

WEEKLY Market Report

NAMI
NORTH AMERICAN
MEAT INSTITUTE

Friday, July 22, 2016

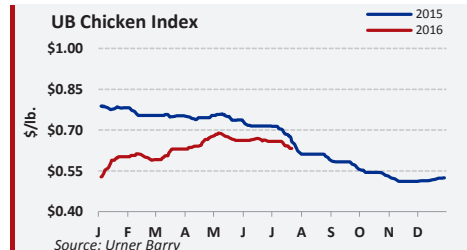
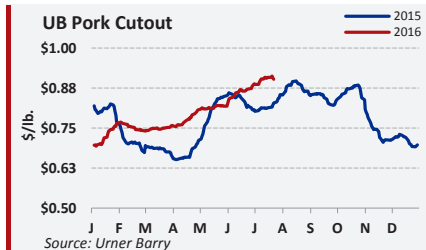
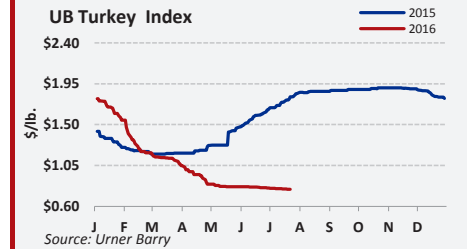
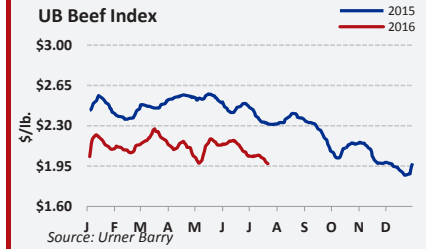
POWERED BY URNER BARRY'S COMTELL®

Number 30- Volume 09

WEEKLY COMMODITY AT A GLANCE

	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.13	3.30	3.75
CBOT Soybean	1,003.50	1,072.50	991.25
NYMEX Light Crude Oil	44.19	45.95	48.14
Loose Lard, Chicago Basis	0.33	0.33	UNQ
Edible Tallow, Chicago Basis	UNQ	UNQ	0.30
Beef Trimmings, 90% Fresh	218.00	219.00	289.00
Beef Trimmings, 50% Fresh	91.00	89.00	68.00
Aust/NZ Blend Cow 90% EC Spot	217.00	216.00	245.00
USDA Drop Credit	0.11	0.11	0.12
112A 3 Ribeye Roll, Lip-On CH	685.00	725.00	730.00
116A 3 Chuck Roll, Neck-Off CH	245.00	255.00	310.00
168 3 Round, Top (Inside) CH	215.00	220.00	295.00
180 3 Strip Loin, Bnls, 0x1 CH	660.00	690.00	600.00
136 Coarse Ground 81%	170.00	170.00	225.00
189A 4 Loin, Tenderloin, PSMO CH	1,030.00	1,000.00	1,090.00
Cattle-Fax, 6-State Fed Steer Price	117.08	119.95	150.54
Select Hams 20/23	81.00	85.00	62.00
Sq Cut Bellies 14/16	140.00	138.00	148.00
1/4 Trmd. Loins 21/dn	106.00	105.00	110.00
1/4 Tr Boston Butts 9/dn	123.00	126.00	95.00
Spareribs, Light, Fresh	127.00	124.00	163.00
Fresh Pork Trim (42%)	46.00	43.00	35.00
Fresh Pork Trim (72%)	83.00	85.00	65.00
Carcass Lamb Y4+55/65	348.00	344.00	350.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	815.00	815.00	780.00
Lamb Cuts, 206 Shoulder, Cross Cut	300.00	300.00	290.00
Lamb Cuts, 232 Loin Trmd 4x4	550.00	550.00	540.00
Lamb Cuts, 234 Leg, Boneless	530.00	530.00	550.00
Carcass Veal, Hide-off, 255/315, NC	345.00	345.00	465.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	875.00	875.00	1,075.00
Veal Cuts, 310 Shoulder Clod 14/20	840.00	840.00	845.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	660.00	660.00	790.00
Veal Cuts, 348A Leg, TBS 3-Pc 24/32	1,125.00	1,125.00	1,290.00

Quotes represent the high side of Friday's trading range



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	110	113	113	113	112	34	595
LW	113	114	113	109	107	42	598
*LY	108	110	104	108	98	7	535

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	410	430	425	430	406	40	2,141
LW	403	427	425	431	419	16	2,121
*LY	381	421	421	418	403	50	2,094

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	9	8	7	8	7	0	39
LW	10	8	8	8	5	1	40
*LY	8	8	6	7	5	0	34

