

# WEEKLY Market Report



POWERED BY URNER BARRY'S COMTELL®

Friday, May 16, 2014

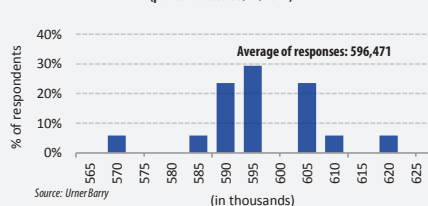
Number 20- Volume 07

## WEEKLY COMMODITY AT A GLANCE

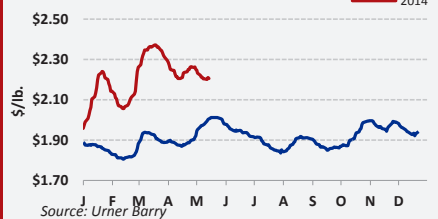
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	4.71	4.93	7.23
CBOT Soybean	1,465.00	1,501.00	1,448.50
NYMEX Light Crude Oil	102.02	99.99	96.02
Loose Lard, Chicago Basis	UNQ	UNQ	0.44
Edible Tallow, Chicago Basis	0.47	0.47	UNQ
Beef Trimnings, 90% Fresh	245.00	247.50	201.00
Beef Trimnings, 50% Fresh	136.00	132.50	96.00
Aust/NZ Blend Cow 90% EC Spot	214.00	214.00	197.00
USDA Drop Credit	15.59	15.56	13.96
112A 3 Ribeye Roll, Lip-On CH	730.00	720.00	710.00
116A 3 Chuck Roll, Neck-Off CH	270.00	261.00	238.00
168 3 Round, Top (Inside) CH	245.00	249.00	219.00
180 3 Strip Loin, Bnls, 0x1 CH	640.00	655.00	800.00
136 Coarse Ground 73%	200.00	190.00	180.00
189A 4 Loin, Tenderloin, PS MO CH	1,100.00	1,100.00	1,005.00
Cattle-Fax, 6-State Fed Steer Price	147.43	147.00	126.27
Select Hams 20/23	116.00	110.00	69.00
Sq Cut Bellies 14/16	145.00	148.00	160.00
1/4 Trmd. Loins 21/dn	135.00	130.00	118.00
1/4 Tr Boston Butts 9/dn	153.00	157.00	114.00
Spareribs, Light, Fresh	173.00	170.00	156.00
Fresh Pork Trim (42%)	67.00	65.00	48.00
Fresh Pork Trim (72%)	110.00	116.00	65.00
Carcass Lamb Y4+55/65	335.00	330.00	288.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	860.00	865.00	540.00
Lamb Cuts, 206 Shoulder, Cross Cut	300.00	295.00	230.00
Lamb Cuts, 232 Loin Trmd 4x4	520.00	540.00	460.00
Lamb Cuts, 234 Leg, Boneless	570.00	580.00	505.00
Carcass Veal, Hide-off, 255/315, NC	380.00	375.00	370.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	945.00	925.00	890.00
Veal Cuts, 310 Shoulder Clod 14/20	650.00	625.00	630.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	650.00	620.00	640.00
Veal Cuts, 348A Leg, TBS 3-Pc 24/32	1,115.00	1,100.00	1,060.00

Quotes represent the high side of Friday's trading range

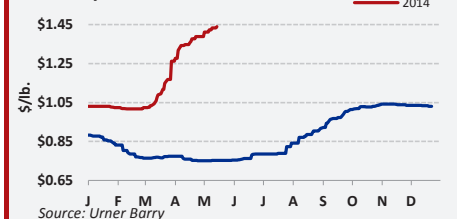
Industry Expectations for Weekly Cattle Slaughter for week ending 05/17/2014 (poll conducted 05/12/2014)



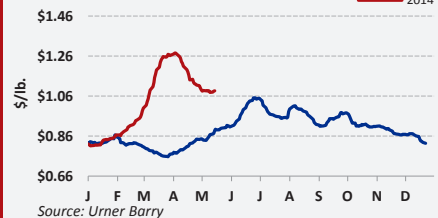
## Beef Index



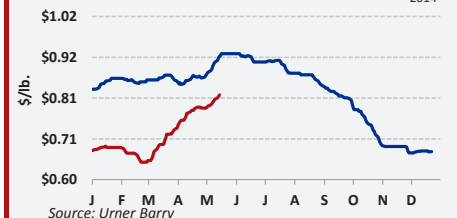
## Turkey Index



## Pork Cutout



## Chicken Index



## EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	116	119	117	118	111	10	591
LW	120	119	120	119	112	10	600
*LY	123	124	124	126	125	31	654

## EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	393	415	411	413	345	22	1,999
LW	386	417	406	396	374	37	2,016
*LY	399	411	413	405	391	18	2,037

## EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	9	10	8	8	6	0	41
LW	9	9	8	7	5	0	38
*LY	9	9	7	8	7	1	42

## EST. DAILY CALVES SLAUGHTER

	M	T	W	TH	F	S	Total
TW	2	3	2	2	2	0	11
LW	2	3	3	2	2	0	12
*LY	2	2	2	2	3	0	12

## EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	5/2	5/3	5/5	5/6	5/7	5/8	116
TW	5/9	5/10	5/12	5/13	5/14	5/15	109
*LY	26	4	24	28	26	26	134

\*Last Year's numbers are rounded

## FOREIGN EXCHANGE RATES

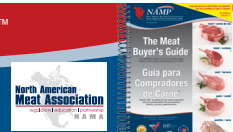
	This Week	Last Week	Last Year
Australia, Dollar	0.936	0.936	0.972
Mexico, Peso	12.899	12.965	12.315
Canada, Dollar	1.087	1.090	1.030
Japan, Yen	101.487	101.753	102.830
China, Yuan (RMB)	6.233	6.227	6.141
Brazil, Real	2.213	2.220	2.028
South Korea, Won	1,023.610	1,024.690	1,116.900
Taiwan, Dollar	30.167	30.178	29.945
European Union, Euro	1.370	1.375	1.282

## COLD STORAGE STOCKS

(Pounds in Thousands)	3/31/13	2/28/14	3/31/14
Beef in Freezer, Bnls	459,354	365,803	363,783
Cuts	51,879	43,703	40,971
<b>Total Beef</b>	<b>511,233</b>	<b>409,506</b>	<b>404,754</b>
<b>PORK &amp; OTHER</b>	<b>3/31/13</b>	<b>2/28/14</b>	<b>3/31/14</b>
Pork in Freezer, Picnics	16,544	11,716	9,071
Hams	94,487	117,464	89,603
Bellies	51,473	87,675	79,721
Loins	42,949	45,373	41,452
Spareribs	122,396	122,859	120,326
Butts	24,458	26,094	20,003
Trimnings	66,070	37,448	36,871
Other Pork in Freezer	122,958	110,102	94,722
<b>Total</b>	<b>647,784</b>	<b>654,712</b>	<b>575,223</b>
Veal in Freezer	5,774	3,190	2,918
Lamb & Mutton in Freezer	17,624	26,191	28,076
<b>Total</b>	<b>23,398</b>	<b>29,381</b>	<b>30,994</b>

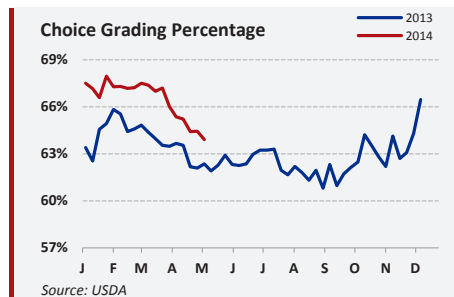
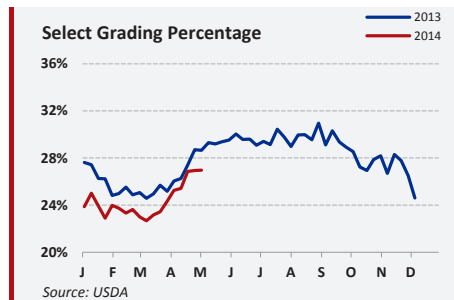
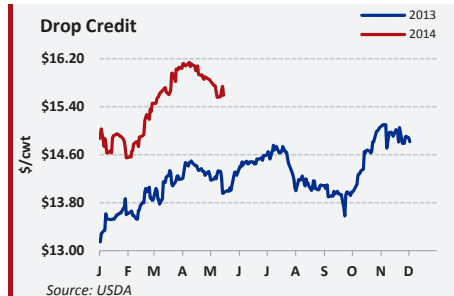
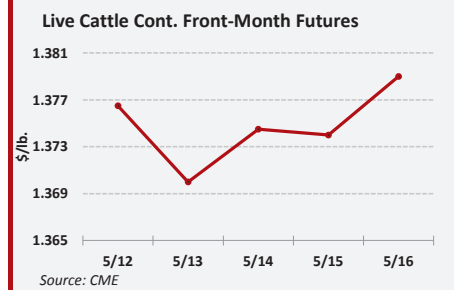
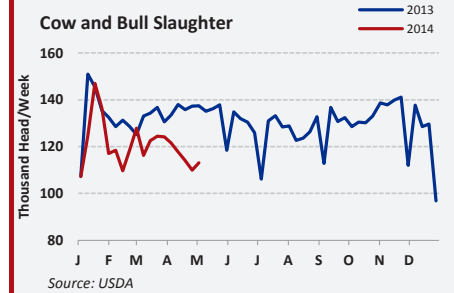
Data Updated: April 22, 2014

