

WEEKLY Market Report



POWERED BY URNER BARRY'S COMTELL®

Friday, October 24, 2014

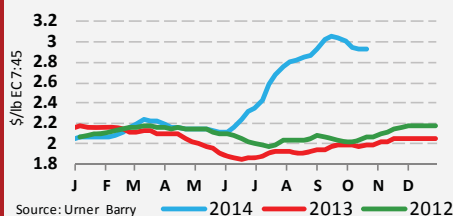
Number 43- Volume 07

WEEKLY COMMODITY AT A GLANCE

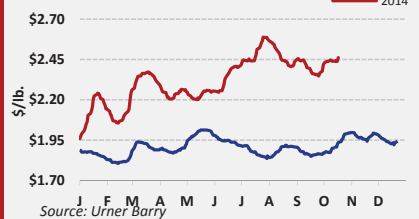
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.18	3.07	4.35
CBOT Soybean	977.50	951.75	1,300.00
NYMEX Light Crude Oil	81.01	82.75	97.85
Loose Lard, Chicago Basis	0.52	0.52	0.43
Edible Tallow, Chicago Basis	0.30	0.30	0.34
Beef Trimnings, 90% Fresh	298.00	299.00	195.00
Beef Trimnings, 50% Fresh	121.00	116.00	114.00
Aust/NZ Blend Cow 90% EC Spot	292.00	292.00	197.00
USDA Drop Credit	16.34	16.25	13.98
112A 3 Ribeye Roll, Lip-On CH	760.00	735.00	705.00
116A 3 Chuck Roll, Neck-Off CH	360.00	350.00	290.00
168 3 Round, Top (Inside) CH	305.00	305.00	234.00
180 3 Strip Loin, Bnls, 0x1 CH	545.00	545.00	520.00
136 Coarse Ground 73%	255.00	245.00	175.00
189A 4 Loin, Tenderloin, PS MO CH	1,300.00	1,270.00	1,130.00
Cattle-Fax, 6-State Fed Steer Price	164.01	161.63	129.56
Select Hams 20/23	103.00	127.00	89.00
Sq Cut Bellies 14/16	105.00	115.00	130.00
1/4 Trmd. Loins 21/dn	144.00	157.00	117.00
1/4 Tr Boston Butts 9/dn	138.00	146.00	105.00
Spareribs, Light, Fresh	167.00	165.00	147.00
Fresh Pork Trim (42%)	49.00	50.00	46.00
Fresh Pork Trim (72%)	91.00	107.00	84.00
Carcass Lamb Y4+55/65	347.00	347.00	275.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	855.00	855.00	630.00
Lamb Cuts, 206 Shoulder, Cross Cut	305.00	305.00	235.00
Lamb Cuts, 232 Loin Trmd 4x4	550.00	550.00	465.00
Lamb Cuts, 234 Leg, Boneless	535.00	535.00	495.00
Carcass Veal, Hide-off, 255/315, NC	440.00	440.00	380.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	1,075.00	1,075.00	925.00
Veal Cuts, 310 Shoulder Clod 14/20	725.00	720.00	640.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	750.00	750.00	635.00
Veal Cuts, 348A Leg, TBS 3-Pc 24/32	1,200.00	1,180.00	1,085.00

Quotes represent the high side of Friday's trading range

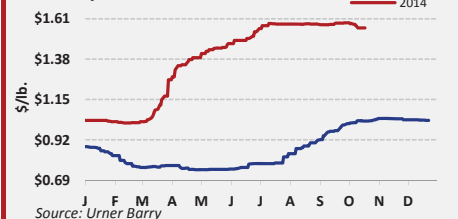
Imported Aust/NZ Blend Cow 90%



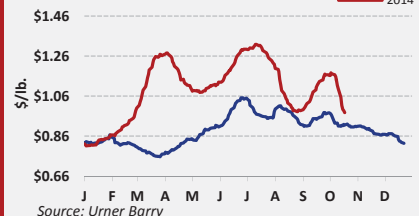
Beef Index



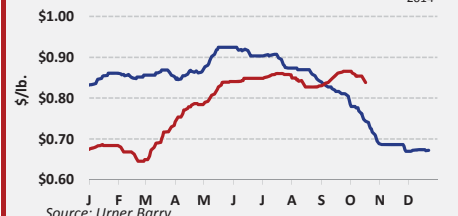
Turkey Index



Pork Cutout



Chicken Index



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	114	115	112	108	106	21	576
LW	114	114	108	109	103	17	565
*LY	124	124	124	117	112	18	619

