

# WEEKLY Market Report

**NAMI**  
NORTH AMERICAN  
MEAT INSTITUTE

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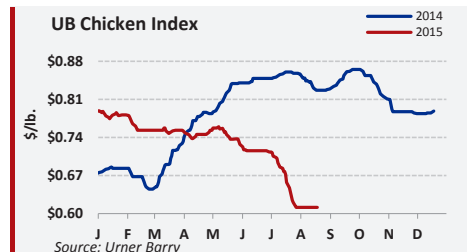
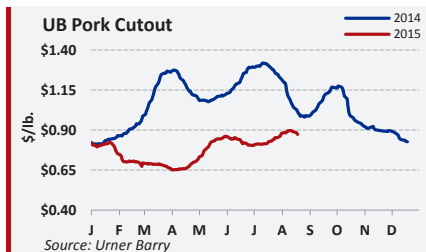
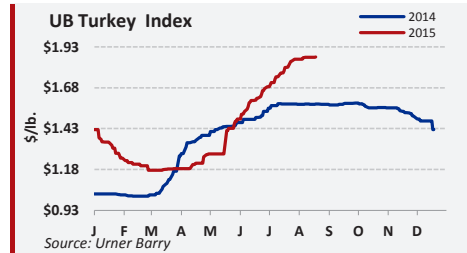
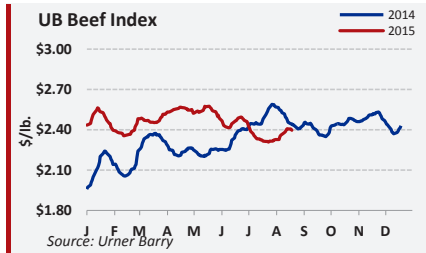
Friday, August 21, 2015

Number 34- Volume 08

## WEEKLY COMMODITY AT A GLANCE

	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.65	3.56	3.66
CBOT Soybean	905.25	936.25	1,166.00
NYMEX Light Crude Oil	40.45	42.50	93.65
Loose Lard, Chicago Basis	0.31	0.31	0.47
Edible Tallow, Chicago Basis	0.32	0.30	0.41
Beef Trimmings, 90% Fresh	284.00	285.00	298.00
Beef Trimmings, 50% Fresh	72.00	80.50	143.50
Aust/NZ Blend Cow 90% EC Spot	244.00	246.00	286.00
USDA Drop Credit	12.44	12.50	16.83
112A 3 Ribeye Roll, Lip-On CH	800.00	785.00	720.00
116A 3 Chuck Roll, Neck-Off CH	328.00	334.00	310.00
168 3 Round, Top (Inside) CH	310.00	317.00	316.00
180 3 Strip Loin, Bnls, 0x1 CH	685.00	640.00	660.00
136 Coarse Ground 81%	250.00	246.00	265.00
189A 4 Loin, Tenderloin, PSMO CH	1,200.00	1,170.00	1,120.00
Cattle-Fax, 6-State Fed Steer Price	150.17	150.86	155.23
Select Hams 20/23	76.00	71.00	103.00
Sq Cut Bellies 14/16	170.00	179.00	118.00
1/4 Trmd. Loins 21/dn	106.00	115.00	142.00
1/4 Tr Boston Butts 9/dn	88.00	89.00	151.00
Spareribs, Light, Fresh	160.00	163.00	169.00
Fresh Pork Trim (42%)	28.00	31.00	43.00
Fresh Pork Trim (72%)	45.00	46.00	100.00
Carcass Lamb Y4+55/65	350.00	350.00	340.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	780.00	780.00	850.00
Lamb Cuts, 206 Shoulder, Cross Cut	290.00	290.00	295.00
Lamb Cuts, 232 Loin Trmd 4x4	540.00	540.00	540.00
Lamb Cuts, 234 Leg, Boneless	550.00	550.00	510.00
Carcass Veal, Hide-off, 255/315, NC	465.00	465.00	415.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	1,075.00	1,075.00	1,010.00
Veal Cuts, 310 Shoulder Clod 14/20	845.00	845.00	670.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	790.00	790.00	695.00
Veal Cuts, 348A Leg, TBS 3-Pc 24/32	1,290.00	1,290.00	1,160.00

Quotes represent the high side of Friday's trading range



### EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	105	110	107	107	105	6	540
LW	107	112	101	109	103	8	540
*LY	108	115	117	116	116	23	596

### EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	423	418	420	427	406	132	2,226
LW	426	423	425	427	404	108	2,213
*LY	408	409	405	406	343	31	2,002

### EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	9	9	7	8	6	0	39
LW	9	6	7	8	6	0	36
*LY	9	9	7	8	6	0	39

### EST. DAILY CALVES SLAUGHTER

	M	T	W	TH	F	S	Total
TW	2	2	2	1	1	0	8
LW	2	2	2	1	1	0	8
*LY	2	2	2	2	2	0	10

### EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	8/7	8/8	8/10	8/11	8/12	8/13	98
TW	19	0	16	22	20	21	98
*LY	18	1	17	21	20	21	98
*LY	21	3	19	21	21	21	106

\*Last Year's numbers are rounded

The USDA's monthly cattle-on-feed report released Friday afternoon showed the number of animals in the nation's feedyards as of Aug. 1 at 2.6% above a year ago, smack on the average of analysts' estimates. Placements of young cattle into the feedyards in July were reported at 1.547 million head, or 99.2% of a year ago. USDA reported 10,002 million head in the nation's feedyards, down from 10.236 million the previous month. USDA reported marketings last month at 1.725 million head, 3.5% below a year ago. The data were considered neutral to slightly supportive for cattle futures when trading resumes Monday based on the lighter placements.

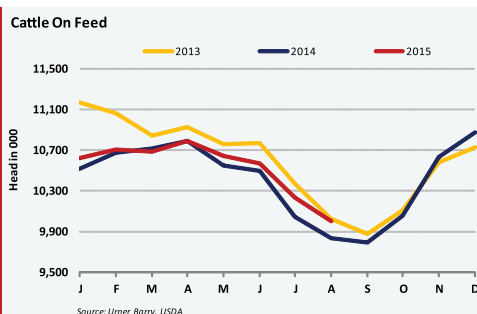
## FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.733	0.737	0.932
Mexico, Peso	16.911	16.389	13.135
Canada, Dollar	1.316	1.309	1.094
Japan, Yen	122.269	124.296	103.915
China, Yuan (RMB)	6.389	6.397	6.151
Brazil, Real	3.488	3.486	2.282
South Korea, Won	1,193.100	1,177.750	1,019.470
Taiwan, Dollar	32.655	32.129	29.977
European Union, Euro	1.135	1.110	1.325

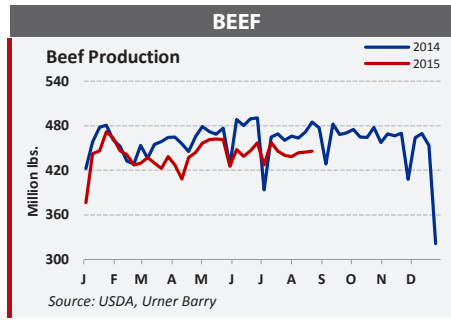
## COLD STORAGE STOCKS

(Pounds in Thousands)	7/31/14	6/30/15	7/31/15
Beef in Freezer, Bnls	328,572	435,353	416,388
Cuts	39,370	38,832	38,740
<b>Total Beef</b>	<b>367,942</b>	<b>474,185</b>	<b>455,128</b>
<b>PORK &amp; OTHER</b>	<b>7/31/14</b>	<b>6/30/15</b>	<b>7/31/15</b>
Pork in Freezer, Picnics	6,909	8,757	9,680
Hams	148,905	180,473	206,760
Bellies	64,644	44,432	23,634
Loins	24,275	37,408	34,042
Spareribs	55,140	73,022	75,580
Butts	21,116	22,018	23,139
Trimmings	42,413	47,263	44,178
Other Pork in Freezer	87,745	101,562	98,886
<b>Total</b>	<b>533,259</b>	<b>634,525</b>	<b>635,166</b>
Veal in Freezer	3,952	3,291	3,850
Lamb & Mutton in Freezer	33,968	35,470	39,064
<b>Total</b>	<b>37,920</b>	<b>38,761</b>	<b>42,914</b>

Data Updated: August 21, 2015

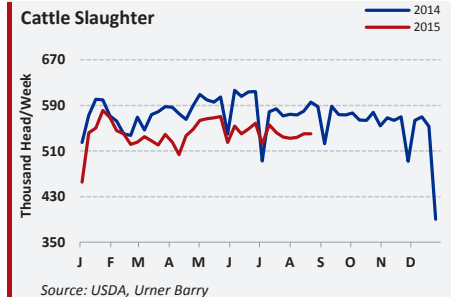
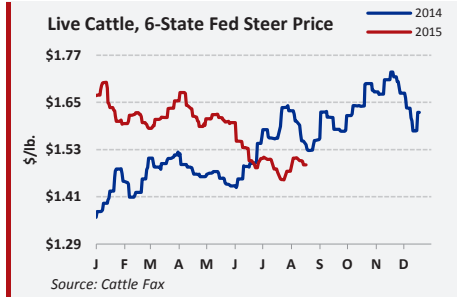


