

Red Meat

REPORT

Friday, November 13, 2020

Number 46- Volume 13

WEEKLY COMMODITY AT A GLANCE

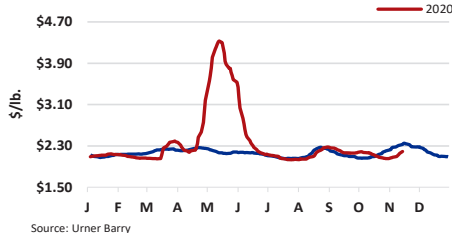
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	UNQ	3.97	3.53
CBOT Soybean	1,141.50	1,098.50	918.25
NYMEX Light Crude Oil	40.13	37.14	57.72
Loose Lard, Chicago Basis	0.39	0.39	0.31
Edible Tallow, Chicago Basis	UNQ	0.33	0.350
Beef Trimings, 90% Fresh	203.00	206.00	255.00
Beef Trimings, 50% Fresh	55.00	45.00	99.00
Aust/NZ Blend Cow 90% EC Spot	226.00	222.00	311.00
USDA Drop Credit	0.000	0.084	0.09
112A 3 Ribeye Roll, Lip-On CH	1,020.00	950.00	1,000.00
116A 3 Chuck Roll, Neck-Off CH	355.00	315.00	365.00
168 3 Round, Top (Inside) CH	250.00	235.00	266.00
180 3 Strip Loin, Bnls, 0x1 CH	570.00	565.00	535.00
136 Coarse Ground 81%	185.00	170.00	230.00
189A 4 Loin, Tenderloin, PSMO CH	1,155.00	1,130.00	1,450.00
Cattle-Fax, 6-State Fed Steer Price	106.82	105.23	114.59
Select Hams 20/23	76.00	79.00	101.00
Sq Cut Bellies 14/16	105.00	113.00	136.00
1/4 Trmd. Loins 21/dn	82.00	83.00	88.00
1/4 Tr Boston Butts 9/dn	88.00	87.00	98.00
Spareribs, Light, Fresh	151.00	149.00	145.00
Fresh Pork Trim (42%)	27.00	34.00	31.00
Fresh Pork Trim (72%)	83.00	88.00	63.00
Carcass Lamb Y4+55/65	365.00	365.00	365.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	925.00	925.00	955.00
Lamb Cuts, 206 Shoulder, Cross Cut	345.00	345.00	295.00
Lamb Cuts, 232 Loin Trmd 4x4	710.00	710.00	540.00
Lamb Cuts, 234 Leg, Boneless	610.00	610.00	585.00
Carcass Veal, Hide-off, 255/315, NC	312.00	0.00	315.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	925.00	0.00	950.00
Veal Cuts, 310 Shoulder Clod 14/20	600.00	0.00	810.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	625.00	0.00	675.00
Veal Cuts, 363A Leg, TBS 3-Pc 24/32	1,030.00	0.00	1,050.00

Quotes represent the high side of Friday's trading range

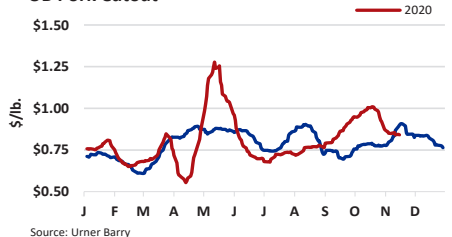
RIEMANN CONTRACT SETTLEMENTS

	11/13	11/6	10/30
Weekly Imported Aust/NZ Blend Cow 90% EC 7:45	2.24	2.18	2.14
Weekly Weighted Average Blended Boxed Beef Cutout Index	220.20	207.81	202.79

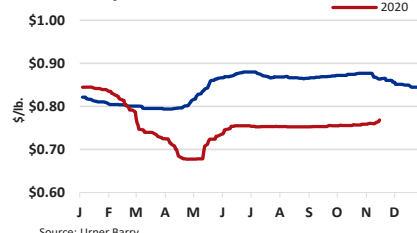
UB Beef Index



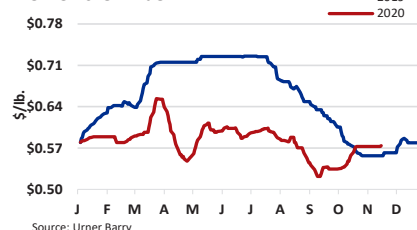
UB Pork Cutout



UB Turkey Index



UB Chicken Index



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	117	120	115	120	118	63	653
LW	119	121	119	120	109	59	647
*LY	112	120	119	121	119	73	663

