

# WEEKLY Market Report



POWERED BY URNER BARRY'S COMTELL®

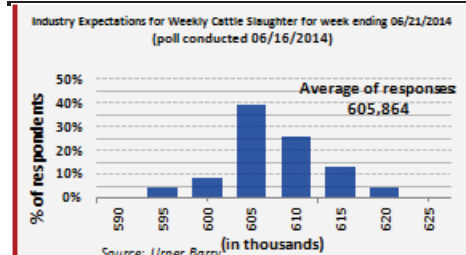
Friday, June 20, 2014

Number 25- Volume 07

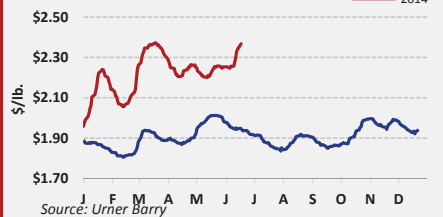
## WEEKLY COMMODITY AT A GLANCE

	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	4.54	4.49	7.24
CBOT Soybean	1,415.75	1,425.75	1,493.25
NYMEX Light Crude Oil	107.26	106.91	93.69
Loose Lard, Chicago Basis	0.45	0.45	0.49
Edible Tallow, Chicago Basis	0.41	0.41	0.50
Beef Trimnings, 90% Fresh	260.00	247.00	199.00
Beef Trimnings, 50% Fresh	131.00	130.00	98.00
Aust/NZ Blend Cow 90% EC Spot	227.50	219.00	186.00
USDA Drop Credit	15.56	15.43	14.45
112A 3 Ribeye Roll, Lip-On CH	825.00	805.00	740.00
116A 3 Chuck Roll, Neck-Off CH	305.00	290.00	230.00
168 3 Round, Top (Inside) CH	255.00	242.00	210.00
180 3 Strip Loin, Bnls, 0x1 CH	690.00	640.00	695.00
136 Coarse Ground 73%	205.00	200.00	168.00
189A 4 Loin, Tenderloin, PS MO CH	1,080.00	1,020.00	935.00
Cattle-Fax, 6-State Fed Steer Price	149.53	148.74	120.52
Select Hams 20/23	131.00	126.00	80.00
Sq Cut Bellies 14/16	164.00	158.00	177.00
1/4 Trmd. Loins 21/dn	158.00	151.00	143.00
1/4 Tr Boston Butts 9/dn	170.00	166.00	132.00
Spareribs, Light, Fresh	198.00	170.00	159.00
Fresh Pork Trim (42%)	66.00	69.00	67.00
Fresh Pork Trim (72%)	136.00	130.00	90.00
Carcass Lamb Y4+55/65	345.00	345.00	290.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Ulp	845.00	835.00	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	500.00	540.00	490.00
Carcass Veal, Hide-off, 255/315, NC	385.00	385.00	370.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	975.00	975.00	890.00
Veal Cuts, 310 Shoulder Clod 14/20	650.00	650.00	630.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	675.00	675.00	650.00
Veal Cuts, 348A Leg, TBS 3-Pc 24/32	1,150.00	1,150.00	1,060.00

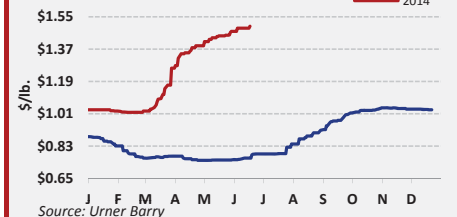
Quotes represent the high side of Friday's trading range



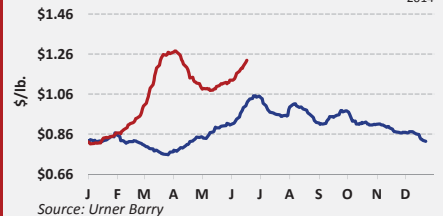
## Beef Index



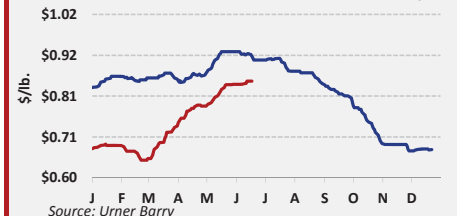
## Turkey Index



## Pork Cutout



## Chicken Index



## EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	113	117	116	118	116	33	613
LW	113	117	115	116	113	31	605
*LY	123	122	124	124	123	43	660

## EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	379	380	370	371	356	43	1,899
LW	361	410	409	411	299	25	1,915
*LY	390	392	404	399	392	1	1,978