UB BEEF CUTOUT Aug-21 v. Aug-14				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	2.56%	0.54%	-0.85%	4.74%
Chuck	-0.25%	-1.09%	-0.17%	0.36%
Round	-1.93%	-1.70%	-1.65%	-0.68%
Loin	2.98%	0.87%	-1.51%	4.21%
Brisket	-0.55%	-0.55%	-0.55%	0.42%
Plate	-2.58%	-2.57%	-2.57%	-0.30%
Flank	-2.25%	-1.99%	-1.72%	1.00%
<b>Total</b>	<b>0.62%</b>	<b>-0.50%</b>	<b>-1.11%</b>	<b>1.95%</b>

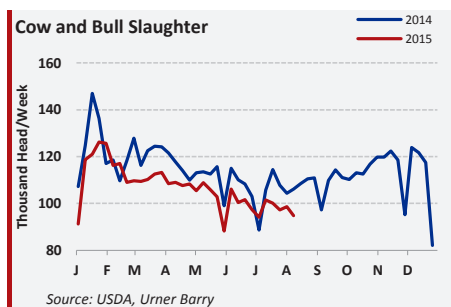
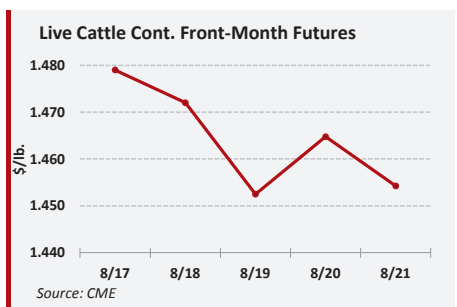


**BEEF COMMENTARY**

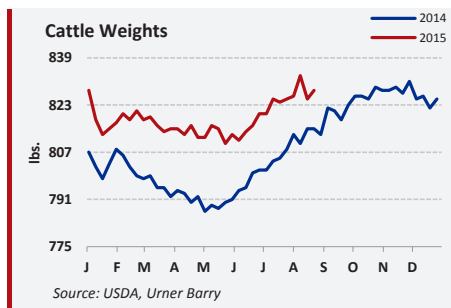
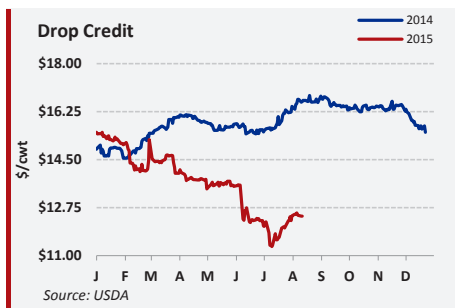
Beef processors at the start of the week were optimistic when viewing the potential gains with cutout values. As the week progressed, demand for end cuts and thin meats was suppressed to the point where negative pressure on the spot market cutout value, and early week gains with cutouts were given back. Middle meats have found support, as supplies remain tight given the current call for both spot shipment and forward delivery. Ground beef demand was seasonally average.



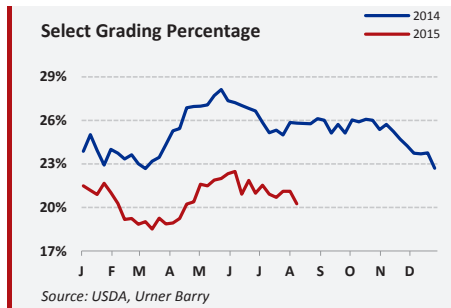
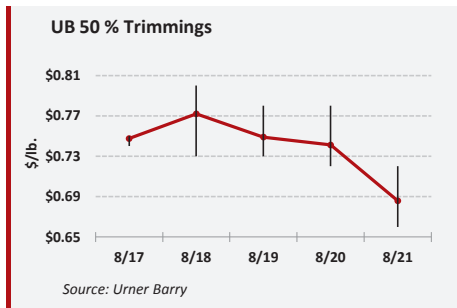
**LIVE CATTLE:** Sales of market-ready cattle in the North developed earlier in the week, while trading in the South developed in very scattered volume came about on Friday at \$147/cwt. The live animal sold in Northern sale barns at \$145/cwt to \$149/cwt; the dressed carcass selling at \$232/cwt to \$234/cwt. Prices were mostly \$2/cwt to \$4/cwt below the previous week's trading ranges.



