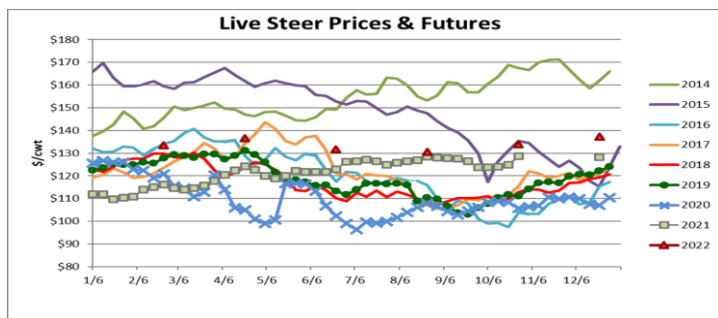


SUPPLY & DEMAND

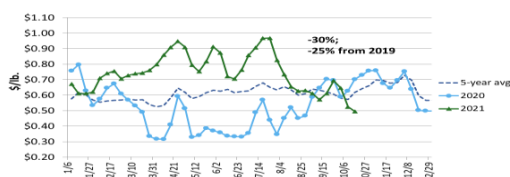
Last Friday, wholesale beef prices closed steady to slightly higher than the Oct 22 Friday closing. End-of-year institutional buying of ribs & export demand for chuck rolls helped to support overall price levels. Media reporting about supply chain glitches (see MOVING AHEAD next column) and out-of-stock store shelves is scaring consumers into early holiday buying, which is supporting overall retail sales including beef sales. Last week's harvest activity of 668,000 head – the highest since June – was unexpected given the reports of meat plant worker shortages, but helped boost live fed cattle prices, which have languished for weeks as sluggish slaughter activity and large numbers of front-end cattle dogged markets. The expected fall fed cattle price recovery has been delayed by low September marketings of cattle to labor-challenged plants. But harvest activity has accelerated in the last 2 weeks which should help pull through some of the ample supplies of heavier cattle on feed and make the market more current. Moreover, analysts note that over the last 3 months, more heifers have been put into feedlots, which is drawing down the breeding herd and which will at some point lead to a noticeable turn in cattle markets from bearish to bullish. Still, there is disagreement about when that might happen and continued large available cattle supplies have driven futures markets lower; fed cattle prices have been inching up toward U.S. \$130/cwt liveweight but have been unable to break through this ceiling due to restrained harvest activity. But at some point, the herd contraction will manifest itself through lower available fed cattle supplies. On the other end of the market, beef demand remains exceptional; exports through mid-October are on a record pace at **+13% YOY**, while the average all USDA CHOICE beef retail price in the U.S. in September of \$7.87/lb. was **+23.5%** from September 2020 and an all-time record high.



Beef Choice Beef Cutout Value: 1/11/2021 – US\$287.58/cwt. (+2% from 25/10/2021)

Wholesale pork values moved lower for the 4th consecutive week, with double digit week-on-week decreases in the belly primal offsetting strength in ham values. The drop came despite a tepid week in harvest activity, with the 2.551 million head processed **-5.3%** from last year's level. Seasonal harvest activity should be higher now, but labor issues continue to plague plants. This is clear from the wide spread between bone-in hams, which last week averaged U.S. \$0.49/lb., to boneless ham values which on Friday remained elevated at \$2.18/lb., among the highest weekly values ever. Market focus in the coming weeks will move toward hams, which some households may choose to purchase over concerns of tight turkey supplies. Ham prices are attractive, with bone-in versions being one of the few red meat items with a price tag lower than a year-ago (**-33%**). But despite the spot interest in hams, overall market sentiment displays signs of weakness. US cash hog prices, as indicated by late last week's CME lean hog index quote – hit the lowest level since late February. And futures fell throughout October, with the current December lean hog futures settlement price about \$10 under the current CME lean hog value. New pork export sales and shipments for the week ending October 21 were roughly steady with the pace of the previous month but accumulated pork muscle cuts exports through mid-October are **5%** below last year's record pace although **+18%** from 2019. Chinese pork prices turned upward during October (see TRADE next column), which has helped accelerate the movement of the large inventories of imported pork that have been sitting in Chinese cold storages.