## EST. DAILY SHEEP SLAUGHTER

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

## EST. DAILY CALVES SLAUGHTER

	M	T	W	TH	F	S	Total
TW	2	3	2	2	2	0	11
LW	2	3	2	2	2	0	11
*LY	3	3	3	2	3	0	14

## EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	6/6	6/7	6/9	6/10	6/11	6/12	110
TW	6/13	6/14	6/16	6/17	6/18	6/19	110
*LY	25	4	24	26	26	25	130

\*Last Year's numbers are rounded

The slaughter poll came in at an average response of 605,864 head. If realized, this would be pretty even from last week's slaughter, but the continued trend of a much larger 8.20% decrease from last year.

## FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.939	0.940	0.919
Mexico, Peso	12.992	13.005	13.356
Canada, Dollar	1.075	1.086	1.047
Japan, Yen	102.137	102.013	97.720
China, Yuan (RMB)	6.224	6.209	6.133
Brazil, Real	2.233	2.230	2.264
South Korea, Won	1,020.570	1,019.990	1,154.630
Taiwan, Dollar	30.000	30.012	30.141
European Union, Euro	1.359	1.353	1.316

## COLD STORAGE STOCKS

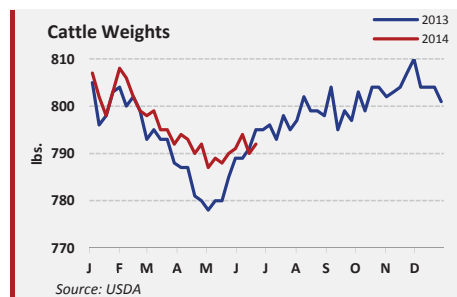
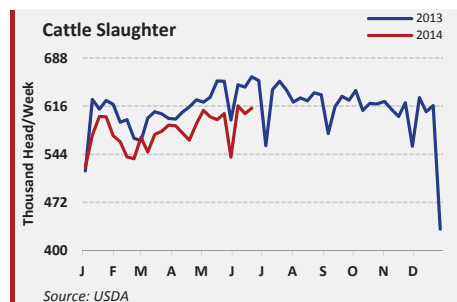
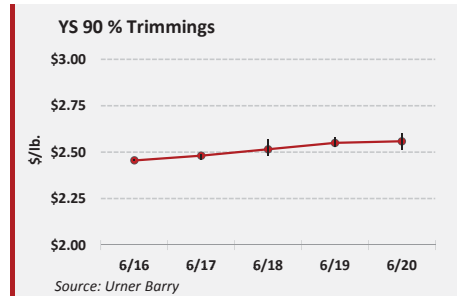
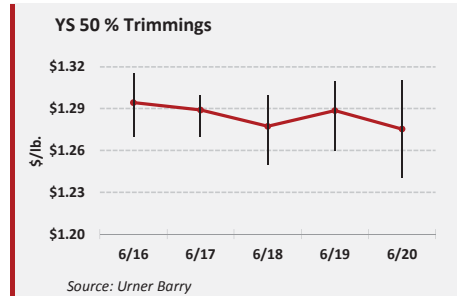
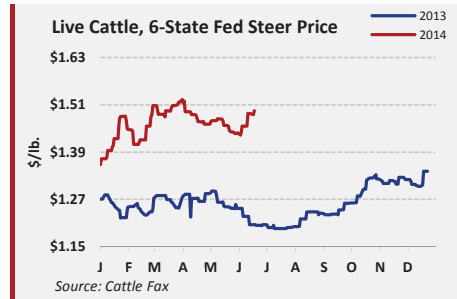
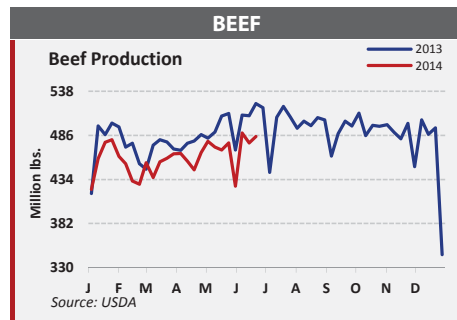
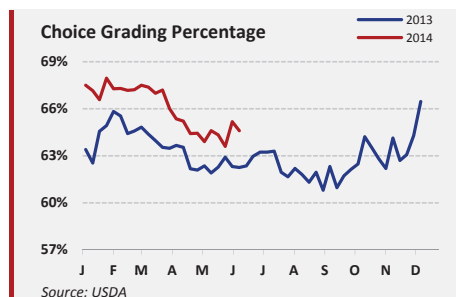
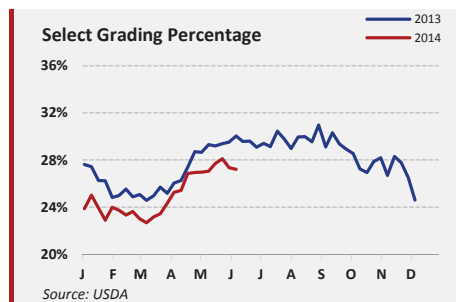
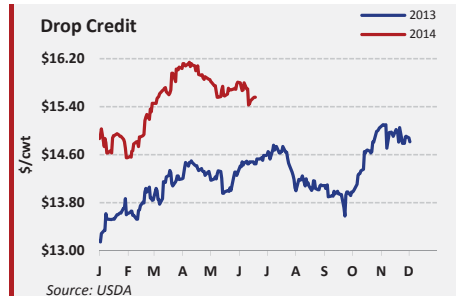
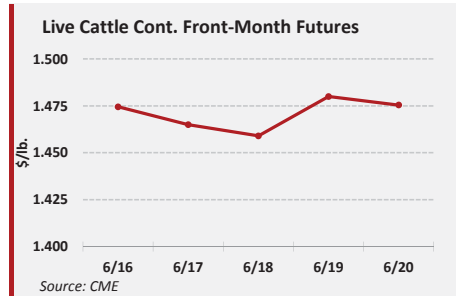
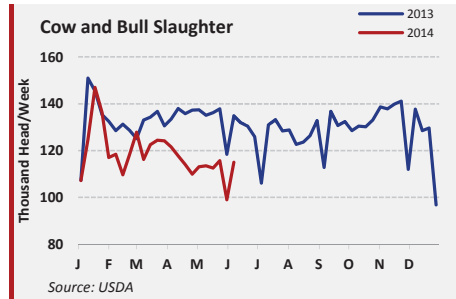
(Pounds in Thousands)	4/30/13	3/31/14	4/30/14
Beef in Freezer, Bnls	460,043	364,771	360,405
Cuts	50,086	41,016	41,930
<b>Total Beef</b>	<b>510,129</b>	<b>405,787</b>	<b>402,335</b>
<b>PORK &amp; OTHER</b>	<b>4/30/13</b>	<b>3/31/14</b>	<b>4/30/14</b>
Pork in Freezer, Picnics	21,152	9,080	13,498
Hams	126,931	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
<b>Total</b>	<b>700,977</b>	<b>575,539</b>	<b>584,060</b>
Veal in Freezer	5,404	2,921	3,422
Lamb & Mutton in Freezer	21,463	28,076	26,911
<b>Total</b>	<b>26,867</b>	<b>30,997</b>	<b>30,333</b>

