

Friday, February 17, 2023

Number 07- Volume 16

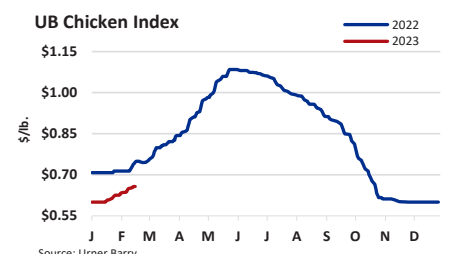
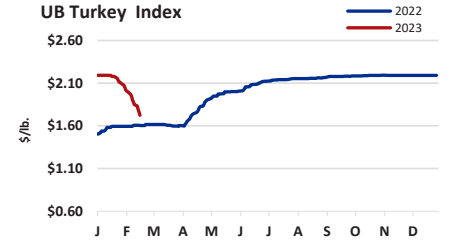
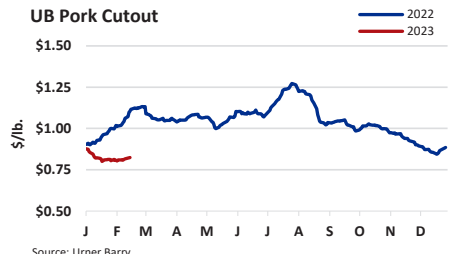
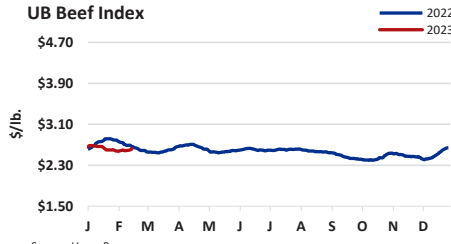
WEEKLY COMMODITY AT A GLANCE

	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	7.04	7.09	6.47
CBOT Soybean	1,527.25	1,542.50	1,601.50
NYMEX Light Crude Oil	76.34	79.72	91.07
Loose Lard, Chicago Basis	UNQ	UNQ	0.82
Edible Tallow, Chicago Basis	0.71	0.71	0.800
Beef Trimmings, 90% Fresh	260.00	258.00	287.00
Beef Trimmings, 50% Fresh	121.00	117.00	105.00
Aust/NZ Blend Cow 90% EC Spot	247.00	239.00	310.00
USDA Drop Credit	0.131	0.133	0.141
112A 3 Ribeye Roll, Lip-On CH	1,025.00	1,000.00	875.00
116A 3 Chuck Roll, Neck-Off CH	390.00	350.00	360.00
168 3 Round, Top (Inside) CH	285.00	265.00	305.00
180 3 Strip Loin, Bnls, Ox1 CH	825.00	825.00	770.00
136 Coarse Ground 81%	246.00	230.00	335.00
189A 4 Loin, Tenderloin, PSMO CH	1,450.00	1,425.00	1,250.00
Cattle-Fax, 6-State Fed Steer Price	158.78	158.19	140.20
Select Hams 20/23	74.00	75.00	56.00
Sq Cut Bellies 14/16	105.00	99.00	200.00
1/4 Trmd. Loins 21/dn	100.00	103.00	131.00
1/4 Tr Boston Butts 9/dn	108.00	101.00	116.00
Spareribs, Light, Fresh	129.00	126.00	182.00
Fresh Pork Trim (42%)	67.00	65.00	84.00
Fresh Pork Trim (72%)	93.00	91.00	100.00
Carcass Lamb Y4+55/65	3.95	3.95	5.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	12.40	12.20	15.00
Lamb Cuts, 206 Shoulder, Cross Cut	4.00	4.00	4.60
Lamb Cuts, 232 Loin Trmd 4x4	8.00	8.25	9.50
Lamb Cuts, 234 Leg, Boneless	7.00	7.00	9.60
Carcass Veal, Hide-off, 255/315, NC	4.35	4.35	3.80
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	12.50	12.50	10.00
Veal Cuts, 310 Shoulder Clod 14/20	8.00	8.00	8.25
Veal Cuts, 332 Loin, 4x4 Trim 12/18	7.05	7.05	7.00
Veal Cuts, 363A Leg, TBS 3-Pc 24/32	10.75	10.75	10.50

Quotes represent the high side of Friday's trading range

RIEMANN CONTRACT SETTLEMENTS

	2/17	2/10	2/3
Weekly Imported Aust/NZ Blend Cow 90% EC 7:45	2.44	2.40	2.37
Weekly Weighted Average Blended Boxed Beef Cutout Index	272.90	265.47	263.68



