

WEEKLY Market Report



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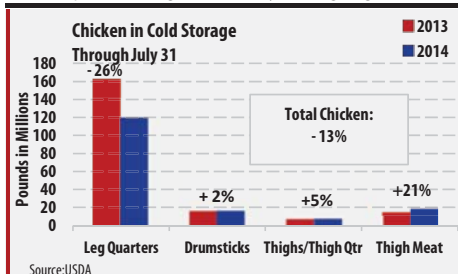
Friday, August 29, 2014

Number 35- Volume 07

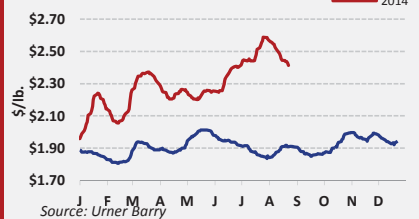
WEEKLY COMMODITY AT A GLANCE

	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.63	3.66	5.95
CBOT Soybean	1,089.50	1,166.00	1,424.00
NYMEX Light Crude Oil	95.96	93.65	107.65
Loose Lard, Chicago Basis	0.47	0.47	0.60
Edible Tallow, Chicago Basis	0.40	0.41	0.44
Beef Trimnings, 90% Fresh	300.00	298.00	209.00
Beef Trimnings, 50% Fresh	134.00	143.50	109.00
Aust/NZ Blend Cow 90% EC Spot	288.00	286.00	193.00
USDA Drop Credit	16.71	16.83	14.02
112A 3 Ribeye Roll, Lip-On CH	730.00	720.00	685.00
116A 3 Chuck Roll, Neck-Off CH	325.00	310.00	249.00
168 3 Round, Top (Inside) CH	288.00	316.00	216.00
180 3 Strip Loin, Bnls, 0x1 CH	650.00	660.00	525.00
136 Coarse Ground 73%	250.00	250.00	183.00
189A 4 Loin, Tenderloin, PS MO CH	1,200.00	1,120.00	970.00
Cattle-Fax, 6-State Fed Steer Price	152.78	155.23	123.82
Select Hams 20/23	104.00	103.00	91.00
Sq Cut Bellies 14/16	111.00	118.00	150.00
1/4 Trmd. Loins 21/dn	136.00	142.00	117.00
1/4 Tr Boston Butts 9/dn	141.00	151.00	113.00
Spareribs, Light, Fresh	166.00	169.00	152.00
Fresh Pork Trim (42%)	40.00	43.00	45.00
Fresh Pork Trim (72%)	91.00	100.00	58.00
Carcass Lamb Y4+55/65	340.00	340.00	275.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Ulp	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	510.00	510.00	480.00
Carcass Veal, Hide-off, 255/315, NC	425.00	415.00	370.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	1,040.00	1,010.00	890.00
Veal Cuts, 310 Shoulder Clod 14/20	670.00	670.00	630.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	715.00	695.00	650.00
Veal Cuts, 348A Leg, TBS 3-Pc 24/32	1,160.00	1,160.00	1,060.00

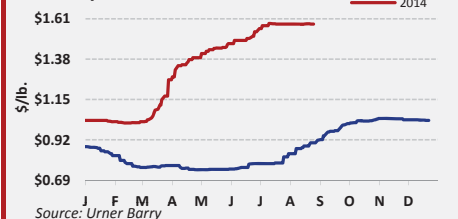
Quotes represent the high side of Friday's trading range



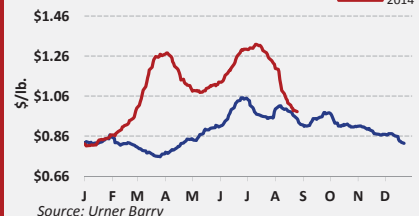
Beef Index



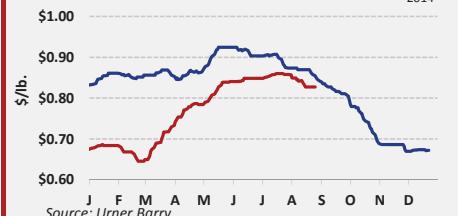
Turkey Index



Pork Cutout



Chicken Index



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	116	116	114	114	114	10	584
LW	108	115	116	115	115	21	590
*LY	116	125	123	125	123	20	633

