

WEEKLY Market Report

NAMI
NORTH AMERICAN
MEAT INSTITUTE

POWERED BY URNER BARRY'S COMTELL®

Friday, April 06, 2018

Number 14 - Volume 11

WEEKLY COMMODITY AT A GLANCE

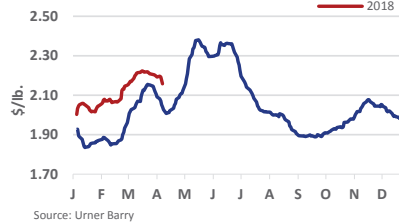
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.69	3.66	3.35
CBOT Soybean	1,033.75	1,044.75	942.00
NYMEX Light Crude Oil	62.06	64.94	52.24
Loose Lard, Chicago Basis	0.32	0.32	0.30
Edible Tallow, Chicago Basis	0.31	0.31	0.335
Beef Trimnings, 90% Fresh	220.00	218.50	218.00
Beef Trimnings, 50% Fresh	98.00	85.00	101.00
Aust/NZ Blend Cow 90% EC Spot	213.00	215.00	219.50
USDA Drop Credit	0.098	0.101	0.12
112A 3 Ribeye Roll, Lip-On CH	810.00	825.00	750.00
116A 3 Chuck Roll, Neck-Off CH	305.00	315.00	239.00
168 3 Round, Top (Inside) CH	215.00	228.00	218.00
180 3 Strip Loin, Bnls, 0x1 CH	675.00	695.00	680.00
136 Coarse Ground 81%	200.00	193.00	182.00
189A 4 Loin, Tenderloin, PS MO CH	1,000.00	1,005.00	1,055.00
Cattle-Fax, 6-State Fed Steer Price	121.19	125.56	127.90
Select Hams 20/23	59.00	55.00	58.00
Sq Cut Bellies 14/16	106.00	104.00	124.00
1/4 Trmd. Loins 21/dn	80.00	84.00	87.00
1/4 Tr Boston Butts 9/dn	96.00	100.00	93.00
Spareribs, Light, Fresh	147.00	148.00	127.00
Fresh Pork Trim (42%)	33.00	36.00	36.00
Fresh Pork Trim (72%)	59.00	57.00	66.00
Carcass Lamb Y4+55/65	335.00	335.00	325.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	925.00	925.00	785.00
Lamb Cuts, 206 Shoulder, Cross Cut	290.00	290.00	285.00
Lamb Cuts, 232 Loin Trmd 4x4	575.00	575.00	550.00
Lamb Cuts, 234 Leg, Boneless	575.00	575.00	540.00
Carcass Veal, Hide-off, 255/315, NC	320.00	320.00	312.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	825.00	825.00	780.00
Veal Cuts, 310 Shoulder Clod 14/20	825.00	825.00	850.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	660.00	660.00	625.00
Veal Cuts, 348A Leg, TBS 3-Pc 24/32	1,000.00	1,050.00	1,140.00

Quotes represent the high side of Friday's trading range

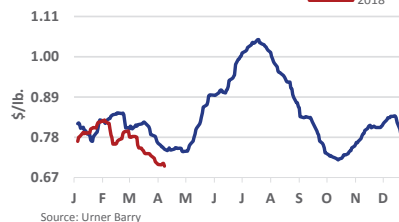
RIEMANN CONTRACT SETTLEMENTS

	4/6	4/2	3/23
Weekly Imported Aust/NZ Blend Cow 90% EC 7:45	2.13	2.17	2.18
Weekly Weighted Average Blended Boxed Beef Cutout Index	214.10	218.43	221.76

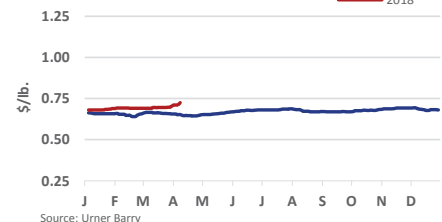
UB Beef Index



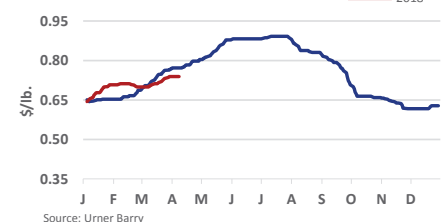
UB Pork Cutout



UB Turkey Index



UB Chicken Index



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	102	119	118	118	114	44	615
LW	117	119	118	118	106	16	594
*LY	107	116	115	112	101	27	578

