

WEEKLY Market Report



POWERED BY URNER BARRY'S COMTELL®

Friday, July 18, 2014

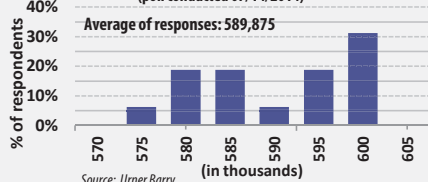
Number 29- Volume 07

WEEKLY COMMODITY AT A GLANCE

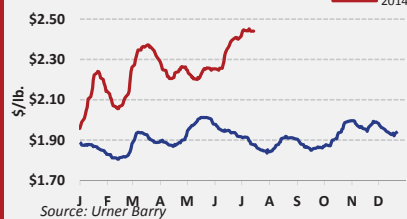
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.53	3.66	7.07
CBOT Soybean	1,176.75	1,295.75	1,490.75
NYMEX Light Crude Oil	103.13	100.83	108.05
Loose Lard, Chicago Basis	0.45	0.43	0.51
Edible Tallow, Chicago Basis	0.41	0.41	0.50
Beef Trimnings, 90% Fresh	297.00	296.00	203.00
Beef Trimnings, 50% Fresh	137.00	130.00	115.00
Aust/NZ Blend Cow 90% EC Spot	264.00	246.00	192.00
USDA Drop Credit	15.82	15.58	14.63
112A 3 Ribeye Roll, Lip-On CH	750.00	820.00	620.00
116A 3 Chuck Roll, Neck-Off CH	314.00	310.00	232.00
168 3 Round, Top (Inside) CH	295.00	276.00	215.00
180 3 Strip Loin, Bnls, 0x1 CH	690.00	700.00	510.00
136 Coarse Ground 73%	255.00	245.00	169.00
189A 4 Loin, Tenderloin, PS MO CH	1,050.00	1,050.00	940.00
Cattle-Fax, 6-State Fed Steer Price	155.94	158.09	119.57
Select Hams 20/23	143.00	142.00	87.00
Sq Cut Bellies 14/16	171.00	176.00	163.00
1/4 Trmd. Loins 21/dn	171.00	162.00	125.00
1/4 Tr Boston Butts 9/dn	175.00	176.00	104.00
Spareribs, Light, Fresh	186.00	190.00	146.00
Fresh Pork Trim (42%)	77.00	61.00	61.00
Fresh Pork Trim (72%)	147.00	141.00	91.00
Carcass Lamb Y4+55/65	345.00	345.00	295.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	845.00	855.00	570.00
Lamb Cuts, 206 Shoulder, Cross Cut	295.00	295.00	220.00
Lamb Cuts, 232 Loin Trmd 4x4	540.00	540.00	475.00
Lamb Cuts, 234 Leg, Boneless	500.00	500.00	485.00
Carcass Veal, Hide-off, 255/315, NC	395.00	395.00	370.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	975.00	965.00	890.00
Veal Cuts, 310 Shoulder Clod 14/20	670.00	670.00	630.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	685.00	685.00	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

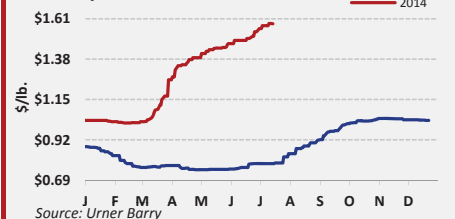
Industry Expectations for Weekly Cattle Slaughter for week ending 07/19/2014 (poll conducted 07/14/2014)



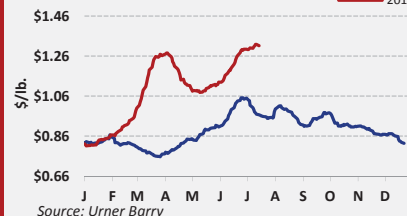
Beef Index



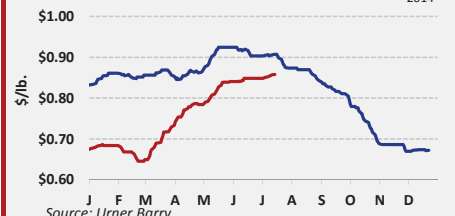
Turkey Index



Pork Cutout



Chicken Index



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	112	116	116	115	114	4	577
LW	112	117	114	113	111	9	576
*LY	118	124	126	124	122	39	653

