

# WEEKLY Market Report



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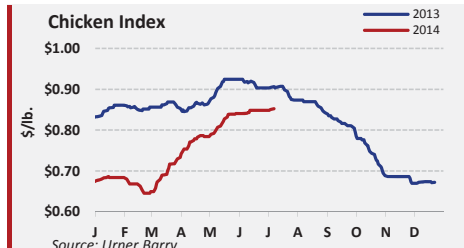
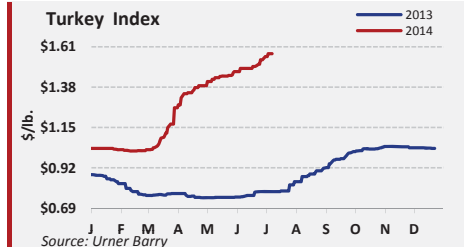
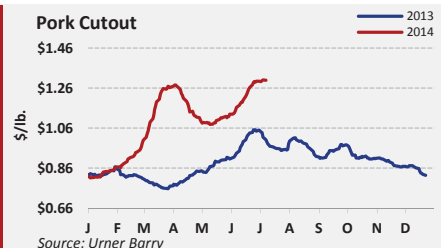
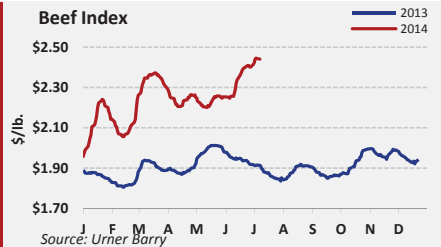
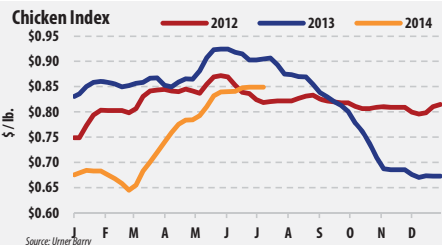
Friday, July 11, 2014

Number 28- Volume 07

## WEEKLY COMMODITY AT A GLANCE

	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.66	4.05	7.01
CBOT Soybean	1,295.75	1,387.75	1,429.00
NYMEX Light Crude Oil	100.83	104.06	105.95
Loose Lard, Chicago Basis	0.43	0.43	0.49
Edible Tallow, Chicago Basis	0.41	0.40	0.50
Beef Trimnings, 90% Fresh	296.00	284.00	202.50
Beef Trimnings, 50% Fresh	130.00	125.00	105.00
Aust/NZ Blend Cow 90% EC Spot	246.00	238.00	189.00
USDA Drop Credit	15.58	15.55	14.69
112A 3 Ribeye Roll, Lip-On CH	820.00	850.00	665.00
116A 3 Chuck Roll, Neck-Off CH	310.00	310.00	232.00
168 3 Round, Top (Inside) CH	276.00	263.00	215.00
180 3 Strip Loin, Bnls, 0x1 CH	700.00	700.00	525.00
136 Coarse Ground 73%	245.00	226.00	169.00
189A 4 Loin, Tenderloin, PS MO CH	1,050.00	1,050.00	940.00
Cattle-Fax, 6-State Fed Steer Price	158.09	154.56	119.85
Select Hams 20/23	142.00	142.00	87.00
Sq Cut Bellies 14/16	176.00	176.00	165.00
1/4 Trmd. Loins 21/dn	162.00	158.00	131.00
1/4 Tr Boston Butts 9/dn	176.00	171.00	107.00
Spareribs, Light, Fresh	190.00	203.00	150.00
Fresh Pork Trim (42%)	61.00	55.00	61.00
Fresh Pork Trim (72%)	141.00	129.00	88.00
Carcass Lamb Y4+55/65	345.00	345.00	295.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	855.00	845.00	570.00
Lamb Cuts, 206 Shoulder, Cross Cut	295.00	295.00	220.00
Lamb Cuts, 232 Loin Trmd 4x4	540.00	530.00	475.00
Lamb Cuts, 234 Leg, Boneless	500.00	500.00	485.00
Carcass Veal, Hide-off, 255/315, NC	395.00	390.00	370.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	965.00	975.00	890.00
Veal Cuts, 310 Shoulder Clod 14/20	670.00	650.00	630.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	685.00	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



## EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	112	117	114	113	111	9	576
LW	117	115	116	116	4	23	491
*LY	121	121	124	125	122	27	641