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	318	463	466	465	455	168	2,335
LW	458	461	462	464	429	117	2,391
*LY	444	449	446	447	441	91	2,318

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	7	9	6	7	6	1	36
LW	9	9	7	8	5	0	38
*LY	9	8	8	9	8	2	45

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	1	2	0	10

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	3/23	3/24	3/26	3/27	3/28	3/29	
TW	23	7	22	24	25	25	126
*LY	3/30	3/31	4/2	4/3	4/4	4/5	
TW	24	9	22	24	25	27	131
*LY	21	11	20	23	23	23	121

*Last Year's numbers are rounded

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.767	0.768	0.750
Mexico, Peso	18.328	18.161	18.688
Canada, Dollar	1.278	1.289	1.341
Japan, Yen	106.841	106.253	111.148
China, Yuan (RMB)	6.302	6.273	6.898
Brazil, Real	3.378	3.305	3.154
South Korea, Won	1,068.50	1,061.00	1,133.00
Taiwan, Dollar	29.335	29.098	30.608
European Union, Euro	1.228	1.232	1.059

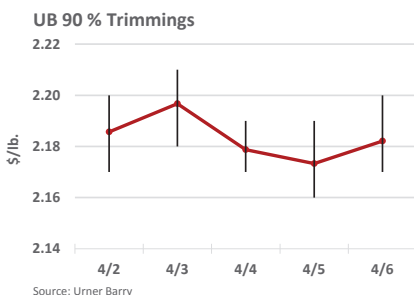
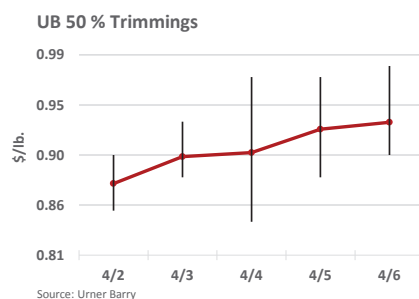
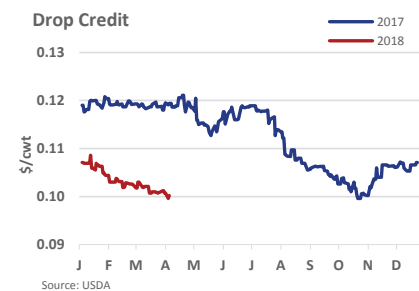
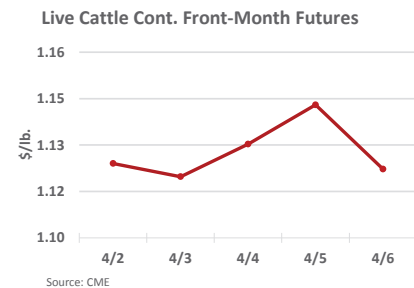
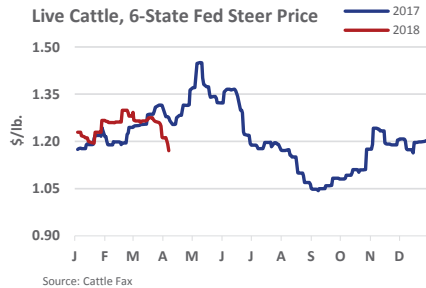
COLD STORAGE STOCKS

(Pounds in Thousands)	2/28/17	1/31/18	2/28/18
Beef in Freezer, Bnls	463,934	458,749	416,976
Cuts	38,514	42,995	43,300
Total Beef	502,448	501,744	460,276
PORK & OTHER	2/28/17	1/31/18	2/28/18
Pork in Freezer, Picnics	8,437	7,074	8,684
Hams	125,167	118,407	122,788
Bellies	16,153	43,810	46,509
Loins	38,155	40,773	39,017
Spareribs	139,525	114,366	128,090
Butts	22,052	25,477	22,937
Trimnings	37,339	48,602	59,426
Other Pork in Freezer	86,028	104,544	97,162
Total	567,855	580,714	614,918
Veal in Freezer	16,950	19,912	21,158
Lamb & Mutton in Freezer	25,694	26,790	28,352
Total	42,644	46,702	49,510

