

WEEKLY Market Report



POWERED BY URNER BARRY'S COMTELL®

Friday, June 27, 2014

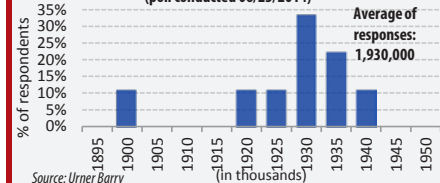
Number 26- Volume 07

WEEKLY COMMODITY AT A GLANCE

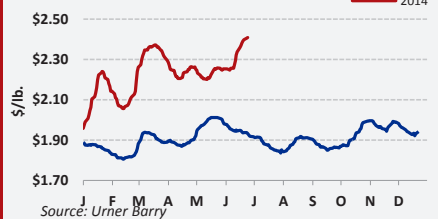
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	4.38	4.54	6.87
CBOT Soybean	1,432.00	1,415.75	1,564.50
NYMEX Light Crude Oil	105.74	107.26	96.56
Loose Lard, Chicago Basis	0.43	0.45	0.49
Edible Tallow, Chicago Basis	0.39	0.41	0.50
Beef Trimnings, 90% Fresh	270.00	260.00	200.00
Beef Trimnings, 50% Fresh	125.00	131.00	95.00
Aust/NZ Blend Cow 90% EC Spot	239.00	227.50	187.00
USDA Drop Credit	15.45	15.56	14.54
112A 3 Ribeye Roll, Lip-On CH	850.00	825.00	755.00
116A 3 Chuck Roll, Neck-Off CH	305.00	305.00	230.00
168 3 Round, Top (Inside) CH	263.00	255.00	215.00
180 3 Strip Loin, Bnls, 0x1 CH	700.00	690.00	600.00
136 Coarse Ground 73%	220.00	205.00	181.00
189A 4 Loin, Tenderloin, PS MO CH	1,080.00	1,080.00	920.00
Cattle-Fax, 6-State Fed Steer Price	149.53	148.74	120.38
Select Hams 20/23	137.00	131.00	84.00
Sq Cut Bellies 14/16	174.00	164.00	182.00
1/4 Trmd. Loins 21/dn	165.00	158.00	144.00
1/4 Tr Boston Butts 9/dn	174.00	170.00	132.00
Spareribs, Light, Fresh	202.00	198.00	168.00
Fresh Pork Trim (42%)	64.00	66.00	54.00
Fresh Pork Trim (72%)	134.00	136.00	96.00
Carcass Lamb Y4+55/65	345.00	345.00	285.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	845.00	845.00	530.00
Lamb Cuts, 206 Shoulder, Cross Cut	295.00	295.00	220.00
Lamb Cuts, 232 Loin Trmd 4x4	525.00	520.00	475.00
Lamb Cuts, 234 Leg, Boneless	500.00	500.00	485.00
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

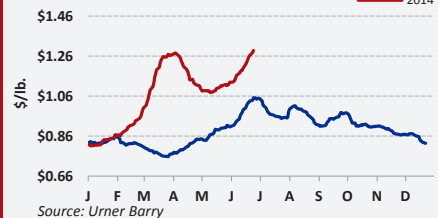
Industry Expectations for Weekly Hog Slaughter
For week ending 06/28/2014
(poll conducted 06/23/2014)



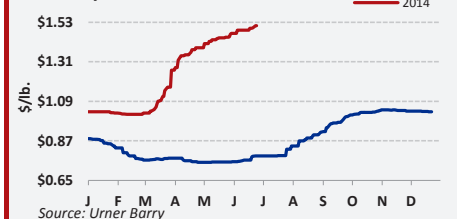
Beef Index



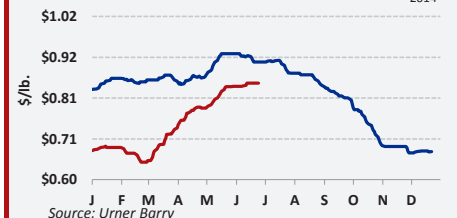
Pork Cutout



Turkey Index



Chicken Index



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	115	115	116	117	116	36	615
LW	113	117	116	118	116	33	613
*LY	112	124	123	125	126	44	654

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	379	399	395	397	317	23	1,910
LW	379	380	370	371	356	43	1,899
*LY	393	402	410	408	394	12	2,019

