



# Market Report

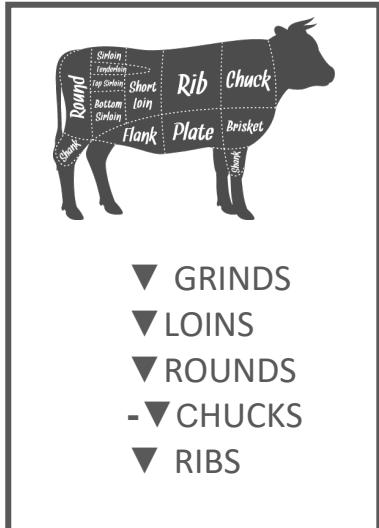
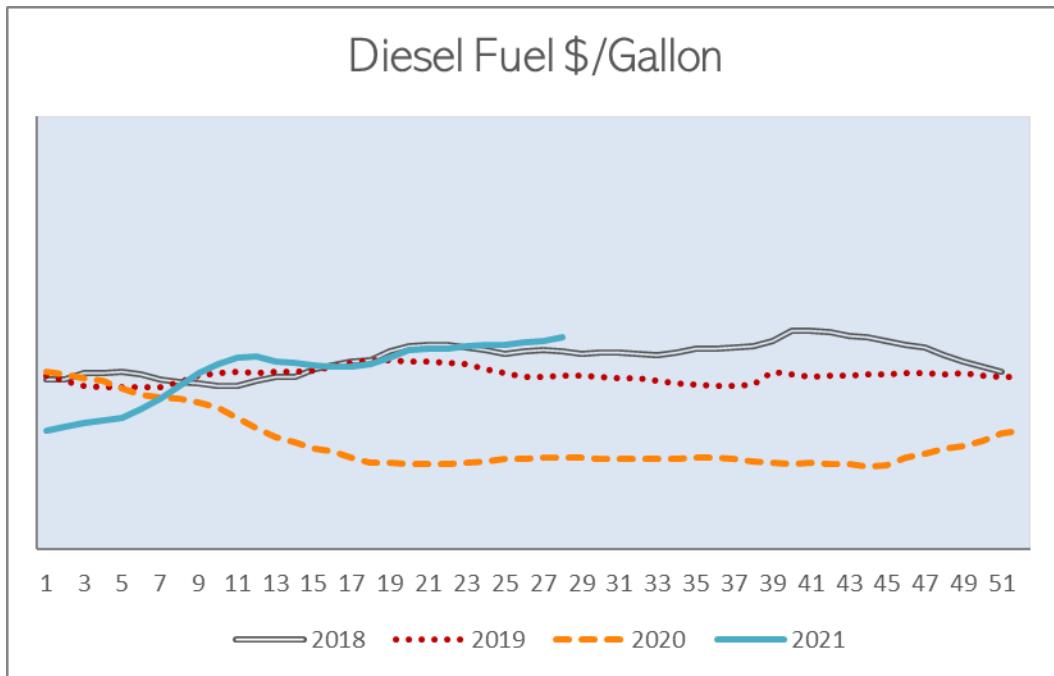
Week Ending July 16, 2021



*\*\*Graphs represent data for the week ending July 9, 2021\*\**



## LOGISTICS



## BEEF

Market is weaker. Total beef production for last week was down 7.3% versus prior week and was down 12.7% compared to same time last year. Total headcount for last week was 582,000 as compared to 649,000 for the same week last year. Live weights for last week were down 4 lbs. from prior week and down 15 lbs. from same time last year. Production schedules were lighter last week due to holiday schedules. The recent high prices helped to slow overall demand as advertising has been lighter over the past several weeks due in part to the record high prices seen on multiple cuts. The market has seen large declines on multiple cuts over the past few weeks. Select grade was the first to see easing and now Choice graded product appears to be following the same trend. 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.

