



# Market Report

Week Ending July 9, 2021

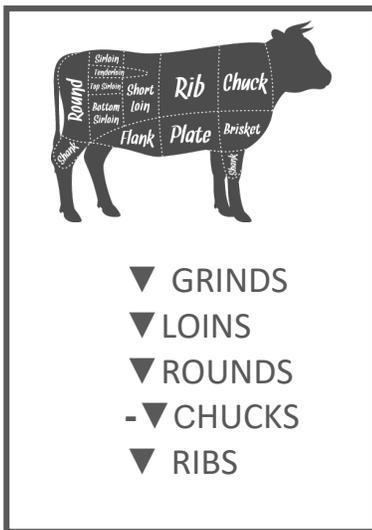
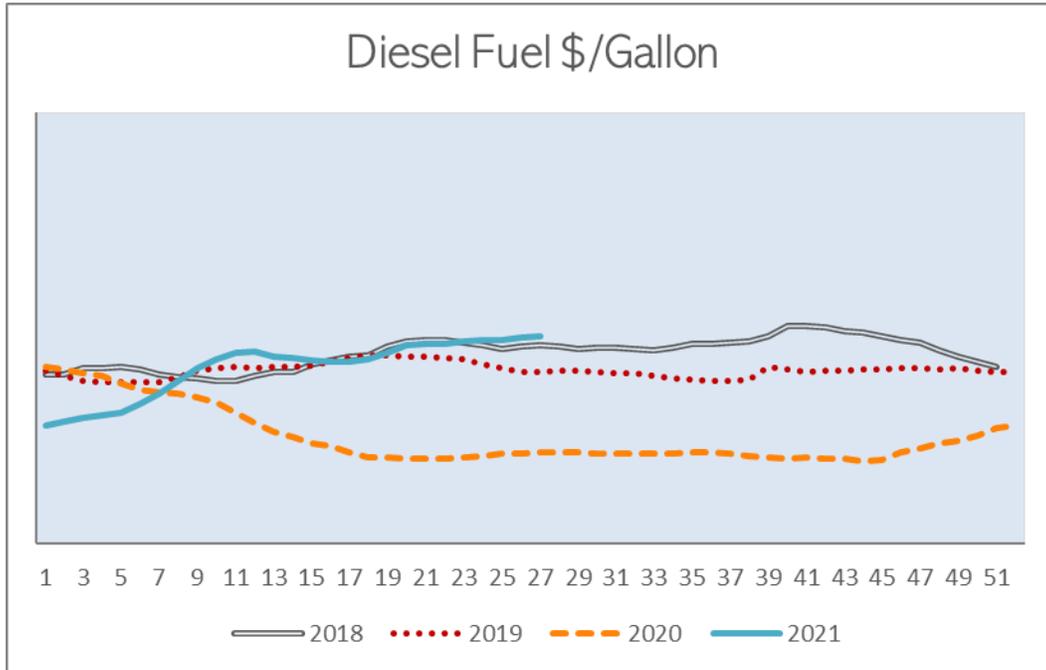


*\*\*Graphs represent data for the week ending July 2, 2021\*\**



# LOGISTICS

There have been residual effects from the fourth of July holiday that are causing shipping, delivery, and pickup delays. Some loads are being pushed back a week out. Next week, the DOT will be focusing on speeding and safe driving throughout the nation. This could cause more delays.



## BEEF

Market is weaker. Total beef production for last week was down 5.9% versus prior week but was up 5.5% compared to same time last year. Year to date total beef production is up 6% compared to year-to-date 2020. Total headcount for last week was 623,000 as compared to 581,000 for the same week last year. Year to date headcount is 16,706,000 versus 15,841,000 for year-to-date 2020. Live weights for last week were down 4 lbs. from prior week and down 14 lbs. from same time last year. Production schedules have been reduced this week due to Holiday schedules. Demand is typically lighter as we move past the 4<sup>th</sup> of July. The surge in prices to near or at record highs for this time of the year has helped to slow demand and the market has been moving lower over the past several days with multiple items seeing large drops over the past two weeks. Select grade was the first

to see easing and now Choice graded product appears to be following the same trend. Availability is still mixed between packers with some packers still allocating some items based on their current inventories. Pasture conditions in the West and upper Mid-west are in poor condition when compared to the last few years. This could have an impact on herd reductions over the coming months. Beef exports have been strong with a large increase being seen by China.

