

WEEKLY Market Report

NAMI
NORTH AMERICAN
MEAT INSTITUTE

Friday, December 29, 2017

Number 52- Volume 10

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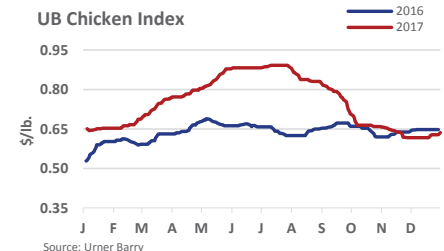
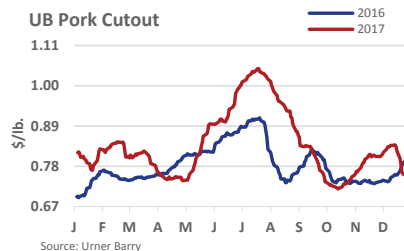
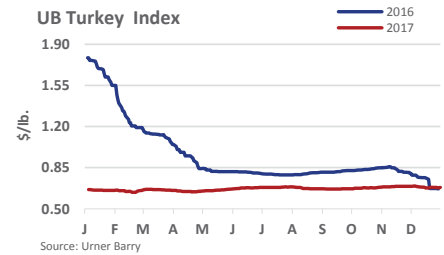
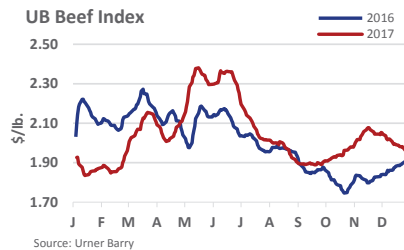
WEEKLY COMMODITY AT A GLANCE

	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.31	3.28	3.29
CBOT Soybean	951.75	949.50	996.50
NYMEX Light Crude Oil	60.42	58.47	53.72
Loose Lard, Chicago Basis	0.34	0.38	0.31
Edible Tallow, Chicago Basis	0.32	0.32	UNQ
Beef Trimmings, 90% Fresh	216.00	214.00	202.00
Beef Trimmings, 50% Fresh	70.00	53.00	42.00
Aust/NZ Blend Cow 90% EC Spot	214.00	214.00	205.50
USDA Drop Credit	0.000	0.107	0.12
112A 3 Ribeye Roll, Lip-On CH	700.00	730.00	725.00
116A 3 Chuck Roll, Neck-Off CH	300.00	290.00	295.00
168 3 Round, Top (Inside) CH	225.00	225.00	245.00
180 3 Strip Loin, Bnls, 0x1 CH	540.00	515.00	545.00
136 Coarse Ground 81%	201.00	185.00	225.00
189A 4 Loin, Tenderloin, PSMO CH	1,010.00	1,010.00	1,010.00
Cattle-Fax, 6-State Fed Steer Price	120.01	119.71	114.89
Select Hams 20/23	56.00	55.00	72.00
Sq Cut Bellies 14/16	109.00	110.00	114.00
1/4 Trmd. Loins 21/dn	83.00	85.00	98.00
1/4 Tr Boston Butts 9/dn	111.00	107.00	110.00
Spareribs, Light, Fresh	139.00	135.00	126.00
Fresh Pork Trim (42%)	24.00	23.00	27.00
Fresh Pork Trim (72%)	61.00	57.00	58.00
Carcass Lamb Y4+55/65	343.00	354.00	337.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	950.00	950.00	790.00
Lamb Cuts, 206 Shoulder, Cross Cut	300.00	300.00	295.00
Lamb Cuts, 232 Loin Trmd 4x4	625.00	600.00	560.00
Lamb Cuts, 234 Leg, Boneless	575.00	565.00	560.00
Carcass Veal, Hide-off, 255/315, NC	335.00	335.00	315.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	815.00	815.00	800.00
Veal Cuts, 310 Shoulder Clod 14/20	815.00	815.00	850.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	660.00	660.00	650.00
Veal Cuts, 348A Leg, TBS 3-Pc 24/32	1,050.00	1,050.00	1,120.00

Quotes represent the high side of Friday's trading range

RIEMANN CONTRACT SETTLEMENTS

	12/29	12/22	12/15
Weekly Imported Aust/NZ Blend Cow 90% EC 7:45	2.13	2.14	2.15
Weekly Weighted Average Blended Boxed Beef Cutout Index	198.63	195.35	196.85



