

Friday, March 20, 2020

Number 12- Volume 13

191596

WEEKLY COMMODITY AT A GLANCE

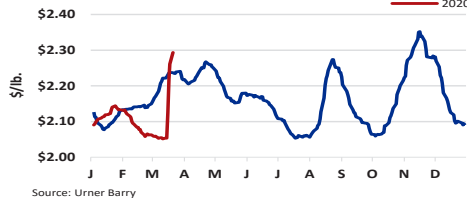
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	3.28	3.61	3.76
CBOT Soybean	862.50	846.75	903.75
NYMEX Light Crude Oil	22.53	31.73	59.04
Loose Lard, Chicago Basis	UNQ	UNQ	0.31
Edible Tallow, Chicago Basis	UNQ	UNQ	0.320
Beef Trimings, 90% Fresh	247.00	229.00	219.00
Beef Trimings, 50% Fresh	63.00	62.00	86.00
Aust/NZ Blend Cow 90% EC Spot	213.00	211.00	220.00
USDA Drop Credit	0.000	0.085	0.09
112A 3 Ribeye Roll, Lip-On CH	840.00	750.00	820.00
116A 3 Chuck Roll, Neck-Off CH	385.00	275.00	287.00
168 3 Round, Top (Inside) CH	345.00	255.00	234.00
180 3 Strip Loin, Bnls, 0x1 CH	675.00	580.00	695.00
136 Coarse Ground 81%	310.00	200.00	205.00
189A 4 Loin, Tenderloin, PSMO CH	920.00	975.00	1,000.00
Cattle-Fax, 6-State Fed Steer Price	108.46	112.94	127.09
Select Hams 20/23	56.00	58.00	76.00
Sq Cut Bellies 14/16	93.00	90.00	140.00
1/4 Trmd. Loins 21/dn	125.00	104.00	89.00
1/4 Tr Boston Butts 9/dn	143.00	100.00	88.00
Spareribs, Light, Fresh	180.00	153.00	134.00
Fresh Pork Trim (42%)	28.00	29.00	35.00
Fresh Pork Trim (72%)	76.00	71.00	67.00
Carcass Lamb Y4++55/65	374.00	374.00	325.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	960.00	960.00	940.00
Lamb Cuts, 206 Shoulder, Cross Cut	315.00	315.00	280.00
Lamb Cuts, 232 Loin Trmd 4x4	555.00	555.00	565.00
Lamb Cuts, 234 Leg, Boneless	610.00	610.00	550.00
Carcass Veal, Hide-off, 255/315, NC	310.00	310.00	310.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	930.00	930.00	950.00
Veal Cuts, 310 Shoulder Clod 14/20	630.00	630.00	800.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	640.00	640.00	640.00
Veal Cuts, 363A Leg, TBS 3-Pc 24/32	1,040.00	1,040.00	1,025.00

Quotes represent the high side of Friday's trading range

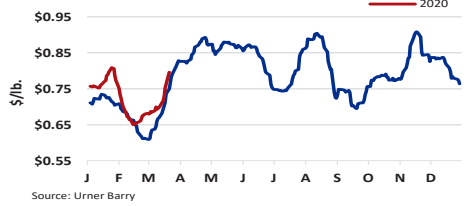
RIEMANN CONTRACT SETTLEMENTS

	3/20	3/13	3/6
Weekly Imported Aust/NZ Blend Cow 90% EC 7:45	2.10	2.12	2.17
Weekly Weighted Average Blended Boxed Beef Cutout Index	239.71	204.57	205.21

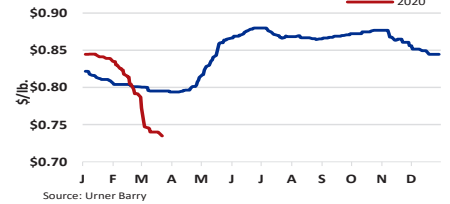
UB Beef Index



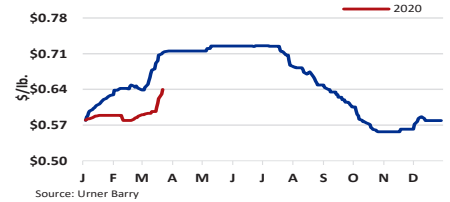
UB Pork Cutout



UB Turkey Index



UB Chicken Index



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	116	121	122	115	109	70	653
LW	122	123	123	117	101	47	633
*LY	118	121	121	120	114	42	636

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	497	498	498	494	490	313	2,790
LW	491	498	487	496	492	184	2,648
*LY	465	471	478	482	454	153	2,503

