

Friday, September 30, 2022

Number 41 - Volume 15

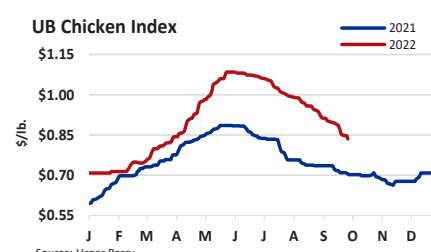
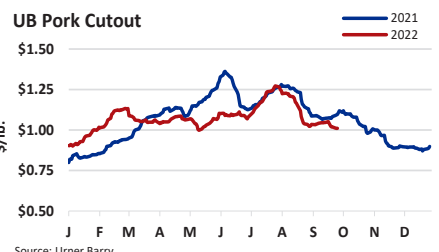
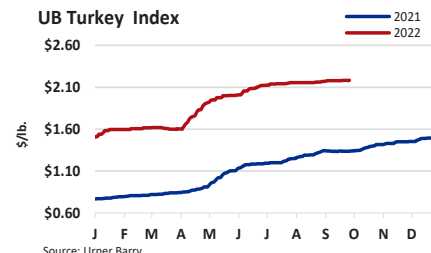
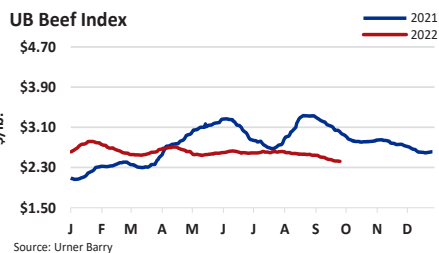
### WEEKLY COMMODITY AT A GLANCE

	This Week	Last Week	Last Year
Omaha, US No 2 Yellow Corn	UNQ	7.42	5.43
CBOT Soybean	1,364.75	1,425.75	1,250.50
NYMEX Light Crude Oil	79.49	78.74	78.93
Loose Lard, Chicago Basis	UNQ	UNQ	0.76
Edible Tallow, Chicago Basis	0.92	UNQ	UNQ
Beef Trimmings, 90% Fresh	266.00	267.00	277.00
Beef Trimmings, 50% Fresh	89.00	100.00	114.00
Aust/NZ Blend Cow 90% EC Spot	261.00	261.00	282.00
USDA Drop Credit	0.149	0.148	0.162
112A 3 Ribeye Roll, Lip-On CH	890.00	920.00	1,345.00
116A 3 Chuck Roll, Neck-Off CH	325.00	325.00	415.00
168 3 Round, Top (Inside) CH	280.00	280.00	325.00
180 3 Strip Loin, Bnls, 0x1 CH	650.00	640.00	675.00
136 Coarse Ground 81%	215.00	230.00	241.00
189A 4 Loin, Tenderloin, PSMO CH	1,325.00	1,200.00	1,575.00
Cattle-Fax, 6-State Fed Steer Price	144.03	142.67	123.71
Select Hams 20/23	105.00	108.00	73.00
Sq Cut Bellies 14/16	145.00	150.00	200.00
1/4 Trmd. Loins 21/dn	119.00	122.00	112.00
1/4 Tr Boston Butts 9/dn	112.00	120.00	112.00
Spareribs, Light, Fresh	145.00	143.00	146.00
Fresh Pork Trim (42%)	64.00	69.00	78.00
Fresh Pork Trim (72%)	94.00	99.00	86.00
Carcass Lamb Y4+55/65	4.41	4.41	5.55
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	3.65
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	7.80
Veal Cuts, 332 Loin, 4x4 Trim 12/18	6.75	6.75	6.80
Veal Cuts, 363A Leg, TBS 3-Pc 24/32	10.75	10.75	10.20

Quotes represent the high side of Friday's trading range

### RIEMANN CONTRACT SETTLEMENTS

	9/30	9/23	9/16
Weekly Imported Aust/NZ Blend Cow 90% EC 7:45	2.61	2.61	2.62
Weekly Weighted Average Blended Boxed Beef Cutout Index	239.22	240.84	248.25



### EST. DAILY CATTLE SLAUGHTER

	M	T	W	TH	F	S	Total
TW	125	128	127	127	115	42	664
LW	127	128	127	127	125	33	667
*LY	119	119	118	121	109	55	640