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	0	91	118	119	118	56	502
LW	119	118	116	118	117	24	612
*LY	9	114	115	116	114	47	515

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	0	357	464	457	463	366	2,107
LW	467	468	467	466	455	137	2,460
*LY	7	437	439	443	437	305	2,068

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	0	7	6	8	8	0	29
LW	9	9	7	8	6	0	39
*LY	1	9	9	9	7	0	36

EST. DAILY CALVES SLAUGHTER

	M	T	W	TH	F	S	Total
TW	0	2	2	2	2	0	8
LW	2	2	2	2	2	0	10
*LY	1	3	2	2	3	0	11

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	12/15	12/16	12/18	12/19	12/20	12/21	
	25	13	23	24	25	23	133
TW	12/22	12/23	12/25	12/26	12/27	12/28	
	24	11	0	11	24	23	93
*LY	20	1	4	22	23	23	93

*Last Year's numbers are rounded

FOREIGN EXCHANGE RATES

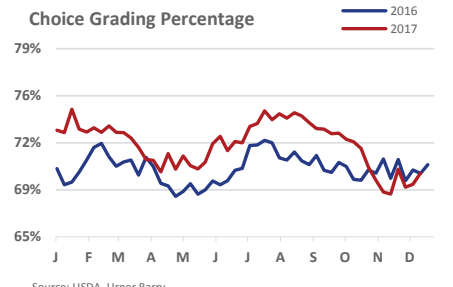
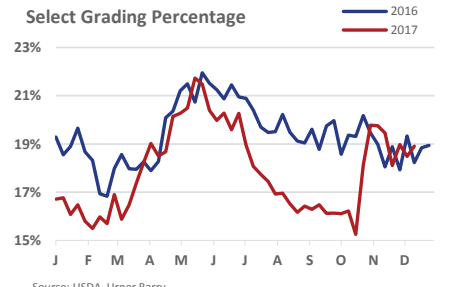
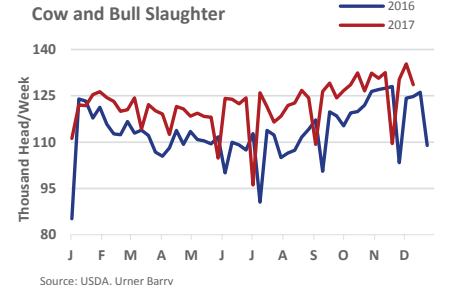
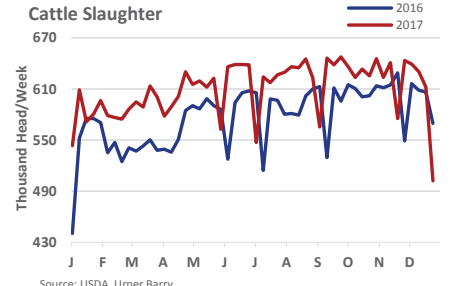
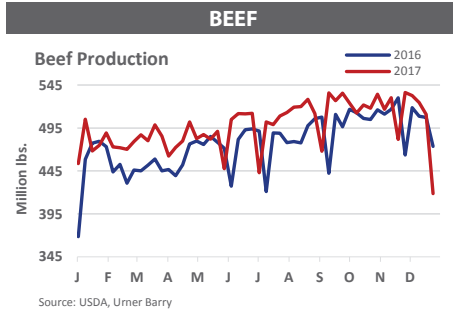
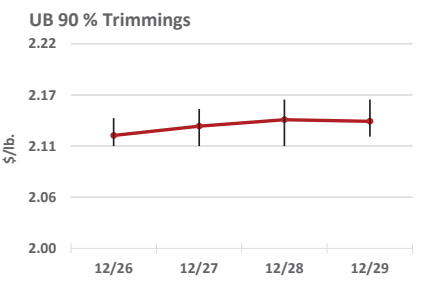
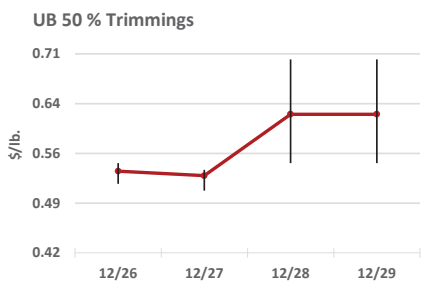
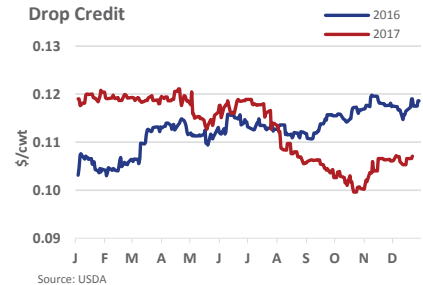
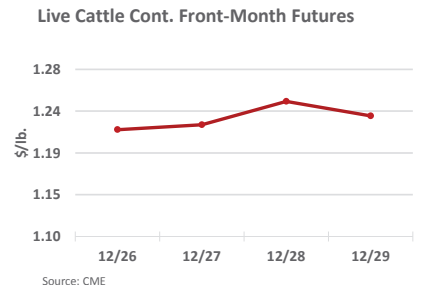
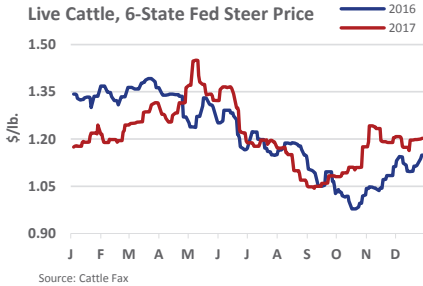
	This Week	Last Week	Last Year
Australia, Dollar	0.781	0.771	0.718
Mexico, Peso	19.673	19.716	20.751
Canada, Dollar	1.253	1.273	1.357
Japan, Yen	112.634	113.300	117.444
China, Yuan (RMB)	6.506	6.575	6.949
Brazil, Real	3.312	3.336	3.271
South Korea, Won	1,066.70	1,079.60	1,207.40
Taiwan, Dollar	29.657	29.896	32.290
European Union, Euro	1.201	1.185	1.046