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	9	10	7	8	6	0	40
LW	9	10	8	8	7	0	42
*LY	9	9	7	8	8	0	42

EST. DAILY CALVES SLAUGHTER

	M	T	W	TH	F	S	Total
TW	2	2	2	2	2	0	10
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	6/13	6/14	6/16	6/17	6/18	6/19	110
TW	6/20	6/21	6/23	6/24	6/25	6/26	108
*LY	25	6	23	25	26	26	131

*Last Year's numbers are rounded

The slaughter poll for the week ending 6/28/2014 resulted in an average industry participant response of 1,930,000 head. If realized, this figure would represent a 1.5 percent increase over last week and 4.5 percent below a year ago. We count 8 plants which have planned to take a day

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.942	0.939	0.915
Mexico, Peso	12.972	12.992	13.007
Canada, Dollar	1.066	1.075	1.052
Japan, Yen	101.380	102.137	99.245
China, Yuan (RMB)	6.218	6.224	6.137
Brazil, Real	2.201	2.233	2.210
South Korea, Won	1,014.340	1,020.570	1,144.000
Taiwan, Dollar	29.855	30.000	30.055
European Union, Euro	1.364	1.359	1.301

COLD STORAGE STOCKS

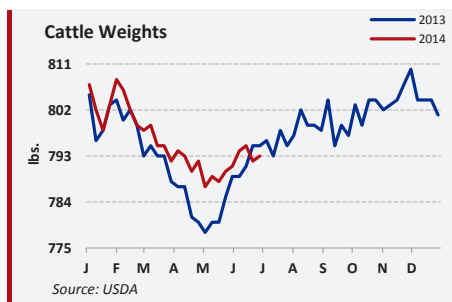
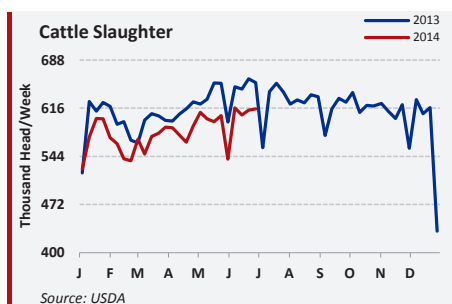
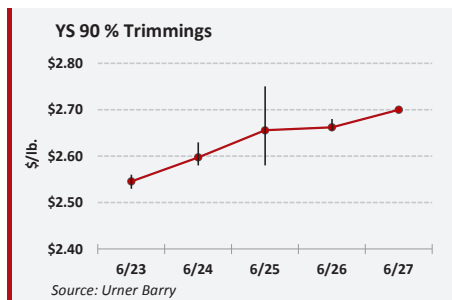
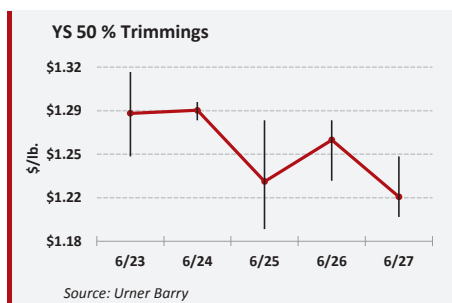
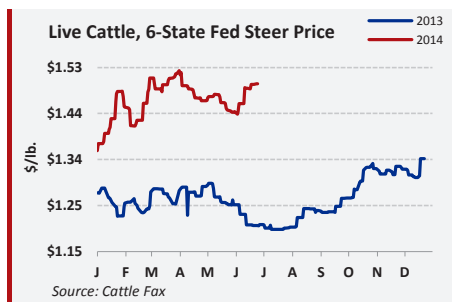
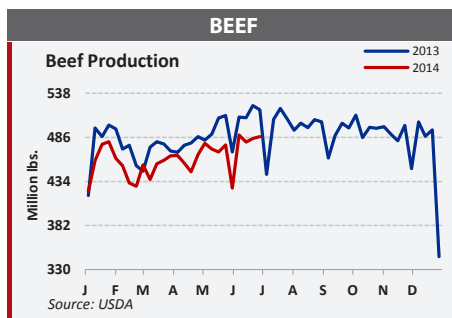
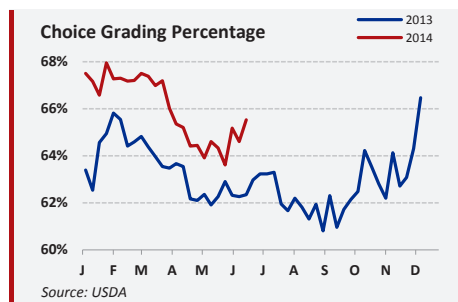
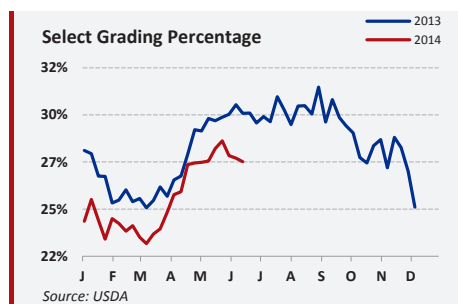
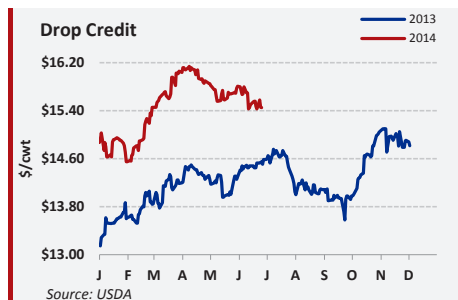
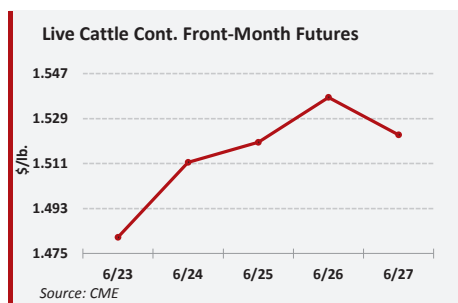
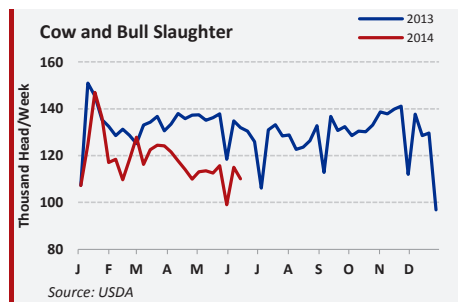
(Pounds in Thousands)	5/31/13	4/30/14	5/31/14
Beef in Freezer, Bnls	437,035	360,079	336,574
Cuts	45,533	42,202	42,325
Total Beef	482,568	402,281	378,899
PORK & OTHER	5/31/13	4/30/14	5/31/14
Pork in Freezer, Picnics	16,265	13,204	9,391
Hams	153,979	81,785	110,057
Bellies	54,829	83,579	85,859
Loins	38,630	45,950	39,782
Spareribs	91,153	115,957	89,413
Butts	21,804	19,771	21,781
Trimnings	59,226	42,023	47,578
Other Pork in Freezer	118,339	97,321	91,714
Total	658,947	583,891	575,246
Veal in Freezer	4,996	3,212	2,754
Lamb & Mutton in Freezer	19,793	26,536	25,195
Total	24,789	29,748	27,949

