

WEEKLY Market Report

NAMI
NORTH AMERICAN
MEAT INSTITUTE

Friday, November 17, 2017

Number 46- Volume 10

POWERED BY URNER BARRY'S COMTELL®

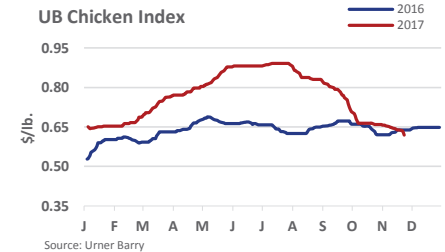
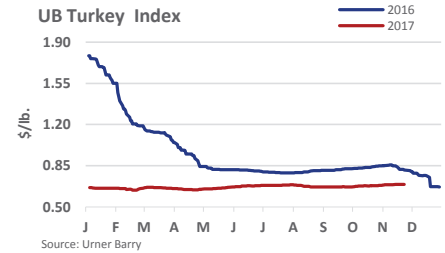
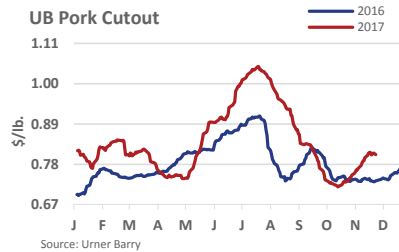
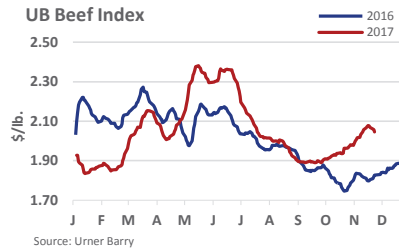
WEEKLY COMMODITY AT A GLANCE

	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.19	UNQ	3.17
CBOT Soybean	990.50	977.25	993.75
NYMEX Light Crude Oil	56.55	56.74	45.69
Loose Lard, Chicago Basis	0.36	0.36	0.34
Edible Tallow, Chicago Basis	0.34	0.31	0.355
Beef Trimmings, 90% Fresh	214.00	216.00	190.50
Beef Trimmings, 50% Fresh	69.00	72.50	52.00
Aust/NZ Blend Cow 90% EC Spot	220.00	218.00	215.50
USDA Drop Credit	0.10	0.00	0.12
112A 3 Ribeye Roll, Lip-On CH	850.00	865.00	820.00
116A 3 Chuck Roll, Neck-Off CH	300.00	315.00	270.00
168 3 Round, Top (Inside) CH	238.00	243.00	187.00
180 3 Strip Loin, Bnls, 0x1 CH	550.00	560.00	450.00
136 Coarse Ground 81%	185.00	194.00	160.00
189A 4 Loin, Tenderloin, PSMO CH	1,200.00	1,130.00	1,010.00
Cattle-Fax, 6-State Fed Steer Price	123.36	124.21	108.40
Select Hams 20/23	72.00	78.00	68.00
Sq Cut Bellies 14/16	132.00	119.00	107.00
1/4 Trmd. Loins 21/dn	83.00	88.00	77.00
1/4 Tr Boston Butts 9/dn	100.00	101.00	84.00
Spareribs, Light, Fresh	136.00	137.00	117.00
Fresh Pork Trim (42%)	27.00	28.00	22.00
Fresh Pork Trim (72%)	62.00	62.00	42.00
Carcass Lamb Y4+55/65	360.00	360.00	345.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	940.00	940.00	800.00
Lamb Cuts, 206 Shoulder, Cross Cut	320.00	320.00	295.00
Lamb Cuts, 232 Loin Trmd 4x4	600.00	600.00	560.00
Lamb Cuts, 234 Leg, Boneless	565.00	565.00	560.00
Carcass Veal, Hide-off, 255/315, NC	335.00	335.00	320.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	815.00	815.00	860.00
Veal Cuts, 310 Shoulder Clod 14/20	840.00	840.00	850.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	675.00	675.00	650.00
Veal Cuts, 348A Leg, TBS 3-Pc 24/32	1,140.00	1,140.00	1,125.00

Quotes represent the high side of Friday's trading range

RIEMANN CONTRACT SETTLEMENTS

	11/17	11/10	11/3
Weekly Imported Aust/NZ Blend Cow 90% EC 7:45	2.19	2.18	2.15
Weekly Weighted Average Blended Boxed Beef Cutout Index	203.66	207.30	202.35