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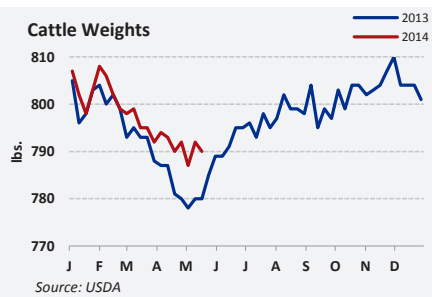
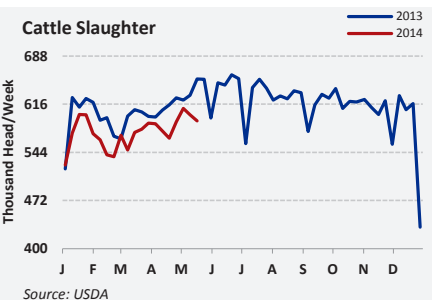
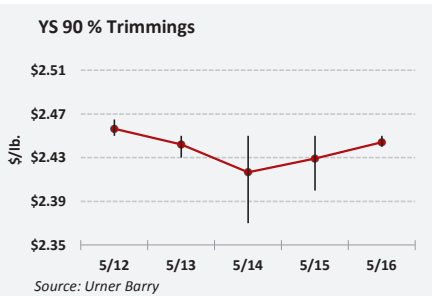
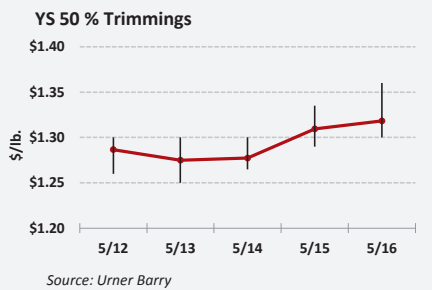
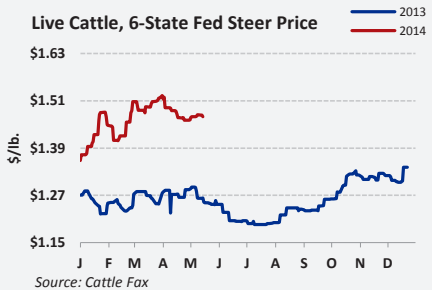
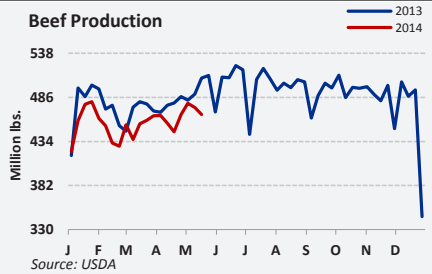


## YS BEEF CUTOUT May-16 v. May-09

	CHOICE	SELECT	NO-ROLL	CAB
Rib	0.71%	1.54%	-0.71%	0.22%
Chuck	0.78%	-0.09%	0.16%	0.71%
Round	-1.20%	-1.01%	-1.11%	-1.07%
Loin	-1.38%	-1.35%	-0.98%	-0.81%
Brisket	-1.23%	-1.92%	-1.95%	-1.54%
Plate	1.11%	1.11%	1.11%	1.24%
Flank	0.66%	0.67%	0.67%	1.82%
Total	-0.29%	-0.33%	-0.56%	-0.19%



## BEEF



## BEEF COMMENTARY

It was much of the same story this week in terms of directional changes but trade was more sideways around steady than last week. Demand still fell short of both expectations and the slightly reduced slaughter, despite solid trade late week for last minute Memorial Day needs; as a result, cutouts slipped slightly again.

