



## Market Report

Week Ending June 11, 2021

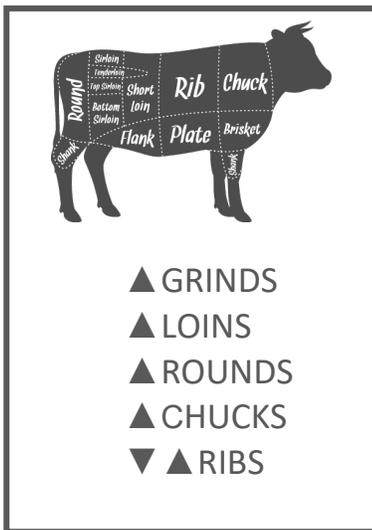
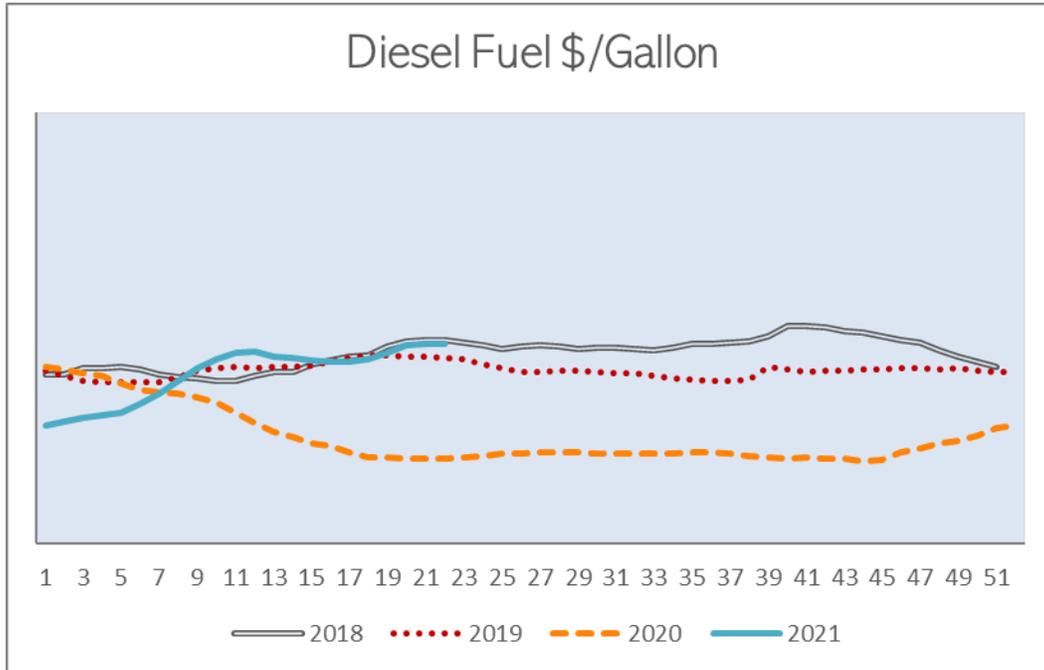


*\*\*Graphs represent data for the week ending June 4, 2021\*\**



# LOGISTICS

This week has been quiet. Capacity appears to be better, however, rates are still inflated from prior years. Fuel going above \$70, and this will impact rates on top of current higher rates than year over year amounts.



## BEEF

Market is firm. Total beef production for last week was down 14.5% versus prior week and was down 14.6% compared to same time last year. Total headcount for last week was 538,000 as compared to 628,000 for the same week last year. Live weights for last week were down 2 lbs. from prior week and down 4 lbs. from same time last year. The shortened holiday week last week helped to put additional pressure on the already limited inventories. Production issues at JBS facilities put additional pressure on the market as we moved through last week, but it is being reported that all their facilities are now back online. 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. 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 4<sup>th</sup> of July.

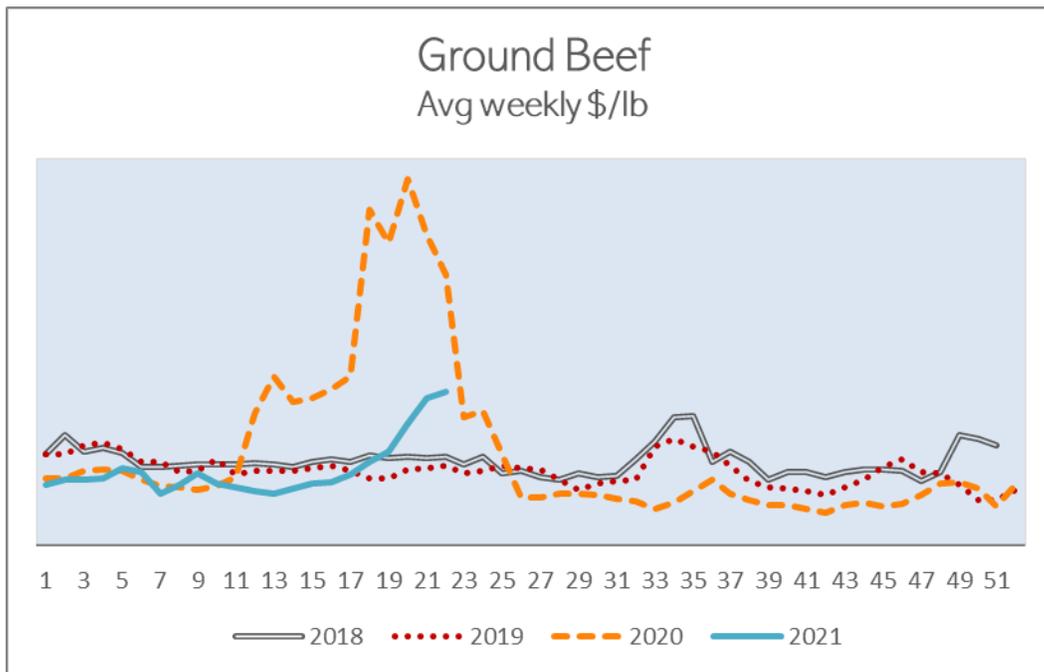
Grinds- Market is firm. The lighter production last week put additional pressure on the market and availability varies between packers. Demand is expected to be very good as we move closer to the 4<sup>th</sup> of July.

