

Friday, January 27, 2023

Number 05- Volume 16

WEEKLY COMMODITY AT A GLANCE

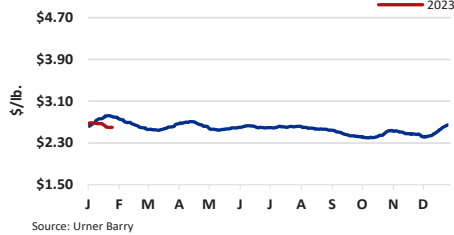
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	UNQ	7.06	6.38
CBOT Soybean	1,509.50	1,490.25	1,470.00
NYMEX Light Crude Oil	79.68	81.62	86.82
Loose Lard, Chicago Basis	0.90	0.90	0.82
Edible Tallow, Chicago Basis	0.74	0.73	UNQ
Beef Trimnings, 90% Fresh	256.00	251.00	282.00
Beef Trimnings, 50% Fresh	110.00	115.00	114.00
Aust/NZ Blend Cow 90% EC Spot	236.00	235.00	301.00
USDA Drop Credit	0.137	0.137	0.137
112A 3 Ribeye Roll, Lip-On CH	1,000.00	1,050.00	925.00
116A 3 Chuck Roll, Neck-Off CH	365.00	365.00	423.00
168 3 Round, Top (Inside) CH	279.00	279.00	320.00
180 3 Strip Loin, Bnls, Ox1 CH	800.00	775.00	770.00
136 Coarse Ground 81%	240.00	240.00	329.00
189A 4 Loin, Tenderloin, PSMO CH	1,550.00	1,575.00	1,450.00
Cattle-Fax, 6-State Fed Steer Price	156.77	157.18	136.43
Select Hams 20/23	77.00	74.00	55.00
Sq Cut Bellies 14/16	100.00	100.00	155.00
1/4 Trmd. Loins 21/dn	105.00	108.00	113.00
1/4 Tr Boston Butts 9/dn	106.00	102.00	96.00
Spareribs, Light, Fresh	132.00	133.00	173.00
Fresh Pork Trim (42%)	63.00	62.00	58.00
Fresh Pork Trim (72%)	86.00	85.00	118.00
Carcass Lamb Y4+55/65	3.95	4.05	5.10
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	12.20	12.25	15.25
Lamb Cuts, 206 Shoulder, Cross Cut	4.25	4.55	4.60
Lamb Cuts, 232 Loin Trmd 4x4	8.25	8.50	10.50
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

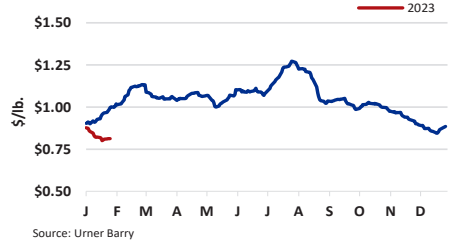
RIEMANN CONTRACT SETTLEMENTS

	1/27	1/20	1/13
Weekly Imported Aust/NZ Blend Cow 90% EC 7:45	2.37	2.35	2.34
Weekly Weighted Average Blended Boxed Beef Cutout Index	265.60	271.43	277.23

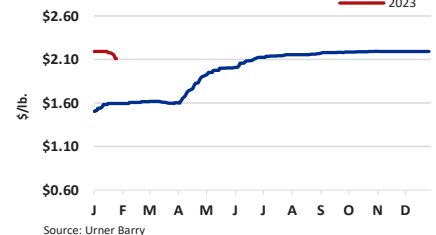
UB Beef Index



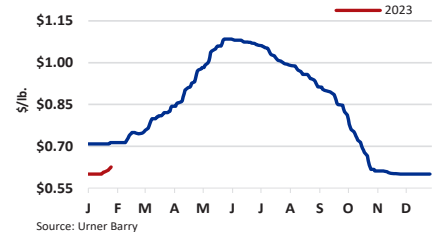
UB Pork Cutout



UB Turkey Index



UB Chicken Index



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	124	127	127	126	124	31	659
LW	125	128	120	120	123	30	646
*LY	118	121	120	121	118	58	655

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	489	484	490	491	487	95	2,536
LW	424	487	481	434	485	220	2,531
*LY	452	471	476	474	463	194	2,530

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	9	8	6	5	5	0	33
LW	5	9	5	7	6	0	32
*LY	8	7	6	5	3	0	29

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	8

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	1/13	1/14	1/16	1/17	1/18	1/19	153
TW	1/20	1/21	1/23	1/24	1/25	1/26	155
*LY	26	14	26	28	29	27	150

*Last Year's numbers are rounded

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 \$37.00 a month.

