

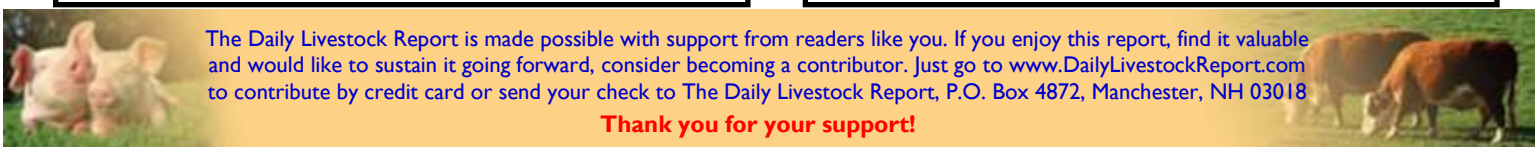
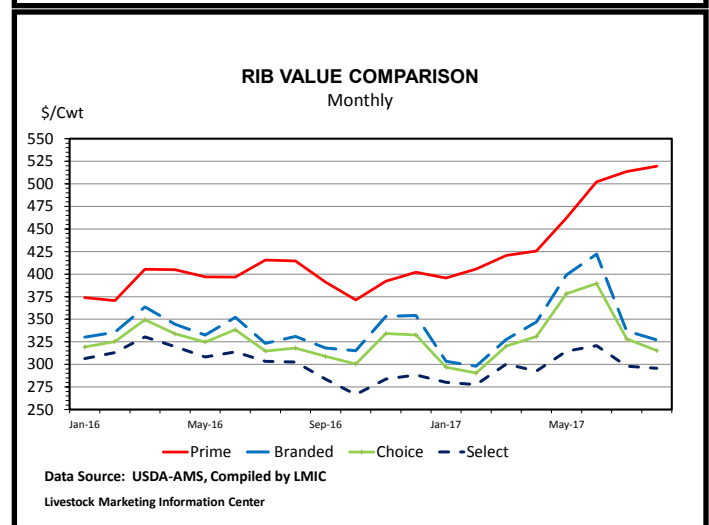
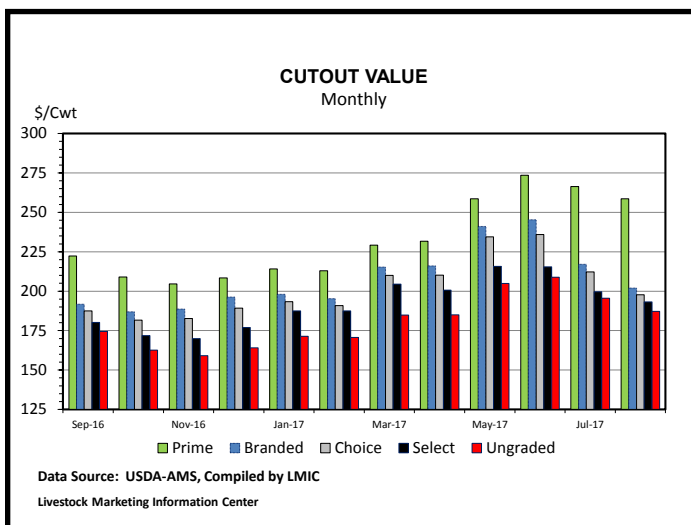
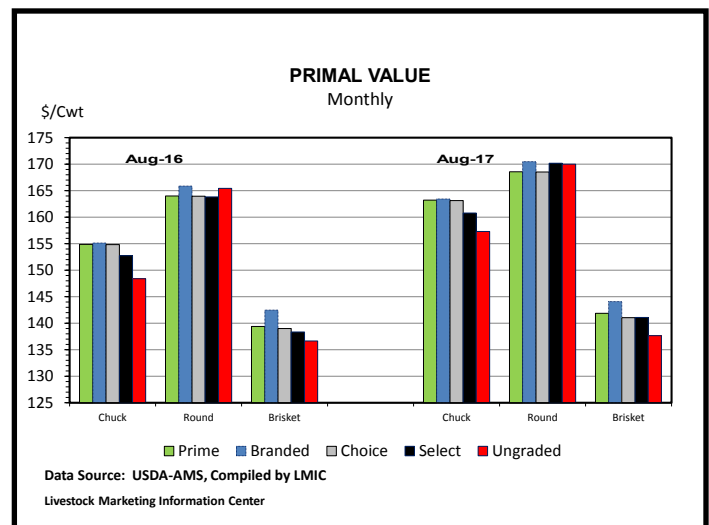
Today we look at the National Comprehensive Boxed Beef Cutout report by USDA's Agricultural Marketing Service (Market News Division). It is a weekly report that compiles data that includes not just cash (negotiated) product sold for delivery within 21 days, but also formula transactions. The report is available [here](#). We begin by discussing August values and then look at recent weekly volume data.

The comprehensive beef cutout value has five quality sub components: Prime, Branded, Choice, Select, and Ungraded. From December 2016 through June, the direction of beef cutout values was mostly higher. During the last two months (July and August) values have slipped. For August, the comprehensive value dropped by \$12.36 per cwt., or 6.0%. However, the year-over-year decline was slight at \$0.47 per cwt. (slipping only 0.2%). Compared to a year ago., several of the cutout's primal components were stronger in August, including the Chuck, Round, Brisket, Short Plate, and Flank. The largest percentage declines compared to a year ago were for Loin, followed by the Rib primal.

For Prime (the highest USDA Quality Grade), the cutout increased 9.9% in August compared to 2016's, posting the largest gain of any of the quality categories. Within Prime, August's Rib value surged 25.3% from a year earlier. All the other quality categories posted slightly lower rib values compared to 2016's.

Within August, the volume data in this report provided some insights. Prices dropped, and sales were robust. That's much better market action than when both prices and tonnage sold

decline. Each of the last four weeks had more product sold than in the prior week. The volume during the last four weeks was larger than any consecutive 4-week period since mid-September 2014 and was the second biggest since late-June 2013. Beef packers required to report (large firms that are covered by mandatory reporting legislation) showed loads designated for export last week were the biggest since the week ending February 24, 2017. Further, buyers were locking in products, as indicated by the loads sold for delivery more than 22 days into the future, which last week was the largest since the week ending May 25, 2012.



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