

Friday, October 09, 2020

Number 41- Volume 13

WEEKLY COMMODITY AT A GLANCE

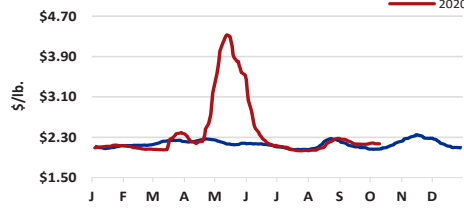
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	UNQ	3.70	3.89
CBOT Soybean	1,065.50	1,020.75	936.00
NYMEX Light Crude Oil	40.60	37.05	54.70
Loose Lard, Chicago Basis	0.39	0.39	0.31
Edible Tallow, Chicago Basis	0.37	0.37	0.350
Beef Trimmings, 90% Fresh	203.00	213.00	221.00
Beef Trimmings, 50% Fresh	53.00	56.00	47.00
Aust/NZ Blend Cow 90% EC Spot	215.00	222.00	239.00
USDA Drop Credit	0.084	0.084	0.09
112A 3 Ribeye Roll, Lip-On CH	930.00	930.00	900.00
116A 3 Chuck Roll, Neck-Off CH	370.00	370.00	305.00
168 3 Round, Top (Inside) CH	235.00	235.00	235.00
180 3 Strip Loin, Bnls, 0x1 CH	650.00	650.00	565.00
136 Coarse Ground 81%	180.00	180.00	190.00
189A 4 Loin, Tenderloin, PSMO CH	1,160.00	1,160.00	1,060.00
Cattle-Fax, 6-State Fed Steer Price	107.06	105.00	107.32
Select Hams 20/23	63.00	73.00	62.00
Sq Cut Bellies 14/16	168.00	151.00	144.00
1/4 Trmd. Loins 21/dn	112.00	102.00	90.00
1/4 Tr Boston Butts 9/dn	108.00	102.00	93.00
Spareribs, Light, Fresh	164.00	156.00	126.00
Fresh Pork Trim (42%)	53.00	61.00	38.00
Fresh Pork Trim (72%)	86.00	84.00	48.00
Carcass Lamb Y4+55/65	315.00	310.00	358.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	885.00	850.00	970.00
Lamb Cuts, 206 Shoulder, Cross Cut	335.00	335.00	295.00
Lamb Cuts, 232 Loin Trmd 4x4	695.00	695.00	550.00
Lamb Cuts, 234 Leg, Boneless	550.00	550.00	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	900.00
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	600.00
Veal Cuts, 363A Leg, TBS 3-Pc 24/32	1,050.00	1,050.00	1,040.00

Quotes represent the high side of Friday's trading range

RIEMANN CONTRACT SETTLEMENTS

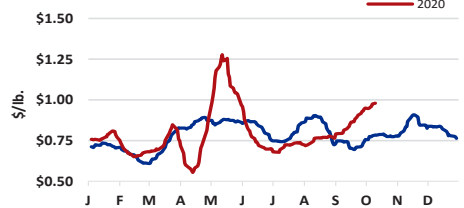
	10/9	10/2	9/25
Weekly Imported Aust/NZ Blend Cow 90% EC 7:45	2.18	2.22	2.25
Weekly Weighted Average Blended Boxed Beef Cutout Index	213.14	215.47	214.59

UB Beef Index



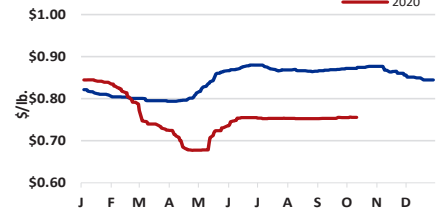
Source: Urner Barry

UB Pork Cutout



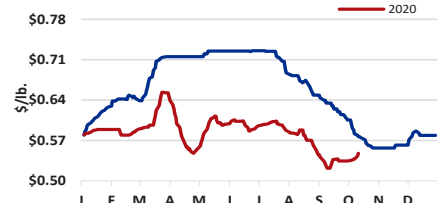
Source: Urner Barry

UB Turkey Index



Source: Urner Barry

UB Chicken Index



Source: Urner Barry

EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	116	120	119	117	112	53	637
LW	118	120	120	120	117	70	665
*LY	118	118	118	117	117	60	648

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	489	487	489	489	487	289	2,730
LW	489	485	467	485	464	213	2,603
*LY	485	488	492	489	486	257	2,697

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	9	7	5	7	4	0	32
LW	8	7	6	7	5	0	33
*LY	8	8	7	8	7	1	39