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	126	125	125	123	121	7	627
LW	120	126	124	124	122	14	630
*LY	122	126	124	123	122	53	670

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	485	477	483	475	478	107	2,505
LW	480	479	482	483	476	86	2,486
*LY	466	475	473	452	462	153	2,482

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	9	9	8	6	5	0	37
LW	8	9	7	6	5	0	35
*LY	9	7	6	6	3	0	32

EST. DAILY CALVES SLAUGHTER

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

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	2/3	2/4	2/6	2/7	2/8	2/9	146
TW	2/10	2/11	2/13	2/14	2/15	2/16	145
*LY	26	12	25	28	29	28	148

*Last Year's numbers are rounded

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.683	0.694	0.721
Mexico, Peso	18.532	18.714	20.269
Canada, Dollar	1.350	1.338	1.270
Japan, Yen	134.646	130.740	115.080
China, Yuan (RMB)	6.876	6.806	6.326
Brazil, Real	5.204	5.246	5.133
South Korea, Won	1,298.67	1,264.92	1,195.50
Taiwan, Dollar	30.406	30.145	27.844
European Union, Euro	1.064	1.069	1.135

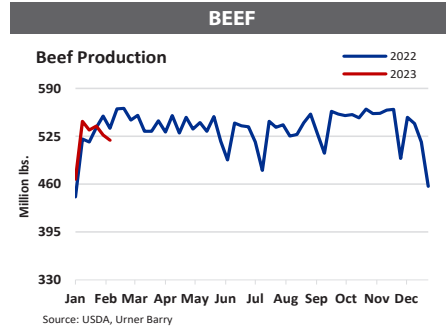
COLD STORAGE STOCKS

(Pounds in Thousands)	12/31/21	11/30/22	12/31/22
Beef in Freezer, Bnls	467,929	478,669	498,225
Cuts	39,194	44,594	45,730
Total Beef	507,123	523,263	543,955
PORK & OTHER	12/31/21	11/30/22	12/31/22
Pork in Freezer, Picnics	6,291	4,854	5,734
Hams	61,354	55,284	53,416
Bellies	38,069	54,429	63,060
Loins	36,651	39,379	36,412
Spareribs	80,275	111,143	113,637
Butts	15,675	22,273	20,308
Trimmings	50,544	44,744	53,097
Other Pork in Freezer	46,027	50,766	46,245
Total	396,461	451,555	458,142
Veal in Freezer	3,577	2,190	1,389
Lamb & Mutton in Freezer	22,124	29,682	26,505
Total	25,701	31,872	27,894

Data Updated: January 25, 2023

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 \$37.00 a month.

UB BEEF CUTOUT Feb-17 v. Feb-10				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	2.82%	2.52%	1.86%	5.02%
Chuck	3.92%	3.19%	0.45%	3.34%
Round	1.65%	0.36%	0.04%	2.37%
Loin	1.97%	2.02%	2.30%	-0.83%
Brisket	3.42%	5.18%	0.09%	1.60%
Plate	6.03%	6.03%	6.03%	8.04%
Flank	2.81%	0.33%	2.18%	0.43%
Total	2.79%	2.37%	1.43%	2.33%



BEEF COMMENTARY

Values seen within the boxed beef market this week were predominantly supply driven. The lower production numbers offered sellers leverage to consistently raise asks throughout the week. While buyers were skeptical at first, it seemed by the latter half of the week - reality began to set in. This led to full-steady to firmer tones across the primal as the list of offerings seen got shorter. Confidence still lacked within the market this week as buyers were predominately hand-to-mouth with purchasing patterns once again.

LIVE CATTLE: Cash cattle prices in the North this week were steady to \$2.00/cwt higher between \$159.00 - \$162.00/cwt (full range \$157.00 - \$162.00/cwt). Dressed sales were up \$3.00/cwt at \$257.00/cwt (full range \$254.00 - \$257.00/cwt). Not enough volume in the South to trend, but there were a few sales in Kansas at \$161.00/cwt live (up \$1.00/cwt from last week).

SLAUGHTER & BEEF PRODUCTION: The weekly federally inspected slaughter was 627,000 head, compared to 630,000 head last week. Saturday hours are beginning to get pulled as packer margins continue to compress. Live weights lost three pounds to 1381 pounds. Dressed weights were unchanged again at 827 pounds.