**LIVE CATTLE:** Cattle sales were slightly lower on the week amid concerns of the lack of beef demand and greater short term supplies in the coming weeks. Support from stronger feeder cattle and hogs limited some of the declines. Live cattle traded between \$144.00/cwt and \$147.00/cwt; dressed sales between \$234.00/cwt to \$236.00/cwt. These were mostly \$1.00/cwt to \$3.00/cwt lower than last week.

**SLAUGHTER & BEEF PRODUCTION:** The weekly F.I. Slaughter tallied 591,000 head, 9,000 head below the upwardly revised 600,000 head from last week. Live cattle weights slipped six pounds to 1304 pounds; dressed carcass weights were two pounds lower at 790 pounds.

**RIBS:** Packers pushed ribs higher again this week taking advantage of that typical seasonal advance. Although it's below expectations, retailers still needed to have product available and paid slightly higher to make sure they did.

**CHUCKS:** Chucks were a mixed bag this week, choice ending slightly higher and select slightly lower. Early weakness reversed losses in the former and limited them in the latter. Buying interest from Mexico became prevalent which led to the turnaround.

**ROUNDS:** The round complex continued its string of weakness over the trading sessions. Grinders found value in the muscle cuts and started to step into the market. It remains to be seen if the floor set will help in coming weeks but in this one it didn't.

**LOINS:** Loins could not pick themselves off the canvass again despite the best efforts of sellers. Demand for product is lackluster. Can Father's Day or July 4th help?

**BONELESS BEEF:** Fresh 90s opened the week with a steady to weaker trend. Prices rebounded a little late in the week. Supplies continued to vary noticeably from region to region. Fresh 50s were mixed as holiday delivery dates impacted the market. This week's cattle slaughter was estimated at 591,000 head.

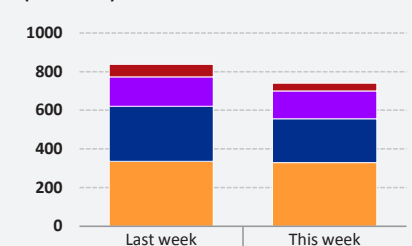
## YS BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

	M	T	W	TH	F
TW	9.98	10.07	10.12	9.94	10.2
*LW	9.36	9.28	9.95	9.79	10.15

\*Last Week's numbers are rounded

Weekly Beef Breakdown  
(# of loads)

1 load = 40,000 lbs.

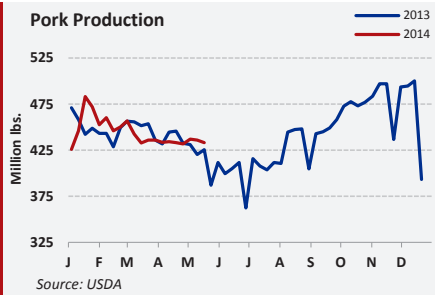
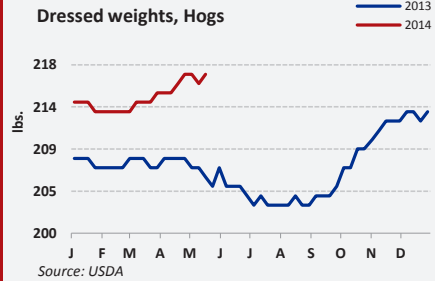
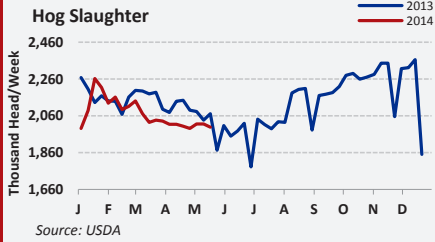


Trim	65.94	39.87
Grind	150.95	142.92
SE	285.64	227.66
CH	335.76	328.83

Source: USDA

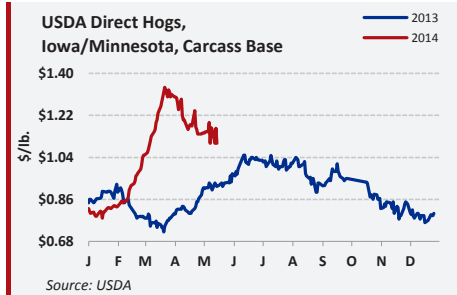
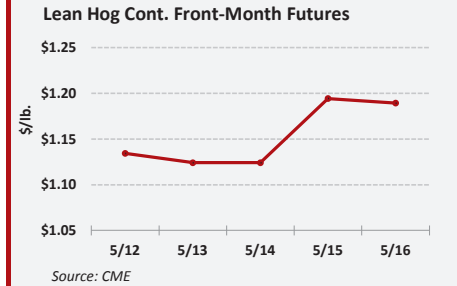
Friday, May 16, 2014

