



# **Market Report**

Week Ending May 21, 2021

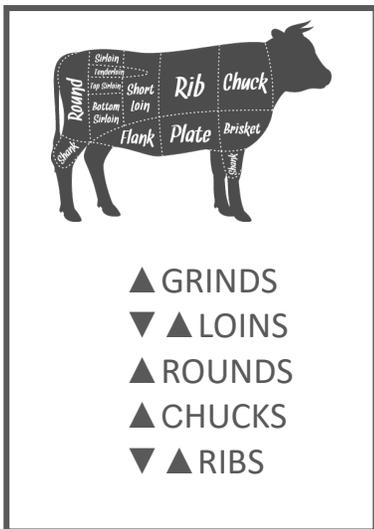
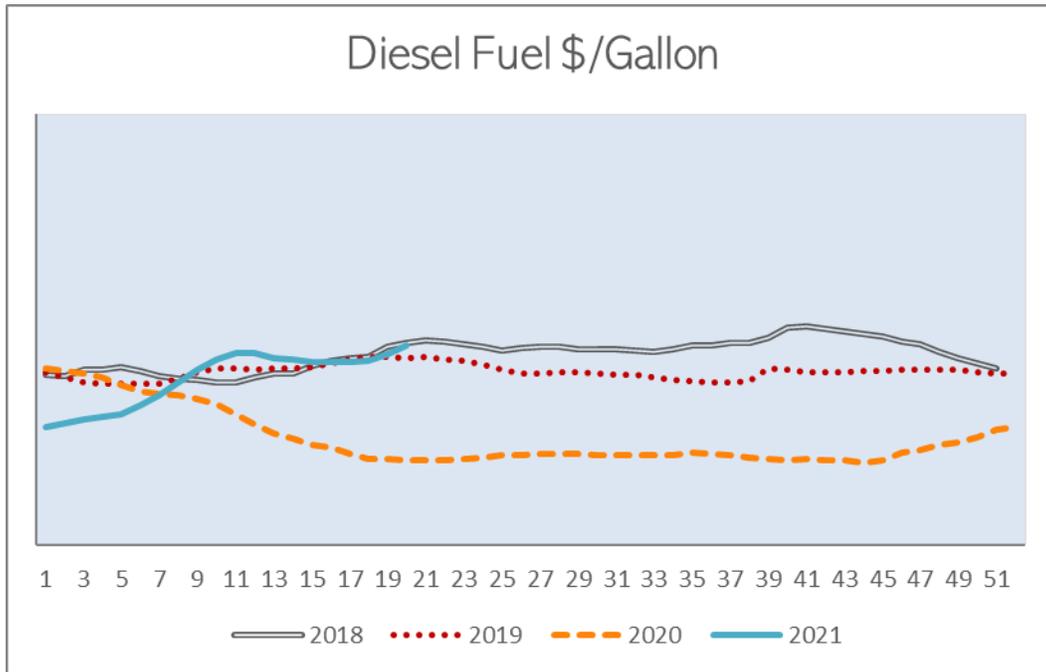


*\*\*Graphs represent data for the week ending May 14, 2021\*\**



# LOGISTICS

Some markets appear to have calmed themselves this past week. While rates and capacity are still high and tight, there is reason to think that even with many companies coming back online and volumes increasing, there will be the ability to move freight if you work with your carrier base. While diesel fuel issues in SE had a small impact it now seems to have passed as well. Costs are still much higher than last year and, in some cases, up over 50 to 70%.



## BEEF

Market is firm. Total beef production for last week was up 0.1% versus prior week and was up 23.3% compared to same time last year. Total headcount for last week was 640,000 as compared to 519,000 for the same week last year. Live weights for last week were down 2 lbs. from prior week and down 11 lbs. from same time last year. The market has seen large increases in prices on several cuts over the past several 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 very difficult 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.