RIBS: Ribs across all grades and sizes had an upward trajectory this week. Leverage has shifted towards sellers the past couple of weeks and this week solidified that. While this is typically a slower demand period there has been a couple of factors lending some extra support to the area. One being the mild winter we have had this year, giving middle meat demand a bit of an extra boost. And two, foodservice continues to see resilience within the consumer.

CHUCKS: While the chuck complex has had a tough time gaining steam in either direction, this week the trend was finally broken. The majority of items moved higher this week on a tighter supply picture, at least in the immediate term. Forward time periods are seeing rather steep premiums which buyers are not fond of but nonetheless are seen stamping trade.

ROUNDS: Round trade was a bit more robust this week as sellers looked to clean up excess inventories. Once clearing levels were reached, confidence on the sell side rose. Insides for the first time in a while broke out of their established ranges and moved higher. The rest of the complex held steady on the week.

LOINS: To some surprise the loin market was fairly range bound again this week. Hand-to-mouth purchasing was the norm throughout the week as the value buyers once found, is no longer there. Buyers continued to question the demand picture, especially given the lent is around the corner. Tenderloins were the exception and moved considerably higher towards the end of the week.

GROUND BEEF: The grind market was largely unsettled once again this week. Inventories were irregular which led to wider spreads of trade in the majority of instances. The general trend remained higher but not with the same magnitude seen in other areas of the cutout.

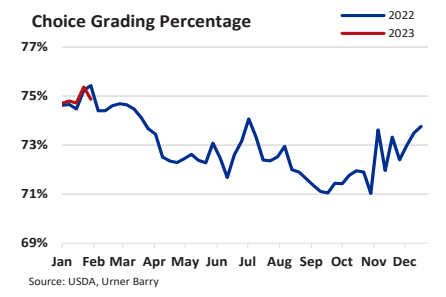
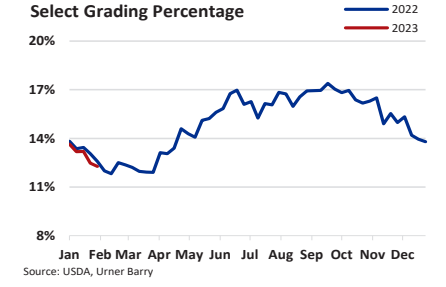
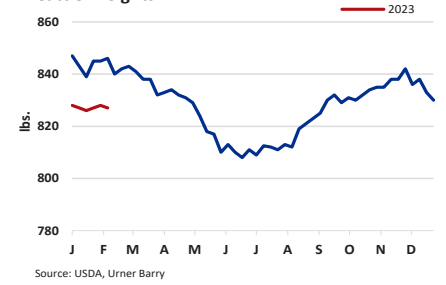
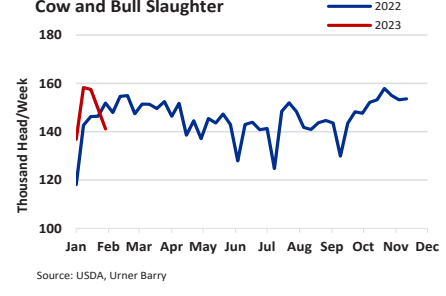
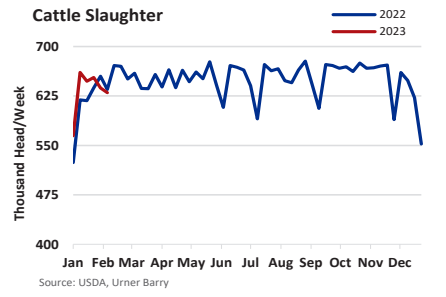
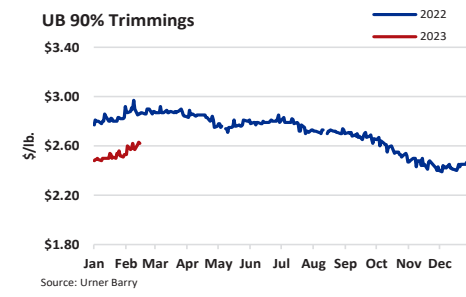
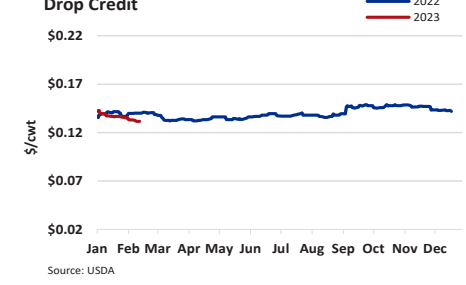
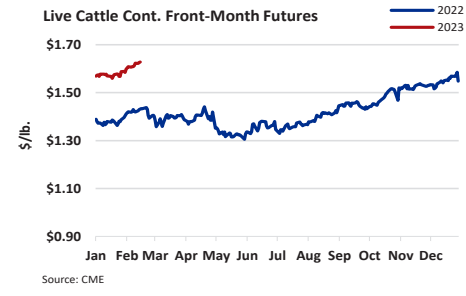
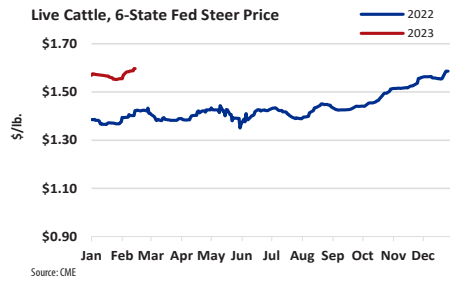
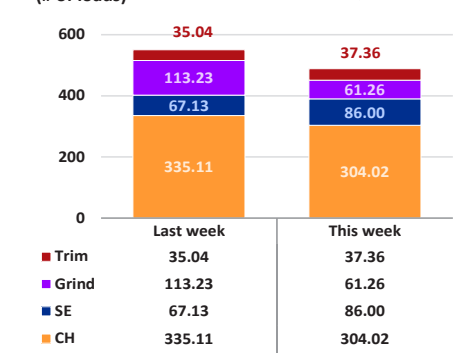
BONELESS BEEF: The fresh 90s market opened this week with expectations of a downward trend following the Super Bowl but prices remained mostly steady to even a little firmer. Strength in that market could be attributed to stronger-than-expected demand. Fresh 50s were mixed with offerings varying among packers. This week's cattle slaughter was estimated at 627,000 head, down 3,000 from the previous week.