## PORK PRODUCTION

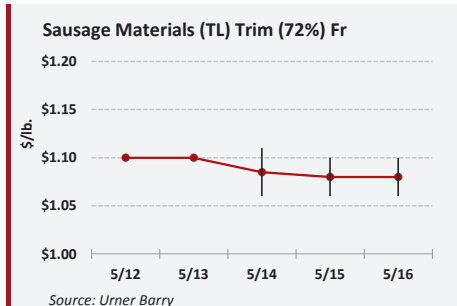
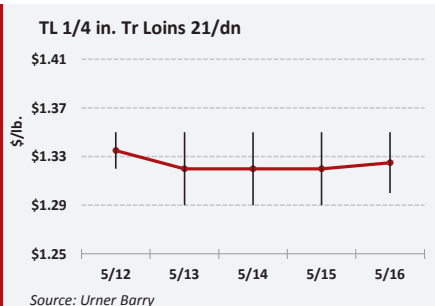
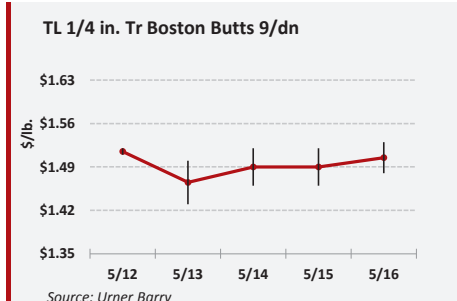
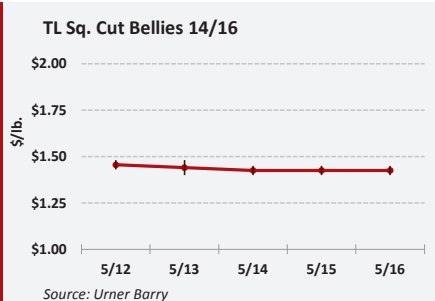
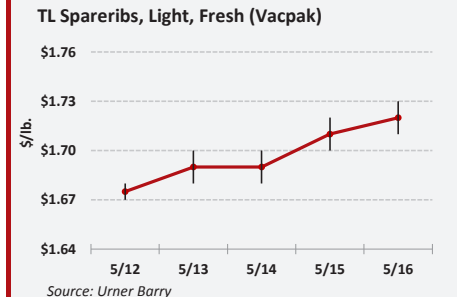
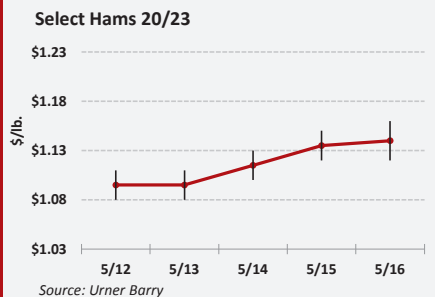


## LIVE HOGS &amp; CUTOUT

PORK CUTOUT	May-09	May-16	Change
Loin	26.605	27.189	0.584
Butt	12.614	12.051	-0.563
Picnic	11.103	10.705	-0.398
Sparerib	6.844	6.945	0.101
Ham	25.237	25.893	0.656
Belly	22.839	22.604	-0.235
<b>Cutout Value</b>	<b>108.560</b>	<b>108.71</b>	<b>0.145</b>



## PORK PROCESSING ITEMS &amp; RETAIL CUTS



## PORK COMMENTARY

The proximity of Memorial Day failed to provide a spark in wholesale values this week as it appears the highs reached earlier in the year left a sour taste among retailers. Hogs in the bellwether Iowa-Southern Minnesota were slightly stronger, with the weighted average closing at \$108.96 on Friday, compared to last week's close of \$108.27. At the same time, the Yellow Sheet pork carcass cutout was practically flat for the week, going from \$108.560 last Friday to \$108.705 this Friday. Margins fluctuated throughout the week, resulting in the Urner Barry pork packer margin index ranging between (\$3.82) and \$3.40/head.

**PORK PRODUCTION:** Total pork production for the week ending May 17, 2014 was estimated at 433.0 million lbs. This total was .6 percent below last week and 3 percent above the same week a year ago. Average hog weights, at 288 pounds, were even with last week and 12 pounds over last year.

