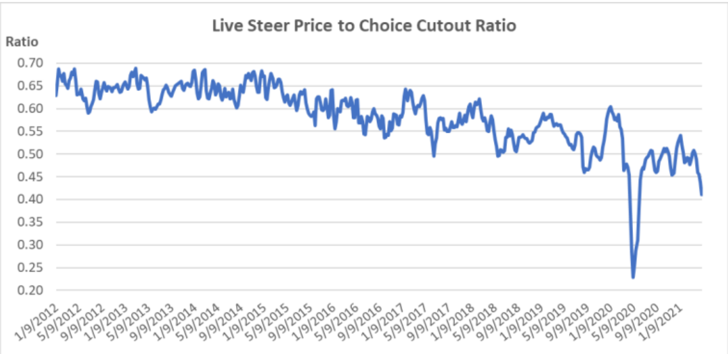
U.S. Meat Bulletin

May 11, 2021 Volume XIII | Issue 5.2

SUPPLY & DEMAND

A demand driven bull market pushed the USDA CHOICE cutout values to new highs last week. From mid-March to the end of April, the cutout value increased $53/cwt., a record rise outside last spring's CoVID related short terms surge. Analysts note that domestic steakhouse buyers – now reopening from CoVID related restrictions – and international buyers of Asian cuts such as short plate, short ribs and certain Yakiniku items have demonstrated a willingness to continue purchasing at higher prices as they seek to lock down supplies. Currently, U.S. processing plants, especially the larger-scale Midwest facilities that slaughter fed steers and heifers, are operating at capacity of approximately 525 thousand head of fed animals (i.e. excluding cows & bulls) per week. Slaughter of all cattle last week only reached 638 thousand head (-11,000 head week-on-week), a disappointing level given current high processing margins and the extraordinary demand for product. Labor shortages continue across a wide range of lower-wage positions, including those at restaurants and food processing plants. Unemployment rates in rural areas of the Midwest are particularly low and meat plants have had to offer bonuses and wage increases to find workers. On the supply side, live fed cattle supplies are still cyclically abundant, creating tension between producers and packers as live cattle prices have not enjoyed the lift of wholesale beef prices (see MOVING AHEAD next column.) The processing constraints, abundant near term fed cattle supplies, and rising grain prices have worked to push cattle futures lower. June live cattle futures are down about 8% from the contract high of $125.625 set on April 8. Feeder futures have fared worse, with the August feeder cattle futures contract down 11% from its contract high last month. New U.S. beef export orders from Asia the last week of April sagged, perhaps due to record high prices for certain popular Asian cuts. But record monthly March exports left the market feeling optimistic about international demand.



Beef Choice Beef Cutout Value: 10/5/2021 – US$309.11/cwt. (+3% from 3/5/2021)

The pork cutout moved higher last week as extraordinary domestic and foreign demand combined with a tight live hog pipeline to drive values higher. Wholesale pork prices continue to advance despite higher year-on-year production; year-to-date production is up 2.5% from last year with slaughter up 1.3%. In addition, June through August lean hog futures contracts continue to move upward, evidence that the marketplace believes the bull market has more room to run. In a rare market occurrence, live hog prices closed last week higher than both the pork cutout and live cattle prices as well. Midweek last week, processors were paying $125.00/cwt while the pork carcass cutout value was hovering near $112/cwt. Meanwhile, live cattle prices were near $119/cwt. Analysts say the flow of hog supplies to processors are growing thinner due to depopulation that some producers undertook in response to animal health challenges over the winter. Surging futures prices may also be incentivizing producers to hold back sales as they await higher prices. Average weights during the week ending May 1 were just over 285 pounds, even with the week earlier and 4 pounds lighter than at the same time in 2019. Analysts note that late spring marks seasonal tightness in slaughter hog supplies. On the pork export side, news has also been bullish. New export sales reported for the week of April 23-29 reached 48,300 tons, the highest since mid-March and somewhat surprising given the current high cost of most wholesale pork items. Large new orders were reported to both **China** and **Mexico**, the USA's 2 biggest overseas markets. The U.S also reported record monthly pork exports during March (see TRADE next column.)