### EST. DAILY HOG SLAUGHTER

	M	T	W	TH	F	S	Total
TW	484	483	484	476	467	132	2,526
LW	478	485	484	482	475	134	2,538
*LY	474	471	467	473	468	164	2,517

### EST. DAILY SHEEP SLAUGHTER

	M	T	W	TH	F	S	Total
TW	9	7	6	7	4	0	33
LW	9	8	6	6	4	0	33
*LY	9	7	7	8	5	1	37

### 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	2	2	2	0	8

### EST. DAILY COW & BULL SLAUGHTER

	F	S	M	T	W	TH	Total
LW	9/16	9/17	9/19	9/20	9/21	9/22	145
TW	9/23	9/24	9/26	9/27	9/28	9/29	144
*LY	25	11	24	26	28	27	141

\*Last Year's numbers are rounded

### FOREIGN EXCHANGE RATES

	This Week	Last Week	Last Year
Australia, Dollar	0.647	0.657	0.727
Mexico, Peso	20.103	20.139	20.548
Canada, Dollar	1.374	1.353	1.259
Japan, Yen	144.544	142.852	111.379
China, Yuan (RMB)	7.112	7.121	6.445
Brazil, Real	5.404	5.205	5.448
South Korea, Won	1,434.80	1,417.70	1,186.98
Taiwan, Dollar	31.798	31.787	27.917
European Union, Euro	0.975	0.975	1.159

### COLD STORAGE STOCKS

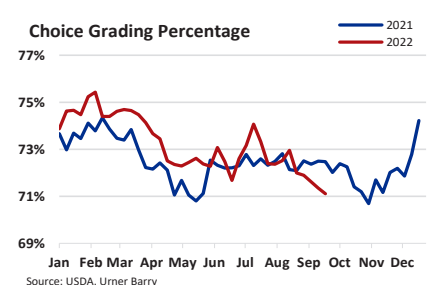
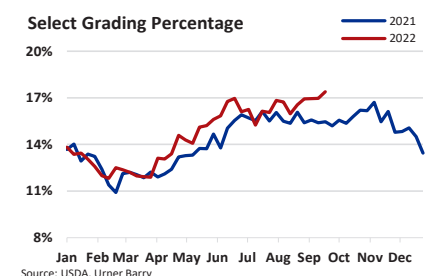
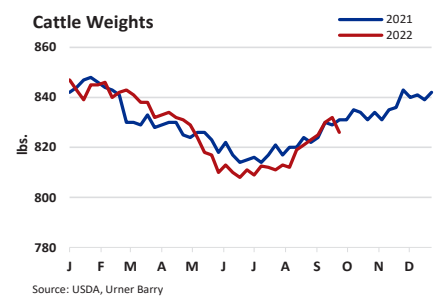
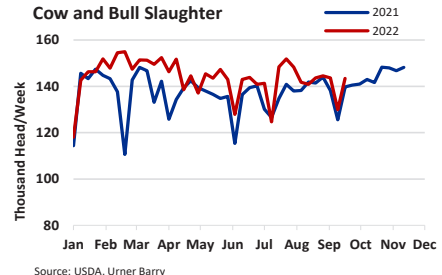
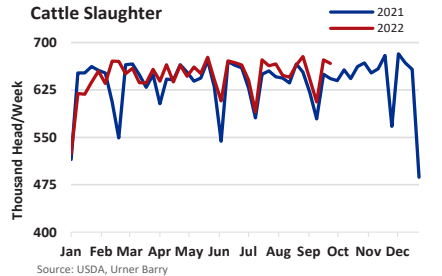
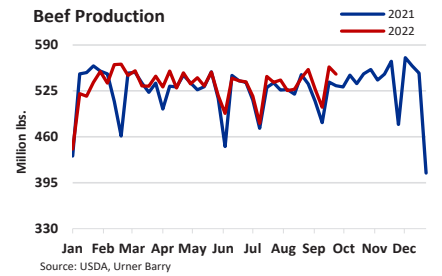
(Pounds in Thousands)	8/31/21	7/31/22	8/31/22
Beef in Freezer, Bnls	384,156	457,866	463,780
Cuts	30,742	54,000	51,896
<b>Total Beef</b>	<b>414,898</b>	<b>511,866</b>	<b>515,676</b>
<b>PORK &amp; OTHER</b>	<b>8/31/21</b>	<b>7/31/22</b>	<b>8/31/22</b>
Pork in Freezer, Picnics	5,408	6,685	6,960
Hams	185,640	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
Total	454,203	526,478	532,039
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 Sep-30 v. Sep-23				
	CHOICE	SELECT	NO-ROLL	CAB
Rib	-0.35%	-1.02%	-0.78%	1.40%
Chuck	-0.65%	0.73%	0.78%	0.38%
Round	0.16%	0.71%	0.04%	0.25%
Loin	2.19%	-2.41%	-2.67%	-0.22%
Brisket	-0.26%	-0.27%	-0.28%	-2.77%
Plate	-4.50%	-4.50%	-4.50%	-3.98%
Flank	-5.61%	-5.16%	-3.76%	-4.20%
<b>Total</b>	<b>0.06%</b>	<b>-0.84%</b>	<b>-0.96%</b>	<b>-0.06%</b>

