

WEEKLY Market Report

NAMI
NORTH AMERICAN
MEAT INSTITUTE

Friday, September 02, 2016

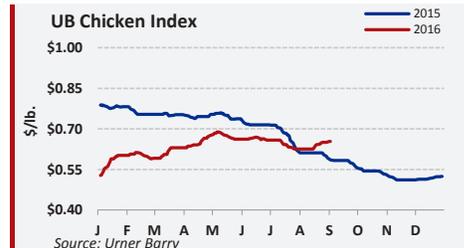
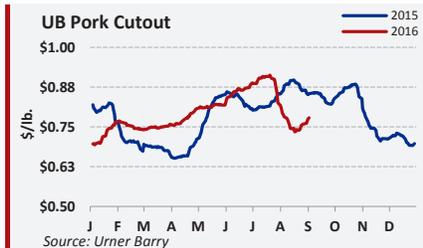
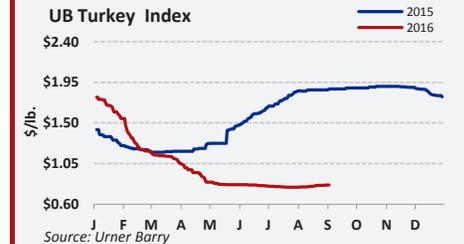
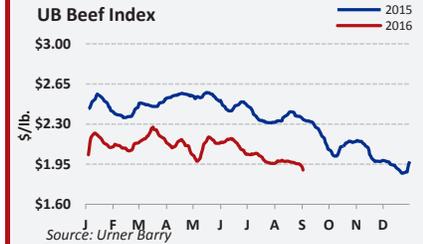
POWERED BY URNER BARRY'S COMTELL®

Number 36- Volume 09

WEEKLY COMMODITY AT A GLANCE

	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	2.94	2.93	3.47
CBOT Soybean	978.50	990.75	879.75
NYMEX Light Crude Oil	44.44	47.64	46.05
Loose Lard, Chicago Basis	0.40	0.36	0.31
Edible Tallow, Chicago Basis	0.34	0.35	0.29
Beef Trimmings, 90% Fresh	214.00	217.00	281.00
Beef Trimmings, 50% Fresh	44.00	50.00	66.00
Aust/NZ Blend Cow 90% EC Spot	209.00	209.00	244.00
USDA Drop Credit	0.11	0.11	0.13
112A 3 Ribeye Roll, Lip-On CH	730.00	760.00	790.00
116A 3 Chuck Roll, Neck-Off CH	245.00	250.00	320.00
168 3 Round, Top (Inside) CH	216.00	227.00	283.00
180 3 Strip Loin, Bnls, 0x1 CH	510.00	565.00	670.00
136 Coarse Ground 81%	185.00	200.00	237.00
189A 4 Loin, Tenderloin, PSMO CH	1,005.00	1,030.00	1,240.00
Cattle-Fax, 6-State Fed Steer Price	114.60	117.81	147.80
Select Hams 20/23	79.00	75.00	73.00
Sq Cut Bellies 14/16	87.00	87.00	164.00
1/4 Trmd. Loins 21/dn	103.00	98.00	99.00
1/4 Tr Boston Butts 9/dn	113.00	103.00	95.00
Spareribs, Light, Fresh	140.00	135.00	162.00
Fresh Pork Trim (42%)	36.00	45.00	24.00
Fresh Pork Trim (72%)	52.00	57.00	45.00
Carcass Lamb Y4+55/65	344.00	344.00	350.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	815.00	815.00	780.00
Lamb Cuts, 206 Shoulder, Cross Cut	295.00	295.00	290.00
Lamb Cuts, 232 Loin Trmd 4x4	550.00	550.00	540.00
Lamb Cuts, 234 Leg, Boneless	530.00	530.00	555.00
Carcass Veal, Hide-off, 255/315, NC	330.00	330.00	465.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	865.00	865.00	1,080.00
Veal Cuts, 310 Shoulder Clod 14/20	825.00	825.00	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	112	113	112	113	111	43	604
LW	112	113	113	113	112	42	605
*LY	110	111	109	113	108	10	560

