



Market Report

Week Ending June 4, 2021

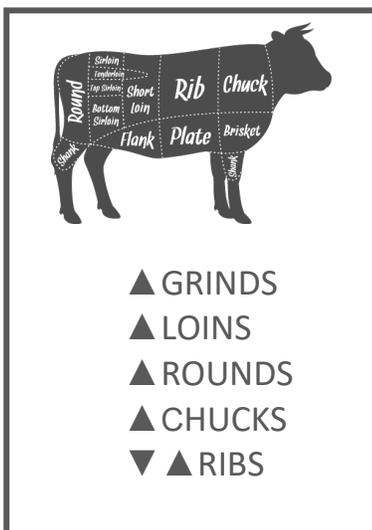
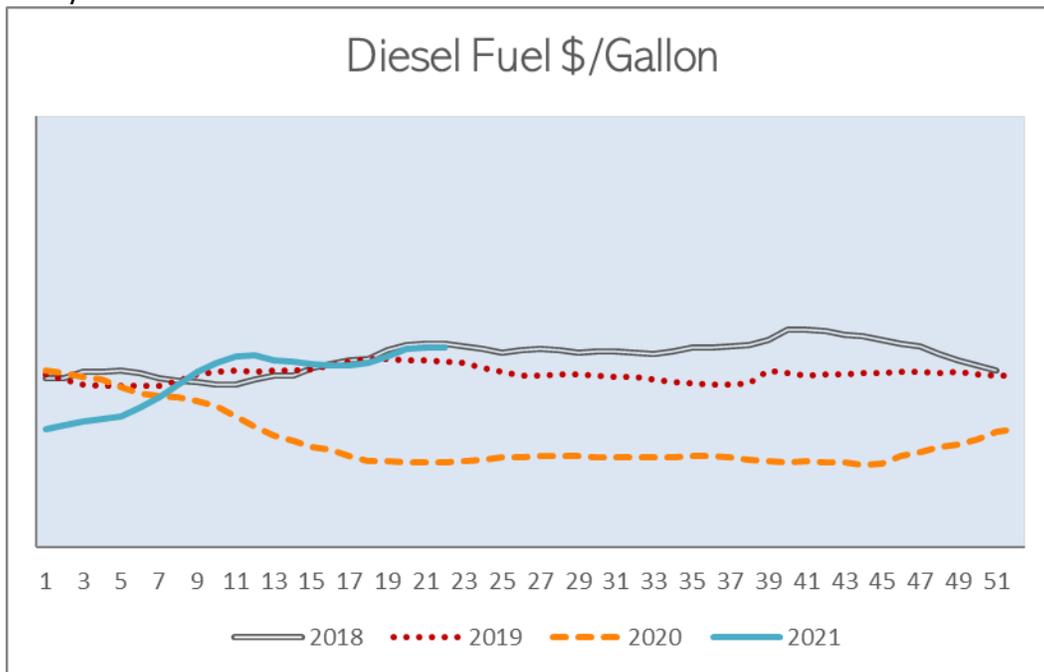


Graphs represent data for the week ending May 28, 2021



LOGISTICS

The holiday week has had an impact on shippers and carriers. Capacity is tightening and spot rates are jumping due to demand. Any missed pickup appointments at shippers are pushing pickups out 3-5 days or longer due to volume and labor constraints. Thursday morning, crude and diesel both opened with 3-year highs at \$68.76 and \$2.1061, respectively. As the demand for travel starts to slowly make its way back into the daily lives of consumers, oil prices are expected to continue to climb as we move thru this summer. After the economy reopened following COVID-19, prices rose as high as 40% at the beginning of the year, but new reports of expected travel this summer could cause prices to rise even higher. On Wednesday, retail gasoline was averaging at around \$3.04 per gallon, a 50% increase from a year ago. The peak that consumers normally witness during the beginning of the summer is not expected to fully summit until later in the season.



BEEF

Market is firm. Total beef production for last week was up down 5.9% versus prior week but was up 19.2% compared to same time last year. Year to date total production is up 7.9% compared to year-to-date 2020. Total headcount for last week was 629,000 as compared to 527,000 for the same week last year. Year to date headcount is 13,539,000 as compared to 12,677,000 for year-to-date 2020. Live weights for last week were up 1 lb. from prior week and even with 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. States continue to ease dining restrictions and demand is expected to be very good as we move closer to the 4th of July.

