

Friday, July 29, 2022

Number 31 - Volume 15

WEEKLY COMMODITY AT A GLANCE

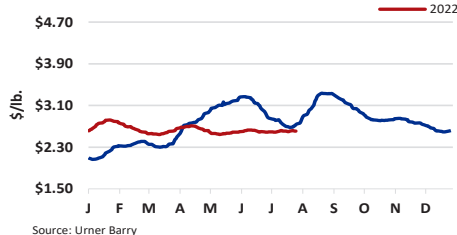
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	UNQ	6.79	6.41
CBOT Soybean	1,637.00	1,434.50	1,392.25
NYMEX Light Crude Oil	98.62	94.70	70.56
Loose Lard, Chicago Basis	UNQ	0.82	0.68
Edible Tallow, Chicago Basis	UNQ	UNQ	UNQ
Beef Trimmings, 90% Fresh	271.00	277.00	276.00
Beef Trimmings, 50% Fresh	102.00	110.00	160.00
Aust/NZ Blend Cow 90% EC Spot	263.00	265.00	272.00
USDA Drop Credit	0.138	0.138	0.143
112A 3 Ribeye Roll, Lip-On CH	950.00	875.00	1,100.00
116A 3 Chuck Roll, Neck-Off CH	370.00	365.00	430.00
168 3 Round, Top (Inside) CH	285.00	285.00	320.00
180 3 Strip Loin, Bnls, 0x1 CH	890.00	890.00	700.00
136 Coarse Ground 81%	270.00	270.00	215.00
189A 4 Loin, Tenderloin, PSMO CH	1,225.00	1,225.00	1,510.00
Cattle-Fax, 6-State Fed Steer Price	139.26	141.40	120.11
Select Hams 20/23	120.00	116.00	97.00
Sq Cut Bellies 14/16	219.00	195.00	230.00
1/4 Trmd. Loins 21/dn	130.00	133.00	120.00
1/4 Tr Boston Butts 9/dn	179.00	187.00	120.00
Spareribs, Light, Fresh	179.00	186.00	161.00
Fresh Pork Trim (42%)	128.00	124.00	133.00
Fresh Pork Trim (72%)	141.00	132.00	165.00
Carcass Lamb Y4+55/65	4.51	4.50	5.61
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	15.00	15.00	14.50
Lamb Cuts, 206 Shoulder, Cross Cut	4.55	4.60	5.50
Lamb Cuts, 232 Loin Trmd 4x4	8.90	8.90	12.25
Lamb Cuts, 234 Leg, Boneless	8.00	8.50	9.35
Carcass Veal, Hide-off, 255/315, NC	4.30	4.30	3.40
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

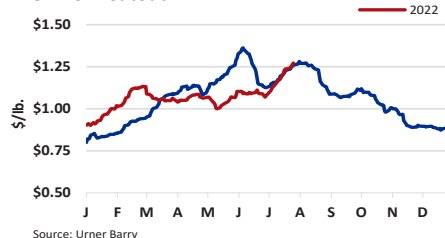
RIEMANN CONTRACT SETTLEMENTS

	7/29	7/22	7/15
Weekly Imported Aust/NZ Blend Cow 90% EC 7:45	2.64	2.68	2.75
Weekly Weighted Average Blended Boxed Beef Cutout Index	262.10	262.60	260.17

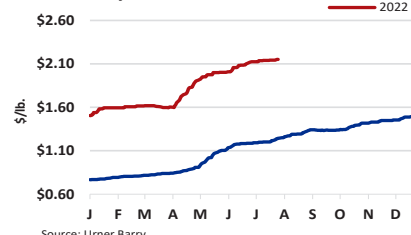
UB Beef Index



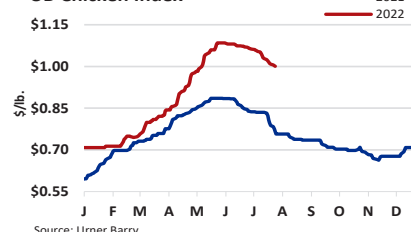
UB Pork Cutout



UB Turkey Index



UB Chicken Index



EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	124	125	125	121	124	50	669
LW	125	125	124	123	119	49	665
*LY	118	119	120	120	113	56	646

EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	450	467	468	460	437	9	2,291
LW	449	460	459	441	435	41	2,285
*LY	467	472	467	470	424	14	2,313

EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	8	7	7	6	4	0	32
LW	8	7	6	7	5	0	33
*LY	10	7	6	6	3	0	32

EST. DAILY CALVES SLAUGHTER

	M	T	W	TH	F	S	Total
TW	2	1	1	1	1	0	6
LW	2	1	1	1	1	0	6
*LY	1	2	1	2	2	0	8

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	7/15	7/16	7/18	7/19	7/20	7/21	
	27	10	26	27	28	28	146
TW	7/22	7/23	7/25	7/26	7/27	7/28	
	28	13	26	27	28	28	150
*LY	24	13	24	25	26	26	138

*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

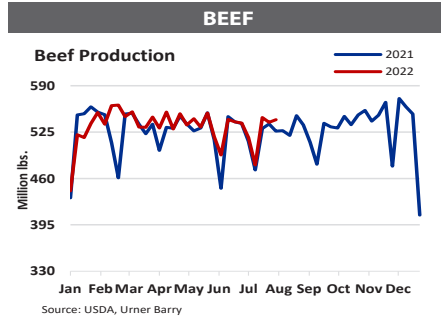
	This Week	Last Week	Last Year
Australia, Dollar	0.695	0.694	0.738
Mexico, Peso	20.241	20.569	19.858
Canada, Dollar	1.284	1.286	1.255
Japan, Yen	133.931	136.720	108.952
China, Yuan (RMB)	6.740	6.757	6.465
Brazil, Real	5.154	5.460	5.251
South Korea, Won	1,304.61	1,310.32	1,148.71
Taiwan, Dollar	30.024	29.856	27.894
European Union, Euro	1.018	1.018	1.188

COLD STORAGE STOCKS

(Pounds in Thousands)	6/30/21	5/31/22	6/30/22
Beef in Freezer, Bnls	371,969	478,243	468,801
Cuts	29,546	47,897	47,402
Total Beef	401,515	526,140	516,203
PORK & OTHER	6/30/21	5/31/22	6/30/22
Pork in Freezer, Picnics	4,717	8,982	8,025
Hams	130,550	126,491	139,219
Bellies	36,385	56,728	53,194
Loins	33,871	40,270	35,296
Spareribs	69,276	115,000	108,935
Butts	9,944	19,771	17,440
Trimmings	41,280	51,955	52,431
Other Pork in Freezer	50,032	54,251	51,653
Total	441,916	546,061	540,993
Veal in Freezer	5,818	2,841	2,705
Lamb & Mutton in Freezer	21,489	22,192	22,928
Total	27,307	25,033	25,633

Data Updated: July 22, 2022

UB BEEF CUTOUT Jul-29 v. Jul-22				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	4.70%	0.62%	-0.24%	1.77%
Chuck	0.34%	0.55%	0.37%	-1.09%
Round	0.85%	-0.12%	-0.16%	-0.08%
Loin	-0.94%	-0.53%	-0.45%	-1.57%
Briskef	2.57%	2.04%	-0.27%	-1.51%
Plate	-3.69%	-3.69%	-3.69%	-2.28%
Flank	-1.18%	-1.21%	-1.22%	-1.03%
Total	0.63%	-0.08%	-0.36%	-0.65%



BEEF COMMENTARY

The boxed beef markets overall saw minor changes throughout the week as we approached the new month. Tones in large remained unchanged as dynamics continued to be more of the same. It did appear through conversations that August may be a wild card in regard to which direction we see next. Conversations circled back around the inflation and macro picture which has put some back on the fences when considering how aggressive to procure product. Note was made around a price sensitive consumer and how focus has really shifted towards featured items which may be foreshadowing the cracks beginning to form around consumer spending.

LIVE CATTLE: Prices in the South this week were mostly lower from the week prior at \$135.00 live (full range \$135.00-\$137.00). Prices in the North were mixed with the bulk between \$138.00 - \$145.00 live (full range \$138.00 - \$146.00). Dressed sales were down \$2.00 to \$7.00, mostly \$224.00 to \$225.00/cwt (full range \$222.00 - \$230.00).

SLAUGHTER & BEEF PRODUCTION: The weekly federally inspected slaughter was 669,000 head. Live weights ended the week at 1343 pounds up three pounds. Dressed weights were up three pounds at 812 pounds.