Data Updated: June 23, 2014

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YS BEEF CUTOOUT Jun-27 v. Jun-20				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	1.90%	3.01%	-0.53%	2.35%
Chuck	2.38%	2.12%	2.08%	2.74%
Round	2.82%	3.02%	3.02%	1.97%
Loin	0.36%	2.28%	-1.47%	1.21%
Brisket	1.53%	1.54%	1.55%	1.45%
Plate	-0.89%	-0.89%	-0.89%	0.15%
Flank	-1.58%	-0.34%	-0.34%	-0.49%
Total	1.50%	2.24%	0.66%	1.83%



BEEF COMMENTARY

Carcass cutout values throughout the week were on the move higher, resulting in historical highs coming to fruition. Tight supplies and a fairly strong call for quick ship as the calendar works towards the July 4th holiday were supportive of the cutouts setting records.

LIVE CATTLE: Cash cattle trade was established this week at record high prices. The animal sold at \$154/cwt to \$155/cwt, up \$4-\$5/cwt from week prior. The dressed carcass traded hands at \$243/cwt to \$245/cwt, a gain of \$7-\$9/cwt from week ago range of sales. The volume of trade was rated "light to moderate"

SLAUGHTER & BEEF PRODUCTION: The weekly F.I. Slaughter tallied 615,000 head, 2,000 above last week's assessment. Saturday's kill published at 36,000. Live cattle estimated weights gained unchanged from week prior at 1304 pounds; dressed carcass weights gained another pound, now estimated at 793.

