

Friday, October 14, 2022

Number 43 - Volume 15

### WEEKLY COMMODITY AT A GLANCE

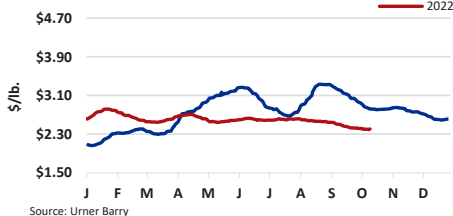
|  | This Week | Last Week | Last Year |
|--|-----------|-----------|-----------|
| Omaha, US No 2 Yellow Corn             | UNQ       | 6.95      | 5.28      |
| CBOT Soybean                           | 1,383.75  | 1,367.00  | 1,228.00  |
| NYMEX Light Crude Oil                  | 85.61     | 92.64     | 82.96     |
| Loose Lard, Chicago Basis              | 0.88      | 0.88      | 0.76      |
| Edible Tallow, Chicago Basis           | UNQ       | UNQ       | UNQ       |
| Beef Trimmings, 90% Fresh              | 259.00    | 264.00    | 282.00    |
| Beef Trimmings, 50% Fresh              | 70.00     | 81.00     | 112.00    |
| Aust/NZ Blend Cow 90% EC Spot          | 258.00    | 260.00    | 286.00    |
| USDA Drop Credit                       | 0.146     | 0.146     | 0.163     |
| 112A 3 Ribeye Roll, Lip-On CH          | 910.00    | 890.00    | 1,200.00  |
| 116A 3 Chuck Roll, Neck-Off CH         | 375.00    | 350.00    | 390.00    |
| 168 3 Round, Top (Inside) CH           | 280.00    | 280.00    | 325.00    |
| 180 3 Strip Loin, Bnls, 0x1 CH         | 605.00    | 605.00    | 660.00    |
| 136 Coarse Ground 81%                  | 220.00    | 220.00    | 241.00    |
| 189A 4 Loin, Tenderloin, PSMO CH       | 1,450.00  | 1,350.00  | 1,400.00  |
| Cattle-Fax, 6-State Fed Steer Price    | 145.46    | 144.11    | 123.66    |
| Select Hams 20/23                      | 117.00    | 110.00    | 51.00     |
| Sq Cut Bellies 14/16                   | 145.00    | 145.00    | 205.00    |
| 1/4 Trmd. Loins 21/dn                  | 112.00    | 114.00    | 102.00    |
| 1/4 Tr Boston Butts 9/dn               | 109.00    | 103.00    | 102.00    |
| Spareribs, Light, Fresh                | 136.00    | 139.00    | 140.00    |
| Fresh Pork Trim (42%)                  | 70.00     | 70.00     | 70.00     |
| Fresh Pork Trim (72%)                  | 103.00    | 104.00    | 79.00     |
| Carcass Lamb Y4+55/65                  | 4.41      | 4.41      | 5.51      |
| Lamb Cuts, 204 Rack, 8-Rib, 7/Up       | 14.50     | 14.50     | 15.25     |
| Lamb Cuts, 206 Shoulder, Cross Cut     | 4.55      | 4.55      | 5.10      |
| Lamb Cuts, 232 Loin Trmd 4x4           | 8.50      | 8.50      | 11.65     |
| Lamb Cuts, 234 Leg, Boneless           | 7.00      | 7.00      | 9.60      |
| Carcass Veal, Hide-off, 255/315, NC    | 4.40      | 4.40      | 3.80      |
| Veal Cuts, 306 Hotel Rack, 7-Rib 14/20 | 12.50     | 12.50     | 10.00     |
| Veal Cuts, 310 Shoulder Clod 14/20     | 8.25      | 8.25      | 7.95      |
| Veal Cuts, 332 Loin, 4x4 Trim 12/18    | 6.95      | 6.95      | 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

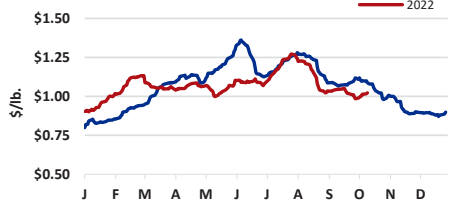
|   | 10/14  | 10/7   | 9/30   |
|---|--------|--------|--------|
| Weekly Imported Aust/NZ Blend Cow 90% EC 7:45           | 2.57   | 2.59   | 2.61   |
| Weekly Weighted Average Blended Boxed Beef Cutout Index | 236.95 | 239.39 | 239.22 |

