

# WEEKLY Market Report



POWERED BY URNER BARRY'S COMTELL®

Friday, December 12, 2014

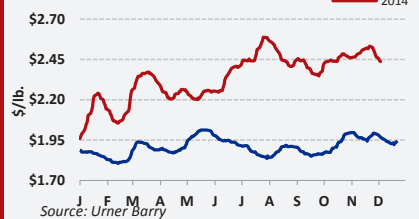
Number 50- Volume 07

## WEEKLY COMMODITY AT A GLANCE

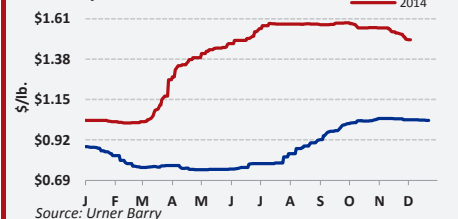
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.88	3.80	4.18
CBOT Soybean	1,047.25	1,036.00	1,327.50
NYMEX Light Crude Oil	57.81	65.84	96.60
Loose Lard, Chicago Basis	0.35	0.37	0.40
Edible Tallow, Chicago Basis	0.35	0.40	0.41
Beef Trimnings, 90% Fresh	296.00	303.00	202.00
Beef Trimnings, 50% Fresh	110.00	112.00	96.00
Aust/NZ Blend Cow 90% EC Spot	272.00	278.00	206.00
USDA Drop Credit	15.93	16.26	15.02
112A 3 Ribeye Roll, Lip-On CH	875.00	875.00	770.00
116A 3 Chuck Roll, Neck-Off CH	315.00	335.00	258.00
168 3 Round, Top (Inside) CH	298.00	315.00	228.00
180 3 Strip Loin, Bnls, 0x1 CH	560.00	560.00	480.00
136 Coarse Ground 73%	233.00	240.00	165.00
189A 4 Loin, Tenderloin, PS MO CH	1,100.00	1,220.00	1,265.00
Cattle-Fax, 6-State Fed Steer Price	171.50	172.68	132.60
Select Hams 20/23	94.00	98.00	91.00
Sq Cut Bellies 14/16	102.00	98.00	124.00
1/4 Trmd. Loins 21/dn	116.00	118.00	107.00
1/4 Tr Boston Butts 9/dn	120.00	119.00	104.00
Spareribs, Light, Fresh	165.00	166.00	142.00
Fresh Pork Trim (42%)	39.00	34.00	33.00
Fresh Pork Trim (72%)	77.00	75.00	65.00
Carcass Lamb Y4+55/65	354.00	354.00	295.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	855.00	855.00	745.00
Lamb Cuts, 206 Shoulder, Cross Cut	305.00	305.00	290.00
Lamb Cuts, 232 Loin Trmd 4x4	550.00	550.00	550.00
Lamb Cuts, 234 Leg, Boneless	545.00	545.00	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	1,110.00	900.00
Veal Cuts, 310 Shoulder Clod 14/20	820.00	780.00	640.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	785.00	785.00	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

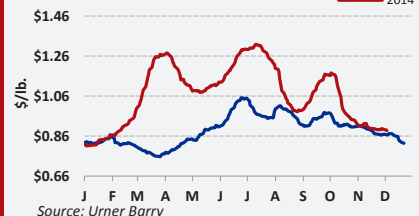
## Beef Index



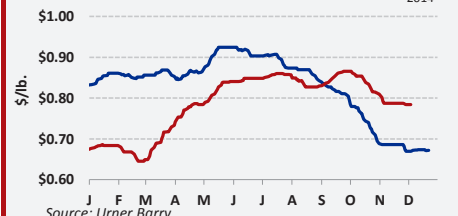
## Turkey Index



## Pork Cutout



## Chicken Index



## EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	111	113	112	110	106	14	566
LW	111	111	106	110	105	19	562
*LY	118	121	122	114	115	18	608

## EST. DAILY HOG SLAUGHTER

	TW	LW	*LY
TW	430	429	429
LW	431	430	428
*LY	433	437	431

## EST. DAILY SHEEP SLAUGHTER

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

## 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	11/28	11/29	12/1	12/2	12/3	12/4	
TW	12/5	12/6	12/8	12/9	12/10	12/11	
*LY	27	7	26	25	26	25	136