RIBS: Ribs early in the week found saw higher bids and were able to hold onto those gains throughout the week. Tones were generally unchanged holding steady, as those who utilize various flash freezing technologies are beginning to survey the market for fall needs. Availability for the current time period appeared adequate but as mentioned last week, there is just a hint of hesitancy as a cost-conscious consumer may back off from these higher priced cuts this year.

CHUCKS: The chuck complex was more unsettled than anything as pressure built on pricey cuts while value items held full steady. Chuck rolls have now posted 3-weeks of consecutive gains although this weeks were much more incremental than previous weeks. Top blades and hearts have come under some pressure as of late as supplies have outweighed demand.

ROUNDS: Round items continued to surprise many with the strong performance seen throughout the summer thus far. This week was no different as the complex held steady throughout the week with only flats inching up. Demand is seen as moderate but the limited spot availability and forward business seen has kept market tones at full steady.

LOINS: Loins finished the week out with another strong performance as demand continued to be seen as robust. Retail features continued to add a layer of support to these items of which quite a few sit at 52-week highs. Strips were seen as full steady and this allowed asks to move up. Outlooks around these items remained mixed as participants have broad views around what August demand will be.

GROUND BEEF: Grinds were unsettled this week as 73% continued to come under pressure while the rest held steady. It seemed the heat has had less of an impact than originally thought it would as demand for patties continued to be seen strong.

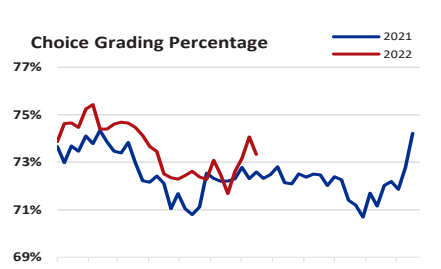
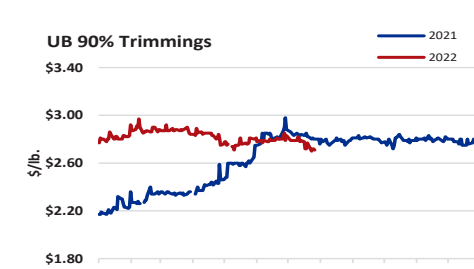
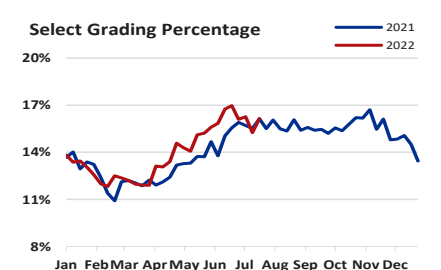
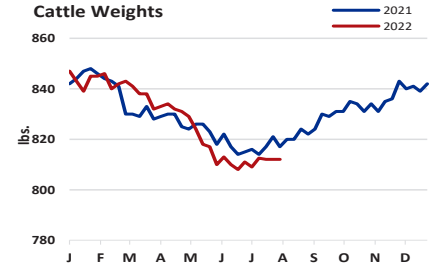
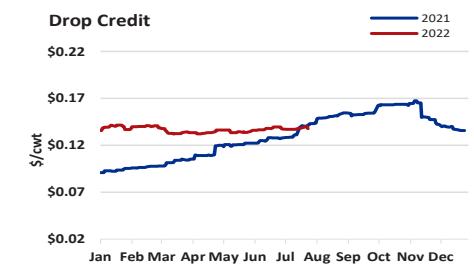
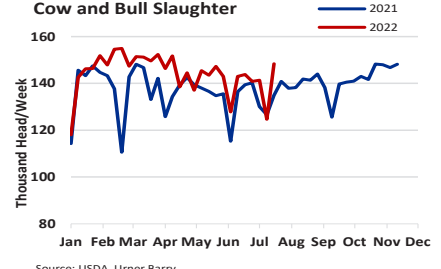
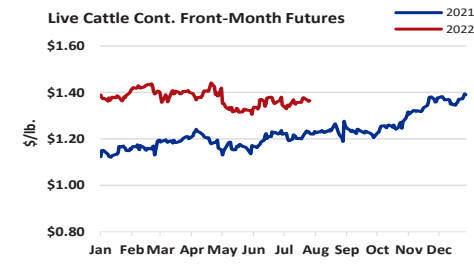
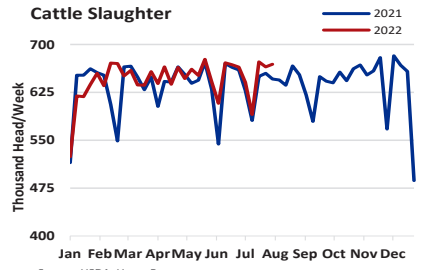
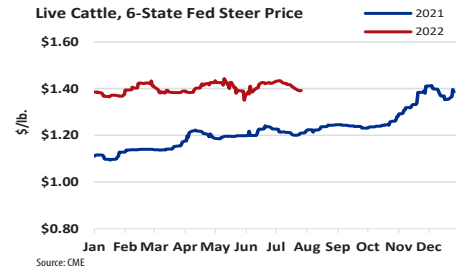
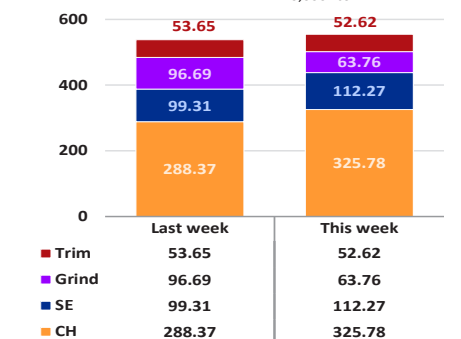
BONELESS BEEF: Leaner boneless beef was steady to a little weaker in some instances. Demand was a little lighter this week. Fresh 50s trended lower as the week progressed. Product was more readily available. This week's cattle slaughter was estimated at 669,000 head; that is up 4,000 compared to last week and 23,000 compared to the equivalent week last year.