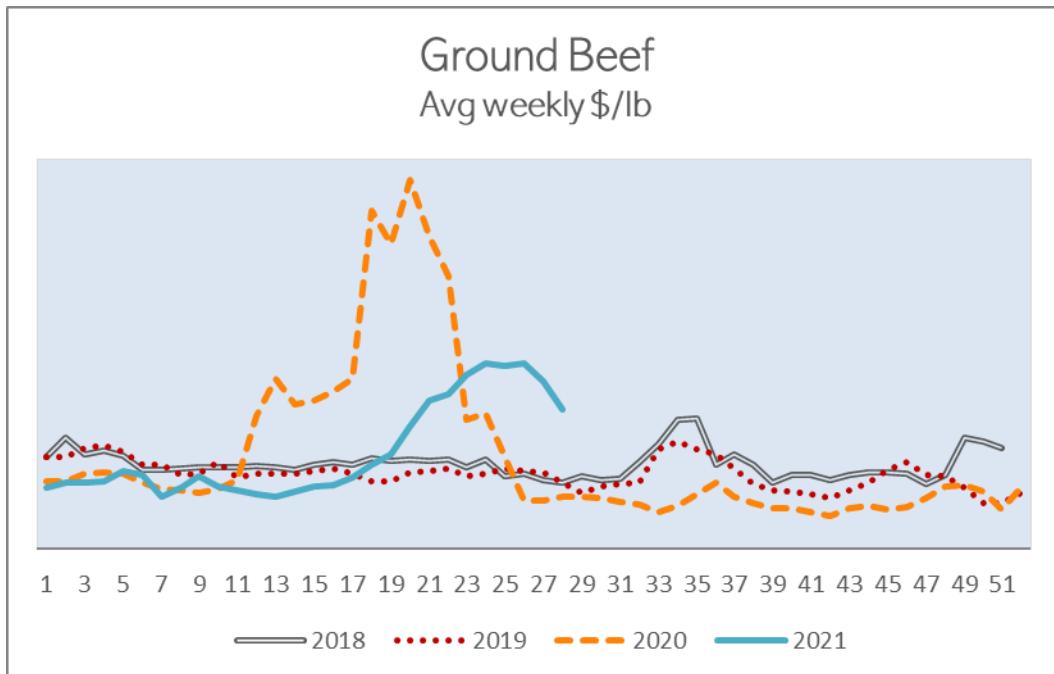
**Grinds-** Market is weaker. Demand has continued to ease as we moved into this week and the market has pushed lower as this week progressed.

**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 past the 4<sup>th</sup> of July.

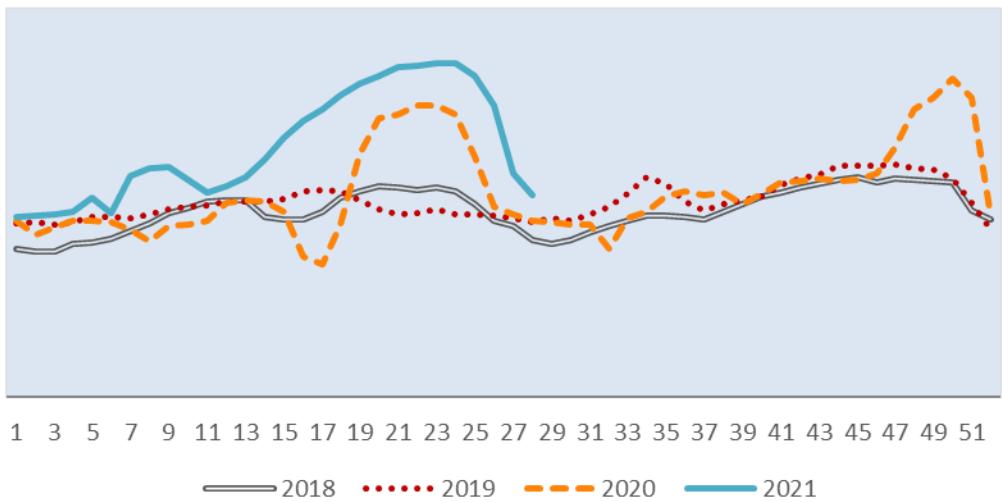
Rounds- Market is weaker. The market had been holding well above seasonal norms as we moved through late spring and into the summer but has been easing lower over the past few weeks. Buying activity is typically lighter as we move through the next few weeks.

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

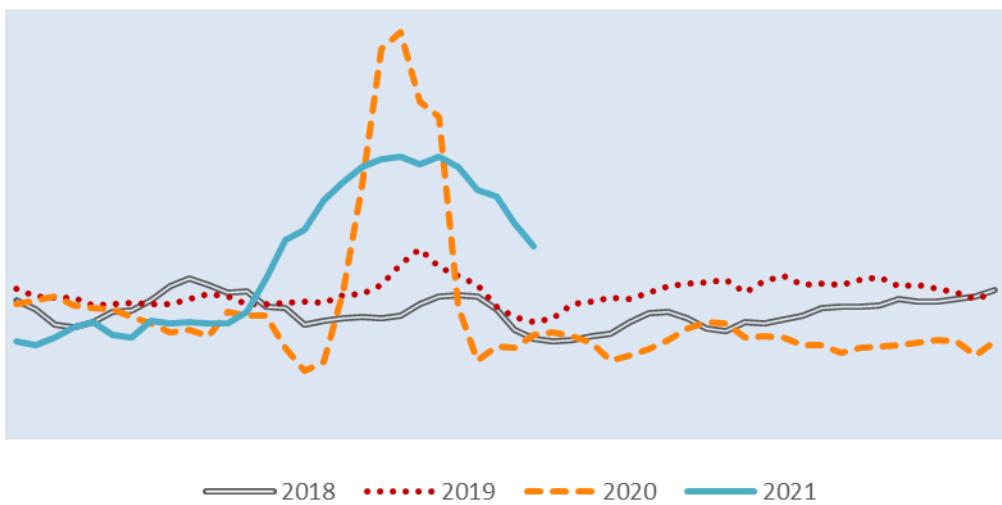
Ribs- Market is weaker. The market has seen large drops the past few weeks as demand eases from the brisk pace seen over the past few months. Demand is typically seasonally lighter now that we have moved past the 4<sup>th</sup> of July. Large gaps in prices between Select and higher grades have developed where just a few weeks ago pricing was on par with each other.



