

WEEKLY Market Report



POWERED BY URNER BARRY'S COMTELL®

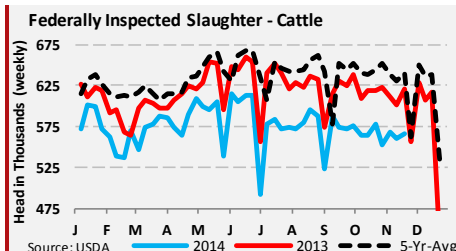
Friday, November 21, 2014

Number 47- Volume 07

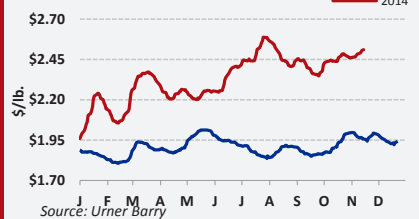
WEEKLY COMMODITY AT A GLANCE

	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.53	3.52	4.15
CBOT Soybean	1,039.00	1,022.50	1,319.50
NYMEX Light Crude Oil	76.51	75.82	94.84
Loose Lard, Chicago Basis	0.40	0.43	0.49
Edible Tallow, Chicago Basis	0.37	0.34	UNQ
Beef Trimnings, 90% Fresh	297.00	296.00	192.00
Beef Trimnings, 50% Fresh	120.00	120.00	117.00
Aust/NZ Blend Cow 90% EC Spot	286.00	289.00	205.00
USDA Drop Credit	16.33	16.32	15.00
112A 3 Ribeye Roll, Lip-On CH	845.00	825.00	780.00
116A 3 Chuck Roll, Neck-Off CH	340.00	330.00	275.00
168 3 Round, Top (Inside) CH	320.00	315.00	230.00
180 3 Strip Loin, Bnls, 0x1 CH	560.00	560.00	490.00
136 Coarse Ground 73%	245.00	245.00	175.00
189A 4 Loin, Tenderloin, PSMO CH	1,280.00	1,310.00	1,235.00
Cattle-Fax, 6-State Fed Steer Price	170.72	167.00	131.79
Select Hams 20/23	102.00	106.00	92.00
Sq Cut Bellies 14/16	95.00	101.00	125.00
1/4 Trmd. Loins 21/dn	116.00	115.00	105.00
1/4 Tr Boston Butts 9/dn	128.00	128.00	100.00
Spareribs, Light, Fresh	168.00	167.00	147.00
Fresh Pork Trim (42%)	27.00	31.00	36.00
Fresh Pork Trim (72%)	70.00	77.00	68.00
Carcass Lamb Y4+55/65	354.00	352.00	295.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	855.00	855.00	735.00
Lamb Cuts, 206 Shoulder, Cross Cut	305.00	305.00	275.00
Lamb Cuts, 232 Loin Trmd 4x4	550.00	550.00	550.00
Lamb Cuts, 234 Leg, Boneless	545.00	535.00	550.00
Carcass Veal, Hide-off, 255/315, NC	440.00	440.00	380.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	1,110.00	1,105.00	900.00
Veal Cuts, 310 Shoulder Clod 14/20	775.00	750.00	640.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	785.00	775.00	635.00
Veal Cuts, 348A Leg, TBS 3-Pc 24/32	1,220.00	1,220.00	1,085.00

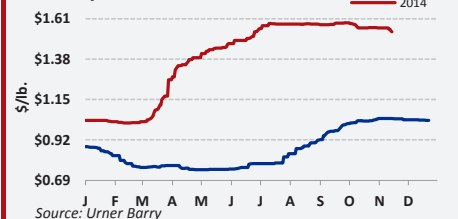
Quotes represent the high side of Friday's trading range



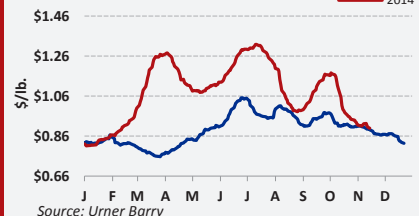
Beef Index



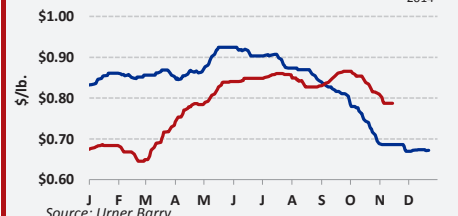
Turkey Index



Pork Cutout



Chicken Index



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	111	112	106	113	111	14	567
LW	108	107	107	113	107	18	560
*LY	119	120	114	122	117	29	621

