

# WEEKLY Market Report



POWERED BY URNER BARRY'S COMTELL®

Friday, August 15, 2014

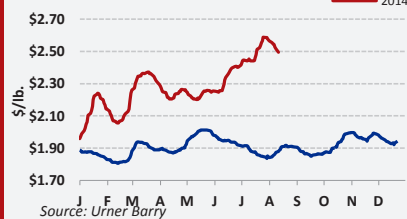
Number 33- Volume 07

## WEEKLY COMMODITY AT A GLANCE

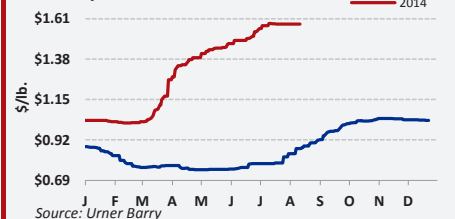
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.58	3.40	5.99
CBOT Soybean	1,102.50	1,284.75	1,283.25
NYMEX Light Crude Oil	97.35	97.65	107.46
Loose Lard, Chicago Basis	0.47	0.45	0.55
Edible Tallow, Chicago Basis	0.42	0.41	0.44
Beef Trimnings, 90% Fresh	300.00	294.00	210.00
Beef Trimnings, 50% Fresh	150.00	154.00	110.00
Aust/NZ Blend Cow 90% EC Spot	282.00	284.00	190.00
USDA Drop Credit	16.66	16.54	14.08
112A 3 Ribeye Roll, Lip-On CH	720.00	730.00	650.00
116A 3 Chuck Roll, Neck-Off CH	330.00	345.00	237.00
168 3 Round, Top (Inside) CH	338.00	385.00	219.00
180 3 Strip Loin, Bnls, 0x1 CH	675.00	675.00	520.00
136 Coarse Ground 73%	250.00	250.00	180.00
189A 4 Loin, Tenderloin, PS MO CH	1,060.00	1,050.00	925.00
Cattle-Fax, 6-State Fed Steer Price	160.24	162.86	122.04
Select Hams 20/23	108.00	140.00	88.00
Sq Cut Bellies 14/16	125.00	133.00	176.00
1/4 Trmd. Loins 21/dn	152.00	159.00	133.00
1/4 Tr Boston Butts 9/dn	158.00	164.00	109.00
Spareribs, Light, Fresh	172.00	179.00	152.00
Fresh Pork Trim (42%)	63.00	80.00	75.00
Fresh Pork Trim (72%)	110.00	129.00	78.50
Carcass Lamb Y4+55/65	350.00	345.00	275.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	850.00	850.00	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	405.00	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	1,160.00	1,060.00

Quotes represent the high side of Friday's trading range

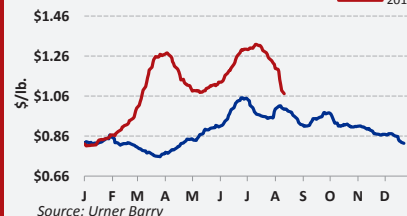
## Beef Index



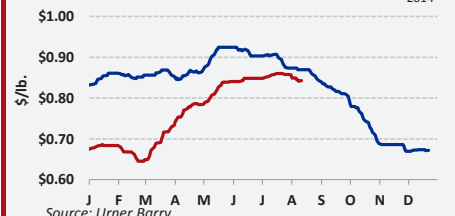
## Turkey Index



## Pork Cutout



## Chicken Index



## EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	114	116	115	111	112	9	577
LW	110	115	115	114	114	5	573
*LY	114	123	123	120	117	27	624

## EST. DAILY HOG SLAUGHTER

	TW	LW	*LY
TW	375	408	408
LW	337	400	405
*LY	420	419	428

## EST. DAILY SHEEP SLAUGHTER

	TW	LW	*LY
TW	9	8	8
LW	9	8	8
*LY	10	9	7

## 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	8/1	8/2	8/4	8/5	8/6	8/7	110
TW	22	2	20	22	23	21	109
*LY	25	2	25	26	25	25	128

\*Last Year's numbers are rounded

## FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.932	0.927	0.918
Mexico, Peso	13.060	13.237	12.933
Canada, Dollar	1.089	1.097	1.034
Japan, Yen	102.373	102.036	97.612
China, Yuan (RMB)	6.147	6.156	6.115
Brazil, Real	2.264	2.284	2.386
South Korea, Won	1,018.670	1,030.940	1,115.290
Taiwan, Dollar	29.983	29.993	29.885
European Union, Euro	1.339	1.341	1.333

