力。总统表示政府将“采取一切适当行动”，以确保肉类和家禽加工厂“继续经营”。根据命令，美国农业部可以使用 DPA 的权力为屠宰厂员工提供防护装备和指导。此外根据 EO，将建议肉类屠宰厂遵守最新 **CDC** 和**职业安全与健康管理局(OSHA)**的肉类生产场所特定准则，以确保工人安全。为了缓解疫情期间对整个农业产业(包含畜牧业)造成的经济损失，美国农业部於 4 月 17 日宣布了一项 190 亿美元的 **Coronavirus Food Assistance Program (CFAP)**。CFAP 旨在为农民和牧场主提供即时现金援助，同时确保美国消费者的粮食安全。该计划将为美国牛肉生产者提供约 51 亿美元的援助，为猪肉生产者提供约 16 亿美元的援助。CFAP 的第二个 30 亿美元组成部分，将由美国政府直接购买最多 1 亿美元的肉类产品，这些产品将直接用於服务有需要美国民众的食品银行，社区和其他非营利组织。全国养牛与养猪生产者组织最新估计，疫情对其行业造成的损失分别为 136 亿美元与 50 亿美元。密苏里大学估计，到 4 月中旬，美国农业部门因 CoVID-19 蒙受的损失总额可能达 310 亿美元。在加工方面，如第 1 栏中所述，全国猪只屠宰量的下降导致後备生猪数量增加。**美国农业部动植物健康检查服务局(APHIS)**正在建立 **National Incident Coordination Center**，以提供因疫情导致动物无法送往关闭或生产放缓屠宰场的生产者直接的协助。APHIS 与州兽医和其他州官员正共同合作，帮助生产者找寻可能的替代市场，并在必要时为销毁动物及其处置方法提供建议和协助。2015 年在高度致病性的禽流感紧急状况下，相关部门也进行了类似的处置。美国农业部**自然资源和自然保护局(NRCS)**也提供了相关处置协助。NRCS 拥有 **Environmental Quality Incentives Program (EQIP)**，可以为处置工作提供费用分摊援助。

### 贸易新闻

尽管生产状况频传，美国牛肉和猪肉的出口仍保持高水平。美国出口到海外的猪肉适应恢复力尤其良好。截至 4 月 23 日当周的最新报告，美国猪肉肌肉出口总量为 44,700 吨，比先前四周的平均水平增长 **15%**。对**中国**的周出口量为 20,680 吨，增长 **19%**，是有记录以来第二高；对**墨西哥**的出口量(9,570 吨，+19%)和**南韩**(3,330 吨，+22%)比前一周有所反弹，是 5 周内最高的。由於中国大量采购猪肉(35,140 吨，68%)，本周最新猪肉净销售量为 50,300 吨，较前四周的平均水平增长 **12%**。观察家正密切关注美国牛肉销往亚洲的最新方向，在最新的报告周内，疲软的情况更加严重，新的净销售量为 9,400 吨，比前四周的平均水平下降了 **43%**。往**台湾**和**加拿大**的销售有所增长，但**日本**(2,860 吨，-57%)和**南韩**(1,190 吨，-75%)的销售大幅放缓。