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	1	1	1	0	8

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	7/8	7/9	7/11	7/12	7/13	7/14	
	21	6	21	22	22	22	114
TW	7/15	7/16	7/18	7/19	7/20	7/21	
	21	6	21	22	22	22	114
*LY	20	2	18	20	20	20	100

*Last Year's numbers are rounded

FOREIGN EXCHANGE RATES

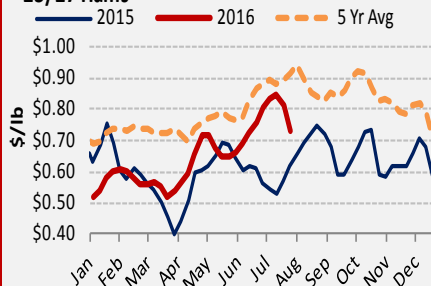
	This Week	Last Week	Last Year
Australia, Dollar	0.746	0.760	0.728
Mexico, Peso	18.569	18.454	16.246
Canada, Dollar	1.316	1.293	1.307
Japan, Yen	106.092	105.537	123.774
China, Yuan (RMB)	6.688	6.681	6.210
Brazil, Real	3.282	3.258	3.349
South Korea, Won	1,138.750	1,132.000	1,170.000
Taiwan, Dollar	32.005	31.915	31.490
European Union, Euro	1.096	1.107	1.098

COLD STORAGE STOCKS

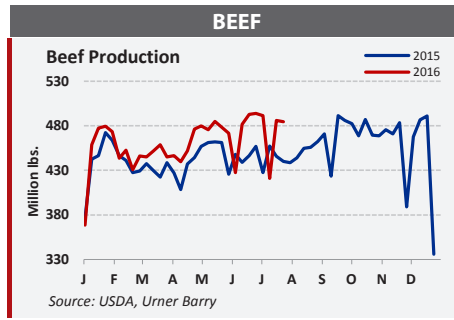
(Pounds in Thousands)	6/30/15	5/31/16	6/30/16
Beef in Freezer, Bnls	436,811	409,850	413,056
Cuts	37,463	36,233	38,177
Total Beef	474,274	446,083	451,233
PORK & OTHER	6/30/16	5/31/16	6/30/16
Pork in Freezer, Picnics	8,757	9,908	7,959
Hams	180,473	144,332	166,602
Bellies	44,432	77,683	62,913
Loins	37,408	39,115	37,843
Spareribs	73,022	109,999	85,636
Butts	22,018	16,335	15,056
Trimmings	47,263	40,799	34,908
Other Pork in Freezer	101,562	79,991	75,636
Total	634,525	614,457	585,884
Veal in Freezer	3,291	6,482	7,798
Lamb & Mutton in Freezer	35,470	44,816	39,176
Total	38,761	51,298	46,974

Data Updated: July 22, 2016

23/27 Hams



UB BEEF CUTOUT Jul-22 v. Jul-15				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	-2.40%	-3.15%	-1.33%	-2.11%
Chuck	-2.30%	-1.35%	-0.43%	-2.59%
Round	-2.09%	-2.42%	-2.14%	-2.87%
Loin	-2.79%	-1.14%	0.21%	-1.53%
Brisket	-14.84%	-14.84%	-13.89%	-13.55%
Plate	-0.16%	-0.14%	-0.14%	0.02%
Flank	-1.13%	-0.28%	-0.28%	-1.25%
Total	-2.84%	-2.34%	-1.34%	-2.52%



BEEF COMMENTARY

Demand for boxed beef remained suppressed, a rather typical market condition for a third week in July. Oppressive heat and humidity across many regions of the U.S. played a role in lackluster retail business. Middle meats devaluing forced carcass cutouts lower. End cuts and thin meats also found diminished spot market values develop. Urner Barry's Choice Carcass Cutout broke through the \$200/cwt barrier this week, the last time that occurred was late in December of 2015. Urner Barry's Brisket Cutout broke 14.84% lower.

LIVE CATTLE: Cash cattle sales developed midweek, and follow through trading was very minimal on Thursday and Friday. Negative pressure was applied by weaker boxed beef and futures markets. The live animal sold between \$113/cwt and \$115/cwt, mainly at \$115/cwt, down \$2/cwt from week prior sales. Carcass sales were spread between \$179/cwt and \$188/cwt, with the bulk of sales at \$184/cwt to \$186/cwt, moving a few dollars lower from week ago range of trade.

SLAUGHTER & BEEF PRODUCTION: The weekly F.I. Slaughter was assessed at 595,000 head compared to last week's 598,000 head harvest.