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	493	493	459	492	477	288	2,702
LW	493	493	489	490	488	260	2,713
*LY	444	493	493	491	485	355	2,761

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	8	7	6	8	5	1	35
LW	8	9	6	7	5	1	36
*LY	7	9	8	8	6	2	40

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	1	3	2	2	3	0	11

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	10/30	10/31	11/2	11/3	11/4	11/5	Total
	25	12	24	26	26	25	138
TW	11/6	11/7	11/9	11/10	11/11	11/12	Total
	25	11	24	26	26	25	137
*LY	25	13	25	26	27	26	142

*Last Year's numbers are rounded

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.725	0.727	0.680
Mexico, Peso	20.531	20.696	19.197
Canada, Dollar	1.313	1.305	1.323
Japan, Yen	104.783	103.363	108.730
China, Yuan (RMB)	6.607	6.608	7.008
Brazil, Real	5.494	5.538	4.196
South Korea, Won	1,108.64	1,121.40	1,163.17
Taiwan, Dollar	28.509	28.570	30.492
European Union, Euro	1.182	1.188	1.104

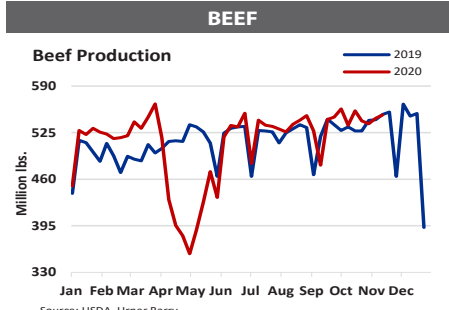
COLD STORAGE STOCKS

(Pounds in Thousands)	9/30/19	8/31/20	9/30/20
Beef in Freezer, Bnls	434,191	417,914	426,793
Cuts	34,790	31,441	35,194
Total Beef	468,981	449,355	461,987
PORK & OTHER	9/30/19	8/31/20	9/30/20
Pork in Freezer, Picnics	8,582	7,975	8,358
Hams	201,258	144,135	146,344
Bellies	40,543	31,046	24,876
Loins	39,695	40,243	41,146
Spareribs	85,287	62,696	64,626
Butts	15,494	14,383	16,409
Trimings	38,736	37,781	36,202
Other Pork in Freezer	83,900	53,667	54,371
Total	598,750	465,465	466,474
Veal in Freezer	5,727	6,965	9,263
Lamb & Mutton in Freezer	41,648	39,466	30,668
Total	47,375	46,431	39,931

Data Updated: October 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 Nov-13 v. Nov-06				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	7.00%	3.38%	2.31%	4.41%
Chuck	6.17%	6.18%	2.96%	3.33%
Round	7.88%	6.03%	2.71%	5.23%
Loin	3.15%	3.52%	-1.19%	2.40%
Brisket	0.01%	0.01%	3.44%	1.67%
Plate	2.98%	2.98%	2.98%	0.60%
Flank	7.40%	2.99%	2.25%	0.32%
Total	5.48%	4.49%	1.74%	3.40%



BEEF COMMENTARY
 The support seen over the last couple weeks was seen through this 5-day period as well. With colder weather making its way through the country, interest picked up a bit in the beginning of the week. This pick up in demand was seen until about mid-week, when demand fell off. However, this is due to not only an overall ease but tighter product availability making it harder for buyers to gather the hotter items. End cuts finally have begun to see that seasonal switch, and prices have climbed upward. With that end of the year holiday buying continues and choice ribs continued to move up. Grinds and thins, along with loins have also readjusted upward. Some cuts have more demand than others, but with tighter inventories, prices are stronger. Retailers have continued to be the leader in buying as they continue to place some features, along with overall demand staying strong at beef counters.

LIVE CATTLE: Cattle trade picked up lightly at the end of the week. Light trade was reported Thursday between \$108.00/cwt to \$111.00/cwt on the live side. Dressed carcasses saw trade between \$172.00/cwt to \$173.00/cwt. The bulk of trade has yet to occur as of this report. This week's ranges were between \$4.00/cwt and \$5.00/cwt above the previous 5-day period on the live side, dressed were between \$5.00/cwt and \$10.00/cwt higher.

SLAUGHTER & BEEF PRODUCTION: Federally Inspected (F.I.) Slaughter was estimated at 653,000 head, compared to last week's which came in at 647,000 head. Live cattle weights moved one pound higher to 1389 pounds this week. Dressed carcasses for the fourth straight week were 844 pounds.