**BEEF**



**BEEF COMMENTARY**

The cyclical them of larger supplies continued to weigh on the market for the most part with overall cutout values lower. But mid-week, there were pockets of support starting to show through as certain items appeared tighter than originally thought. These were light ribs, tenderloins, and a small group of end cuts. The middle meat strength was primarily driven by the decline in grade and elevated cattle weights in a period where buyers are starting to focus on holiday season needs. Certain end cuts were helped by retailers looking toward better beef margins amid softer prices and now have returned to favor for October.

**LIVE CATTLE:** After coming into the week with better expectations, a steep sell-off in futures early changed the cash cattle market. On the week, prices in the South were steady at \$143.00/cwt. Prices in the North were steady to \$3.00/cwt lower ranging \$144.00/cwt to \$145.00/cwt. Dressed trades are steady to \$1 higher at mostly \$228.

**SLAUGHTER & BEEF PRODUCTION:** The weekly federally inspected slaughter was 664,000 head, compared to 667,000 head last week. Live weights ended the week again five pounds higher at 1365 pounds. Dressed weights were up three pounds again at 829 pounds.

**RIBS:** The rib market was a mixed bag, but the bias was weaker given the supply side offerings. Softer prices were the norm for heavy choice, select, and no-roll product. Supply challenges on light choice ribeyes led to fully steady pricing here and sellers were confident in those negotiations. Offerings of Certified Angus Beef ribs were nearly non-existent, which led to outsized gains in that category.

**CHUCKS:** As if to be a broken record, this was an area of almost near total weakness. Demand is not there to save a category still with high production. The broad-based losses were noted with one exception, the chuck tender. Grinders seemed to find value and supported pricing.

**ROUNDS:** The reporting is better for the round complex than chucks. There were pockets of strength almost immediately. Peeled knuckles were tight to start the week and assessments throughout reaffirmed that with higher prices. Eye rounds and outside rounds were other gainers. It appeared deli demand has picked up as beef becomes a better price point and competitive turkey product is short of needs.

**LOINS:** The slight gain in PSMO tenderloins were more than erased by declines everywhere else. The continued pressure on strips and short loins have made them attractive once again for features, but it seemed even with losses accelerating, there was not enough business to clear the excess inventories. Buyers continued to show interest but many times it was well below the current quotations. When all was said and done, most items saw high single digit to mid double-digit losses.

**GROUND BEEF:** Interest in grinds almost immediately and unexpectedly came crashing to a halt. This left the supply level burdensome, and the pace of discounts grew into the last trading sessions of the week. There were staggering losses up to 25 percent on 81% Coarse Grinds.

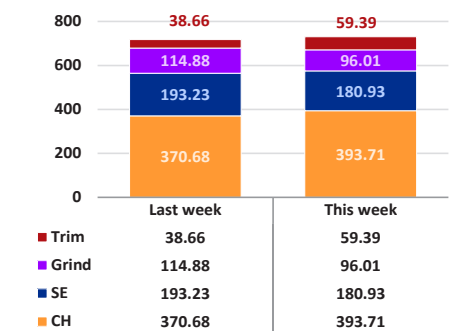
**BONELESS BEEF:** Leaner boneless beef was generally weaker this week. Product was clearly more readily available, and demand was moderate at best in most areas. Fresh 50s were under a lot of downward pressure this week. Larger production numbers have started to weigh on the market. This week's cattle slaughter was estimated at 664,000 head, that is down 3,000 compared to the prior week. However, year-over-year numbers were up 24,000 head.

