WEEKLY INSIDER'S
Red Meat REPORT

UrnerBarry
MARKET PRICES, NEWS, AND ANALYSIS

Friday, November 12, 2021

Number 46 - Volume 14

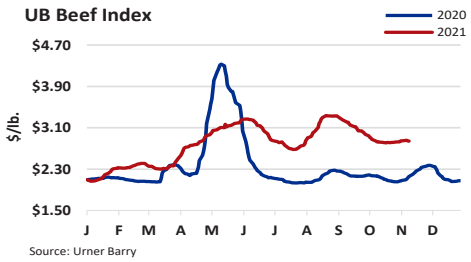
WEEKLY COMMODITY AT A GLANCE

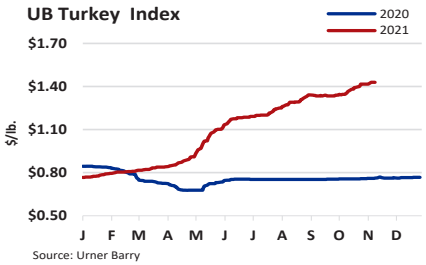
	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	UNQ	5.39	4.08
CBOT Soybean	1,234.00	1,192.25	1,141.50
NYMEX Light Crude Oil	80.79	81.27	40.13
Loose Lard, Chicago Basis	0.79	0.79	0.39
Edible Tallow, Chicago Basis	0.84	UNQ	UNQ
Beef Trimmings, 90% Fresh	279.00	280.00	203.00
Beef Trimmings, 50% Fresh	99.00	95.00	55.00
Aust/NZ Blend Cow 90% EC Spot	295.00	292.00	226.00
USDA Drop Credit	0.167	0.163	0.09
112A 3 Ribeye Roll, Lip-On CH	1,200.00	1,200.00	1,020.00
116A 3 Chuck Roll, Neck-Off CH	390.00	390.00	355.00
168 3 Round, Top (Inside) CH	300.00	325.00	250.00
180 3 Strip Loin, Bnls, 0x1 CH	720.00	700.00	570.00
136 Coarse Ground 81%	270.00	260.00	185.00
189A 4 Loin, Tenderloin, PSMO CH	1,450.00	1,450.00	1,155.00
Cattle-Fax, 6-State Fed Steer Price	129.24	126.04	106.82
Select Hams 20/23	60.00	57.00	76.00
Sq Cut Bellies 14/16	160.00	163.00	105.00
1/4 Trmd. Loins 21/dn	79.00	85.00	82.00
1/4 Tr Boston Butts 9/dn	97.00	97.00	88.00
Spareribs, Light, Fresh	148.00	147.00	151.00
Fresh Pork Trim (42%)	47.00	61.00	27.00
Fresh Pork Trim (72%)	86.00	89.00	83.00
Carcass Lamb Y4+55/65	525.00	527.00	365.00
Lamb Cuts, 204 Rack, 8-Rib, 7/Up	1,525.00	1,525.00	925.00
Lamb Cuts, 206 Shoulder, Cross Cut	475.00	510.00	345.00
Lamb Cuts, 232 Loin Trmd 4x4	1,100.00	1,165.00	710.00
Lamb Cuts, 234 Leg, Boneless	960.00	960.00	610.00
Carcass Veal, Hide-off, 255/315, NC	380.00	380.00	300.00
Veal Cuts, 306 Hotel Rack, 7-Rib 14/20	1,000.00	1,000.00	925.00
Veal Cuts, 310 Shoulder Clod 14/20	795.00	795.00	725.00
Veal Cuts, 332 Loin, 4x4 Trim 12/18	700.00	700.00	620.00
Veal Cuts, 363A Leg, TBS 3-Pc 24/32	1,050.00	1,050.00	1,050.00

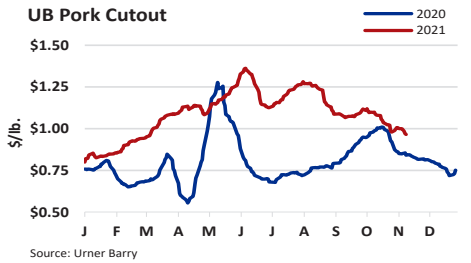
Quotes represent the high side of Friday's trading range