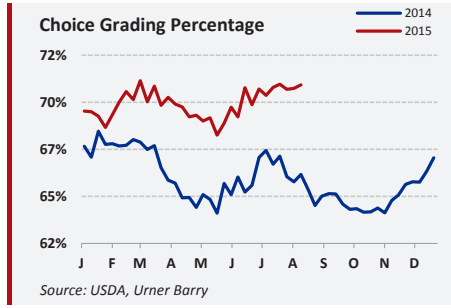
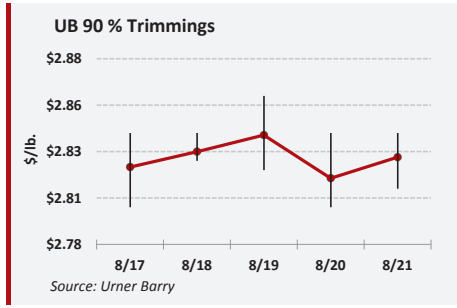
**SLAUGHTER & BEEF PRODUCTION:** The Weekly F.I. Slaughter tallied 540,000 head, the exact amount processed the week prior. Live cattle weights posted another 3 pound gain to now tip the scales at 1353 pounds. The dressed carcass weight also bounced 3 pounds up, now at 828 pounds.



**RIBS:** Choice and Select rib cutout values advanced, with choice finding a sharp move higher. Buyers were looking to take on inventory prior to the Labor Day holiday. Urner Barry's Choice Rib Cutout gained 2.56%, or \$8.62.



**CHUCKS:** Chucks struggle late in the week, giving back the early week gains. Clods and rolls all found discounting to clear product ahead of the weekend.



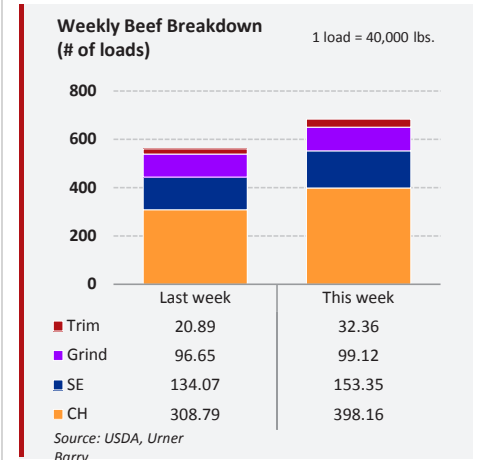
**ROUNDS:** Buyers stepped away from the market this week, after last week's fairly robust level of demand. Insides, flats and eye rounds all edged lower in value.

**LOINS:** Loin values bounced higher again this week, with the Choice Cutout moving almost 3% higher. Strips, short loins, and peeled tenderloins all found strong interest.

**BONELESS BEEF:** Fresh 50s were mixed this week. Supplies were reportedly readily available in some areas. This week's cattle slaughter was steady with the previous week at 540,000 head. Year-to-date beef production is down 4.8% compared to the equivalent time period last year. Leaner boneless beef was generally steady to a little higher in some instances.

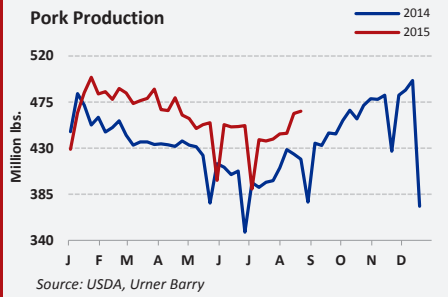
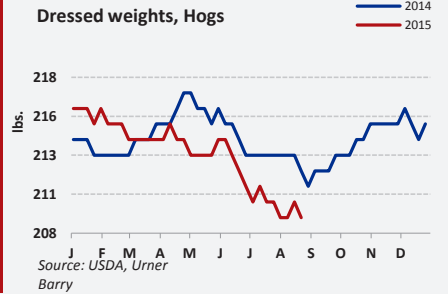
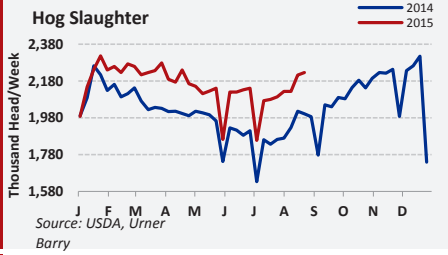
UB BEEF CUTOUT-CH/SE SPREAD (\$/cwt)					
	M	T	W	TH	F
TW	9.60	9.65	9.66	10.58	10.89
*LW	5.54	6.46	7.64	8.31	8.22

\*Last Week's numbers are rounded



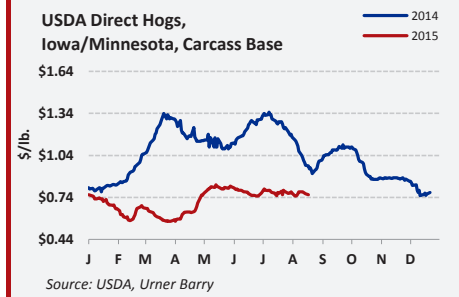
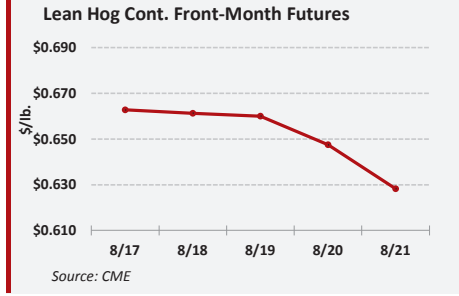
Friday, August 21, 2015

