

Friday, January 08, 2021

Number 02- Volume 14

WEEKLY COMMODITY AT A GLANCE

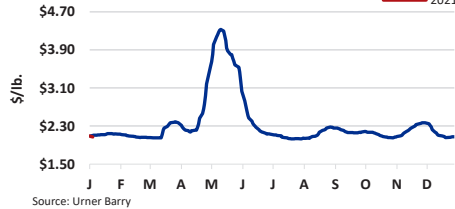
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	UNQ	4.80	3.86
CBOT Soybean	1,375.75	1,315.25	935.00
NYMEX Light Crude Oil	52.24	48.52	59.04
Loose Lard, Chicago Basis	0.41	0.41	UNQ
Edible Tallow, Chicago Basis	0.45	UNQ	0.350
Beef Trimblings, 90% Fresh	218.00	213.00	244.00
Beef Trimblings, 50% Fresh	45.00	40.00	71.00
Aust/NZ Blend Cow 90% EC Spot	227.00	230.00	249.00
USDA Drop Credit	0.093	0.091	0.09
112A 3 Ribeye Roll, Lip-On CH	800.00	820.00	750.00
116A 3 Chuck Roll, Neck-Off CH	330.00	335.00	290.00
168 3 Round, Top (Inside) CH	245.00	255.00	240.00
180 3 Strip Loin, Bnls, 0x1 CH	600.00	600.00	530.00
136 Coarse Ground 81%	200.00	200.00	215.00
189A 4 Loin, Tenderloin, PSMO CH	925.00	940.00	1,035.00
Cattle-Fax, 6-State Fed Steer Price	111.48	107.73	124.02
Select Hams 20/23	62.00	55.00	73.00
Sq Cut Bellies 14/16	137.00	112.00	95.00
1/4 Trmd. Loins 21/dn	83.00	83.00	82.00
1/4 Tr Boston Butts 9/dn	77.00	79.00	105.00
Spareribs, Light, Fresh	164.00	159.00	155.00
Fresh Pork Trim (42%)	22.00	23.00	24.00
Fresh Pork Trim (72%)	80.00	74.00	69.00
Carcass Lamb Y4+55/65	350.00	0.00	372.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	925.00	0.00	995.00
Lamb Cuts, 206 Shoulder, Cross Cut	345.00	0.00	320.00
Lamb Cuts, 232 Loin Trmd 4x4	700.00	0.00	540.00
Lamb Cuts, 234 Leg, Boneless	620.00	0.00	585.00
Carcass Veal, Hide-off, 255/315, NC	295.00	0.00	312.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	925.00	0.00	925.00
Veal Cuts, 310 Shoulder Clod 14/20	725.00	0.00	600.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	620.00	0.00	625.00
Veal Cuts, 363A Leg, TBS 3-Pc 24/32	1,050.00	0.00	1,030.00

Quotes represent the high side of Friday's trading range

RIEMANN CONTRACT SETTLEMENTS

	1/8	12/31	12/23
Weekly Imported Aust/NZ Blend Cow 90% EC 7:45	2.27	2.28	2.28
Weekly Weighted Average Blended Boxed Beef Cutout Index	204.59	206.59	207.13

UB Beef Index



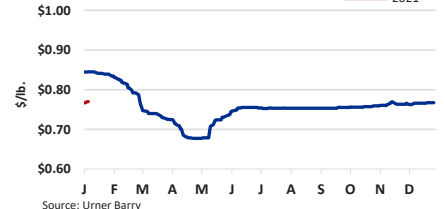
Source: Urner Barry

UB Pork Cutout



Source: Urner Barry

UB Turkey Index



Source: Urner Barry

UB Chicken Index



Source: Urner Barry

EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	112	118	117	119	117	68	651
LW	119	116	117	96	0	67	515
*LY	0	124	121	84	0	0	329

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	490	489	495	497	487	391	2,849
LW	490	451	472	425	0	330	2,168
*LY	436	491	493	413	0	0	1,833

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	8	8	6	7	6	0	35
LW	9	8	7	6	0	0	30
*LY	0	8	7	1	0	0	16

EST. DAILY CALVES SLAUGHTER

	M	T	W	TH	F	S	Total
TW	2	2	2	1	1	0	8
LW	2	2	2	1	0	0	7
*LY	0	3	3	0	0	0	5

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	12/25	12/26	12/28	12/29	12/30	12/31	
TW	0	1	25	26	26	24	102
*LY	1/1	1/2	1/4	1/5	1/6	1/7	
	0	14	24	26	27	26	117
*LY	0	26	0	0	0	0	26