## EST. DAILY HOG SLAUGHTER

	TW	LW	*LY
TW	387	403	397
LW	401	411	403
*LY	407	401	407

## EST. DAILY SHEEP SLAUGHTER

	TW	LW	*LY
TW	9	9	8
LW	9	9	8
*LY	10	10	8

## EST. DAILY CALVES SLAUGHTER

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

## EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	6/27	6/28	6/30	7/1	7/2	7/3	110
TW	7/4	7/5	7/7	7/8	7/9	7/10	86
*LY	23	5	23	26	27	26	130

\*Last Year's numbers are rounded

Historically, the chicken market retreats at least a little following the Fourth of July. It did so in 2012 and even more rapidly in 2013, but this year could throw "history" of its course. Production has maintained a flat position; bird-weights are starting to become a concern and the competing protein complexes have yet to improve their supply-side issues. Could this be the year the chicken index holds steady?

## FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.939	0.935	0.906
Mexico, Peso	12.985	12.966	12.838
Canada, Dollar	1.073	1.063	1.039
Japan, Yen	101.332	102.201	99.350
China, Yuan (RMB)	6.203	6.212	6.137
Brazil, Real	2.221	2.219	2.268
South Korea, Won	1,020.580	1,008.400	1,121.390
Taiwan, Dollar	29.956	29.859	29.849
European Union, Euro	1.361	1.361	1.306

## COLD STORAGE STOCKS

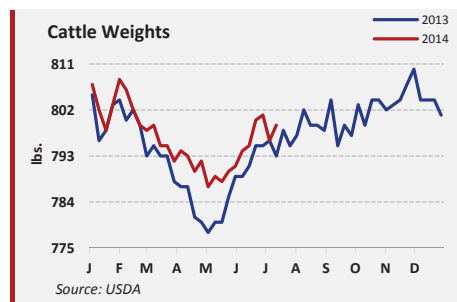
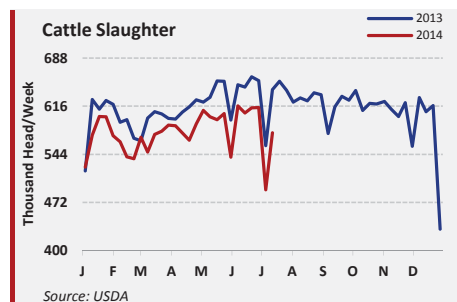
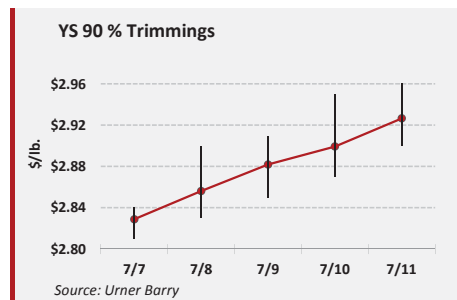
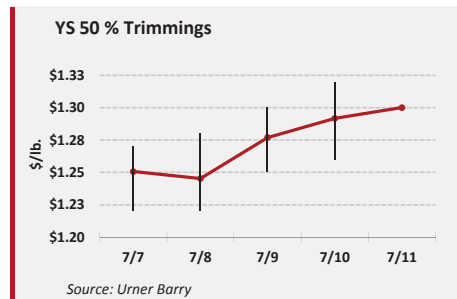
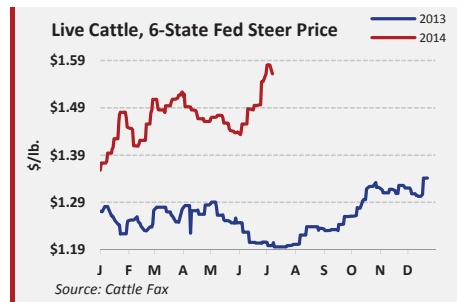
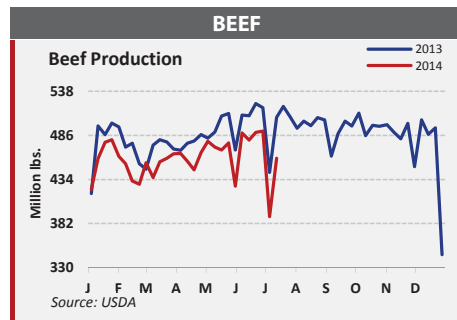
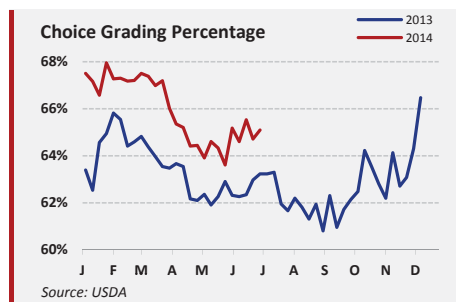
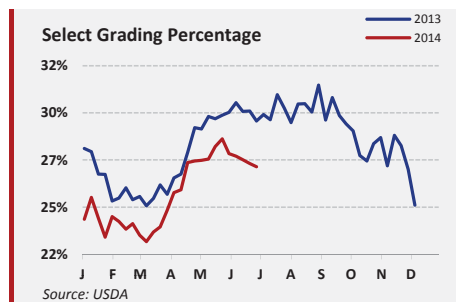
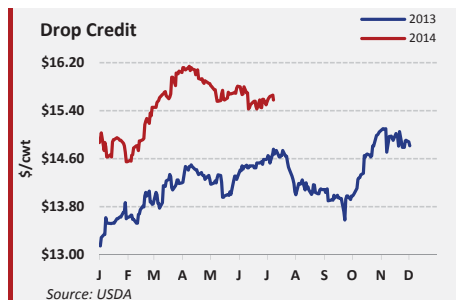
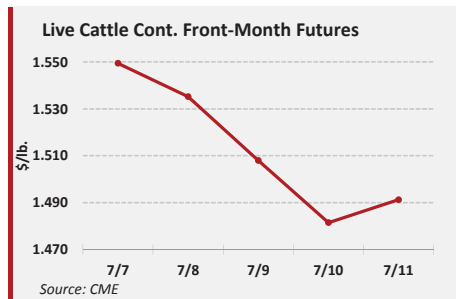
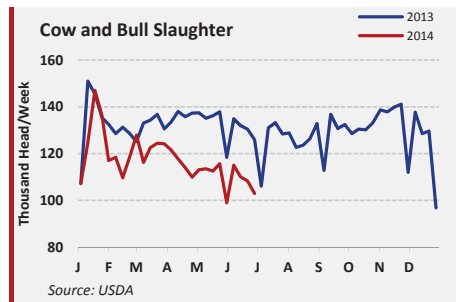
(Pounds in Thousands)	5/31/13	4/30/14	5/31/14
Beef in Freezer, Bnls	437,035	360,079	336,574
Cuts	45,533	42,202	42,325
<b>Total Beef</b>	<b>482,568</b>	<b>402,281</b>	<b>378,899</b>
<b>PORK &amp; OTHER</b>	<b>5/31/13</b>	<b>4/30/14</b>	<b>5/31/14</b>
Pork in Freezer, Picnics	16,265	13,204	9,391
Hams	153,979	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
<b>Total</b>	<b>658,947</b>	<b>583,891</b>	<b>575,246</b>
Veal in Freezer	4,996	3,212	2,754
Lamb & Mutton in Freezer	19,793	26,536	25,195
<b>Total</b>	<b>24,789</b>	<b>29,748</b>	<b>27,949</b>