\*Last Year's numbers are rounded

## FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.825	0.833	0.895
Mexico, Peso	14.712	14.376	12.900
Canada, Dollar	1.157	1.143	1.059
Japan, Yen	118.671	121.341	103.147
China, Yuan (RMB)	6.186	6.150	6.071
Brazil, Real	2.656	2.589	2.332
South Korea, Won	1,102.900	1,121.070	1,054.600
Taiwan, Dollar	31.325	31.285	29.613
European Union, Euro	1.245	1.229	1.373

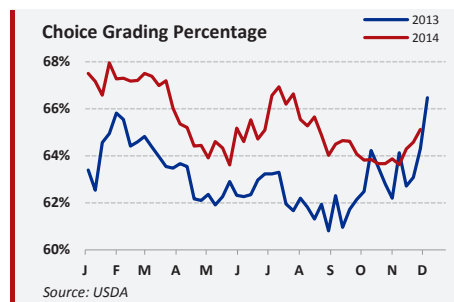
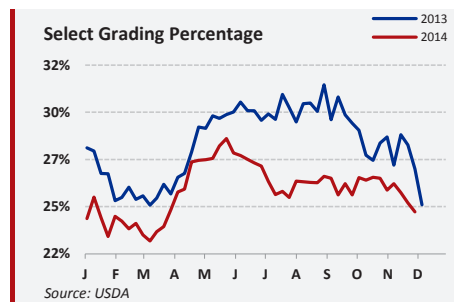
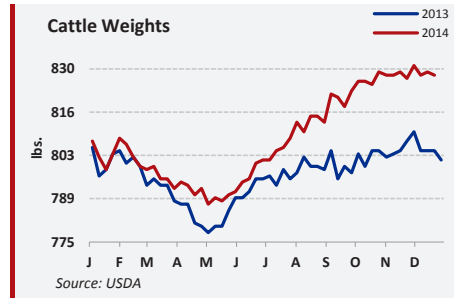
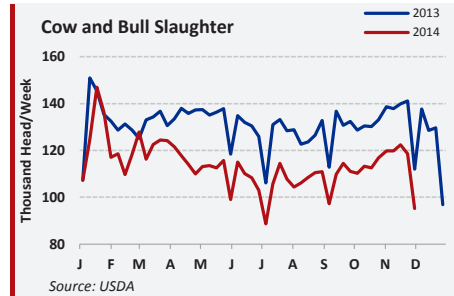
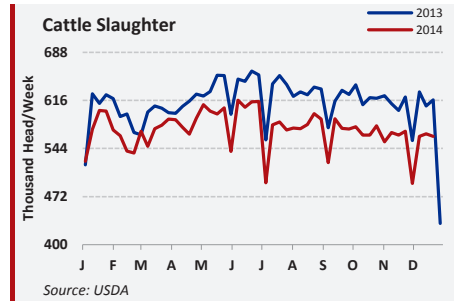
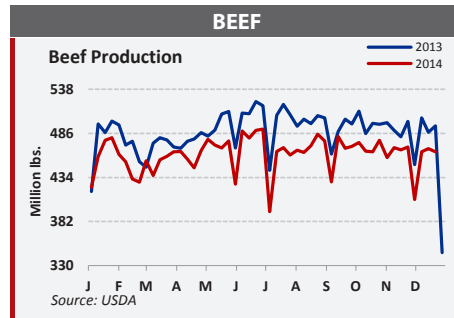
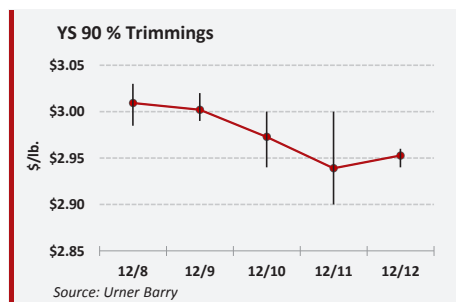
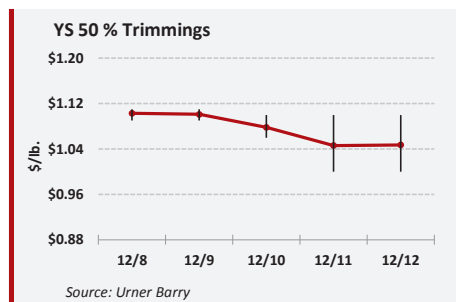
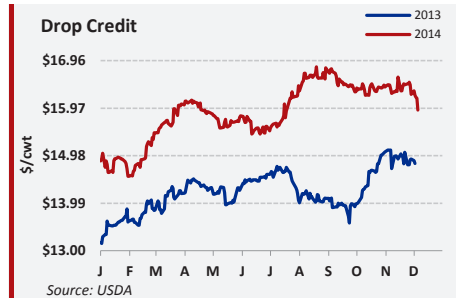
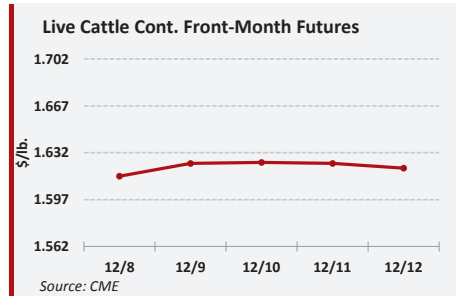
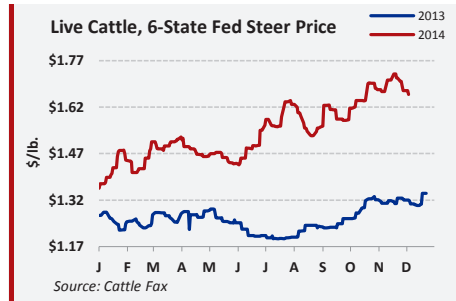
## COLD STORAGE STOCKS