COLD STORAGE STOCKS

(Pounds in Thousands)	11/30/16	10/31/17	11/30/17
Beef in Freezer, Bnls	493,396	462,099	445,801
Cuts	37,557	44,948	41,153
Total Beef	530,953	507,047	486,954
PORK & OTHER	11/30/16	10/31/16	11/30/17
Pork in Freezer, Picnics	8,980	8,055	6,852
Hams	106,101	195,327	98,170
Bellies	18,526	32,268	36,002
Loins	40,813	36,927	36,731
Spareribs	109,413	94,859	99,574
Butts	21,654	21,249	25,351
Trimmings	35,678	33,185	37,373
Other Pork in Freezer	83,038	94,458	96,046
Total	518,813	598,374	504,975
Veal in Freezer	7,581	12,344	15,768
Lamb & Mutton in Freezer	21,876	31,594	28,977
Total	29,457	43,938	44,745

Data Updated: December 22, 2017

UB BEEF CUTOUT Dec-29 v. Dec-22				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	-1.88%	1.02%	-1.57%	-8.91%
Chuck	1.75%	2.14%	1.11%	0.92%
Round	2.11%	2.97%	1.31%	1.27%
Loin	1.71%	1.16%	0.74%	-0.44%
Brisket	6.15%	5.28%	1.54%	3.72%
Plate	3.54%	3.60%	3.60%	3.19%
Flank	2.56%	2.60%	2.64%	2.62%
Total	1.41%	2.07%	0.81%	-1.21%



BEEF COMMENTARY

The week started quiet as expected given the Monday holiday and associated transportation issues that usually come with this week. Once things started going, it appeared that packers were in even better position on strips, chucks, rounds, and ground beef than they originally thought. This at a time that seasonals and the cold weather threw extra support behind these items. Ribs and tenderloins were still problematic but pace of losses slowed significantly.

LIVE CATTLE: Cash cattle was quiet all week but advances in CME gave cattle owners the confidence to hold until the last possible minute. The wide gap between bids and asks closed some as Friday progressed but still not enough to confirm trade. Bids moved higher to \$122.00/cwt live and \$190.00/cwt dressed -- but this still fell \$3.00/cwt to \$4.00/cwt short of asking prices. Live cattle sold last week from \$119.00/cwt to \$120.00/cwt. Dressed sales were picked up between \$190.00/cwt and \$191.00/cwt.

