



# Market Report

Week Ending Sept 3, 2021

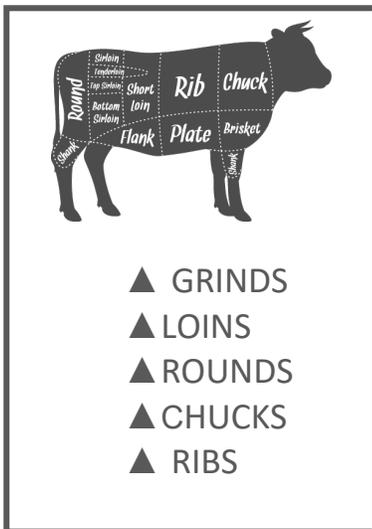
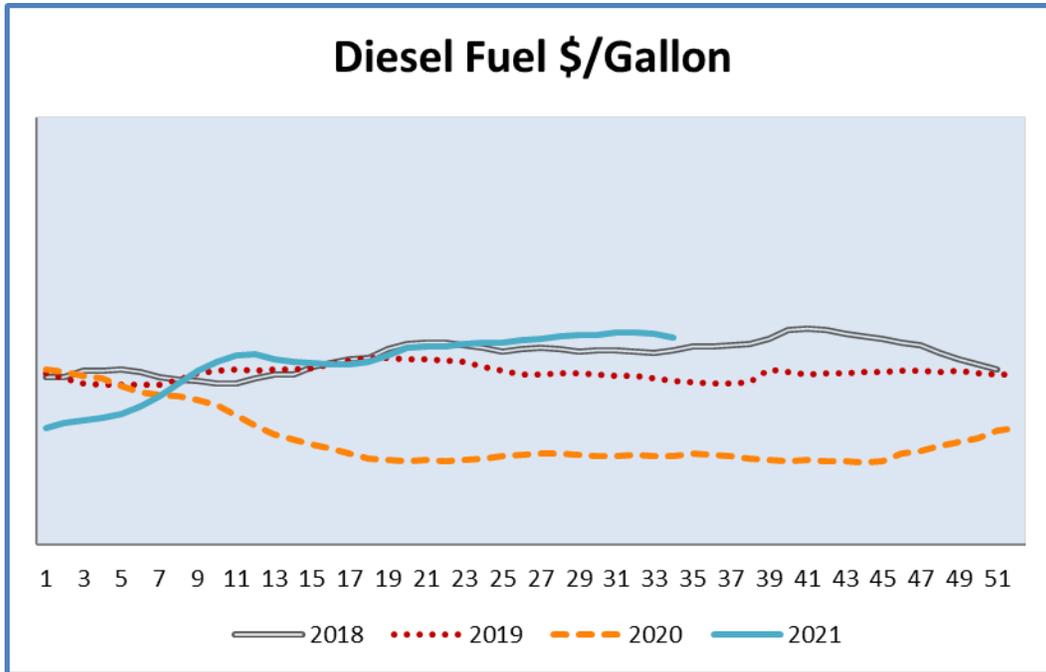


*\*\*Graphs represent data for the week ending August 20, 2021\*\**



# LOGISTICS

DOT Brake Safety week has created some supply chain opportunities throughout the USA. The late summer/early fall produce that is moving from NE and MI areas is causing rate spikes and dropped loads as carriers and drivers chase money that is being offered by certain companies to get the product to market and sold. The end of the month and upcoming holiday weekend will most likely cause additional strains on the supply chain. Preparation ahead of time is critical and communication is key for all aspects of the supply chain.



## BEEF

Market is firmer. Total beef production for last week was up 4.7% versus prior week and was up 0.2% compared to same time last year. Total headcount for last week was 665,000 as compared to 651,000 for the same week last year. Live weights for last week were up 2 lbs. from prior week but down 15 lbs. from same time last year. Beef demand has been very good over the past few weeks and has caused the market to rise very sharply on multiple cuts. Many items are seeing record pricing for this time for this time of the year. In addition, multiple plants have been having production issues and this is putting additional pressure on availability. Demand at retail has been very good as shoppers prepare for the upcoming holiday. Labor Day is around the corner and typically sees strong advertising and is seen as the last grilling holiday of the season. The choice grading percentage is dropping and is expected to continue to

decline over the coming weeks. Forecasts are showing that beef production for Q4 will be below Q4 of last year and this combined with the falling grading percentages is expected to put pressure on availability of product. The USDA is reporting that pasture conditions have continued to worsen across the west with some states reporting 90% of their pastures are currently very poor due to the drought conditions.