Data Updated: May 22, 2014

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YS BEEF CUTOUT Jun-20 v. Jun-13				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	3.69%	3.47%	6.36%	3.19%
Chuck	4.02%	4.52%	4.82%	4.17%
Round	4.62%	4.74%	5.17%	6.10%
Loin	5.32%	4.62%	3.37%	3.82%
Brisket	2.44%	1.76%	2.47%	2.92%
Plate	1.35%	1.35%	1.35%	0.84%
Flank	0.06%	-0.45%	-0.45%	0.33%
Total	4.13%	3.99%	4.29%	3.91%



## BEEF COMMENTARY

Carcass cutouts surged higher this week, moving close to the historically high levels set back in March of this year. The sharp advance in wholesale beef prices was driven by sustained tight supplies, as well as beef processors entering the week with very solid pre-sold inventory positions. The monthly USDA Cattle On Feed Report released this week that compares May of 2014 with May of 2013, had the ON FEED number at 98%—Placements at 93%—and Marketings at 96%. (May's Marketings number is the lowest monthly value since the report started in 1996).

**LIVE CATTLE:** Steady to higher cash was paid for market-ready cattle this week. Trade commenced in the Nebraska sale barns on Wednesday, with packers paying \$148/cwt to \$150/cwt—steady with week prior. Texas and Oklahoma cattle owners sold at \$149/cwt to \$150/cwt, mainly \$2/cwt up from previous week. The dressed carcass exchanged ownership at steady money—\$234/cwt to \$238/cwt was the prices for the bulk of trade.

