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- Regional offer contraction starts to balance export market
- INAC-Uruguay approves steer price reference indicator
- Brazilian beef exports keep good rhythm in December
- Major Argentine exporting packers close temporarily
- Lower Argentine exports to Russia and the EU in November
- US feedlot stocks grew for 2nd consecutive month
- Russia clears four Indian packers to export buffalo meat

INTERVIEW - Alvaro Erosa – CEO of Clay SA – Uruguay "Horsemeat market is practically paralyzed"



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FOB Mercosur

Supply contraction starts to balance the market

The momentarily closure of several units in the region reduced the beef offer and that starts to impact on a more balanced market, first of all on chilled beef sales to Europe. In Argentina, several of the major units will be closed up to 7 January. Much the same happens in Paraguay; exporting units were finishing slaughter schedules between yesterday and today and will be back after the first week of January 2015. In Uruguay, several units are doing just two slaughters this week and the next.

This situation of strong contraction of the offer allows the market to achieve a new balance in the chilled European market, Prices balanced after three months of strong downward corrections and some sources handle higher references than those of the past week.

Russia far from being an attractive option

Bids from Russian importers for 2015 purchases are still far away from what Mercosur exporters expect. Although the

rouble moderated its depreciation run against the US\$ during the last days (to RUB/US\$ 55), uncertainties about the future of the Russian economy remain intact, faced to a scenario in which crude oil prices won't suffer a rebound in the short term.

A Paraguayan packer source told WBR that importers' bids include US\$/t 3,200 CIF for chuck & blade and US\$/t 3,600 for round cuts. "At these values it's impossible to agree operations", he warned. He added that the Russian debacle affects "particularly" Paraguay because it has no alternative markets that may absorb products that up to few weeks ago were sold in that country. He understands that the price of finished cattle in Paraguay should be below US\$/kg 3.10 cw for the trade current to remain fluent. Despite lower cattle prices that fell consistently during the past two weeks, an export steer is currently between US\$/kg 3.20 and 3.30 cw.

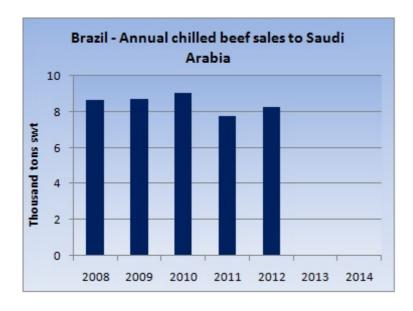
A regional broker said that stocks in Russia with "a normal consumption" should last until March. Meanwhile, a Brazilian broker believes that, as soon as the rouble becomes stable, Brazil will resume operations. The source explained that major Brazilian exporters are looking for alternatives to make "shorter advances, lower volumes and regular contracts" to enable importers to keep buying Brazilian beef. "Brazil is the one that has volume and has the pressure to look for some kind of solution", he explained.

On the other hand, the biggest problems in the industrial sector today are faced by exporters of pork and poultry meat that have containers ready but cannot load because Russian importers can't get the roubles (to buy US\$) they need to pay the shipments.

Some improvement from the MENA side

Although hopes with Egypt are not much for the Brazilian industry in the coming weeks – product of the big volumes shipped in November -, from January there are some perspectives to initiate a more fluent trade current with Iran, a trader told WBR. So far, price soundings are around €/t 3,300 for fullsets.

The Saudi Arabian market could also become operational in January after lifting the ban by the end of this year. This market is "a far from negligible niche" for chilled beef, the operator reminded.



Europe shows a little more dynamic

The European market started to agree the first loads for January to arrive to European ports on early February. According to a regional trader, Brazil sold 3-4 lbs and 4-5 lbs tenderloin at US\$/t 16,000 and 17,000 FOB respectively. Meanwhile, continental beef gets up to US\$/t 7,800. In the case of tenderloin, the references are the same of late November, while continental beef achieved a small price improvement.

As for rump & loin, European prices are somewhat higher since, maybe as a consequence of the offer restriction due to the closure of various of main Argentinian export slaughterplants and the lower activity in Uruguayans. The source indicated that regular contracts may obtain US\$/t 13,500-13,600 for shipments from Uruguay and US\$/t 14,500 FOB for the best Argentine brands. However, an European importer said that now the market is firm, with proce references above that ones' of last week. "Prices are higher", he said, and informed of references of US\$/t 14,800-15,200 for Argentine Rump & Loin and US\$/t 13,500-13,800 foe Uruguayan.

A market operator explained that the excess of pork meat offer in Europe is impacting over beef. Anyway, to his knowledge, Europe will keep demanding Premium beef from South America because a big number of consumers are used to such a product.

Fewer operations under the 481 quota

Operations from Uruguay under the EU 481-quota, that includes beef from feedlot finished animals, weakened during the past weeks. A weakening market for the Hilton quota as well hit the 481. Members of the Uruguayan exporting

sector commented that lately they were not achieving new operations. "To negotiate is to accept prices that don't close", one of them said.

In the Oct-Dec period, for a second consecutive quarter, the initial tonnage (12,234 tons) will be nearly completed. Up to 19 December, the EU Customs service informed that only 438 tons were still available, 3.6% of the total.

China and NAFTA with no activity

Purchases for the Chinese New Year are over and now only the agreed contracts between the industry and operators remain to be completed. It is still premature to speak about what may happen after that and, meanwhile, the market is practically inactive, traders and industrialists coincide.

A Brazilian broker said the arrival of Brazil in China next year will be "gradual". Eight units are expected to arrive first (five of JBS, two of Marfrig and one of Minerva). The source thinks there's an established "trade current" via Hong Kong that will be difficult to dismantle from one day to the other. "The big impact will be seen when smaller units become certified, but that won't happen in the short term", the operator assured.

On the other hand, as it's happening since the past two weeks, the NAFTA market, and the US in particular, show no signs of reactivation for the Uruguayan industry. A broker said that beef supply from Australia and New Zealand is still "bulky", a fact that could explain the lower interest for the Uruguayan product. This adds to price corrections in the past two weeks that pushed local lean meat prices down.

Chile shows weaker buying rhythm

Scot Consultoria, USDA, MLA, EC

Although Chile keeps demanding Paraguayan beef, the rhythm became weaker than a week ago. A Paraguayan packer informed that contracts to load in January are being closed at US\$/t 5,600 CIF Santiago.

MARKETS

Mercosur steer price leaves floor of past week

The downward pressure over cattle prices remain unchanged in most parts of the region. However, corrections are less significant in the last days as demand faces a relatively low supply. That was joined by a 2.8% Real appreciation during the week, which finally determined a US\$ 4 cent gain from the past week's floor that pushed the Mercosur Steer Index (WBR/MSI) up to US\$/kg 3.46 cw.

