



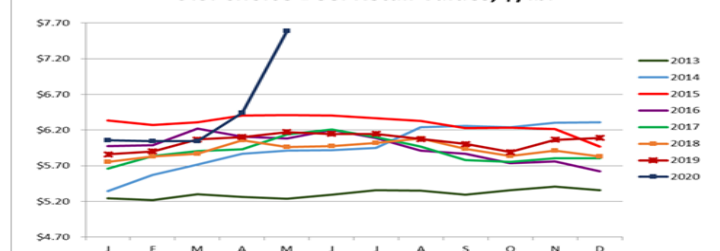
U.S. Meat Bulletin

June 16, 2020 Volume XII | Issue 6.3

SUPPLY & DEMAND

As beef production has recovered, wholesale beef values continued to drop last week. The all-primal USDA CHOICE cutout value fell another **19%** last week from the previous week, with all primals softening, especially briskets, rounds and chucks. The cutout dropped another **1%** yesterday, and is now at levels just slightly above its 5-year average value for this time of year. U.S. meat processing capacity has rebounded quickly as companies have implemented more comprehensive COVID mitigation measures, including in some large processors, mass free on-demand testing for all employees and aggressive contact tracing. Last week's slaughter of 658,000 head – down just **1.6%** from the same week in 2019 – yielded beef production that was up **2.1%** from that of last year because of heavier cattle weights. Last month, USDA lowered its 2020 U.S. beef production forecast to 11.69 million tons, a **5.1%** estimated decrease from 2019 output. But because of the faster recovery of slaughter, USDA has recently revised its 2020 forecast back upward to 12.10 million tons, down just **1.8%** from last year. As supply issues abate, analysts are now focused on beef demand prospects. Despite the continuing reopening of restaurants nationwide, surveys conducted during the 1st week of June estimate that business transactions at full service restaurants that week were down **30%** from year ago levels, while that of QSR outlets was **-13%**. On the positive side, for the week ending June 4, new U.S. beef export sales were the highest since mid-March, a reflection of new overseas buying activity stimulated by falling U.S. prices. Some wholesale cut values – including those for briskets and skirts – are far below year-ago levels although overseas pricing trends will lag U.S. market activity (see next column). Although fed cattle prices continue to soften because of an estimated 700,000 head backlog, reported values are showing a divergence, in part due to a widening range of fed cattle weights, which are averaging anywhere from 1,125 to 1,600 pounds for finished steers (live weight).

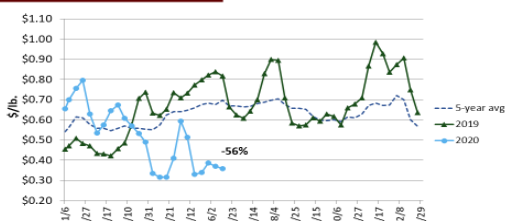
U.S. Choice Beef Retail Values, \$/lb.



Beef Choice Beef Cutout Value: 15/6/2020 – US\$228.61/cwt. (-10% from 8/6/2020)

The pork cutout continues to drop as production recovers to near pre-CoVID levels. The cutout closed last Friday at **-16%** of its value a year earlier. Last week's slaughter reached 2.457 million head, up **0.7%** from last year. Pork cut values have moderated, with loin prices easing back to the levels of late February prior to the prior panic-buying price surge. A continued labor shortage in plants is evidenced by the steep drop in bone-in ham values while trimmed boneless hams remain at levels about **30%** above the most recent 5 year average. Values of pork tenderloins, another labor intensive item to produce, also remain elevated & despite the fall in loin prices. New export sales ticked up the 1st week of June, but due to lofty prices, May saw a large drop in U.S. export activity, especially to #1 market China.

Heavy Bone-in Hams



Source: USDA/AMS, 23-27#

Hog Carcass Cutout Value: 15/6/2020 – US\$65.46/cwt. (-8% from 8/6/2020)

ACTIVITIES:

Restaurant & Bar, Hong Kong: Sep 1-3, 2020
SIAL, Shanghai: September 28-30, 2020
Food Taipei, Taiwan: December 17-20, 2020

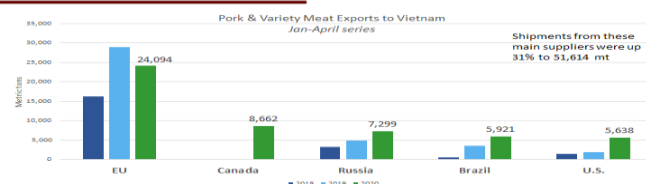
CORONAVIRUS AND THE U.S. RED MEAT SUPPLY CHAIN

