



# Market Report

Week Ending May 14, 2021

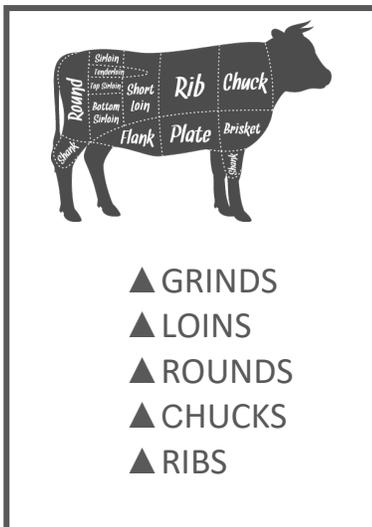
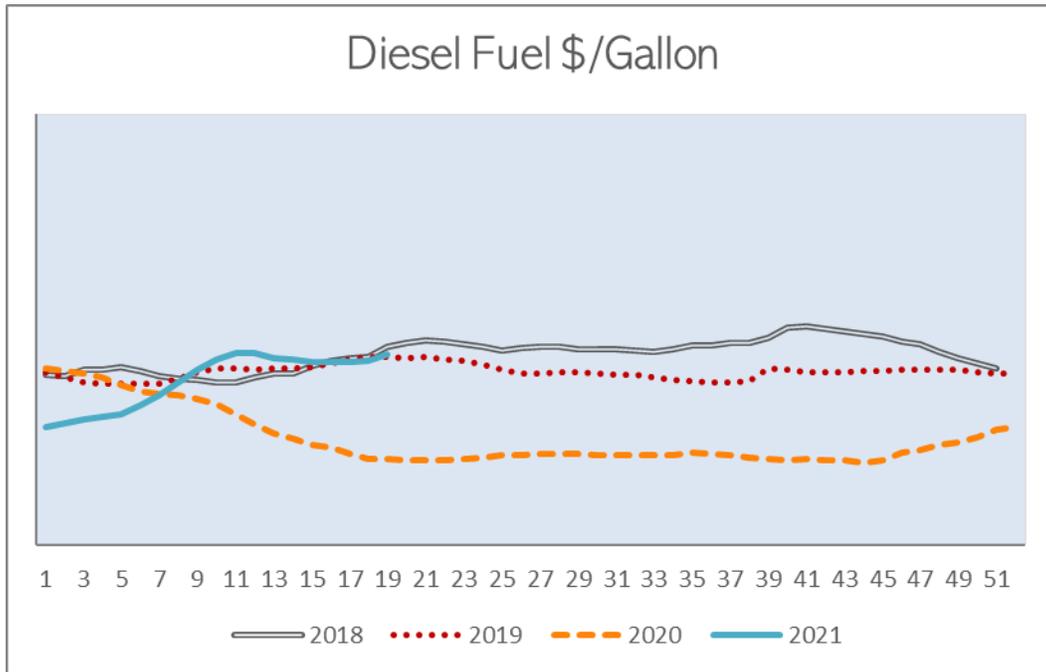


*\*\*Graphs represent data for the week ending May 7, 2021\*\**



# LOGISTICS

While the Colonial Pipeline shutdown did not affect diesel like it did gasoline, it caused issues in the southeast. Rates coming off the DOT inspection week should have softened a bit but did not. Rates in some sections of the USA have increased, with some going over 70% from prior year rates for same lanes. Capacity constraints are still an opportunity. The re-opening of the country with many companies looking to move goods all at the same time is behind these rate spikes and increases.



## BEEF

Market is firm. Total beef production for last week was down 1.9% versus prior week and was up 35.6% compared to same time last year. Total headcount for last week was 638,000 as compared to 476,000 for the same week last year. Live weights for last week were down 2 lbs. from prior week but up 1 lb. from same time last year. The market has seen large increases in prices on several cuts over the past few weeks due to the increased demand, lighter production, and more limited inventories. Prices on multiple cuts are at record highs for this time of year. Allocations and cuts should be expected. The ability to add onto orders is difficult to non-existent due to the lack of available product. Production issues continue to be a concern with lack of available labor causing concern at multiple plants. Select Graded product is in very limited supply and pricing has moved much higher than seasonal averages for this time of the year. The surge in buying activity is keeping pressure on availability and is a concern with multiple packers. Warmer temperatures across the country are expected to help fuel additional retail demand which is already seeing a good seasonal increase. Memorial Day is a just around the corner and demand is expected to be very good as we move through May.