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

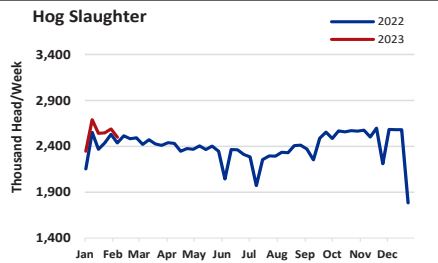
	M	T	W	TH	F
TW	15.99	17.13	17.86	16.73	16.86
*LW	17.42	15.50	14.70	15.27	15.39

*Last Week's numbers are rounded

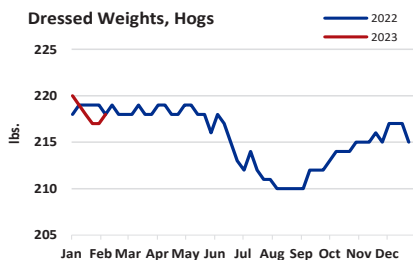
Weekly Beef Breakdown (# of loads)



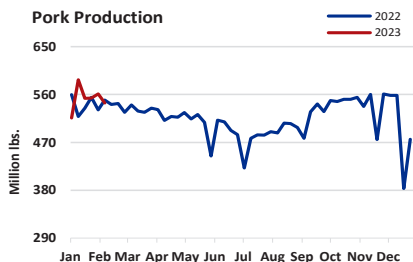
PORK PRODUCTION



Source: USDA, Urner Barry



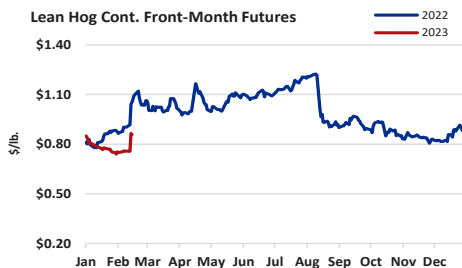
Source: USDA, Urner Barry



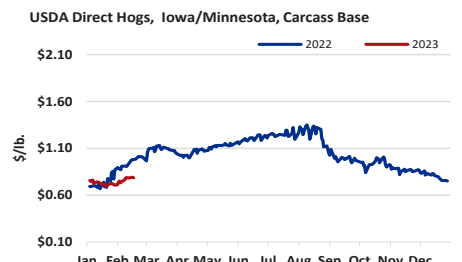
Source: USDA, Urner Barry

LIVE HOGS & CUTOUT

PORK CUTOUT	Feb-10	Feb-17	Change
Loin	83.340	83.460	0.120
Butt	89.220	92.660	3.440
Picnic	65.700	66.880	1.180
Sparerib	120.750	122.200	1.450
Ham	77.890	78.360	0.470
Belly	96.340	101.860	5.520
Cutout Value	81.257	82.905	1.648



Source: CME



Source: USDA, Urner Barry

PORK COMMENTARY

This week in pork, improved domestic and export demand, lighter slaughter figures, and reduced hog weights impacted pork trade. Urner Barry's pork carcass cutout increased by 2.03 percent during the week. Estimates of margins for outside purchasers of hogs on Thursday were \$2.52/head while margins for vertically integrated packers were estimated at -\$34.31/head.