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	117	118	118	120	118	48	639
LW	117	118	116	113	112	47	623
*LY	114	115	115	117	115	53	629

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	464	465	465	464	461	154	2,473
LW	460	460	465	461	458	191	2,495
*LY	438	439	443	443	436	329	2,527

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	7	9	7	8	8	1	40
LW	8	8	7	8	7	1	39
*LY	10	9	9	8	5	0	41

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	2	2	2	2	3	0	11

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	11/3	11/4	11/6	11/7	11/8	11/9	Total
	21	13	21	24	24	24	127
TW	11/10	11/11	11/13	11/14	11/15	11/16	Total
	23	15	21	23	25	24	131
*LY	23	13	22	22	23	24	127

*Last Year's numbers are rounded

FOREIGN EXCHANGE RATES

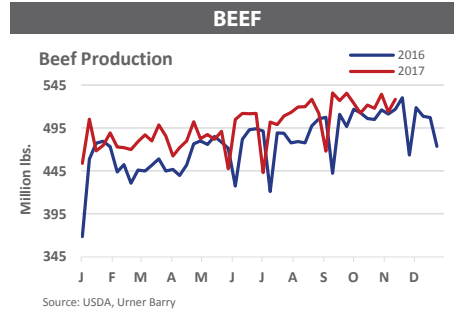
	This Week	Last Week	Last Year
Australia, Dollar	0.757	0.766	0.734
Mexico, Peso	18.918	19.093	20.653
Canada, Dollar	1.275	1.268	1.351
Japan, Yen	112.124	113.556	110.666
China, Yuan (RMB)	6.624	6.640	6.879
Brazil, Real	3.257	3.280	3.380
South Korea, Won	1,093.00	1,118.00	1,179.00
Taiwan, Dollar	30.021	30.149	31.948
European Union, Euro	1.180	1.167	1.059

COLD STORAGE STOCKS

(Pounds in Thousands)	9/30/16	8/31/17	9/30/17
Beef in Freezer, Bnls	477,690	438,094	446,238
Cuts	41,332	38,473	41,574
Total Beef	519,022	476,567	487,812
PORK & OTHER	9/30/16	8/31/17	9/30/17
Pork in Freezer, Picnics	8,512	8,176	8,754
Hams	248,972	203,887	231,965
Bellies	25,084	19,213	20,914
Loins	31,928	32,641	33,967
Spareribs	83,729	74,341	86,564
Butts	18,295	16,308	17,774
Trimmings	35,811	34,811	34,832
Other Pork in Freezer	86,941	99,330	98,682
Total	642,303	575,698	616,312
Veal in Freezer	11,003	15,311	13,669
Lamb & Mutton in Freezer	32,736	32,383	31,414
Total	43,739	47,694	45,083

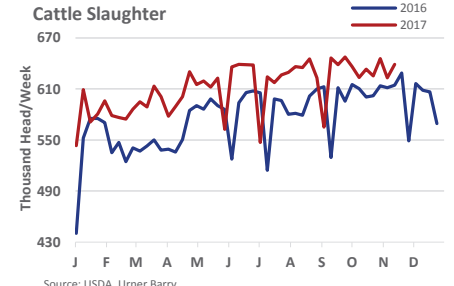
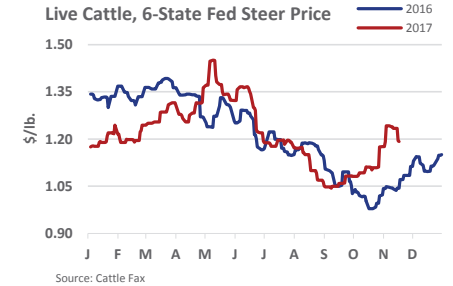
Data Updated: October 24, 2017

UB BEEF CUTOUT Nov-17 v. Nov-10				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	-2.09%	-3.28%	-0.01%	-0.91%
Chuck	-3.14%	-3.96%	-3.75%	-1.36%
Round	-2.34%	-2.01%	-2.00%	-0.64%
Loin	0.79%	-0.33%	-0.85%	2.11%
Brisket	-0.91%	-0.96%	0.03%	-0.02%
Plate	-0.67%	-0.72%	-0.72%	-0.51%
Flank	-2.51%	-1.45%	-2.58%	-2.16%
Total	-1.50%	-2.21%	-1.76%	-0.14%

