

WEEKLY Market Report

NAMI
NORTH AMERICAN
MEAT INSTITUTE

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POWERED BY URNER BARRY'S COMTELL®

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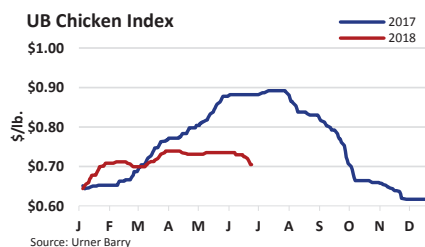
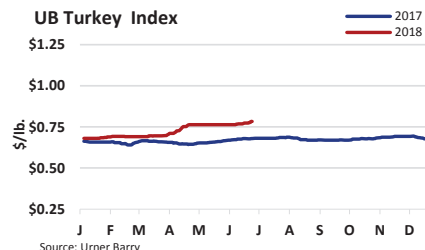
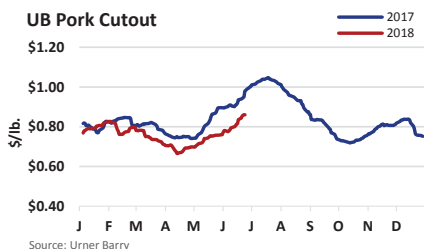
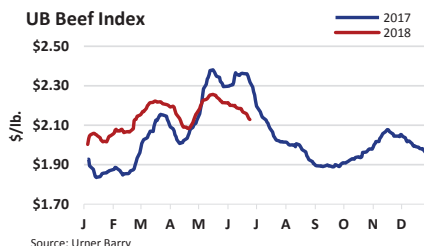
WEEKLY COMMODITY AT A GLANCE

	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.44	3.44	3.30
CBOT Soybean	894.50	905.50	904.50
NYMEX Light Crude Oil	68.58	65.06	43.01
Loose Lard, Chicago Basis	0.34	0.34	0.35
Edible Tallow, Chicago Basis	0.32	0.30	0.375
Beef Trimmings, 90% Fresh	220.50	221.00	234.00
Beef Trimmings, 50% Fresh	65.00	65.00	122.00
Aust/NZ Blend Cow 90% EC Spot	206.00	208.00	230.00
USDA Drop Credit	0.097	0.096	0.12
112A 3 Ribeye Roll, Lip-On CH	800.00	850.00	975.00
116A 3 Chuck Roll, Neck-Off CH	282.00	285.00	268.00
168 3 Round, Top (Inside) CH	205.00	215.00	265.00
180 3 Strip Loin, Bnls, 0x1 CH	785.00	840.00	760.00
136 Coarse Ground 81%	163.00	165.00	230.00
189A 4 Loin, Tenderloin, PSMO CH	965.00	1,010.00	1,030.00
Cattle-Fax, 6-State Fed Steer Price	111.83	114.83	129.91
Select Hams 20/23	65.00	67.00	72.00
Sq Cut Bellies 14/16	150.00	145.00	185.00
1/4 Trmd. Loins 21/dn	106.00	104.00	117.00
1/4 Tr Boston Butts 9/dn	108.00	105.00	120.00
Spareribs, Light, Fresh	160.00	152.00	166.00
Fresh Pork Trim (42%)	63.00	51.00	68.00
Fresh Pork Trim (72%)	87.00	82.00	103.00
Carcass Lamb Y4+55/65	332.00	332.00	390.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	935.00	935.00	1,025.00
Lamb Cuts, 206 Shoulder, Cross Cut	285.00	285.00	390.00
Lamb Cuts, 232 Loin Trmd 4x4	570.00	570.00	675.00
Lamb Cuts, 234 Leg, Boneless	580.00	580.00	650.00
Carcass Veal, Hide-off, 255/315, NC	310.00	315.00	315.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	820.00	820.00	780.00
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	620.00
Veal Cuts, 348A Leg, TBS 3-Pc 24/32	1,020.00	1,020.00	1,140.00