Live cattle weights posted a 3 pound gain to 1339 pounds. Dressed cattle weights edged higher to now tip the scales at 816 pounds.

RIBS: Rib primal carcass cutout values moved lower by 2.40%-Choice basis, 9.60%-Select, pushed lower by seasonal weak demand.

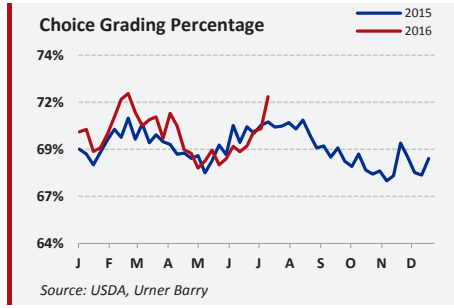
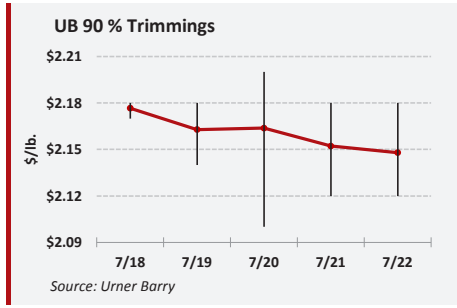
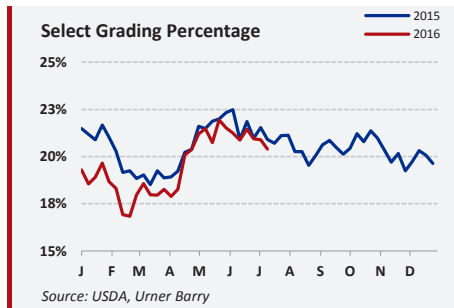
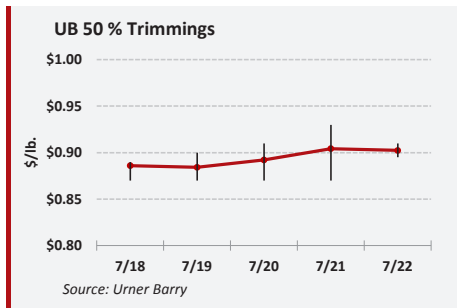
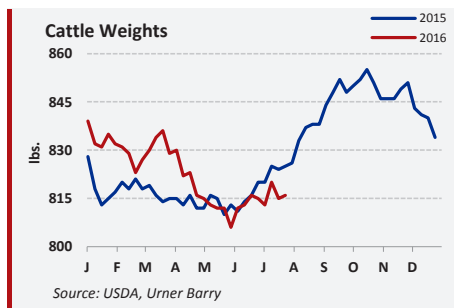
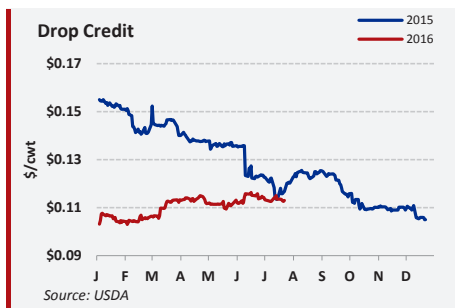
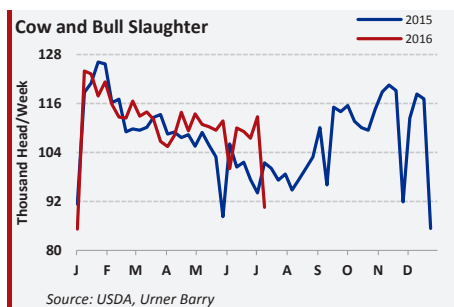
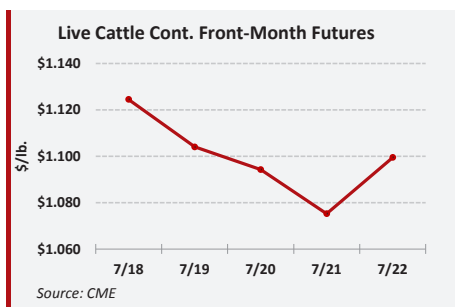
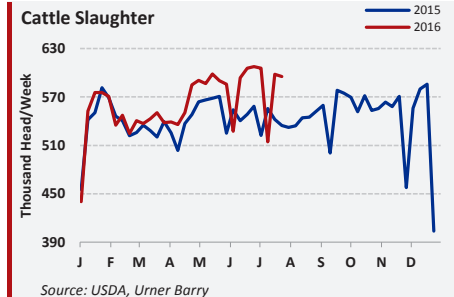
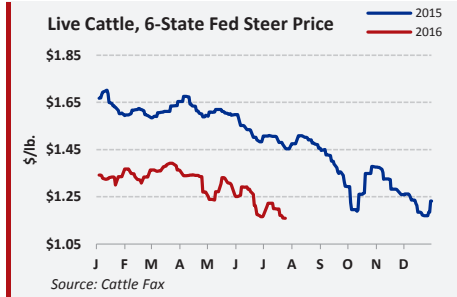
CHUCKS: Further losses with chuck prices occurred this week. Demand for end cuts remains only seasonally average.

