



DEARBORN
Marketplace



Market Report

Week Ending July 30, 2021

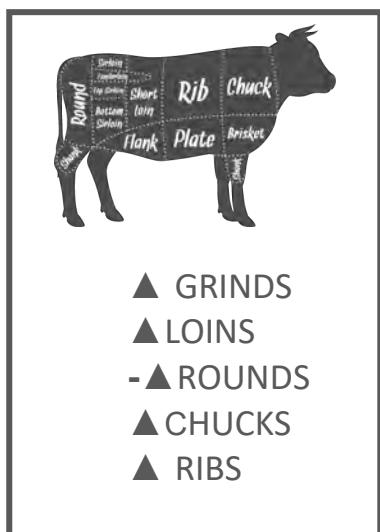
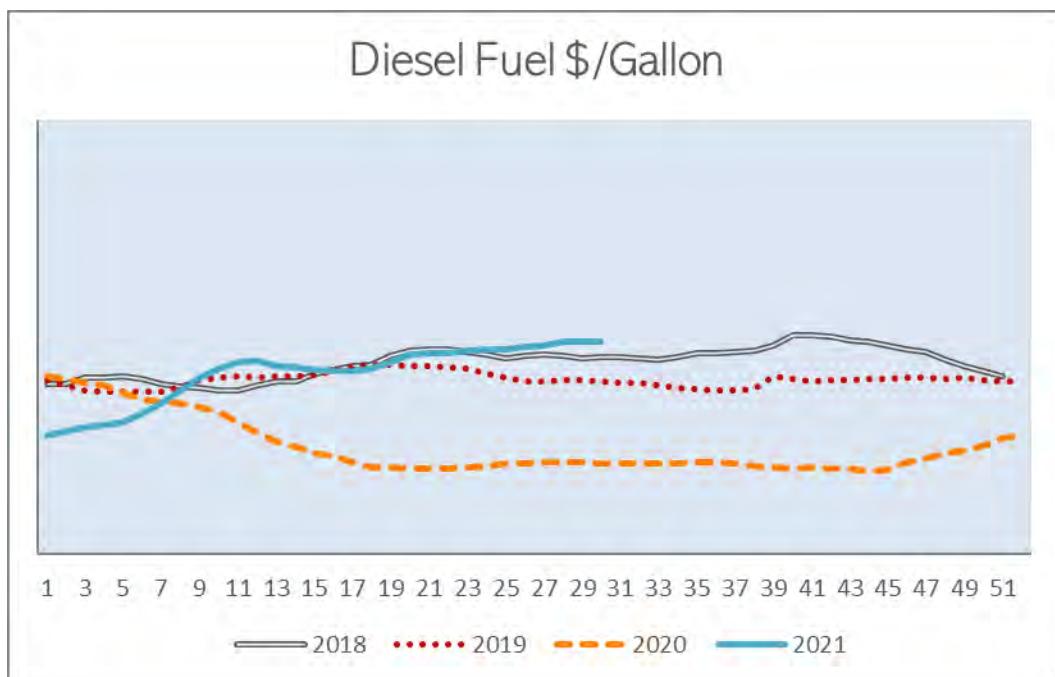


Graphs represent data for the week ending July 23, 2021



LOGISTICS

Fuel concerns in certain parts of country are due to driver shortages which has been an ongoing challenge in the US and around the world. Fuel markets are particularly constrained since driving a fuel truck requires special hazmat certifications and entails more risk. To meet the labor shortage, trucking companies have had to significantly increase driver pay, from sign-on bonuses to higher salaries to added incentives, and that is causing fuel costs to rise as well. Average truckload rates ex-fuel (weighted average of contract and spot) was 15% higher year over year in June according to Cass Information Systems. The trend for July shows higher rates as well.



BEEF

Market is firmer. Total beef production for last week was down 0.2% versus prior week and was down 0.6% compared to same time last year. Total headcount for last week was 652,000 as compared to 640,000 for the same week last year. Live weights for last week were up 2 lbs. from prior week but down 20 lbs. from same time last year. The drop in prices from the highs that had been seen for several months has helped to spur additional demand and promotional opportunities. Promotional activity typically starts to pick up over the next few weeks with Labor Day a few weeks away. 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. Cow liquidation has already increased, and YTD is trending 20% higher than the 3-year average.