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	414	410	411	410	330	4	1,979
LW	402	407	401	406	345	30	1,991
*LY	426	432	433	431	424	63	2,208

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	8	8	8	7	5	0	36
LW	9	8	8	8	5	0	38
*LY	9	9	9	8	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	15

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	8/15	8/16	8/18	8/19	8/20	8/21	106
TW	8/22	8/23	8/25	8/26	8/27	8/28	111
*LY	24	3	24	26	26	26	129

*Last Year's numbers are rounded

Even though the USDA's latest cold storage report shows that leg quarter holdings are still down significantly from last year, this only includes data through July 31st, which of course was well before Russia implemented its ban on US poultry. When next month's figures are released, the amount of leg quarters in cold storage could end up painting a much darker picture.

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.934	0.932	0.890
Mexico, Peso	13.058	13.135	13.351
Canada, Dollar	1.087	1.094	1.052
Japan, Yen	104.061	103.915	98.140
China, Yuan (RMB)	6.143	6.151	6.119
Brazil, Real	2.237	2.282	2.383
South Korea, Won	1,015.310	1,019.470	1,110.610
Taiwan, Dollar	29.866	29.977	29.897
European Union, Euro	1.314	1.325	1.321

COLD STORAGE STOCKS

(Pounds in Thousands)	7/31/13	6/30/14	7/31/14
Beef in Freezer, Bnls	418,721	320,350	327,898
Cuts	43,876	37,821	38,651
Total Beef	462,597	358,171	366,549
PORK & OTHER	7/31/13	6/30/14	7/31/14
Pork in Freezer, Picnics	12,719	7,638	6,894
Hams	180,677	126,493	149,543
Bellies	28,177	83,936	64,690
Loins	25,688	27,591	22,992
Spareribs	57,631	59,943	54,263
Butts	15,639	19,999	20,939
Trimnings	36,927	43,581	42,412
Other Pork in Freezer	96,881	86,547	86,064
Total	543,668	537,447	529,250
Veal in Freezer	5,897	3,324	4,008
Lamb & Mutton in Freezer	23,324	31,119	33,981
Total	29,221	34,443	37,989

