



Market Report

Week Ending July 2, 2021

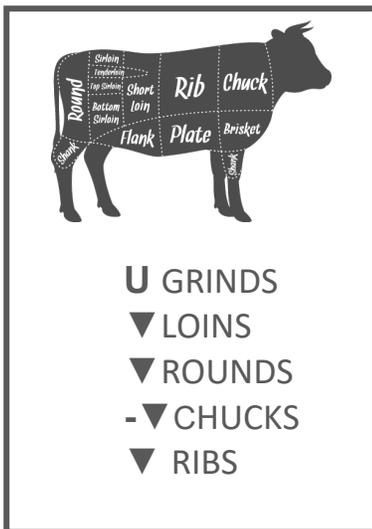
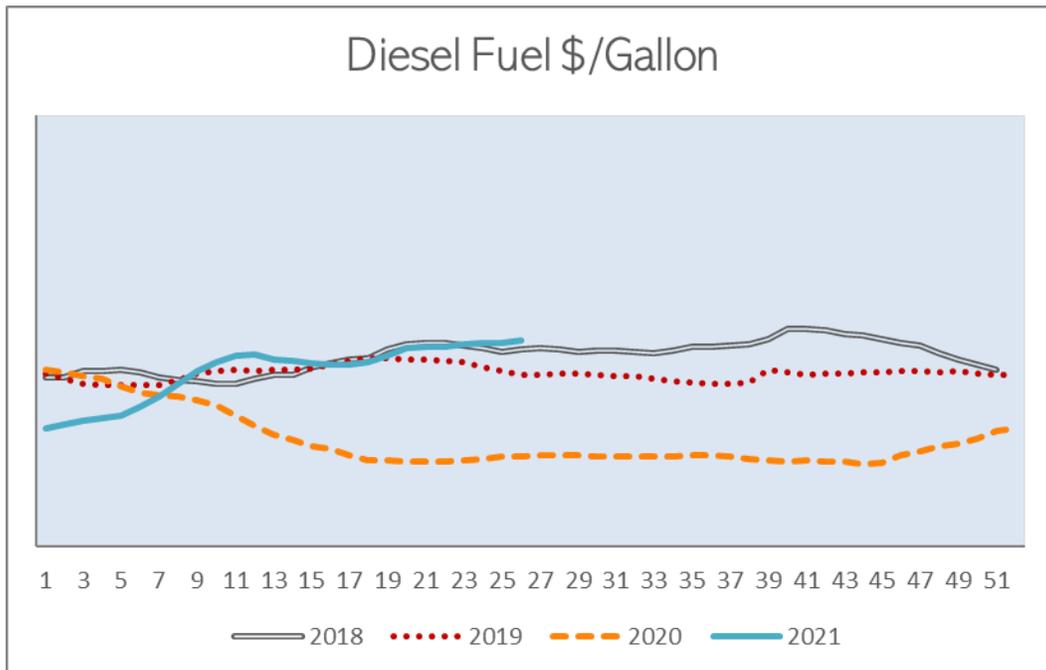


Graphs represent data for the week ending June 25, 2021



LOGISTICS

Tender rejections by carrier base have been on the decline in early June, indicating softening market conditions at a time when we have historically always seen conditions tighten. The Weekly DAT load to truck ratios show that conditions in the spot market were tighter earlier in May but have moderated into early June across all equipment types. The biggest obstacles for truckload supply recovery continue to be semiconductor shortages, causing delays in new truck production and ongoing driver availability issues. Elevated contract rates may result in a shift of volume from spot to contract, but the freight isn't going anywhere. Inventories are still depleted, which is leading to record-setting import levels and causing logistics opportunities with freight moves for shippers near ports.



BEEF

Market is unsettled. Total beef production for last week was down 0.5% versus prior week and was down 2.2% compared to same time last year. Total headcount for last week was 661,000 as compared to 665,000 for the same week last year. Live weights for last week were down 3 lbs. from prior week and down 6 lbs. from same time last year. Production has improved from the past few weeks that had seen the shortened holiday week as well as the lighter production seen from the JBS plants. The market has seen large price swings over the past several days with multiple cuts seeing the market ease from the recent extremes that we have seen for multiple weeks. Lack of available labor at multiple plants is causing production issues. This with logistical concerns continue to create delays with orders.