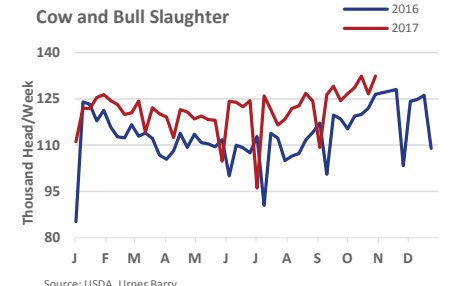
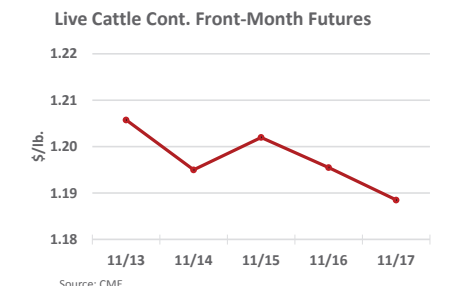


BEEF COMMENTARY

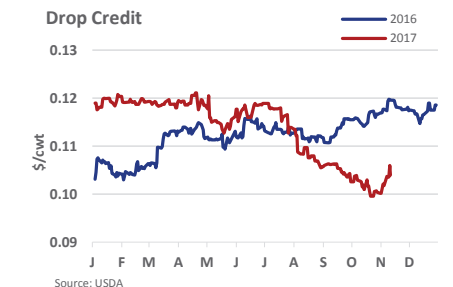
“Running out of steam” could be a phrase associated with the boxed beef market this week. Buyer’s interest waned a bit, and the beef processing side of the market was confronted with some fully adequate and ample spot market supplies. Rib values eased as did some end cuts and ground beef. Thanksgiving protein offerings such as the turkey and ham displaced retail beef features, playing a role in the diminished buyer’s interest for beef. USDA’s monthly Cattle on Feed report released today reported Cattle and calves on feed as of November 1, 2017 was 6% higher than the same time frame in 2016. Placements for the same reporting periods were 10% higher, while Marketings moved 6% higher from November 1, 2016.



LIVE CATTLE: Further price breaks occurred this week with cash sales of market-ready cattle. Live cattle sold in a range between \$118/cwt and \$120.50, the bulk selling at \$119/cwt, nearly \$5/cwt lower from week prior. Dressed carcass sales occurred between \$188/cwt and \$190/cwt; previous week’s sales were spread between \$190/cwt and \$194/cwt.



SLAUGHTER & BEEF PRODUCTION: The weekly F.I. Slaughter was assessed at 639,000 head, 16,000 higher from week prior’s 623,000 head slaughter. The increase in weekly F.I. Slaughter can be attributed to packers processing for their pre-sold orders ahead on next week’s holiday curtailed production schedules. Saturday’s harvest assessed at 48,000, versus the prior Saturday that saw 47,000 processed. Live cattle weights for the week reported at 1373 pounds, 8 pounds heavier than week prior. Dressed carcass weights moved up 2 pounds to 827 pounds.



RIBS: Demand for ribs eased as buyer’s interest diverted to other proteins. Urner Barry’s Choice Rib primal value moved \$7.94/cwt lower, or 2.09%.

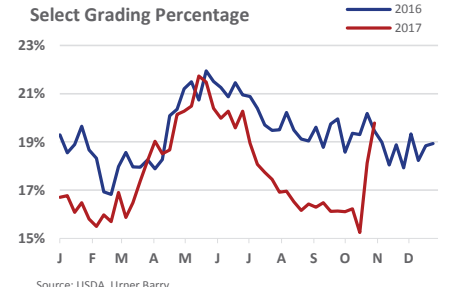
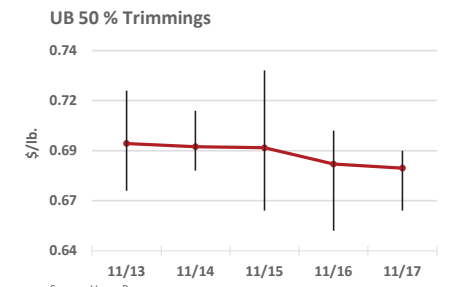
CHUCKS: Chuck rolls were available on the spot market, spurring drops with primal cutout values. Urner Barry’s Choice Chuck primal value lost \$5.53/cwt, or 3.14%.