PORK PRODUCTION: Pork production for the week ending 02/18/2023 was estimated to be 543.9 million pounds. This was 0.5 percent more than last week and 0.5 percent above the same week a year ago. Live hog weights averaged 292 pounds for the week, which was 1 pound less than last week and 1 pound less than the same week a year ago.

GREEN MEATS: In the green meat complex, hams were mixed for the balance of the week. Export demand for 23/27 hams was considered active, but domestic interest slipped a bit, and this resulted in trade occurring in wide ranges. On the other hand, demand from Japan for boneless hams increased, which resulted in domestic supplies becoming barely adequate, and thus an increase was witnessed for spot prices. Both trim and bellies were beneficiaries of participants prepping for upcoming seasonal demand and tight supplies in the market, giving both categories a firm call.

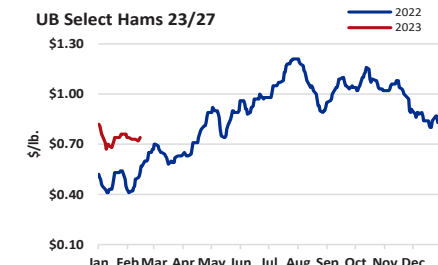
HAMS: Bone-in ham values were \$1.00/cwt to \$1.50/cwt weaker, while boneless cuts were \$3.50/cwt to \$8.50/cwt firmer.

BELLIES: Skinless bellies were \$7.50/cwt to \$8.00/cwt firmer.

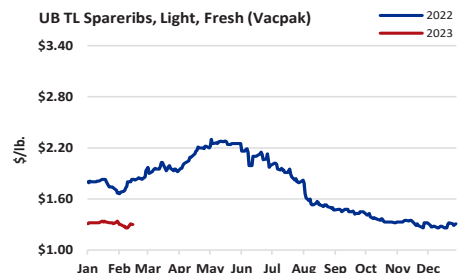
TRIMMINGS: 42s were \$2.00/cwt firmer while 72s were also \$3.00/cwt stronger. Meanwhile, boneless picnics increased \$3.00/cwt.

RETAIL: ¼ inch bone-in loins were \$3.00/cwt weaker while 1/8-inch cuts increased \$2.00/cwt. Boneless strap-ons increased \$0.50/cwt while strap-offs decreased \$5.50/cwt. Bone-in sirloins were \$2.00/cwt firmer while boneless sirloins were \$3.50/cwt stronger. Tenderloins were generally unchanged this week. 1/4" bone-in butts were \$6.50/cwt firmer while boneless butts increased \$1.00/cwt. Light spareribs were \$3.00/cwt stronger while medium spareribs were flat.