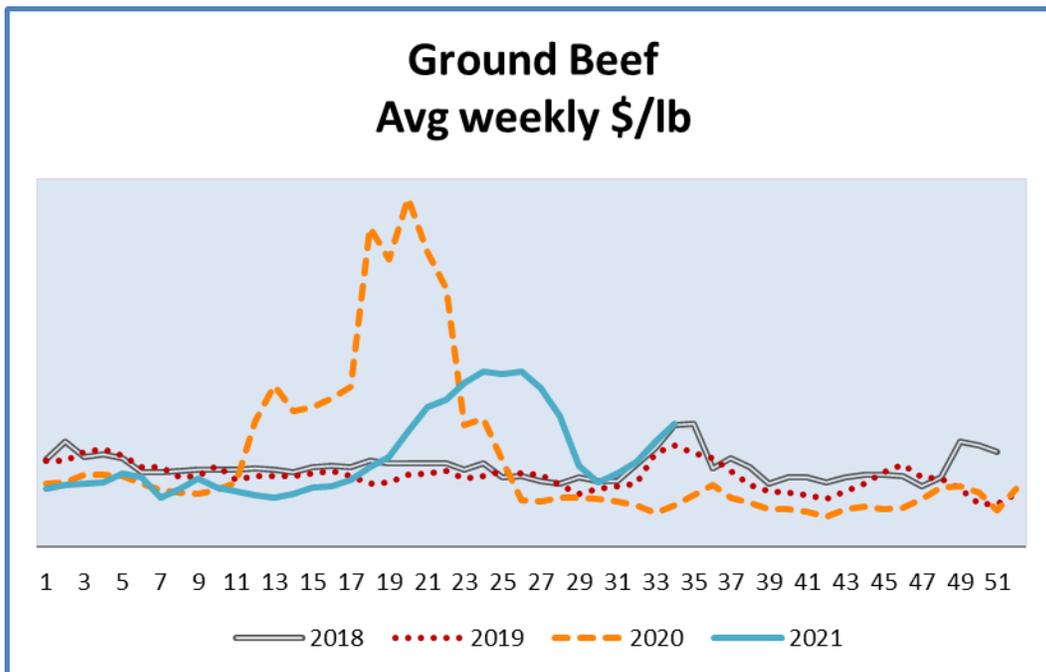
Grinds- Market is firmer. Good demand ahead of the holiday is keeping pressure on the market.

Loins- Market is firmer. Buying activity has been very good the past several days with buyers looking to cover their needs ahead of the coming holiday.

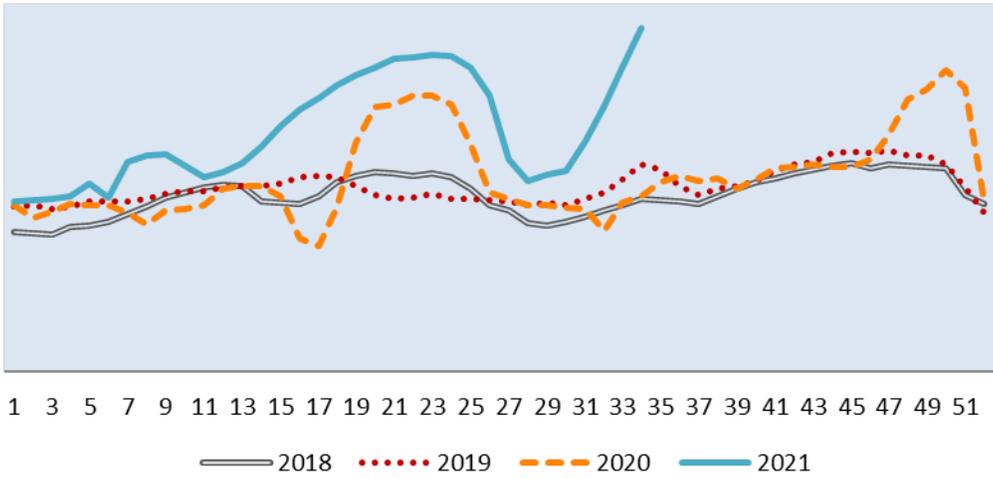
Rounds- Market is firmer. This market has continued to push higher for multiple weeks with the lighter availability keeping pressure on the market.

Chucks- Market is firmer. As with other cuts, lighter production over the past few weeks combined with improving buying interest is putting upward pressure on the market.

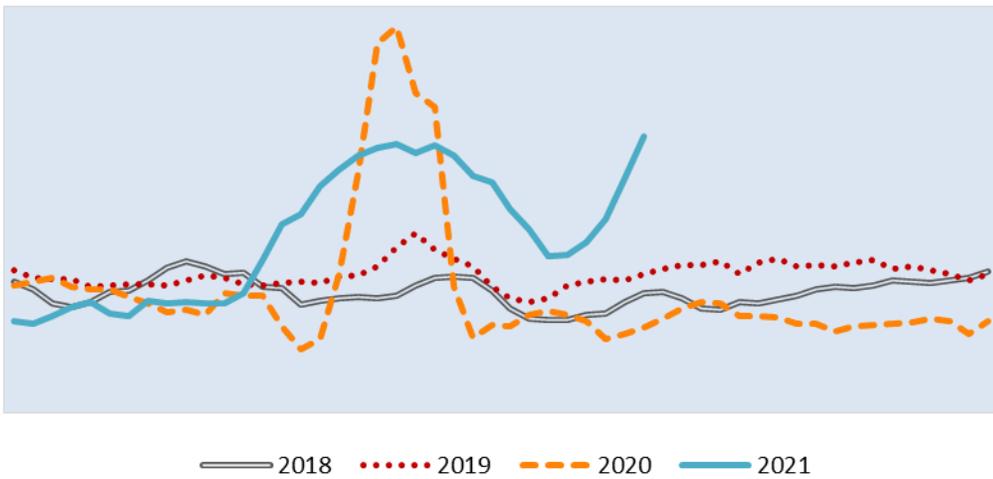
Ribs- Market is firmer. This market has seen very sharp increases over the past several days and are well above same time last year and the three-year average and are at levels that are unprecedented for this time of the year. Because demand has been out of the ordinary this year, this market is expected to become more unsettled once we move past the holiday though typically the seasonal demand decreases for the first few weeks after Labor Day.