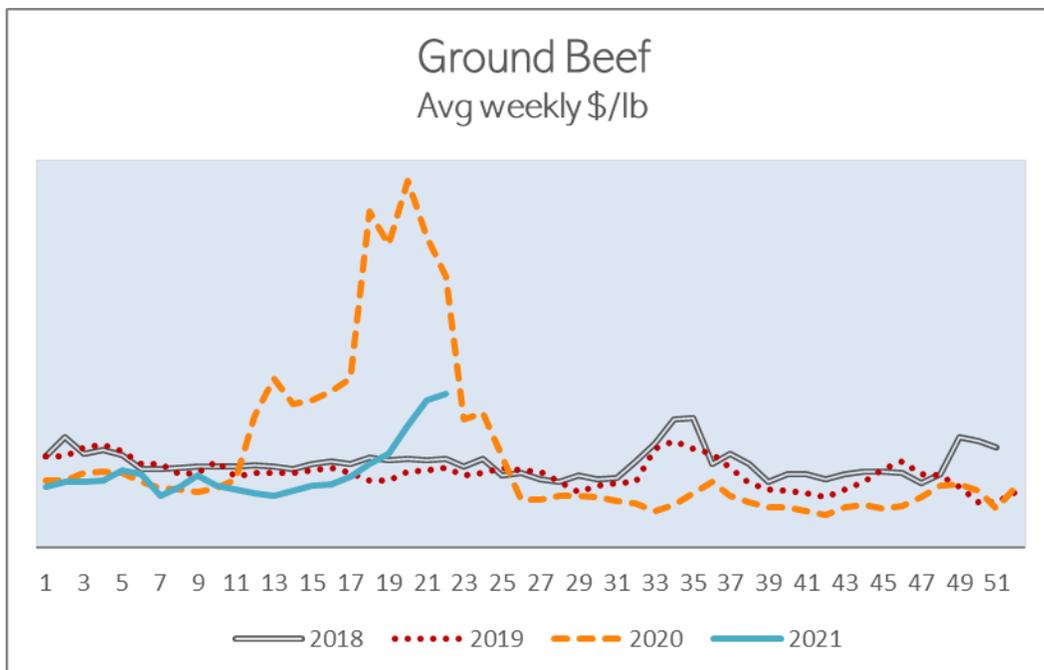
Grinds- Market is firm. Demand leading up to Memorial Day was very good and the market has seen sharp increases over the past few weeks. The market has seen additional large increases over the past few days. Demand is expected to be very good as we move closer to the 4th of July.

Loins- Market is firm. Retail demand has been very good the past few weeks and keeping pressure on inventories.

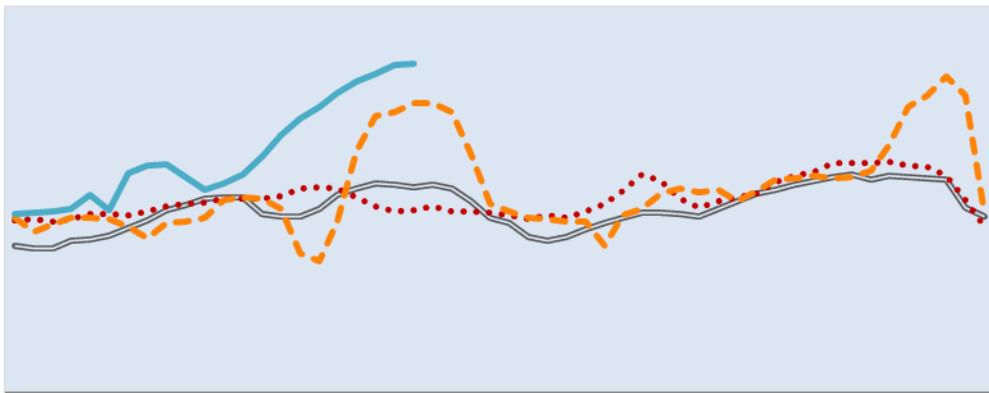
Rounds- Market is firm. Pricing is outside of normal seasonal patterns and has continued to push higher again as we moved through the past few weeks. Lighter production and active buying interest are keeping pressure on the market.

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 closer to the 4th of July.



