

WEEKLY Market Report



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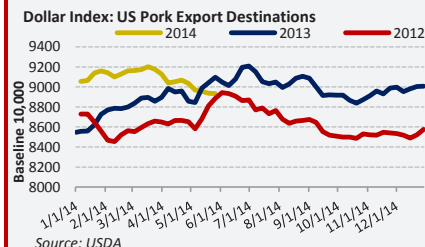
Friday, May 30, 2014

Number 22- Volume 07

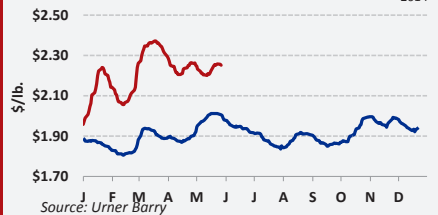
WEEKLY COMMODITY AT A GLANCE

	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	4.63	4.75	7.29
CBOT Soybean	1,493.25	1,515.50	1,510.00
NYMEX Light Crude Oil	102.71	104.35	91.97
Loose Lard, Chicago Basis	UNQ	UNQ	0.45
Edible Tallow, Chicago Basis	0.47	0.47	0.45
Beef Trimnings, 90% Fresh	245.50	245.00	200.00
Beef Trimnings, 50% Fresh	128.00	128.00	91.00
Aust/NZ Blend Cow 90% EC Spot	212.00	212.00	191.00
USDA Drop Credit	15.69	15.68	14.31
112A 3 Ribeye Roll, Lip-On CH	760.00	760.00	745.00
116A 3 Chuck Roll, Neck-Off CH	275.00	275.00	225.00
168 3 Round, Top (Inside) CH	225.00	233.00	217.00
180 3 Strip Loin, Bnls, 0x1 CH	670.00	670.00	825.00
136 Coarse Ground 73%	215.00	217.00	174.00
189A 4 Loin, Tenderloin, PS MO CH	1,100.00	1,100.00	1,030.00
Cattle-Fax, 6-State Fed Steer Price	144.14	145.75	124.66
Select Hams 20/23	112.00	118.00	67.00
Sq Cut Bellies 14/16	146.00	150.00	163.00
1/4 Trmd. Loins 21/dn	139.00	137.00	127.00
1/4 Tr Boston Butts 9/dn	164.00	157.00	119.00
Spareribs, Light, Fresh	169.00	178.00	147.00
Fresh Pork Trim (42%)	73.00	68.00	50.00
Fresh Pork Trim (72%)	119.00	113.00	70.00
Carcass Lamb Y4+55/65	345.00	335.00	290.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	835.00	855.00	525.00
Lamb Cuts, 206 Shoulder, Cross Cut	295.00	295.00	220.00
Lamb Cuts, 232 Loin Trmd 4x4	520.00	520.00	465.00
Lamb Cuts, 234 Leg, Boneless	540.00	560.00	495.00
Carcass Veal, Hide-off, 255/315, NC	380.00	380.00	370.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	960.00	960.00	890.00
Veal Cuts, 310 Shoulder Clod 14/20	650.00	650.00	630.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	660.00	660.00	690.00
Veal Cuts, 348A Leg, TBS 3-Pc 24/32	1,130.00	1,130.00	1,060.00

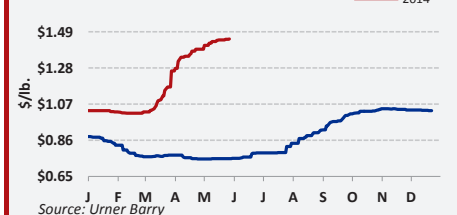
Quotes represent the high side of Friday's trading range



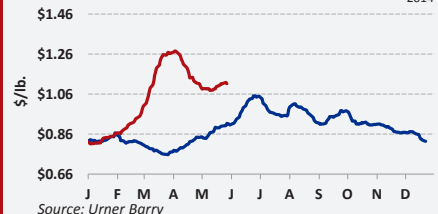
Beef Index



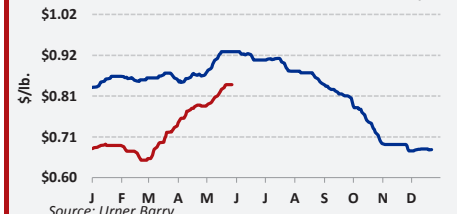
Turkey Index



Pork Cutout



Chicken Index



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	4	119	119	120	118	57	537
LW	118	118	117	117	112	17	599
*LY	4	125	127	127	126	86	595