Loins- Market is firm. Retail demand has been very good the past few weeks and keeping pressure on inventories. Advertising is expected to be good as we move closer to the holiday.

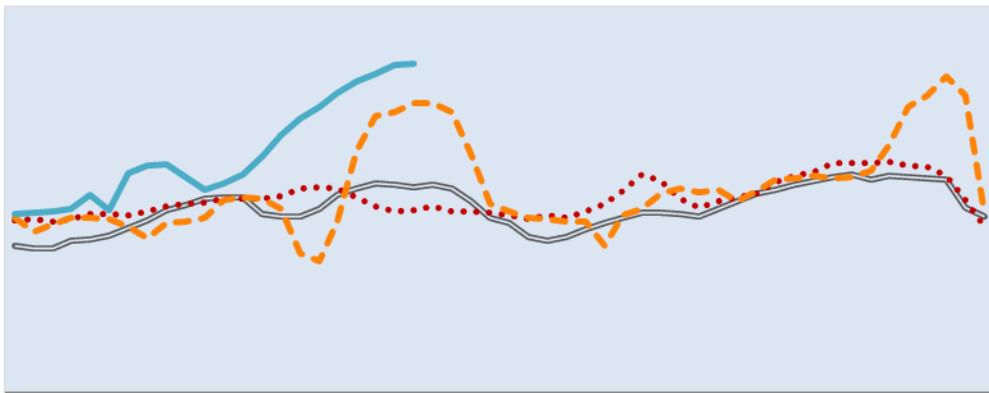
Rounds- Market is firm. Pricing is outside of normal seasonal patterns and has continued to push higher again as we moved through the past few weeks. Lighter production and active buying interest are keeping pressure on the market.

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. 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 into closer to the 4<sup>th</sup> of July.



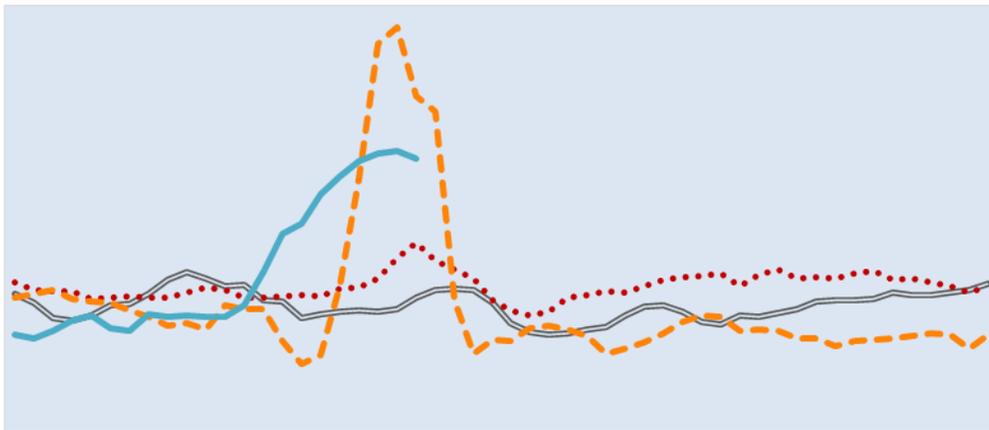
### Choice Ribeye Heavy Avg weekly \$/lb