## 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
<b>Total Beef</b>	<b>481,248</b>	<b>377,644</b>	<b>357,759</b>
<b>PORK &amp; OTHER</b>	<b>6/30/13</b>	<b>5/31/14</b>	<b>6/30/14</b>
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
<b>Total</b>	<b>565,063</b>	<b>575,818</b>	<b>537,717</b>
Veal in Freezer	5,633	2,752	3,317
Lamb & Mutton in Freezer	19,307	25,208	31,179
<b>Total</b>	<b>24,940</b>	<b>27,960</b>	<b>34,496</b>

Data Updated: July 24, 2014

Fully Updated & Revised! Order yours today!

**NAMP Meat Buyer's Guide®**

**800-932-0617**

E-mail: [namp@urnerbarry.com](mailto:namp@urnerbarry.com) • <http://shop.namp.com>

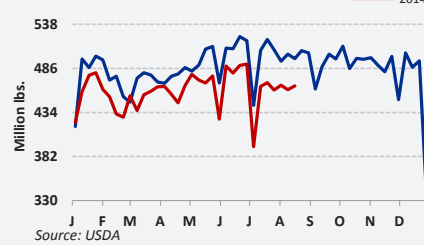
North American Meat Association NAMA

## YS BEEF CUTOUT Aug-15 v. Aug-08

	CHOICE	SELECT	NO-ROLL	CAB
Rib	-0.54%	-0.26%	-0.80%	-0.77%
Chuck	-1.69%	-2.40%	-2.17%	-0.70%
Round	-5.15%	-5.14%	-5.25%	1.01%
Loin	-1.71%	-1.02%	-2.36%	-1.45%
Brisket	-1.21%	-1.21%	-1.21%	-0.68%
Plate	-3.61%	-3.61%	-3.61%	0.19%
Flank	-3.18%	-2.95%	-2.95%	-1.00%
Total	-2.41%	-2.40%	-2.81%	-0.49%

## BEEF

## Beef Production



## BEEF COMMENTARY

The overall tone to the spot market was weak, as end cuts and some middle meats needed discounting to clear problem inventories. While beef packers have sustained a very light level of production given the lack of cattle available for slaughter, the main issue currently plaguing the beef market is the lack of retail features. Wholesale pricing structures present an obstacle to the retail sector, while consumer's interest at the moment is either centered on back-to-school activities or summer vacation plans.

**LIVE CATTLE:** Cash cattle prices saw further declines this week. The live animal sold at \$153/cwt to \$156/cwt, the week prior's bulk of sales occurred at \$160/cwt. The dressed carcass exchanged ownership this week at \$240/cwt to \$248/cwt; \$248/cwt to \$252/cwt was the range of sales the week prior. Most regions saw a moderate volume of animals sell, while Texas saw a very limited level of sales.

**SLAUGHTER & BEEF PRODUCTION:** The weekly F.I. Slaughter was 577,000 head, up 4,000 from week ago. The same week in 2013 saw 624,000 head processed under federal inspection. Live cattle weights now estimated at 1325 pounds, up 3 pounds from last week's report. Dressed carcass weights up 3 pounds from week prior, now listed at 809 pounds. The Urner Barry Early week F.I. Slaughter Poll had the average guesstimate pegged at 577,087 head.

**RIBS:** The Rib market this week saw only small variations from week prior levels. Choice Ribs held near steady, while select and no-roll ribs saw minor discounting. Some buyers were looking for last minute shipment for retail features for the upcoming Labor Day holiday.

**CHUCKS:** Chuck cutouts move lower in value this week as demand waned for grinding supply. Clods moved drastically lower as the week came to a close.

**ROUNDS:** Inside rounds were under a fairly hefty level of downward pressure this week, leading to wholesale values dropping sharply. An example of the drastic move lower would be the Choice XT Inside Round as quoted on the Yellow Sheet which lost over 11% in value this week.

**LOINS:** The Top Butt was the loin cut that helped propel loin carcass values lower. The Choice XT Butt as quoted on the Yellow Sheet dropped around 9% in value from week prior.

**BONELESS BEEF:** Boneless beef markets were mixed this week. In the case of 50% beef trimmings, product was available throughout the week and lower prices were necessary to help packers achieve target sold positions. Availability varied from seller to seller and the undertone of that market was weak to barely steady for much of the week.