**SLAUGHTER & BEEF PRODUCTION:** This week's F.I. Slaughter was assessed at 613,000 head; an 8,000 head increase from week prior's report. This week last year saw 659,700 processed under federal inspection. Saturday's kill published at 33,000. Live cattle estimated weights gained 3 pounds to now weigh 1304 pounds; dressed carcass weights gained another 2 pound, now tipping the scales at 792.

**RIBS:** Rib cutouts gained double digits; the Yellow Sheet Choice Rib Primal value moved over \$13 higher, while the Yellow Sheet Select Rib Primal gained over \$12. Tight supplies due to a fairly strong last minute call for the approaching 4th of July celebration led to the gains.

**CHUCKS:** Solid ground beef processing demand remains an integral component behind the firm market with chucks. Chuck primal values gained over 4 percent.

**ROUNDS:** Tight supplies amid a good call from both steak cutters and ground beef processors lent support to the round sector of the carcass.

**LOINS:** Loin values saw gains develop as retail buyers increased their focus for feature. Tight supply due to sustained lower year/over/year production played a part in the strip, short loin, as well as peeled tenderloins finding higher trading ranges.

**BONELESS BEEF:** Fresh 50s were generally steady to a little weaker this week as supplies were still readily available in some instances. This week's cattle slaughter came in at 613,000 head; 8,000 higher than the previous week. Fresh 90s moved higher each day this week as demand outpaced the current availability.

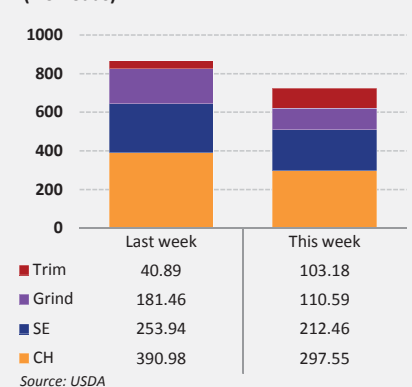
## YS BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

	M	T	W	TH	F
TW	7.79	7.31	7.6	7.7	8.15
*LW	8.61	8.65	8.36	7.93	7.52

\*Last Week's numbers are rounded

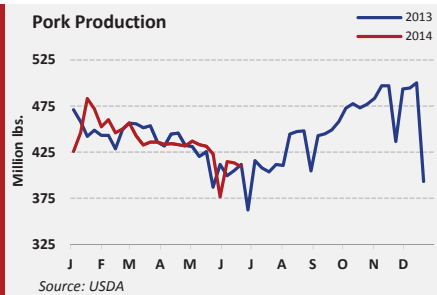
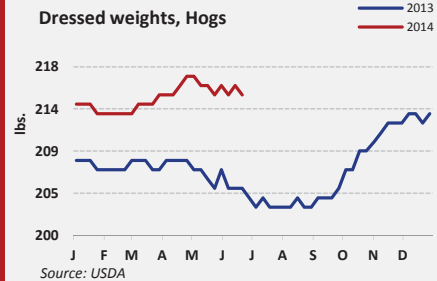
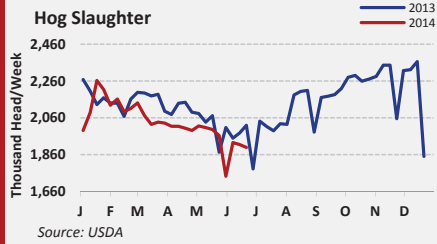
## Weekly Beef Breakdown (# of loads)

1 load = 40,000 lbs.



Friday, June 20, 2014

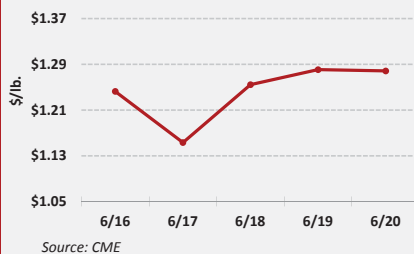
## PORK PRODUCTION



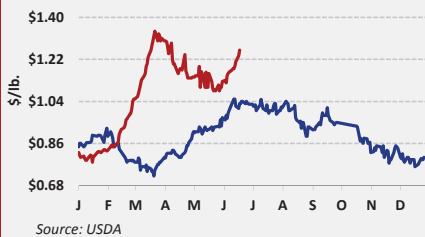
## LIVE HOGS &amp; CUTOUT

PORK CUTOUT	Jun-13	Jun-20	Change
Loin	29.345	30.448	1.103
Butt	13.214	13.575	0.361
Picnic	11.519	11.622	0.103
Sparerib	6.824	7.813	0.989
Ham	29.303	30.618	1.315
Belly	24.723	25.43	0.707
<b>Cutout Value</b>	<b>118.374</b>	<b>122.94</b>	<b>4.565</b>