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

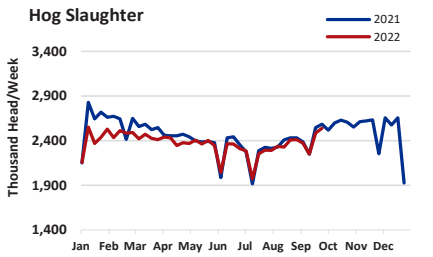
	M	T	W	TH	F
TW	23.30	24.26	25.22	24.33	24.51
*LW	21.75	21.46	22.09	22.82	22.46

\*Last Week's numbers are rounded

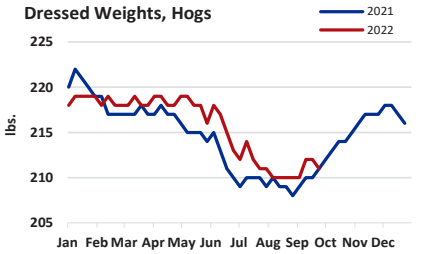
Weekly Beef Breakdown (# of loads) Source: USDA, Urner Barry  
1 load = 40,000 lbs.



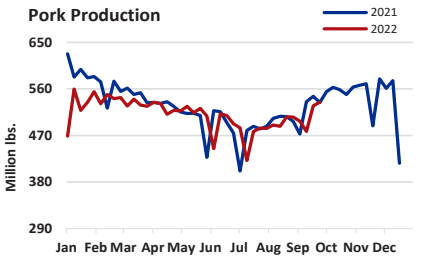
**PORK PRODUCTION**



Source: USDA, Urner Barry



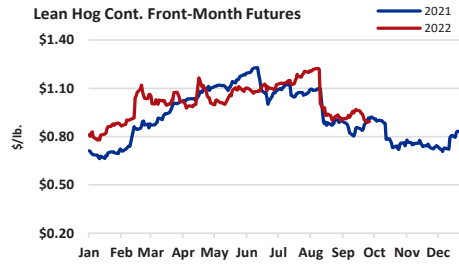
Source: USDA, Urner Barry



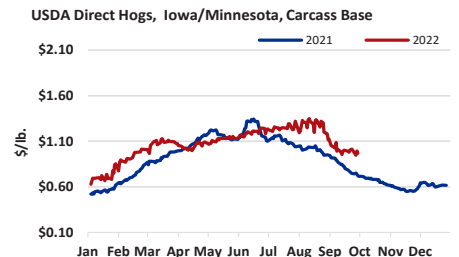
Source: USDA, Urner Barry

**LIVE HOGS & CUTOUT**

PORK CUTOUT	Sep-23	Sep-30	Change
Loin	98.950	98.290	-0.660
Butt	101.710	98.510	-3.200
Picnic	85.450	86.400	0.950
Sparerib	135.000	137.410	2.410
Ham	101.140	100.420	-0.720
Belly	137.640	124.260	-13.380
<b>Cutout Value</b>	<b>101.943</b>	<b>99.338</b>	<b>-2.605</b>



Source: CME



Source: USDA, Urner Barry

**PORK COMMENTARY**

This week, seasonal pressures such as increasing slaughter figures, elevated hog weights, declining export interest, and moderate at best domestic retail demand strongly influenced pork trade. Urner Barry's pork carcass cutout decreased by 2.56 percent during the week. Estimates of margins for outside purchasers of hogs on Friday were - \$0.45/head while margins for vertically integrated packers were estimated at - \$6.69/head.

**PORK PRODUCTION:** Pork production for the week ending 10/01/2022 was estimated to be 534.2 million pounds. This was 0.1 percent lower than last week and a 0.1 percent increase from a year ago. Live hog weights averaged 285 pounds for the week, which was 2 pounds heavier than last week and 1 pound heavier than a year ago.

**GREEN MEATS:** This week, hams were steady to weaker. Bone-in items saw a decrease in demand from export partners, most notably Mexico, on pushback to the recently elevated price levels. Boneless hams were mostly sideways on moderate demand. Bellies were weak and traded in wide ranges amid seasonal pressures with demand for bacon declining as we exit summer. The trim category is also seeing a decline in demand for end product amid the shifting of seasonal interests, though losses this week were fairly modest.