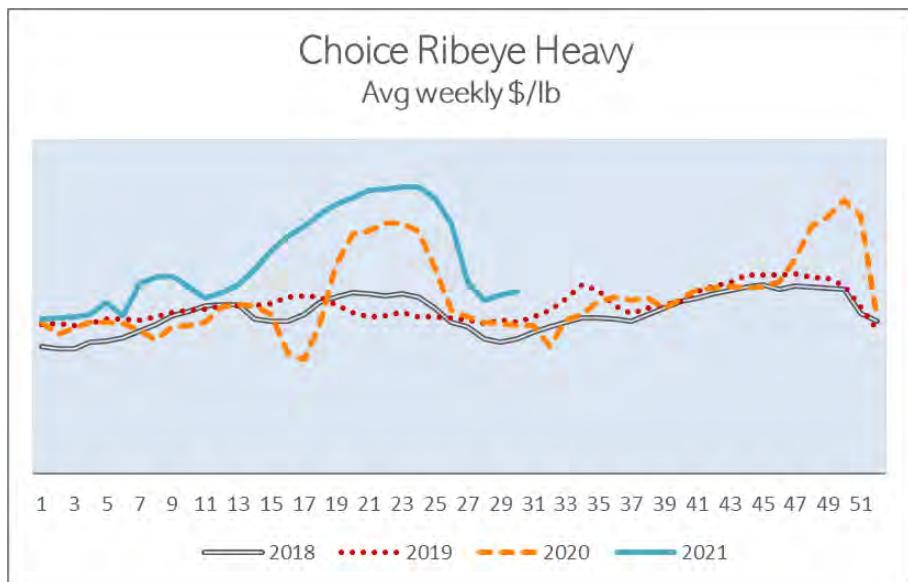
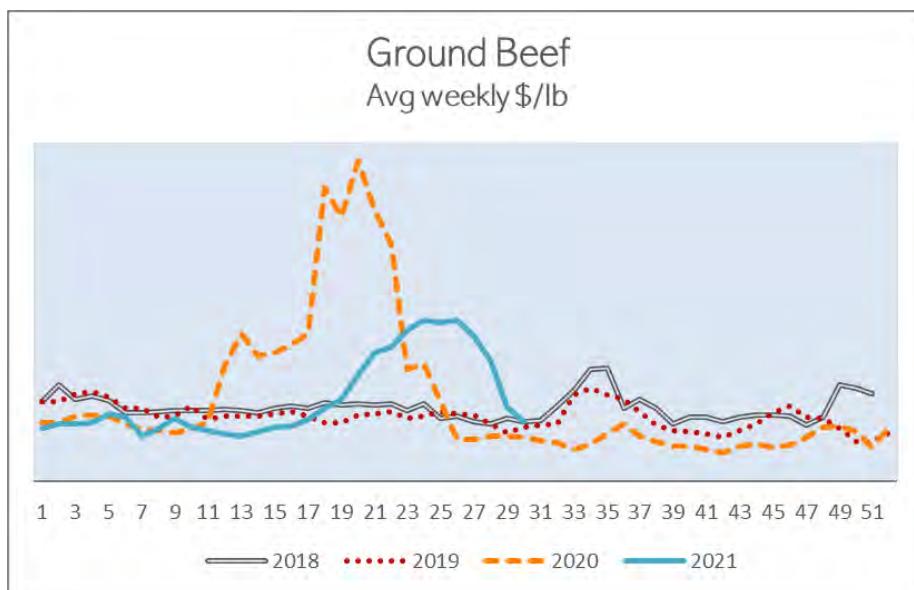
Grinds- Market is firmer. Lighter production and improved buying activity have helped to put upward pressure on the market.

Loins- Market is firmer. The market has seen upward pressure as we moved into this week with larger gaps in pricing developing between packers based on available inventories. Even with the larger drops in the market over the prior weeks the market is still trending above the 3-year average on some cuts.