Data Updated: August 22, 2014

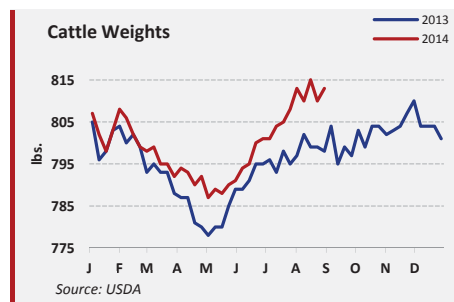
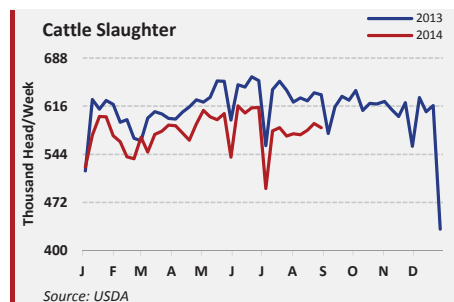
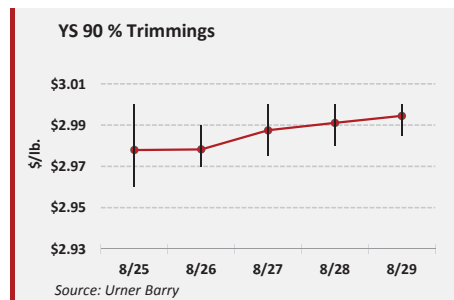
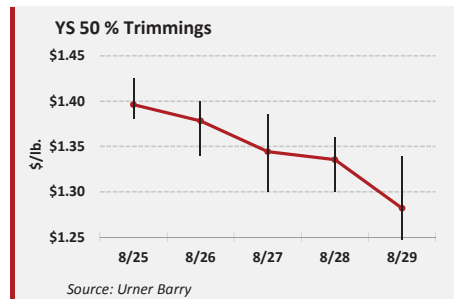
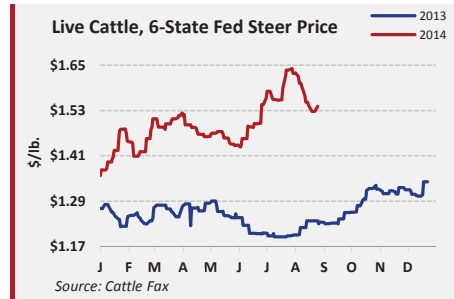
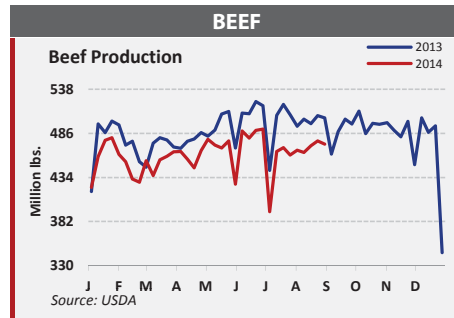
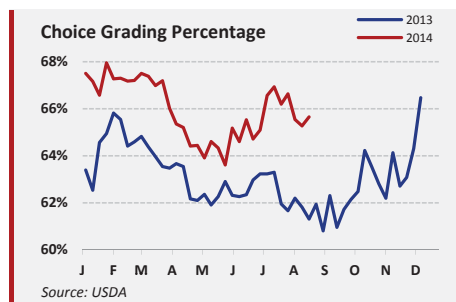
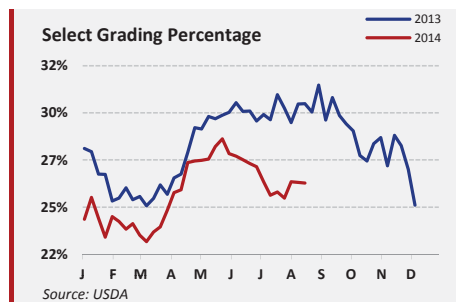
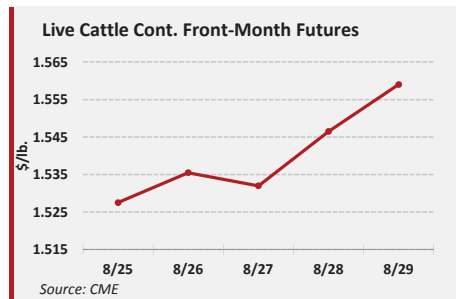
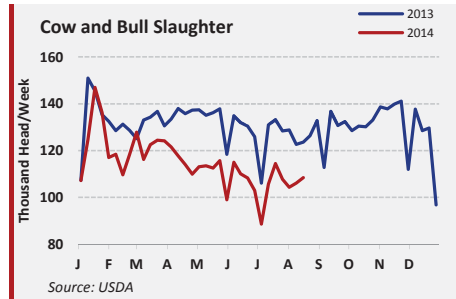
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YS BEEF CUTOUT Aug-29 v. Aug-22				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	1.58%	-1.65%	-3.22%	0.64%
Chuck	0.55%	0.55%	-0.58%	0.82%
Round	-6.57%	-6.68%	-6.65%	-6.02%
Loin	1.12%	-2.55%	-2.22%	0.40%
Brisket	-0.83%	-0.84%	-0.84%	-0.59%
Plate	-4.02%	-4.02%	-4.02%	-2.53%
Flank	-5.73%	-6.31%	-5.81%	-2.96%
Total	-1.05%	-2.60%	-3.02%	-1.08%



BEEF COMMENTARY

Negative pressure on the Round Primal section of the carcass forced total carcass cutouts lower. Yellow Sheet's Choice Carcass Value moved \$2.58 lower; the Yellow Sheet Select Carcass Value slipped lower by \$6.20. Buyer's interest remained fair at best heading into the Labor Day Holiday weekend, as they maintained a conservative approach with spot market procurement. Ground beef values were largely unchanged during the week.

LIVE CATTLE: Cattle trading developed late in the week. Sales of the live animal and the dressed carcass advanced from week prior levels. The live animal sold at \$155/cwt in the South. Northern sale barns were lightly tested at the \$155/cwt mark. The dressed carcass traded ownership at \$243/cwt to \$248/cwt, very light volume as of this report. Last week's live market was spread between \$152/cwt to \$155/cwt; the dressed carcass sold last week at \$240/cwt to \$243/cwt.