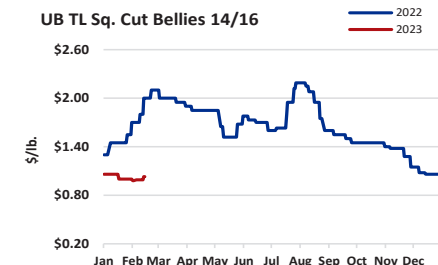
PORK PROCESSING ITEMS & RETAIL CUTS



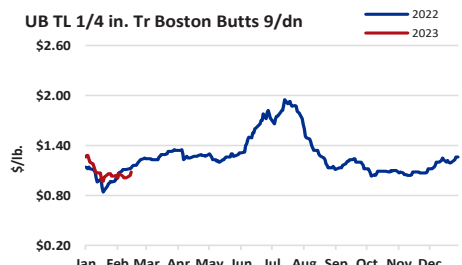
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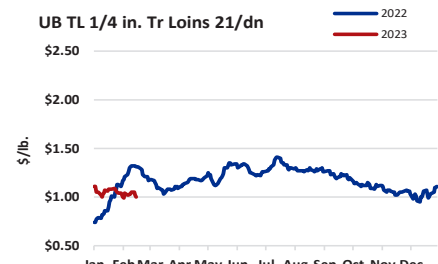
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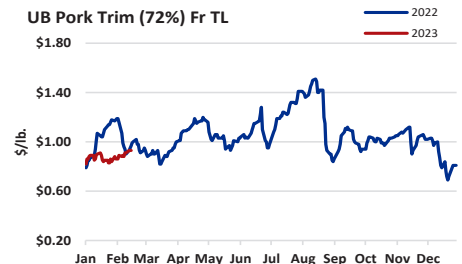
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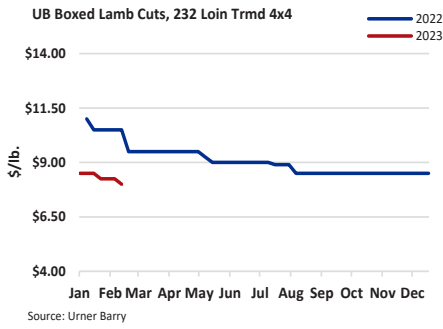
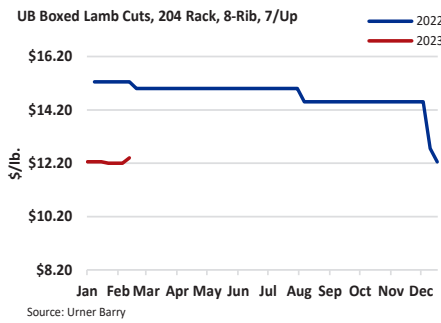
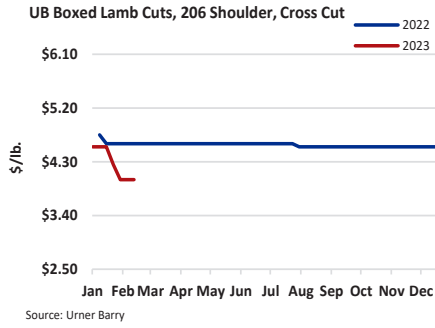
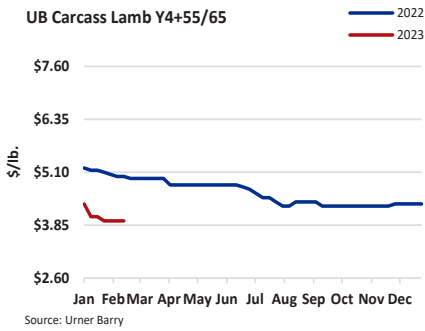


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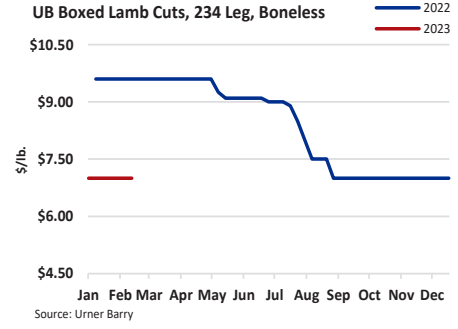
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LAMB

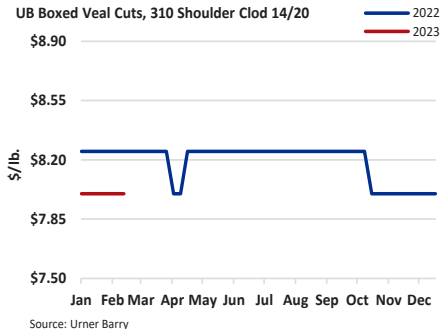
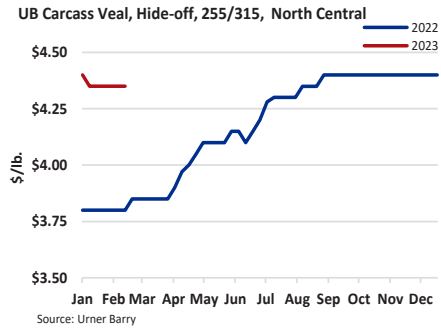


LAMB COMMENTARY

Lain domestic lamb this week, carcasses were mostly steady even though input costs remained relatively elevated. For boxed cuts, racks and chucks saw increases on slightly improved demand. On the other hand, foreshanks, loins, and legs saw declines as interest waned following Valentine's Day, which we saw supportive interest for. Denver style ribs remained at 52-week highs amid interest taking a step up from previous weeks. In the most recent weekly Estimated Meat Under Federal Inspection Report, the slaughter figure came in at 35,000 head which was 1,000 higher than last week and 5,000 higher than the same week a year ago.