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

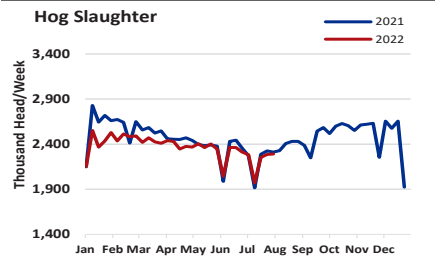
	M	T	W	TH	F
TW	26.12	27.47	27.61	27.53	27.38
*LW	25.72	25.91	25.25	25.29	25.50

*Last Week's numbers are rounded

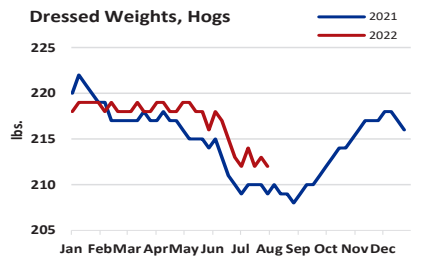
Weekly Beef Breakdown (# of loads) Source: USDA, Urner Barry
1 load = 40,000 lbs.



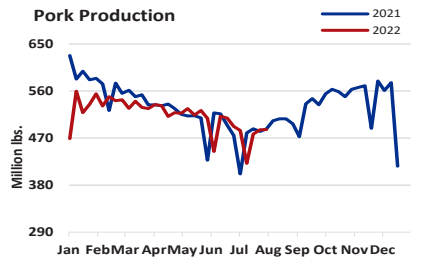
PORK PRODUCTION



Source: USDA, Urner Barry



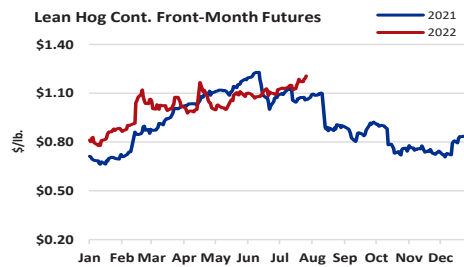
Source: USDA, Urner Barry



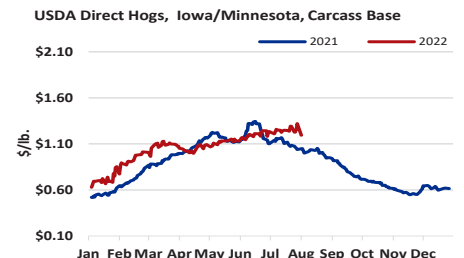
Source: USDA, Urner Barry

LIVE HOGS & CUTOFF

PORK CUTOFF	Jul-22	Jul-21	Change
Loin	108.560	108.610	0.050
Butt	155.120	148.870	-6.250
Picnic	91.730	93.620	1.890
Sparerib	177.990	170.980	-7.010
Ham	109.180	113.150	3.970
Belly	193.980	213.210	19.230
Cutoff Value	123.823	127.226	3.403



Source: CME



Source: USDA, Urner Barry

PORK COMMENTARY

This week in the pork market, trade was mainly influenced by the light slaughter figures versus a year ago, frozen stock inventories, and varying levels of demand between the green meat and fresh pork complex. Urner Barry's pork carcass cutout increased by 2.75 percent during the week. Estimates of margins for outside purchasers of hogs on Thursday were -\$0.13/head while margins for vertically integrated packers were estimated at \$61.40/head.