### UB Beef Index



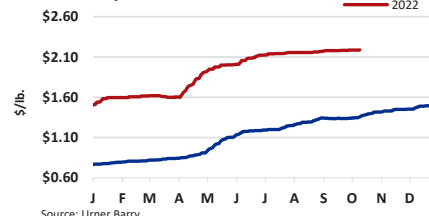
Source: Urner Barry

### UB Pork Cutout



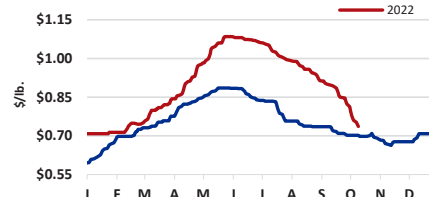
Source: Urner Barry

### UB Turkey Index



Source: Urner Barry

### UB Chicken Index



Source: Urner Barry

### EST. DAILY CATTLE SLAUGHTER

|     | M   | T   | W   | TH  | F   | S  | Total |
|-----|-----|-----|-----|-----|-----|----|-------|
| TW  | 128 | 128 | 128 | 127 | 112 | 37 | 660   |
| LW  | 127 | 128 | 128 | 127 | 118 | 36 | 664   |
| *LY | 118 | 120 | 118 | 121 | 107 | 58 | 643   |

### EST. DAILY HOG SLAUGHTER

|     | M   | T   | W   | TH  | F   | S   | Total |
|-----|-----|-----|-----|-----|-----|-----|-------|
| TW  | 488 | 489 | 491 | 491 | 473 | 113 | 2,545 |
| LW  | 465 | 487 | 487 | 489 | 480 | 150 | 2,558 |
| *LY | 474 | 482 | 474 | 474 | 471 | 255 | 2,630 |

### EST. DAILY SHEEP SLAUGHTER

|     | M | T | W | TH | F | S | Total |
|-----|---|---|---|----|---|---|-------|
| TW  | 9 | 7 | 6 | 7  | 4 | 0 | 33    |
| LW  | 9 | 7 | 6 | 7  | 4 | 0 | 33    |
| *LY | 7 | 9 | 7 | 7  | 7 | 1 | 38    |

### 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 | 2 | 0 | 2 | 1  | 2 | 0 | 7     |

### EST. DAILY COW & BULL SLAUGHTER

|     | F    | S    | M     | T     | W     | TH    | Total |
|-----|------|------|-------|-------|-------|-------|-------|
| LW  | 9/30 | 10/1 | 10/3  | 10/4  | 10/5  | 10/6  | 146   |
| TW  | 10/7 | 10/8 | 10/10 | 10/11 | 10/12 | 10/13 | 148   |
| *LY | 24   | 13   | 26    | 26    | 26    | 27    | 142   |

\*Last Year's numbers are rounded

### FOREIGN EXCHANGE RATES

|                      | This Week | Last Week | Last Year |
|----------------------|-----------|-----------|-----------|
| Australia, Dollar    | 0.628     | 0.639     | 0.746     |
| Mexico, Peso         | 20.018    | 20.085    | 20.353    |
| Canada, Dollar       | 1.381     | 1.375     | 1.236     |
| Japan, Yen           | 147.794   | 145.170   | 114.270   |
| China, Yuan (RMB)    | 7.193     | 7.114     | 6.386     |
| Brazil, Real         | 5.276     | 5.233     | 5.561     |
| South Korea, Won     | 1,437.20  | 1,411.18  | 1,178.86  |
| Taiwan, Dollar       | 31.941    | 31.636    | 27.866    |
| European Union, Euro | 0.972     | 0.975     | 1.165     |

### COLD STORAGE STOCKS

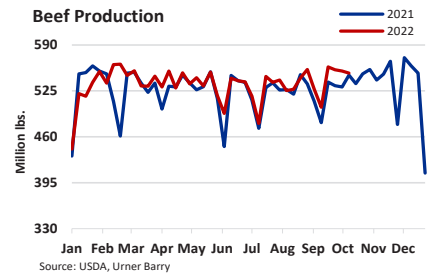
| (Pounds in Thousands)    | 8/31/21        | 7/31/22        | 8/31/22        |
|--------------------------|----------------|----------------|----------------|
| Beef in Freezer, Bnls    | 384,156        | 457,866        | 463,780        |
| Cuts                     | 30,742         | 54,000         | 51,896         |
| <b>Total Beef</b>        | <b>414,898</b> | <b>511,866</b> | <b>515,676</b> |
| PORK & OTHER             |                |                |                |
|                          | 8/31/21        | 7/31/22        | 8/31/22        |
| Pork in Freezer, Picnics | 5,408          | 6,685          | 6,960          |
| Hams                     | 185,640        | 151,634        | 163,527        |
| Bellies                  | 17,562         | 42,842         | 32,493         |
| Loins                    | 29,341         | 33,376         | 33,159         |
| Spareribs                | 54,150         | 106,315        | 107,318        |
| Butts                    | 13,163         | 14,808         | 16,908         |
| Trimmings                | 37,237         | 46,769         | 39,930         |
| Other Pork in Freezer    | 48,761         | 53,078         | 60,144         |
| <b>Total</b>             | <b>454,203</b> | <b>526,478</b> | <b>532,039</b> |
| Veal in Freezer          | 6,056          | 2,817          | 2,931          |
| Lamb & Mutton in Freezer | 22,051         | 25,589         | 29,139         |
| <b>Total</b>             | <b>28,107</b>  | <b>28,406</b>  | <b>32,070</b>  |

Data Updated: September 23, 2022

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.