(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
<b>Total Beef</b>	<b>440,106</b>	<b>374,170</b>	<b>374,868</b>
<b>PORK &amp; OTHER</b>	<b>10/31/13</b>	<b>9/30/14</b>	<b>10/31/14</b>
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
<b>Total</b>	<b>565,020</b>	<b>544,822</b>	<b>524,769</b>
Veal in Freezer	3,885	2,326	3,549
Lamb & Mutton in Freezer	23,967	39,693	38,663
<b>Total</b>	<b>27,852</b>	<b>42,019</b>	<b>42,212</b>

Data Updated: November 21, 2014



YS BEEF CUTOUT Dec-12 v. Dec-05				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	-1.42%	-1.79%	-3.40%	-1.04%
Chuck	-2.75%	-2.55%	-2.13%	-3.90%
Round	-3.41%	-2.60%	-2.70%	-2.69%
Loin	-3.16%	-4.15%	-3.08%	-1.21%
Brisket	-0.63%	-0.64%	-0.64%	0.64%
Plate	-0.59%	-0.59%	-0.59%	-1.14%
Flank	-2.88%	-2.94%	-2.94%	-3.35%
Total	-2.56%	-2.65%	-2.54%	-2.11%



## BEEF COMMENTARY

Nothing was spared this week as packers looked to clear excess product amid the softened demand by offering aggressive discounts. Items that have been carrying the cutout for the last few weeks, such as the ribeye and tenderloin, took the biggest hits. With discounts expected to continue on these items, packers will look to other products to help maintain values the best they can.

**LIVE CATTLE:** The cattle markets were once again pressured lower significantly by a declining cutout and expectations that wholesale markets will continue to erode amid consumer weakness and high prices. Live cattle traded mostly \$4.00/cwt lower between \$162.00/cwt and \$164.00/cwt; while dressed from \$255.00/cwt to \$260.00/cwt (mostly between \$255.00/cwt and \$257.00/cwt.). Last week's sales were between \$166.00/cwt and \$168.00/cwt on a live basis, and \$263.00/cwt and \$264.00/cwt dressed.

**SLAUGHTER & BEEF PRODUCTION:** The weekly F.I. Slaughter was assessed at 566,000 head. This compared to last week's slaughter of 562,000 head and last year's 608,000 head. Live cattle estimated weights for last week were once again one pound higher to 1367 pounds. Dressed carcass weights also edged one pound higher to 829 pounds.

**RIBS:** Ribs only edged lower but as the week progressed it became more and more apparent that the demand we have seen was coming to a halt. With holiday buying now complete, it is expected that prices should adjust lower into the end of the year at a swifter pace.

**CHUCKS:** The chuck complex was not immune to the red seen throughout the beef world this past week. However, some items seemed to find a floor as recent discounts helped clear product. With other items falling quickly, packers are looking to others to help maintain the cutout. Shoulder clods were one of those items.