RIBS: The Yellow Sheet Choice Rib Primal gained \$7.14 this week, or up 1.90% from week prior. The Select Rib Primal posted a \$10.86 gain (up 3.01%). Buyers were seeking product to cover feature needs for the upcoming holiday weekend.

CHUCKS: Demand from ground beef processors continues to be a large reason behind strong seasonal wholesale prices. Choice and Select Primal Cutouts gained over 2%.

ROUNDS: Sustained demand amid well-sold inventory positions lent to gains with wholesale prices and cutouts.

LOINS: The Choice Loin Primal Cutout was basically flat with week prior levels. Select values posted fairly strong gains.

BONELESS BEEF: Prices for fresh 50s were somewhat mixed this week as limited lean beef supplies had ground beef processors altering production schedules and delaying deliveries of fat trim. Fed cattle packers were forced to place this product into the marketplace or box and freeze it. The market for leaner boneless beef was strong this week driven by brisk early July demand patterns for ground beef products.

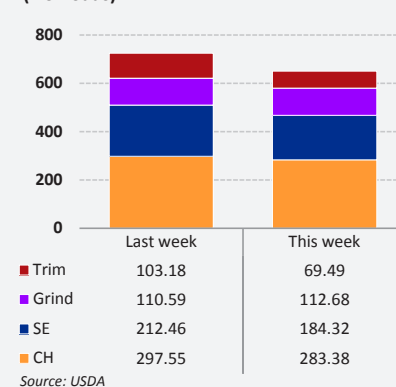
YS BEEF CUTOOUT-CH/SE SPREAD (\$/cwt)

	M	T	W	TH	F
TW	6.83	6.46	6.94	6.97	6.55
*LW	7.79	7.31	7.6	7.7	8.15

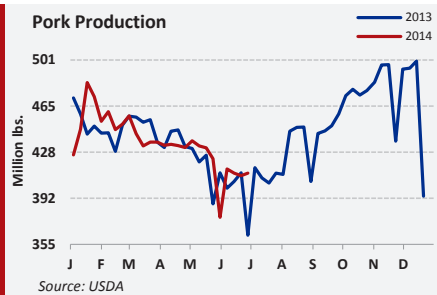
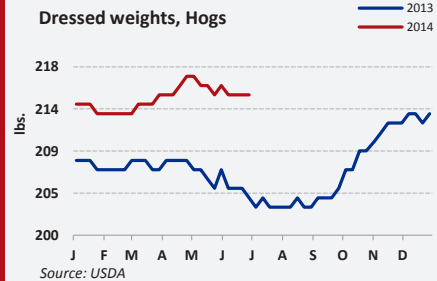
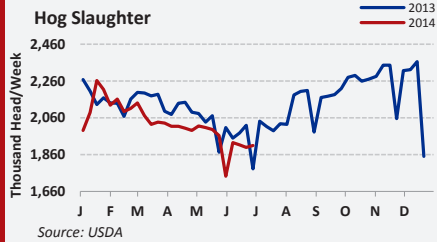
*Last Week's numbers are rounded

Weekly Beef Breakdown (# of loads)

1 load = 40,000 lbs.



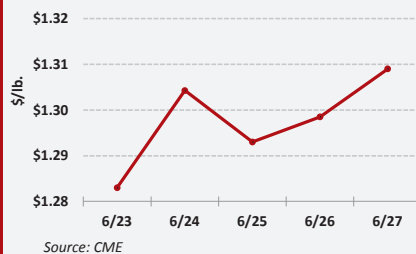
PORK PRODUCTION



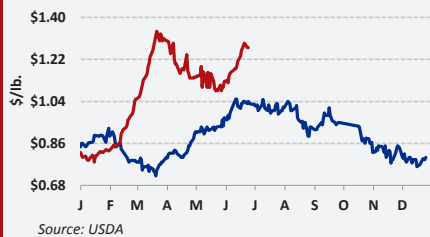
LIVE HOGS & CUTOUT

PORK CUTOUT	Jun-20	Jun-27	Change
Loin	30.448	32.091	1.643
Butt	13.575	13.808	0.233
Picnic	11.622	11.917	0.295
Sparerib	7.813	8.096	0.283
Ham	30.618	32.112	1.494
Belly	25.43	27.235	1.805
Cutout Value	122.939	128.82	5.877