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	363	397	395	395	282	1	1,833
LW	387	403	397	395	275	2	1,859
*LY	399	403	406	406	396	1	2,012

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	9	8	8	9	5	0	39
LW	9	9	8	9	6	0	41
*LY	9	9	8	9	7	0	42

EST. DAILY CALVES SLAUGHTER

	M	T	W	TH	F	S	Total
TW	2	2	2	2	2	0	10
LW	2	2	2	2	2	0	10
*LY	3	3	3	3	3	0	16

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	7/4	7/5	7/7	7/8	7/9	7/10	86
TW	21	2	21	24	24	22	114
*LY	27	5	24	27	27	24	134

*Last Year's numbers are rounded

The slaughter poll for the week ending 07/12/2014 came in at an average response of 604,952 head. If realized, this would outpace last week's shortened slaughter by 23.21%, but remain lower than last year, to the tune of 5.62%. The story remains the record setting prices being paid for live animals.

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.940	0.939	0.919
Mexico, Peso	12.956	12.985	12.526
Canada, Dollar	1.073	1.073	1.037
Japan, Yen	101.360	101.332	100.230
China, Yuan (RMB)	6.208	6.203	6.138
Brazil, Real	2.228	2.221	2.237
South Korea, Won	1,029.700	1,020.580	1,120.100
Taiwan, Dollar	30.009	29.956	29.885
European Union, Euro	1.353	1.361	1.314