SLAUGHTER & BEEF PRODUCTION: The weekly F.I. Slaughter was 584,000 head, 6,000 head below last week's tally. The same week in 2013 saw 633,000 head processed under federal inspection. Live cattle weights now estimated at 1330 pounds, up 4 pounds from week prior's report. Dressed carcass weights were 3 pound higher from last week's estimated weights, now listed at 813 pounds.

RIBS: Choice ribs found higher trading ranges; while select and no-roll ribs continued to see some minor discounting to sell spot product.

CHUCKS: Choice and select Chuck cutouts found stability as chuck rolls and clods traded ownership at levels above week prior. Export demand lent support to the firming of values.

ROUNDS: Rounds saw discounting applied to spot market product. Insides posed a challenge to beef processors; packers looked to clear their coolers ahead of the holiday weekend which prompted sharp price reductions.

LOINS: Peeled tenderloins have realized higher trading ranges. Select strips and short loins struggled for steady.

BONELESS BEEF: Fresh 50s trended lower each day this week. Weakness in that market was largely attributed to product being more readily available. This week's cattle slaughter was estimated at 584,000 head. Fresh 90s moved higher as the week progressed. Buying interest was reportedly more active.

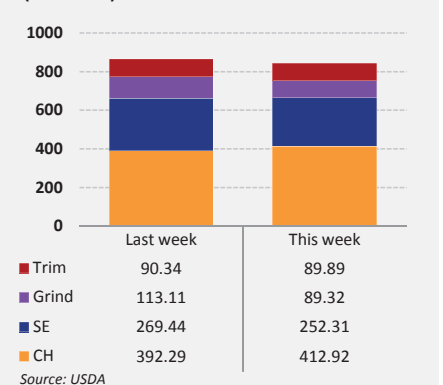
YS BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

	M	T	W	TH	F
TW	8.20	8.72	9.78	10.92	11.54
*LW	6.96	7.21	7.76	7.80	7.92

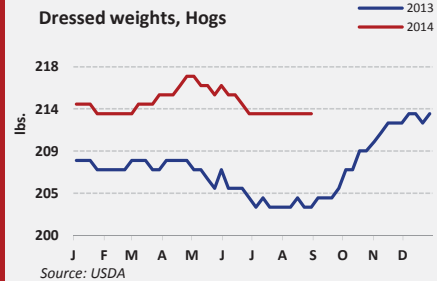
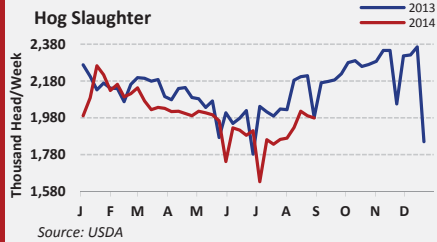
*Last Week's numbers are rounded

Weekly Beef Breakdown
(# of loads)

1 load = 40,000 lbs.



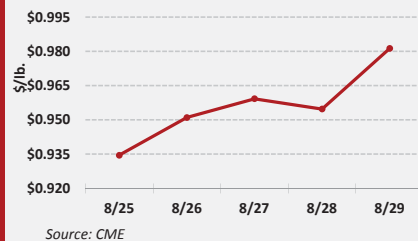
PORK PRODUCTION



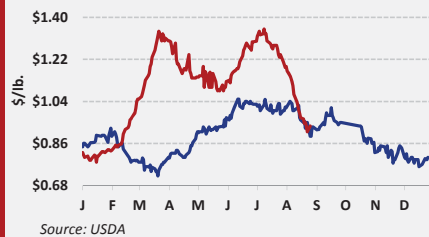
LIVE HOGS & CUTOUT

PORK CUTOUT	Aug-22	Aug-29	Change
Loin	27.225	26.668	-0.557
Butt	11.998	11.183	-0.815
Picnic	10.324	9.582	-0.742
Sparerib	6.804	6.642	-0.162
Ham	23.383	23.563	0.18
Belly	18.367	17.306	-1.061
Cutout Value	101.474	98.295	-3.179