Lean Hog Cont. Front-Month Futures

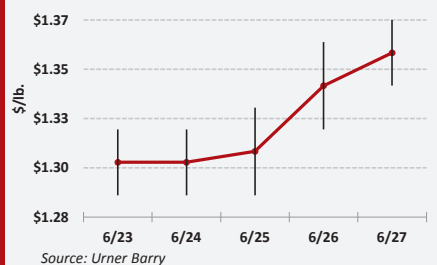


USDA Direct Hogs, Iowa/Minnesota, Carcass Base

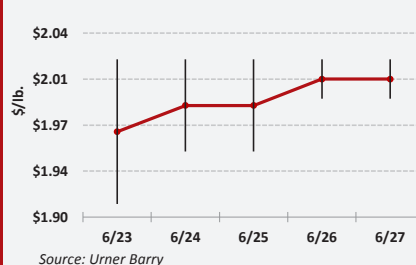


PORK PROCESSING ITEMS & RETAIL CUTS

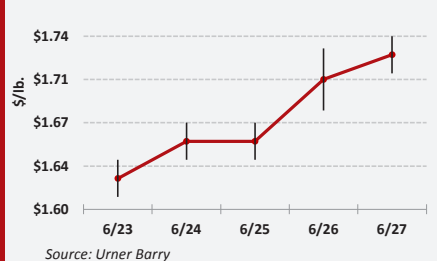
Select Hams 20/23



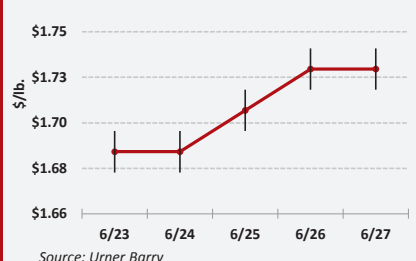
TL Spareribs, Light, Fresh (Vacpak)



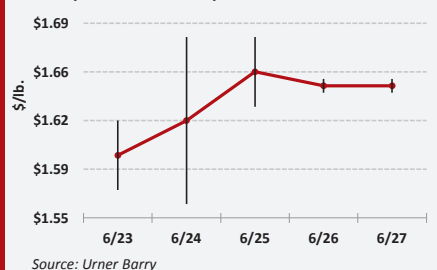
TL Sq. Cut Bellies 14/16



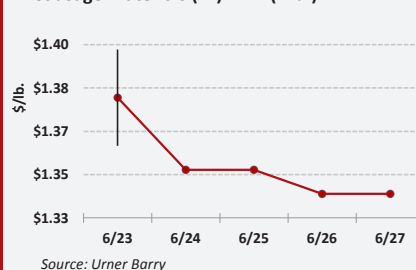
TL 1/4 in. Tr Boston Butts 9/dn



TL 1/4 in. Tr Loins 21/dn



Sausage Materials (TL) Trim (72%) Fr



PORK COMMENTARY

Reduced slaughter and sales that were at least at a steady pace helped wholesale values gain over twice as much ground as hog values. In the bellwether Iowa-Southern Minnesota area, the weighted average gained 1.9 percent to \$125.13/cwt. At the same time, Urner Barry's pork carcass cutout gained 4.8 percent, going from \$122.939/cwt last Friday to \$128.816/cwt this Friday. Operating margins remained in positive single digits, with the Urner Barry pork packer margin index ranging between \$3.78 to \$8.97/head. PORK PRODUCTION: Total pork production for the week ending June 28, 2014 was estimated at 411.5 million lbs. This total was .5 percent above last week and even with the same week a year ago. Average hog weights, at 287 pounds, were even with last week and 14 pounds over last year.

HAMS: Hams seemed to go into autopilot this week, with supportive domestic and export interest combining with limited supplies to provide consistent, steady gains throughout the week. Despite prices which are deeply into record territory, demand from Mexico remains present according to sources. By Friday, 20 through 27lb hams gained between 4.6 to 4.7 percent or \$6/cwt.

BELLIES: Bellies also managed to gain in value throughout the entirety of the week, with the limited slaughter helping to support values. A major factor contributing to the lack of pressure in the belly market is an utter void of reported volume currently. Over 82 percent of the total reported belly trade on the USDA the previous week was formulated, with only 13 percent negotiated. This has resulted in erratic pricing in the past and now has led to difficulty in price discovery. By Friday, square-cut bellies gained between 6 and 10% or \$10-\$15/cwt.