EST. DAILY HOG SLAUGHTER

	TW	LW	*LY
TW	429	429	421
LW	427	428	428
*LY	432	431	425
	428	429	115
	2,141	2,187	2,260

EST. DAILY SHEEP SLAUGHTER

	TW	LW	*LY
TW	9	9	7
LW	8	8	7
*LY	9	8	7
	8	6	0
	37	37	37

EST. DAILY CALVES SLAUGHTER

	TW	LW	*LY
TW	2	2	2
LW	2	2	2
*LY	3	3	3
	2	2	0
	10	10	15

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	10/10	10/11	10/13	10/14	10/15	10/16	
	21	5	20	22	20	21	109
TW	10/17	10/18	10/20	10/21	10/22	10/23	
	20	6	20	22	22	21	111
*LY	25	4	24	26	26	27	132

*Last Year's numbers are rounded

Strong fresh 90s prices and active demand for imports helped Blend Cow 90s surge higher for much of the summer. More recently, prices have moderated following a seasonal decline in fast food demand.

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.880	0.876	0.958
Mexico, Peso	13.552	13.527	12.879
Canada, Dollar	1.123	1.128	1.045
Japan, Yen	108.098	106.907	97.370
China, Yuan (RMB)	6.117	6.124	6.084
Brazil, Real	2.463	2.430	2.188
South Korea, Won	1,056.490	1,062.320	1,062.200
Taiwan, Dollar	30.372	30.359	29.430
European Union, Euro	1.266	1.276	1.380

COLD STORAGE STOCKS

(Pounds in Thousands)	9/30/13	8/31/14	9/30/14
Beef in Freezer, Bnls	401,443	308,350	333,531
Cuts	43,716	38,206	39,813
Total Beef	445,159	346,556	373,344
PORK & OTHER	9/30/13	8/31/14	9/30/14
Pork in Freezer, Picnics	13,115	8,505	10,313
Hams	221,633	179,483	194,077
Bellies	23,491	45,562	33,811
Loins	23,662	20,913	20,234
Spareribs	56,107	49,621	50,872
Butts	17,756	23,778	20,942
Trimnings	38,273	40,440	34,974
Other Pork in Freezer	92,479	90,271	90,627
Total	567,827	543,666	544,998
Veal in Freezer	4,571	3,581	2,326
Lamb & Mutton in Freezer	23,444	40,157	39,693
Total	28,015	43,738	42,019

Data Updated: October 22, 2014

Fully Updated & Revised! Order yours today!

