

WEEKLY Market Report



POWERED BY URNER BARRY'S COMTELL®

Friday, July 25, 2014

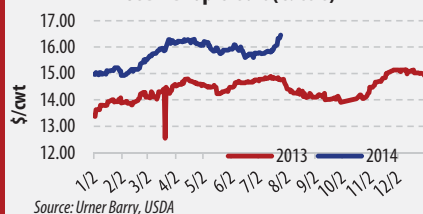
Number 30- Volume 07

WEEKLY COMMODITY AT A GLANCE

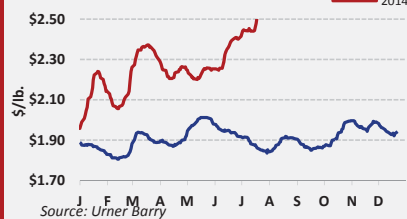
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.45	3.53	5.72
CBOT Soybean	1,212.25	1,176.75	1,349.75
NYMEX Light Crude Oil	102.09	103.13	104.70
Loose Lard, Chicago Basis	0.45	0.45	0.54
Edible Tallow, Chicago Basis	0.41	0.41	UNQ
Beef Trimnings, 90% Fresh	292.00	297.00	200.00
Beef Trimnings, 50% Fresh	150.00	137.00	107.50
Aust/NZ Blend Cow 90% EC Spot	272.00	264.00	192.00
USDA Drop Credit	16.18	15.82	14.64
112A 3 Ribeye Roll, Lip-On CH	730.00	750.00	620.00
116A 3 Chuck Roll, Neck-Off CH	345.00	314.00	230.00
168 3 Round, Top (Inside) CH	350.00	295.00	210.00
180 3 Strip Loin, Bnls, 0x1 CH	680.00	690.00	510.00
136 Coarse Ground 73%	255.00	255.00	165.00
189A 4 Loin, Tenderloin, PS MO CH	1,050.00	1,050.00	925.00
Cattle-Fax, 6-State Fed Steer Price	155.84	155.94	119.57
Select Hams 20/23	143.00	143.00	85.00
Sq Cut Bellies 14/16	150.00	171.00	165.00
1/4 Trmd. Loins 21/dn	170.00	171.00	123.00
1/4 Tr Boston Butts 9/dn	171.00	175.00	95.00
Spareribs, Light, Fresh	181.00	186.00	142.00
Fresh Pork Trim (42%)	85.00	77.00	80.00
Fresh Pork Trim (72%)	151.00	147.00	94.00
Carcass Lamb Y4+55/65	345.00	345.00	295.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	845.00	845.00	570.00
Lamb Cuts, 206 Shoulder, Cross Cut	295.00	295.00	220.00
Lamb Cuts, 232 Loin Trmd 4x4	540.00	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	975.00	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

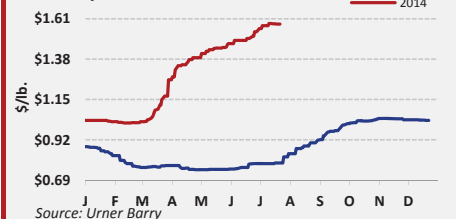
USDA Drop Credit (Cattle)



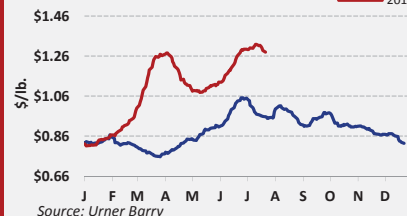
Beef Index



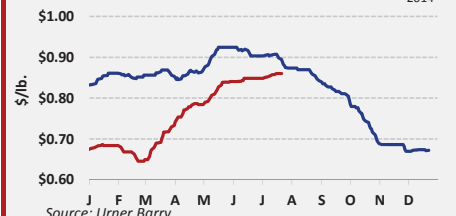
Turkey Index



Pork Cutout



Chicken Index



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	115	114	114	115	107	6	571
LW	112	116	116	115	114	4	577
*LY	119	121	121	123	123	32	640

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	372	398	395	393	303	1	1,862
LW	363	397	395	395	282	1	1,833
*LY	395	400	401	400	394	1	1,990

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	9	9	7	8	6	0	39
LW	9	8	8	9	5	1	40
*LY	9	9	8	8	7	0	41

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	2	4	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	25	4	23	26	25	26	129

*Last Year's numbers are rounded

Record high offal prices have contributed to a record drop credit, further aiding packer margins.