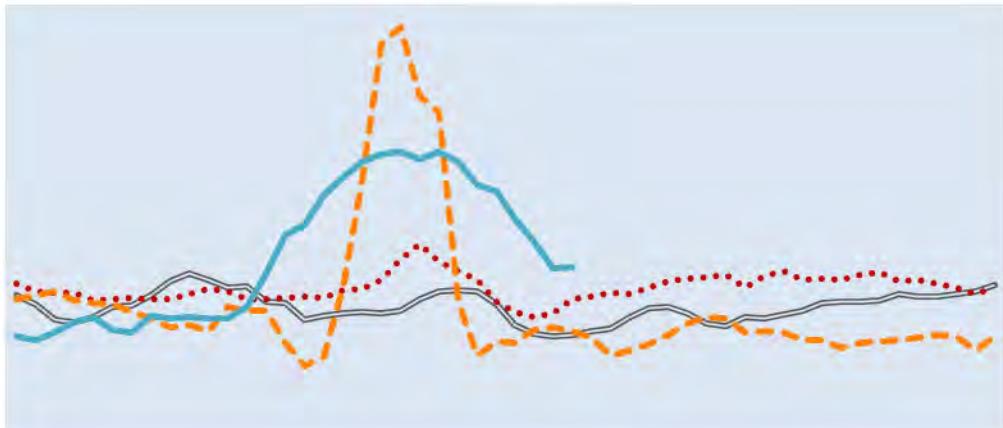
Rounds- Market is steady to firmer. Demand is seasonally lighter but the lighter production numbers are helping to keep pressure on the market.

Chucks- Market is firmer. The market has seen the market inch higher as this week has progressed.

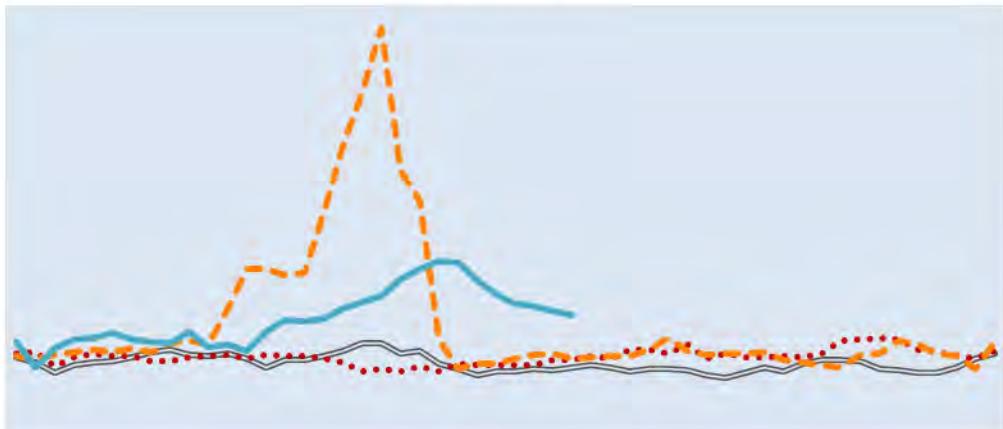
Ribs- Market is firmer. Buying interest has been improving over the past several days as the market has seen sharp drops in prices from a few short weeks ago. This week has seen multiple cuts move higher as this week has progressed.

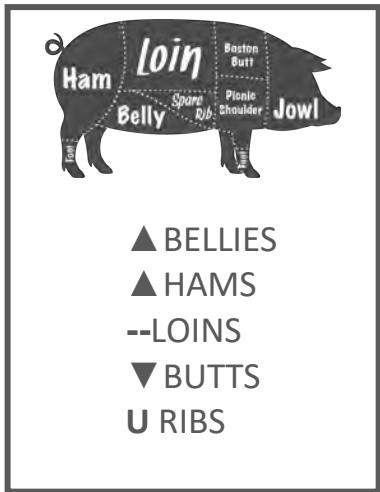


Choice Brisket
Avg weekly \$/lb



Choice Inside
Avg weekly \$/lb





PORK

Market is mixed. Total pork production for last week was up 2% versus prior week but was down 10.1% compared to same time last year. Total headcount for last week was 2,332,000 as compared to 2,576,000 for the same week last year. Live weights for last week were down 1 lb. from prior week and down 2 lbs. from same time last year. Headcount vs prior year has been decreasing for the past few weeks and this combined with lighter weights is making less available production in the market compared to prior year. Demand heading into the summer was strong on multiple items and helped to push the market higher on multiple cuts for several weeks. This trend has reversed with multiple cuts seeing large decreases in the market from 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. 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 over the past few weeks with good advertising being reported across much of the country. Demand is typically seasonally good as we move through the summer. Over the coming weeks, the market is expected to be more unsettled due to the limited available labor for processing and production typically drops.