RIBS: Coming off of the previous week's mixed feel, there was continued interest in choice product. Due to the end of the year buying increase, supplies have notably tightened for choice product. This along with cattle grading being weaker, values remain supported. However, on the select side it has been noted that demand is dull.

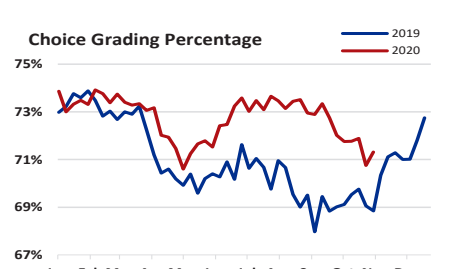
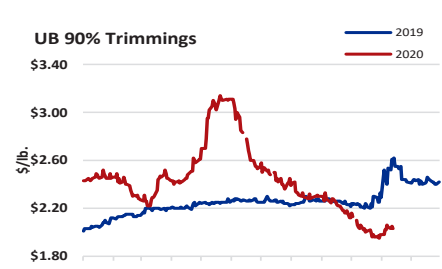
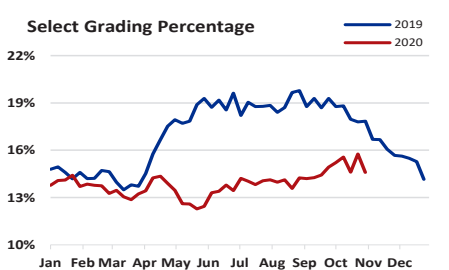
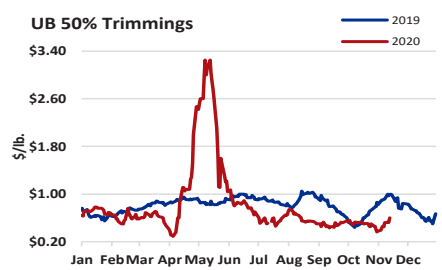
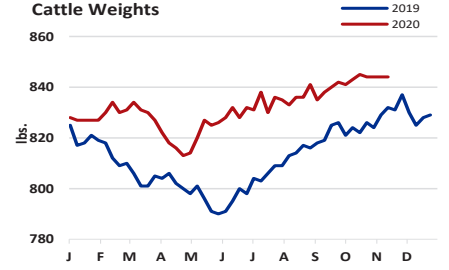
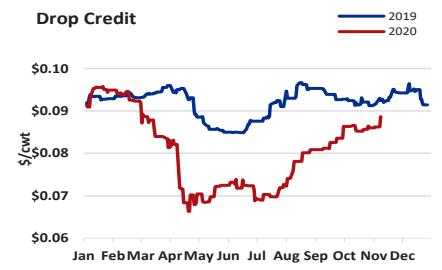
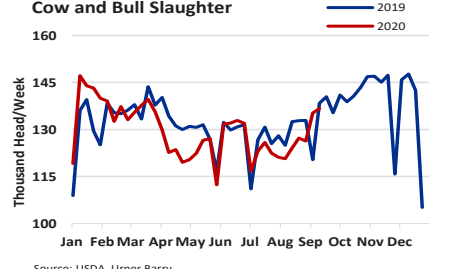
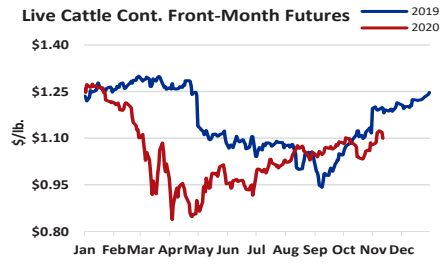
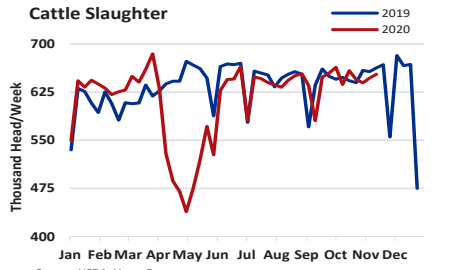
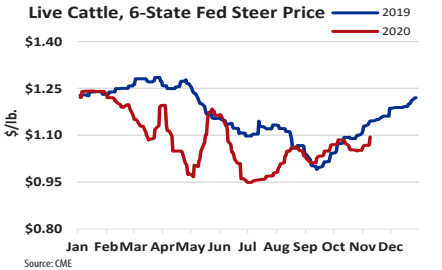
CHUCKS: Following last week and continuing into the colder weather prices remain supported. With this colder weather retailers are gathering product for beef counters as long as potential features. There is still some interest from Mexico as their supplies remain tight. As this interest continues and grading remains weaker packers have noted a shift in availability of product for chuck items.