The market for lean boneless beef was firm to strong. Trading interest was light early in the week as processors resisted record-high trading levels and, looking at poor returns, sellers were largely unwilling to discount. By late week, most lean boneless beef production had already been absorbed by "formula transactions" and processors in need to additional raw material had little success in drawing out offerings. Eventually, some sellers were able to accommodate buyers but it took higher price points to do so as the weighted average of fresh 90% boneless beef trade pushed through the \$300/cwt mark on Thursday. Trading on Friday was light with weighted averages retrenching just slightly from the high set on Thursday.

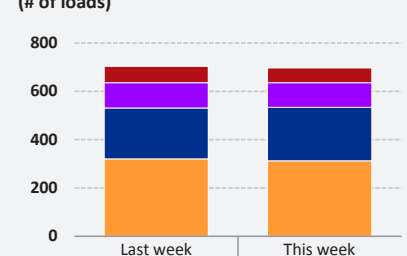
## YS BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

	M	T	W	TH	F
TW	5.82	5.74	5.86	6.24	6.39
*LW	5.05	5.90	5.80	5.72	6.56

\*Last Week's numbers are rounded

Weekly Beef Breakdown  
(# of loads)

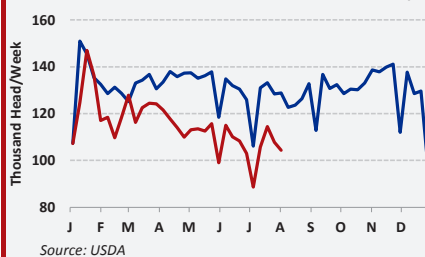
1 load = 40,000 lbs.



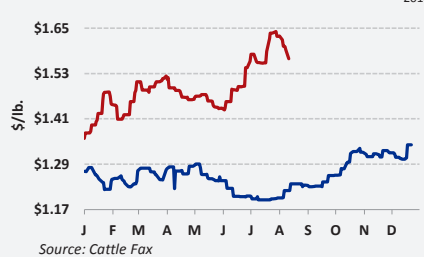
Trim	67.43	60.19
Grind	104.03	102.62
SE	210.90	220.90
CH	320.29	312.63

