

Friday, September 11, 2020

Number 38- Volume 13

### WEEKLY COMMODITY AT A GLANCE

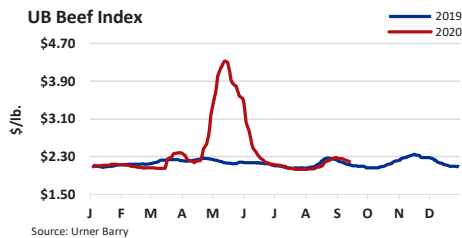
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	UNQ	3.44	3.71
CBOT Soybean	1,005.50	969.50	884.75
NYMEX Light Crude Oil	37.33	39.77	54.85
Loose Lard, Chicago Basis	0.39	0.39	0.31
Edible Tallow, Chicago Basis	0.38	0.38	0.340
Beef Trimmings, 90% Fresh	228.00	228.00	226.00
Beef Trimmings, 50% Fresh	43.00	53.00	79.00
Aust/NZ Blend Cow 90% EC Spot	229.50	230.00	229.50
USDA Drop Credit	0.079	0.079	0.09
112A 3 Ribeye Roll, Lip-On CH	890.00	900.00	800.00
116A 3 Chuck Roll, Neck-Off CH	330.00	330.00	305.00
168 3 Round, Top (Inside) CH	245.00	260.00	240.00
180 3 Strip Loin, Bnls, Ox1 CH	700.00	755.00	695.00
136 Coarse Ground 81%	185.00	211.00	221.00
189A 4 Loin, Tenderloin, PSMO CH	1,100.00	1,075.00	1,030.00
Cattle-Fax, 6-State Fed Steer Price	103.10	105.06	100.19
Select Hams 20/23	58.00	49.00	65.00
Sq Cut Bellies 14/16	137.00	125.00	98.00
1/4 Trmd. Loins 21/dn	75.00	73.00	86.00
1/4 Tr Boston Butts 9/dn	82.00	85.00	97.00
Spareribs, Light, Fresh	133.00	135.00	122.00
Fresh Pork Trim (42%)	51.00	43.00	53.00
Fresh Pork Trim (72%)	85.00	83.00	62.00
Carcass Lamb Y4+55/65	300.00	295.00	358.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	850.00	850.00	970.00
Lamb Cuts, 206 Shoulder, Cross Cut	330.00	330.00	295.00
Lamb Cuts, 232 Loin Trmd 4x4	650.00	625.00	550.00
Lamb Cuts, 234 Leg, Boneless	525.00	500.00	585.00
Carcass Veal, Hide-off, 255/315, NC	300.00	300.00	315.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	900.00	900.00	870.00
Veal Cuts, 310 Shoulder Clod 14/20	695.00	695.00	685.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	620.00	620.00	565.00
Veal Cuts, 363A Leg, TBS 3-Pc 24/32	1,050.00	1,050.00	1,030.00

Quotes represent the high side of Friday's trading range

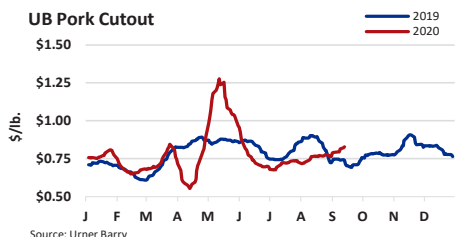
### RIEMANN CONTRACT SETTLEMENTS

	9/11	9/4	8/28
Weekly Imported Aust/NZ Blend Cow 90% EC 7:45	2.30	2.30	2.29
Weekly Weighted Average Blended Boxed Beef Cutout Index	218.81	224.34	226.86

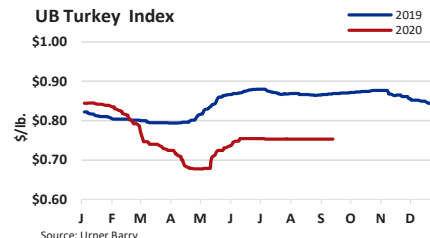
### UB Beef Index



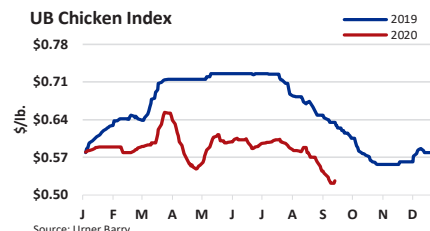
### UB Pork Cutout



### UB Turkey Index



### UB Chicken Index



### EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	3	118	120	119	119	95	574
LW	119	120	117	118	115	44	633
*LY	117	118	116	115	110	60	636