Data Updated: June 23, 2014

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YS BEEF CUTOUT Jul-11 v. Jul-03				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	-3.13%	-4.50%	0.33%	-1.17%
Chuck	2.38%	2.92%	2.42%	2.18%
Round	5.16%	4.87%	5.00%	3.51%
Loin	-0.46%	0.58%	-0.52%	0.51%
Brisket	0.11%	0.11%	0.11%	1.21%
Plate	1.89%	1.89%	1.89%	2.19%
Flank	2.06%	1.59%	1.59%	1.37%
Total	0.98%	1.13%	1.68%	1.28%



## BEEF COMMENTARY

**BOXED BEEF:** The spot market saw a shift in tones for middle meats. Chucks were mixed: rounds remained supported by ground beef processing demand. Buyer's reluctance to buy for other than their normal block orders became more evident. Packer's unsold inventory lists grew as the week progressed.

**LIVE CATTLE:** After setting week after week record high prices, cash cattle prices retreated a bit this week as weaker futures market filtered over to the cash market. Live cattle sold at \$155/cwt to \$157/cwt, down mostly \$2/cwt to instances of \$3/cwt lower sales. The dressed carcass sold at \$246/cwt to \$249/cwt, \$1/cwt to \$3/cwt down from week prior sales.

**SLAUGHTER & BEEF PRODUCTION:** Today's F.I. Slaughter was assessed at 111,000 head; last Friday's kill under inspection was a holiday-curtailed 4,000. The weekly F.I. Slaughter was assessed at 576,000 head, sharply lower from early week expectations. This week's kill is 10.1% lower from the same week last year that saw 641,000 head processed under inspection. Live cattle weights moved 2 pounds up from week prior, now estimated at 1310 pounds. Dressed carcass weights reported at 799 pounds, a 3 pound gain from week prior.