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	2	418	421	418	413	78	1,750
LW	385	412	406	375	394	1	1,973
*LY	1	425	427	425	416	178	1,873

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	0	10	8	9	7	0	34
LW	9	9	7	8	6	0	39
*LY	0	10	9	8	7	0	36

EST. DAILY CALVES SLAUGHTER

	M	T	W	TH	F	S	Total
TW	1	3	2	2	2	0	10
LW	2	3	2	2	2	0	11
*LY	1	3	3	2	3	0	12

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	5/16	5/17	5/19	5/20	5/21	5/22	110
TW	5/23	5/24	5/26	5/27	5/28	5/29	95
*LY	27	3	2	27	26	25	110

*Last Year's numbers are rounded

The pork dollar index, which encompasses currencies from the major trading partners of the U.S., was down again this week. Since it's high in March, the index has fallen 2.9 percent.

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.930	0.923	0.959
Mexico, Peso	12.856	12.865	12.845
Canada, Dollar	1.084	1.087	1.033
Japan, Yen	101.749	101.930	100.761
China, Yuan (RMB)	6.247	6.236	6.135
Brazil, Real	2.244	2.224	2.131
South Korea, Won	1,021.140	1,023.730	1,132.600
Taiwan, Dollar	30.052	30.087	29.950
European Union, Euro	1.364	1.363	1.297

COLD STORAGE STOCKS

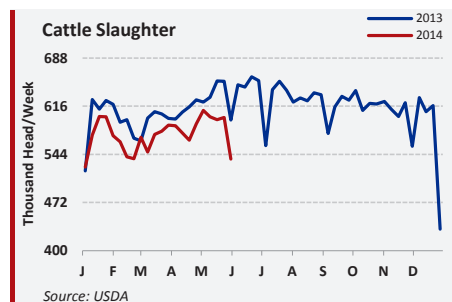
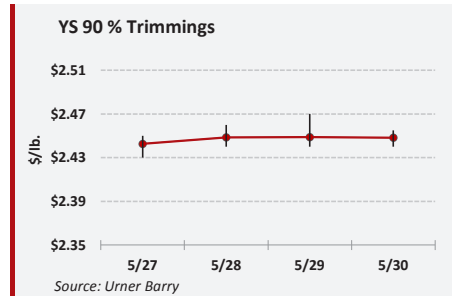
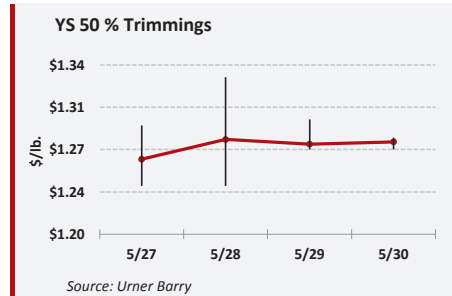
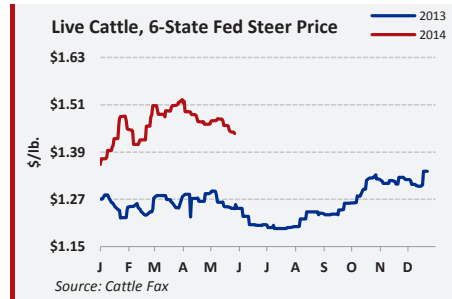
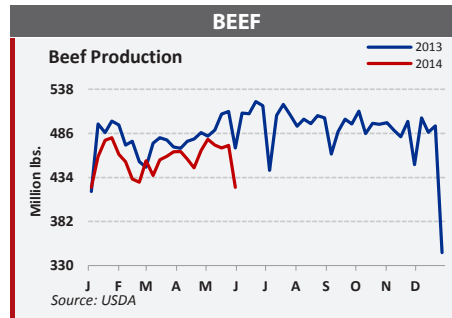
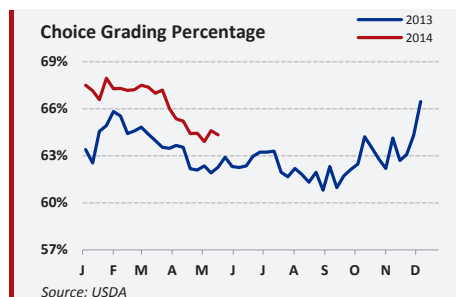
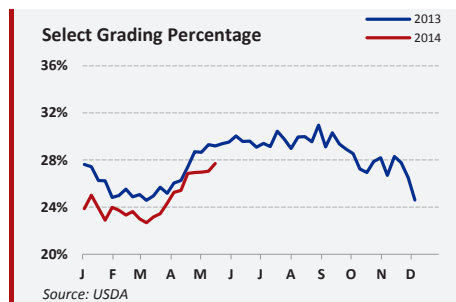
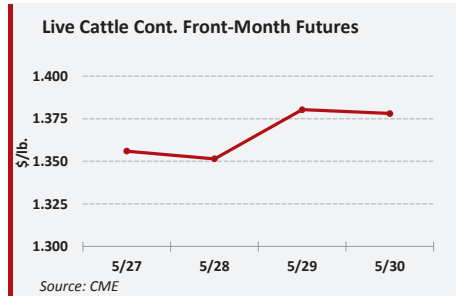
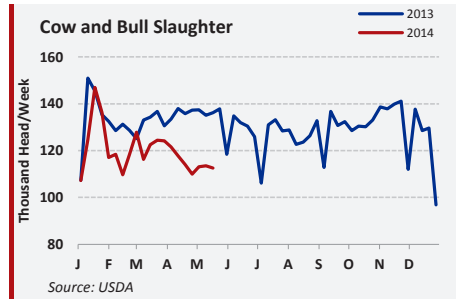
(Pounds in Thousands)	4/30/13	3/31/14	4/30/14
Beef in Freezer, Bnls	460,043	364,771	360,405
Cuts	50,086	41,016	41,930
Total Beef	510,129	405,787	402,335
PORK & OTHER	4/30/13	3/31/14	4/30/14
Pork in Freezer, Picnics	21,152	9,080	13,498
Hams	126,931	89,452	81,807
Bellies	56,352	79,721	82,711
Loins	46,140	41,470	47,109
Spareribs	120,593	120,606	116,678
Butts	23,854	20,163	19,833
Trimnings	66,050	36,871	41,964
Other Pork in Freezer	129,912	94,722	97,551
Total	700,977	575,539	584,060
Veal in Freezer	5,404	2,921	3,422
Lamb & Mutton in Freezer	21,463	28,076	26,911
Total	26,867	30,997	30,333

