

WEEKLY Market Report

North American Meat Association
regulatory | education | partnership
NAMA

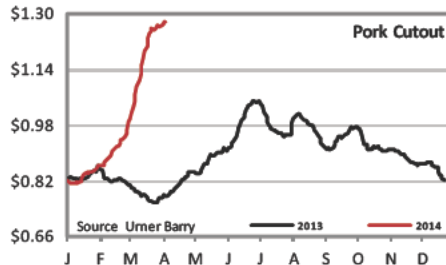
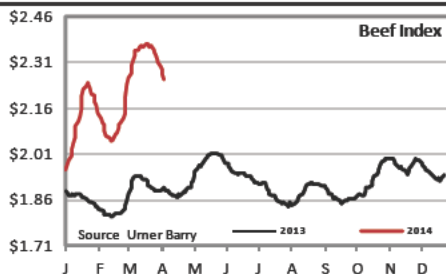
Friday, April 04, 2014

Number 14- Volume 07

WEEKLY COMMODITY AT A GLANCE

	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	4.85	4.74	6.59
CBOT Soybean	1,473.75	1,436.50	1,361.75
NYMEX Light Crude Oil	101.14	101.67	92.70
Loose Lard, Chicago Basis	UNQ	UNQ	UNQ
Edible Tallow, Chicago Basis	0.450	0.450	0.450
Beef Trimings, 90% Fresh	258.00	267.00	219.00
Beef Trimings, 50% Fresh	121.00	129.00	98.00
Aust/NZ Blend Cow 90% EC Spot	219.00	221.00	211.00
USDA Drop Credit	16.09	16.02	14.31
112A 3 Ribeye Roll, Lip-On CH	690.00	670.00	620.00
116A 3 Chuck Roll, Neck-Off CH	250.00	255.00	240.00
168 3 Round, Top (Inside) CH	288.00	300.00	215.00
180 3 Strip Loin, Bnls, 0x1 CH	700.00	730.00	550.00
136 Coarse Ground 73%	200.00	210.00	175.00
189A 4 Loin, Tenderloin, PSMO CH	1130.00	1130.00	910.00
Cattle-Fax, 6-State Fed Steer Price	150.78	134.15	124.87
Select Hams 20/23	126.00	124.00	60.00
Sq Cut Bellies 14/16	202.00	190.00	140.00
1/4 Trmd. Loins 21/dn	154.00	164.00	104.00
1/4 Tr Boston Butts 9/dn	163.00	175.00	83.00
Spareribs, Light, Fresh	189.00	194.00	144.00
Fresh Pork Trim (42%)	84.00	80.00	40.00
Fresh Pork Trim (72%)	143.00	140.00	52.00
Carcass Lamb Y4+55/65	330.00	330.00	288.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	855.00	855.00	540.00
Lamb Cuts, 206 Shoulder, Cross Cut	295.00	295.00	230.00
Lamb Cuts, 232 Loin Trmd 4x4	550.00	550.00	490.00
Lamb Cuts, 234 Leg, Boneless	560.00	560.00	505.00
Carcass Veal, Hide-off, 255/315, NC	375.00	375.00	370.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	925.00	925.00	890.00
Veal Cuts, 310 Shoulder Clod 14/20	625.00	625.00	630.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	620.00	620.00	625.00
Veal Cuts, 348A Leg, TBS 3-Pc 24/32	1,100.00	1,100.00	1,060.00

Quotes represent the high side of Friday's trading range.



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	114	118	117	118	105	11	583
LW	115	118	118	115	111	8	585
*LY	108	120	119	126	113	10	597

EST. DAILY HOG SLAUGHTER

	TW	LW	*LY
TW	401	415	410
LW	410	418	412
*LY	292	426	425

EST. DAILY SHEEP SLAUGHTER

	TW	LW	*LY
TW	9	9	7
LW	9	9	7
*LY	8	8	7

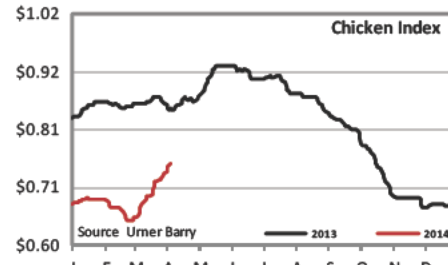
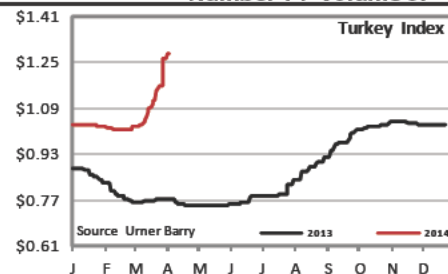
EST. DAILY CALVES SLAUGHTER