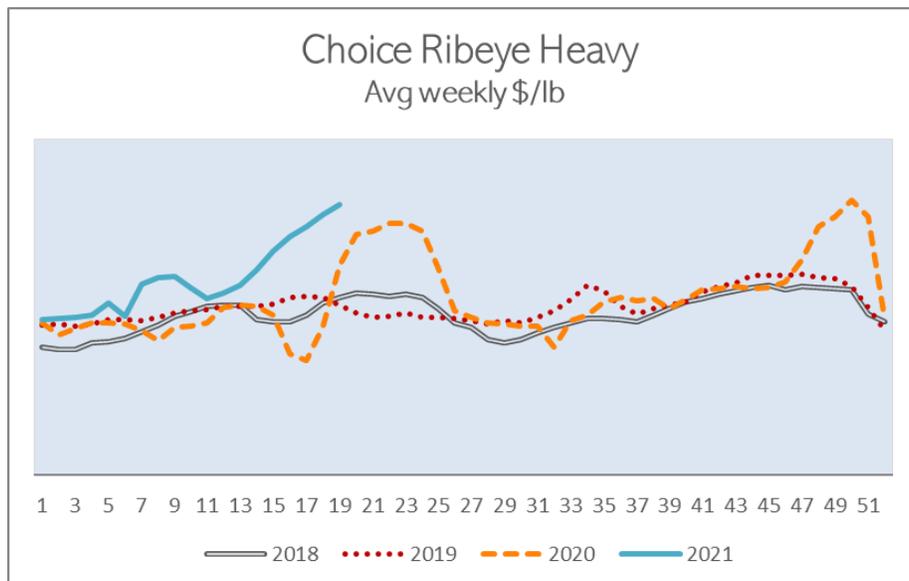
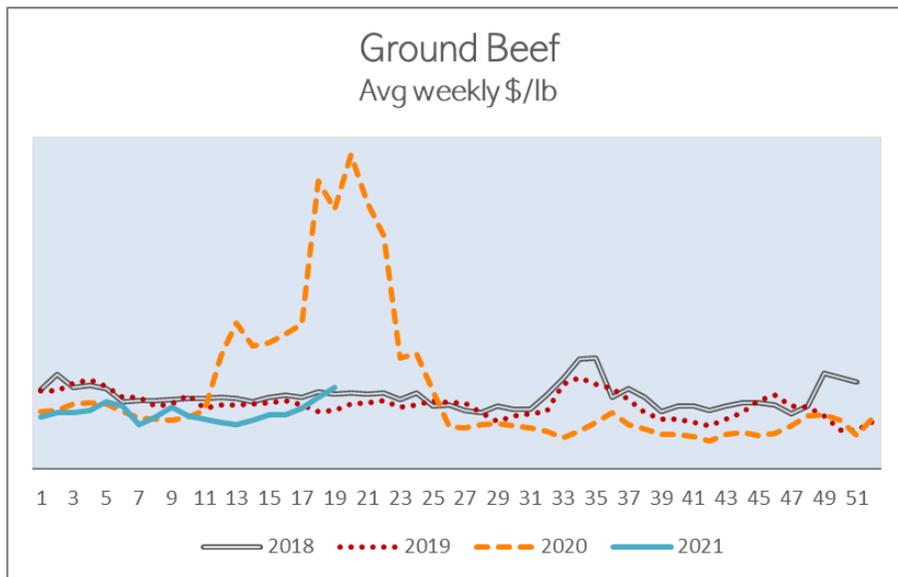
Grinds- Market is firm. Buying activity has continued to improve as we move closer to Memorial Day. Pricing had not seen as sharp increases as other cuts, but this week has seen pricing pushing higher. Demand is expected to be very good as we move closer to Memorial Day.

Loins- Market is firm. Lighter production and good demand are keeping pressure on the market. Demand is typically seasonally stronger as we lead up to Memorial Day.

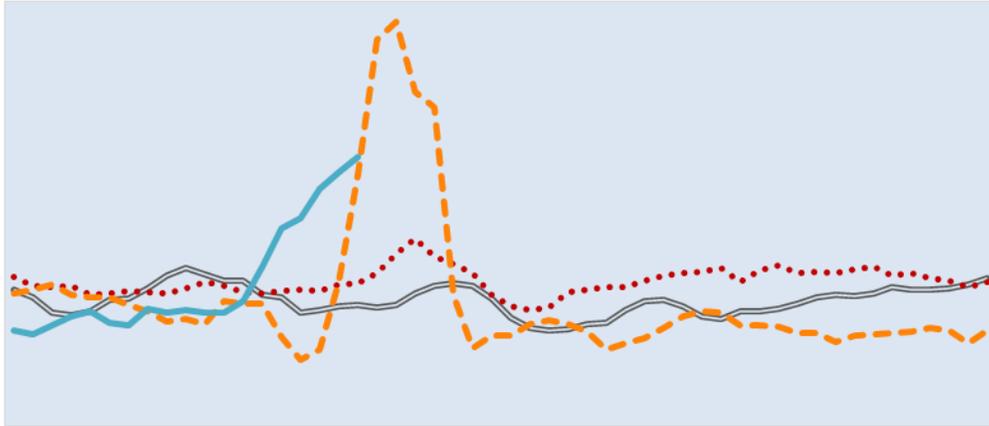
Rounds- Market is firm. Pricing is outside of normal seasonal patterns and has continued to push higher as we moved thru this week. Lighter production and active buying interest are keeping pressure on the market

Chucks- Market is firm. Demand is very good and above normal seasonal trends for this time of the year. The strong demand for grinds could keep additional pressure on this market over the coming days.

Ribs- Market is firm. The market has pushed much higher over the past few days. Current prices are well above same time last year. Select grade product is difficult to come by and prices have surged higher. Demand is typically seasonally improved as we move through the spring.