PORK PRODUCTION: Pork production for the week ending 7/30/2022 was estimated to be 486.5 million pounds. This was a 0.1 percent increase from last week and a 0.8 percent increase from a year ago. Live hog weights averaged 285 pounds for the week, even with last week and 5 pounds heavier than a year ago.

GREEN MEATS: The green meat complex remained firm this week. Bone-in hams saw active demand from both export and domestic channels which continued the trend that we have witnessed for some time now. Boneless hams were supported on cold cut interest. Bellies were firm with bacon being in the midst of its peak seasonal demand. In trim, 42s, 72s, and boneless picnics saw strength on strong demand, though the main driver of price increases was the limited supply as slaughter levels continued to trend on the lighter side.

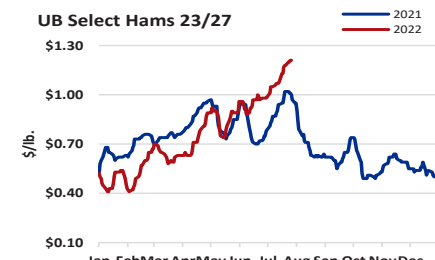
HAMS: Bone-in ham values were \$3.00/cwt to \$4.50/cwt firmer and boneless cuts were \$6.00/cwt to \$9.00/cwt stronger.

BELLIES: Skinless bellies were \$19.00/cwt to \$22.50/cwt firmer.

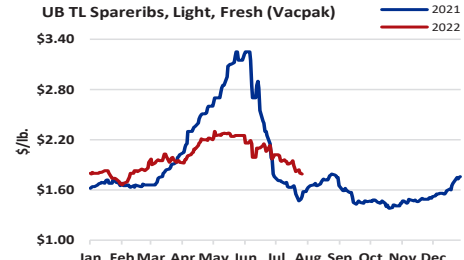
TRIMMINGS: 42s were \$4.00/cwt firmer and 72s were \$8.50/cwt stronger. Meanwhile, boneless picnics were \$3.50/cwt higher.

RETAIL: 1/4" bone-in loins were \$3.00/cwt weaker and 1/8" loins decreased \$1.50/cwt. Boneless strap-on loins were \$7.50/cwt stronger while boneless strap-off loins increased by \$2.50/cwt. Bone-in sirloins were \$3.00/cwt weaker while boneless sirloins were also \$1.00/cwt lower. Tenderloins were generally unchanged on the week. 1/4" bone-in butts were down \$9.00/cwt while boneless butts also declined \$13.50/cwt. Light and medium spareribs saw decreases of \$7.50/cwt and \$7.00/cwt respectively.