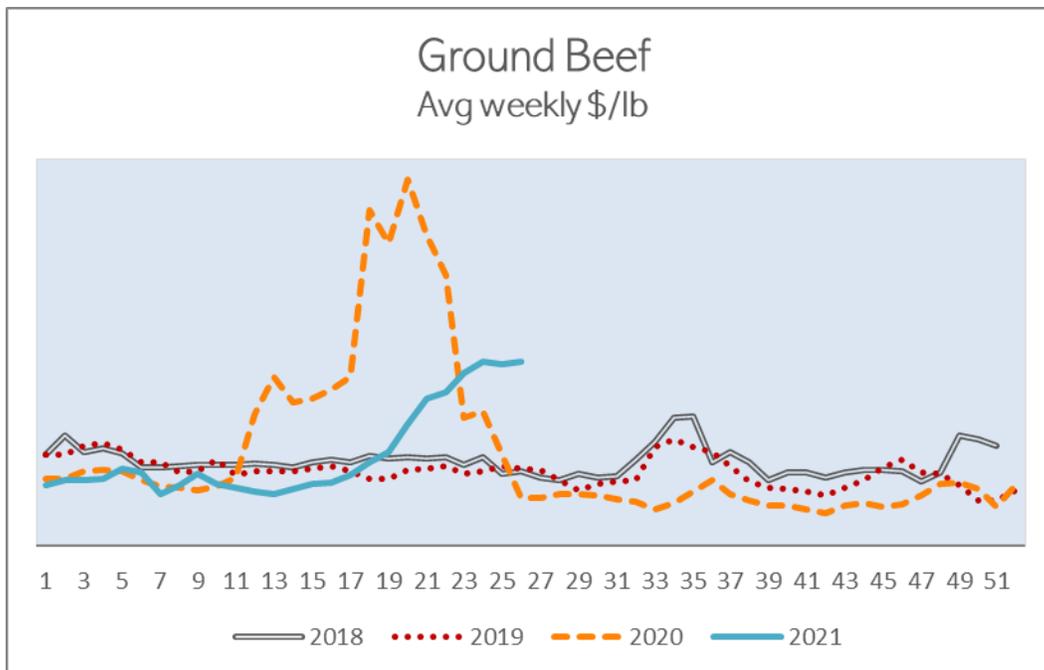
Grinds- Market is unsettled. Buying interest for the upcoming holiday has been good; this combined with the lighter production over the past few weeks has helped to keep the market at higher levels. Overall availability remains light, and allocations have been common.

Loins- Market is weaker. Buying activity has been lighter compared to earlier this month and this is helping to put pressure on the market. Buying activity is typically seasonally lighter as we move beyond the 4th of July.

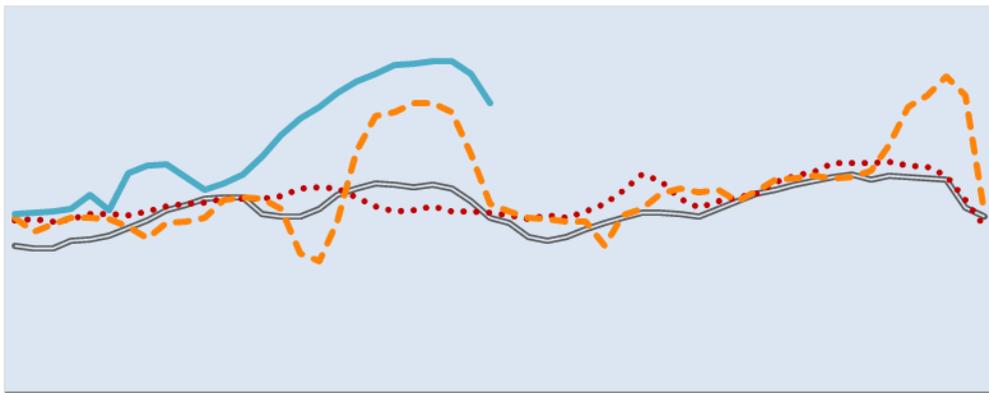
Rounds- Market is weaker. The market had been holding well above seasonal norms but has eased lower of the past few days.

Chucks- Market is steady to weaker. Buying activity has eased compared to prior weeks and this is helping to take pressure off the market.

Ribs- Market is weaker. The market has seen large drops the past few days as demand eases from the brisk pace seen over the past several weeks. Demand is typically seasonally lighter once we move past the 4th of July. Large gaps in prices between Select and higher grades have developed were as just a few weeks ago pricing was on par with each other.