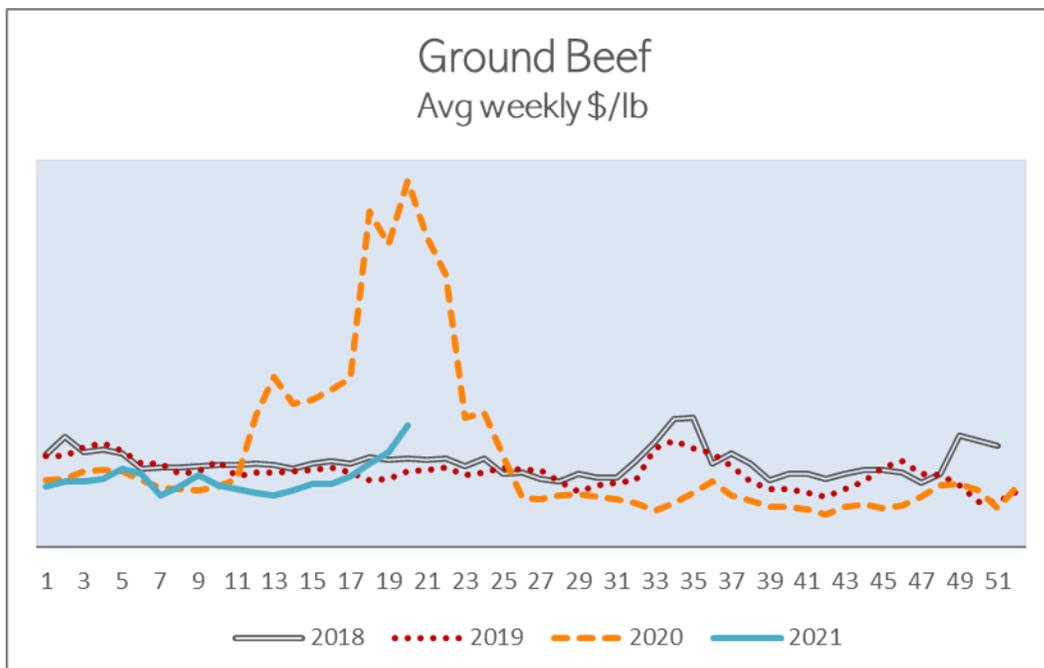
Grinds- Market is firm. As we move closer to Memorial Day, buying activity has continued to improve and demand is expected to be very good. Pricing has seen sharper increases over the past week compared to prior weeks.

Loins- Market is mixed. The market has seen large increases in prices over the past several weeks. This week has seen pricing become more mixed between packers with some showing downward pressure on some Select graded products. The rest of the market holds a firm tone.

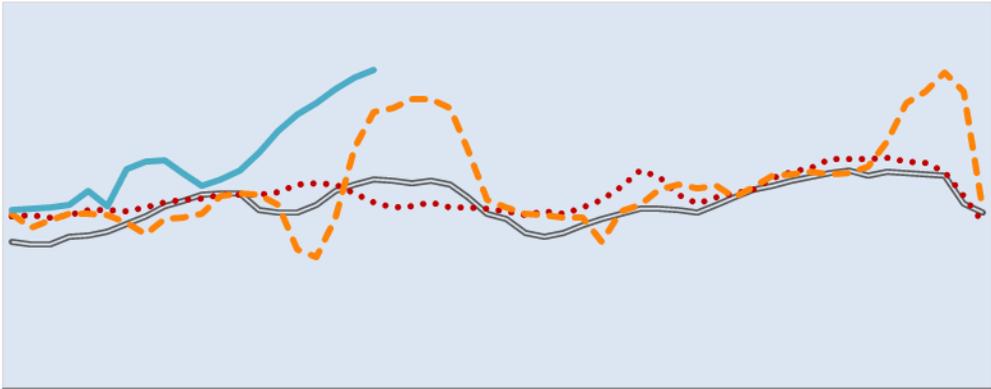
Rounds- Market is firm. Pricing is outside of normal seasonal patterns and has continued to push higher again as we moved through this week. Lighter production and active buying interest are keeping pressure on the market.

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 mixed. The market has pushed much higher over the past several days. Current prices are well above the 5-year average. Select grade product is difficult to come by with multiple packers and prices have surged higher the past few weeks. This week has seen the gap in prices between choice and select start to widen again which has not been the case for several weeks. Demand is typically seasonally improved as we move through the spring.



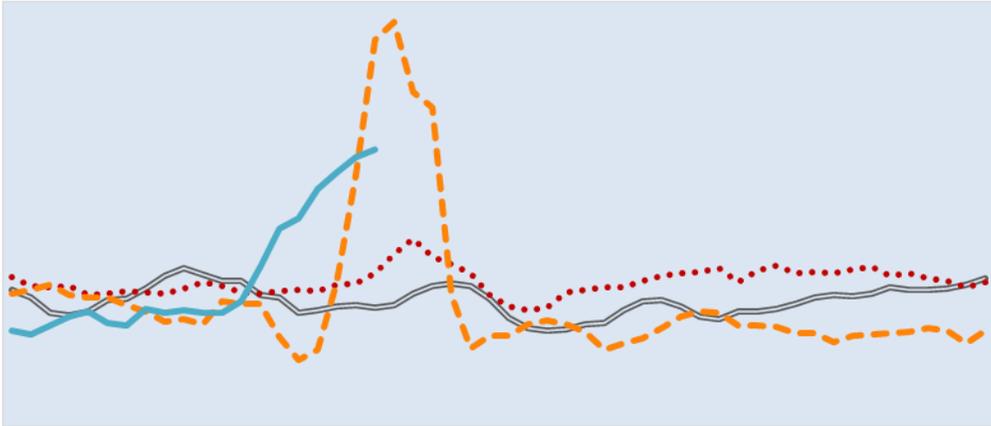
### Choice Ribeye Heavy Avg weekly \$/lb