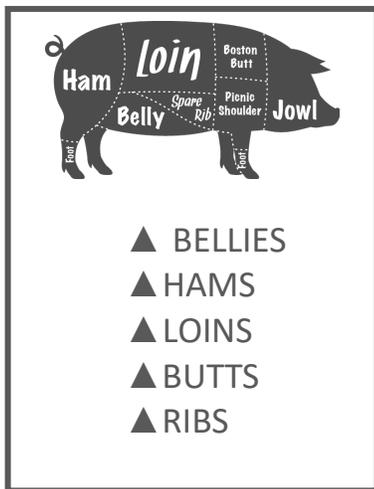
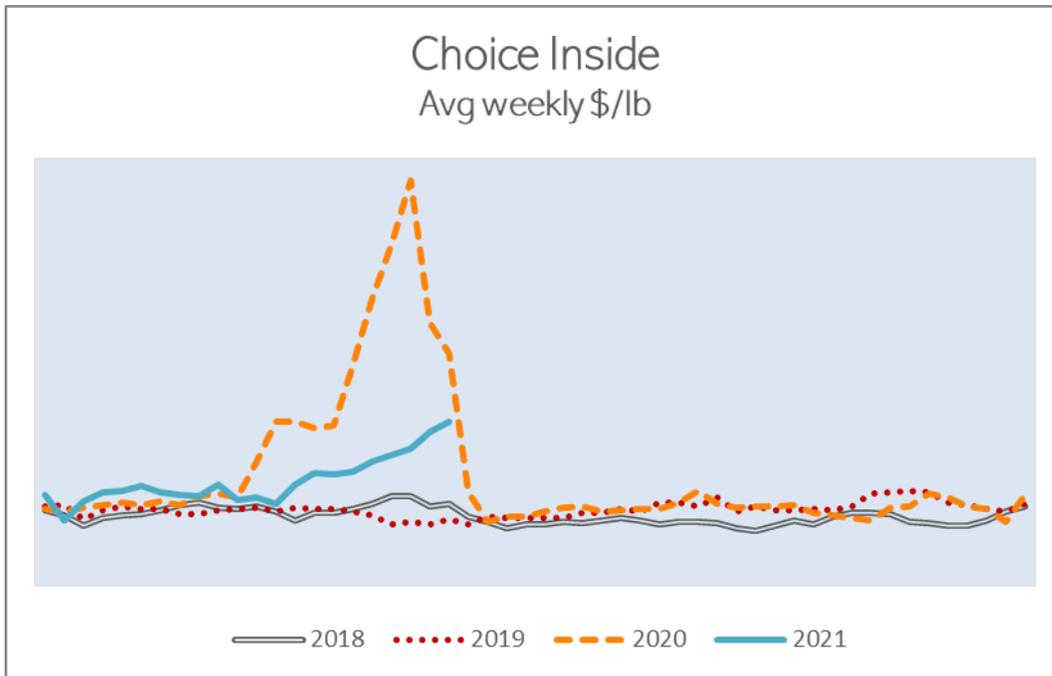
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

— 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 17.1% versus prior week and was down 20.6% compared to same time last year. Total headcount for last week was 1,975,000 as compared to 2,453,000 for the same week last year. Live weights for last week were even with prior week and down 4 lbs. from same time last year. The holiday week caused additional issues with inventory availability due to the holiday production schedules reducing output last week. This combined with a major packer being offline to start the week has caused additional pressure on availability. 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. 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 is expected to be good as we move closer to the 4<sup>th</sup> of July.

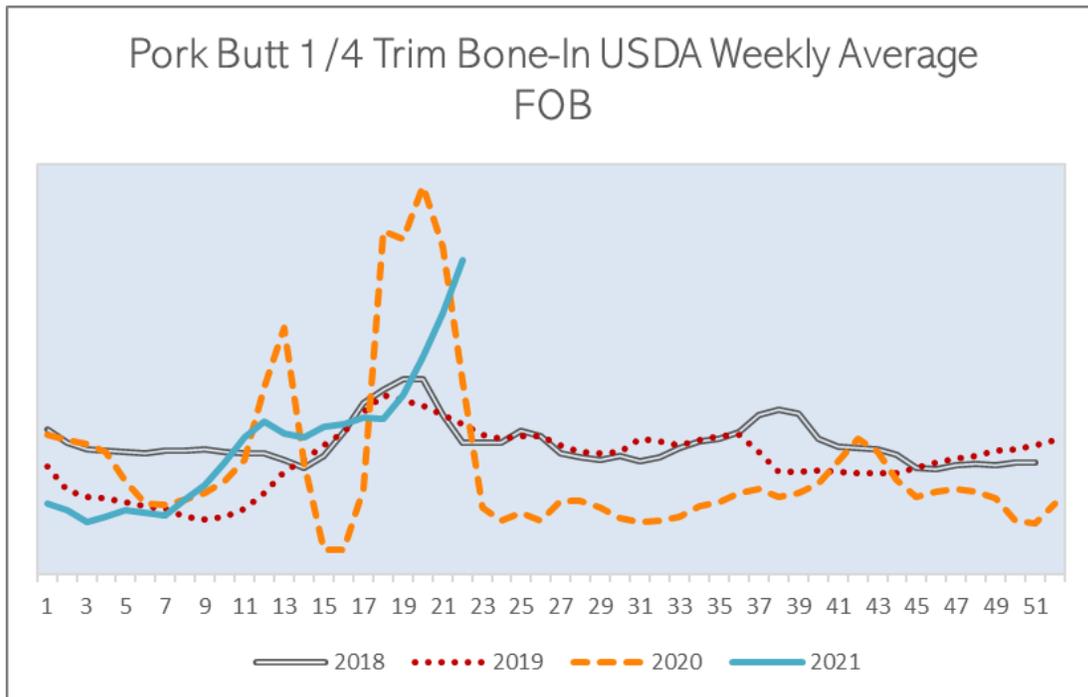
**Bellies-** Market is firm. The market has pushed higher as this week progressed. Lighter production, light inventories and strong demand are keeping pressure on the market.