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	7	7	7	8	7	1	37
LW	6	8	7	8	7	1	37
*LY	11	9	8	8	8	1	44

EST. DAILY CALVES SLAUGHTER

	M	T	W	TH	F	S	Total
TW	2	2	3	2	2	0	11
LW	2	2	3	2	2	0	11
*LY	2	2	2	2	3	0	11

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	3/6	3/7	3/9	3/10	3/11	3/12	
	24	9	25	26	27	26	137
TW	3/13	3/14	3/16	3/17	3/18	3/19	
	24	6	24	26	27	25	132
*LY	21	12	25	26	27	27	138

*Last Year's numbers are rounded

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.586	0.629	0.710
Mexico, Peso	24.028	21.481	18.968
Canada, Dollar	1.425	1.386	1.340
Japan, Yen	110.688	107.080	110.274
China, Yuan (RMB)	7.090	6.992	6.712
Brazil, Real	5.045	4.671	3.870
South Korea, Won	1,246.45	1,205.94	1,130.10
Taiwan, Dollar	30.202	30.066	30.836
European Union, Euro	1.069	1.111	1.130

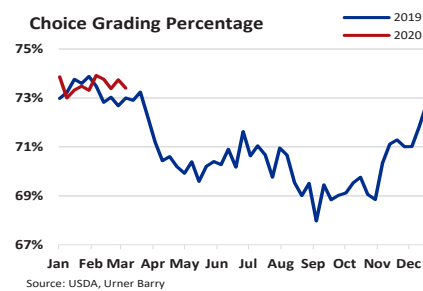
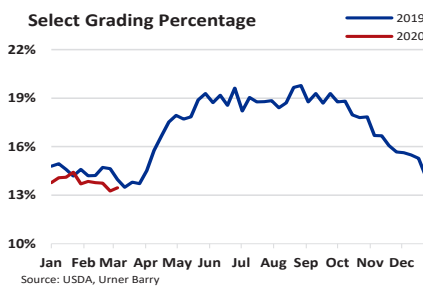
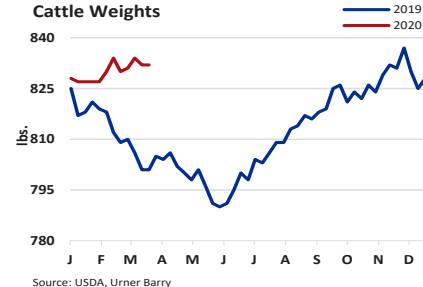
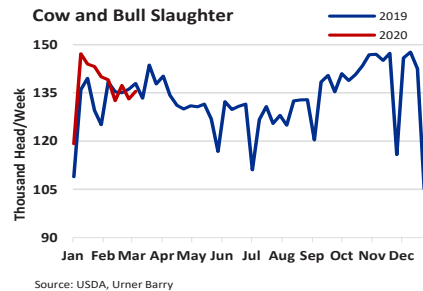
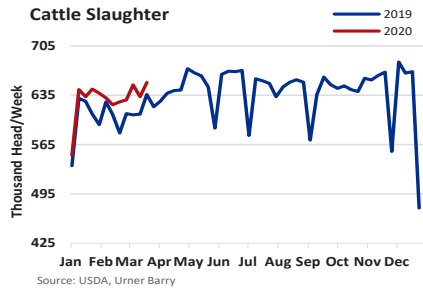
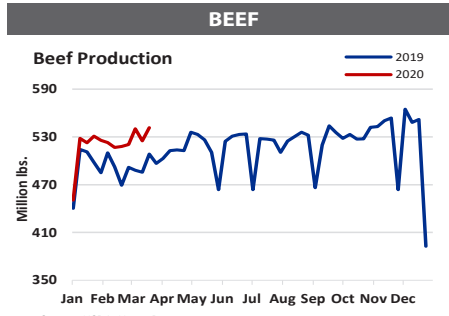
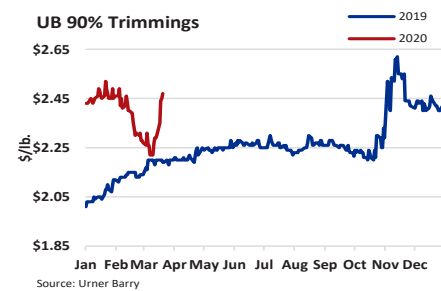
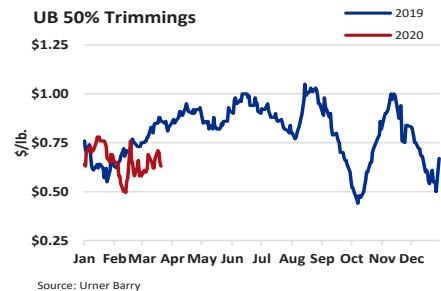
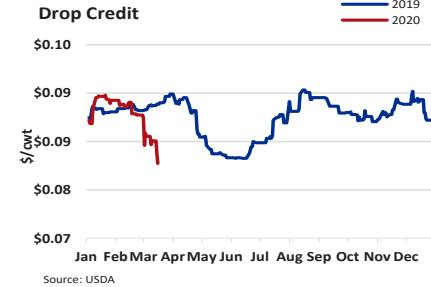
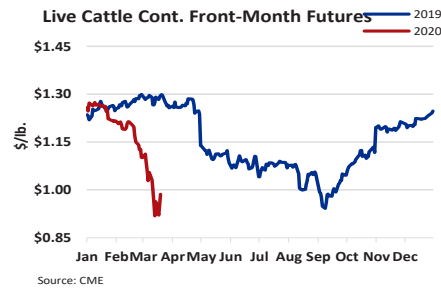
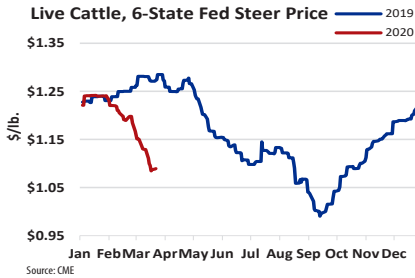
COLD STORAGE STOCKS