Quotes represent the high side of Friday's trading range

RIEMANN CONTRACT SETTLEMENTS

	6/22	6/15	6/8
Weekly Imported Aust/NZ Blend Cow 90% EC 7:45	2.06	2.07	2.10
Weekly Weighted Average Blended Boxed Beef Cutout Index	213.13	216.50	219.39



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	118	120	119	121	119	67	664
LW	118	120	114	116	118	68	654
*LY	115	120	117	116	120	51	639

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	415	448	437	444	424	0	2,168
LW	446	447	446	443	412	21	2,215
*LY	427	434	437	437	419	0	2,155

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	8	9	7	8	7	1	40
LW	8	8	8	8	7	1	40
*LY	7	9	8	9	7	1	40

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	9

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	6/8	6/9	6/11	6/12	6/13	6/14	
	23	10	23	25	25	23	129
TW	6/15	6/16	6/18	6/19	6/20	6/21	
	23	12	22	24	25	24	130
*LY	22	11	20	22	23	23	121

*Last Year's numbers are rounded

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.744	0.745	0.757
Mexico, Peso	20.013	20.648	17.989
Canada, Dollar	1.327	1.318	1.326
Japan, Yen	109.953	110.616	111.248
China, Yuan (RMB)	6.503	6.438	6.834
Brazil, Real	3.778	3.728	3.337
South Korea, Won	1,112.00	1,101.00	1,133.23
Taiwan, Dollar	30.290	30.125	30.291
European Union, Euro	1.166	1.161	1.120

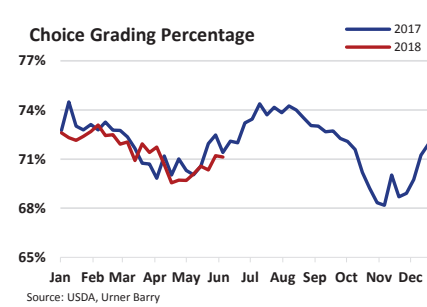
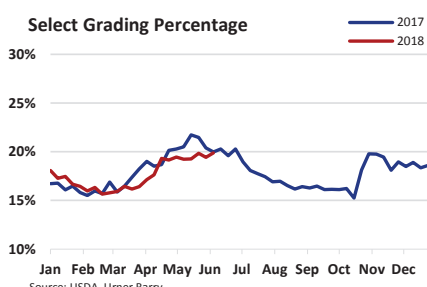
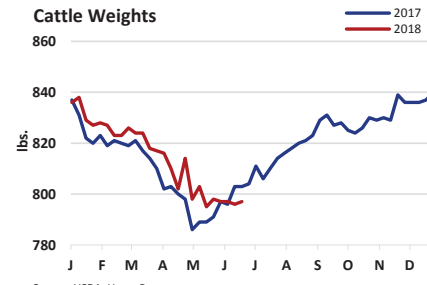
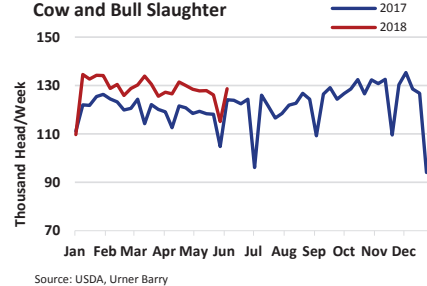
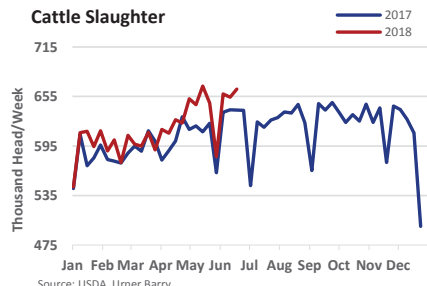
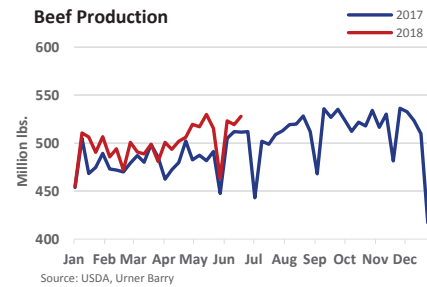
COLD STORAGE STOCKS