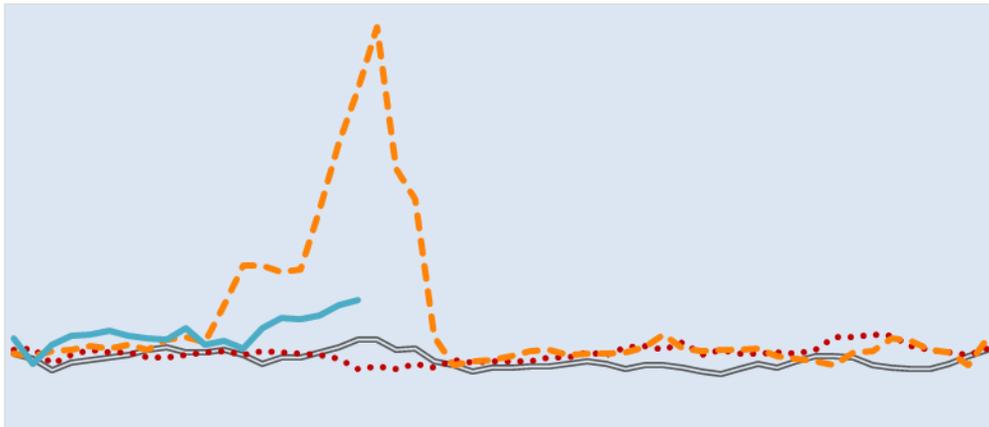


### Choice Brisket Avg weekly \$/lb

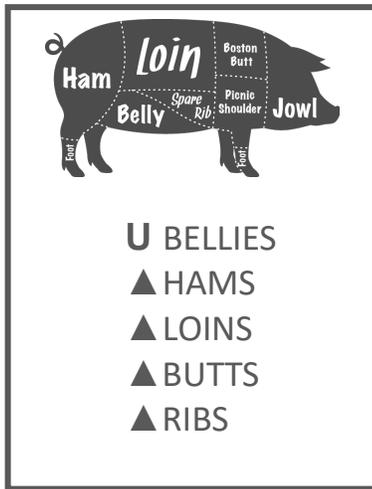


— 2018    ··· 2019    - - - 2020    — 2021

### Choice Inside Avg weekly \$/lb



— 2018    ··· 2019    - - - 2020    — 2021



## PORK

Market is firm. Total pork production for last week was down 1.9% versus prior week but was up 32% compared to same time last year. Total headcount for last week was 2,408,000 as compared to 1,804,000 for the same week last year. Live weights for last week were even with prior week but down 4 lbs. from same time last year. Production concerns continue to be reported due in part to lack of available labor being reported in multiple plants. Further processing activities have been lighter at multiple plants putting pressure on availability of multiple items. Allocations and shortages should be expected as we move through the coming weeks. Easing of dining restrictions across the country are helping to improve foodservice demand at a time that production is moving lower. Pressure on the overall market is being caused by cold storage inventories remaining very low,

retail demand continuing to be strong and the return of Foodservice demand. Availability on all items has been very limited for several weeks with allocations and cuts common place with multiple packers. Memorial Day is just around the corner and is the official kickoff of grilling season. Advertising is expected to be very good over the next few weeks. Export demand has been strong for several months and has been keeping pressure on availability. Prices on multiple cuts are either at record or near record high prices.

**Bellies-** Market is unsettled. The belly market had surged higher over the past several weeks and had been well above same time last year. That trend has reversed over the past few days. The market moved both higher and lower last week and the market has pushed lower as this week has progressed. Demand has been very good for bellies for the past few months and availability has been limited. The high prices have help to cause a decrease in overall buying interest, but demand is still good, and inventories are light.

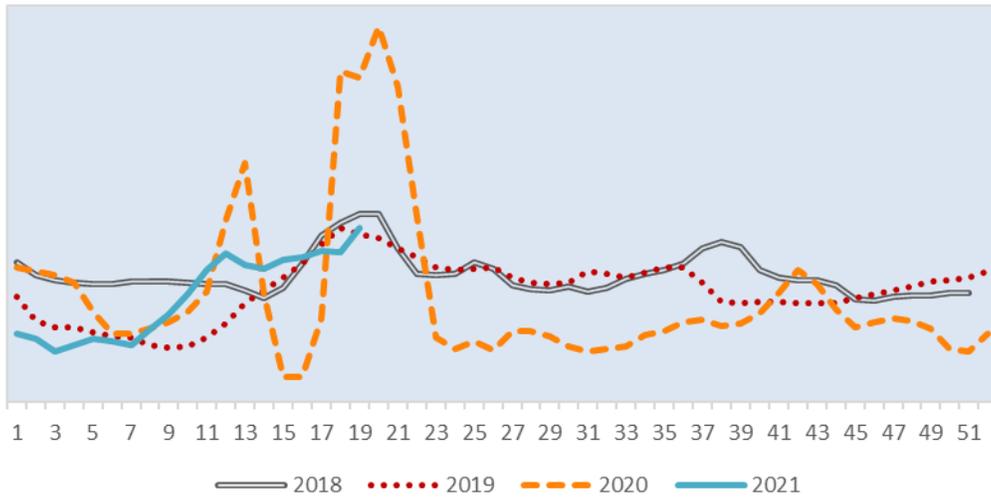
**Hams-** Market is unsettled. Light inventories and a strong demand have been keeping pressure on the market. Export demand has been very good and helping to move additional inventories. Demand for deli items is improving and putting pressure on the market.

**Loins-** Market is firm. Inventories are varied between suppliers helping to keep pressure on overall availability. Buying demand continues to be very good and putting pressure on inventories.