(Pounds in Thousands)	1/31/20	12/31/19	1/31/19
Beef in Freezer, Bnls	455,886	449,990	477,496
Cuts	33,250	30,126	32,718
Total Beef	489,136	480,116	510,214
PORK & OTHER	1/31/19	12/31/19	1/31/20
Pork in Freezer, Picnics	7,067	7,669	10,559
Hams	112,660	85,995	114,621
Bellies	53,736	66,647	70,872
Loins	34,949	49,123	50,109
Spareribs	127,107	120,877	125,943
Butts	20,527	20,457	26,028
Trimming	47,104	53,435	52,801
Other Pork in Freezer	78,254	89,965	84,460
Total	562,733	580,464	625,188
Veal in Freezer	8,614	6,171	6,633
Lamb & Mutton in Freezer	38,376	34,752	36,856
Total	46,990	40,923	43,489

Data Updated: February 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 Mar-20 v. Mar-13				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	8.39%	5.85%	3.08%	5.59%
Chuck	22.56%	19.12%	15.83%	15.83%
Round	23.18%	19.16%	11.00%	15.72%
Loin	7.50%	3.57%	1.31%	5.12%
Brisket	9.45%	5.49%	4.54%	5.49%
Plate	2.33%	2.33%	2.33%	4.50%
Flank	1.48%	-1.27%	-0.94%	4.33%
Total	13.94%	10.79%	7.44%	9.60%



BEEF COMMENTARY

A large shift in the boxed beef market has been seen since the close of last week. As continued closures of businesses, specifically at the foodservice level, additional traffic has moved to retail and wholesale stores. This has allowed packers to reallocate orders that were going to foodservice, back to retailers. Due to the quick spike, packers have noted tighter supplies in the spot time frame. The uncertainty surrounding the coronavirus continues to force consumers to gather extra supplies as people are being forced to stay home and away from large crowds to stop the spread. The biggest concern for packers is surrounding plants and the affects it could have on supplies if something were to spread. End cuts and ground beef were highly sought after, as this is where most retail demand is seen. However, ribs and loins followed the trend and climbed higher as well. The only items that found weakness were tenderloins, as these are typical foodservice items.

LIVE CATTLE: Cash cattle sales began early Monday at \$105.00/cwt which in line with last week's low. As the week progressed and demand for additional cattle rose, prices were able to gain slight strength. Sales from Tuesday into Wednesday occurred at between \$110.00/cwt and \$113.00/cwt for the live animal. The full range of live sales ranged from \$103.00/cwt to \$113.00/cwt, leaving a \$10.00/cwt spread. On the dressed carcass side, trade occurred between \$168.00/cwt to \$177.00/cwt, steady with the higher side of last week's sales. The current 5-day period volume of trade was reported at 146,217 head.