### EST. DAILY HOG SLAUGHTER

	TW	LW	*LY
TW	6	465	484
LW	476	475	474
*LY	487	492	490

### EST. DAILY SHEEP SLAUGHTER

	TW	LW	*LY
TW	1	6	6
LW	8	7	6
*LY	8	9	8

### EST. DAILY CALVES SLAUGHTER

	TW	LW	*LY
TW	0	2	2
LW	2	2	2
*LY	2	3	3

### EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	8/28	8/29	8/31	9/1	9/2	9/3	127
TW	9/4	9/5	9/7	9/8	9/9	9/10	102
*LY	25	15	23	25	27	25	140

\*Last Year's numbers are rounded

### FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.730	0.725	0.688
Mexico, Peso	21.259	21.560	19.390
Canada, Dollar	1.318	1.312	1.323
Japan, Yen	106.156	106.433	108.092
China, Yuan (RMB)	6.834	6.838	7.075
Brazil, Real	5.269	5.290	4.057
South Korea, Won	1,186.12	1,189.99	1,176.91
Taiwan, Dollar	29.288	29.354	30.930
European Union, Euro	1.186	1.180	1.109

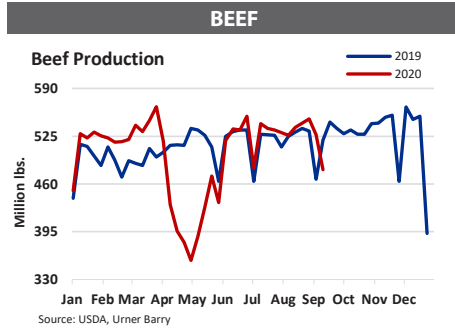
### COLD STORAGE STOCKS

(Pounds in Thousands)	7/31/19	6/30/20	7/31/20
Beef in Freezer, Bnls	418,924	396,945	405,670
Cuts	35,540	31,227	33,645
<b>Total Beef</b>	<b>454,464</b>	<b>428,172</b>	<b>439,315</b>
<b>PORK &amp; OTHER</b>	<b>7/31/19</b>	<b>6/30/20</b>	<b>7/31/20</b>
Pork in Freezer, Picnics	7,940	8,694	7,072
Hams	182,555	122,993	136,327
Bellies	52,647	53,840	42,352
Loins	46,327	32,187	37,211
Spareribs	84,866	64,857	62,933
Butts	18,363	13,161	13,511
Trimmings	47,546	43,772	40,862
Other Pork in Freezer	87,129	53,439	47,844
<b>Total</b>	<b>611,692</b>	<b>460,173</b>	<b>458,902</b>
Veal in Freezer	4,717	3,474	5,441
Lamb & Mutton in Freezer	43,052	46,524	44,740
<b>Total</b>	<b>47,769</b>	<b>49,998</b>	<b>50,181</b>

Data Updated: August 24, 2020

URNER BARRY'S WEEKLY RED MEAT INSIDER'S REPORT is available on FoodMarket.com and through UrnerBarry's flagship service Comtell Online. FoodMarket is available for \$30.00 a month.

UB BEEF CUTOUT Sep-11 v. Sep-04				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	-1.33%	-0.76%	-0.89%	-1.99%
Chuck	-1.67%	-0.77%	-0.77%	-0.74%
Round	-3.14%	-3.05%	-2.82%	-2.61%
Loin	-3.79%	-2.99%	-1.38%	-1.47%
Brisket	-0.45%	-5.18%	-3.49%	1.98%
Plate	-3.45%	-3.45%	-3.45%	-0.63%
Flank	-5.06%	-4.82%	-2.24%	0.84%
<b>Total</b>	<b>-2.59%</b>	<b>-2.18%</b>	<b>-1.62%</b>	<b>-1.40%</b>



**BEEF COMMENTARY**

Now that the end of summer holiday has passed and interest is largely on back to school and families looking for different options at home, the procurement appeared to be a bit more active this week. Retailers are focused on fulfilling the demand at food stores since much of the foodservice business is still affected from the pandemic. The market overall moved lower and with that buyers have become more enticed to purchase at these lower levels. Most of the items within the carcass readjusted notably lower, there were a few exceptions but most notably were for tenderloins. The softer feel throughout the market is typically felt this time of year in between the end of summer, before procurement picks up for the end of the year. Features remain fair throughout the country as interest has kept consumers buying product which has led to fewer ads overall.

**LIVE CATTLE:** The cash cattle sales were on the lighter side. Sales overall were down \$2.00/cwt to \$3.00/cwt for both the live animal and dressed carcass this week. Trade remained on the lighter side as of this report. Trade ranged between \$100.00/cwt to \$103.00/cwt for the live animal. Dressed carcass sales were between \$157.00/cwt to \$161.00/cwt.