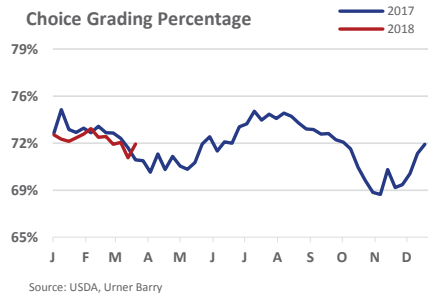
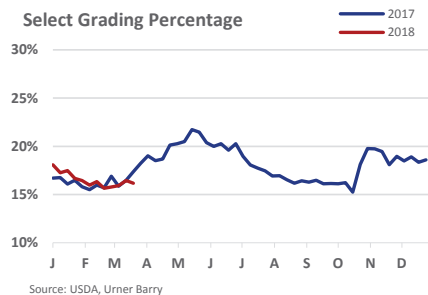
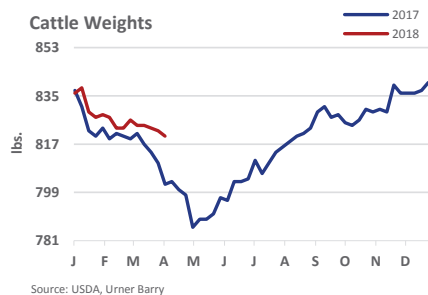
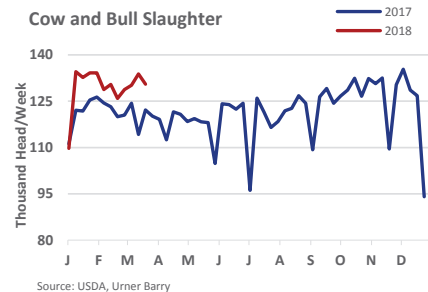
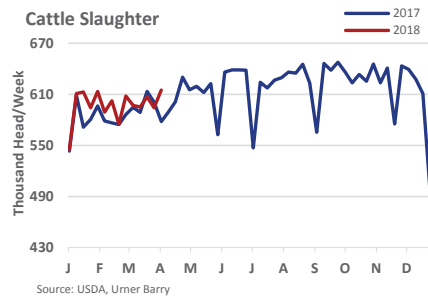
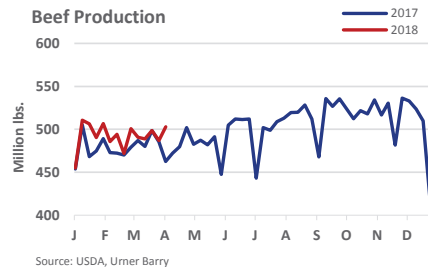
Data Updated: March 22, 2018

UB BEEF CUTOUT Apr-06 v. Mar-29

	CHOICE	SELECT	NO-ROLL	CAB
Rib	-0.96%	-3.71%	-1.75%	-0.39%
Chuck	-1.57%	-0.33%	-0.58%	-0.45%
Round	-3.10%	-3.65%	-3.45%	-0.56%
Loin	-3.16%	-2.44%	-2.41%	-2.26%
Brisket	-1.15%	-1.15%	-2.80%	0.43%
Plate	2.51%	2.51%	2.51%	1.67%
Flank	0.55%	1.17%	1.19%	1.91%
Total	-1.89%	-1.95%	-1.69%	-0.80%



BEEF



BEEF COMMENTARY

Trade activity throughout the week for boxed beef items picked up when compared to other weeks this year. It did, however, have to do with the widespread discounts to entice buyers. End cuts fell sharply early week, but the last two days saw steep declines in middle meats. Packers still facing colder weather and an early Easter decided in an effort to clear product until grilling interest appears that this was the best strategy. Even briskets and other thin meats fell under the weight of the lack of demand.

LIVE CATTLE: Some of the same reasons contributing to lower cattle prices spilled into this week, especially early on. This led cash cattle lower for another week. Live cattle traded in a full range between \$114.00/cwt and \$118.50, mostly between \$116.00/cwt and \$118.00/cwt. Dressed moved as low as \$184.00/cwt and as high as \$190.00/cwt, mostly between \$184.00/cwt and \$188.00/cwt. A mid-week reversal in futures to the positive had cattle owners fighting for higher money and holding off late week. Last week, live cattle ranged for the most part between \$120.00/cwt and \$121.00/cwt. Dressed from \$193.00/cwt to \$195.00/cwt.