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

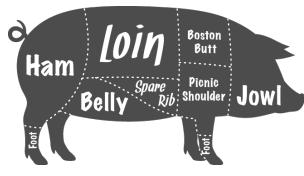
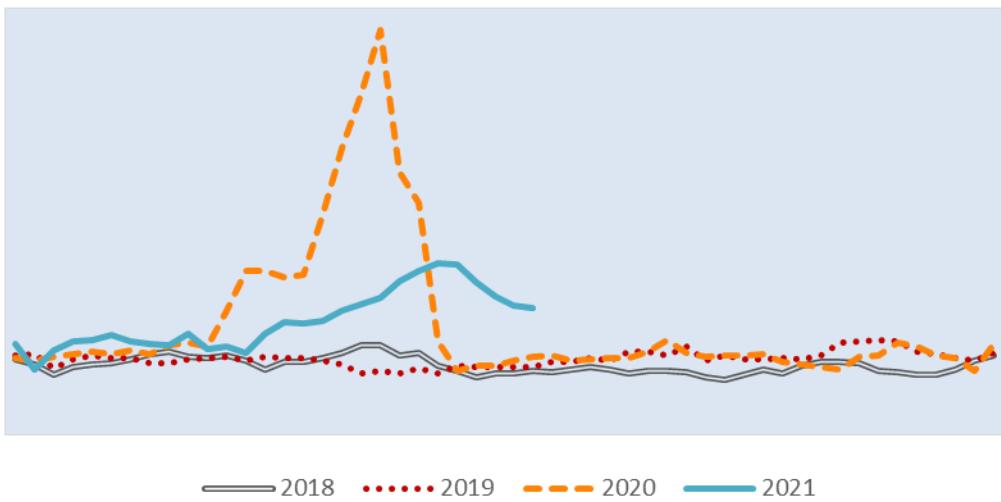


### Choice Brisket Avg weekly \$/lb



## Choice Inside

Avg weekly \$/lb



- ▲ BELLIES
- ▲ HAMS
- ▲ LOINS
- ▼ BUTTS
- ▼ RIBS

## PORK

Market is mixed. Total pork production for last week was down 16.2% versus prior week and was down 26.3% compared to same time last year. Total headcount for last week was 1,923,000 as compared to 2,597,000 for the same week last year. Headcount vs prior year has been decreasing for the past few weeks and we are now into the 6<sup>th</sup> straight week of declines. 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 weeks 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 now that we are 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.

