

Red Meat MARKET INSIGHT

Friday, September 27, 2024

Number 40 - Volume 17

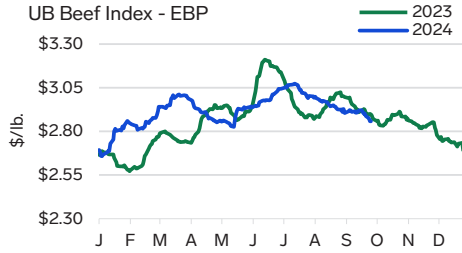
WEEKLY COMMODITY AT A GLANCE

| | This Week | Last Week | Last Year |
|--|-----------------|-----------|-----------|
| Omaha, US No 2 Yellow Corn | UNQ | 3.84 | 4.69 |
| CBOT Soybean | 1,065.75 | 1,012.00 | 1,275.00 |
| NYMEX Light Crude Oil | UNQ | 71.92 | 90.79 |
| Loose Lard, Chicago Basis | 0.56 | 0.56 | 0.86 |
| Edible Tallow, Chicago Basis | 0.54 | 0.54 | 0.755 |
| Beef Trimmings, 90% Fresh | 355.00 | 368.00 | 308.00 |
| Beef Trimmings, 50% Fresh | 90.00 | 96.00 | 130.00 |
| Aust/NZ Blend Cow 90% EC Spot | 297.00 | 296.00 | 256.00 |
| USDA Drop Credit | 0.113 | 0.113 | 0.135 |
| 112A 3 Ribeye Roll, Lip-On CH | 1,025.00 | 1,025.00 | 1,135.00 |
| 116A 3 Chuck Roll, Neck-Off CH | 485.00 | 465.00 | 420.00 |
| 168 3 Round, Top (Inside) CH | 333.00 | 340.00 | 365.00 |
| 180 3 Strip Loin, Bnls, 0x1 CH | 675.00 | 675.00 | 633.00 |
| 136 Coarse Ground 81% | 280.00 | 280.00 | 270.00 |
| 189A 4 Loin, Tenderloin, PSMO CH | 1,275.00 | 1,250.00 | 1,423.00 |
| Cattle-Fax, 6-State Fed Steer Price | 183.67 | 181.50 | 183.95 |
| Select Hams 20/23 | 87.00 | 90.00 | 90.00 |
| Sq Cut Bellies 14/16 | 136.00 | 133.00 | 138.00 |
| 1/4 Trmd. Loins 21/dn | 122.00 | 123.00 | 117.00 |
| 1/4 Tr Boston Butts 9/dn | 120.00 | 120.00 | 135.00 |
| Spareribs, Light, Fresh | 144.00 | 143.00 | 127.00 |
| Fresh Pork Trim (42%) | 70.00 | 62.00 | 68.00 |
| Fresh Pork Trim (72%) | 90.00 | 88.00 | 92.00 |
| Carcass Lamb Y4+55/65 | 4.40 | 4.40 | 4.50 |
| Lamb Cuts, 204 Rack, 8-Rib, 7/Up | 11.45 | 11.45 | 12.00 |
| Lamb Cuts, 206 Shoulder, Cross Cut | 4.40 | 4.40 | 3.95 |
| Lamb Cuts, 232 Loin Trmd 4x4 | 7.10 | 7.10 | 6.85 |
| Lamb Cuts, 234 Leg, Boneless | 7.90 | 7.90 | 7.05 |
| Carcass Veal, Hide-off, 255/315, NC | 5.15 | 5.15 | 4.50 |
| Veal Cuts, 306 Hotel Rack, 7-Rib 14/20 | 11.50 | 11.30 | 10.50 |
| Veal Cuts, 310 Shoulder Clod 14/20 | 8.00 | 8.20 | 7.00 |
| Veal Cuts, 332 Loin, 4x4 Trim 12/18 | 7.35 | 7.50 | 6.75 |
| Veal Cuts, 363A Leg, TBS 3-Pc 24/32 | 10.25 | 10.25 | 10.25 |

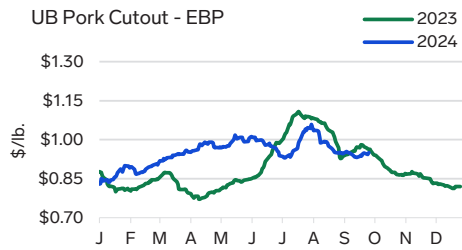
Quotes represent the high side of Friday's trading range

RIEMANN CONTRACT SETTLEMENTS

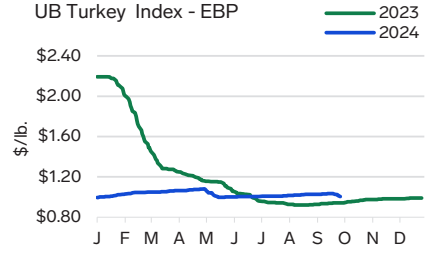
| | 9/27 | 9/20 | 9/13 |
|---|--------|--------|--------|
| Weekly Imported Aust/NZ Blend Cow 90% EC 7:45 | 2.95 | 2.95 | 2.94 |
| Weekly Weighted Average Blended Boxed Beef Cutout Index | 295.62 | 299.61 | 304.91 |