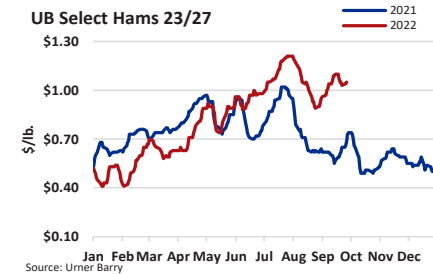
**HAMS:** Bone-in ham values were \$0.50/cwt to \$3.00/cwt weaker while boneless cuts increased \$2.00/cwt to \$3.50/cwt.

**BELLIES:** Skinless bellies were \$26.50/cwt to \$27.00/cwt weaker.

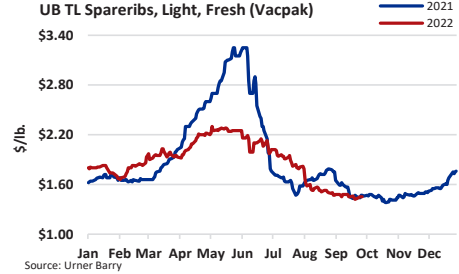
**TRIMMINGS:** 42s were \$3.00/cwt weaker while 72s were \$3.50/cwt less than the previous week. Meanwhile, boneless picnics were generally unchanged.

**RETAIL:** 1/4" bone-in loins were \$3.50/cwt weaker while 1/8" loins declined \$2.00/cwt. Boneless strap-on loins were \$1.00/cwt stronger while boneless strap-off loins increased \$6.50/cwt. Bone-in sirloins were \$0.50/cwt less this week while boneless sirloins gained \$4.50/cwt. Tenderloins increased \$10.00/cwt throughout the week. 1/4" bone-in butts were down \$6.00/cwt while boneless butts were \$3.50 higher. Light spareribs increased \$2.00/cwt while medium spareribs were \$3.00/cwt firmer.

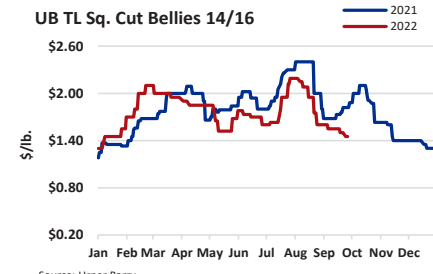
**PORK PROCESSING ITEMS & RETAIL CUTS**



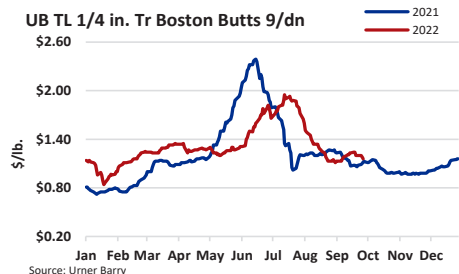
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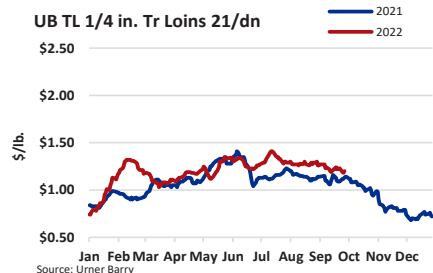
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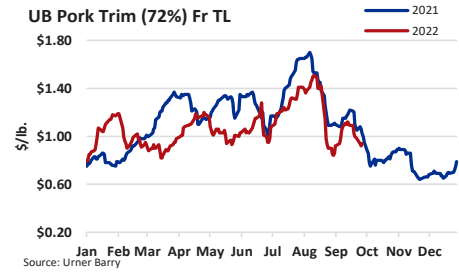
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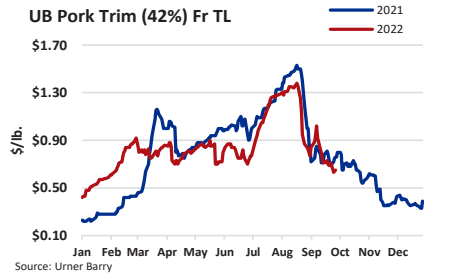
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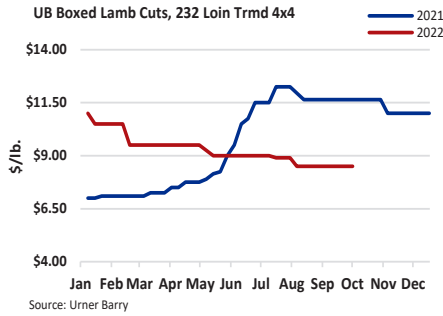
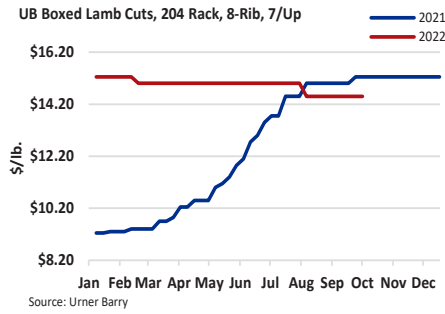
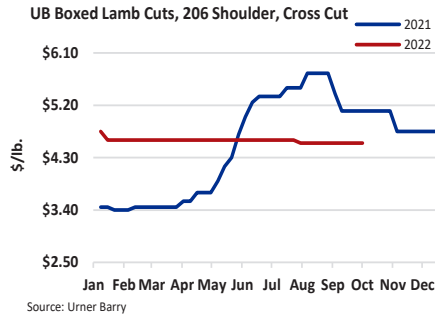
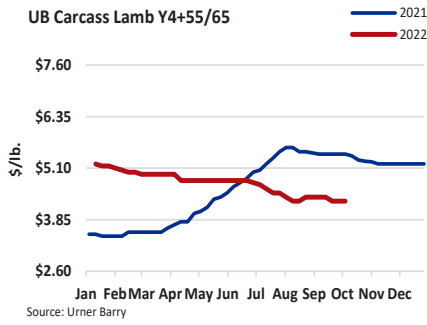