ROUNDS: Inside rounds were a key cut from the round primal that slipped lower in value, leading to a \$3.96/cwt decline in Urner Barry’s Round primal value.

LOINS: Tenderloins were one of the only cuts that posted gains with spot market values. Strips and short loins slipped lower.

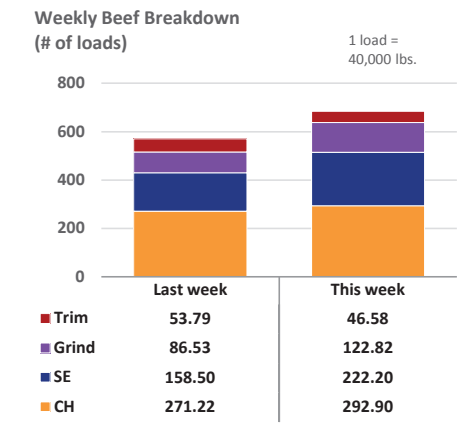
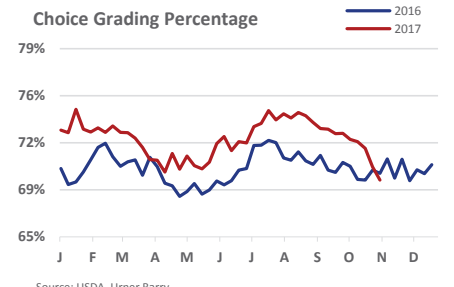
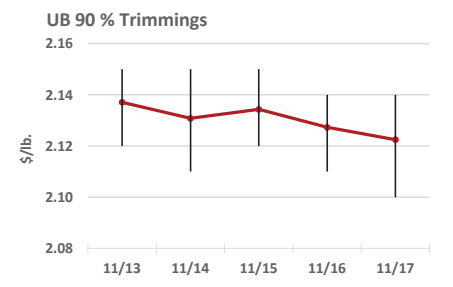
GROUND BEEF: Supplies were ample and needed discounting. Retail features were lacking given consumer’s interest for turkey, hams, and chicken.

BONELESS BEEF: Fresh 50s were steady to a little weaker this week. Offerings were readily available in some areas. This week’s cattle slaughter was estimated at 639,000 head. Fresh 90s were about steady this week. Supply and demand were generally in balance.