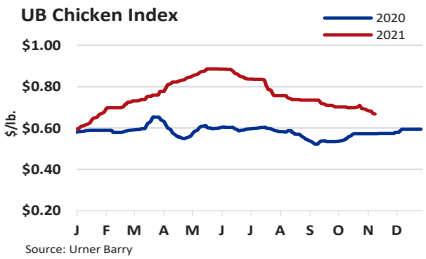
RIEMANN CONTRACT SETTLEMENTS

	11/12	11/5	10/29
Weekly Imported Aust/NZ Blend Cow 90% EC 7:45	2.93	2.91	2.89
Weekly Weighted Average Blended Boxed Beef Cutout Index	282.33	282.09	278.17









EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	121	122	122	117	115	58	655
LW	121	122	122	122	118	45	650
*LY	118	121	114	120	120	64	657

EST. DAILY HOG SLAUGHTER

TW	467	478	478	449	480	262	2,614
LW	472	479	473	477	475	227	2,603
*LY	491	491	454	486	480	279	2,681

EST. DAILY SHEEP SLAUGHTER

TW	9	8	7	7	6	1	38
LW	9	7	7	6	5	1	35
*LY	9	9	4	8	6	1	38

EST. DAILY CALVES SLAUGHTER

TW	2	1	1	1	1	0	6
LW	2	1	1	1	1	0	6
*LY	1	2	2	1	2	0	9

EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	
LW	10/29	10/30	11/1	11/2	11/3	11/4	Total
	26	13	27	27	29	27	149
TW	11/5	11/6	11/8	11/9	11/10	11/11	Total
	24	11	25	27	28	26	141
*LY	25	11	24	26	26	25	137

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 $30.00 a month.

FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.730	0.739	0.725
Mexico, Peso	20.622	20.453	20.531
Canada, Dollar	1.259	1.246	1.313
Japan, Yen	113.976	113.649	104.783
China, Yuan (RMB)	6.380	6.402	6.607
Brazil, Real	5.405	5.552	5.494
South Korea, Won	1,177.72	1,185.23	1,108.64
Taiwan, Dollar	27.764	27.889	28.509
European Union, Euro	1.145	1.153	1.182

COLD STORAGE STOCKS

(Pounds in Thousands	9/30/20	8/31/21	9/30/21
Beef in Freezer, Bnls	427,868	384,176	399,961
Cuts	35,152	30,742	35,381
Total Beef	**463,020**	**414,918**	**435,342**
PORK & OTHER	**9/30/20**	**8/31/21**	**9/30/21**
Pork in Freezer, Picnics	8,964	5,408	4,493
Hams	145,994	185,633	193,474
Bellies	24,846	17,562	13,032
Loins	40,971	29,341	29,915
Spareribs	63,741	54,247	58,471
Butts	16,224	13,163	11,976
Trimmings	36,852	37,237	41,067
Other Pork in Freezer	54,252	48,761	51,971
Total	465,619	454,293	466,410
Veal in Freezer	9,263	6,056	5,185
Lamb & Mutton in Freezer	30,668	22,051	23,419
Total	**39,931**	**28,107**	**28,604**

Data Updated: October 22, 2021

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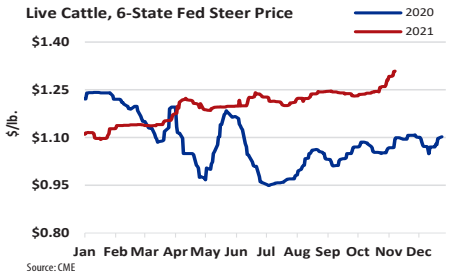
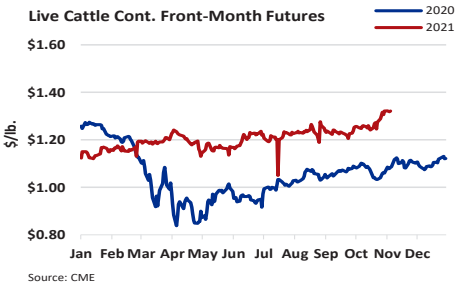
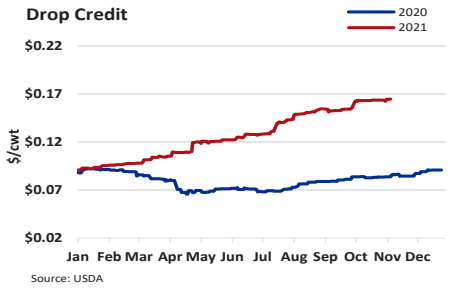
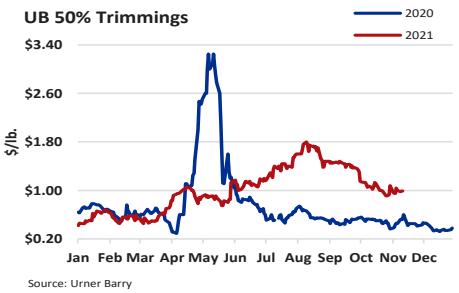
UB BEEF CUTOUT Nov-12 v. Nov-05