SLAUGHTER & BEEF PRODUCTION: The Federally Inspected (F.I.) slaughter in came in this week at 615,000 head after a slow start. Saturday's figure of 44,000 head more than made up for it. Live cattle weights fell a shocking six pounds to 1360 pounds. Dressed carcass weights ended the week at 820 pounds, down two from the week prior.

RIBS: For the second consecutive week, ribs moved lower. Sharp discounts were noted the last two trading sessions as sellers contended with the lack of grilling demand and came to the realization that it might still be two weeks away at the earliest. The jockeying for position when it finally comes led to the sharp losses.

CHUCKS: It was another lackluster week for chucks. Much like rounds, buyers were not looking for many chuck items coming out of the Easter holiday. In addition, sellers had to contend with further pressure from export uncertainty on things like chuck rolls which previously have moved to other markets rather actively so far this year.

ROUNDS: The round complex saw the largest weekly decline of the major primal areas. Larger supplies coupled with the wrong time of year led to these losses. Insides and peeled knuckles were the largest contributors.

LOINS: Loins, much like ribs, were led sharply lower as the week progressed. Strips and short loins led the way for much of the same reason we talked about ribs. Most grills are still under snowy conditions which made for tough selling.

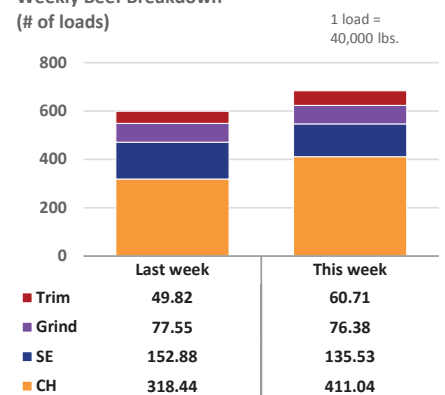
GROUND BEEF: If there was one bright spot, if you can call it that, it was the ground beef market. Product traded mostly steady for the week behind retailers replenishing needs after some larger scale promotions.

BONELESS BEEF: Fresh 90s were once again mixed. That market continues to be largely stuck in this range. Fresh 50s moved higher as the week developed. Supplies were tighter in some areas. This week's cattle slaughter was estimated at 615,000 head.

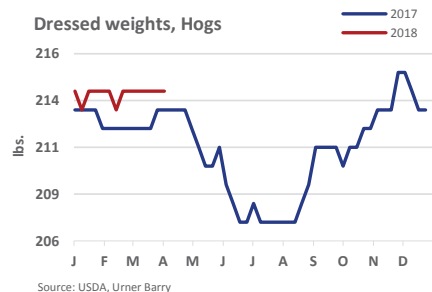
UB BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

	M	T	W	TH	F
TW	8.66	7.71	7.65	8.25	8.52
*LW	6.87	6.76	7.99	8.27	-

*Last Week's numbers are rounded

Weekly Beef Breakdown
(# of loads)

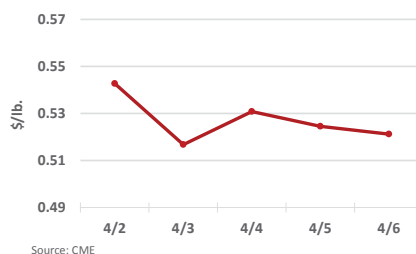
PORK PRODUCTION



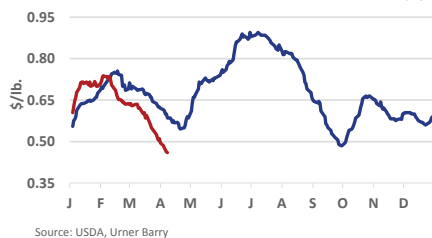
LIVE HOGS & CUTOOT

PORK CUTOOT	Mar-29	Apr-06	Change
Loin	19.024	18.327	-0.697
Butt	8.969	8.625	-0.344
Picnic	5.148	5.081	-0.067
Sparerib	6.470	6.481	0.011
Ham	12.509	12.922	0.413
Belly	15.826	16.087	0.261
Cutout Value	70.538	70.115	-0.423

