WEEKLY INSIDER'S

Red Meat REPORT

UrnerBarry
MARKET PRICES, NEWS, AND ANALYSIS

Friday, July 15, 2022

Number 29 - Volume 15

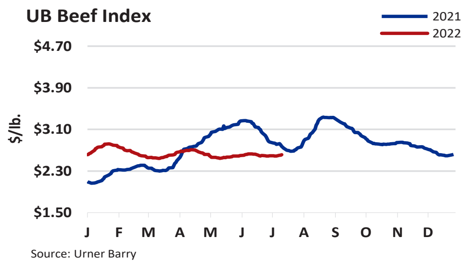
WEEKLY COMMODITY AT A GLANCE

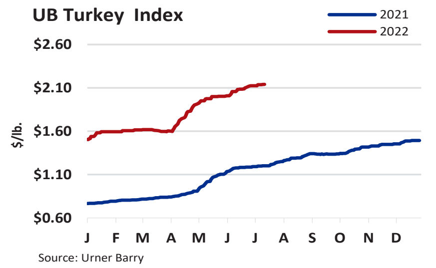
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	UNQ	7.71	6.34
CBOT Soybean	1,466.00	1,630.25	1,454.75
NYMEX Light Crude Oil	97.59	104.79	71.81
Loose Lard, Chicago Basis	0.82	0.82	0.68
Edible Tallow, Chicago Basis	UNQ	UNQ	UNQ
Beef Trimmings, 90% Fresh	278.00	279.00	284.00
Beef Trimmings, 50% Fresh	118.00	113.00	140.00
Aust/NZ Blend Cow 90% EC Spot	268.50	275.00	277.00
USDA Drop Credit	0.137	0.137	0.131
112A 3 Ribeye Roll, Lip-On CH	875.00	895.00	920.00
116A 3 Chuck Roll, Neck-Off CH	360.00	345.00	370.00
168 3 Round, Top (Inside) CH	285.00	285.00	290.00
180 3 Strip Loin, Bnls, 0x1 CH	890.00	883.00	800.00
136 Coarse Ground 81%	291.00	307.00	241.00
189A 4 Loin, Tenderloin, PSMO CH	1,225.00	1,200.00	1,650.00
Cattle-Fax, 6-State Fed Steer Price	142.24	143.31	121.45
Select Hams 20/23	109.00	105.00	94.00
Sq Cut Bellies 14/16	163.00	163.00	205.00
1/4 Trmd. Loins 21/dn	141.00	131.00	113.00
1/4 Tr Boston Butts 9/dn	195.00	175.00	132.00
Spareribs, Light, Fresh	191.00	195.00	163.00
Fresh Pork Trim (42%)	108.00	94.00	117.00
Fresh Pork Trim (72%)	124.00	119.00	140.00
Carcass Lamb Y4+55/65	4.50	4.60	5.20
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	15.00	15.00	14.50
Lamb Cuts, 206 Shoulder, Cross Cut	4.60	4.60	5.50
Lamb Cuts, 232 Loin Trmd 4x4	8.90	9.00	12.25
Lamb Cuts, 234 Leg, Boneless	8.90	9.00	9.35
Carcass Veal, Hide-off, 255/315, NC	4.30	4.28	3.35
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	12.50	12.50	10.50
Veal Cuts, 310 Shoulder Clod 14/20	8.25	8.25	8.20
Veal Cuts, 332 Loin, 4x4 Trim 12/18	6.75	6.75	7.20
Veal Cuts, 363A Leg, TBS 3-Pc 24/32	10.75	10.75	11.00

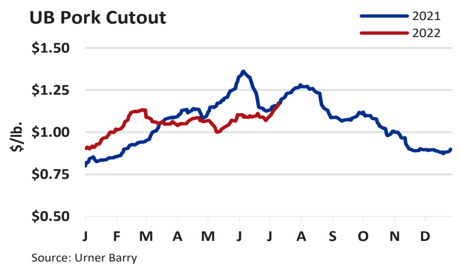
Quotes represent the high side of Friday's trading range

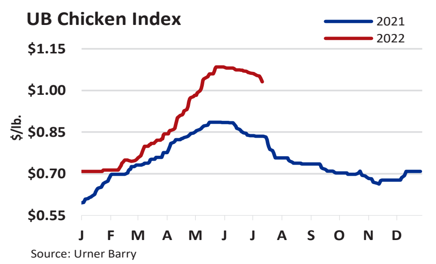
RIEMANN CONTRACT SETTLEMENTS

	7/15	7/8	7/1
Weekly Imported Aust/NZ Blend Cow 90% EC 7:45	2.72	2.75	2.78
Weekly Weighted Average Blended Boxed Beef Cutout Index	260.17	259.72	258.71









EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	125	126	126	123	123	54	677
LW	2	126	126	126	125	88	593
*LY	119	119	119	120	119	54	650

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	439	451	454	453	436	22	2,255
LW	2	458	476	466	456	118	1,976
*LY	454	468	465	461	426	14	2,288

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	9	7	6	7	4	0	33
LW	0	8	6	6	5	0	25
*LY	10	7	8	8	6	1	40

EST. DAILY CALVES SLAUGHTER

	M	T	W	TH	F	S	Total
TW	2	1	1	1	1	0	6
LW	0	1	1	1	1	0	4
*LY	1	2	1	1	2	0	7

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	
LW	7/1	7/2	7/4	7/5	7/6	7/7	Total
	26	4	1	26	27	29	113
TW	7/8	7/9	7/11	7/12	7/13	7/14	Total
	28	14	26	26	28	28	150
*LY	25	16	23	25	25	25	139

*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

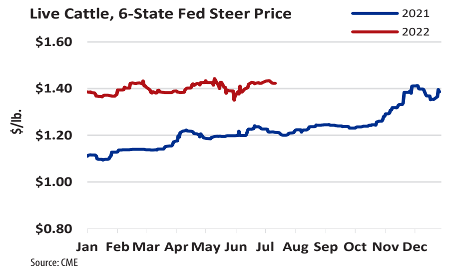
	This Week	Last Week	Last Year
Australia, Dollar	0.677	0.680	0.730
Mexico, Peso	20.754	20.535	20.167
Canada, Dollar	1.306	1.302	1.278
Japan, Yen	138.749	136.516	109.492
China, Yuan (RMB)	6.754	6.698	6.482
Brazil, Real	5.414	5.362	5.282
South Korea, Won	1,324.05	1,301.40	1,150.30
Taiwan, Dollar	29.934	29.790	28.083
European Union, Euro	1.007	1.013	1.176

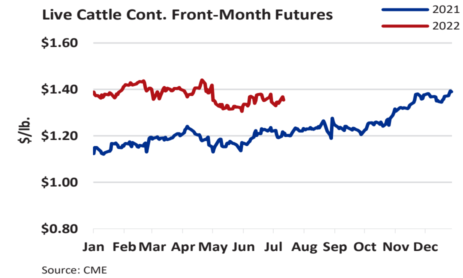
COLD STORAGE STOCKS

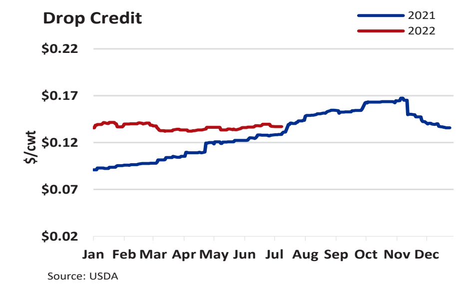
(Pounds in Thousands	5/31/21	4/30/22	5/31/22
Beef in Freezer, Bnls	385,051	483,212	471,073
Cuts	31,624	48,955	48,760
Total Beef	**416,675**	**532,167**	**519,833**
PORK & OTHER	**5/31/21**	**4/30/22**	**5/31/22**
Pork in Freezer, Picnics	5,621	8,649	8,979
Hams	109,337	98,038	126,408
Bellies	36,391	58,331	56,392
Loins	38,667	42,129	40,268
Spareribs	89,923	118,731	111,960
Butts	11,315	21,878	19,961
Trimmings	42,055	52,877	52,324
Other Pork in Freezer	61,647	59,359	53,951
Total	462,446	533,396	543,079
Veal in Freezer	6,464	2,816	2,841
Lamb & Mutton in Freezer	21,896	24,414	22,191
Total	**28,360**	**27,230**	**25,032**