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.712	0.697	0.700
Mexico, Peso	18.720	18.866	20.764
Canada, Dollar	1.332	1.341	1.276
Japan, Yen	129.667	130.685	115.314
China, Yuan (RMB)	6.782	6.782	6.355
Brazil, Real	5.066	5.204	5.386
South Korea, Won	1,232.19	1,228.82	1,208.52
Taiwan, Dollar	30.233	30.337	27.814
European Union, Euro	1.087	1.085	1.115

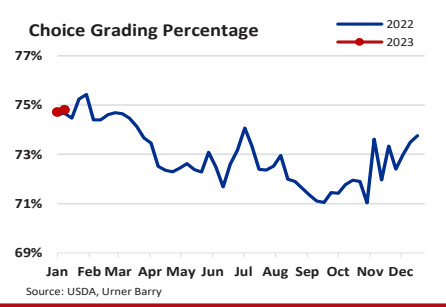
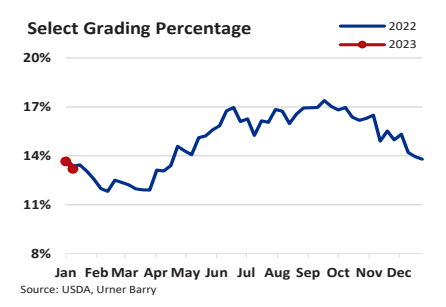
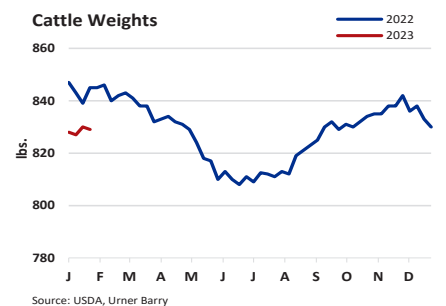
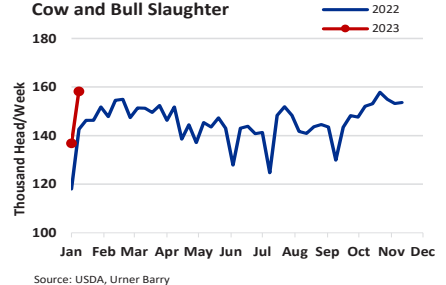
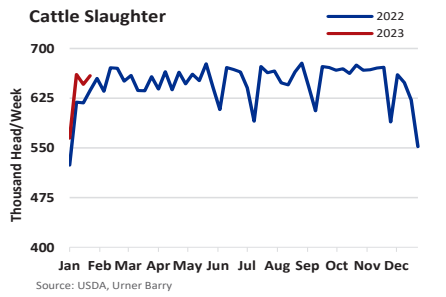
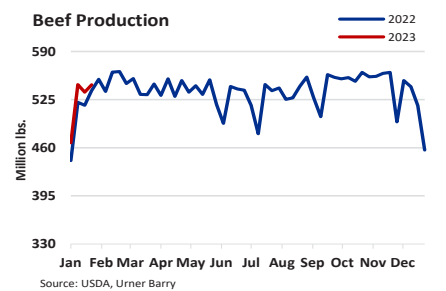
COLD STORAGE STOCKS

(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
Trimnings	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

UB BEEF CUTOUT Jan-27 v. Jan-23				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	-1.49%	-0.12%	-0.15%	-2.46%
Chuck	-0.03%	-0.03%	-2.13%	0.09%
Round	-0.61%	0.02%	1.24%	-2.06%
Loin	0.87%	0.36%	4.80%	-1.38%
Brisket	-0.14%	-3.43%	0.73%	-6.05%
Plate	0.62%	0.62%	0.62%	1.57%
Flank	-0.47%	-0.48%	-0.49%	-0.36%
Total	-0.13%	-0.04%	0.92%	-1.39%

BEEF



BEEF COMMENTARY

Market tones remain cautious given where in the calendar year we are, and the continued push in slaughter levels. One thing that did change this week was the significant improvement in grade reported. This helped the tighter choice market seen recently but squeezed select and no-roll a bit. While cutouts stayed nearly rangebound it was these factors that moved individual items. Ribs were the notable laggard while some other items balanced that weakness.