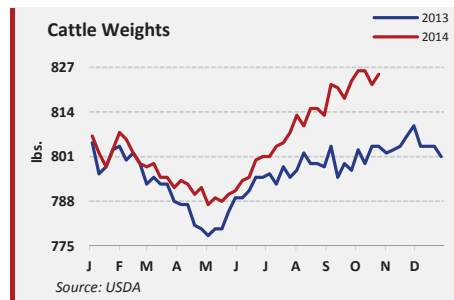
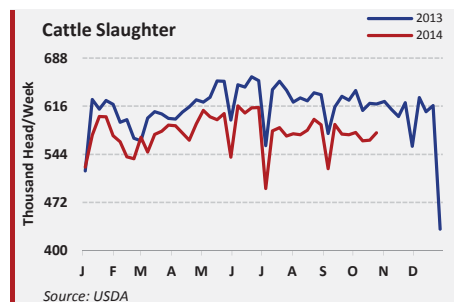
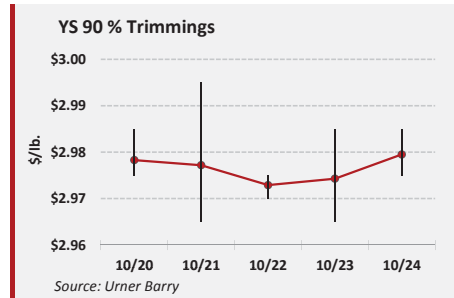
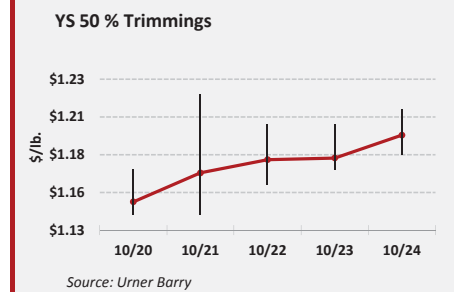
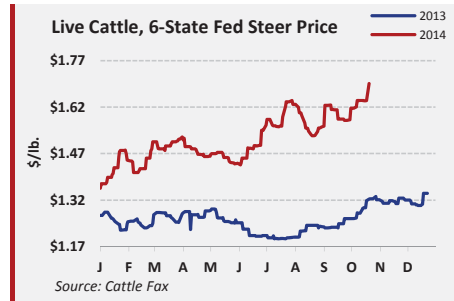
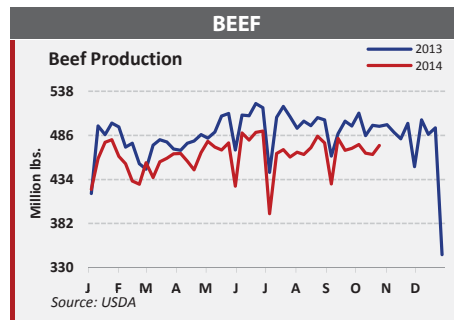
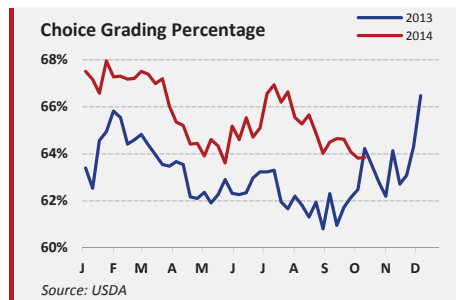
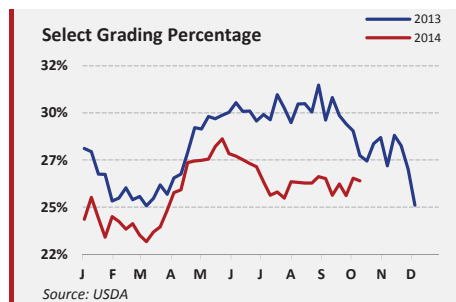
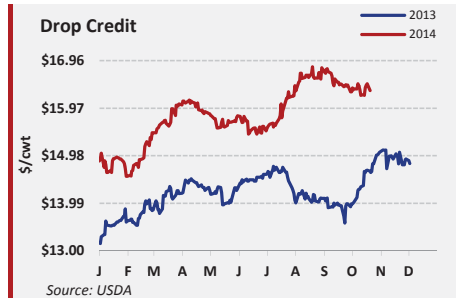
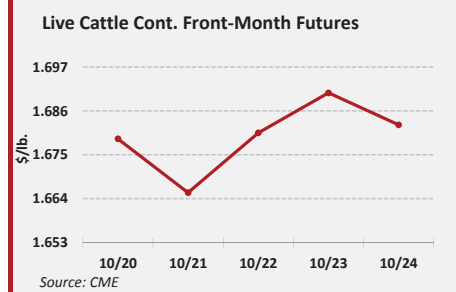
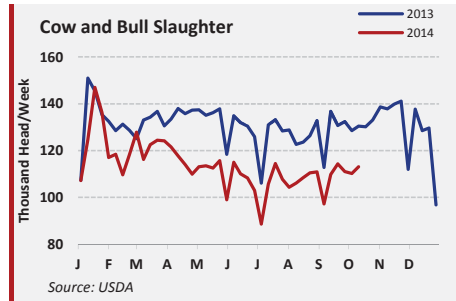
NAMP Meat Buyer's Guide®

800-932-0617

E-mail: namp@urnerbarry.com • <http://shop.namp.com>



YS BEEF CUTOUT Oct-24 v. Oct-17				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	2.55%	3.27%	2.01%	-0.06%
Chuck	1.36%	0.60%	0.15%	0.81%
Round	-0.39%	0.15%	-0.07%	-1.72%
Loin	0.35%	1.38%	0.23%	0.41%
Brisket	-0.05%	0.63%	1.04%	-0.01%
Plate	1.37%	1.37%	1.37%	0.69%
Flank	2.56%	2.25%	2.58%	0.83%
Total	0.88%	1.14%	0.52%	-0.01%



BEEF COMMENTARY

The tone of the market decidedly changed after packers were forced to pay up for cattle. What started out as a barely steady market amid limiting demand and pressure from lower priced chicken and continually falling pork prices turned positive Friday morning. Things were generally sideways as push lists became larger and larger until the last trading day of the week, with the notable exception being ribs and ground beef. They had a strong call throughout the week.

LIVE CATTLE: A volatile back and forth was the norm in the futures market in early sessions as traders positioned themselves ahead of Friday's Cattle on Feed report. This led to changes in calls for cash cattle daily but there was speculation from many analysts that the cash market was going to lead the board when things settled. And they were proven correct Thursday afternoon. Sales of live cattle were brisk after the close when bids kept getting raised until they hit a record \$170.00/cwt. This forced October and December to hit all-time highs after hours. For the week, live cattle traded \$168.00/cwt to \$170.00/cwt; dressed \$264.00/cwt to \$266.00/cwt. This compared to last week full range of \$162/cwt to \$165/cwt, most selling at \$163-\$164/cwt. The dressed carcass sold a week ago mainly at \$256/cwt to \$258/cwt.