COLD STORAGE STOCKS

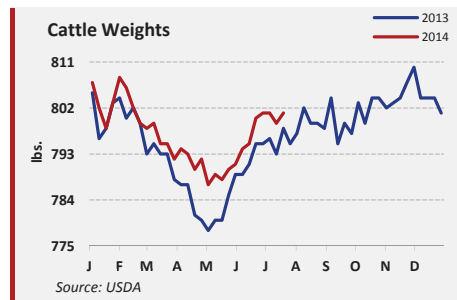
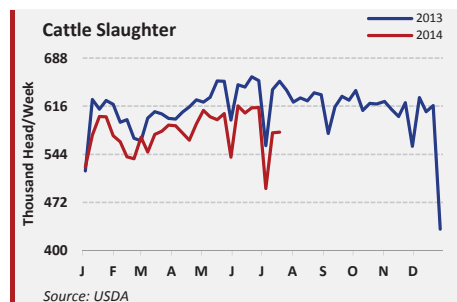
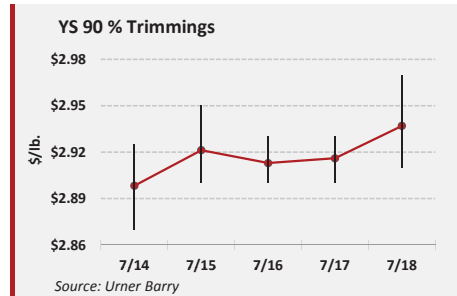
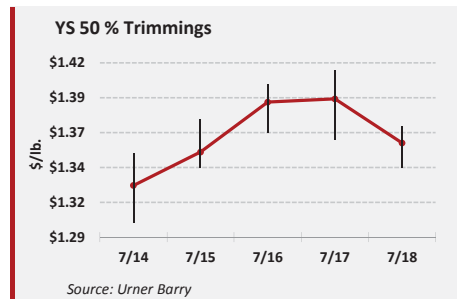
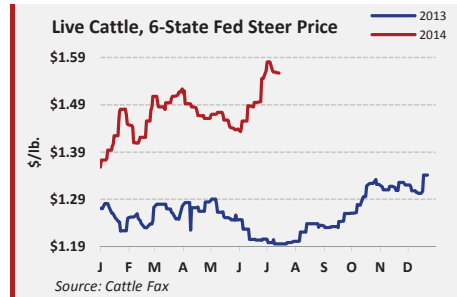
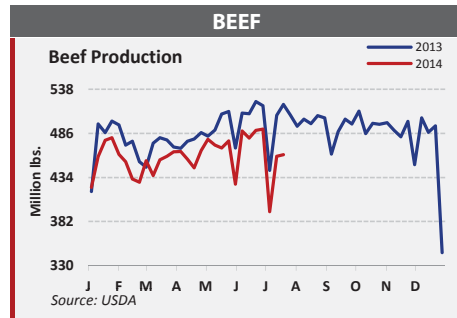
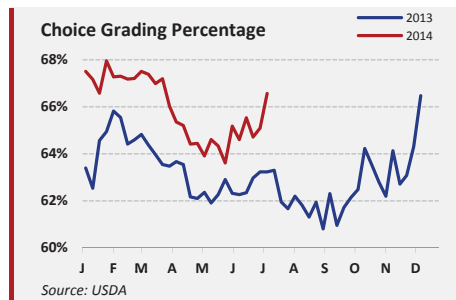
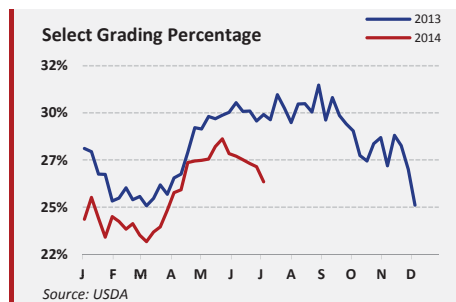
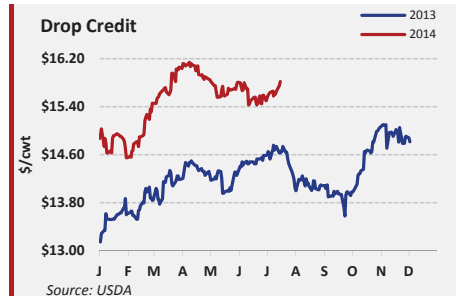
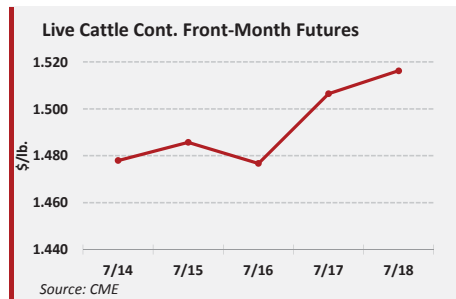
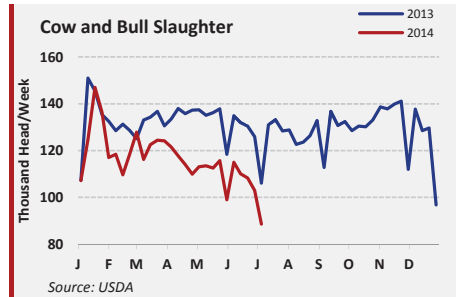
(Pounds in Thousands)	5/31/13	4/30/14	5/31/14
Beef in Freezer, Bnls	437,035	360,079	336,574
Cuts	45,533	42,202	42,325
Total Beef	482,568	402,281	378,899
PORK & OTHER	5/31/13	4/30/14	5/31/14
Pork in Freezer, Picnics	16,265	13,204	9,391
Hams	153,979	81,785	110,057
Bellies	54,829	83,579	85,859
Loins	38,630	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 CUTOUT Jul-18 v. Jul-11				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	-7.02%	-9.26%	0.26%	-2.40%
Chuck	1.48%	0.79%	2.03%	-0.14%
Round	4.62%	4.93%	4.71%	2.39%
Loin	-0.73%	1.70%	3.28%	0.59%
Brisket	-3.38%	-2.75%	-2.75%	-2.20%
Plate	1.14%	1.14%	1.14%	1.45%
Flank	0.57%	1.10%	1.10%	0.90%
Total	-0.24%	0.02%	2.33%	0.15%



BEEF COMMENTARY

The spot market realized a classic seasonal search for equilibrium. Middle meats continue to correct lower, while both rounds and chucks found support from the strong sustained call from ground beef processing.

LIVE CATTLE: Early week thoughts concerning the weekly cash trade were that a possible \$2/cwt lower market could develop this week. The market provided a surprise as sales for the week were established at \$1/cwt lower to as much as \$1/cwt higher. Live cattle sold in a range between \$155/cwt and \$157.50/cwt. The dressed carcass sold at \$245/cwt to \$248/cwt.

SLAUGHTER & BEEF PRODUCTION: The weekly F.I. Slaughter was assessed at 577,000 head, 1,000 head more than processed week prior. Live cattle weights now estimated at 1313 pounds, a gain of 3 pounds from week prior report. Dressed carcass weights reported at 801 pounds, a 2 pound gain over week ago.

RIBS: Ribs (choice and select grade) remain the biggest laggard when looking at primal sections of the carcass. Not unexpected is the seasonal correction with wholesale values.