We have been reporting about how wholesale red meat prices in the U.S., as represented by the USDA AMS cutout values, have been steadily dropping since they peaked in mid-May. We also have received questions by importers and end-users here in Asia about why U.S. meat export prices have not dropped in tandem with the U.S. beef wholesale reference values. There is a significant time lag between the time meat is sold and the time it reaches export markets in Asia. Assume an Asian buyer placed an order for U.S. beef in mid-May – at the peak of high prices – and that meat took 4-5 weeks from the date of production to reach the warehouse of the importer after its ocean voyage across the Pacific ocean. That importer/distributor could be in the position of offering that meat to end-users in mid-to-late June, a demonstration of how prices overseas can lag market movements in the U.S. by weeks. The same dynamic plays out in U.S. domestic meat markets. The average all-cut U.S. beef retail price (all USDA grades) hit a record level of U.S. \$7.04/lb in May, but some analysts are expecting this average price to rise again in June despite the wholesale average cutout price dropping sharply the last 2 weeks of May. Even in the U.S., it takes 2-3 weeks from the time supermarkets order beef from processors to the time it is delivered to stores for sale. Moreover, in May, the price increases at the wholesale level were so sharp that retailers tolerated margin losses that month in order to reduce consumer sticker shock & preserve sales. Last month, the ratio of wholesale-to-retail prices as expressed by the cutout value divided by the average all-cut U.S. beef retail price rose to over 59% from its normal level of around 40%. It is expected that supermarket operators will try and recoup those margin losses in the next month or two by keeping retail prices somewhat elevated in comparison to wholesale prices. As it turns out, the 40+% year-on-year increase in May meat prices accounted for a large percentage of the 6.0% increase in all U.S. wholesale food prices, which in turn accounted in part to the unexpected increase in all U.S. goods prices during the month. The overall U.S. inflation rate for the past 12 months has been a tepid 0.1%. In 2018, USDA estimates that Americans spent an average of 9.7% of their disposable personal incomes on food. Of that, 5% was spent on food consumed at home and 4.7% on outside dining. Of the approximate U.S. \$4,049 spent during 2018 on food consumed at home by the average household in the U.S., \$960 consisted of meat and seafood purchases.

TRADE

According to official statements, **Vietnam** has lost one-fifth of its 31 million head swine herd to African Swine Fever (ASF), leading to high pork prices and higher imports. Several weeks ago, live hog prices hit a 20-year-high of VND103,000 (U.S. \$4.44) per kilogram as the supply imbalance roiled domestic markets. Prices in the last few weeks have eased slightly, as Vietnam announced it would allow imports of live hogs from **Thailand** where animals can be procured for roughly half the cost as current Vietnam prices. However, animals will need to be transported through Cambodia and/or Laos and large scale imports have yet to begin. Vietnam's Ministry of Agriculture has stated that Vietnam's pork imports through the end of May were up **298%** from the pace of a year ago, but MEF statistics do not show that level of growth. In 2019, Vietnam imported a record 152,163 tons of pork, excluding re-exports from HK. Data this year from exporters is lagging, but through April, trade of 51+ thousand tons from main suppliers the **EU, Canada, U.S., Brazil** and **Russia** was up **31%**. Vietnam announced on May 25th that it would reduce its MFN duty rate on frozen pork from 15% to 10% starting July 10, with the lower rate remaining in effect through the end of this year. The MFN rate for frozen variety meat imports will remain at 8%. The chilled pork import duty would also decline from 25% to 22%, with no expiration date announced for the lower rate. Members of CPTPP, including U.S. competitor **Canada**, are already paying the lower frozen pork duty rate of 9.3% this year (with variety meats at 4%) according to reductions negotiated under the trade pact. The EU Vietnam Free Trade Agreement (EVFTA) was ratified by Vietnam's National Assembly last week and after implementation later this summer will see import duties on EU pork & other goods be phased down similar to the schedule negotiated under CPTPP.