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 mostly steady. Available inventories vary between suppliers with boneless items still being a challenge for some packers

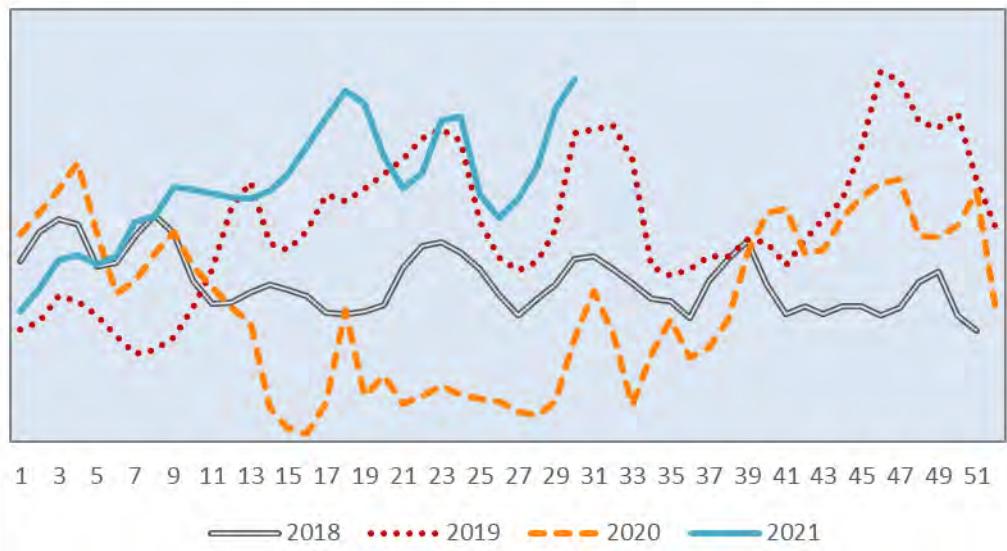
Butts- Market is weaker. Demand has been seasonally lighter but buying demand had also eased as pricing shot to extreme highs a few weeks ago. Even with the recent sharp drop some items remain 50% higher than same time last year.

Ribs- Market is unsettled. The market has seen multiple days of downward pressure after being at record highs for multiple weeks. The record high pricing had helped to slow buying interest and is helping to put pressure on the market. This market has seen a large change over the past few weeks. The sharp decrease in prices has helped to improve buying activity recently and this week has seen upward pressure starting to develop by mid-week.

Pork Butt 1/4 Trim Bone-In USDA Weekly Average FOB



20-23 Ham Market Weekly Average \$\$/lb



CHICKEN



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

Market is mixed. Total headcount for last week was 170,063,000 as compared to 163,998,000 for the same week last year. Average weights for last week were 6.39 lbs. as compared to 6.16 lbs. for the same week last year. Chick placements on fryers for week ending 8/28/21 are estimated at 162.7 million headcounts. Placements for previous week were 162.6 million and same week last year was 165.6 million. Retail and foodservice business is reported as fair across the country. Market demand for WOGS and 8pc cutups remains steady for the current week. Demand for tenders is rated strong. Activity on boneless breasts, wings, and dark meat items is being reported as moderate to weaker. Export activity for leg quarters and whole legs remains stable. Labor issues are still a major problem as plants will gain workers one week and lose workers the following week. These labor problems are causing production issues with front half debone, portioning, and further processing.

Floor stocks are sufficient to light depending on the plant. Market levels are holding firm on tenders and starting to show signs of weakness on boneless breast and wings.

WOGS- Market is steady. Demand from fast food and retail deli remains stable on 8pc cutups and rotisserie chickens. Small and large sizes continue to clear well on a weekly basis with limited spot loads being reported. Supply is in balance with demand.

Tenders- Market is steady to firm. Retail, foodservice, and QSR business remains steady. Supply is limited to the number of tenders that can be deboned on a weekly basis.

