

WEEKLY Market Report



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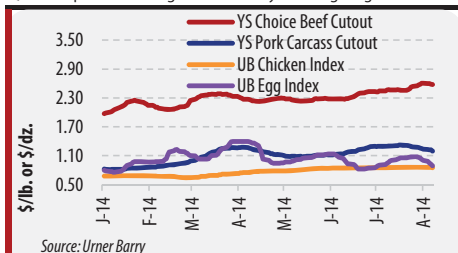
Friday, August 08, 2014

Number 32- Volume 07

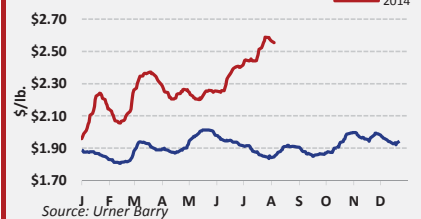
WEEKLY COMMODITY AT A GLANCE

	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.40	3.38	5.91
CBOT Soybean	1,284.75	1,215.00	1,340.75
NYMEX Light Crude Oil	97.65	97.88	105.97
Loose Lard, Chicago Basis	0.45	0.45	0.55
Edible Tallow, Chicago Basis	0.41	0.41	UNQ
Beef Trimings, 90% Fresh	294.00	296.00	201.00
Beef Trimings, 50% Fresh	154.00	154.00	110.00
Aust/NZ Blend Cow 90% EC Spot	284.00	281.00	191.00
USDA Drop Credit	16.54	16.22	14.19
112A 3 Ribeye Roll, Lip-On CH	730.00	730.00	620.00
116A 3 Chuck Roll, Neck-Off CH	345.00	355.00	230.00
168 3 Round, Top (Inside) CH	385.00	385.00	212.00
180 3 Strip Loin, Bnls, 0x1 CH	675.00	675.00	495.00
136 Coarse Ground 73%	250.00	255.00	175.00
189A 4 Loin, Tenderloin, PS MO CH	1,050.00	1,050.00	920.00
Cattle-Fax, 6-State Fed Steer Price	162.86	163.69	120.07
Select Hams 20/23	140.00	146.00	85.00
Sq Cut Bellies 14/16	133.00	137.00	188.00
1/4 Trmd. Loins 21/dn	159.00	166.00	132.00
1/4 Tr Boston Butts 9/dn	164.00	166.00	106.00
Spareribs, Light, Fresh	179.00	180.00	146.00
Fresh Pork Trim (42%)	80.00	90.00	92.00
Fresh Pork Trim (72%)	129.00	140.00	92.00
Carcass Lamb Y4+55/65	345.00	345.00	275.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	850.00	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	400.00	400.00	370.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	1,000.00	1,000.00	890.00
Veal Cuts, 310 Shoulder Clod 14/20	670.00	670.00	630.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	695.00	695.00	650.00
Veal Cuts, 348A Leg, TBS 3-Pc 24/32	1,160.00	1,150.00	1,060.00

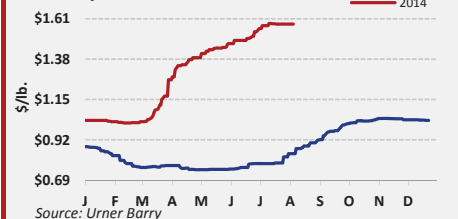
Quotes represent the high side of Friday's trading range



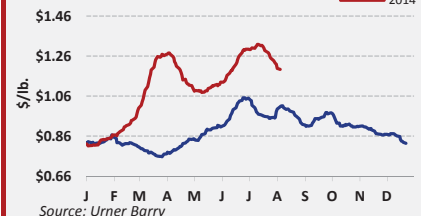
Beef Index



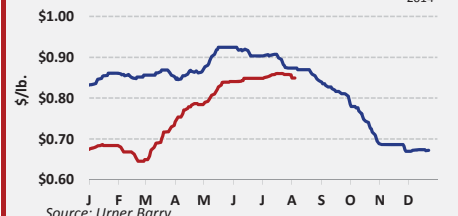
Turkey Index



Pork Cutout



Chicken Index



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	110	115	115	114	114	5	573
LW	108	115	113	115	114	9	574
*LY	116	121	123	121	121	26	628

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	337	400	405	407	345	25	1,919
LW	392	400	406	405	263	1	1,867
*LY	366	422	421	415	379	21	2,025

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	9	8	8	9	6	0	40
LW	9	10	7	9	6	0	41
*LY	11	10	8	8	7	0	44

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	3	0	15

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	7/25	7/26	7/28	7/29	7/30	7/31	Total
TW	21	2	17	22	23	21	106
	8/1	8/2	8/4	8/5	8/6	8/7	Total
	22	2	20	22	23	21	110
*LY	25	4	23	25	26	26	129

*Last Year's numbers are rounded

Although a lot of commodities have had record years, there has been some recent softness to all markets.