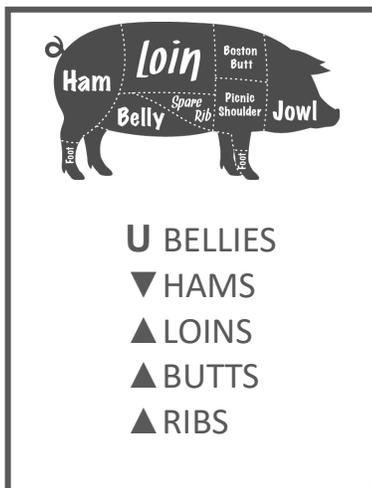
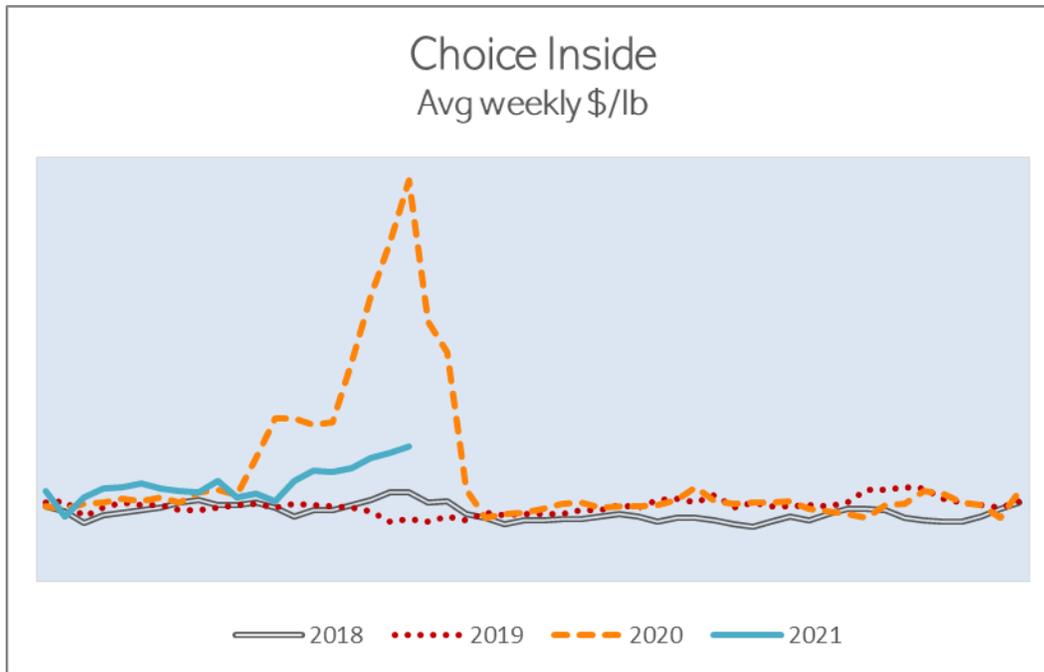
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

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

### Choice Brisket Avg weekly \$/lb



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



## PORK

Market is firm. Total pork production for last week was down 0.8% versus prior week but was up 10.5% compared to same time last year. Total headcount for last week was 2,395,000 as compared to 2,134,000 for the same week last year. Live weights for last week were down 1 lb. from prior week and down 5 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 commonplace 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.