Estimated c	arcass price (US\$/k)	•	rices		
Steers	arease price (o corre)	Last	Week	Month	Diff % month
Mercosur	WBR Index	3,46	3,42	3,65	-5,1%
Uruguay	Best, + 460 k	3,42	3,45	3,52	-2,8%
Argentina	Export + 480 k	3,50	3,55	3,69	-5,0%
Argentina	Domestic 420-440 k	3,39	3,17	3,14	8,1%
Brazil	Avg export states	3,45	3,37	3,64	-5,2%
Brazil	Sao Paulo	3,58	3,51	3,81	-5,9%
Brazil	RS - Porto Alegre	3,65	3,60	3,55	2,8%
Brazil	MS - Campo Grande	3,46	3,38	3,63	-4,6%
Brazil	MT - Cuiabá	3,36	3,26	3,55	-5,3%
Brazil	GO - Goiánia	3,46	3.36	3,63	-4,6%
Paraguay	Steers	3.25	3.30	3,50	-7,1%
USA	Steers	5,59	5.65	5.89	-5.2%
Australia	Trade steer (170-230 k)	2,98	2,96	2,89	2.9%
Australia	Japan Ox (300-400 k)	2,87	2,93	2,80	2,6%
N. Zealand	Bull (270-295 cwt)	s/d	s/d	4,22	x
E. Union	Steers	5,05	5,15	5,10	-1,0%
Japan	Wagyu A5 (Tokyo)	s/d	s/d	19,77	x
Cows	9, 1, 1,	Last	Week	Month	Diff % month
Uruguay	Best, + 440 k	3,17	3,20	3,30	-3,9%
Uruguay	Manufacturing	0,00	2,01	2,07	-100,0%
Argentina	Special to good	2,88	2,67	2,62	9,9%
Argentina	Manufacturing	1,79	1,87	2,40	-25,2%
Brazil	Sao Paulo	3,37	3,30	3,56	-5,3%
Brazil	RS - Porto Alegre	3,53	3,51	3,45	2,5%
Brazil	MS - Campo Grande	3,23	3,17	3,44	-6,1%
USA	Cow 90 lean (500-600 lb)	4,79	4,87	4,92	-2,7%
Australia	US Cow	2,51	2,57	2,51	0,2%
N. Zealand	Cow (195-220 k cwt)	s/d	s/d	4,22	x
E. Union	Cow	3,25	3,32	3,31	-1,9%



	Companie	s shares	
	23-Dec	Weekly	1 5
		% diff.	End 2013
JBS	11,16	-3,9%	27,5%
Marfrig	5,84	11,7%	48,2%
Minerva	9,5	4,1%	-17,4%
Brasil Foods	63,59	8,2%	30,2%
Tyson Foods	40,99	2,3%	22,5%
McDonalds	93,89	5,0%	-3,2%
Fonterra	6,00	-0,5%	3,6%
ADM	52,72	5,6%	21,5%
Monsanto	122,04	3,8%	4,7%
Potash	35,6	2,6%	8,0%
John Deere	90,24	1,8%	-1,2%
In R\$ or US\$/s	share		

unuou	11/10			e View (US\$ cents/kg)	. // !!				
	AY (Cents/			BRAZIL (US cents/k live weight)					
Steers	Last	Week	Month		Last	Week	Month		
Best steers (OTH)	342	345	352	Steer Sao Paulo	186	182	198		
Good steers (OTH)	340	343	350	Steer RG do Sul	188	185	183		
Light wieght (OTH)	340	343	350	Steer Mato Gr. Do Sul	180	176	189		
Nat grass +480k (LW)	177	178	182	Steer Minas Gerais	179	176	189		
Holstein (OTH)	332	335	340	Cow Sao Paulo	163	160	173		
Cows				Cow RG do Sul	173	172	169		
Prime (OTH)	317	320	330	Cow Mato Gr. Do Sul	157	154	167		
Prime (LW)	156	158	164	Cow Minas Gerais	158	154	164		
Fat (LW)	310	315	325	Future steer prices					
Heifers +310 (OTH)	330	332	338	Dec-14	185	179	196		
Heifers +310 (LW)	169	170	172	Jan-15	181	176	193		
Replacement cattle				Feb-15	181	176	191		
Calves (120-180 k)	200	200	200	Mar-15	180	175	189		
Steers (320-360 k)	170	170	170	Restocker quotes					
Cows	137	137	134	Calves Dourados-MS (180k)	269	23	7_		
ARGENTINA (US	Cents/k. I	ive weiaht)	Heifers Dorados-MS (240k)	172	-	-		
EU export steers	196	199	207	Calves RG do Sul (180k)	192	186	193		
Steers - Avg Liniers	177	167	166	Wholesaler					
Yearlings 390-430 k	198	187	203	Hind qtr Sao Paulo (cents/k)	400	382	414		
Steers 431-460 k	197	184	182	Fore qtr Sao Paulo (cents/k)	241	226	_		
Steers 461-490 k	197	165	179	PARAGUAY (US c	ents/k car	cass weigh	t)		
Steers 491-520 k	183	184	179	Steers to EU	Nom	Nom	Nom		
Steers more than 520 k	173	178	158	Steers to Chile	330	335	355		
Cows				Other fat steers	320	325	345		
Prime	147	136	134	Fat cows	300	305	335		



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Uruguay

INAC approves steer price reference indicator

With five votes in favor, two against and one abstention, INAC's board approved yesterday a new indicator for steer reference prices. The same will take into account the average sale prices of all the products sold by the beef industry as well as the weekly export average and, based on that, will publish weekly the value of reference for a finished steer. Besides, it was decided it will also publish a reference for a calf price taking into account the historic ratio between a steer and a calf.

Delegation returned hopeful for the future of the 481-quota

"The 481 quota is not in danger", said INAC's Vice-president, Fernando Pérez Abella, who was part of the delegation that visited Europe, headed by the Minister of Agriculture, Tabaré Aguerre and the Vice-chancellor, Luis Porto, and also integrated by representatives of the beef industry. They made the necessary contacts with EU authorities and importers to know first-hand about the future of the 481 quota.

The HQ beef import quota was created by Brussels to compensate the US for the prohibition of importing beef from animals treated with hormones and it was said that an eventual FTA between the EU and the US could drive to its elimination.

Doubts were based on what happened with the 3,200-ton quota share that Canada had in the 481 that will be eliminated once the EU-Canada agreement starts to rule.

Uruguayan officials and exporters were worried about the consequences that ongoing negotiations towards an FTA between the EU and the US may determine the end of the quota.

But Pérez Abella informed that the eventuality was only a rumor that "is part of a big lobby by US exporters who are upset" for the growing participation of beef from other origins in the quota, especially during the last months in which US beef prices were extremely high to compete.

The Uruguayan delegation returned with the belief that at least during the next two years the 481 quota is not in danger and that EU importers keep their "firm interest in Uruguayan beef", Pérez Abella assured.