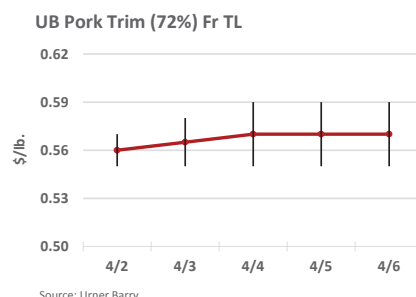
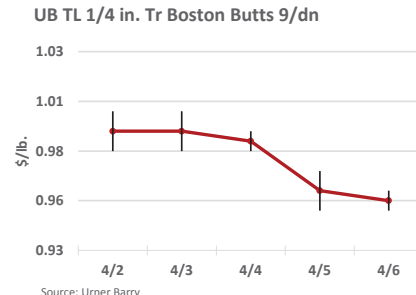
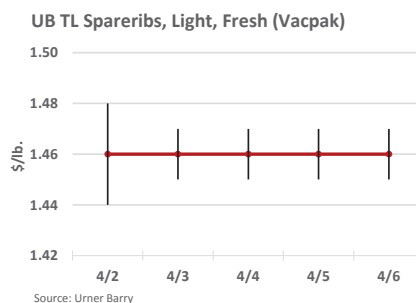
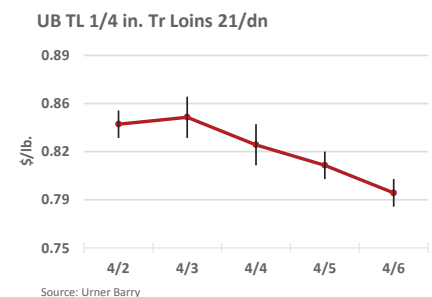
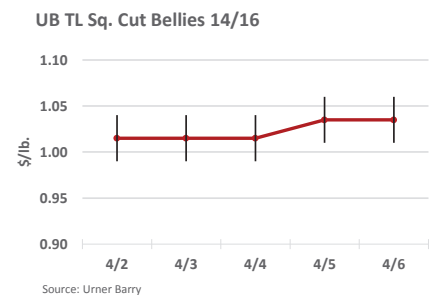
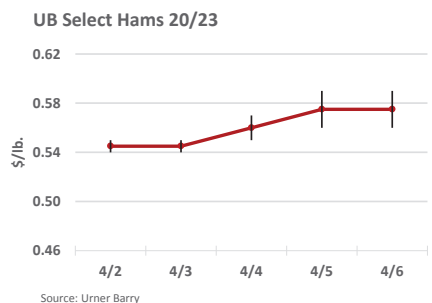
Lean Hog Cont. Front-Month Futures



USDA Direct Hogs, Iowa/Minnesota, Carcass Base



PORK PROCESSING ITEMS & RETAIL CUTS



PORK COMMENTARY

PORK NOTES: Even with Easter behind us, poor weather and record production continued to be a damper on the performance of pork and hogs this week. The pork cutout experienced a .6 percent loss this week, compared to 2.4 percent losses last week, extending the losing streak to 6 weeks. Meanwhile, Iowa-Minnesota hogs lost roughly 5.6 percent this week. The ongoing decline in hog prices has sent margins for outside purchasers of hogs soaring, closing the week at \$38.42/head, up from \$41.65/head last week.

PORK PRODUCTION: Total pork production for the week ending April 7, 2018 was estimated at 500.3 million lbs. This was 2.4 percent lower than the previous week and 1.3 percent over last year. Average live weights, at 286 pounds, were a pound lighter than last week and one pound higher than last year.

GREEN MEATS: While activity was still slow in the green meat complex after the holiday, some signs of increased interest were nevertheless seen among hams and bellies. Bellies were highly unsettled this week as participants attempted to navigate a market which is still outside of the typical demand period and is experiencing record production. Trimmings were steady at best to weak on some items, with poor weather continuing to inhibit barbecue related demand.