Lean Hog Cont. Front-Month Futures

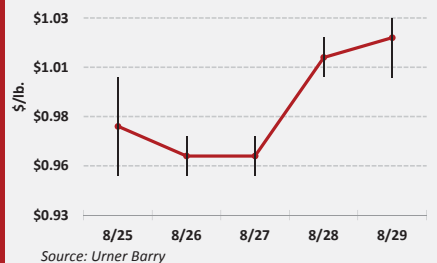


USDA Direct Hogs, Iowa/Minnesota, Carcass Base

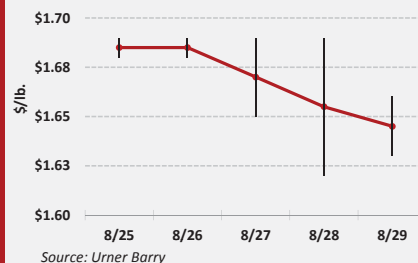


PORK PROCESSING ITEMS & RETAIL CUTS

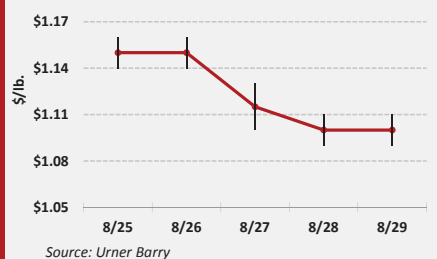
Select Hams 20/23



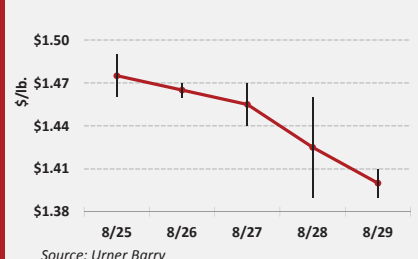
TL Spareribs, Light, Fresh (Vacpak)



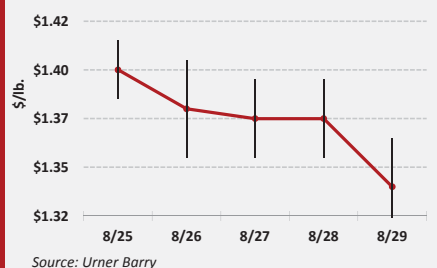
TL Sq. Cut Bellies 14/16



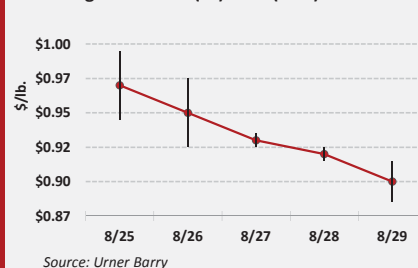
TL 1/4 in. Tr Boston Butts 9/dn



TL 1/4 in. Tr Loins 21/dn



Sausage Materials (TL) Trim (72%) Fr



PORK COMMENTARY

Margins were maintained this week as wholesale values slowed their decline. In the bellwether lowa-Southern Minnesota area, the weighted average of carcass base hogs fell roughly 5 percent. At the same time, Urner Barry's pork carcass cutout lost 3.1 percent, going from \$101.474/cwt last Friday to \$98.295/cwt this Friday. The Urner Barry pork packer margin index ranged between \$8.04 and \$13.55/head.

PORK PRODUCTION: Total pork production for the week ending Aug 30, 2014 was estimated at 421.3 million lbs. This total was .6 percent below last week and 5.9 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 had their first up-week since July this week on renewed interest from Mexican and domestic buyers. With summer coming to an end, demand for roasts typically starts emerging shortly after Labor Day. By Friday, 20 to 23lb hams gained 1 percent or \$1/cwt while 23 to 27lb hams appreciated by 2.1 percent or \$2.00/cwt.

BELLIES: The combination of ample fresh and frozen product continued to weigh on the belly market this week. Buyers have yet to take advantage of the steep price declines seen recently. 12 through 20lb skin-on bellies fell between 5.9 and 12.7 percent or \$7.00 to \$15.00/cwt by Friday.

TRIMMINGS: Trimmings declined this week as sellers attempted to balance their inventories ahead of the long weekend. 42's fell 7 percent or \$3.00/cwt. 72's were more abundant and ended the week 9 percent or \$9.00/cwt lower. Boneless picnics declined by 6.1 percent.