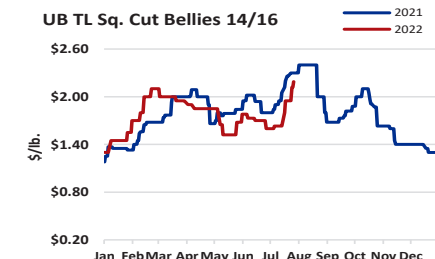
PORK PROCESSING ITEMS & RETAIL CUTS



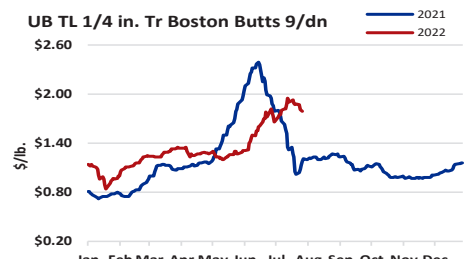
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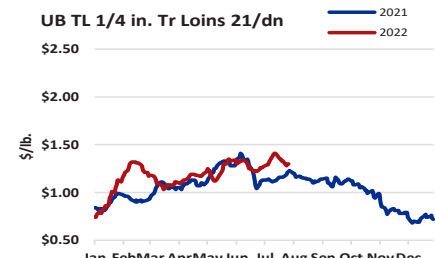
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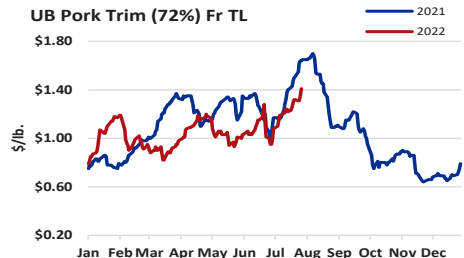
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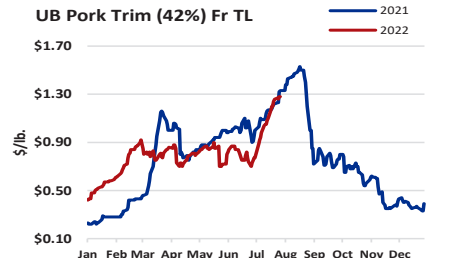
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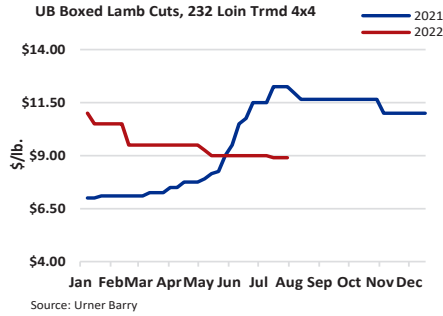
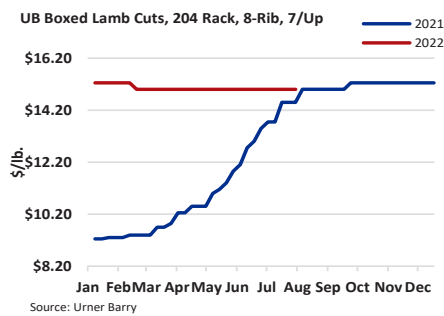
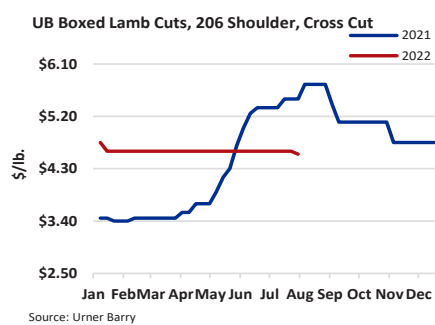
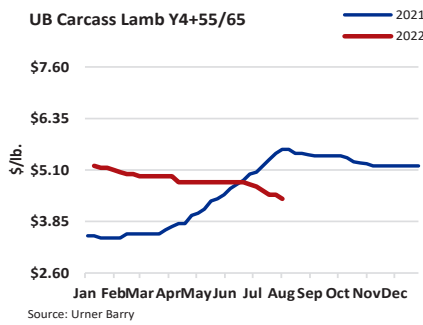


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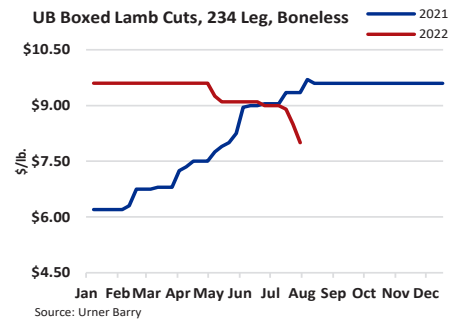
Source: Urner Barry

LAMB

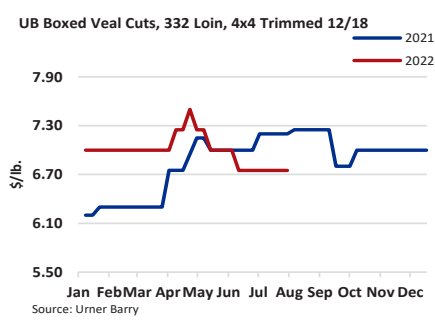
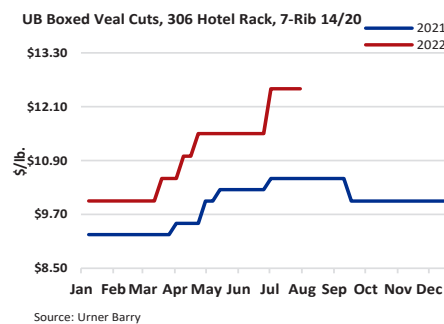
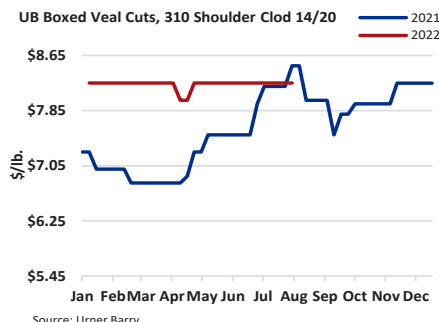
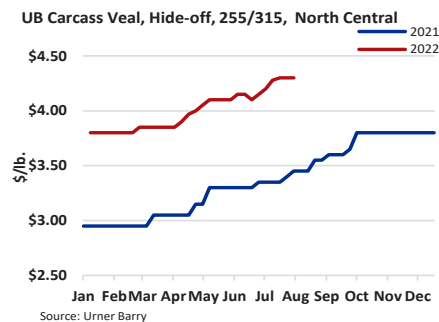