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	424	435	435	436	424	105	2,259
LW	435	435	435	421	418	112	2,256
*LY	430	425	434	431	401	61	2,183

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	9	8	8	7	7	0	39
LW	9	8	7	7	7	0	38
*LY	8	8	7	8	7	0	39

EST. DAILY CALVES SLAUGHTER

	M	T	W	TH	F	S	Total
TW	2	2	2	1	2	0	9
LW	2	2	2	1	2	0	9
*LY	2	2	1	1	2	0	8

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	8/19	8/20	8/22	8/23	8/24	8/25	
	21	5	20	22	22	22	112
TW	8/26	8/27	8/29	8/30	8/31	9/1	
	22	12	20	22	22	22	120
*LY	19	2	17	21	21	22	102

*Last Year's numbers are rounded

FOREIGN EXCHANGE RATES

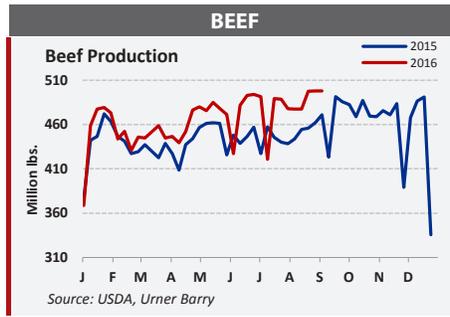
	This Week	Last Week	Last Year
Australia, Dollar	0.756	0.757	0.691
Mexico, Peso	18.587	18.539	16.924
Canada, Dollar	1.299	1.299	1.323
Japan, Yen	104.009	101.787	118.857
China, Yuan (RMB)	6.679	6.669	6.355
Brazil, Real	3.248	3.267	3.837
South Korea, Won	1,117.050	1,113.500	1,190.000
Taiwan, Dollar	31.644	31.673	32.660
European Union, Euro	1.116	1.120	1.116

COLD STORAGE STOCKS

(Pounds in Thousands)	7/31/15	6/30/16	7/31/16
Beef in Freezer, Bnls	421,179	418,378	432,359
Cuts	38,914	38,155	36,894
Total Beef	460,093	456,533	469,253
PORK & OTHER	7/31/16	6/30/16	7/31/16
Pork in Freezer, Picnics	9,680	7,959	8,021
Hams	205,549	166,451	188,615
Bellies	23,634	62,921	50,647
Loins	33,968	37,898	33,634
Spareribs	75,533	85,635	89,995
Butts	22,876	15,057	16,195
Trimmings	44,202	34,908	36,120
Other Pork in Freezer	98,703	75,636	78,471
Total	633,214	586,479	599,932
Veal in Freezer	3,850	7,972	8,085
Lamb & Mutton in Freezer	39,064	39,518	40,993
Total	42,914	47,490	49,078

Data Updated: August 23, 2016

UB BEEF CUTOUT Sep-02 v. Aug-26				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	-4.94%	-4.86%	-4.41%	-2.34%
Chuck	-0.96%	0.80%	-0.68%	-0.58%
Round	-3.69%	-3.45%	-3.21%	-2.01%
Loin	-3.65%	-2.50%	-2.11%	-3.06%
Brisket	-2.64%	-4.33%	-4.33%	-3.23%
Plate	-2.92%	-2.94%	-2.94%	-3.36%
Flank	-1.24%	-0.86%	-0.46%	-0.14%
Total	-3.16%	-2.38%	-2.47%	-2.14%



BEEF COMMENTARY

The boxed beef market appeared over supplied for the current level of demand. Ribs and loins devaluing contributed largely to carcass cutouts moving lower. Urner Barry's Choice Carcass Cutout slid over \$6/cwt lower this week from week prior closing value. Purchasing cash cattle at lower money lent to packer margins remaining solidly in positive territory.