**PORK PRODUCTION**



**LIVE HOGS & CUTOUT**

PORK CUTOUT	Aug-14	Aug-21	Change
Loin	24.319	23.188	-1.131
Butt	7.9	7.759	-0.141
Picnic	5.209	4.918	-0.291
Sparerib	7.401	7.298	-0.103
Ham	15.904	16.472	0.568
Belly	27.24	25.892	-1.348
<b>Cutout Value</b>	<b>89.779</b>	<b>87.323</b>	<b>-2.456</b>



**PORK COMMENTARY**

Once again, hogs performed more poorly than wholesale pork values this week, leaving profitability and the incentive to run large slaughterers intact. The Urner Barry cutout started at \$89.78/cwt and closed Friday at \$87.32/cwt. Meanwhile, Iowa-Minnesota hogs moved from \$77.41/cwt last Friday to \$74.98/cwt this Friday on a weighted average basis. According to the Urner Barry Pork Packer Margin Index, standard operation margins ranged between \$18.81 and \$22.55/head.

**PORK PRODUCTION:** Total pork production for the week ending August 22, 2015 was estimated at 466 million lbs. This total was .5 percent above the previous week and 9.8 percent over the same week a year ago. Average hog weights, at 279 pounds, were even with last week and four pounds less than last year.

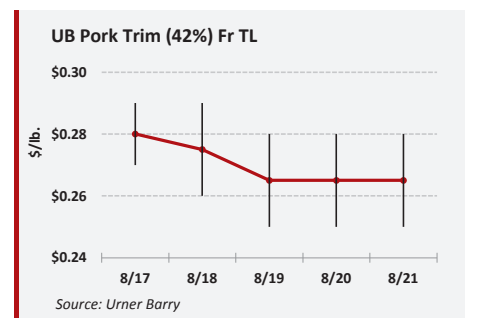
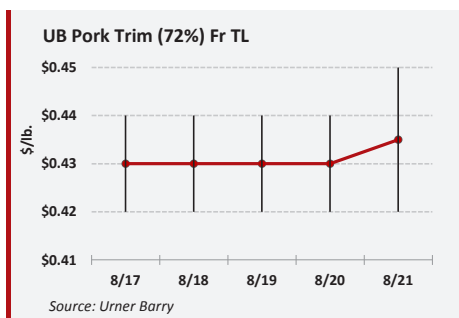
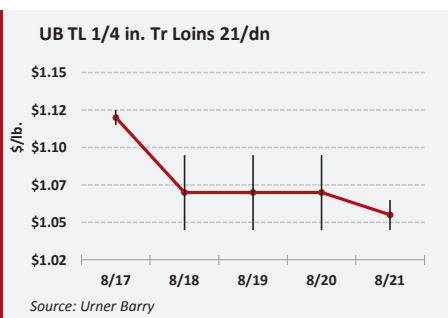
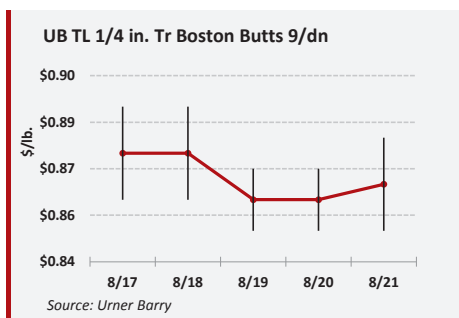
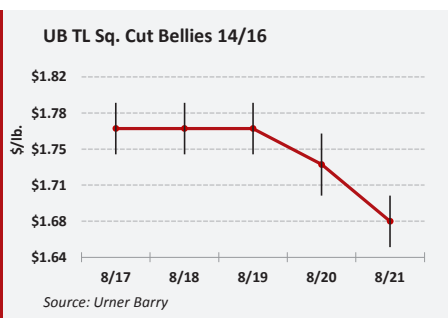
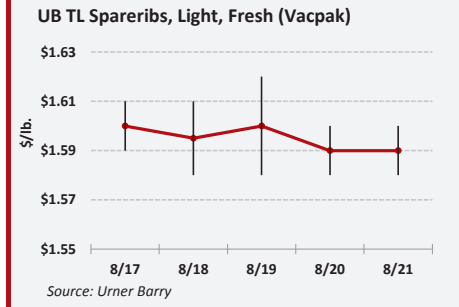
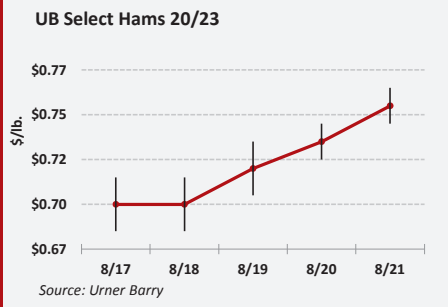
**HAMS:** Bone-in hams were well supported throughout the week. Seasonal interest, limited fresh supplies and demand from Mexico helped bring premiums of \$3.00 to \$5.00/cwt over the course of the week.