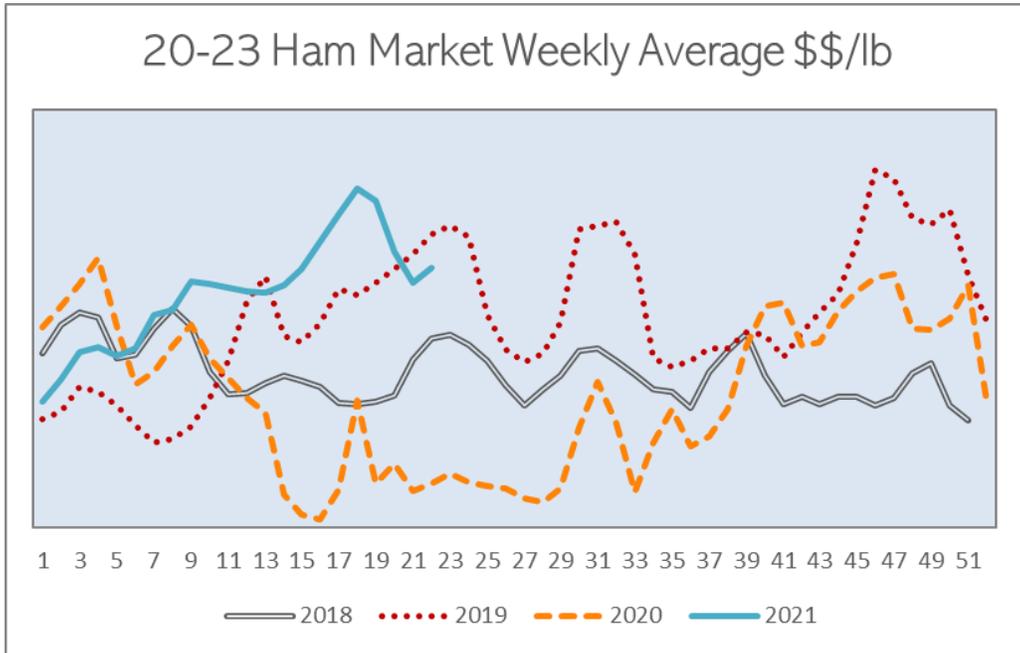
**Hams-** Market is firm. The market has pushed higher again this week as available inventories remain light. Export demand has been good and helping to move additional inventories. Demand for deli items is expected to be very good over the coming weeks.

**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. This market has continued to push higher over the past few weeks and has pushed much higher over this past week.

Ribs- Market is very firm. Retail demand has been strong for several weeks and expected to remain good as we move closer to the 4<sup>th</sup> 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 into early summer. The USDA reported that for the first time in several days the market saw a break in the steep gains that have been seen for weeks and stepped slightly back at midweek but is still at highly elevated levels.





## CHICKEN



- ▲ WOGS
- ▲ TENDERS
- BNLS BREAST
- ▲ LEG QTR
- ▼ WINGS

Market is steady. Total headcount for last week was 116,849,000 as compared to 161,798,000 for the same week last year. Average weights for last week were 6.45 lbs. as compared to 6.44 lbs. for the same week last year. Chick placements on fryers for week ending 7/10/21 are estimated at 164.2 million headcounts. Placements for previous week were 164.0 million and same week last year was 160.1 million. Retail and foodservice volume is being reported as light to steady. Industry demand for WOGS, tenders, and dark meat is rated as good. Demand for boneless breast and wings is reported as light. Export demand for leg quarters and whole legs is steady. On the supply side, lack of labor continues to be a challenge and plant output is less than optimal. Demand continues to outpace supply in almost every category. Floor stocks are starting to be reported as balanced. Market levels on key categories are mostly steady and the market continues to be volatile.