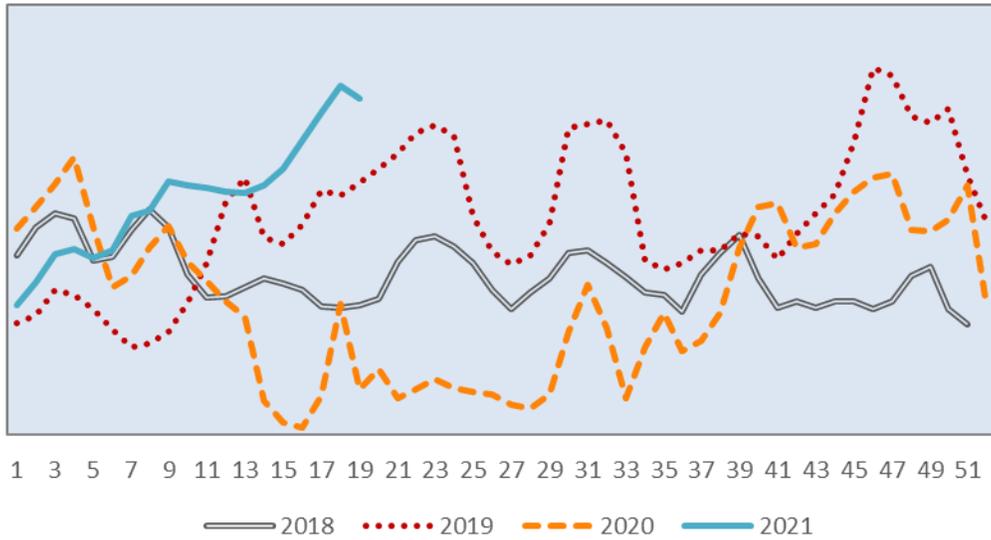
**Butts-** Market is firm. Seasonal demand is very good and keeping pressure on the market. Demand is typically seasonally strong as we move closer to Memorial Day weekend. The easing of dining restriction across the country is expected to help overall demand.

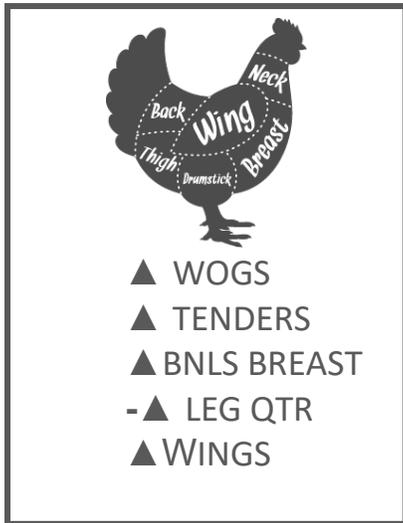
**Ribs-** Market is very firm. Retail demand has been strong with additional advertising expected as we move closer to Memorial Day and this has caused a large increase in buying activity. Foodservice buying activity has surged over the past several days as buyers look to cover their needs as additional restrictions are lifted across the country. Ribs in cold storage are down over 30% and are at their lightest numbers in almost a decade. Pricing is at record highs and well above the extremes seen last May. Lighter production numbers will help keep pressure on the market over the coming days. Labor continues to be a concern in the plants and is limiting production. Allocations and shorts to orders should be expected. Demand typically continues to improve seasonally better as we move through spring.

Pork Butt 1/4 Trim Bone-In USDA Weekly Average FOB



20-23 Ham Market Weekly Average \$\$/lb





## CHICKEN

Market is firmer. Total headcount for last week was 163,616,000 as compared to 162,954,000 for the same week last year. Average weights for last week were 6.38 lbs. as compared to 6.37 lbs. for the same week last year. Chick placements on fryers for week ending 6/12/21 are estimated at 163.3 million headcounts. Placements for previous week were 164.3 million and same week last year was 171.7 million. Retail and foodservice activity is reported as moderate to strong. Industry demand for bone-in breasts, boneless breast, tenders, wings, and dark meat is rated as very active. Export volume on leg quarters and whole legs is reported as steady. Lack of labor is a huge topic of concern. Some plants are reported to be 20% to 30% short on workers. Limited shifts and production days are causing shortages in almost all categories. Demand is outpacing supply. Floor stocks are short and spot load offerings are few. Market levels on most key categories are at 10-year highs.

**WOGS-** Market is firm. Fast food and retail deli volume remains steady. All sizes of WOGS and 8pc cutups continue to clear on a weekly basis. Supply is tight, and shortages are being reported.

**Tenders-** Market is firmer. Foodservice demand is trending upward. Limited production schedules have the category constrained to a finite supply. Supply is short, portioning is limited, and allocations are being reported.

**Boneless Breast-** Market is firmer. Retail and foodservice demand is reported as moderate to good. Foodservice volume continues to trend upward with improved casual dining and QSR activity. Supply remains short, portioning is limited, and shortages are being reported.