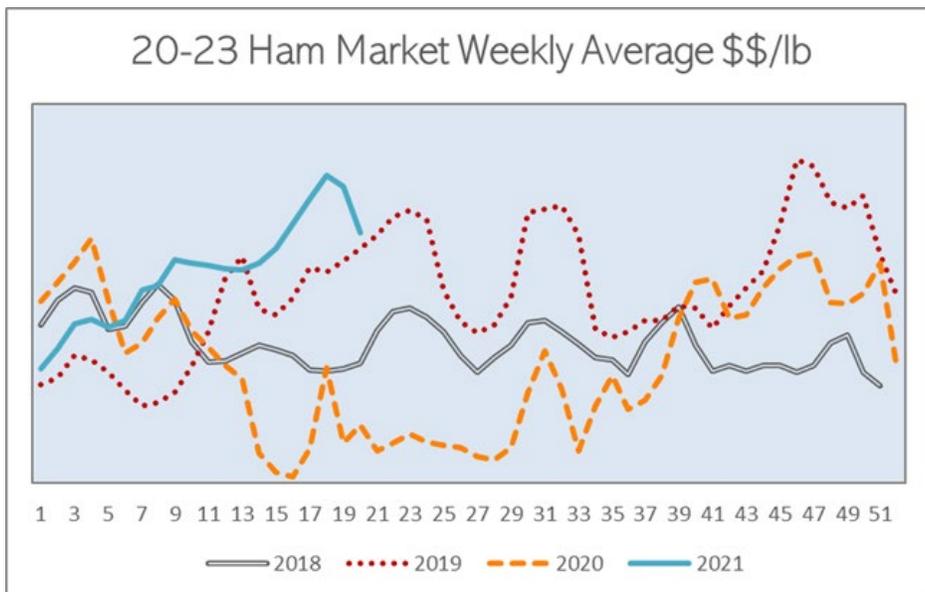
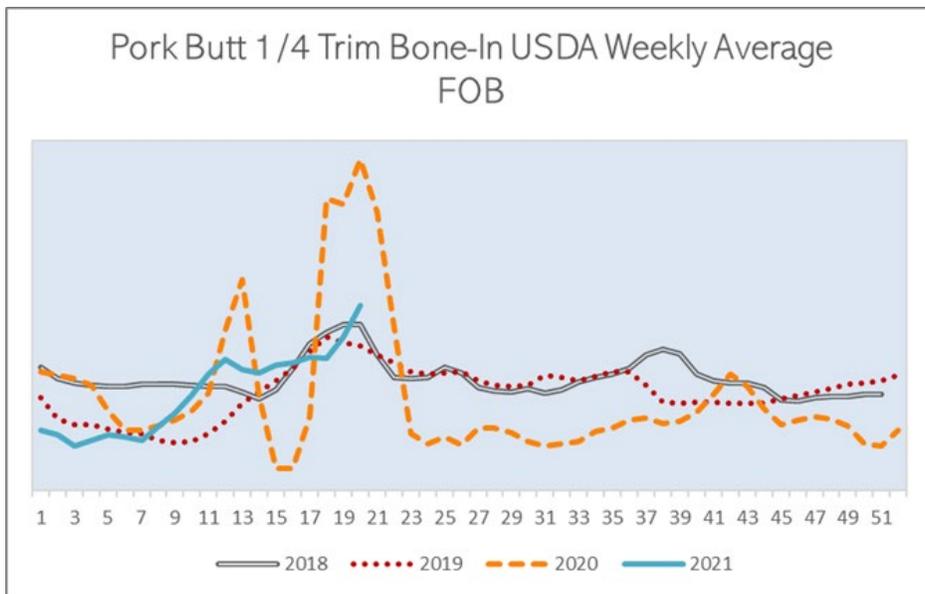
**Bellies-** Market is unsettled. The belly market had surged higher over the past several weeks and had been well above same time last year. That trend has reversed over the past couple of weeks. The market moved both higher and lower the last few weeks. Demand has been very good for bellies for the 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.

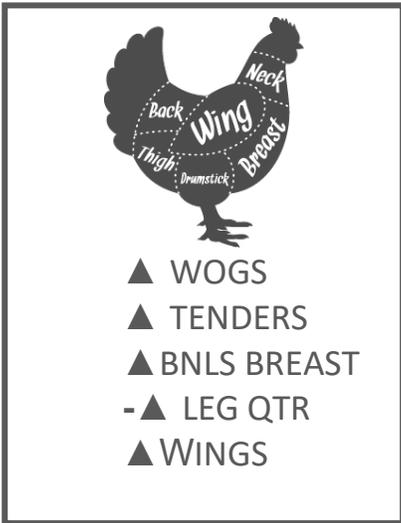
**Hams-** Market is weaker. Overall demand has been lighter the past few weeks. Availability is still lighter than seasonal norms, but the market is not seeing the strength that other cuts have seen the past few weeks.

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.