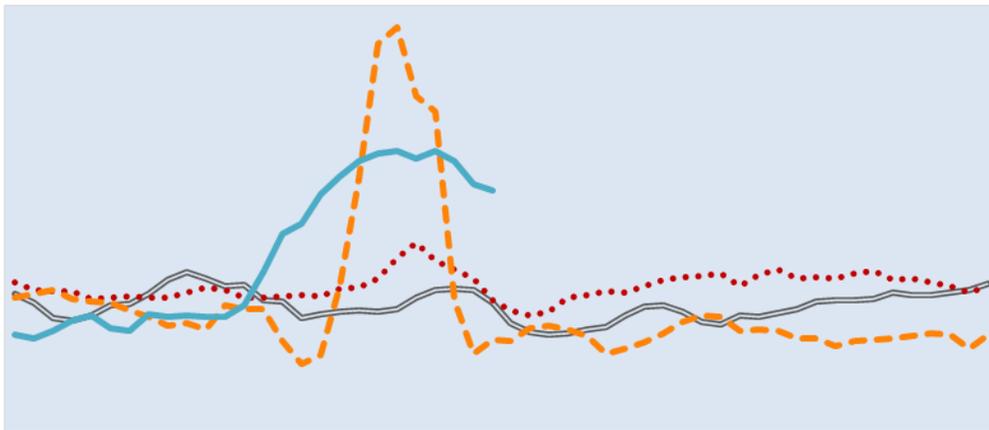
Choice Ribeye Heavy Avg weekly \$/lb



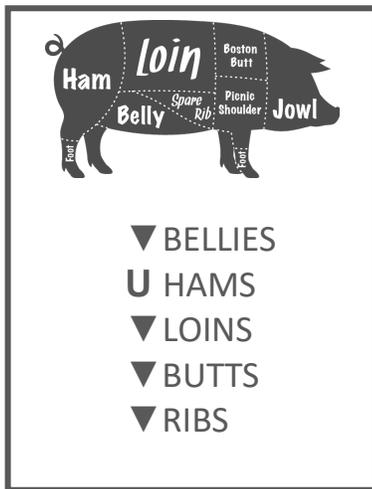
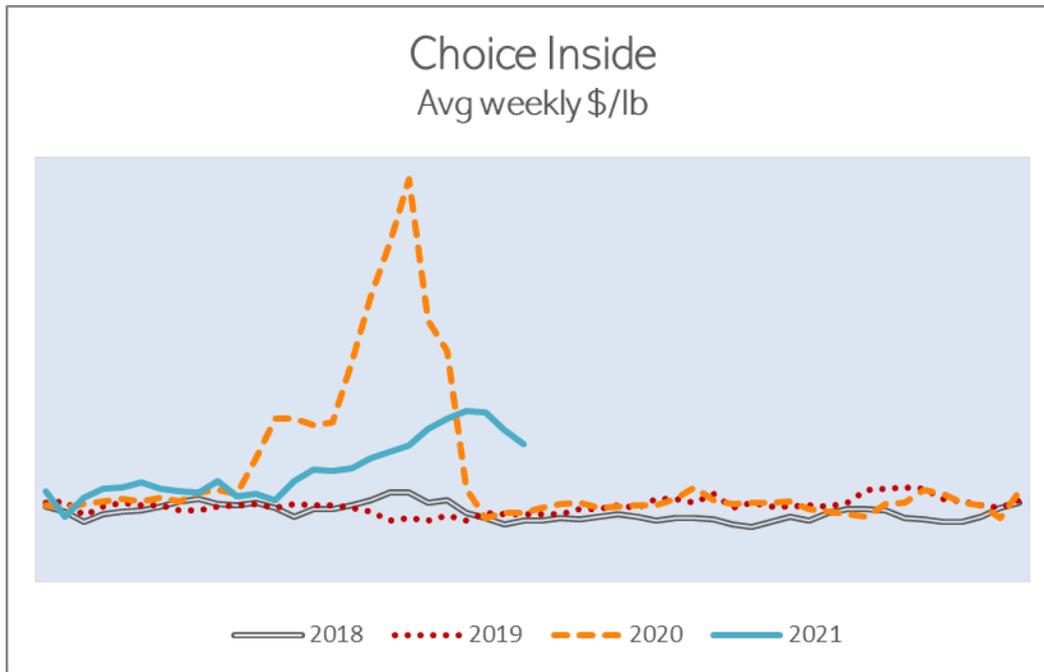
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

— 2018 ··· 2019 - - - 2020 — 2021

Choice Brisket Avg weekly \$/lb



— 2018 ··· 2019 - - - 2020 — 2021



PORK

Market is weaker. Total pork production for last week was down 3% versus prior week and was down 9.4% compared to same time last year. Total headcount for last week was 2,368,000 as compared to 2,626,000 for the same week last year. Live weights for last week were down 1 lb. from prior week and up 1 lb. from same time last year. Demand has been very good on multiple items and has continued to help push the market higher on multiple cuts for several weeks. This trend has reversed with multiple cuts seeing large decreases in the market from just a few days ago as lower demand has helped to take pressure off record high prices. Even with the large decreases multiple items are still at elevated levels. Demand typically seasonally moves lower once we move past the 4th of July. Labor issues continue to be a concern at multiple plants along with transportation challenges.