CHUCKS: Chucks received a fairly strong call for quick ship—impetus being ground beef demand. Clods found support, and prices were moderately to sharply higher this week.

ROUNDS: The story behind firmer round values remains the same; ground beef demand continues to pull all available supply from packer's coolers.

LOINS: While not to the level seen by choice and select ribs, but loins found themselves trading at lower levels. Current wholesale prices remain a bit of an obstacle for retailers.

BONELESS BEEF: Fatter trimmings were generally steady to firmer this week. Strength was largely attributed to tighter supplies. This week's cattle slaughter was estimated at 577,000 head. Fresh 90s continued to trend higher. Record high prices were noted on Friday.

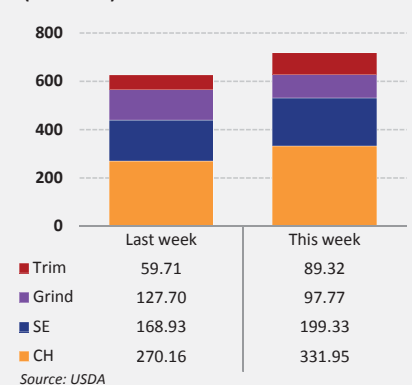
YS BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

	M	T	W	TH	F
TW	7.23	6.53	7.18	6.32	6.75
*LW	6.24	6.62	6.17	6.87	7.38

*Last Week's numbers are rounded

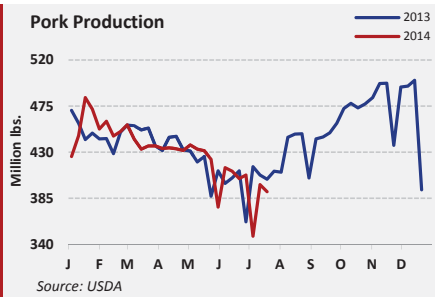
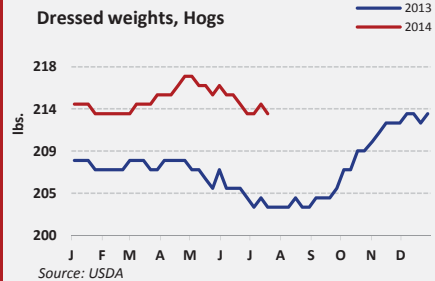
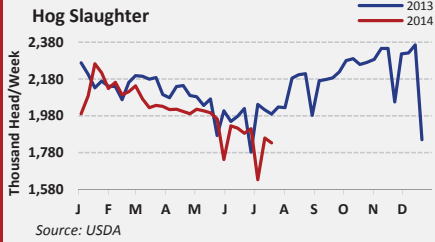
Weekly Beef Breakdown (# of loads)

1 load = 40,000 lbs.



Friday, July 18, 2014

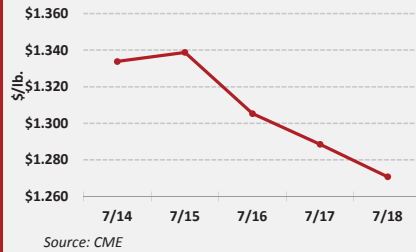
PORK PRODUCTION



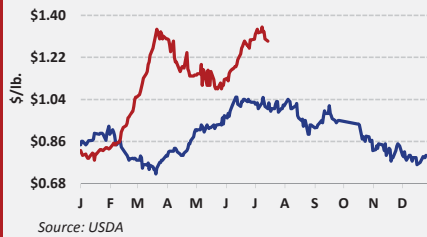
LIVE HOGS & CUTOUT

PORK CUTOUT	Jul-11	Jul-18	Change
Loin	32.091	33.173	1.082
Butt	13.808	14.082	0.274
Picnic	11.917	12.798	0.881
Sparerib	8.096	7.49	-0.606
Ham	32.112	33.848	1.736
Belly	27.235	26.41	-0.825
Cutout Value	128.816	131.3	2.48

Lean Hog Cont. Front-Month Futures



USDA Direct Hogs, Iowa/Minnesota, Carcass Base



PORK COMMENTARY

Steepest cuts in the weekly slaughter schedule helped to restore profitability in the pork market this week. The trimmed demand for hogs sent hog prices lower, while the resultant lack of available pork kept wholesale values mostly well supported. In the bellwether Iowa-Southern Minnesota area, the weighted average fell 2.6 percent to \$127.65/cwt. At the same time, Urner Barry's pork carcass cutout gained 1 percent, going from \$129.94/cwt last week to \$131.29/cwt Friday. Operating margins expanded this week, with the Urner Barry pork packer margin index moving from (\$2.67) to \$13.94/head.