LIVE CATTLE: Cash cattle sales again moved lower week/over/week, impacted by both weaker settlements with cattle futures and boxed beef markets. Live cattle sold this week mainly at \$110/cwt, down from week prior's bulk of trade at \$114/cwt to \$115/cwt. Dressed carcass sales this week were established mainly at \$173/cwt to \$175/cwt, week prior's sales were mainly \$178/cwt to \$183/cwt.

SLAUGHTER & BEEF PRODUCTION: The weekly F.I. Slaughter was assessed at 604,000 head, a decrease of 1,000 from week prior. Saturday's slaughter was rated at 43,000 head; the week prior's Saturday harvest was 42,000 head. Live cattle weights reported at 1352 pounds, a 2-pound gain from week prior—dressed cattle reported at 826 pounds, 1 pound up from week ago.

RIBS: Discounts were numerous for all grades of ribs, as packers attempted to move product in advance of the holiday weekend. Rib carcass values saw the biggest week/over/week drops when comparing against the other primal cutouts.

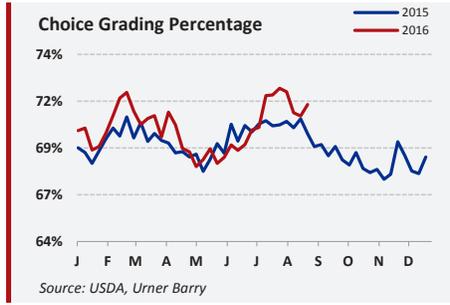
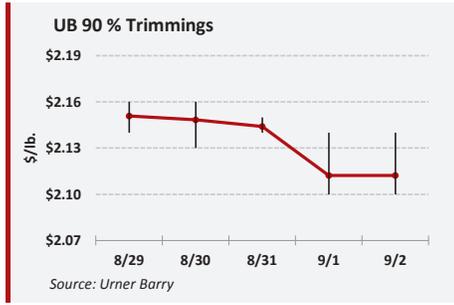
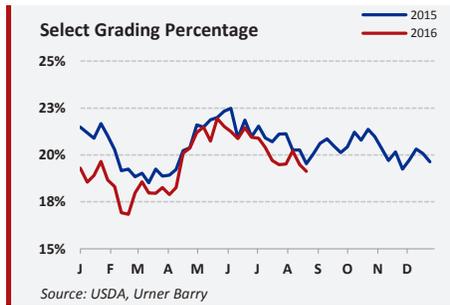
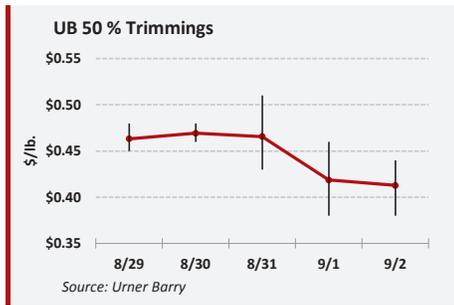
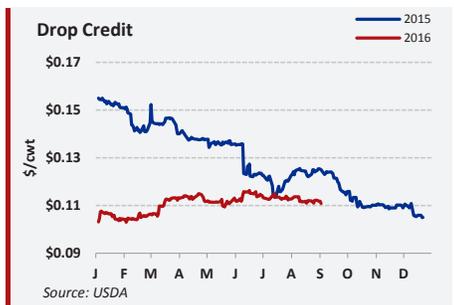
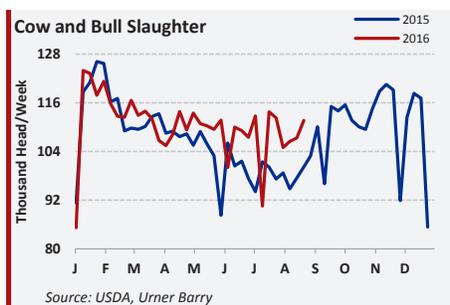
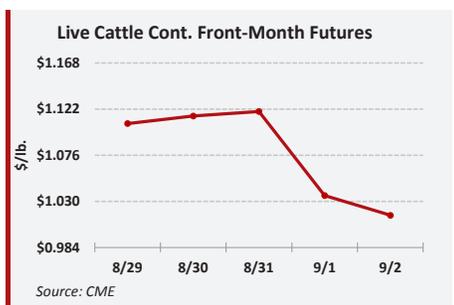
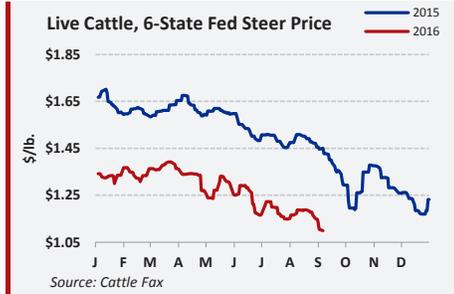
CHUCKS: Compared to the round complex, chucks fared much better. A few discounts surfaced late in the week for chuck rolls and clods.