Hog Carcass Cutout Value: 10/5/2021 – US$113.16/cwt. (+1% from 3/5/2021)

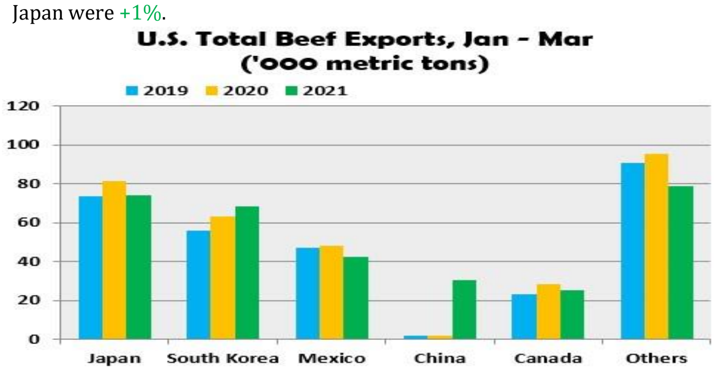
ACTIVITIES:
SIAL, Shanghai: May 18-20, 2021 NEXT WEEK!
Restaurant and Bar/HOFEX, Hongkong: September 7-9, 2021

MOVING AHEAD

In the last few weeks, boxed beef prices have continued to climb while cattle prices have remained stable or fallen. According to a prominent U.S. cattle analyst, before 2016, fed cattle prices and boxed beef prices moved together in a predictable way, with the 2 variables correlated with a statistical R-squared value of 98% for most of the years up to about 5 years ago. The correlation acted both ways: when cattle supplies were tight, boxed beef prices were pushed up. When beef demand was strong, processors were willing to pay more for fed cattle. Starting in early 2016, and continuing to today, the historical correlation has largely disappeared. The de-linking doesn't reflect a change in consumer demand but is attributed to a drop in processing capacity that occurred at a time when cattle supplies were still plentiful. U.S. processing capacity has fallen from the approximately 682 thousand head-per-week level that prevailed for roughly the decade starting in 2005 to the current estimated level of 660 thousand head. The closure of a large 20,000 head per week processing plant in Texas in early 2013 due to drought and the subsequent drop in that state's cattle supplies was a shock to the U.S. beef processing network. In the meantime, a cattle cycle was playing out which saw the ratio of fed cattle supplies-to slaughter capacity reach a nadir in the 2010-2012 period, only to rebound as high cattle prices stimulated expansion of the herd. From 2005 to 2015, the ratio of live fed steers (Kansas basis) to the USDA CHOICE cutout value averaged 62%, with a maximum of 67% and a minimum of 52%. But from 2016 through Q1 2021, the live-to-cutout ratio averaged 55%, with a maximum quarterly value of 61%, even below the average of the previous 10-year period (see graph column 1). In recent weeks, the ratio has dipped to 40%, allowing processors sizeable margins and leading to calls by cattle producers for regulatory action to improve better price discovery. Some analysts believe that the progress of the cattle cycle will lead to tighter cattle supplies starting later this year, which should see the ratio rise, but if it doesn't, there may be more appeals for action to restore some leverage to producers. In the meantime, there have been announcements about investments in new plants and capacity expansion, both of which should work in favor of cattle raisers.

TRADE

After somewhat slow Jan & Feb export activity, the pace of U.S. beef and pork trade picked up significantly in March, with export volumes for both meats hitting all-time monthly records. The new highs for beef were driven by record shipments to **China**, and year-on-year growth in beef buying in **Korea** as buyers there front-loaded over concerns that tightening cattle supplies forecasted for H2 would lead to further beef price hikes. Q1 2021 beef shipments declined to **Japan** and **Taiwan** due to ongoing CoVID related disruptions to Japan foodservice, but also due to challenges to transpacific shipping due to the Suez Canal disruption, west coast U.S. port operational issues, and an overall strain on global supply chains due to resurging world trade. Analysts also believe that immediate supplies of certain popular Asian cuts have been limited as China has now stepped in as a major buyer for items like short plate. Beef exports to more price sensitive SE Asian markets including **Indonesia, Philippines** and **Vietnam** also dropped during Q1. Overall, U.S. beef exports to all destination during Q1 2021 were just slightly below last year's record pace. Although March U.S. pork and pork variety meat exports also were record high, full Q1 trade was down 7% from the pace of Jan-March 2020 when China made large purchases of carcasses for its reserves. U.S. Jan-March pork exports to #1 market China totaled 232 thousand tons, 48,000 tons (-17%) below Q1 2020. Q1 2021 US pork exports to **Philippines** exploded to 25.4 thousand tons due to ASF-related shortages, a 190% increase from 2020. But Q1 shipments to other main markets, including #2 **Mexico** (-4%) #4 **Canada** (-6%) **Australia** (-19%), and #5 **Korea** (-9%) were lower year on year, with high prices seen as a major factor in the reduced buying. Shipments to #3 Japan were +1%.