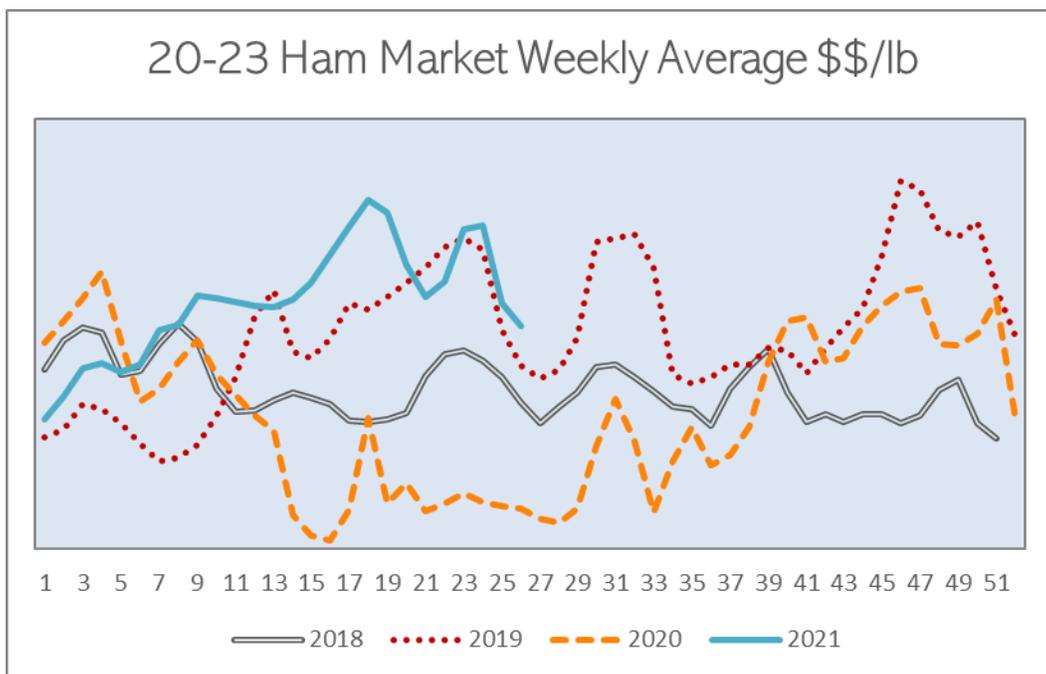
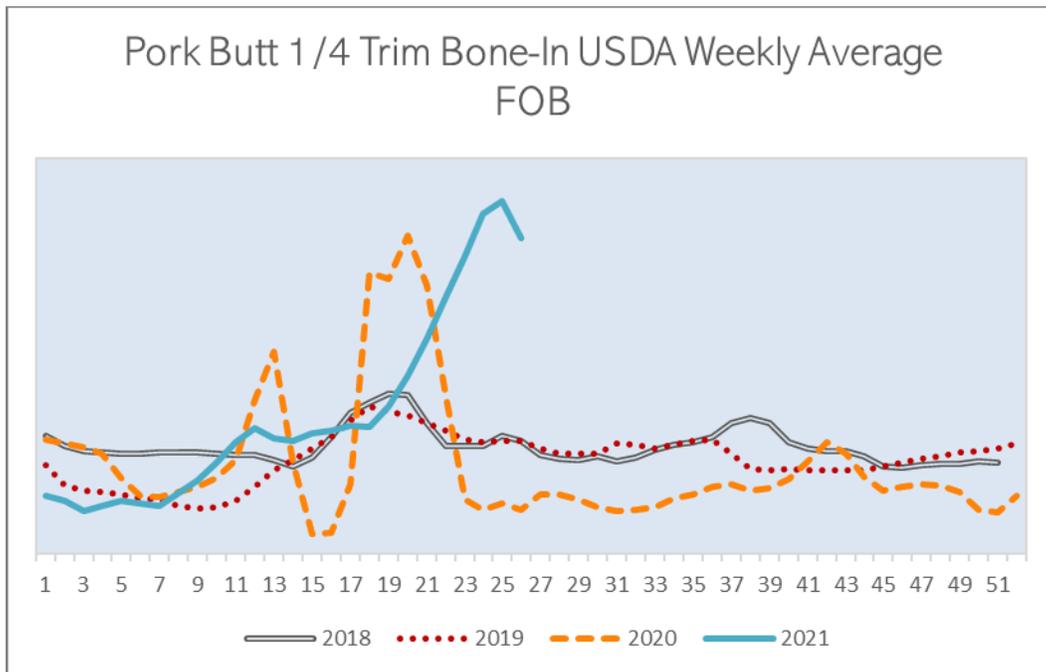
Bellies- Market is weaker. The market has moved much lower over the past few days as the recent pricing extremes has helped to slow overall demand. Demand is typically seasonally good as we move through the summer. The market is expected to be more unsettled as we move through the coming weeks due to the limited available labor for processing and production typically drops over the coming weeks.

Hams- Market is unsettled. The market has seen both higher and lower prices over the past couple weeks. Available labor remains a concern and is helping to keep the market more unsettled. Exports have been helping to move additional inventories over the past several weeks.

Loins- Market is weaker. Availability varies between packers with an overall demand that has been lighter compared to earlier this month.

Butts- Market is weaker. Seasonal demand has been very good and keeping pressure on the market for several weeks. The easing of dining restrictions coincided with typical strong seasonal demand ahead of BBQ season and kept upward pressure on the market. Demand is expected to be lighter as we move past the holiday. The market has been easing lower over the past couple weeks and continued that trend as we moved through this week

Ribs- Market is weaker. The market has seen multiple days of downward pressure after being at record highs for multiple weeks. The record high pricing has helped to slow buying interest and is helping to put pressure on the market. Demand is expected to be lighter as we move past the holiday.



CHICKEN



Market is steady. Total headcount for last week was 170,262,000 as compared to 164,757,000 for the same week last year. Average weights for last week were 6.40 lbs. as compared to 6.36 lbs. for the same week last year. Chick placements on fryers for week ending 7/31/21 are estimated at 164.3 million headcounts. Placements for previous week were 164.0 million and same week last year was 152.4 million. Retail and foodservice volume is reported to be moderate to good as we approach the holiday weekend. Demand for WOGS, bone-in breasts, boneless breasts, and wings is steady. Industry volume on tenders and dark meat is strong. Export demand for leg quarters and whole legs remains moderate. The supply side is still hampered by labor issues and debone capacity. Floor stocks are sufficient to light depending on the plant. Market levels are reported as steady across the major categories.

WOGS- Market is steady. Fast food, retail deli, and QSR demand remains well supported by the consumer trend of picking up meals to go. Small and large sizes are clearing well with limited spot loads hitting the market. Supply is in balance with demand.