	TW	LW	*LY
TW	3	3	2
LW	3	3	2
*LY	3	3	3

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	3/21	3/22	3/24	3/25	3/26	3/27	123
TW	3/28	3/29	3/31	4/1	4/2	4/3	121
*LY	26	3	24	26	27	28	134

*Last Year number's are rounded.



FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.928	0.924	1.036
Mexico, Peso	13.035	13.084	12.352
Canada, Dollar	1.098	1.106	1.022
Japan, Yen	103.227	102.810	96.887
China, Yuan (RMB)	6.212	6.212	6.201
Brazil, Real	2.242	2.265	2.011
South Korea, Won	1,051.100	1,066.610	1,133.280
Taiwan, Dollar	30.207	30.423	29.899
European Union, Euro	1.370	1.375	1.302

COLD STORAGE

U.S. BEEF COLD STORAGE STOCKS

(Pounds in Thousands)	2/28/13	1/31/14	2/28/14
Beef in Freezer, Bnls	433,261	389,031	363,996
Cuts	56,717	40,266	43,107
Total Beef	489,978	429,297	407,103

Data Updated: March 21, 2014

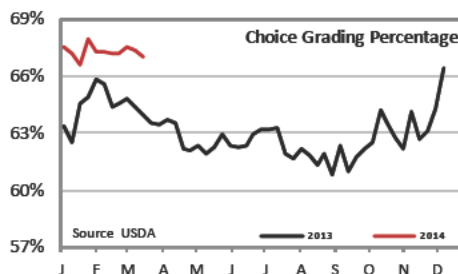
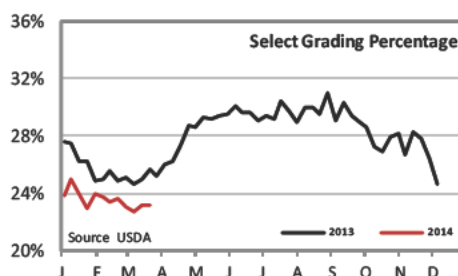
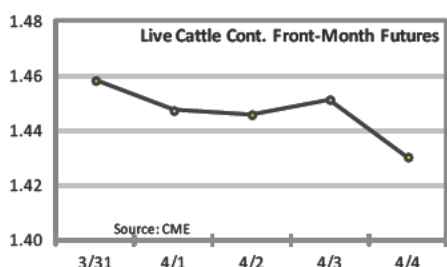
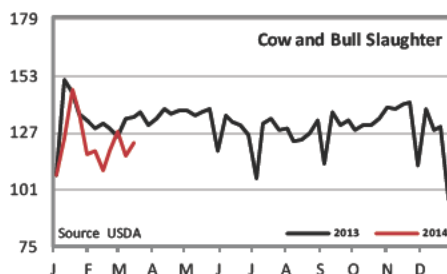
U.S. PORK COLD STORAGE STOCKS

(lbs., in thousands)	02/28/13	01/31/14	02/28/14
Pork in Freezer, Picnics	16,814	9,920	11,560
Hams	110,763	106,183	117,185
Bellies	42,976	87,171	88,261
Loins	42,347	42,796	43,725
Spareribs	119,439	112,246	122,641
Butts	28,710	21,179	25,993
Trimings	64,372	41,577	37,813
Other Pork in Freezer	111,855	110,199	111,123
Total	633,399	618,746	653,800
Veal in Freezer	4,858	3,285	3,190
Lamb & Mutton in Freezer	19,833	25,658	26,264
Total	24,691	28,943	29,454