EST. DAILY CALVES SLAUGHTER

	M	T	W	TH	F	S	Total
TW	2	2	2	1	1	0	8
LW	2	2	2	1	1	0	8
*LY	2	3	2	2	3	0	12

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	9/25	9/26	9/28	9/29	9/30	10/1	129
TW	10/2	10/3	10/5	10/6	10/7	10/8	135
*LY	23	12	24	25	26	26	136

*Last Year's numbers are rounded

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.722	0.714	0.680
Mexico, Peso	21.223	21.905	19.310
Canada, Dollar	1.314	1.333	1.319
Japan, Yen	105.849	105.265	108.406
China, Yuan (RMB)	6.698	6.790	7.098
Brazil, Real	5.540	5.643	4.112
South Korea, Won	1,143.16	1,164.84	1,181.69
Taiwan, Dollar	28.591	28.914	30.605
European Union, Euro	1.181	1.170	1.106

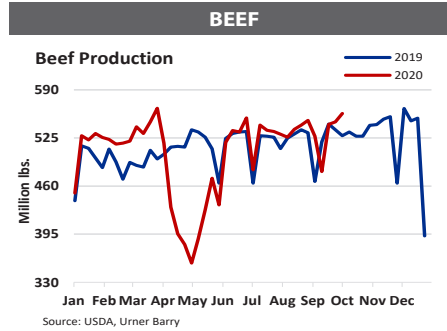
COLD STORAGE STOCKS

(Pounds in Thousands)	8/31/19	7/31/20	8/31/20
Beef in Freezer, Bnls	433,698	406,548	428,631
Cuts	36,178	33,628	31,588
Total Beef	469,876	440,176	460,219
PORK & OTHER	8/31/19	7/31/20	8/31/20
Pork in Freezer, Picnics	10,063	7,089	7,610
Hams	202,454	136,621	148,055
Bellies	45,723	42,374	30,533
Loins	42,371	37,189	39,714
Spareribs	79,353	63,169	62,593
Butts	16,200	13,557	14,520
Trimmings	42,008	41,020	37,467
Other Pork in Freezer	85,780	48,069	53,645
Total	606,784	460,635	467,682
Veal in Freezer	5,386	5,328	6,400
Lamb & Mutton in Freezer	46,642	44,712	42,418
Total	52,028	50,040	48,818

Data Updated: September 22, 2020

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

UB BEEF CUTOUT Oct-09 v. Oct-02				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	0.40%	0.89%	-0.21%	-0.29%
Chuck	-0.94%	-1.01%	-0.97%	-2.02%
Round	-0.67%	-0.42%	-0.65%	-1.36%
Loin	-0.92%	-1.30%	-1.24%	-1.61%
Brisket	-1.22%	-0.22%	-0.23%	-3.22%
Plate	-3.54%	-3.54%	-3.54%	-3.17%
Flank	-2.83%	-2.14%	-1.80%	-2.10%
Total	-0.77%	-0.72%	-0.97%	-1.53%



BEEF COMMENTARY

There seemed to be a mix of activity throughout the week in the boxed beef market. The first two days of the trading week were quiet and dull, as if interest in procurement had drastically eased. However, the middle of the week trading picked up and interest for a number of items in the carcass was evident. Briskets, chucks, insides, grinds and even some thin meats saw some additional interest as buyers pushed back on some of the higher price ranges. There was a steadier feel mid-week as the slight increase of procurement picked up which steadied out the spot market. By weeks end there still appeared to be some movement, but in typical end of the week fashion buyers are focused on the weekend and most trade is last minute procurement. Ribs and tenderloins, more so the ribs, continue to see interest for business in the later part of the year. Seasonally these items begin to move this time of year, however, with the fear of the pandemic surrounding the market, buyers stepped in a bit earlier. Additionally, retailers have recently placed tenderloins as features. Chucks and rounds are beginning to see some action heading into the winter months, as is ground beef. These items are typically more sought after for colder weather meals such as roasts and chilis.

LIVE CATTLE: Cash cattle trade largely occurred during the last two days of the week, with the bulk on Friday. The weeks overall trade was lighter to moderate volume. The full range of trade occurred between \$107.00/cwt to \$110.00/cwt for the live animal. As for the dressed carcass sales ranged between \$169.00/cwt and \$170.00/cwt.

SLAUGHTER & BEEF PRODUCTION: Federally Inspected (F.I.) Slaughter was estimated at 637,000 head, compared to last week's which came in at 665,000 head. Live cattle weights for are reported another four pounds higher this week at 1383 versus the previous 1379 pounds. Dressed carcasses were reported at 843 two pounds higher the previous week which came in at 841 pounds.