Boneless Breast- Market is weaker. Retail and foodservice demand is trending weaker. Market activity for spot loads is starting to improve. Select sized product is limited, while medium and jumbo sizes are more available. Market is showing some signs of weakness as we progress through the summer.

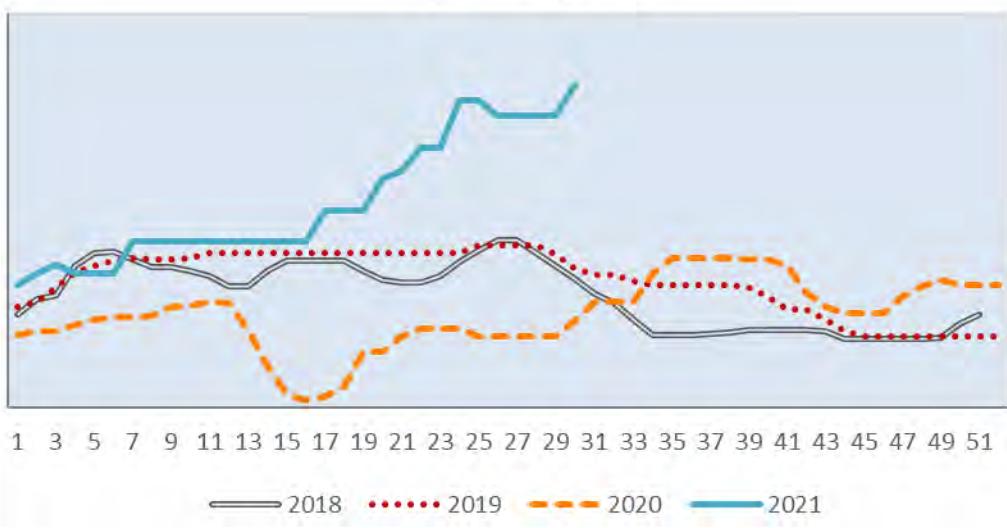
Leg Quarters and Thighs- Market is steady. Export activity for leg quarters remains steady week over week. Domestic demand on drums, thighs, and leg quarters remains steady with the retail channel. Demand for boneless skinless thigh meat continues to be strong. The supply side remains tight due to limited debone capacity. Supply is available on bone-in parts and boneless skinless thigh meat is short.

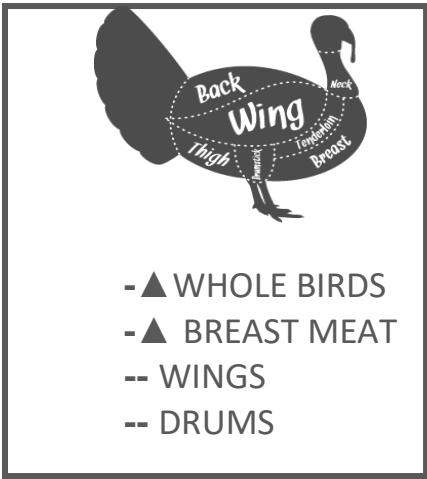
Wings- Market is steady to weaker. Foodservice and retail demand is stable enough to keep supply moving on all sizes. Small, medium, and jumbo sizes continue to clear well. Market is showing some signs of weakness but remains at high levels for this time of year.

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 3,907,000 as compared to 4,421,000 for the same week last year. Average weights for last week were 31.29 lbs. as compared to 31.94 lbs. for the same week last year. Frozen whole birds remain a sold-out category and very few spot loads are being offered. Demand for breast meat, white trim, and tenders is reported as moderate to strong. Domestic business is moderate to fair on drums, thighs, and wings. Export volume continues to be strong enough to support the market on back half parts. Labor issues remain a weekly challenge which is limiting production output and product availability. Limited production has floor stocks tight on the key categories. 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. Suppliers are producing to cover holiday shipments and any spot loads are held with confidence. Supply is tight.

Breast Meat- Market is steady to firm. Foodservice and retail deli business is reported as moderate to good this summer. Demand from further processors is moderate to good. Supply remains tight on white meats and market remains well supported.

Wings- Market is steady. Domestic demand for 2 joints and export demand for whole wings is rated as moderate to good. Tight production schedules are keeping the supply side limited.