\*Last Year's numbers are rounded

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.779	0.773	0.688
Mexico, Peso	19.931	19.855	18.786
Canada, Dollar	1.268	1.273	1.304
Japan, Yen	103.726	103.060	109.653
China, Yuan (RMB)	6.462	6.532	6.920
Brazil, Real	5.344	5.193	4.076
South Korea, Won	1,090.98	1,088.05	1,156.90
Taiwan, Dollar	27.973	28.084	29.950
European Union, Euro	1.226	1.228	1.110

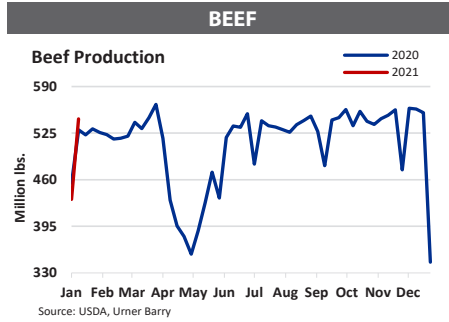
COLD STORAGE STOCKS

(Pounds in Thousands)	11/30/19	10/31/20	11/30/20
Beef in Freezer, Bnls	445,529	461,148	473,921
Cuts	32,732	39,091	37,539
<b>Total Beef</b>	<b>478,261</b>	<b>500,239</b>	<b>511,460</b>
<b>PORK &amp; OTHER</b>	<b>11/30/19</b>	<b>10/31/20</b>	<b>11/30/20</b>
Pork in Freezer, Picnics	7,506	8,486	8,877
Hams	110,635	123,324	74,722
Bellies	54,416	19,025	23,111
Loins	48,719	41,847	35,685
Spareribs	110,333	71,687	79,097
Butts	25,933	16,181	17,135
Trimblings	41,581	38,253	42,018
Other Pork in Freezer	86,792	51,843	58,325
<b>Total</b>	<b>574,840</b>	<b>447,115</b>	<b>414,133</b>
Veal in Freezer	5,461	8,630	9,066
Lamb & Mutton in Freezer	34,022	25,731	25,917
<b>Total</b>	<b>39,483</b>	<b>34,361</b>	<b>34,983</b>

Data Updated: December 22, 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 Jan-08 v. Dec-31				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	-3.04%	-4.20%	0.72%	0.52%
Chuck	0.83%	0.59%	0.35%	-0.42%
Round	-1.83%	-1.34%	-0.94%	-2.38%
Loin	0.00%	1.29%	1.58%	-0.27%
Brisket	-0.38%	1.75%	2.97%	-4.12%
Plate	2.72%	2.72%	2.72%	1.05%
Flank	4.64%	4.68%	4.79%	5.56%
<b>Total</b>	<b>-0.58%</b>	<b>-0.31%</b>	<b>0.74%</b>	<b>-0.54%</b>



**BEEF COMMENTARY**

The boxed beef market realized weakness this past week after two back to back holiday weeks. Packers anticipated there to be movement upward but buyers pushback on the marketplace moved the carcass lower. This was largely led by the rib and the tenderloin, which have seen the most amount of downward pressure over the last month or so. It appeared that these could find a bottom earlier in the 5-day trade period but has yet to do so. End cuts have held in with rounds holding them in line, however, there was even noteworthy softer undertones. Retailers have continued to look for rounds which are the key consumer items currently. Moving forward there is chatter of a decent amount of features for end cuts and grinds, which is typical this time of year.

**LIVE CATTLE:** It seemed as of this report that trade was on the lighter side. The call for the bulk of trade was steady, with some trade higher and lower than the previous week. Live sales were mostly at \$112.00/cwt. The full range of weekly trade was between \$109.00/cwt to \$112.00/cwt. On the dressed side the bulk was at \$177.00/cwt with the full range from \$174.00/cwt to \$177.00/cwt.

**SLAUGHTER & BEEF PRODUCTION:** Federally Inspected (F.I.) Slaughter was estimated at 651,000 head, compared to last week's shortened harvest which came in at 515,000 head. Live cattle weights moved four pounds lower from 1394 pounds to 1390 pounds. Dressed carcasses also moved downward, losing three pounds this week moving from 842 pounds to 839 pounds.