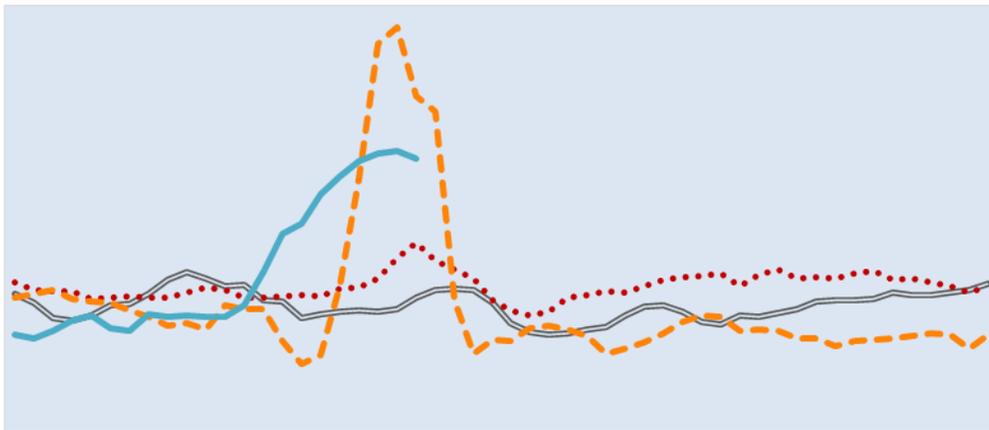
Choice Ribeye Heavy Avg weekly \$/lb



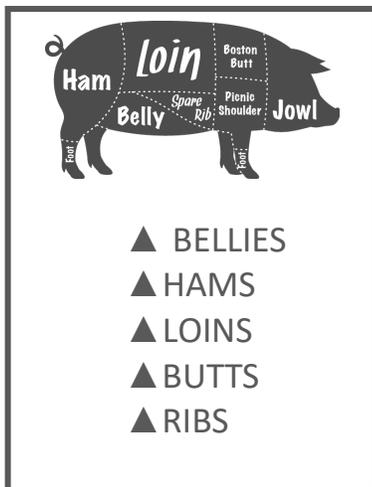
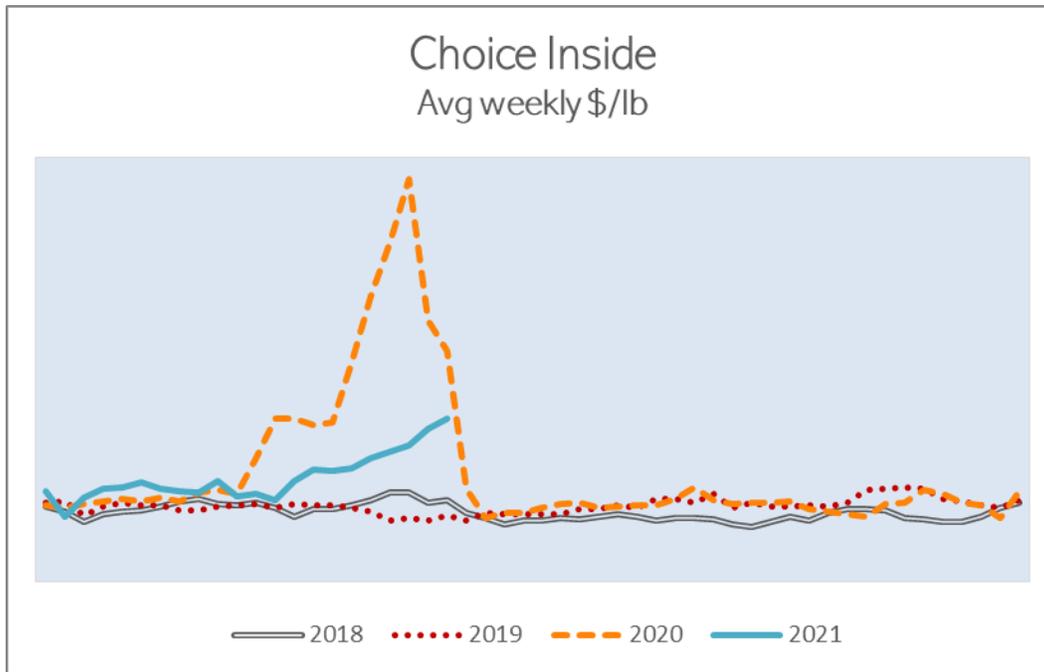
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

— 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 0.9% versus prior week but was up 18.4% compared to same time last year. Year to date total headcount is up 3.5% versus year-to-date 2020. Total headcount for last week was 2,378,000 as compared to 1,981,000 for the same week last year. Year to date headcount is 53,598,000 versus 52,150,000 for year-to-date 2020. 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. 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. Demand was strong leading up to Memorial Day and is expected to be good as we move closer to the 4th of July.