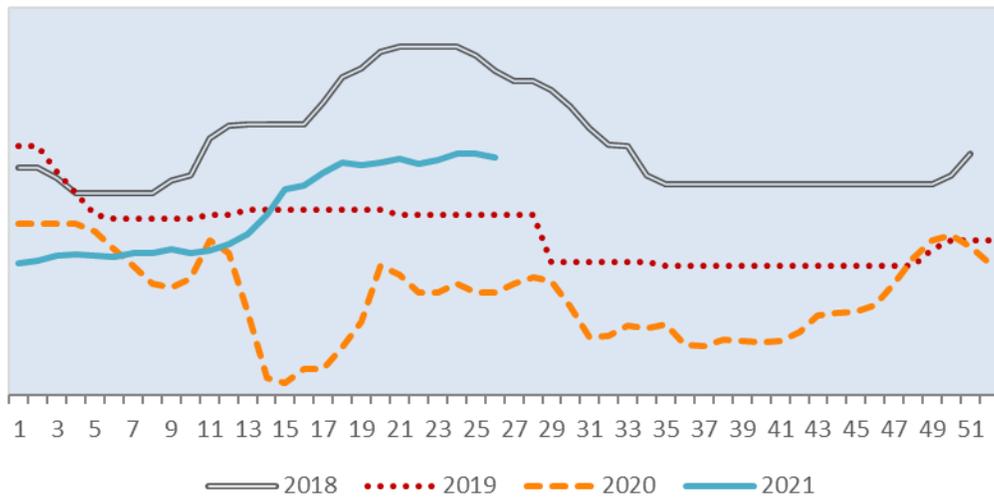
Tenders- Market is firm. Foodservice, QSR, and retail deli sales continue to be vibrant. Supply is limited by a lack of portioning due to labor issues. Market levels are the highest in recent years and prices are holding firm.

Boneless Breast- Market is steady. Heading into the three-day holiday weekend retail and foodservice demand is steady and keeping the market supported on all sizes. Supply on the select size is limited, but medium and jumbo sizes are becoming more available.

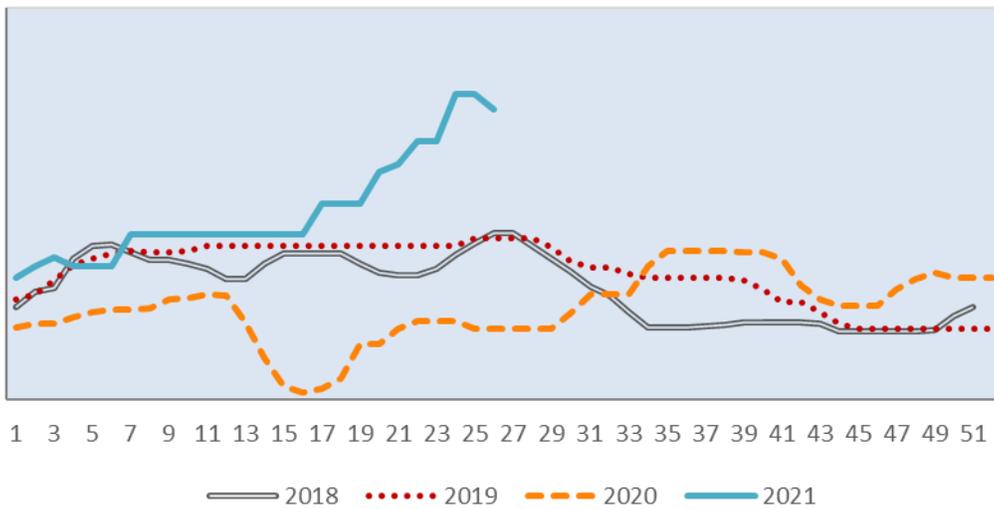
Leg Quarters and Thighs- Market is steady to firmer. Export activity for leg quarters remains consistent. Retail activity for case ready drums and thighs remains moderate to good. Whole legs continue to be in high demand by the leg debone processors. Demand for boneless skinless thigh meat continues to be strong while supply is tight due to limited debone capacity. Supply remains tight on bone-in parts and boneless skinless thigh meat is short.

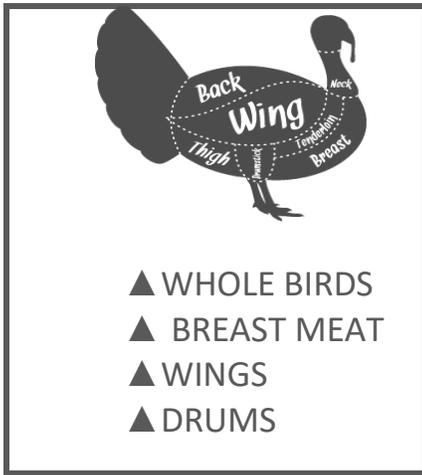
Wings- Market is steady. Foodservice demand has settled in and remains strong enough to keep the market supported. Small, medium, and jumbo sizes are clearing well this week. Supply is more available on all sizes but limited due to the holiday weekend production schedules.