**RIBS:** Ribs reversed course this week and became the biggest decliner in the complex. Post July 4th business was limited and consumers appeared willing to trade down from expensive steaks to other cuts or other proteins all together.

**CHUCKS:** End cuts were the recipient of favorable market conditions this week. Prices firmed again as a result. The main driver was again grinding operations looking for product.

**ROUNDS:** The high priced of lean trimmings buoyed the round complex to the largest weekly gains. Tighter supplies were quickly bought in order to meet hamburger demand.

**LOINS:** Loins ended either side of steady, with choice slipping slightly and select firming. The late week trend was lower, again a result of demand shifting away from some of the more traditional steak cuts.

**BONELESS BEEF:** Fresh 90s moved higher as the week progressed. Supplies were tighter than expected in most regions. Fresh 50s moved higher on the week as offerings for nearby delivery were limited.

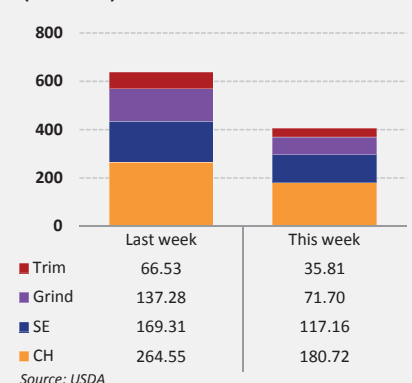
## YS BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

	M	T	W	TH	F
TW	6.24	6.62	6.17	6.87	7.38
*LW	7.45	7.68	7.94	7.66	-

\*Last Week's numbers are rounded

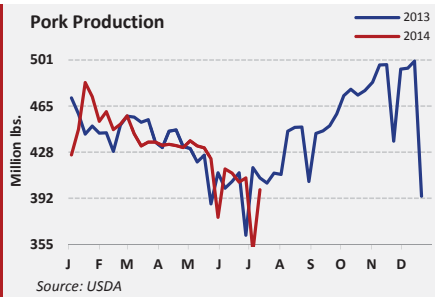
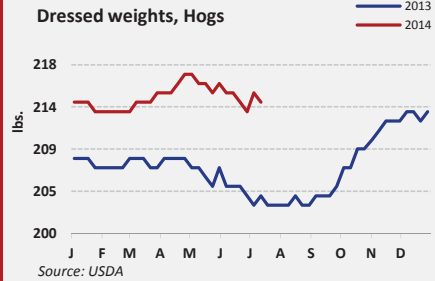
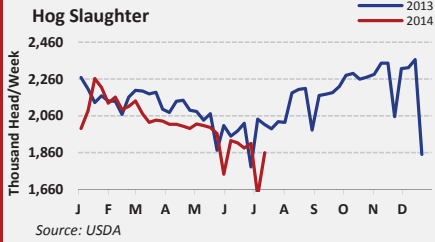
## Weekly Beef Breakdown (# of loads)

1 load = 40,000 lbs.



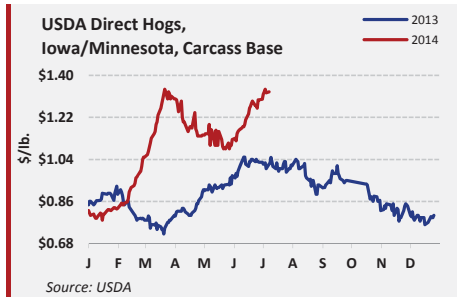
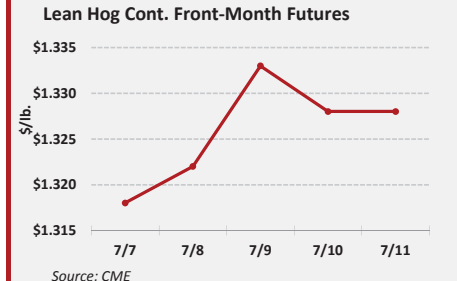
Friday, July 11, 2014

