

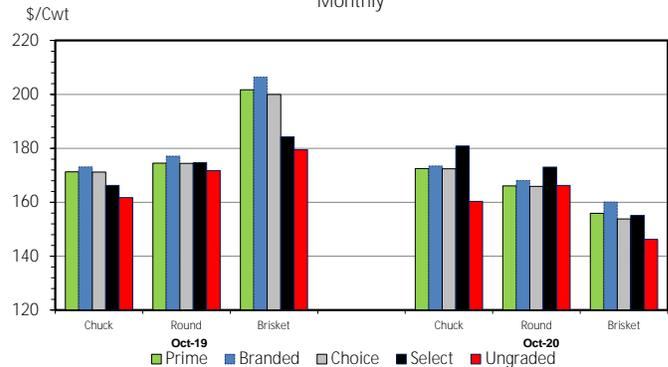
Boxed beef jumped last week averaging \$222 per cwt for Choice boxed beef and was \$12 ahead of the prior week. Rib primal values had the largest gains, adding \$24 per cwt to the week before and increasing to \$416 per cwt. All primal values increased, but chuck and round values both moved more than \$10 per cwt from the previous week. Brisket, flank, and short plate values increased less than \$5 per cwt.

Gains were not limited to Choice grades. The Select boxed beef cutout increased \$11 over the week ending 11/7/2020, but the highest increase in the primal values for Select was in the chuck, increasing \$14 per cwt. Rib and Loins were up more than \$10 per cwt as well, and short plates, brisket, and flank bounced less than \$5 per cwt higher. Select primal values moved more than Choice primal values in every primal except the rib and chuck.

LMIC tracks Prime and Branded products on a monthly basis with data through October available. Compared to last October, Select graded beef is performing better in most primal categories except briskets. Prime beef is performing lower than last year, while Choice graded beef is mostly lower. Rib values did very well last year in all categories, except Select and Unbranded. This year the Prime graded rib primal is below a year ago, but hasn't fallen as much as it has in other primal categories. Surprising, Branded and Choice rib primal values were similar to a year ago in October, while Select is lower.

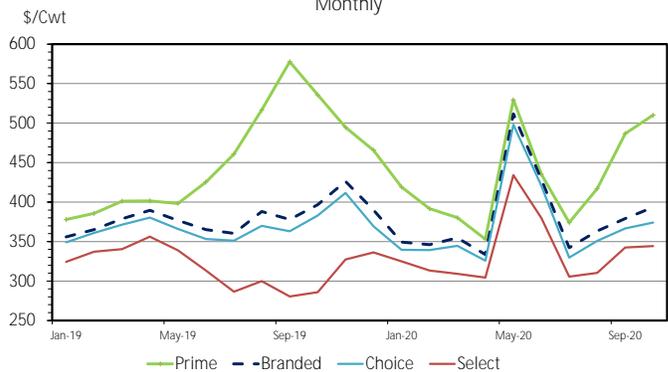
Last year the fourth quarter saw a large rise in premiums for Prime rib primal values. Demand was a key component of that rise and 2020 is expected to not be able to replicate last year's beef demand or high premiums for Prime. In part because larger supplies of Prime are available, but also the absence of fine dining and the potential for further lockdowns are expected to curtail activities that would have

PRIMAL VALUE
Monthly



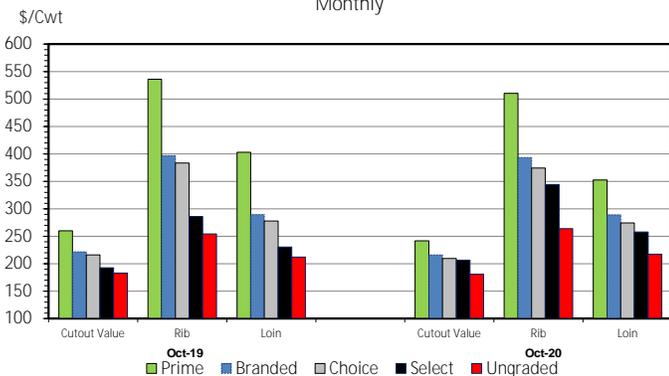
Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center

RIB VALUE COMPARISON
Monthly



Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center

PRIMAL VALUE
Monthly



Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center

been more likely to have Prime rib cuts featured such as corporate holiday parties, large conferences, etc.

Despite the lack of these key holiday components the Prime premium for the rib primal has been holding up well, and was over \$100 per cwt premium to branded product in October. Last year that spread was \$139 per cwt. This is a substantial improvement compared to the very compressed margins in the second quarter of 2020, where all graded beef was in high demand. The demand picture is still unclear for this holiday season, but these premiums and strong prices in higher end meat cuts at the wholesale level appear promising.



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