Source: USDA

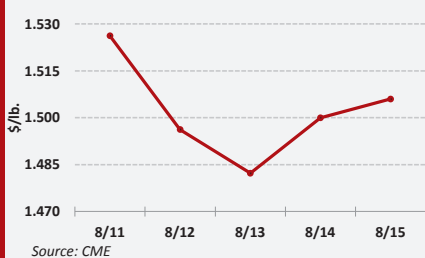
## Cow and Bull Slaughter



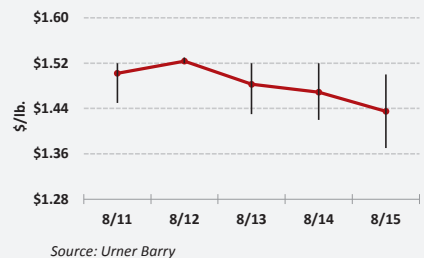
## Live Cattle, 6-State Fed Steer Price



## Live Cattle Cont. Front-Month Futures



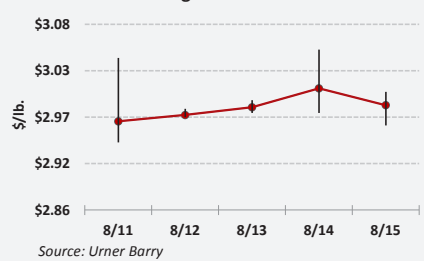
## YS 50 % Trimmings



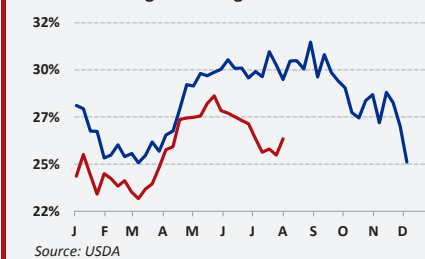
## Drop Credit



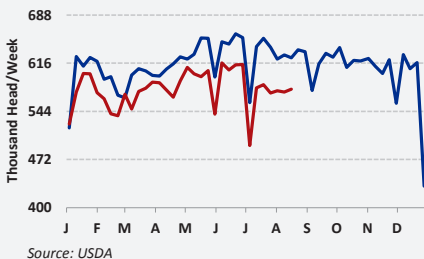
## YS 90 % Trimmings



## Select Grading Percentage



## Cattle Slaughter



## Choice Grading Percentage

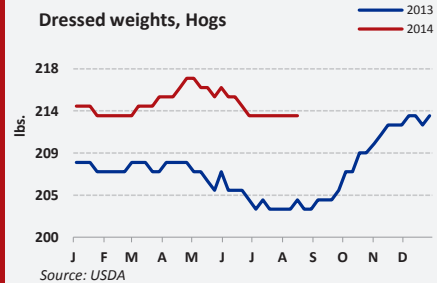
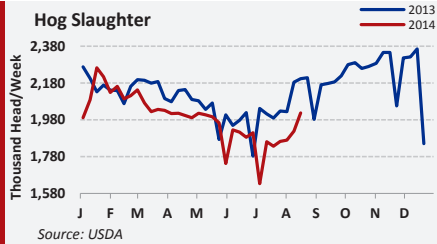


## Cattle Weights



Friday, August 15, 2014

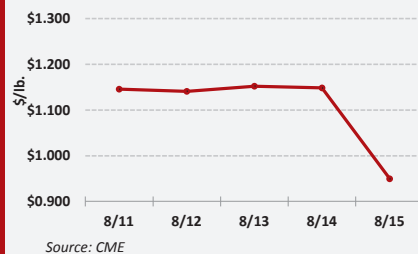
## PORK PRODUCTION



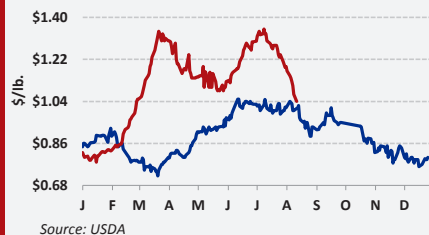
## LIVE HOGS &amp; CUTOUT

PORK CUTOUT	Aug-08	Aug-15	Change
Loin	31.938	28.799	<b>-3.139</b>
Butt	13.989	12.504	<b>-1.485</b>
Picnic	12.116	11.187	<b>-0.929</b>
Sparerib	7.591	6.905	<b>-0.686</b>
Ham	33.249	24.998	<b>-8.251</b>
Belly	27.589	19.465	<b>-8.124</b>
<b>Cutout Value</b>	<b>129.942</b>	<b>107.26</b>	<b>-22.681</b>

## Lean Hog Cont. Front-Month Futures

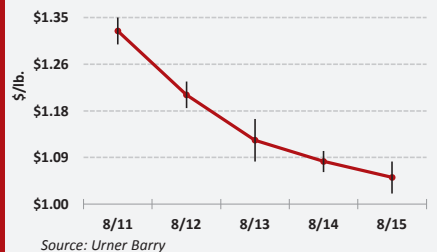


## USDA Direct Hogs, Iowa/Minnesota, Carcass Base

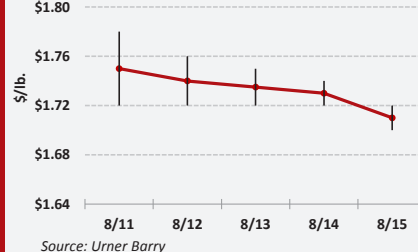


## PORK PROCESSING ITEMS &amp; RETAIL CUTS

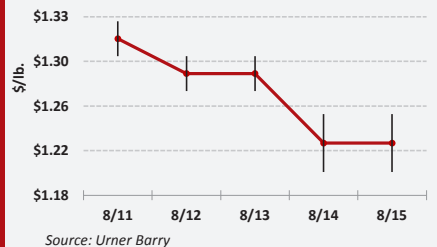
## Select Hams 20/23



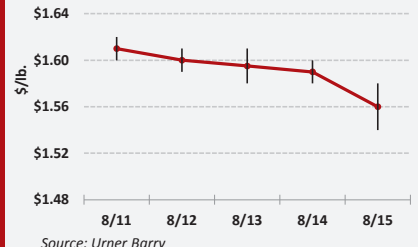
## TL Spareribs, Light, Fresh (Vacpak)