| UB BEEF CUTOUT Oct-14 v. Oct-07 |              |               |               |               |
|---------------------------------|--------------|---------------|---------------|---------------|
|                                 | CHOICE       | SELECT        | NO-ROLL       | CAB           |
| Rib                             | 3.40%        | -1.53%        | -2.64%        | 0.88%         |
| Chuck                           | 1.56%        | -1.01%        | -0.99%        | -0.69%        |
| Round                           | -0.18%       | -0.03%        | -0.50%        | 0.84%         |
| Loin                            | 0.44%        | -0.41%        | -1.85%        | -3.67%        |
| Brisquet                        | -2.37%       | -2.16%        | -3.83%        | -2.76%        |
| Plate                           | -4.92%       | -4.92%        | -4.92%        | -2.53%        |
| Flank                           | -2.16%       | -2.19%        | -2.24%        | -4.49%        |
| <b>Total</b>                    | <b>0.74%</b> | <b>-1.01%</b> | <b>-1.71%</b> | <b>-1.19%</b> |

**BEEF**



**BEEF COMMENTARY**

The boxed beef market was a bit irregular this week as we really saw a disparity between sellers in regard to supplies. There was a need to clear some inventories for some which led to some larger discounting than we have previously seen. But the bulk of discounting continued to be seen around select and no-roll items as supplies continued to outpace demand levels. With the recent CPI report coming in higher than expectations, this had left a bit more uncertainty in the market as many continued to note a slowdown in business has been evident. For the first time there was some conversations around foodservice seeing inventories build which may give a hint that the inflationary pressures are beginning to creep into the middle class as the majority of consumers look to reel in spending.

**LIVE CATTLE:** Prices overall this week were up \$1.00/cwt in the South at \$144.00/cwt live (full range \$142.00/cwt to \$144.50/cwt). Prices in the North were up \$1.00/cwt to \$3.00/cwt at mostly \$146.00/cwt to \$148.00/cwt live (full range \$144.00-\$148.00) and dressed was up \$2.00/cwt at \$230.00/cwt (full range \$227.00-\$234.00)

**SLAUGHTER & BEEF PRODUCTION:** The weekly federally inspected slaughter was 660,000 head, down 4,000 compared to last week. Live weights ended the week one pound higher at 1369 pounds. Dressed weights were up one pound at 831 pounds.

**RIBS:** Ribs were able to inch up throughout the week in the choice realm with the bulk of trade done in the latter half. Select and no-roll product experienced a bit of downward pressure once again but not with the same magnitude previously seen. This continued to be an area that is being navigated with caution. Given the current macro environment this has caused some to pause and reevaluate the path forward for procurement. Foodservice was mentioned on a couple of occasions throughout the week of inventories beginning to build, highlighting a slowdown in consumer spending as dollars continued to get squeezed.

**CHUCKS:** Chucks were fairly rangebound on the week with the exception of chuck rolls once again. Clods trended lower as supplies began to outpace demand and there was a need to move product on the end of sellers but these discounts were minimal. Interest around these items held in pretty steady throughout the week but it seemed buyers are still looking for more opportune pricing.

**ROUNDS:** The bulk of the round complex trended sideways once more this week in the choice realm with the exception of cap off insides which saw a slight discount. Buyer interest was said to have steadily increased throughout the week but it wasn't enough to move the needle with the exception of select flats as this item continued to see a stout demand. Ranges tightened to the downside around select and no roll XT insides. As the cooler weather begins to take hold across the U.S. participants believe demand is anticipated to pick up.

**LOINS:** Many are calling a bottom around loin items after the aggressive discounting seen leaving the summer months. This has participants reevaluating this area as it seemed pricing has become much more attractive as of late. There was a bit more trade stamped this week as buyers felt more comfortable stepping into the market at these levels. And it seems there may be potential to run these cuts as alternatives to the more pricey cuts of beef typically seen in high demand around the holidays. Tenderloins were able to find higher bids towards the end of the week and saw sizable gains.