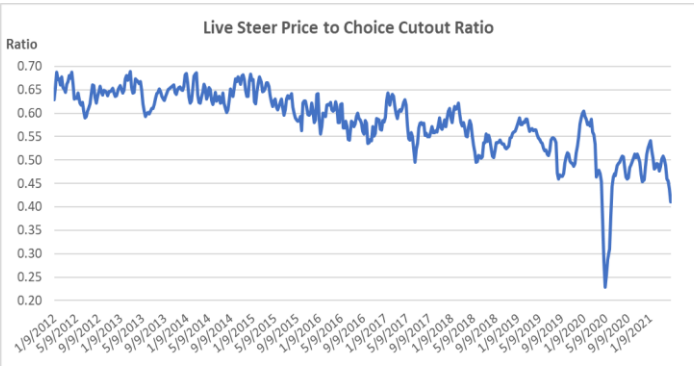
U.S. MEAT EXPORT FEDERATION

美 国 肉 品 新 知

2021 年 5 月 11 日　　第十三卷 5.2 期

供应与需求

需求驱动的牛市上周将 USDA CHOICE 的分切价格推到新高。截至 3 月中旬至 4 月底，分切价格增长$ 53 美元/百磅，这是去年春季 CoVID 相关的短期价格激增之外的创纪录涨幅。分析师指出，美国国内的牛排馆买家（现在已从 CoVID 相关限制中重新开业），以及国际采购商购买亚洲分切如胸腹肉，牛小排和烤肉品项，表示愿意继续以更高的价格购买产品，以试图限制供应。目前，美国的屠宰厂，特别是位於中西部规模较大屠宰肥育小公牛和小母牛的屠宰厂，每周的屠宰能力约为 525,000 头（即不包括母牛和公牛）。上周所有牛只的屠宰量仅为 63.8 万头（较周环比减少 11,000 头），鉴於当前的高加工利润率和对产品的非凡需求，这一水平令人失望。广泛的低工资职位劳动力仍继续在短缺，包括餐厅和食品加工厂在内。美国中西部农村地区的失业率特别低，肉类工厂不得不提供奖金和提高薪资才能吸引到求职者。在供应方面，活的肥育牛只供应仍周期性充足，由於活牛价格没有像批发牛肉价格一样上涨，因此在生产者和屠宰商之间有了紧张的关系（请参见下一栏的产业动态）。加工方面的限制、近期肥育牛只供应充足、谷物价格上涨，促使牛市期货走低。6 月活牛期货较 4 月 8 日创下的合约高点$125.625 美元下跌约 8%。肥育牛期货的表现更糟，8 月肥育牛期货合约较上个月的合同高点下跌 11%。4 月最後一周来自亚洲的新美国牛肉出口订单下降，这可能由於一些亚洲较受欢迎的牛肉价格创下新高。但是，创纪录的 3 月月度出口量使市场对国际需求感到乐观。



美国农业部牛肉屠体价格指数（特选级）：2021 年 5 月 10 日 – $309.11 美元/百磅（较 2021 年 5 月 3 日增加 3%）

上周，由於美国国内的非凡需求、生猪供应紧张，以及猪肉价格上涨，进而使猪肉分切价有所上涨。尽管同比产量增长，但猪肉批发价格仍继续上涨；年初至今的产量较去年增长 2.5%，且屠宰量增长 1.3%。此外，6 月至 8 月的瘦猪期货合约持续上涨，这表明市场认为牛市还有更多的运行空间。在一个罕见的市场情况下，上周生猪价的收盘价高於猪肉分切价和活牛价格。上周中，加工商支付的价格为$125.00 美元/百磅，而猪屠体分切价徘徊在$112 美元/百磅附近。同时，活牛价格接近$ 119 美元/百磅。分析师说，由於一些生产商为了应对冬季动物的健康挑战而采取的减产措施，流向加工厂的生猪供应正在减少。飙升的期货价格也可能激励生产商在等待更高的价格时推迟销售。截至 5 月 1 日的一周中，猪只平均体量略高於 285 磅，即使在一周前，也较 2019 年同期轻 4 磅。分析师指出，春季末表示屠宰生猪供应将因季节性开始紧张。在猪肉出口方面，消息也很乐观。据报导，4 月 23 日至 29 日当周的新出口销售量达到 48,300 吨，为 3 月中旬以来的最高水平，鉴於当前大部分猪肉批发价格高昂，这一数字有些令人惊讶。据报导，美国最大的两个海外市场，**中国**和**墨西哥**都有大量新订单。美国还报告了 3 月猪肉的月度出口量创历史新高（请参阅下一栏贸易新闻）。