	100		Urugi	ıay - Weekly	beef and of	fal exports				
	Week 48	la de	Week 49	9	Week 50)	Week 51	1	Year to	date
	Tons	US\$/t	Tons	US\$/t	Tons	US\$/t	Tons	US\$/t	Tons	US\$/t
Chilled	657	10.318	919	10.177	966	10.270	787	9.423	37.882	10.064
Netherlands	180	10.522	215	10.662	311	10.057	149	12.323	9.420	11.214
Brazil	86	9.128	130	8.169	165	8.969	172	5.529	6.555	6.556
Germany	44	11.905	127	12.184	125	12.552	164	10.632	5.446	14.054
Chile	83	5.914	90	5.940	42	6.115	44	5.897	4.976	5.656
Spain	42	9.477	53	9.911	78	9.791	36	8.061	2.353	9.586
Frozen	4.489	5.395	5.181	5.396	6.005	5.384	4.899	5.458	200.341	5.074
China	2.104	4.703	1.984	4.490	2.196	4.488	1.442	4.376	63.580	4.171
USA	504	5.999	1.050	5.973	975	5.996	957	5.594	28.035	5.638
Canada	951	5.142	683	5.217	1.167	5.304	777	5.426	22.439	4.690
Russia	40	4.699	108	2.588	72	3.817	236	2.811	22.002	3.878
Israel	297	6.442	574	6.360	522	6.224	617	6.182	21.319	5.883
Offal	939	1.738	882	2.031	1.409	1.788	946	2.448	40.978	1.950
China	820	1.634	609	1.909	926	1.433	624	2.455	30.989	1.642
Russia	81	1.807	182	1.850	284	2.278	158	1.977	6.925	2.966
Hong Kong	12	4.498	24	4.373	61	3.343	0	X	998	3.055

	Uruguay - Weekly beef exports (ton c.w)									
		Wee	ek to		Year to					
	22-Nov	29-Nov	6-Dec	13-Dec	13-Dec					
Total	6.596	8.080	6.664	9.909	346.658					
E.U.	494	646	914	1.364	51.526					
UK	79	160	208	307	11.655					
NAFTA	2.844	3.462	1.941	4.077	88.713					
USA *	720	1.367	648	2.571	54.868					
Canada	2.124	2.085	1.292	1.490	33.664					
Israel	190	19	302	658	30.311					
Mercosur **	785	612	546	612	39.469					
Brazil	182	319	292	278	17.938					
Chile	232	139	253	156	9.937					
Venezuela	s/d	153	0	177	14.593					
Russia	60	10	174	91	34.860					
China	1.770	2.509	2.604	2.734	83.002					
Source: INAC	* includ	es Puerto Rico	; ** include	es Chile						

USDA auditors "impressed" by sanitary safeguards

USDA auditors inspected the ovine compartment system and were "impressed" by the sanitary safeguards that Uruguay offers in that matter, and praised the traceability system in which they were particularly interested, said the general director of cattle services, Francisco Muzio. The inspectors visited the compartment unit in Cerro Colorado and meatpacker San Jacinto, where the system's first slaughter was made. Muzio said the US auditors "made many questions related with the functioning of the system".

A report from the US technicians to the Uruguayan authorities is expected in early 2015.

MARKETS

Industry buys cattle for the week of 12 January

A very strong reduction of slaughter schedules this week and the next drives the beef industry to face these last days of the year and the first of the next with calm, while they complete bookings for 12 January, when most of them will

return to the regular activity rhythm. During the first days of January it's usually hard to get cattle because many producers are enjoying their annual vacations.

Price references are now a step lower than in the past week. Best steers are paid US\$/kg 3.40-3.42 cw, while cows, if heavy (carcasses of more than 230 kg), oscillate between US\$/kg 3.15 and 3.20.

Many units scheduled just two slaughters this week (some yesterday and today) and the same will happen during the next or with just an additional day. It's a fact, therefore, that the activity rhythm will fall strongly.

Market perspectives are based on current price levels as favorable forage conditions keep the offer from being abundant. The market seems to find a new balance near the current price levels.



Cows become the majority in week's slaughter

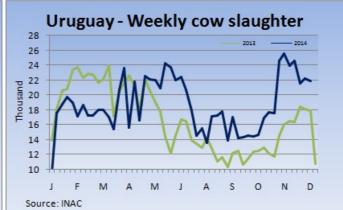
According to data provided by INAC, in the week ended 20 December cattle slaughter accounted of 43,219 head, the lowest number since the last week of October, 7 weeks ago. The number was 5.3% below the previous (-2,437) but 10% above the same week 2013. The weekly fall was mostly seen on steers (-8.6% to 20,306), while cows just dropped 1.4% to 21,896.

In this way, cows were 50.7% of the overall slaughter, the highest proportion since the first week of July, 24 weeks ago.

The most active units were BPU (4,380), JBS-Canelones (3.130) and Minerva-PUL (3,095). In the case of Marfrig, the three active units killed 7,591 head, 26.6% below the previous week.

Total Slaughter from		12/12 - 19/12	2					
Slaughterhouse	Year to date	% Total	Last week	· A	Weeklys	laughter per o	category	
Breeders & Packers Uruguay	154.847	7,5%	4.380	1.50	29-nov	06-dic	13-dic	20-dic
Marfrig - Tacuarembó	147.787	7,2%	3.000	Total	51.056	44.268	45.656	43.219
JBS - Canelones	135.820	6,6%	3.130	Steers	25.156	21.474	22.210	20.306
Las Piedras	133.002	6,5%	2.628	Cows	24.545	21.533	22.199	21.896
Frig. PULSA	129.641	6,3%	3.095	Calves	414	345	535	323
San Jacinto-Nirea	119.315	5,8%	1.952	Bulls	941	917	712	694
Carrasco	116.314	5,7%	2.225	-200	Perce	ntage per cate	egory	
Marfrig - Cledinor	104.078	5,1%	2.400	Steers	29-nov	06-dic	13-dic	20-dic
Ontilcor SA - Pando	101.266	4,9%	2.297	Steers	49,3%	48,5%	48,6%	47,0%
Marfrig - Colonia	99.359	4,8%	2.191	Cows	48,1%	48,6%	48,6%	50,7%
Marfrig - Inaler	92.597	4,5%	0	Calves	0,8%	0,8%	1,2%	0,7%
Copayan	72.894	3,5%	1.331	Bulls	1,8%	2,1%	1,6%	1,6%
Bilacor - Frigoyi	70.963	3,5%	1.577					
Las Moras - Chiadel	70.913	3,5%	1.599		In	the year to da	te	
Solís-Ersinal	69.777	3,4%	1.596				7	
Casa Blanca	66.793	3,3%	1.674			2014	2013	2014/13
Sarubbi-Sirsil	60.357	2,9%	1.105	Total		2054353	1948862	5,4%
Lorsinal	59.581	2,9%	1.556	Steers		1054720	1053055	0,2%
Schneck	40.929	2.0%	1.092	Cows		952373	854530	11,4%
Rosario-Rondatel	40.655	2,0%	776	Calves		15760	13188	19,5%
Total	2.054.370		43.219	Bulls		31501	28089	12,1%





Sheepmeat market still firm at years' end

The firmness that the sheepmeat market showed for most of the year kept the tone during the last days. Lamb slaughters destined to Christmas finish today and, depending on the level of sales in the local market, will include some additional for New Year. Demand for lambs is usually better in Christmas. Prices are around US\$/kg 4.40 cw for lambs, though some punctual operations may get more and even reach the most diverse quotations. "Any price could jump at these hours", an agent reported.