ROUNDS: Early week slippage in value for a few round cuts pushed the Round Primal Cutout value lower. As the week closed, beef processors were a bit more confident with wholesale offerings.

LOINS: Strips and short loins were main contributors to total carcass values moving lower this week. Peeled tenderloins found a bit of support leading to steady/higher wholesale values.

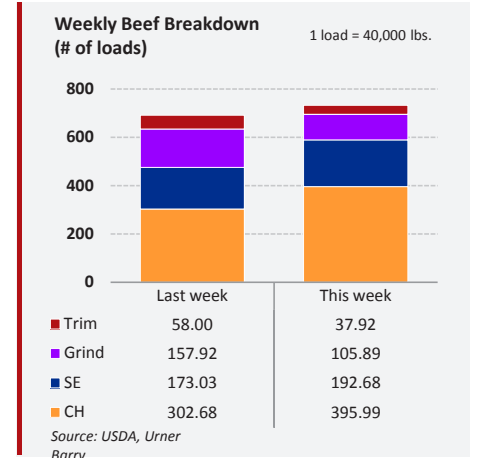
GROUND BEEF: Ground beef values this past week deviated very little from week prior levels. Demand was fairly steady as hamburger meat and patty sales were just enough to allow the steady wholesale trading.

BONELESS BEEF: Fresh 90s trended lower as the week developed. Supplies were more readily available in some regions. Prices continue to hold higher than some participants expected for this time of year. The market for fresh 50s steady to a little better this week. Demand continues to be active. This week's cattle slaughter was estimated at 595,000 head. Year-to-date beef production is up 4.1% compared to the equivalent time period for last year.



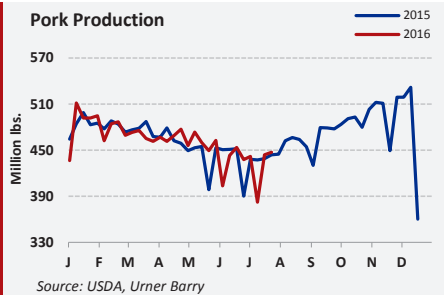
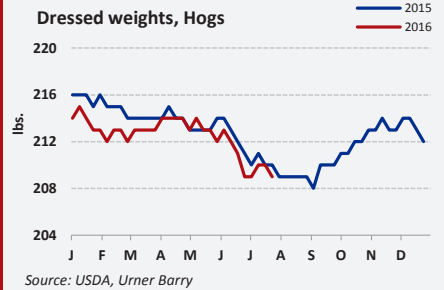
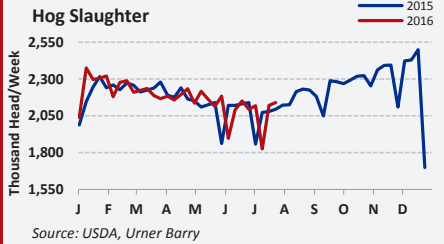
UB BEEF CUTOUT-CH/SE SPREAD (\$/cwt)					
	M	T	W	TH	F
TW	12.53	11.96	11.99	11.98	11.62
*LW	-	12.69	13.37	12.77	12.94

*Last Week's numbers are rounded



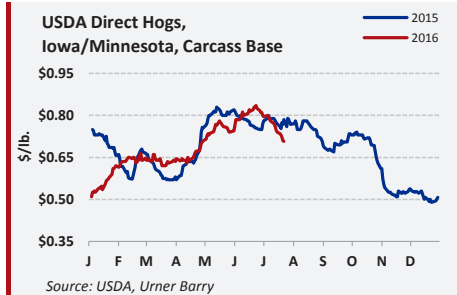
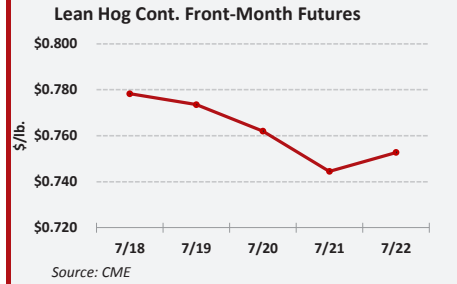
Friday, July 22, 2016