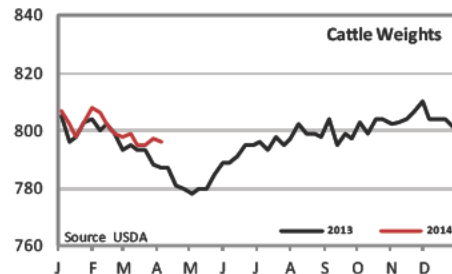
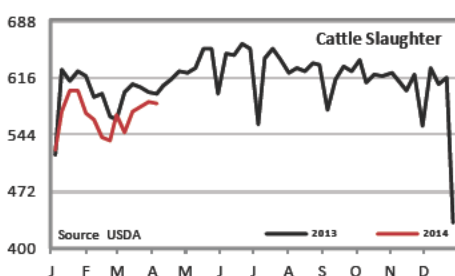
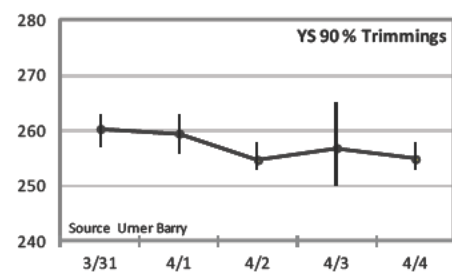
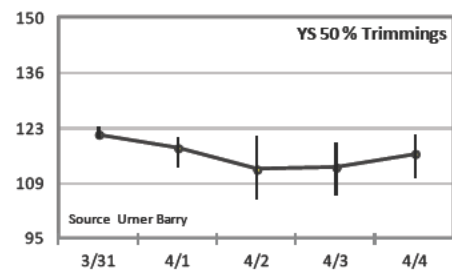
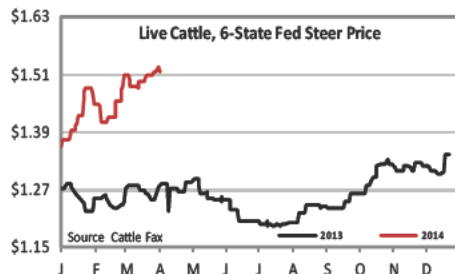
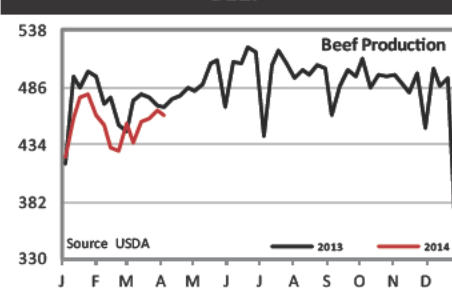
Data Updated: March 21, 2014

YS BEEF CUTOOUT Apr-04 v. Mar-28

	CHOICE	SELECT	NO-ROLL	CAB
Rib	-0.67%	-0.61%	-0.66%	+1.26%
Chuck	-3.07%	-2.68%	-3.80%	-4.38%
Round	-4.79%	-4.87%	-4.73%	-2.18%
Loin	-3.28%	-7.70%	-2.14%	+0.14%
Brisket	+3.11%	+3.11%	+3.11%	-0.72%
Plate	-0.90%	-0.90%	-0.90%	-3.64%
Flank	-1.67%	-1.67%	-1.67%	-4.08%
Total	-2.71%	-3.92%	-2.59%	-1.53%



BEEF



BEEF COMMENTARY

Hefty drops with end cuts, loin meat, as well as trimming values during the week forced the Yellow Sheet Cutouts sharply lower. Demand for quick ship remained fair to dull, forcing processors to offer spot inventory at discounted levels. Beef packer operating margins remained well below breakeven.

LIVE CATTLE: Cash trade of market-ready cattle waited until Friday to begin. Southern cattle owners sold a light volume of their offerings at \$148/cwt, down \$2/cwt from week prior. Live cattle in the North sold at \$150/cwt; down from week prior's \$152/cwt to \$154/cwt sales. The dressed carcass exchanged ownership this week at \$240/cwt to \$241/cwt, mainly \$3-\$4/cwt lower from week ago range of trade.

SLAUGHTER & BEEF PRODUCTION: The weekly F.I. Slaughter tallied 583,000 head, 2,000 head lower from week prior. Cattle weights declined again. Live cattle weights moved another three pounds lower, reported at 1327 pounds; dressed carcass weights reported at 796 pounds, down a pound from last week.

RIBS: Choice, Select, and No-roll Rib cutouts when compared to week prior closing levels settled just shy of steady. Buyer's interest for quick ship remains fair-at-best.