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.927	0.931	0.920
Mexico, Peso	13.237	13.188	12.591
Canada, Dollar	1.097	1.092	1.028
Japan, Yen	102.036	102.545	96.338
China, Yuan (RMB)	6.156	6.179	6.122
Brazil, Real	2.284	2.259	2.272
South Korea, Won	1,030.940	1,030.390	1,111.880
Taiwan, Dollar	29.993	30.025	29.950
European Union, Euro	1.341	1.343	1.334

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
Trimings	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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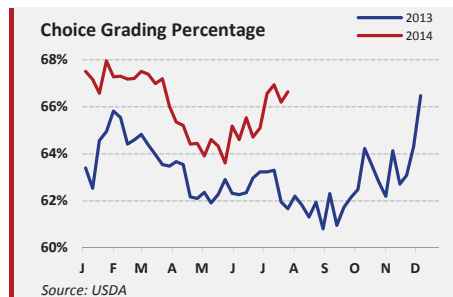
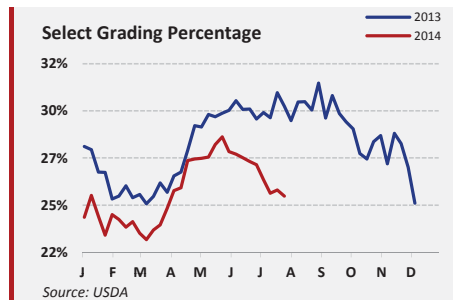
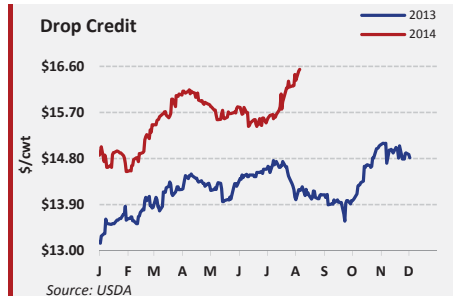
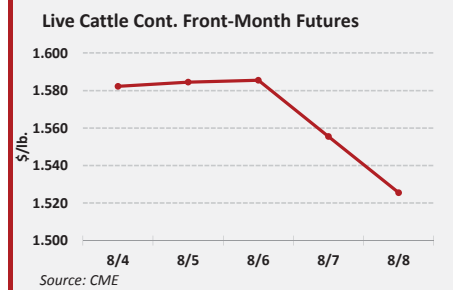
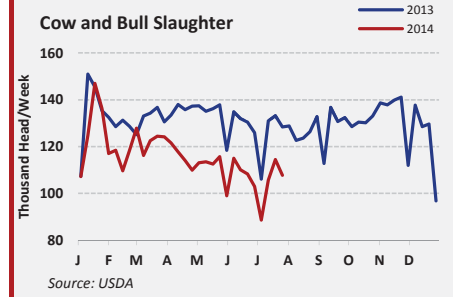
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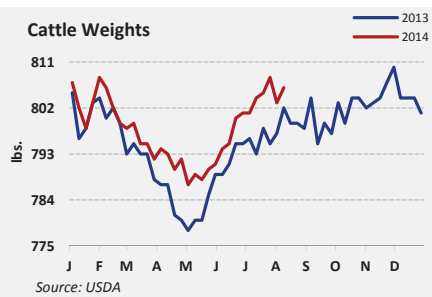
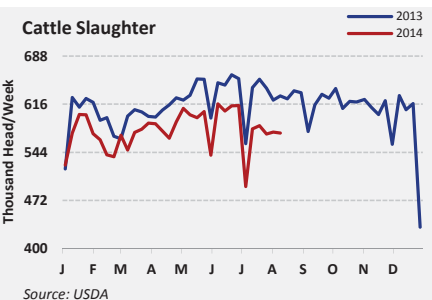
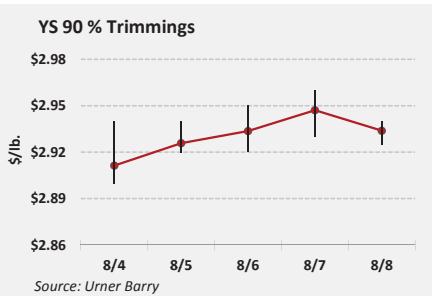
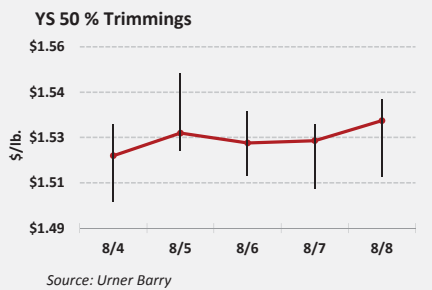
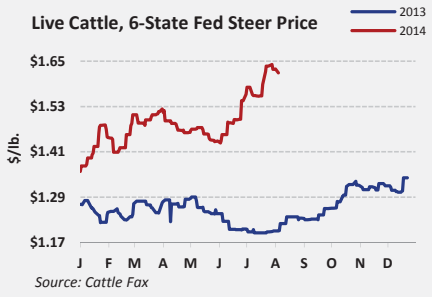
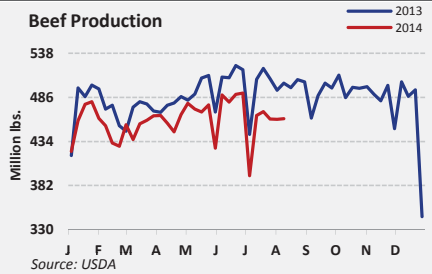
North American Meat Association