**SLAUGHTER & BEEF PRODUCTION:** Federally Inspected (F.I.) Slaughter was estimated at 574,000 head, around 2,000 more than the previous week at 633,000 head, 59,000 head less than previous week due to the holiday. Live cattle weights for this week are reported five pounds higher this week at 1370 versus the previous 13652 pounds. Dressed carcasses were reported at 838 three pounds heavier than last week which came in at 835 pounds.

**RIBS:** There seems to be a soft steady feel throughout the rib primal. Although the Labor Day buying has eased it seems that interest has kept values from completely falling apart just yet. Interest has remained adequate for the time being and values have readjusted minimally.

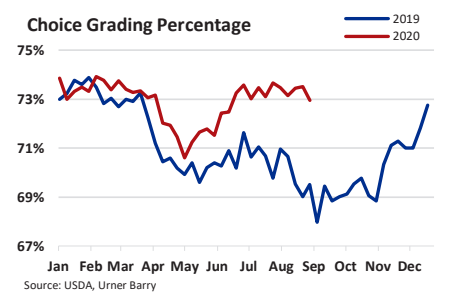
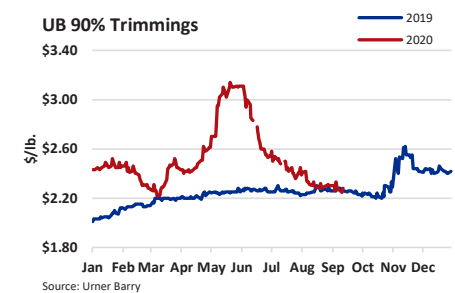
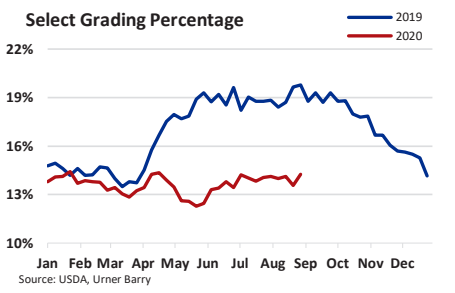
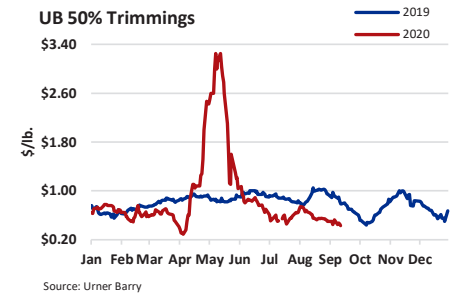
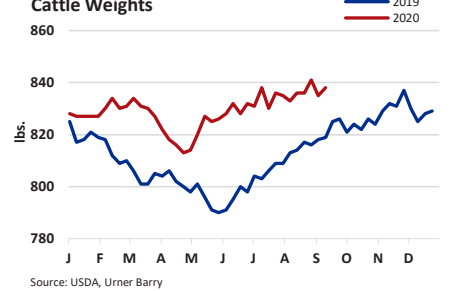
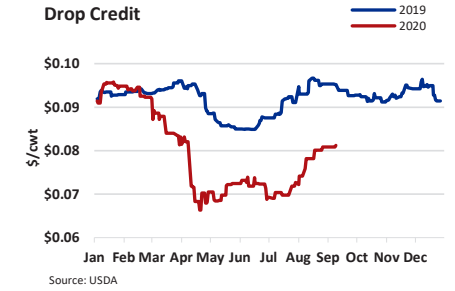
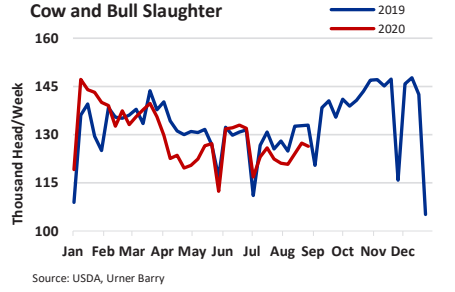
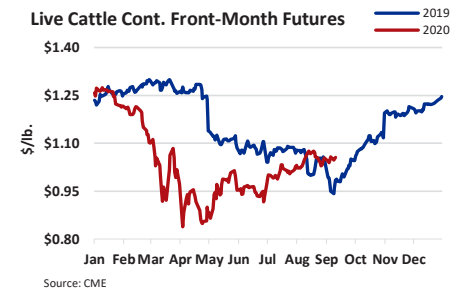
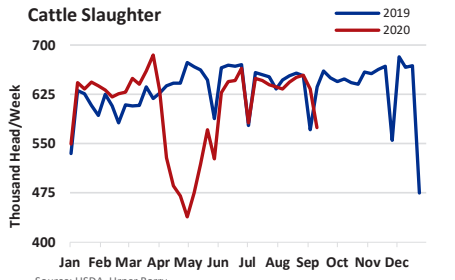
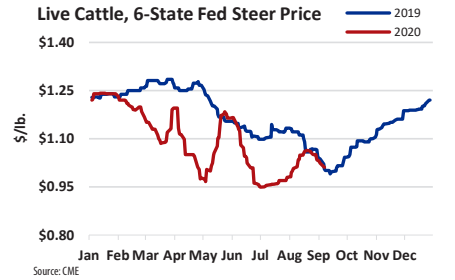
**CHUCKS:** The chuck primal, with the exception of a few items that have seen less trade due to production issues felt the continued softer undertone. Chuck rolls, clods and chuck tenders felt a bit of pressure. This is typically the time of year when consumers begin to gather items for roasts and easier family dinners with school back in session.