PORK PRODUCTION: Total pork production for the week ending July 19, 2014 was estimated at 391.5 million lbs. This total was 1.7 percent below last week and 4 percent below the same week a year ago. Average hog weights, at 284 pounds, were one pound less than last week and 13 pounds over last year.

HAMS: Hams were modestly stronger this week with lack of availability acting as the primary support factor. 20 to 23lb hams gained .7 percent by Friday while 23 to 27lb hams saw gains in excess of 2 percent or \$3/cwt. The lofty bone-in prices along with demand for lunch meat material sent boneless hams up more substantially, with nearly 7 percent gains on the week.

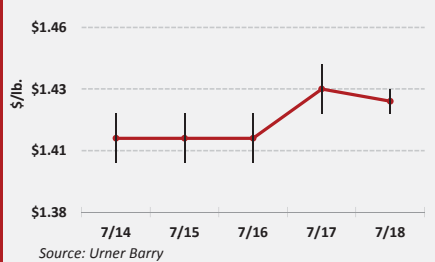
BELLIES: Bellies encountered lower prices this week in response to more abundant offerings. With supplies showing up from multiple locations, 12 through 20lb skin-on bellies lost between 2.3 and 3.9 percent or \$4 to \$7/cwt.

TRIMMINGS: Trimmings continued to see quite strong demand this week from manufacturers, which was in turn met by an overall lack of adequate offerings. 42 percent trimmings gained the most by far, with a percentage increase over last week's close in excess of 26 percent or \$16/cwt. Fresh 72's and boneless picnics also saw premiums, appreciating by 4.2 and 5.4 percent respectively.

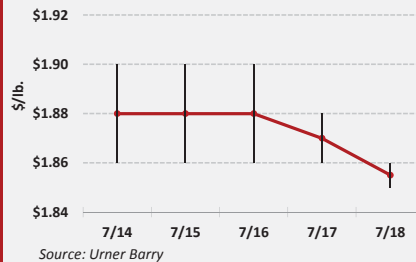
RETAIL: This was definitely not the most exciting week for those engaged in the exchange of fresh pork products. Buyers had opted to operate in a mostly hand-to-mouth fashion, while sellers managed very light production and generally limited product offerings. In the end, this meant a \$8.00 to \$9.00/cwt jump in bone-in loin values; and a more modest \$1.00 to \$4.00/cwt increase in bone-in centers, and \$2.00 to \$3.00/cwt higher boneless loins. Tenderloins were unchanged, while the balance of the category moved higher. Picnics were also improved, in-line with the jump in lean materials. Butt prices were narrowly mixed, and spareribs weak amid a declining call. St. Louis Ribs and Loin Back Ribs went the week unchanged.

PORK PROCESSING ITEMS & RETAIL CUTS

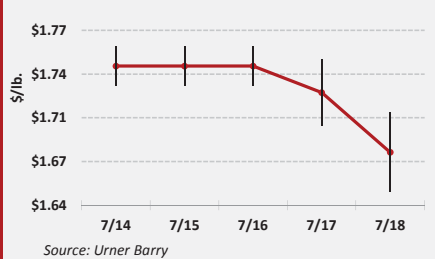
Select Hams 20/23



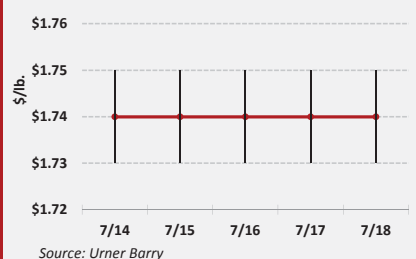
TL Spareribs, Light, Fresh (Vacpak)