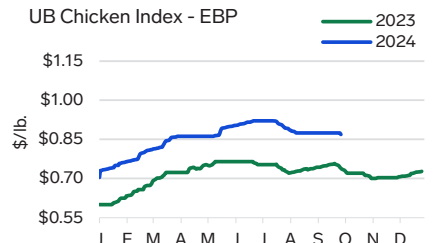
Source: Uerner Barry by Expana



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EST. DAILY CATTLE SLAUGHTER

| | M | T | W | TH | F | S | Total |
|-----|-----|-----|-----|-----|-----|----|-------|
| TW | 118 | 125 | 120 | 124 | 116 | 9 | 612 |
| LW | 121 | 125 | 125 | 122 | 108 | 9 | 610 |
| *LY | 126 | 128 | 126 | 124 | 96 | 12 | 612 |

EST. DAILY HOG SLAUGHTER

| | TW | LW | *LY |
|-----|-----|-----|-----|
| TW | 479 | 487 | 486 |
| LW | 475 | 474 | 479 |
| *LY | 470 | 490 | 488 |

EST. DAILY SHEEP SLAUGHTER

| | TW | LW | *LY |
|-----|----|----|-----|
| TW | 10 | 8 | 7 |
| LW | 10 | 8 | 6 |
| *LY | 9 | 9 | 6 |

EST. DAILY CALVES SLAUGHTER

| | TW | LW | *LY |
|-----|----|----|-----|
| TW | 1 | 1 | 1 |
| LW | 1 | 1 | 1 |
| *LY | 1 | 1 | 1 |

EST. DAILY COW & BULL SLAUGHTER

| | F | S | M | T | W | TH | Total |
|-----|------|------|------|------|------|------|-------|
| LW | 9/13 | 9/14 | 9/16 | 9/17 | 9/18 | 9/19 | 119 |
| TW | 9/20 | 9/21 | 9/23 | 9/24 | 9/25 | 9/26 | 117 |
| *LY | 26 | 6 | 26 | 27 | 26 | 28 | 139 |

*Last Year's numbers are rounded

FOREIGN EXCHANGE RATES

| | This Week | Last Week | Last Year |
|----------------------|-----------|-----------|-----------|
| Australia, Dollar | 0.687 | 0.681 | 0.649 |
| Mexico, Peso | 19.610 | 19.265 | 17.383 |
| Canada, Dollar | 1.347 | 1.357 | 1.343 |
| Japan, Yen | 144.742 | 142.929 | 149.126 |
| China, Yuan (RMB) | 7.016 | 7.072 | 7.298 |
| Brazil, Real | 5.457 | 5.442 | 4.996 |
| South Korea, Won | 1,322.89 | 1,329.52 | 1,344.96 |
| Taiwan, Dollar | 31.801 | 31.954 | 32.135 |
| European Union, Euro | 1.116 | 1.114 | 1.060 |

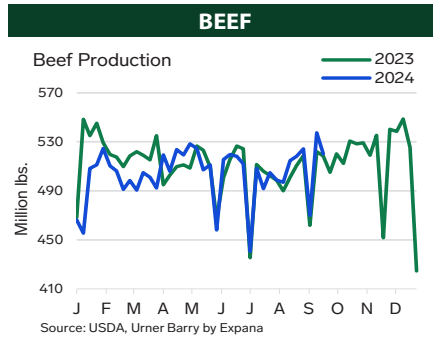
COLD STORAGE STOCKS

| (Pounds in Thousand) | 8/31/24 | 7/31/24 | 8/31/23 |
|-------------------------------------|----------------|----------------|----------------|
| Beef in Freezer, Bnls | 354,514 | 361,060 | 357,000 |
| Beef Cuts | 40,672 | 41,507 | 38,402 |
| Total Beef | 395,186 | 402,567 | 395,402 |
| PORK & OTHER | 8/31/24 | 7/31/24 | 8/31/23 |
| Pork in Freezer, Picnics | 5,839 | 5,878 | 8,533 |
| Hams | 150,179 | 139,464 | 154,286 |
| Bellies | 25,632 | 42,265 | 36,804 |
| Loins | 34,268 | 33,928 | 33,875 |
| Spareribs | 59,331 | 58,840 | 56,769 |
| Butts | 22,272 | 20,706 | 17,164 |
| Trimming | 38,509 | 37,063 | 40,237 |
| Other Pork in Freezer | 49,468 | 46,517 | 51,437 |
| Total Pork | 453,641 | 453,466 | 469,243 |
| Veal in Freezer | 735 | 629 | 1,148 |
| Lamb & Mutton in Freezer | 25,604 | 24,870 | 26,174 |
| Total Frozen Lamb & Veal | 26,339 | 25,499 | 27,322 |