ROUNDS: Rounds saw another week of support. With the colder weather starting to affect consumers buying trends and wants, retailers are gathering additional inventory for stores. Some of this surplus of product is for potential features. There also remains concern with the pandemic which has also caused both consumers and retailers to gather more supplies.

LOINS: The loin primal still remains soft with interest dull, however, much like the rest of the carcass short loins and strips have continued to see support. Top butts are supported, as are tenderloins, as prices move higher.

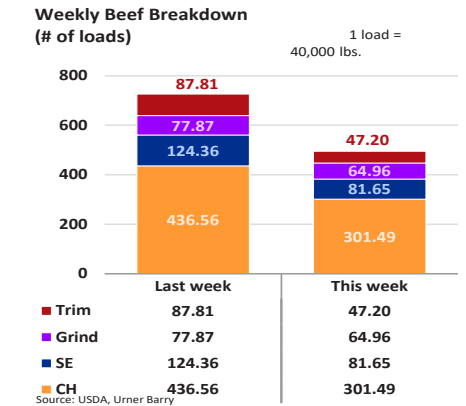
GROUND BEEF: Interest appeared to pick up at the end of latter part of last week and former of this 5-day period. However, as the current trade session unfolded interest slipped slightly and with that prices were steady to slightly supported.

BONELESS BEEF: The market for fresh 90s was steady to weaker this week. Some participants indicated that cows were more readily available. Demand varied noticeably from region to region. The week ended with some packers indicating that buying interest was notably more active. Fresh 50s were mixed this week. Offerings varied noticeably from packer to packer. This week's cattle slaughter was estimated at 653,000 head; that is 6,000 head higher than the previous week.

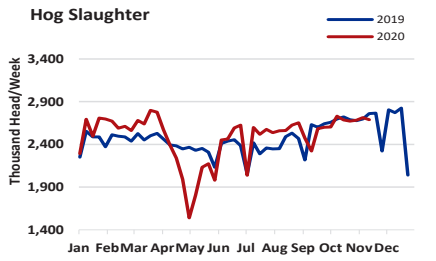


UB BEEF CUTOUT-CH/SE SPREAD (\$/cwt)					
	M	T	W	TH	F
TW	13.40	13.30	13.35	14.71	15.19
*LW	12.46	12.30	12.43	12.25	12.51

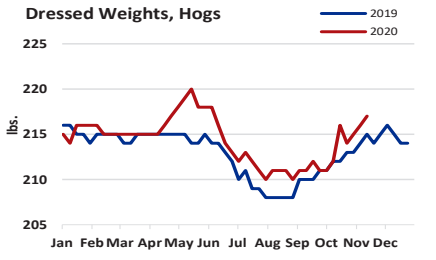
*Last Week's numbers are rounded



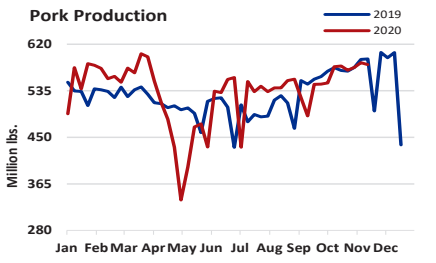
PORK PRODUCTION



Source: USDA, Urner Barry



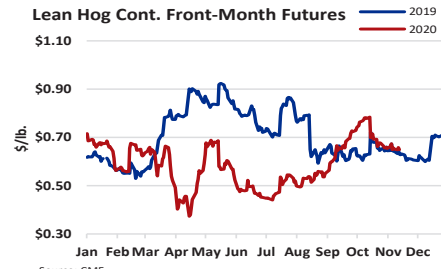
Source: USDA, Urner Barry



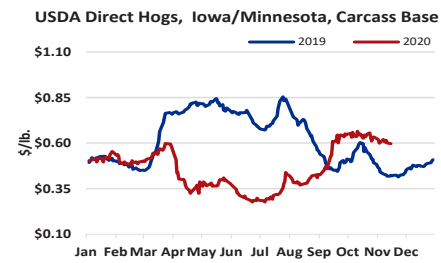
Source: USDA, Urner Barry

LIVE HOGS & CUTOUT

PORK CUTOUT	Nov-06	Nov-13	Change
Loin	78.840	77.100	-1.740
Butt	77.680	78.720	1.040
Picnic	63.700	68.550	4.850
Sparerib	138.620	140.550	1.930
Ham	91.550	90.860	-0.690
Belly	108.190	100.900	-7.290
Cutout Value	85.195	84.105	-1.09