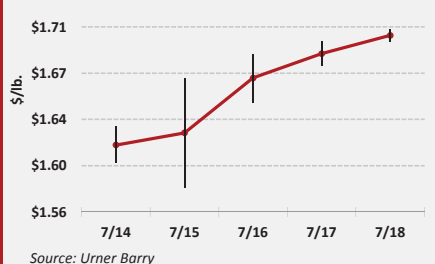
TL Sq. Cut Bellies 14/16



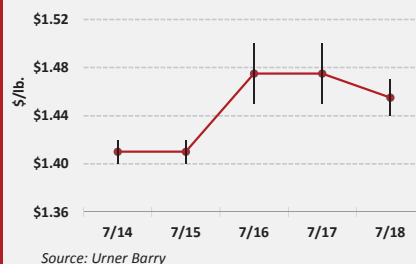
TL 1/4 in. Tr Boston Butts 9/dn



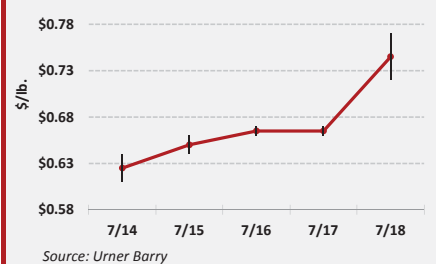
TL 1/4 in. Tr Loins 21/dn



Sausage Materials (TL) Trim (72%) Fr



Sausage Materials (TL) Trim (42%) Fr



Fully Updated & Revised! Order yours today!

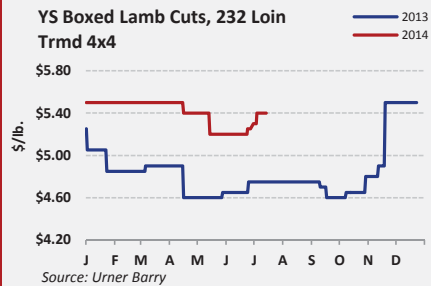
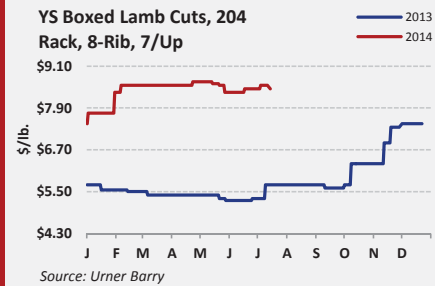
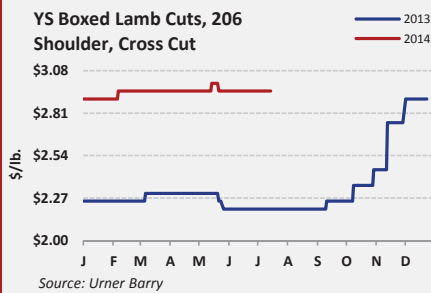
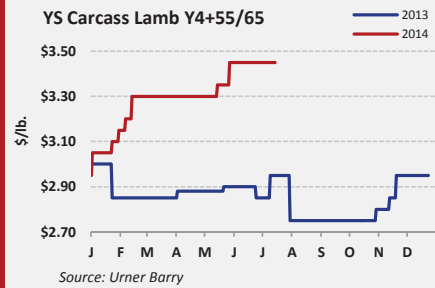
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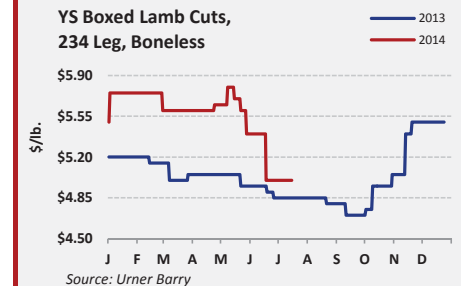
North American Meat Association

LAMB

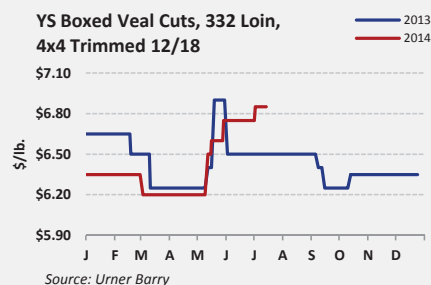
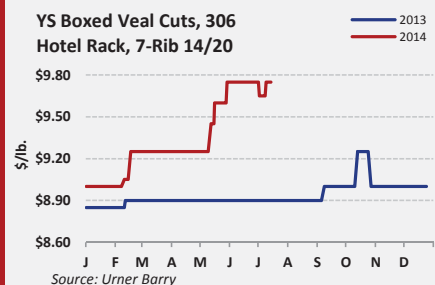
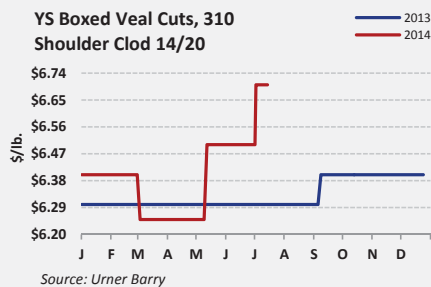
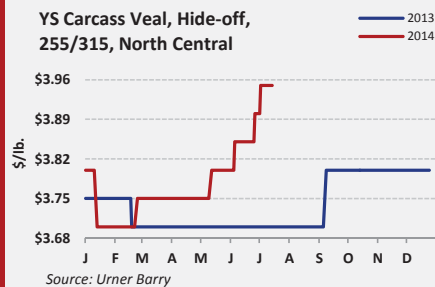