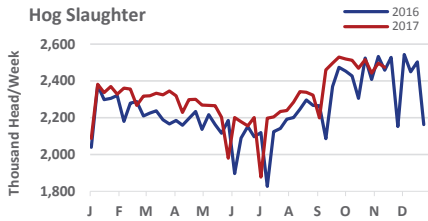


UB BEEF CUTOUT-CH/SE SPREAD (\$/cwt)					
	M	T	W	TH	F
TW	14.40	15.10	15.46	17.11	16.33
*LW	11.74	12.87	14.27	15.09	15.16

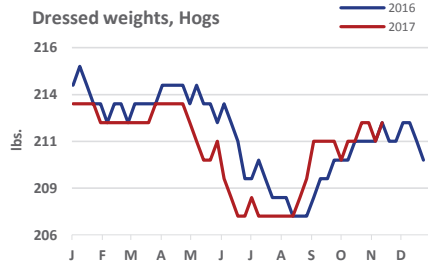
*Last Week’s numbers are rounded



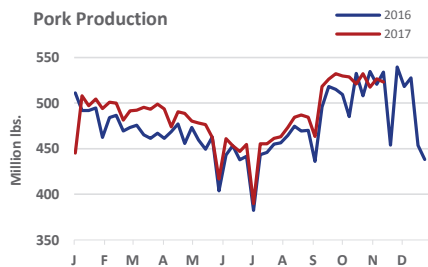
PORK PRODUCTION



Source: USDA, Urner Barry



Source: USDA, Urner Barry

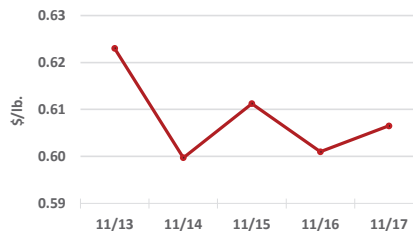


Source: USDA, Urner Barry

LIVE HOGS & CUTOOT

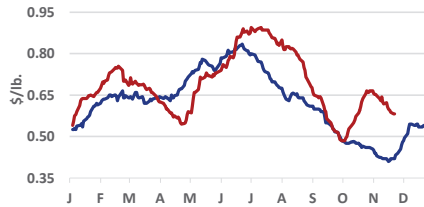
PORK CUTOOT	Nov-10	Nov-17	Change
Loin	19.925	19.188	-0.737
Butt	9.065	9.019	-0.046
Picnic	6.754	6.903	0.149
Sparerib	6.107	6.072	-0.035
Ham	17.321	16.061	-1.260
Belly	19.132	20.489	1.357
Cutout Value	81.225	80.678	-0.547

Lean Hog Cont. Front-Month Futures



Source: CME

USDA Direct Hogs, Iowa/Minnesota, Carcass Base



Source: USDA, Urner Barry

PORK COMMENTARY

Packers who purchase hogs from outside sources continued to see their margins improve this week. Hogs fell 4.7 percent while the Urner Barry pork cutout gained .6 percent. According to the Urner Barry pork packer margin indices, standard operating margins ended the week at \$44.14/head, up 10.5 percent. Margins for vertically integrated plants closed the week at \$42.20/head, 4.6 percent lower.

PORK PRODUCTION: Total pork production for the week ending November 18, 2017 was estimated at 522.9 million lbs. This was .7 percent below the previous week and 2.1 percent lower than last year. Average live weights, at 284 pounds, one pound higher than last week and even with a year ago.

GREEN MEATS: In the green meat complex, hams saw significant weakness with buyers pushing back after prices ran up to what were considered expensive levels much earlier in the fall than they typically do. Bellies remained well supported with demand for fresh product exceeding production. Trimmings traded mostly sideways throughout the week, in wide ranges.

HAMS: Bone-in ham values ranged \$4.50 to \$8.00/cwt lower this week on average; and boneless down to \$6.50/cwt.

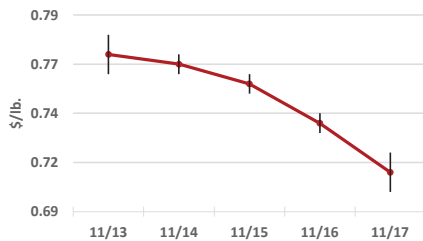
BELLIES: Square-cut bellies gained \$11.50/cwt on average while skinless appreciated by \$7.50 to \$13.50/cwt on average this week.

TRIMMINGS: Fresh 42s closed \$1.50/cwt weaker, 72s \$.50/cwt lower and boneless picnics gained \$2.00/cwt from last week.

RETAIL: Unsettled would be the key word for the fresh pork complex this week. It is not unusual for the pre-Thanksgiving market to hit some turbulence and this year was no different. Loins declined by \$3.50 to \$8.00/cwt, due to seasonal declines in demand. Boneless loins were fairly steady, only losing \$1/cwt on the week. Tenders, bone-in and boneless sirs fell by \$10, \$6.50 and \$1.50/cwt respectively. A lack of labor available on sirloin boning lines has pressured bone-in values. Butts were sideways for most of the week, propped up by healthy exports to Korea. Spareribs fell by \$.50 to \$1.00/cwt on the week.

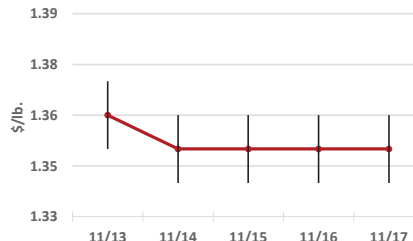
PORK PROCESSING ITEMS & RETAIL CUTS

UB Select Hams 20/23



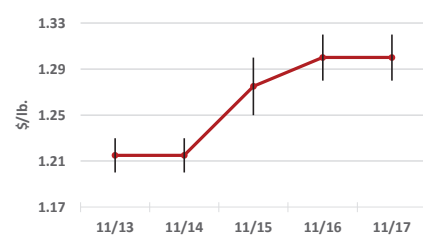
Source: Urner Barry

UB TL Spareribs, Light, Fresh (Vacpak)