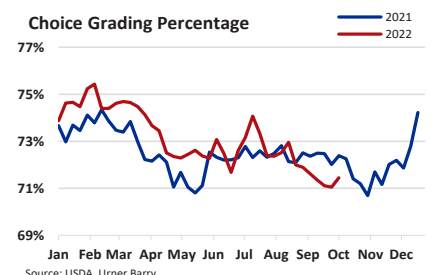
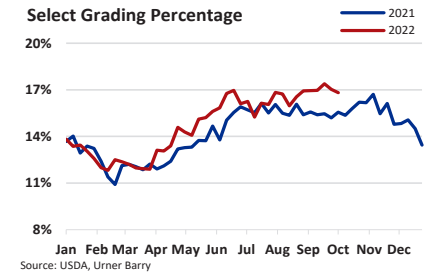
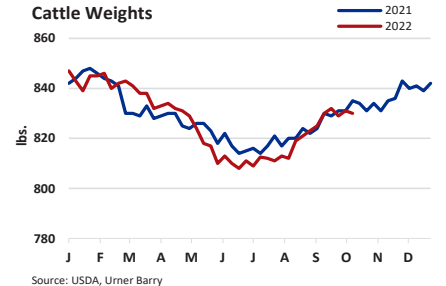
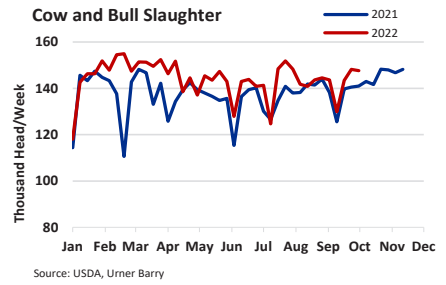
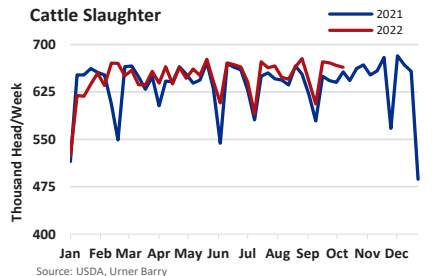
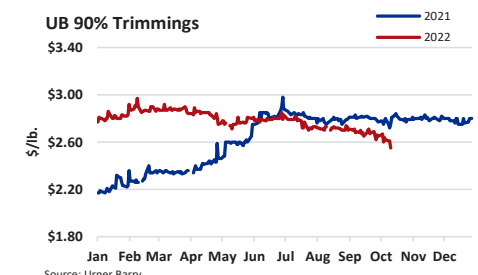
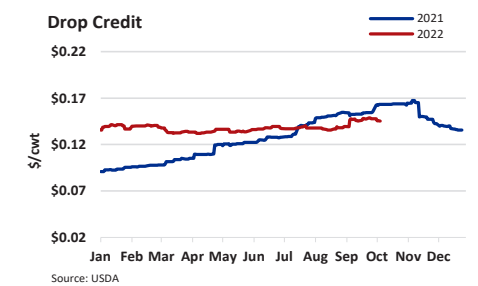
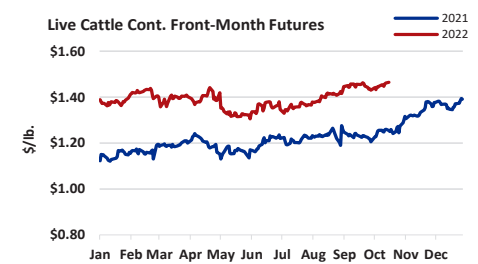
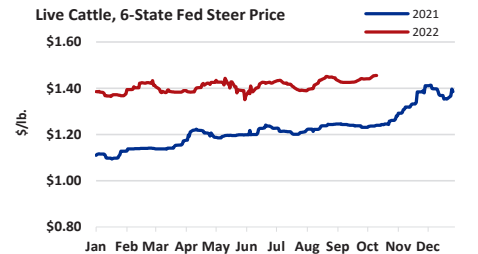
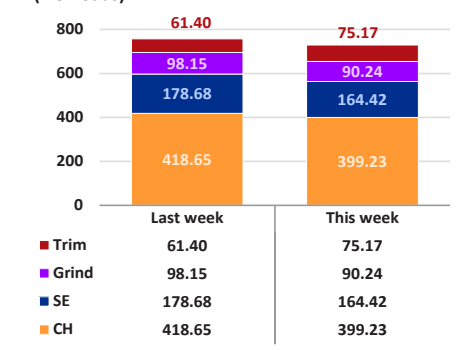
**GROUND BEEF:** The grinds complex was fairly lackluster throughout the week with little seen in the way of quotation changes. Demand around these items was seen as steady and there is a belief among participants that we should see firmer demand going forward as these items are still seen as a value to the consumer.

**BONELESS BEEF:** The market for fresh 50s continued to trend lower this week as supplies outpaced the current demand. Since the beginning of September, the weighted average price for fresh 50s has dropped roughly 34%. Some market participants have indicated that the week ended with supply and demand more in balance. Leaner boneless beef trended a little lower as the week developed. Buying interest seemed to vary from region to region.

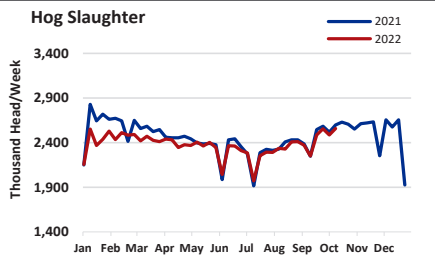
| UB BEEF CUTOUT-CH/SE SPREAD (\$/cwt) |       |       |       |       |       |
|--------------------------------------|-------|-------|-------|-------|-------|
|                                      | M     | T     | W     | TH    | F     |
| TW                                   | 27.49 | 28.96 | 28.54 | 31.91 | 31.91 |
| *LW                                  | 24.07 | 24.28 | 25.32 | 26.35 | 27.91 |

\*Last Week's numbers are rounded

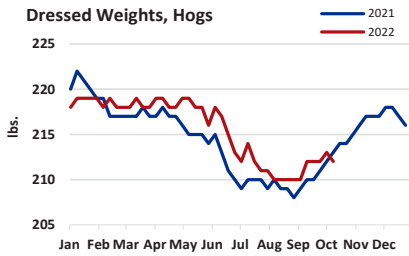
**Weekly Beef Breakdown** (# of loads) Source: USDA, Urner Barry  
1 load = 40,000 lbs.