PORK PRODUCTION



LIVE HOGS & CUTOUT

PORK CUTOUT	Jul-15	Jul-22	Change
Loin	24.101	23.961	-0.140
Butt	11.019	10.923	-0.096
Picnic	6.494	6.566	0.072
Sparerib	5.607	5.857	0.25
Ham	19.879	18.718	-1.161
Belly	21.105	21.622	0.517
Cutout Value	90.880	90.322	-0.558



PORK COMMENTARY

The Urner Barry pork carcass cutout moved from \$90.88/cwt last Friday to \$90.32/cwt to close this week. Hams declined this week, bellies and trimmings were generally supported and fresh pork mostly traded in narrow ranges, reflecting summer doldrums.

PORK PRODUCTION: Total pork production for the week ending July 23, 2016 was estimated at 447.4 million lbs. This was .7 percent over the previous week and 1.9 percent higher than the same week a year ago. Average live weights, at 278 pounds, were one pound under last week and a year ago.

GREEN MEATS: In the green meat complex, hams declined across the board while bellies and most of trim managed to maintain seasonal support. Discounted offerings out of Canada pressured domestic price sheets, which led to the quotations for bone-in and boneless hams moving notably lower by midweek.

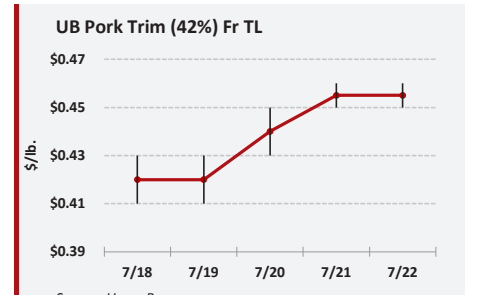
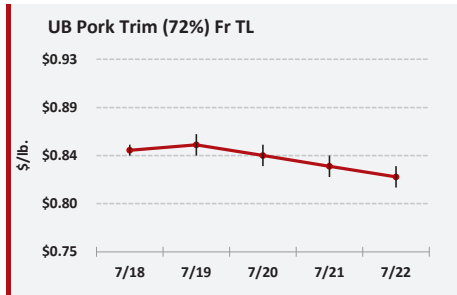
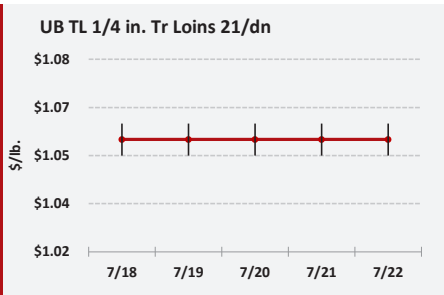
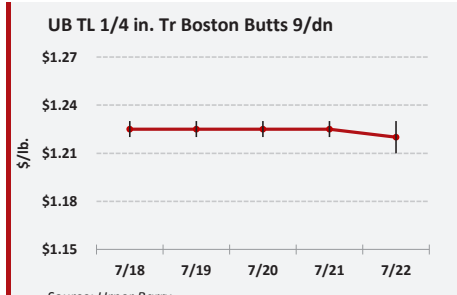
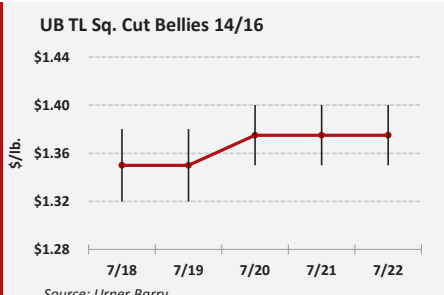
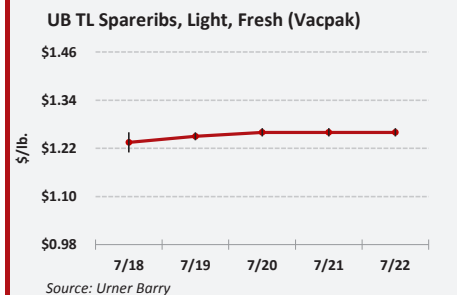
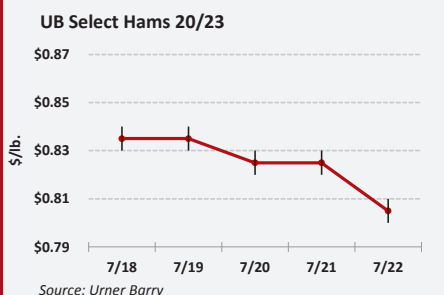
HAMS: 17 to 27lb hams were \$1.00 to \$11.00/cwt lower this week with the largest losses occurring among 23/27 pound hams. Boneless hams were \$5.00/cwt higher.