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.939	0.940	0.926
Mexico, Peso	12.957	12.956	12.668
Canada, Dollar	1.082	1.073	1.028
Japan, Yen	101.795	101.360	98.117
China, Yuan (RMB)	6.191	6.208	6.132
Brazil, Real	2.229	2.228	2.252
South Korea, Won	1,027.040	1,029.700	1,111.400
Taiwan, Dollar	29.962	30.009	29.875
European Union, Euro	1.343	1.353	1.328

COLD STORAGE STOCKS

(Pounds in Thousands)	6/30/13	5/31/14	6/30/14
Beef in Freezer, Bnls	434,090	336,100	319,662
Cuts	47,158	41,544	38,097
Total Beef	481,248	377,644	357,759
PORK & OTHER	6/30/13	5/31/14	6/30/14
Pork in Freezer, Picnics	13,669	9,413	7,887
Hams	161,648	109,999	126,099
Bellies	42,033	85,888	84,036
Loins	28,845	39,462	28,128
Spareribs	56,652	89,596	60,502
Butts	16,165	21,732	20,555
Trimnings	48,516	47,940	43,848
Other Pork in Freezer	105,002	91,231	87,231
Total	565,063	575,818	537,717
Veal in Freezer	5,633	2,752	3,317
Lamb & Mutton in Freezer	19,307	25,208	31,179
Total	24,940	27,960	34,496