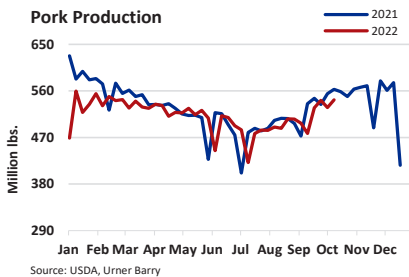
**PORK PRODUCTION**



Source: USDA, Urner Barry



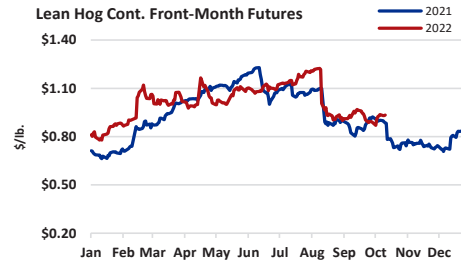
Source: USDA, Urner Barry



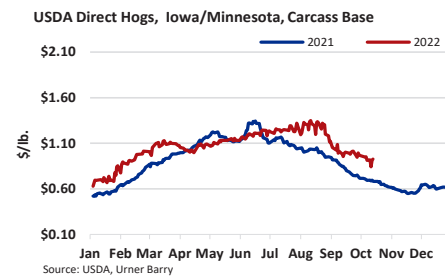
Source: USDA, Urner Barry

**LIVE HOGS & CUTOUT**

| PORK CUTOUT         | Oct-07         | Oct-14         | Change       |
|---------------------|----------------|----------------|--------------|
| Loin                | 96.700         | 95.220         | -1.480       |
| Butt                | 91.560         | 92.040         | 0.480        |
| Picnic              | 88.830         | 90.060         | 1.230        |
| Sparerib            | 132.580        | 129.930        | -2.650       |
| Ham                 | 101.960        | 107.800        | 5.840        |
| Belly               | 134.360        | 143.370        | 9.010        |
| <b>Cutout Value</b> | <b>100.235</b> | <b>102.839</b> | <b>2.604</b> |



Source: CME



Source: USDA, Urner Barry

**PORK COMMENTARY**

This week, declining retail demand, elevated food service interest, increasing hog slaughter figures, and varying degrees of export demand influenced pork trade. Urner Barry's pork carcass cutout increased by 2.60 percent during the week. Estimates of margins for outside purchasers of hogs on Friday were \$11.14/head while margins for vertically integrated packers were estimated at \$5.37/head.

**PORK PRODUCTION:** Pork production for the week ending 10/15/2022 was estimated to be 540.2 million pounds. This was 0.5 percent less than last week and a 4.1 percent decrease from a year ago. Live hog weights averaged 286 pounds for the week, which was 1-pound heavier last week and 2 pounds lighter than a year ago.

**GREEN MEATS:** This week, bone-in hams were firm on tight cold storage supplies and active export demand from Mexico amid turkey prices remaining elevated. Boneless hams were full steady on winter holiday prep and a decline in boning figures, which resulted in a tight supply of product. Bellies saw gains on active food service interest while trim ended the week mostly sideways. In the fresh pork complex, loins, butts, ribs had a softer bias on disappointing retail ad presence during pork month.

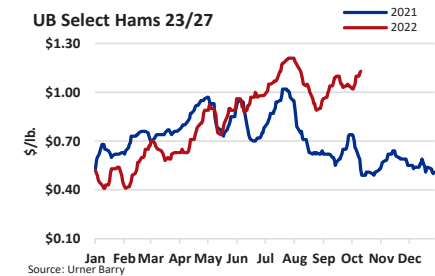
**HAMS:** Bone-in ham values were \$8.00/cwt to \$12.00/cwt stronger while boneless cuts were \$4.00/cwt to \$7.50/cwt firmer.

**BELLIES:** Skinless bellies were \$11.00/cwt to \$22.50/cwt firmer.

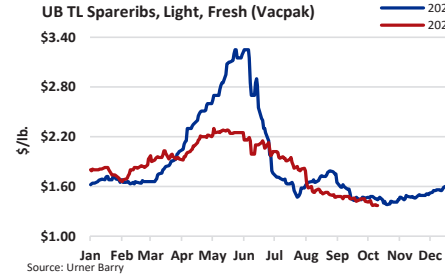
**TRIMMINGS:** 42s were \$1.00/cwt weaker while 72s also declined \$1.50/cwt. Meanwhile, boneless picnics were \$2.00/cwt stronger.

**RETAIL:** 1/4" bone-in loins were \$2.00/cwt weaker while 1/8" loins increased \$0.50/cwt. Boneless strap-on loins were \$3.00/cwt weaker while boneless strap-off loins declined \$5.50/cwt. Bone-in sirloins were \$6.50/cwt firmer this week while boneless sirloins lost \$2.50/cwt. Tenderloins were generally unchanged this week. 1/4" bone-in butts were up \$5.50/cwt while boneless butts lost \$2.50/cwt. Light spareribs decreased \$3.00/cwt while medium spareribs also lost \$2.50/cwt.