CHUCKS: Chuck cuts were under negative pressure throughout the week. Major cuts from the chuck primal section sold at large discounts.

ROUNDS: All cuts from the hind quarter of the animal lost spot market value. The Yellow Sheet Choice Round Cutout dipped almost 5% lower from week prior closing value.

LOINS: After the run up with prices that developed in January and February, loin values have depreciated as retail movement and grilling season demand is at a standstill for the moment.

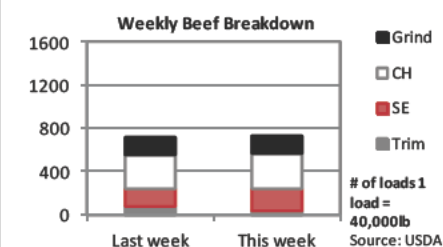
BONELESS BEEF: Fresh 90s trended lower as supplies varied from source to source. Demand was reportedly moderate at best. Fresh 50s were steady to lower this week. Availability from packer to packer was very noticeable. This week's cattle slaughter was estimated at 583,000 head; down 2,000 from the previous week.

YS BEEF CUTOOUT-CH/SE SPREAD (\$/cwt)

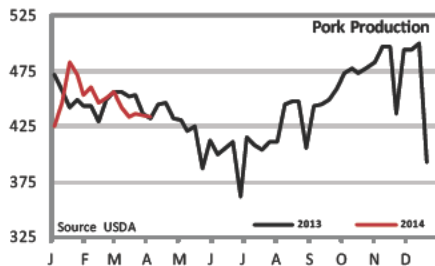
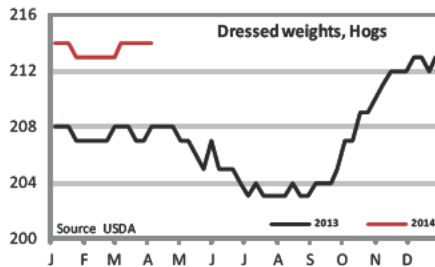
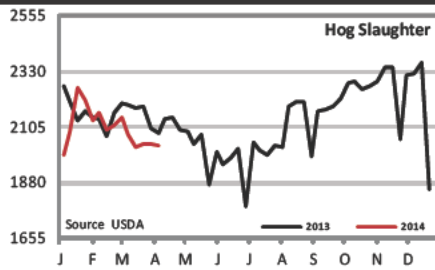
	M	T	W	TH	F
TW	6.93	8.39	8.52	8.71	8.10
*LW	4.74	5.00	5.10	5.14	5.49

Source: Umer Barry

*Last Weeks number's are rounded.

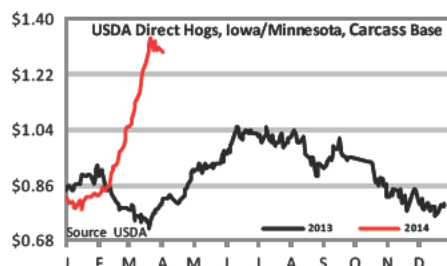
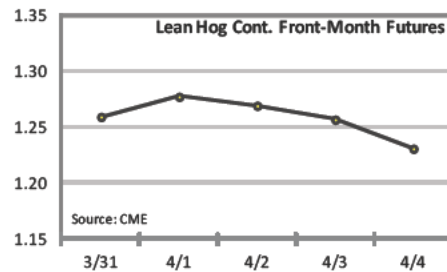