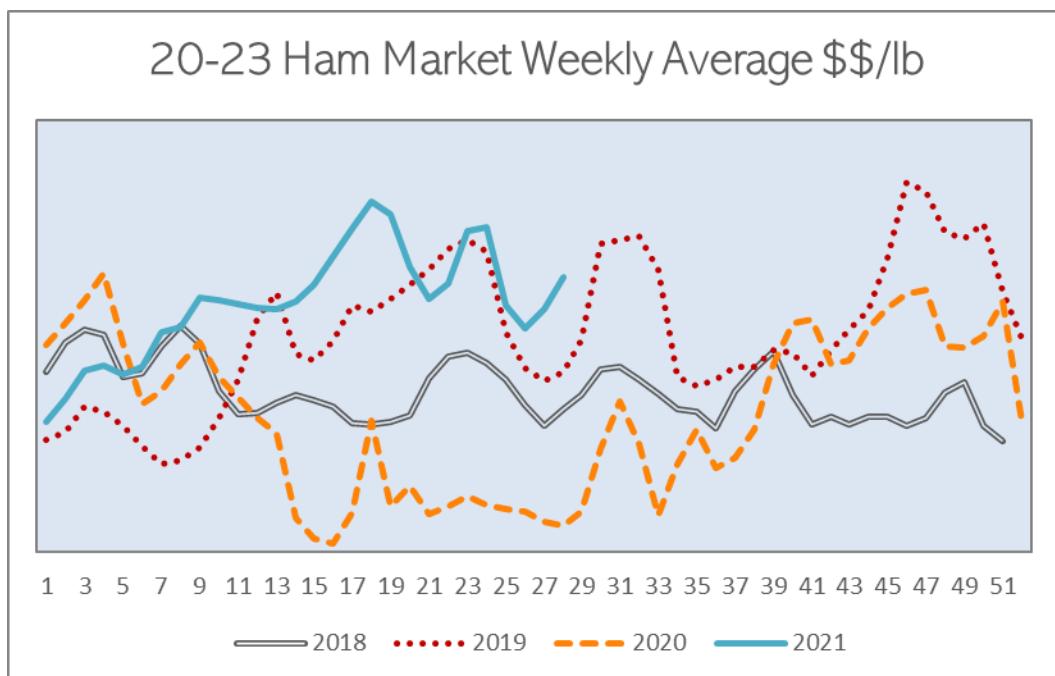
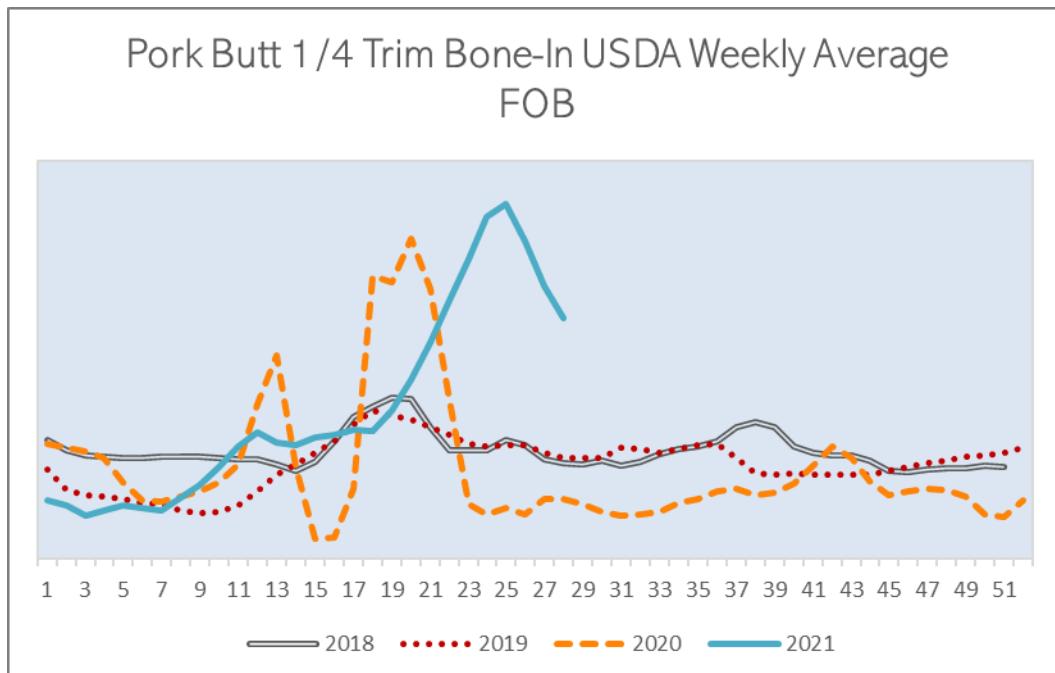
**Bellies-** Market is firmer. The market has moved higher again this week with good advertising being reported across much of the country. Demand is typically seasonally good as we move through the summer. The market is expected to be more unsettled as we move through the coming weeks due to the limited 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 firmer. This week has seen availability more mixed between suppliers and the market push back higher as we moved through this week.

Butts- Market is weaker. Seasonal demand had 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 now that we have moved 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. This market has seen a large change in the market over the past few weeks. Demand is expected to be lighter as we move through July.



# CHICKEN



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

Market is mixed. Total headcount for last week was 146,850,000 as compared to 165,184,000 for the same week last year. Average weights for last week were 6.44 lbs. as compared to 6.29 lbs. for the same week last year. Chick placements on fryers for week ending 8/14/21 are estimated at 164.0 million headcounts. Placements for previous week were 164.4 million and same week last year was 149.6 million. Retail and foodservice business is moderate-to-soft across the different regions of the country. Demand for WOGS and 8pc cutups is steady for the current week. Volume on boneless breasts, wings, and other parts is moderate to light. Demand for tenders and boneless dark meat is holding strong. Export activity for leg quarters and whole legs is steady. The supply side remains challenged by labor issues and debone capacity. Floor stocks are sufficient to light depending on the plant. Overall number of birds being processed is improving by small increments on weekly basis.