**ROUNDS:** There was notable weakness throughout the round primal in the shortened week. Inside rounds, flats and eyes all moved downward. However, it seems at these lower price points there is additional interest to gather spot product.

**LOINS:** The loin primal realized notable weakness over the shortened 4-day week. Almost all of the items within the primal were readjusted downward. The exception to this was tenderloins which have sustained support. However, strips, short loins and top butts all have seen seasonally softer values.

**GROUND BEEF:** For the second week in a row, ground beef quotations readjusted downward. Interest remains lackluster for additional ground items and there is adequate inventory available. Most interest that has occurred has been at lower levels due to push back from buyers.

**BONELESS BEEF:** Fresh 90s traded in the mid \$220s/cwt. throughout the week. Offerings were somewhat uneven and which created wider trading ranges at times but weighted averages were fairly well maintained. Fresh 50s struggled to find clearing levels. On Thursday and Friday, prices in the high and mid \$30s/cwt. were successful in clearing volume.

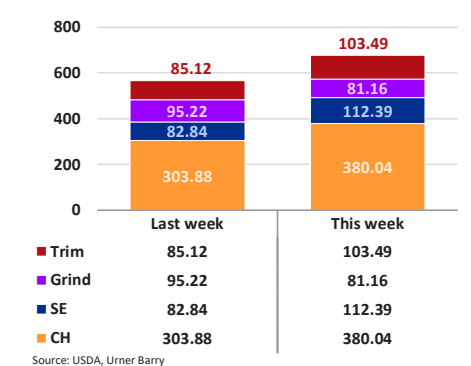


**UB BEEF CUTOUT-CH/SE SPREAD (\$/cwt)**

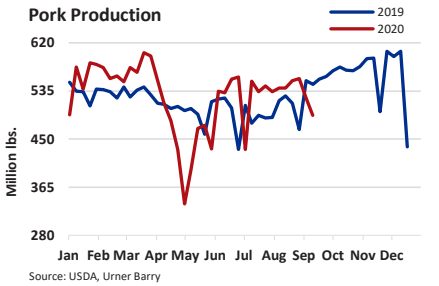
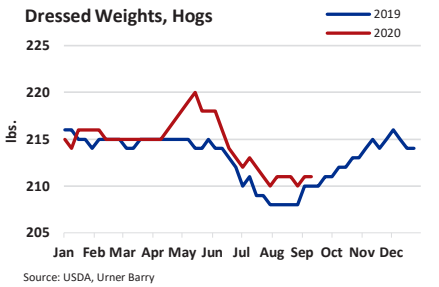
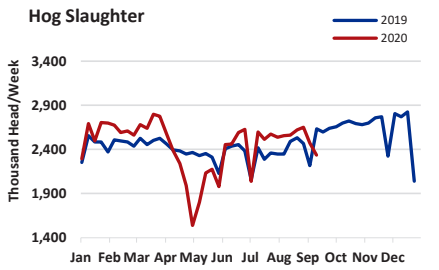
	M	T	W	TH	F
TW	-	13.33	13.13	12.30	12.08
*LW	14.64	14.38	14.08	13.98	13.30

\*Last Week's numbers are rounded

**Weekly Beef Breakdown (# of loads)** 1 load = 40,000 lbs.

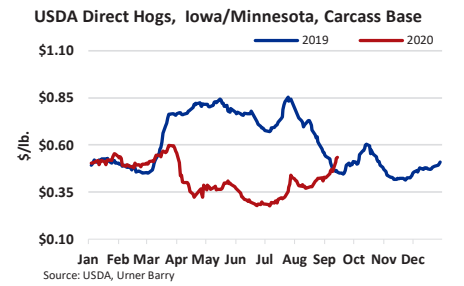
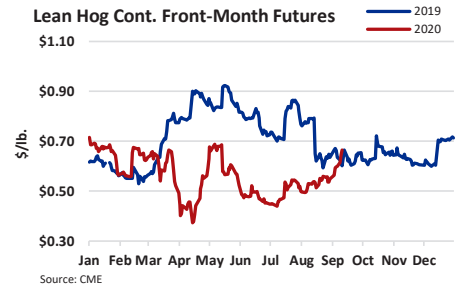