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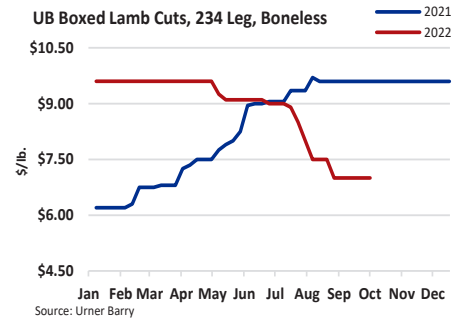
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LAMB

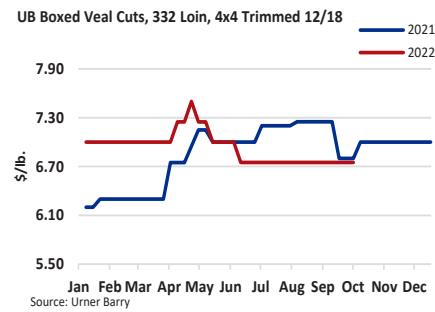
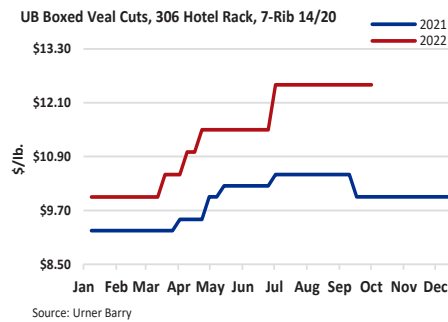
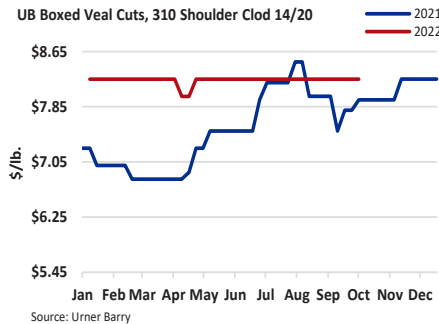
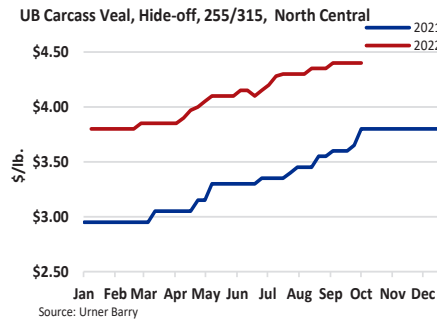


LAMB COMMENTARY

This week in domestic lamb, price action was minimal. All boxed quotes and carcasses were steady for the week. Demand was mixed, with food service demand being generally stronger than retail. Heavy product, due to this year's elevated carcass weights, has been more sought after from food service applications than from retail channels. Competitive imported pricing once again appeared to keep a cap on price levels. In the most recent USDA Weekly Meat Production Under Federal Inspection report, weekly sheep slaughter was at 33,000, which was 1,000 less than last week and 2,000 less than a year ago.