**WOGS-** Market is steady. The consumer trend of take-home meals has really supported this category. Fast food QSRs and retail deli continue to do steady business on 8pc cutups and rotisserie chickens. Small and large sizes are clearing well with limited spot loads being reported. Supply is in balance with demand and the market is stable.

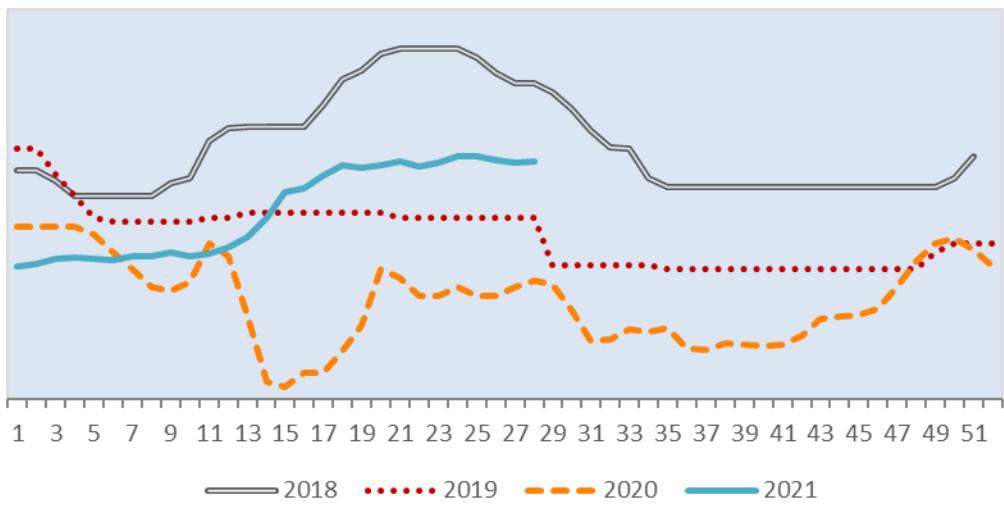
**Tenders-** Market is steady to firm. Demand from the foodservice and QSR channels is keeping the industry supply of tenders sold up. Supply continues to be limited by a lack of portioning due to labor issues. Market levels remain high but appear to have plateaued.

**Boneless Breast-** Market is steady to weaker. Retail and foodservice demand is moderate to soft. As plants improve throughput, the impact on boneless breast is immediate. 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 six weeks.

**Leg Quarters and Thighs-** Market is steady. Export activity for leg quarters remains status quo. Domestic demand on drums, thighs, and leg quarters remains steady. The call for boneless skinless thigh meat continues to be strong while supply side remains tight due to limited debone capacity. Supply is available on bone-in parts and boneless skinless thigh meat is short.

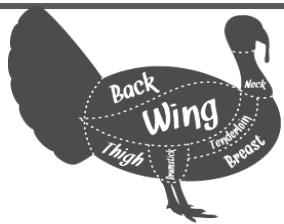
**Wings-** Market is steady to weaker. Foodservice demand is the key driver of the wing category. The consumer trend of carryout meals and wings as a side appetizer remains strong. Small, medium, and jumbo sizes continue to clear well.

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



### Chicken Tenders Avg Weekly \$/lb





- ▲ WHOLE BIRDS
- ▲ BREAST MEAT
- ▲ WINGS
- ▲ DRUMS

## TURKEY

Market is steady to firm. Total headcount for last week was 3,068,000 as compared to 4,372,000 for the same week last year. Average weights for last week were 32.35 lbs. as compared to 31.74 lbs. for the same week last year. Frozen whole birds are a sold-up category with very limited spot loads being shown to the marketplace. Demand for breast meat, white trim, and tenders continues to be moderate to strong. Domestic business on bone-in parts is moderate on drums, thighs, and wings. Labor issues continue to be a major factor in production output and availability. Limited production has floor stocks tight on the key categories. 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. Toms and Hens remain limited 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 firm. Domestic demand from foodservice and retail deli remains moderate to good this summer season. Supply remains limited and allocations continue to be reported.

**Wings-** Market is steady. Domestic demand for 2 joints and export demand for whole wings remains moderate. With tight production schedules, there is a limited supply of wings available.

**Drums and Thigh Meat-** Market is steady. Domestic and export volume for back half parts and thigh meat appears to have peaked. Thigh meat demand is strong, and supply is tight due to debone capability. Supply remains 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 commonplace. The price increases have increased in larger levels over the past week as available raw materials continues to shrink. The Texas Parks & Wildlife have opened additional waters for fishing as of July 15<sup>th</sup>.