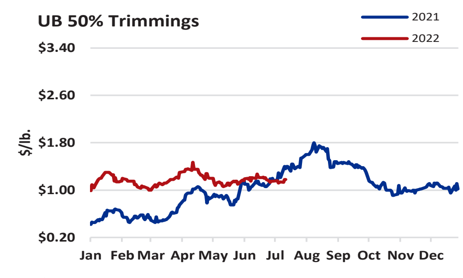
Data Updated: June 23, 2022

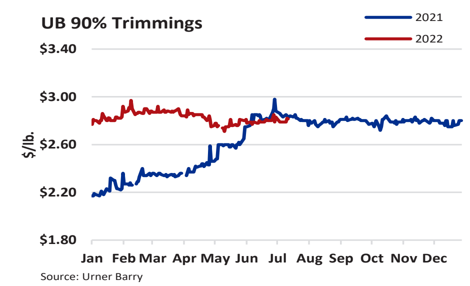
UB BEEF CUTOUT Jul-15 v. Jul-08				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	-0.53%	-1.04%	0.18%	0.52%
Chuck	1.68%	1.33%	0.91%	2.77%
Round	-0.05%	0.24%	0.01%	1.25%
Loin	2.35%	1.39%	0.14%	2.51%
Brisket	0.19%	-4.61%	-1.30%	-0.83%
Plate	0.08%	0.08%	0.08%	1.48%
Flank	-0.50%	0.86%	0.88%	0.54%
Total	1.00%	0.42%	0.27%	1.77%



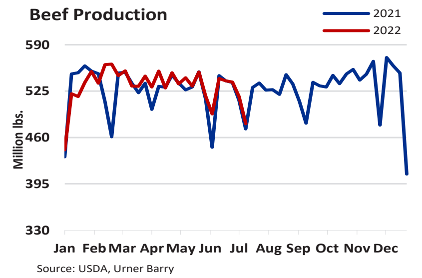


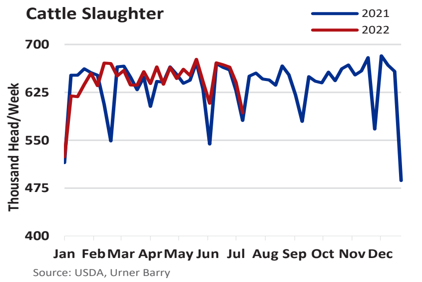


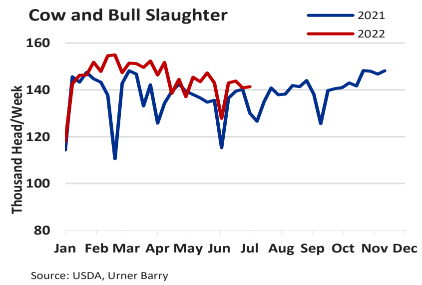


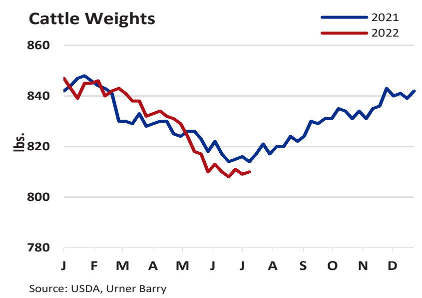


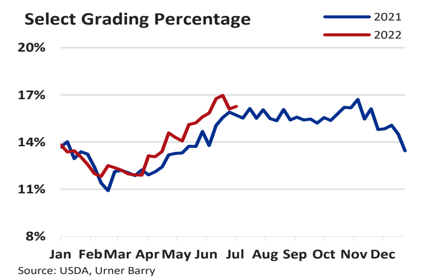
BEEF

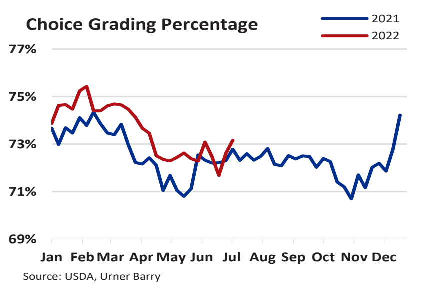












BEEF COMMENTARY

The large majority of business this week continued to be fill in, as limited quantities of product were available. Tones were consistent with the last few weeks as participants continued to be pleasantly surprised about the demand seen. Buyers largely kept to the hand to mouth approach as there is still a bit of hesitancy when considering the time period and historical seasonality. But as export business continued to be historically strong in the month of May – supplies continued to be much tighter than many anticipated for this time of the year.

LIVE CATTLE: Prices in the South this week were mostly steady from the week prior at $137.00 live (full range $136.00-$140.00). Prices in the North were steady to $5 lower at $144-$145 live (full range $139-$150). Dressed sales were down $2.00 to $4.00, at mostly $228.00 – 230.00/cwt (full range $224.00 - $232.00).

SLAUGHTER & BEEF PRODUCTION: The weekly federally inspected slaughter was 677,000. Live weights ended the week at 1340 pounds down one pound. Dressed weights were down one pound at 809 pounds.