RIBS: It seems that interest is still evident for the rib primal as buyers have continued to jump on product for the end of the year. However, price advancements have slowed a bit. With pushback throughout the marketplace buyers have begun to push back slightly on higher values this early in the season. However, ribs have continued to be one of the more talked about items with procurement.

CHUCKS: There was a mixed bag of movement throughout the chuck primal. Clods started off weaker but then gained a slight bit of support by the end of the 5-day period. As for chuck rolls, there was a bit of strength evident. Chuck tenders and clod tenders had nominal readjustments as well.

ROUNDS: There seems to be a mixed bag of direction in the round primal. Inside rounds have recently fallen off the higher sides due to pushback from buyers. Buying notably picked up mid-week for insides, however, on the lower end of our listed price ranges. With that both flats and eyes have steadied for the time being.

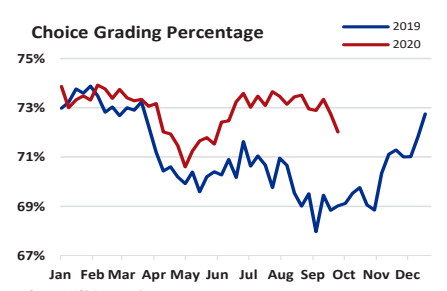
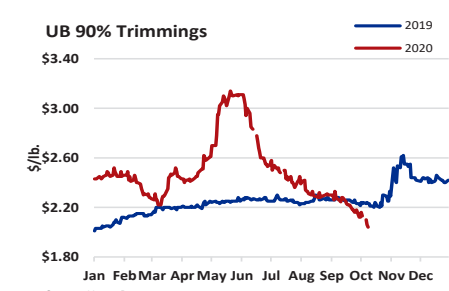
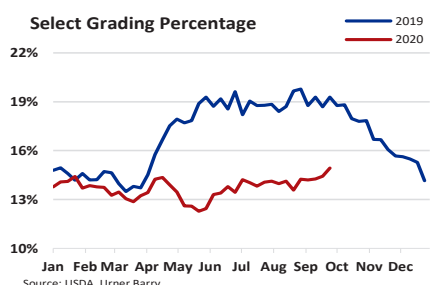
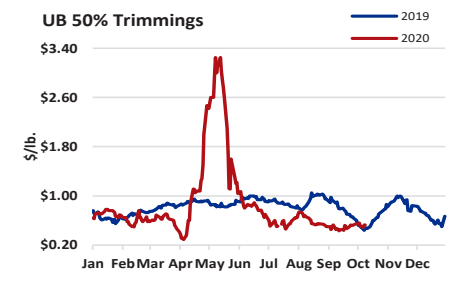
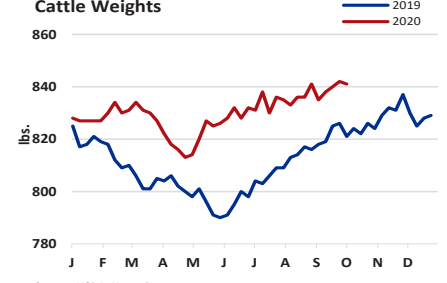
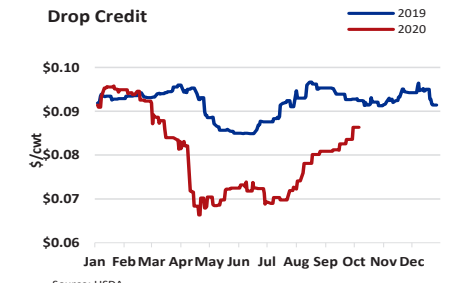
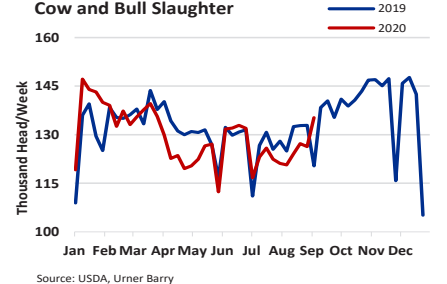
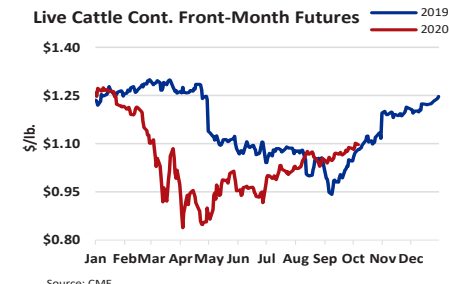
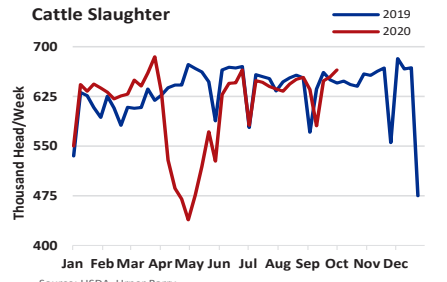
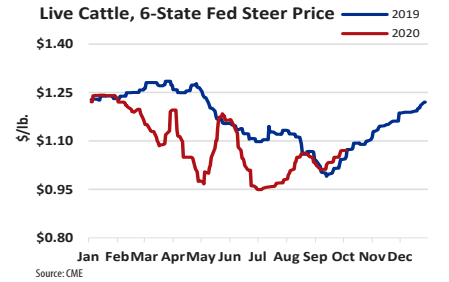
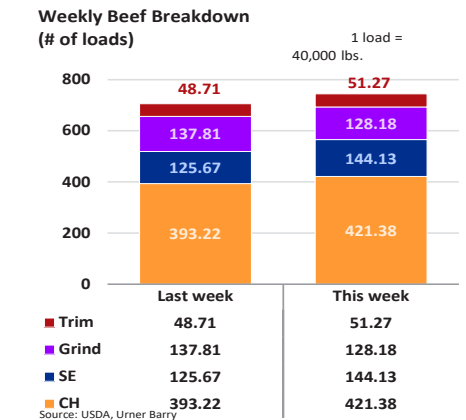
LOINS: There is still softer undertones throughout the loin primal. Short loins and strips continue to creep downward as a bottom has yet to really be established, at least for choice product. As for top butts, there is also a bit of a softer feel for these. Tenderloins have remained the more demanded item from the loin primal for end of year procurement and with that values have stayed firmer.