YS BEEF CUTOUT Aug-08 v. Aug-01

	CHOICE	SELECT	NO-ROLL	CAB
Rib	0.29%	-3.59%	-2.39%	-0.77%
Chuck	-1.93%	-1.56%	-1.29%	-0.70%
Round	-1.63%	-1.78%	-1.87%	1.01%
Loin	-0.77%	-0.73%	-0.70%	-1.45%
Brisket	-1.90%	-1.90%	-1.90%	-0.68%
Plate	-0.33%	-0.33%	-0.33%	0.19%
Flank	-0.54%	-1.04%	-1.04%	-1.00%
Total	-1.11%	-1.64%	-1.41%	-0.49%



BEEF



BEEF COMMENTARY

The tone to the boxed beef spot market and cutouts realized a reversal from the trend seen over the past several weeks and values slipped lower. The Yellow Sheet Choice Cutout moved \$2.88 lower from prior week; the Select Cutout dropped \$4.17. This week's market saw lower prices for end cuts and middle meats, as buyers showed discretion with buying for near term needs. Ground beef values were also seeing some slight declines. The top news story for protein markets this week was Russian announcing a halt to all importing of meat from countries that have recently imposed sanctions against them.

LIVE CATTLE: Cash cattle sales this week developed at sharply lower levels, pressured lower by both weaker beef markets as well as fallout from the news that Russia has started refusing meat imported from countries that have imposed sanctions on them. Live cattle sold mainly this week \$2/cwt to \$4/cwt lower at \$158/cwt to \$160/cwt; early week sales had approximately 4,000 head of upper grading cattle selling at \$164/cwt—steady with week prior. The dressed carcass sold this week at \$252/cwt to \$255/cwt; week ago range of trade was \$255/cwt to \$258/cwt.

SLAUGHTER & BEEF PRODUCTION: The weekly F.I. Slaughter tallied 573,000 head, down 1,000 from week ago. The same week in 2013 saw 628,000 head processed. Live cattle weights increased another 3 pounds, reported at an estimated 1322 pounds. Dressed carcass weights are now estimated at 806 pounds, a 3 pound gain from week prior.

RIBS: Choice Ribs saw only some minor discounting at times for quick ship. While retail features are not very prevalent at the moment, Choice Rib values see a bit of support from the sustained light slaughter/beef production levels. Select Rib values saw hefty pressure build and large drops in the Select Rib Cutout developed.

CHUCKS: Chucks were unable to sustain the strength recently seen, and prices edged lower for most cuts from the shoulder.