LIVE CATTLE: After early expectations that the cattle market would trend higher, it was for the most part lower. The full range of live cattle traded between \$152.00/cwt and \$158.00/cwt; dressed \$244.00/cwt and \$248.00/cwt.

SLAUGHTER & BEEF PRODUCTION: The weekly federally inspected slaughter was 659,000 head, compared to 646,000 head last week. Live weights gained two pounds to 1386 pounds. Dressed weights, however, edged one pound lower to 829 pounds.

RIBS: The seasonal decline in ribs took some time to cement in place, delayed from typical seasons by about a month. But this week was another stark reminder that patterns tend to come to fruition unless disrupted by external factors. Choice ribs continued to slide lower led not only by the models but continued high production, especially as the grade improved. Losses were in the low to single digits. Select and no-roll product were better supported given tightening of product as grade improved. This will likely continue until spring buying season.

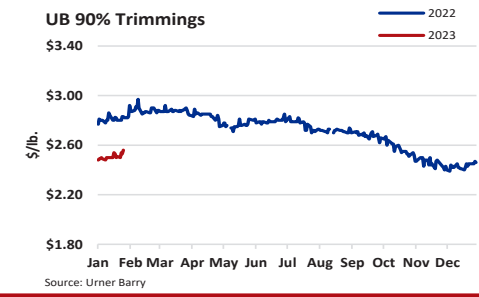
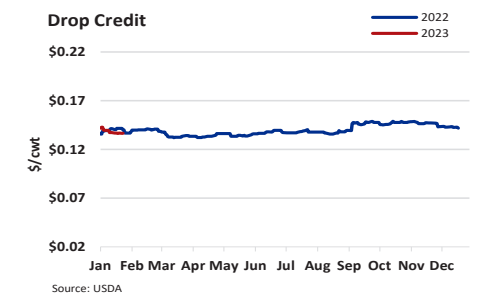
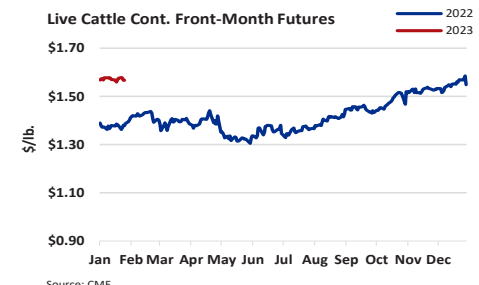
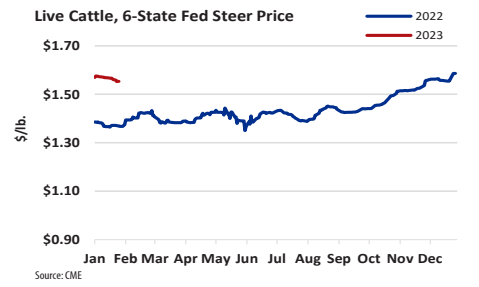
CHUCKS: There was little market moving information this week in this area. While the bias remained to the softer side of steady, recent discounts have balanced the market better. Counterparties were more than happy to remain at listed levels. The real exception were no-roll chuck rolls, which were discounted nearly ten percent.

ROUNDS: There is not much different to report from last week. Most items traded in-and-around current levels. Choice product was more readily available than other grades which prompted some differences in price action – but again, it was minimal.

LOINS: This was another favorable week in the loin primal, but the pace of gains slowed considerably when looking at the stronger strip and short loins of the past weeks. A lot had to do with the relative value given the opposite direction ribs and loins have followed. In fact, the current spread of \$2.50 per pound has narrowed to its lowest point since August 29, 2022. Thin meats like top butts advanced significantly given the price point still.

GROUND BEEF: As processors look to muscle cuts as a viable alternative to grinds, there was not much price action in the space. Product levels remained consistent with previous levels. Coarse Grind 73%, however, saw a significant decline in pricing.

BONELESS BEEF: Fresh 90s were mixed this week. Opinions on demand varied noticeably from source to source. Several participants indicated that buying interest should be stronger next week as we approach the Super Bowl. Fresh 50s trended lower this week as product was more readily available in most areas. This week's cattle slaughter was estimated at 659,000 head.