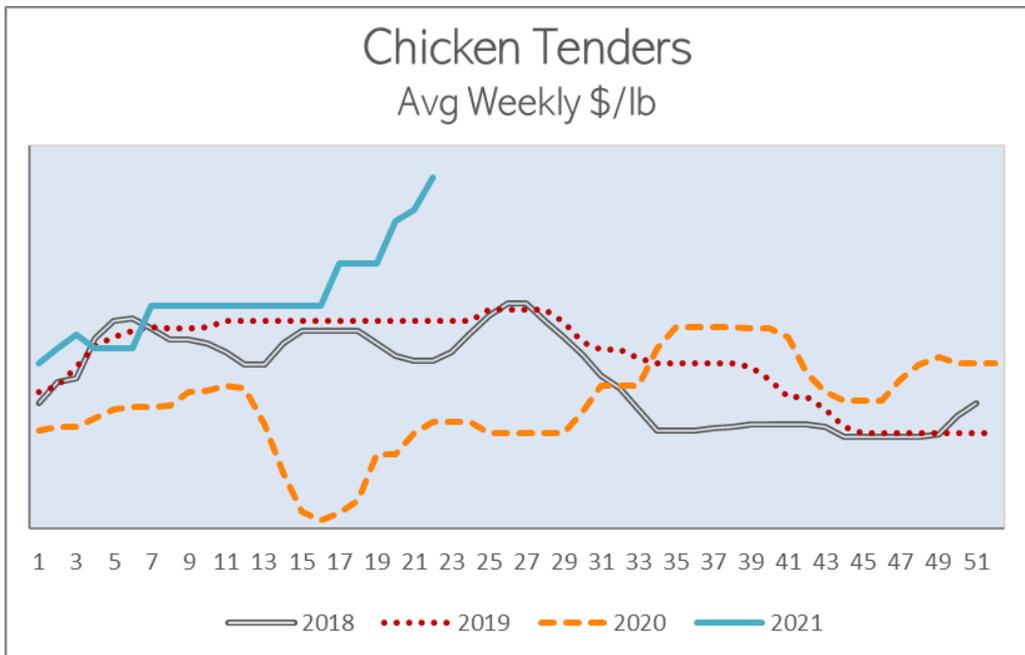
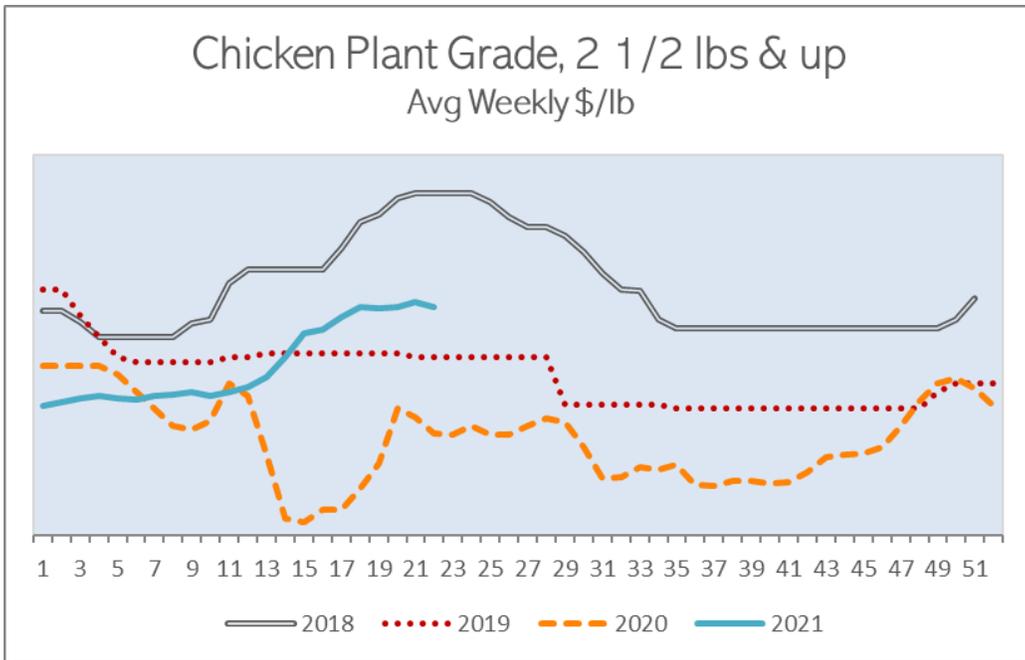
**WOGS-** Market is firm. WOGS and 8pc cutups are clearing well as fast food and retail deli continue to perform well. Supply remains tight and shortages are being reported.

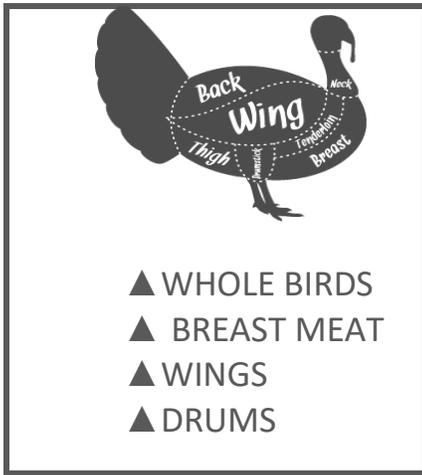
**Tenders-** Market is firmer. Tenders are highly sought after. Foodservice and QSR demand remain highly active. Supply continues to be limited by reduced production schedules and lack of portioning. Allocations and shortages continue to be a weekly challenge.

**Boneless Breast-** Market is steady. Retail, foodservice, and QSR business is starting to show signs of slowing a bit. Markets appear to have stabilized and some weakness has been reported over the last two weeks. Supply is tight but starting to improve slightly. Portioning is limited and shortages continue to be a problem. Market is starting to weaken on all sizes.

Leg Quarters and Thighs- Market is steady to firmer. Export demand for leg quarters remains stable and is keeping the category supported. 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 to weaker. Market is still trading very high levels. Foodservice demand for medium and jumbo sizes is keeping supply sold up. Further processors continue to keep small wings well supported. Supply is tight on all sizes.