PORK PRODUCTION

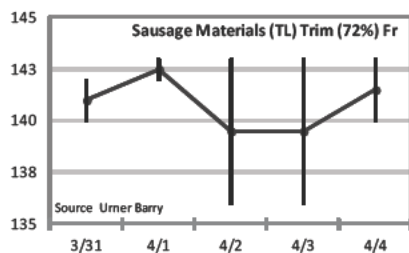
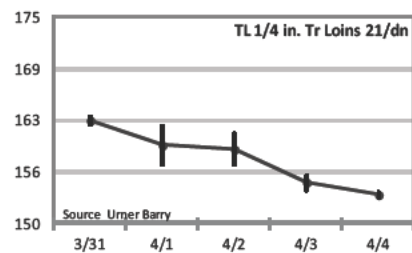
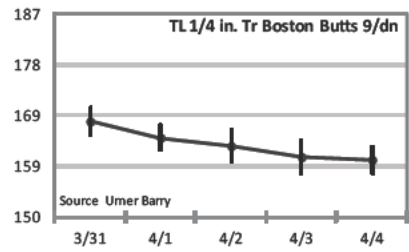
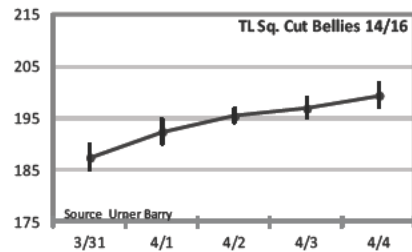
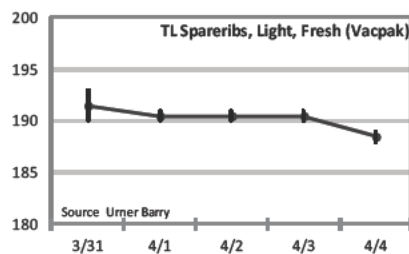
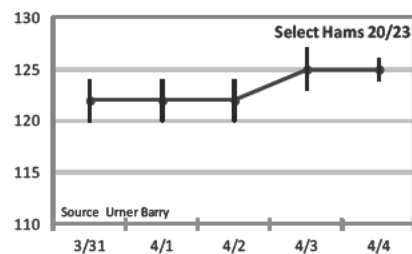


LIVE HOGS & CUTOOT

PORK CUTOOT	Mar-28	Apr-04	Change
Loin	32.589	30.644	-1.945
Butt	13.883	13.162	-0.721
Picnic	12.057	12.629	+0.572
Sparerib	7.813	7.611	-0.202
Ham	27.747	28.825	+1.078
Belly	29.432	31.316	+1.884
Cutout Value	126.854	127.500	0.646



PORK PROCESSING ITEMS & RETAIL CUTS



PORK COMMENTARY

Wholesale values fell sharply among fresh pork items, while strength in the green meats managed to keep the overall cutout positive on the week. Hogs in the bellwether Iowa-Southern Minnesota area lost 3.2 percent, going from \$129.00 to \$124.90/cwt in the week. At the same time, the Yellow Sheet pork carcass cutout was up 0.5 percent, going from \$126.854 last Friday to \$127.500 this Friday. Profitability shrank with the Urner Barry pork packer margin index ranging between (\$2.46) and \$3.10/head.

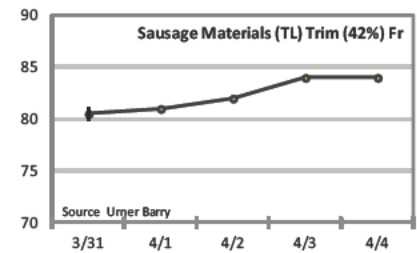
PORK PRODUCTION: Total pork production for the week ending April 5, 2014 was estimated at 434.1 million lbs. This total was nearly identical to last week and .4 percent below the same week a year ago. Average hog weights, at 285 pounds, were even with last week and 7 pounds over last year.

HAMS: Unlike fresh pork, the green meat complex saw consistent premiums throughout the week as demand withstood record asking levels. Hams saw supportive last minute Easter interest from both domestic and international customers, pushing values up between 1.6 and 6.3 percent.