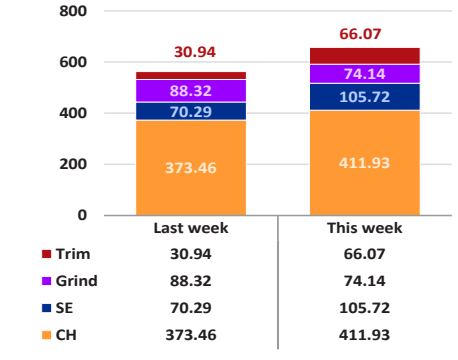


UB BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

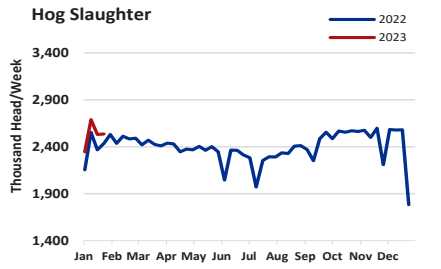
	M	T	W	TH	F
TW	20.44	20.44	20.26	20.98	20.19
*LW	25.98	25.92	23.52	22.96	21.84

*Last Week's numbers are rounded

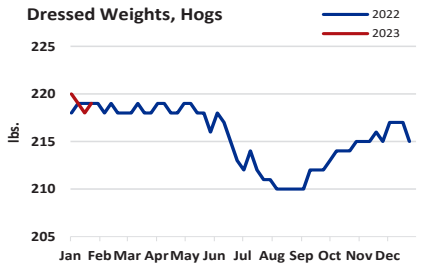
Weekly Beef Breakdown (# of loads) Source: USDA, Urner Barry
1 load = 40,000 lbs.



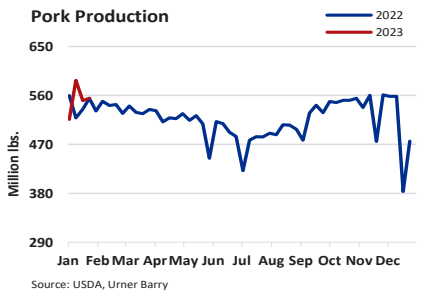
PORK PRODUCTION



Source: USDA, Urner Barry



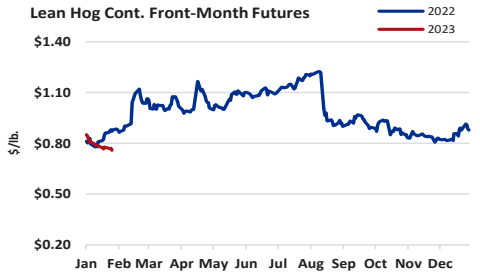
Source: USDA, Urner Barry



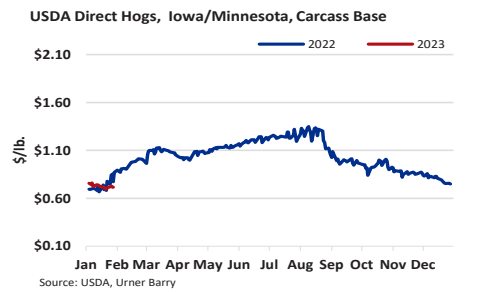
Source: USDA, Urner Barry

LIVE HOGS & CUTOUT

PORK CUTOUT	Jan-23	Jan-27	Change
Loin	84.710	83.660	-1.050
Butt	87.130	90.790	3.660
Picnic	65.790	63.350	-2.440
Sparerib	124.610	123.890	-0.720
Ham	77.660	78.060	0.400
Belly	93.410	95.640	2.230
Cutout Value	80.990	81.294	0.304



Source: CME



Source: USDA, Urner Barry

PORK COMMENTARY

This week in pork, mixed demand from both foodservice and retail channels, fully adequate supplies amid elevated slaughter figures, and hog weights all impacted pork trade. Urner Barry's pork carcass cutout increased by 1.06 percent during the week. Estimates of margins for outside purchasers of hogs on Friday were \$8.06/head while margins for vertically integrated packers were estimated at - \$37.35/head.

PORK PRODUCTION: Pork production for the week ending 01/28/2022 was estimated to be 554.8 million pounds. This was 0.7 percent more than last week and a slight increase from a year ago from the same week a year ago. Live hog weights averaged 294 pounds for the week, which was one pound heavier than last week and even with the same period a year ago.