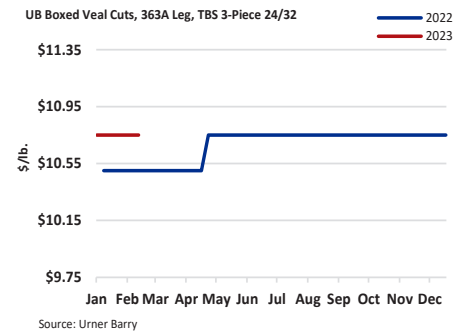
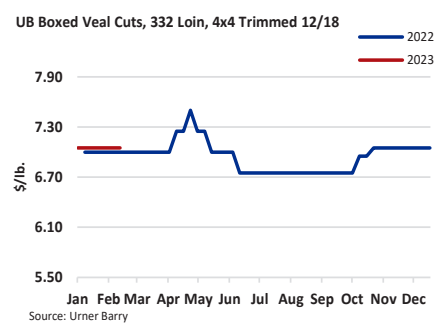
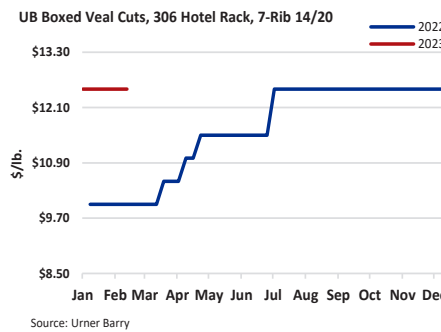


VEAL

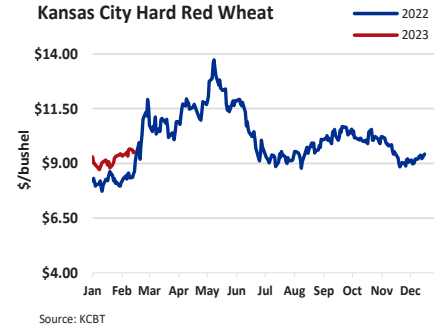
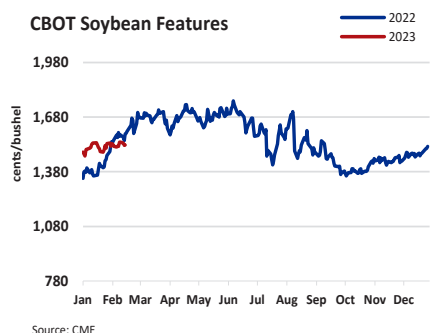
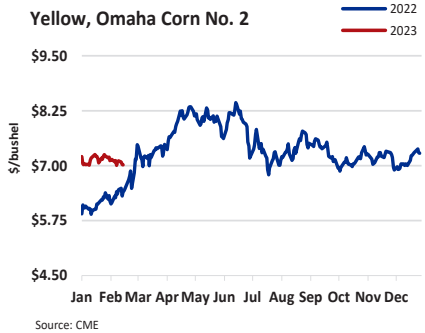


VEAL COMMENTARY

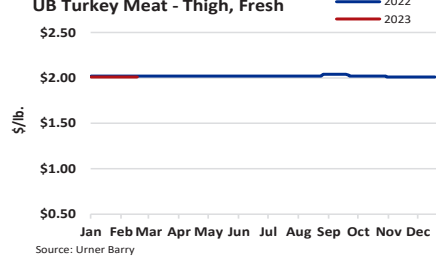
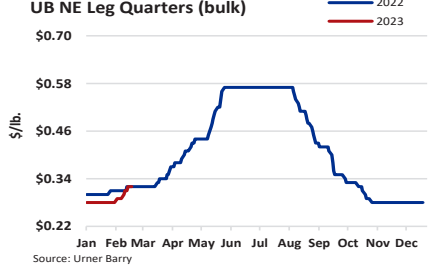
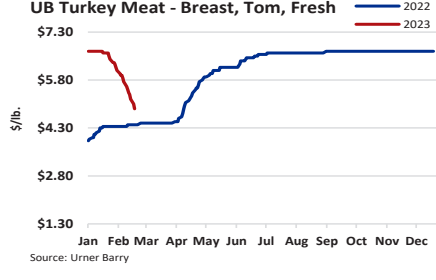
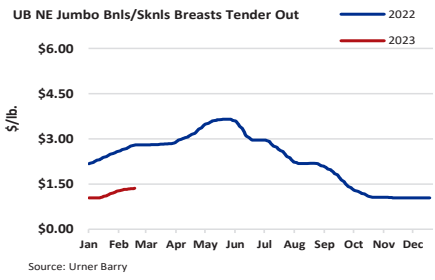
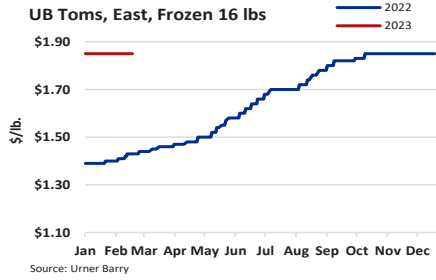
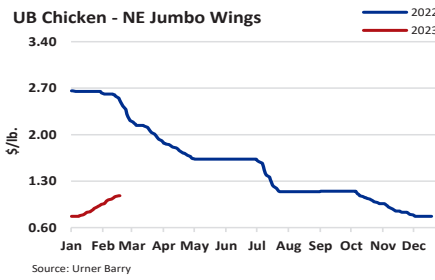
In veal this week, prices were unchanged on Urner Barry's sheet as demand slowed. Carcasses were steady, but much of the conversation revolved around elevated input costs associated with processing as we are now only about a month away from Spring. Supplies were generally tighter than they were last week, but this did not impact pricing in a drastic way as demand also declined following Valentine's Day prep ending. Overall price action was at a minimum. In the most recent weekly USDA Special Fed Veal Report, slaughter figures came in at 2,247, which was 17% lower than the previous period. For weights, the figure came in at 282.9 pounds, which was nearly 10 pounds lower than last week.