RETAIL: We continued to detect weakness in most all categories of fresh pork this week; however the loin component appears to have come into better balance, despite isolated instances of discounting. Renewed interest from the retail sector, particularly in loins, appears to be somewhat price supportive. Still, many of this week's comparisons will show declines. Bone-in loin values fell another \$5.00 to \$6.00/cwt, while bone-in centers proved to be a mixed-bag, and boneless loins actually showed signs of improvement, up \$2.00 to \$12.00/cwt. Tenderloins held, while sirloins proved to be weak. Picnics declined \$10.00 to \$12.00/cwt, and butts \$8.00 to \$11.00/cwt. These items proved most vulnerable amid generally widespread availability. Rib items ranged steady to weaker.

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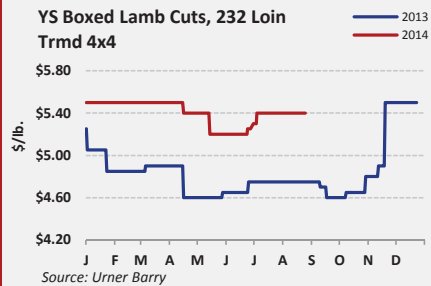
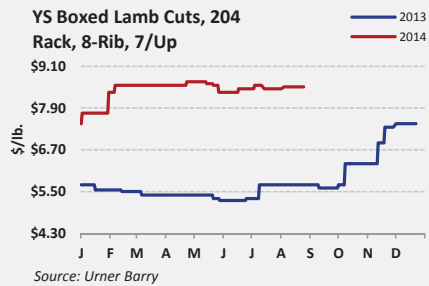
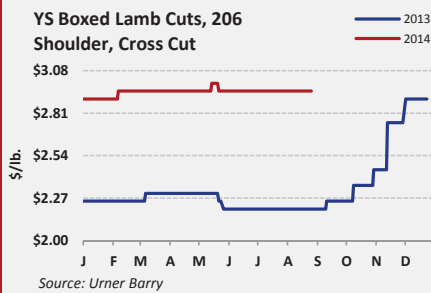
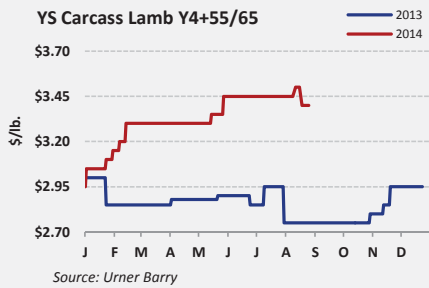
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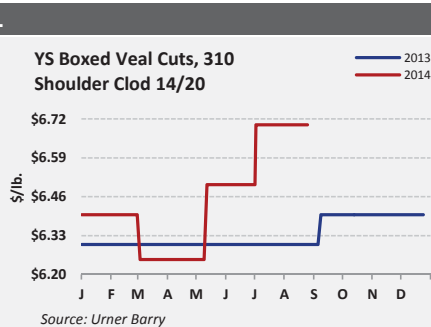
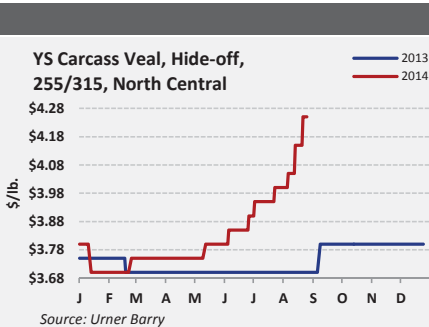
North American Meat Association