**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 firmer. The market for product from Chile is seeing upward pressure due to an active demand and availability is mixed between suppliers. Product of Europe is seeing improved buying activity as we moved into this week, and this is helping to push the market higher. 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.

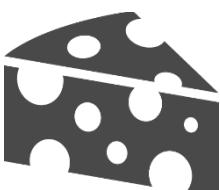
Pollock- Market is steady to firmer. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

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.

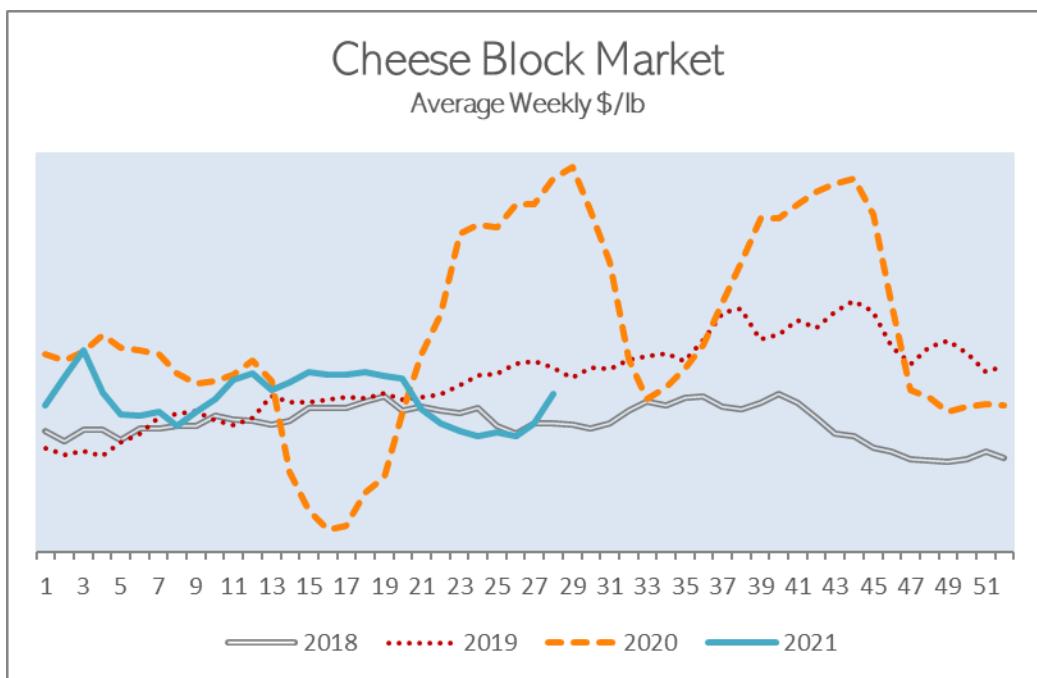
Scallops- Market is firm. The market for larger sized domestic product is firm with increased demand keeping pressure on the market. Inventories of U/10 product are very limited with record high pricing. New season product is making its way into the market, but reports are showing expectations of inventories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

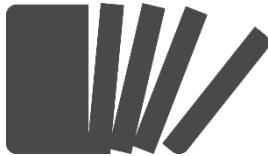
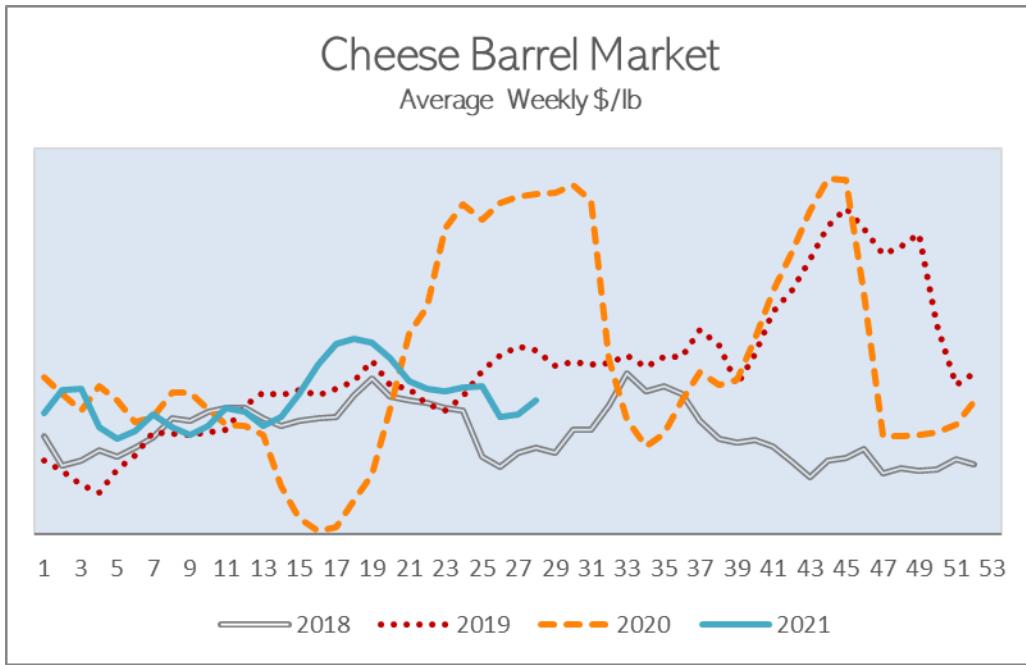