SLAUGHTER & BEEF PRODUCTION: The weekly F.I. Slaughter was assessed at 502,000 head. Last week's full F.I. Slaughter tallied 612,000 head. The same week last year was 515,000 head. Live cattle weights remained the same at 1382 pounds. Dressed carcass weights lost one pound to 836 pounds.

RIBS: The rib complex ended the week mixed. Choice product declined again but after weeks of losses prices seemed to be close to a clearing level. Product lost nearly 2 percent compared to the double digits last week. Select product held in better and traded in a tight channel near steady.

CHUCKS: Chucks were the first movers during the week as buyers took to booking clods, clod tenders, and chuck rolls. Tighter production, typical seasonal movement, and cold weather were the main drivers.

ROUNDS: Interest in end cuts extended to the round complex as well. This is the usual time of year where roasts find themselves on the front pages of circulars and it looks like early 2018 will be no different. Interest in insides, bottom rounds, and peeled knuckles led the way.

LOINS: There was surprising strength to the loin complex this week. Despite the continued decline in tenderloin values, this primal area edged out gains. Packers seemed to be well sold on strips and short loins which were able to command higher money.

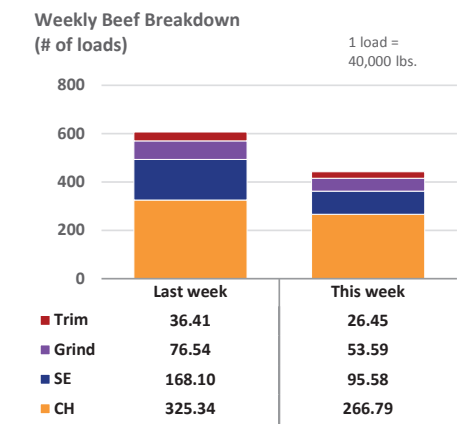
GROUND BEEF: Retailers looked to position themselves for the New Year as buying interest picked up as the week progressed. With consumers' holiday bills coming due and a grip of freezing weather around the country, this could help ground beef sales.

BONELESS BEEF: Fresh 50s were firmer this week. Product was tighter than expected. Nearby demand was active. This week's cattle slaughter was estimated at 502,000 head. Leaner boneless beef was steady to a little stronger in some areas. Buying interest varied noticeably from region to region.

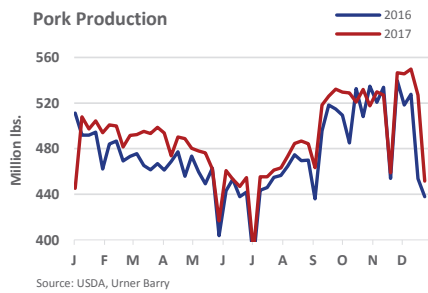
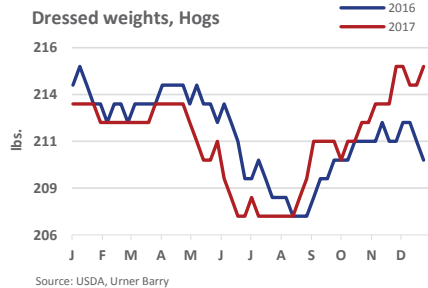
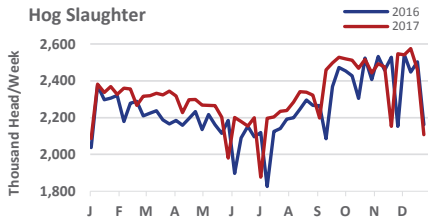
UB BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

	M	T	W	TH	F
TW	-	12.67	12.59	11.92	12.15
*LW	16.76	16.35	12.97	13.13	13.18

*Last Week's numbers are rounded

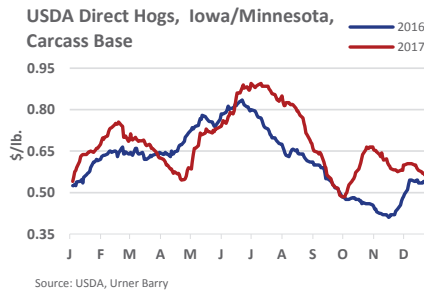
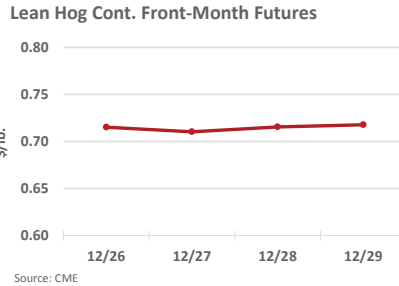