SLAUGHTER & BEEF PRODUCTION: The week's Federally Inspected (F.I.) Slaughter was estimated at 653,000 head, 20,000 head over last week's estimated 633,000 head. Live cattle weights for this week are reported another one-pound lighter at 1377 pounds. Dressed carcasses were reported at 832 pounds flat with the previous week. Weights remain notably higher than this time last year. Year ago, live cattle weights were 1339 and dressed weights were 801.

RIBS: Demand for ribs supported the primal this week, however, choice values moved notably higher than select. It is a bit of a surprise that given the lack of demand at foodservice that ribs were able to find such support. However, brisk demand was evident, and it helped the carcass push upward.

CHUCKS: The chuck primal climbed notably higher from the close of last week. With demand skyrocketing, forcing both retailers and consumers to stock up on additional product, values climbed about \$30.00/cwt week-over-week. Both choice and select supplies are tight which has also pushed values higher. However, select meat remains tighter due to the current grading which remains strong. Clods and chuck rolls were the most aggressive movers through the 5-day period.

ROUNDS: Along with chuck items, rounds also pushed notably higher. As retailers typically seek inside rounds, flats and eyes, and the sudden surge in demand, prices followed suit and climbed around \$30.00/cwt in the 5-day session. Demand within the marketplace forced the trend higher.

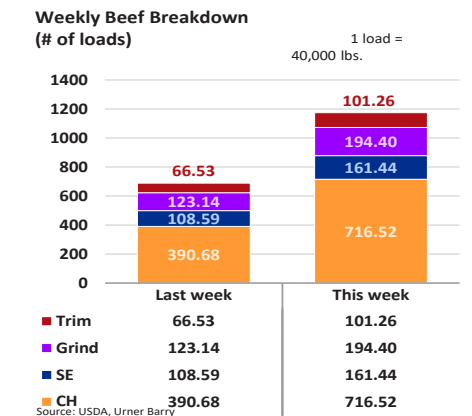
LOINS: The support noted through the carcass, spilled over into the loin primal. However, gains on the week were at a much less aggressive pace than say end cuts or ground beef. Short loins, shells and strips moved higher, along with top butts, but it became evident that with the lack of demand from foodservice, tenderloins slipped swiftly.

GROUND BEEF: Along with end cuts, grinds are typically big movers at the retail level. Whether it be for burgers or chilis, ground beef is an easy go to for many families. With the concern around supplies and demand forcing values higher our spot quotations soared. The Urner Barry 81% lean ground beef quotation moved close to \$0.50/cwt higher from last week.

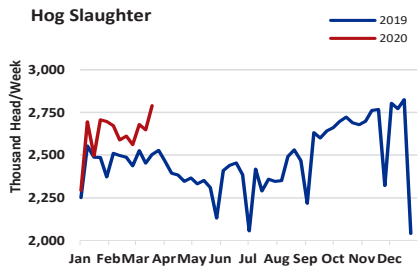
BONELESS BEEF: Lean boneless beef offerings were falling short of an active call amid active retail coarse grind buying interest. Fatter trimmings were trending lower on the week as packers struggled to find outlets for material that was being cancelled by processors who service the fast food sector.