LAMB COMMENTARY

Lamb carcasses ended the week at mostly steady price levels. Some discounting was noted on the racks. The rest of the boxed cuts were rated mostly steady. Movement was reportedly a little lighter this week.

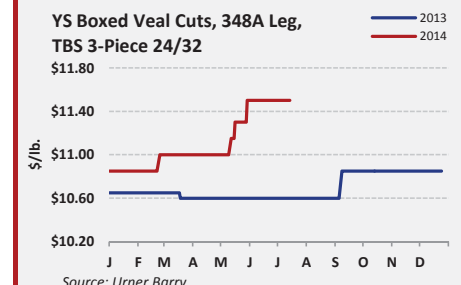


VEAL

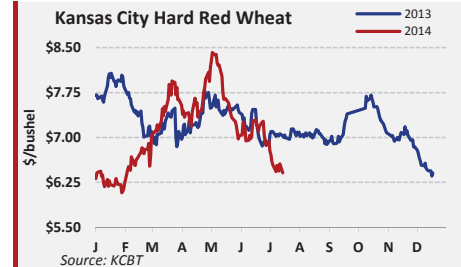
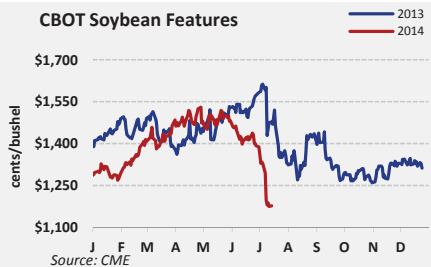
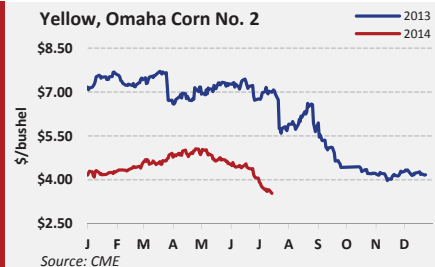


VEAL COMMENTARY

Veal carcasses settled this week at steady price levels. Boxed cuts were mostly steady. Premiums were noted on some of the racks.