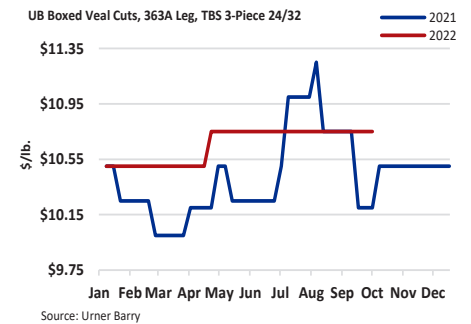


VEAL

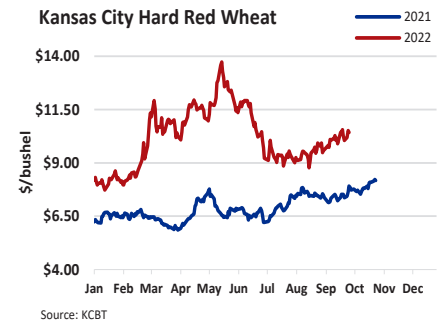
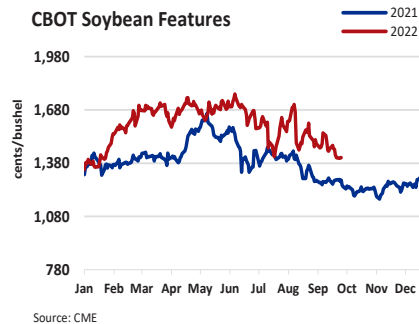
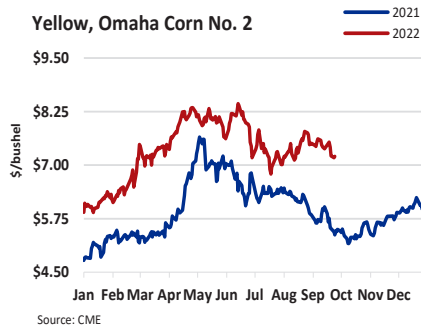


VEAL COMMENTARY

The veal market was largely uneventful in terms of price action this week. Special fed veal slaughter has trended under year ago levels for the previous 4 weeks, which has slightly tightened the supply of boxed cuts versus year ago figures. Demand has recently been moderate at best, and lackluster compared to year ago sentiments, so the lighter slaughter has helped boxed cuts maintain their price levels. Carcasses continued to be steady as well, with no changes to pricing this week. With veal being priced on the higher end versus competing proteins, overall inflationary concerns continue to play a role here. The USDA Special Fed Veal Slaughter was at 2,666, which was nearly even with last week. The USDA Special Fed Veal Weights were at 286.8 pounds, which was 1.6 pounds lower than the previous week.

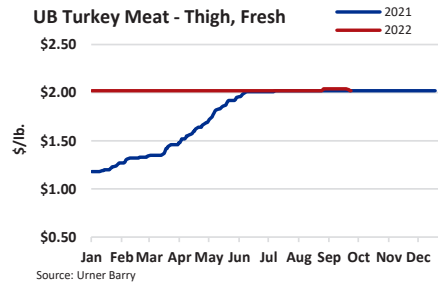
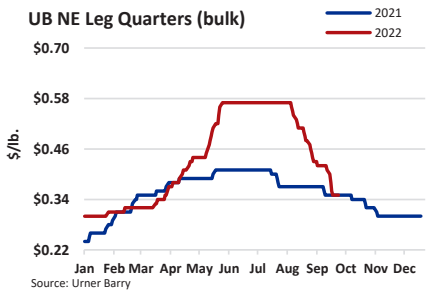
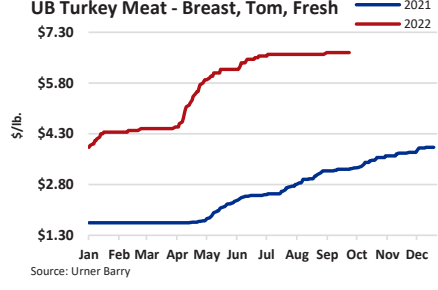
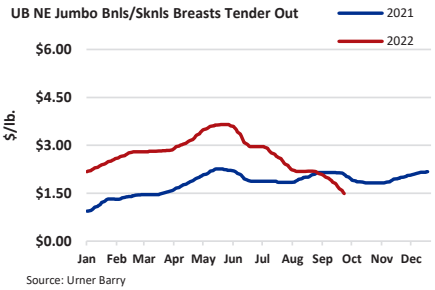
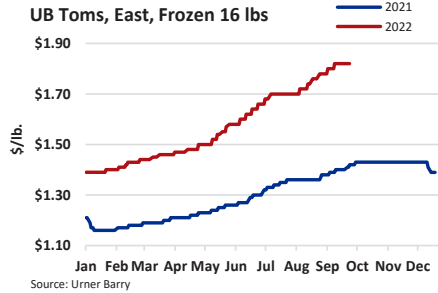
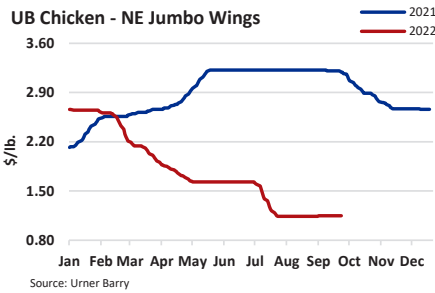