# PORK PRODUCTION

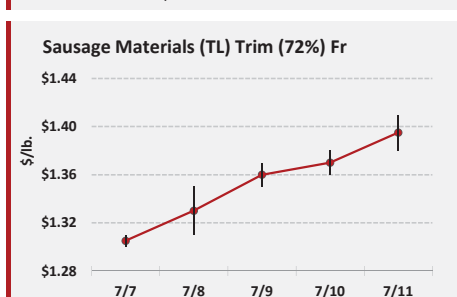
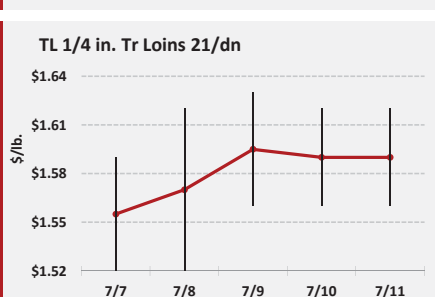
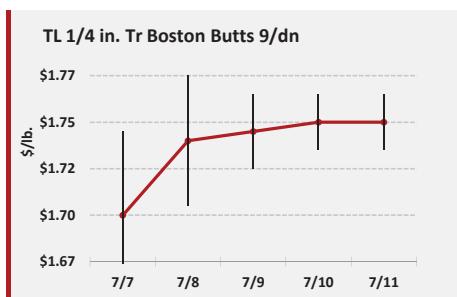
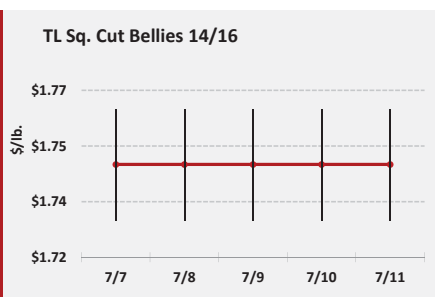
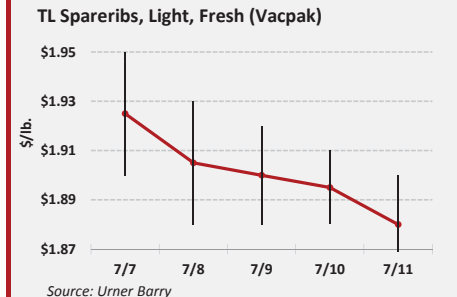
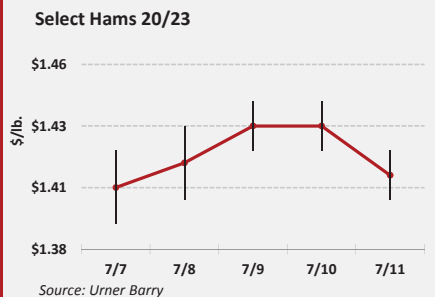


# LIVE HOGS & CUTOFF

PORK CUTOFF	Jul-03	Jul-11	Change
Loin	32.091	31.938	-0.153
Butt	13.808	13.989	0.181
Picnic	11.917	12.116	0.199
Sparerib	8.096	7.591	-0.505
Ham	32.112	33.249	1.137
Belly	27.235	27.589	0.354
<b>Cutoff Value</b>	<b>128.816</b>	<b>129.94</b>	<b>1.126</b>



# PORK PROCESSING ITEMS & RETAIL CUTS



# PORK COMMENTARY

Gains in hog values due to limited supplies outpaced the price increases seen in wholesale values this week. Movement in pork began to lose momentum as buyers behaved cautiously around record prices. In the bellwether Iowa-Southern Minnesota area, the weighted average gained 3 percent to \$131.28/cwt. At the same time, Urner Barry's pork carcass cutout only gained .36 percent, going from \$129.470/cwt the previous Thursday to \$129.942/cwt Friday. Operating margins were compressed this week, with the Urner Barry pork packer margin index ranging between (\$.21) to \$2.56/head.

**PORK PRODUCTION:** Total pork production for the week ending July 12, 2014 was estimated at 398.3 million lbs. This total was 13.9 percent above last week and 4.2 percent below the same week a year ago. Average hog weights, at 285 pounds, were one pound less than last week and 13 pounds over last year.

**HAMS:** Bone-in hams were mostly unchanged this week. While product did continue to clear, buyers maintained a near term outlook, which limited the potential for premiums. Boneless on the other hand gained sharply, going from \$200/cwt to \$223/cwt as some participants became increasingly focused on lunch meat production.

**BELLIES:** Like hams, bellies ended the week with little fanfare. The heavier weights (16 to 20lb) of square-cut bellies gained between 1 and 1.8 percent due to the combination of lower slaughter and falling hog weights while lighter weights were unchanged.

**TRIMMINGS:** Fresh 42 and 72 percent trimmings were sought after this week; however the broad lack of offerings due to cuts in production schedules limited the potential trade volume. By Friday, fresh 42's and 72's closed 10.9 and 9.3 percent higher respectively. Boneless picnics had difficulty gaining traction, falling just over 1 percent.