UB BEEF CUTOUT-CH/SE SPREAD (\$/cwt)					
	M	T	W	TH	F
TW	7.66	9.25	10.82	12.33	12.29
*LW	5.47	5.27	5.36	5.61	5.22

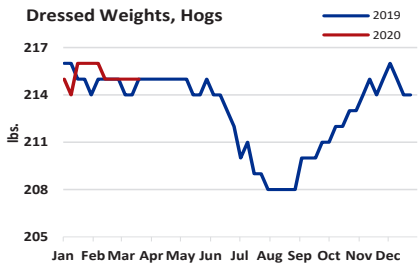
*Last Week's numbers are rounded



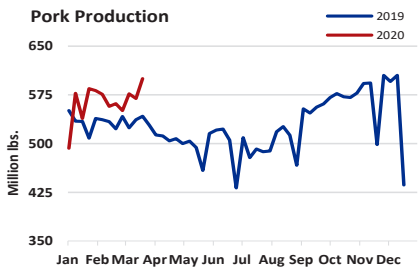
PORK PRODUCTION



Source: USDA, Urner Barry



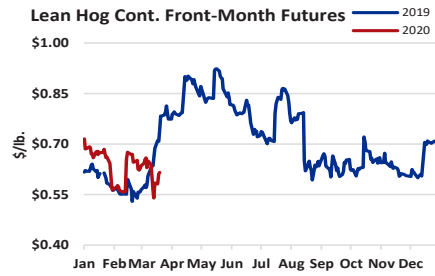
Source: USDA, Urner Barry



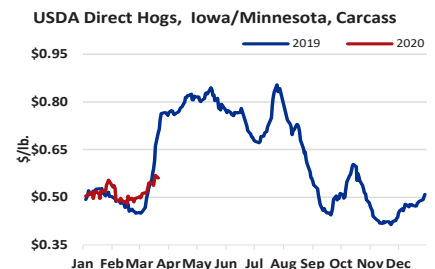
Source: USDA, Urner Barry

LIVE HOGS & CUTOUT

PORK CUTOUT	Mar-13	Mar-20	Change
Loin	79.330	95.760	16.430
Butt	83.880	116.780	32.900
Picnic	54.740	68.500	13.760
Sparerib	144.180	168.810	24.630
Ham	55.260	53.840	-1.420
Belly	86.360	86.950	0.590
Cutout Value	71.573	81.487	9.914



Source: CME



Source: USDA, Urner Barry

PORK COMMENTARY

Retail demand surged this week as consumer fear and uncertainty spread nationwide. Economic risk became high as well creating more unsettledness in the market. Retail items saw significant increases while the green meats saw more subtle movement with exception to the trimmings which were also full steady to firmer. Urner Barry's pork carcass cutout gained 13.8 percent during the week, while at the same time, National hog values were higher by roughly 8.7 percent for the week. Estimates for margins for outside purchasers of hogs for Friday were at roughly \$43/head while margins for vertically integrated packers increased to \$37/head.

PORK PRODUCTION: Total pork production for the week ending March 21, 2020 was estimated at 600 million lbs. This was 5.4 percent over the previous week, and a 11.8 percent increase from last year. Average live weights, at 288 pounds, were even with last week and 1 pound above last year.

GREEN MEATS: Bone-in hams and bellies were unsettled with wider ranges as the realities of lack of foodservice and a higher U.S. dollar impacted trade. Lean trimmings, pics and cushion meat continued to see support through retail and pizza topping demand.

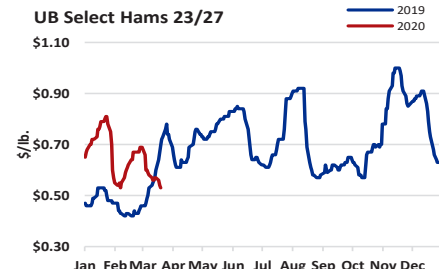
HAMS: Bone-in ham values lost \$1.50 to \$4.50/cwt. Boneless muscles ranged between \$4.50/cwt lower and \$2.00/cwt higher this week.

BELLIES: Square-cut and skinless bellies ranged between \$9.50/cwt lower and \$3.50/cwt higher.

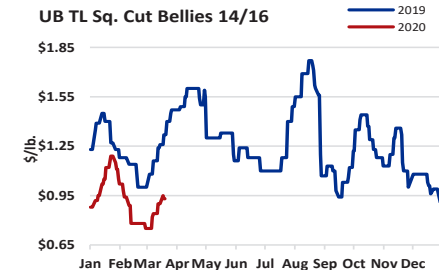
TRIMMINGS: Fresh 42s and 72s closed the week \$1.00/cwt softer and \$5.50/cwt higher respectively. Meanwhile, boneless picnics gained \$21.50/cwt on average.

RETAIL: Considerable gains were noted on nearly all items in the retail sector with consumers stocking fridges and freezers with proteins throughout the week. Bone-in loins closed the week averaging \$21.00 to \$24.00/cwt higher. Boneless strap-on and strap-off loins were \$40.00 and \$29.00/cwt firmer respectively. Bone-in and boneless sirloins ended the week \$22.00 and \$15.50/cwt firmer respectively. Tenderloins were \$17.50/cwt firmer. Bone-in butts were \$43.00/cwt higher while boneless butts gained \$35.00/cwt on the week. Light and medium spareribs were each \$25.50/cwt firmer.