(Pounds in Thousands)	5/31/17	4/30/18	5/31/18
Beef in Freezer, Bnls	376,699	435,018	426,837
Cuts	34,799	35,966	38,550
Total Beef	411,498	470,984	465,387
PORK & OTHER	5/31/17	4/30/18	5/31/18
Pork in Freezer, Picnics	7,741	10,094	10,098
Hams	143,641	112,143	139,212
Bellies	31,589	64,563	61,188
Loins	40,357	39,828	36,432
Spareribs	114,460	143,719	118,632
Butts	19,862	20,904	15,308
Trimmings	37,308	57,490	55,627
Other Pork in Freezer	91,386	90,657	91,705
Total	588,216	634,720	621,736
Veal in Freezer	12,870	20,033	18,206
Lamb & Mutton in Freezer	29,859	33,992	35,621
Total	42,729	54,025	53,827

Data Updated: June 22, 2018

UB BEEF CUTOUT Jun-22 v. Jun-15				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	-4.02%	-3.74%	-0.29%	-3.80%
Chuck	-0.49%	-0.25%	-0.25%	-0.91%
Round	-0.83%	-0.75%	-0.46%	-1.24%
Loin	-3.22%	0.41%	0.70%	-3.03%
Brisket	-2.19%	-0.71%	0.15%	-1.37%
Plate	0.79%	0.79%	0.79%	0.45%
Flank	0.95%	0.98%	0.99%	1.41%
Total	-2.08%	-0.76%	0.08%	-2.13%

BEEF



BEEF COMMENTARY

Beef processors were chasing clearing level prices for ribs and loins this week, as the seasonal for middle meats presently trends lower. End cuts were mixed: chucks held near steady while rounds varied with both discounts and price advances occurring. Buyers adopted a buy for only immediate needs mindset. Ground beef values deviated slightly but remain undervalued compared to same time period one year ago.

LIVE CATTLE: Sales of market-ready cattle turned active on Friday morning, with packer's buying in light to moderate fashion. Live cattle sold in both North and South at \$109.00/cwt to \$110.00/cwt, while dressed carcass sales ranged mainly between \$173.00/cwt and \$174.00/cwt. Week prior sales for the live animal were spread between \$110.00/cwt and \$113.00/cwt (CattleFax 6-State Fed Steer price published at 111.87/cwt). Carcass sales the week prior were mainly between \$175.00/cwt and \$178.00/cwt.

SLAUGHTER & BEEF PRODUCTION: This week's Federally Inspected (F.I.) slaughter was estimated at 664,000 head. The week prior's harvest under inspection was reported at 654,000 head. Saturday's F.I. inspection came in at 67,000 head, versus 68,000 processed the previous Saturday. Live cattle weights moved 1 pounds higher to 1316 pounds. Dressed carcass weights also edged 1 pound higher to 797 pounds.

RIBS: Spot market rib values declined this week, with rather large discounts needed to move supply. Urner Barry's Choice Rib Primal Value dropped \$15.37/cwt, or 4.02%.

CHUCKS: Chuck Cutouts held closer to steady this week, only seeing minimal drops in values. Chuck rolls traded near steady, with only some minor discounting with the clod as the reason behind the slight decline in cutout value.

ROUNDS: Bottom Rounds found support from ground beef processing demand, as burger makers were seeking the 85% lean end cut that was attractively priced for their formulations. Inside round values edged lower, as supply outweighed demand.

LOINS: Spot market demand for loins was weak. Discounting for all loin cuts was apparent. Even the top butt which held support of recent saw price reductions develop in the latter stages of the trading week.

GROUND BEEF: Ground beef markets this week held close to steady, as processors geared up for the approaching 4th of July holiday, and features associated with retail ads.