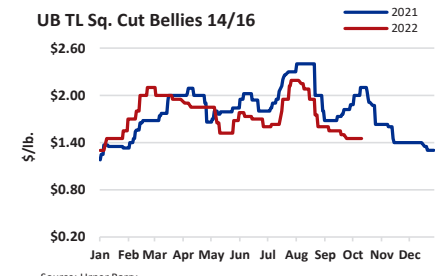
**PORK PROCESSING ITEMS & RETAIL CUTS**



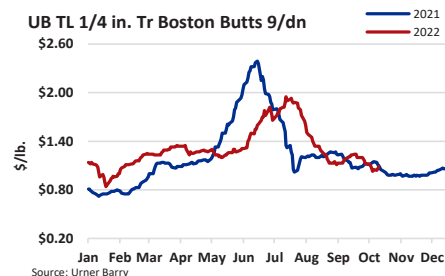
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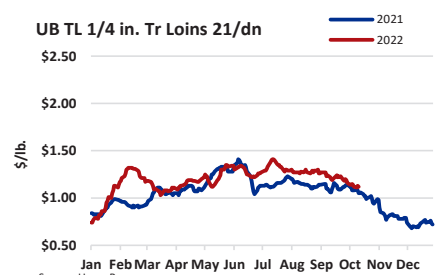
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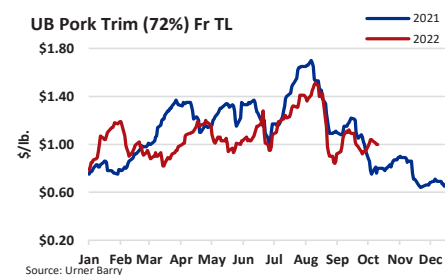
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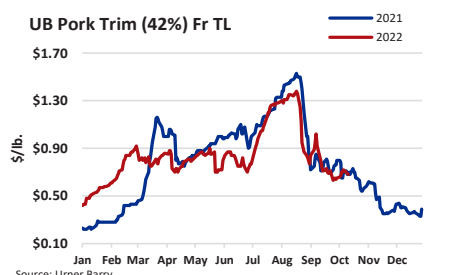
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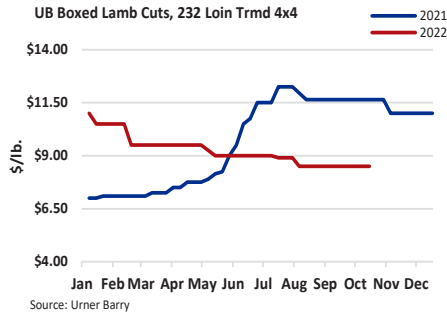
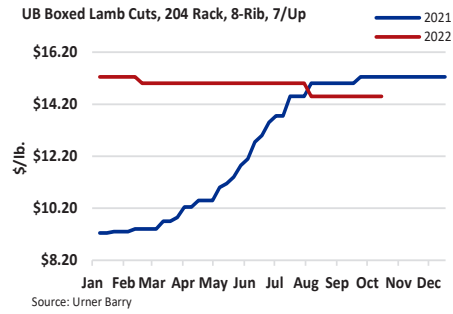
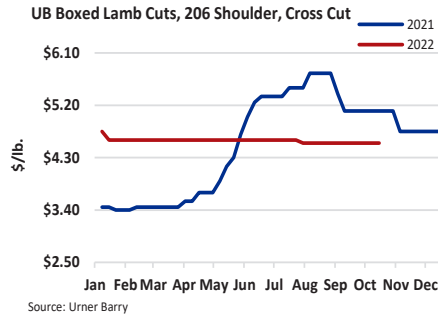
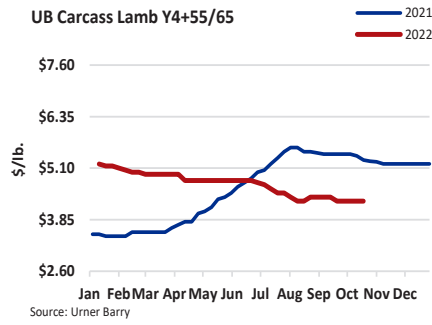


Source: Urner Barry



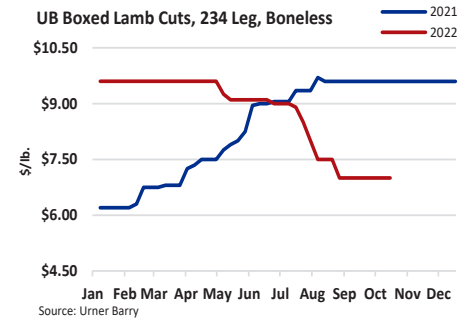
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LAMB