LAMB



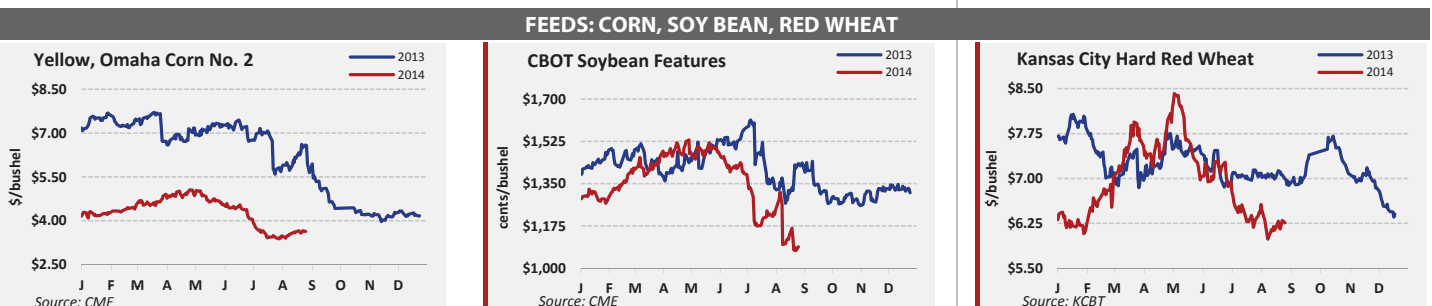
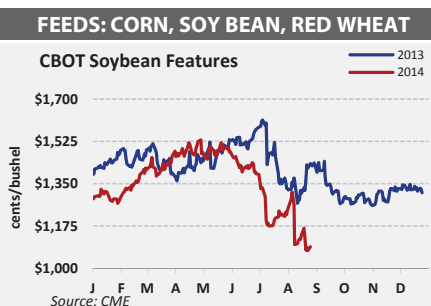
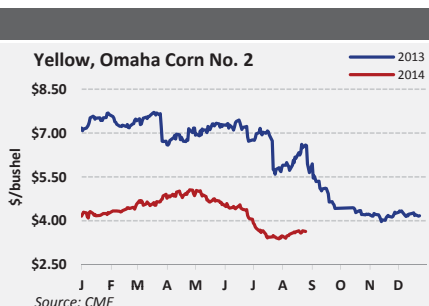
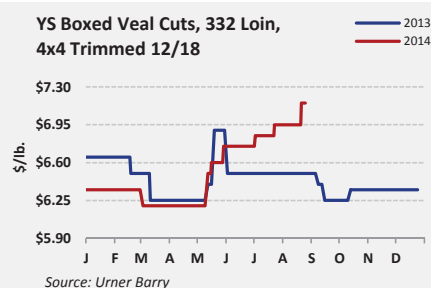
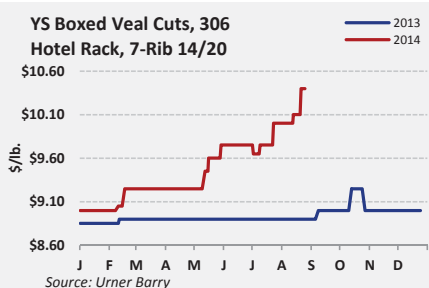
LAMB COMMENTARY

Lamb carcasses settled at mostly steady price levels. Boxed cuts were generally steady with several participants noting that movement was a little better this week.



VEAL COMMENTARY

Veal carcasses traded at steady to higher price levels this week. Almost all of the boxed cuts moved higher as buying interest reportedly exceeded the current availability.