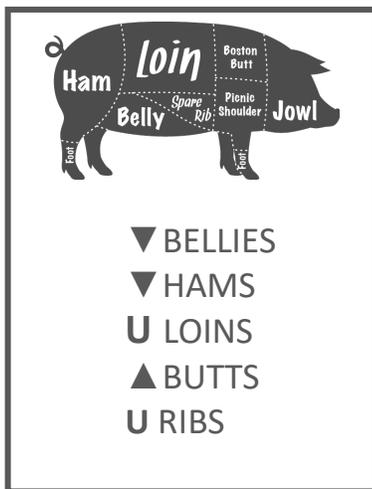
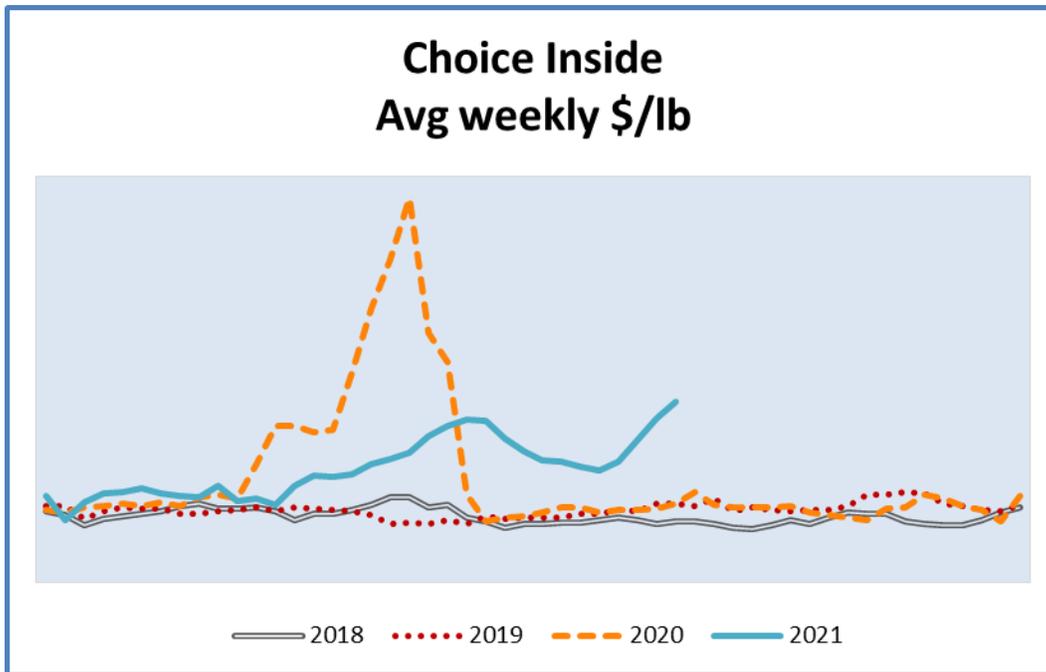


### Choice Ribeye Heavy Avg weekly \$/lb



### Choice Brisket Avg weekly \$/lb





## PORK

Market is unsettled. Total pork production for last week was up 1.9% versus prior week but was down 7.2% compared to same time last year. Total headcount for last week was 2,452,000 as compared to 2,625,000 for the same week last year. Live weights for last week were even with prior week and down 2 lbs. from same time last year. Labor issues continue to be a concern at multiple plants along with transportation challenges. Shortages and allocations are commonplace and are expected to continue as we move through the fall. The USDA has revised production estimates for the second half of this year and is now expecting production for 3<sup>rd</sup> quarter to be 6% lower than last year and 4<sup>th</sup> qtr. to be 3% lower. Pork exports in June were very strong and were up 9% compared to June of last year and were the highest June on record. Exports have set records since March of this year and is expected to continue strong through September.