FEEDS: CORN, SOY BEAN, RED WHEAT

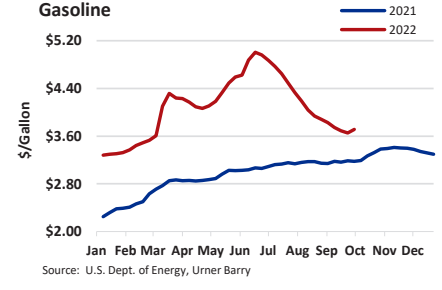
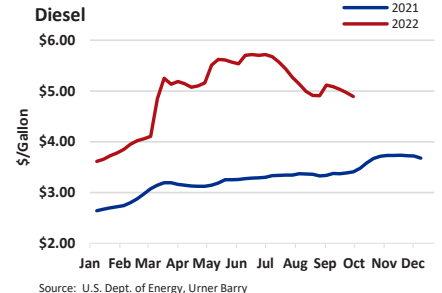




**POULTRY**



**ENERGY**



**ANNOUNCEMENT**

**Urner Barry Price Reporting Receives Independent Assurance of IOSCO Compliance Achieving the Gold Standard for Price Reporting**

For over 160 years, Urner Barry has been the trusted source for benchmark pricing in the food and agriculture industry. Now, the company has successfully completed an independent review of its price reporting methodology and control procedures, confirming Urner Barry's processes are aligned with the International Organization of Securities Commissions (IOSCO) Principles for Price Reporting Agencies (PRAs).

The Type 1 assurance report, issued by auditor BDO, examined eight benchmark price indices.

*"Our clients require the highest quality information to effectively conduct their business and navigate the supply chain," said Urner Barry CEO, Joe Muldowney. "This independent assurance review reflects the pledge we undertake to provide them with robust, independent, and accurate market coverage."*

Read more about the latest quality assurance [HERE](#)

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**POULTRY COMMENTARY**

WOGs continue to be inked in a wide range of lower levels. Offerings of boneless breasts and tenders remain pressured. Ask prices range lower but some optimism is noted moving into next week as buyer interest at the current price levels has helped spur movement. As for wings, input suggests offerings have come into a better balance at this point in the week. All sizes are rated about steady pending additional feedback. Chunk and trim meats continue to be readily available at discount. Turning to the back half, bone-in thighs are receiving the most pushback, but all lines are subject to question. Export interest in drums and leg quarters is said to be seeing a slightly stronger call. Leg meat remains easily uncovered at lower levels while

high meat has begun to find some balance. Whole birds continue to be held with a firm grip and are minimally offered. The same can be said for consumer and institutional-sized breasts which are inked at premium levels in low volumes. Turning to parts, drums and whole wings are tight and rated full steady. Two joints, necks, tails, and gizzards are found with ease at a wide range of generally lower levels. The raw materials complex continues to be barely adequate for the ongoing call. Breast meat, tenderloins, and scapula remain in high demand. The same can be said for breast trim and wing meat. Thigh meat demand has begun to waver some, particularly on the fresh side. MST is likewise seeing pushback at its current levels.

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