Heavy Bone-in Hams



Source: USDA/AMS, 23-27#

Hog Carcass Cutout Value: 1/11/2021 – US\$92.44/cwt. (-2% from 25/10/2021)

ACTIVITIES:

Food & Hotel China 2021, Shanghai: November 9-11, 2021 (next week)
Food Taipei, Taiwan: December 22-25, 2021

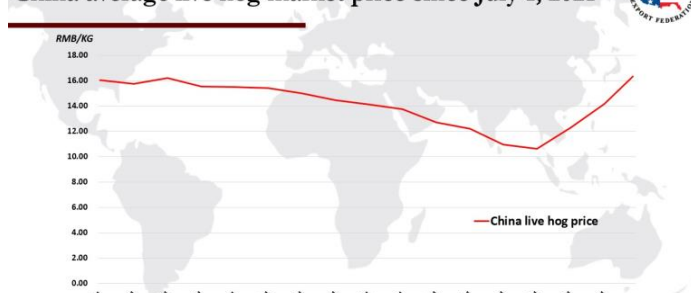
MOVING AHEAD

More measures are being announced to address current U.S. supply chain challenges. The California ports of Los Angeles and Long Beach have announced new fees will be imposed on imported containers for local delivery that remain at terminals nine days or longer, and on rail containers that dwell for three days or longer. At the port, the city of Long Beach will allow a higher maximum stacking level for containers, from 2 to 4, and both LA and Long Beach facilities are now operating 24 hours per day. The city of Los Angeles has also designated new areas in and around the city where terminal operators can store containers while Long Beach has said it will also open more storage space. Last week California announced it will spend US \$5 billion to upgrade its port infrastructure and partner with the [U.S. Dept. of Transportation](#) on further infrastructure development programs. Railroad operator Union Pacific announced last week it's rolling out new incentives for weekend container drop-offs at SOCAL ports and logistics operators at both of the Southern California port are exploring how to add more inland load point warehouses in the region. These warehouses can become logistical choke points, as this is where goods and merchandise are loaded or unloaded into containers and trucked short distances to & from ports, process known as drayage. Other proposals affecting trucking include a possible increase on truck weight limits in the state of California, where currently allowable truck weights are some of the lowest in the world. While the above measures should help alleviate current challenges, it is difficult to predict how long current problems will persist. The port backlogs are compounding current problems in the trucking industry. First and foremost, truckers, who move 72.5% of all U.S. freight transported, are in short supply; estimates put the shortage at 80,000 drivers. Although there are 3.5 million truckers in the U.S., the difficulty the industry is experiencing attracting new drivers is compounding current logistics crunches. When freight is not available for scheduled pick-ups, truckers must be re-scheduled, often with unknown timeframes, which decreases the velocity of goods flows and raises costs. At-port containers with no trucks or available drivers to retrieve them remain stacked, complicating the ability of terminal cranes to quickly sort through and load orders. And finally, inland warehouses are having difficulty recruiting new workers to handle the increased freight loads. Despite all the reported challenges, it is expected the port of Long Beach will process 9 million container units (TEUs) in 2021, surpassing last year's record of 8.1 million TEUs.

TRADE

Last week we reported on **China's** major slowdown in pork imports during September. New overseas pork purchases fell sharply as domestic live hog prices fell **40%** during Q2 and another **26%** during Q3. A trough was reached on October 6th, but prices have sharply rebounded leading to new market optimism and fresh questions about imports next year. MEF reports that movements at the wholesale level of imported pork muscle cuts have improved significantly over the last few weeks, helped by cooler weather and seasonal demand. Over the past month, live hog prices have jumped **49%** while carcass prices are **+45%**. Chinese pork production during Jan-Sept increased **38%** YOY, an increase of 10.78 million tons according to official Chinese statistics. The rapid rebound led to a quick deterioration in profitability across farms of all-scale. In early October, when live hog prices were at their lowest, wean-to-finish producers were losing up to U.S. \$185 per head on 120kg market hogs, while farrow to finish operators were up to U.S. \$90 of red ink. Its not entirely clear what has fueled the recent rebound. Chinese authorities said on August 6 that it would be more aggressive with its pork reserve activity, announcing at that time specific price levels that would trigger both sales and purchases. After selling 880K tons of pork from reserves into the market from Jan 2020 through March of this year, China began buying domestic pork from the reserve on July 7. State purchases since that time have totaled 83,000 tons, with provinces also conducting their own reserve buying programs. Dalian lean hog futures contracts, which had steadily slid since their debut on Jan 8 of this year, have also now turned upward. But yesterday's May 2022 contract value was trading at a slight 2% discount to current cash (Nov 1 = RMB 16.28/kg), indicating that the industry & traders still remain cautious about the market outlook. With current farrow-to-finish production costs at about RMB 17/kg., forecasted market prices for mid-next year are still near or below the costs of production.