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



Chicken Tenders Avg Weekly \$/lb





TURKEY

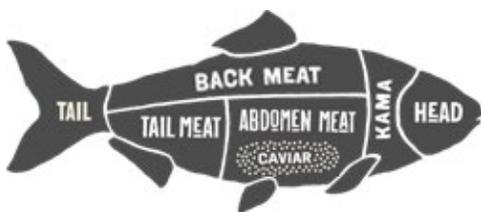
Market is steady to firm. Total headcount for last week was 3,858,000 as compared to 4,169,000 for the same week last year. Average weights for last week were 30.13 lbs. as compared to 32.39 lbs. for the same week last year. The market for frozen whole birds remains steady as Toms and Hens remain in a sold-out position with very few spot opportunities being shown to the marketplace. Demand for breast meat, white trim, and tenders continues to be moderate to good. Domestic business for parts is moderate to good on drums, thighs, and wings. Labor issues continue to limit production output. Reduced production has floor stocks reduced on most categories. Product shortages and allocations continue to be reported. Supply for whole birds is extremely limited, parts remain tight, and white meats are tight.

Whole Birds- Market is steady to firm. Hens and Toms remain in a sold-up position. Spot loads are few and are held with confidence. Supply is tight.

Breast Meat- Market is steady. Foodservice and retail deli is moderate to strong as the category reaches peak seasonality. Supply remains tight as plant production is limited by labor. Shortages continue to be reported.

Wings- Market is steady to firmer. Domestic demand for 2 joints continues to be good as foodservice makes a strong comeback. Export demand for whole wings remains steady. Supply is limited with Tom sizes more preferred.

Drums and Thigh Meat- Market is steady. Domestic and export volume for back half parts and thigh meat appears to have hit peak levels and plateaued. Thigh meat continues to be well supported by consumer demand for ground turkey. Supply is limited on bone in parts and thigh 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 commonplace. The past few weeks have 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 for several weeks. Production costs and logistical concerns are putting 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 has been strong as additional dining restrictions were 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. Production in Canada has been lighter and will soon come to a seasonal end.

Salmon- Market is mixed. Demand has been improving over the past few days and putting pressure on product from multiple growing regions. Availability of product from Europe has become lighter over the past few weeks due to an improved demand. The market for product from Chile is starting to see upward pressure due to an improved demand. 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. 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.

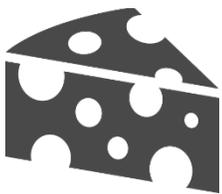
Pollock- Market is steady to firmer. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

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.

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.

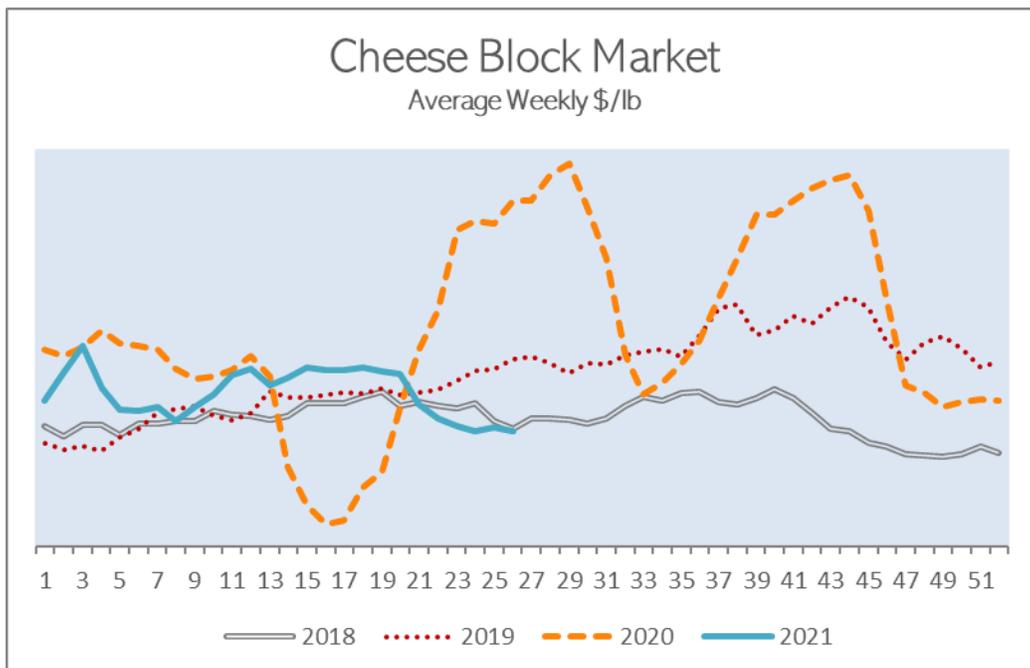
Swai- Market is firmer. Foodservice demand continues to improve across the country, and this is putting upward pressure on the market. Logistical concerns remain an issue with higher freight costs and longer lead times on both ocean freight and trucking. Inventories have become more limited with larger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