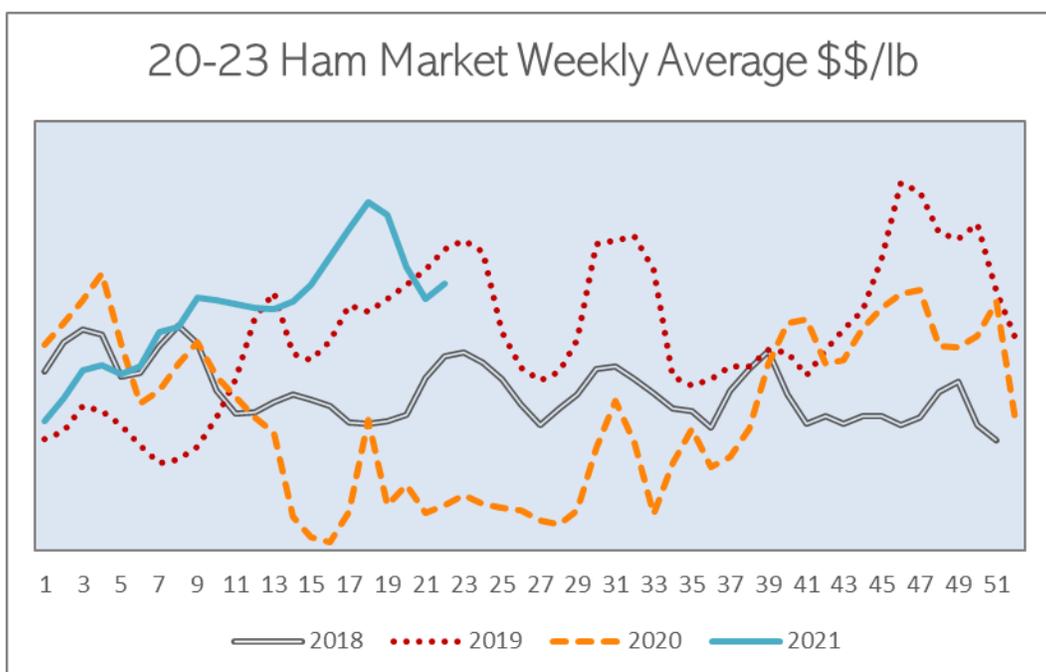
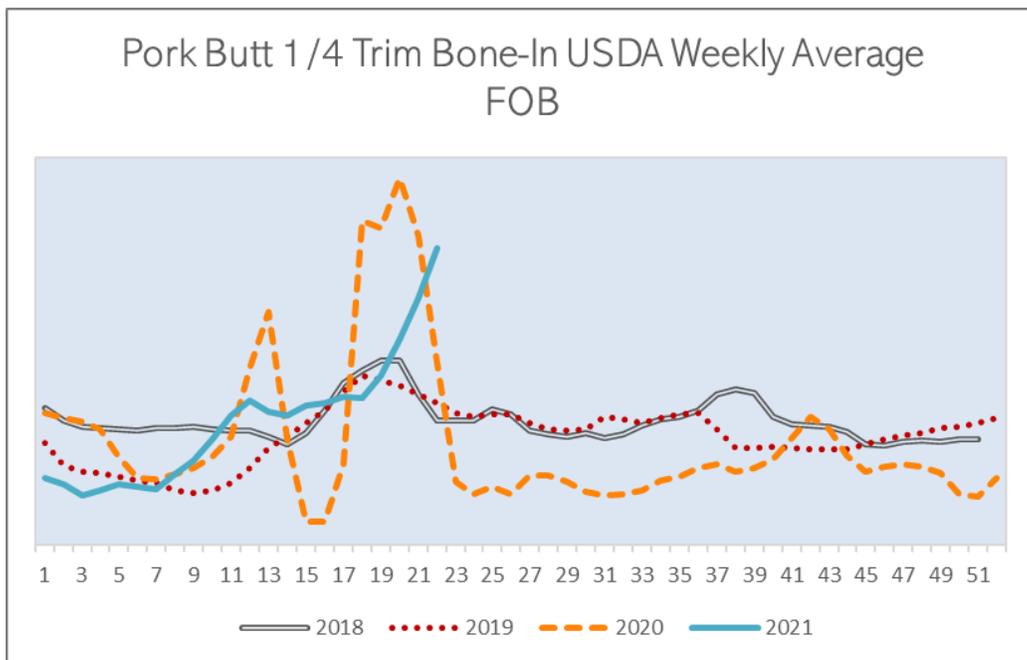
Bellies- Market is firm. The market has moved both higher and lower over the past several days and has pushed higher as this week progressed. Lighter production, light inventories, and strong demand are keeping pressure on the market.

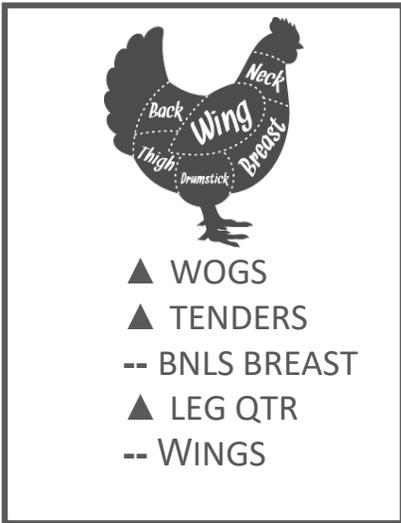
Hams- Market is firm. The market has pushed higher again this week as available inventories remain light. Demand for deli items is expected to be very good over the coming weeks.

Loins- Market is firm. 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. The easing of dining restrictions has coincided with typical strong seasonal demand ahead of BBQ season and this is keeping upward pressure on the market.

Ribs- Market is very firm. Retail demand has been strong for several weeks and expected to remain good as we move closer to the 4th of July. Foodservice buying activity has surged over the past several weeks 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 spring. 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 steady to firm. Total headcount for last week was 165,599,000 as compared to 145,550,000 for the same week last year. Average weights for last week were 6.40 lbs. as compared to 6.42 lbs. for the same week last year. Chick placements on fryers for week ending 7/3/21 are estimated at 164.0 million headcounts. Placements for previous week were 163.4 million and same week last year was 164.3 million. Retail and foodservice volume continues to be reported as fair to moderate. Industry demand for WOGS, boneless breast, tenders, wings, and dark meat is rated as good. Export orders on leg quarters and whole legs is moderate and improving. On the supply side, worker absenteeism remains very high. Some plants continue to run four days per week or limited daily shifts. Demand continues to outpace supply in almost every category. Floor stocks remain short and spot load offerings are few. Market levels on key categories remain strong and the market continues to be volatile.