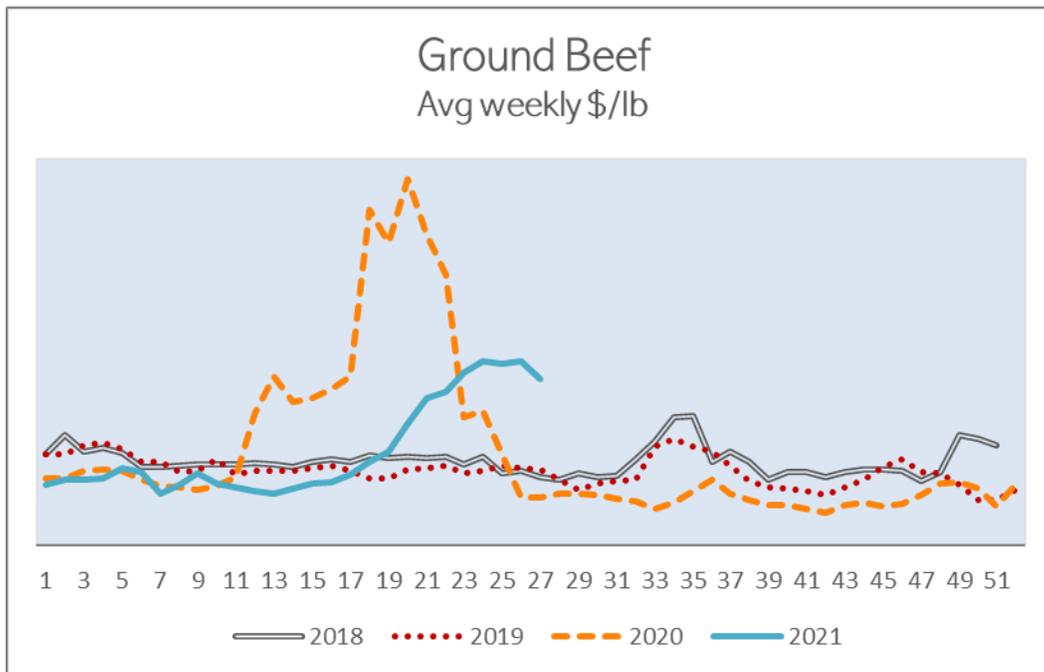
Grinds- Market is weaker. Buying activity leading up to the holiday was very good and has helped to keep pressure on the market for multiple weeks. The trend has reversed over the past few days with the market moving lower as we moved into this week. Availability is still limited between the packers with some still allocating product.

Loins- Market is weaker. The market has been moving lower over the past few weeks and this appears to be on trend with typical seasonal patterns with the market easing as we move through the 4<sup>th</sup> of July.

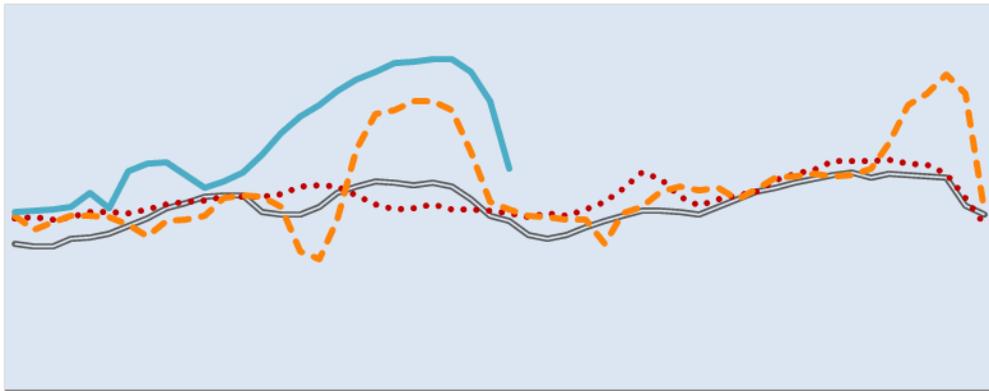
Rounds- Market is weaker. The market had been holding well above seasonal norms as we moved through late spring and into the summer but has been easing lower over the past few weeks. Buying activity is typically lighter as we move through the next few weeks.

Chucks- Market is steady to weaker. Buying activity has been seasonally lighter and this is helping to take pressure off the market.

Ribs- Market is weaker. The market has seen large drops the past several days as demand eases from the brisk pace seen over the past several weeks. Demand is typically seasonally lighter once we move past the 4<sup>th</sup> of July. There is now a large difference in pricing between Choice and Select grades unlike just a few short weeks ago when pricing was at the same levels for each with multiple packers.



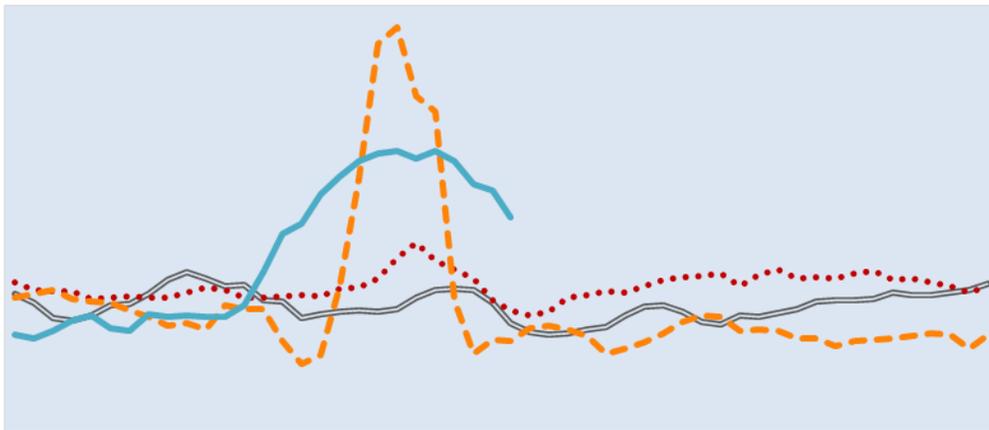
### Choice Ribeye Heavy Avg weekly \$/lb