GREEN MEATS: In the green meat complex, bone-in hams were supported on active interest from both domestic and export channels. On the other hand, boneless ham suffered from lackluster seasonal interest, mainly from deli channels at retail. In the belly category, lackluster demand for bacon created a backup of raw bellies, which created an unsettled market. Bellies remain priced well below historical January figures. In trim, fat items were supported on strong demand and tight supplies while leaner items were generally sideways this week.

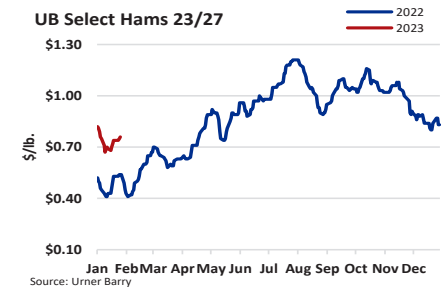
HAMS: Bone-in ham values were \$1.50/cwt to \$3.00/cwt firmer, while boneless cuts were \$3.00/cwt to \$4.50/cwt weaker.

BELLIES: Skinless bellies were \$3.00/cwt to \$7.00/cwt firmer.

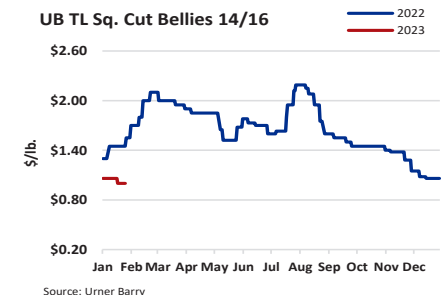
TRIMMINGS: 42s and 72s were both \$1.50/cwt firmer this week. Meanwhile, boneless picnics were \$4.00/cwt weaker.

RETAIL: ¼ inch bone-in loins were \$3.50/cwt weaker while 1/8-inch cuts decreased \$1.00/cwt. Boneless strap-ons increased \$5.50/cwt while strap-offs decreased \$1.50/cwt. Bone-in sirloins were \$2.50/cwt weaker while boneless sirloins were \$3.00/cwt higher. Tenderloins were \$5.00/cwt firmer on average. 1/4" bone-in butts increased \$9.50/cwt while boneless butts also gained \$8.00/cwt. Light spareribs were \$1.00/cwt weaker while medium spareribs were generally unchanged.