Data Updated: September 26, 2024

URNER BARRY BY EXPANA WEEKLY RED MEAT MARKET UPDATE is available on FoodMarket.com and through Uerner Barry by Expana flagship service expanamarkets.com

| UB BEEF CUTOUT Sep-27 v. Sep-20 | | | | |
|---------------------------------|---------------|---------------|---------------|---------------|
| | CHOICE | SELECT | NO-ROLL | CAB |
| Rib | -2.13% | -3.54% | -0.90% | 2.72% |
| Chuck | -0.77% | -1.81% | -1.91% | 1.62% |
| Round | -1.80% | -1.41% | -1.58% | -2.51% |
| Loin | -1.27% | -0.54% | -0.97% | -2.27% |
| Briske | -2.12% | -2.39% | -2.42% | 0.86% |
| Plate | -9.48% | -9.48% | -9.48% | -6.22% |
| Flank | -5.45% | -6.29% | -3.77% | -2.83% |
| Total | -1.91% | -2.23% | -1.92% | -0.48% |



BEEF COMMENTARY

We continued to see downward pressure on the cutouts this week as supplies became a bit overbearing in a few areas of the market, most notably, coarse grinds. Demand remained seen through a subpar lens as pull through was a bit dull. With a hurricane running through the southeastern part of the states along with port strikes come October 1st, there was plenty of hesitancy in the market. Hand to mouth purchasing became the norm throughout the week as lower values continued to surface in a few areas putting buyers back on defense.

LIVE CATTLE: Prices this week were up \$2 in the South at \$185 (full range \$184-\$185). Prices in the North were \$1-\$2 higher at \$185-\$187 (full range \$184.50-\$188) and up \$2 at \$292 to mostly \$294 dressed (full range \$290-\$295).

SLAUGHTER & BEEF PRODUCTION: The weekly federally inspected slaughter was 612,000 head, compared to 610,000 head last week. Estimated live cattle weights surged again this week, this time 5 pounds to 1404 pounds. Dressed weights increased 3 pounds to 858 pounds.

RIBS: Ribs continued to be locked in a channel throughout the week. Buyers and sellers were generally in agreement on pricing which left price adjustments nearly non-existent. We are beginning to see a slight divergence in pricing between light and heavy ribs as foodservice continues to seek out the former.

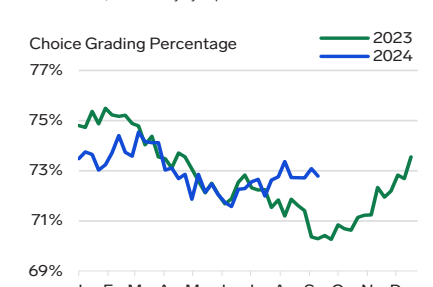
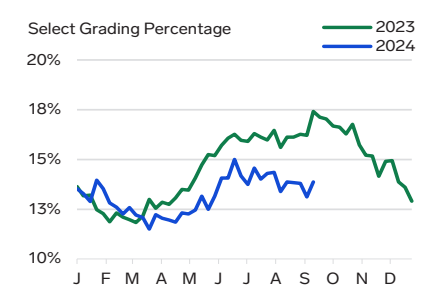
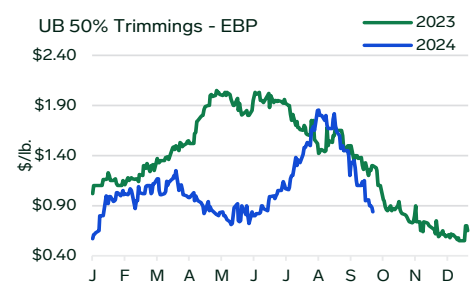
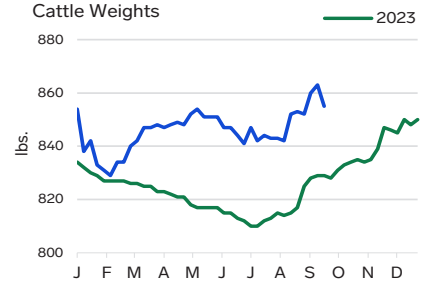
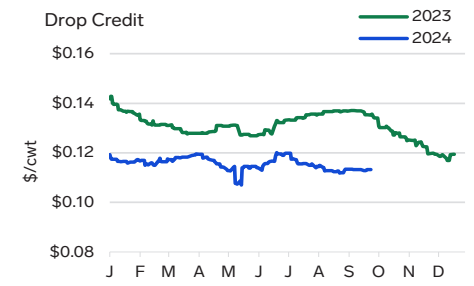
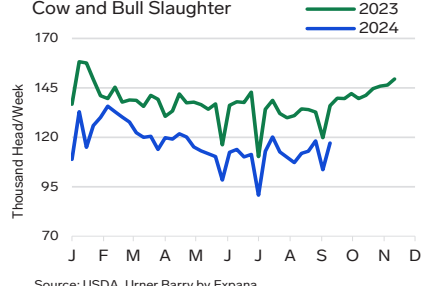
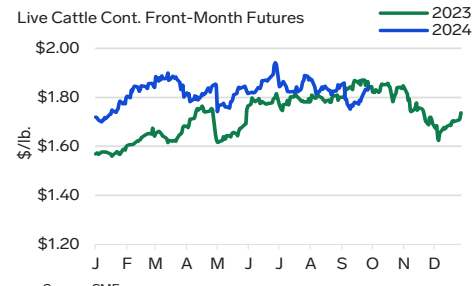
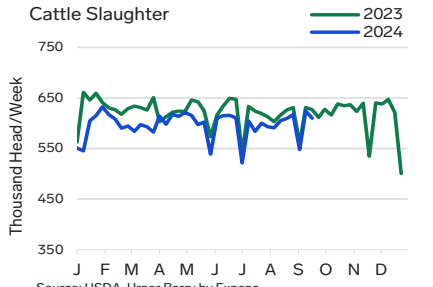
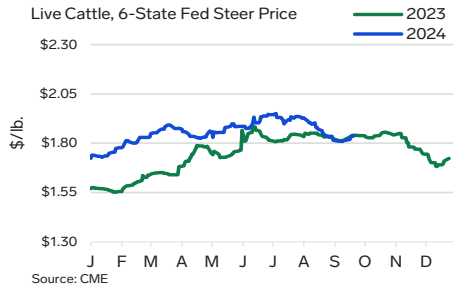
CHUCKS: The chuck arena was largely unsettled. Items previously needed for grinding such as shoulder clods, saw softer pricing throughout the week as those needs have slowed. Chuck rolls on the other hand experienced very tight supplies and active buyer needs which pushed prices higher for the 4th consecutive week and are now sitting atop 52-week highs. Chuck rolls have now surpassed last year's highest price of \$4.56/lb. by 20 cents.