Data Updated: July 24, 2014

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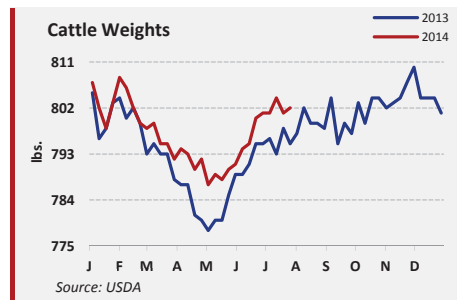
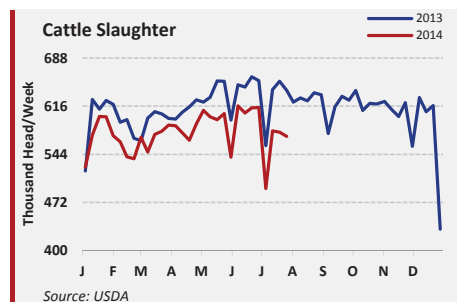
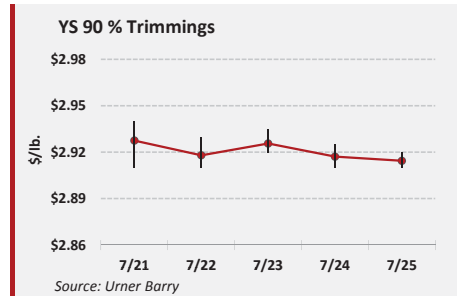
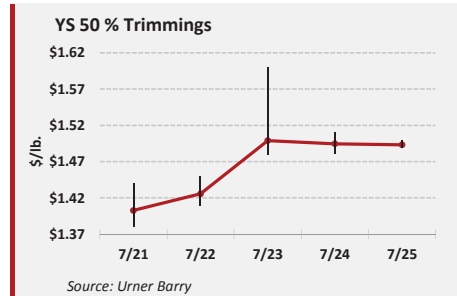
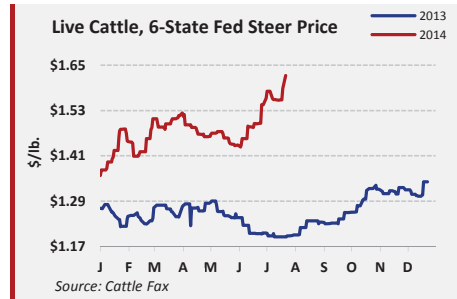
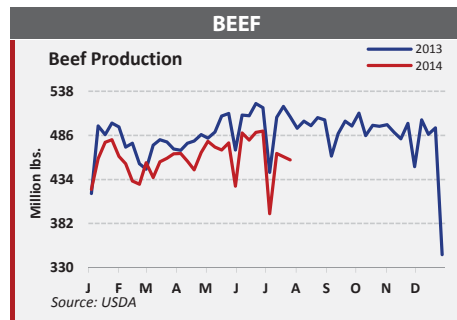
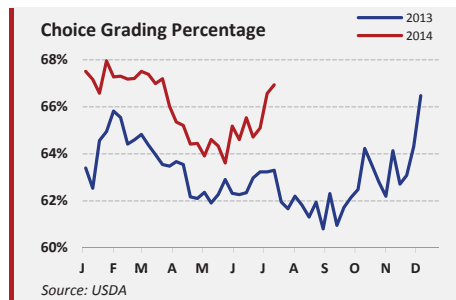
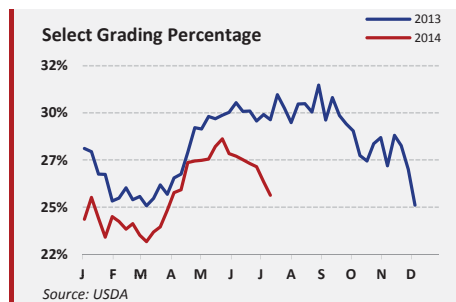
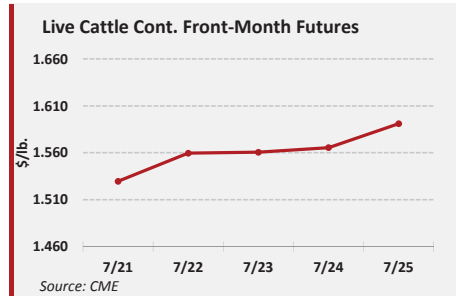
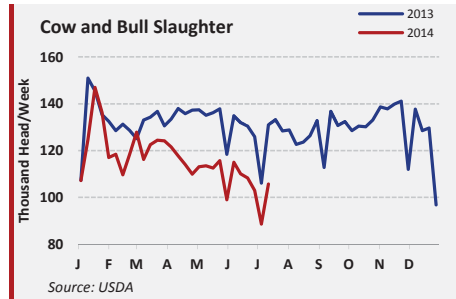
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YS BEEF CUTOUT Jul-25 v. Jul-18				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	-0.85%	3.29%	1.57%	-2.40%
Chuck	4.34%	5.03%	5.53%	-0.14%
Round	10.20%	10.47%	10.68%	2.39%
Loin	-0.65%	0.49%	0.25%	0.59%
Brisket	-0.23%	-0.23%	-0.23%	-2.20%
Plate	4.37%	4.37%	4.37%	1.45%
Flank	0.88%	2.40%	2.40%	0.90%
Total	3.05%	4.34%	4.26%	0.15%



BEEF COMMENTARY

Demand for supplies destined for ground beef processing remained stout, leading to end cuts surging higher in value. Carcass cutouts advanced to recorded historical highs. Middle meats edged lower in value, but the strength of spot market end cuts overpowered the lower rib and loin market.

LIVE CATTLE: Cash cattle markets surprised everyone again this week by setting new record highs. Live cattle sold this week mainly at \$162/cwt to \$166/cwt, \$7/cwt to \$9/cwt higher from week prior range of sales. Dressed carcass sales were spread between \$255/cwt and \$262/cwt, \$8/cwt to \$14/cwt advanced from week ago. Packer competition for cattle largely contributed once again to cattle markets hitting record level sales.

SLAUGHTER & BEEF PRODUCTION: The weekly F.I. Slaughter came in 6,000 head lower from week prior, assessed at 571,000 head. The same week in 2013 saw 640,000 head processed under inspection. Live cattle weights reportedly gained another 3 pounds from week prior report, now tipping the scales at an estimated 1316 pounds. Dressed carcass weights reported at 802 pounds, a 1 pound gain over week ago.

RIBS: Choice Ribs needed some additional discounting throughout most of the week, and the Yellow Sheet Rib Cutout value saw a modest drop. The Select Rib Cutout made a sharp move higher, closing the spread with its choice counterpart.

CHUCKS: Not to the level seen by the round section of the carcass, but chuck values strengthened due to stout ground beef processing demand.