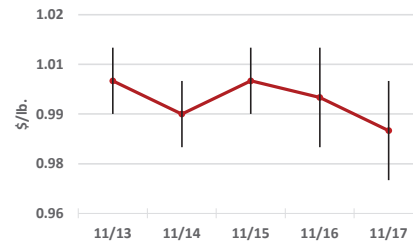
Source: Urner Barry

UB TL Sq. Cut Bellies 14/16



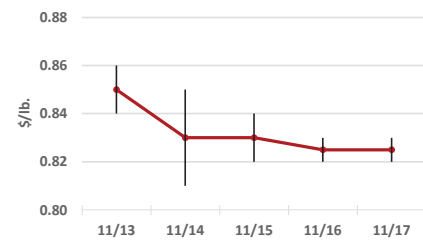
Source: Urner Barry

UB TL 1/4 in. Tr Boston Butts 9/dn



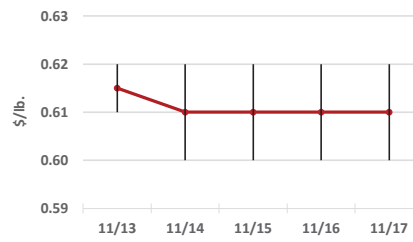
Source: Urner Barry

UB TL 1/4 in. Tr Loins 21/dn



Source: Urner Barry

UB Pork Trim (72%) Fr TL



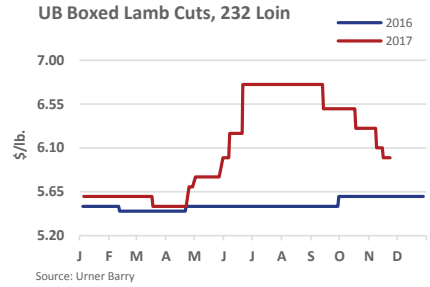
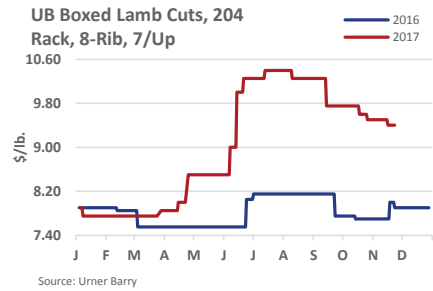
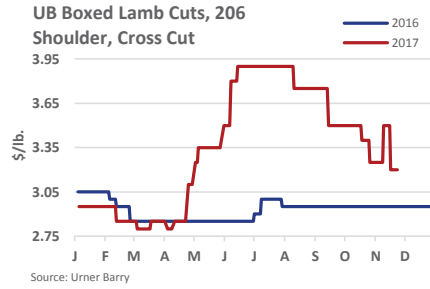
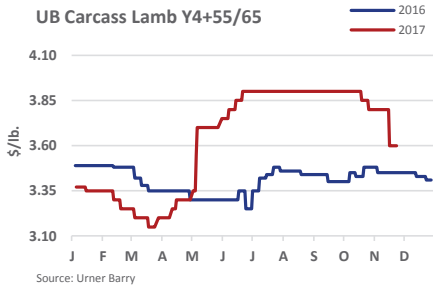
Source: Urner Barry