As always at this week of the year, the ovine slaughter was the highest in the year with 62,339 head of which 48,066 were lambs. Anyway, the number is lower than the same week last year when 84,561 animals were processed of which 69,473 were lambs.

The leading units were Las Piedras (9,953), Somicar (9,042) and San Jacinto (9,000).

Mutton 4.926 4.009 4.877 4.28 Yearlings 3.400 4.665 3.312 4.06 Lambs 28.559 28.853 26.974 48.06 Total 47.319 46.015 44.515 62.33 Slaughterhouse Week from 12/12 - 19/12 Year to date Total Lambs Total Lambs San Jacinto 9.000 7.738 235.406 179.240 Las Piedras 9.953 7.952 208.907 125.810 Somicar 9.042 7.723 182.191 84.540 Frigocerro 1.959 605 155.354 66.516 Caltes 5.171 2.283 149.151 69.963	Slaughter	29-Nov	6-Dec	13-Dec	20-Dec
Yearlings 3.400 4.665 3.312 4.06 Lambs 28.559 28.853 26.974 48.06 Total 47.319 46.015 44.515 62.33 Slaughterhouse Week from 12/12 - 19/12 Year to date Total Lambs Total Lambs San Jacinto 9.000 7.738 235.406 179.240 Las Piedras 9.953 7.952 208.907 125.810 Somicar 9.042 7.723 182.191 84.540 Frigocerro 1.959 605 155.354 66.516 Caltes 5.171 2.283 149.151 69.963 Prices Last Week Month % Diff month Export lamb 435 428 428 1,6% Mutton 390 390 383 1,8% Sheep 375 373 370 1,4% Exports 22-Nov 29-Nov 6-Dec 13-Dec	Sheep	10.105	8.270	8.945	5.799
Lambs 28.559 28.853 26.974 48.06 Total 47.319 46.015 44.515 62.33 Slaughterhouse Week from 12/12 - 19/12 Year to date Total Lambs Total Lambs San Jacinto 9.000 7.738 235.406 179.240 Las Piedras 9.953 7.952 208.907 125.810 Somicar 9.042 7.723 182.191 84.540 Frigocerro 1.959 605 155.354 66.516 Caltes 5.171 2.283 149.151 69.963 Prices Last Week Month % Diff month Export lamb 435 428 428 1,6% Mutton 390 390 383 1,8% Sheep 375 373 370 1,4% Exports 22-Nov 29-Nov 6-Dec 13-Dec Total 548 591 369 536 E	Mutton	4.926	4.009	4.877	4.282
Total 47.319 46.015 44.515 62.33 Slaughterhouse Week from 12/12 - 19/12 Year to date Total Lambs Total Lambs San Jacinto 9.000 7.738 235.406 179.240 Las Piedras 9.953 7.952 208.907 125.810 Somicar 9.042 7.723 182.191 84.540 Frigocerro 1.959 605 155.354 66.516 Caltes 5.171 2.283 149.151 69.963 Prices Last Week Month % Diff month Export lamb 435 428 428 1,6% Mutton 390 390 383 1,8% Sheep 375 373 370 1,4% Exports 22-Nov 29-Nov 6-Dec 13-Dec Total 548 591 369 536 EU 192 91 70 30	Yearlings	3.400	4.665	3.312	4.064
Slaughterhouse Week from 12/12 - 19/12 Year to date Total Lambs Total Lambs San Jacinto 9.000 7.738 235.406 179.240 Las Piedras 9.953 7.952 208.907 125.810 Somicar 9.042 7.723 182.191 84.540 Frigocerro 1.959 605 155.354 66.516 Caltes 5.171 2.283 149.151 69.963 Prices Last Week Month % Diff month Export lamb 435 428 428 1,6% Mutton 390 390 383 1,8% Sheep 375 373 370 1,4% Exports 22-Nov 29-Nov 6-Dec 13-Dec Total 548 591 369 536 EU 192 91 70 30	Lambs	28.559	28.853	26.974	48.066
Total Lambs Total Lambs San Jacinto 9.000 7.738 235.406 179.240 Las Piedras 9.953 7.952 208.907 125.810 Somicar 9.042 7.723 182.191 84.540 Frigocerro 1.959 605 155.354 66.516 Caltes 5.171 2.283 149.151 69.963 Prices Last Week Month % Diff month Export lamb 435 428 428 1,6% Mutton 390 390 383 1,8% Sheep 375 373 370 1,4% Exports 22-Nov 29-Nov 6-Dec 13-Dec Total 548 591 369 536 EU 192 91 70 30	Total	47.319	46.015	44.515	62.339
San Jacinto 9.000 7.738 235.406 179.240 Las Piedras 9.953 7.952 208.907 125.810 Somicar 9.042 7.723 182.191 84.540 Frigocerro 1.959 605 155.354 66.516 Caltes 5.171 2.283 149.151 69.963 Prices Last Week Month % Diff month Export lamb 435 428 428 1,6% Mutton 390 390 383 1,8% Sheep 375 373 370 1,4% Exports 22-Nov 29-Nov 6-Dec 13-Dec Total 548 591 369 536 EU 192 91 70 30	Slaughterhouse	Week from	12/12 - 19/12	Year t	o date
Las Piedras 9.953 7.952 208.907 125.810 Somicar 9.042 7.723 182.191 84.540 Frigocerro 1.959 605 155.354 66.516 Caltes 5.171 2.283 149.151 69.963 Prices Last Week Month % Diff month Export lamb 435 428 428 1,6% Mutton 390 390 383 1,8% Sheep 375 373 370 1,4% Exports 22-Nov 29-Nov 6-Dec 13-Dec Total 548 591 369 536 EU 192 91 70 30		Total	Lambs	Total	Lambs
Somicar 9.042 7.723 182.191 84.540 Frigocerro 1.959 605 155.354 66.516 Caltes 5.171 2.283 149.151 69.963 Prices Last Week Month % Diff month Export lamb 435 428 428 1,6% Mutton 390 390 383 1,8% Sheep 375 373 370 1,4% Exports 22-Nov 29-Nov 6-Dec 13-Dec Total 548 591 369 536 EU 192 91 70 30	San Jacinto	9.000	7.738	235.406	179.240
Frigocerro 1.959 605 155.354 66.516 Caltes 5.171 2.283 149.151 69.963 Prices Last Week Month % Diff month Export lamb 435 428 428 1,6% Mutton 390 390 383 1,8% Sheep 375 373 370 1,4% Exports 22-Nov 29-Nov 6-Dec 13-Dec Total 548 591 369 536 EU 192 91 70 30	Las Piedras	9.953	7.952	208.907	125.810
Caltes 5.171 2.283 149.151 69.963 Prices Last Week Month % Diff month Export lamb 435 428 428 1,6% Mutton 390 390 383 1,8% Sheep 375 373 370 1,4% Exports 22-Nov 29-Nov 6-Dec 13-Dec Total 548 591 369 536 EU 192 91 70 30	Somicar	9.042	7.723	182.191	84.540
Prices Last Week Month % Diff month Export lamb 435 428 428 1,6% Mutton 390 390 383 1,8% Sheep 375 373 370 1,4% Exports 22-Nov 29-Nov 6-Dec 13-Dec Total 548 591 369 536 EU 192 91 70 30	Frigocerro	1.959	605	155.354	66.516
Export lamb 435 428 428 1,6% Mutton 390 390 383 1,8% Sheep 375 373 370 1,4% Exports 22-Nov 29-Nov 6-Dec 13-Dec Total 548 591 369 536 EU 192 91 70 30	Caltes	5.171	2.283	149.151	69.963
Mutton 390 390 383 1,8% Sheep 375 373 370 1,4% Exports 22-Nov 29-Nov 6-Dec 13-Dec Total 548 591 369 536 EU 192 91 70 30	Prices	Last	Week	Month	% Diff month
Sheep 375 373 370 1,4% Exports 22-Nov 29-Nov 6-Dec 13-Dec Total 548 591 369 536 EU 192 91 70 30	Export lamb	435	428	428	1,6%
Exports 22-Nov 29-Nov 6-Dec 13-Dec Total 548 591 369 536 EU 192 91 70 30	Mutton	390	390	383	1,8%
Total 548 591 369 536 EU 192 91 70 30	Sheep	375	373	370	1,4%
EU 192 91 70 30	•	22-Nov	29-Nov	6-Dec	13-Dec
	Total	548	591	369	536
Brazil 228 268 228 369	EU	192	91	70	30
	Brazil	228	268	228	369
	Exps. in tons cw. Sources:	own, INAC, MGAP	& ACG		