RIBS: Ribs held fairly steady on the week with some ranges tightening up. Interest appeared to be about in line with supplies. As we move through the "dog days" of summer, it seems these items are bucking the historical trend of a seasonal decline. Which has caused some cautiously optimistic tones to surface around what the latter half of the year looks like in the way of demand.

CHUCKS: Chucks saw full steady to firm tones throughout the week. Chuck rolls and clods continued to be offered in very limited quantities which allowed asks to move up accordingly. Chuck rolls have now posted a gain of nearly 32% since May lows.

ROUNDS: The round complex held steady across the board this week as there continued to be an equilibrium between supply and demand. Availability still doesn't appear to be as much of an issue in this area as the chuck.

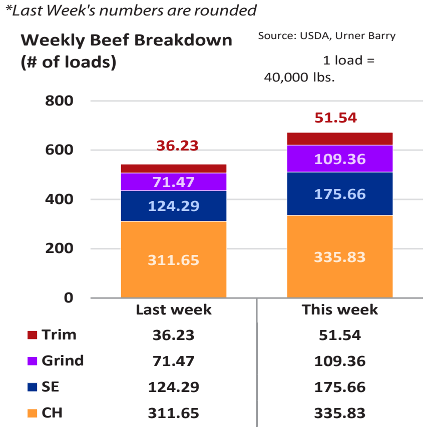
LOINS: Loins continued to see full steady to firm tones throughout the week with a few items making fresh 52-week highs. Product was limited in capacity which kept bids aggressive for those with immediate needs.

GROUND BEEF: It appeared coarse grinds took a bit of a breather this week after experiencing full steady tones for the last couple. 81% appeared to come under the greatest pressure this week although not a surprise given it led the complex in gains through May.

BONELESS BEEF: Fresh 50s were stronger than expected this week. Availability varied noticeably from packer to packer. This week's cattle slaughter was estimated at 677,000 head. Fresh 90s were basically steady. Supply and demand seemed to be generally in balance.

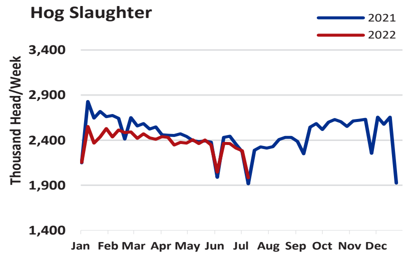
UB BEEF CUTOUT-CH/SE SPREAD ($/cwt)					
	M	T	W	TH	F
TW	22.40	23.44	22.83	24.53	24.53
*LW	-	22.09	22.45	22.72	22.91

*Last Week's numbers are rounded

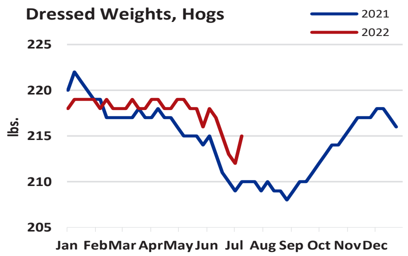


	Last week	This week
Trim	36.23	51.54
Grind	71.47	109.36
SE	124.29	175.66
CH	311.65	335.83

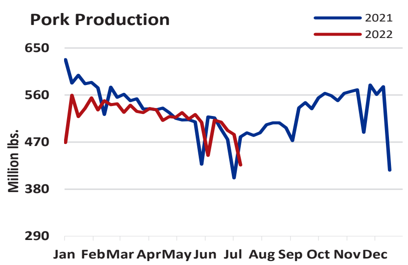
PORK PRODUCTION



Source: USDA, Urner Barry



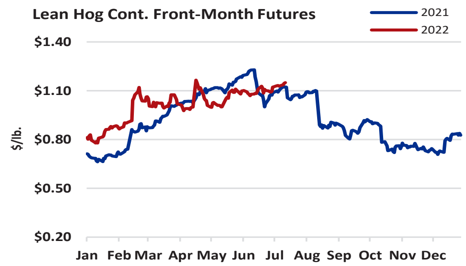
Source: USDA, Urner Barry



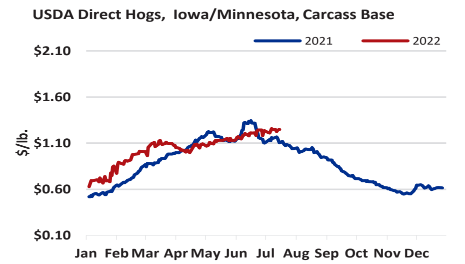
Source: USDA, Urner Barry

LIVE HOGS & CUTOUT

PORK CUTOUT	Jul-08	Jul-15	Change
Loin	104.580	109.290	4.710
Butt	146.680	159.140	12.460
Picnic	80.870	85.210	4.340
Sparerib	182.570	176.540	-6.030
Ham	98.010	102.410	4.400
Belly	159.510	166.490	6.980
Cutout Value	**112.463**	**117.372**	**4.909**