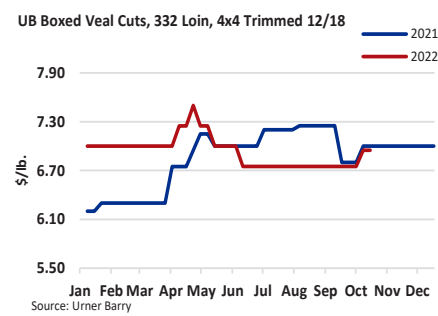
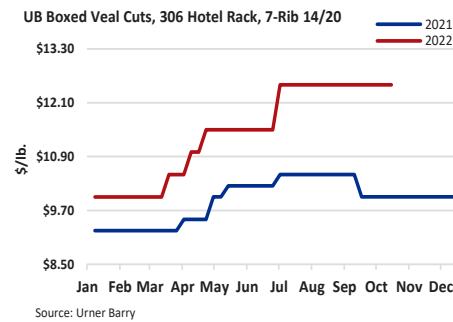
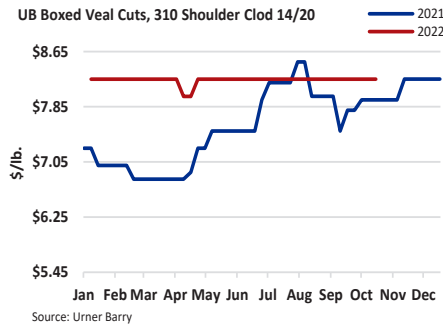
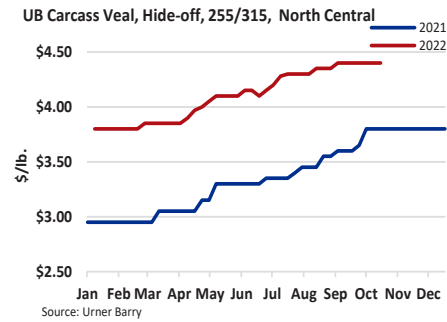


LAMB COMMENTARY

In domestic lamb this week, minimal changes were noted. Carcasses and all boxed cuts were unchanged this week. Demand was moderate from food service applications, but less so from retailers. On the supply side, production was slightly above last week's figures, but was not overbearing. Participants noted that activity this week was generally quiet. Imported lamb prices remained competitive versus domestic, and thus experienced better demand. In the most recent USDA Weekly Meat Production Under Federal Inspection report, weekly sheep slaughter was at 33,000, which was even with last week and 7,000 less than a year ago. Sheep weights were at 130 pounds, which were 1 pound heavier than last week and 6 pounds heavier than a year ago.

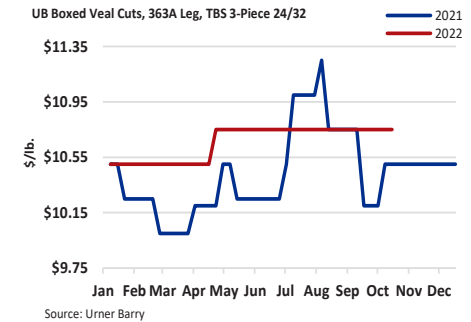


VEAL

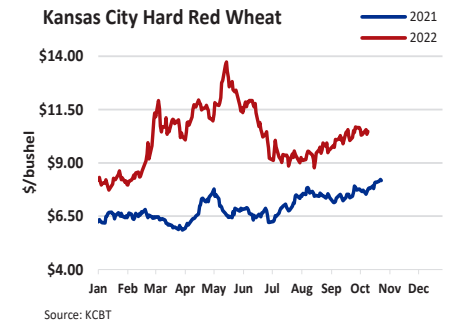
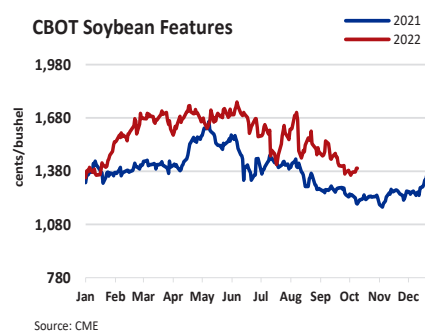
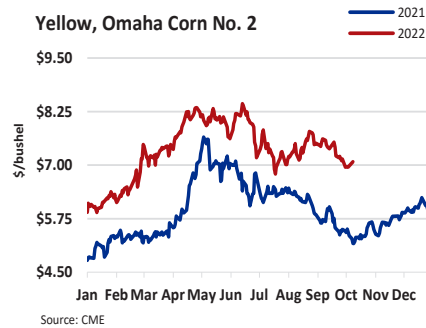