WOGS- Market is firm. WOGS and 8pc cutups are clearing well as fast food and retail deli continue to perform well. Supply remains tight and shortages are being reported.

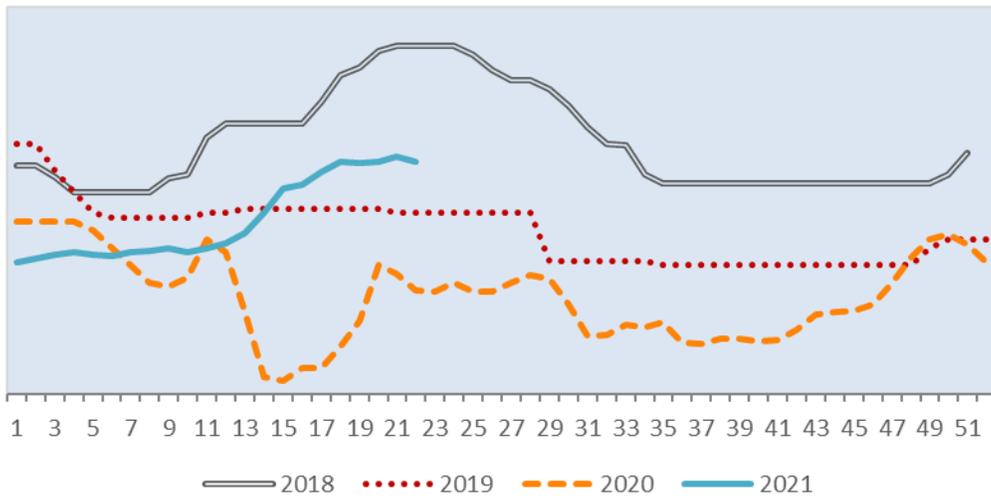
Tenders- Market is firmer. Tenders are highly sought after. Foodservice and QSR demand remain highly active. Supply continues to be limited by reduced production schedules and lack of portioning. Allocations and shortages continue to be a weekly challenge.

Boneless Breast- Market is steady. Retail, foodservice, and QSR business continues to be reported as good. Trading appears to have plateaued over the last week. Supply remains short, portioning is limited, and shortages continue to be a problem.

Leg Quarters and Thighs- Market is firmer. Export demand for leg quarters is steady and appears to be trending flat. Drums and thighs continue to be well supported by 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.

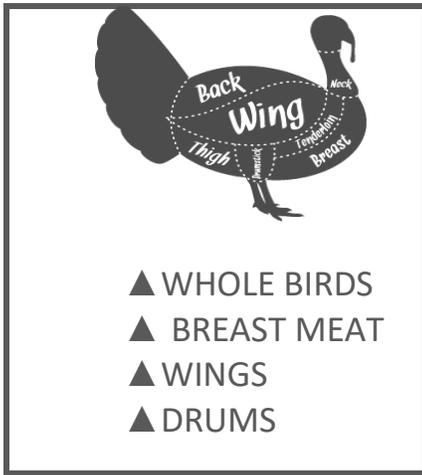
Wings- Market is steady. With the market at about a 10 year high, trading has been choppy over the last week. Foodservice demand for medium and jumbo sizes is keeping the market sold up. Further processors continue to have a hard time sourcing enough small wings to keep production lines fully operational. 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 firm. Total headcount for last week was 3,520,000 as compared to 3,452,000 for the same week last year. Average weights for last week were 31.67 lbs. as compared to 31.92 lbs. for the same week last year. The tone on frozen whole birds remains the same with very few spot opportunities being shown to the marketplace. Demand for breast meat, white trim, and tenders is reported moderate to good. Domestic demand for parts is reported moderate to active on drums, thighs, and wings. Labor absenteeism remains a major issue on the production side of the business. Limited weekly production has most categories undersupplied and in a sold-out situation. Product shortages and allocations continue to be reported. Supply for whole birds is extremely limited, parts and white meats remain tight.

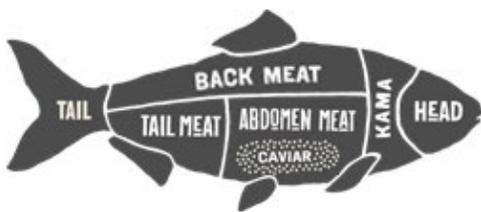
Whole Birds- Market is firm. Hens and Toms remain in a sold-up position as suppliers are now producing to fulfill holiday orders. Supply is tight and spot availability is limited.