FEEDS: CORN, SOY BEAN, RED WHEAT

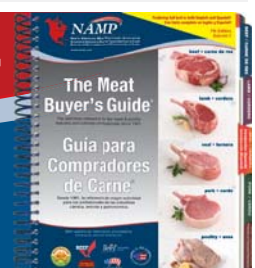


The NAMP Meat Buyer's Guide™

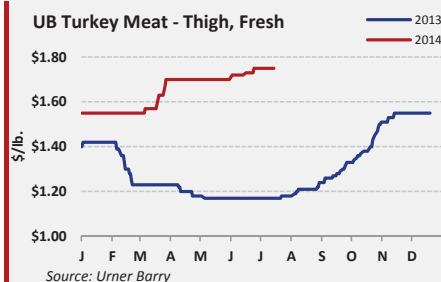
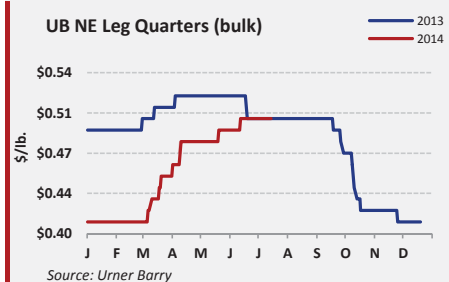
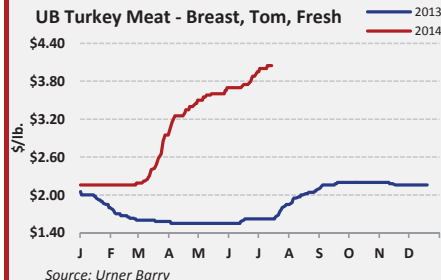
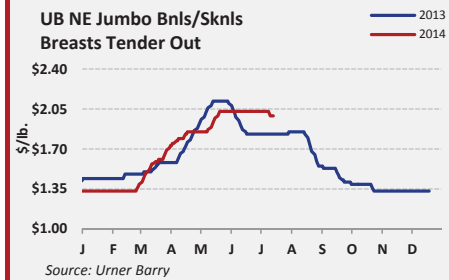
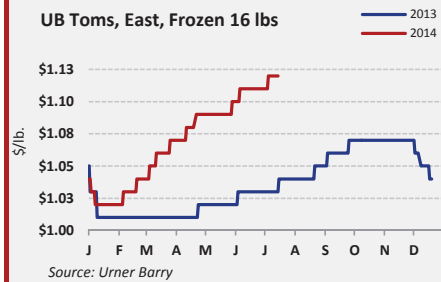
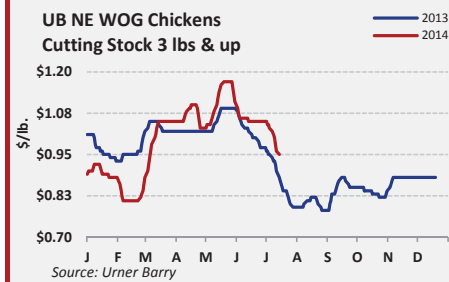
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POULTRY



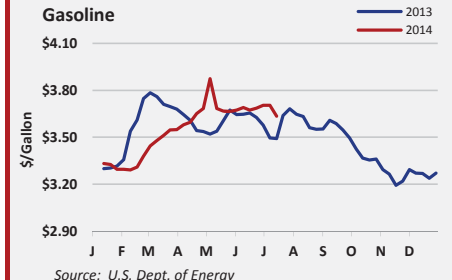
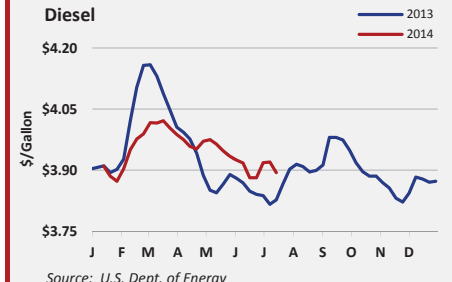
POULTRY COMMENTARY

It's been a long week for the chicken complex. Demand has fallen off and so have the values for a number of listed lines. Whole birds and WOGs were being offered out at noteworthy discounts all week. Sources reported that even though asked prices had retreated immensely, business on the street was still at a standstill and so most buyers were forced to keep their hands in their pockets. This was not the case for wings, which continued to be sought after with aggression. Offerings remained barely adequate to short at most points of sale and spot trading levels advanced steadily. Jumbo boneless breasts began to soften mid-week. Offerings became less available towards the latter part of the week, but by that time the damage had already been done. Sources are still concerned about where price points are heading especially since demand has taken a noticeable step back. Tenders finish the week rated mostly steady. Legs and leg meat softened as the week progressed. Drumsticks and thighs continued to move regularly at fully supportive levels. Thigh meat supplies were snug from plant to plant. Leg quarters were basically flat lined, but they're still trading at market related values.

It was another quiet week in the turkey market and because only a little had been discovered;

minor adjustments were all that could be made. The raw materials complex is still rated steady to firm depending on the item at hand. Tom breast meat, thigh meat and scapula interest remains brisk. Offerings were still limited and commanding no less than full market values or better. Buyers' needs may not be as aggressive for destripped tenders, breast trim and wing meat, but trading levels were still fully supportive all week. Fresh and frozen drums were being sold at market related values in the states however, on the export front bids appeared to be slightly discounted. Whole wings were mostly steady. Hen two-joints continue to be pursued with very little success. Tom two joints were well balanced all week and moved regularly at market related prices. Tom necks have softened some. Whole body tom prices are fully maintained. 24 lb. toms have become very difficult to find and our listed quotations were adjusted higher to reflect their position. Hens and bone-in breasts finish another week rated steady to full steady. Fresh and frozen MST needed a few minor corrections this week. Reported sales suggest that trading levels are retreating a bit.

ENERGY



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