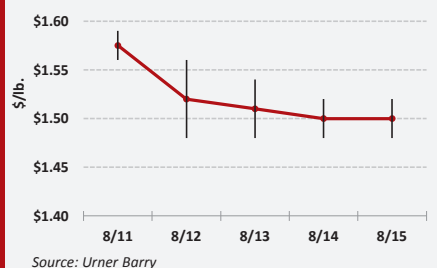
## TL Sq. Cut Bellies 14/16



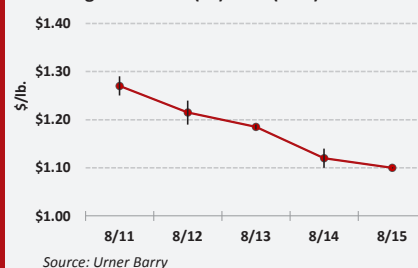
## TL 1/4 in. Tr Boston Butts 9/dn



## TL 1/4 in. Tr Loins 21/dn



## Sausage Materials (TL) Trim (72%) Fr



## PORK COMMENTARY

The seasonal increase in pork production was already producing some weaker trade, but became exacerbated this past week by the Russian Federation's decision to ban the importation of certain agricultural products from countries including the U.S. and Canada. This ban means that Canada must go somewhere with roughly 7.8 million pounds of pork per month, and the U.S. with between 21 and 25 million pounds (the amounts shipped in May and June since certain plants were deemed ractopamine free). In the bellwether Iowa-Southern Minnesota area, the weighted average fell 9.3 percent to \$103.65/cwt. At the same time, Urner Barry's pork carcass cutout lost 9.8 percent, going from \$119.485/cwt last Friday to \$107.761/cwt this Friday. The Urner Barry pork packer margin index ranged between \$7.33 and \$17.33/head.

**PORK PRODUCTION:** Total pork production for the week ending Aug 15, 2014 was estimated at 429.7 million lbs. This total was 5.1 percent over last week and 3.3 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 fell substantially this week on several factors, none the least of which being Russian sanctions. With Russia blocking U.S. and Canadian exports, a surplus of hams were offered into the domestic market. As a result, 20 to 23lb hams lost 23 percent or \$32.00/cwt while 23 to 27lb hams declined 21 percent or \$28.00/cwt. Hog weights continue to make 17/20 trade extremely rare.

**BELLIES:** Bellies declined gradually throughout the week, though by a much more modest degree than hams or even trim. Both fresh and frozen stocks are said to be in excess at this point, yet bacon prices have been slow to decline on a retail level. Consequently, 12 through 20lb skin-on bellies declined 3 to 6.2 percent or \$4.00 to \$8.00/cwt.

**TRIMMINGS:** Fresh 42 and 72 percent trimmings both fell under the weight of increased availability. In addition, most Labor Day oriented sales have been long completed, leaving the demand picture limited. By Friday, 42's declined by 21.3 percent or \$17.00/cwt while 72's lost a slightly more modest 14.7 percent or \$19.00/cwt.

**RETAIL:** Market values continued to erode under broad based increased availability this week, some rather substantially. Bone-in loin values fell another \$7.00 to \$11.00/cwt; bone-in centers \$9.00 to \$12.00/cwt gains, and boneless loins \$5.00 to \$8.00/cwt. The balance of the loin complex was \$3.00 to \$6.00/cwt lower. Picnics declined \$11.00/cwt, and cushion ranged steady to \$5.00/cwt lower. Butt values fell between \$6.00 and \$10.00/cwt. Spareribs were discounted another \$6.00 to \$7.00/cwt; while both St. Louis Ribs and Loin Back Ribs traded steady to weaker.

Fully Updated & Revised! Order yours today!