Drums and Thigh Meat- Market is steady. Domestic and export volume for drums and thighs is moderate. Demand for boneless dark meat and thigh meat remains strong and supported by further processors. Supply is limited by debone capacity. Supply remains limited on bone in parts and tight on thigh meat.



SEAFOOD

Gulf Shrimp- Market is steady but firm. Inventories have been light for several months and allocations have become commonplace. The National Marine Fisheries Service reported that landings for the month of June were up 2.94% over prior year and year to date through June total landings are 10.6% above prior year to date.

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.

White Shrimp- Market is mixed. The market for product of Latin America has seen downward pressure as we moved into this week due to availability of product from Ecuador helping to improve inventories from the region. 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. 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. This market has been firm for several months due to the limited availability and strong demand.

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. Low production the past few years and seasonal closures are keeping pressure on availability. 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 into this week as a lighter demand has helped to improve inventories that have been light for several weeks. 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.

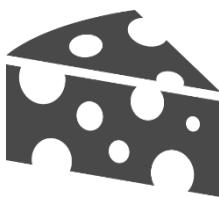
Pollock- Market is steady to firmer. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

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.

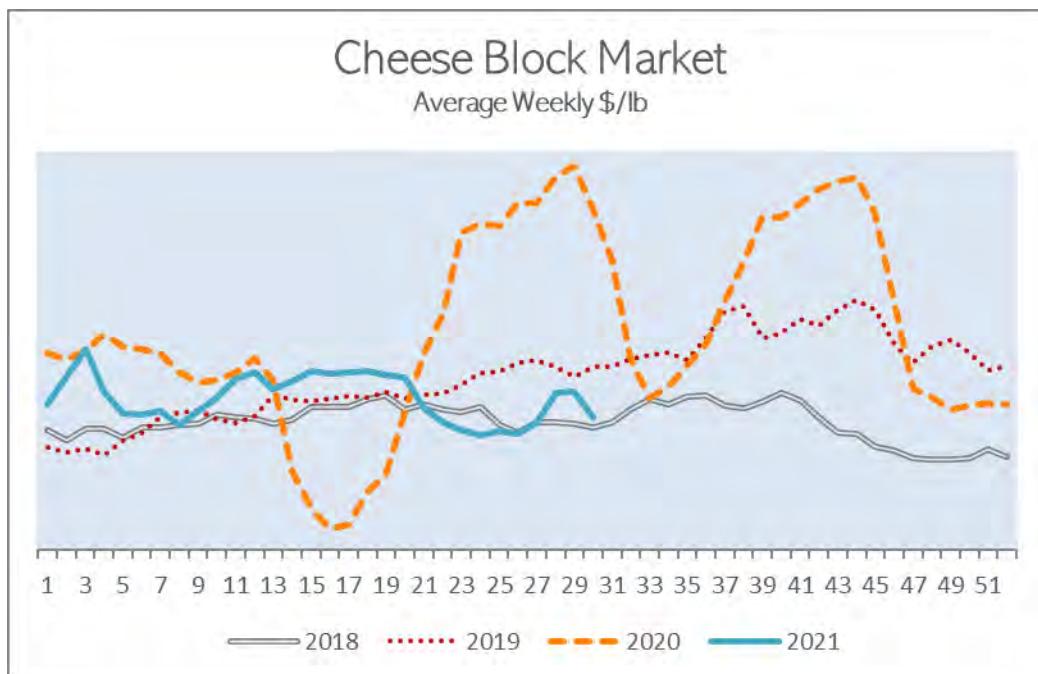
Scallops- Market is firm. The market for larger sized domestic product is firm with increased demand keeping pressure on the market. Inventories of U/10 product are very limited with record high pricing. New season product is making its way into the market, but reports are showing expectations of inventories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