**HAMS:** Hams were full steady to firm again this week as supportive movement and balanced supplies led to premiums, most notably among the 20 to 23lb range. By Friday, 20/23's had gained over 5 percent. 23/27's fluctuated during the week yet closed unchanged.

**BELLIES:** Supplies of fresh bellies became burdensome this week, which when combined with very low trade volume resulted in erratic, wide price ranges. At the end of the week, 12 through 18lb bellies lost between 2 and 3.3 percent or \$3 to \$5/cwt.

**TRIMMINGS:** In a continuation of last week, 42's remained favored over 72's for the bulk of the period. Usage of 42's is supportive and supplies have been balanced to tight. Meanwhile, 72's had encountered burdensome inventories and a lack of consistent interest. By Friday, 42's gained approximately 3 percent while 72's lost just over 5 percent.

**RETAIL:** Even as demand remained below optimal pre-Memorial day levels, it was enough to steady the overall market by the end of the week. After falling for several weeks in a row, loins managed to rebound slightly by Friday with bone-ins gaining 3.8-4.4 percent and boneless appreciating by 2.1-3.0 percent. Butts experienced what some would consider a long overdue correction, losing \$4-9/cwt or 3-5 percent. Picnics were weaker by approximately 2.6 percent. Spareribs saw good movement throughout the week as one of the few featured holiday weekend items. Lights were up 1.7 percent while mediums saw larger gains of roughly 5 percent.

Fully Updated & Revised! Order yours today!

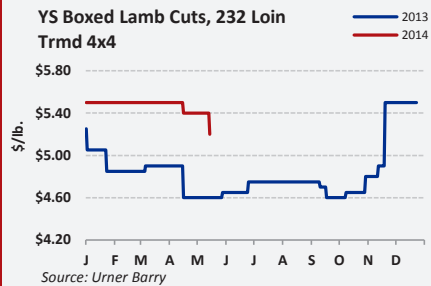
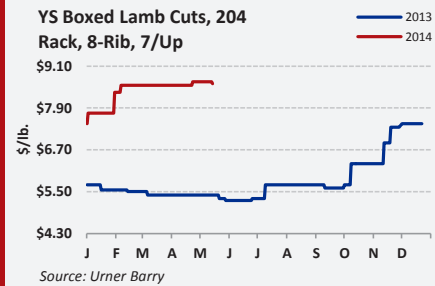
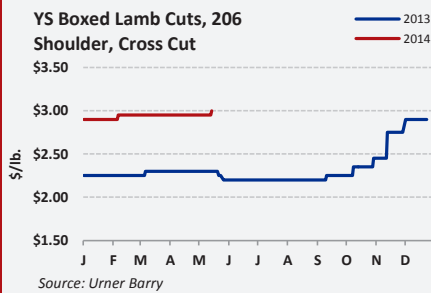
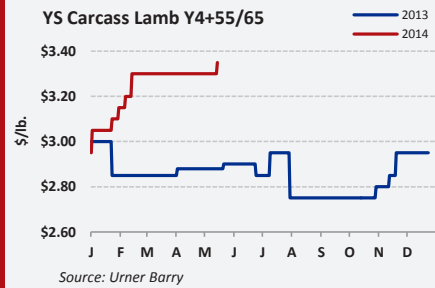
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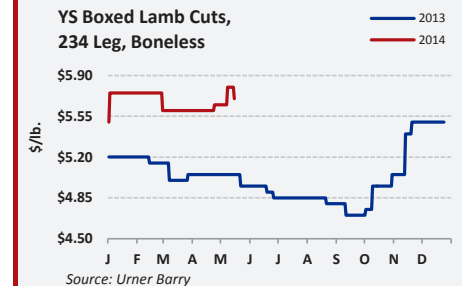
North American Meat Association