**BELLIES:** Bellies appear to have turned the corner this week, with buyer pushback noted following several months of uninterrupted premiums. Offerings have begun to emerge and sales have been noted to be more difficult than in past weeks. By Friday, skin-on square cut bellies lost \$5.00 to \$9.00/cwt while skinless bellies declined by \$10.00 to \$11.00/cwt.

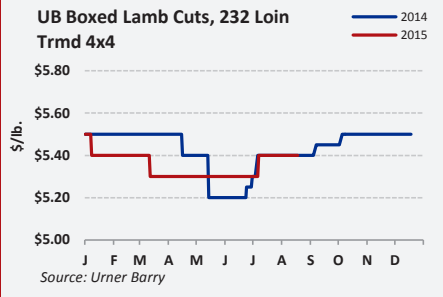
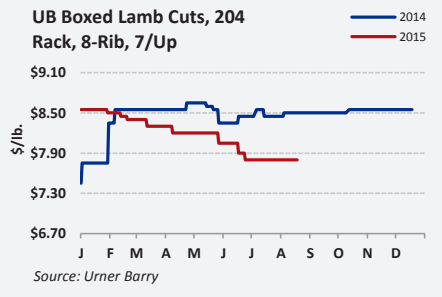
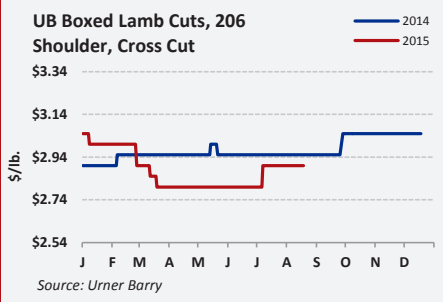
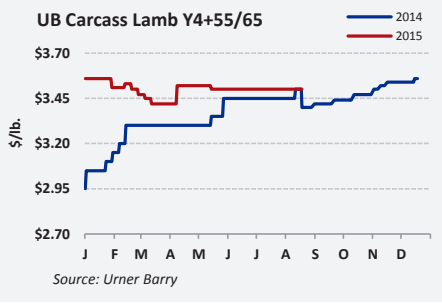
**TRIMMINGS:** Trimmings continued to be sold lower this week as high pork production levels were met with sluggish further processor demand. Fresh 42s declined by \$3.00 while 72s lost \$5.00/cwt. Boneless picnics were unsettled throughout the week fell \$8.00/cwt.

**RETAIL:** Market values slowly eroded throughout the course of the week given the recent lack of buying interest and high rate of slaughter. Modest in recent sessions, the weakness has been steady in the loin and butt complexes. This week, bone-in loin values fell \$8.00 to \$9.00/cwt, bone-in centers \$1.00 to \$2.00/cwt and boneless centers \$7.00 to \$9.00/cwt. The balance of the loin complex was also weak. Picnic values also fell, while renewed interest in cushion meat remained price supportive. The various cutting styles of butts fell another \$1.00 to \$3.00/cwt. Fresh spareribs have found some support in advance of the upcoming summer holiday, but recent price actions have been inconsistent. Trade in rib type items was mixed; failing to gain expected momentum ahead of the upcoming holiday. Meanwhile, St. Louis Ribs and Loin Back Ribs continued to trade within previously listed levels.