ROUNDS: Yellow Sheet Round Cutout values saw over 10% gains develop this week, which translates in a \$22+ gain in the Carcass Primal value. Relentless demand for ground beef supplies remains the story with end cuts.

LOINS: Loin cutout values deviated only minimally from week prior closing levels. Strips and short loins saw slight discounts for quick ship movement.

BONELESS BEEF: Fresh 50s continued to trend higher this week. Nearby demand was reportedly still active. This week's cattle slaughter was estimated at 571,000 head. Live cattle once again set a record high with trade mostly between \$162-166/cwt; which is up \$7-9/cwt over week prior sales. Fresh 90s were steady to slightly lower in some instances. Availability varied from region to region.

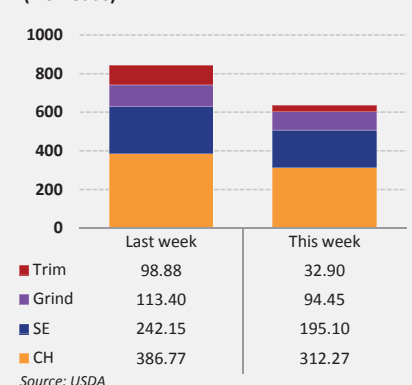
YS BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

	M	T	W	TH	F
TW	4.71	4.55	4.44	4.13	3.87
*LW	7.23	6.53	7.18	6.32	6.75

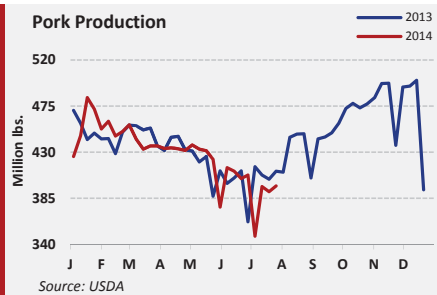
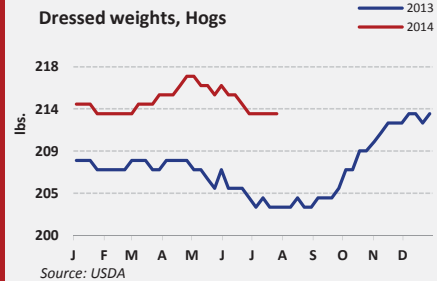
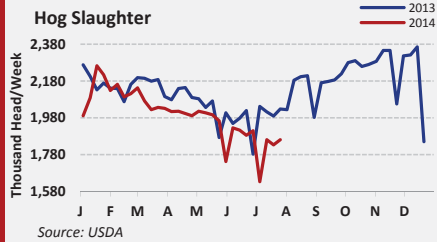
*Last Week's numbers are rounded

Weekly Beef Breakdown (# of loads)

1 load = 40,000 lbs.



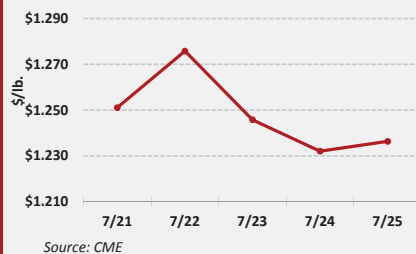
PORK PRODUCTION



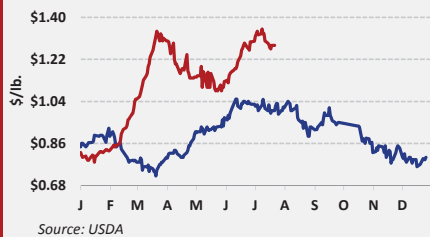
LIVE HOGS & CUTOUT

PORK CUTOUT	Jul-18	Jul-25	Change
Loin	31.938	33.398	1.46
Butt	13.989	13.834	-0.155
Picnic	12.116	13.089	0.973
Sparerib	7.591	7.288	-0.303
Ham	33.249	33.908	0.659
Belly	27.589	22.997	-4.592
Cutout Value	129.942	128.01	-1.932

Lean Hog Cont. Front-Month Futures



USDA Direct Hogs, Iowa/Minnesota, Carcass Base



PORK COMMENTARY

Profitability was maintained this week, albeit at thin levels, as hog values dropped at a more moderate rate than wholesale pork prices. In the bellwether Iowa-Southern Minnesota area, the weighted average fell 1.6 percent to \$125.56/cwt. At the same time, Urner Barry's pork carcass cutout lost 2.5 percent, going from \$131.296/cwt last Friday to \$128.010/cwt this Friday. The Urner Barry pork packer margin index ranged between \$4.58 and \$9.49/head.