## LAMB

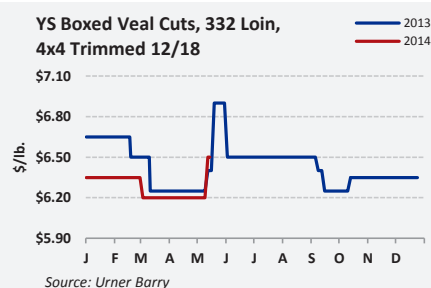
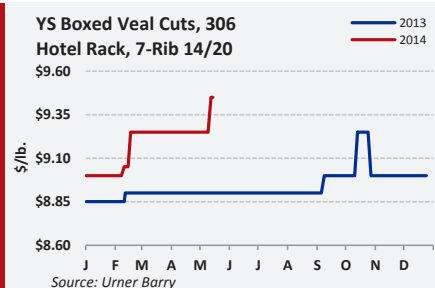
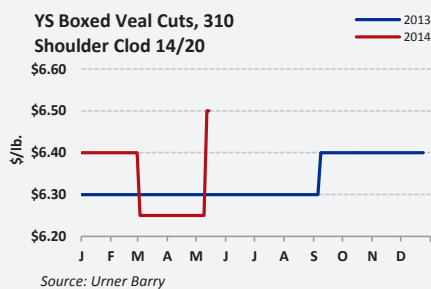
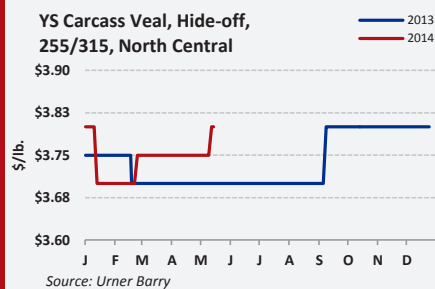


## LAMB COMMENTARY

Lamb carcasses traded at steady to slightly higher price levels this week. Several participants indicated that movement was more active for the heavier selections. Boxed cuts were mixed. Supplies varied noticeably from source to source.

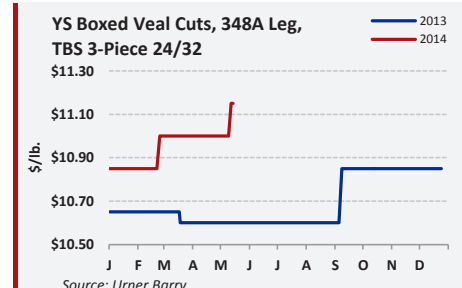


## VEAL

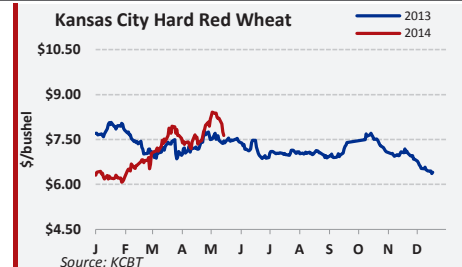
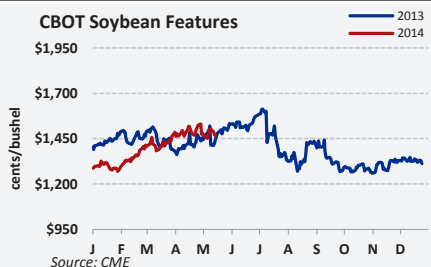
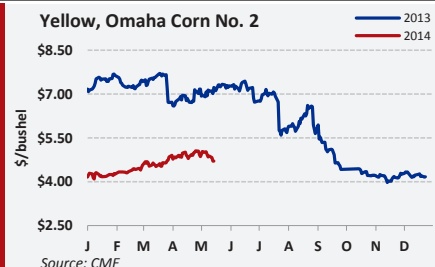


## VEAL COMMENTARY

Veal carcasses trend higher this week. Demand reportedly exceeded the current availability. Most of the boxed cuts traded at a premium. Retail features were reportedly better than expected in some regions.