Breast Meat- Market is firmer. Foodservice and retail deli business is hitting peak seasonality and appears to be on the rise. Supply remains tight on fresh and frozen raw material. Shortages continue to be reported.

Wings- Market is firm. Domestic demand for 2 joints is steady and export demand for whole wings remains consistent. All sizes are clearing well with Tom sizes more preferred.

Drums and Thigh Meat- Market is firm. Domestic and export volume for drums and thighs continues to be strong. Boneless thigh meat continues to be well supported due to strong 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 have caused more limited availability. Shorts and allocations to orders should be expected.

Salmon- Market is mixed. Demand has eased now that we have moved past Memorial Day and this week has seen some softening of the market from almost all growing areas. Availability of product from Europe has been improving and helping to take some pressure off the farmed fish market. The market for wild salmon is firm with limited availability.

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.

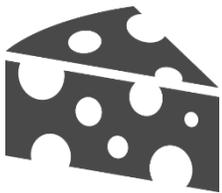
Pollock- Market is steady to firmer. Demand in Europe is very strong. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

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. Supply issues with imported product is putting additional pressure on the market.

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.

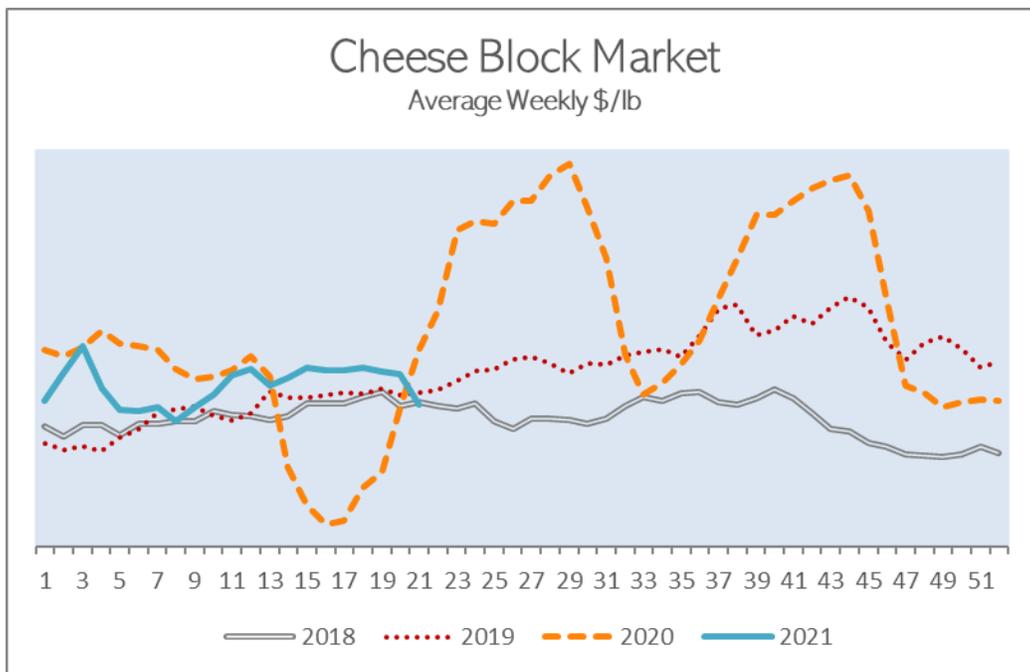
Swai- Market is firmer. Foodservice demand continues to improve across the country, and this is putting upward pressure on the market. Logistical concerns remain an issue with higher freight costs and longer lead times on both ocean freight and trucking. Inventories have become more limited with larger 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.

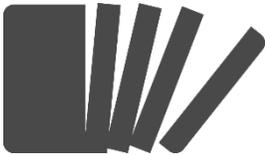
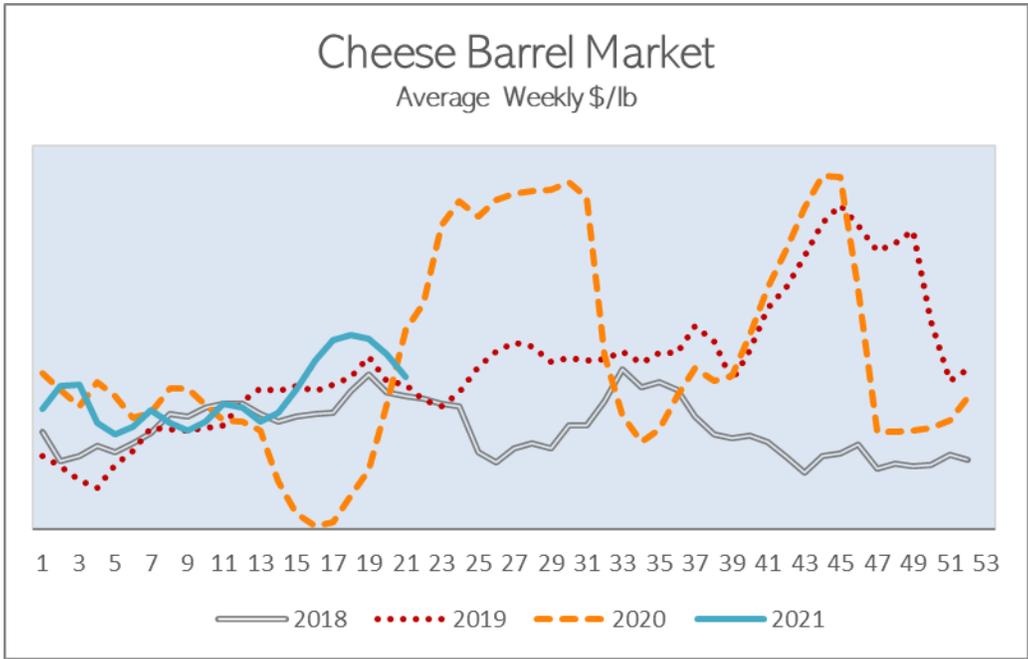
Scallops- Market is mixed. The market for larger sized domestic product is firm with increased demand keeping pressure on the market. Inventories of U/10 product is very limited with record high pricing. New season fishing has begun but reports are showing expectations of inventories issues as we move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