GROUND BEEF: Ground beef has been mixed a bit this week. Interest has picked up a bit or so it seems. However, price points have remained on the softer side. With additional inventory of product around buyers have pushed back on prices.

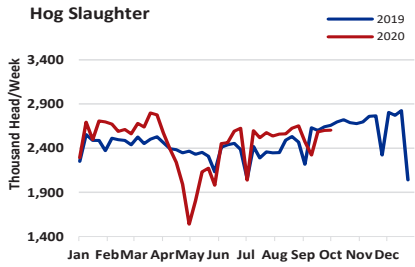
BONELESS BEEF: Fresh 90s were mixed this week. Demand varied as participants looked to maximize lower priced alternatives. Fresh 50s were steady to a little stronger. Packers indicated that buying interest was stronger than expected and they ended the week in good shape. This week's cattle slaughter was estimated at 637,000 head, which is down 4.2% compared to the previous week. Average live weights for cattle this week are up 21 pounds year over year.

UB BEEF CUTOUT-CH/SE SPREAD (\$/cwt)					
	M	T	W	TH	F
TW	9.27	9.13	9.04	9.05	9.32
*LW	9.24	8.91	9.63	9.59	9.48

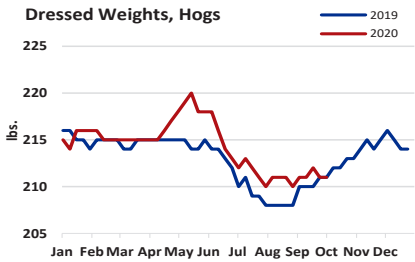
*Last Week's numbers are rounded



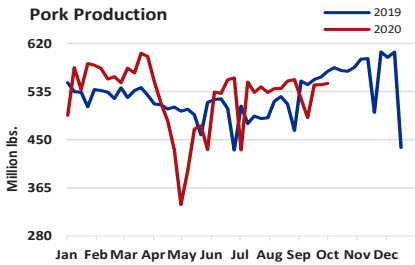
PORK PRODUCTION



Source: USDA, Urner Barry



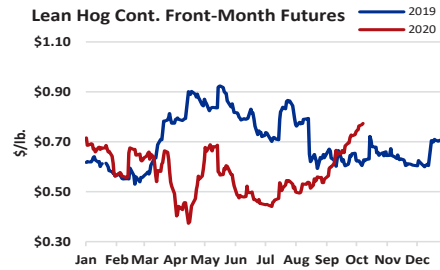
Source: USDA, Urner Barry



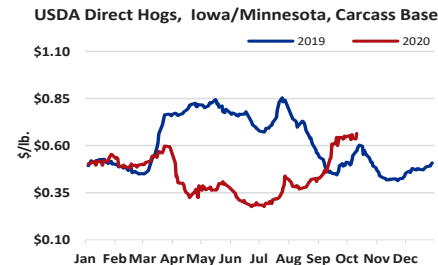
Source: USDA, Urner Barry

LIVE HOGS & CUTOUT

PORK CUTOUT	Oct-02	Oct-09	Change
Loin	88.060	92.650	4.590
Butt	89.890	94.320	4.430
Picnic	67.830	68.860	1.030
Sparerib	148.040	157.220	9.180
Ham	89.200	84.640	-4.560
Belly	145.790	162.360	16.570
Cutout Value	94.985	98.754	3.769



Source: CME



Source: USDA, Urner Barry

PORK COMMENTARY

This week in pork, retail and export demand were consistently supportive for loins, butts, ribs, and bellies, leading to a moderately firmer call on most cuts. On the other hand, bone-in hams noted some pressure with increased supply and buyer pushback. Urner Barry's pork carcass cutout gained roughly 4 percent during the week, while at the same time, National hog values were higher by roughly 2.8 percent. Estimates for margins for outside purchasers of hogs on Thursday were at roughly \$55/head while margins for vertically integrated packers averaged roughly \$71/head.