TRIMMINGS: Trimmings were some of the only items this past week that saw weakness. With most processors already well supplied with materials intended for 4th of July related products, demand for fresh 42 and 72 percent trim fell noticeably this week. As a result, 42's lost 3 percent or \$2/cwt while 72's fell 1.5 percent or \$2/cwt.

RETAIL: Fresh pork product values continued to advance as buyers looked for meat to deliver ahead of the Independence Day holiday. Sellers had been paring-down inventories in recent weeks, leading to a rather lean pipeline, and aggressive buying. As a result, bone-in loins added another \$7.00 to \$11.00/cwt this week, bone-in centers \$10.00 to \$14.00/cwt, and boneless loins \$8.00 to \$11.00/cwt. Tenderloins were unchanged, however the balance of the category moved higher. There continued to be underlying weakness in the picnic complex. Butts continued to firm, albeit at a slower rate than loins or ribs; likely due to the fact they are trading, or very close to, recorded highs. This week, butts gained \$3.00 to \$4.00/cwt. Sparerib values continued to firm in seasonal fashion. The week prior to the Independence weekend, buyers typically scramble to assemble last minute fresh needs, and this week was no exception. This week, sparerib values climbed another \$4.00 to \$12.00/cwt. St. Louis Ribs and Loin Back Ribs ranged steady to firm.

Fully Updated & Revised! Order yours today!

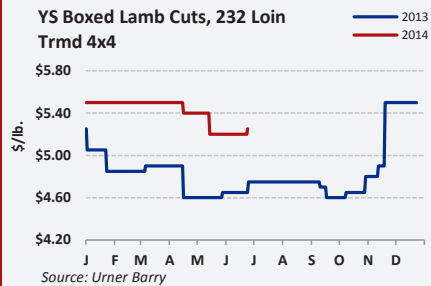
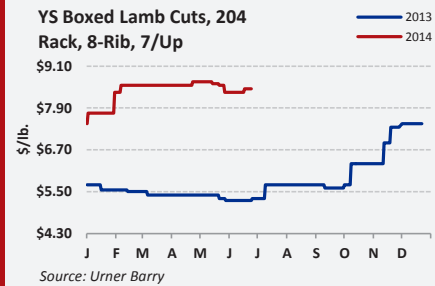
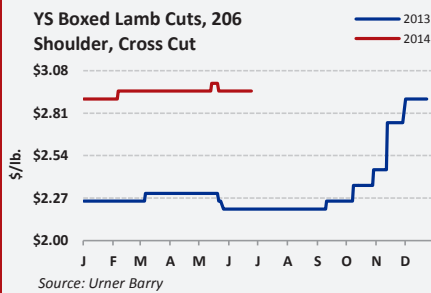
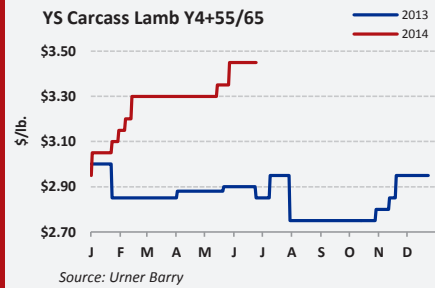
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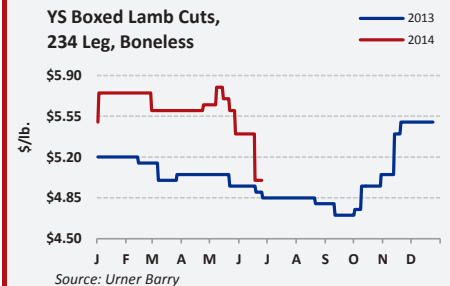
North American Meat Association