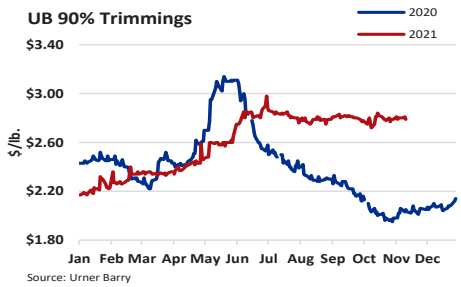
	CHOICE	SELECT	NO-ROLL	CAB
Rib	-0.79%	1.11%	0.87%	1.58%
Chuck	-0.69%	0.09%	0.25%	-1.31%
Round	-1.23%	-1.27%	-0.87%	-0.13%
Loin	0.63%	0.26%	1.05%	2.38%
Brisket	1.51%	2.87%	-0.33%	1.48%
Plate	-0.27%	-0.27%	-0.27%	0.87%
Flank	2.73%	2.29%	2.29%	2.41%
Total	-0.30%	0.20%	0.30%	0.77%



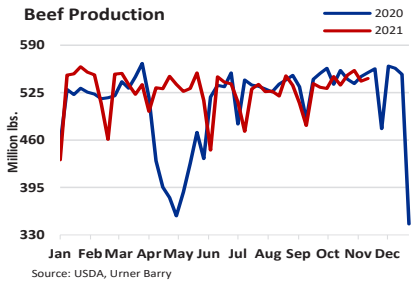


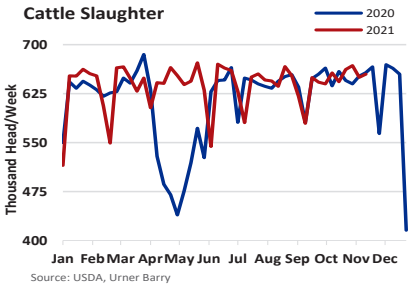


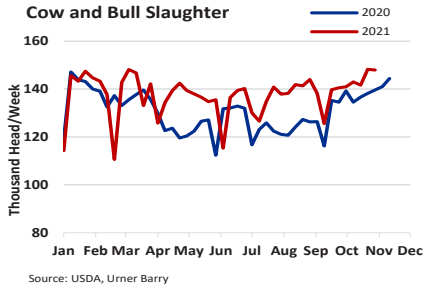


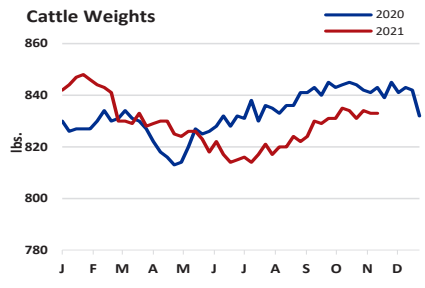


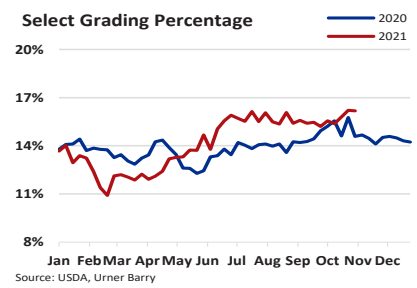
BEEF

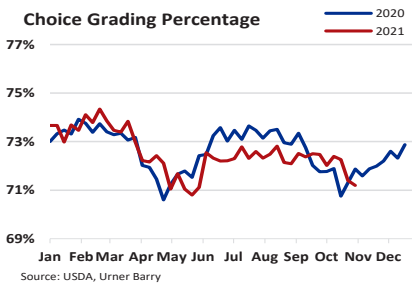












BEEF COMMENTARY

Despite early expectations that prices on expensive rib items and most end cuts for seasonal moves would drive higher cutouts, the market was generally balanced throughout the week. In fact, there seemed to be some vulnerability as the week progressed in those very items. To that end, there was not much change overall as a result. Briskets were better week-to-week as well as certain round items.

LIVE CATTLE: Cash cattle trade strengthened behind generally tightening supplies and lower cattle weights. The bulk of sales this week were $131.00/cwt to $132.00/cwt live, $2.00/cwt to $4.00/cwt higher. Dressed sales are $3.00/cwt to $5.00/cwt higher at mostly $207.00/cwt.