## DAIRY

### Cheese

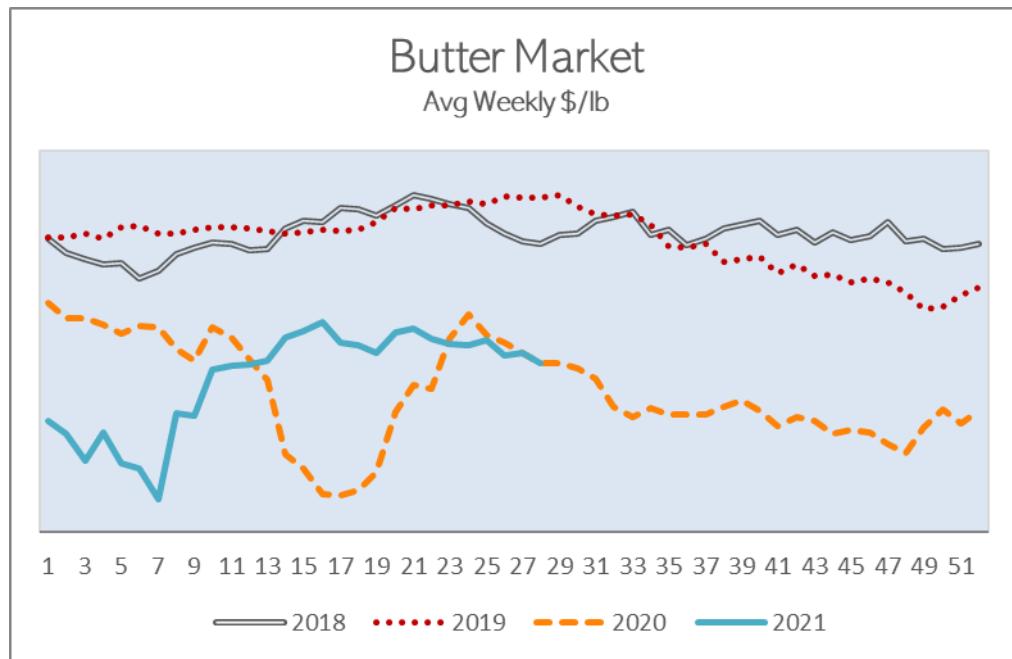
Market is firmer. The CME Block and Barrel markets have both inched higher again as we moved through this week. Export interest has been very good and helping to move additional inventories. The recent lower prices have helped to improve demand for both Domestic and Export locations. Retail demand has 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. Labor remains a concern in multiple plants across the country impacting not only production but also logistics.





