U.S. Meat Bulletin

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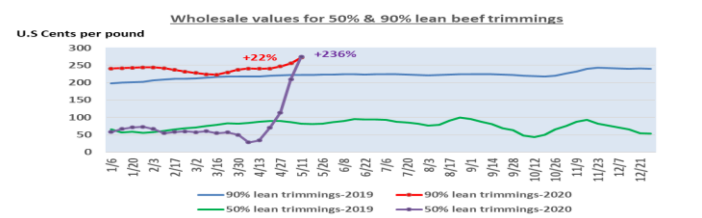
SUPPLY & DEMAND

Wholesale beef prices continued to skyrocket last week, with the beef cutout closing last Friday 27% higher than the previous week, and +98% from the same week last year. The cutout rose another 1.7% yesterday as cattle slaughter levels continue to run significantly below the pace of last year. Last week's harvest totaled 452,000 head, up from the 425K head harvested the previous week, but still -32.2% from the same week last year. Plants continue to reopen however (see next column) and expectations are that this week's slaughter will reach the 480K head range. With U.S. beef production over the last 5 weeks 687 million pounds (311 thousand tons) lower than the same period one year ago, wholesale beef have reached uncharted territory. Analysts are pondering whether newly spiking prices will drive consumers back to supermarkets for more stockpiling. According to a survey by Datassential, only 21% of consumers currently have plans to re-stock. Chicken and ground beef are the preferred meats for freezer stocks, and strong demand for ground beef has created a unique situation where 50% fatty trimmings and lean grinding beef are priced at similar levels (see graph below) in wholesale markets. At the retail level, pricing has not yet caught up with the surge in wholesale markets, and some items like ground beef are being sold in some places at prices below current wholesale values. This will be temporary. The current increase in wholesale beef prices also reflects fresh purchasing by re-opening restaurants, but the recovery of the U.S. foodservice sector – like that in Asia (see next column) – is expected to be slow. According to a National Restaurant Association survey, 74% of U.S. operators predicted receipts in September 2020 would be lower than during September 2019. Re-starting operations is another issue with up to 2/3rds of U.S. restaurant workers having already lost their jobs. On the live cattle side, fed cattle values rose last week as processors upped bids, but analysts point out that the large mismatch between cattle supplies and available harvest slots in plants is making price discovery challenging.



Beef Choice Beef Cutout Value:11/5/2020 – US$468.58/cwt. (+14% from 4/5/2020)

The pork cutout rose sharply last week, the 3rd consecutive week of a surge in wholesale U.S. pork values due to lower slaughter numbers. All primal values have moved higher during this period, but last week primal ham values slipped, mainly due to lower demand by main export market **Mexico**. All average primal values are above year-ago levels, except hams (see table below). Wholesale heavy bone-in ham values slipped last week after increasing the past two weeks. On the other hand, wholesale values for boneless rollout hams rose, reflecting labor shortages on fabrication lines. After falling to a weekly low of 1.533 million head the previous week, the national harvest level last week reached 1.768 million head, -24% from the same time last year. Year to date production is now even with the pace of last year with year-to-date slaughter down 0.4%. Hogs are getting heavier with live weights averaging 289 lbs. (131 kgs) last week, up 2 lbs. from last year. Unlike cash hog markets, which trade very thinly, hog futures values have skyrocketed in the past few weeks. The May CME lean futures contract has more than doubled from April 13 levels near $33/cwt to yesterday's close of just under $68/cwt. Negotiated, or spot, prices for live market-ready hogs remain very low (approximately $36.72 carcass basis yesterday May 11) due to the lack of processing slots at meat plants. However, market-ready hogs priced through formulas have soared primarily because many formula pricing arrangements are based on the cutout, which has spiked. Last week, the spread between spot prices of live hogs, and those priced according to formulas, reached a level never before recorded.