Source: CME



Source: USDA, Urner Barry

PORK COMMENTARY

This week in the pork market, trade was mainly influenced by the reduced slaughter and production, demand for processor items, and strong export interest. Urner Barry's pork carcass cutout increased by 4.36 percent during the week. Estimates of margins for outside purchasers of hogs on Thursday were -$23.65/head while margins for vertically integrated packers were estimated at $37.39/head.

PORK PRODUCTION: Pork production for the week ending 7/16/2022 was estimated to be 481.4 million pounds. This was a 13.6 percent increase from last week and a 0.3 percent increase from a year ago. Live hog weights averaged 286 pounds for the week, 2 pounds lighter than last week and 5 pounds heavier than a year ago.

GREEN MEATS: Hams were firm this week, with bone-ins seeing notable increases amid an active demand from both domestic and international participants. Boneless product saw increased interest for cold cut related demand. Bellies were full steady on improved demand at the retail level and supply that was on the tighter side. Trim had a barely adequate supply amid the reduced slaughter and production levels coupled with strong demand for grilling items, resulting in a firm call.

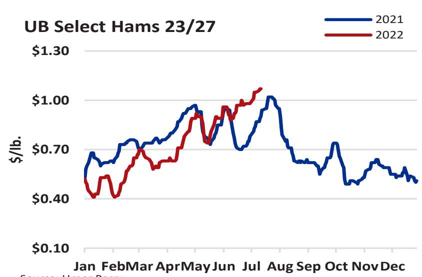
HAMS: Bone-in ham values were $3.00/cwt to $4.50/cwt firmer and boneless cuts were $5.00/cwt to $7.00/cwt stronger.

BELLIES: Skinless bellies were $16.50/cwt to $19.00/cwt stronger this week.

TRIMMINGS: 42s were $13.50/cwt firmer and 72s were $5.50/cwt stronger. Meanwhile, boneless picnics were $7.00/cwt higher.

RETAIL: 1/4" bone-in loins were $10.00/cwt firmer and 1/8" loins were $11.00/cwt stronger. Boneless strap-on loins were $11.00/cwt stronger while boneless strap-off loins increased by $7.00/cwt. Bone-in sirloins were $0.50/cwt stronger while boneless sirloin $5.50/cwt firmer. Tenderloins were $5.00/cwt stronger for the week. 1/4" bone-in butts were up $20.00/cwt while boneless butts were down $2.00/cwt. Light and medium spareribs were $4.00/cwt $8.50/cwt weaker, respectively.

PORK PROCESSING ITEMS & RETAIL CUTS



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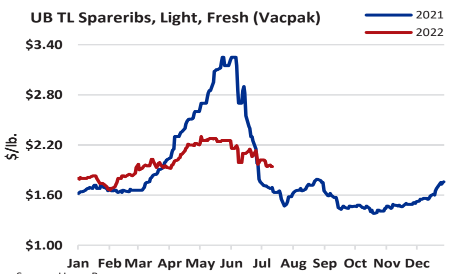

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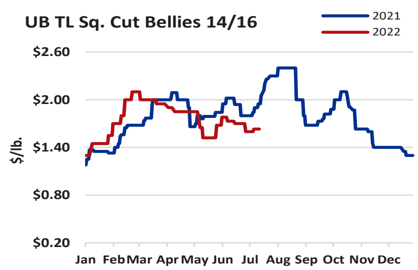

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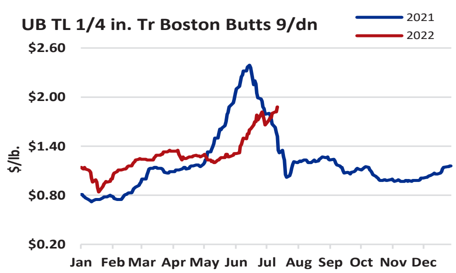