PORK PRODUCTION: Total pork production for the week ending October 10, 2020 was estimated at 579.1 million lbs. This is a 5 percent increase from last week and a 1.4 percent growth from last year. Average live weights were one pound higher than last week and one pound high than last year at 285 pounds.

GREEN MEATS: In the green meat complex, bone-in hams were weaker while the boneless component saw some mixed pricing with support still lingering due to holiday and boning line constraints. Bellies were firmer with thinner supplies noted while trimmings were mixed with interest and supply varying.

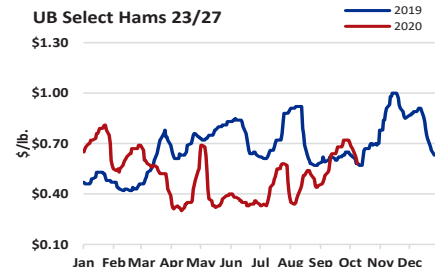
HAMS: Bone-in ham values decreased by \$6.00 to \$11.50/cwt, while boneless were mixed with gains ranging up to \$5.00/cwt and losses reaching \$7.50/cwt.

BELLIES: Skinless bellies firmed by \$19.00 to \$21.00/cwt on average by the end of the week.

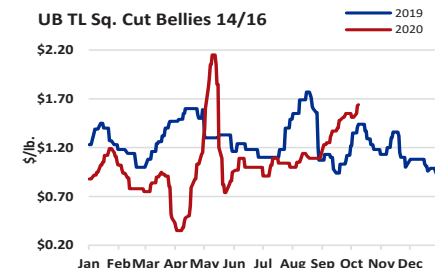
TRIMMINGS: Fresh 42s and 72s closed the week \$7.00 weaker and \$1.00/cwt firmer, respectively. Meanwhile, boneless picnics lost \$4.00/cwt for the week.

RETAIL: Bone-in loins closed the week firmer again, with 1/8" gaining \$8.50/cwt and 1/4" increasing by \$11.00/cwt. Boneless strap-on and strap-off loins were stronger as well, with On's up by \$5.00/cwt and Off's higher by \$1.00/cwt. Bone-in and boneless sirloins saw strength, with gains of \$3.50/cwt and \$6.00/cwt individually, while tenderloins were \$5.00/cwt firmer on the week. Bone-in butts saw strength as well, increasing by \$7.00/cwt while boneless gained \$3.00/cwt. Light and medium spareribs were also firmer with lights up by \$8.00/cwt and mediums firmer by \$11.00/cwt.