## TURKEY

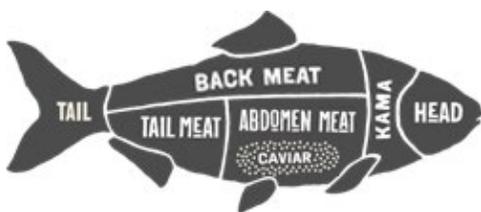
Market is firm. Total headcount for last week was 3,320,000 as compared to 3,980,000 for the same week last year. Average weights for last week were 31.09 lbs. as compared to 31.31 lbs. for the same week last year. The tone on frozen whole birds remains the same with very few spot opportunities being 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. Whole bird supply is extremely limited, and parts and white meat 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 volume is trending stronger due to peak seasonality. 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. Market is well supported.

**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. This week has seen the market move sharply higher on all sizes and species due to the very limited inventories.

**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. Shrimp imports are trending higher but the strong demand for both retail and foodservice are keeping inventories limited.

**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 the past few days have 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 mixed between species 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. Shipping delays are adding additional challenges to the market.

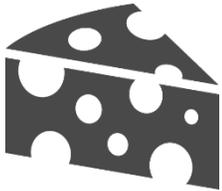
Pollock- Market is steady to firmer. Demand in Europe is very strong. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

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.

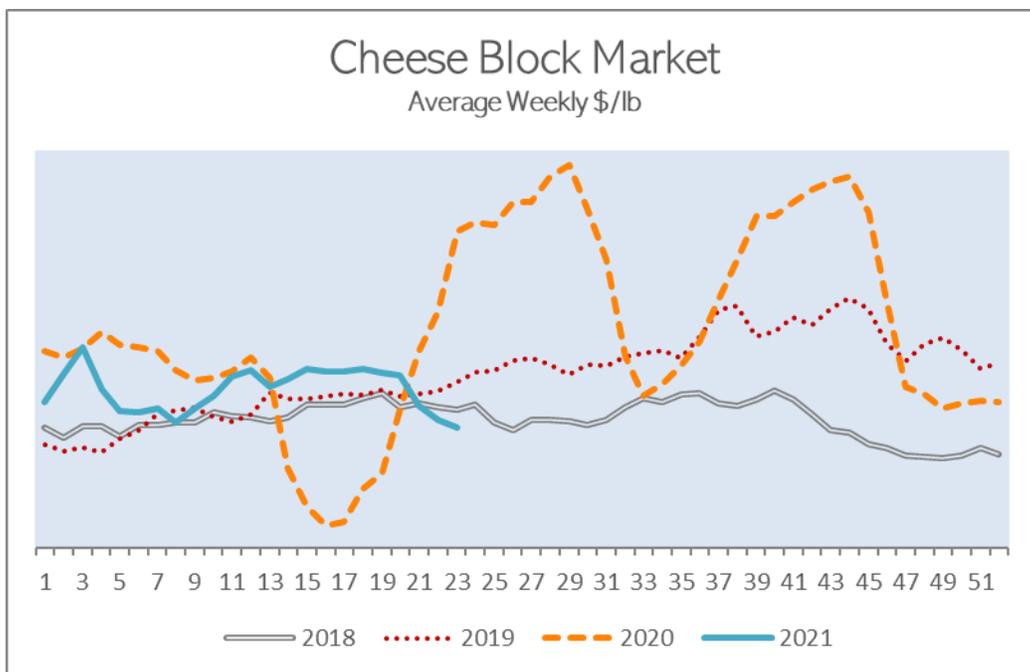
Swai- Market is firmer. Foodservice demand continues to improve across the country, and this is putting upward pressure on the market. Logistical concerns remain an issue with higher freight costs and longer lead times on both ocean freight and trucking. Inventories have become more limited with larger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

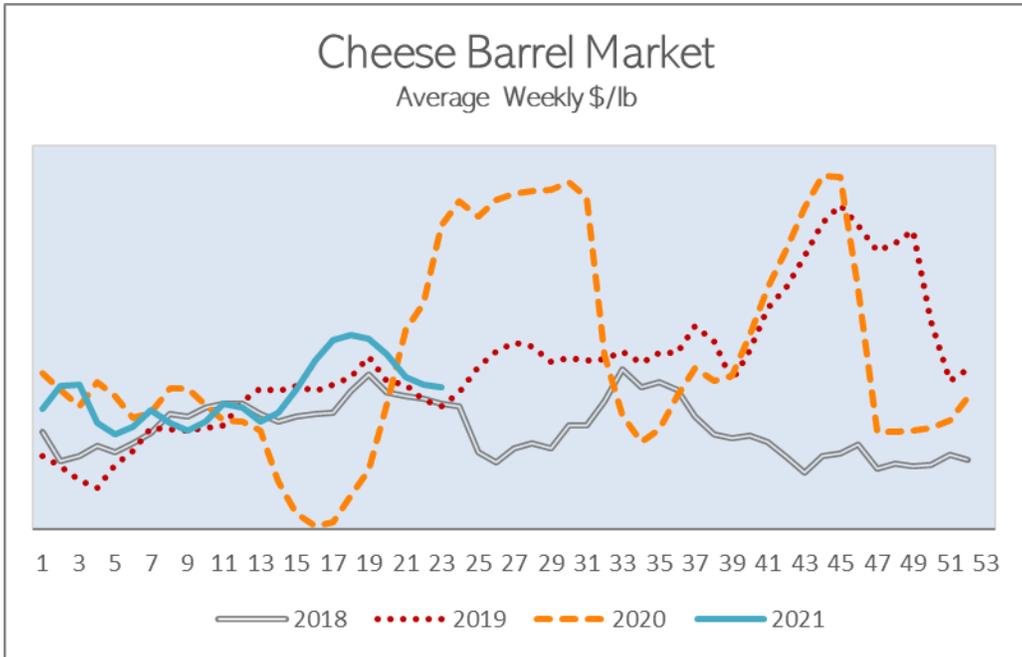
Scallops- Market is mixed. The market for larger sized domestic product is firm with increased demand keeping pressure on the market. Inventories of U/10 product is very limited with record high pricing. New season fishing has begun but reports are showing expectations of inventories issues as we move 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