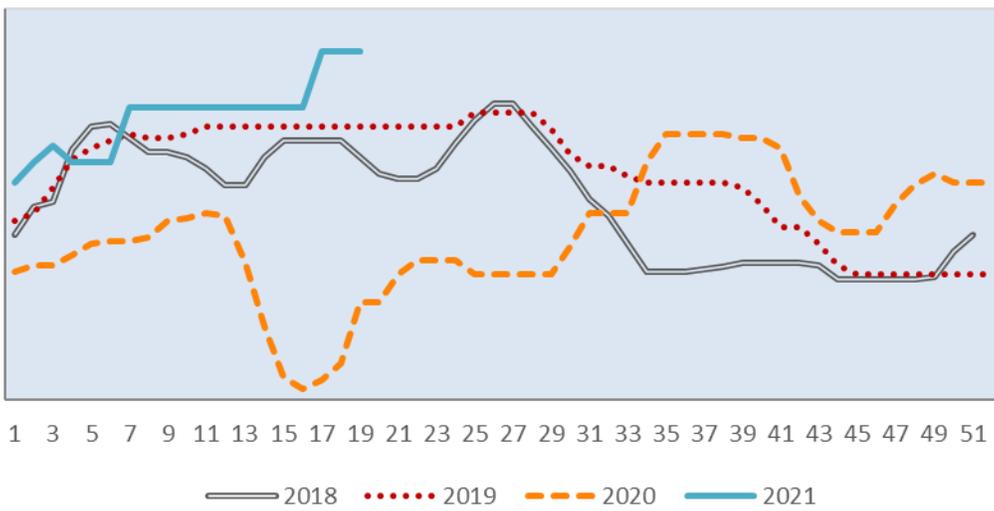
**Leg Quarters and Thighs-** Market is steady to firmer. Export demand for leg quarters is steady and a consistent base of volume. Whole legs continue to be well supported by leg debone operations. Retail business for drums and thighs remains moderate to good. Lack of labor has put a premium on leg debone and dark meat availability. Supply is short.

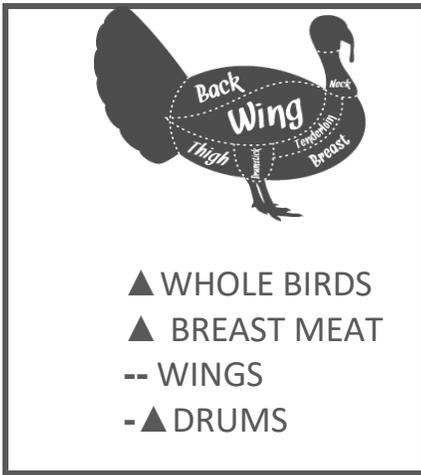
**Wings-** Market is firmer. Foodservice demand on medium and jumbo sizes has the industry sold up. Further processors are having a hard time sourcing enough small wings to keep production lines running fully. Supply is short on all sizes, and allocations are being reported.

### Chicken Plant Grade, 2 1/2 lbs & up Avg Weekly \$/lb



### Chicken Tenders Avg Weekly \$/lb





## TURKEY

Market is steady to firmer. Total headcount for last week was 3,853,000 as compared to 3,808,000 for the same week last year. Average weights for last week were 32.34 lbs. as compared to 31.10 lbs. for the same week last year. Frozen whole birds are in a sold-out position due the active booking season earlier in the year. Demand for breast meat, white trim, and tenders is rated as good due to improved seasonal demand. Domestic and export business on drums, thighs, and wings is trending higher. Labor shortages have put a limit on weekly production and throughput is less than optimal. Some shortages continue to be reported. Supply for whole birds is extremely limited, parts remain tight, and white meats are tight.

Whole Birds- Market is firm. The booking period is basically completed, and the category is in a sold-up position. Supply is tight and spot availability is hard to find.

Breast Meat- Market is firmer. Breast meat demand from foodservice and retail deli is trending upward as seasonal activity improves. Supply is tight on fresh and frozen raw material. Shortages are being reported.

Wings- Market is steady. Domestic and export activity for whole wings and 2-joints is moderate to good. All sizes are clearing well with Tom sizes more preferred.

Drums and Thigh Meat- Market is steady to firmer. Domestic and export demand for drums and thighs is stable. Boneless thigh meat continues to see increased demand as ground turkey sales show no signs of slowing down. Supply is limited on bone in parts. Lack of labor is constraining the amount of deboned dark meat.

## SEAFOOD



Gulf Shrimp- Market is firm. Inventories are limited for an active demand. Inventories have been light for several months and allocations have become common place. Larger sized product has seen of the most pressure as we moved through the past few weeks due to the light inventories and the increasing demand.

Black Tiger Shrimp- Market is firm. Inventories are limited for a strong demand. Allocations to orders should be expected. The surge in Foodservice demand is putting pressure on larger sized shrimp inventories and the market has seen price increases across all sizes over the past few weeks. Production costs and logistical concerns are putting additional pressure on the market. Delays on imports are putting additional pressure on this market.

White Shrimp- Market is firm. Inventories are limited for an active demand. The lack of container availability combined with overall logistical challenges is putting a large amount of pressure on the market. Allocations to orders should be expected. The recent increase in demand as additional dining restrictions are being eased is causing availability issues as replacement inventories are very difficult to come by.

King Crab- Market is firm. Inventories are limited for an active demand. Global demand is strong and putting pressure on the market.

Snow Crab- Market is firm. Inventories are limited for an active demand. New season product out of Canada is making its way into the market but the surge in demand is keeping inventories very limited. Foodservice demand continues to improve as additional dining restrictions are lifted across the country. Demand is expected to be very good over the coming weeks.

Warm Water Lobster Tails- Market is firm. The market has continued to push higher over the past several weeks as the active demand is keeping pressure on limited inventories. Low production the past few years and seasonal closures are keeping pressure on availability. Allocations to orders are common due to the limited inventories.

North American Lobster Tails- Market is firm. Demand continues to improve and putting pressure on very limited inventories. Seasonal plant closures combined with poor fishing conditions are causing additional issues with the limited availability. Shorts and allocations to orders should be expected.

Salmon- Market is firm. Demand has been improving around the world and keeping pressure on available inventories. This combined with ongoing logistical concerns is helping to keep pressure on the market. Inventory availability varies between suppliers helping to cause larger swings in prices.