## CHICKEN

Market is firm. Total headcount for last week was 163,760,000 as compared to 160,598,000 for the same week last year. Average weights for last week were 6.41 lbs. as compared to 6.42 lbs. for the same week last year. Chick placements on fryers for week ending 6/19/21 are estimated at 163.1 million headcounts. Placements for previous week were 163.3 million and same week last year was 171.6 million. Retail and foodservice volume is reported as active and strong. Industry demand for bone-in breasts, boneless breast, tenders, wings, and dark meat is rated as moderate to good. Export volume on leg quarters and whole legs is reported as steady. On the supply side, worker absenteeism is very high. Some plants are reporting to be 30% to 40% short on workers. Limited shifts and inconsistent production runs are causing shortages on the fresh and further processed sides of the business. Demand continues to be

much higher than supply. The 3.5% reduction in birds for the last six months has the industry in a supply shortfall. Floor stocks are short and spot load offerings are few. Market levels on most key categories remain at 10-year highs.

**WOGS-** Market is firm. Fast food and retail deli volume remains a consistent base for the category. All sizes of WOGS are clearing on a weekly basis. Supply remains tight, and shortages are being reported.

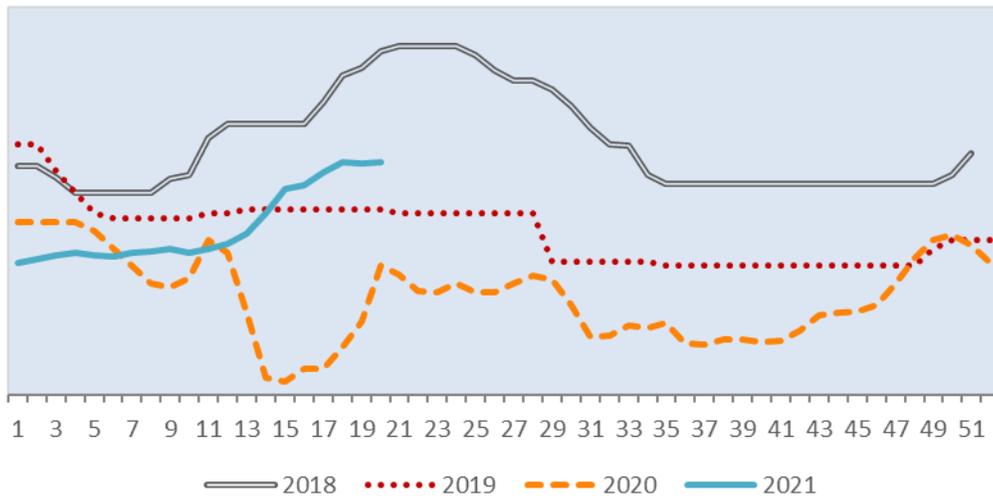
**Tenders-** Market is firm. Foodservice demand continues to be rated strong and retail volume is steady. Supply is being constrained by reduced production schedules and lack of portioning. Allocations and shortages continue to be a weekly challenge.

**Boneless Breast-** Market is firmer. Retail and foodservice business is reported as strong and very active. Casual dining continues to increase weekly and QSR volume is vibrant. Supply remains short, portioning is limited, and shortages continue to be a problem.

**Leg Quarters and Thighs-** Market is steady to firm. Export demand for leg quarters is steady for the time being. Drums and thighs are in high demand from the retail channel. Whole legs are in high demand from the leg debone processors. Demand for boneless skinless thigh meat is on the rise and supply is limited by debone production constraints. Supply is tight on bone-in parts, and boneless skinless thigh meat is in short supply.

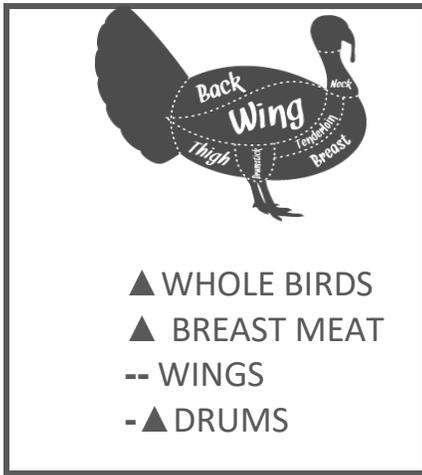
**Wings-** Market is firmer. Foodservice demand for medium and jumbo sizes is keeping the market sold up. Further processors continue to have a hard time sourcing enough small wings to keep production lines fully operational. Supply is short on all sizes, and allocations are being reported.