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	427	420	426	430	418	111	2,232
LW	423	387	429	432	416	132	2,219
*LY	437	438	438	436	431	166	2,346

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	9	9	8	8	6	0	40
LW	9	9	8	8	6	0	40
*LY	9	10	8	9	6	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	11/7	11/8	11/10	11/11	11/12	11/13	119
TW	22	9	20	23	23	22	118
*LY	27	7	25	27	26	26	138

*Last Year's numbers are rounded

The year-to-date cattle slaughter is down about 7% compared to the same time period last year. Production is down roughly 6% for the equivalent time frame.

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.866	0.875	0.916
Mexico, Peso	13.606	13.533	12.967
Canada, Dollar	1.124	1.128	1.053
Japan, Yen	117.775	116.237	101.271
China, Yuan (RMB)	6.124	6.129	6.094
Brazil, Real	2.517	2.600	2.278
South Korea, Won	1,111.650	1,098.740	1,061.180
Taiwan, Dollar	30.883	30.795	29.635
European Union, Euro	1.239	1.253	1.355

COLD STORAGE STOCKS

(Pounds in Thousands)	10/31/13	9/30/14	10/31/14
Beef in Freezer, Bnls	394,820	334,357	337,581
Cuts	45,286	39,813	37,287
Total Beef	440,106	374,170	374,868
PORK & OTHER	10/31/13	9/30/14	10/31/14
Pork in Freezer, Picnics	11,192	10,313	10,589
Hams	192,947	194,077	163,077
Bellies	26,674	33,811	27,884
Loins	28,448	20,267	23,406
Spareribs	75,746	50,957	63,852
Butts	19,058	21,035	20,995
Trimnings	34,775	35,043	36,736
Other Pork in Freezer	94,496	90,627	97,195
Total	565,020	544,822	524,769
Veal in Freezer	3,885	2,326	3,549
Lamb & Mutton in Freezer	23,967	39,693	38,663
Total	27,852	42,019	42,212

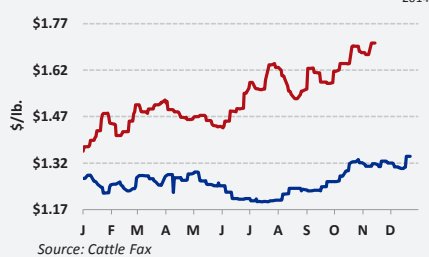
Data Updated: November 21, 2014



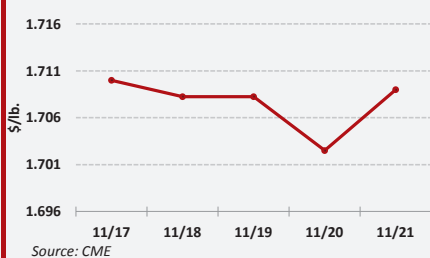
YS BEEF CUTOUT Nov-21 v. Nov-14

	CHOICE	SELECT	NO-ROLL	CAB
Rib	3.61%	4.01%	-0.76%	3.77%
Chuck	0.81%	0.78%	0.12%	1.42%
Round	1.26%	1.50%	1.31%	1.66%
Loin	-0.54%	0.68%	-0.29%	0.01%
Brisket	-0.02%	-0.02%	-0.02%	0.58%
Plate	0.47%	0.47%	0.47%	1.28%
Flank	0.89%	1.85%	1.53%	1.17%
Total	0.99%	1.39%	0.19%	1.47%