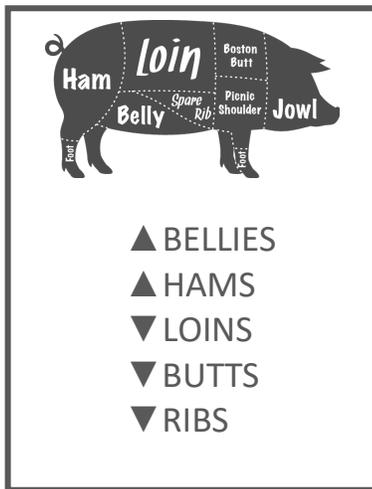
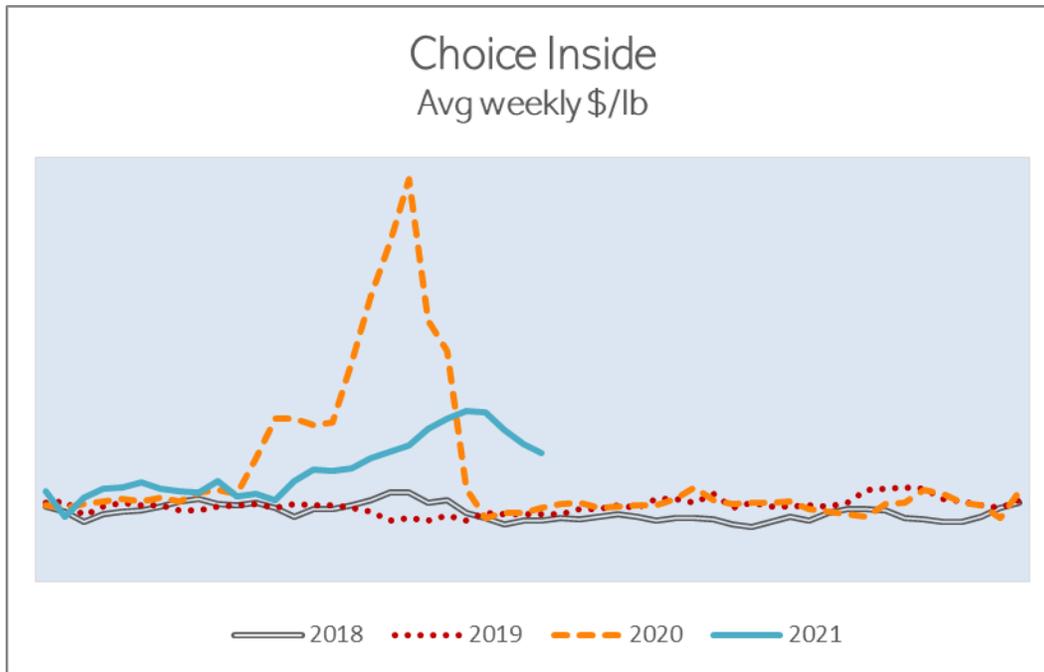
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

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

### Choice Brisket Avg weekly \$/lb



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



## PORK

Market is mixed. Total pork production for last week was down 3.7% versus prior week but was up 12.6% compared to same time last year. Year to date production is up 1.7% compared to year to date 202. Total headcount for last week was 2,282,000 as compared to 2,039,000 for the same week last year. Year to date headcount is 65,098,000 versus 64,324,000 for year-to-date 2020. Live weights for last week were down 1 lb. from prior week and up 2 lbs. from same time last year. Demand heading into the summer was strong on multiple items and helped 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 4<sup>th</sup> of July. Labor issues continue to be a concern at multiple plants along with transportation challenges. Pork exports have been very good again this year with exports expected to be almost 4% higher than prior year.