Data Updated: May 22, 2014

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YS BEEF CUTOUT May-30 v. May-23				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	1.03%	0.25%	-0.67%	3.19%
Chuck	-0.64%	-1.46%	1.18%	2.04%
Round	-0.77%	-0.59%	-0.01%	-0.33%
Loin	0.07%	0.38%	-0.53%	0.82%
Brisket	0.21%	0.21%	0.21%	0.14%
Plate	0.54%	0.54%	0.54%	0.60%
Flank	0.97%	0.47%	0.99%	0.84%
Total	-0.03%	-0.27%	0.12%	1.27%



BEEF COMMENTARY

The first few days of the holiday-shortened market saw buyers looking to restock, although demand for quick ship was not brisk by any means. Carcass cutouts drifted lower as the week concluded. Lack of retail features remains an issue. There is the perception that retail prices are at levels not favorable for the current market.

LIVE CATTLE: Packers bid slightly more aggressively late week in order to fill commitments for next week, expected to be relatively large. The full range of trade of \$143.00/cwt to \$144.50/cwt in Texas, and \$143.00/cwt and \$146.00/cwt live; \$230.00/cwt to \$233.00/cwt dressed, was generally steady with last week.

SLAUGHTER & BEEF PRODUCTION: The holiday shortened weekly F.I. Slaughter tallied 537,000 head, below last week's 599,000 head, and last year's holiday figure of 595,000 head. Live cattle weights slipped another two pounds to 1300 pounds; dressed carcass weights were another pound lower to 788 pounds.

RIBS: Movement either side of steady was marginal throughout the complex but ribs did move to the positive side. There was a decent call for product after the holiday. Choice product appreciated faster.

CHUCKS: Although the chuck primal ended about steady, it was a drastic week over week change after shining brightly last week. Export business that was supportive was virtually non-existent.