Live Cattle, 6-State Fed Steer Price



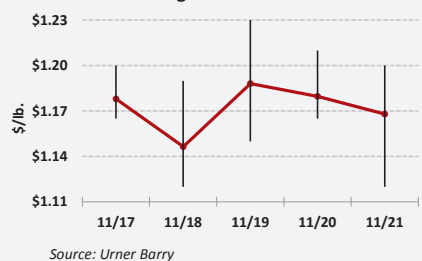
Live Cattle Cont. Front-Month Futures



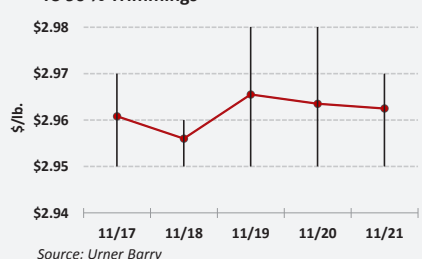
Drop Credit



YS 50 % Trimmings

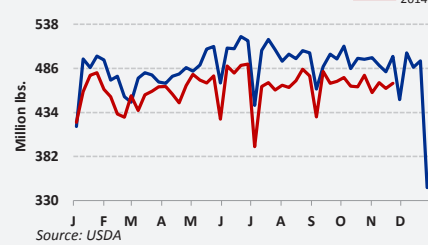


YS 90 % Trimmings

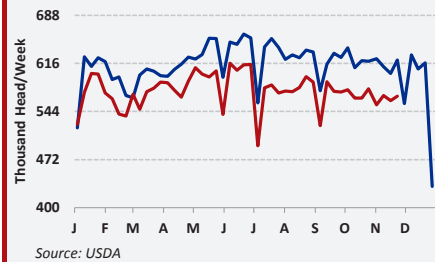


BEEF

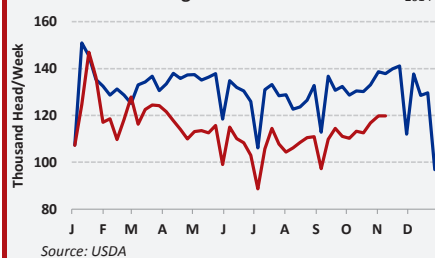
Beef Production



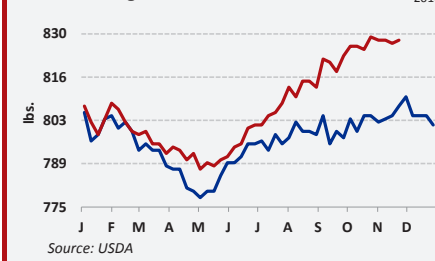
Cattle Slaughter



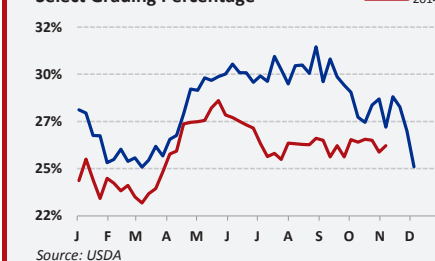
Cow and Bull Slaughter



Cattle Weights



Select Grading Percentage



Choice Grading Percentage



BEEF COMMENTARY

The value of the cattle carcass gained this week as packers were able to ask and achieve more money for their rib and some of their end cuts. The rib primal was able to advance in typical fashion ahead of the Thanksgiving holiday. The percentage gain over the past three weeks with the Yellow Sheet Choice Rib Primal compared to the same period last year was just over 13%. The comparative Y/O/Y gain with live cattle costs was over 22%, hence the push higher by the rib recently has not kept pace with the advances seen with cattle markets.

LIVE CATTLE: The cash cattle market waited until Friday afternoon as far as reporting the bulk of sales. As of press time, the areas with established trade were Texas and Nebraska at \$172/cwt, up \$1/cwt to \$2/cwt from week ago sales. The dressed carcass as of this report was selling at \$267/cwt to \$268/cwt, steady to \$1/cwt higher from the high side of last week's range.

SLAUGHTER & BEEF PRODUCTION: The weekly Federally Inspected Slaughter edged slightly higher from week prior. The weekly tally for the F.I. kill was 567,000 head, 7,000 head more than the previous week. Live cattle estimated weights moved another 2 pounds higher to 1364 pounds. Dressed carcass weights were 1 pound more at 828 pounds.

RIBS: As the calendar closes in on the Thanksgiving Day holiday, the value of spot market rib has moved higher. The gains seen this week were seasonally typical. Wholesale price support was also derived in part to the sustained light beef production levels.

CHUCKS: Major sub-primal cuts from the shoulder gained in value during the week, pushing chuck cutout values modestly higher. Some slight price breaks developed with the clod heart and the teres major.