**PORK PRODUCTION**



**LIVE HOGS & CUTOUT**

PORK CUTOUT	Sep-04	Sep-11	Change
Loin	74.460	75.170	0.710
Butt	77.540	75.550	-1.990
Picnic	49.840	52.700	2.860
Sparerib	130.650	128.720	-1.930
Ham	75.060	81.030	5.970
Belly	120.800	132.050	11.250
<b>Cutout Value</b>	<b>79.412</b>	<b>82.965</b>	<b>3.553</b>



**PORK COMMENTARY**

During this week, following the Labor Day weekend, green meats were relatively well supported with lighter hog weights, exports, and increased seasonal demand noted. Fresh pork items traded in wide ranges and saw continued volatile price movement. Urner Barry's pork carcass cutout gained roughly 4.5 percent during the week, while at the same time, National hog values were higher by roughly 10 percent. Estimates for margins for outside purchasers of hogs on Thursday were at roughly \$53/head while margins for vertically integrated packers averaged roughly \$39/head.

**PORK PRODUCTION:** Total pork production for the week ending September 12, 2020 was estimated at 491.5 million lbs. This was a 5.9 percent decline from last week and an 11.2 percent decrease from last year. Average live weights were one pound lower than last week at 282 pounds, which is even with last year.

**GREEN MEATS:** In the green meat complex, continued support was seen across hams, bellies, and trimmings this week. Seasonal demand and export interest helped to support bone-in hams, bellies, and trim, while boning line constraints and reports of lighter hog weights limited the availability of boneless ham and trim.

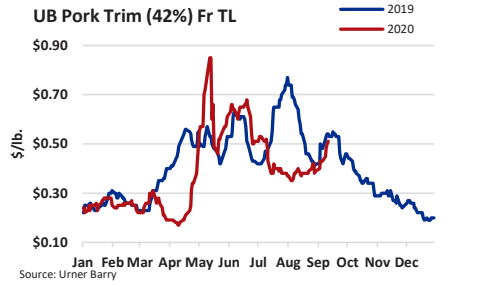
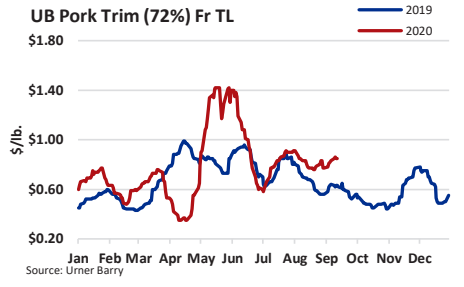
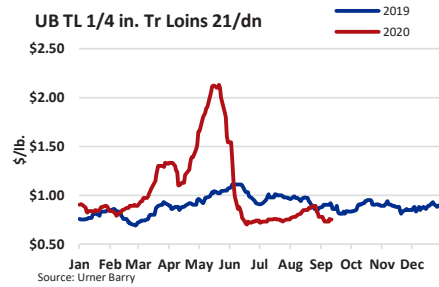
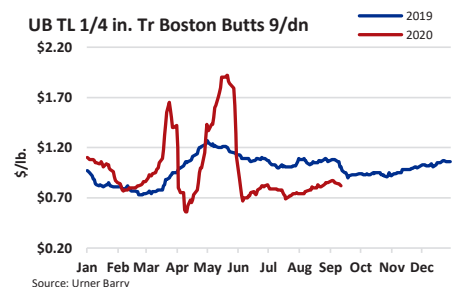
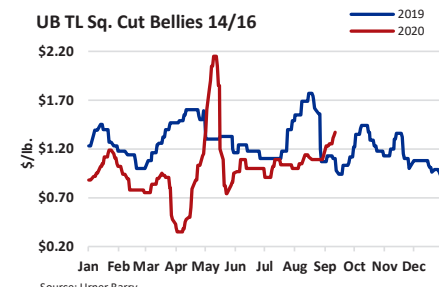
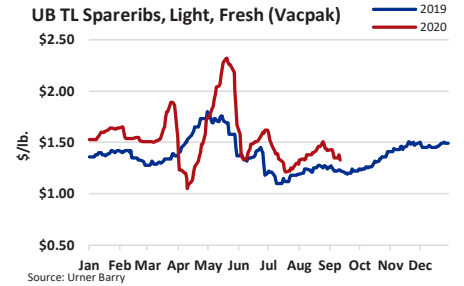
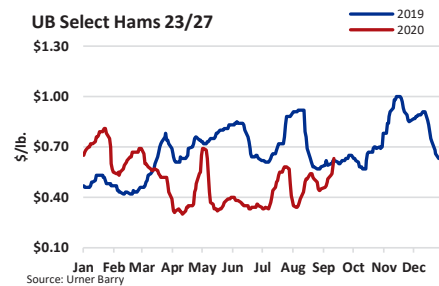
**HAMS:** Bone-in ham values increased by \$8.00 to \$12.50/cwt, while boneless were steady.