**ROUNDS:** End cuts followed the same path this week. With that, it is no surprise that rounds were lower. It continued to take discounts for buyers to step in to the market. As with chucks, packers have better positioned themselves after weeks of losses.

**LOINS:** Loin values fell sharply from week ago levels. While strips and short loins were generally steady, the significant discounts on what has been a leader, tenderloins, outweighed anything else in the complex.

**BONELESS BEEF:** Fresh 50s trended lower as the week developed. The weakness in that market was largely attributed to supplies outpacing the current demand. This week's cattle slaughter was estimated at 566,000 head. The market for fresh 90s was mixed. There was a lot of uncertainty in the market due to a combination of large discounts on imported product and demand varied from region to region.

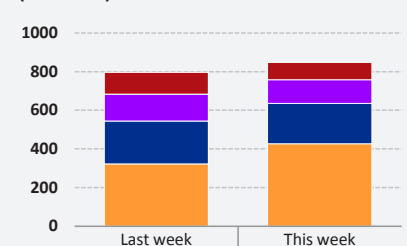
## YS BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

	M	T	W	TH	F
TW	13.87	12.98	12.70	12.74	12.68
*LW	12.58	12.55	12.43	12.82	12.78

\*Last Week's numbers are rounded

Weekly Beef Breakdown  
(# of loads)

1 load = 40,000 lbs.

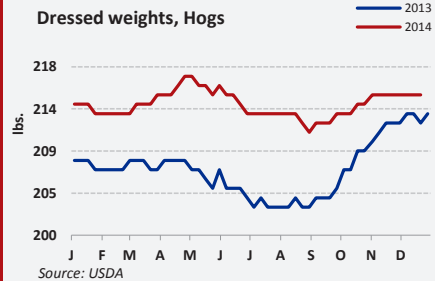
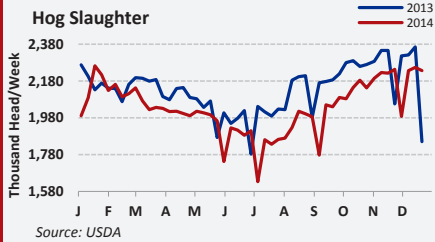


Trim	112.94	89.22
Grind	138.58	123.16
SE	222.37	208.50
CH	322.70	426.48

Source: USDA

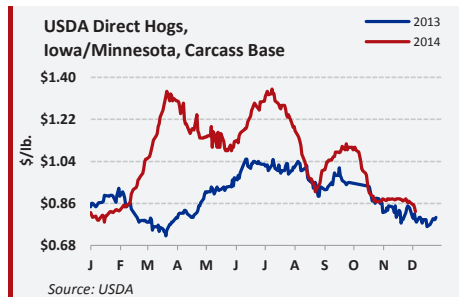
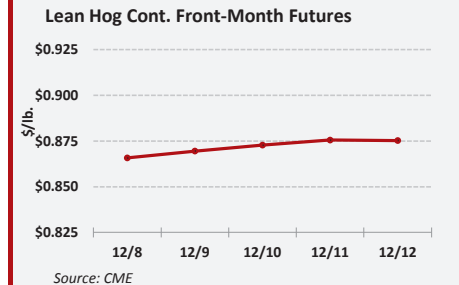
Friday, December 12, 2014

## PORK PRODUCTION



## LIVE HOGS &amp; CUTOUT

PORK CUTOUT	Dec-05	Dec-12	Change
Loin	23.54	23.7	0.16
Butt	9.739	9.57	-0.169
Picnic	9.125	9.534	0.409
Sparerib	6.622	6.622	-
Ham	22.127	20.631	-1.496
Belly	15.148	15.776	0.628
<b>Cutout Value</b>	<b>89.228</b>	<b>88.809</b>	<b>-0.419</b>



## PORK COMMENTARY

A dull, wholesale pork market led to a cutout which was little changed from last week. Urner Barry's pork carcass cutout fell \$.42/cwt this week; going from \$89.23/cwt to \$88.81/cwt. During the same timeframe, Iowa Minnesota carcasses fell by 5 percent. The Urner Barry pork packer margin index for standard operations ranged between \$9.51 and \$17.51/ head over the course of the week.