ROUNDS: Supplies of rounds became more readily available as the week progressed. Prices ended generally steady but concerns starting to creep in during the latter part.

LOINS: Loins were able to move higher, again capitalizing on the interest in middle meats for grilling season. And weather was conducive in many areas.

BONELESS BEEF: Fresh 90s were mostly steady this week. Availability varied from region to region. Fresh 50s were generally sideways this week. This week's cattle slaughter came in at 537,000 head.

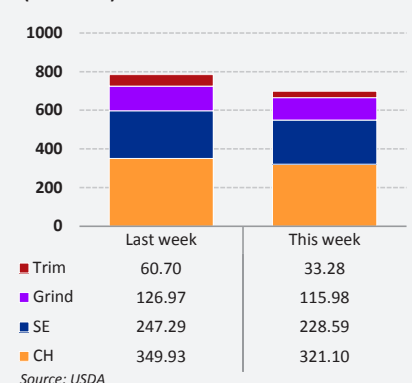
YS BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

	M	T	W	TH	F
TW	-	9.08	9.22	9.07	9.14
*LW	9.88	9.73	8.73	8.57	8.61

*Last Week's numbers are rounded

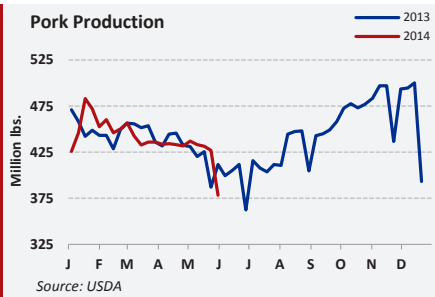
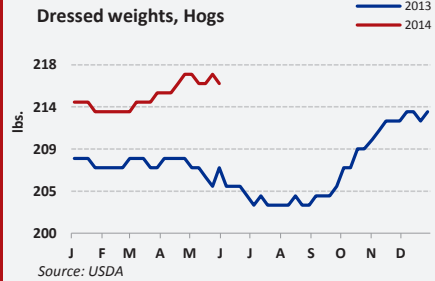
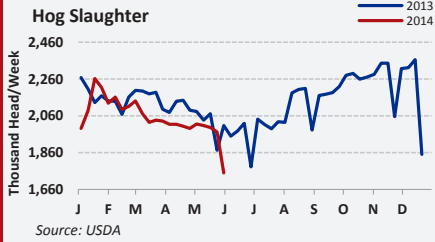
Weekly Beef Breakdown (# of loads)

1 load = 40,000 lbs.



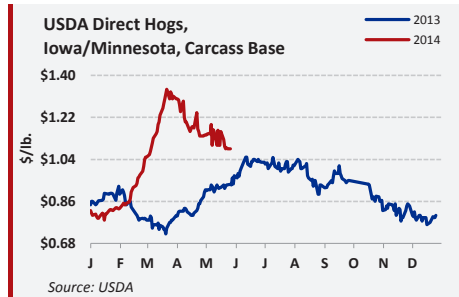
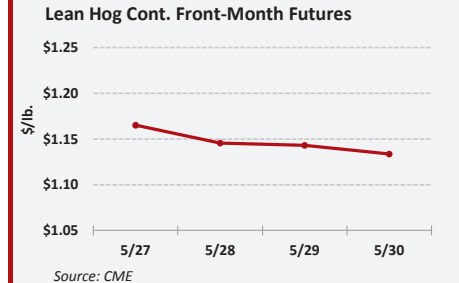
Friday, May 30, 2014