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



### Chicken Tenders Avg Weekly \$/lb





## TURKEY

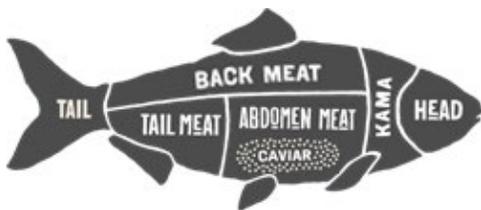
Market is steady to firm. Total headcount for last week was 3,716,000 as compared to 4,025,000 for the same week last year. Average weights for last week were 32.48 lbs. as compared to 32.76 lbs. for the same week last year. Frozen whole birds remain in a sold-out position and very few spot opportunities are being shown to the marketplace. Demand for breast meat, white trim, and tenders is reported to be good. Domestic volume is steady and export volume is improving on drums, thighs, and wings. Labor absenteeism remains a critical problem on the supply side. Limited weekly production continues to be a problem as most categories are in a sold-out situation. Product shortages and allocations continue to be reported. Whole bird supply is extremely limited, parts remain tight, and white meats are tight.

Whole Birds- Market is firm. Holiday bookings and future orders have the category in a sold-up position across all sizes. Supply is tight and spot availability is limited.

Breast Meat- Market is firm. Demand from foodservice and retail deli has been trending higher for the last 60 days and is now starting to show signs of plateauing. Supply remains tight on fresh and frozen raw material. Shortages continue to be reported.

Wings- Market is steady. Domestic demand for 2 joints is on the rise and export demand for whole wings remains stable. All sizes are clearing well with Tom sizes more preferred. Market is showing strength domestically and is trending sideways on export business.

Drums and Thigh Meat- Market is steady to firmer. Domestic and export demand for drums and thighs is trending upward. Boneless thigh meat continues to be pressured higher due to retail sales of ground turkey. 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 some 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 firm. 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.

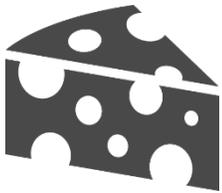
Pollock- Market is steady to firmer. Demand in Europe is very strong. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

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.

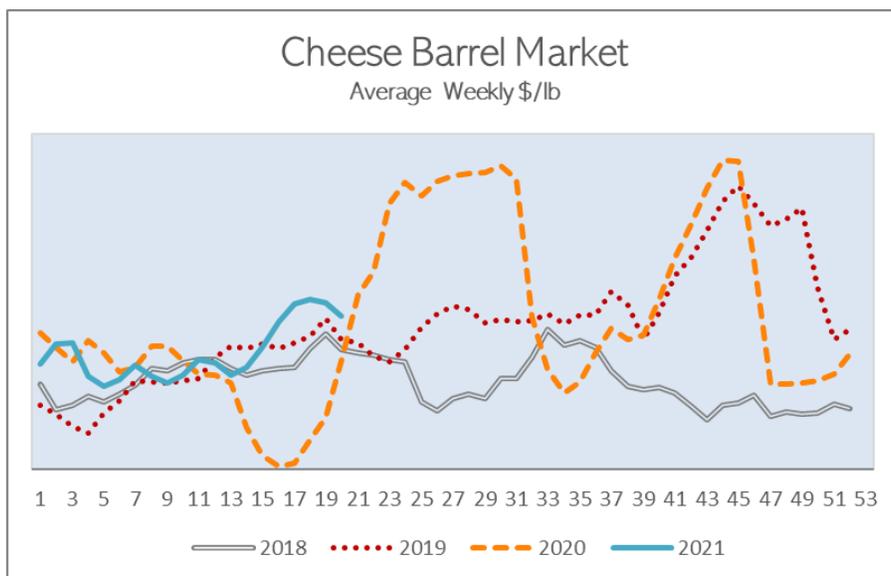
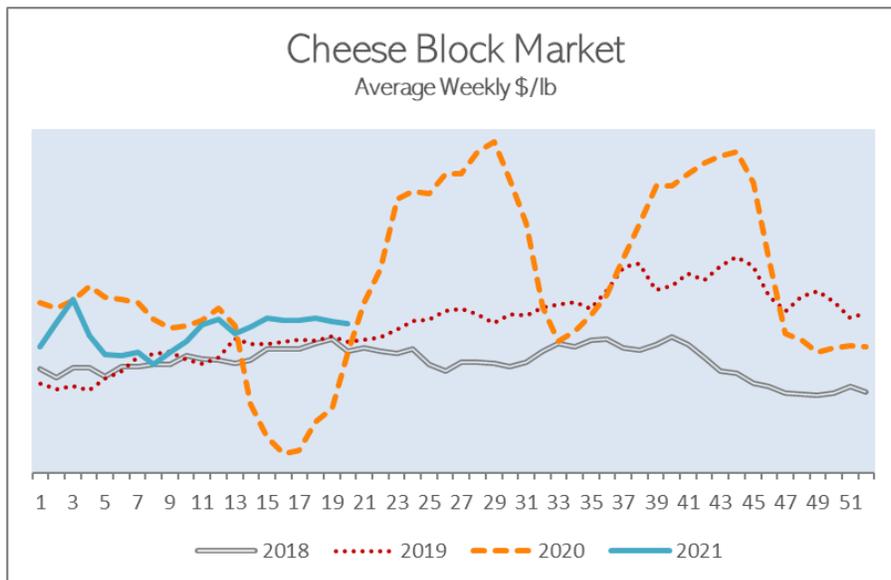
Scallops- Market is mixed. The market for larger sized domestic product is firm with increased demand keeping pressure on the market. Inventories of U/10 product is very limited with record high pricing. New season fishing has begun but reports are showing expectations of inventories issues as we move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