SLAUGHTER & BEEF PRODUCTION: The weekly F.I. slaughter tallied 576,000 head, 11,000 head above last week's total of 565,000 heads despite early talks of reduced numbers. The year prior weekly kill was 619,000 head. Live cattle weights gained an additional three pounds to 1353 pounds. Dressed carcass weights reported at 825 pounds, also three pounds higher than the previous week.

RIBS: The rib complex performed the best across the beef market. Buyers continued to secure product for year-end needs. While activity was only fair, supplies remained limited. These two factors put upward pressure on ribs.

CHUCKS: Chucks traded mostly sideways on the week and the cutouts on both choice and select reflected this. End cuts have led the way so a breather seemed to be in order. Chuck rolls were the notable winner this week.

ROUNDS: Rounds especially insides were problematic early week as packers needed to clear inventory levels. Friday trade reversed course as these items, providing a value were moved higher to help contribute to cutout gains. Expect better traction moving into the fall given the price points of some of these cuts.

LOINS: The choice and select loin cutout trended sideways compared to last week. But that doesn't tell the whole story. Strips and short loins were discounted further but clearing levels have been hard to come by. Tenderloins firmed significantly aided by being the item that those looking to spend money on want.

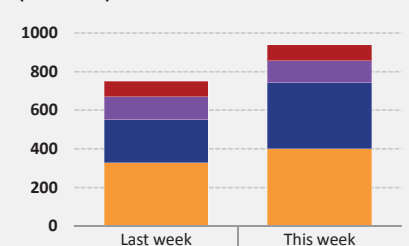
BONELESS BEEF: Fresh 90s were generally steady this week as supply and demand were generally in balance. Fresh 50s moved higher as the week developed. Strength in that market was largely attributed to tighter supplies. This week's cattle slaughter was estimated at 576,000 head.

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

	M	T	W	TH	F
TW	13.63	13.43	13.51	14.04	13.21
*LW	13.12	13.14	13.27	13.53	13.70

*Last Week's numbers are rounded

Weekly Beef Breakdown (# of loads)

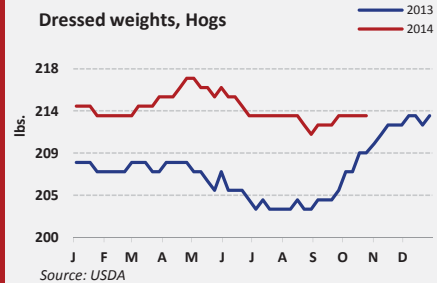
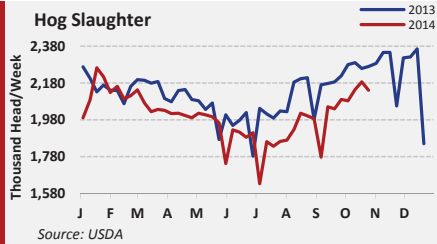


	Last week	This week
Trim	78.90	80.22
Grind	118.97	116.15
SE	221.25	342.98
CH	329.67	399.78

Source: USDA

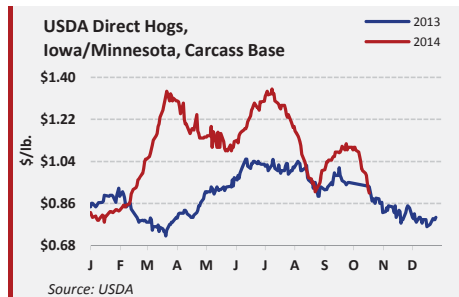
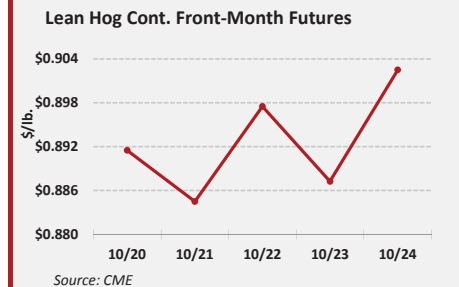
Friday, October 24, 2014

PORK PRODUCTION



LIVE HOGS & CUTOUT

PORK CUTOUT	Oct-17	Oct-24	Change
Loin	30.022	27.656	-2.366
Butt	11.746	11.009	-0.737
Picnic	10.548	9.779	-0.769
Sparerib	6.622	6.703	0.081
Ham	29.242	22.963	-6.279
Belly	18.092	16.364	-1.728
Cutout Value	109.625	97.75	-11.875