**PORK PRODUCTION:** Total pork production for the week ending December 13, 2014 was estimated at 484.2 million lbs. This total was .8 percent above last week, but 2.1 percent below the same week a year ago. Average hog weights, at 287 pounds, were even with last week and 3 pounds over last year.

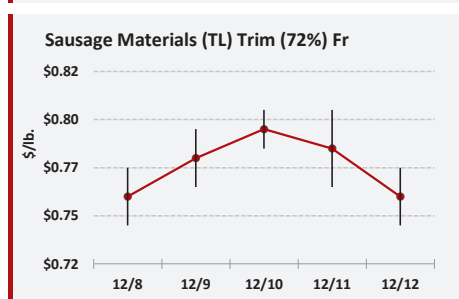
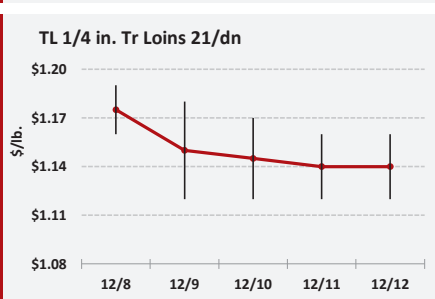
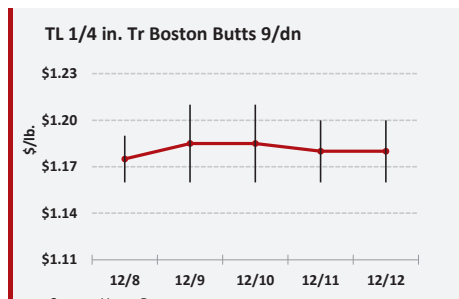
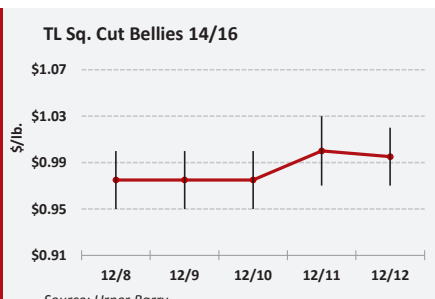
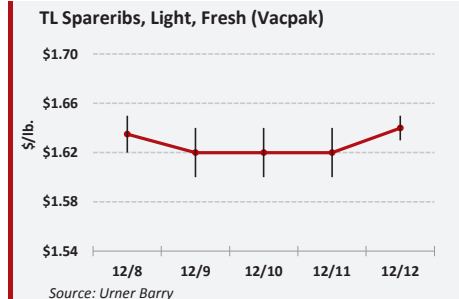
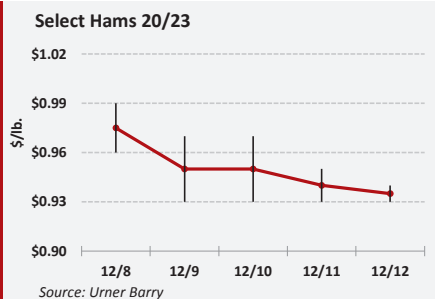
**HAMS:** Both bone-in and boneless hams declined this week as the holiday grew nearer. With domestic demand sliding and Mexican interest remaining subpar due largely to the strong dollar, there was consistent pressure seen for most of the session. By Friday, 17 through 23lb hams lost between 3.5 and 4 percent or \$.40/cwt. Meanwhile, heavy hams which are the most abundant due to high hog weights, declined by a much more substantial 11 percent or \$10.00/cwt.

**BELLIES:** Bellies were supported this week through manageable fresh supplies and consistent retail interest while food service demand showed signs of slowly improving. Over the course of the week, square-cut 12 to 20lb bellies gained 4 to 6.4 percent or \$.40 to \$.60/cwt.

**TRIMMINGS:** Like bellies, trimmings saw a good deal of support this week with most packers able to get current on 42's and 72's. With less availability, 42's gained 18 percent or \$.60/cwt by Friday while 72's appreciated by close to 3 percent or \$.20/cwt. Boneless picnics were up 2 percent or \$.20/cwt. Some concerns have been noted for next week over more abundant supplies as pre-holiday demand wanes.