ROUNDS: The hind quarter of the carcass saw a solid gain in value. Most of the round cuts were traded at slightly higher levels during the week.

LOINS: A few price breaks surfaced this week for some cuts from the loin section. Peeled tenderloins saw values slip a bit, as did some strip loins.

BONELESS BEEF: Leaner boneless beef was mostly steady this week. Supply and demand were generally in balance. The market for fresh 50s was mixed this week. Uncertainty in the market was largely attributed to delivery dates surrounding the upcoming holiday week.

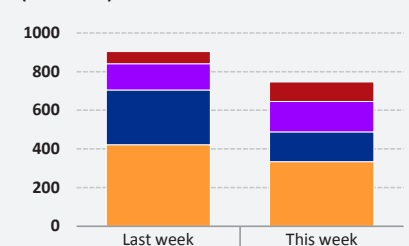
YS BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

	M	T	W	TH	F
TW	13.01	13.02	12.93	11.96	12.07
*LW	12.67	12.42	12.74	12.95	12.89

*Last Week's numbers are rounded

Weekly Beef Breakdown
(# of loads)

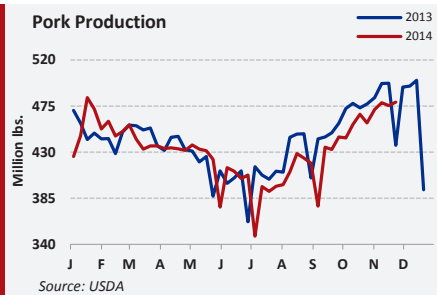
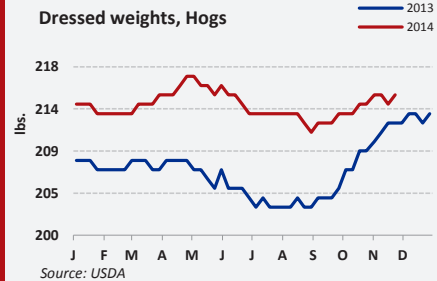
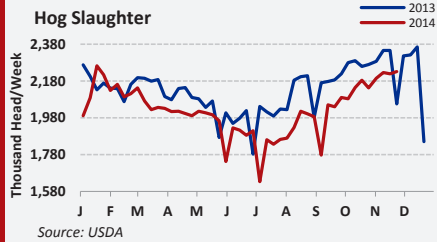
1 load = 40,000 lbs.



Trim	62.13	99.96
Grind	135.94	157.30
SE	283.80	154.59
CH	421.63	334.37

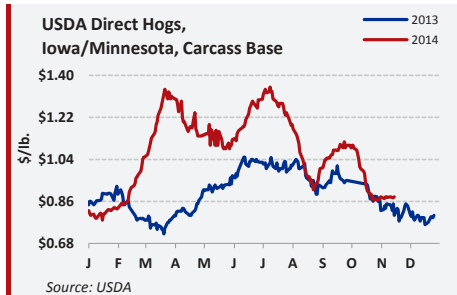
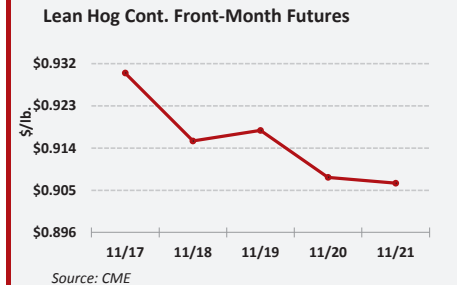
Source: USDA