ROUNDS: On the heels of reaching historical highs last week, round values retreated this week. Buyers backed away from the market, leaving supply available for immediate shipment.

LOINS: Some minor discounting developed this week with strips and short loins. Peeled tenders held near steady. The top butt realized a moderate level of negative pressure, and values dropped.

BONELESS BEEF: About steady was the call for the fresh 50s market this week. Nearby supplies were once again generally tight. This week's cattle slaughter was estimated at 573,000 head; 1,000 lower than the previous week. Fresh 90s trended higher throughout most of week. Record high prices developed on Thursday when the weighted average hit \$294.71/cwt.

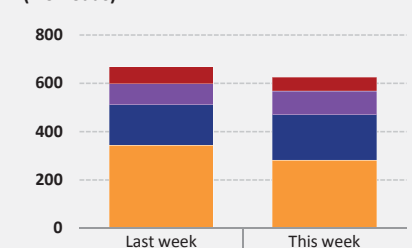
YS BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

	M	T	W	TH	F
TW	5.05	5.90	5.80	5.72	6.56
*LW	5.89	5.67	5.19	4.89	5.27

*Last Week's numbers are rounded

Weekly Beef Breakdown (# of loads)

1 load = 40,000 lbs.

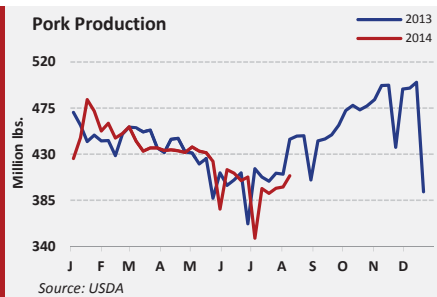
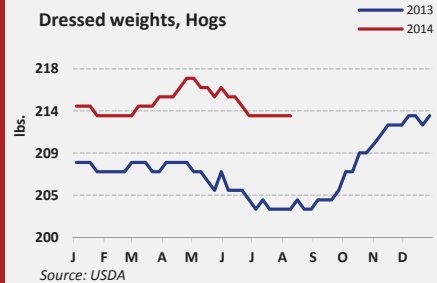
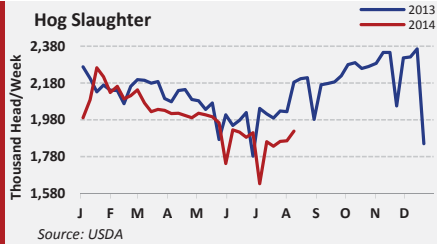


Trim	69.77	56.48
Grind	86.32	97.11
SE	169.14	189.61
CH	343.01	281.38

Source: USDA

Friday, August 08, 2014

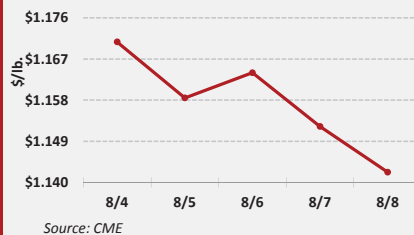
PORK PRODUCTION



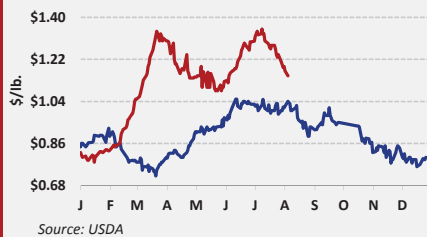
LIVE HOGS & CUTOUT

PORK CUTOUT	Aug-01	Aug-08	Change
Loin	31.938	30.619	-1.319
Butt	13.989	13.182	-0.807
Picnic	12.116	12.012	-0.104
Sparerib	7.591	7.208	-0.383
Ham	33.249	32.233	-1.016
Belly	27.589	20.759	-6.83
Cutout Value	129.942	119.49	-10.457