PORK PRODUCTION

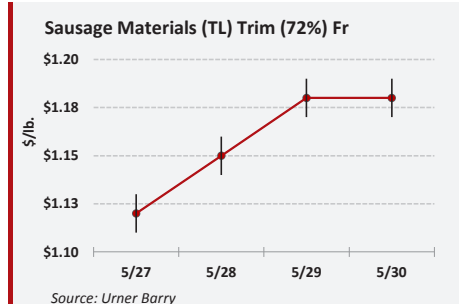
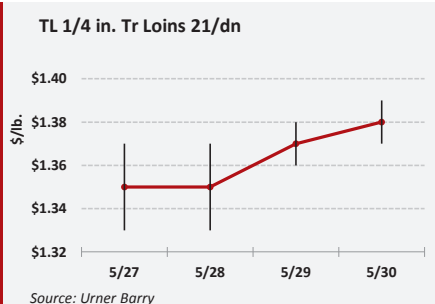
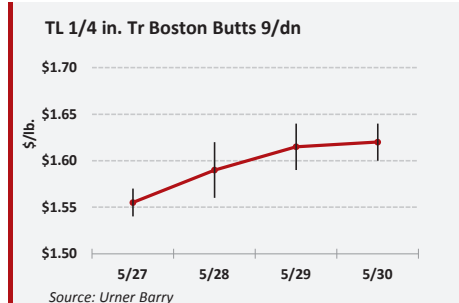
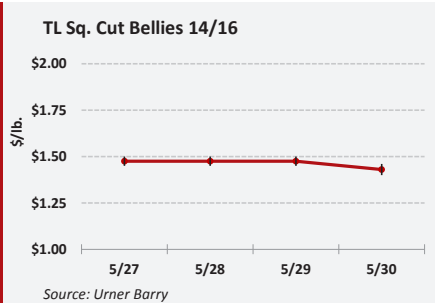
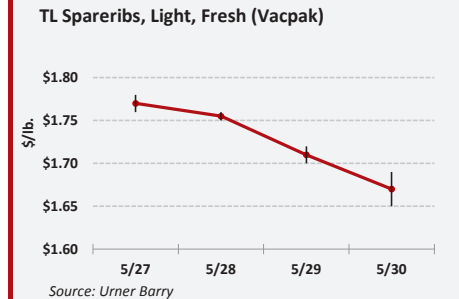
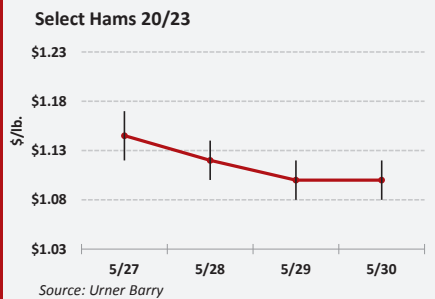


LIVE HOGS & CUTOUT

PORK CUTOUT	May-23	May-30	Change
Loin	27.799	28.437	0.638
Butt	12.364	12.822	0.458
Picnic	10.799	11.122	0.323
Sparerib	7.147	6.743	-0.404
Ham	26.433	25.955	-0.478
Belly	23.311	22.801	-0.51
Cutout Value	111.219	111.32	0.105



PORK PROCESSING ITEMS & RETAIL CUTS



PORK COMMENTARY

The reduced production week sent the cutout up this week while hogs lagged behind. In the bellwether Iowa-Southern Minnesota area, the weighted average fell 1.2 percent to \$106.33/cwt. At the same time, Urner Barry's pork carcass cutout was nearly unchanged, going from \$111.22/cwt last Friday to \$111.324/cwt this Friday. Operating margins fluctuated; with the Urner Barry pork packer margin index ranging between \$2.79 to \$7.20/head.

PORK PRODUCTION: Total pork production for the week ending May 31, 2014 was estimated at 378.2 million lbs. This total was 11.4 percent below last week and 2.3 percent below the same week a year ago. Average hog weights, at 287 pounds, were a pound less than last week and 11 pounds over last year.

HAMS: The price action among ham products was mixed this week, with 20 to 23lb hams weaker while the heavier items found slight premiums. 20 to 23lb hams in truck loads were reportedly offered at levels lower than the sheet earlier in the week, with the higher weighted averages seen attributed to a series of less than truck load orders. By Friday, 20/23's lost 5 percent or \$6/cwt while 23/27's gained approximately 1.9 percent or \$2/cwt.

BELLIES: Bellies suffered from a lack of consistent interest and excess availability in some locations over the course of the week, which when matched with low negotiated volume provided for erratic price swings. By Friday, square cut bellies fell by .6 to 2.7 percent or \$1 to \$4/cwt.

TRIMMINGS: Trim was higher across the spectrum this past week as demand for both sausage and pizza topping materials drove the market. Limited supplies added to the upward momentum, resulting in 7.3 percent gains in 42's, 5.3 percent gains in 72's and up to 10 percent gains in boneless picnics.