PORK PRODUCTION: Total pork production for the week ending July 26, 2014 was estimated at 397 million lbs. This total was 1.4 percent over last week and 1.6 percent below the same week a year ago. Average hog weights, at 284 pounds, were even with last week and 13 pounds over last year.

HAMS: Bone-in hams were largely steady this week. Exports to Mexico remain strong, while domestic demand is seen as average at best. Boneless hams on the other hand lost around \$7/cwt over the course of the week as buyers became cautious at prices nearly double that of 2013.

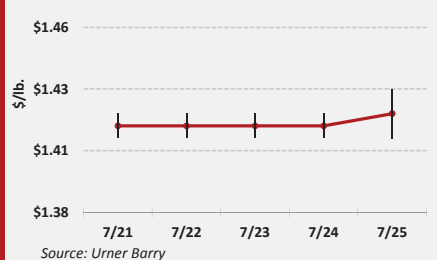
BELLIES: Bellies were sharply lower this week as retail demand retreated from the market. High bacon prices, fresh availability and record bellies in cold storage were all factors which drove away buyers. As a result, 12 through 20lb bellies lost between 11 and 12.5 percent or \$19 to \$21/cwt by Friday.

TRIMMINGS: Seasonal summer trim demand combined with the beginnings of Labor Day preparation and a light slaughter resulted in firmer fresh 42, 72 and boneless picnic values. Respectively, these products gained 10.4, 2 and 3.9 percent during the week.

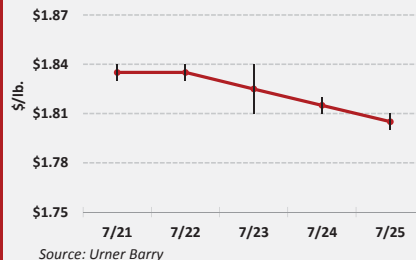
RETAIL: Trade in fresh pork became increasingly unsettled this week, and exhibited a softer trend as the week wore-on. While availability varied by seller, and was generally considered limited given the current constraints on production; the lack of buyer interest contributed to larger on-hand supplies, and a willingness to discount. While not all week-to-week comparisons will show lower figures, many are trading off of their established highs. In the end, bone-in loin values are steady with week ago levels; bone-in centers managed to hold onto \$6.00 to \$7.00/cwt gains, and boneless loins were mixed. The balance of the loin complex showed marginal improvement, as did the picnic. Butt values declined \$1.00 to \$5.00/cwt amid a declining call. Spareribs were a mixed-bag as the lights declined and mediums firmed; they're now trading on par. St. Louis Ribs were steady and Loin Back Ribs steady to weaker.

PORK PROCESSING ITEMS & RETAIL CUTS

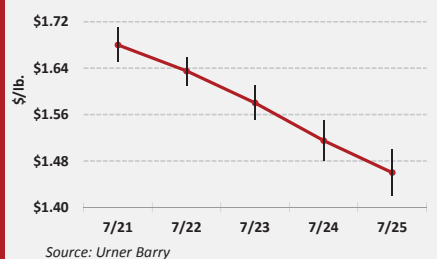
Select Hams 20/23



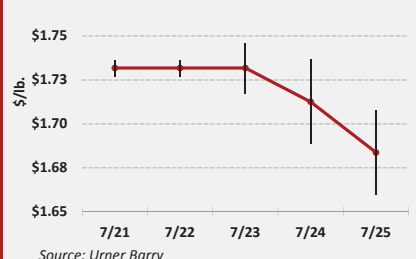
TL Spareribs, Light, Fresh (Vacpak)