**PORK PROCESSING ITEMS & RETAIL CUTS**

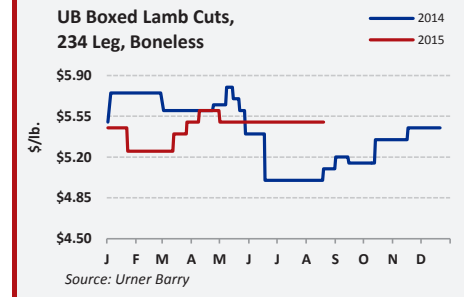


**LAMB**

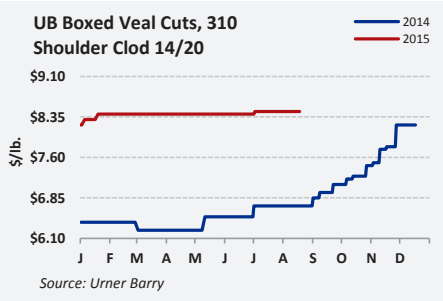
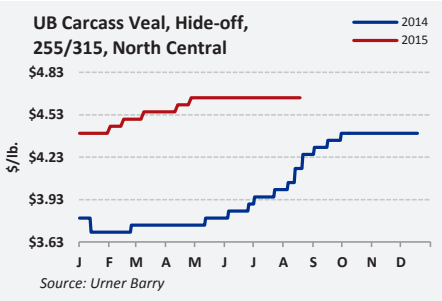


**LAMB COMMENTARY**

Lamb carcasses settled at mostly steady price levels. Boxed cuts traded in light volume within the previously quoted price ranges. Year-to-date lamb production is down 5.4% compared to the same time period for 2014.

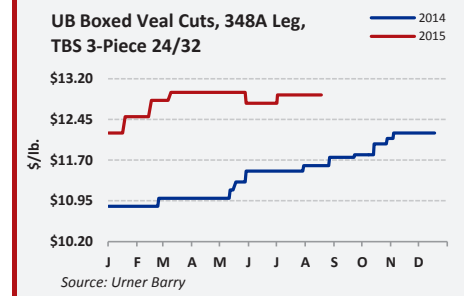
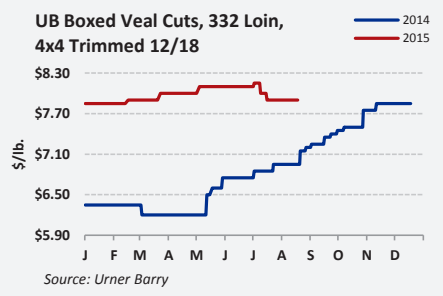
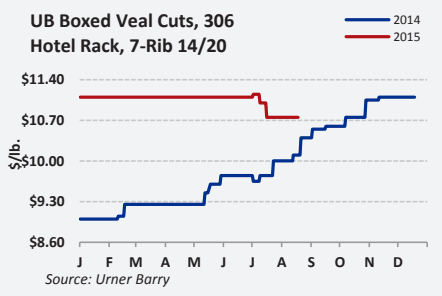


**VEAL**

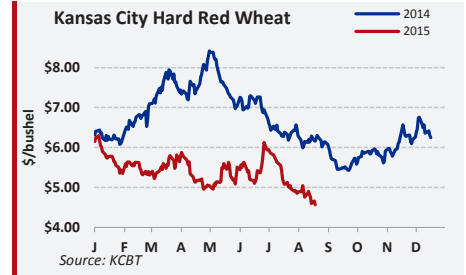
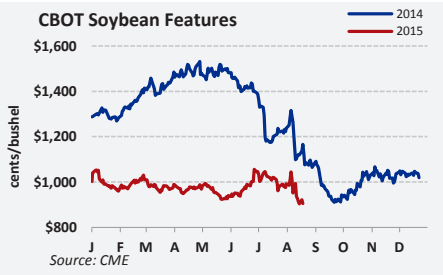
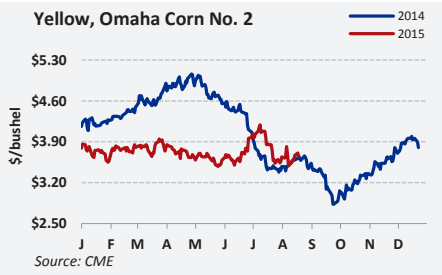


**VEAL COMMENTARY**

Veal carcasses traded in light to moderate volume within the previously quoted price ranges. Boxed cuts were largely unchanged. Demand was a little more active in some areas.