ROUNDS: Price action within the round was largely muted. Inside rounds and goosenecks moved a touch lower as supplies began to outpace demand slightly. Outside rounds, eye rounds, and peeled knuckles traded within a channel as a layer of support remained from roast features.

LOINS: Items within the loin were all over the board this week. Tenderloins found a leg higher by weeks end as holiday orders continued to tighten up supplies. Top Butts on the other hand were met with frugal buyers and sellers were forced to take lower money to move inventories. Strips and short loins remained supported within our listed ranges, leading to minimal price adjustments within those items.

GROUND BEEF: Coarse grinds were unable to shake off the downward pressure seen in previous weeks. 73% coarse grinds along with 81% moved lower as supplies far surpassed demand. Coarse ground chuck also moved lower as input costs came down. Round and sirloin blends were able to hold onto current price points.

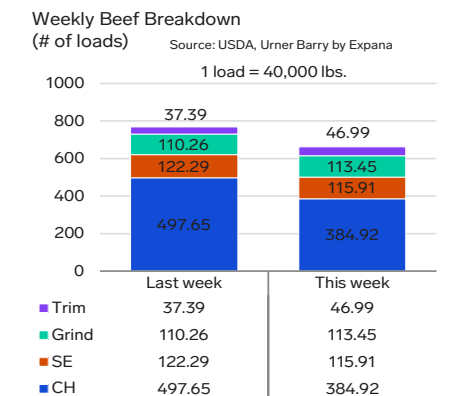
BONELESS BEEF: The domestic boneless beef market opened the week with weaker undertones. Weakness in these markets could be attributed to a combination of moderate at best demand and ample supplies. Price levels for both the fresh 50s and 90s were mixed this week but the overall trend was lower. The week ended with a lot of uncertainty due to a combination of the pending port strikes and storms that were causing significant logistical issues in these markets. This week's cattle slaughter was estimated at 612,000 head.



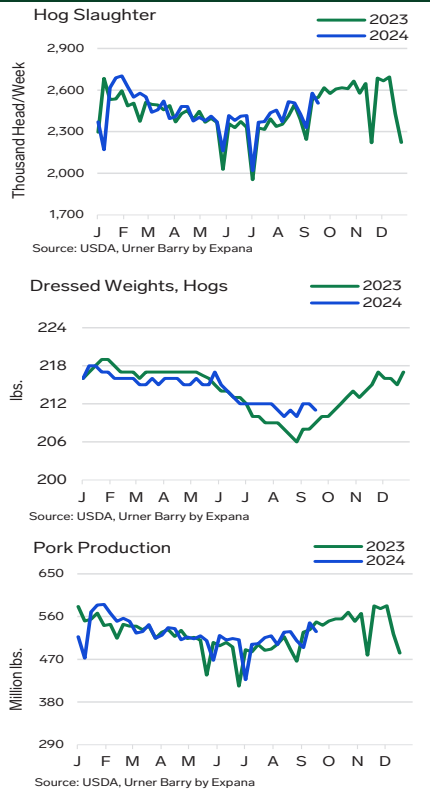
UB BEEF CUTOUT-CH/SE SPREAD (\$/cwt)

| | M | T | W | TH | F |
|------------|-------|-------|-------|-------|-------|
| TW | 13.83 | 13.58 | 13.74 | 13.75 | 13.79 |
| *LW | 12.97 | 13.13 | 13.15 | 13.16 | 13.16 |