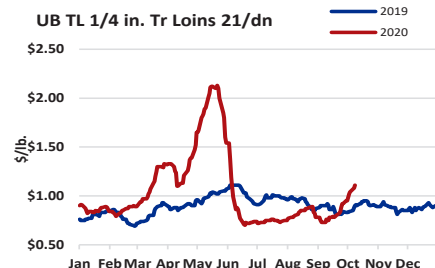
PORK PROCESSING ITEMS & RETAIL CUTS



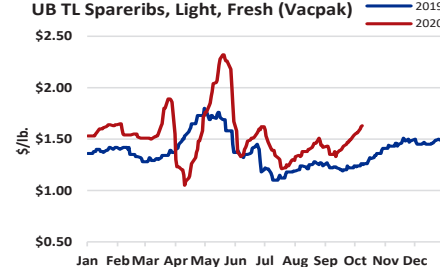
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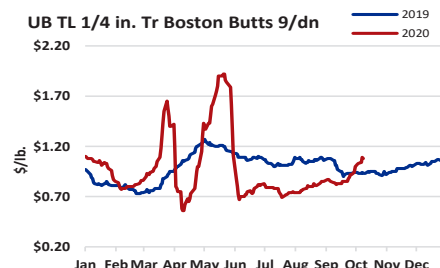
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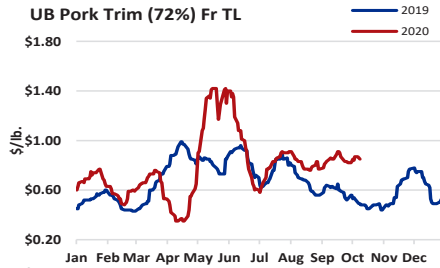
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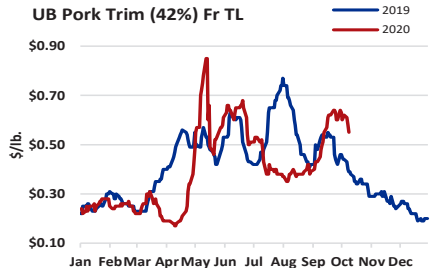
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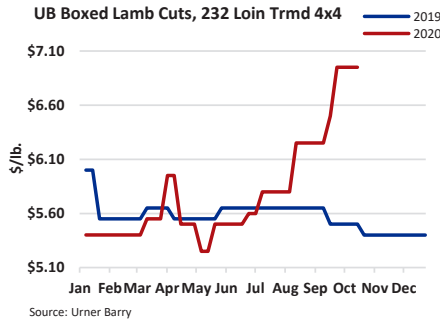
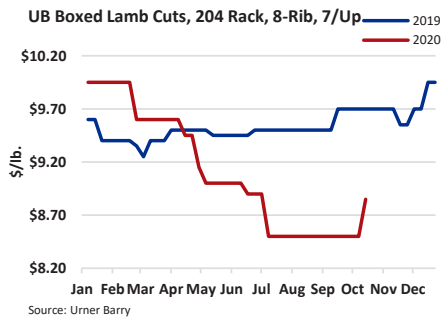
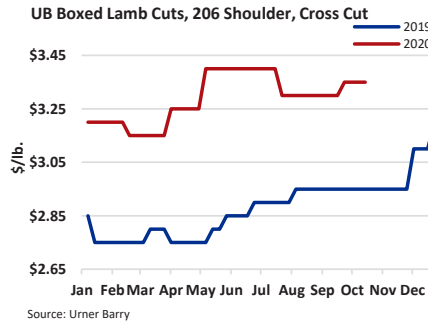
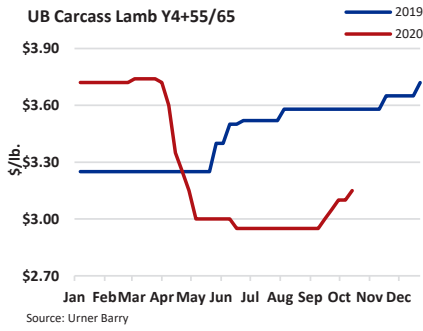


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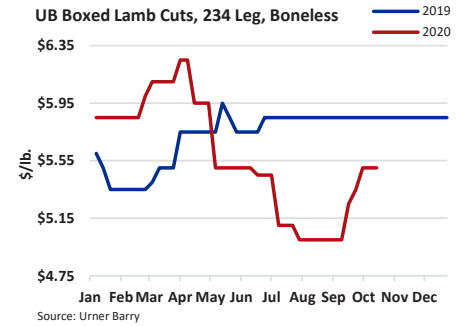
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LAMB