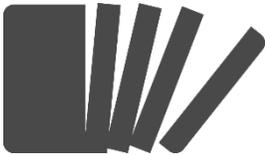
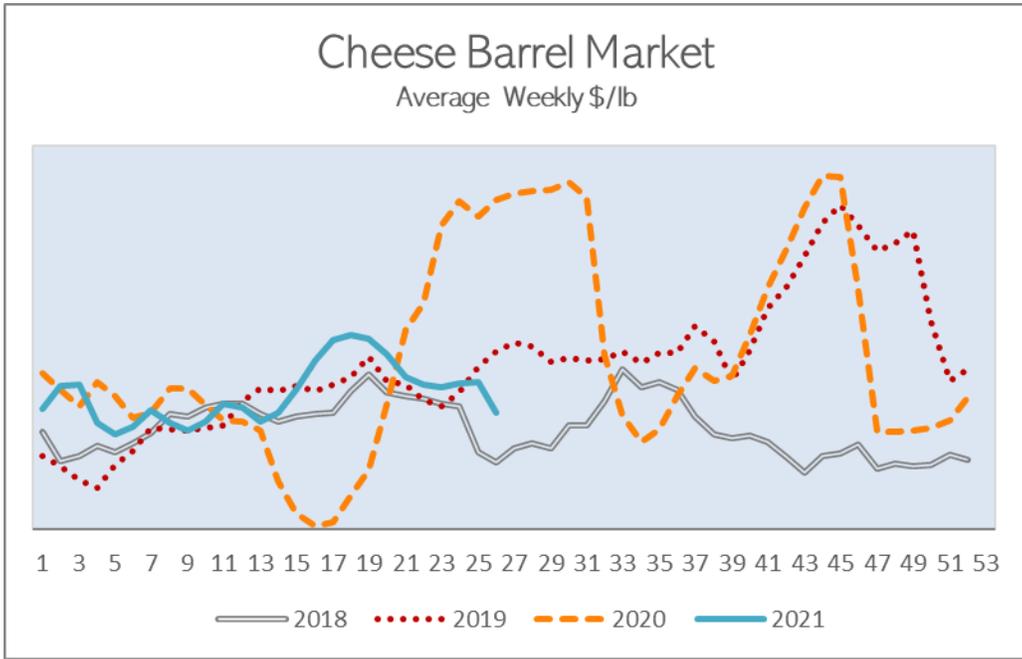
Scallops- Market is mixed. The market for larger sized domestic product is firm with increased demand keeping pressure on the market. Inventories of U/10 product are very limited with record high pricing. New season fishing has begun but reports are showing expectations of inventories issues as we move into the summer. 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 Japan expected to be limited until new season product arrives later this summer while product from China continues to see shipping delays.



DAIRY Cheese

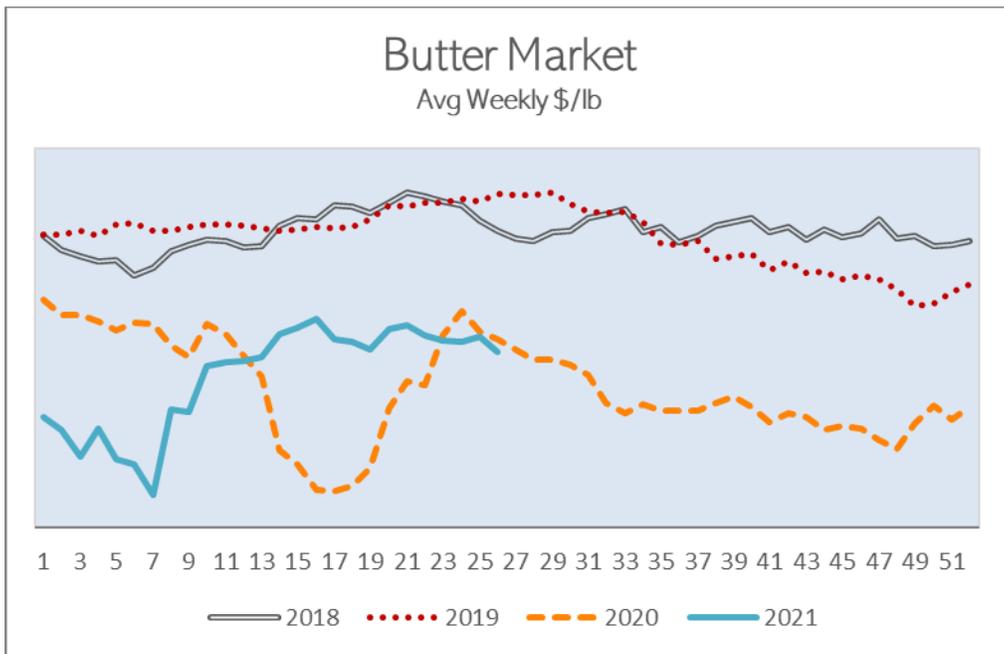
Market is firmer. The CME Block and Barrel markets both inched higher as we moved through this week. Export interest has been improved and helping to move additional inventories. The severe drought conditions across the west combined with the extreme temps are a concern for production over the coming weeks.