SLAUGHTER & BEEF PRODUCTION: The weekly federally inspected slaughter was 655,000 head compared to 650,000 the week prior.

Live weights remained unchanged this week at 1379 pounds. Dressed weights remained unchanged at 833 pounds as well.

RIBS: The rib market was narrowly mixed. After trading sideways much of the week, late week trade on choice product edged slightly lower. It became apparent, at least for this week, that the late-year push was again delayed at best. Early buying because of flash freeze programs may have pulled demand forward. There is still some hope that it will still come but it fades slightly with each passing week. Select ribs squeaked out a slight gain.

CHUCKS: End cuts in general have been underperforming earlier forecasts. Most of the support has come from export markets, which is not unusual at all. But trade is starting to slow slightly given the time of year. This led to another generally steady week. Chuck tenders were the notable gainer, where product remained tight and commanded another round of premiums.

ROUNDS: If there was one area that was interesting, it would be rounds as trade can be characterized as mixed. Items such as peeled knuckles, goosenecks, and outside rounds were better. Some more so than others. Grinders were interested in lean product while an item like goosenecks still saw increased shipments out of the country. Inside rounds saw increased interest. It took discounts, however, to get some trade done as supplies became readily available throughout the week.

LOINS: The loin market was steady to somewhat higher on certain items. There was strength early week as retailers continued to secure holiday ad features, but this slowed as well as the week progressed. There is still some underlying belief that this is where the rally will lie moving into the holidays.

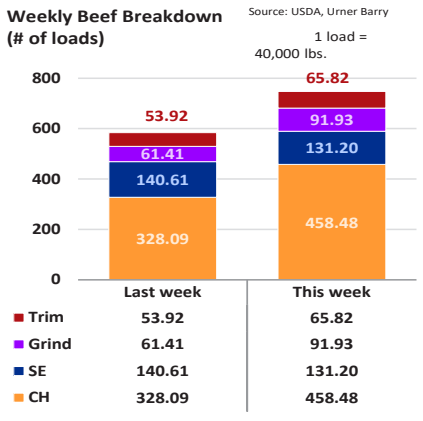
GROUND BEEF: The greatest degree of strength in the beef area centered around trimmings. Buyer interest, especially early on, was high as they positioned themselves for the upcoming period. Time-crunched consumers from Thanksgiving to Christmas focus on quick, easy, and cheap, oftentimes away from home. Ground beef provides the perfect option.

BONELESS BEEF: Mostly steady was the call for fresh 90s this week. Supply and demand appeared to be generally in balance. The market for fresh 50s was mixed. Offerings varied noticeably from packer to packer. This week's cattle slaughter was estimated at 655,000 head; compared to the previous week that is up 5,000 head.

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

	M	T	W	TH	F
TW	21.96	21.10	21.51	20.56	20.55
*LW	19.48	21.36	21.82	21.93	21.94

Last Week's numbers are rounded



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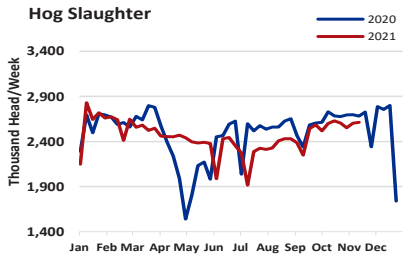
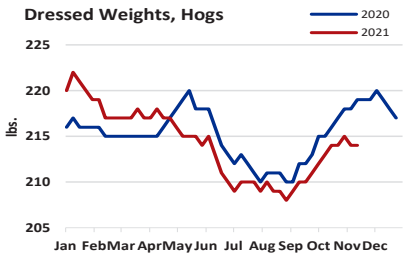
PORK PRODUCTION



Source: USDA, Urner Barry



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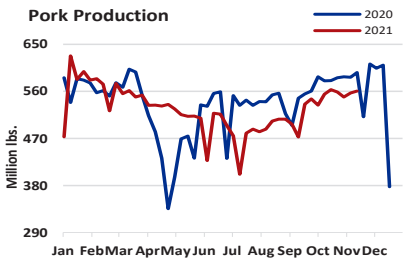
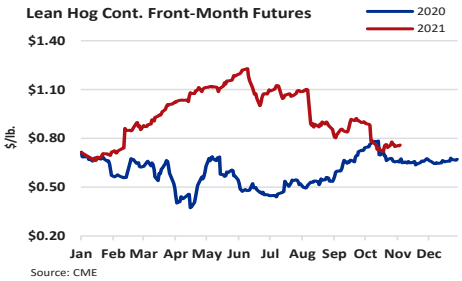