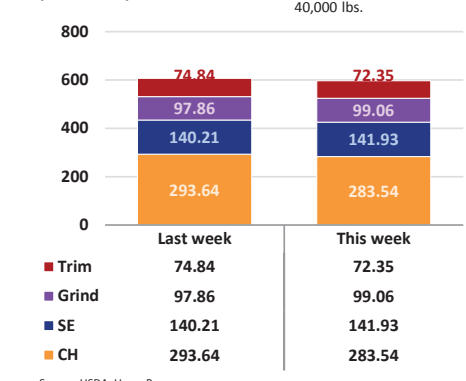
BONELESS BEEF: Fresh 90s were mixed this week. Lower priced alternatives were readily available. Buying interest varied from source to source. Fresh 50s were steady to a little stronger in some instances. Packer seemed to be more comfortable with their current inventory positions. This week's cattle slaughter was 664,000 head.

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

	M	T	W	TH	F
TW	17.06	16.66	16.21	14.78	14.38
*LW	18.74	18.64	18.65	18.25	17.44

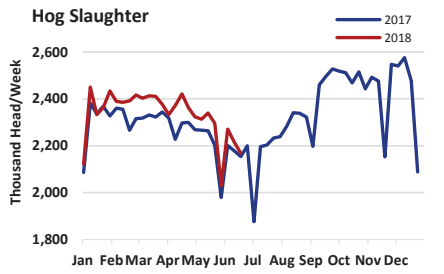
*Last Week's numbers are rounded

Weekly Beef Breakdown (# of loads)

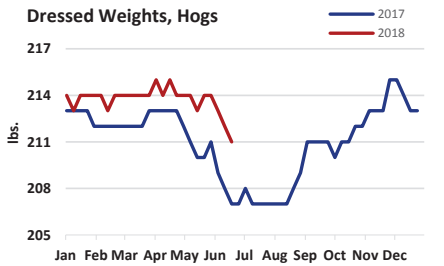


Source: USDA, Urner Barry

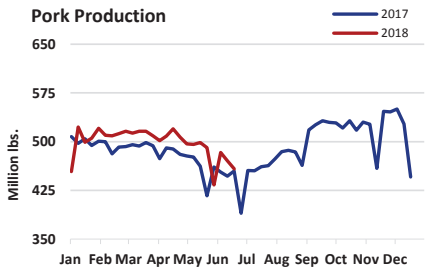
PORK PRODUCTION



Source: USDA, Urner Barry



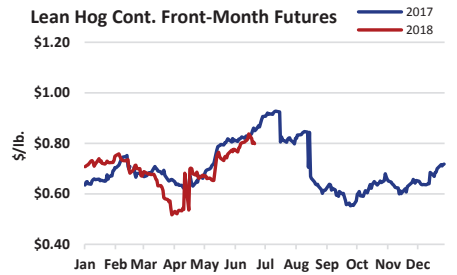
Source: USDA, Urner Barry



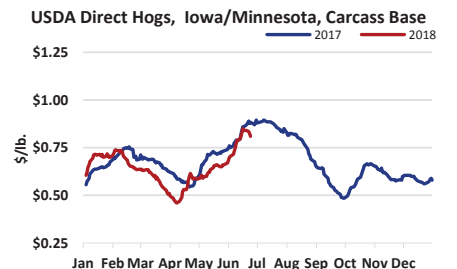
Source: USDA, Urner Barry

LIVE HOGS & CUTOOT

PORK CUTOOT	Jun-15	Jun-22	Change
Loin	21.974	22.620	0.646
Butt	9.515	9.729	0.214
Picnic	5.745	6.117	0.372
Sparerib	6.890	7.230	0.34
Ham	15.036	15.011	-0.025
Belly	22.138	22.951	0.813
Cutout Value	83.578	85.958	2.38



Source: CME



Source: USDA, Urner Barry

PORK COMMENTARY

Cutbacks in the slaughter resulted in softer hog prices this week, which when combined with seasonal strength in some pork items, helped bring margins back into the black. The Urner Barry cutout gained 2.8 percent this week. Meanwhile, hogs declined for the first time in several weeks, losing 5.4 percent over the period. Estimated margins for outside purchasers of hogs closed the week at \$6.62/head, up from -\$6.17/head last week.