**RETAIL:** Movement of fresh pork products continues to lag expectations. Buyers have been operating largely hand-to-mouth, and focused solely on immediate needs, unless product is made available at a sharp discount. This has resulted in a continual supply imbalance, offerings that vary quite a bit from seller-to-seller, wide ranges of trade, and a generally weak bias. This week, bone-in loins were narrowly mixed; the 1/4" variety were down \$.20/cwt, while the 1/8" trimmed product was up \$.30/cwt. Bone-in centers were off \$.10 to \$.50/cwt, and boneless loins narrowly mixed. Tenderloins values held, and sirloins ranged steady/slightly firm. The Picnic continues to be the exception, where seasonal demand is price supportive. Butts continued to be somewhat problematic for sellers; a lack of buyer interest is keeping the market rather well supplied. While commodity butts closed Friday on-par with week ago levels, the value on other items fell \$.30 to \$.40/cwt. Spareribs were narrowly mixed. Some support appears lost to less manufacturing activity, at least for the moment. St. Louis Ribs and Loin Back Ribs continued to trade in-range.

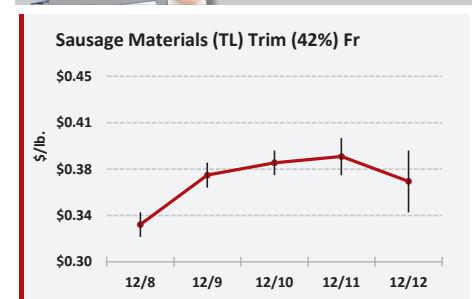
## PORK PROCESSING ITEMS &amp; RETAIL CUTS



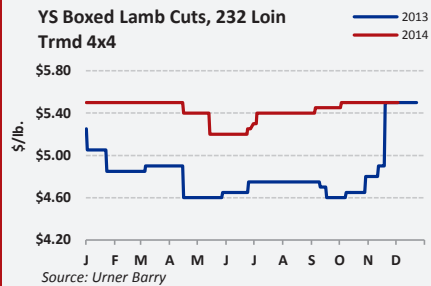
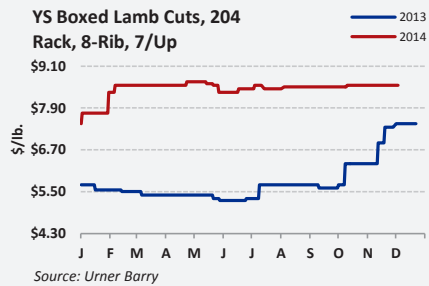
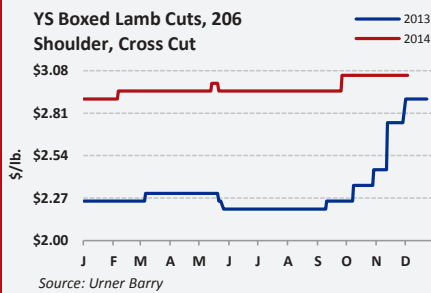
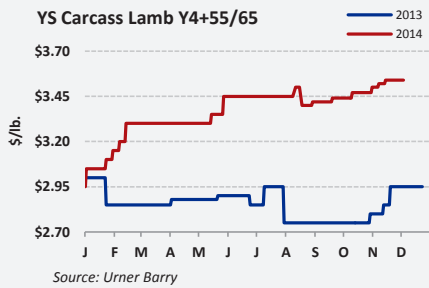
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THE MEAT BUYER'S GUIDE



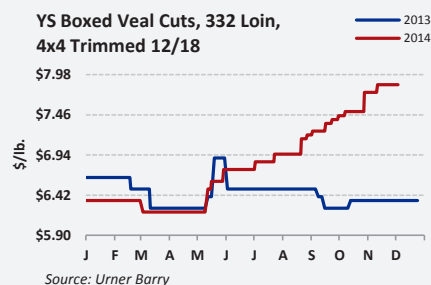
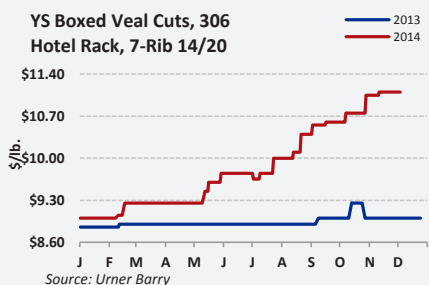
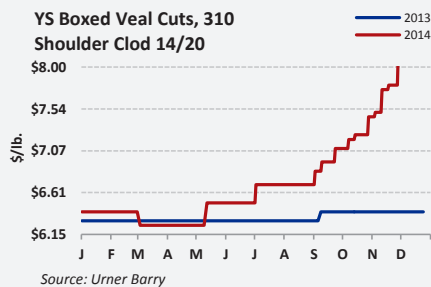
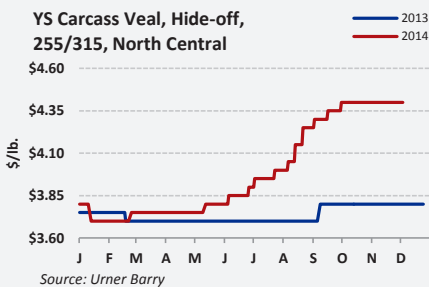
## LAMB