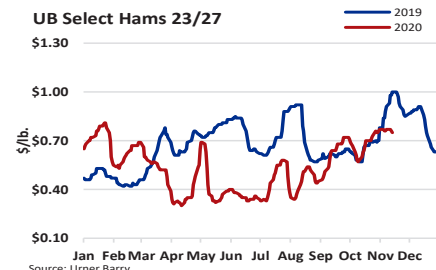


Source: CME

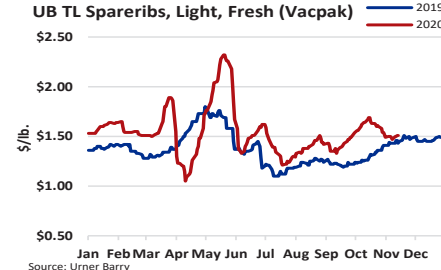


Source: USDA, Urner Barry

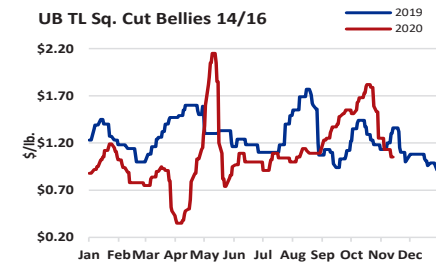
PORK PROCESSING ITEMS & RETAIL CUTS



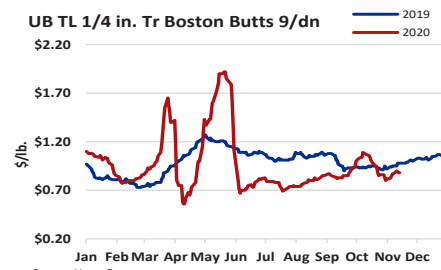
Source: Urner Barry



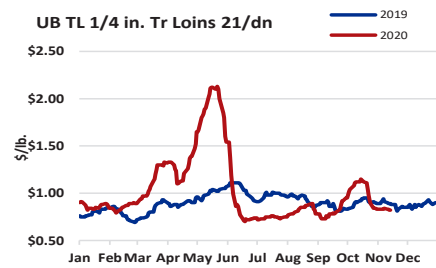
Source: Urner Barry



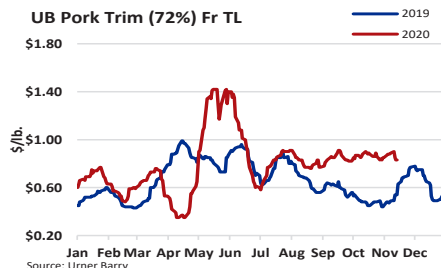
Source: Urner Barry



Source: Urner Barry



Source: Urner Barry



Source: Urner Barry

PORK COMMENTARY

This week in the pork market, an unsettled tone took over most primals with robust production, heightened hog weights, and varying interest in the market weighing on sentiment. Fluctuations were noted throughout the week with a mixed to weaker call on bone-in hams, bellies, trimmings, and loins while butts, spareribs, picnics, and boneless hams were modestly firmer. Urner Barry's pork carcass cutout lost roughly 1.3 percent during the week, while at the same time, National hog values were lower by roughly .6 percent. Estimates for margins for outside purchasers of hogs on Thursday were at roughly \$43/head while margins for vertically integrated packers averaged roughly \$44/head.

PORK PRODUCTION: Total pork production for the week ending November 14, 2020 was estimated at 582.9 million lbs. This is a .6 percent decrease from last week and a 1.6 percent decrease last year. Average live weights, at 292 pounds, were one pound higher than last week and four pounds high than last year.

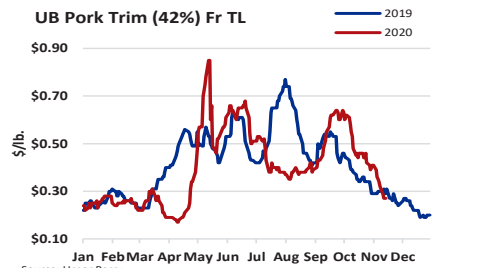
GREEN MEATS: In the green meat complex, bone-in hams saw modest weakness while the boneless component saw some moderate price increases with boning-line limitations influencing availability. Bellies saw continued weaker pricing levels as buyer hesitation remained noted even with retail demand remaining strong. Trimmings were softer on the week with increases in availability as the week continued.