Source: USDA, Urner Barry

LIVE HOGS & CUTOUT

PORK CUTOUT	Nov-05	Nov-12	Change
Loin	95.710	87.830	-7.880
Butt	92.200	92.010	-0.190
Picnic	72.910	74.320	1.410
Spareribs	139.100	140.550	1.450
Ham	86.120	86.220	0.100
Belly	162.970	152.980	-9.990
Cutout Value	**100.031**	**96.545**	**-3.486**



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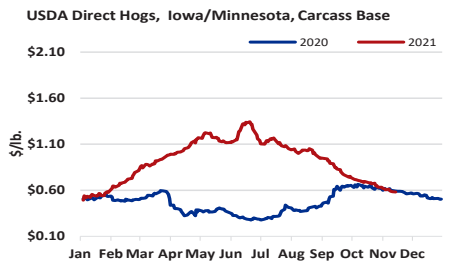
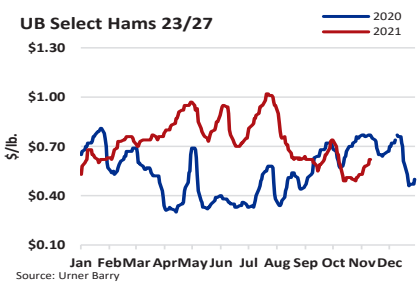


Source: USDA, Urner Barry

PORK PROCESSING ITEMS & RETAIL CUTS



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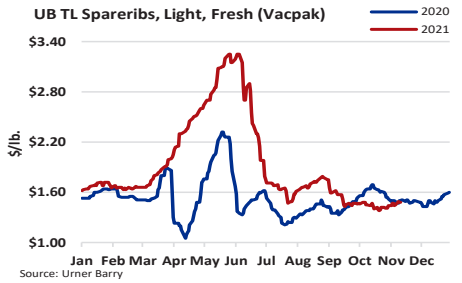

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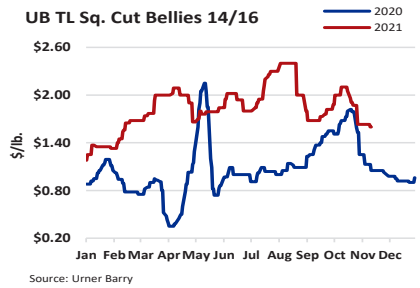

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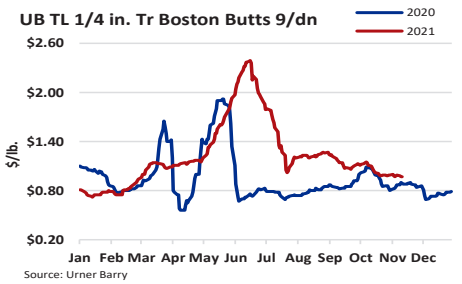

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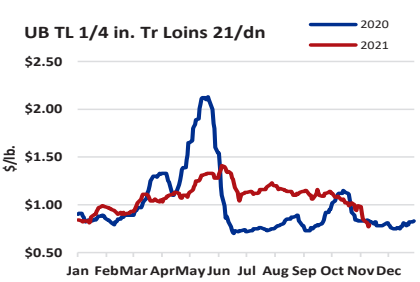

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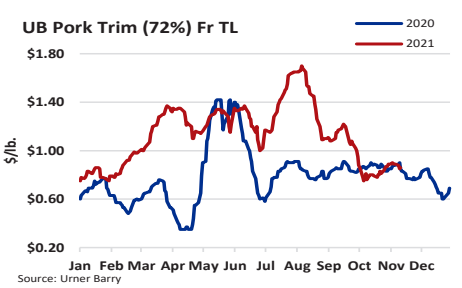

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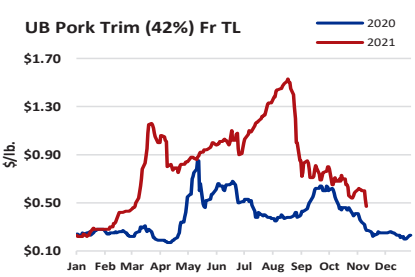

Source: Urner Barry

PORK COMMENTARY

In the pork market this week, upcoming Holiday factors, labor and trucking issues, and seasonal interests influenced pork trade. Urner Barry's pork carcass cutout declined 3.48 percent during the week. Estimates of margins for outside purchasers of hogs on Thursday were $71.70/head while margins for vertically integrated packers were estimated at $23.97/head.