LAMB COMMENTARY

In domestic lamb this week, carcasses and a majority of boxed cuts were under pressure. Legs are the one category that has been weak across the board. With demand being down during the dog days of summer, prices seem to have taken a tumble. Inflation, rising input costs, and transportation rates being elevated have all factored in here. With all of that said, if we remove 2021 from the equation and evaluate domestic lamb prices on a larger scale, a majority of these items, including carcasses, would currently be at all-time highs regardless of the recent weakness that this protein has seen. In the most recent USDA Weekly Meat Production Under Federal Inspection report, weekly sheep slaughter was at 33,000, which was even with the prior week and 2,000 less than a year ago.

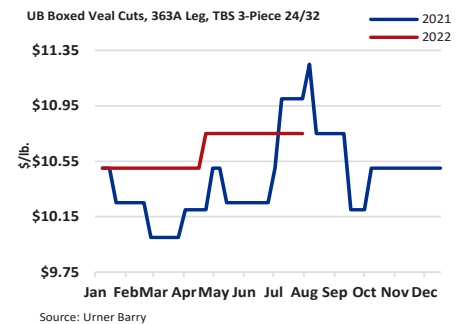


VEAL

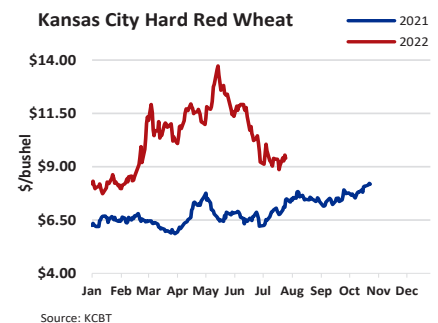
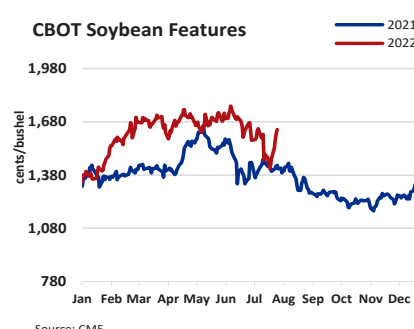
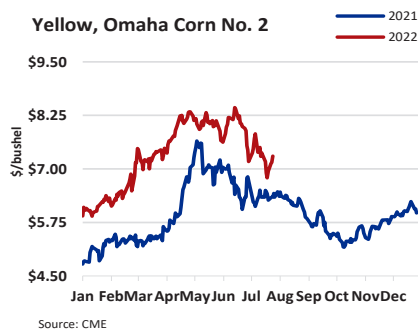