PORK Wk ending	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
5/10/2019	0.85	0.78	1.08	0.62	1.62	0.70	1.23
5/8/2020	1.14	1.36	1.30	0.89	1.71	0.58	1.91
Chg year/year	34%	73%	21%	44%	5%	-18%	56%

Hog Carcass Cutout Value:11/5/2020 – US$121.66/cwt. (+13% from 4/5/2020)

ACTIVITIES:
SIAL, Shanghai: September 28-30, 2020
Food Taipei, Taiwan: December 17-20, 2020

CORONAVIRUS AND U.S. RED MEAT SUPPLY CHAIN ASSURANCES

As noted in column 1, the worst of the U.S. meat plant shutdowns appears to be over. Over the last 3 weeks, plants have re-engineered their workplaces to enforce social distancing, disseminated PPE, and implemented more rigorous health screening protocols of employees. Moving forward, the return to normalcy will depend on the percentage of the work force that returns to plants and to changes in plant productivity that have occurred due to the new virus control measures. Companies have cited as useful the guidelines issued in late April by the **Centers for Disease Control and Prevention** (CDC) and the Department of Labor's **Occupational Safety and Health Administration** (OSHA) that were specifically created for the meat and poultry sector response to the COVID-19 pandemic. Those guidelines can be found here. On May 8, USDA Secretary Sonny Perdue, in announcing the reopening last week of over 13 meat and poultry establishments cited the "*patriotic and heroic meatpacking facility workers who are returning to work this week so the millions of Americans who depend on them for food security can continue to do so.*" For much of last week, USDA worked with meat processing facilities to affirm they would reopen and operate in accordance with the CDC and OSHA guidance. On May 5, Perdue published a letter to the meat industry stating that those meat and poultry processing plants that were closed or those contemplating reductions of operations, needed to submit written documentation of their operations and health and safety protocol developed based on the CDC/OSHA guidance to USDA. On the same day, Perdue wrote a letter to state Governors reiterating the need for "*state and local officials to work with these critical meat processing facilities to maintain operational status.*" Still, challenges remain to getting U.S. meat plants back to full production. The CEO of one of the USA's largest meat & poultry processors implied last week that CoVID-19 impacts in the communities surrounding their plants is still an issue, with disruptions occurring in worker households, especially over the issue of child care. Female employment in meat plants is high, and many are staying home to care for their children as institutional child care remains unavailable. Many workers carpool to meat plant jobs, but transportation has been disrupted due to the need for social distancing. The meat and poultry processing industry employs approximately 525,000 workers, and latest reports put confirmed CoVID-19 cases among this sector's workforce at 8,000+.

TRADE

As we have noted, overseas demand for U.S. beef and pork has remained strong, although in recent weeks new net sales of U.S. beef to key Asian markets have shown a marked decline due to high U.S. pricing, some build up in local stocks, and continued weakness in foodservice demand. With regards to the status of the restaurant and catering industry in main Asia markets, data is available for total Q1 foodservice receipts for **China**, **HK**, **Taiwan** and **Korea.** All markets experienced significant contractions though performance varied widely among markets depending on the severity of the outbreak and the success of virus containment efforts. In China, official numbers from the National Bureau of Statistics put total foodservice industry receipts -44.3% for Q1, but other industry surveys of chain restaurants show a much sharper contraction in receipts up to -80%. Most of China's 8+ million restaurants were closed during February and through most of March. In Taiwan, which never enforced a lock down of restaurants or other business establishments, statistics show total Q1 foodservice receipts contracted -6.6%, while in HK, foodservice industry revenues dropped -31% during Q1. Outside of Daegu city, Korea did not lock down its population, and restaurants were allowed to operate normally. The Korea Credit Finance Association has reported that according to its data, nationwide receipts in the accommodation/restaurant category dropped -11% during Q1. In **Japan**, restaurant sales were not noticeably impacted until March, when they contracted -17.3% nationwide, the sharpest year-on-year monthly drop since record-keeping began in 1994. April performance was expected to worsen as the state of emergency order commenced April 7. At this mid-point during Q2, it is difficult to generalize about the recovery in Asia of restaurant businesses. Although China is in full recovery mode, MEF staff have observed foodservice sales have rebounded to only the 50-70% level, with the return in restaurant traffic higher in some second tier cities and in the large tier 1 southern urban areas of Guangzhou and Shenzhen. Anecdotal evidence suggests that foot traffic to Korean BBQ and hot pot restaurants in China has returned faster than to traditional Chinese and western outlets. Restaurant traffic in HK this past weekend was the best in many weeks, but a new CoVID-19 cluster in Korea has dampened recovery spirits there. Japan may well experience its nadir during Q2 given the slow burn of the epidemic. Taiwan will continue to recover, but the lack of tourists will mute any quick rebound.