PORK PRODUCTION: Total pork production for the week ending June 23, 2018 was estimated at 457.9 million lbs. This was 2.7 percent lower than the previous week and yet 2.5 percent over last year. Average live weights, at 282 pounds, were two pounds less than last week and 4 pounds higher than last year.

GREEN MEATS: Hams were fairly flat for the majority of the week after some early week losses. The effect of the Mexican tariff up to this point has been very modest. Meanwhile, the availability of bellies and trim remained very scarce, resulting in ongoing support within both categories.

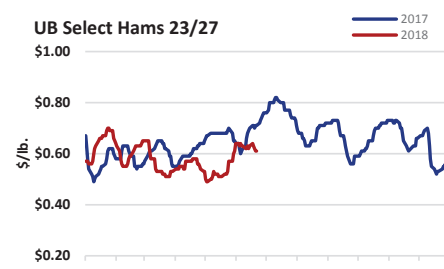
HAMS: Bone-in ham values were \$1.50 to \$3.50/cwt lower while boneless muscles were \$1.50/cwt lower to \$1.50/cwt higher.

BELLIES: Square-cut and skinless bellies were \$3.50 to \$8.00/cwt higher on average.

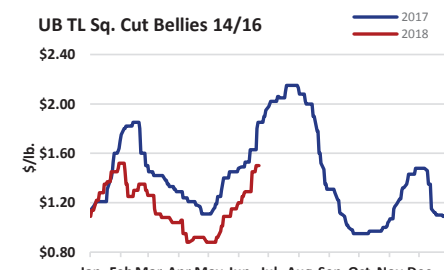
TRIMMINGS: Fresh 42s closed the week \$12.00/cwt higher. 72s gained \$5.00/cwt on average while boneless picnics gained \$6.00/cwt.

RETAIL: For the second week, while ribs pushed higher, butts and loins struggled to gain the meaningful traction that you would expect for 2 weeks prior to the 4th of July. Bone-in loins were \$1.50 to \$3.00/cwt higher. Strap-on loins were \$2.00/cwt higher while strap-offs were \$3.00/cwt higher. Tenderloins were \$10.00/cwt higher this week while boneless and bone-in sirloins were \$2.00 and \$.50/cwt lower respectively. Butts were \$3.00 to \$4.50/cwt higher. Picnics gained 5.50/cwt and rose by \$1.50/cwt on the week. Spareribs were \$7.00 to \$8.00/cwt stronger on the week.