Butter

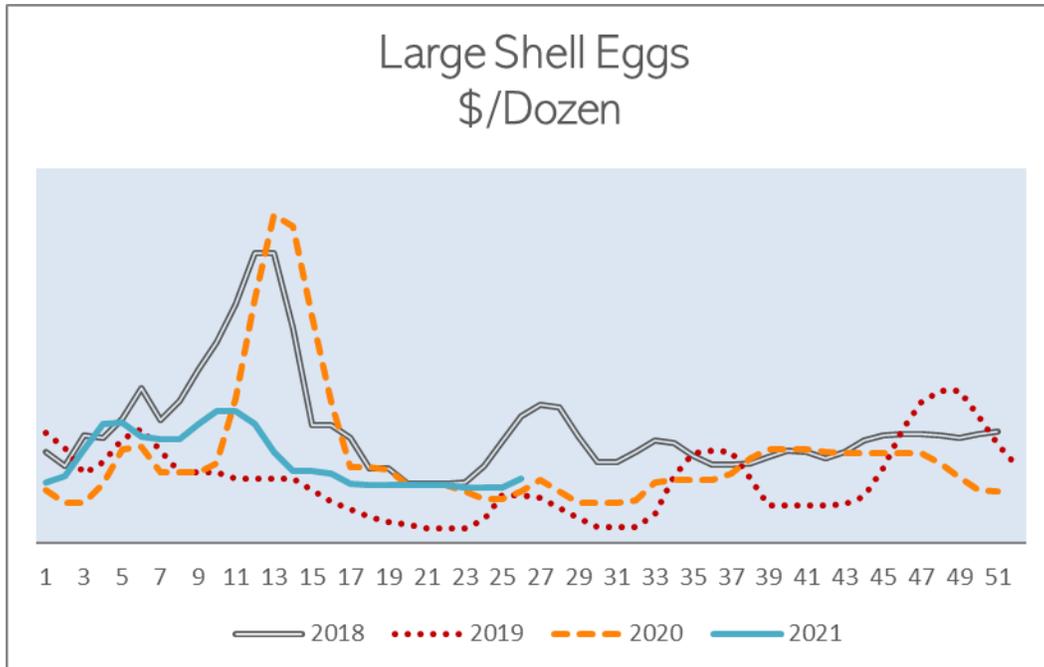
Market is firmer. The CME Butter Market started this week at higher levels helping to pull the market higher this week. Retail advertising is improved, and foodservice demand is strong. Ice cream production has been good and reducing available cream inventories.





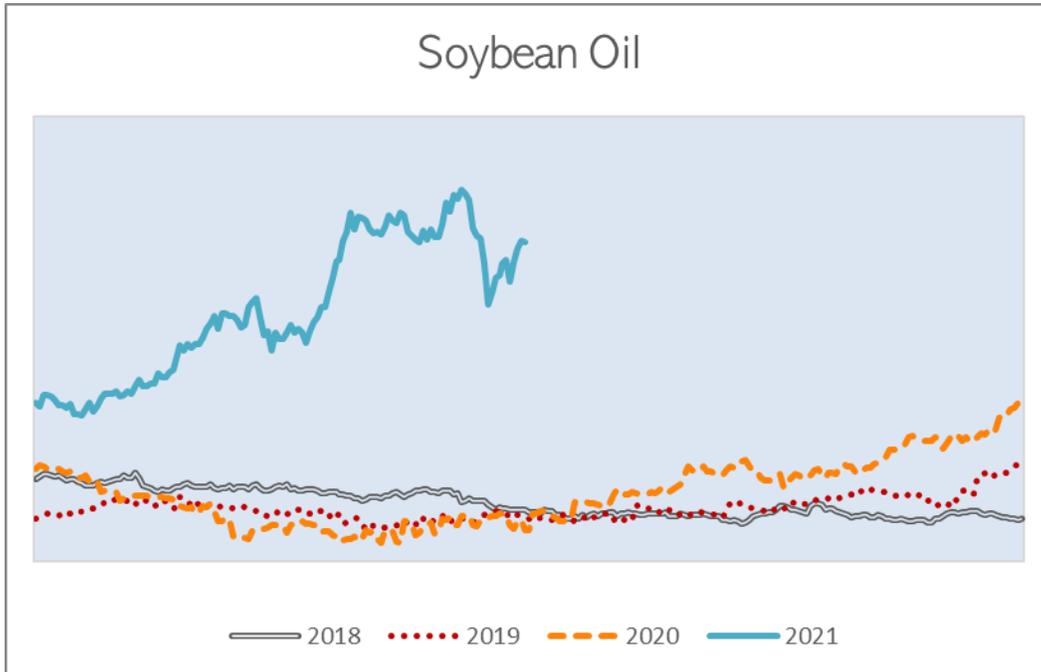
EGGS

Market is steady. Retail activity on the East Coast has picked over the last week, while the West Coast and most other regions remain moderate to good. Regional promotions remain limited. Foodservice demand is reported to be moderate to improving. Fast food sales remain adequate for this time of year. Supply is available 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 1.3% over last week.



SOY OIL

Market is firmer. Soybean markets and futures trended higher over the last week. Planted acreage reports on corn and soybeans were released this week. Acres planted were less than original estimates. Soybean demand continues to outpace supply at the current time. Foodservice demand, export activity, and the increase from the bio-diesel sector continues to push the market. 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. Now that the planting season in the United States has been completed, the focus has changed to rainfall and growing conditions across the country. Soybean supply remains tight in the United States and South America. Market levels remain at an all-time highs and trading is volatile 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.