**RETAIL:** The fresh pork complex continued with an overall unsettled tone this week and with the exception of ribs, no single item moved more than 3 percent in either direction. Loin products were mixed, with bone-ins trading between (1.7) and 2.5 percent from last Thursday's close. Boneless gyrate throughout the week with offerings varying by location. By Friday they had moved (3.0) to 0.5 percent. Sirloins saw firmer trade, albeit in low volume, gaining between 2.5 and 2.7 percent. Picnics were scarcely offered and appreciated by 2.5 percent as a result. Butts surprisingly held their exorbitant price levels this week, at one point surpassing the previous Yellow Sheet all-time high reached earlier in the year. By Friday, they had gained between .5 and 3 percent. Historically, ribs tend to see sharp losses immediately after the 4th and this year was no exception. Spareribs fell by (6.4) to (10.5) percent while St. Louis and Loin Back ribs declined by up to (5.6) and (5.0) percent respectively.

Fully Updated & Revised! Order yours today!

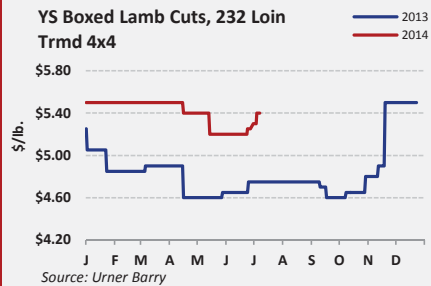
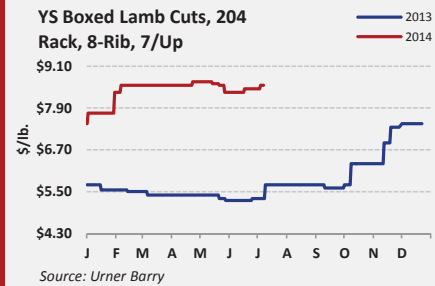
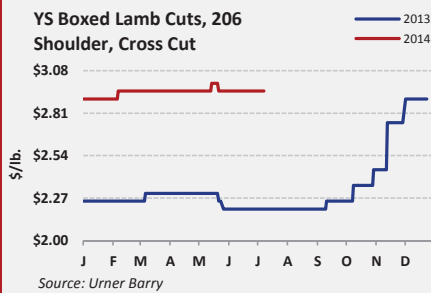
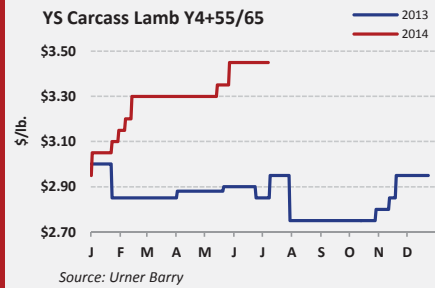
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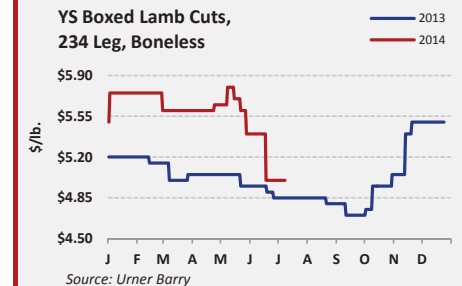
North American Meat Association

## LAMB

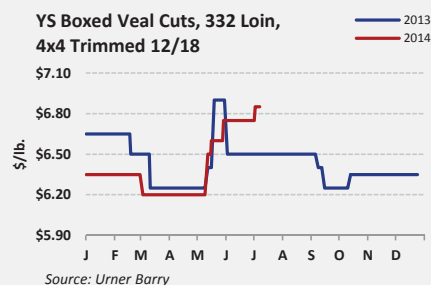
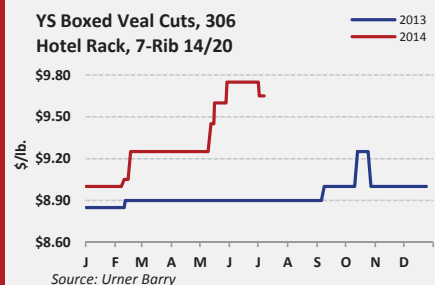
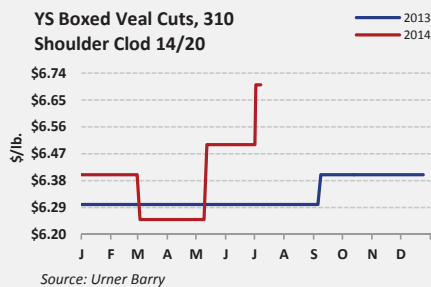
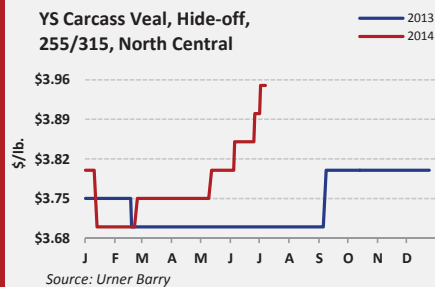