EU-Vietnam FTA to be implemented by August 2020; reduces duties on EU pork and variety meats along similar trend as CPTPP but EU lags behind. Frozen pork drops to 11.3% but EU benefits from 10% rate currently applied to all (down from MFN 15% but compares to 9.3% for CPTPP) Variety meats will be 7.2%, down from 8% MFN but compares to 4% for CPTPP; pork cuts to zero by 2027 and variety meats by 2029



Source: TDM, USMEF estimates

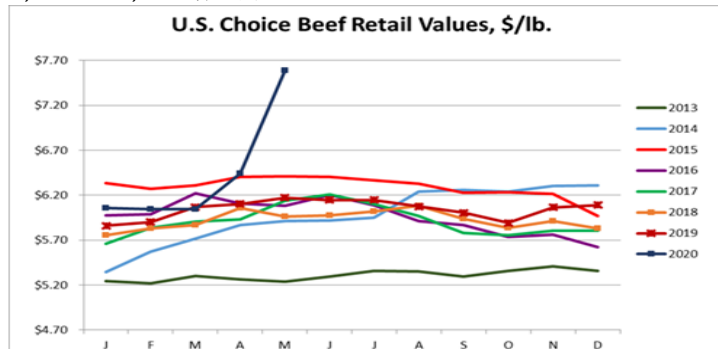


美国肉品新知

2020年6月16日第十二卷6.3期

供应与需求

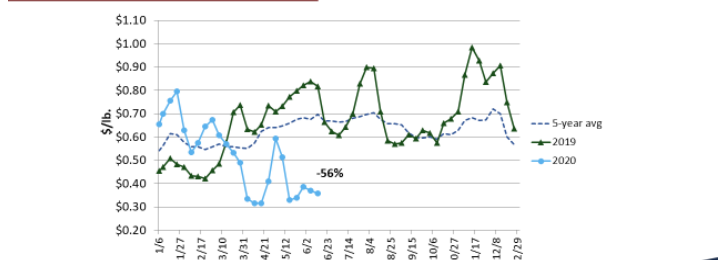
随着牛肉产量恢复，上周牛肉批发价格持续下跌。上周所有美国农业部特选级大分切价格比上上周下跌 1.9%；所有分切原始价格均走软，尤其是牛前胸肉、后腿部和肩胛部。昨日牛肉分切价格又再下跌 1%，现在仅略高于 5 年来同一时间的平均值。随着各间公司实施更全面的 CoVID 缓解措施，美国肉类屠宰产能迅速反弹，包括一些大型屠宰商对其所有员工进行免费按需测试和积极地联系追踪。上周屠宰量为 65.8 万头，与 2019 年同期相比仅减少 1.6%；由于牛只体重增加，牛肉产量比去年同期增长 2.1%。上个月，美国农业部将其 2020 年美国牛肉产量预估下调至 1,169 万吨，与 2019 年的预估产量相比减少 5.1%。但由于屠宰作业恢复较快，美国农业部最近将其 2020 年的产量预测重新调高至 1,210 万吨，仅比去年减少 1.8%。随着牛肉供应问题减少，分析师现正将重点放在牛肉需求前景上。尽管全国的餐厅仍继续营业，6 月第 1 周的调查显示，当周全桌边服务餐厅的交易量比去年同期减少 30%，而速食餐厅的交易量则减少 13%。从乐观角度来看，截至 6 月 4 日当周，美国牛肉出口销量创下 3 月中旬以来的最高水平，反映美国牛肉价格下跌刺激海外新的购买活动。尽管海外的价格趋势与美国市场活动比有些落后，一些分切包括牛前胸肉和胸腹板肉的批发价格仍远低于去年同期水平（见右栏）。已肥育活牛价格因为预估有 70 万头牛只库存而持续走软，报告的数据却有差异，部分原因是已肥育活牛的体重范围扩大，已完成肥育小公牛的平均体重（活体重）在 1,125 至 1,600 磅之间。



美国农业部牛肉屠体价格指数(特选级)：2020年6月15日 - \$228.61 美元/百磅 (较2020年6月8日减少10%)

随着产量逐渐恢复到 CoVID 之前水平，猪肉分切价格持续下跌。上周五猪肉分切价格与一年前价格相比下跌 16%。上周屠宰量达到 245.7 万头，与去年同期相比增长 0.7%。猪肉分切价格回稳，里肌肉价格回落至 2 月下旬因消费者恐慌性购买导致价格飙升之前水平。带骨后腿肉价格急剧下跌证明屠宰厂劳动力持续短缺，而修清无骨后腿肉价格仍与最近 5 年平均值相比增长 30% 左右。尽管里肌价格下跌，另一需要大量人力生产的腰内肉价格仍持续上涨。6 月第一周新的出口销量增加，但因为价格高昂，5 月美国出口仍大幅减少，尤其是至排名第一的出口市场中国。