## Lean Hog Cont. Front-Month Futures

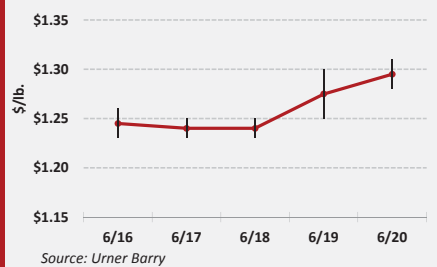


## USDA Direct Hogs, Iowa/Minnesota, Carcass Base

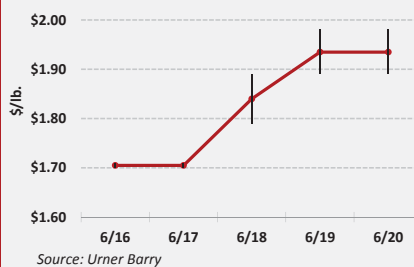


## PORK PROCESSING ITEMS &amp; RETAIL CUTS

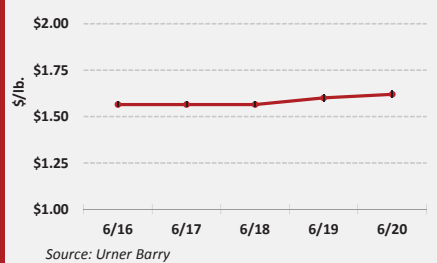
## Select Hams 20/23



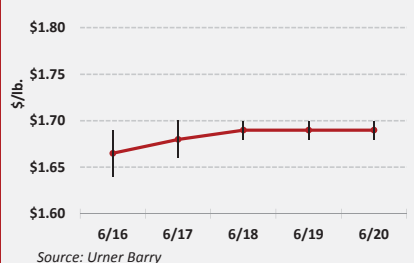
## TL Spareribs, Light, Fresh (Vacpak)



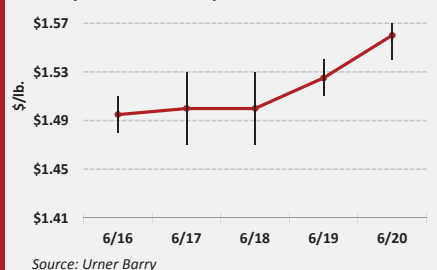
## TL Sq. Cut Bellies 14/16



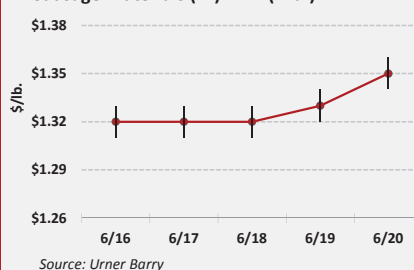
## TL 1/4 in. Tr Boston Butts 9/dn



## TL 1/4 in. Tr Loins 21/dn



## Sausage Materials (TL) Trim (72%) Fr



## PORK COMMENTARY

Reduced slaughter schedules and strong summer futures continued to support the cash hog markets this week. Pork struggled to keep pace with the gains seen in livestock, yet profitability remained in place. In the bellwether Iowa-Southern Minnesota area, the weighted average gained 5.4 percent to \$122.78/cwt. At the same time, Urner Barry's pork carcass cutout gained over 3.9 percent, going from \$118.374/cwt last Friday to \$122.939/cwt this Friday. Operating margins remained positive although pressed into the low single digits, with the Urner Barry pork packer margin index ranging between \$3.25 to \$8.48/head.

**PORK PRODUCTION:** Total pork production for the week ending June 20, 2014 was estimated at 409.3 million lbs. This total was .9 percent below last week and 1.1 percent above the same week a year ago. Average hog weights, at 287 pounds, were even with last week and 13 pounds over last year.

**HAMS:** Hams saw supportive movement this week due to the combination of reduced slaughter and increased interest both domestically and abroad. With hog weights remaining high, little to no trade was seen among 17 to 20lb hams again this week. Meanwhile, 20 through 27lb bone-in hams gained between 4 and 5.7 percent or \$5-7/cwt.