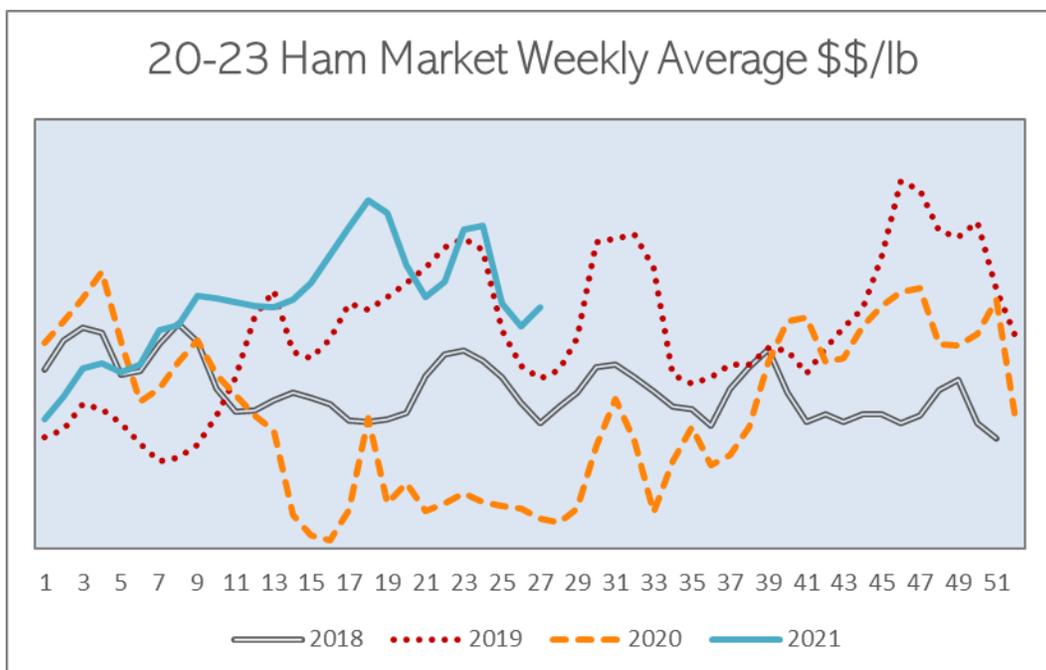
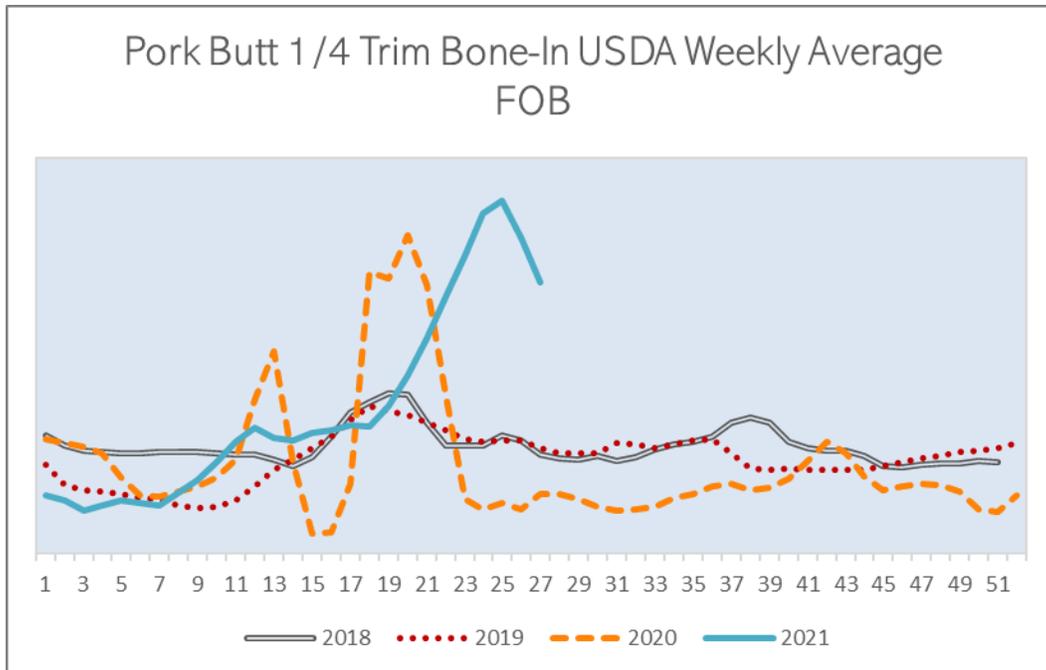
**Bellies-** Market is firmer. The market has moved much lower over the past few weeks as the recent pricing extremes helped to slow overall demand. The market has moved higher again this week as retail advertising is very good. Demand is typically seasonally good as we move through the summer. The market 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 firmer. The market has seen both higher and lower prices over the past couple weeks. The recent lower prices have helped to improve buying interest for both domestic and export demand. 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. Demand has continued to ease from the brisk pace seen just a few weeks ago. Demand is expected to be light as we move through the next few weeks.

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 typically seasonally lighter once we move past the 4<sup>th</sup> of July.

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 through July.





# CHICKEN

Market is mixed. Total headcount for last week was 172,326,000 as compared to 147,821,000 for the same week last year. Average weights for last week were 6.22 lbs. as compared to 6.15 lbs. for the same week last year. Chick placements on fryers for week ending 8/7/21 are estimated at 164.4 million headcounts. Placements for previous week were 164.3 million and same week last year was 156.3 million. Retail and foodservice business is reported to be moderate to strong on the West Coast and moderate across the rest of the country. Demand for WOGS and leg quarters is rated as steady. Volume on boneless breasts and wings is starting to show some weakness. Industry needs for tenders, wings, and boneless dark meat remains strong. Export demand for leg quarters and whole legs is reported as adequate. The supply side is still limited by labor issues and debone capacity. Floor stocks are sufficient to light depending on the plant. Market levels are unsettled across the major categories.

**WOGS-** Market is steady. Fast food QSRs and retail deli continue to do steady business on 8pc cutups and take-out meals. Small and large sizes are clearing well with limited spot loads hitting the market. Supply is in balance with demand.