Brazil

Exports keep good rhythm so far in December

Despite the serious economic problems in Russia, its main overseas market, Brazilian beef exports so far in December evolve at a good rhythm. According to data from Secex, in the first 15 working days of the month (up to 19 December), exports totaled 74,313 tons swt at an average FOB price of US\$/t 4,726. The daily shipping average was 4,954 tons, 10% above November's average (4,524). The FOB price suffered a 3.2% contraction in the monthly comparison.

Pork meat exports are facing a hard situation. It averaged just 1,494 tons per working day to total 22,411 tons at an average FOB price of US\$/t 3,041. Compared with November, the daily exporting rhythm dropped 18.6%, while the average price fell 17.6%.

Production costs worry Brazilian cattlemen

Perspectives of the Mato Grosso Cattlemen Association (Acrimat) for next year are based on keeping current cattle prices. Strengthened local and foreign demands should support cattle prices, says the Mato Grosso Institute of Agrarian Economy (IMEA). The sector is optimistic with such a scenario but higher production costs are still worrying producers.

JBS is the second food processing group in the World

In 2013 JBS became the second biggest food processing company in the World, says a report published Friday by the group. According to Euromonitor International, JBS income last year totaled US\$ 43.2 billion, just behind Nestlé that showed net sales for US\$ 70.04 billion. The third place was for Pepsico with US\$ 34.5b, followed by Tyson Foods (US\$ 34.3b) and Unilever (US\$ 30,2b).

Brazilian JBS is present in 20 countries and counts with a workforce of more than 200,000 employees, informed Valor.

Brazil complains against Indonesian attitude in WTO

After two days of discussions at WTO headquarters in Geneva (Switzerland), Brazil decided to request a controversy panel against tariff barriers that Indonesia imposes over poultry imports proceeding from Brazil. The meeting of Brazilian and Indonesian authorities included the chairman of the Brazilian Pork Producers' Association (ABPA), Francisco Turra, who assured that the answers given by Indonesia were inconsistent. Consequently, they now expect the panel to start studying the case between February and March.

Six years ago Brazil asked Indonesia to open its poultry market. The Asian country, with 250 million inhabitants, has an ample majority of Muslim population (87%) and is one of the world's leading importers of halal products. Brazil, on its side, is the world's biggest producer of halal poultry with 1.8 million tons exported annually, near 50% of total product exports.

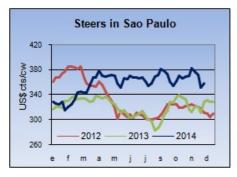
MARKETS

Packers face difficulties to consolidate downward trend

During the early week activity, meatpackers were keeping the downward pressure over finished cattle with diverse success. Wholesale prices improved in the last few days supported by an additional demand for the holidays, especially in the case of hindquarters.

In Sao Paulo, steers are paid at R\$/@ 143, one below the previous week, but other cattle markets like Cuiabá and Goiania kept the references and in Rondônia even had a slight improvement. Bookings at Sao Paulo units are agreed in 4-5 days.

As usually happens during the last weeks of the year, the local market pressures up over beef wholesale prices, especially for hindquarter cuts. Scot Consultants reports a 1.6% increase in the wholesale market last week; at the same time, compared with November, prices improved 8.3% in average and 11.2% in the particular case of hindquarters opposed to a 1.5% drop on foreguarters.









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Argentina

Major beef exporting units close temporarily

Several major beef exporting units stopped yesterday and will remain closed up to January 7, among them, Gorina, Arre Beef, Compañía Bernal and JBS Argentina. With numbers in red due to the conjunction of few and expensive export steers and weak markets generated by devaluated currencies like the euro, rouble and real, they take advantage of the holiday recess to ride out the storm hoping that a lesser cattle demand could temper the local price and that a shorter offer could improve it abroad. According to the Buenos Aires Beef Workers' Union (Sicgba), the closed units are seven, the biggest number so far known. "Beef workers will pass the holidays with some uncertainties and for that reason we convoke ourselves to a state of alert and mobilization, after the denial of the beef chambers to

Argentina - Be	eef and by-	-product expo	orts	Argentina - Monthly fresh beef
7.ii geniana D	Jer and D,	product exp	Dif %	exports
	nov-14	Jan-nov-14	14/13	16000
	Tons	Tons	Tons	14000
Fresh	11.209	122.427	3%	12000
Hilton	1.549	18.461	-10%	10000
Germany	896		-6%	8000 8 8000
Netherlands	385	4.754	-10%	€ 6000
Italy	233		-39%	
Belgium	8	484	11%	4000
Spain	27		69%	2000
Malta	0		213%	Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
Luxembourg	0	13	-48%	
France	0		2300%	Source: based in Senasa 2014 2013 2012
Other fresh	9.660	103.966	5%	
Russia	2.188		39%	Argentina - Monthly beef exports to Israel
Chile	2.409		-3%	
China	2.574		68%	3500 1
Israel	482		-21%	3000 2014 -2013 -2012
Germany	421	5.953	27%	2500
Brazil	396		6%	
Hong Kong	253		-20%	g 2000 1500
Saudi Arabia	309		625%	1300
Netherlands	129		-28%	1000
Venezuela	50	628	-48%	500
Angola	54		107%	J F M A M J J A S O N D
Kazakhstan	54	475	-62%	Source: based in Senasa
Italy	15	404	-69%	
Bielorussia	0	334	18%	
Switzerland	59		-34%	
Bosnia & Herzegovina	0	270	-44%	
Peru	40	260	16%	
Belgium	9		Х	
Processed	112	1.423	-66%	
Italy	24		-55%	
USA	48		-60%	
Paraguay	27		238%	
Morocco	0		-70%	
Belgium	0		-23%	
Ghana	0		-52%	
Mexico	0		X	
Netherlands	0		-86%	
Canada	0	41	-91%	
#N/A	12		-88%	
Offal	7.803	99.405	0%	
Russia	2.402		11%	
Hong Kong	1.886		-8%	
Congo Dem. Rep.	890		-15%	
Angola	558		30%	
Congo	852		21%	
Peru	284		-4%	
Ghana	140		-44%	
Thailand	357		300%	
Gabon	112		-26%	
Brazil	0		-46%	
		Source: base	ed in Senasa	

Lower exports to the EU and Russia in November

According to data provided by the sanitary service Senasa, chilled and frozen beef exports in November totaled 11,209 tons. Although 2,500 less than those shipped in October, the Jan-Nov aggregate totals 122,427 tons, 3% above the first 11 months of last year.