**RIBS:** There is still apparent weakness for the rib primal. Packers thought that a bottom would have been found by now as discounts had eased a bit during the holidays, however, as trade continued pressure remained evident. Ribs are still in higher demand but at much lower levels. Some packers have even noted tighter supplies.

**CHUCKS:** The chuck primal has held in there for the most part with clods moving downward nominally and rolls moving upward. Typically, this is the time of year where retailers begin to feature these but it seems like there is a lag on features up until this point. There has also been additional interest from export business for the rolls.

**ROUNDS:** It not much of a surprise that rounds are the hot items this week. Most interest and trade that has occurred over the last 5 days has been for these. Most packers have noted tighter supplies of spot rounds as retailers gather these for future ads and beef counters. With the colder weather and winter months still ahead, consumers usually look for roasts.

**LOINS:** The loin primal has held in there for the most part with the exception of tenderloins. However, weaker undertones have become evident as the week as progressed for top butts as well. Strips are largely steady for the time being. With foodservice business being thin, retail chains have stepped in to feature strips every couple weeks or so.

**GROUND BEEF:** Week-over-week there has been more interest in ground beef. As seasonal demand increases for chilis and cold weather comfort meals, demand has slowly increased. Prices have remained to lag though as pressure is still being felt for a number of quotations.

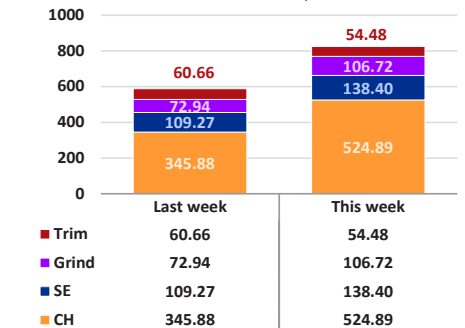
**BONELESS BEEF:** Leaner boneless beef was generally firmer this week. Demand was active in most areas. Several participants indicated that fresh domestic 90s were working better in least cost formulations. Imported product from Aus/NZ continues to trade at a premium to domestic fresh product. Fresh 50s were steady to a little higher. Offerings varied noticeably from packer to packer. This week's cattle slaughter was estimated at 651,000 head.

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

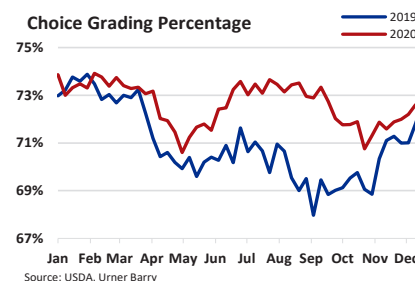
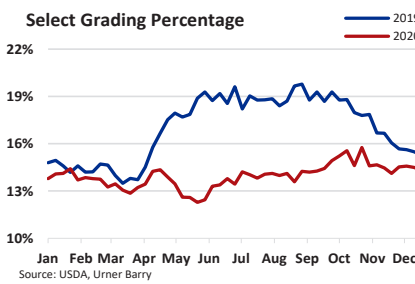
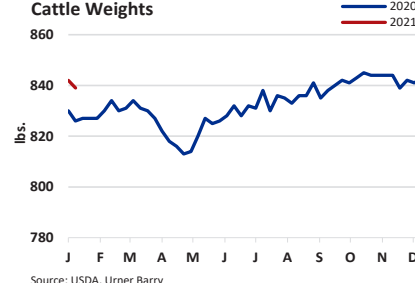
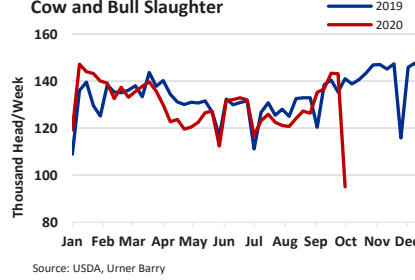
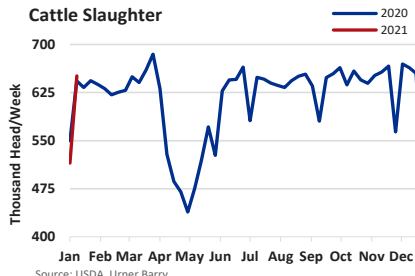
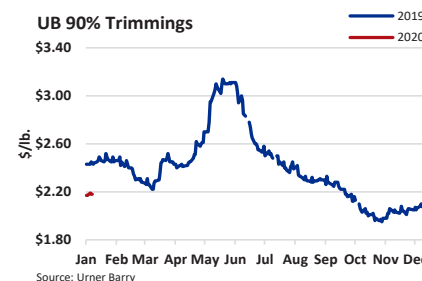
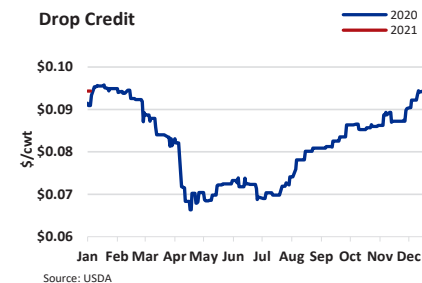
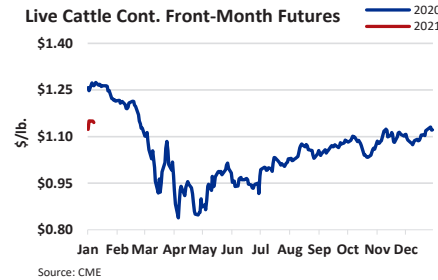
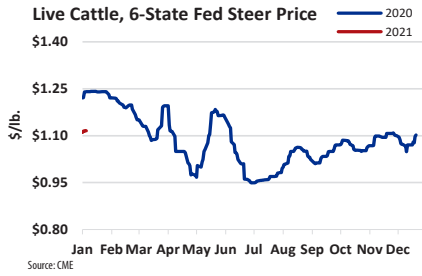
	M	T	W	TH	F
TW	8.70	8.22	8.53	8.64	8.32
*LW	9.23	8.99	8.89	8.92	-