*Last Week's numbers are rounded

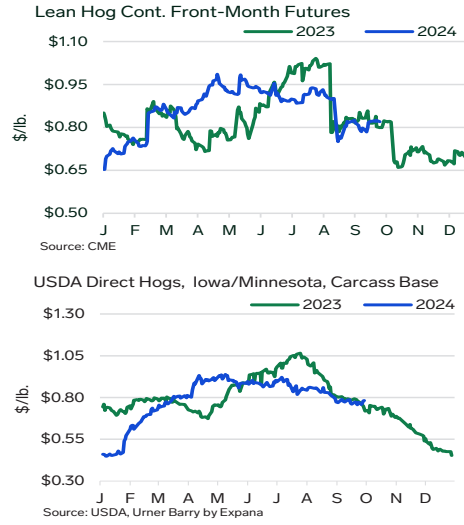


PORK PRODUCTION



LIVE HOGS & CUTOUT

| PORK CUTOUT | Sep-20 | Sep-27 | Change |
|---------------------|---------------|---------------|--------------|
| Loin | 93.060 | 93.210 | 0.150 |
| Butt | 99.960 | 100.650 | 0.690 |
| Picnic | 85.170 | 85.010 | -0.160 |
| Sparerib | 131.720 | 135.850 | 4.130 |
| Ham | 84.580 | 82.990 | -1.590 |
| Belly | 127.710 | 130.470 | 2.760 |
| Cutout Value | 94.623 | 94.974 | 0.351 |



PORK COMMENTARY

In the pork market this week, increasing week-over-week pork production, last week's slaughter disruptions, and the fall season coming into play impacted the pork market this week. Urner Barry's pork carcass cutout increased by 0.37 percent during the week.

PORK PRODUCTION: Pork production for the week ending 9/28/2024 was estimated to be 543.3 million pounds. This would be 2.8 percent higher than last week and 1.0 percent below this same week a year ago. Live hog weights averaged 284 pounds for the week, which was 1 pound higher compared to last week and 1 pound heavier than this same week a year ago.

GREEN MEATS: In the green meat complex, bone-in hams were softer on slowing demand from both export and domestic channels. Boneless hams were also barley steady as availability increased following the peak deli demand season. In belly category, wide price ranges persisted though a slightly supportive tone was present on tighter availability. In the trim segment, 42s and 72s were mostly steady to higher on limited availability, while boneless picnics experienced active demand.

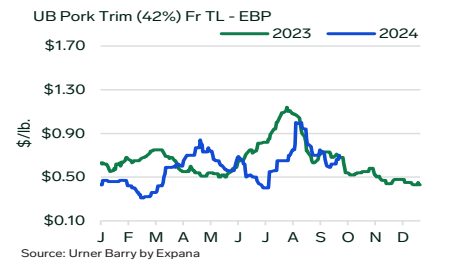
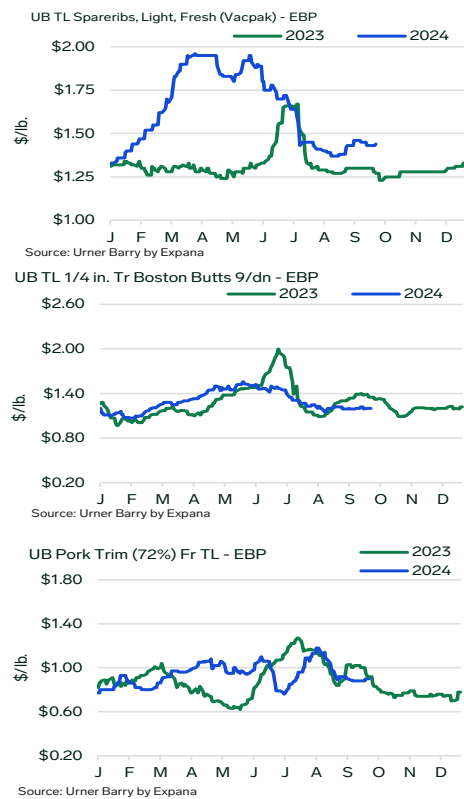
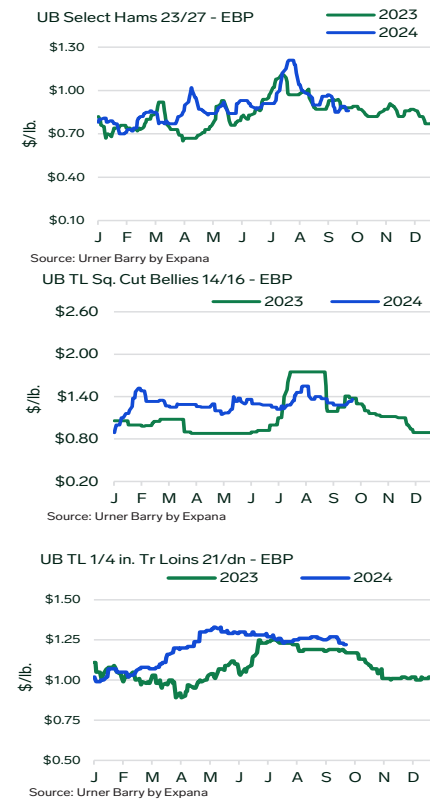
HAMS: Bone-in hams were \$2.00/cwt to \$3.50/cwt weaker, while boneless ham items were \$2.00/cwt softer.