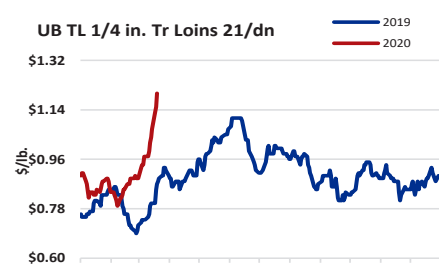
PORK PROCESSING ITEMS & RETAIL CUTS



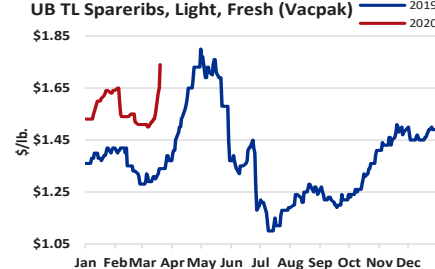
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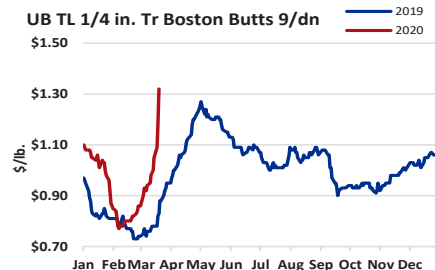
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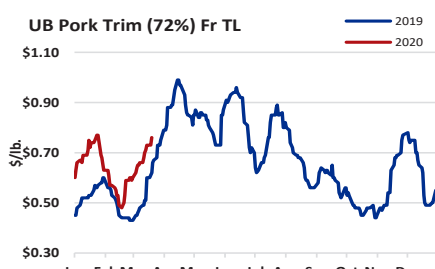
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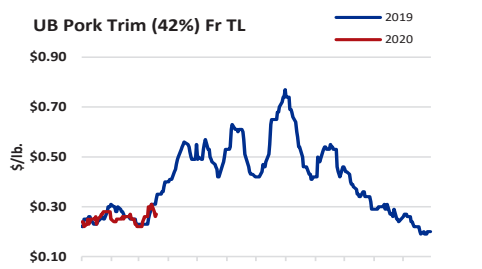
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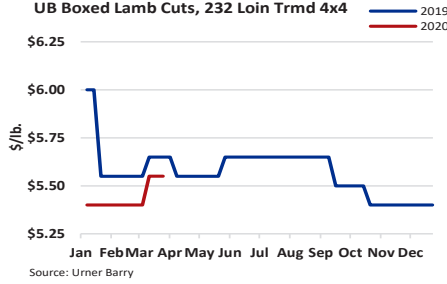
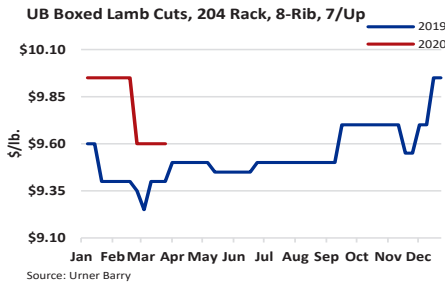
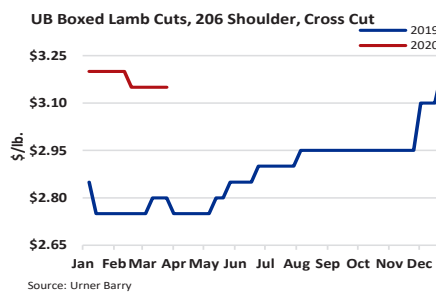
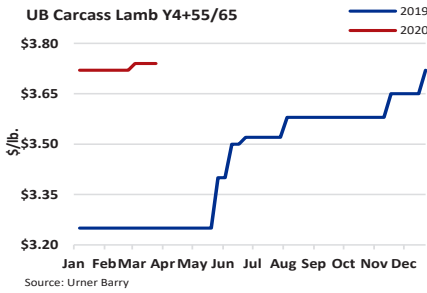


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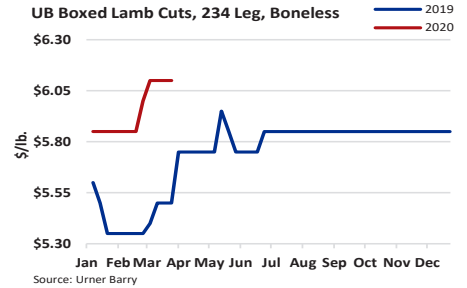
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LAMB