## LAMB COMMENTARY

Lamb carcasses were mostly steady this week. Trading activity was moderate. Some discounting was seen among legs. Premiums were noted across racks and loins in response to increased seasonal demand.

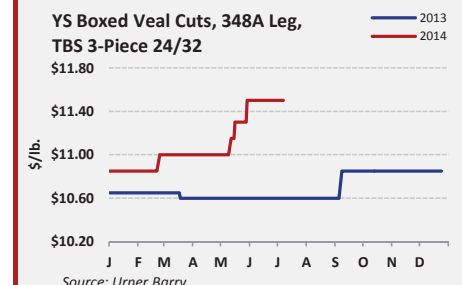


## VEAL

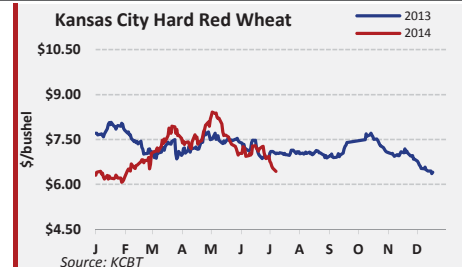
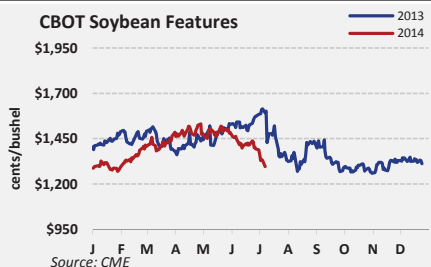
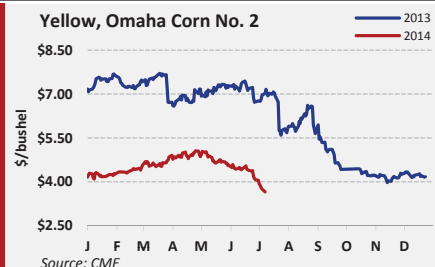


## VEAL COMMENTARY

Veal carcasses ended the week at steady to slightly higher price levels. Higher input costs were the primary reason for the firmer bids. Boxes were generally steady to firmer. Shoulders, loins, legs and hindquarters all saw premiums. Increased availability resulted in slight discounts on hotel racks.