BELLIES: Skinless bellies were \$2.00/cwt to \$3.00/cwt higher.

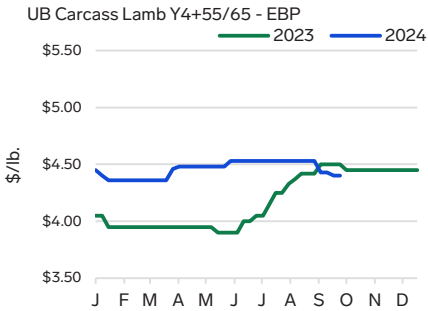
TRIMMINGS: 42s were \$7.50/cwt higher, while 72s were \$2.00/cwt stronger. Boneless picnics were \$1.00/cwt higher.

RETAIL: 1/4" bone-in loins were \$0.50/cwt lower, while 1/8" bone-in loins were \$4.00/cwt softer. Boneless strap-ons were \$3.50/cwt lower, while strap-offs were also \$2.50/cwt lower. Bone-in sirloins were unchanged, while boneless sirloins were steady. Tenderloins remained sideways. 1/4" bone-in butts were steady, while boneless butts were \$2.00/cwt higher. Light spareribs were \$1.00/cwt stronger, while medium spareribs were \$5.00/cwt higher.

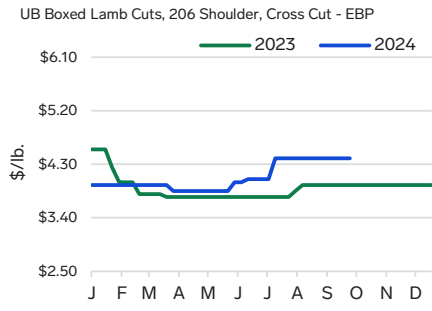
PORK PROCESSING ITEMS & RETAIL CUTS



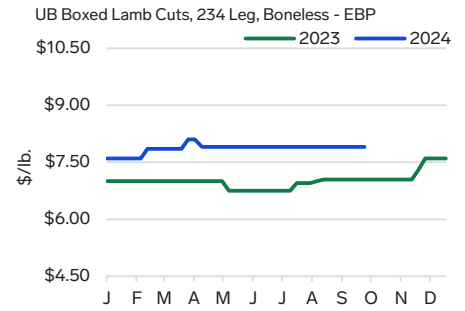
LAMB



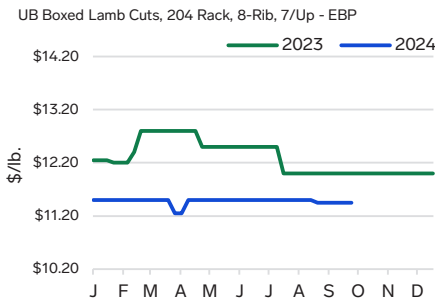
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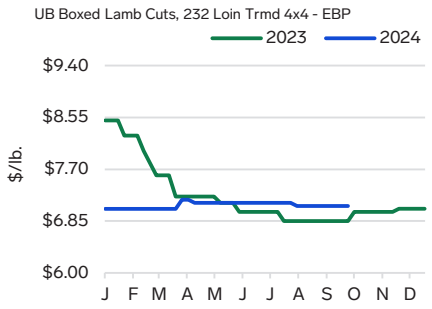
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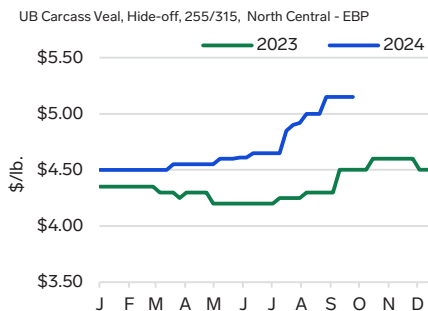
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LAMB & VEAL COMMENTARY

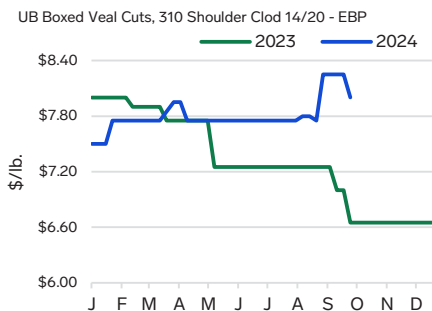
In the veal market this week, carcasses traded within previously established price levels, though they remained at historically high points compared to data dating back to 1993. Most veal cuts saw some price movements. Cuts like chucks, foreshanks, breasts, legs, marrow bones, cutlets, and both osso buco foreshanks and osso buco hindshanks experienced full steady pricing, while shoulder clods, center-cut foreshanks, loins, hindshanks, top rounds, veal for stewing, and leg slices were barely steady. Other cuts, such as mixed bones and ground veal saw tighter price ranges, while ribs remained mixed.