PORK PRODUCTION: Pork production for the week ending 11/13/21 was estimated to be 560.8 million pounds. This was a 0.7 percent increase from last week and a 4.5 percent decline from a year ago. Live hog weights averaged 288 pounds for the week, which was even with last week and 6 pounds under a year ago.

GREEN MEATS: Within the green meat complex, pre-holiday effects were the most important factors. Hams saw mixed price action, with bone-ins seeing support amid holiday and export interest while boneless cuts saw some pressure amid buyer pushback and lower offerings as we approach the holiday. Bellies and trimmings saw weakness as seasonal interest continued to decline and availability expanded.

HAMS: Bone-in ham values closed $2.50 to $5.00/cwt higher, while boneless cuts saw declines ranging from $5.00/cwt to $7.50/cwt.

BELLIES: Skinless bellies lost $18.50 to $21.00/cwt throughout the week.

TRIMMINGS: Fresh 42s and 72s were weaker this week with 42s losing $14.50/cwt and 72s declining by $4.00/cwt. Meanwhile, boneless picnics were $2.50/cwt higher for the week.

RETAIL: Bone-in loins saw declines, with ¼" losing $6.00/cwt and 1/8" dropping $19.50/cwt. Boneless strap-offs saw gains of $1.50/cwt while boneless strap-ons were down $3.00/cwt. Bone-in and boneless sirloins were mixed as bone-ins gained $3.00/cwt while boneless lost $4.00/cwt. Tenderloins saw losses of $20.00/cwt for the week. Butts ended the week unchanged. Light spareribs were $0.50/cwt stronger while mediums gained $2.50/cwt.

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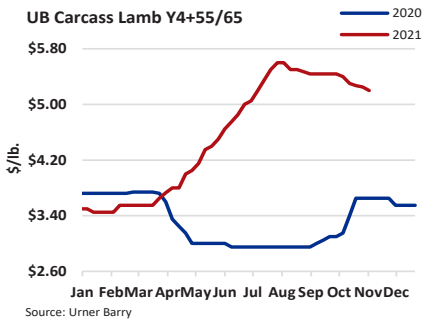

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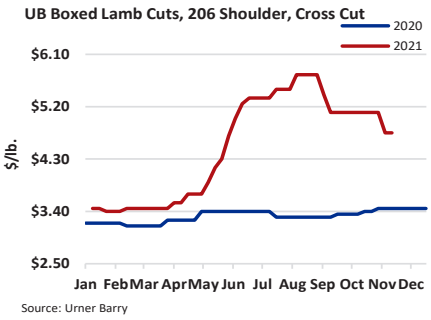
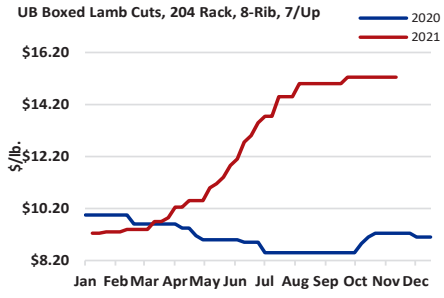


Source: Urner Barry



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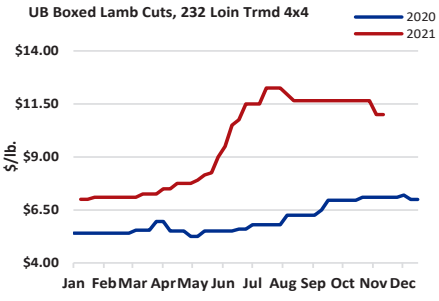
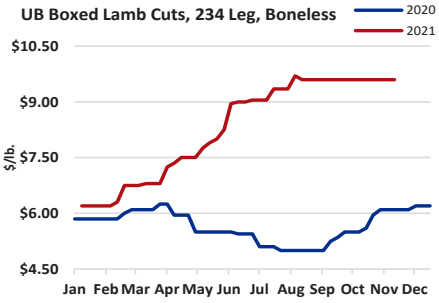


Source: Urner Barry

LAMB COMMENTARY

Lamb carcasses were steady to weaker this week. Product was more readily available. Boxed cuts were generally steady to a little weaker. Discounts were noted on some of the shoulders. The most recent USDA Weekly Meat Production Under Federal Inspection report, year-to-date sheep slaughter is at 1,617,000 head, that is 6,000 head up year-over-year.