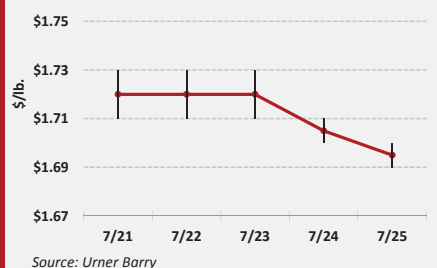
TL Sq. Cut Bellies 14/16



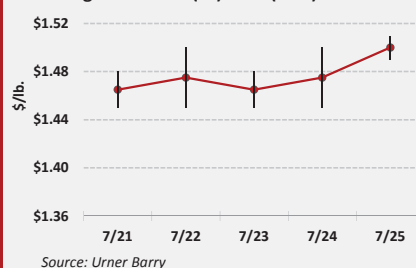
TL 1/4 in. Tr Boston Butts 9/dn



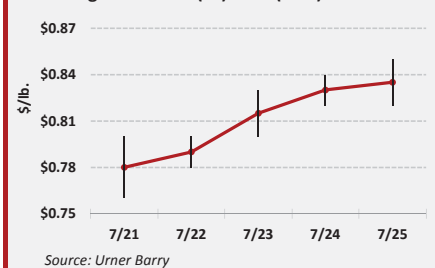
TL 1/4 in. Tr Loins 21/dn



Sausage Materials (TL) Trim (72%) Fr



Sausage Materials (TL) Trim (42%) Fr



Fully Updated & Revised! Order yours today!

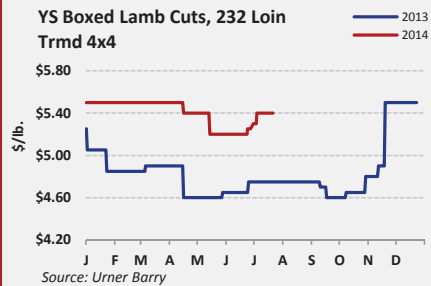
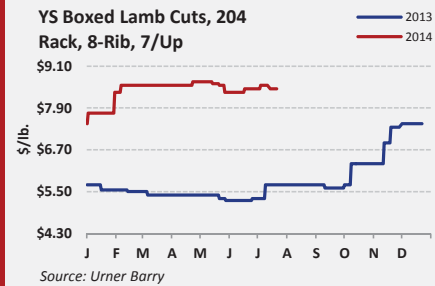
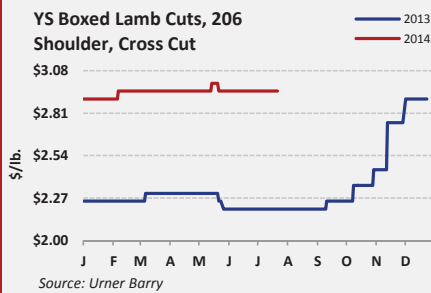
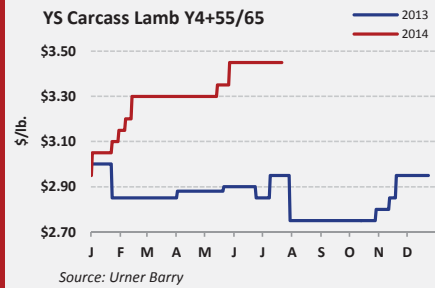
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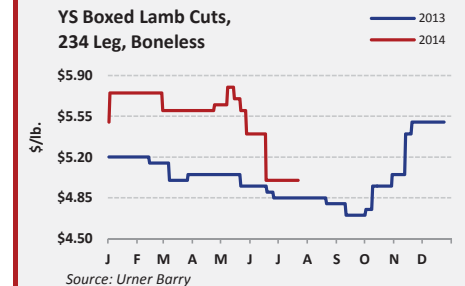
North American Meat Association