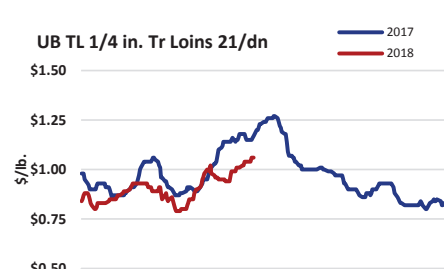
PORK PROCESSING ITEMS & RETAIL CUTS



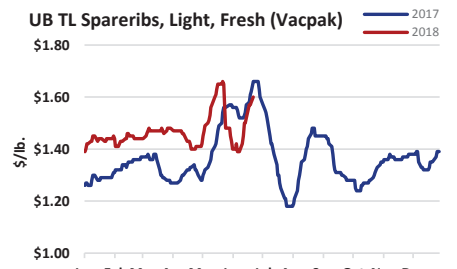
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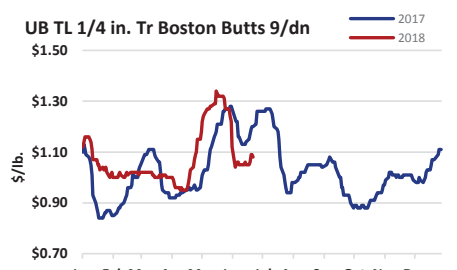
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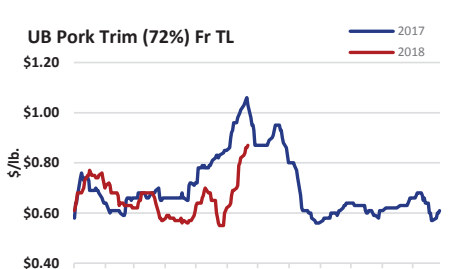
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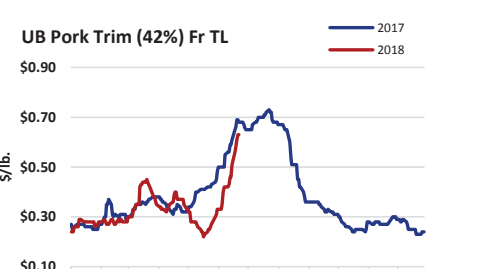
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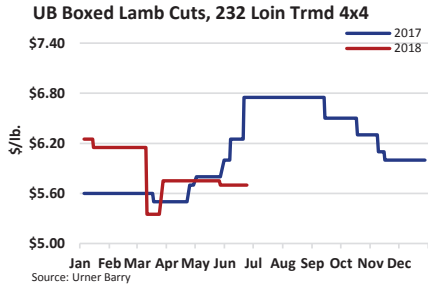
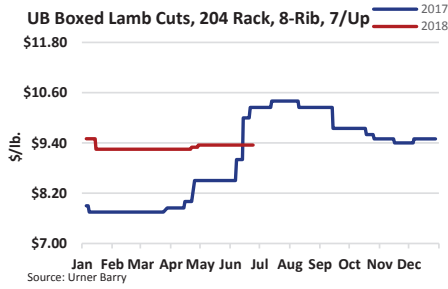
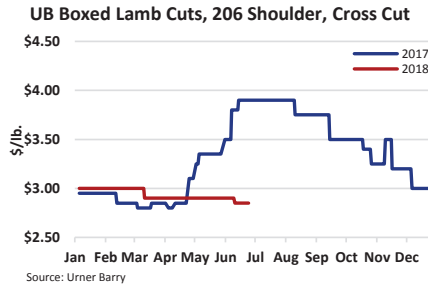
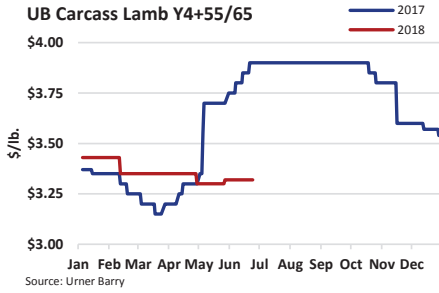


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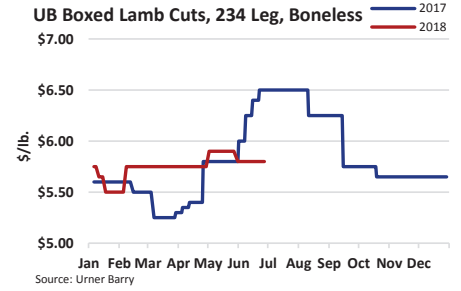
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LAMB

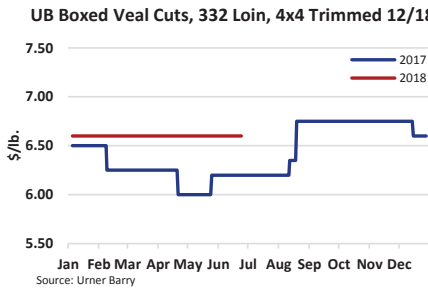
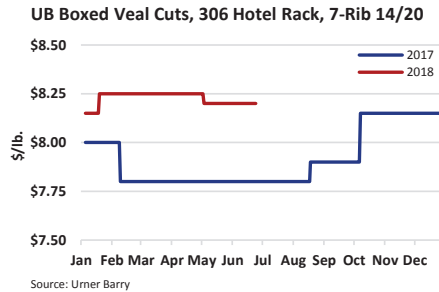
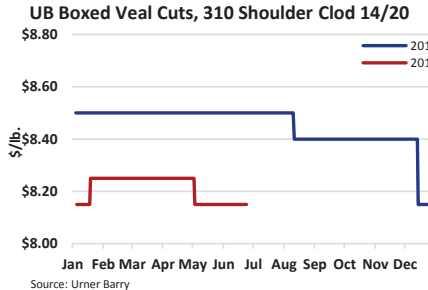
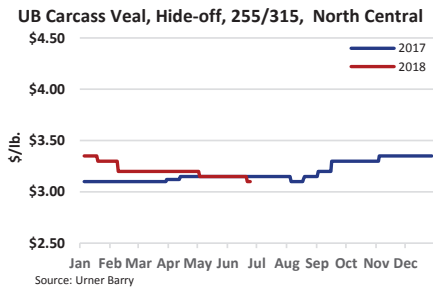