RETAIL: Participants in retail pork trade are living week-to-week as data suggests forward sales volume has diminished sharply since February and accelerated through May. Additionally, production cuts, whether holiday or seasonal or PEDv related, are muddying the waters. This week got off to a rather slow start, but stepped-up activity that occurred late Tuesday and early Wednesday became somewhat price supportive. This activity, along with curtailed production, resulted in another week of gains in the loin and butt components, however spareribs failed to spark. Bone-in loins gained another \$1.00 to \$4.00/cwt this week, bone-in centers \$2.00 to \$8.00/cwt, boneless loins \$1.00 to \$3.00/cwt, and the rest of the category steady to higher. Items in the picnic were largely unchanged; while butts gained a sharp \$6.00 to \$7.00/cwt. Butts appeared to be the most problematic item for buyers to source given current market conditions. The versatility of the butt, and recent increase in export orders, is continuing the unprecedented premium over loins. Rib values are dragging in typical, post-holiday fashion. Spareribs are off \$9.00/cwt, St. Louis Ribs range steady to weak, and Loin Back Ribs are holding.

Fully Updated & Revised! Order yours today!

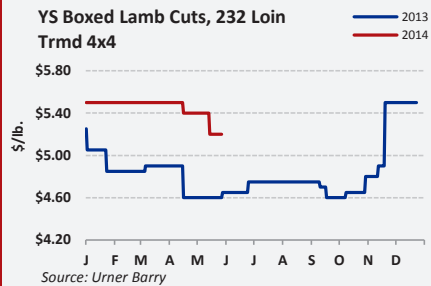
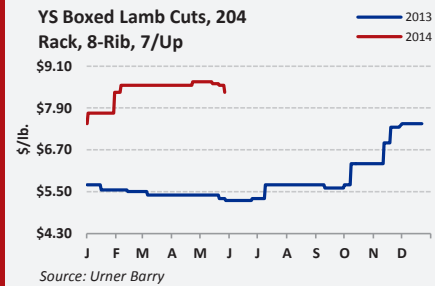
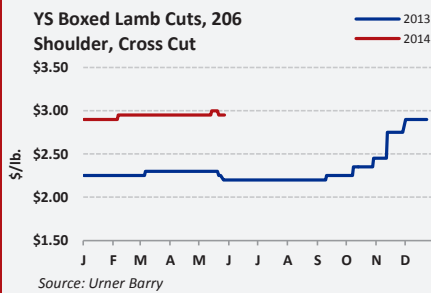
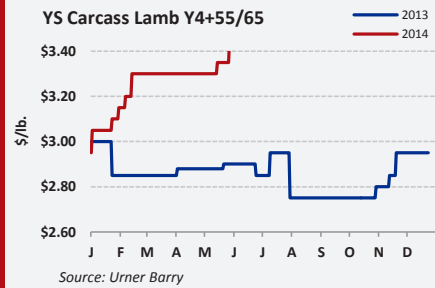
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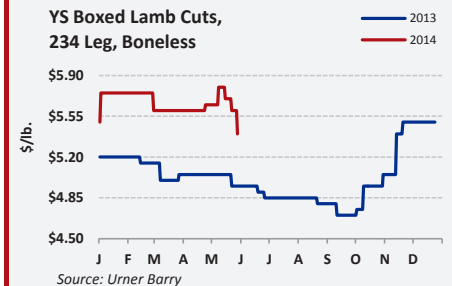
North American Meat Association

LAMB

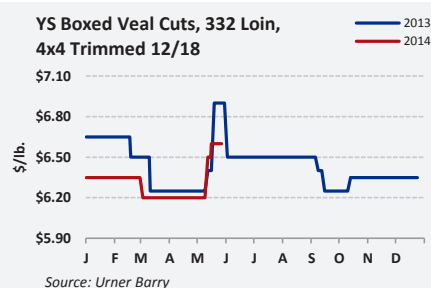
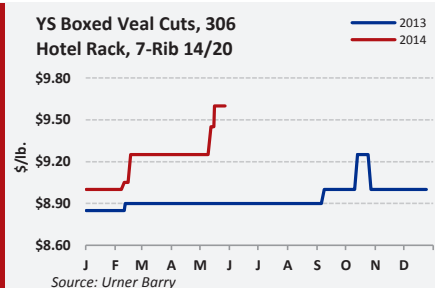
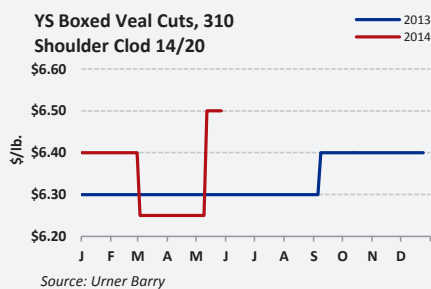
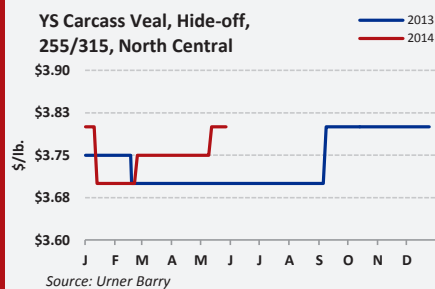