**FEEDS: CORN, SOY BEAN, RED WHEAT**





**ALL NEW!**

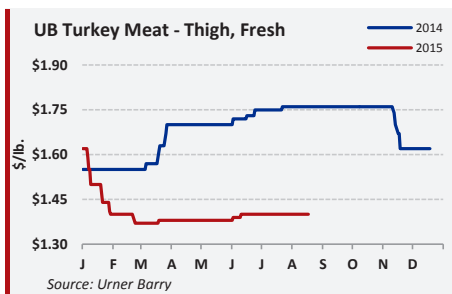
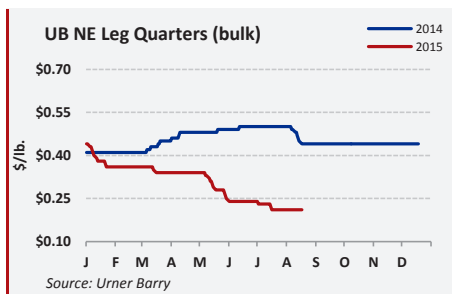
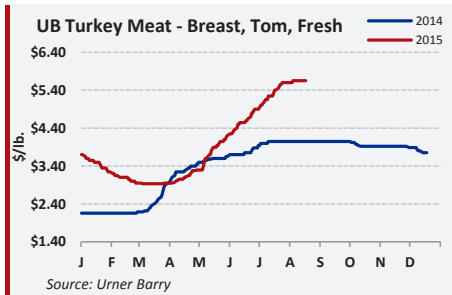
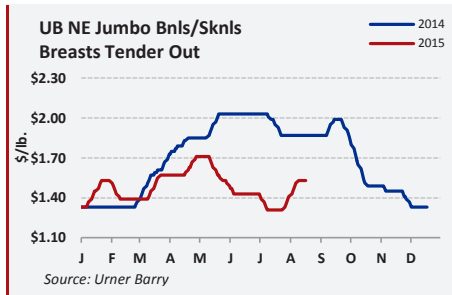
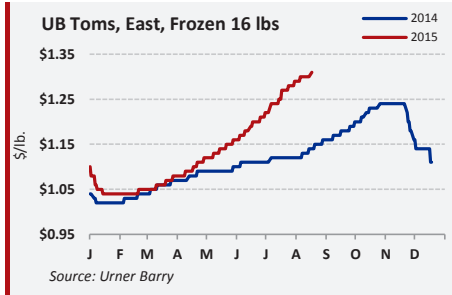
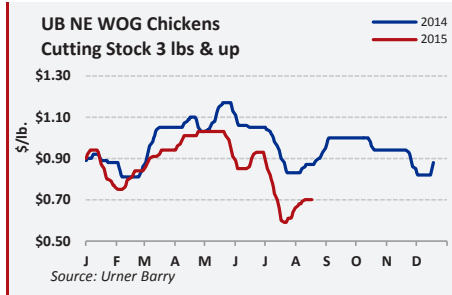
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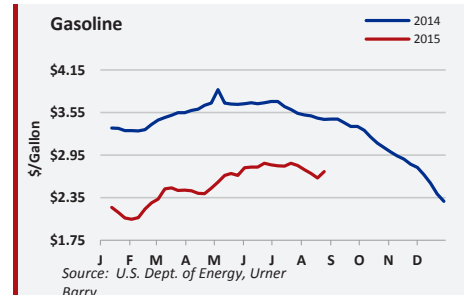
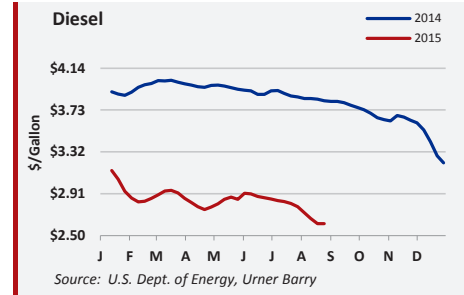
Includes all USDA revisions to the IMPS  
40 updated cuts • 50 new photos

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**POULTRY**



**ENERGY**



**POULTRY COMMENTARY**

In the chicken industry, business is still somewhat bland. All week, offerings of most lines were deemed adequate for spot needs, which were no better than fair to moderate. Boneless breast meat trading levels remained within a normal range of our listed quotations. Whole birds and WOGs were mostly steady at best. Tender sales were mixed, but rated no better than about steady to steady. Wings were held with varying degrees of confidence. Moving forward, reported sales suggest that jumbo is better supported than small and medium. Regardless of what industry participants thought would happen this week, trading levels were still no better than market related. All dark bone-in and boneless lines are fairly balanced at most points of sale. Supply is adequate to cover needs which are decent but not great. Product continues to move regularly and at market related levels, which has industry players feeling content. According to some sources, frozen MSC is under slight pressure, but not enough to warrant sizable changes to our sheet.

The week of trade in the turkey industry seemed to wind down a little early due to the lack of supplies being shown. At the same time the level of interest, or at least aggressive interest, has stepped down a bit from the "I'll pay whatever it takes," stance to a more conservative posture that is less willing to fork over the big bucks. On the sell side some ask and get paid fairly sharp market related premiums and in a case or two, modest volumes are also negotiated higher at a price. Others are reasonably content and make trade the limited tonnage available at or close to listed levels. In the end all raw materials are on solid ground and being placed at no less than full market values. Thigh meat is a little off kilter on the frozen side but seems stable when fresh is brought into the picture. Whole birds continue to exhibit a pretty good deal of overall strength. Any bird that is offered above 22 pounds is a rarity and always held with confidence. Parts close the week a bit on the dull side but well situated.

**ALL NEW!**

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