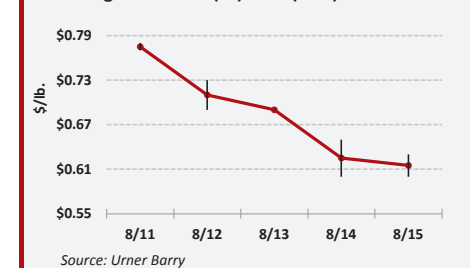
**NAMP-Meat-Buyer's Guide®**

**800-932-0617**

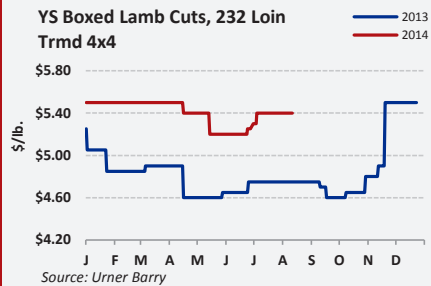
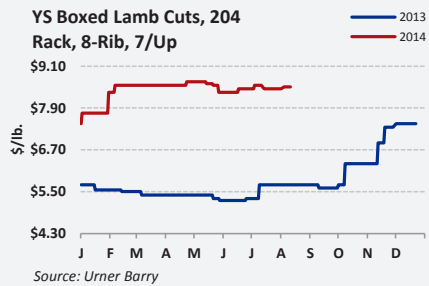
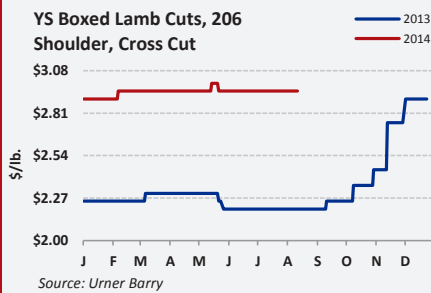
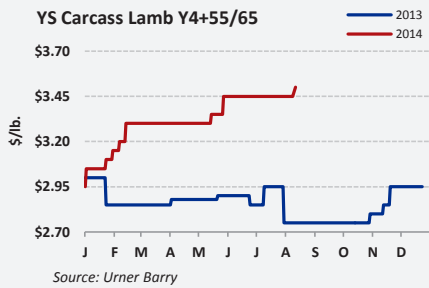
E-mail: [namp@urnerbarry.com](mailto:namp@urnerbarry.com) • <http://shop.namp.com>

North American Meat Association

## Sausage Materials (TL) Trim (42%) Fr

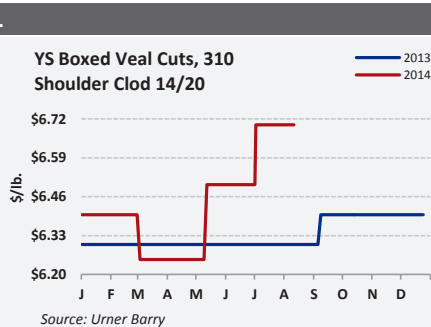
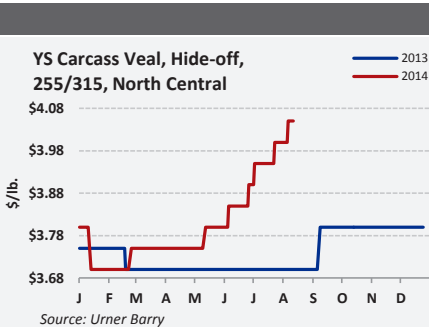


## LAMB



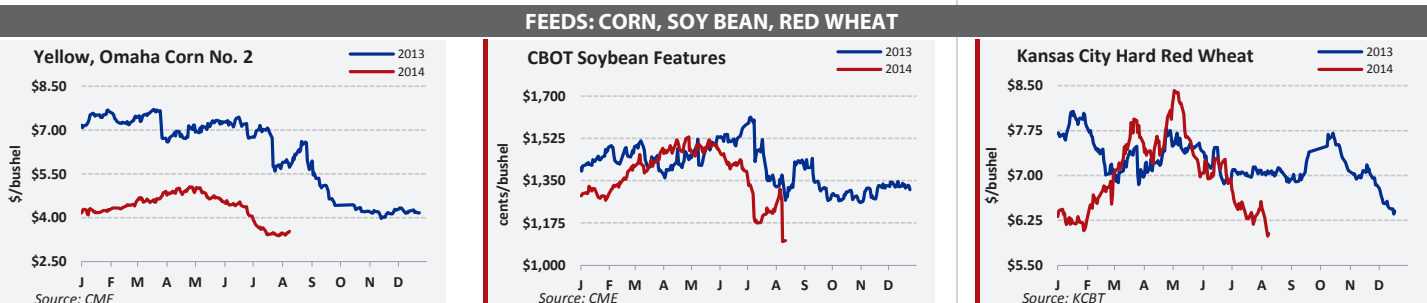
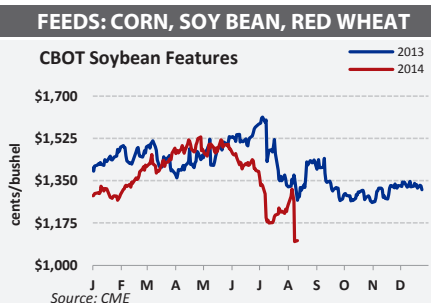
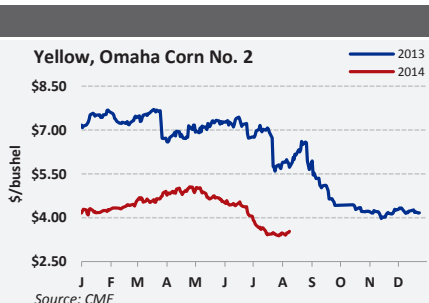
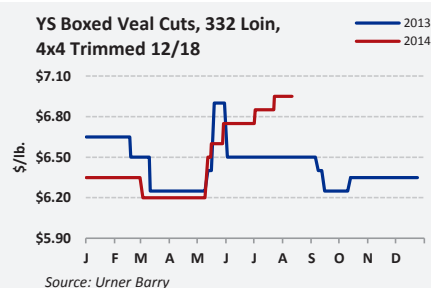
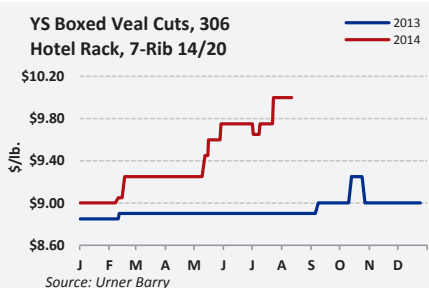
## LAMB COMMENTARY