Lean Hog Cont. Front-Month Futures

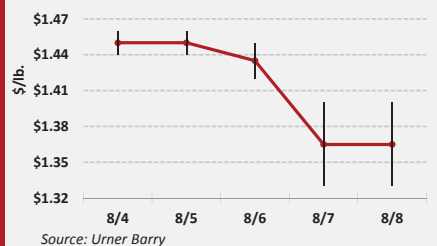


USDA Direct Hogs, Iowa/Minnesota, Carcass Base

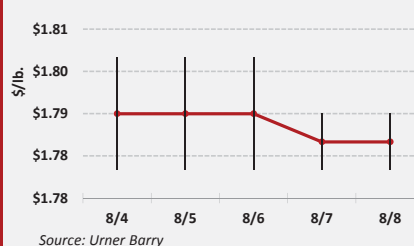


PORK PROCESSING ITEMS & RETAIL CUTS

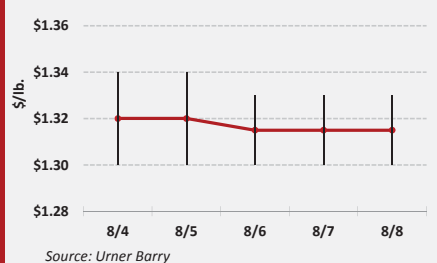
Select Hams 20/23



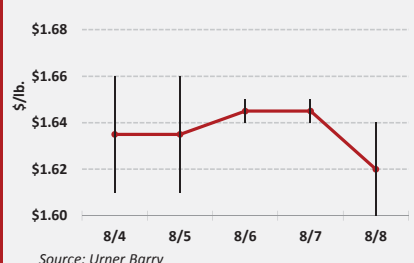
TL Spareribs, Light, Fresh (Vacpak)



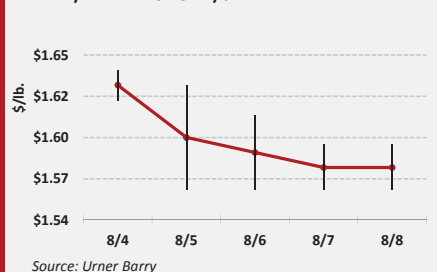
TL Sq. Cut Bellies 14/16



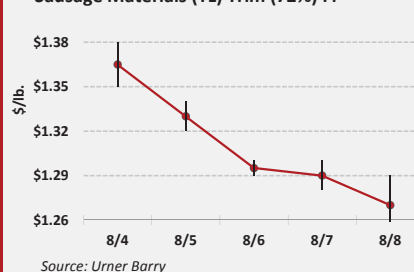
TL 1/4 in. Tr Boston Butts 9/dn



TL 1/4 in. Tr Loins 21/dn



Sausage Materials (TL) Trim (72%) Fr



PORK COMMENTARY

The expanded slaughter along with news of Russia banning pork imports from the U.S. and Canada helped push wholesale values lower this week. In the bellwether Iowa-Southern Minnesota area, the weighted average fell 4.8 percent to \$114.32/cwt. At the same time, Urner Barry's pork carcass cutout lost 3.4 percent, going from \$123.774/cwt last Friday to \$119.485/cwt this Friday. The Urner Barry pork packer margin index ranged between \$14.07 and \$17.49/head.

PORK PRODUCTION: Total pork production for the week ending Aug 8, 2014 was estimated at 408.9 million lbs. This total was 2.8 percent over last week and .4 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: Hams started to decline this week, pressured by excess availability. Concerns that Canada would begin offering additional hams in the wake of the newly imposed Russian sanctions were discussed as being bearish for the near term. By Friday, 20 to 27lb hams lost between 4.1 and 4.9 percent or \$6 to \$7/cwt.

BELLIES: Bellies declined again this week, although to a more modest degree relative to past weeks as prices appeared to settle into an acceptable range for the near term. Since mid July, 14 to 16lb square-cut bellies have lost roughly 24 percent. This week, losses for 12 to 20lb bellies ranged between 2.2 and 5.3 percent or \$3 to \$7/cwt.

TRIMMINGS: Trimmings declined notably this week as the expanded slaughter and a hesitant buyer mentality forced asking levels lower. 42's declined by 11 percent or \$10/cwt while 72's lost 8 percent or \$11/cwt. Boneless picnics also saw discounting, albeit to a more modest degree, giving up nearly 3 percent by Friday.