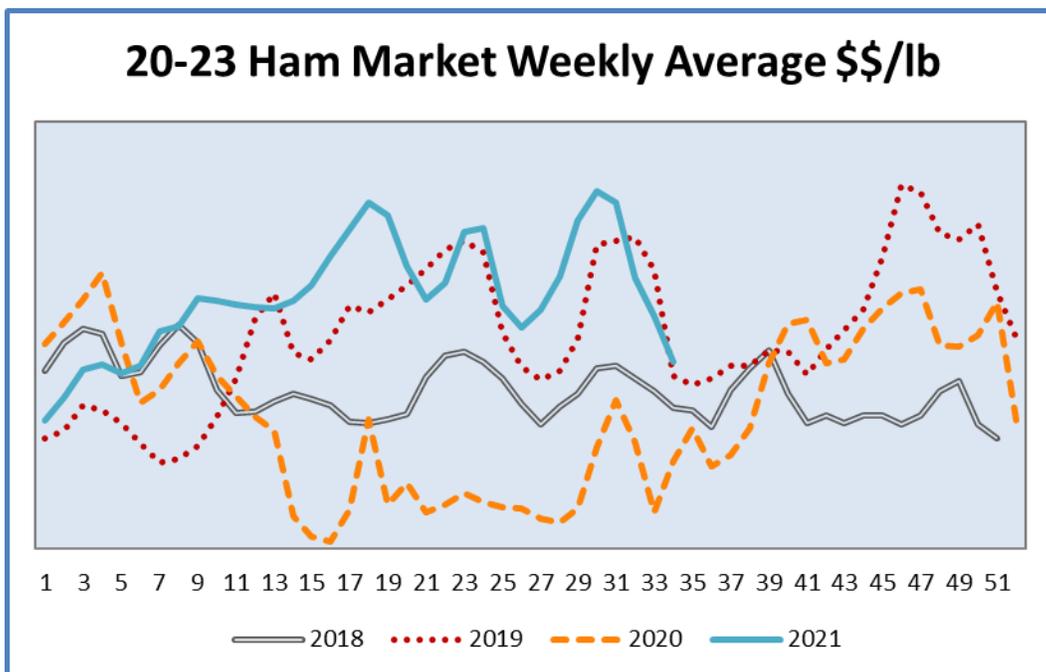
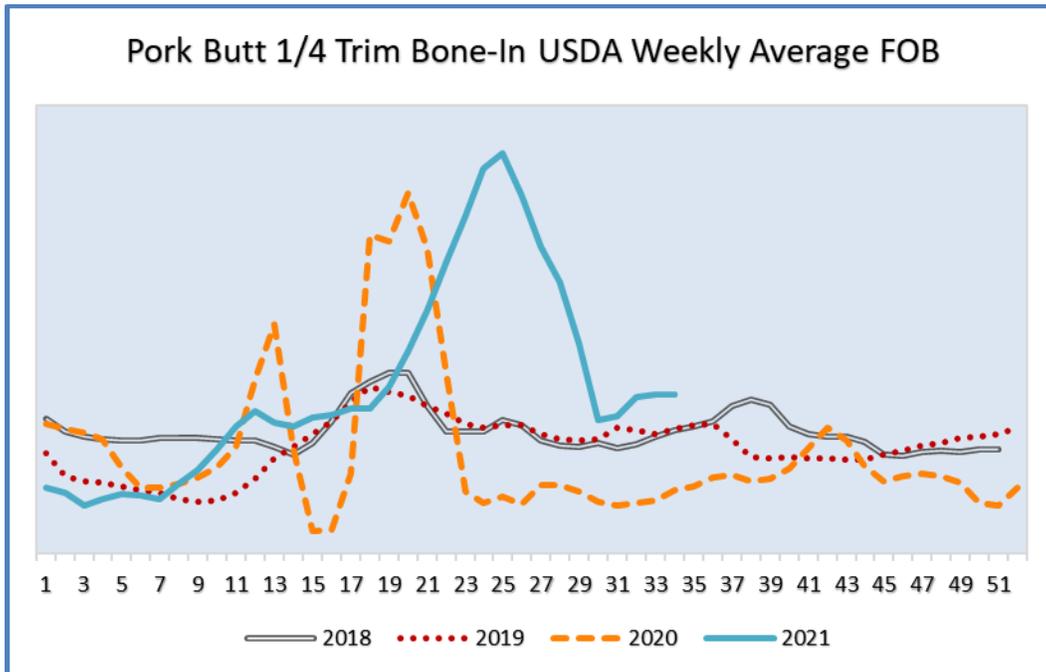
**Bellies-** Market is weaker. Buying activity has been lighter over the past few days after the market set records just a few weeks ago. Fresh belly inventories remain limited and helping to keep the market more unsettled as we move through the next few weeks. The market is expected to be more unsettled as we move through the coming weeks due to the limited available labor for processing and production typically drops over the coming weeks.

**Hams-** Market is weaker. The market has pushed lower over the past few days. The recent high prices have helped to slow buying interest and export interest has dropped sharply the past few weeks. Multiple packers are working on bookings for the fall to try to better understand the needed production over the coming weeks.

**Loins-** Market is unsettled. Available inventories vary between suppliers with boneless items still being a challenge for some packers. Export demand has been strong and limiting availability for domestic buyers on some cuts.

Butts- Market is firmer. Demand has been very good and keeping pressure on availability. Demand typically starts to move seasonally lower over the coming weeks, but the limited labor is expected to have an impact on the market as we move through the coming weeks.

Ribs- Market is unsettled. This market has seen extreme increases and decreases over the past few months. The recent drops in prices have helped to improve buying activity and the market has been pushing higher as we moved through the past few weeks. The labor concerns seen over the past several weeks is keeping fresh inventories limited and keeping pressure on the market.





# CHICKEN

Market is steady to firmer. Total headcount for last week was 167,495,000 as compared to 171,052,000 for the same week last year. Average weights for last week were 6.36 lbs. as compared to 6.44 lbs. for the same week last year. Chick placements on fryers for week ending 9/25/21 are estimated at 162.1 million headcounts. Placements for previous week were 162.1 million and same week last year was 171.1 million. Retail business is being reported as moderate to good and foodservice activity is rated as steady. Industry demand for WOGS and 8pc cutups remains moderate across all sizes. Demand for tenders and boneless breast is rated as moderate to strong. Volume on bone in breasts, wings, and dark meat parts remains fair. Export activity for leg quarters and whole legs is reported as stable. Labor issues and absenteeism is causing plants to run reduced schedules. These labor constraints are causing production issues with front half debone, portioning, and further processing. Floor stocks are moderate to light depending on the plant. Market levels are showing strength on tenders and boneless breast.