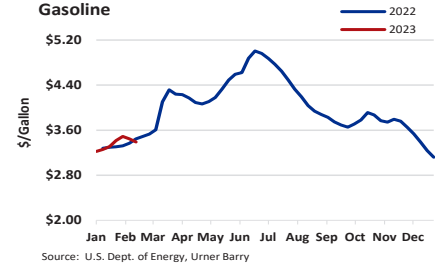
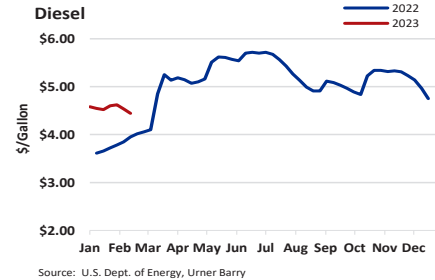
FEEDS: CORN, SOY BEAN, RED WHEAT



POULTRY



ENERGY



ANNOUNCEMENT

Urner Barry Price Reporting Receives Independent Assurance of IOSCO Compliance Achieving the Gold Standard for Price Reporting

For over 160 years, Urner Barry has been the trusted source for benchmark pricing in the food and agriculture industry. Now, the company has successfully completed an independent review of its price reporting methodology and control procedures, confirming Urner Barry's processes are aligned with the International Organization of Securities Commissions (IOSCO) Principles for Price Reporting Agencies (PRAs).

The Type 1 assurance report, issued by auditor BDO, examined eight benchmark price indices.

"Our clients require the highest quality information to effectively conduct their business and navigate the supply chain," said Urner Barry CEO, Joe Muldowney. "This independent assurance review reflects the pledge we undertake to provide them with robust, independent, and accurate market coverage."

Read more about the latest quality assurance [HERE](#)

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POULTRY COMMENTARY

WOGs continue to be held with a firm grip. This is especially true for the larger-sized birds. Moving to boneless, demand fluctuated throughout the week but sales at premium levels were reported to end this week. Tenders are a bit more visible on the spot market. Moving to wings, demand for jumbo sizes is the most active of the three sizes but seasonal demand has begun to slow ever so slightly. Chunk and trim meats are tight overall and are rated steady to full steady. The majority of the back half is in similar standing as the week prior with robust domestic and export buyer interest being reported. Whole legs and thighs are in the highest demand, while drums and leg quarters are only slightly behind. Leg and thigh meats are sought after with vigor at upward-trending price points.

Whole-body turkeys are quiet with supplies termed as adequate this week. Demand for

consumer-sized breasts remains seasonally influenced. Institutional-sized offerings are well cleared; however, some seasonal price pressure remains in play. Buyers of drums, necks, and whole wings find success in sourcing product at lower levels. Fresh breast meat is weak. Finalized sales continue to materialize at a sharp discount, with bids reported at even lower levels. Frozen breast meat, along with tenderloins walk along a similar path with most sellers demonstrating a willingness to haggle at lower price points. Scapula, breast trim, and wing meat are generally quiet and are rated steady. Input surrounding thigh meat is minimal with selling sentiment termed as irregular. Fresh and frozen MST is in stable shape overall.

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