In the domestic lamb market this week, carcasses were rated as barely steady, while boxed cuts were generally unchanged. According to the latest USDA report, fresh lamb cuts (negotiated sales) totaled 347,749 pounds, reflecting a 17.7% decrease from the previous week. Trade volume for frozen products was reported at 70,917 pounds, marking a 7.7% decrease from the prior week. The most recent Estimated Meat Production Under Federal Inspection report recorded lamb slaughter at 35,000 head for the week, an increase of 1,000 head from the previous week.

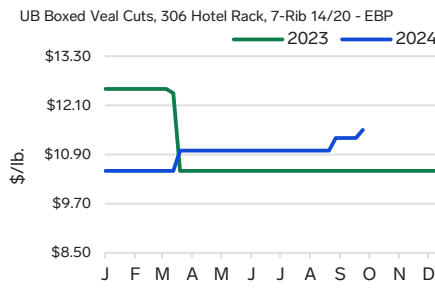
VEAL



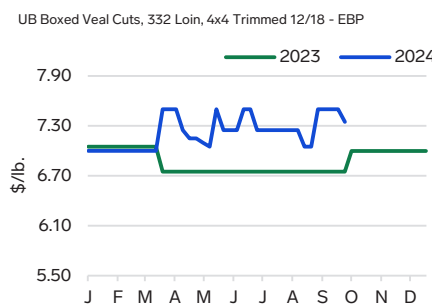
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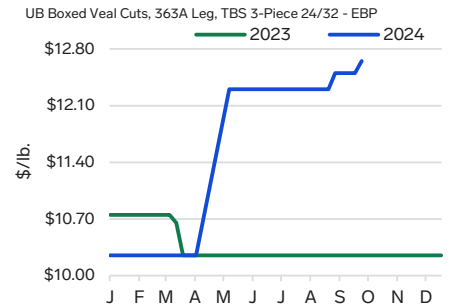
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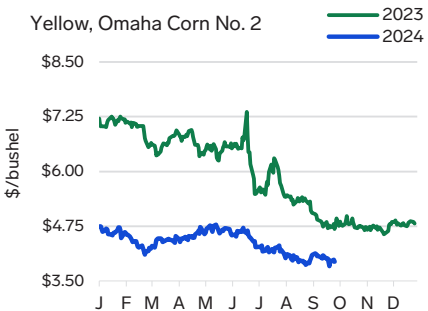


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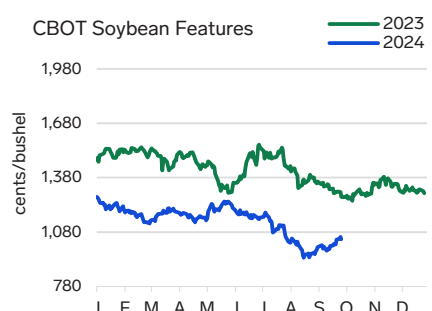


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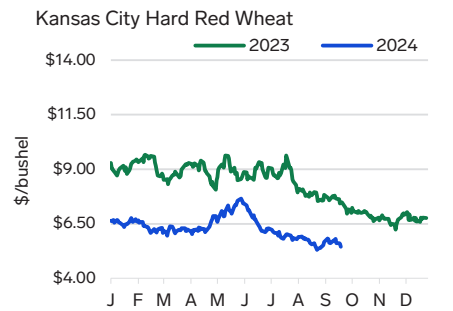
FEEDS: CORN, SOY BEAN, RED WHEAT