PORK PRODUCTION

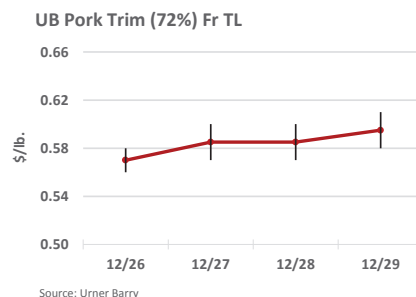
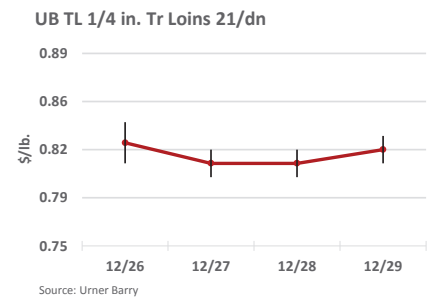
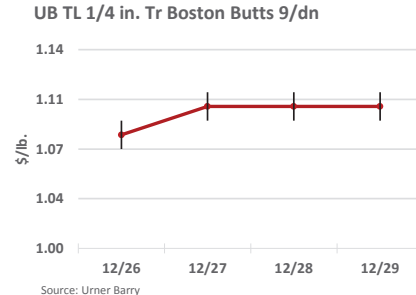
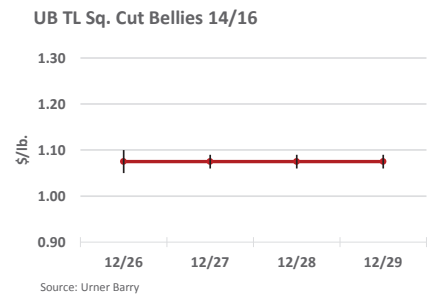
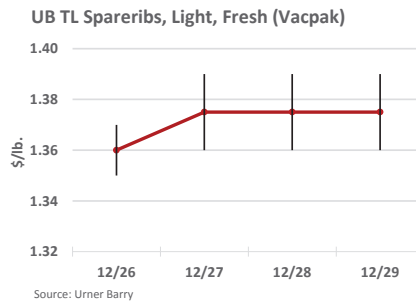
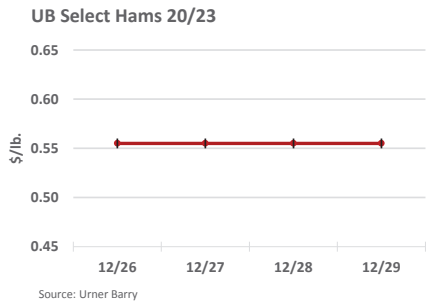


LIVE HOGS & CUTOUT

PORK CUTOUT	Dec-22	Dec-29	Change
Loin	19.704	20.109	0.405
Butt	9.481	9.787	0.306
Picnic	7.253	7.252	-0.001
Sparerib	5.993	6.175	0.182
Ham	13.208	13.673	0.465
Belly	16.624	16.882	0.258
Cutout Value	75.168	76.793	1.625



PORK PROCESSING ITEMS & RETAIL CUTS



PORK COMMENTARY

Short kills, curtailed livestock availability and the lack of available trucks dominated market discussions this week. The reduced slaughters due to holiday schedules have tightened the availability of many items. Livestock availability has been hampered by bitter cold and snow conditions across much of the Midwest. Trucking is an ongoing concern, which in recent days has culminated with shipments being canceled due to the lack of available haulers. Through all of these challenges, wholesale meat prices strengthened almost across-the-board this week; the cutout gained 2.6 percent, going from \$75.17/cwt to \$76.79/cwt.

PORK PRODUCTION: Total pork production for the week ending December 30, 2017 was estimated at 451.6 million lbs. This was 14.3 percent below the previous week, but 3.1 percent higher than last year. Average live weights, at 287 pounds, were even with last week and four pounds higher than last year.