**WOGS-** Market is steady. Fast food and retail deli volume is moderate and giving adequate support to WOGs and 8pc cutups. All sizes are clearing well with some spot load activity being reported. Supply is in balance with demand.

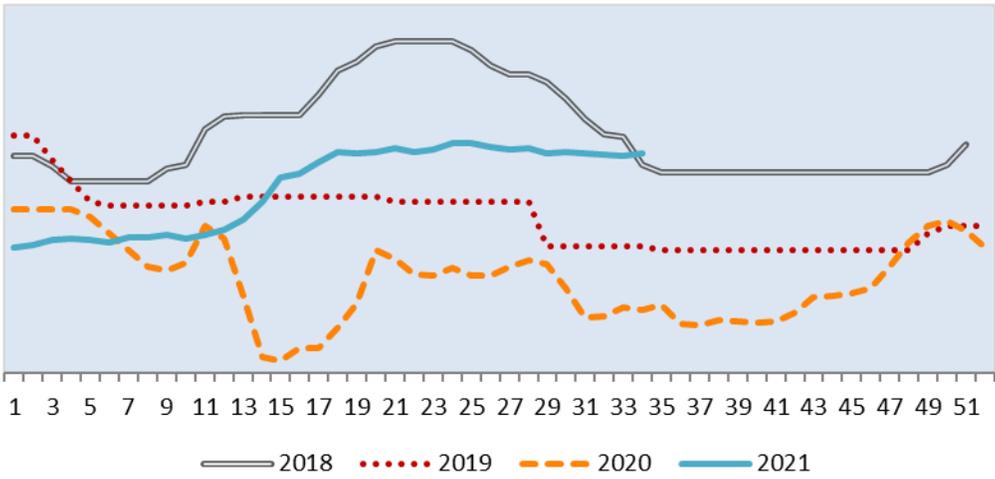
**Tenders-** Market is steady to firmer. Retail, foodservice, and QSR demand is reported to be on the rise. With limited headcount and debone capacity, supply is tight and is limited to the number of tenders that can be portioned on a weekly basis.

**Boneless Breast-** Market is steady to firmer. Retail demand is on the rise as consumers are starting to put a few extra packages in the freezer due to COVID concerns. Foodservice demand is moderate to good and is keeping the select and jumbo sizes clearing adequately. Supply on all sizes has tightened.

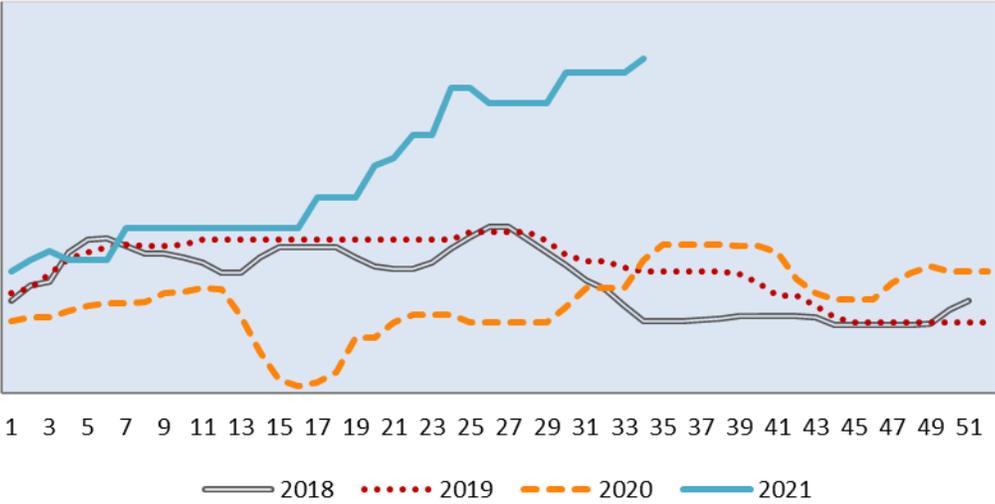
**Leg Quarters and Thighs-** Market is steady. Export demand for leg quarters and whole legs is moderate. Retail sales are steady on drums, thighs, and bagged leg quarters. Boneless skinless thigh meat remains active and supported by foodservice activity. Supply for bone-in parts is available while boneless skinless thigh meat is short due to limited debone capacity.

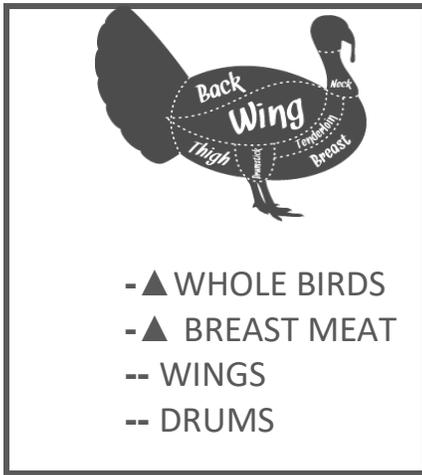
**Wings-** Market is steady. Foodservice demand is on the rise due to football season starting last week. Further processors are sourcing small sizes to replenish inventories of fully cooked wings. Supply is tight.