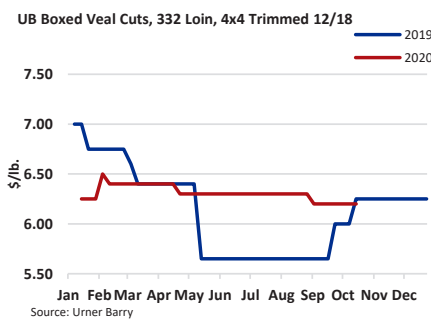
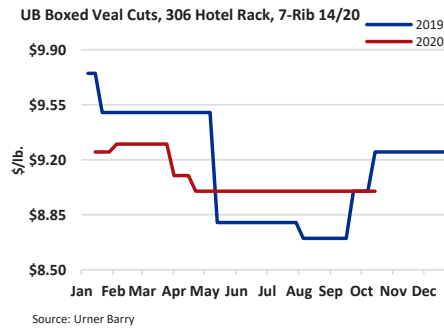
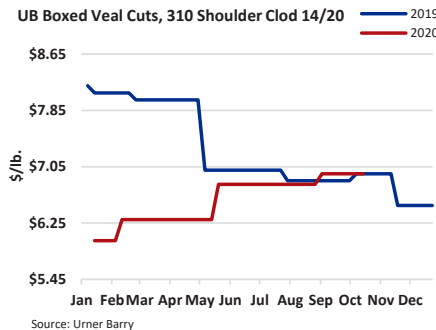
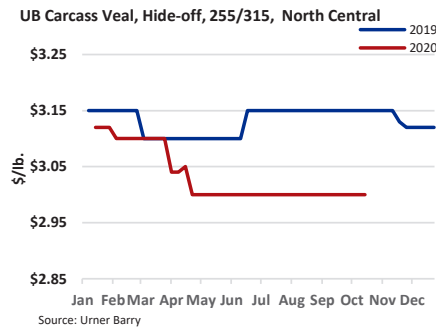


LAMB COMMENTARY

Lamb carcasses were steady to a little higher this week. Boxed cuts were steady to firmer. Premiums were noted on the racks, foreshanks, and legs. Movement was reportedly stronger on the loins. Year-to-date lamb production is down 8.3% compared to the same time last year.

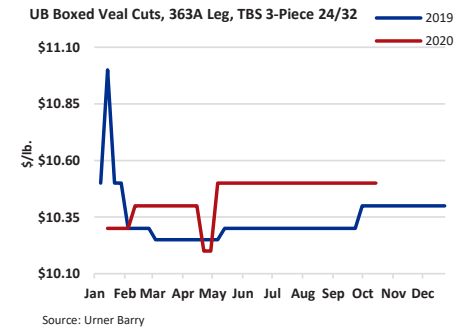


VEAL

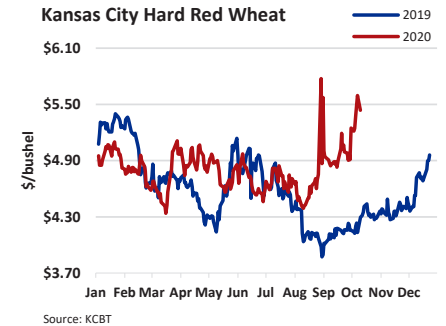
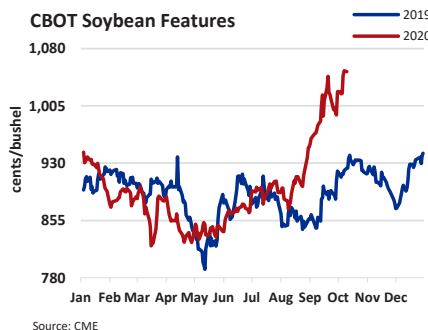
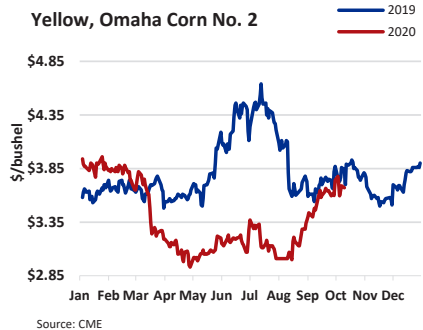