UB Pork Trim (42%) Fr TL



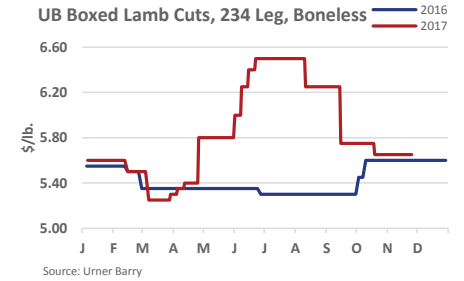
Source: Urner Barry

LAMB

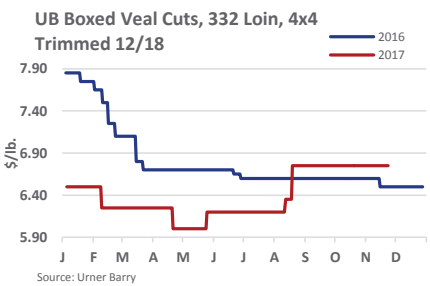
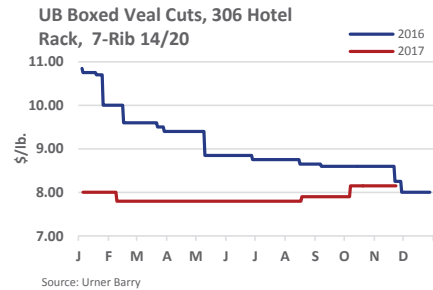
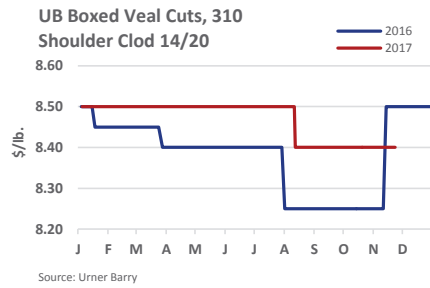
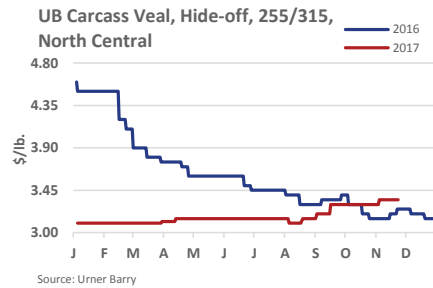


LAMB COMMENTARY

Lamb carcasses were basically steady this week. Movement was light. Boxed lamb cuts were mostly steady. Offerings varied from packer to packer.

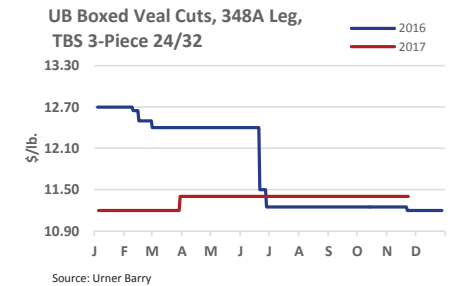


VEAL

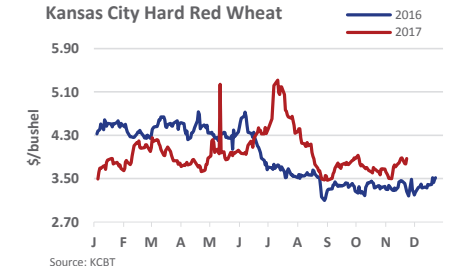
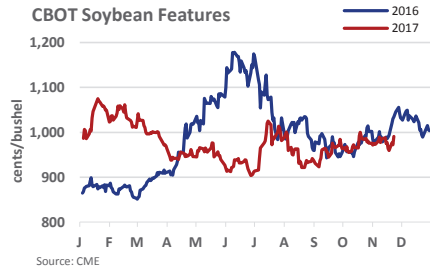
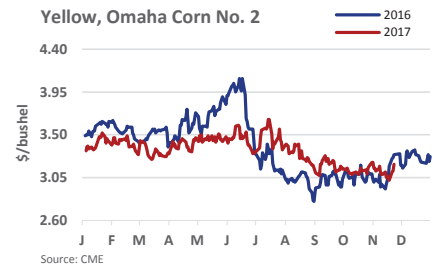


VEAL COMMENTARY

Veal carcasses traded at steady to a little lower price levels in some instances. Boxed veal cuts traded in light to moderate volume within the previously quoted price ranges.