Heavy Bone-in Hams



Source: USDA/AMS, 23-27#

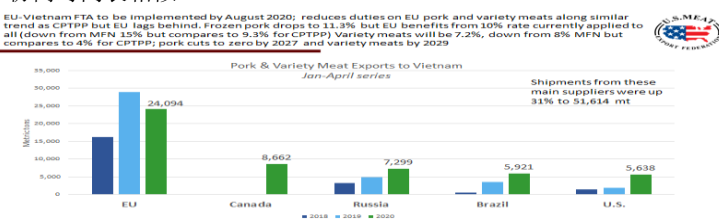
猪屠体分切价格：2020年6月15日 - \$65.46 美元/百磅 (较2020年6月8日减少8%)

新型冠状病毒和美国红肉供应保证

我们持续报导以美国农业部农产品行销局(AMS)分切价格表示的美国牛肉分切批发价格自 5 月中旬达到最高点后稳步下跌。我们也收到亚洲地区进口商和终端使用者对于为什么美国肉类出口价格没有与美国牛肉批发参考价格同步下跌的疑问。从肉品出售到抵达亚洲出口市场，中间有很长的时间差。假设一位亚洲买家于 5 月中旬(当时处于价格高点)订购美国牛肉，从屠宰日算起到横跨太平洋的船行，该肉品需要 4 至 5 周才能送达进口商的仓库。这位进口商/批发商可能在 6 月中下旬才提供肉品给终端使用者，这表明了海外价格如何在几周内落后于美国市场走势。美国国内肉类市场的情况也是如此。美国所有分切的平均零售价格(所有美国农业部评级)在 5 月时创纪录为每磅 7.04 美元；一些分析师预估尽管分切平均批发价格于 5 月最后两周急速下跌，6 月时的平均价格仍会上涨。即使在美国，超级市场向屠宰商订购牛肉到肉品送至其商店门市也需要 2 至 3 周的时间。此外，5 月批发价格涨幅极大，导致零售商在当月承受亏损已减消费者负担并维持销售。上个月批发价和零售价的比值从正常水平 40% 上升至 59% 以上，该比值是以牛肉分切价格除以所有美国牛肉分切平均零售价格而得出。预计零售商将在下一个月或两个月内尝试稍微提高零售价格(与批发价格相比)以弥补损失。结果显示，5 月肉类价格同比增长 40% 以上，占美国所有批发食品价格增长 6% 很大比例，这又部分归因于该月所有美国商品价格意外上涨。在过去 12 个月中，美国总体通货膨胀率仅为 0.1%。美国农业部估计，2018 年美国人均将其 9.7% 的个人收入花费在食物上；其中有 5% 花在家里的食物，而 4.7% 为外出用餐消费。在 2018 年期间，美国一般家庭花费大约 4,049 美元在家中的食物，其中 960 美元用于购买肉类和海鲜。

贸易新闻

根据官方声明，越南已因非洲猪瘟而减少其 3100 万头猪群的 5 分之一，导致其猪肉价格高涨和进口量增长。几周前由于国内供应不平衡，活猪价格创下 20 年来新高，达到每公斤 103,000 越南盾(4.44 美元)。由于越南宣布允许从泰国进口活猪，在那里可以目前越南价格的大约一半购入，过去几周价格因此略有回落。动物将通过柬埔寨和/或寮国运送，而越南也尚未开始大规模进口。越南农业部表示，截至 5 月底越南猪肉进口量比去年同期增长 298%，MEF 的统计数据并未显示这一涨幅。2019 年越南进口创纪录达到 152,163 吨猪肉(不包括从香港转运的猪肉)。今年来自出口商的数据较慢发布，但截至 4 月从主要供应国欧盟、加拿大、巴西和俄罗斯的进口量超过 5.1 万吨，增长 31%。越南于 5 月 25 日宣布：自 7 月 10 日起冷冻猪肉的最惠国税率将从 15% 降低至 10%，并在今年年底之前维持较低的税率。进口冷冻杂碎的最惠国税率将维持在 8%。冷藏猪肉的进口关税也将从 25% 降至 22%，且较低税率的有效期并未公布。根据贸易协定中的减税协议，包括美国竞争对手加拿大在内的跨太平洋夥伴全面进步协定(CPTPP)成员今年已支付较低的 9.3% 冷冻猪肉关税税率(杂碎为 4%)。越南国民议会已于上周批准欧盟与越南自由贸易协定(EVFTA)，并于今年夏季末实施后，欧盟猪肉和其他商品的进口关税将进一步降低，这与 CPTPP 的协商时间表相似。



Source: TDM, USMEF estimates

美国肉类出口协会活动预告：

香港餐展：2020年9月1-3日

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