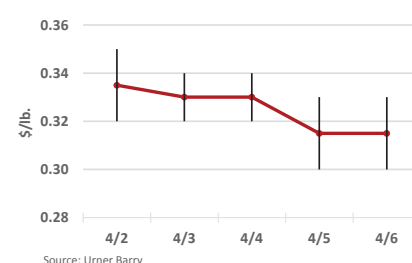
HAMS: Bone-in ham values were steady to \$3.00/cwt higher, while boneless muscles closed \$3.00/cwt higher.

BELLIES: Square-cut bellies were \$1.00 to \$2.00/cwt higher while trade in skinless bellies was \$1.50/cwt to \$2.50/cwt higher on average.

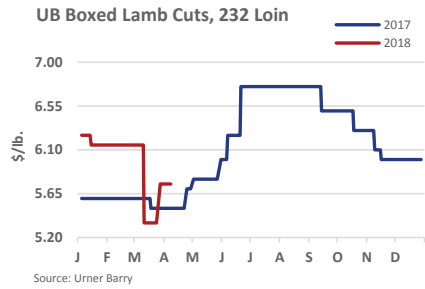
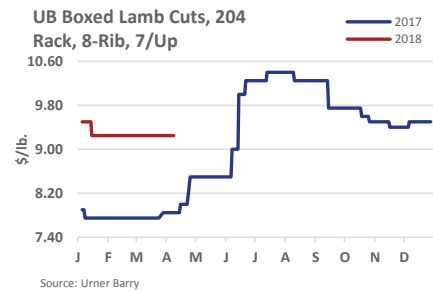
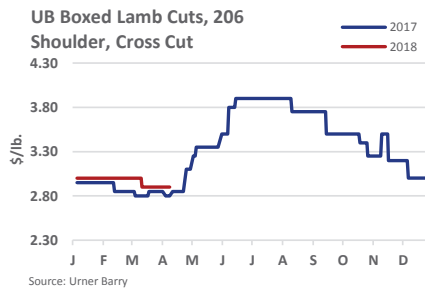
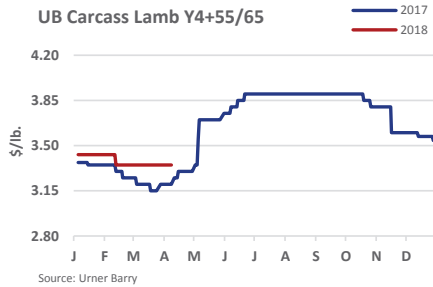
TRIMMINGS: Fresh 42s closed the week \$3.50/cwt lower. 72s gained \$1.00/cwt on average while boneless picnics lost \$.50/cwt.

RETAIL: The combination of record breaking production, poor weather, export worries and competition at retail all weighed on the fresh pork complex, making gains very difficult to achieve. Bone-in loins were \$2.00 to \$5.00/cwt lower. Boneless loins were \$1.50 to \$2.00/cwt weaker. Tenderloins were down \$.50/cwt while bone-in and boneless sirloins were flat and \$4.00/cwt lower respectively. Butts were \$3.50 to \$5.00/cwt lower. Picnics closed the week down \$2.50/cwt while cushion lost \$1.50/cwt on average. Spareribs were steady to \$1.00/cwt higher on the week.