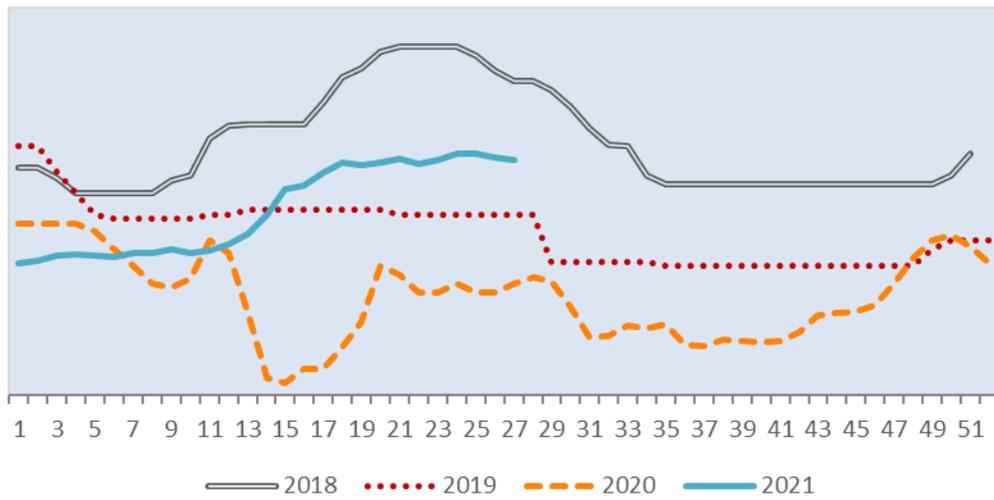
**Tenders-** Market is firm. Foodservice, QSR, and retail deli volume is outpacing the industry supply of tenders. Supply is limited by a lack of portioning due to labor issues. Market levels are the highest in recent years and prices continue to show strength.

**Boneless Breast-** Market is weaker. Retail and foodservice demand is moderate. Coming off the holiday, plants are starting to run full weekly production and more spot loads are being reported on medium and jumbo sizes. Select sized product is limited, but medium and jumbo sizes are becoming more available. Market had hit industry highs in May and has been trending downward for the past five weeks.

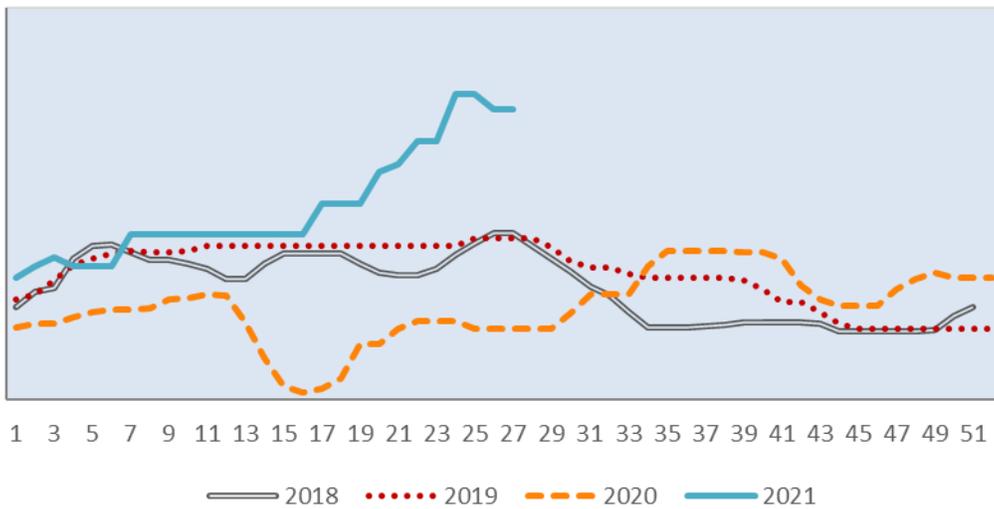
**Leg Quarters and Thighs-** Market is steady to firmer. Export activity for leg quarters remains consistent on a weekly basis. Domestic demand on drums, thighs, and leg quarters is steady and supported by the retail channel. Demand for boneless skinless thigh meat continues to be strong while supply is tight due to limited debone capacity. Supply remains adequate on bone-in parts; boneless skinless thigh meat is short.

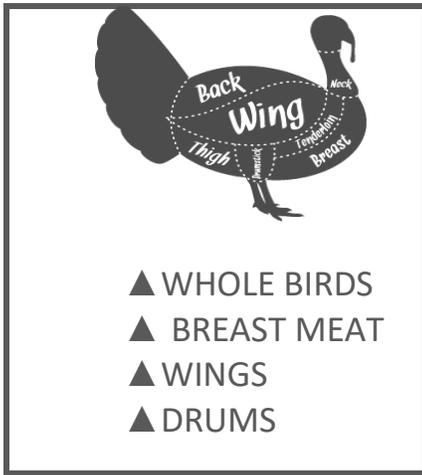
**Wings-** Market is steady. Consistent foodservice demand is keeping the market supported. Small, medium, and jumbo sizes are clearing well this week.