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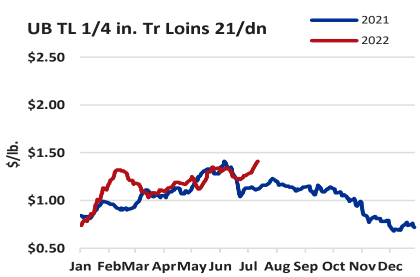

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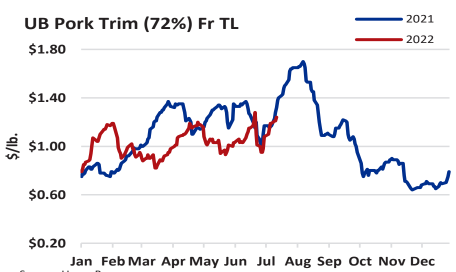

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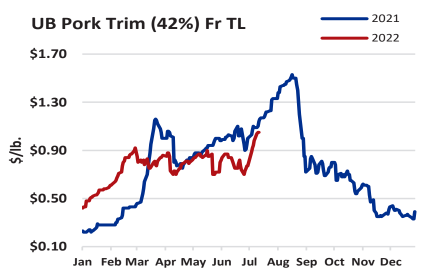

Source: Urner Barry

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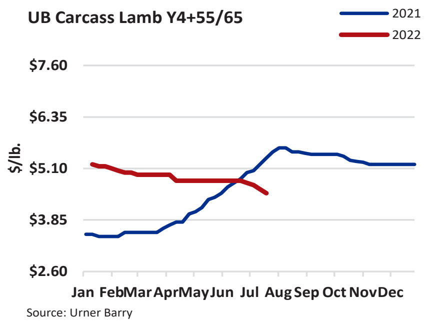
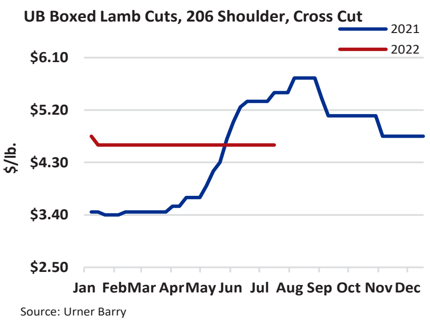
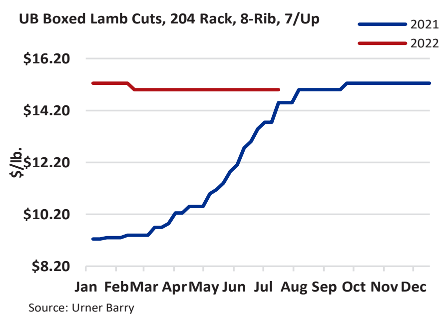
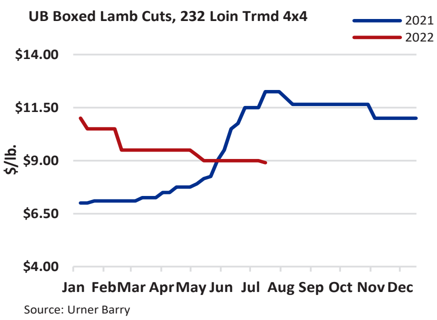
LAMB