## LAMB COMMENTARY

Lamb carcasses traded this week at mostly steady price levels. Boxed cuts were largely unchanged. Trading activity was moderate at best.

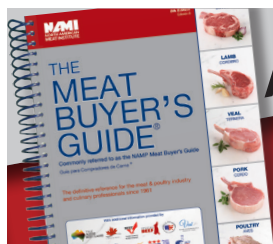
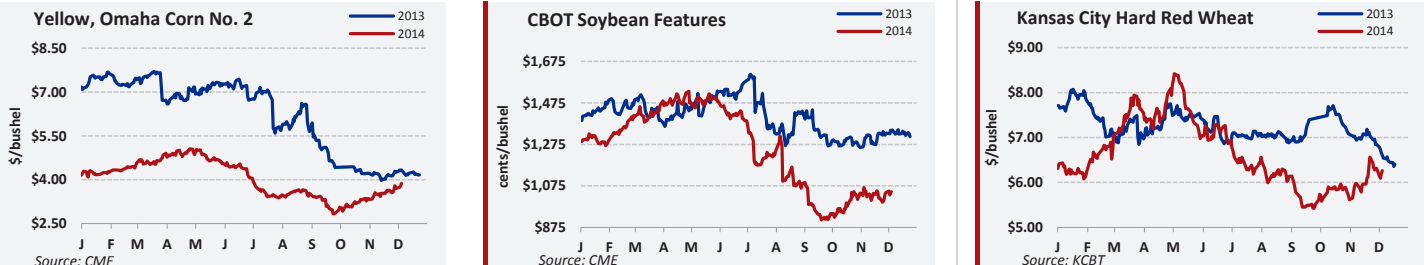
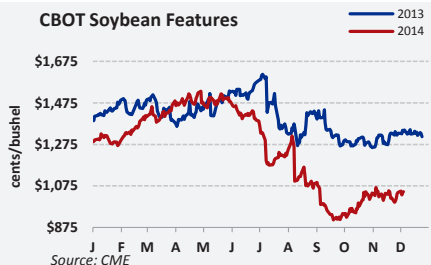
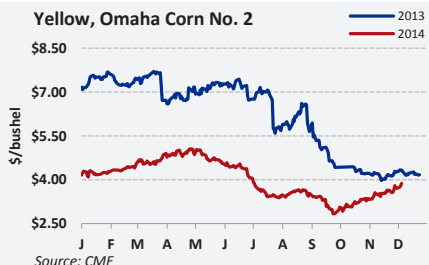
## VEAL



## VEAL COMMENTARY

Veal carcasses settled at mostly steady price levels. Boxed cuts were mostly steady. Premiums were noted some of the shoulders.