PORK PRODUCTION

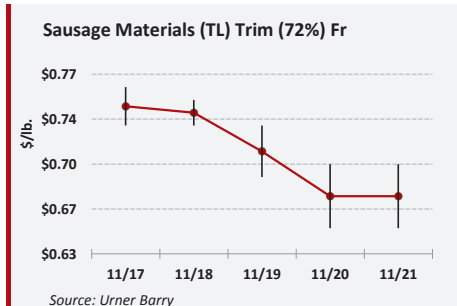
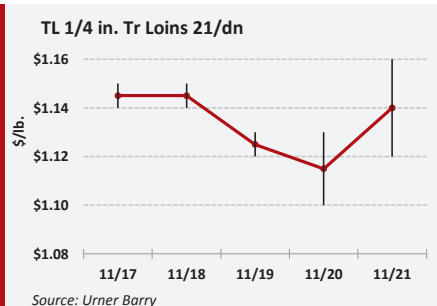
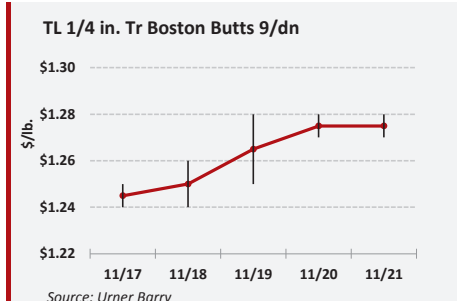
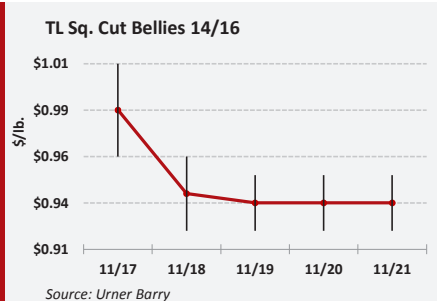
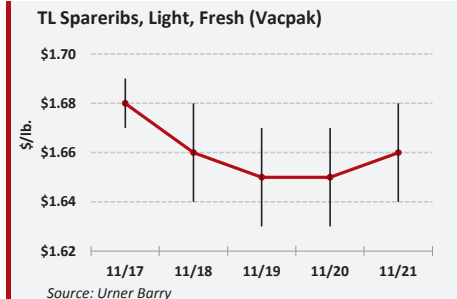
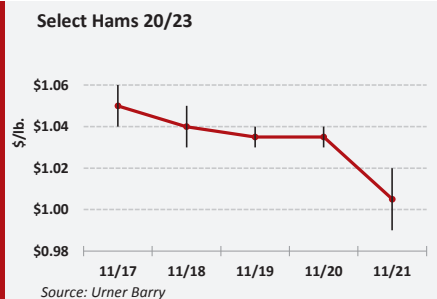


LIVE HOGS & CUTOUT

PORK CUTOUT	Nov-14	Nov-21	Change
Loin	23.014	23.032	0.018
Butt	9.967	10.119	0.152
Picnic	9.241	9.213	-0.028
Sparerib	6.703	6.703	-
Ham	24.519	22.904	-1.615
Belly	15.698	14.873	-0.825
Cutout Value	92.191	89.908	-2.283



PORK PROCESSING ITEMS & RETAIL CUTS



PORK COMMENTARY

Packer margins slipped a bit this week. Urner Barry's pork carcass cutout fell 2.5 percent or \$2.28/cwt this week; going from \$92.19/cwt to \$89.91/cwt. During the same timeframe, live trade in Iowa Minnesota was basically flat. Still profitable, the Urner Barry pork packer margin index for standard operations ranged between \$7.22 and \$11.84 over the course of the week.

PORK PRODUCTION: Total pork production for the week ending November 22, 2014 was estimated at 478.8 million lbs. This total was 0.7 percent above last week, but 3.7 percent below the same week a year ago. Average hog weights, at 287 pounds, were one pound more than last week and 4 pounds over last year.

HAMS: Processing pork products came under pressure this week as we moved closer to the shortened Thanksgiving week. With that Thursday down and Friday being taken off by a few plants, sellers were faced with growing production levels and meat that required a home for that Monday to Wednesday period, in addition to the waning demand seen for immediate ship this week. By Friday, 20 through 27lb hams had declined in value by between 1.9 and 7.9 percent or \$2.00 to \$8.00/cwt respectively, with the largest losses seen in heavy hams. Boneless hams lost 5.6 percent or \$9.00/cwt.

BELLIES: Bellies felt the weight of the incoming holiday as well as the pressures from ongoing soft retail and food service demand and concerns over existing freezer stocks. By Friday, square-cut bellies declined by 1 to 5.8 percent or \$1.00 to \$6.00/cwt as a result.