## FEEDS: CORN, SOY BEAN, RED WHEAT

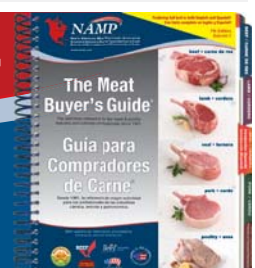


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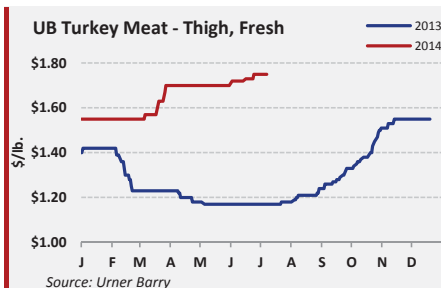
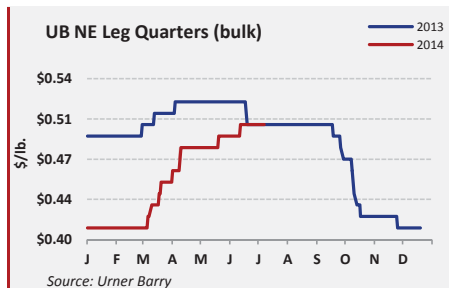
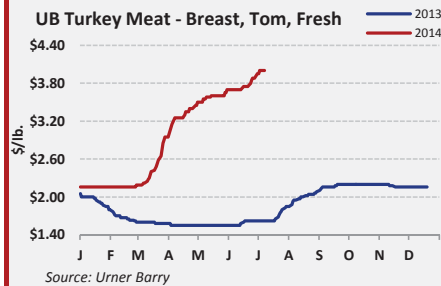
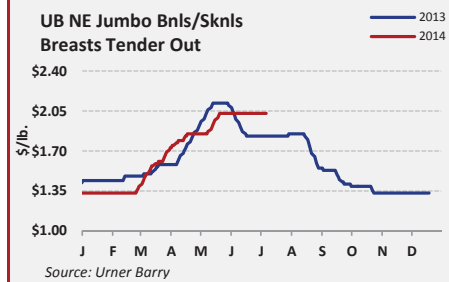
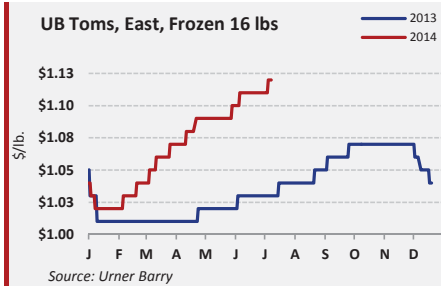
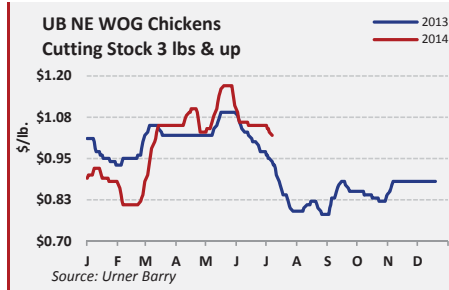
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## POULTRY



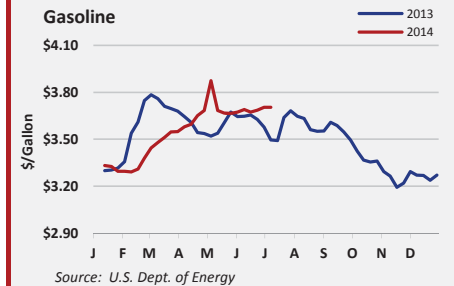
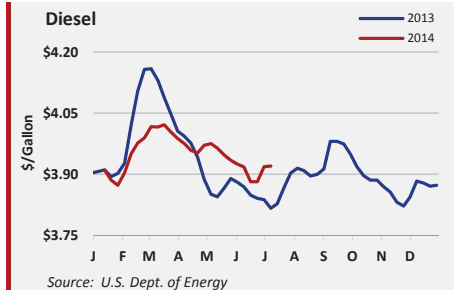
## POULTRY COMMENTARY

This week, in terms of value, there have been some chicken items that were "winners" and some that were "losers". All-sized wings were rated no more than adequate to short at most points of sale. Asked and paid prices advanced steadily as sellers continued to hold their available offerings with the upmost confidence. For most of the week, heavier-weighted cutting stock WOGs were being sold at discounted rates in order for sellers to keep their inventories moving. Sources are now concerned that this will carry over into next week as well. Demand patterns appear to be no better than basic and weights are still a probable issue. Jumbo boneless breast meat and tenders traded at steady values the entire week. Rumors of medium sized meat being offered out at discounted rates surfaced daily however, very few trades at such levels were ever actually confirmed. Whole legs and leg meat were rated no better than about steady. Supplies were often available below our listed quotations. The rest of the dark bone-in and boneless lines continued to move regularly and at mostly steady price points.

For most of the week, a calm and untroubled turkey market greeted the efforts of price discovery. Demand tended to be either taking a breather and regrouping or making effort with a somewhat price sensitive posture. All in

all, our quotations found support but a close range of prices over and under listed values were commonly paid. One item not subject to any lower price points was hen two joints. Here we found full market levels, but more often premiums, being paid on limited to nonexistent offerings. Tom two joint values varied according to destination market. Whole wings were about steady as were tails however, paid values mixed according to the buyer. Elsewhere the meat complex closed the week unchanged. Fresh and frozen tom breast meat reached yet another all-time high of \$4/lb. In fact, all of the meats including fresh and frozen thigh meat were left still falling short of demand. Breast trim finishes the week rated full steady, while scapula is rated firm. Wing meat transactions suggest that a steady undertone is in place. The tom and hen markets are supported but seasonable. Buyer interest was spotty all week reflecting a typical midsummer stance. Toms were basically unavailable but when product was shown, it tended to be held with stronger hands than hens. Institutional breasts were highly irregular in their availability. MST is starting to test with frozen rated as barely steady and fresh about steady.

## ENERGY



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