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



### Chicken Tenders Avg Weekly \$/lb





## TURKEY

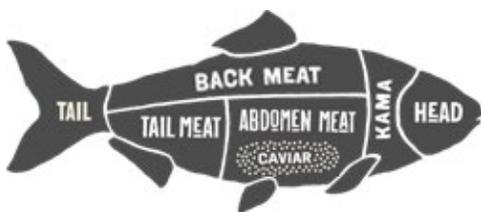
Market is steady to firmer. Total headcount for last week was 3,916,000 as compared to 3,909,000 for the same week last year. Average weights for last week were 30.94 lbs. as compared to 30.78 lbs. for the same week last year. Frozen whole birds remain sold out with very few spot loads being offered. Demand for breast meat, white trim, and tenders is rated as moderate to good. Domestic demand for drums, thighs, and wings remains stable. Export volume is steady to good on back half parts. Labor issues remain a challenge for most plants which is causing issues with product availability and debone capacity. Limited production and reduced headcounts this year have floor stocks extremely tight on the key categories. Allocations continue to be reported. Supply for whole birds is extremely limited while parts and white meat remain tight.

**Whole Birds-** Market is steady to firm. Demand is strong as suppliers continue to pack frozen whole birds to fill prebooked loads. Spot loads are few and are being held with confidence. Hen sizes are extremely tight, some Tom sizes are available. Supply is tight.

**Breast Meat-** Market is steady to firmer. Foodservice and retail deli activity is trending moderate to good. Further processor demand is strong and is keeping supply in a sold-up position. Supply is tight on white meats.

**Wings-** Market is steady. Domestic demand for 2 joints and export demand for whole wings remains moderate to good. Limited production is keeping the supply side tight.

**Drums and Thigh Meat-** Market is steady. Export and domestic volume for drums and thighs is reported as stable. Thigh meat remains moderate to good as ground turkey sales are on the rise. Supply is limited by debone capacity. Supply is available on bone in parts, but tight on boneless thigh meat.



## SEAFOOD

**Gulf Shrimp-** Market is weaker. New season product is becoming more available and helping to move the market off the extreme highs seen just a few weeks ago.

**Black Tiger Shrimp-** Market is firm. Inventories are limited for a strong demand. Allocations to orders should be expected. Production costs and logistical concerns are putting pressure on the market. Delays on imports are putting additional pressure on this market. Replacement inventories have been difficult to come by for several months.

White Shrimp- Market firm. The market for product of Latin America had seen downward pressure a few short weeks ago but demand from buyers looking to cover their needs has put upward pressure on that market again. The market for product of Asia remains firm and 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. COVID concerns in Asia are putting additional pressure on that market as production in that region is seeing additional impact from the spread of the virus.

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

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 has been strong 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. Allocations to orders are common due to the limited inventories. New season product is making its way into the market, but the brisk demand has helped to prevent inventories from building.

North American Lobster Tails- Market is firm. Demand has been strong for several weeks and is 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. The market is at record high levels.

Salmon- Market is mixed. The market for product for farmed product has seen the market move lower as we moved through the last few weeks as a lighter demand has helped to take pressure off the 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 has been keeping pressure on inventories for several months. Foodservice demand is very good. There are also delays with production coming back out of China putting additional pressure on the market.

Flounder- Market is steady to firmer. Production issues and delays out of China are causing 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.

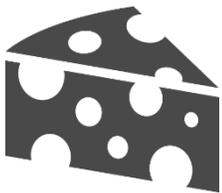
Pollock- Market is firmer. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

Domestic Catfish- Market is firm. Inventories have been limited for several months and the easing of dining restrictions across the country has put additional pressure on the market. Allocations remain commonplace and are anticipated as we move through 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 as that market is seeing record high prices.

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 has been very good and keeping pressure on already light inventories. Total tilapia imports YTD through June are down 12.2% compared to same time last year.

Swai- Market is firmer. Foodservice demand continues to improve across the country and 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. COVID issues in Vietnam have closed multiple plants and helping to push the market higher as availability is expected to become tighter over the coming weeks.

Scallops- Market is firm. The market for larger sized domestic product is firm with increased demand keeping pressure on the market. Inventories of U/10 product are very limited with record high pricing. New season product is making its way into the market, but reports are showing expectations of inventories issues as we move through the summer. The brisk demand is keeping inventories from building and keeping continued pressure on the domestic market. The market for imports is steady to firmer with product from Canada seeing upward pressure due to limited availability and product from China continues to see shipping delays.