ROUNDS: All major cuts from the round sector of the carcass realized wholesale price reductions.

LOINS: Sustained discounting took a toll on the value of the loin primal.

GROUND BEEF: Ground beef processors reduced prices for ground beef during the week; product needed to be shipped to cover holiday features early week.

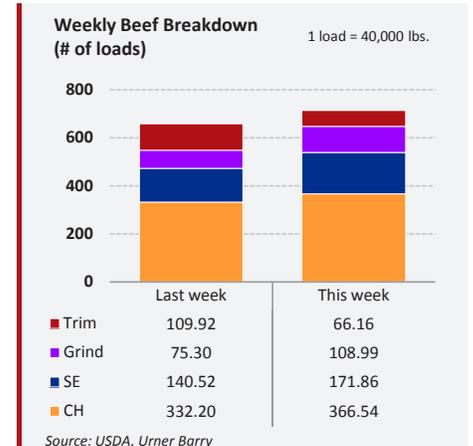
BONELESS BEEF: Leaner boneless beef moved lower as the week progressed. Demand varied from region to region. Fresh 50s were mixed this week as holiday scheduling caused some uncertainty in the market. Demand for frozen 50s was more active in some areas. This week's cattle slaughter was estimated at 604,000 head.



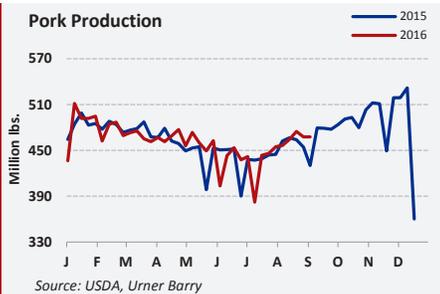
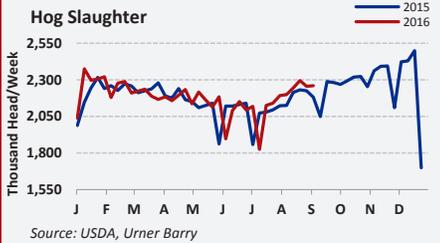
UB BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

	M	T	W	TH	F
TW	6.95	6.85	6.48	6.63	6.02
*LW	7.97	7.97	7.76	7.65	7.74

*Last Week's numbers are rounded

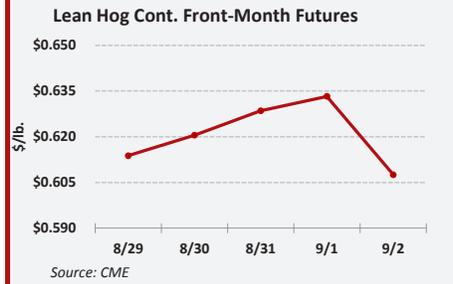


PORK PRODUCTION



LIVE HOGS & CUTOUT

PORK CUTOUT	Aug-26	Sep-02	Change
Loin	21.857	22.472	0.615
Butt	9.095	9.734	0.639
Picnic	5.666	5.683	0.017
Sparerib	6.084	6.277	0.193
Ham	17.345	17.978	0.633
Belly	13.076	12.976	-0.100
Cutout Value	75.893	77.869	1.976



PORK COMMENTARY

The Urner Barry pork carcass cutout moved from \$75.89/cwt last Friday to \$77.87/cwt to close this week. Gains in hams, as well as in the majority of the fresh pork complex outweighed losses seen among bellies and trim to result in the 2.6 percent appreciate in wholesale values.