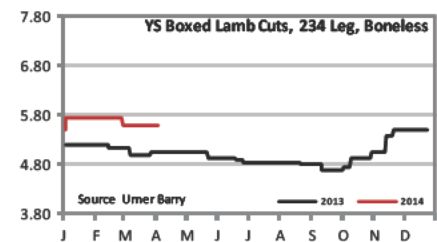
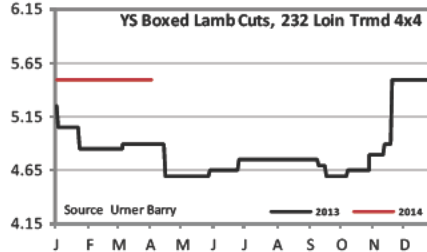
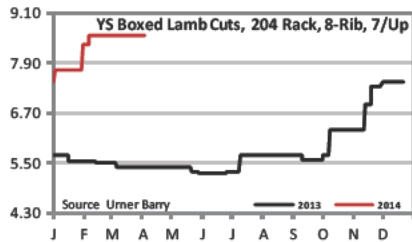
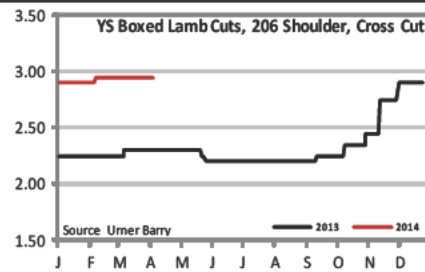
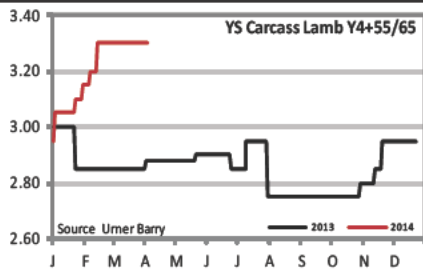
BELLIES: Bellies gained throughout the week as demand for fresh product combined with limited offerings. Product leaving the freezer was not enough to compensate for the consistent demand element. As a result, bellies 12 through 18lbs gained 6.3 percent or \$12/cwt by Friday.

TRIMMINGS: Sausage materials also saw premiums over the course of the week as demand for grilling products ramped up. However, as the week wore on with retail products falling notably and hog production remaining consistent with the previous week, some spots of availability began to emerge. Regardless, fresh 42's closed the week 5 percent up while 72's gained 2.1 percent.

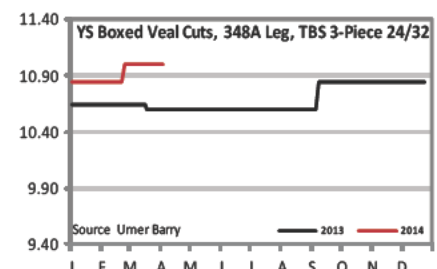
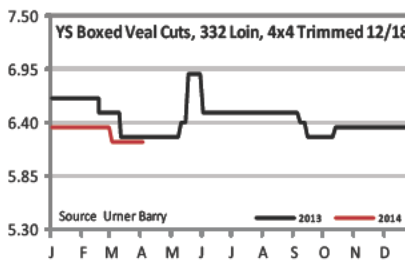
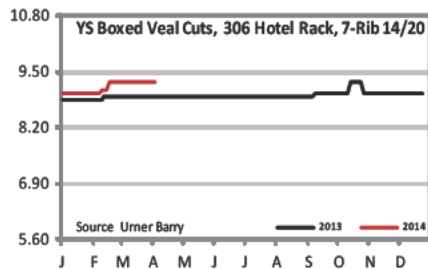
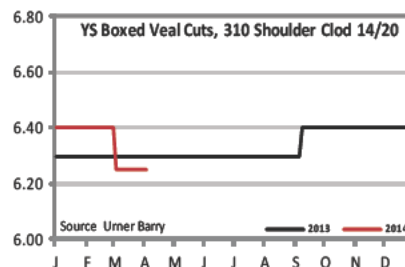
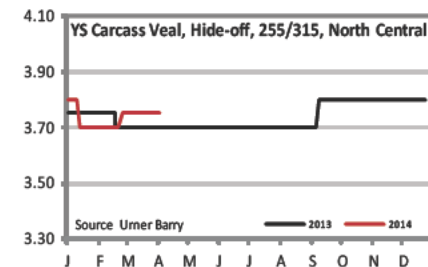
RETAIL: Last week's momentum shift carried through to this week, resulting in additional weaker trade among most fresh pork products. Successive weeks of sharply higher trade, fueled by the speculation PEDv would significantly reduce supply, finally succumbed to buyer resistance to record-high prices and the resultant oversupplied market. This week alone, bone-in loin values declined another \$10.00 to \$14.00/cwt; resulting in a two-week reduction between \$27.00 and \$28.00/cwt. Boneless loins fell \$18.00 to \$21.00/cwt this week and between \$57.00 and \$59.00/cwt in two weeks time. Bone-in centers, sirloins, and tenderloins were all led lower. Conversely, sustained interest in the picnic remained price supportive. Resilient last week, the butt market turned, losing between \$8.00 and \$12.00/cwt this week. Heavy hog weights continue to result in a very wide range between light and medium ribs, however the shift in market sentiment led to \$5.00 to \$7.00/cwt discounts on light and medium ribs respectively from last week's trade. Once again, St. Louis Ribs and Loin Back Ribs were largely unchanged.