Cod- Market is firmer. Product out of the Pacific is seeing inventories concerns with a strong demand that was seen during Lent and limited available inventories in the market. Foodservice demand is very good. There also delays with production coming back out of China putting additional pressure on the market.

Flounder- Market is steady to firmer. Pricing is expected to be higher as we move through Q2 as suppliers' costs are being impacted by tariff increases. Production issues and delays out of China are causing additional issues for the market.

Haddock- Market is steady to firmer. Inventories are light for an active demand. Increased tariffs combined with higher production costs and more limited inventories are putting pressure on the market.

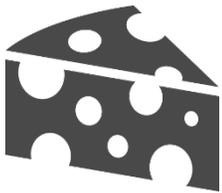
Pollock- Market is steady to firmer. Demand in Europe is very strong. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

Domestic Catfish- Market is firm. Inventories have been limited for several months and the easing of dining restrictions across the country is putting additional pressure on the market. Allocations remain commonplace and are anticipated as we move into the summer. Inventories are limited on all sizes and well below current demand.

Tilapia- Market is firmer. Higher production and logistical costs are putting pressure on the market. Shipment delays on product coming out of China are expected over the coming weeks. Buying activity is improving as more dining restrictions ease across the country.

Swai- Market is firmer. Foodservice demand continues to improve across the country, and this is putting upward pressure on the market. Logistical concerns remain an issue with higher freight costs and longer lead times on both ocean freight and trucking. Inventories have become more limited with larger sizes seeing the most pressure. Farmers have been trying to turn their ponds faster to keep up with demand and this is resulting in smaller sized fish.

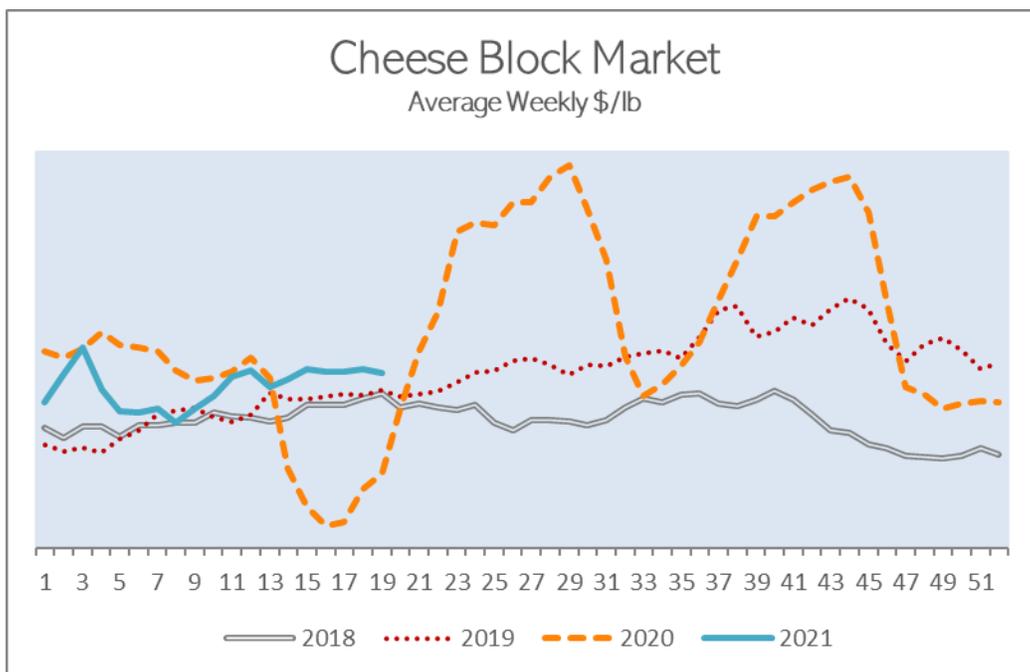
Scallops- Market is mixed. The market for larger sized domestic product is firm with increased demand keeping pressure on the market. Inventories of U/10 product is very limited with record high pricing. New season fishing has begun but reports are showing expectations of inventories issues as we move into the summer. Landings have been improving and smaller sizes have started to see some slight softening of the market.

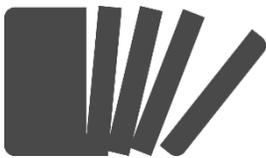
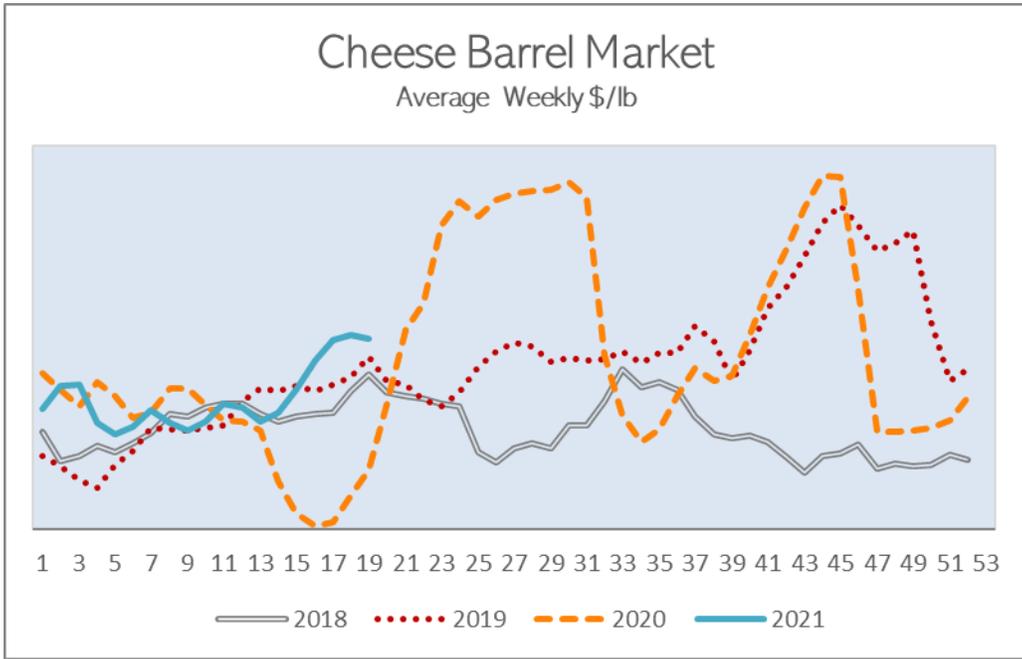