## FEEDS: CORN, SOY BEAN, RED WHEAT



**ALL NEW!**

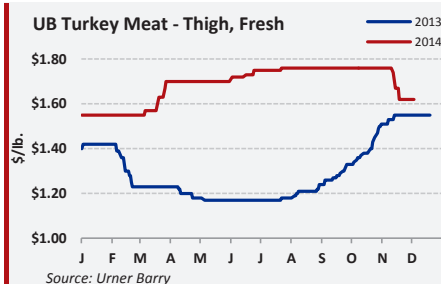
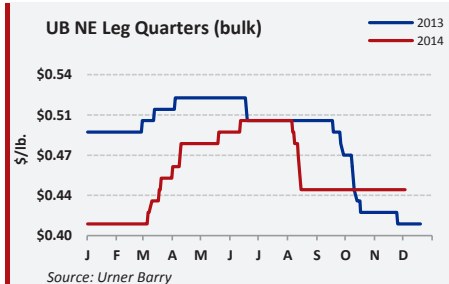
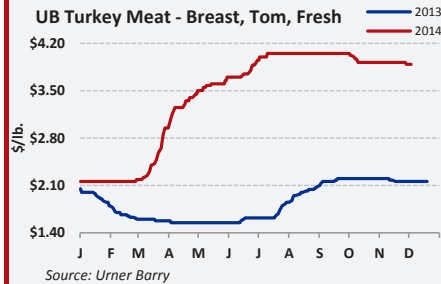
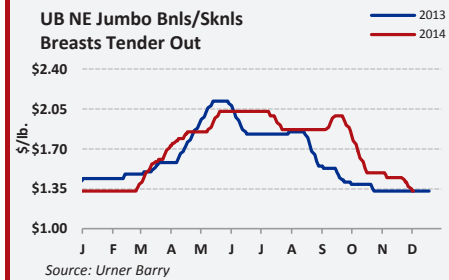
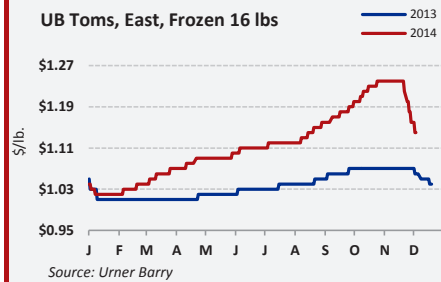
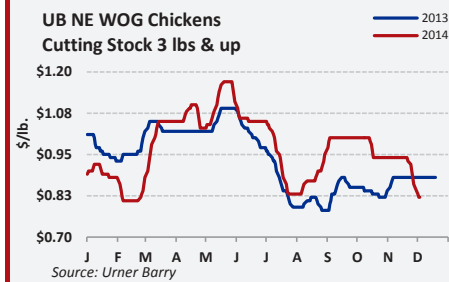
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## POULTRY



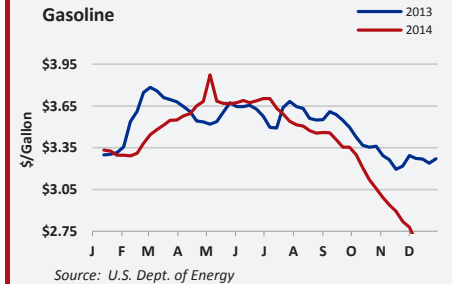
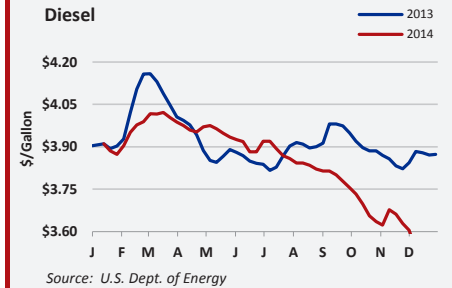
## POULTRY COMMENTARY

The chicken complex is struggling as increased bird weights continue to add more and more unwanted product to the mix. According to the USDA's most recent Live Poultry Slaughter Report, the industry is still facing excessive amounts of ready-to-cook weight. This, of course, has come at a time of year when demand is typically anything but impressive. Spot market needs for whole birds, WOGs, boneless breast meat, tenders, and wings remain basic to dull depending on the size and region. Throughout the week, offerings have become better balanced as processors continue to take frozen positions however, trading levels have yet to fully settle for the majority of lines. As for the back half of the bird, supplies of bone-in and boneless lines are deemed adequate to fully adequate. Reported sales suggest that sellers are still able to find some support at our listed levels, but legs, drumsticks and leg quarters look like they may be beginning to teeter.

The past week for the turkey industry has been less than eventful. Seasonable influences are rising to the surface and weaker undertones prevail. Drums are identified as being on the

weak side with discounting necessary to attract near term business. Whole wings are steadier than drums but not steady and necks continue to exhibit a soft undertone. Whole birds are unchanged today but recently on the decline. Here we find mixed but decreasing levels of buyer interest. Some have approached 2015 needs but only on a cursory level. Raw materials are rated as seasonable. Offerings of frozen tom breast meat are easing and where supplies have surfaced, offerings at discount are reported. Fresh needs are a little livelier given the down time associated with Christmas and its impact on slaughter and production schedules. Thigh meat closes the week unchanged and unsettled.

## ENERGY



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