HAMS: Bone-in ham values decreased by \$1.50 to \$3.50/cwt, while boneless were slightly firmer with a \$5.00/cwt increase for the week.

BELLIES: Skinless bellies weakened by \$7.00 to \$9.50/cwt on average by the end of the week.

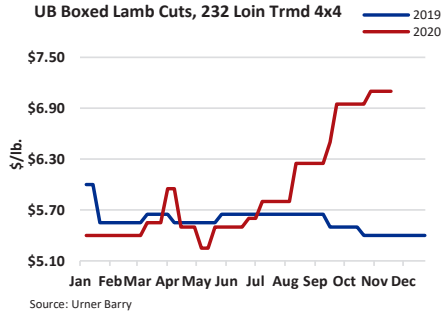
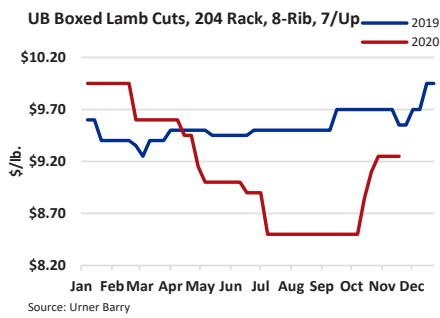
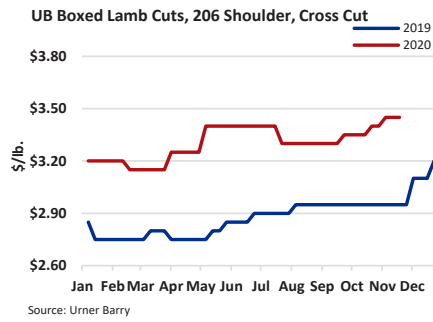
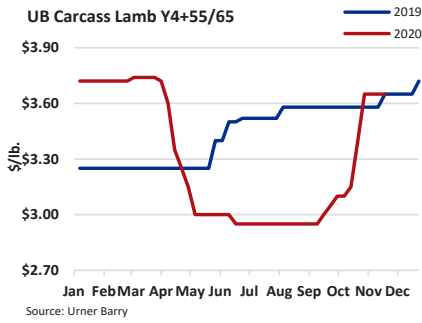
TRIMMINGS: Fresh 42s and 72s closed the week softer, with \$7.50 and \$6.50/cwt losses, respectively. Meanwhile, boneless picnics gained \$1.50/cwt for the week.

RETAIL: Bone-in loins closed the week mixed, with 1/8" losing \$5.00/cwt while 1/4" loins were unchanged. Boneless strap-on and strap-off loins were also mixed, with On's up by \$2.00 and Off's down by \$1.00/cwt. Bone-in and boneless sirloins were varied on the week, with a \$2.50/cwt loss and \$.50/cwt gain respectively, while tenderloins saw a steady call. Bone-in butts were moderately stronger, gaining \$1.50/cwt while boneless increased by \$4.00/cwt. Light and medium spareribs gained \$2.50 and \$1.50/cwt respectively.