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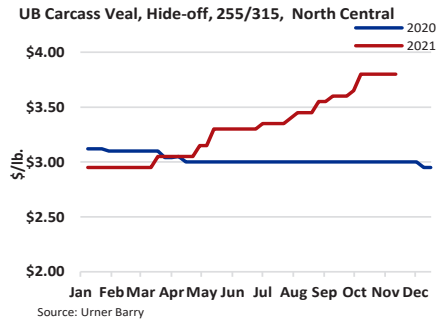
VEAL



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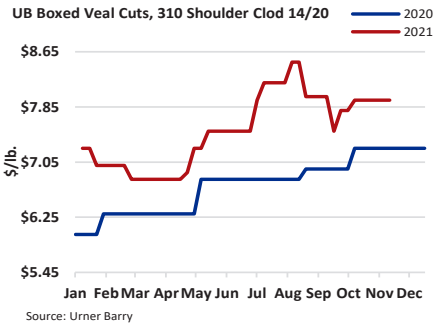

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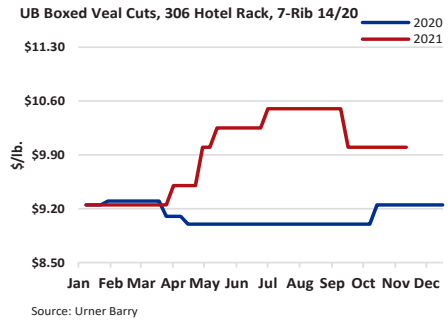

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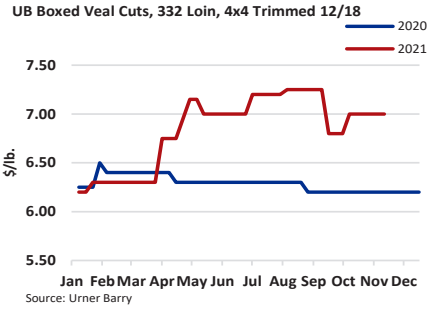
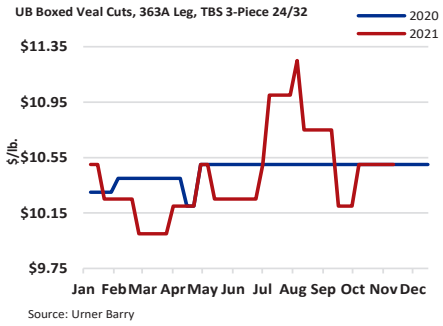


Source: Urner Barry

VEAL COMMENTARY

Veal carcasses were steady to a little firmer again this week. Boxed veal cuts traded within the previously quoted price ranges. The USDA Special Fed Veal Slaughter came in at 2,822 head; year-to-date numbers are down 26% compared to the equivalent time last year.



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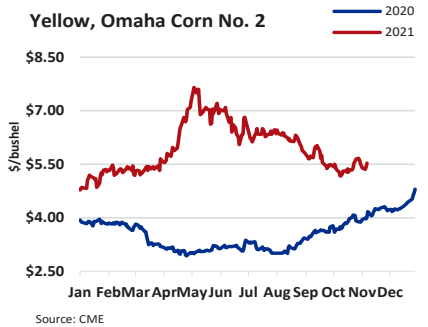
FEEDS: CORN, SOY BEAN, RED WHEAT



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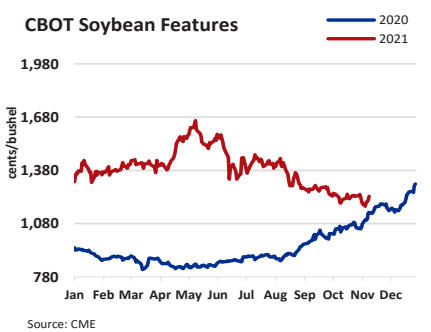

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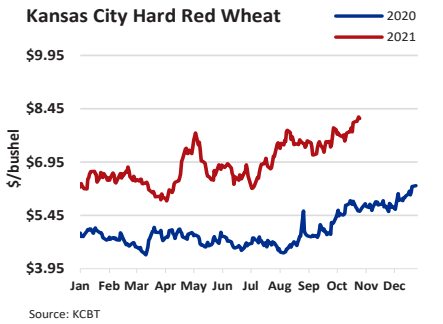

Source: KCBT

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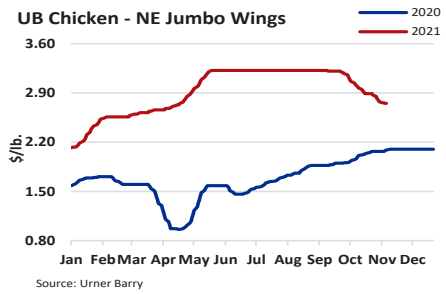
POULTRY