**BELLIES:** Skinless bellies firmed by \$10.00 to \$13.50/cwt on average by the end of the week.

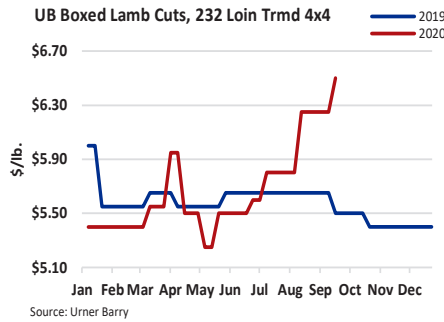
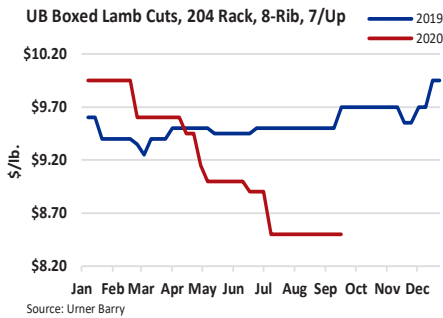
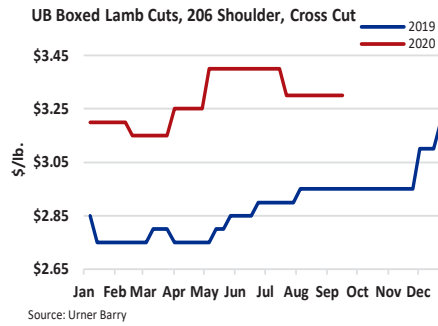
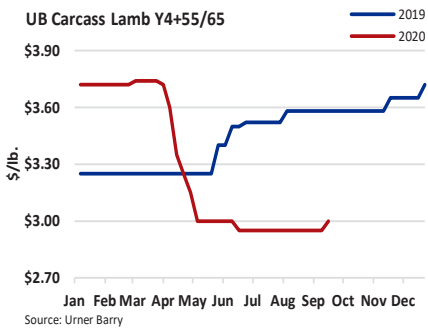
**TRIMMINGS:** Fresh 42s and 72s closed the week \$8.50 and \$2.50/cwt higher respectively. Meanwhile, boneless picnics lost \$3.50/cwt for the week.

**RETAIL:** Bone-in loins closed the week mixed, with 1/8" losing \$2.00/cwt and 1/4" gaining \$2.50/cwt. Boneless strap-on and strap-off loins were firmer, with On's up by \$4.00/cwt and Off's higher by \$1.50/cwt. Bone-in and boneless sirloins were mixed with a steady call on bone-ins and a \$6.50/cwt increase for boneless, while tenderloins were flat for the week. Bone-in butts were lower by \$3.50/cwt while boneless lost \$1.00/cwt. Light and medium spareribs were weaker with lights losing \$.50/cwt and mediums dropping by \$3.50/cwt.