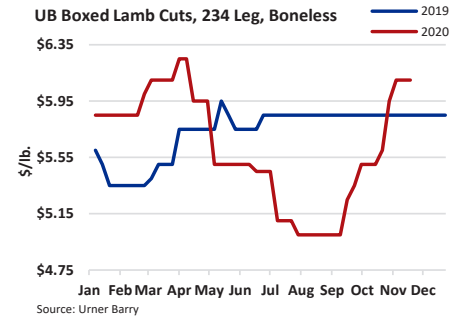
Source: Urner Barry

LAMB

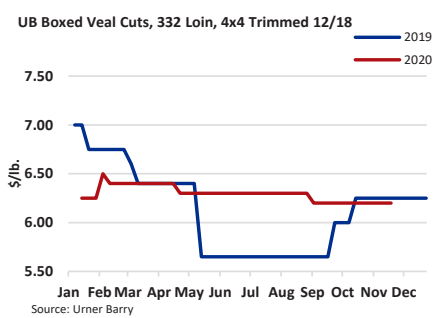
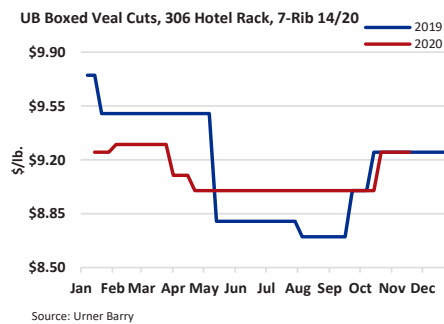
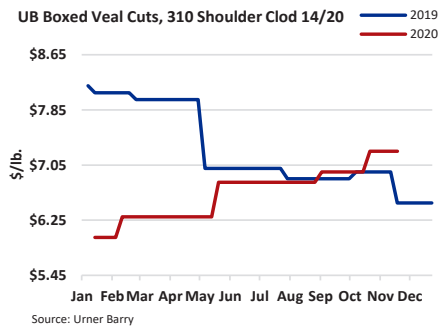
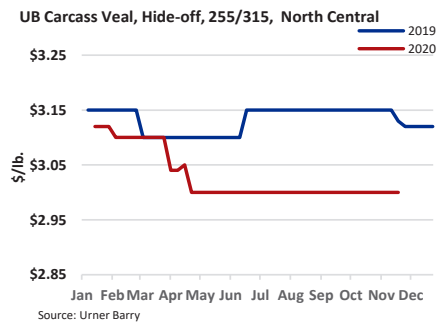


LAMB COMMENTARY

Lamb carcasses were mostly steady this week. Most of the boxed lamb cuts continued to trade within the previously quoted price ranges. Some discounting was noted on the foreshanks. Overall, movement was reportedly on the light side. USDA production numbers for Lamb and Mutton are down 8.6% year-to-date.

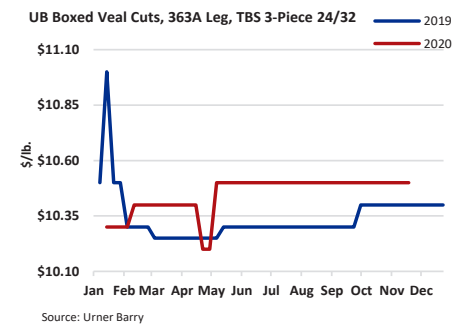


VEAL

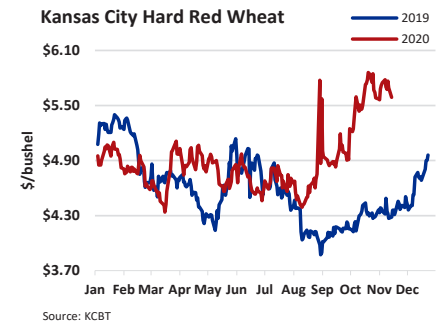
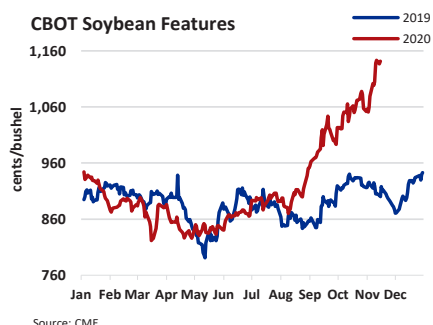
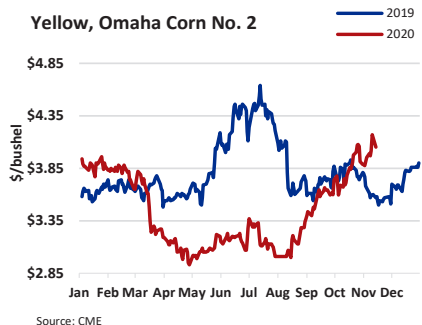