PORK PRODUCTION: Total pork production for the week ending September 3, 2016 was estimated at 467.8 million lbs. This was roughly even with the previous week and 3 percent higher than the same week a year ago. Average live weights, at 276 pounds, were a pound lighter than last week and two pounds less than a year ago.

GREEN MEATS: Hams were the only green meat primal to show consistent strength this week, supported by domestic and export interest. Bellies, which are still up modestly from their lows, failed to extend the gains seen last week due to fully adequate to excess fresh supply. Trimmings were weaker with the holiday resulting in buyers taking a hand-to-mouth approach to the market.

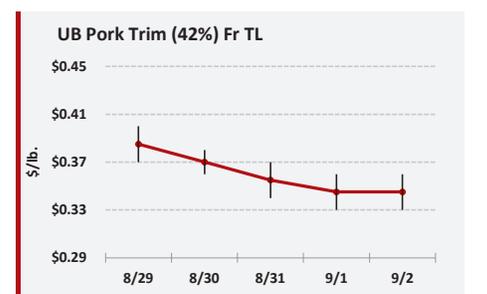
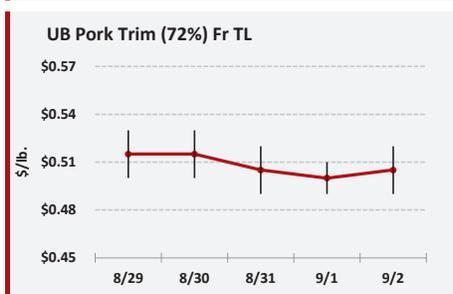
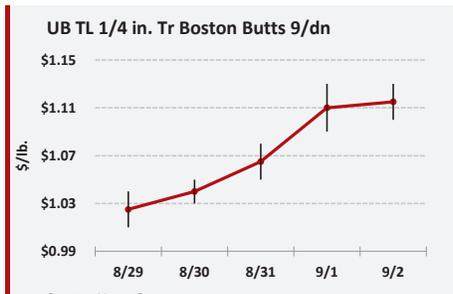
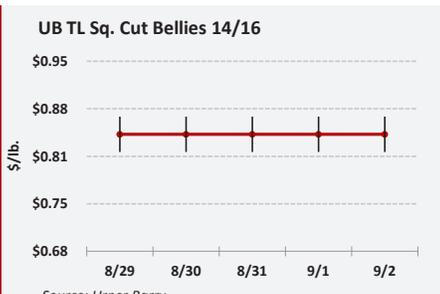
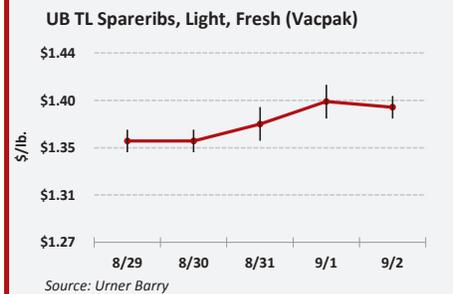
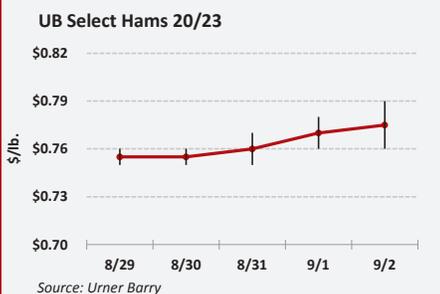
HAMS: 17 to 27lb hams were \$3.00 to \$4.00/cwt higher this week. Boneless hams were \$6.00/cwt higher by Friday.

BELLIES: Square-cut and skinless bellies closed the week \$1.00 to \$3.00/cwt lower.