\*Last Week's numbers are rounded

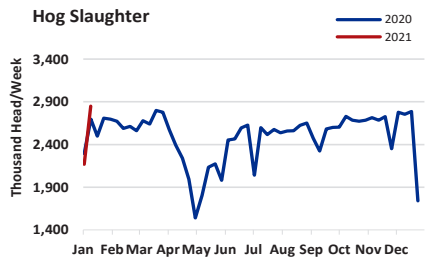
**Weekly Beef Breakdown (# of loads)**



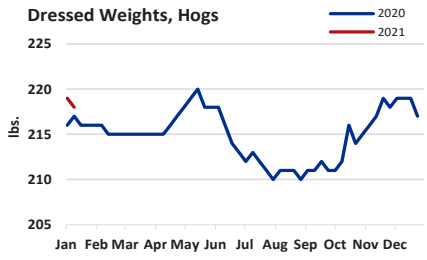
Source: USDA, Urner Barry



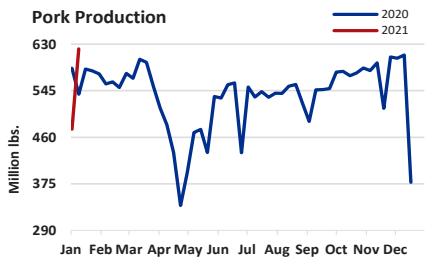
**PORK PRODUCTION**



Source: USDA, Urner Barry



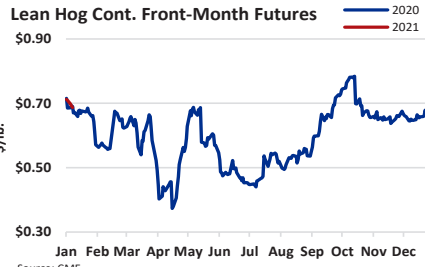
Source: USDA, Urner Barry



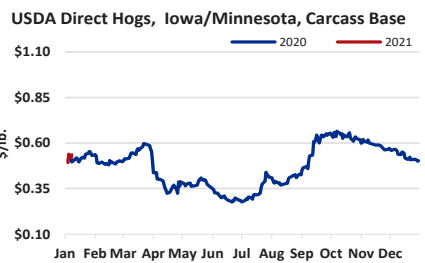
Source: USDA, Urner Barry

**LIVE HOGS & CUTOUT**

PORK CUTOUT	Dec-31	Jan-08	Change
Loin	76.250	77.310	1.060
Butt	70.310	69.460	-0.850
Picnic	52.820	48.210	-4.610
Sparerib	150.450	156.010	5.560
Ham	70.770	81.320	10.550
Belly	105.760	131.830	26.070
<b>Cutout Value</b>	<b>77.411</b>	<b>84.191</b>	<b>6.78</b>



Source: CME



Source: USDA, Urner Barry

**PORK COMMENTARY**

At the start of the new year, a steady to moderately firmer call was noted for most components with exception to a handful of items, including butts, and boneless loins. Urner Barry's pork carcass cutout gained roughly 6.8 percent during the week, while at the same time, National hog values were higher by roughly 2 percent. Estimates for margins for outside purchasers of hogs on Thursday were roughly \$49/head while margins for vertically integrated packers were estimated at roughly \$36/head.