Lamb carcass values were steady to slightly firmer on the week. Boxed trade largely maintained a range during the period.



## VEAL COMMENTARY

Veal carcasses showed firm undertones throughout the week. Boxed cuts were mostly steady, however some strength was noted among the Ribeye.



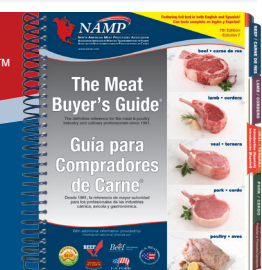
## FEEDS: CORN, SOY BEAN, RED WHEAT

# The NAMP Meat Buyer's Guide™

## 800-932-0617

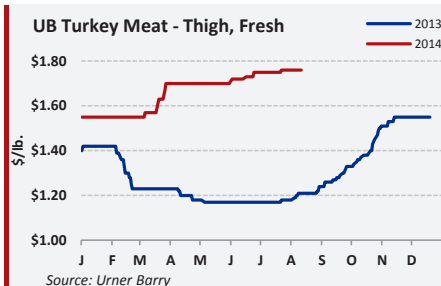
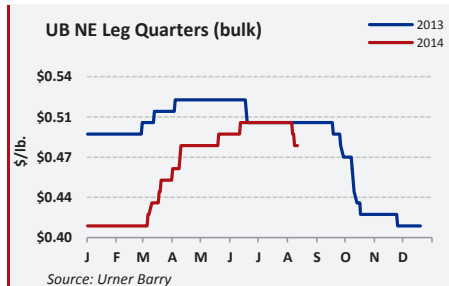
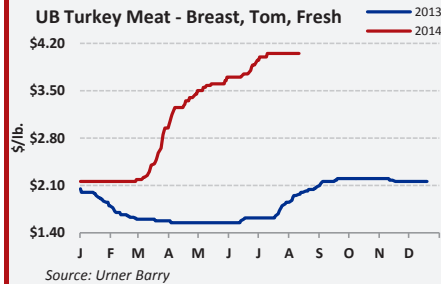
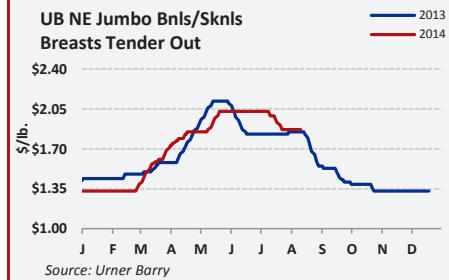
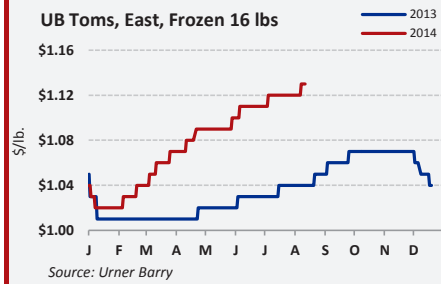
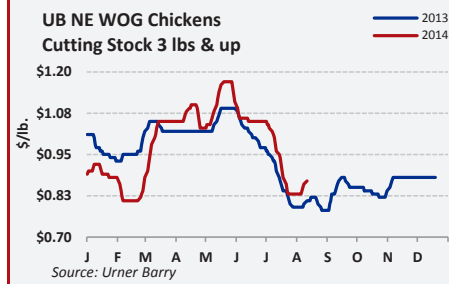
E-mail: [namp@urnerbarry.com](mailto:namp@urnerbarry.com) • <http://shop.namp.com>