TRIMMINGS: Like hams and bellies, trimmings saw pressure this week on soft pre-holiday interest and excess availability. Over the course of the week, fresh 42's declined by 12.9 percent or \$4.00/cwt while fresh 72's lost 9 percent or \$7.00/cwt. Boneless picnics gave up 2 percent or \$2.00/cwt by Friday.

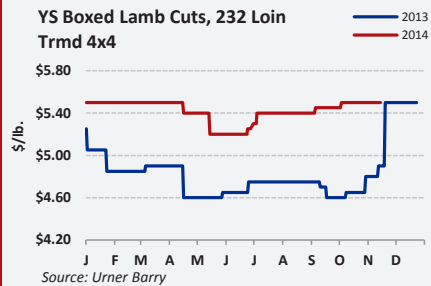
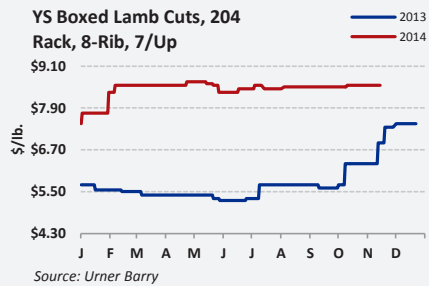
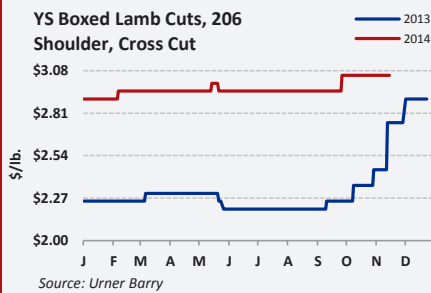
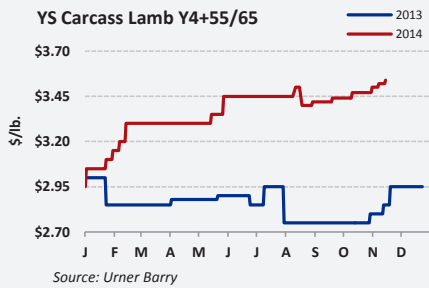
RETAIL: Market values were narrowly mixed across most lines this week as many items flashed the potential for moderate strength, yet the presence of carryover product resulted in some lingering weakness; this was particularly evident in the loin component. These conditions challenged sellers as they had to balance carryover product with current and future production. Changes in the category were moderate, and lacking clear direction. Loin values were a mixed-bag. This week, 1/4" bone-in loins gained \$1.00/cwt, while the 1/8" variety fell \$1.00/cwt; bone-in centers were also both higher-and-lower. The largest advances in the complex were \$11.00/cwt premiums found in boneless loins. The balance of the loin component was weak. Picnics continued to gain in seasonal form, however cushion struggled a bit. Butts values were clearly higher. Versatile, butts are receiving interest from both domestic and foreign markets. Spareribs were narrowly mixed, still largely supported by ongoing production of "to be frozen" products. St. Louis Ribs and Loin Back Ribs continued to trade in-range.

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THE MEAT BUYER'S GUIDE

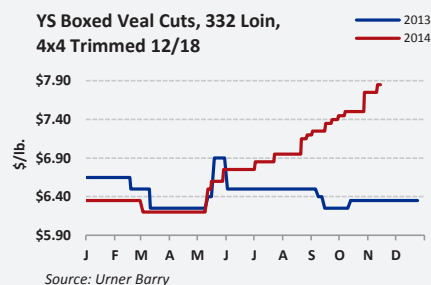
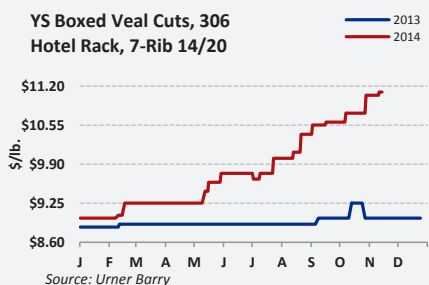
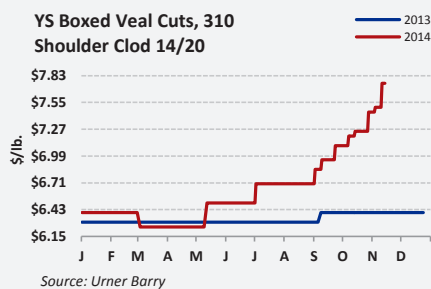
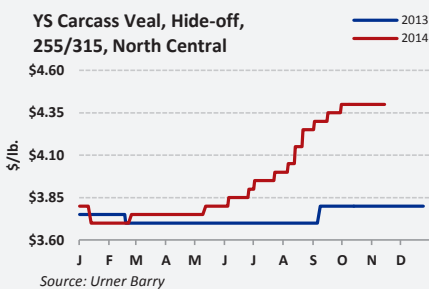
LAMB