**PORK PRODUCTION:** Total pork production for the week ending January 9, 2021 was estimated at 621.4 million lbs. This is a 30.9 percent increase from last week due to the New Year downtime and a 6.1 percent increase over last year. Average live weights, at 293 pounds, were one-pound lower than last week and two pounds higher than last year.

**GREEN MEATS:** In the green meat complex, hams and bellies were firmer with reports of barely adequate to short offerings throughout the week. Strong interest levels were noted for the hams while the bellies moved higher on retail demand, though under limited spot volume. Trimmings were mixed throughout the week but ended with a firmer call as thinner offerings were noted due to production disruptions and active Superbowl demand.

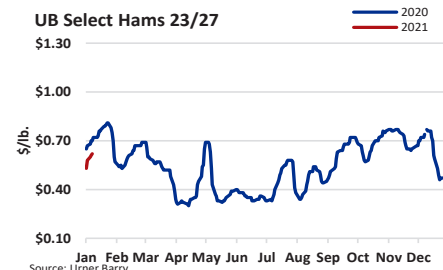
**HAMS:** Bone-in ham values increased by \$8.00 to \$11.00/cwt, while boneless firmed by up to \$22.50/cwt.

**BELLIES:** Skinless bellies were substantially stronger, with averages increasing by \$26.00 to \$34.50/cwt by the end of the week.

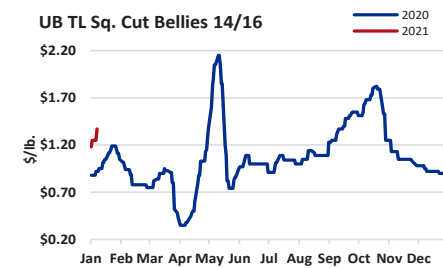
**TRIMMINGS:** Fresh 42s and 72s closed the week mixed, with a \$1.00/cwt loss and \$7.00/cwt gain, respectively. Meanwhile, boneless picnics increased by \$2.50/cwt for the week.

**RETAIL:** Bone-in loins closed the week higher, with 1/8" gaining \$2.50/cwt while 1/4" loins ended \$.50/cwt higher. Boneless strap-on and strap-off loins were weaker, with On's losing \$4.00/cwt and Off's softening by \$5.00/cwt. Bone-in and boneless sirloins were firmer, gaining \$1.50 and \$.50/cwt, respectively, while tenderloins firmed by \$2.50/cwt on average. Bone-in butts were weaker, declining by \$2.00/cwt while boneless climbed by \$.50/cwt. Light and medium spareribs gained \$5.00/cwt and \$6.50/cwt respectively.