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



### Chicken Tenders Avg Weekly \$/lb





## TURKEY

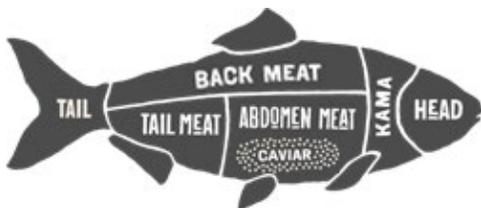
Market is steady to firm. Total headcount for last week was 3,335,000 as compared to 3,299,000 for the same week last year. Average weights for last week were 32.05 lbs. as compared to 32.20 lbs. for the same week last year. The market for frozen whole birds remains steady as Toms and Hens remain in a sold-out position. Very limited spot loads are being shown to the marketplace. Demand for breast meat, white trim, and tenders continues to be stable to good. Domestic business for parts is moderate to good on drums, thighs, and wings. Labor issues continue to limit production output and availability. Reduced production has floor stocks tight on most categories. 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 steady to firm. Toms and Hens remain sold up as suppliers are producing to cover holiday shipments. Spot loads are limited and held with confidence. Supply is tight.

**Breast Meat-** Market is steady to firmer. Foodservice and retail deli sales are moderate to good as consumers gravitate to cold cut sandwiches. 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 and export demand for whole wings is reported as moderate to good. Labor issues are limiting the number of total wings that can be harvested weekly. Supply is tight.

**Drums and Thigh Meat-** Market is steady to firmer. Domestic and export volume for back half parts and thigh meat remains very active this summer. Thigh meat demand is strong due to improved foodservice business and consumer demand for ground turkey. Supply is limited on bone in parts and tight on 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 common place. 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. May imports were the second highest on record and year to date through May are trending over 26% higher compared to last year.

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. The market is at record high levels.

Salmon- Market is mixed. The market for farmed salmon is mixed with both higher and lower markets between the growing regions around the world. The market for product from Chile is seeing upward pressure due to an active demand. Product of Europe has seen some downward pressure as we moved into this week with improved inventory levels for a fair 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.

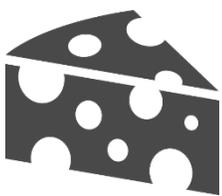
Pollock- Market is steady to firmer. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

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.

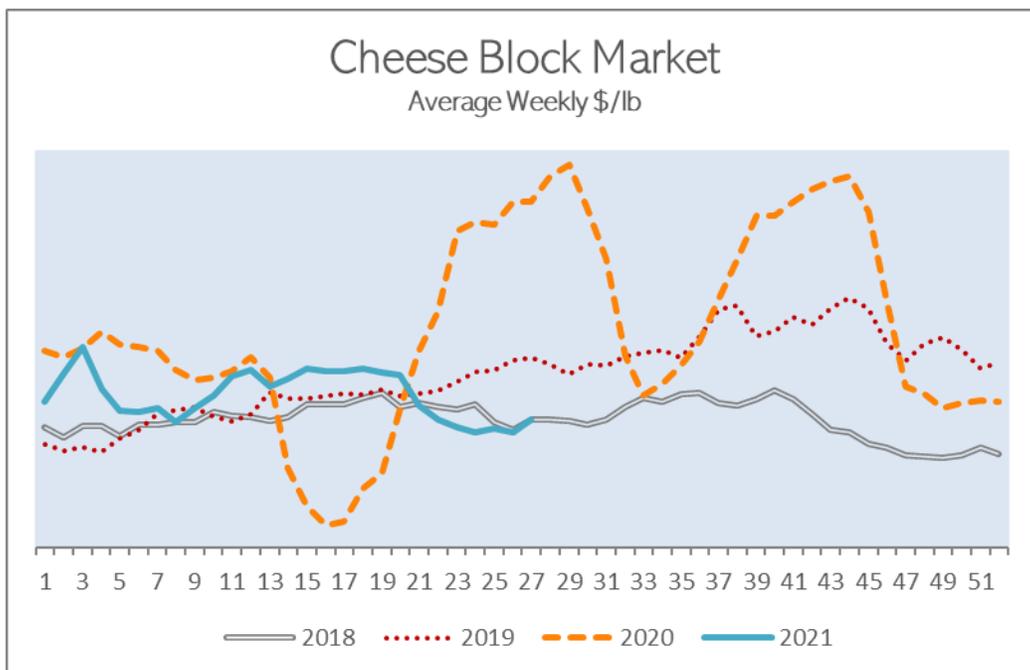
Scallops- Market is firm. The market for larger sized domestic product is firm with increased demand keeping pressure on the market. Inventories of U/10 product are very limited with record high pricing. New season product is making its way into the market, but reports are showing expectations of inventories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