LAMB

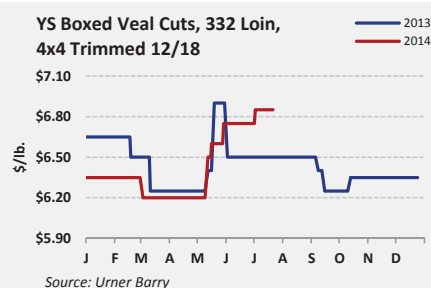
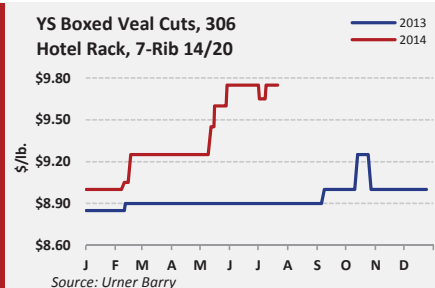
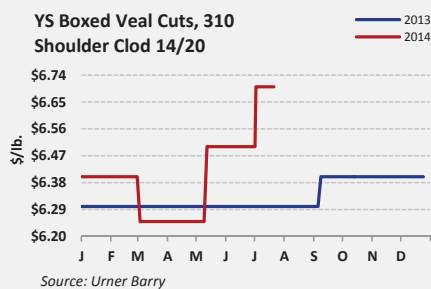
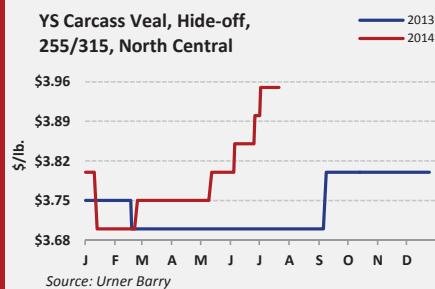


LAMB COMMENTARY

Lamb carcasses settled at steady price levels this week. Boxed cuts were mostly steady. Movement was reportedly a little lighter this week in some areas.

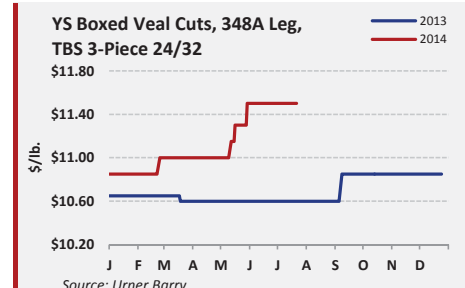


VEAL

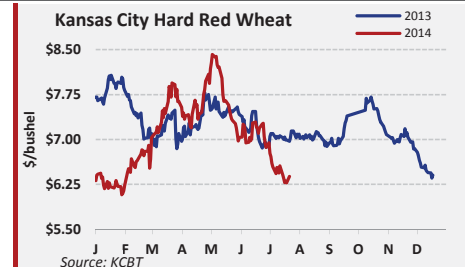
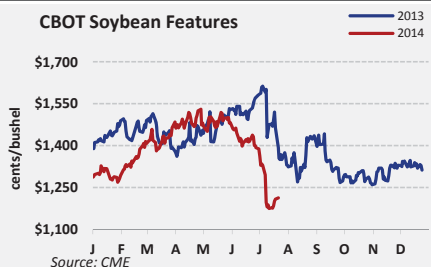
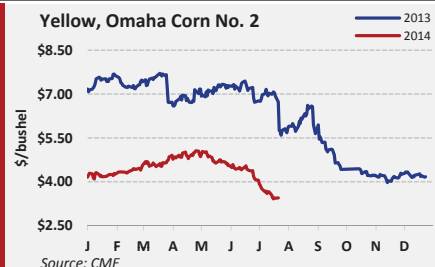


VEAL COMMENTARY

Veal carcasses traded this week at mostly steady price levels. Most of the boxed cuts traded within their previous quoted price ranges. That being said, some of the racks did trade in light volume at a discount.