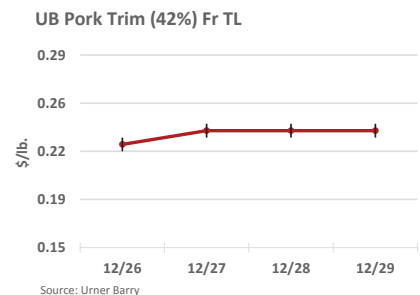
GREEN MEATS: The green meat complex was narrowly mixed this past week; influenced by a confluence of factors including short kills, curtailed livestock availability and the lack of available trucks.

HAMS: The ham component was mixed; bone-in ham values ranged steady to \$3.50/cwt higher, while boneless muscles closed both above-and-below last week's levels. The market lacked true direction.

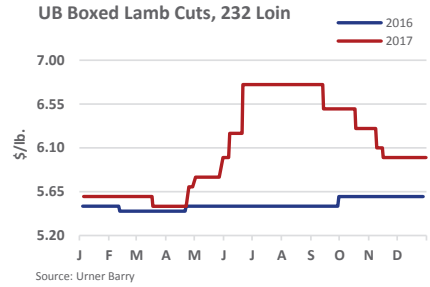
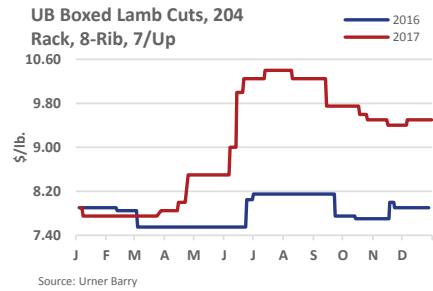
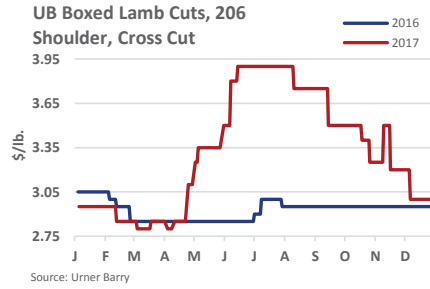
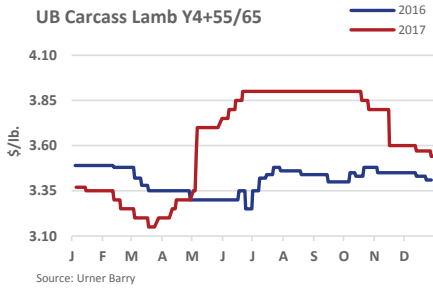
BELLIES: Square-cut bellies ranged steady/weak, while trade in skinless bellies was choppy. Similar to the trade in hams, this market lacked real direction.

TRIMMINGS: The trim markets were fully supported, mostly the result of the holiday-shortened kill and the difficulty covering all fresh needs. Fresh 42s gained \$1.00/cwt, 72s \$4.50/cwt and boneless picnics \$2.00/cwt.

RETAIL: Steady retail buying, holiday shortened production schedules and robust export activity have all been price supportive. Gains were recorded in the loin (+2.04%), butt (+3.22%) and sparerib (+3.03%) components this week.