LAMB



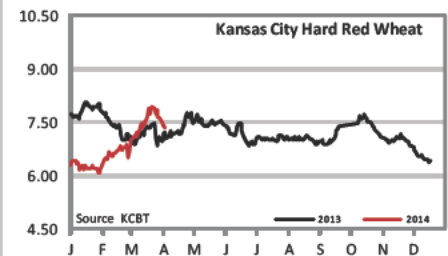
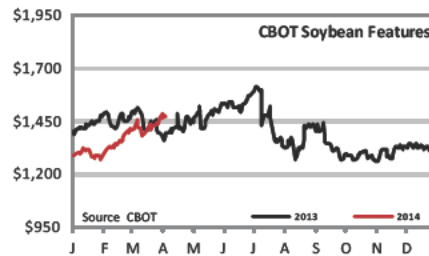
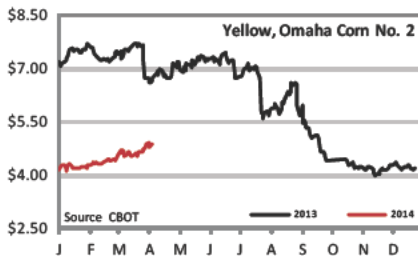
VEAL



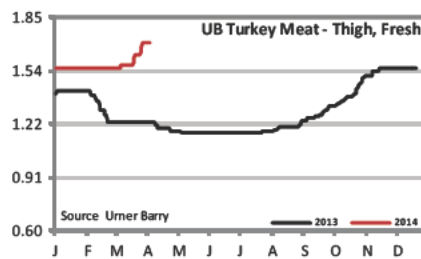
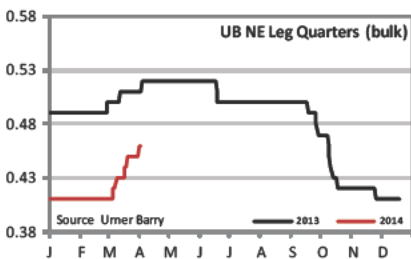
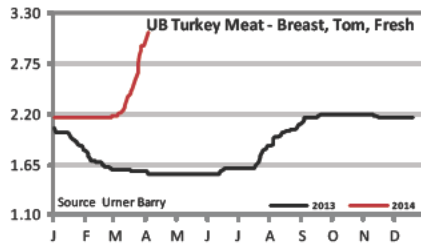
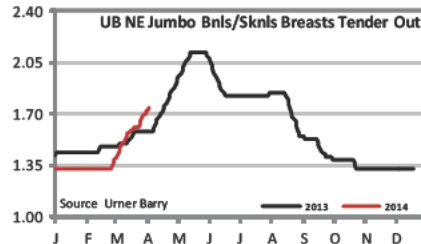
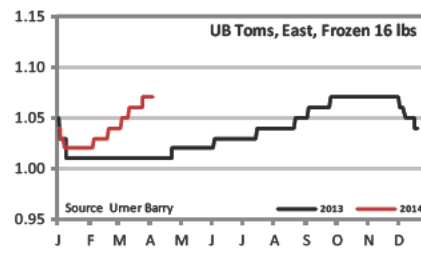
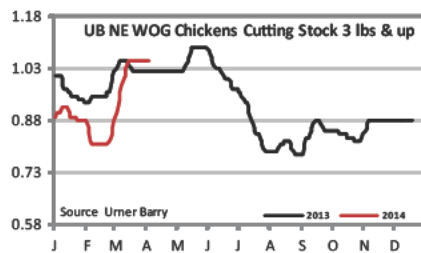
VEAL COMMENTARY

Veal carcasses traded this week at steady prices. Most participants seemed happy to just keep product moving given the limited featuring. Boxed cuts were largely unchanged. Breasts were the one item that traded at a discount which sources attributed to product being more readily available.