**PORK PROCESSING ITEMS & RETAIL CUTS**

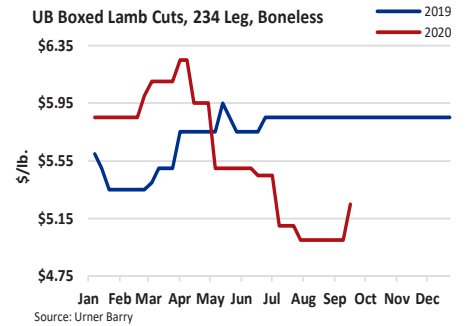


LAMB

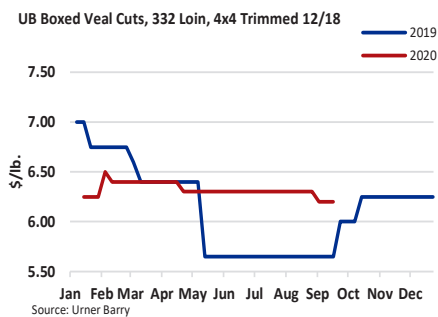
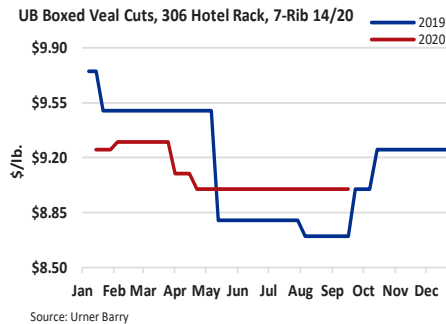
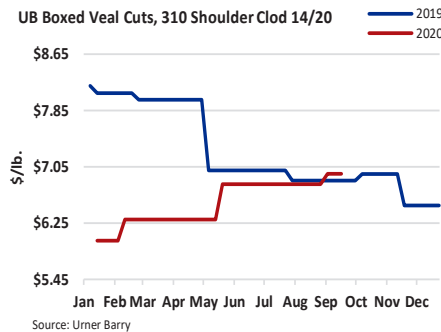
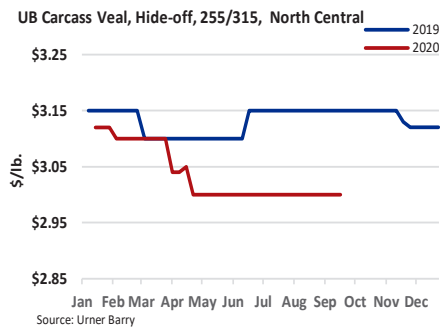


LAMB COMMENTARY

Lamb carcasses were moderately stronger with reports seasonal decline in market-ready lambs. Boxed lamb cuts were full steady to firmer for the week. Diminished foodservice continues to weigh on the complex, however, declines in production have been noted in the past few weeks, possibly thinning the supply to the market, and supporting spot prices as a result.

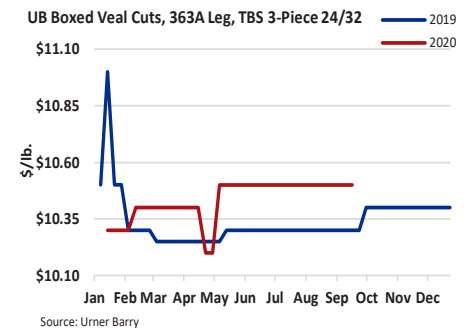


VEAL

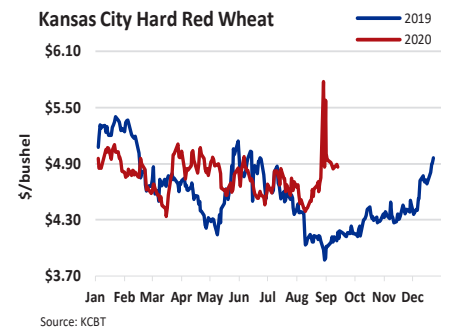
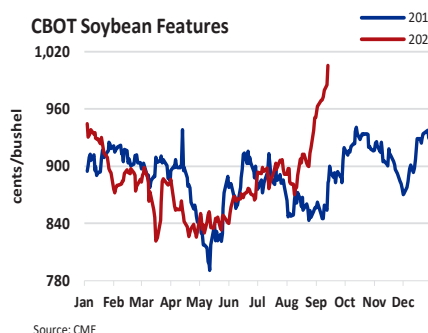
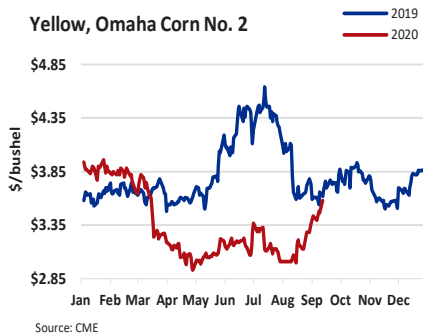