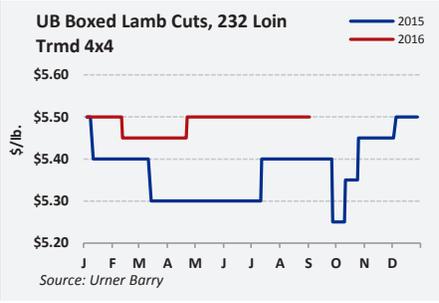
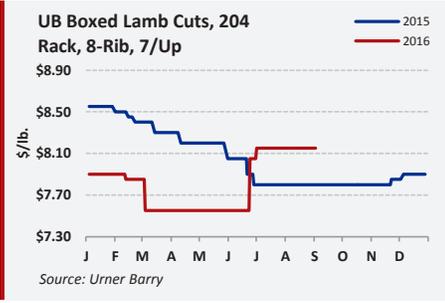
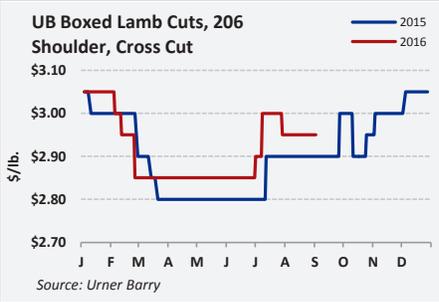
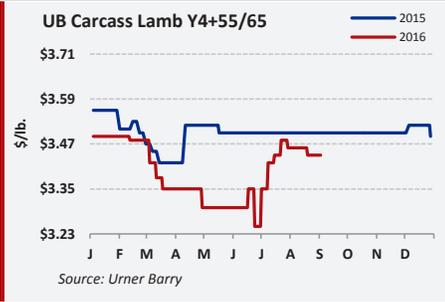
TRIMMINGS: Fresh 42s closed \$9.00/cwt or 20 percent lower while 72s lost \$5.00/cwt. Boneless picnics were \$2.00/cwt lower by Friday.

RETAIL: Supportive interest and thin availability was seen throughout the majority of the fresh pork complex this week. Holiday related featuring as well as potential export demand helped push values higher across most cuts. Bone-in loins closed the week \$4.00 to \$5.00/cwt higher and center cuts \$3.00/cwt higher. Boneless loins gained \$5.00 to \$11.00 on the week while tenderloins and boneless sirloins were up \$5.00 and \$1.00 respectively. Picnics closed \$2.00/cwt higher while action in cushion was relatively muted, ending the week up a modest \$1.00/cwt. Butts saw the overall strongest gains this week, moving higher by \$6.00 to \$10.00/cwt. Spareribs gained \$4.00 to \$5.00/cwt while St. Louis and Back rib items were generally unchanged.

PORK PROCESSING ITEMS & RETAIL CUTS

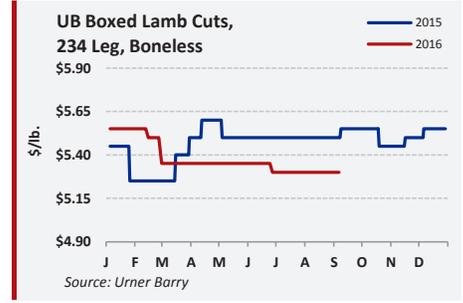


LAMB

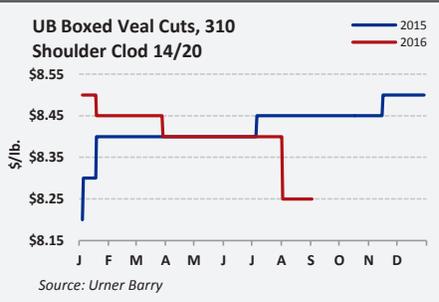
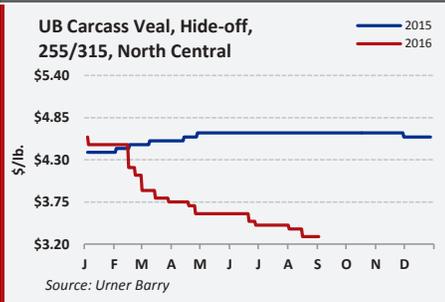


LAMB COMMENTARY

Lamb carcasses settled this week at mostly steady price levels. Boxed cuts were quietly unchanged. Movement was fairly light.