BELLIES: Square-cut and skinless bellies closed the week \$2.00 to \$8.00/cwt higher.

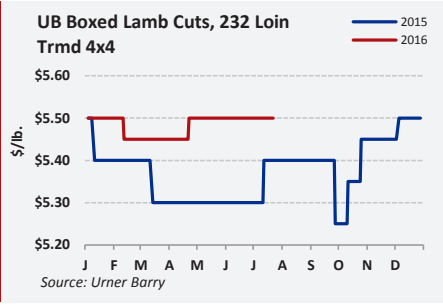
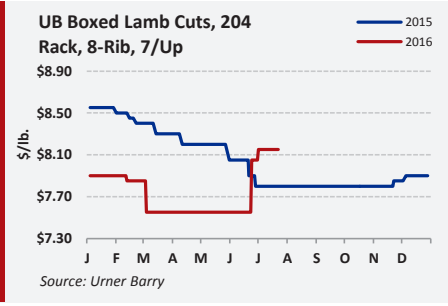
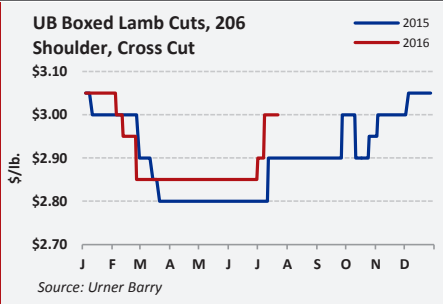
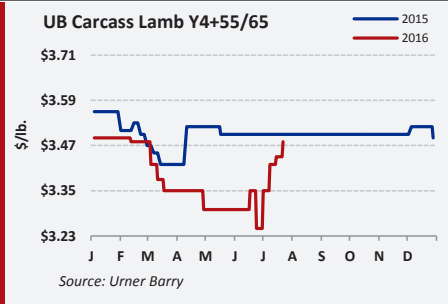
TRIMMINGS: Fresh 42s gained \$3.00/cwt while 72s declined by \$2.00/cwt on the week. Boneless picnics were \$2.00/cwt higher by Friday.

RETAIL: Trade in fresh pork has become increasingly dull in recent sessions. Mid-summer is typically a slower demand period and it appears that we're entering that phase. Additionally, low wholesale prices and the prospect of steadily increasing production are providing little urgency. This week, the loin component was narrowly mixed; showing little in the way of true direction. Picnic and cushion values improved, in-line with the move in boneless picnics. Meanwhile, the butt market began to moderate; up counter-seasonally in recent weeks, the market was off \$1.00 to \$2.00/cwt this week. The recent sell-off in spareribs spawned opportunity. There's renewed interest in frozen spareribs at renewed levels that has become somewhat price supportive. This week, spareribs gained \$4.50 to \$6.50/cwt on average. St. Louis Ribs were unchanged and Loin Back Ribs still steady to weak.

PORK PROCESSING ITEMS & RETAIL CUTS

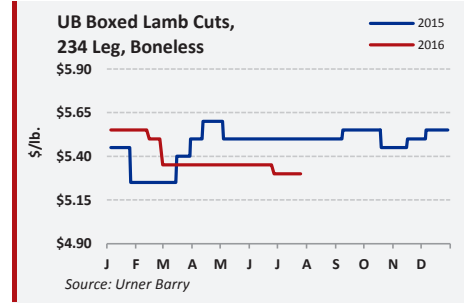


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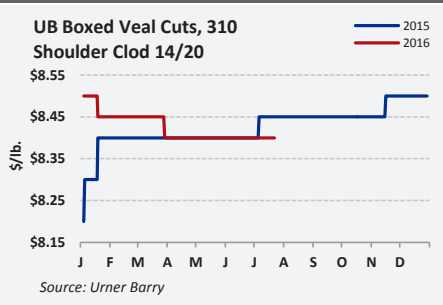
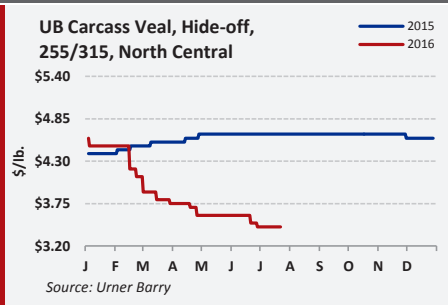


LAMB COMMENTARY

Lamb carcasses settled this week at a premium. Availability was tighter than expected in some regions. Year-to-date lamb production is down 1.4% compared to the equivalent time period last year. Boxed cuts were mostly steady; some discounting was noted on the legs.