## DAIRY Cheese

Market is unsettled. The CME barrel market moved higher this week while the block market moved higher then lower. Cheese availability across the country is mixed. In the northeast, healthy milk supply is supporting active cheese production.

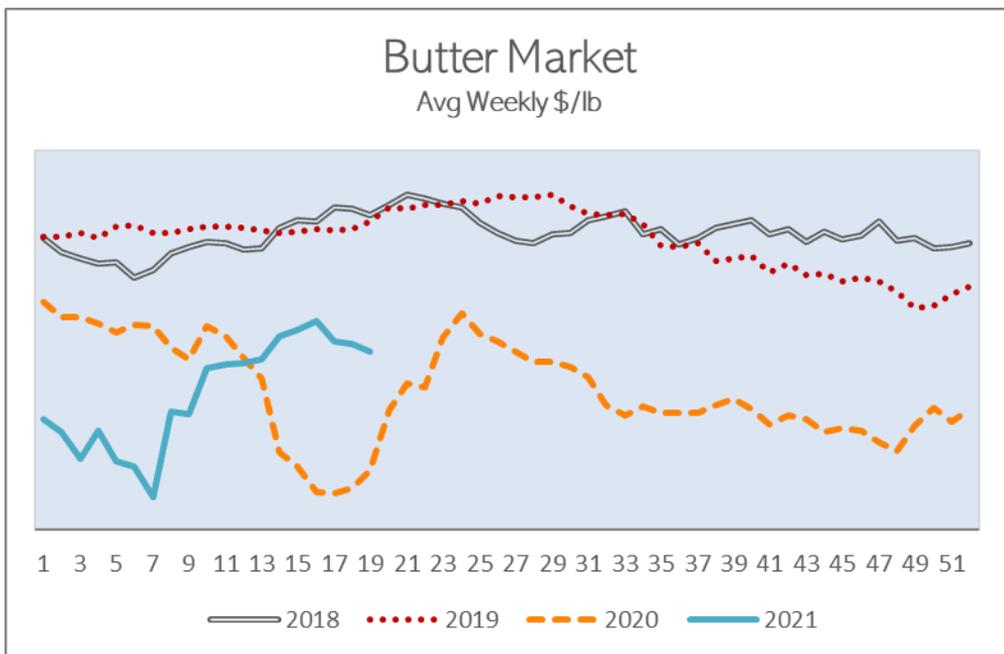
Inventories in the region are balanced. Retail demand is mixed. Foodservice demand is notably higher than previous year. Midwestern producers report active interest for both pizza cheeses and process cheeses. Retail demand in the western region is higher than previous week. Inventories in the region are mixed. Production is strong with milk supply in good supply. Export interest is increasing.





## Butter

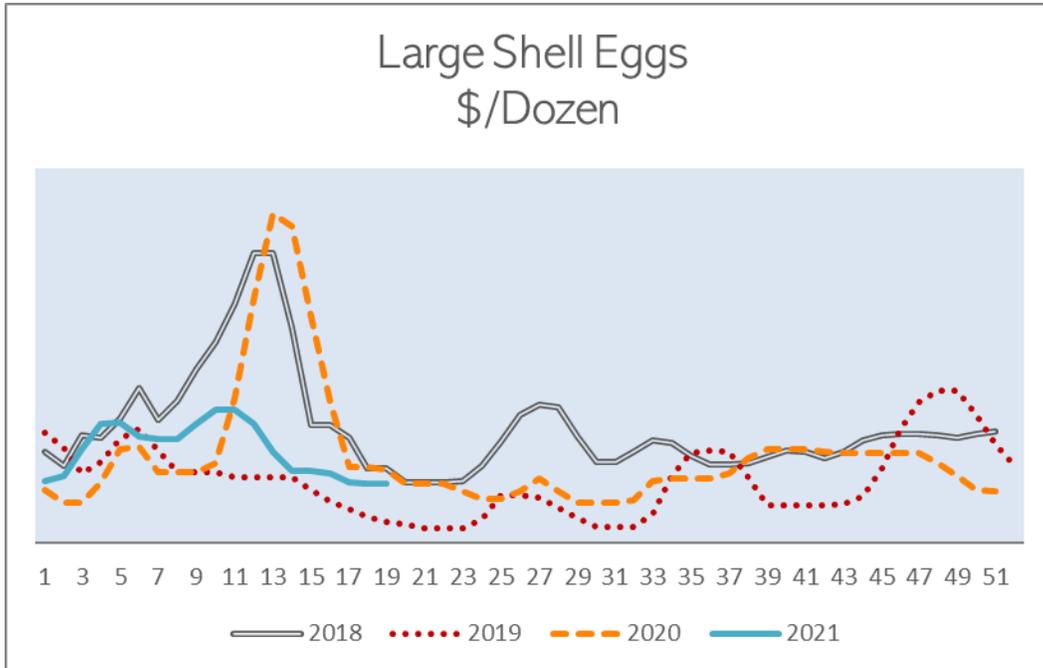
Market is firmer. The CME butter market moved higher this week. Supply of cream is mostly steady. Overall inventories are stable. Foodservice demand is growing, especially in the eastern region. Retail demand in the northeast is lower than in recent weeks. In the central region, butter producers are reporting lighter retail demand. In the west, cream availability is tighter. Inventories are stable. Retail in the region is steady. Foodservice demand is now leveling off following several weeks of upticks.