LAMB

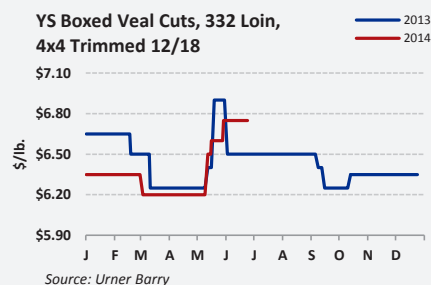
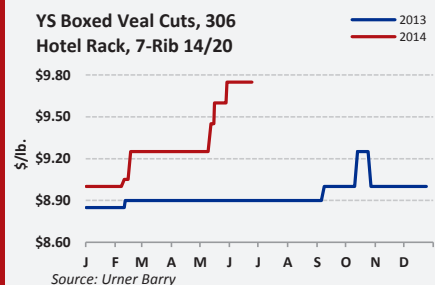
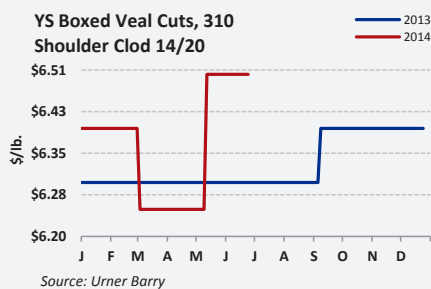
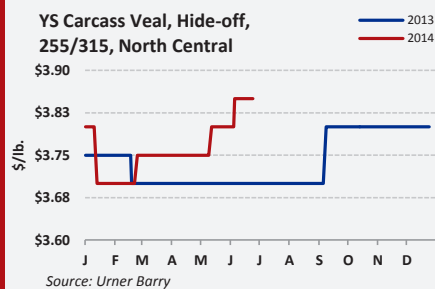


LAMB COMMENTARY

Lamb carcasses were fully steady and trading at 52-week highs. Cuts were fairly steady on the week seeing only minor price adjustments.

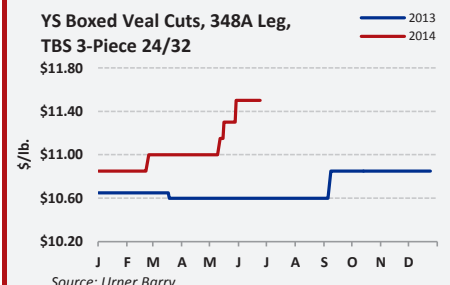


VEAL

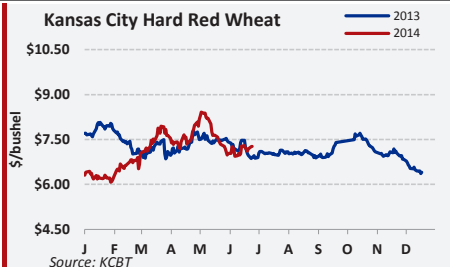
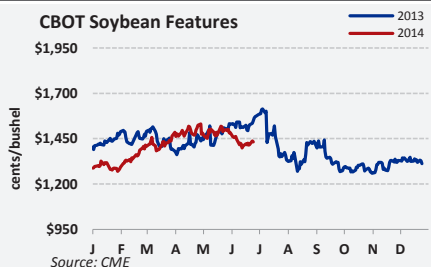
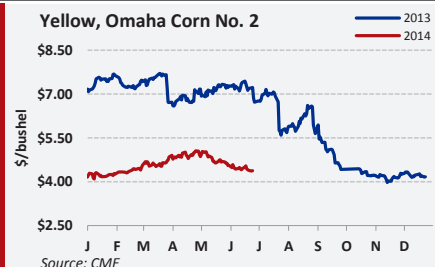


VEAL COMMENTARY

Veal markets held mostly steady and continue to test at historically high price points. Offerings were fairly well balanced with the level of buying interest.