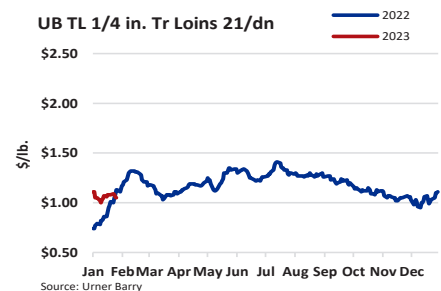
PORK PROCESSING ITEMS & RETAIL CUTS



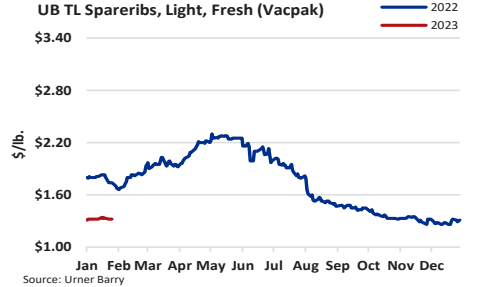
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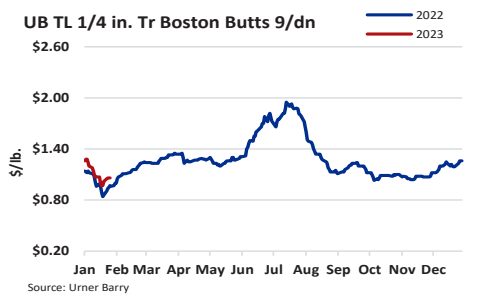
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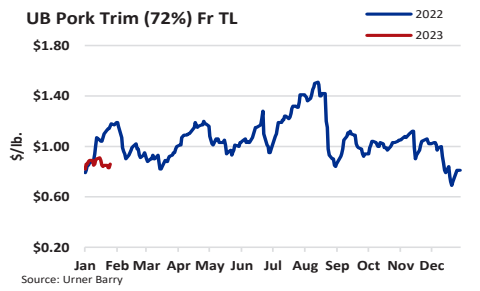
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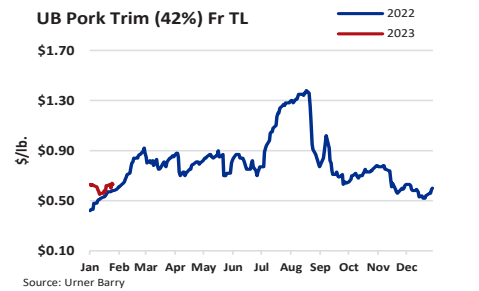
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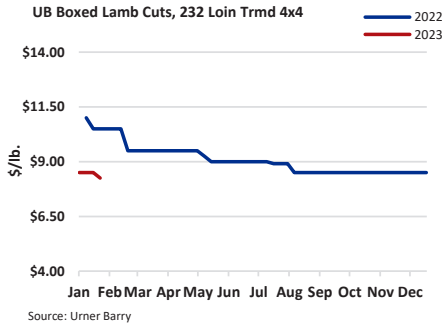
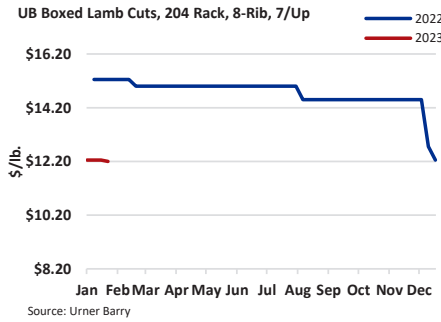
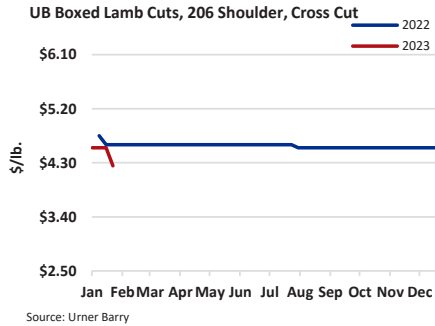
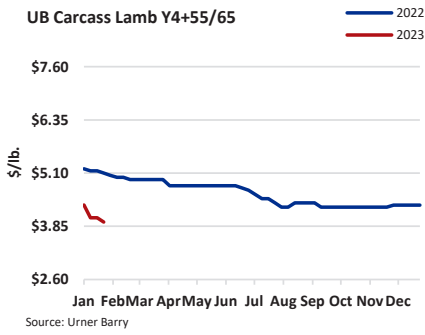


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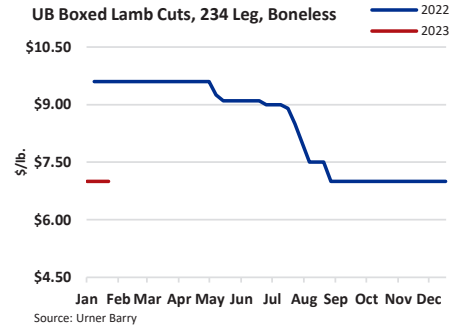
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LAMB

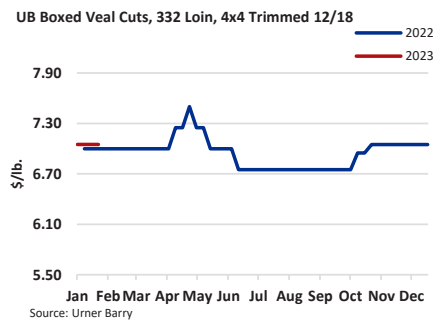
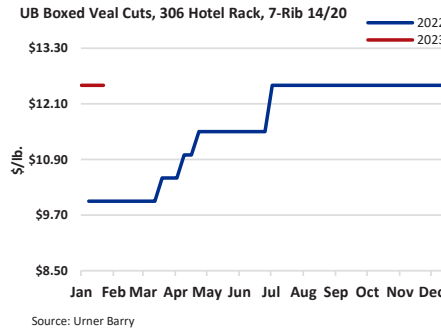
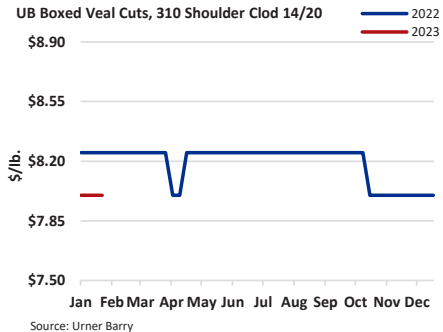
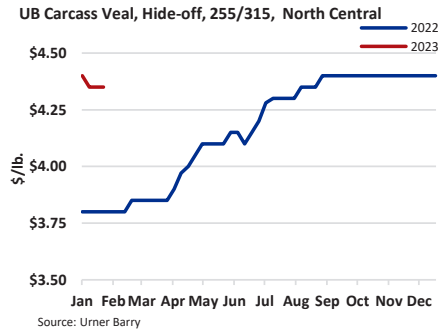