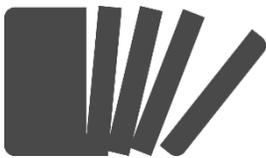
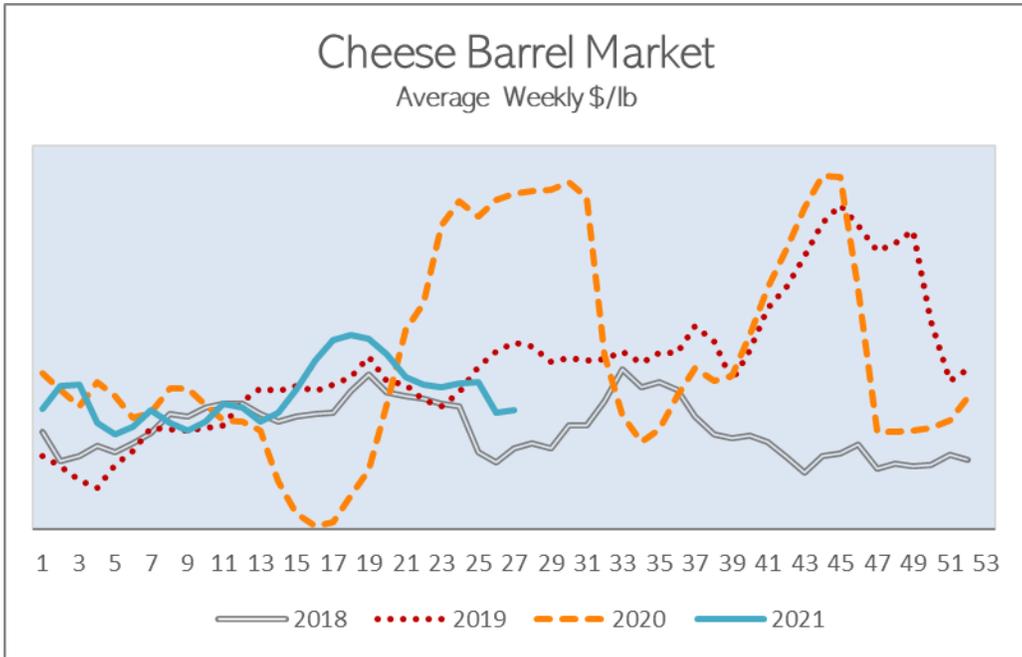


## DAIRY

### Cheese

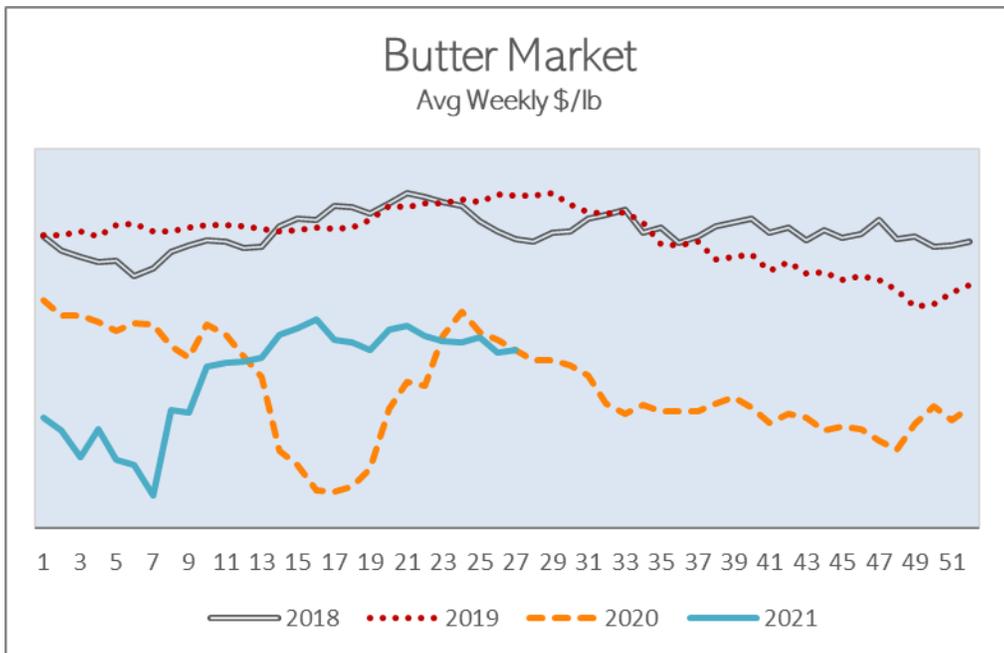
Market is firmer. The CME Block and Barrel markets have both inched higher as we moved through this week. Export interest has been improved and helping to move additional inventories. The recent lower prices have helped to improve demand for both Domestic and Export locations. Retail demand has been very good with advertising that has been improved. The severe drought conditions across the west combined with the extreme temps are a concern for production over the coming weeks. A shortage of drivers is causing concern in the west as delays are being reported for order deliveries.