FEEDS: CORN, SOY BEAN, RED WHEAT



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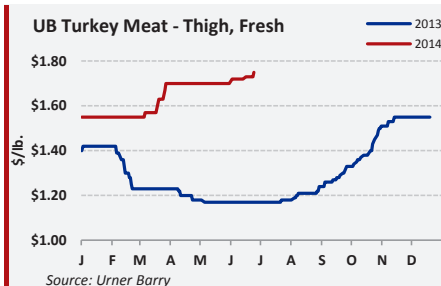
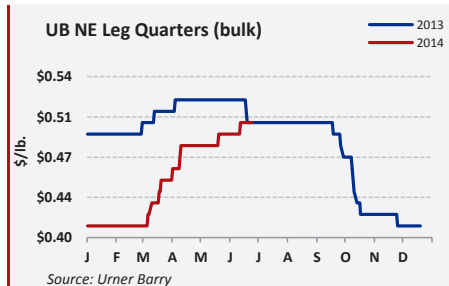
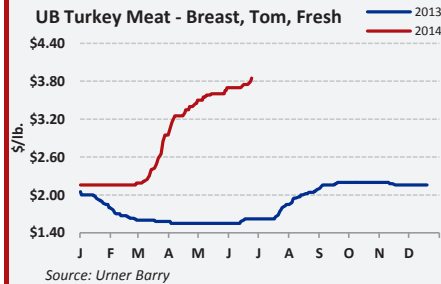
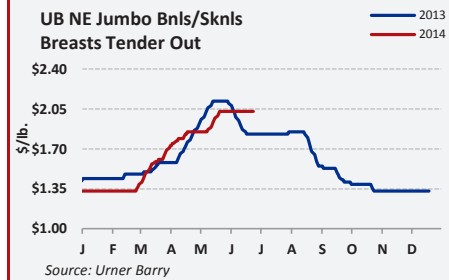
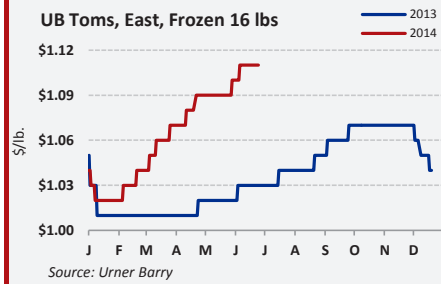
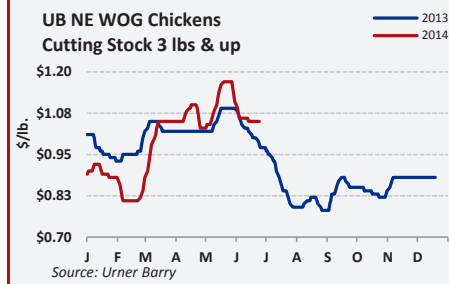
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POULTRY



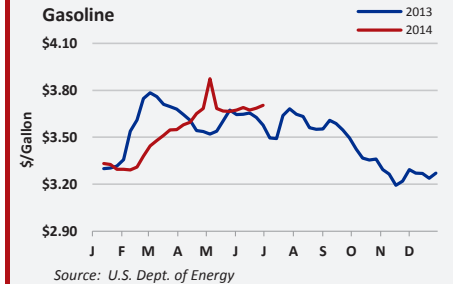
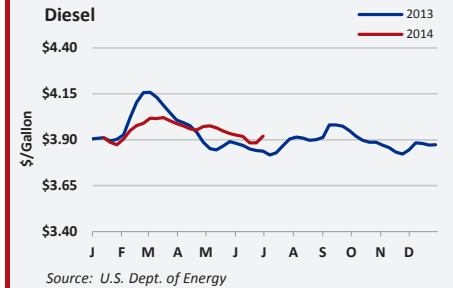
POULTRY COMMENTARY

The chicken industry has made it through yet another week of the twos unscathed. Most of the complex has been deemed adequate for current needs. All week, boneless breasts and tenders traded within a reasonable range of our listed quotations. There were a few exceptions here and there, but the market as a whole remained relatively steady. Wings performed in a similar fashion. Asked and paid prices were reported from slight discounts to slight premiums all week. Whole birds and WOGs maintained their positions. Sources finished the week feeling optimistic about their upcoming fast food and foodservice business. The dark bone-in lines were mostly balanced. Offerings were a bit more available this week, but selling levels continued to show full support of our listed quotations. Thigh meat interest remained active, while supplies were somewhat snug from plant to plant. Leg meat was rated about steady at best. MSC movement was normal and prices were left unchanged.

Export buying activity that was aggressive earlier this week has been supplemented by another

round of domestic demand. Buyers expressing interest in any type or form of whole muscle meat, including thigh meat, have been greeted by empty cupboards or by limited product offerings which are being held with strong hands. A range of values have been recorded for the various white and dark meat items. Advancing quotations within our table better reflect current market values and certainly identify the strong undertone that is in place during this week prior to the Fourth. The parts complex has been experiencing regular if not good demand patterns all week. Drums, hen drums in particular, are the strongest item in this segment. Tom and hen two joints are pursued consistently and are rated as firm. Whole wings appear to have settled at values closely resembling those listed. Toms, hens and breasts are more or less neglected in advance of the nation's birthday next week. Asked prices trend steady to higher against spot offerings which are no more than adequate.

ENERGY



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