- Item names in English and Spanish
- Fully applicable in Canada
- Customized the front cover with your company logo





## POULTRY



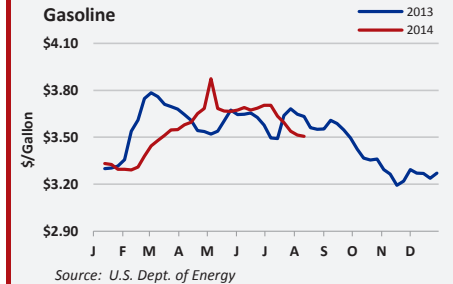
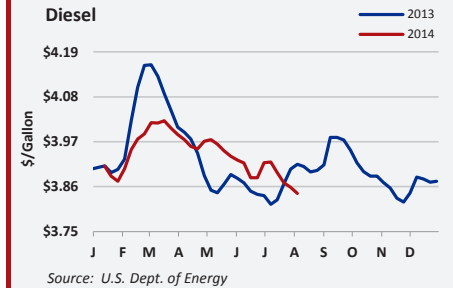
## POULTRY COMMENTARY

The global markets have certainly had their hand in the way the chicken complex has performed over the last week or so. It's been an especially bumpy road for the back half of the bird and not only in the export arenas, but also in the domestic markets. The fallout from Russia's ban of US chicken has forced sellers to look for alternative routes and often at discounted values. This is especially true of legs and leg quarters along with thigh meat and leg meat, which felt the most pressure this week and our quotations were adjusted downward accordingly. Boneless breasts and tenders have maintained their current path with some additional interest noted moving into next week. Cutting stock WOG values advanced almost daily as supplies were rated no more than adequate to short at most points of sale. Whole birds were generally balanced and according to sources, bird weights have come closer in line with their plant expectations. Wing offerings remain tight and demand continues to percolate. Asked and

paid prices are trending higher.

Over the past week reports of increased breast meat demand have surfaced where a range of modest discounts and larger premiums are paid. We also have been finding significant dialogue but almost no substance to thigh meat activity. Here, with plenty of talk about plummeting pork ham values along with potential repercussions related to Russia's ban, there is a degree of pessimism creeping into the picture. Toms and hens are receiving a higher level of interest. A variety of limited volume bookings during the course of the past week have pushed our quotations higher. Offerings are adequate on hens, barely adequate to short for toms. Parts are active for inquiries into China. In this arena we have uncovered wings, necks and drums all trading at or above listed port quotations for deliveries to China. Domestic interest is very consistent and although premiums are not part of the picture, solid support is and our quotations are rated steady to full steady. MST is unsettled and barely steady.

## ENERGY



**54 new cuts.  
78 new photos.**

**The NAMP Meat Buyer's Guide®**

**The Meat Buyer's Guide**  
Guía para Compradores de Carne

**North American Meat Association**  
regulatory education • NAMA

**800-932-0617**

E-mail: [namp@urnerbarry.com](mailto:namp@urnerbarry.com) • <http://shop.namp.com>

**CUSTOMIZED COVERS AVAILABLE!** Add your Logo! Call for Details!

## Contributors:

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

This report is offered to you conditioned on your acceptance without modification of the terms, conditions, and notices contained herein. Please read the End-User License Agreement (the "Agreement"), a copy of which is available at [www.urnerbarry.com](http://www.urnerbarry.com) before utilizing this Urner Barry product. Your use of a particular UB Product(s) may also be subject to additional terms set forth in the Agreement. Your use of the UB Product(s) constitutes your acceptance of all of the terms, conditions, and notices set forth in the Agreement. Urner Barry reserves the right to amend, remove, or add to these terms, conditions and notices at any time without notice. Accordingly please continue to review the Agreement whenever accessing or using the UB Product(s). If at any time you do not accept the Agreement along with the terms and conditions outlined in the Services and Products Order Form, you may not use this or any UB Product. Commodity Indices, Cattle Fax, Daily Beef Quotations, Daily Pork Quotations, Daily Lamb & Veal Quotations, Daily Poultry Quotations, Beef and Pork Futures, USDA Direct Hogs, are quoted in \$/lb; USDA Slaughter is quoted as Head in Thousands; USDA Production is quoted as Pounds in Millions; USDA Weights are quoted in Pounds; USDA Drop credit is quoted in \$/cwt live; Feeds are quoted in \$/Bushel; Gasoline & Diesel are quoted in Cents/Gallon.