## Butter

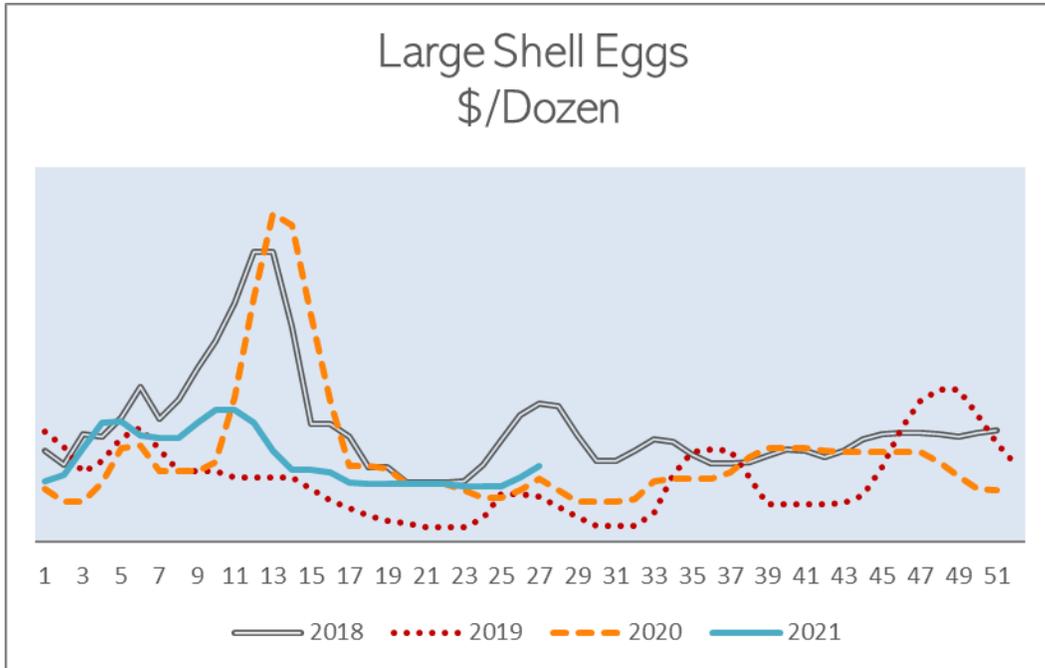
Market is steady. The CME Butter Market has been holding steady as we moved through mid-week. Retail demand is seasonally lighter while Foodservice demand has continued to improve. Cream supplies were more available during the holiday week helping to put additional raw material for churning. This has been helping to continue to build inventories as we moved into this week.





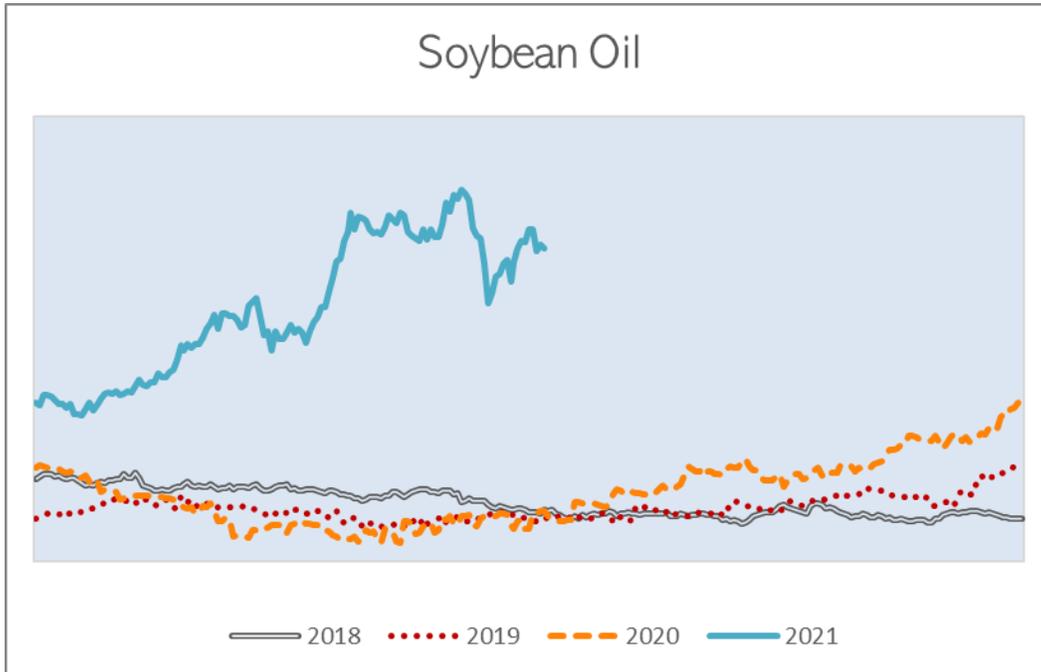
## EGGS

Market is steady to firmer. Retail and overall shell egg volume on the East Coast continues to trend stronger. West Coast and other regional business remain moderate. Promotional activity in the retail channel is starting to improve. Foodservice demand continues to trend higher. 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 down 3.9% over last week.



## SOY OIL

Market is unsettled. Soybean markets and futures trended slightly lower over the last week. Reports on planted acreage of soybeans and corn were released last 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 continue 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. The focus of the industry has now turned its attention to rainfall and growing conditions across the country. Soybean supply remains tight in the United States and South America. Market remains at high levels 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.