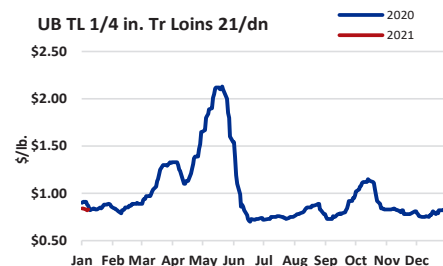
**PORK PROCESSING ITEMS & RETAIL CUTS**



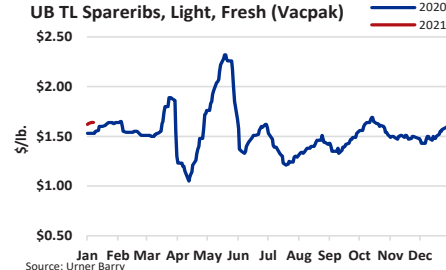
Source: Urner Barry



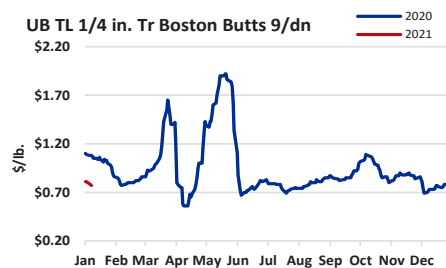
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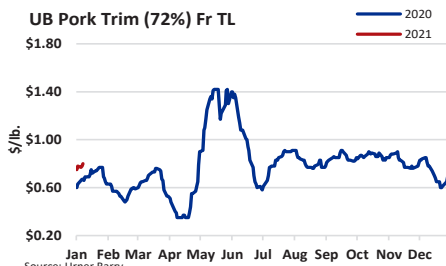
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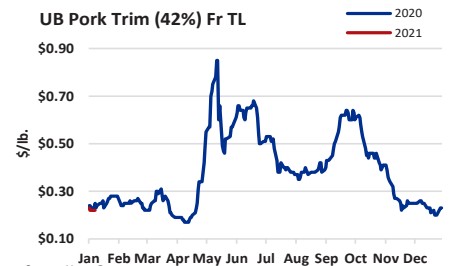
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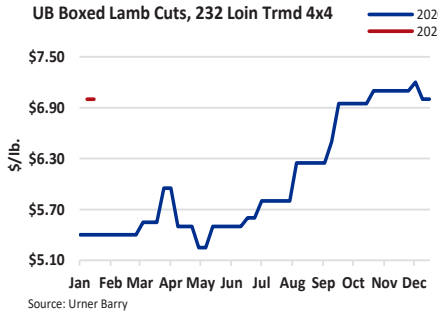
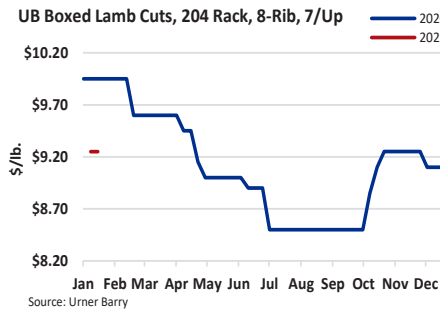
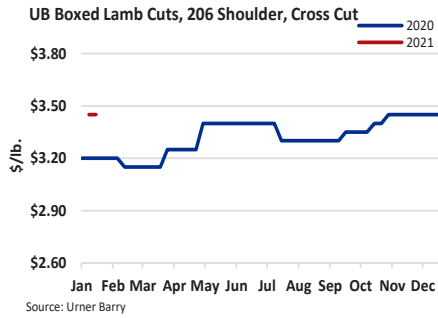
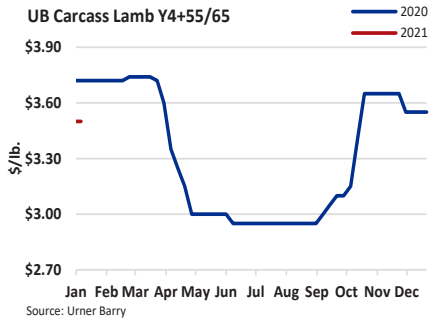


Source: Urner Barry



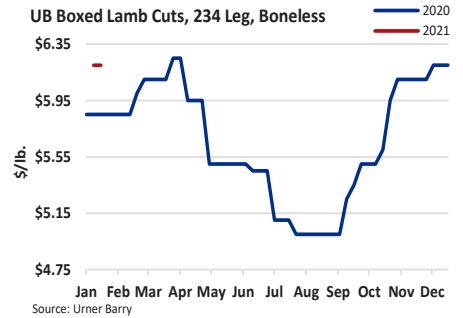
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LAMB

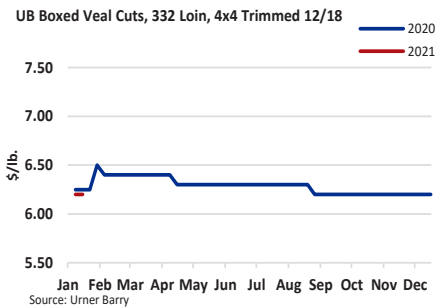
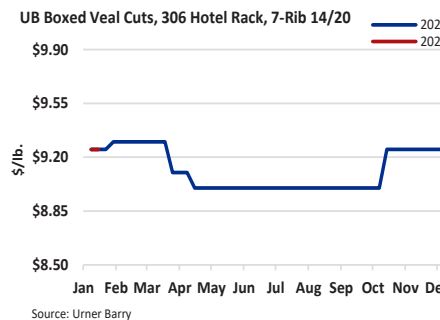
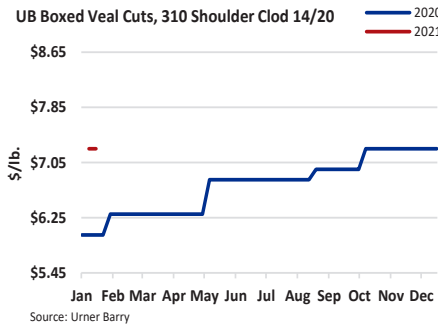
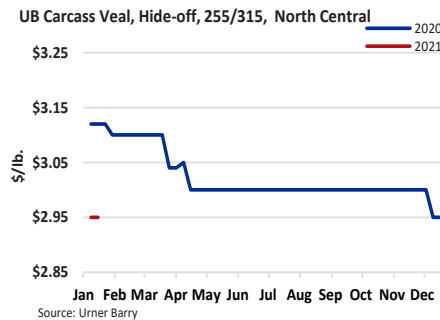