UB Pork Trim (42%) Fr TL

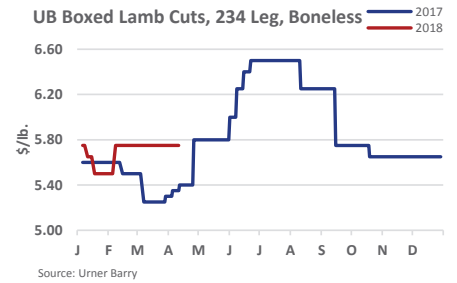


LAMB

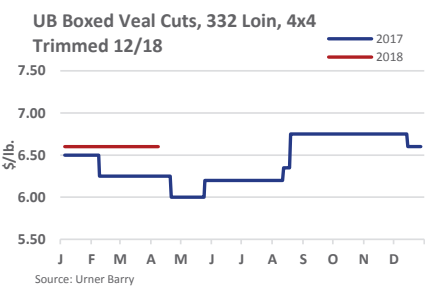
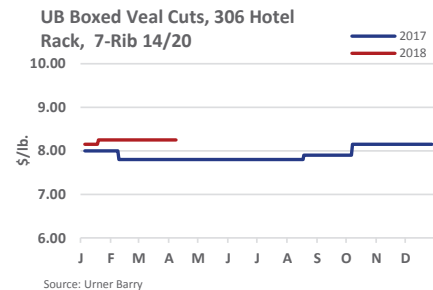
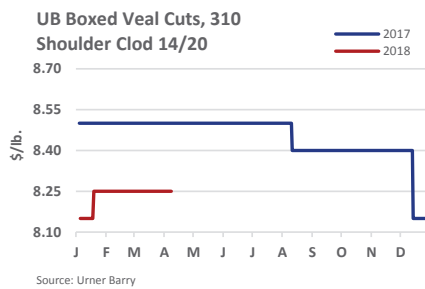
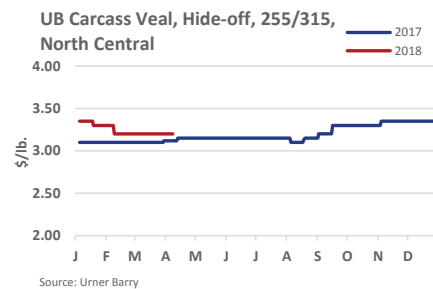


LAMB COMMENTARY

Lamb carcasses were mostly steady. Boxed cuts were steady to weaker. Discounts were noted on breasts and legs. Movement was mixed.

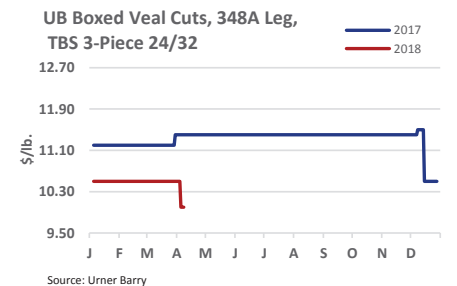


VEAL

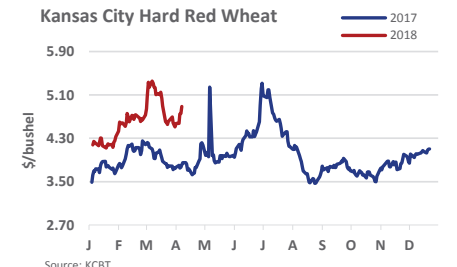
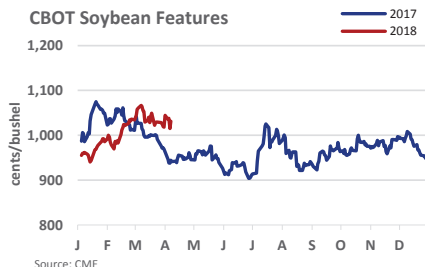
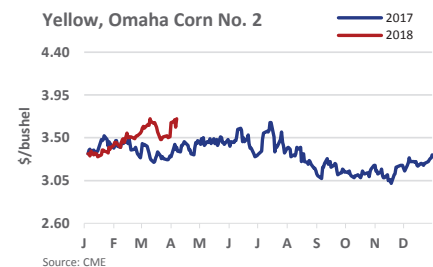


VEAL COMMENTARY

Veal carcasses traded in light to moderate volume within the previously quoted price ranges. Boxed cuts were mostly steady. Discounting developed on some of the legs, hindquarters and osso buco items. Demand was mixed.