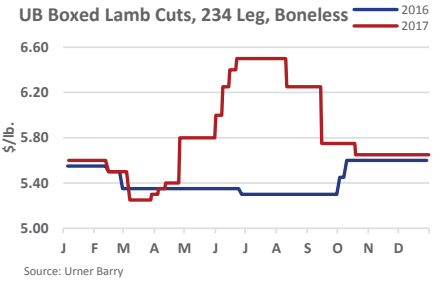


LAMB

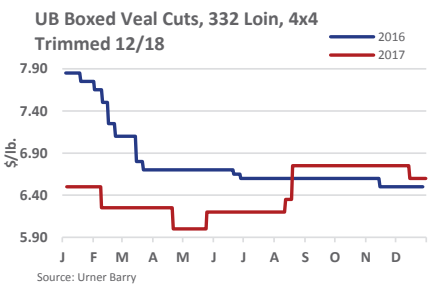
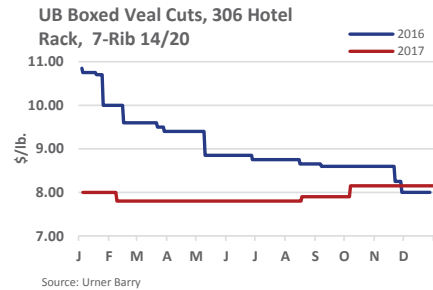
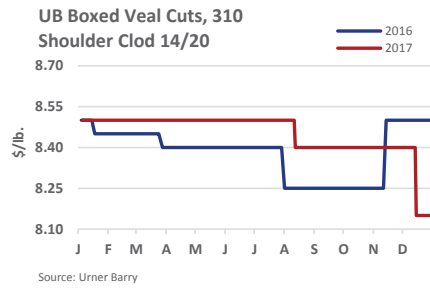
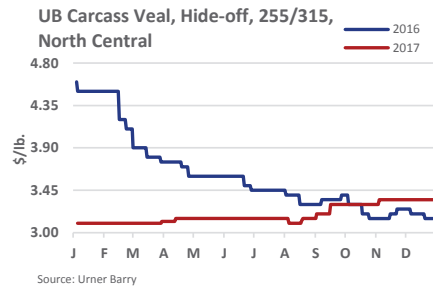


LAMB COMMENTARY

Lamb carcasses traded at steady to lower price levels this week. Boxed lamb cuts were mostly steady. Some premiums were noted on the breasts, loins and boneless legs. Movement varied from source to source.

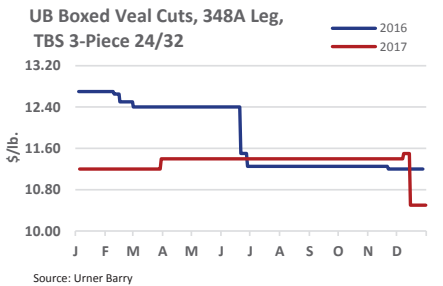


VEAL

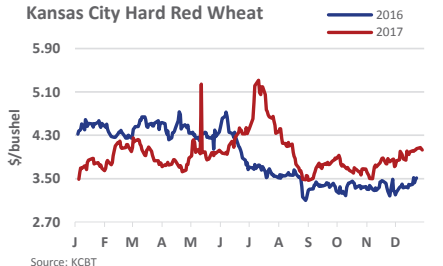
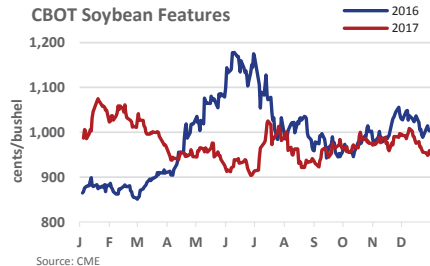
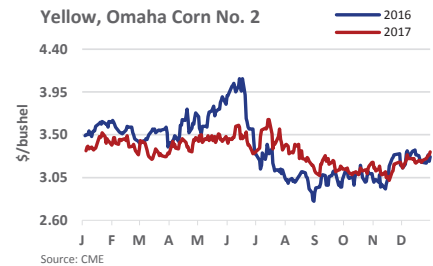


VEAL COMMENTARY

Trading activity throughout the veal complex was limited. Veal carcasses and boxed veal cuts were mostly steady this week.