LAMB COMMENTARY

Lamb carcasses settled today at steady price levels. Some discounting was noted but those trades were still within the previous quoted price ranges. Domestic boxed cuts were mixed. Items like racks and legs were steady to firmer. Loins and foreshanks were steady to a little weaker in some instances. Lamb and mutton production for 2020 was down about 9% compared to 2019.

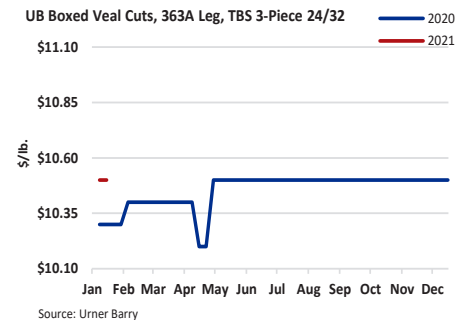


VEAL

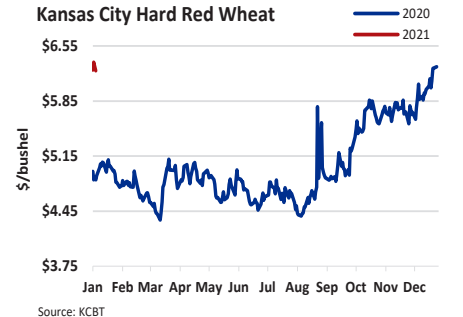
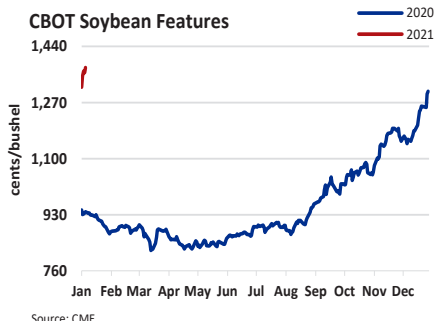
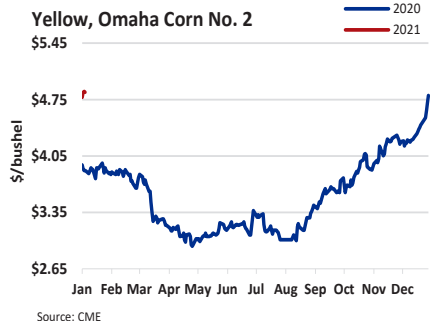