RETAIL: The market continued to weaken as slaughter intentions rise, and late week when the news broke that Russia would ban the importation of certain food products from a group of countries including the U.S. and Canada. Preparing for the possibility of increased offerings from Canada, products were discounted. Once again, this week's comparisons will show broad declines. Bone-in loin values fell another \$5.00 to \$7.00/cwt; bone-in centers \$7.00 to \$13.00/cwt gains, and boneless loins as much as \$6.00/cwt. The balance of the loin complex was also weak. Picnic trade was narrowly mixed, as was trade in butts. Spareribs were discounted \$1.00 to \$4.00/cwt; while both St. Louis Ribs and Loin Back Ribs traded in-range.

Fully Updated & Revised! Order yours today!

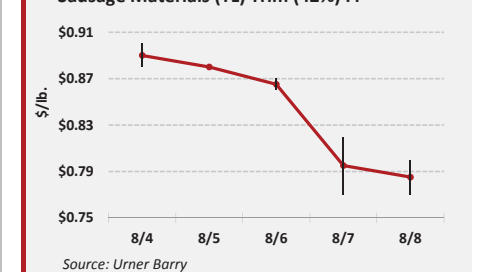
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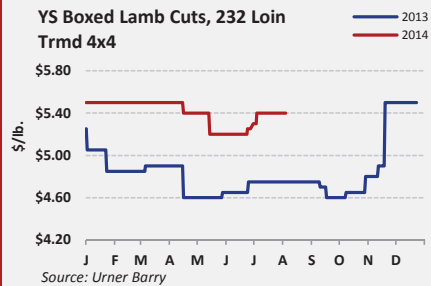
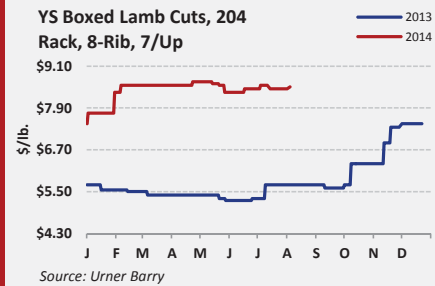
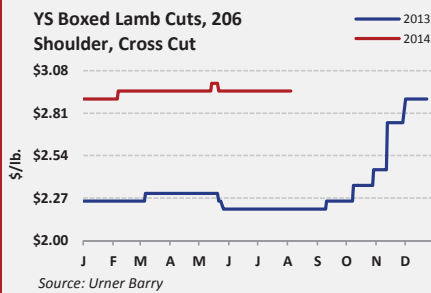
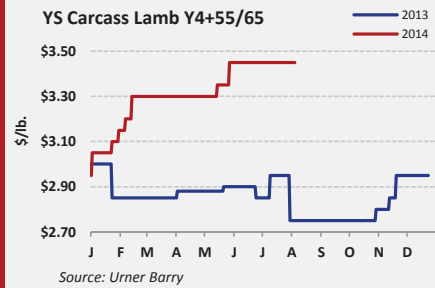
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North American Meat Association

Sausage Materials (TL) Trim (42%) Fr

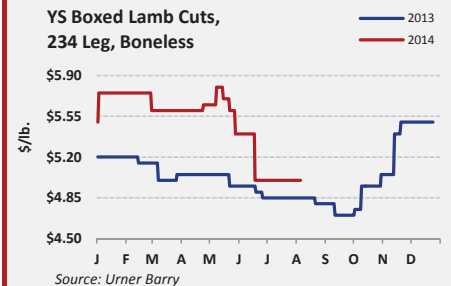


LAMB

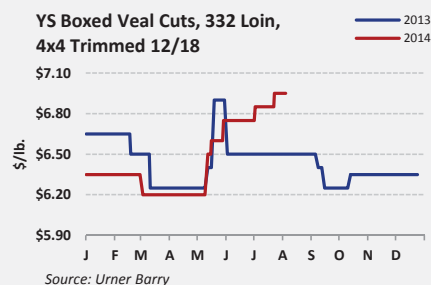
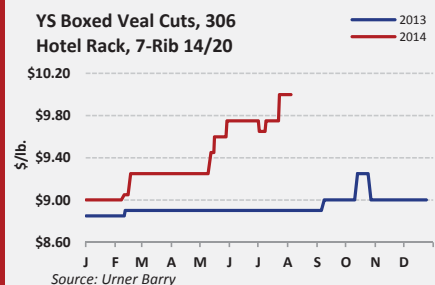
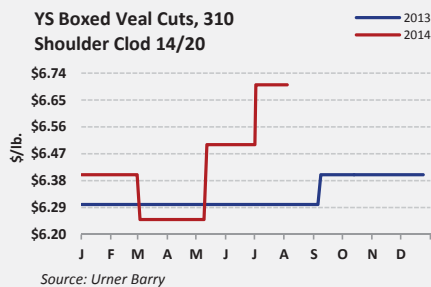
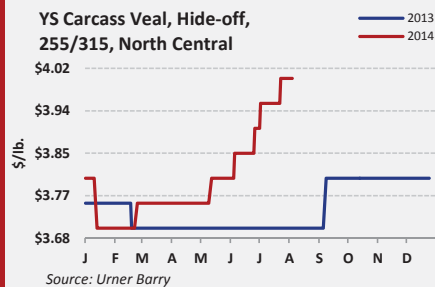