LAMB COMMENTARY

Lamb carcasses settled this week at steady to higher price levels. Boxed cuts were mostly steady. Some discounting was noted on the racks and boneless legs.

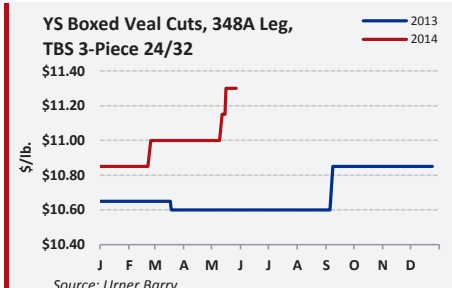


VEAL

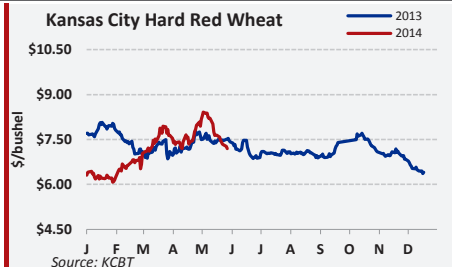
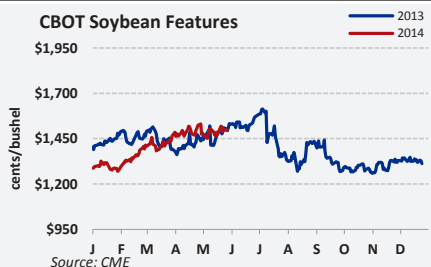
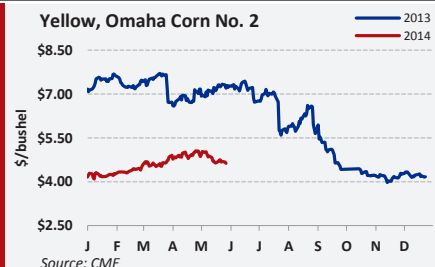


VEAL COMMENTARY

Veal carcasses traded at steady price levels. Boxed cuts traded in light volume within the previously quoted price ranges. Trading activity was reportedly on the light side.