Non-Hilton cuts totaled 9,660 tons, near 2,000 less than in the previous month. Consequently, so far in the year these cuts total 103,966 tons, 5% above the same period 2013. Despite Russia, its mains destination, buying 45% less in November than in October and falling to third place in the ranking behind Chile and China, in the year aggregate it's still first for non-Hilton cuts with 27,590 tons, 39% above equal period a year earlier.

Hilton quota at one third behind schedule

When considering only Hilton deliveries, the 1,549 tons shipped in November bring the aggregate to 18,461 tons, 10% below the past year. With November, the monthly export average in the first 5 months of the 2014/15 period is 1,665 tons, which means that shipments are one third behind what is needed to complete the 30,000-ton quota share.

Offal sales reduced by Russia and Hong Kong

As for offal, with 7,803 tons sold in November, the year's total reached 99,405 tons, much the same tonnage of that time last year. Russia, which improved its demand by 16% up to October and was the motor of growth, fell 25% in November to just 11% above in the yearly comparison. Hong Kong as well declined with aggregate sales down 11% year-on-year.

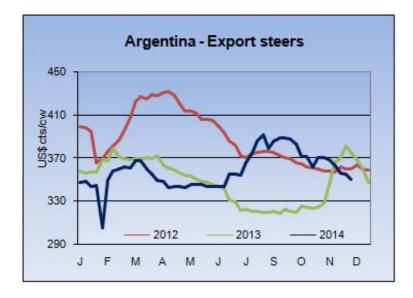
Lastly, processed beef continues its sad road to oblivion, with November sales at just 112 tons which meant 66% below the same time 2013.

MARKETS

Export cattle prices lost some terrain

Export cattle prices lost some terrain though less that the imaginable if we consider the lower demand for the units' seasonal closure. Export steers are paid between A\$/kg 30 and 31 OTH, while lighter animals (400/420 kg) that compete with the domestic market get between A\$/kg 31 and 32 OTH.

(From our correspondent in Argentina: Alejandra Groba).





Paraguay MARKETS

With a lower activity, the industry tries to generalize price adjustment

A big number of Paraguayan meatpacking units did between yesterday and today their last slaughters of the calendar year with the firm intention to "generalize" the downward adjustment transferred to producers after being forced to cope with a new international context for beef exports determined by the Russian crisis. According to an industrial

source, the "Chile" steer now has a reference of US\$/kg 3.30-3.35 cw for future purchases. Anyway, this price is not yet fully assimilated by the market because the industrial activity reduced significantly due to the holidays and vacations. "The industry passes these values and if it gets less cattle it will slaughter less, because it cannot accept higher prices", the industrialist explained.

Slaughter in Paraguay should return to normality in the first week of January but it will afterwards be affected by the F&MD vaccination campaign that gets started by mid January.



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North America

Second consecutive month with higher feedyard population

The monthly cattle-on-feed report released Friday afternoon showed the population of animals in the nation's feedyards as of Dec. 1 at 1.4% above a year ago, slightly more than the average of analysts' estimates, informed Urner Barry. This was the second month for on-feed to be above the previous year after the Nov. 1 number broke a long string of year-over-year declines that began in August 2012.

USDA reported 10.876 million head in the nation's feedyards, up from 10.633 million the previous month and 10.724 million a year ago. The average of analysts' estimates for the on-feed figure was about 10.831 million head, or 1.1% above a year ago.

The number of cattle in the feedyards has been slowly growing in recent months due to placements being above a significantly smaller number of cattle marketed. Tight supplies and high costs of feeder cattle have encouraged the feedyards to hang on to the animals they already have on feed and put more weight on them.

The placements figure was nearly on target with the average of analysts' estimates at 96.1% of a year ago. USDA reported cattle marketings last month at 1.475 million head, 11.1% below a year ago and about 1% below the average of the estimates at 1.492 million. The marketing number was the smallest for that month since the current data series began in 1996.

The data were considered slightly bearish for futures prices, analysts said.

United States C	attle on Feed by	y Oct 1, 2014		
	% 14/13	2013	2014	USA: Catlle in feedlots
On feed by Nov 1	100	10.585	10.633	12000
Placed During Nov	96	1.867	1.792	44500
Marketed during Nov	89	1.660	1.475	11500
Other disappearance	109	68	74	§ 11000
On Feed by Dec 1	101	10.724	10.876	11000 10500
Thousand heads				0 10300
				10000
				9500
				Jan Mar May Jul Sep Nov
				Source: USDA ——2011 ——2012 →—2013

Thaw in relations with Cuba positive for US agriculture

Exports of US agricultural products such as wheat, rice, soybeans and meat products stand to gain from a surprise US move toward repairing relations with Cuba, agriculture industry officials said, and CattleNetwork reported. US Department of Agriculture Secretary Tom Vilsack called the move an "important opportunity" that will make exports of US farm goods cheaper, easier and less time-consuming for shippers.

Cuba imported nearly US\$ 350 million of US agricultural products in 2013, including US\$ 146 million of poultry meat, US\$ 108 million of soy products, and US\$ 82 million of corn and feeds, according to USDA data.

Mexico to eliminate tariffs on pork imports

According to a report in the Mexican news Eurocarne published on December 12, the government of Mexico announced that it will eliminate tariffs on importation of pork carcasses, half-carcasses, bone-in hams, etc. According to the report, due to sanitary conditions, such as PEDV (which began in 2013), the supply of pork has diminished and, as a result, prices have reached historical levels. "As such, the government is recognizing that local production is insufficient to meet internal demand and in accordance with information sent out from the Food & Fisheries Information Service, 33% of internal consumption depends on imports, marking this as a priority in order to benefit consumers with instruments of public policy".

Increasing bird size underpins US chicken production

At the recent US National Chicken Council Annual Conference senior analysts were predicting a 2% to 3% increase in chicken production in the US based on more birds but particularly heavier weights. Over the past year average bird weights had averaged 8.2 lbs to 8.6 lbs (3.7 kilos to 3.9 kilos) with nearly a dozen companies producing birds over 9 lbs each (4.1kgs). They predicted more companies moving to the 8.5 lb to 9 lb range in the short-term. They said the industry is yet to discover the limits of genetic potential for bird size increases in the US poultry industry. While beef plants are closing in the US due to the lowest cattle herd in over 70 years, two new poultry plants were currently under construction and they expect it to see more companies adding production lines to existing plants to

currently under construction and they expect it to see more companies adding production lines to existing plants to address the increasing production.