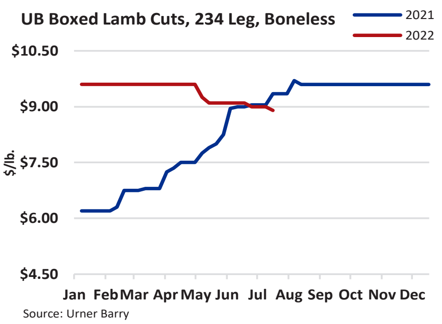




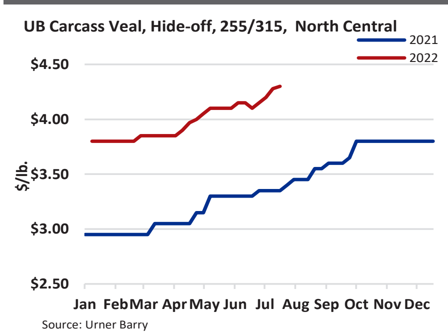


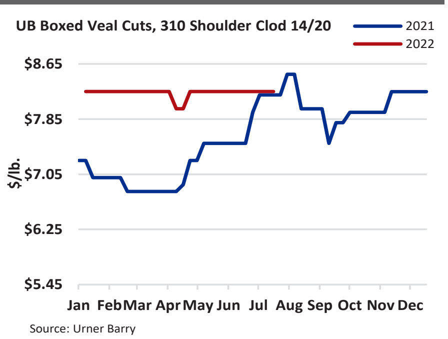
LAMB COMMENTARY

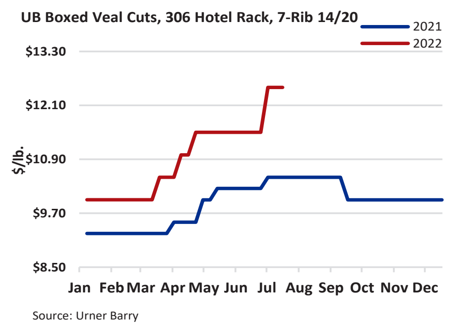
Lamb carcasses were weak as price retracements continued. Lackluster food service demand, minimal retail features, and cheaper competing proteins were much of the cause. For boxed cuts, loins and legs were under pressure and are now at 52-week lows while chucks, ribs, and racks were mostly steady. In the most recent USDA Weekly Meat Production Under Federal Inspection report, weekly sheep slaughter was at 25,000 which was 7,000 less than last week and 8,000 less than a year ago. Average weights were 136 pounds, which was even with last week and 16 pound heavier than a year ago.

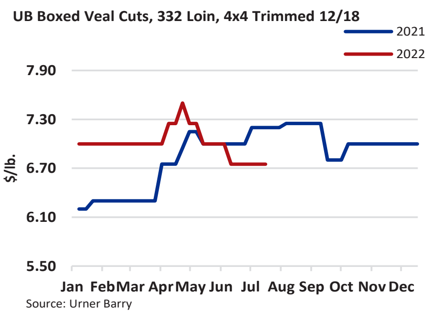


VEAL



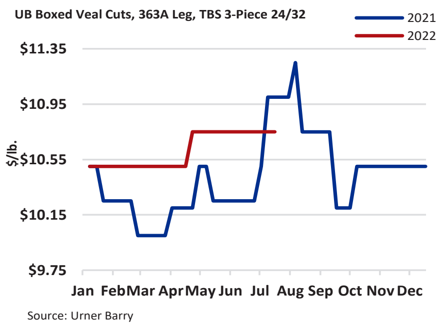




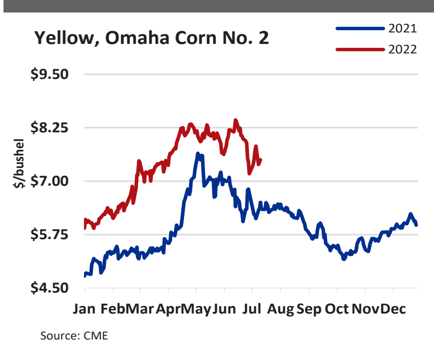


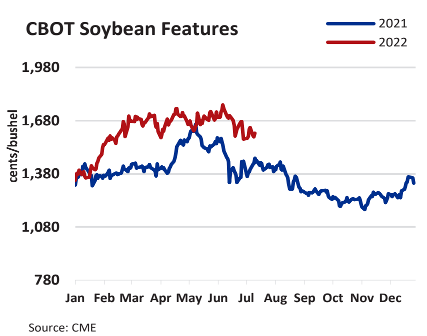
VEAL COMMENTARY

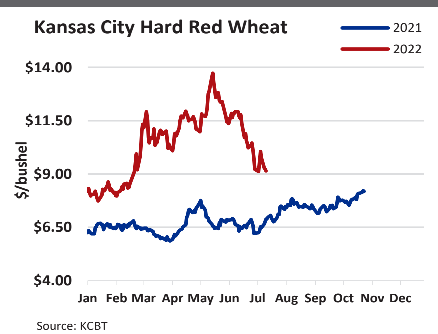
This week in veal, carcasses were full steady as they continued to see strength. All boxed cuts that Urner Barry quotes were steady as trade occurred largely within already established ranges. Food service and retail demand were rated as moderate at best. Trucking rates in various regions saw some relief this week. Overall supply was called adequate. The USDA Special Fed Veal Slaughter was at 2395, which was roughly 6.8% lower than the previous week. The USDA Special Fed Veal Dressed weights were at 263.9 pounds, which was 23.1 pounds lighter than the previous week.