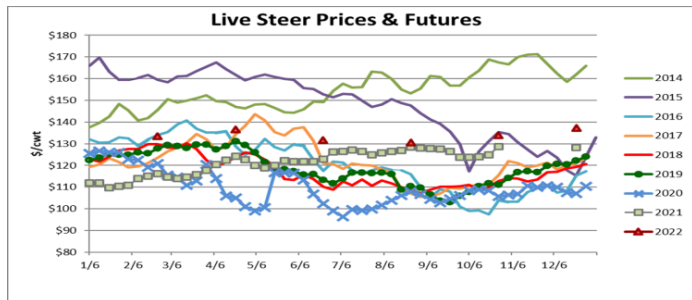
China average live hog market price since July 1, 2021





供应与需求

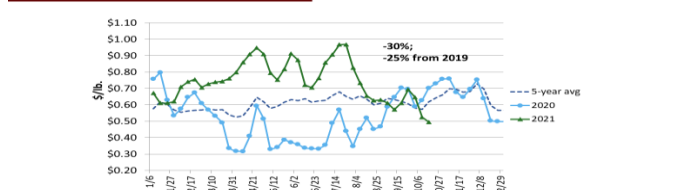
上周五，牛肉批发价格收盘持稳至略高于 10 月 22 日当周五收盘价。年末的肋排机构购买和下肩胛眼肉卷出口需求有助于支撑整体价格的水平。因媒体对供应链故障（请参见下一栏产业动态）和商店缺货的报导，使消费者受到了惊吓而出现提前假期购买，进而支持了包括牛肉销售在内的整体零售销售。鉴于肉类屠宰厂工人短缺的报导，上周屠宰活动达到了 668,000 头，为 6 月以来最高水平，但助长了活牛价。由于屠宰活动低迷以及大量前端牛只的困扰，活牛价格连续数周低迷。原本预期秋季肥育牛只价格将回升，但因屠宰厂 9 月份劳动力不足，出售的牛只销售量较低而被推迟。但过去两周的屠宰活动加速了，这应该有助于缓解一些体重较重肥育牛的供应，并使市场变得更加活跃。此外，分析师指出，繁殖用牛群正在减少，因过去 3 个月里，更多的小母牛被置入肥育场，这将导致牛市从看跌转为看涨。尽管如此，对于这种情况何时可能发生仍存在分歧，大量牛只供应推动期货市场持续走低，肥育牛只的价格一直在向 \$130 美元/百磅小幅上涨，可惜的是由于屠宰活动受限而未能突破这一上限。但在某些时候，牛群收缩将通过可用的肥育牛只供应减少来体现。在市场的另一端，牛肉需求仍然异常旺盛；截至 10 月中旬，出口量创历史新高，同比增长 13%，而 9 月份美国所有 USDA CHOICE 牛肉的平均零售价为 \$7.87 美元/磅，比 2020 年 9 月增长 23.5%，并创下历史新高。



美国农业部牛肉屠体价格指数（特选级）：2021 年 11 月 1 日 - \$287.58 美元/百磅（较 2021 年 10 月 25 日增加 2%）

猪肉批发价格连续第 4 周走低，腹部肉的周环比降幅达到两位数，抵消了后腿价值的增长。尽管本周屠宰活动不热烈，但还是出现了下降，255.1 万头的屠宰量比去年水平下降 5.3%。季节性屠宰活动现在应该更高，但劳动问题持续困扰着屠宰厂。从上周带骨后腿肉平均 \$0.49 美元/磅，至周五去骨后腿肉保持 \$2.18 美元/磅的高位价格，清楚地表明了这是有史以来最高的每周价格之一。由于担心火鸡供应紧张，一些家庭可能会选择购买后腿肉，因此市场未来几周的焦点将转向后腿肉。后腿肉的价格也很有吸引力，带骨后腿肉的价格为少数低于去年同期（-33%）的红肉品项之一。尽管大家对后腿肉有兴趣，但整体市场情绪显示出季节性疲软的迹象。美国生猪现货价格正如上周末的 CME 瘦猪指数报价所示，创下自 2 月底以来的最低水平。而整个 10 月份的期货价格都处于下跌，当前 12 月瘦猪期货结算价比目前 CME 瘦猪价值低约 \$10 美元。截至 10 月 21 日当周的新猪肉出口销售和出货量与上个月的速度持平，但截至 10 月中旬，累计的猪肉分切出口量比去年的创纪录速度低 5%，却比 2019 年增长 18%。中国猪肉价格于 10 月份出现上涨（请参见下一栏贸易新闻），这有助于加速中国低温储藏食品中大量进口猪肉的流通。