FEEDS: CORN, SOY BEAN, RED WHEAT



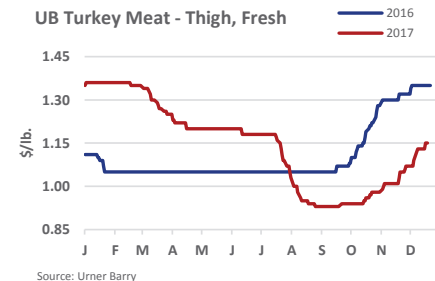
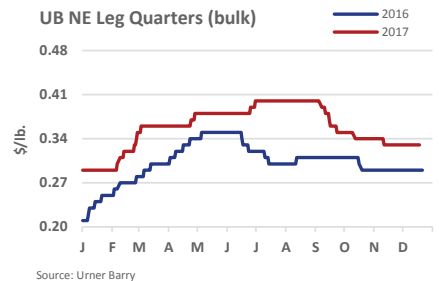
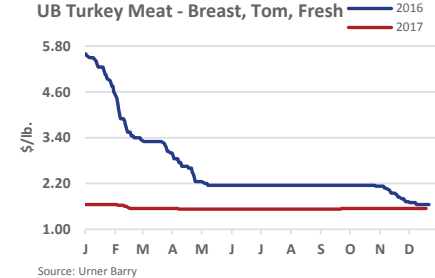
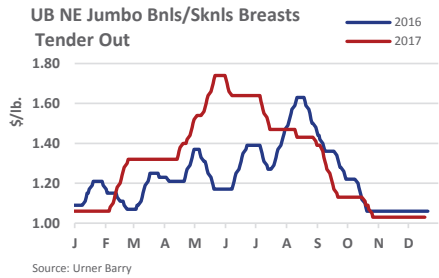
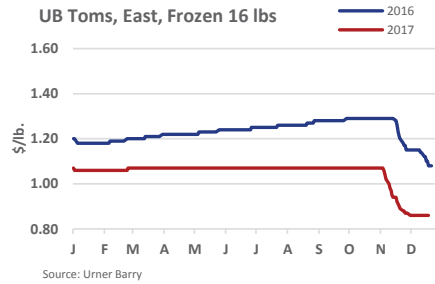
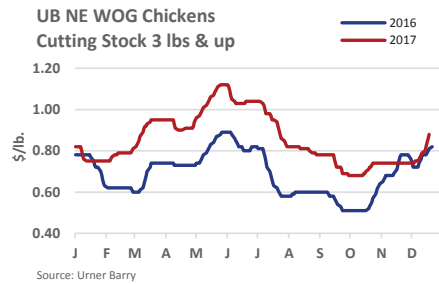
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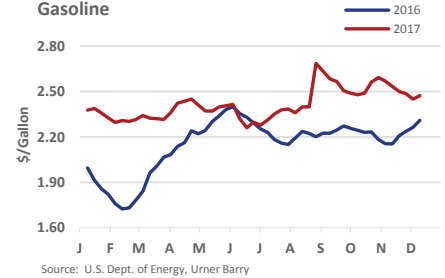
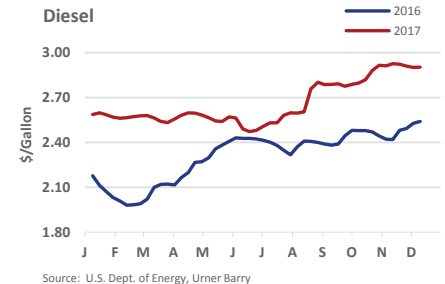
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POULTRY



ENERGY



POULTRY COMMENTARY

The week between Christmas and New Year's is often quiet and uneventful – this year, though, it's been anything but that. Buyers of whole birds and WOGs struggled all week; not only were supplies short and prices firm, but trucking has become an absolute nightmare. With New Year's Day just a few days away, truckers are reluctant to get on the road, even for double the money – and that's exactly what some buyers are willing to pay in order to get covered. Observers don't expect things to improve until late next week at the earliest. Whole breasts are also rated full steady heading into the weekend. As for the rest of the complex, not a whole lot has changed. Every so often reports of increased demand surfaces and some buyers have even shown a willingness to pay stronger values for certain lines, but it doesn't take long before its determined that this is the exception rather than the rule. Breast meat is fully supported as are tenders. Small and medium sized wings were gaining some traction this week; jumbos are still mixed. Leg quarters are rated at least steady to full steady heading into the weekend. All other bone-in and boneless dark meat lines

are generally balanced.

This week is situated between Christmas and New Year's. With many vacations being taken and seasonal requirements fairly low but typical, there isn't a lot of activity taking place in the turkey industry. There are definitely a few trends that developed before Christmas that are pretty much in place today. The call for tom breast meat is more subdued than what it has been but at the same time, supplies are well cleared and prices readily supported. Several times during the past week frozen bookings have been recorded in a range of higher price points. Thigh meat is well situated despite sentiment that is anticipating a correction sooner than later. The call is still pretty consistent for frozen but we find that fresh interest has backed off a bit. Parts are following the same trend line on which they have been for the past couple of weeks. Drums are unsettled and seeking buyers. Whole wings are followings a similar course. Tom two joints are mixed with export sales recorded lower and domestic activity confirmed at listed price points. Elsewhere business is very light. Happy New Year!

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