## DAIRY Cheese

Market is weaker. The CME block and barrel markets moved lower this week. Availability of milk across the country is good. Cheese demand is mixed. In the northeast, milk supply is healthy prompting active production schedules. Inventory in the region is good.

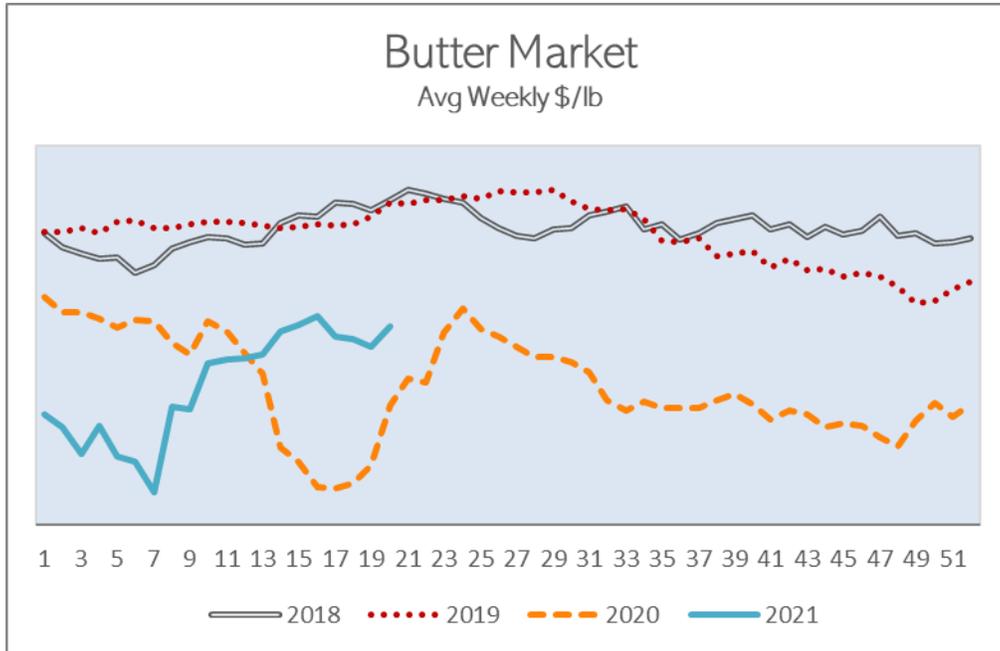
Foodservice demand is improving. Retail demand is steady. Midwestern producers are running full production schedules in most areas. Milk is widely available. In the west, demand for retail products is steady. Foodservice interest is mixed. Export interest is steady. Production schedules are running at full capacity with inventory in the region mixed.