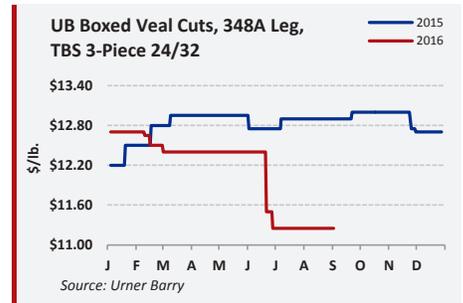
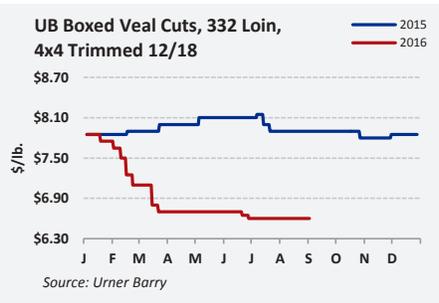
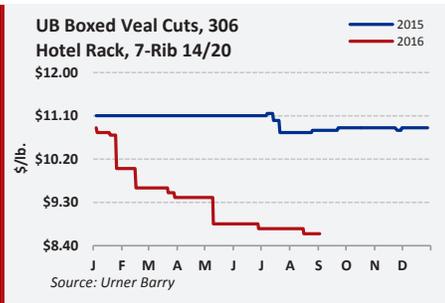


VEAL

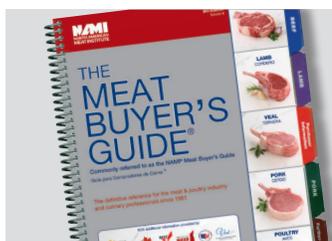
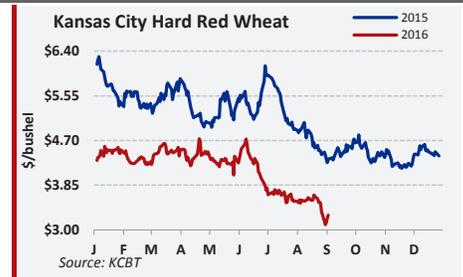
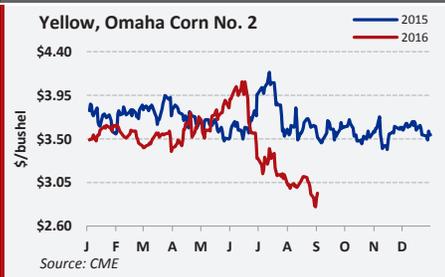


VEAL COMMENTARY

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



FEEDS: CORN, SOY BEAN, RED WHEAT



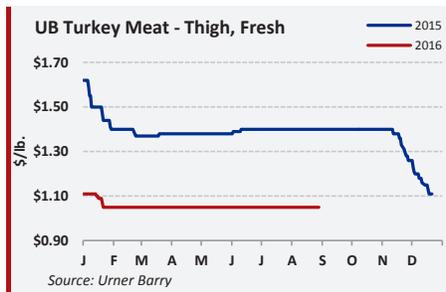
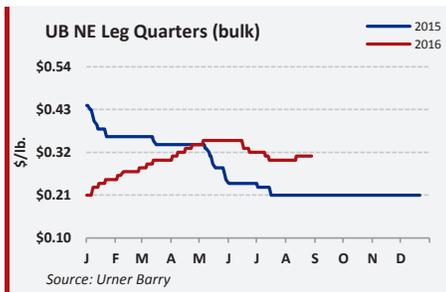
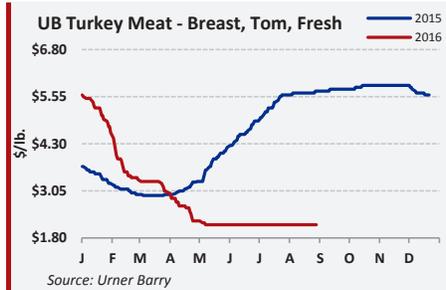
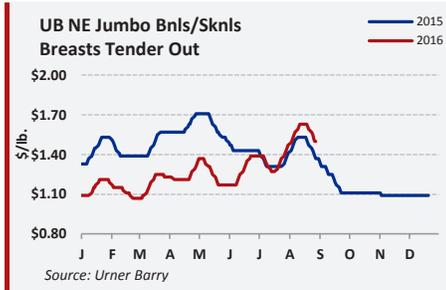
shop.meatbuyersguide.com