LAMB COMMENTARY

Lamb carcasses continued to trade within the previous quoted price ranges this week. Boxed cuts were steady to slightly higher. Premiums were noted on racks and breasts.

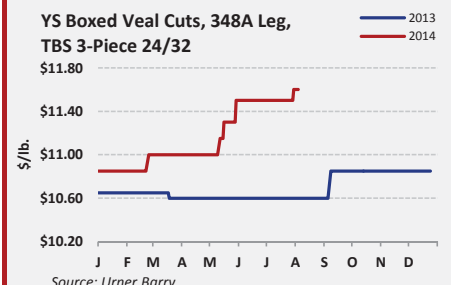


VEAL

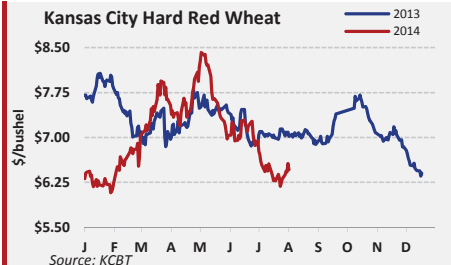
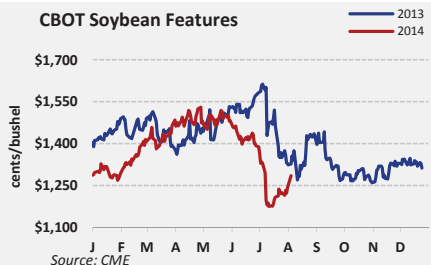
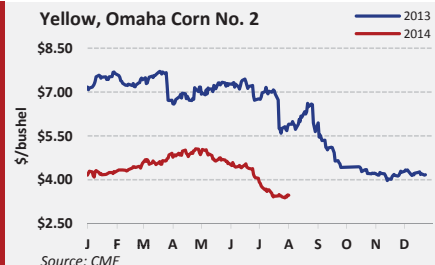


VEAL COMMENTARY

Veal carcasses settled this week at mostly steady price levels. Boxed veal cuts were largely unchanged. Premiums were noted on some of the legs. Several participants indicated that movement was a little more active.