FEEDS: CORN, SOY BEAN, RED WHEAT



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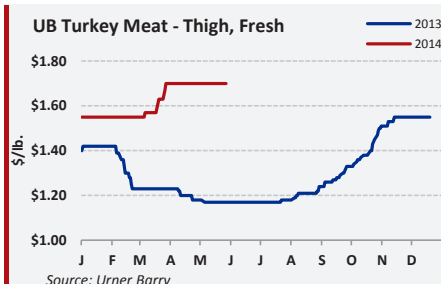
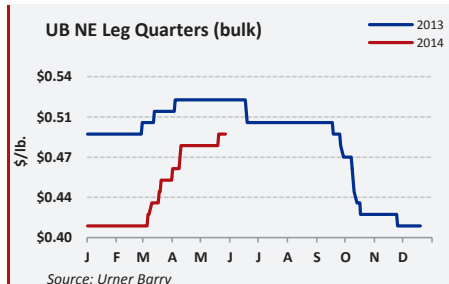
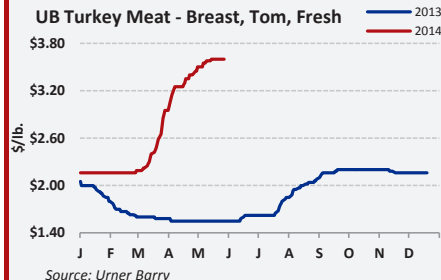
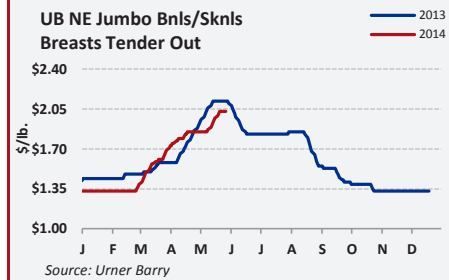
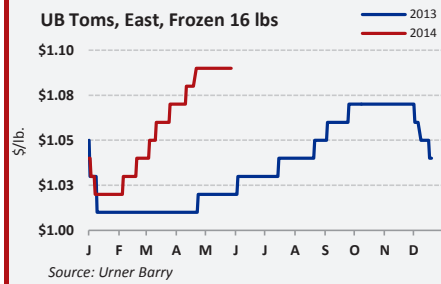
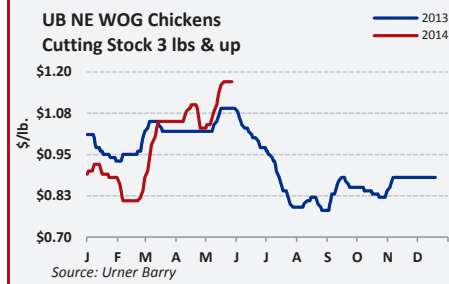
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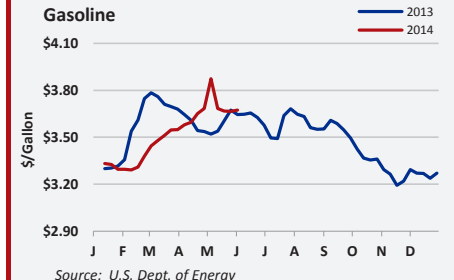
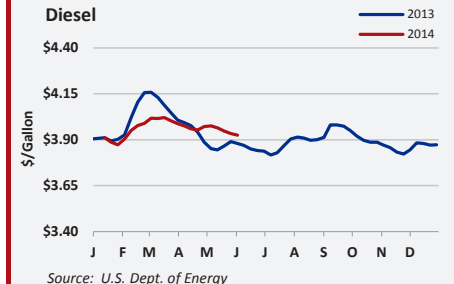
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POULTRY



ENERGY



POULTRY COMMENTARY

The staring contest that represented chicken industry dialogue and stance during the past week or so has given way to a little bending of the status quo. Supplies are generally on the well cleared and snug side but demand hasn't been all that special and the high cost related to getting product delivered has put buyers on guard. This is more clearly seen when we focus on whole chickens but especially WOGs. Here we are finding available supply being distributed irregularly. Asked prices have retreated here and there and, along with moderately increased supply, that has created an unsettled scenario. Tenders and breasts, but mostly boneless, is experiencing similar conditions. Here asked prices are still strong by historically comparative standards but they have softened up a bit with some terming the undertone as unsettled. Wings are mixed. Offerings are certainly in close balance and some isolated examples would paint a stronger picture. At the same time offerings are available at steady values and, with needy demand currently narrow in its base, a wait and see stance is in place. Thigh meat is in good shape while leg meat maintains a steady undertone. Little is being mentioned when we ask about bone-in thighs, drums and leg quarters with an overall sentiment of balance. MSC was a bit quiet over the past week in terms of spot activity but

demand is at least regular and expected to pick up a bit once June's corner is turned.

Market values continue to seek higher ground for the most actively pursued lines. The conversations this morning resembled those earlier in the week but a few additional bookings and surfacing interest has firmed up an already solid undertone for some items. Breast meats are strong with both fresh and frozen production standing tall and trending higher. Thigh meat seems poised to move higher pending confirmations of recent bookings. Breast trim, scapula and wing meat are each very strong. China is pushing approved drum values higher while domestic business patterns easily support listed quotations. Whole wings are being pushed and pulled a little with domestic buyers becoming somewhat cautious while export players are taking advantage of growing opportunities. All two joint wings are on solid ground. Tails trade consistently at or within a close range to listed values. Tom necks are, at times, still unsettled. Whole body toms and hens deserve a full steady to firm undertone with additional business being drummed up at advancing price points. Consumer breasts are closely balanced and held for no less than full market levels.

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