LAMB COMMENTARY

In the domestic lamb market this week, declines were noted nearly across the board. As demand continued to wane, regardless of any Valentines Day interest, prices for carcasses, racks, shoulders, breasts, and foreshanks all declined. Competitive prices from Australia also put pressure on domestic lamb pricing. In the most recent weekly Estimated Meat Production Under Federal Inspection report, lamb slaughter came in at 32,000 head, which was 2,000 less than last week and 2,000 above the same week a year ago. For weights, the figure came in at 124 pounds, which was even with last week and 8 pounds below a year ago.

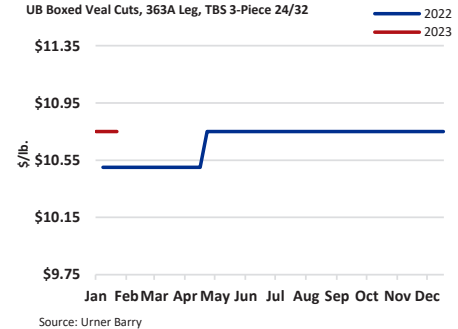


VEAL

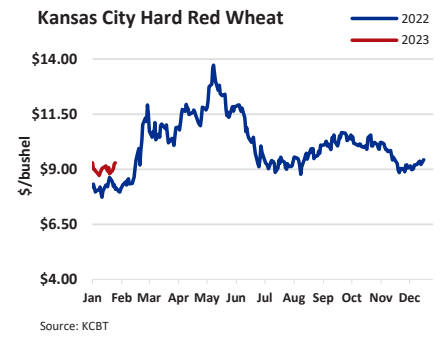
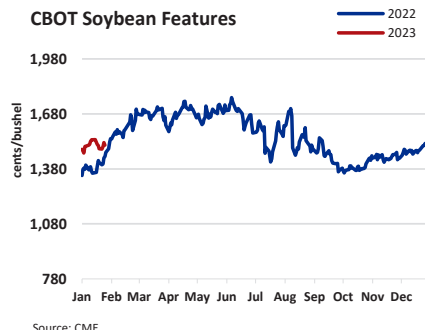
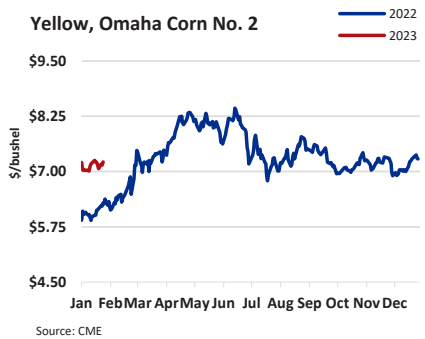