Source: CME

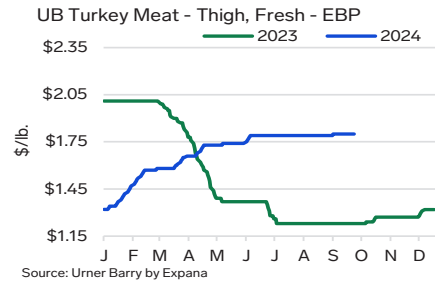
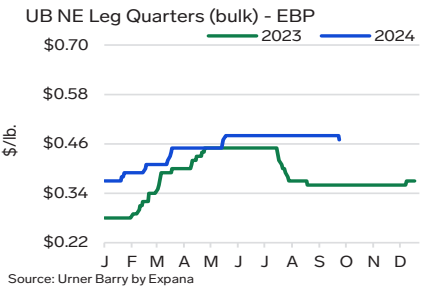
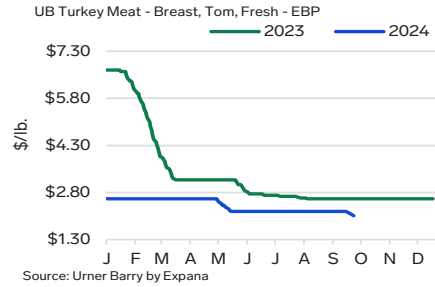
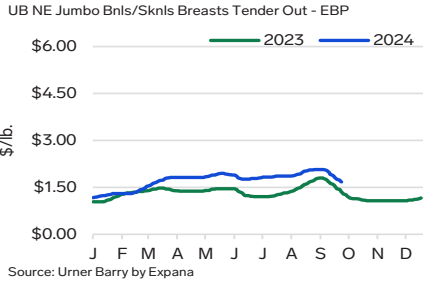
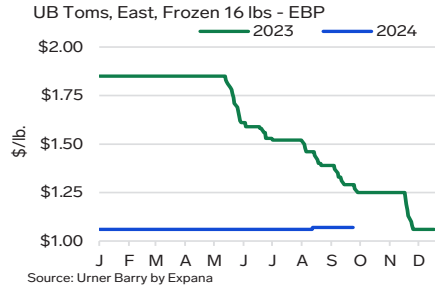
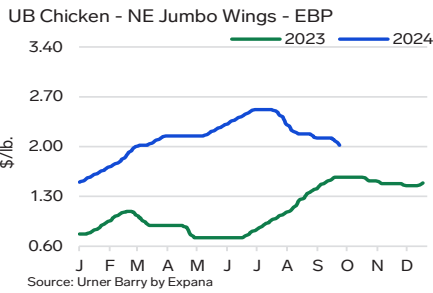


Source: CME

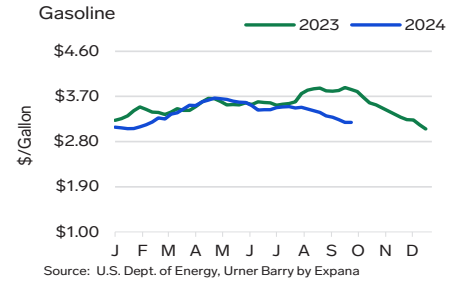
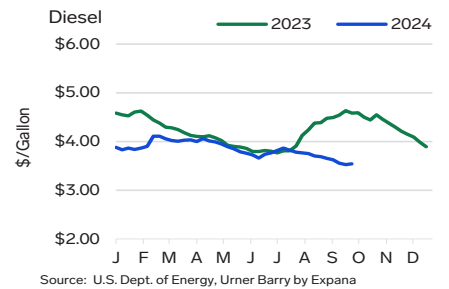


Source: KCBT

POULTRY



ENERGY



POULTRY COMMENTARY

This week, nearly all lines in the chicken market were under pressure as several variables came together to form a “perfect storm”. Demand for many items like boneless breast, tenders, and the back half items declined in a seasonable fashion assisted by a decreased call due to Hurricane Helene at the same time supplies flooded the market. Factors such as concern surrounding the potential port strike and ideal growing conditions resulting in last week’s slaughter numbers coming in with the highest annual production of ready-to-cook chicken played into this. The supply-demand imbalance was enough to push quotations for the middle-tiered WOGs, legs, leg quarters, thighs, medium and jumbo wings, tenders, all sizes of boneless breast, and thigh meat lower in both the fresh and frozen domestic markets. The remaining lines were rated about steady as increased availability of production was starting to surface when the markets closed on Friday.

In the whole bird complex, trade of frozen whole birds remained very irregular with wide-ranging prices across the country. Fresh quotations were reinstated, but similar to frozen, mixed prices were in play. The markets for consumer and institutional sized breasts were uneventful, though the call

for the former was notably sluggish. In the parts complex, supplies of frozen tom two joints and fresh and frozen tom wings were available and a limited number of wing sales were inked at slightly lower prices. All other lines were fairly well cleared and fresh tom drums, fresh and frozen tom necks, and frozen tails were all moved at higher values as active demand from the grinding sector resulted in production easily finding a home. Over the course of the week, the gap between fresh and frozen breast meat quotations narrowed as buyers still viewed prices for frozen offerings as a bargain and readily purchased frozen tom, hen, and breeder breast meat at increased values. Conversely, demand for fresh offerings diminished, fueled by both the ending of deli season and diminished public sentiment due to recent food safety concerns surrounding certain deli brands. Despite the disparity in fresh tender and fresh breast meat prices, fresh and frozen tenders were still sought after. Fresh and frozen thigh meat was also actively pursued, and supplies were notably tight. Offerings of fresh and frozen trim, scapula, and wing meat remained limited and readily placed. The same could be said for fresh and frozen MST.

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