800-932-0617

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

**CUSTOM
COVERS AVAILABLE**

POULTRY



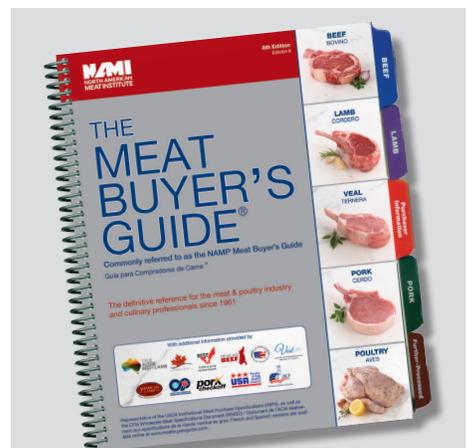
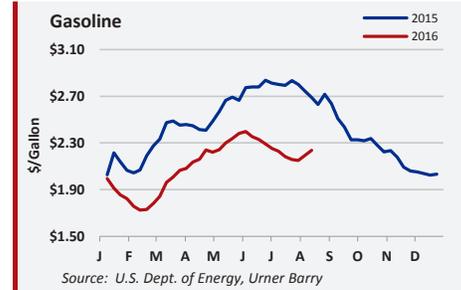
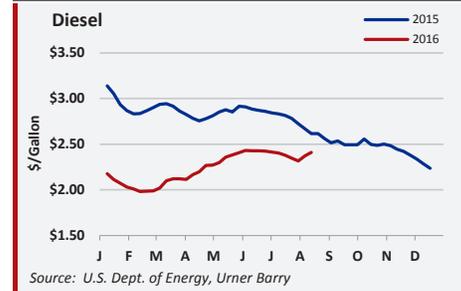
POULTRY COMMENTARY

In the chicken market, aside from the downward pressure on breast meat and upward movement on wings, there's not a whole lot going on. Whole birds and WOGs are rated about steady to steady. Demand was no better than fair to moderate all week and paid values were mostly market related. Sellers were hopeful that there'd be an increase in interest tied to the new month, but the impending storm (Hurricane Hermine) appears to have stymied retail movement. Breast meat values are on their way down. Supplies were ample all week and sellers were entertaining discounted bids, especially for large volume package deals, in order to keep their inventories clean. On the other hand, wings are firm. Buyers are loading up in preparation for the upcoming football season, which kicks off this weekend. Demand is brisk for all sizes, whole and cut form. Tenders are rated mostly steady heading into the weekend. Asked and paid values were well within a normal range of our listed quotations all week. In the dark meat complex, not much has changed. Supply and demand are generally balanced for all bone-in and boneless dark meat

items and trading levels are steady.

It continues to take a little extra effort to conduct business in the turkey market. Most notable has to be the situation involving breast meat. At this juncture we have recorded during the past week a fairly even distribution of trade taking place involving frozen tom breast at and below listed levels. Frozen breast trim is easy with the same being true of wing meat. Scapula is in a fair balance. Fresh white meat and trim activity is also limited, but here selling levels are pretty universally recorded at steady values. The call for thigh meat has advanced and our quotations seem well established. In the whole bird arena we also find reports that vary according to the points of sale. The big picture finds hens to be tight if not short and toms to be adequate and occasionally long. Within the tom category, the sizes which are being offered vary from plant to plant and some are open to lower bids. Parts seem to be in decent shape but both whole wings and fresh drums are being called into question from time to time.

ENERGY



shop.meatbuyersguide.com
800-932-0617

CUSTOM COVERS AVAILABLE

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 Indecies, 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.