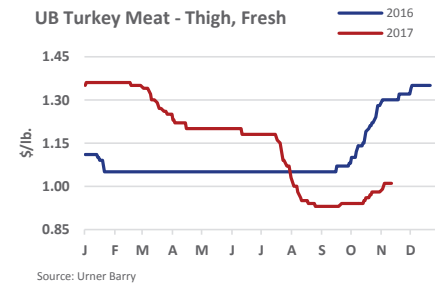
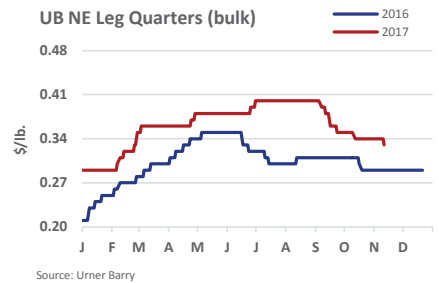
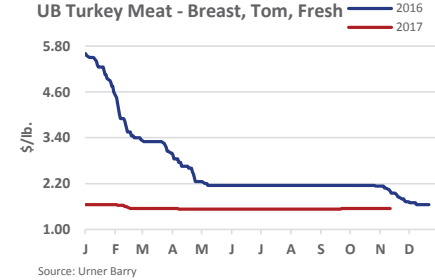
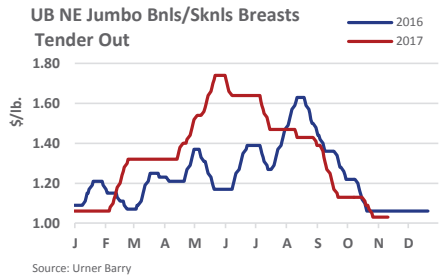
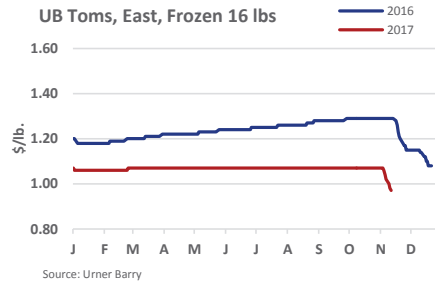
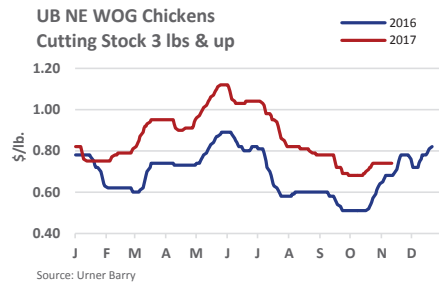
FEEDS: CORN, SOY BEAN, RED WHEAT



mexicanbeef.org



POULTRY



POULTRY COMMENTARY

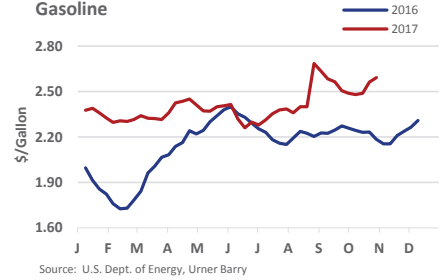
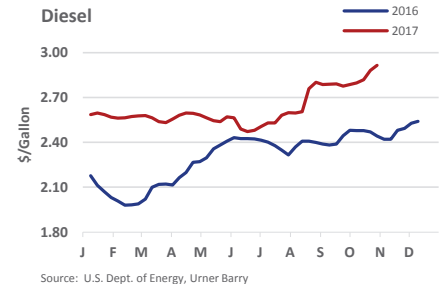
This week in the chicken market, wing values continued to decline. Demand has picked up some for cut form wings, but as a rule the market is still oversupplied and sellers are struggling to establish a clear pricing trend. Retailers, foodservice operators and wholesale distributors are a bit preoccupied with their holiday turkey and ham inventories, rather than booking for additional chicken needs. Medium and select sized meats are backing up as a result. Whole breasts are likely in the same position heading into the weekend. Jumbo breast meat however appears to have hit its bottom, at least for the time being. As the week came to a close, tenders settled some. Market participants are still cautious though, considering next week's processing and further processing needs are anticipated to be light. Whole birds and WOGs are trading at market related levels heading into the weekend. As for the back half of the bird, it's been more or less the same story for bone-in and boneless meats, which is basically a nonstory. Fresh leg quarters are testing lower as export movement continues to slow. Thigh meat is

receiving a little better call ahead of the holiday shopping season.

It's been a challenging week in the turkey industry given the disintegration in value of consumer packaged toms and hens. At today's close we find that negotiations are taking place around values that are within a reasonable range of our quotations. However as a rule, the market continues to be unsettled at best. Interest in December deliveries of fresh and frozen whole birds seems to be pretty decent but buyers have expectations of securing prices lower than those currently printed. Processors and distributors seem to understand this and approach inquiries with open minds. Most other quoted lines are starting to feel the neglect usually in place during this week prior to Thanksgiving. A few exceptions exist. They include frozen drums, frozen thigh meat, frozen breast meat and scapula. Some sources would include fresh breast trim. Tails, hearts, livers and gizzards are firm and wanted but at this point the issue is pretty academic. The value of consumer breasts is not lost on buyers who have absorbed supplies in order to populate retailer coolers.

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