PORK COMMENTARY

The meat market corrected in unprecedented fashion this week as buyers just seemed to vanish. The deep discount reflected in the December hog contract when compared to cash trade indicated a weak future cutout; and buyers reacted accordingly. Urner Barry's pork carcass cutout fell a sharp \$11.875/cwt, going from \$109.625/cwt last Friday to \$97.750/cwt this Friday. During the same timeframe, Iowa Minnesota carcass base hogs fell another 9.3 percent. The Urner Barry pork packer margin index for standard operations ranged between \$12.43 and \$14.89/head over the course of the week.

PORK PRODUCTION: Total pork production for the week ending October 25, 2014 was estimated at 455.9 million lbs. This total was 2.0 percent below last week and 3.6 percent below the same week a year ago. Average hog weights, at 285 pounds, were one pound heavier than last week and 5 pounds over last year.

HAMS: Easily some of the largest weekly and single-day losses in history were seen this week among ham products. With some buyers, both domestically and internationally, holding back and waiting for lower prices and a rather sudden influx of ham supplies this week, the conditions were such that sellers were forced to take large discounts on existing product. 20/23's and 23/27's both gave up considerable ground, losing 18.9 and 25.4 percent or \$24.00 and \$31.00/cwt respectively. However, boneless hams stole the show, declining by 29 percent or \$63.00/cwt!

BELLIES: Although bellies seemed to have stabled last week, the pressure of sluggish movement and ample fresh supplies returned, pushing prices across all weights lower throughout the period. By Friday, 12 through 20 pound square-cut bellies declined by 8.7 to 10.2 percent or \$10.00 to \$12.00/cwt.

TRIMMINGS: Trim was not immune to the declines experienced throughout the rest of the pork market. Fresh 42's were generally said to be in balance for the majority of the week, only giving up 2 percent or \$1.00/cwt. However, 72's were abundantly available, which forced values down by 15 percent or \$16.00/cwt. Boneless picnics were considerably weaker as well, down 12.2 percent or \$15.00/cwt.

RETAIL: The situation in this category remained little changed; there was once again significant weakness in both the loin and butt components. Declines in these categories were the result of an attempt by sellers to entice a largely disinterested buying corps. Buyers continued to operate hand-to-mouth as December hogs remained at a sharp discount to cash trade. This resulted in an inordinate amount of spot market availability and much weaker trade. The only exception to this trend was spareribs, where elevated and sustained manufacturing continued to be price supportive. In the end, bone-loins fell \$13.00/cwt, bone-in centers \$8.00 to \$15.00/cwt, and boneless loins another significant \$29.00 to \$33.00/cwt. The balance of the loin component was also lower on the week. Picnic values also declined, however modestly. Butts fell between \$6.00 and \$9.00/cwt. Meanwhile, spareribs were narrowly mixed, supported by elevated and sustained manufacturing activity. St. Louis Ribs and Loin Back Ribs were unchanged.

Fully Updated & Revised! Order yours today!