VEAL COMMENTARY

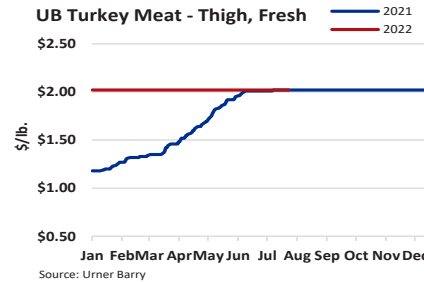
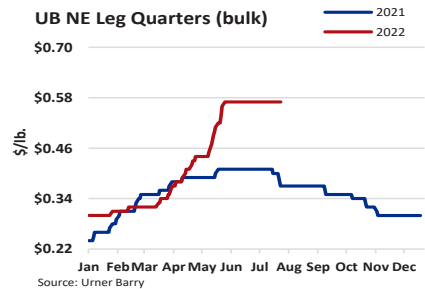
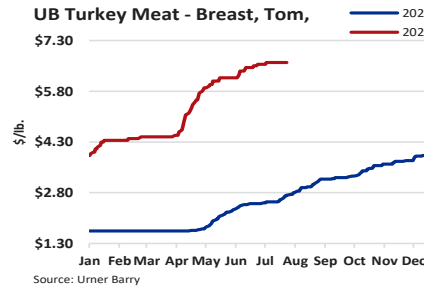
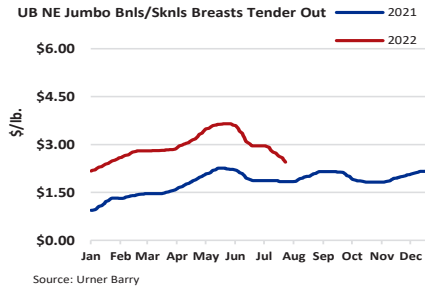
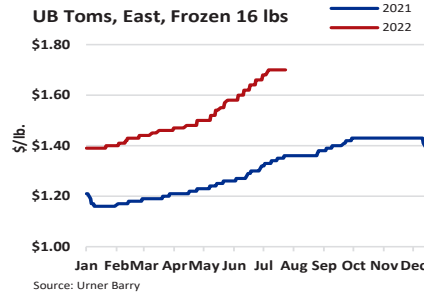
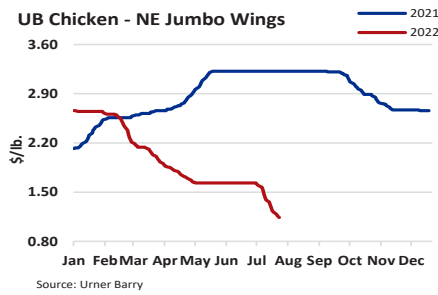
Veal carcasses were generally unchanged this week. Rising input costs resulted in calf prices being higher, but due to demand being lackluster increases in carcass prices were hard to come by. For boxed cuts, there were mixed tones. Racks, loins, and hind shanks were well supported while chucks and various leg cuts were under pressure. The USDA Special Fed Veal Slaughter was at 2,882, which was roughly 16.8% higher than the previous week. The USDA Special Fed Veal Dressed weights were at 291.9 pounds, which was 4.9 pounds higher than last week.



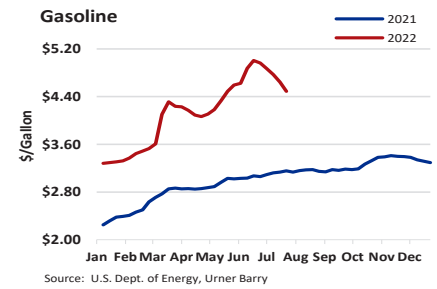
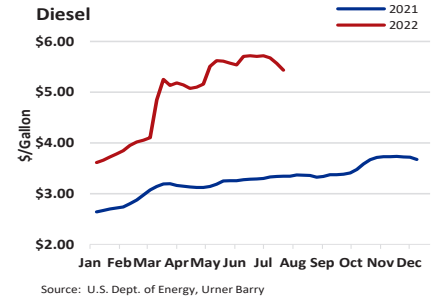
FEEDS: CORN, SOY BEAN, RED WHEAT



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

Whole chickens, as well as the larger-sized WOGs, continued to see downward pressure this week. The same can be said for boneless breasts, chunk, trim, and wings of all sizes. Here, substantially slower demand at month end forced processors to willingly entertain sharply lower bids whenever buys expressed interest. Tenders maintained adequate balance and are rated steady. The bone-in side of the back half was mostly steady throughout the week, but some are beginning to note slower export interest is adding up supplies. Thigh meat was sold at notably lower levels. MSC, particularly fresh, continues to see a flat demand pull causing excess offerings to be available on the spot market.

The turkey complex ends this week in much the same position as earlier this month. Whole turkeys, as well as consumer and institutional-

sized breasts, remain mostly short of buyer needs and see consistent demand at full market or higher levels. The parts segment saw the most movement upwards with drums, necks, and wings pushing higher in response to robust smoking and grinding buyer activity. Hearts and livers are likewise rated full steady and barely adequate for buyer needs. The raw materials segment is similarly tight as regular seasonal interest combined with already light production has buyers searching high and low for any available offerings. This includes breast meat, tenders, scapula, and breast trim.

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