LAMB COMMENTARY

Lamb carcasses were unchanged this week. Light trade was noted. Boxed cuts were mostly steady. Trading activity varied from source to source. Year-to-date lamb production is up 7.2% compared to the same time for last year.

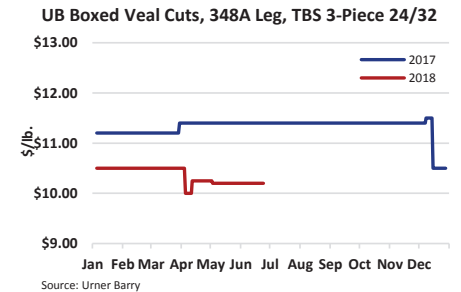


VEAL

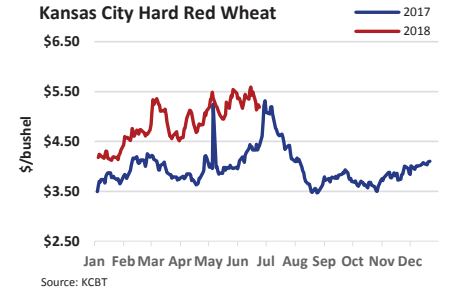
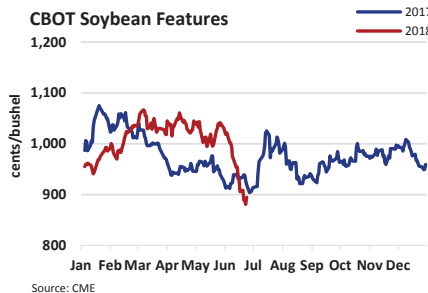
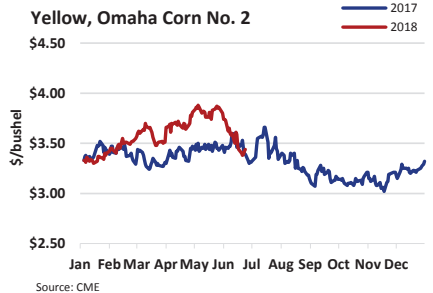


VEAL COMMENTARY

Veal carcasses settled at steady to slightly lower price levels in some instances. Weakness in that market could be attributed to lighter demand in some areas. Most of the boxed veal cuts traded within the previously quoted price ranges. Chucks were steady to little weaker as availability outpaced the current demand.