FEEDS: CORN, SOY BEAN, RED WHEAT

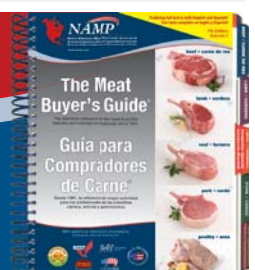


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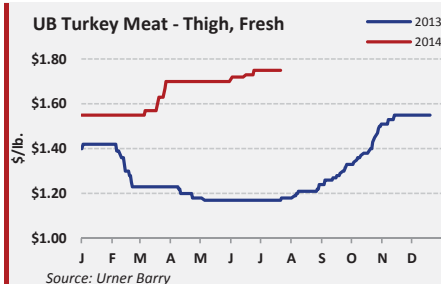
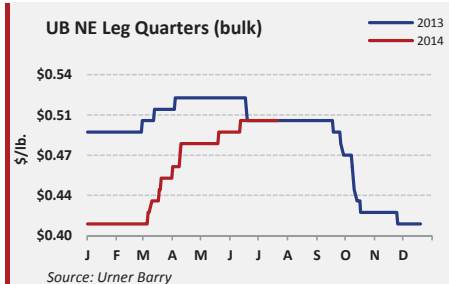
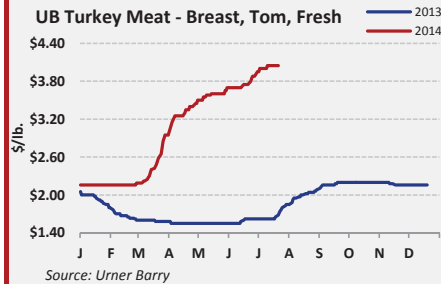
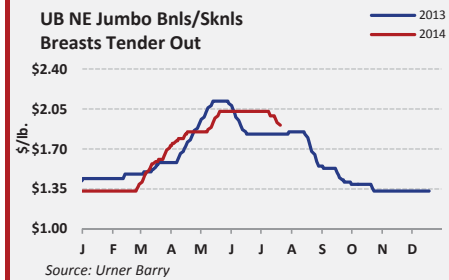
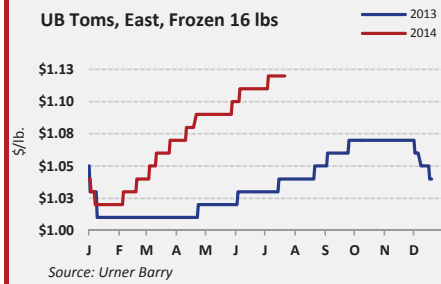
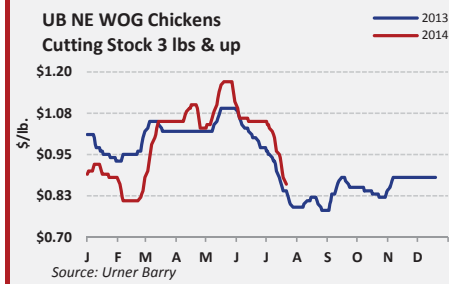
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POULTRY



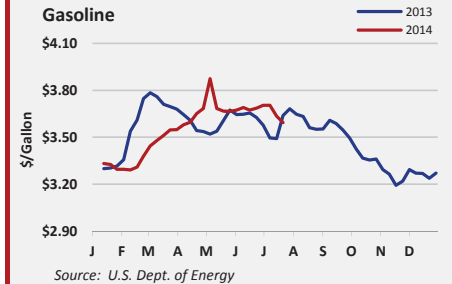
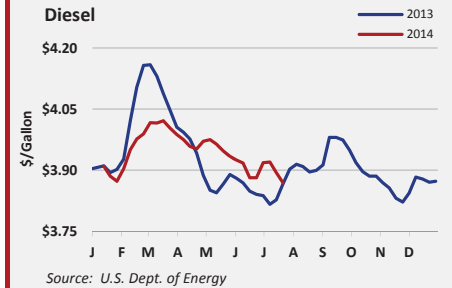
POULTRY COMMENTARY

It's been another long week for the chicken complex. Demand continued to soften and so did the values for a number of listed lines. Boneless breast offerings were being discounted heavily all week in order for sellers to keep their inventories moving. As far as supplies were concerned, plant availability may have been less burdensome as we closed on Friday, but spot load values were still trying to settle. Sources have been optimistically reporting that next week's retail demand looks promising. For most of the week, tenders still traded at steady values however, whole birds and WOGs did not. All sized whole birds and WOGs are still searching for their bottom. Jumbo wings continued to be held with confidence. Asked and paid prices were trending higher all week. Buyers' needs for small and medium sized wings were less aggressive, but they're still rated steady for now. Based on reported sales, whole legs and leg meat remain soft. Drumsticks and leg quarters are mostly balanced, but they have begun to teeter some. Thighs and thigh meat were fully supported all week. MSC is less interesting, but trading at values that are no worse than market related.

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 destrapped 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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Contributors:

Joe Muldowney - joemo@urnerbarry.com
 Bruce Longo - blongo@urnerbarry.com
 Bill Smith - bsmith@urnerbarry.com
 Jim Kenny - jkenny@urnerbarry.com
 Russ Whitman - rwhitman@urnerbarry.com
 Russ Barton - rbarton@urnerbarry.com
 Gary Morrison - gmorrison@urnerbarry.com

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