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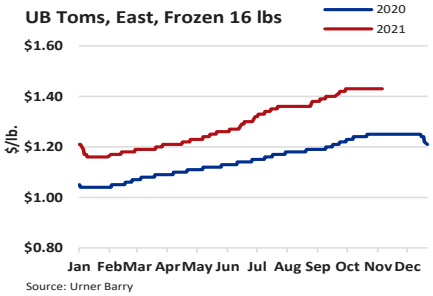

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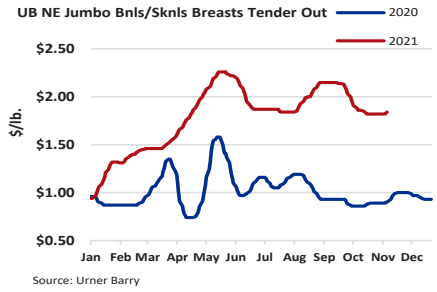

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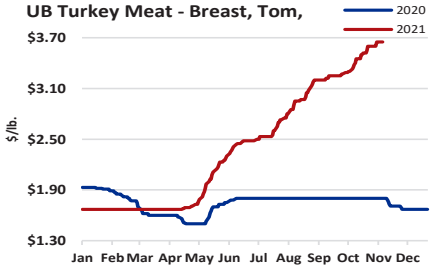

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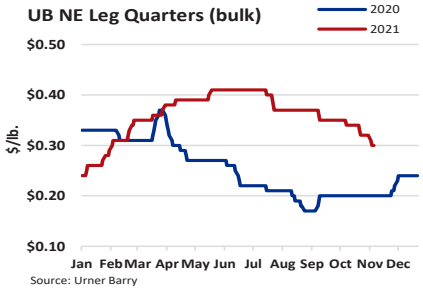

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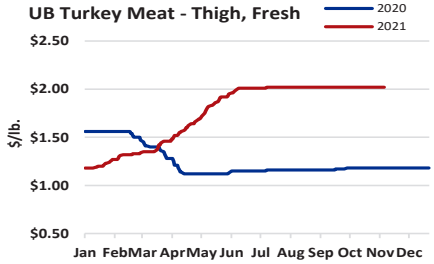
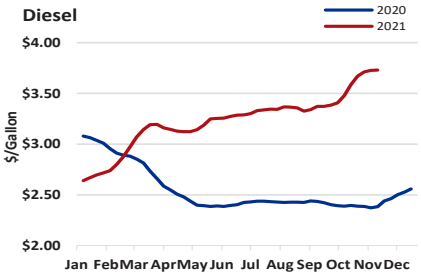
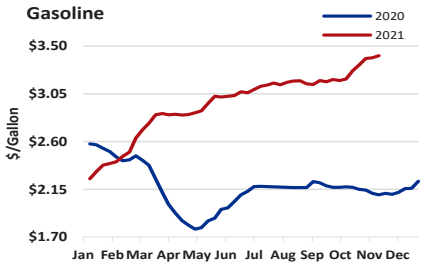


Source: Urner Barry

ENERGY



Source: U.S. Dept. of Energy, Urner Barry



Source: U.S. Dept. of Energy, Urner Barry

POULTRY COMMENTARY

The continued strength of most sized WOGs pushed ask prices higher this week. The same can be said for select-sized breasts and front halves. Jumbo boneless offerings tightened as demand received an uptick and ask prices rose above steady levels. Jumbo and small wings, along with jumbo tenders continued to see downward pressure but it has subsided some here at the tail end of the week. Chunk and trim meats were similar to boneless and only moving at full market or higher values. As for the back half, leg quarters, both fresh and frozen, as well as drumsticks were willingly sold at discounted levels as demand on both the domestic and export fronts slowed. Thigh meat was in a similarly weak position and is rated barely steady entering the weekend.

Whole turkeys, both fresh and frozen remain solidly established and under a full steady to firm undertone. The same can be said for consumer-sized breasts. As for parts, fresh and frozen tom drums, necks and two joints continue to be actively pursued and are only inked for full market or higher price points. In raw materials, tom breast meat, both domestically and for export, continues to be rare on the spot market, but when supplies are uncovered, sharp premiums are recorded. A similar scenario is in play for breeder and hen meat. Tenders and scapula are likewise short of buyer needs and fetching premiums. MST continues to buck seasonal trends and is inked at full market levels with regularity.

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