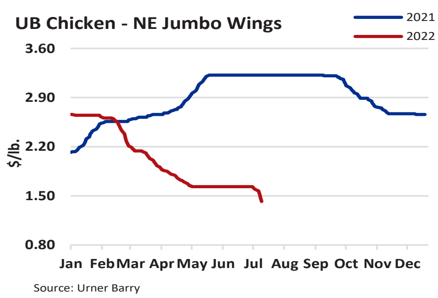
FEEDS: CORN, SOY BEAN, RED WHEAT

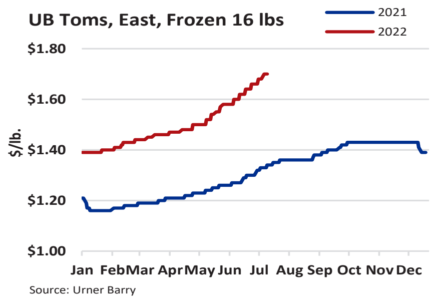


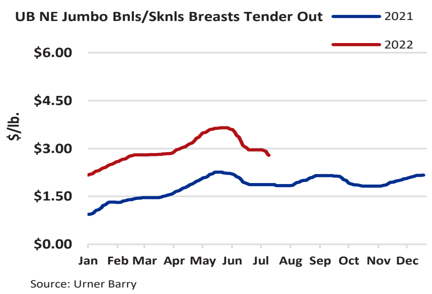


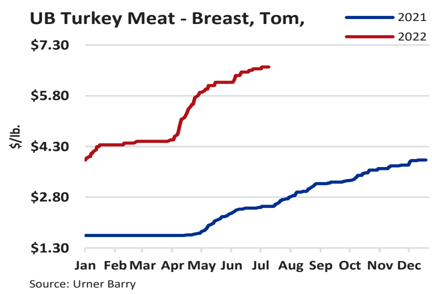


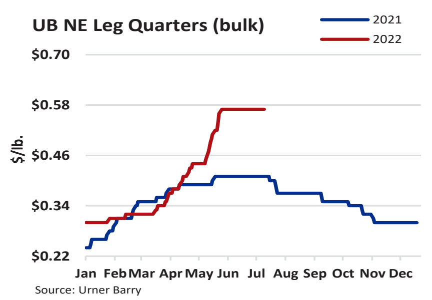
POULTRY

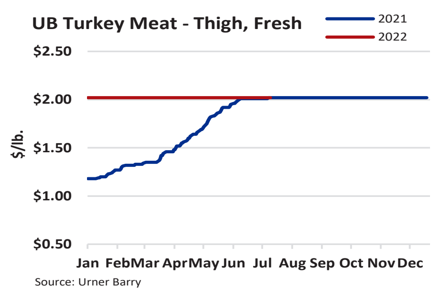










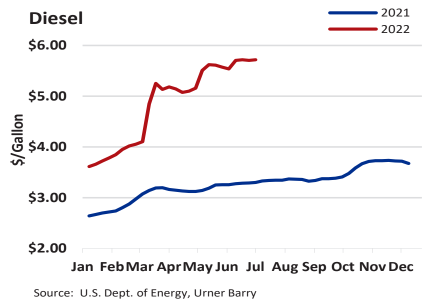


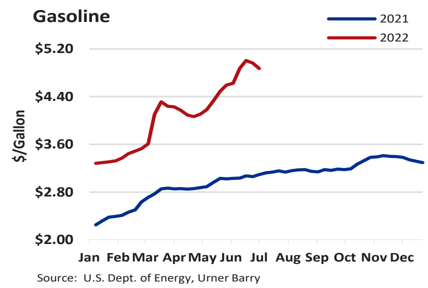
POULTRY COMMENTARY

Whole chickens and WOGs were pressured this week as a slowdown in QSR and foodservice demand created excess supply. All sized boneless, as well as wings, were similarly discounted as the majority of sellers entertained sharply lower bids to maintain outward movement. Chunk and trim meats weren't quite as weak but were still placed at a discount. As for tenders, regular demand via fast food buyers kept supplies adequate. The back half on the domestic front was somewhat quiet, with legs seeing the only tangible pressure. That said, export buyers showed the most price sensitivity and only expressed interest if discounts were present.

Whole body toms and hens, as well as consumer and institutional-sized breasts, were placed at premium levels this week in response to continued robust demand. The parts segment was not as active as previous weeks, with only necks and drums seeing upward movement. Whole and two joint wings were on the quiet end, but supplies appear tight and are held with confidence at full market levels. The raw materials segment lacked event overall, but the lack of activity speaks more to the continued tight availability. Breast meat, tenders, and scapula all remain actively pursued. The same can be said for breast trim, wings meat, and thigh meat. MST demand is likewise stout as ongoing seasonal needs absorb any and all offerings.

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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