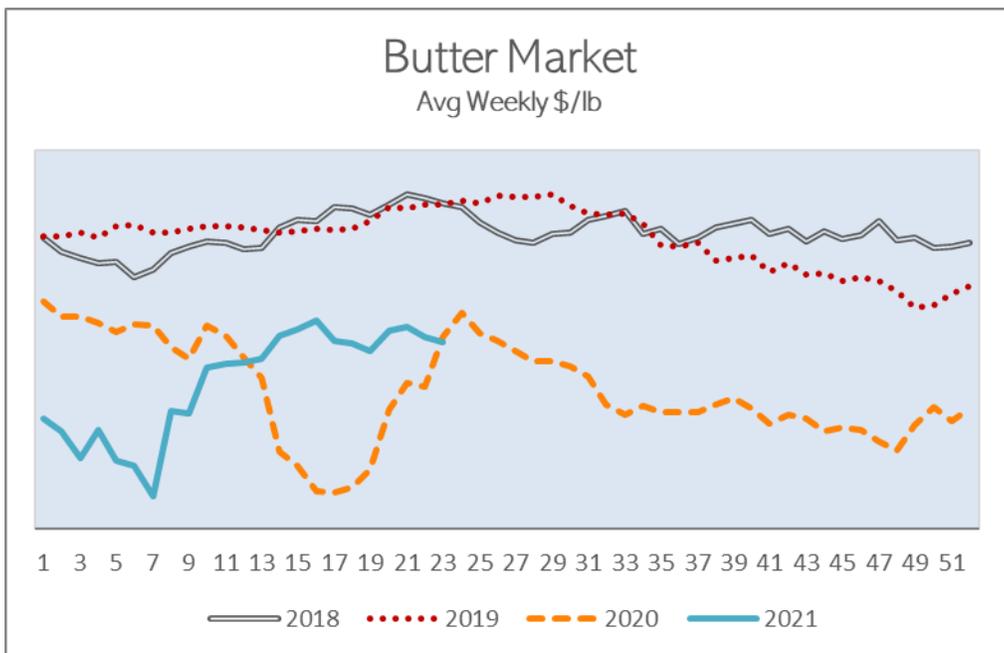
Market is unsettled. The CME Block Market started this week off lower and was moving lower through the week but at mid-week the market reversed course and started seeing increases again. The CME Barrel Market also started this week off lower before starting to move higher again at mid-week. Reports this week show that Retail demand is very good and that multiple retailers have booked large amounts of inventory. Multiple cheese plants ran production through last weekend to make up for lost time during the holiday. In the Midwest, milk availability has been good as cool weather has been helping to keep production at higher levels. This week has seen increased temps in the region which could have an impact on milk output. In the West Region, milk continues to be available and helping to keep cheese pricing favorable for exports and export interest has been improved over prior weeks. The Domestic Market has been trending well below the Global Market Prices for several weeks. Schools are starting to let out across the country, and this could impact inventories over the coming weeks. The Block Market has continued its pattern of trending lower than the Barrel market again this week.