**BELLIES:** Bellies managed to eke out gains this week even as questions arose over the state of excess availability. With the majority of trade in bellies occurring on a formula basis, the spot trade that was seen was in light volume and primarily at full steady levels. By Friday, 12 through 20lb skin-on bellies gained between 2 and 4 percent or \$3-6/cwt. Like hams, lighter weight bellies maintain a premium due to hog weights.

**TRIMMINGS:** Again, hog weights had a determining effect on some trim products. While fresh 72's were generally in balance, fresh 42's were abundant overall. This occurs partially because when processing some of the larger whole muscle cuts, extra 42's are produced as by products. Meanwhile, continuing demand for hotdogs and pizza toppings kept 72's moving. As a result, 42's declined by 4.3 percent or \$3/cwt while 72's gained 4.6 percent or \$6/cwt. Boneless picnics closed to week steady with last week.

**RETAIL:** The market for fresh pork products steadily firmed throughout the week as sellers increasingly pared-down inventories. The industry trend of fewer forward sales has resulted in a rather lean pipeline; which in-turn has contributed, along with the looming Independence Day holiday, to the recent uptick in demand. There was some boneless loin availability that was a concern for some sellers, but that item came into better balance, and is now trading at two-month highs. Bone-in loins added another \$7.00 to \$9.00/cwt this week, bone-in centers as much as \$7.00/cwt, while boneless loins finally gained, up \$5.00 to \$10.00/cwt. The balance of the category ranged steady to higher. The only weakness noted was in the picnic complex. Butts continued to build upon interest received last week, gaining another \$4.00 to \$5.00/cwt. The mover of the week was the sparerib; and expected seasonal move as buyers look to secure fresh product ahead of the Independence Day holiday. This week, sparerib values climbed a sharp \$25.00 to \$28.00/cwt. St. Louis Ribs and Loin Back Ribs ranged steady to firm.

Fully Updated & Revised! Order yours today!

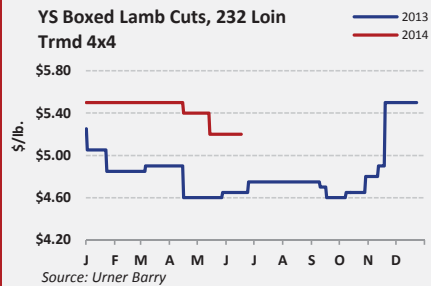
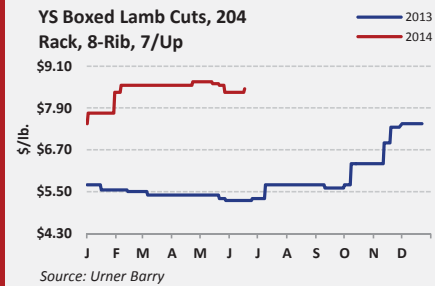
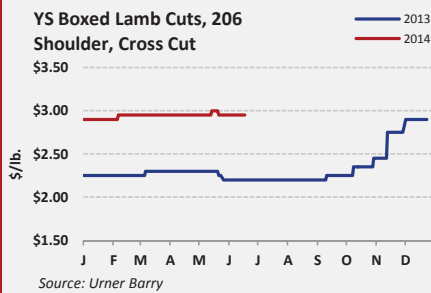
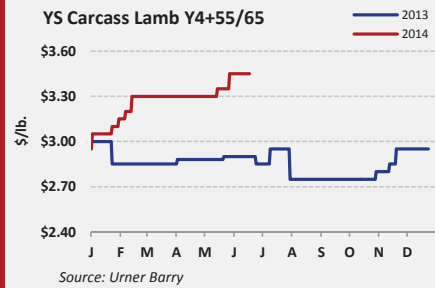
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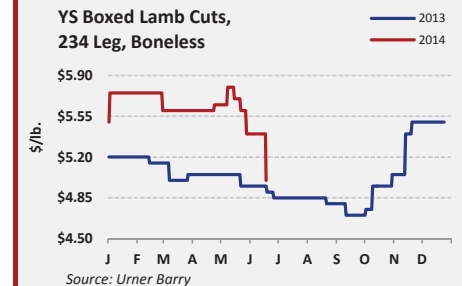
North American Meat Association