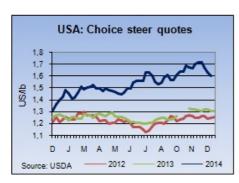
MARKETS

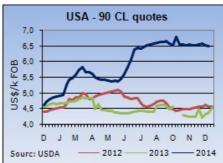
The sharp sell-off in live cattle continues

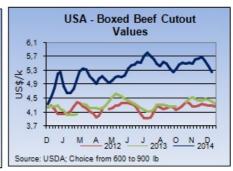
The sharp sell-off in live cattle continued last week as demand for wholesale beef plummeted and cattle buyers were filling needs for the holiday week. The slaughter is expected to test the low for Christmas weeks on record. Urner Barry said that live cattle traded between US\$/cwt 156 and 160; compared to US\$/cwt 162 and 164 last week. Dressed cattle changed hands between US\$/cwt 248 and 250; down from US\$/cwt 255 and 260.

In the boxed beef market there were loses across the board. Urner Barry said that middle meats especially ribs weighed most on prices. Adding to the pressure was the fact that product movement slowed as the week progressed towards this holiday week and buyers were more concerned with delivery dates than anything else. Packer margins remain well into the red, over US\$100/head since the beginning of December.

In the beef import market activity was slow and prices were sharply lower. USDA said that heavy import supplies, work slowdowns at West Coast ports, larger than anticipated cow kills in Australia and weak seasonal demand continued to pressure import prices.

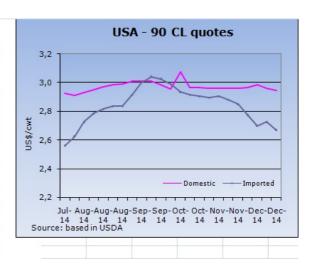






Tr.				Nafta m	arkets				
King or property and the second	USA			n yang kanpangan	Accommunication	Cana	da		
Cattle (US\$/k)	Last	Week	Month	Var month %	Cattle (US\$/k)	Last	Week	Month	Var month %
Steer Choice	3,52	3,58	3,77	-6,6%	Steers, Sel 1-2	3,42	3,42	3,39	1,0%
Heifer Choice	3,52	3,59	3,79	-7,1%	Heifer Sel 1-2	3,30	3,29	3,30	0,0%
Carcass 181 kg Boning	Nom	Nom	Nom	-	Cow, cut & ut 1-3	2,13	2,15	2,13	0,2%
Carcass 159 cutter	Nom	Nom	Nom	-	Import price US\$/ton, fro	zen, bone	eless)		
Steer choice carc.	5,59	5,65	5,89	-5,2%	Forequarter	5735	5844	6151	-6,8%
Heifer Choice Carc.	5,57	5,65	5,90	-5,6%	Hindquarter	6342	s/d	s/d	-
Processing beef 90	6,49	6,53	6,52	-0,5%	Clods	s/d	s/d	s/d	-
85	6,00	6,02	6,06	-1,1%	Eye Round	s/d	s/d	s/d	S-
75	Nom	5,11	5,10	-	Knuckle	s/d	s/d	s/d	74
USA: Selected primal cuts US\$ / Ton				Top Sirloin Butts	s/d	s/d	s/d		
Ribeye(over 14 lb.)	16407	19269	19359	-15,2%	Striploins	s/d	s/d	s/d	-
Shoulder Clod	5912	5569	6049	-2,3%	Montreal Wholesale Prices (US\$/k)				
Knuckle	6876	7149	7324	-6,1%	Steers & Heifers				
Inside Round	6641	6206	6667	-0,4%	Sides	7,63	7,58	7,77	-1,7%
Outside Round	6703	6606	6813	-1,6%	Fore Quarter	6,31	6,25	6,39	-1,3%
Eye of round	7379	7436	7580	-2,7%	Hind Quarter	6,93	6,89	7,08	-2,0%
Strip Loin	11082	10714	11837	-6,4%	Shank	4,35	4,12	4,12	5,6%
Top Butt	7578	7402	7398	2,4%	Cow				
Tender Loin	21376	22050	25697	-16,8%	Inside round	s/d	s/d	s/d	- 12
CME futures - Live Cattle (I	JS\$/k)				Outside round	s/d	s/d	s/d	12
	Last	Week	Month	Var month %	Sirloin tip - Knuckle	s/d	s/d	s/d	-
Feb-15	3,54	3,57	3,75	-5,5%	Sirloin K Butt	s/d	s/d	s/d	6-
Apr-15	3,53	3,55	3,72	-5,2%	Rib eye roll	s/d	s/d	s/d	- 9-
Jun-15	3,52	3,37	3,56	-1,1%	Strip Ioin	s/d	s/d	s/d	* <u>*</u>
Aug-15	3,36	3,29	3,49	-3,6%	Boneless box beef 85%	s/d	s/d	s/d	72
Oct-15	3,32	3,31	3,51	-5,4%	Trimmings fresh 60-65%	s/d	s/d	s/d	-
Sources: USA: USDA and C Wholesale Prices: Agricultur				ort prices: De	partment of Foreign Affairs	and Internat	tional Trade		

	USA - Import values											
			Jruguay		Australia	& New Zea	aland					
0-15 Days	CL	19-Dec	12-Dec	21-Nov	19-Dec	12-Dec	21-Nov					
Bull meat	95%	n	n	n	6.250	6.382	6.713					
Cow meat	95%	n	n	n	6.228	6.393	6.713					
	90%	n	n	n	5.886	6.008	6.283					
CFM Fores	85%	n	n	n	5.467	5.622	5.809					
Trimmings	85%	n	n	n	5.434	5.622	5.754					
	80%	n	n	n	n	5.269	5.434					
	75%	n	n	n	n	5.060	5.115					
16-45 días												
Bull meat	95%	n	n	n	6.217	6.382	6.724					
Cow meat	95%	n	n	n	6.206	6.371	6.702					
	90%	n	n	n	5.820	5.997	6.283					
CFM Fores	85%	n	n	n	5.434	5.534	5.787					
Trimmings	85%	n	n	n	5.401	5.556	5.732					
J	80%	n	n	n	n	5.269	5.434					
	75%	n	n	n	n	5.060	5.115					
	'		In U	JS\$/ton; n=r	no quote; So	urce: based	in USDA					





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Europe

Indian plants approved to supply beef to Russia

According to an announcement on its website, Russia's veterinary authority has approved 4 buffalo meat plants in India to export to Russia. All plants are immediately eligible. The continual depreciation of the Russian ruble is making food imports especially beef increasingly expensive in Russia and is affecting the level of shipments from Brazil now Russia's biggest supplier as they search for cheaper alternatives.