VEAL COMMENTARY

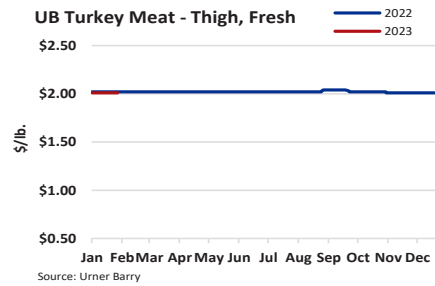
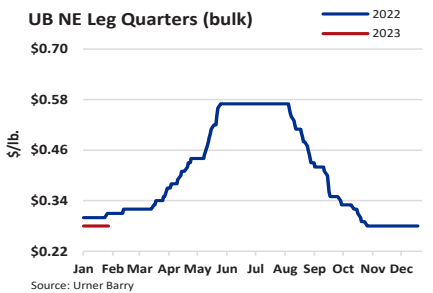
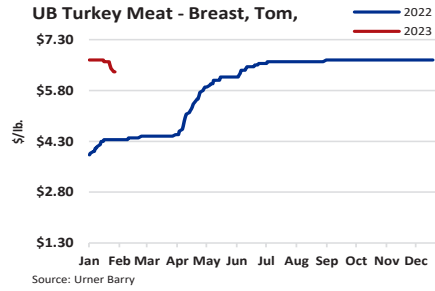
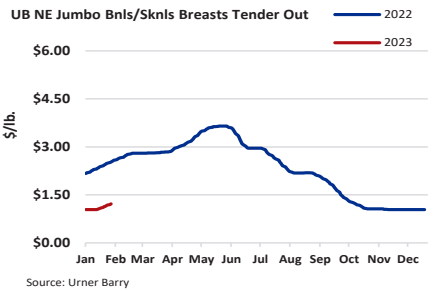
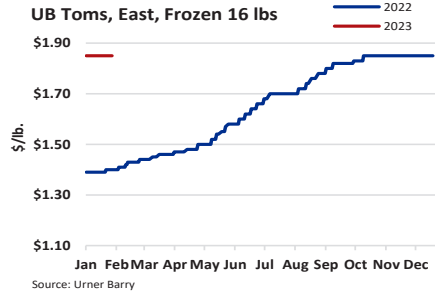
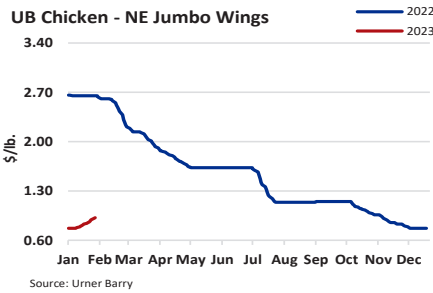
Movement in the veal market this week was slow and market chatter was on the quieter side. Boxed cuts were largely steady with the previous week's quotes. Carcasses continued to have a weaker bias, but boxed cuts didn't see much price action from that. Racks remained relatively elevated while tenderloins were at 52-week lows. In the most recent weekly USDA Special Fed Veal Slaughter report, kill figures came in at 2,057, which was below the previous week's number of 2,370. For weights, the figure came in at 285.3 pounds, which was 2.5 pounds heavier than the previous week.



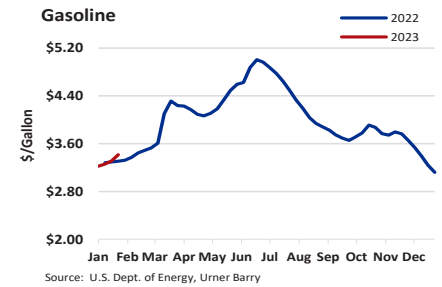
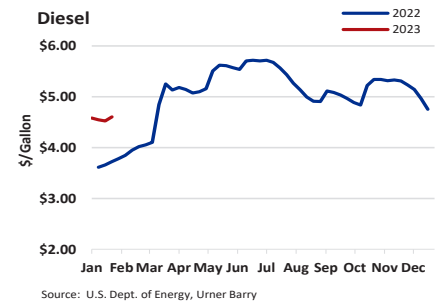
FEEDS: CORN, SOY BEAN, RED WHEAT



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 and whole chickens remain in about the same shape as what was reported the week prior. Bone-in breasts and fronts receive active buying interest at full market or higher values. Jumbo boneless breasts are inked at a modest overage. Spot demand outpaces current production. Tenders are moved into traditional purchasing channels at and above our currently quoted values. Jumbo and medium wings enjoy a seasonally strong call against limited availability. Small wings are balanced and deserve a steady rating overall. Legs are seeing strong demand while some sellers note an uptick in leg quarter inquiries. Thighs, drums, and leg meat are steady. Sellers of thigh meat

continue to test slightly higher asked prices. Whole-body toms and hens remain in steady position. Consumer-sized breast offerings are adequate for the seasonal call. Institutional-sized supplies command no less than full market levels and are rated steady. Moving to parts, drum availability varies from plant to plant. Whole wings, necks, tails, and gizzards are in a similar position as buyer interest is minimal and price sensitive. As for the raw materials segment, the undertone surrounding tom breast meat hasn't shifted much recently. Movement is seasonally subdued, with ask prices remaining at lower levels. Thigh meat is generally uneventful and well cleared. As is MST.

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