LAMB COMMENTARY

Lamb carcasses settled this week at steady to higher price levels. Strength in that market was attributed to tight supplies. Boxed cuts were steady to firmer. Movement was a little better this week.

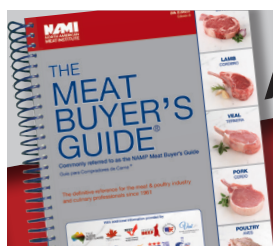
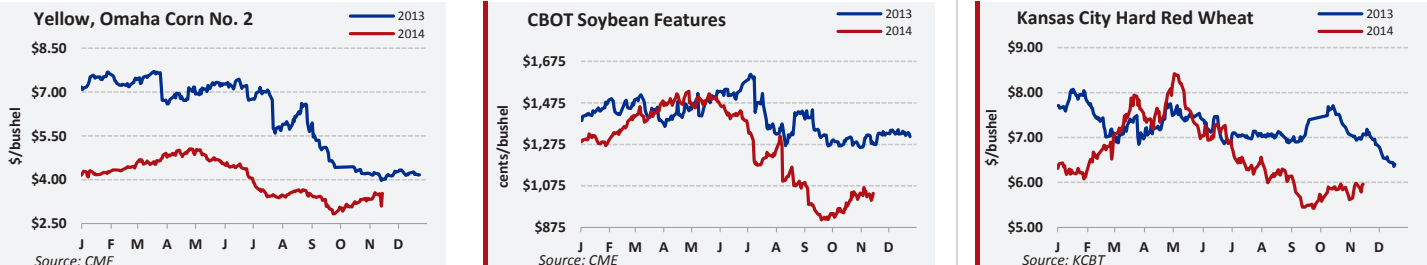
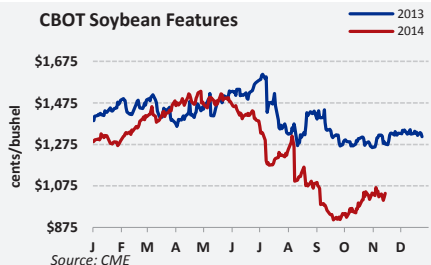
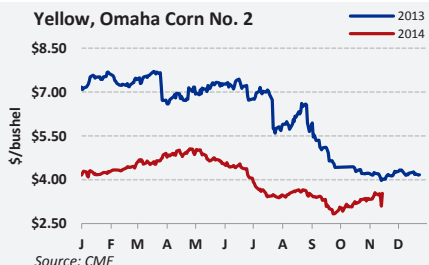
VEAL



VEAL COMMENTARY

Veal carcasses traded in light volume at mostly steady prices. Boxed veal cuts were steady to firmer. Year-to-date veal production is down about 14% compared to the equivalent time period for last year.

FEEDS: CORN, SOY BEAN, RED WHEAT



ALL NEW!