## LAMB

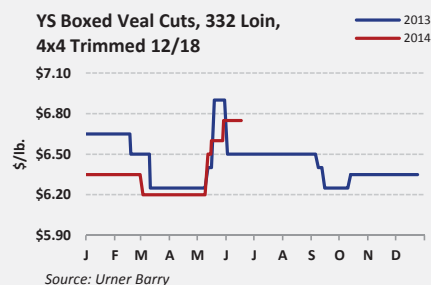
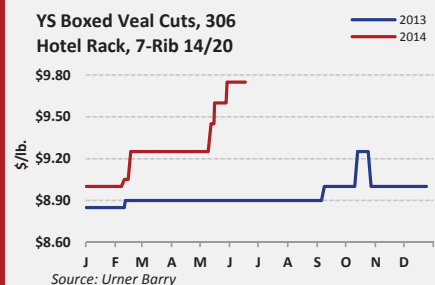
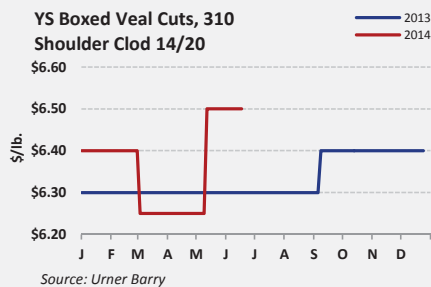
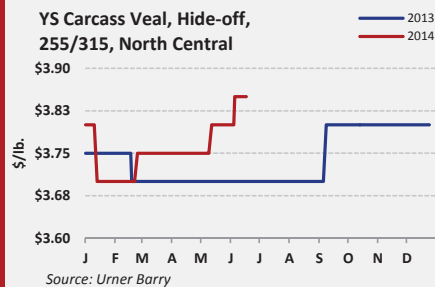


## LAMB COMMENTARY

Lamb carcasses traded in steady to slightly higher price levels. Premiums were noted on the racks and breasts. Discounts were noted on the legs. Movement varied from region to region.

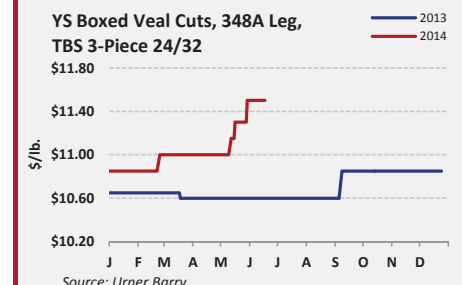


## VEAL

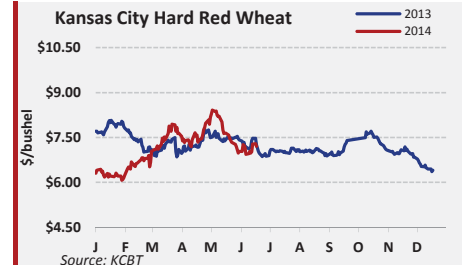
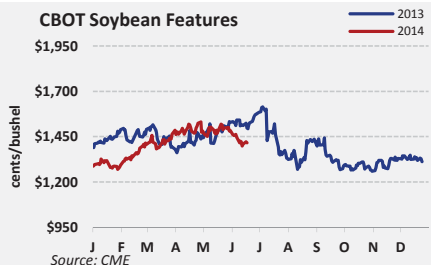
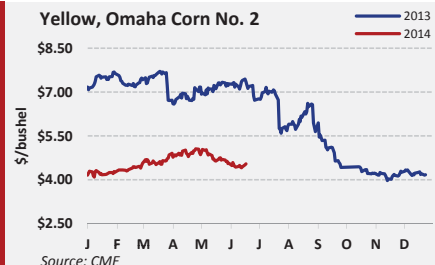


## VEAL COMMENTARY

Veal carcasses settled at mostly steady price levels. Boxed cuts were steady to firmer. Trading activity was a little more active this week.