U.S.MEAT EXPORT FEDERATION

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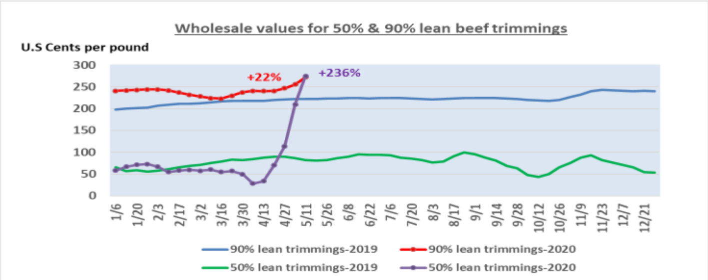
供应与需求

上周牛肉批发价格持续飙升，且上周五牛肉分切价格周环比上涨 27%，与去年同期相比上涨 98%。由於牛只屠宰率持续远低於去年水平，昨日牛肉分切价格再上涨 1.7%。上周屠宰总量为 45.2 万头牛只，高於上上周的 42.5 万头，但仍比去年同期减少 32.2%。尽管如此，屠宰厂陆续重新开放(见右栏)，预计本周屠宰量将达到 48 万头。在过去 5 周中，美国牛肉产量与 1 年前同期相比减少 6.87 亿磅(31.1 万吨)，批发牛肉量已进入未知领域。分析师正思考最近的价格飙升是否会促使消费者到超市采买更多的牛肉库存。根据 Datassential 的一项调查：目前仅有 21%的消费者计画补货。鸡肉和牛绞肉是消费者首选的冷冻肉品；对牛绞肉的强劲需求导致一独特的情况：批发市场上瘦肉率 50%的牛绞肉和瘦肉率较高的牛绞肉价格相近(见下图)。零售牛肉价格尚未跟上批发市场的价格增长，在某些地方的部分商品如牛绞肉正以低於当前批发价的价格出售。但这情况只是暂时的。当前牛肉批发价格上涨也反映重新开张的餐厅正采购生鲜牛肉，但是美国餐饮服务业复苏的速度预计将会和亚洲国家(见右栏)一样缓慢。根据 National Restaurant Association 的调查，美国 74%的餐厅运营者预计 2020 年 9 月的营收将低於 2019 年 9 月。美国高达 3 分之 2 的餐厅劳工已经失业也是餐厅重新营业将面临的另一个问题。在活牛方面，由於屠宰商提高投标价，上周已肥育活牛价格上升；分析师指出，牛只供应与屠宰厂产能之间的落差使得价格发现极具挑战性。



美国农业部牛肉屠体价格指数 (特选级)：2020 年 5 月 11 日 - $468.58 美元/百磅 (较 2020 年 5 月 4 日增加 14%)

由於屠宰量减少，上周猪肉分切价格急剧上涨，这是美国猪肉批发价格连续第三周上涨。在此期间所有大分切价格均上涨，但上周後腿肉原始价格下跌，主要是因为主要出口市场**墨西哥**的需求减少。除後腿肉以外，所有大分切的平均价格均高於去年同期水平(见下图)。带骨後腿肉批发价格在前两周上涨後於上周下跌。而无骨後腿肉批发价格上升，反映生产线上的劳动力短缺。在上上周全国猪只屠宰量跌至每周低点 153.3 万头後，於上周达到 176.8 万头，与去年同期相比减少 24%。年初至今，猪肉产量与去年持平，屠宰量减少 0.4%。活猪平均体重越来越重达到 289 磅(131 公斤)，较去年增加 2 磅。与几乎没有交易的活猪现金市场不同，过去几周猪只期货价格暴涨。5 月芝加哥商品交易所(CME)瘦猪肉期货价格已从 4 月 13 日时每百磅接近 33 美元水平上涨 1 倍多，昨日收盘价格为每百磅 68 美元。由於屠宰厂缺乏生产线，可供屠宰活猪的议价和现金价格仍很低(昨日 5 月 11 日的屠体价格为 36.72 美元)。尽管如此，可供屠宰活猪的公价飙升主要是因为许多公式订价都是基於已经急剧上涨的分切价格。上周活猪的现金价格与公式订价的价差达到前所未有的水平。

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猪屠体分切价格：2020 年 5 月 11 日— $121.66 美元/ 百磅 (较 2020 年 5 月 4 日增加 13%)