New EU food labeling rules go into effect

New EU rules on food labeling designed to ensure consumers receive clearer and more accurate information on food content, went into effect on Saturday 13 December. The rules agreed by the European Parliament Member States in 2011 gave business operators 3 years to ensure a smooth transition towards the new labeling regime. Among other measures the new rules introduced mandatory origin labeling for fresh meat from sheep, goat, poultry and pigs. The rules, with some exemptions, provide that the member state or third country where the animal was reared and slaughtered will appear on the label. This does not match rules already in place for beef, which also require showing the place of birth. The EU has defended the legal basis for not having applied the same rules as those already in place for beef highlighting the practical arguments against a 'place of birth' labeling requirement. It would require the creation of costly identification systems and animal registers for pigs, sheep and poultry. In the case of cattle, these systems were already in place when a 'place of birth' labeling requirement was introduced.

EU pork producers ask for private storage

During the EU Ministers of Agriculture meeting taking place on these days, representatives of Belgium, Denmark, Ireland, France, Hungary, Poland, Romania, Estonia and Austria asked for measures to help pork producers to cope with the Russian ban imposed past February, reports Eurocarne. According to estimates from these countries, 3.3% of the EU pork meat production was exported to the Russian Federation and the closure of this market caused significant drops on animal and pork meat prices. They also remark that measures have been taken to aid other sectors like fruit and vegetables as well as dairy. They therefore understand that the opening of new markets is the only long-term solution and, in the meantime, they ask to reinstall measures like private storage to cope with the current situation while other markets are found.

After receiving the request, the European Commission said that besides the Russian market closure, one of the problems the European pork sector faces is overproduction. It said that price falls in some of the countries are not worrisome, but despite that it will revise a possible decision in 2015 in accordance with the sector's evolution.

Oceania

Two domestic Australian plants will start to export

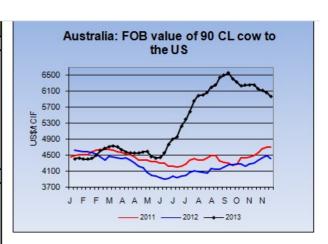
Two domestic Australian abattoirs are moving to new owners with plans for expansion into the export market, informed Prime Cuts, the weekly newsletter of AMIC. In Queensland, one of Australia's largest domestic beef plants at Churchill has signed a joint venture with Chinese company Taihua Food Co based in Qingdao City in the province of Shandong. The new joint venture will be called Taihua Churchill Food Co and will see an expansion of the plant to export status and the addition of a second daily kill floor shift with plans to take the plant's current throughput from 3,000 head a week to 6,000.

Meanwhile, in New South Wales, the domestic plant at Milton on the NSW south coast 'Milton Meats' has moved to new owners and will seek an export license to allow it to expand to the fast growing markets of Asia. The new operation is likely to also specialize in the processing of alpacas and the expanding export opportunities for this niche product.

New abattoir proposed in Western Australia

Malaysian based company Brahim's Holdings signed a MoU with Western Australian based Carpenter Beef to develop an abattoir in the shire of Dandaragan, north of Perth. The two companies agreed to work together to finalize an investment agreement. Brahim's have told the Malaysian Stock Exchange that the processing plant, to be known as the Cataby Abattoir, will have a capacity of up to 100,000 carcasses a year from a 400 head per day throughput.

Aust	ralia Beef E	xport Price	S	
Prices to Japan (C.I.F)	19-Dec	12-Dec	21-Nov	Mthly Var %
Chilled				
Grassfed fullset	s/d	s/d	7.231	X
Grassfed navel end brisket	s/d	s/d	5.975	X
Grassfed chuck roll	s/d	s/d	6.063	X
Shortfed navel end brisket	s/d	s/d	6.129	X
Shortfed chuck roll	s/d	s/d	6.967	X
Frozen				
CF 85 CL	s/d	s/d	5.578	X
Brisket	s/d	s/d	5.754	X
To US (C.I.F.)		1 1 1 1 1 1 1 1		
Bull 95 CL	5.335	s/d	6.118	-12,8%
Cow 90 CL	5.236	5.324	5.743	-8,8%
Cow 85 CL	5.236	5.401	5.897	-11,2%
Shank 90 CL	5.203	5.236	5.732	-9,2%
Trimmings 85 CL	5.016	5.016	5.269	-4,8%
Trimmings 80 CL	4.795	4.795	4.971	-3,5%
Trimmings 75 CL	s/d	s/d	s/d	X
U\$S / ton CL Chemical Lean				



Exchange rates			
	23-Dec	16-Dec	24-Dec-13
Uruguayan peso	24,14	24,57	21,38
Argentine peso	8,56	8,58	6,43
Brazil Real	2,66	2,738	2,36
Guaraní, Paraguay	4626	4625	4450
Canadian dollar	1,1610	1,1656	1,0640
Euro	1,2227	1,2515	1,3696
Pound	1,558	1,575	1,636
Rouble	55,848	72,515	32,718
Yen	119,980	116,681	104,101
Australian dollar	1,230	1,217	1,119



INTERVIEW

Alvaro Erosa - CEO of Clay SA - Uruguay

"The horsemeat market is practically paralyzed"

The horsemeat market has practically paralyzed in the last days. The serious economic problems in Russia, its main destination, stopped export operations, incremented product storage, and drove to the decision of reducing slaughters, the CEO of horse meatpacker Clay, Alvaro Erosa, said to WBR.

"Horsemeat sales to Russia had problems throughout the year, we worked but not in a fluent way, but now with the big rouble devaluation the situation became worse and the trade current stopped altogether", he explained; "today, the market has no price".

The price of horses for slaughter suffered a downward correction in early December, which may be considered as something usual at that moment of the year, when summertime approaches and the offer becomes bigger. It dropped US\$ 10 cents live weight from US\$/kg 1.20-1.25 to US\$/kg 1.10-1.05. However, the hard problems we face to sell the product in international markets could end in additional drops, said Erosa, though he thinks that this correction shouldn't be significant.

Last week the Clay unit had no slaughter and it will just have two in the current: Friday and Saturday. A usual weekly schedule includes three of around 125 horses each. The stored volume is already high and we are not shipping at all, so the panorama for the coming weeks looks somber. "We'll have to wait until mid January to see how things evolve", he commented.

Sales usually include frozen forequarters to Russia and chilled hindquarters to other European countries like France, Italy and Belgium. A second alternative for forequarters is China, but in this case, Uruguayan exports must go through the "grey channel", via Vietnam, as the product is not cleared to enter directly into China. Besides, as it happened up to two years ago with beef, China buys no meat (except shank) and bases its demand in offal, tendons and membrane.

So far in the year, Uruguay exported 5,604 tons swt of horsemeat at an average FOB price of US\$/t 4,084. 58% of that volume was shipped to Russia (3,229 tons), followed by Belgium (966t), France (830), Kazakhstan (212) and Vietnam (194).

Clay is the main horsemeat processor in Uruguay and slaughters around 1,500 horses per month from a total of 3,000. The other two units working with horses are Sarel and Agroindustrial del Este.

Cattle slaughtering unit

Clay is refurbishing its unit to include cattle from 2016. The idea is to alternate slaughters of the two species, maybe weekly. The civil works will enlarge the unit's installed capacity; it is located near the town of San Jacinto, Canelones.

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