## FEEDS: CORN, SOY BEAN, RED WHEAT

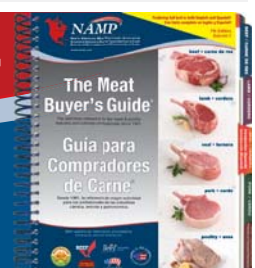


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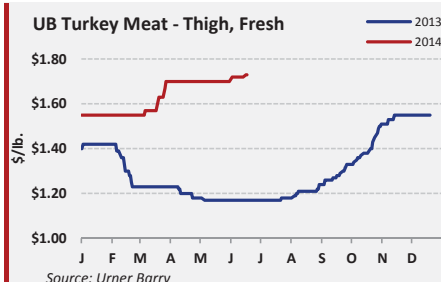
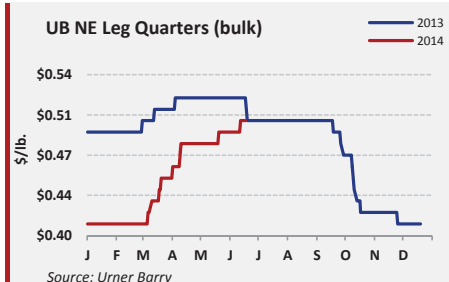
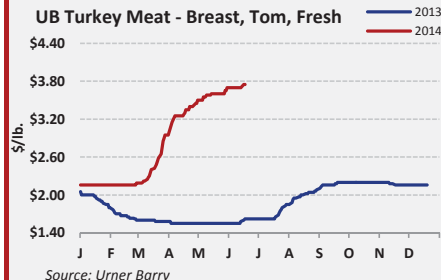
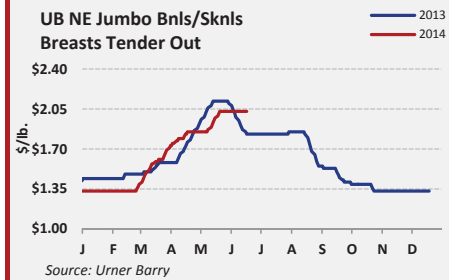
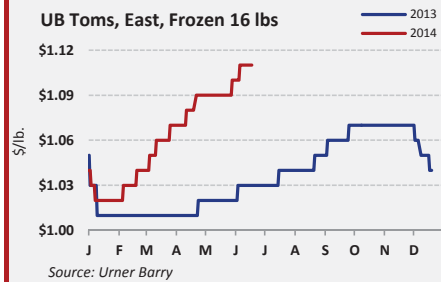
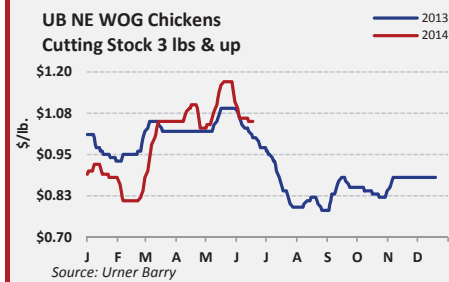
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## POULTRY



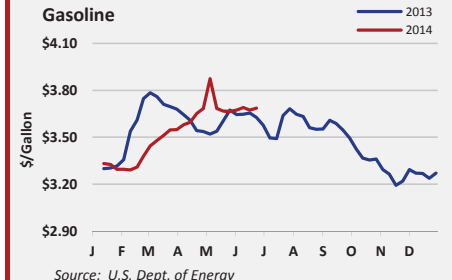
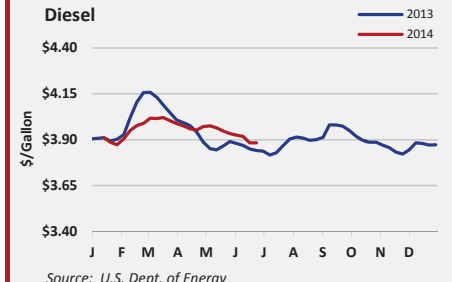
## POULTRY COMMENTARY

The chicken complex is generally in good balance and product continues move regularly with little to no concern. Whole birds and WOGs were a bit sluggish earlier in the week, but they have since cleaned themselves up. There are still offerings out in the spot market of heavier sized WOGs, but both asked and paid prices have returned mostly to market related values. Wings continue to be held with varying degrees of confidence. All week, sources suggested that commanding full market values or better had become the industry rule. Boneless breasts and tenders finish the week rated no more than adequate at most points of sale. Trading levels are still found to be well within range of our listed quotations. The back side of the bird continued along without much resistance as long pricing remained mostly steady. Drumsticks, thighs and thigh meat still received the best interest on the spot market. MSC remains fully supported.

The turkey complex is moving along pretty much as expected which, for June, means solid price support in an environment where demand is regular but not aggressive. Domestically, frozen

drums were much tougher to find this week, as the majority of offerings were sent into the export world. Even though most of the paid premiums came from China, there's no doubt that they became worth more on the spot market as the week progressed. Fresh drums are rated no better than about steady as are tom whole wings. Offering levels finish the week a bit behind our listed quotations. Necks are in a similar position however, supplies are just about adequate. The frozen raw materials are rated mostly steady. This week's reported sales suggest a supported marketplace for now. Fresh breast meat, thigh meat, trim and its related items are still rated steady to full steady. Some sellers were able to command slight premiums for product in which they were paid in full. Whole body turkeys are in good shape and being held with confidence. The same can likely be said about bone-in breasts. MST is fully supported.

## ENERGY



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