FEEDS: CORN, SOY BEAN, RED WHEAT



MÉXICO

MEXICAN BEEF

mexicanbeef.org

SAGARPA

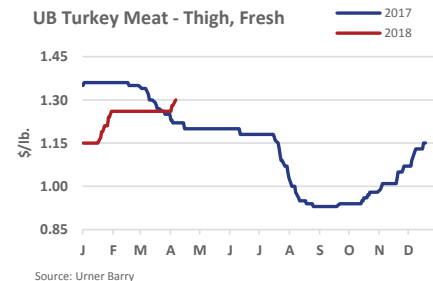
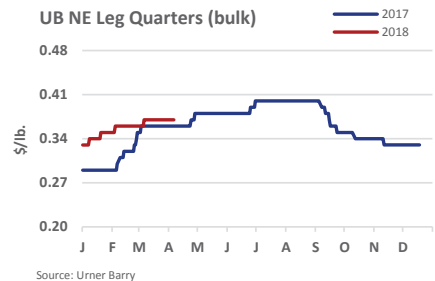
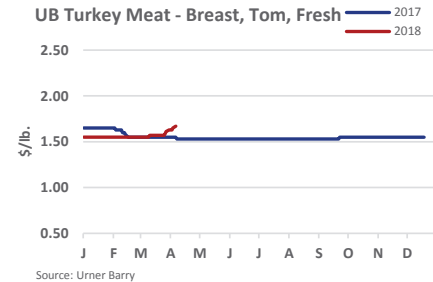
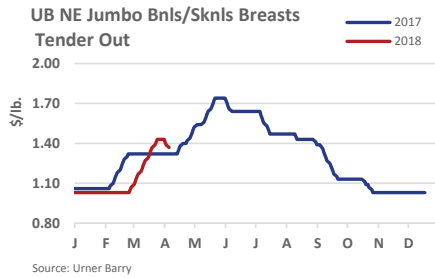
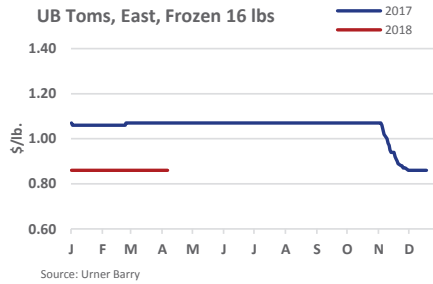
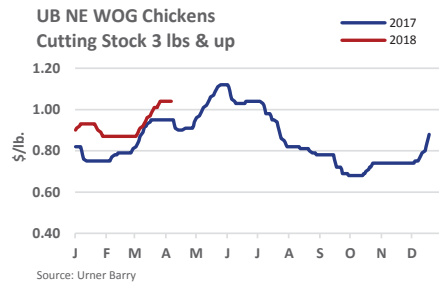
MINISTERIO DE AGRICULTURA, GANADERÍA Y PESQUERÍA

SECTOR DE DESARROLLO RURAL, PESQUERÍA Y ALIMENTACIÓN

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POULTRY



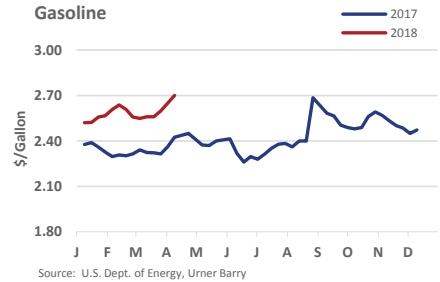
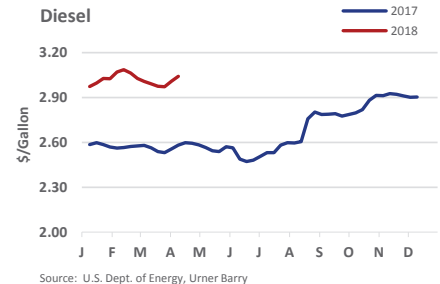
POULTRY COMMENTARY

The week following Easter is historically sluggish for much of the chicken industry and this year is proving to be no exception. Some market participants are hopeful that first of the month sales will eventually kick start what has been a challenging beginning to the month. Wogs and whole birds are closely balanced. Supplies are challenged to keep up with industry demand, but that hasn't necessary translated to higher negotiated values. Boneless breasts have softened through the week. This is especially true for jumbo and medium offerings. Wings values are tested with sellers experiencing difficulty in placing product. Tenders receive renewed interest this week with sellers commanding up money. Optimistic market sentiment remains in place today and continues into next week. Legs and thighs are in good shape. Availability is in alignment with demand patterns. Leg quarters

are mostly steady overall.

Most players would agree that trade activity in the turkey complex hasn't been overly energetic recently. Although haggling has continued throughout the week, the process of making commitments remains long and drawn out. Perhaps the largest development this week lies in the tom breast meat segment. Fresh availability is accounted for through internal and external channels with buyers quick to bid on any extra production. Frozen is in good shape overall, however interest isn't as apparent. Fresh tenders and breeder meat are rated full steady. Fresh thigh meat is also in very good shape with availability struggling to keep up with demand. Activity for whole body turkeys has picked up this week.

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