## Butter

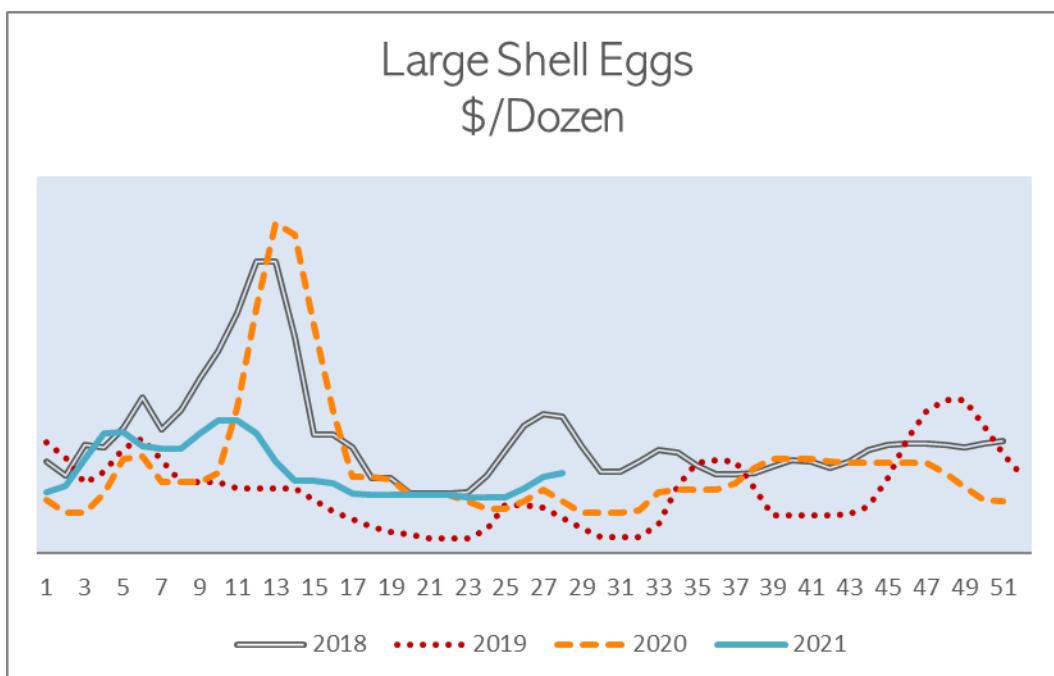
Market is mostly steady. The CME Butter Market has moved both higher and lower as we moved through this week. Cream availability is tightening across the country. Retail advertising has picked up and butter promotions have become more common as we moved into this week. Foodservice demand is starting to soften from the brisk pace that has been seen for the past several weeks as most inventories have been refilled.





## EGGS

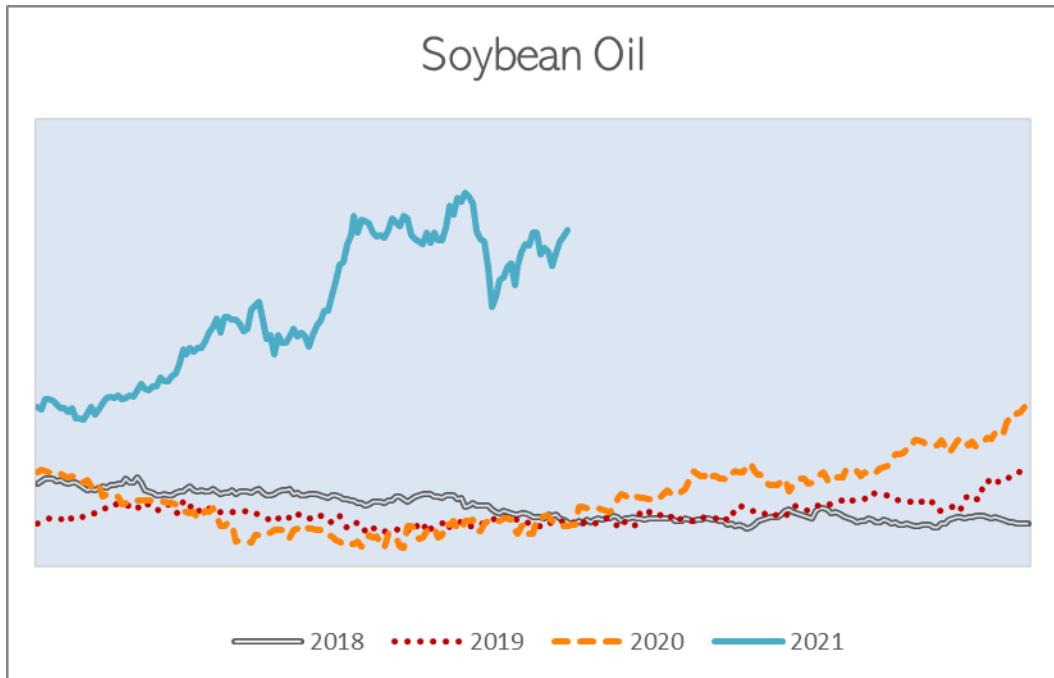
Market is firmer. Retail and shell egg volume on the West Coast and East Coast is reported as moderate to strong. Regional promotional activity for the retail channel remains consistent. Foodservice demand continues to be reported as moderate to improving. Fast food sales remain steady for this time of year. Supply is available on both medium and large sizes. Market is trending higher on medium sizes and higher on large sizes. National weekly shell egg inventory reports shell egg inventory down 1.4% over last week.



## SOY OIL

Market is steady to firmer. Soybean markets and futures trended higher over the last week. There is additional pressure on the market since the recent United States crop report showed planted acreage of soybeans and corn to be less than estimated. 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. With biodiesel now a major factor, there is more attention to the EPA future announcement on blending information for 2022. 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.