## Butter

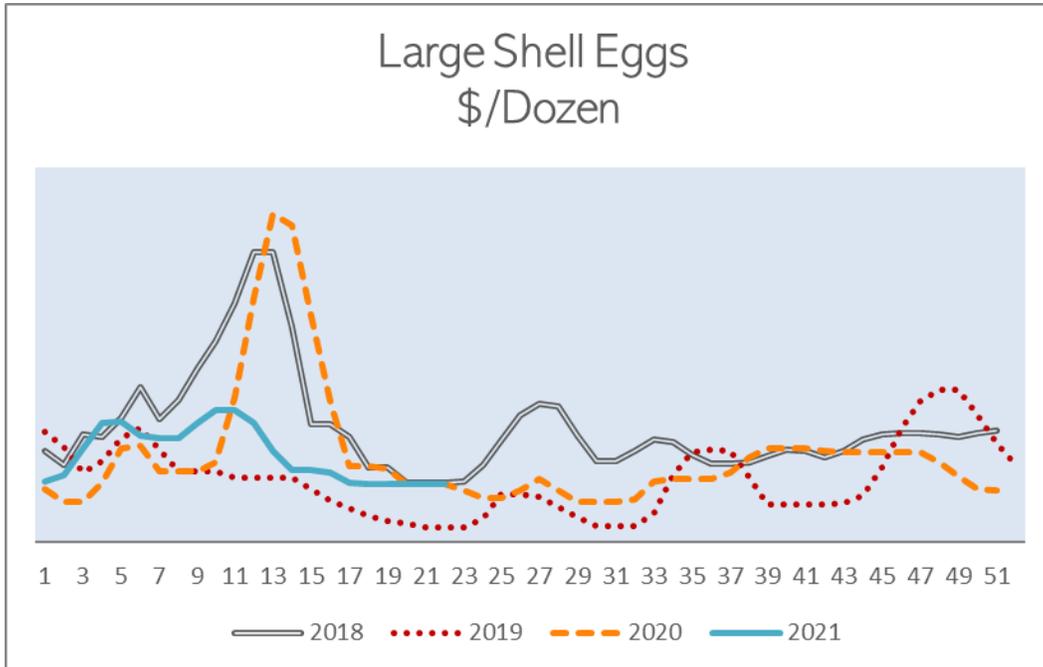
Market is unsettled. The CME Butter Market has seen both lower and higher prices over the past few days. Like the cheese markets, it started off lower on Monday and has slowly moved higher as the week progressed. Cream availability has been good following the holiday but is expected to tighten up over the coming days. Foodservice demand is strong and continues to move higher. Ice Cream production continues to pull more available cream away from butter production and this trend is expected to continue over the coming weeks. Domestic butter prices continue to trend lower than global prices making it attractive for export opportunities. Recent reports show that through March butter exports have been trending well ahead of both 2019 and 2020 levels.





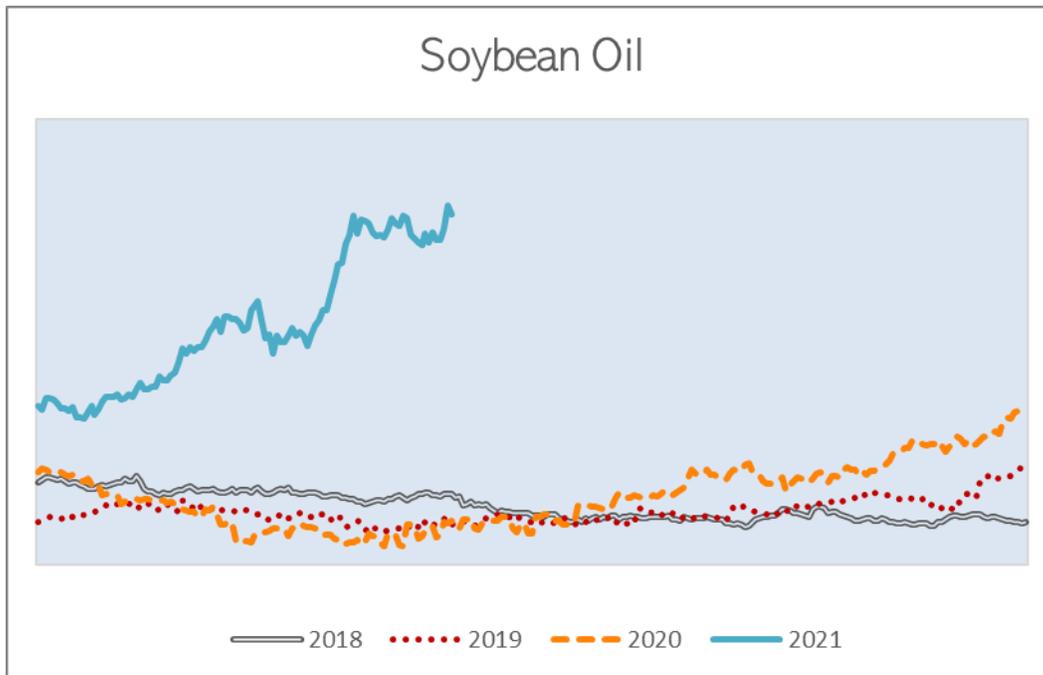
## EGGS

Market is steady to weaker. Retail activity on the West Coast and East Coast is being reported as moderate to soft. Regional promotions remain limited and on a regional basis. Foodservice demand is reported to be steady and moderate. 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 lower on both medium sizes and on large sizes. National weekly shell egg inventory reports shell egg inventory down 2.4% over last week.



## SOY OIL

Market is firmer. Soybean markets and futures showed an increase over the last week as more news about dry growing conditions is reported. 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 and the crop harvest from South America continues to underperform. Domestic and bio-diesel demand continues to be strong. Export demand is starting to weaken due to higher premiums in relation to the South American product offerings. US biodiesel margins are being challenged due to the overall strength of veg oil compared to diesel prices. The planting season in the United States is estimated to be around 90% complete which is ahead of schedule. Market remains at an all-time high and continues to change daily as new information becomes available.



## 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.