VEAL COMMENTARY

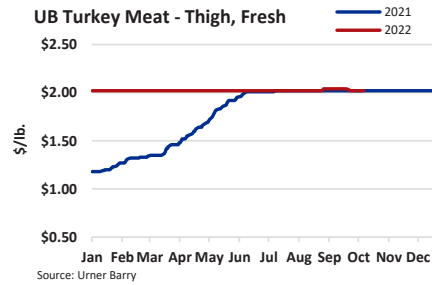
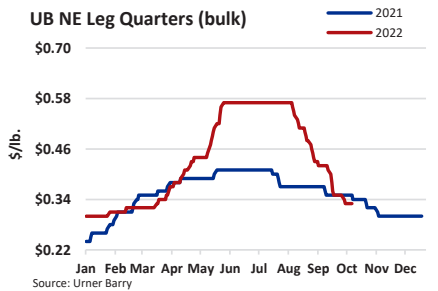
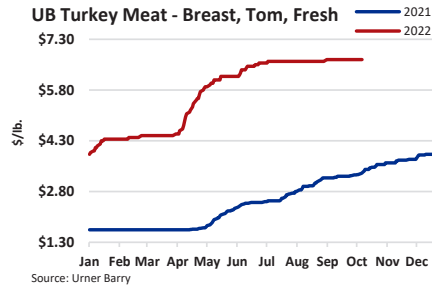
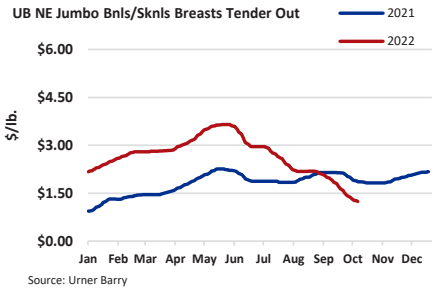
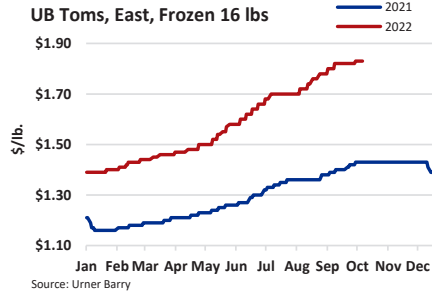
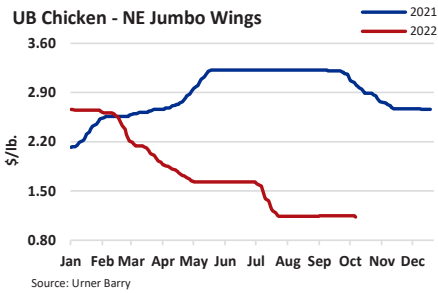
Canvassing of the veal market this week suggested that there were little to no changes from last week. In terms of pricing, carcasses and all boxed cuts traded within or near their recently established ranges. Demand from both retail and food service channels were moderate at best, though participants noted a more positive outlook when considering out-front business as the winter holidays are now within our sights. The USDA Special Fed Veal Slaughter was at 2,705 head, which was slightly above last week's figure. The USDA Special Fed Veal Weights were at 290.90 pound, which was 3.2 pounds heavier than last week.



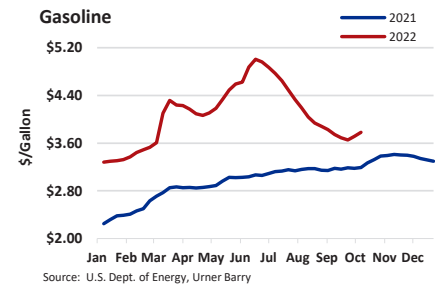
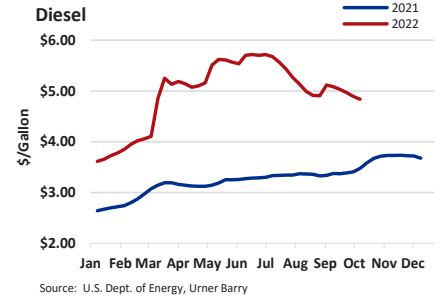
FEEDS: CORN, SOY BEAN, RED WHEAT



**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](#)

**Contributors:**

- Joe Muldowney - joemo@urnerbarry.com
- Russ Whitman - rwhitman@urnerbarry.com
- Russ Barton - rbarton@urnerbarry.com
- Gary Morrison - gmorrison@urnerbarry.com
- Bill Smith - bsmith@urnerbarry.com
- Matt Busardo - mbusardo@urnerbarry.com
- Dylan Hughes - dhughes@urnerbarry.com
- Ryan Hojnowski - rhojnowski@urnerbarry.com
- Todd Unger - tunger@urnerbarry.com

**POULTRY COMMENTARY**

Whole chickens and WOGs remain in steady overall position. Breasts and front halves continue to follow along a similarly shaky path as boneless breasts, due to their dwindling price relationship. Speaking of boneless, jumbo offerings are viewed in a bit more positive light to close out the week. Medium and select offerings remain weak. Tenders are similarly weak, although sellers don't have to work as hard to move product as a price floor appears to be forming. Jumbo wings continue to make the rounds at a discount, while sales of small-sized offerings are inked at, or slightly above, our currently quoted values. Chunk and trim meats are similar to breasts and fronts, which are tied to the downward movement of boneless. Leg quarters and thighs are seeing the most inconsistent buyer interest in the

bone in segment. Thigh meat supplies continue to be burdensome. The seasonal call for MSC is slowing, which is forcing sellers to lower their ask prices, particularly on fresh.

Whole birds, both fresh and frozen, continue to be in high demand and show limited availability on the spot market. A likewise scenario is in play for consumer and institutional-sized breasts, as sellers continuously raise their ask prices on the tight inventory. Drums and whole wings remain strong on both the domestic and export front. Necks, tails, and gizzards continue to be uncovered with ease at discounted levels. Turning to raw materials, all varieties of breast meat, along with tenders and scapula, continue to be held with confidence at or near full market levels. Thigh meat is mostly steady to end the week. A likewise scenario is unfolding for MST.

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