新型冠状病毒和美国红肉供应保证

如左栏所述，美国肉类屠宰厂关闭的最糟糕时期似乎已经过去。在过去三周中，屠宰厂内的工作场所已重新规划以执行社交距离、派发个人防护装备，并实施更严格的劳工健康检验协议。展望未来，屠宰厂是否能恢复正常状态将取决返回工厂的劳动力百分比以及新病毒控制措施对工厂产能造成的变化。这些企业引用了**美国疾病管制与预防中心**(CDC)和劳工部**职业安全与健康管理局**(OSHA)於 4 月下旬发布专门针对肉类和禽肉产业对应 COVID-19 流行病的指南。更多的指南内容可在此连结查询。5 月 8 日美国农业部部长 Sonny Perdue 在宣布上周重新开放超过 13 间肉类和禽肉场所时表示「*爱国的和英勇的肉类屠宰厂工人於本周重返工作岗位，以便数以百万计的美国人民可以继续依靠他们来确保粮食安全*」。上周大部分时间中，美国农业部和肉类屠宰厂合作，确认它们将依照 CDC 和 OSHA 的指南复工和运营。5 月 5 日 Perdue 向肉类业者发布一封信，指出那些已关闭或打算减短运营时间的肉类和禽肉屠宰厂需要向美国农业部提交根据 CDC/OSHA 指南所制定相关操作和健康安全规程的书面文件。同一天，Perdue 写信给各州州长，重申需要「*各州和地方官员与这些重要的肉类屠宰厂合作以维持其运营*」。尽管如此，要美国肉类屠宰厂全面恢复生产仍充满挑战。上周其中一间美国最大的肉类和禽肉屠宰商执行长暗示，CoVID-19 对工厂周围社区所造成的影响仍是一个问题，工人在家庭尤其是育儿方面出现了问题。女性在肉类屠宰厂的就业率很高；由於仍无法获得福利机构的托儿服务，许多人选择留在家中照顾孩子。许多工人共乘汽车前往屠宰厂工作，但由於社交距离使得他们在交通方面也受到影响。肉类和禽肉屠宰产业共雇用大约 525,000 名工人；最新报告显示，该产业中有 8,000 多名工人确诊 CoVID-19。

贸易新闻

正如我们先前所提及，尽管因美国肉品的价格高昂、当地的库存积累以及餐饮需求持续疲软导致最近几周在亚洲主要市场的美国牛肉净销量显着减少，海外对美国牛肉和猪肉的需求仍然强劲。有关在亚洲主要市场中餐饮业的状况，现已有数据显示**中国**、**香港**、**台湾**和**韩国**第一季度餐饮服务业总营收。尽管因病毒爆发的严重程度和遏制病毒作业成功的程度使各个市场表现差异很大，所有市场都经历严重萎缩。中国国家统计局的官方数据显数：第一季餐饮服务业总营收下跌 44.3%，而其他针对连锁餐饮业的调查显示的总营收跌幅更大，下跌了 80%。在 2 月至 3 月期间大部分时间里，中国 80 几万家餐厅大多数均关闭。台湾从未因 CoVID-19 而强制关闭餐厅或其他商业机构，其统计数据显示第一季餐饮服务总营收下跌 6.6%；而在香港，餐饮服务业总收入在第一季时下跌 31%。除了大邱市外，韩国并未限制其他地区的人口，而餐厅也被允许正常营业。根据 Korea Credit Finance Association 报告的数据显示：第一季全国住宿和餐厅的总收入下跌 11%。在**日本**，直到 3 月份餐厅的销售才受到显着影响，当时全国餐饮营收下跌 17.3%，这是自 1994 年维持纪录以来最大的同比跌幅。随着 4 月 7 日日本全国进入紧急状态，预计 4 月份其餐饮表现将会恶化。在现阶段处於第二季度的中间点，很难一概而论亚洲餐饮业恢复的状况。尽管中国正处於全面复苏的状态，MEF 人员发现，餐饮服务销售仅反弹 50%至 70%的水平，一些二线城市以及南方一线大城市如广州和深圳的餐饮客流量回升率较高。轶事证据表明，在中国前往韩式烧烤店和火锅店的人流回返速度比传统的中式和西式餐厅要快。在过去一个周末，香港餐厅的客流量是数周来最高的，但韩国新一波 CoVID-19 爆发削弱当地恢复力。由於疫情缓慢蔓延，日本在第二季度的餐饮营收可能会面临最低点。台湾餐饮将持续复苏，但因缺乏游客而无法快速反弹。

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