VEAL COMMENTARY

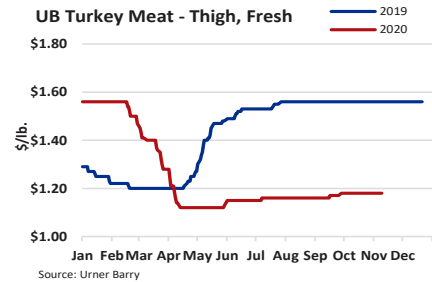
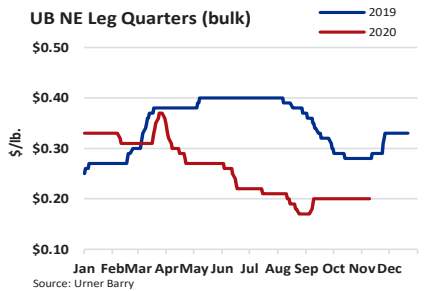
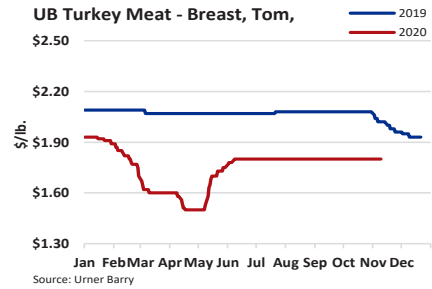
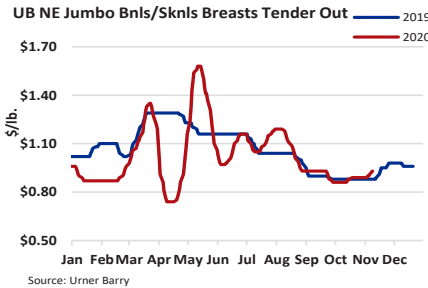
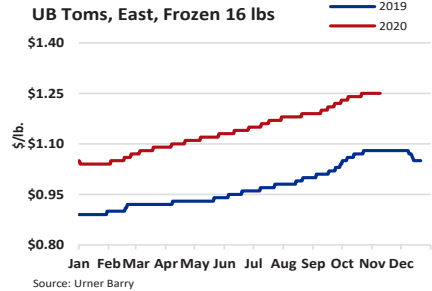
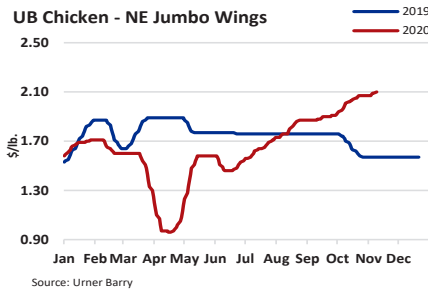
Veal carcasses were on the firmer side of steady while boxed veal cuts remained rangebound for the week. Some reports of diminished movement have been noted in the market as the holiday season approaches. Year-to-date special fed veal slaughter was lower by about 3.6 percent compared to the same time in 2019 when it was 164,827 pounds. Special fed veal dressed weights are currently at 306lbs, which is up 24.6lbs (8.7%) compared to the equivalent time for last year.



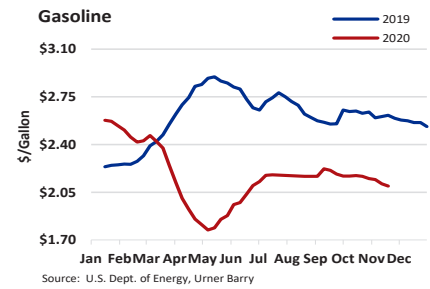
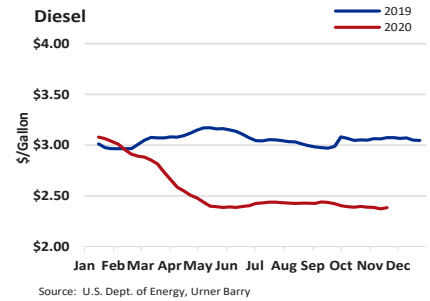
FEEDS: CORN, SOY BEAN, RED WHEAT



POULTRY



ENERGY



POULTRY COMMENTARY

Buying and selling conditions within the chicken market were active thanks in part to enthusiastic retail, foodservice and further processing buying outreach. WOGs and whole chickens were inked at various premiums throughout the week with buyers challenged in their ability to uncover their full requirements. Jumbo boneless breasts were termed as steady at the week's outset, however additional buying interest helped to absorb product at up money towards the middle and end of the week. Wings and tenders maintained an upward trajectory and deserve a full steady rating overall. The back half of the bird was largely uneventful. Bone-in legs, thigh and leg quarters enjoyed some second glances from value-oriented buyers, however market experiences and trade sentiment were mixed. Thigh meats and leg meats are in decent enough shape, while the undertone surrounding MSC was mixed and

ranged from about steady to steady. Most market-related dialogue on the turkey side of the business revolved around whole birds. Here, tight supply levels continue to be held for at least full market value, if not a premium. The seasonal emphasis being placed on whole body hen production has also led to a constricted supply situation on 4-8 lb. consumer breasts. Frozen drums, wings and tails also prove challenging for buyers to consistently secure without upping their bids. Necks and two-joint wings wind down the week with a steady and well-supported rating. Sellers of fresh and frozen tom breast meat continue to contend with an uninspiring draw. The same can be said for sellers of frozen scapula and frozen tenderloins which remain easily uncovered across most points of sale. Turkey thigh meat moves without much trouble at steady values. The draw for MST remains seasonally active.

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