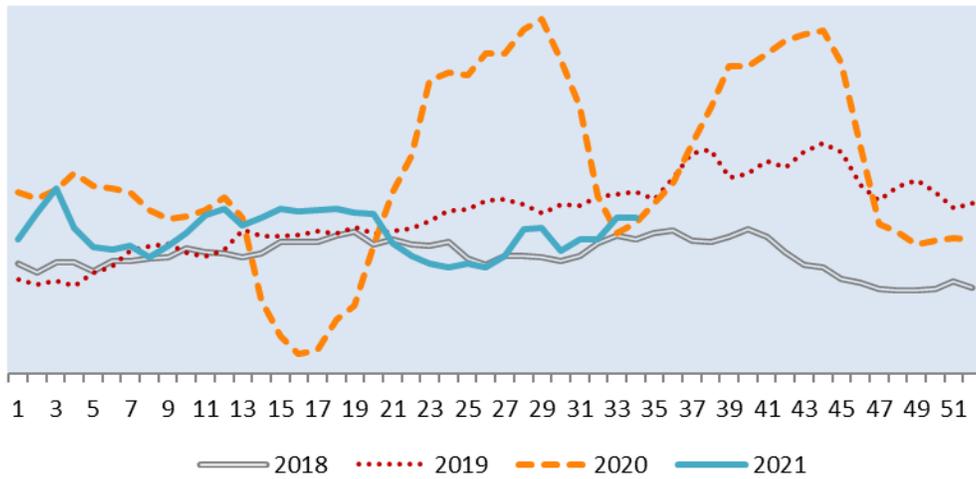
## DAIRY

### Cheese

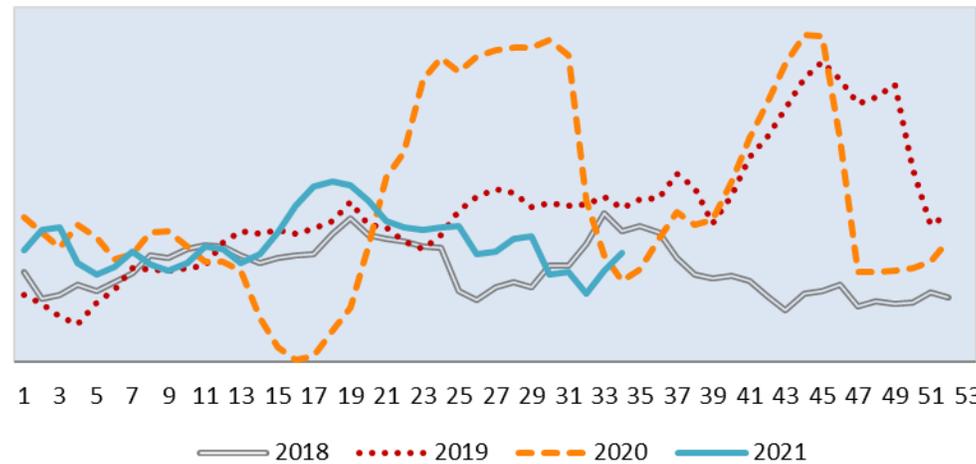
Market is weaker. The CME Block market prices have decreased steadily this week. Barrel prices have inched slightly higher as the week progressed. Milk availability continues to tighten as school demand continues to increase across the country.

Current spot milk pricing is normalizing as they are more in line with 2019 pricing. Cheese demand is steady to improved in most regions of the country. The Delta variant of COVID-19, labor, and logistical challenges continue to be concerns that are being monitored week to week.

## Cheese Block Market Average Weekly \$/lb



## Cheese Barrel Market Average Weekly \$/lb

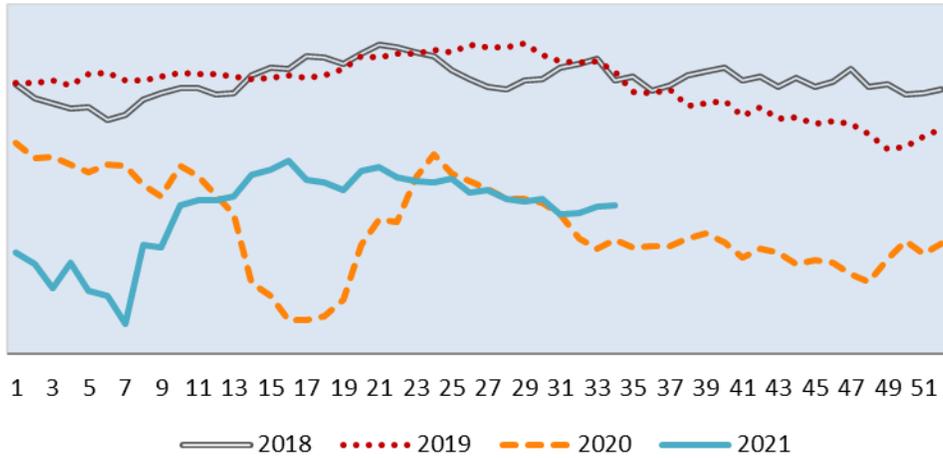


### Butter

Market remains firm. Cream availability continues to vary across the region. Manufacturers in the East are working to sell their cream surplus, while their Midwestern counterparts are reporting increased tightness with their supply. Cream in the West is available, however there are logistical challenges as

locating trucks to haul the supply has been an area of concern. Fall butter inventories are trending in a positive direction. Food service inventories remain unchanged from the prior week, however there are concerns about the Delta variant's potential impact on foodservice demand. Retail butter sales continue to remain steady.