VEAL COMMENTARY

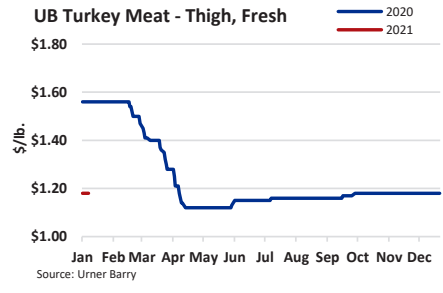
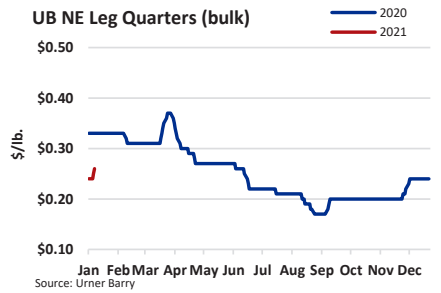
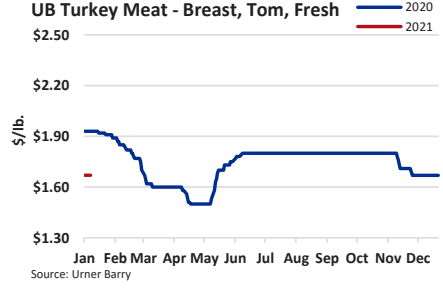
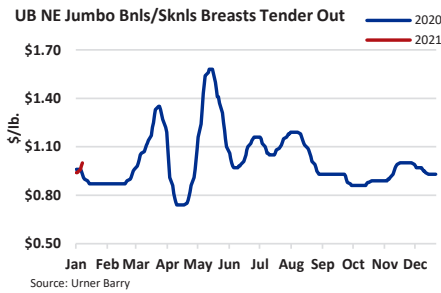
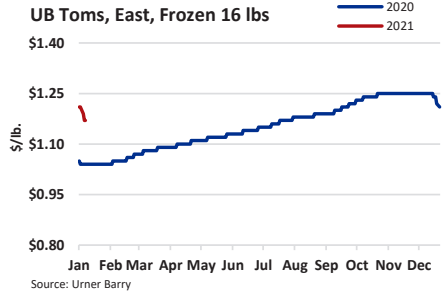
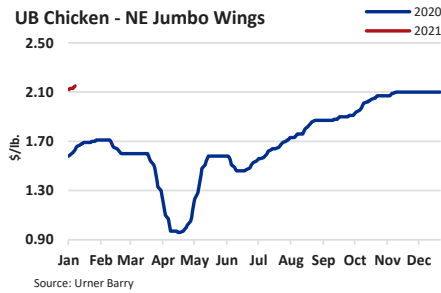
Veal carcasses and boxed veal cuts continued to note a rangebound call for the week. Even with diminished slaughter, limited foodservice has created fair to dull demand leading to a steady call in the market. Retail interest continues to be noted for some locations. To start the year, special fed veal dressed weights are currently at 296lbs, which is up 21.1lbs (7.7%) compared to the equivalent time for last year.



FEEDS: CORN, SOY BEAN, RED WHEAT



**POULTRY**



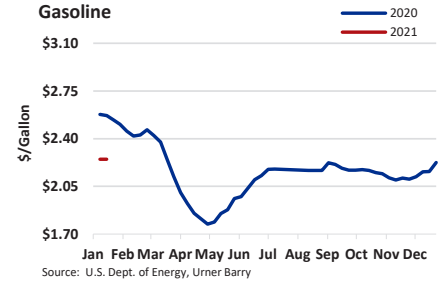
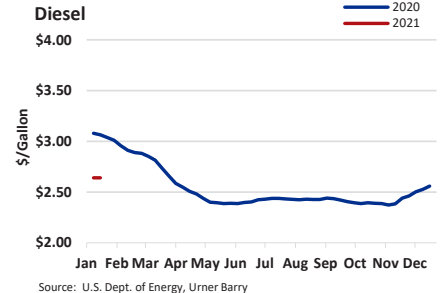
**POULTRY COMMENTARY**

This week in the chicken market, short supplies and active demand pushed many key lines higher. Whole chickens and WOGs were mostly steady and moving for supportive price points. Jumbo boneless and to a slightly lesser extent medium, tightened as the week progressed and only moved for premium values. Wings of all sizes remain short of the call and are held with supreme confidence, should product become available at all. Tenders were steady for much of the week but like boneless became tight, to short here at week's end. The line is rated full steady. Chunk and trim are likewise solidly positioned and moving for up money bids due to their limited availability on the spot market. Leg quarters continue to be in high demand both domestically and abroad. Retail demand for legs has tightened the line and pushed ask prices higher. Drums and thighs are steady overall. Leg and thigh meat is held with

confidence and rated full steady. The turkey market remains seasonally slow in some areas and active in others. Whole bird negotiations continue at slightly lower price points. This is especially true for the consumer sized toms and hens, with the institutional sizes well established at their currently listed levels. Consumer sized breasts are in steady overall shape but feeling some sporadic seasonal pressure. Fresh and frozen drum demand remains strong. The same can be said for tails, neck and both whole and two joint wings. The raw materials complex continues to be lackluster. Fresh and frozen tom meat sits in about steady territory. Fresh scapula is seeing an uptick in demand. While wing meat is somewhat mixed with both positive and negative undertones reported. Thigh meat is in decent shape and moving for steady values. MST demand remains strong. The line is rated full steady.

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**ENERGY**



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