FEEDS: CORN, SOY BEAN, RED WHEAT



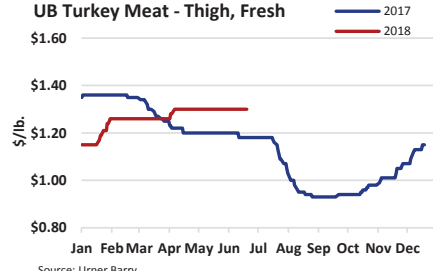
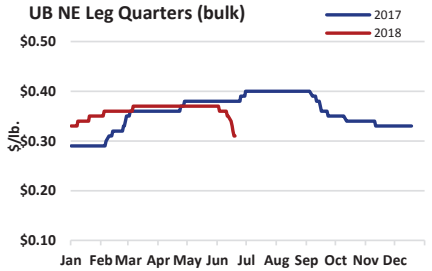
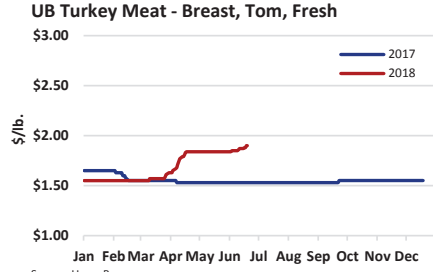
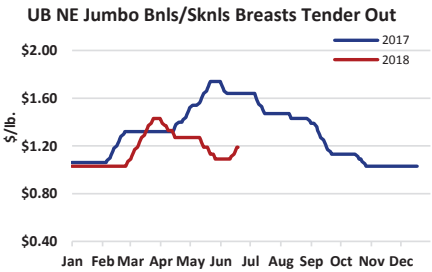
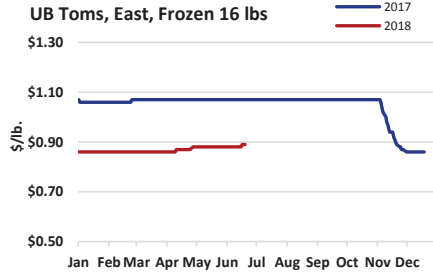
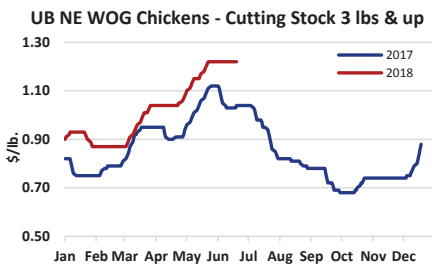
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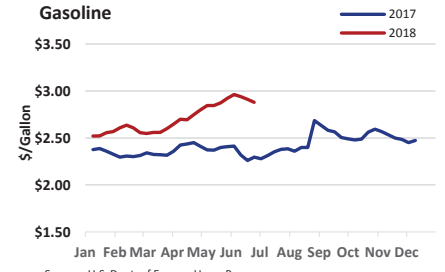
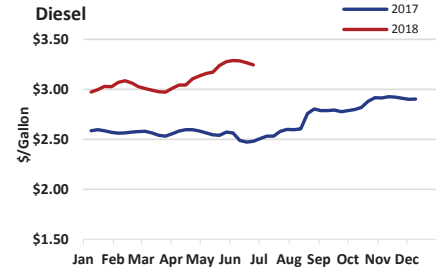
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POULTRY



ENERGY



POULTRY COMMENTARY

As the week comes to a close, chicken market participants pause to reevaluate their position. Some pockets of trade activity insinuate that a willingness on the side of the buyer to pay full market has diminished. At the same time, a slight increase in offerings is being uncovered. For now, the bulk of sale continues to be supportive of our current quotations. Jumbo boneless continues to be held with confidence with offerings limited. Medium and select categories remain uneventful but well-supported. The same situation is in place for wings. Here, values are well-maintained across all sizes with the jumbo category attracting the most buying interest from QSR and foodservice segments. Sales of line run and select tenders take place at full market and occasionally at a premium without much resistance. The undertone for legs and leg quarters remains soft as they look for support. Leg meat and thigh meat, on the other hand, exhibit a high degree of price stability, especially when considering

the unsettled nature of the dark meat segment. The overall market sentiment for the turkey complex this week is cautiously upbeat as trade conditions continue to resemble more seasonal tendencies. Whole body birds close out the week in good standing. Buyers seeking toms experience a bit more challenge than those looking to satisfy their hen requirements. Demand for fresh tom breast meat, along with the balance of fresh and frozen white meat-oriented items is active and at times borders on aggressive. Buyers are not shy about bidding higher, however, this does very little in uncovering additional offerings. Drums are also highly pursued, but supplies are challenged in keeping up with demand, even with a willingness on the side of the buyer to pay a premium. Thigh meat ends the week about where it began. Despite a high level of product inquiries, resulting sales aren't as quick to surface. Elsewhere, necks test support at current values.

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