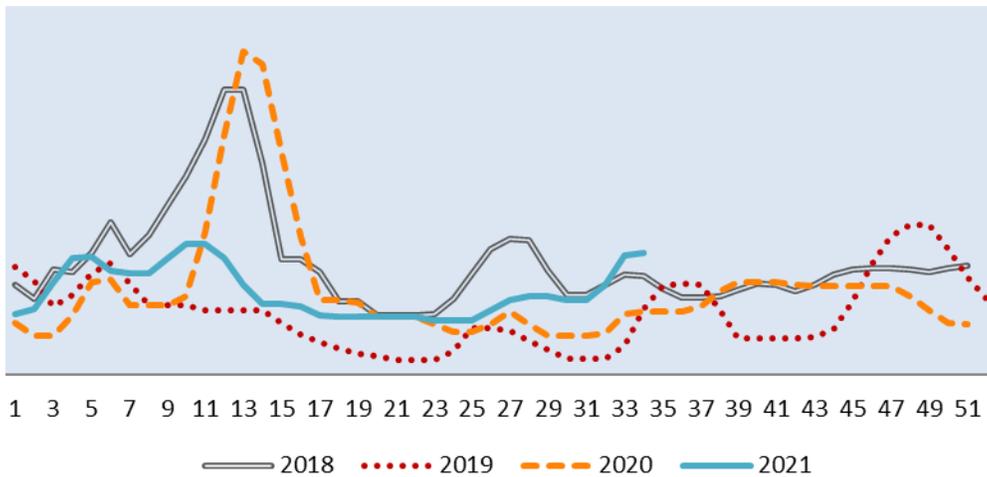
## Butter Market Avg Weekly \$/lb



## EGGS

Market is steady to firm. Retail demand is being rated as moderate to good across most regions with some promotional activity being reported on a regional basis. West Coast volume is reported to be a bit slow this week, while the remaining regions are moderate to good. Foodservice demand is rated as good. Fast food sales remain steady for this time of year. Supply has tightened on both medium and large sizes. Market is trending flat on medium sizes and higher on large sizes. National weekly shell egg inventory reports shell egg inventory up 2.9% over last week.

## Large Shell Eggs \$/Dozen

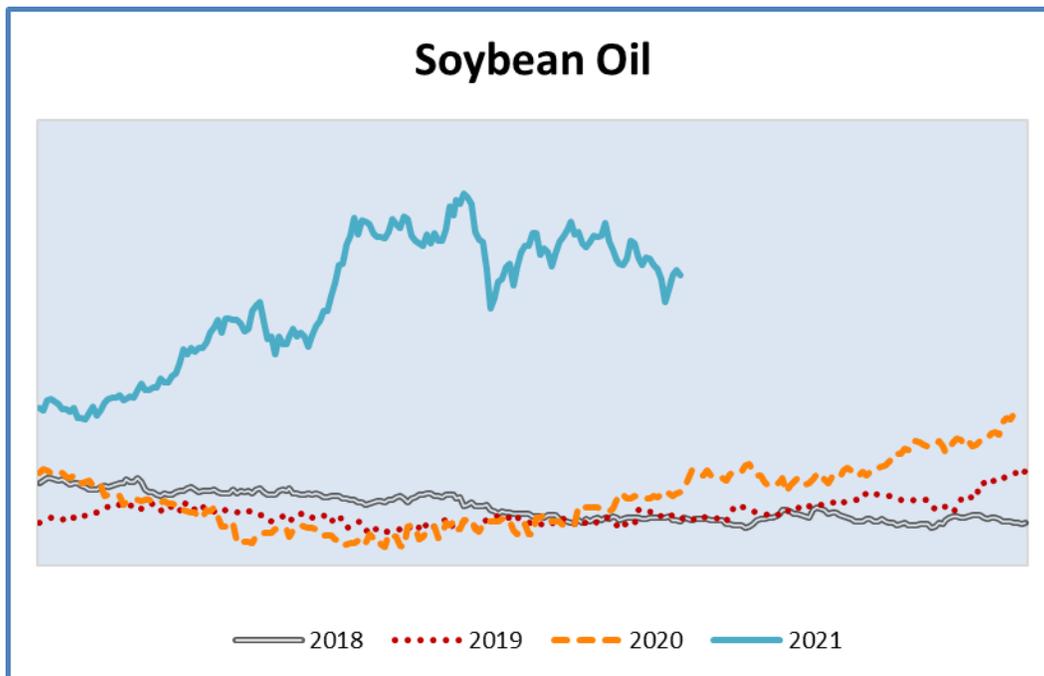




## SOY OIL

Market is firmer. Soybean markets and futures rose steadily this week. The upwards trend is attributed, in part, to the fact that volume is low, and shorts may be making their exit. Bio-diesel demand is on the rise as the EPA announced they are going to be increasing the bio blending in 2022 over requirements seen in 2020.

Growing conditions: Minnesota has started to receive their forecasted rain. Crops in South America are being monitored now as what happens there will impact farmers in the south. Argentina and Brazil will begin planting soybeans in late October. The prognosis is that things are looking dry early. This isn't a problem currently however it is something that will be monitored closely as fields here in the U.S. are emptied. Canadian Canola yields are trending downwards as rain hasn't fallen steadily enough through the dry and hot summer. Results from the crop progress report show the soybean conditions continuing to tighten. Corn crop conditions fell similarly week over week to soybeans as well. Allocations on soy oil and other related products continue to be reported across the United States.



**MODIFIED FOOD STARCH** will be in short supply for the next 2 to 3 months and manufacturers are being allocated on this ingredient. Salad dressings, mayonnaise, and white goods will be affected. Suppliers are trying to source modified food starch from other sources and are trying to reformulate products when functional replacements are available.

## COFFEE

Market is firm. Brazil was hit by two frost events causing extensive damage to coffee bean crops. It is important to note that the situation of the ground in Brazil continues to evolve.

# 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.