FEEDS: CORN, SOY BEAN, RED WHEAT

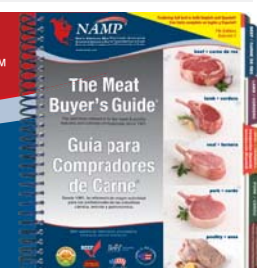


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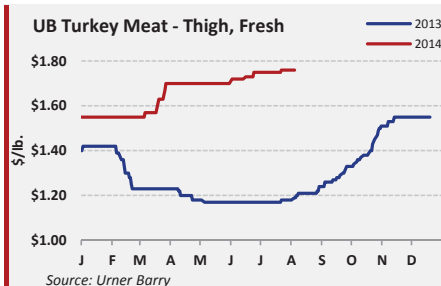
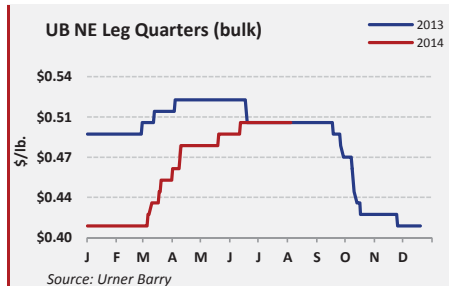
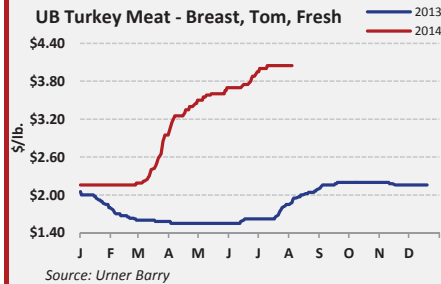
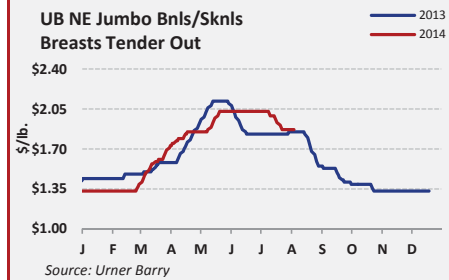
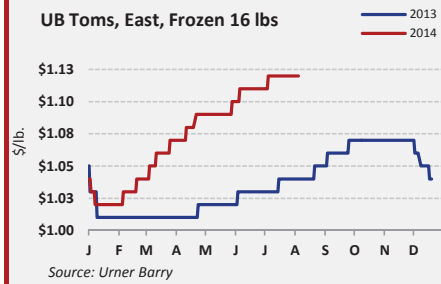
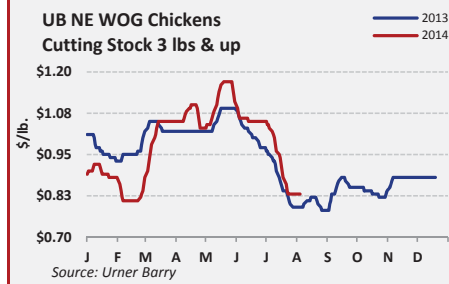
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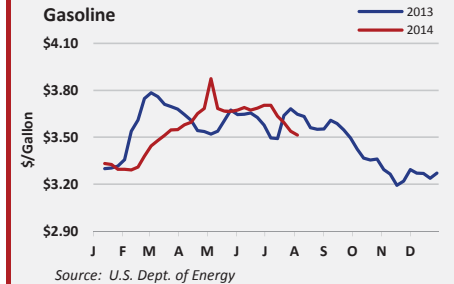
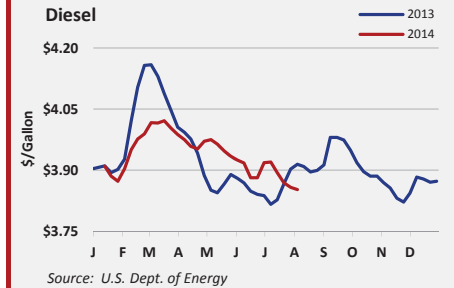
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POULTRY



ENERGY



POULTRY COMMENTARY

For the latter part of this week, almost all eyes have focused on Russia and if the ban on U.S. poultry is impacting back half of the bird prices; especially for leg quarters. At this juncture we find the most significant impacts amount to headaches involved with redirecting product which was set to hit the seas. Here, those involved seek alternate outlets or a modified game plan. Otherwise the quotations associated with the back half of the bird are about steady to steady and testing going forward. Whole chickens and wogs returned to a fairly good balance this week and most negotiated values fall within a close range to our quotations. Offerings of breasts and front halves are not broadly based and seem to have found a bit more solid ground underfoot. Tender interest has improved here and there and trade sentiment has advanced along with it. When coupled with a reasonably well balanced boneless scenario, all bone in and boneless white meat items are rated as steady pending further developments. Wings are a little tight in some circumstances and little more available in others

largely depending upon size.

In the turkey industry, trade dialogue has been somewhat irregular if not slightly on the back burner in light of Russia's ban on U.S. poultry. With that made clear, even the trade which is being recorded is irregular enough at times to keep one wondering. For practical purposes, China has propped up all parts values whether destined for there or elsewhere. Drums continue to trade in a strong, well supported manner while whole wings are gathering some steam. Tom necks aren't all that special on the domestic front but pretty good for export. Hen necks are just plain weak. A few bookings suggestive of stronger fresh destrapped tender, breast trim and thigh meat markets have surfaced. Of these items breast trim is universally on the full steady to firm side while tenders seem at least steady. Breast meat interest is moderately improved. Prices vary when negotiations ensue. Sources are not talking much about thigh meat and we await additional feedback. Toms and hens close the week where they opened but with a slightly better undertone.

**54 new cuts.
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