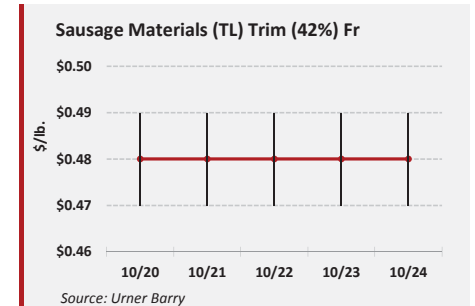
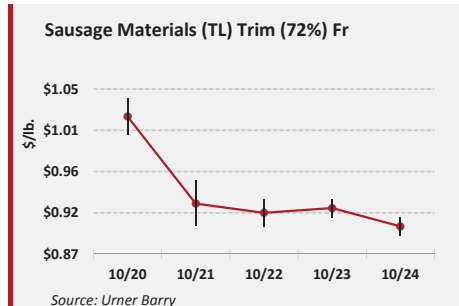
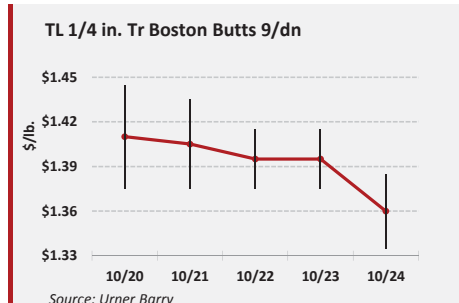
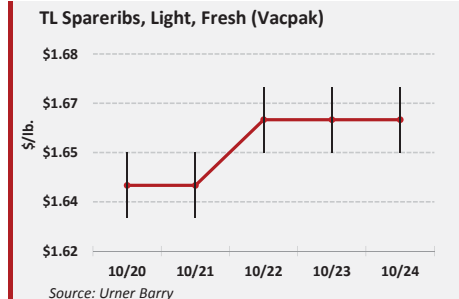
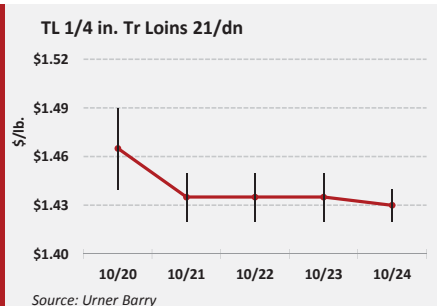
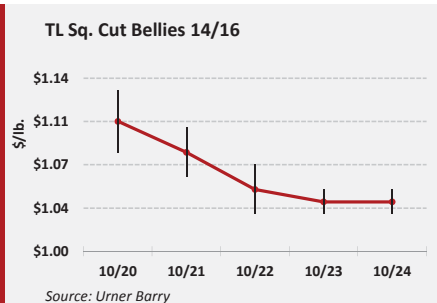
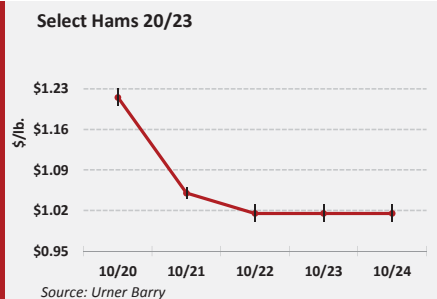
NAMP Meat Buyer's Guide®

800-932-0617

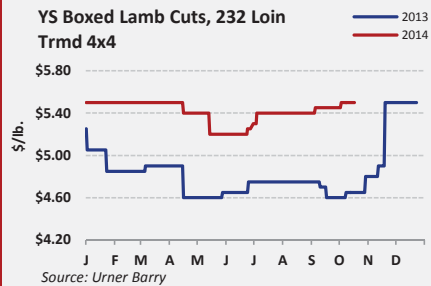
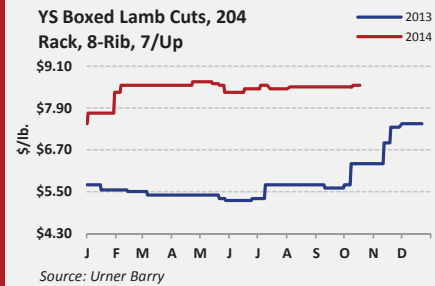
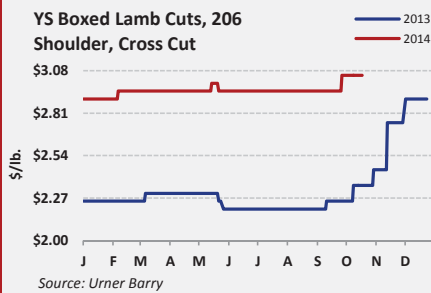
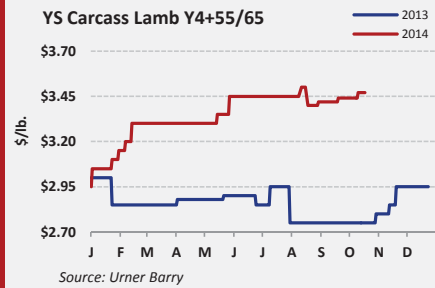
E-mail: namp@urnerbarry.com • <http://shop.namp.com>