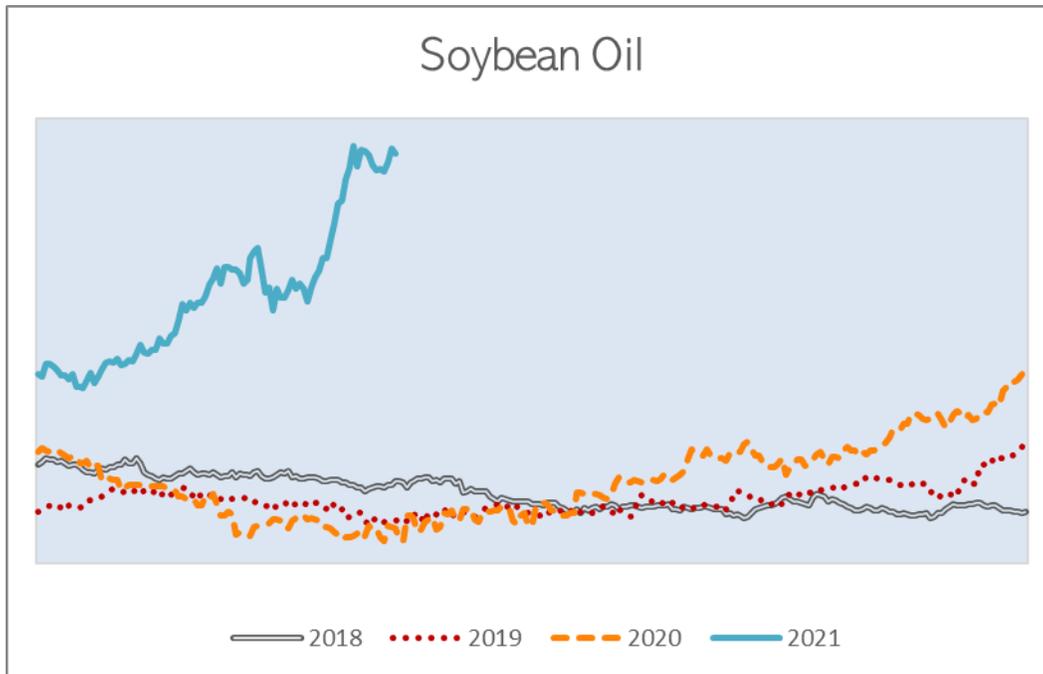
## EGGS

Market is steady. Retail activity is being reported as steady on the East Coast, West Coast, and most other regions. Some regional promotions are starting to surface, but on a limited basis. Foodservice volume demand continues to trend upwards which is helping the loose egg portion of the business. Fast food sales remain constant for this time of year. Supply is available on both medium and large sizes. Market is trending flat on medium sizes and on large sizes. National weekly shell egg inventory reports shell egg inventory down 3.3% over last week.



## SOY OIL

Market is firmer. Soybean markets and futures continue to rise on a week over week basis. Allocations on soy oil and other related products continue to be reported across the United States. It is anticipated that this trend could continue through the summer. Demand continues to outpace supply at the current time. Soybean supply remains tight in the United States while export and bio-diesel demand continue to rise. The planting season in the United States continues as planned and early reports show acres planted to be on track compared to the five-year average. Market is at an all-time high with the potential of further market changes. The market remains volatile and continues to change daily as new information becomes available.



## GLOVES

Market is unsettled. Additional production capacity is now being realized for vinyl gloves. Downward pressure on vinyl markets has been noted as the additional supplies are now moving into the supply chain. Additional capacity is being reported for nitrile as well. With priority for nitrile still going to the healthcare industry, other industries have yet to experience an increase in availability. Vinyl/nitrile blend availability is stable at the present time though no softening of the market is expected. Latex gloves are seeing a resurgence in interest as nitrile supply remains tight. Supply of latex has become increasingly unstable as the demand has increased. Poly resin markets have been unstable and rising though supply and availability are good. Freight, both ocean and domestic, remains a concern as costs continue to increase.

## CANNED GOODS (DOMESTIC)

Several factors are going to come into play for the outlook on costs for domestic canned goods for the 2021 pack season. Produce costs are up over last year driven by the price of soybeans and field corn. The cost of steel is in tight supply and will have a direct impact on the cost on #10 cans. Labor is in high demand and driving costs up as well as freight is higher than last year.