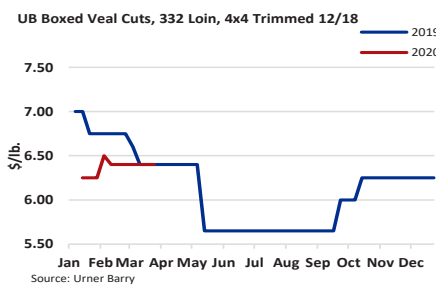
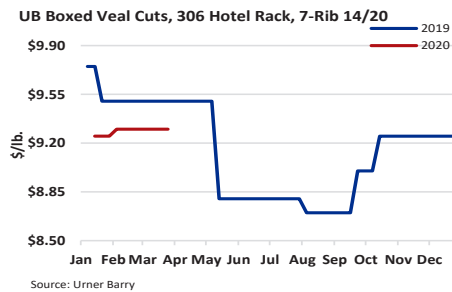
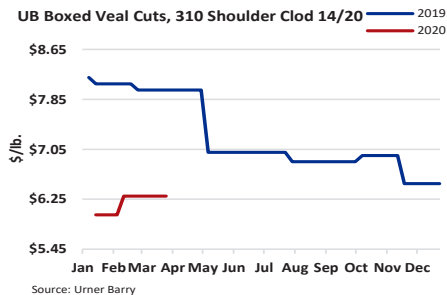
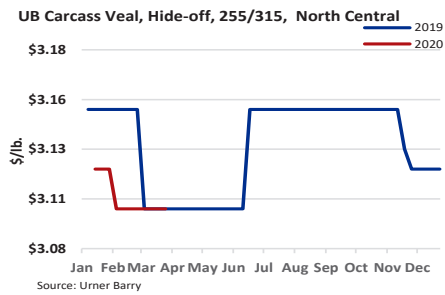


LAMB COMMENTARY

Lamb carcasses as well as boxed lamb cuts were within the previously quoted price ranges for the week. Movement in the lamb market, however, swiftly diminished for the respective period due to reduced demands in the foodservice sectors as COVID-19 concerns increased. The most recent lamb production information showed about a 4.7 percent decrease for YTD 2020 when compared to last year.

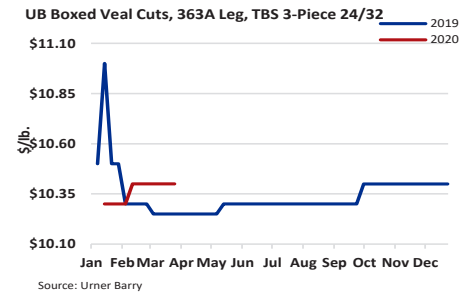


VEAL

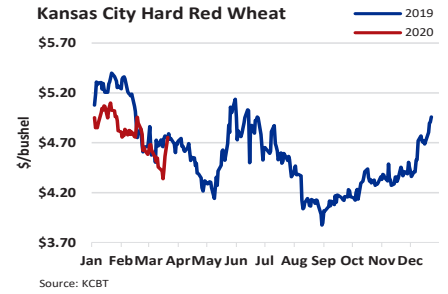
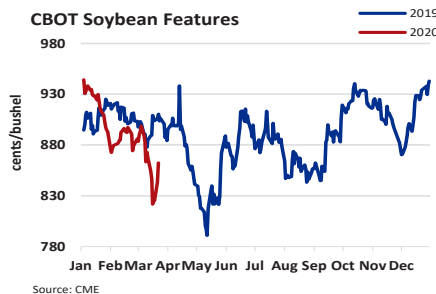
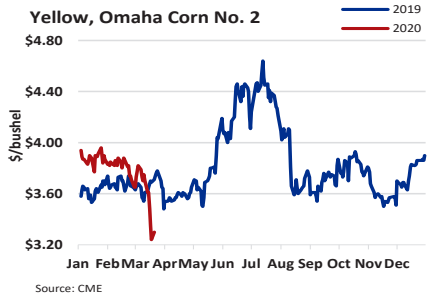