North American Meat Association

PORK PROCESSING ITEMS & RETAIL CUTS

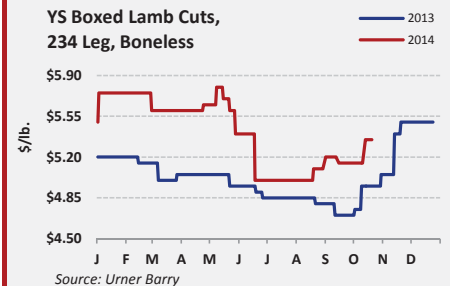


LAMB

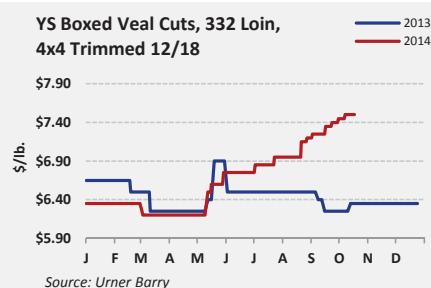
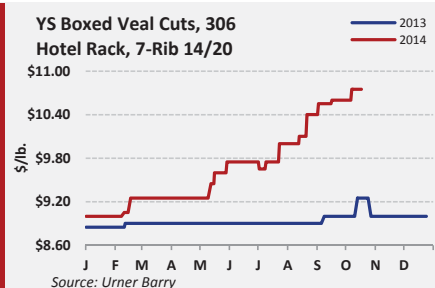
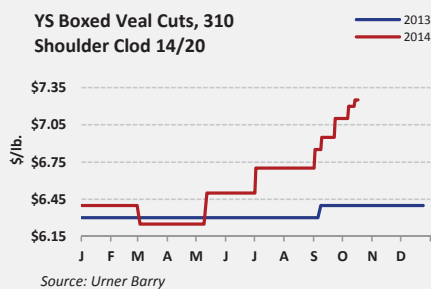
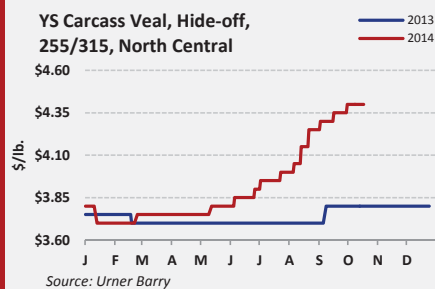


LAMB COMMENTARY

Lamb carcasses traded this week at mostly steady price levels. Boxed cuts traded in light volume within the previously quoted price ranges. Trading activity was moderate.

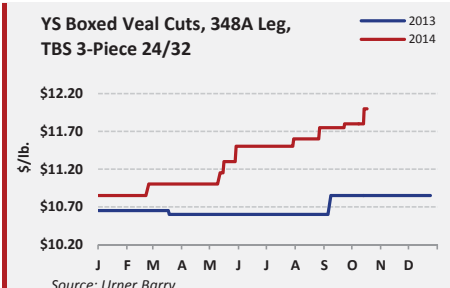


VEAL

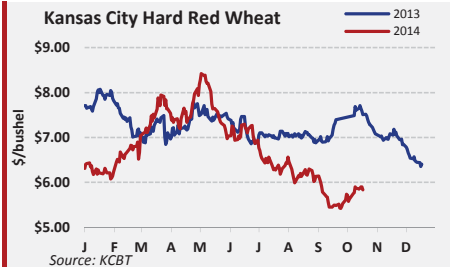
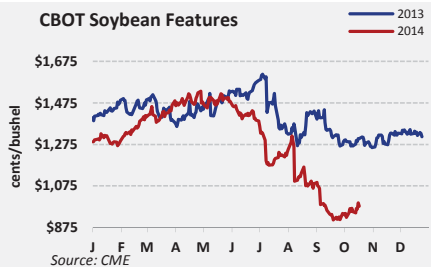
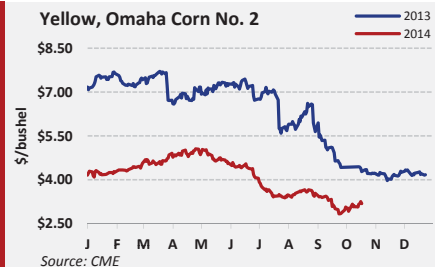


VEAL COMMENTARY

Veal carcasses settled at steady price levels this week. Boxed cuts were once again steady to firmer. Strength in that market was attributed to tight supplies and a little better demand.