DAIRY Cheese

Market is unsettled. The CME block market has moved lower this week while the barrel market moved higher. For the third straight week, the barrel market has been higher than the block market. This comes with the expectation of adjusting markets soon. Cheese production across the country is active. Demand is mixed by region. In the northeast, production is active with healthy mil availability. Inventories are stable. Retail demand has been higher with increased demand due, in part, to the grilling season. Foodservice demand is stable. Midwestern cheese producers report mixed demand. In the West demands are slower for both retail and foodservice. Cheese production has been strong causing growing inventories.

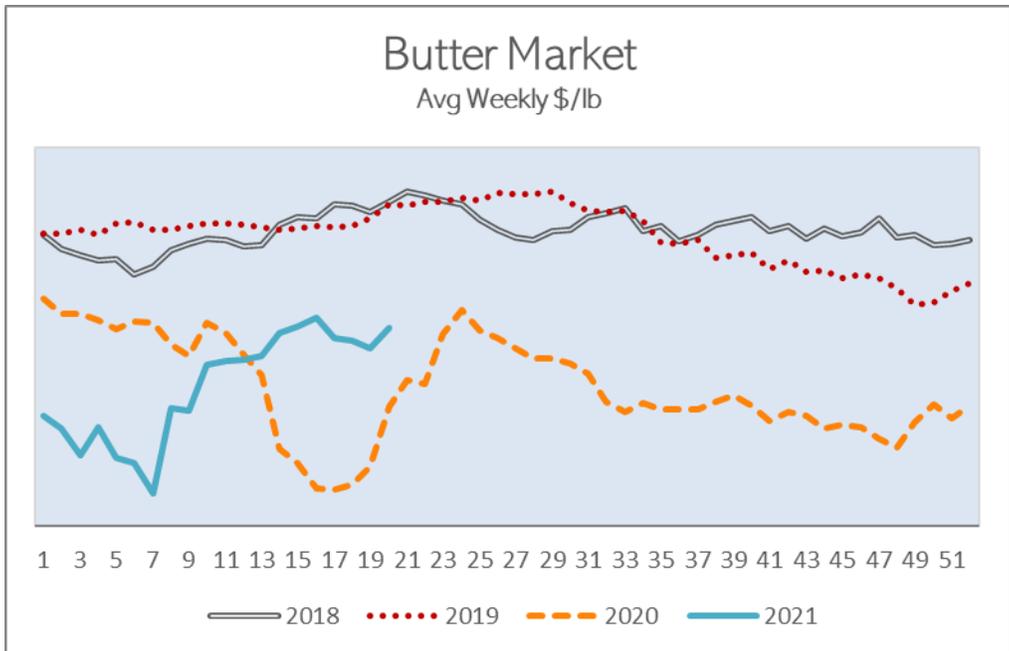




Butter

Market is unsettled. The CME butter market moved both higher and lower this week. Availability of cream is strong for butter production across the country. Inventories are stable but producers will continue production in preparation for seasonal demands later in the year. In the northeast cream supply is stable.