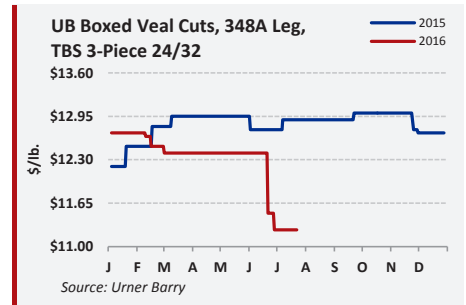
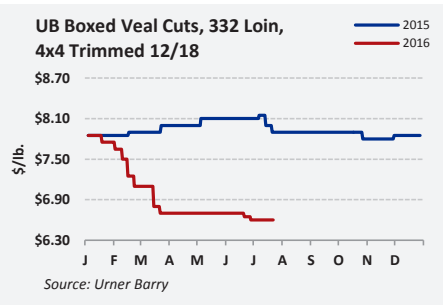
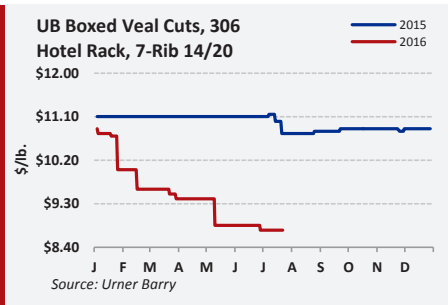


VEAL

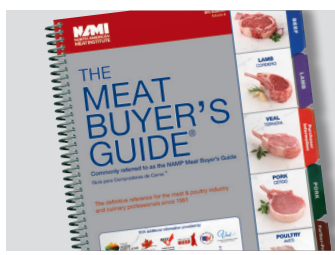
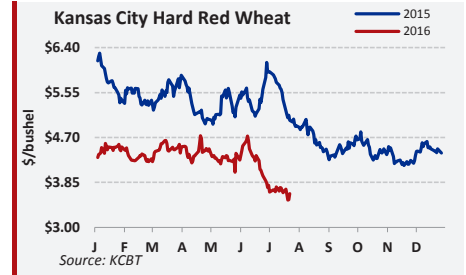
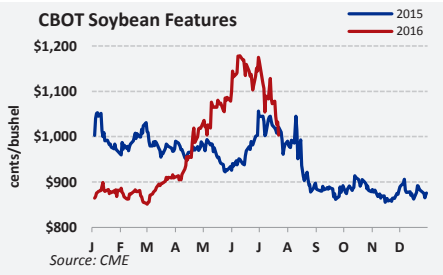
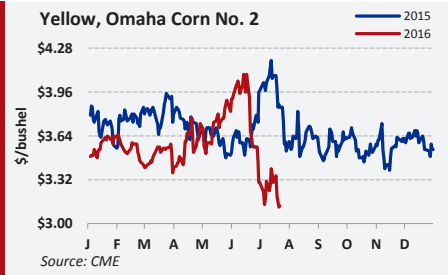


VEAL COMMENTARY

Veal carcasses traded in light to moderate volume within the previously quoted price ranges. Boxed cuts were steady to weaker. Movement varied from region to region.