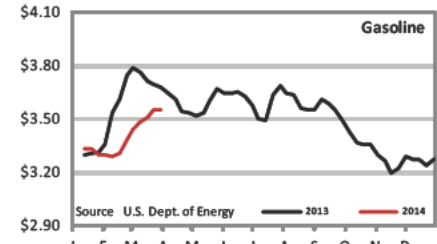
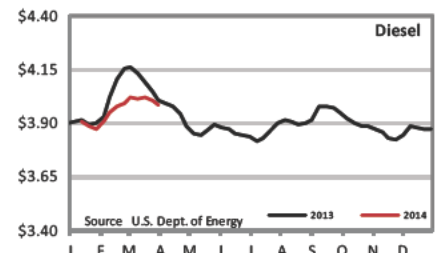
FEEDS



POULTRY



ENERGY



POULTRY COMMENTARY

The chicken market closed this week with a number of very familiar items taking yet another vertical leap. Even though most observers were unimpressed by the "first of the month" business pace, nearly every reported sale warranted that we continue to move our listed quotations higher. Demand for most lines was just fair at best, but supplies remained no more than adequate to possibly short depending on the item and point of sale. Boneless breast offering prices may not have been as bullish this week as they were last week, but they were still over the market. Interest in the small and medium sized boneless meat became more brisk as the week progressed. Tender availability remained limited. There were very few spot loads available and to own one, would've been quite costly. Bone-in breasts continue to tighten. Whole birds and WOGs were rated about steady to steady and sales were mixed. Wings are starting to show signs of weakness. Most trading is still occurring at market related levels however, sellers' asking prices have begun to retreat. The dark bone-in lines finish the week rated steady. Sources report that export players, especially from the north, have become quite active again in the marketplace again. Leg meat and thigh meat supplies remained somewhat tight. Chunk and

trim meat was in a similar position.

Irregularities in the distribution of product not to mention the extreme set of conditions which have recently characterized it, have produced a strange mix of trade sentiment and paid values over the past week. Buyers seeking raw materials coverage have found it necessary to pay sharp premiums. More recently those looking for fresh drums are disappointed by the lack of offerings despite bids placed at premiums. Elsewhere the market scenario is about where it's been. We are noting a slight retreat in the level of thigh meat buying interest but, as we write this on late Friday, needs seem to be advancing. For the balance of white meats and trim related lines the undertone is firm and our quotations have been moving higher to better reflect market values. Frozen tom and hen drums are at least steady. The same is true of whole wings where higher paid values for spot and near future ship dates is the rule. At week's end the whole bird and bone-in breast segments are unchanged. Demand for whole birds is best for light volumes destined for various export markets. The undertone to this segment is full steady to firm. As Easter approaches HRI buyers are not being shown many whole turkeys or breasts in traditional weight ranges. MST closes the week full steady and very well supported.

Contributors:

Joe Muldowney - joemo@urnerbarry.com
 Bruce Longo - blongo@urnerbarry.com
 Bill Smith - bsmith@urnerbarry.com
 Jim Kenny - jkenny@urnerbarry.com
 Russ Whitman - rwhitman@urnerbarry.com
 Russ Barton - rbarton@urnerbarry.com
 Gary Morrison - gmorrison@urnerbarry.com

This report is offered to you conditioned on your acceptance without modification of the terms, conditions, and notices contained herein. Please read the End-User License Agreement (the "Agreement"), a copy of which is available at www.urnerbarry.com before utilizing this Urner Barry product. Your use of a particular UB Product(s) may also be subject to additional terms set forth in the Agreement. Your use of the UB Product(s) constitutes your acceptance of all of the terms, conditions, and notices set forth in the Agreement. Urner Barry reserves the right to amend, remove, or add to these terms, conditions and notices at any time without notice. Accordingly please continue to review the Agreement whenever accessing or using the UB Product(s). If at any time you do not accept the Agreement along with the terms and conditions outlined in the Services and Products Order Form, you may not use this or any UB Product. Commodity Indices, Cattle Fax, Daily Beef Quotations, Daily Pork Quotations, Daily Lamb & Veal Quotations, Daily Poultry Quotations, Beef and Pork Futures, USDA Direct Hogs, are quoted in \$/lb; USDA Slaughter is quoted as Head in Thousands; USDA Production is quoted as Pounds in Millions; USDA Weights are quoted in Pounds; USDA Drop credit is quoted in \$/cwt live; Feeds are quoted in \$/Bushel; Gasoline & Diesel are quoted in Cents/Gallon.