猪屠体分切价格 ：2021 年 5 月 10 日—$113.16 美元/ 百磅（较 2021 年 5 月 3 日增加 1%）

美国肉类出口协会活动预告:
中国国际食品和饮料展览会, 上海: 2021 年 5 月 18-20 日 (下星期)
香港餐饮展/HOFEX, 香港: 2021 年 9 月 7-9 日

产业动态

在过去几周，箱装牛肉价格持续上涨，而牛价则保持稳定或下降。根据一位着名的美国牛市分析师称， 於 2016 年前，肥育牛价格和箱装牛肉价格以一种可预测的方式一起波动，直到大约 5 年前，这两个变量的统计 R 平方值均达到 98%。这种相关性是双向的：当牛的供应紧张时，以及箱装牛肉价格被推高。当牛肉需求强劲时，加工商较愿意为肥育牛投入更多的金钱。自 2016 年初至今，这种历史上的关联性基本上已经消失了。脱链并不能反映出消费者需求的变化，而是归於牛只供应仍然充足时，加工能力下降。美国的加工能力已经从 2005 年每周加工约 682,000 头的水平下降至目前估计水平 66 万头。2013 年初，由於德克萨斯州一家每周屠宰 2 万头的大型加工厂因乾旱而关闭，且随後该州的牛只供应量下降，震惊了美国牛肉加工业。同时，牛群正处於循环之中，在 2010 至 2012 年期间，肥育牛与屠宰能力的比例达到最低点，但由於牛价高涨刺激了牛群的扩张而出现了反弹。截至 2005 年至 2015 年，活肥育小公牛（堪萨斯州为基准）与 USDA CHOICE 分切价的比率平均为 62%，最大为 67%，最小为 52%。但是，截至 2016 年至 2021 年第一季，活体至分切率平均为 55%，最高季度幅度为 61%，甚至低於前十年的平均值（请参见图表的第 1 列）。最近几周，该比率已降至 40%，允许加工者获得可观的利润，并导致养牛业者呼吁采取监管行动以改善价格。一些分析师认为，牛群周期的进展将导致牛供应於今年下半年开始使牛群供应趋紧，但若结果不是这样，可能会有更多的人采取行动，恢复生产者的一些影响力。同时，已经有关於投资新屠宰厂和扩大产能的公告，这两种情况应有利於养牛业者。

贸易新闻

在经历 1 月和 2 月缓慢的出口活动後，美国牛肉和猪肉贸易的步伐於 3 月明显地回升，两种肉类的出口量均创下了历史新高。牛肉出口量再创新高是由於对**中国**的创纪录进口量以及**韩国**牛肉购买量的同比增长所致，由於韩国买家因担心下半年牛只供应紧收会导致牛肉价格进一步上涨，而开始提前购买。2021 年第一季，由於日本餐饮业持续受到 CoVID 的影响，同时受到苏伊士运河中断、美国西海岸港口运营问题、跨太平洋贸易的挑战以及世界贸易的重新崛起，对全球供应链造成整体压力，使**日本**和**台湾**的牛肉进口量下降。分析师还认为，由於中国现在已经介入成为胸腹肉等其他分切的主要买家，因此亚洲受欢迎的分切肉的即时供应已经受到限制。第一季，对价格更敏感的东南亚市场，包括**印度尼西亚**、**菲律宾**、**越南**的牛肉出口也有所下降。整体而言，於 2021 年第一季，美国出口至所有目的地的牛肉出口量略低於去年的创纪录水平。尽管 3 月美国猪肉和猪杂出口也创历史新高，但第一季的完整贸易量较 2020 年 1 月至 3 月的速度下降 7%，因当时中国为其储备而大量购买猪屠体。美国 1 月至 3 月对第一市场中国的猪肉出口总量为 232,000 吨，较 2020 年第一季减少 48,000 吨（下降 17%）。2021 年第一季度由於与 ASF 相关的短缺，美国对**菲律宾**的猪肉出口激增至 25,400 吨，比 2020 年增长 190%。但是第一季对其他主要市场的进口量同比下降，包括排名第 2 的**墨西哥**（下降 4%）排名第 4 的**加拿大**（下降 6%）和**澳大利亚**（下降 19%）和排名第 5 的**韩国**（下降 9%），而高价格被视为购买量减少的主要因素。目前只有进口至排名第 3 的日本增长 1%。