VEAL COMMENTARY

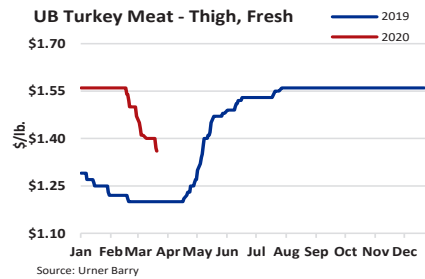
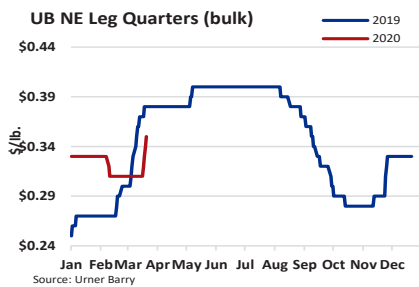
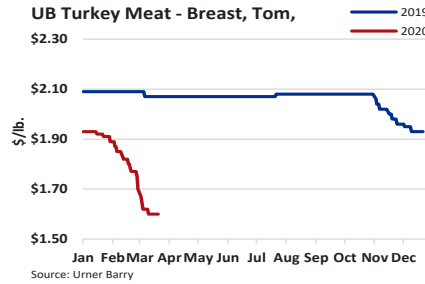
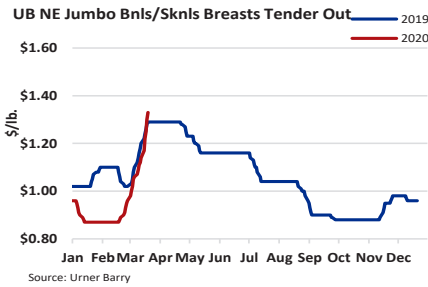
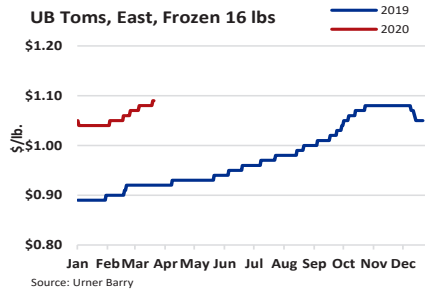
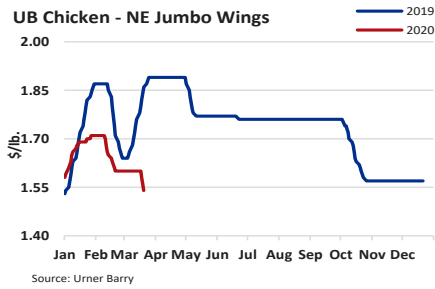
Veal carcasses remained rangebound for the week. Boxed veal cuts were reported as sideways as well. Mixed movement was noted throughout the veal market. Items such as racks and tops that rely heavily on foodservice saw diminished activity while those that are more retail had stronger demand. Year-to-date special fed veal slaughter is up about 7 percent compared to the same time in 2019 while special fed veal dressed weights are currently at 277.8lbs, 2.6lbs lower for the respective time period.



FEEDS: CORN, SOY BEAN, RED WHEAT



POULTRY



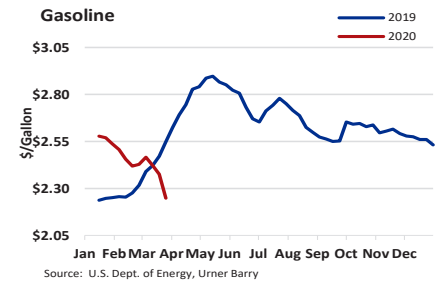
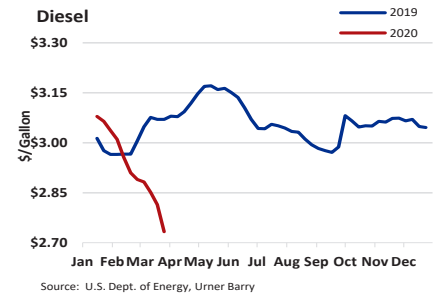
POULTRY COMMENTARY

The chicken market this week finds itself in a very similar position as last week. A frenzied retail pull has left many lines tight to short of buying requirements. Whole birds, WOGs and boneless breasts are the most actively sought. Tight supplies are translating to premium bids being offered in an attempt to secure product. The bone in breast segment is in a similar position, albeit to a lesser extent. Elsewhere, jumbo wings are pressured thanks in large part to the lack of foodservice demand. Most would expect line run tenders to be in a similar boat, but thus far consistent inquires has left the line in steady or better position. As for the back half of the bird, all items, with the exception of legs are in high demand. Drums and leg quarters seem to be sought after with the most fervor and premium ask prices reflect that. Additionally, thigh meat has seen its fair share of interest that has left offerings tight.

In the turkey market, the stout retail demand pull that has mired other proteins, has finally shown itself. Consumer driven retail needs have caused buyers to look at whole body toms and hens,

as well as deli sliced tom breast meat to fill their requirements. Sales for whole birds crossed our desk at premiums to our quotations this week, so our quotes notched upwards accordingly. As for breast meat, fresh tom meat demand has seen an uptick due to deli sliced retail needs. The frozen side though, has remained spurned and easy. Elsewhere, export thigh meat needs continue to be choppy. Domestically though, offerings move in a slightly more consistent pattern. Scapula continues to be the brightest item in the complex with consistent demand at full market or better paid prices. As for parts, drums, tom two joint wings and necks are the most solidly positioned. Ground turkey requirements coupled with smoker needs, are buoying the former, while refreshed export demand is assisting the latter items. Tails remain pressured and supplies overly adequate.

ENERGY



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