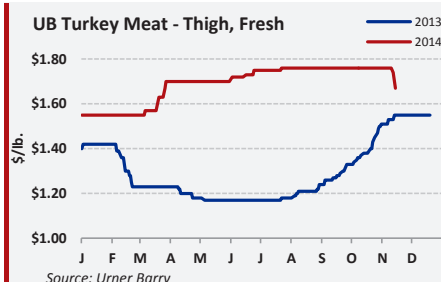
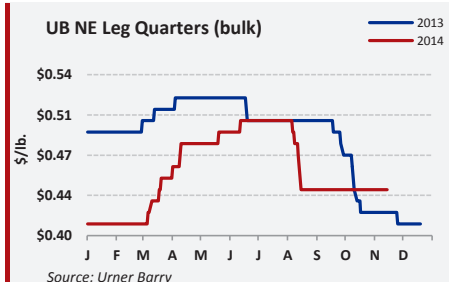
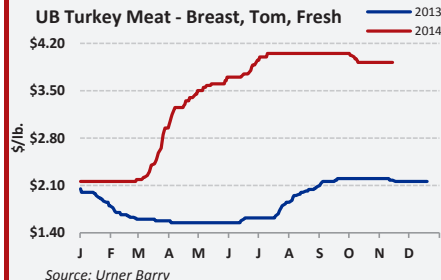
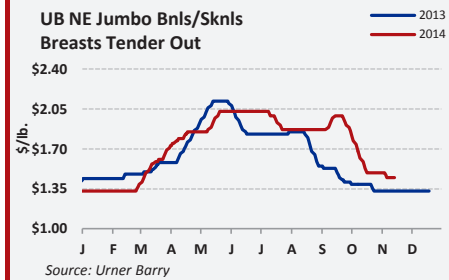
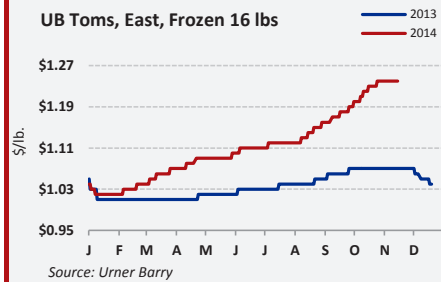
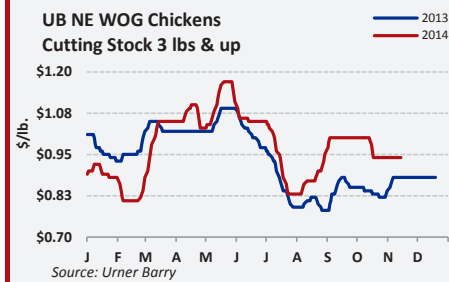
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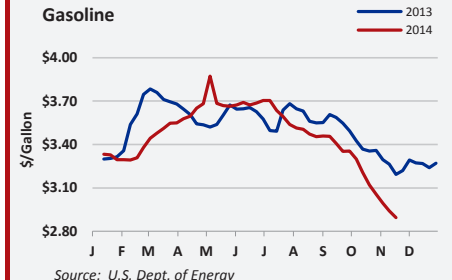
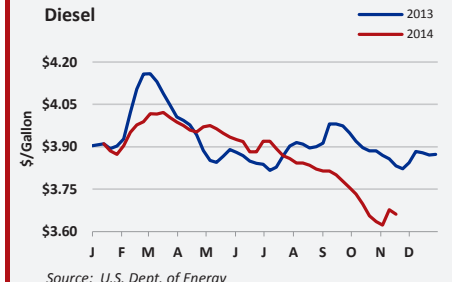
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POULTRY



ENERGY



POULTRY COMMENTARY

There isn't a lot of thought or serious discussion being generated as it focuses on the chicken market. Expectations are rarely if ever very high during this week prior to Thanksgiving and few are being disappointed. In truth the market is in good shape and has weathered the lead up to the holiday surprisingly well. Retail exposure is limited in keeping with the calendar. Movement is ok though and that's leaving most tray pack operations in decent balance at week's end. Of our quoted lines we find tenders, wings and leg meat to be most stable. For these items the slowly surfacing energy related to anticipated foodservice demand during shopping season is helping differentiate them from other less focused lines. Bone in and boneless breasts, wogs and chickens are adequate and "seasonable" probably summarizes both market sentiment and position.

As the turkey industry enters the weekend, processors are finishing up fresh whole bird season and tying up loose ends on the logistical front. Hens close the week rated as full steady

due to the very tight supply that's creating solid price support. Toms are more closely aligned with a steady undertone. Offerings of hens and toms for deliveries in time for Christmas are being pursued. Asked prices seem to resemble one another from plant to plant but a few pennies variance is noted from seller to seller. Outside of the whole bird situation activity is light. Drums and necks are each in the midst of a downward correction. We find a similar scenario to be in place for wings. Fresh parts move more consistently and at fairly steady prices. As a rule, the entire raw materials complex is starting to take on more seasonably expected traits and the undertone is softening.

ALL NEW!

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