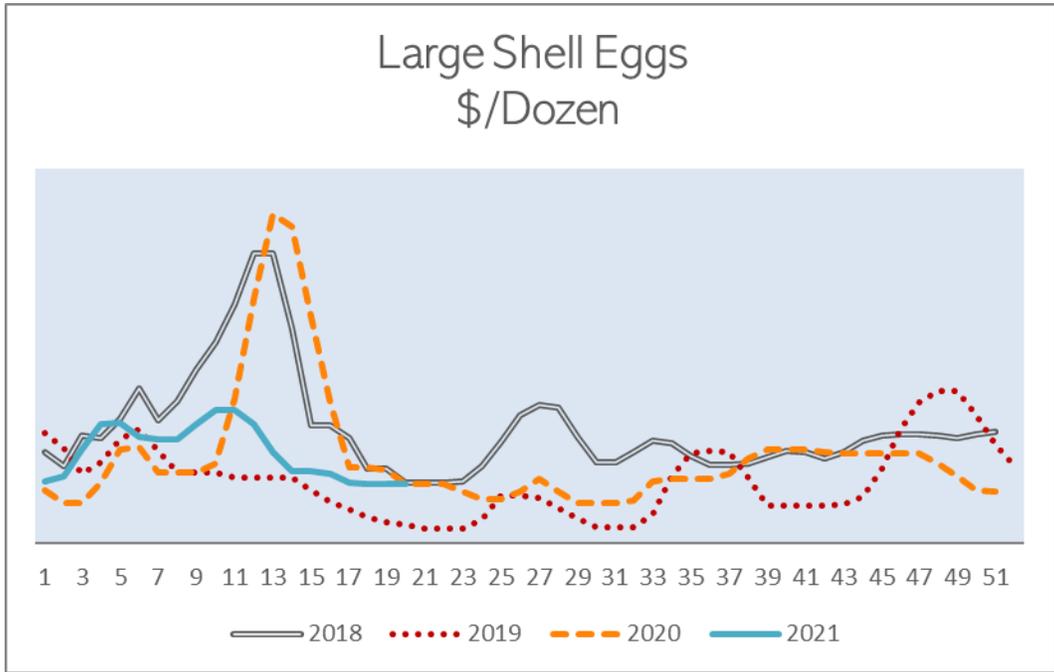
## Butter

Market is firmer. The CME butter market moved lower this week. In the northeast butter producers have plenty of cream for production. Inventories are stable. Retail demand in the region is down slightly and foodservice demand is improving. Central region producers are receiving higher demand for bulk salted butter. Cream supply in the region is adequate for production needs. Some plants are beginning to churn for fall seasonal demands. In the west ice cream production is pulling cream away from butter production. Inventories are overall stable. Demand for retail products is steady while foodservice demand is increasing.



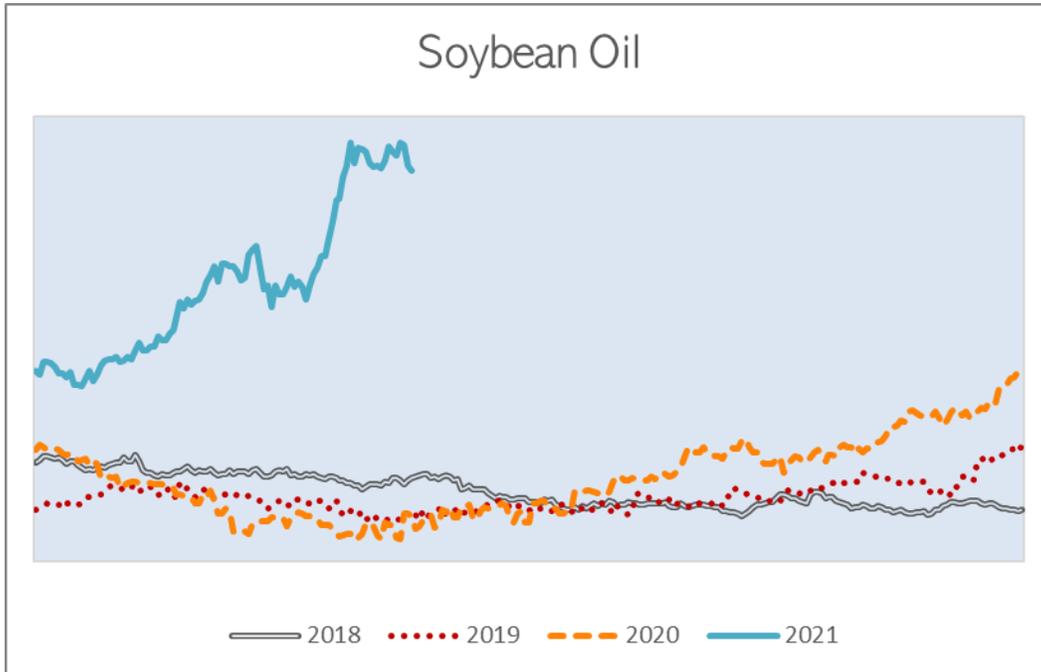
## EGGS

Market is steady. Retail and overall volume is being reported as steady across most regions, the East Coast, and the West Coast. Regional promotions remain limited, but enough to help support the current market. Foodservice volume demand is reported to be moderate with signs of improvement. Fast food sales remain status quo 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 2.1% over last week.



## SOY OIL

Market is firm. Soybean markets and futures have plateaued over the last week. Demand continues to outpace supply at the current time. Allocations on soy oil and other related products continue to be reported across the United States. Based on current trends, this shortage situation could continue through the summer. Soybean supply remains tight in the United States while domestic, export, and bio-diesel demand is on the rise. The planting season in the United States is about 61% complete which is well ahead of the five-average of 37%. Market remains at an all-time high 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.