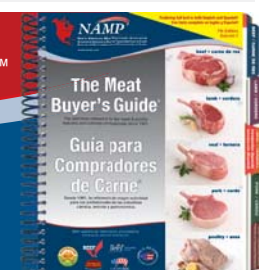
FEEDS: CORN, SOY BEAN, RED WHEAT

The NAMP Meat Buyer's Guide™

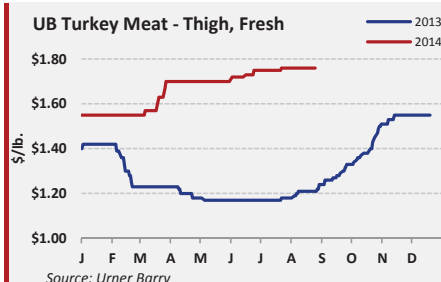
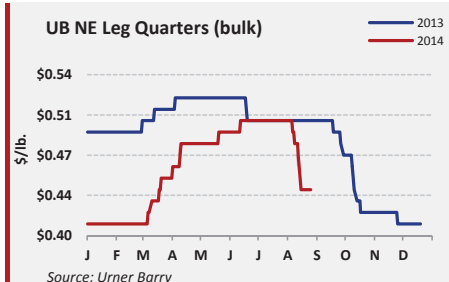
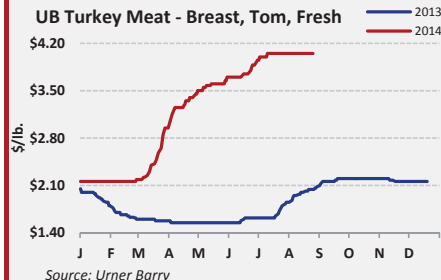
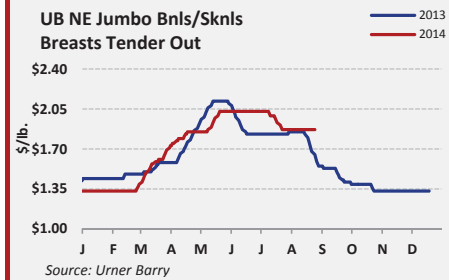
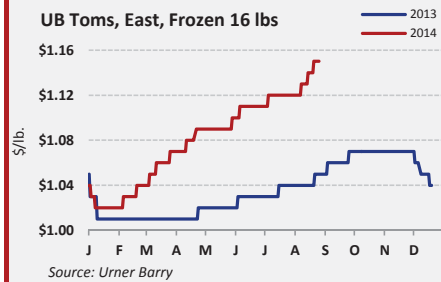
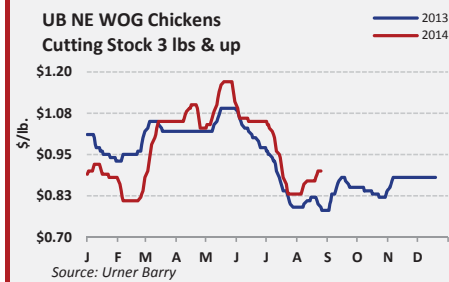
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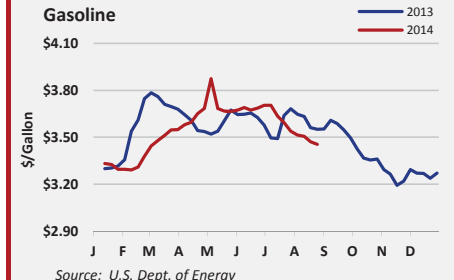
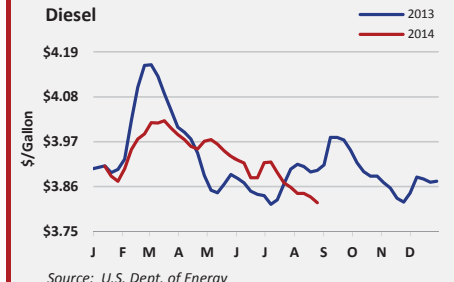
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POULTRY



ENERGY



POULTRY COMMENTARY

There are a few developments starting to take shape in the chicken complex, but observers will have to wait until after the holiday weekend before a clear picture finally presents itself. All week, cutting stock WOGs were barely adequate to short at most points of sale. Jumbo wing values advanced periodically as they too were in a similarly snug position. Buyers at all levels have become aggressive in pursuing wings as football season kicks off. Tenders, on the other hand, have begun to soften significantly. Supplies weren't necessarily burdensome all week, but buyers are standing firmly behind their discounted bids. According to multiple sources, boneless breasts have remained the steadiest of items on our sheet. The range of reported values is the tightest it's been in weeks. As for the back half of the bird, no item is rated better than about steady and all items are still being kept under a close watch. Reports are that drumsticks and thighs are still experiencing some pressure. Leg quarters have been trading all over the board, with smaller sized product receiving the best money. Leg meat and thigh meat have improved their positions, but trading levels are still only fair at best. MSC,

especially frozen, is testing.

The last few days have been characterized by scattered input generated by only the most immediate needs which proved to be few and far between. The most actively traded lines during the week have been parts with necks picking up the pace considerably towards week's end. Steady to higher prices is the rule for each of the major parts lines with the exception of hen necks. Drums are in excellent shape with further premiums asked and paid for China approved product. Whole body turkeys close the week in a stronger position than at its outset. The amount of hens or toms being offered has been oscillating recently. At times there are fewer toms than hens being shown while on other occasions the trend is reversed. For now, both lines are very well supported with forward sales taking place in a varying range of premiums. Frozen thigh meat is testing. Offerings are adequate, some of them discounted but they are not broadly based. Fresh is increasingly being consumed internally. Breast meat demand is irregular at best and that was pretty much the case for the balance of raw materials which close the week very well supported.

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

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