VEAL COMMENTARY

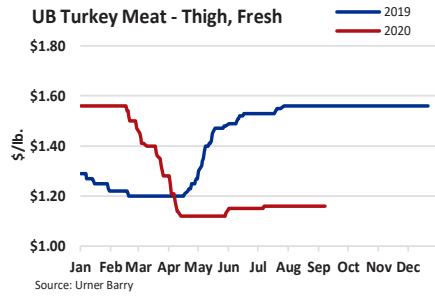
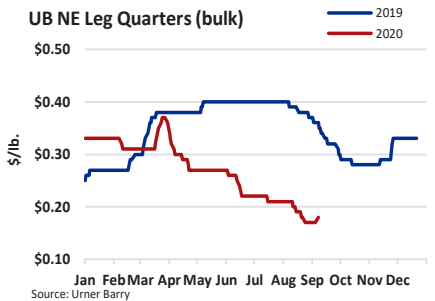
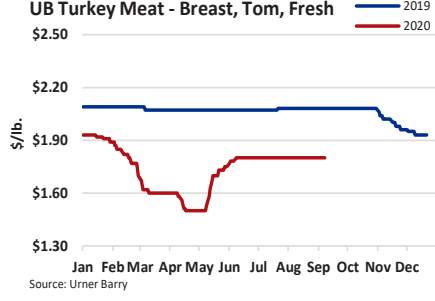
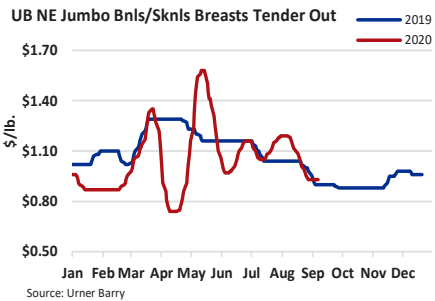
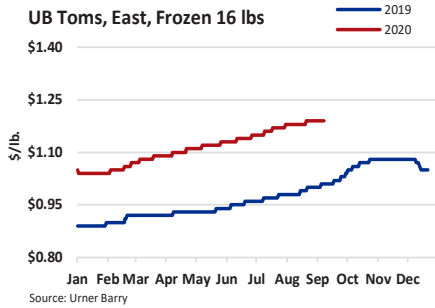
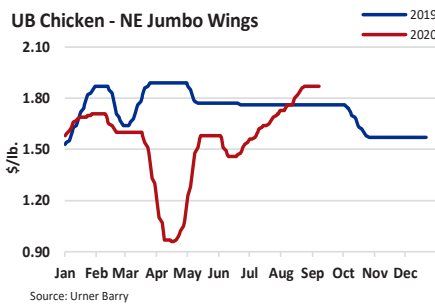
The veal complex remained largely unchanged this week. With the holiday weekend passed, most movement in the market is slow to moderate while participants test the market. Special fed veal dressed weights are currently at 298.6lbs, which is up 16.6lbs (5.8%) compared to the equivalent time for last year.



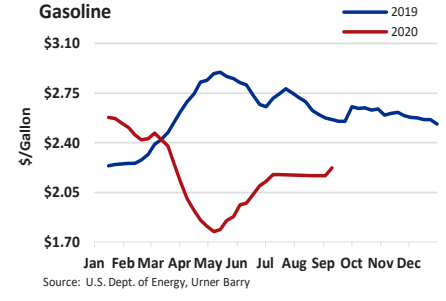
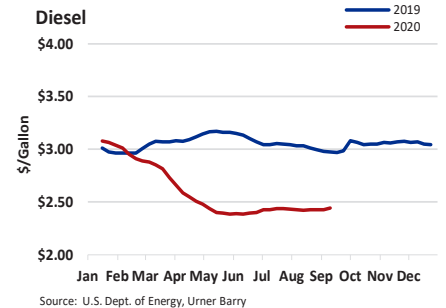
FEEDS: CORN, SOY BEAN, RED WHEAT



**POULTRY**



**ENERGY**



**POULTRY COMMENTARY**

The chicken market winds down uneventfully with most key lines taking on a steady undertone. Whole chickens and WOGs move at supportive price points. That being said, some processors continue to work through more supplies than what they would prefer here at week's end. Jumbo boneless breasts move without much trouble at steady values while buying inquiries for medium and select sized offerings are slightly more enthusiastic than they have been in the recent past. Tenders are a mixed bag. Marketers with regular foodservice and further processing demand enjoy a more fruitful trade environment than those who rely solely on the spot market. Spot buying interest for wings continues to absorb production at stable price points. This is especially true when speaking about medium and jumbo-sized offerings. The undertone surrounding leg quarters has improved incrementally. Legs, thighs and drumstick are all uneventful and close the week under an about

steady rating.

Buying and selling conditions within the turkey complex remained fairly stable this week. Fresh and frozen whole-body birds were in limited supply. Sales for near future and future delivery dates continue to paint a strong seasonal backdrop to these lines. 4-8 lb. breasts were tight to short of full needs while institutional sized breasts were generally quiet but viewed in a positive light. Fresh tom meat moved into regular further processing and retail deli buying channels at steady values. Sellers of frozen tom meat experienced a slight uptick in buying inquiries. Fresh and frozen thigh meats are held with confidence for no less than full market value. When it comes to fresh drums, selling experiences are highly dependent on labor availability and the ability of plants to punch them. Frozen offerings move without much trouble, especially into export buying channels. Necks are under downward pressure while two-joint wings, tails, hearts, livers and gizzards close the week with a steady or better rating.



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