Heavy Bone-in Hams



Source: USDA/AMS, 23-27#

猪屠体分切价格：2021 年 11 月 1 日 - \$92.44 美元/百磅（较 2021 年 10 月 25 日减少 2%）

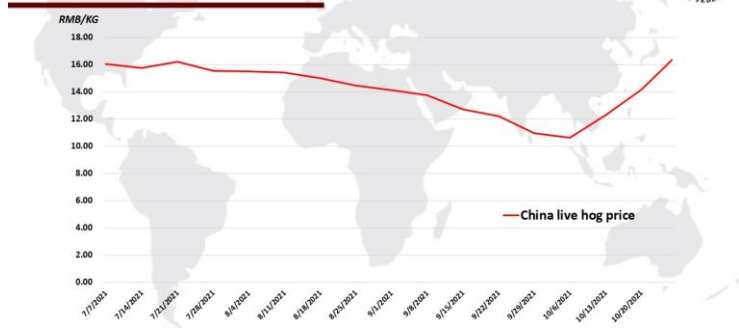
产业动态

以应对美国当前的供应链挑战，更多的措施正在被宣布。美国加利福尼亚州的洛杉矶和长滩港口宣布，将对停留于码头 9 天或更长时间的本地交付进口货柜以及停留 3 天或更长时间的铁路货柜将徵收新的费用。于港口，长滩市将允许堆叠货柜最高可从 2 个提高至 4 个，并且现在洛杉矶和长滩的设施每天 24 小时运行。洛杉矶市还指定了让码头运营商于城市内外存放货柜的新区域，而长滩市则表示将开设更多存放空间。上周，加州宣布将斥资 \$50 亿美元升级其港口基础设施，并与美国交通部合作开展进一步的基础设施开发计划。铁路运营商美国联合太平洋铁路公司上周宣布，将在南加州港口推出新的周末卸货激励措施，南加州两个港口都在探索如何在该地区增加更多的内陆装载点仓库。而称之为拖运，这些仓库可能成为物流的阻塞点，因为那里是货物和商品装卸到货柜中并在短距离运输至港口的地方。其他影响卡车运输的提议包括可能增加加州的卡车重量限制，目前该州允许的卡车重量为世界最低的。虽然上述措施应有助于缓解当前的挑战，但很难预测目前的问题会持续多久。港口积压的货物使目前卡车运输业的问题更加复杂。首先，占美国所有货运量 72.5% 的卡车司机供不应求；据估计，司机短缺达 8 万名。尽管美国有 350 万名卡车司机，但该行业在吸引新司机方面遇到的困难加剧了当前的物流危机。当货物无法按计划取货时，卡车司机往往在未知的时间内必须重新安排时间，这将降低货物流动的速度并提高成本。没有卡车或可用司机来取回它们的港口货柜仍然堆放着，使码头起重机快速分拣和装载订单的能力变得复杂。最后，内陆仓库难以招聘新工人来处理增加的货运量。尽管报告了所有挑战，但长滩港口预估 2021 年他们将总共处理 900 万个货柜单位 (TEUs)，超过去年 810 万个货柜记录。

贸易新闻

上周，我们报导了中国 9 月期间猪肉进口大幅放缓的情况。由于中国国内生猪价格于第二季度下降 40%，第三季度又下降了 26%，使新的海外猪肉采购量急剧下降。10 月 6 日达到低谷，但价格已急剧反弹，导致市场出现新的乐观情绪和对明年进口的新问题。MEF 报告称，在天气转凉和季节性需求的帮助下，进口猪肉分切的批发水平于过去几周明显改善。过去一个月，生猪价格上涨 49%，而屠体价格上涨 45%。根据中国官方统计，1 至 9 月期间中国猪肉产量同比增长 38%，增加了 1078 万吨。快速的反弹导致各种规模的农场盈利能力迅速恶化。10 月初，当生猪价格处于最低点时，离乳至育成的生产商每头 120 公斤市场生损失高达 \$185 美元，而产仔至育成经营者的亏损高达 \$90 美元。目前尚未清楚是什么推动了近期的反弹。中国当局于 8 月 6 日表示，他们将更加积极地进行猪肉储备活动，届时将公布具体的价格水平，以促进销售和采购。2020 年 1 月至今年 3 月，中国向市场销售 88 万吨储备猪肉后，中国于 7 月 7 日开始从储备中购买国产猪肉。自那时以来，中国国家采购总量已达 83,000 吨，同时各省也开始开展了自己的储备采购计划。大连瘦猪期货合约自今年 1 月 8 日首次亮相以来一直稳步下滑，但目前已转为上涨。但昨天的 2022 年 5 月合约价值仅比当前现货（11 月 1 日 = \$16.28 人民币/公斤）略有 2% 的折让，表明该行业和贸易商仍对后市保持谨慎。由于目前出生至育成的成本约为 \$17 人民币/公斤，预计明年年中的市场价格仍接近或低于生产成本。

China average live hog market price since July 1, 2021



美国肉类出口协会活动预告：

FHC 上海环球食品展：2021 年 11 月 9-11 日（下星期）

台北国际食品展，台湾：2021 年 12 月 22-25 日