FEEDS: CORN, SOY BEAN, RED WHEAT

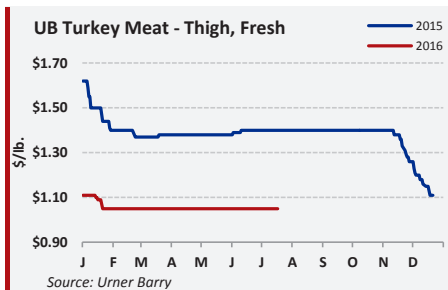
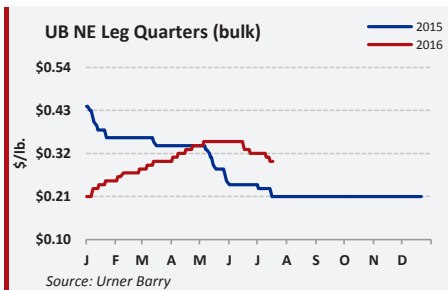
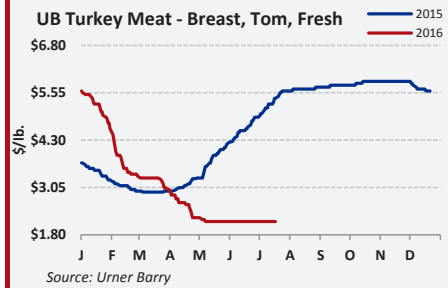
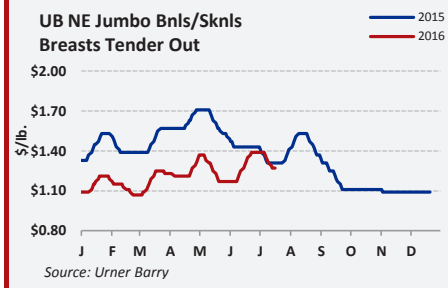
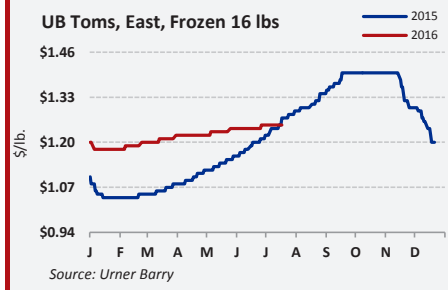
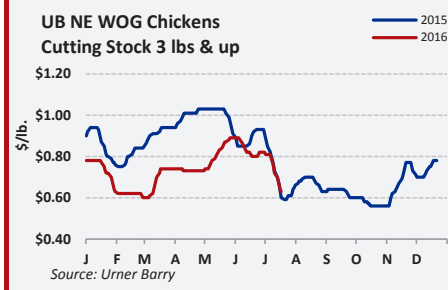


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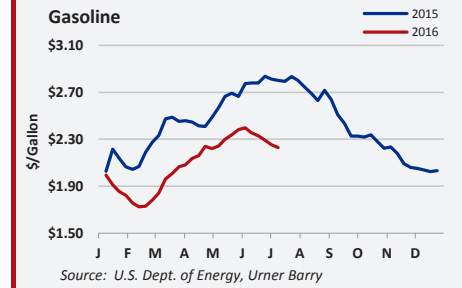
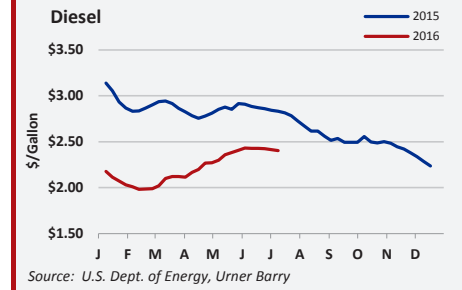
Includes all USDA revisions to the IMPS
 40 updated cuts • 50 new photos

**CUSTOM
 COVERS AVAILABLE**

POULTRY



ENERGY



POULTRY COMMENTARY

Is there a better word than “bipolar” to describe the chicken breast meat market this week? On Monday, breast meat was sloppy and weak. As the week progressed however, supplies tightened and so did the trading levels. As the market closed on Friday, offerings were limited and held with increased confidence. Reports have already surfaced that suggest supplies are going to be no more than adequate if not short next week, thanks in part to the heat continues to hinder the grow-out. According to sources, demand is only fair at retail and foodservice, but it’s active at the plant to plant level. Tenders are in a similar position. The urgency for spot loads was not as visible as it was for breast meat, but buyers were cleaning up what was available at supported values. Wings close the week rated mostly steady. Whole birds and WOGs improved over the couple of days, but some plants were still discounting on Friday in order keep product moving. In the dark meat complex, whole legs, bone-in thighs, thigh meat and leg meat are rated at least steady to full steady. Domestic and export demand has picked up and is expected to remain strong in the weeks to come. Leg quarters

and drumsticks continue to test. Here at week’s end ere at Herethe amount of trading in the turkey market has improved in terms of consistency and volume so that’s something which is allowing players to be a little more upbeat. But overall written business is at mostly steady price points or at price points which are still drifting lower. The ongoing exception to the rule is whole body turkeys. In this arena we find full price support when limited offerings of either toms or hens are haggled over. Otherwise business is mixed and inconsistent with offerings generally adequate for needs. Drums are about steady but we would have to rate whole wings, necks and tom two joints as still unsettled. The meat complex is characterized adequate to ample frozen offerings and balanced but adequate fresh supplies. Our quotations close the week unchanged as we await further developments. We can’t say that much has changed in the bone-in breast segment and we rate both consumer and institutional weights as adequate for needs and mostly steady.

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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

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