FEEDS: CORN, SOY BEAN, RED WHEAT



The NAMP Meat Buyer's Guide™

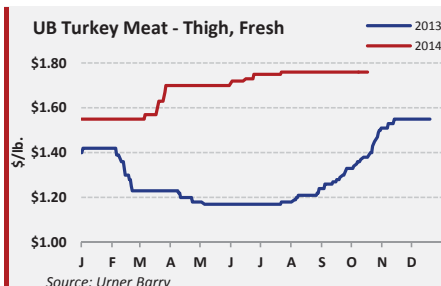
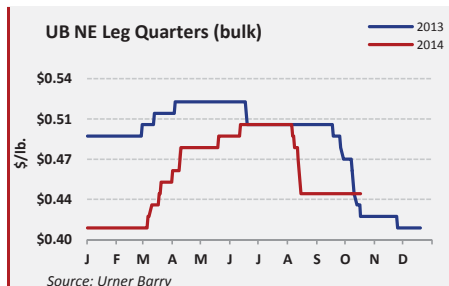
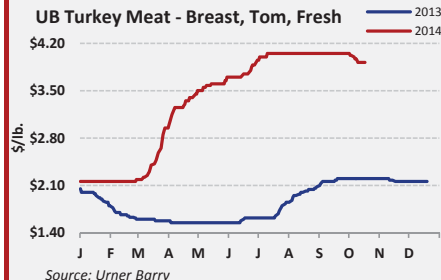
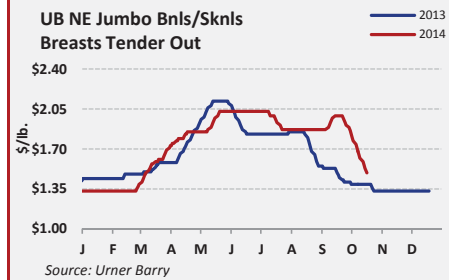
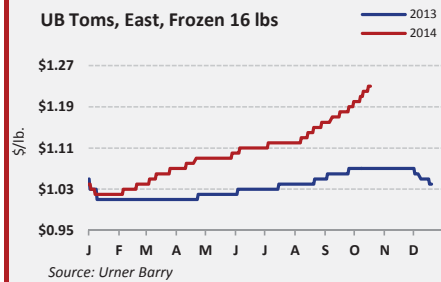
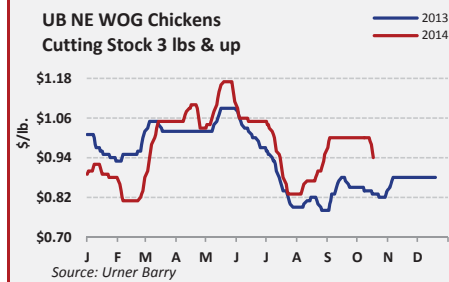
800-932-0617

E-mail: 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



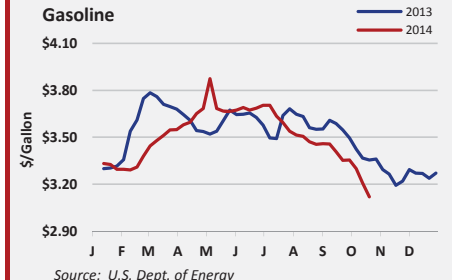
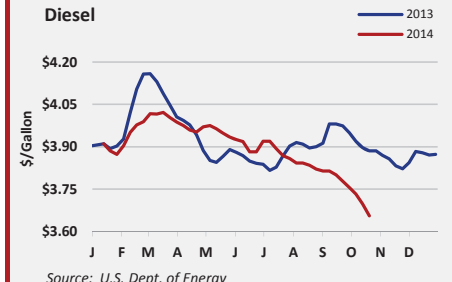
POULTRY COMMENTARY

This week in the chicken market, prices for a number of listed lines continued their downward trend. Boneless breasts and tenders attempted to settle, but discounting product was the only way suppliers were able to keep inventories moving. Looking ahead, sources are optimistic that trading levels will balance out and interest will pick back up, to what extent though is yet to be determined. Whole birds and WOGs have finally hit their wall. Buyer interest, outside of regular commitments, has become just fair at best. Bone-in breasts, trim and chunk meat found themselves caught in the boneless white meat crossfire this week and values were adjusted down accordingly. Wings have been able to maintain mostly steady levels however; even they were beginning to experience some softness towards the end of the week. The back half of the bird is rated about steady to steady. Drumsticks and leg quarters are being kept under a close watch, as buyer's needs appear to be receding. While leg meat and thigh meat demand remains

active, MSC interest is seasonably dull.

Here at week's end the most interesting market to observe is fresh tom breast meat. Although offerings are about adequate, asked prices have become more stable. There is plenty of speculation about next week and beyond but for now, the market is mostly steady and unchanged. Thigh meat is still showing resilience to a declining pork ham market. Whole body turkeys are garnering a large share of the spotlight. Spot demand is good to very good. Hens and toms are held for premiums where limited volumes are shown. The same tight supply scenario is limiting the amount of trade taking place for bone in breasts and our quotations are well supported. The parts segment is keeping everyone on their toes. The amount of interest in drums easily clears fresh in a steady to higher range while frozen is placed at slight premiums. Whole wings are nearly impossible to uncover with the same being true of two joints. Tom necks are mixed. MST is attempting to settle with frozen reflecting a little more down side.

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
NAMA

800-932-0617

E-mail: namp@urnerbarry.com • <http://shop.namp.com>

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

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
 Terence Wells - twells@urnerbarry.com
 Russ Barton - rbarton@urnerbarry.com
 Gary Morrison - 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 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 Indexes, 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.