VEAL COMMENTARY

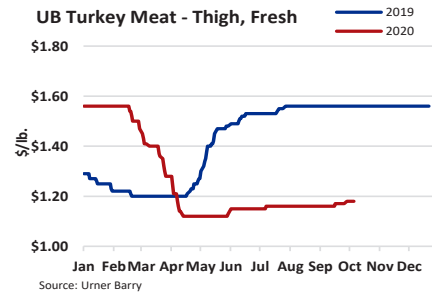
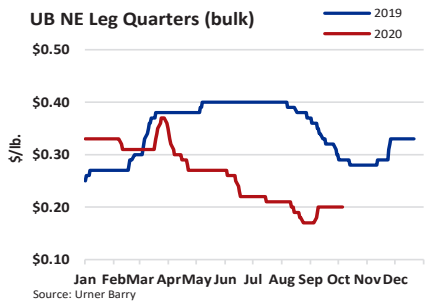
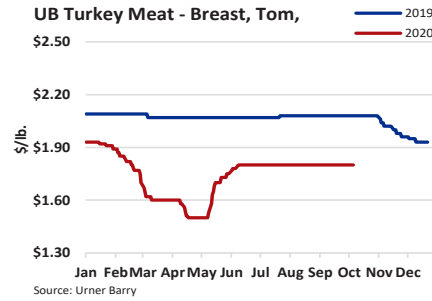
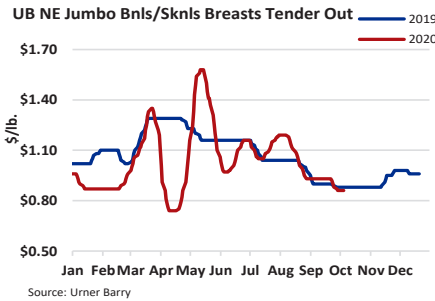
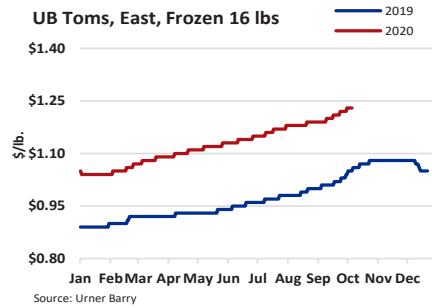
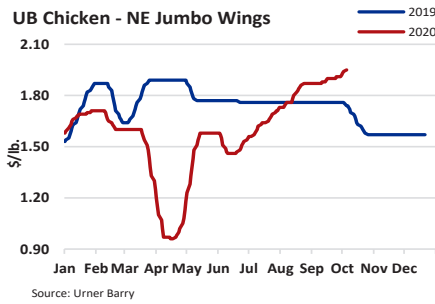
Veal carcasses remained rangebound this week. Boxed veal cuts also saw a fairly steady call with stable movement noted throughout the market. Year-to-date special fed veal slaughter was lower by about 1.5 percent compared to the same time in 2019 when it was 144,012 pounds. Special fed veal dressed weights are currently at 311.2lbs, which is up 29.9lbs (10.6%) compared to the equivalent time for last year.



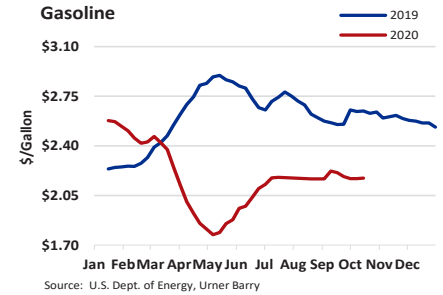
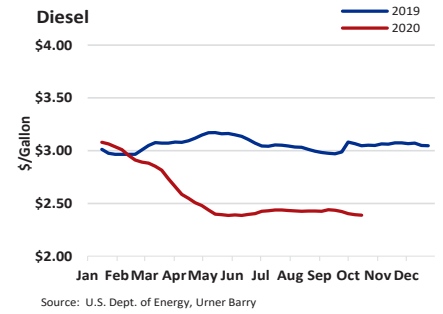
FEEDS: CORN, SOY BEAN, RED WHEAT



POULTRY



ENERGY



POULTRY COMMENTARY

The undertone for many of the chicken markets key lines has been surprisingly positive. All sized WOG offerings tightened as the week progressed and are currently being sold at premium values. The same can be said for breast and front half supplies. Moving to boneless, despite near record high bird weights, offerings of jumbo are in decent balance and sellers continue to get steady values. Wings of all sizes remain difficult to uncover as the large-scale wing houses absorb all available offerings. Tenders on the other hand are found with ease at discount from most sellers. As for the back half, slowing export demand has kept most lines in a stagnant position this week. Leg quarters and drums are viewed in the most positive light. Leg and thigh meats continue to be in solid shape and are moving for full market values. Fresh and frozen MSC supplies are tight and held with a firm grip.

In the turkey complex, whole birds continue to be the talk of the town. Limited offerings are held

with confidence and only sold if the volumes and price are right. Consumer breasts are even harder to find. Sales for limited offerings cross our desk at a premium to our quotations. Moving to parts, fresh and frozen drums are in solid shape and being placed at steady values. tails, whole and two joint wings as well as necks are in short supply and sought after. As for raw materials, fresh tom meat continues to be mostly uneventful. Frozen supplies are found with ease and sold at a wide range of values. The same scenario is in place for fresh and frozen scapula. Thigh meat offerings are tight and only sold for full market price points. MST demand continues to be seasonally strong.

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