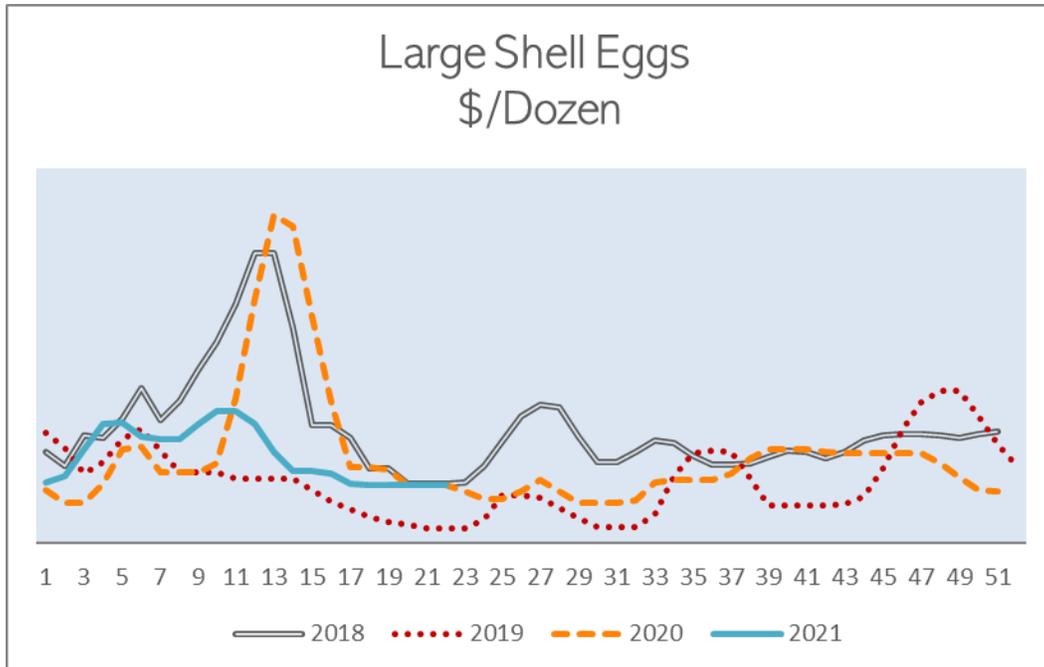
Production is active with inventories in a strong position. Foodservice demand has seen continuous signs of improving. Central region producers report lighter demand now that foodservice pipelines have been refilled. Western producers report steady cream supply despite the seasonal pull from ice cream producers on available cream.





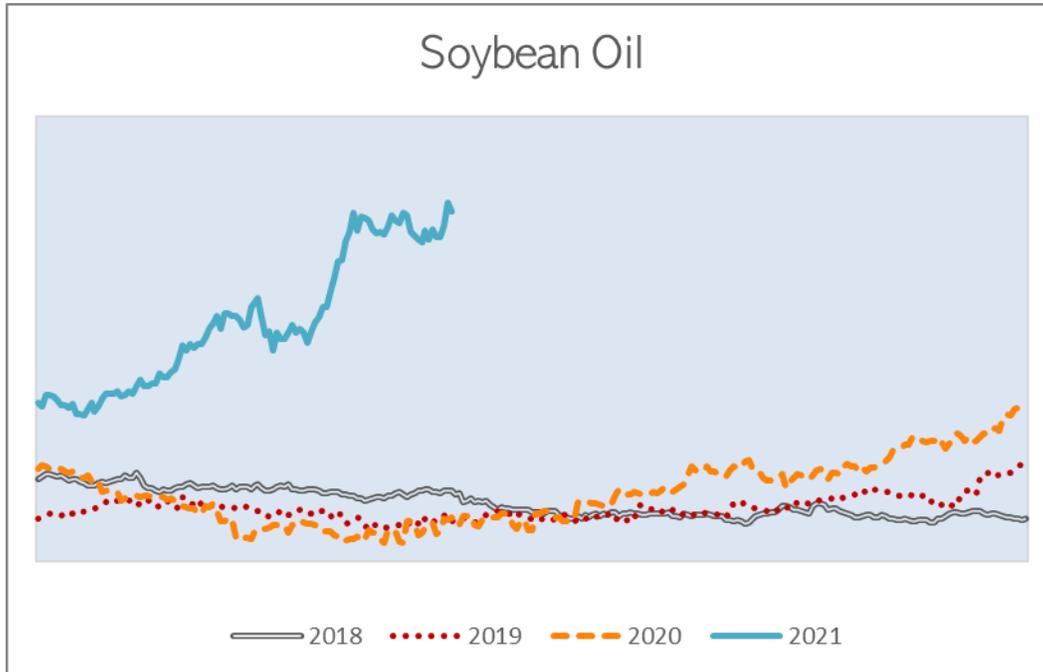
EGGS

Market is steady to firmer. Overall volume and retail activity is being reported as active and improving on the West Coast and most other regions. Regional promotions remain limited and on a regional basis. Retail and foodservice demand is reported to be moderate with improving overtones. Fast food sales are reported to be stable 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 show shell egg inventory up 2.7% over last week.



SOY OIL

Market is firmer. Soybean markets and futures showed an uptick over the last week as a weaker dollar and dry growing conditions are influencing daily trading. 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 is tight in the United States and the crop harvest from South America has continued to underperform. Domestic, export, and bio-diesel demand continues to be strong. The planting season in the United States is estimated to be around 84% complete which is ahead of schedule. 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 and is expected to soften further soon. Additional capacity is being reported for nitrile as well, though nitrile still going to the healthcare industry as priority. 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.