## FEEDS: CORN, SOY BEAN, RED WHEAT

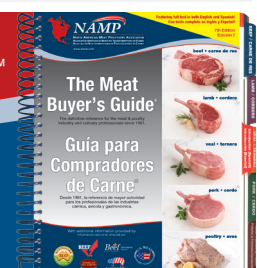


# The NAMP Meat Buyer's Guide™

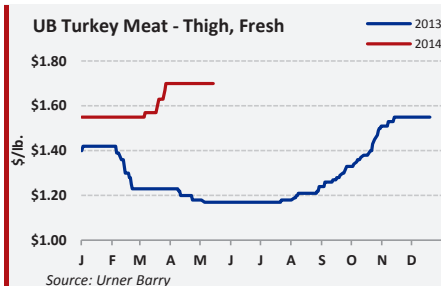
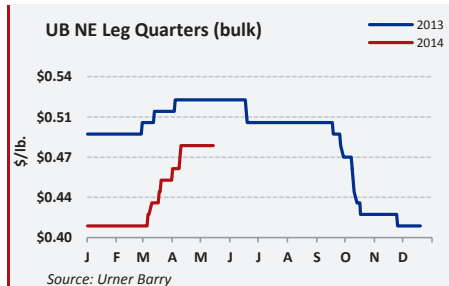
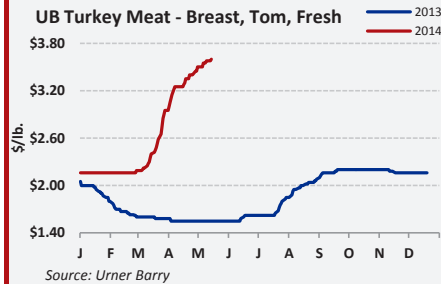
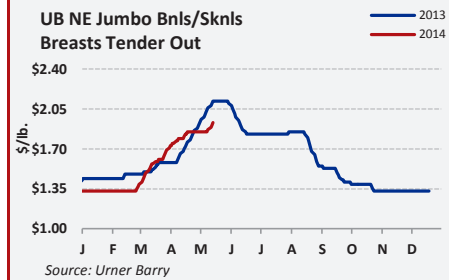
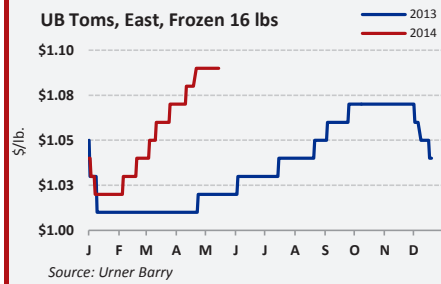
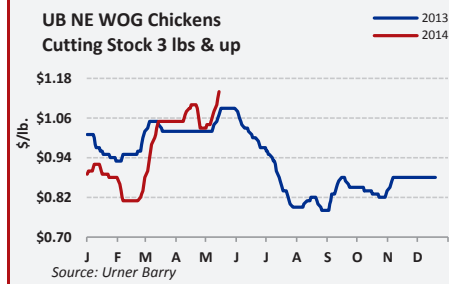
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## POULTRY



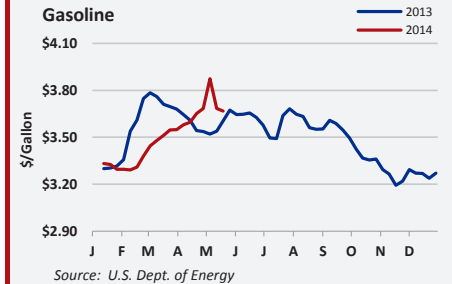
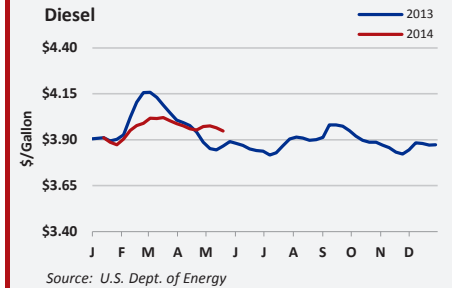
## POULTRY COMMENTARY

The chicken market and its primary components continue to exhibit strong undertones and receive consistent demand. The ongoing combination of supply and demand is producing thinly traded conditions largely due to offerings which are no more than adequate to short. Breasts close the week on an up note and are termed as being firm and wanted. Escalating market values have not negatively impacted the level of interest to the point of reversing its course and this line heads into the weekend on solid ground. The amount of interest surfacing from the retail, fast food and food service sectors absorbs the lion's share of tenders and boneless while we continue to record increasing levels of demand in the dark meat sector. Given the solid situation leg quarters are integral to, buyers seeking coverage are forced to pay varying premiums for limited back half lines such as drums, thighs and thigh meat. Memorial Day positioning is certainly a contributing factor to more consistent if not aggressive buyer interest. Wings continue to exhibit a bit more confidence and balance. Wogs and whole birds continue to achieve new highs

again and to deserve a firm undertone.

Weekly demand continues to find offerings of the most actively pursued items to be short of needs and in some cases practically non-existent. This is most true for quoted lines within the white meat sector but is also reasonably appropriate in describing whole birds, institutional breasts, drums, tom two joints and MST. Bids are certainly more frequent than sales when it comes to market activity. Tom breast meat closes the week strongly. This is true of most whole muscle items along with the trim lines. Thigh meat is on solid footing and our quotations well supported. Interest in toms and hens is mixed. Where we find volume interest, sellers aren't exactly jumping at the chance given already tight supplies against existing commitments. Consumer breasts are gaining traction while institutional breasts continue to be rated as firm. Parts are at least steady to full steady with the possible exception of hen necks which continue to be on the weak side.

## ENERGY



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