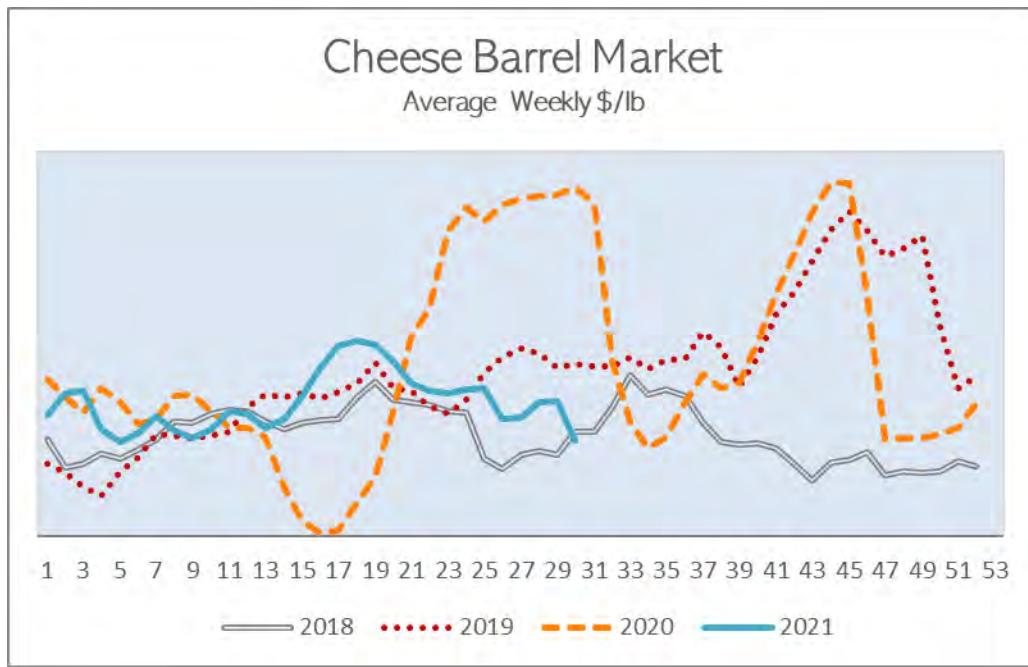


DAIRY

Cheese

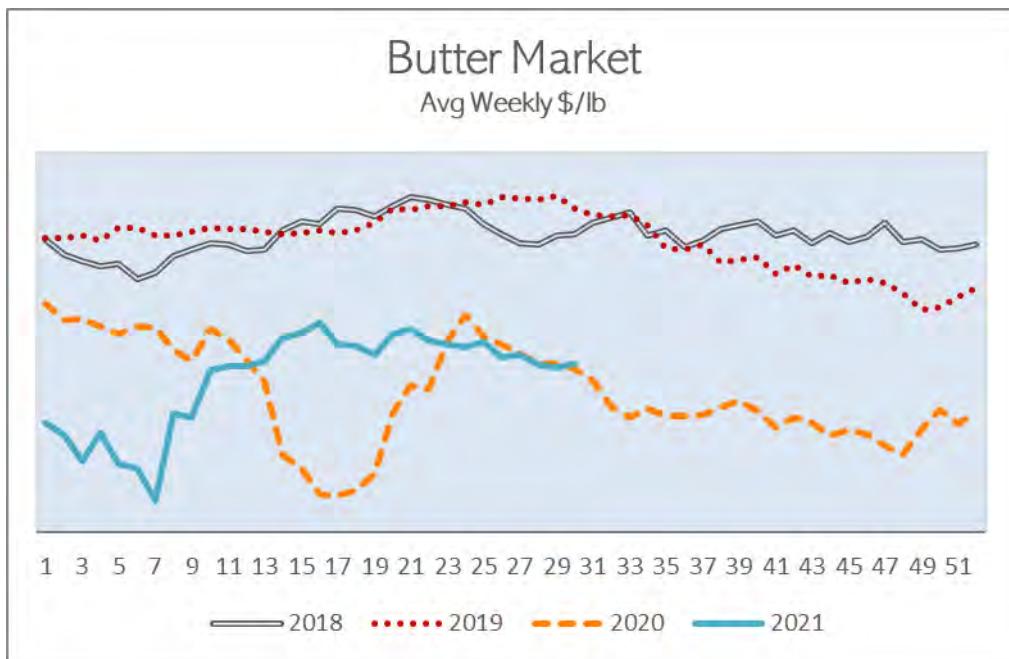
Market is firmer. The CME Block and Barrel markets have both inched higher again as we moved through this week. Demand has been good and putting pressure on the market. Some producers are at max production and are expecting some items to be more limited in availability as we move into August. Export interest has been very good 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. Labor remains a concern in multiple plants across the country impacting not only production but also logistics.





Butter

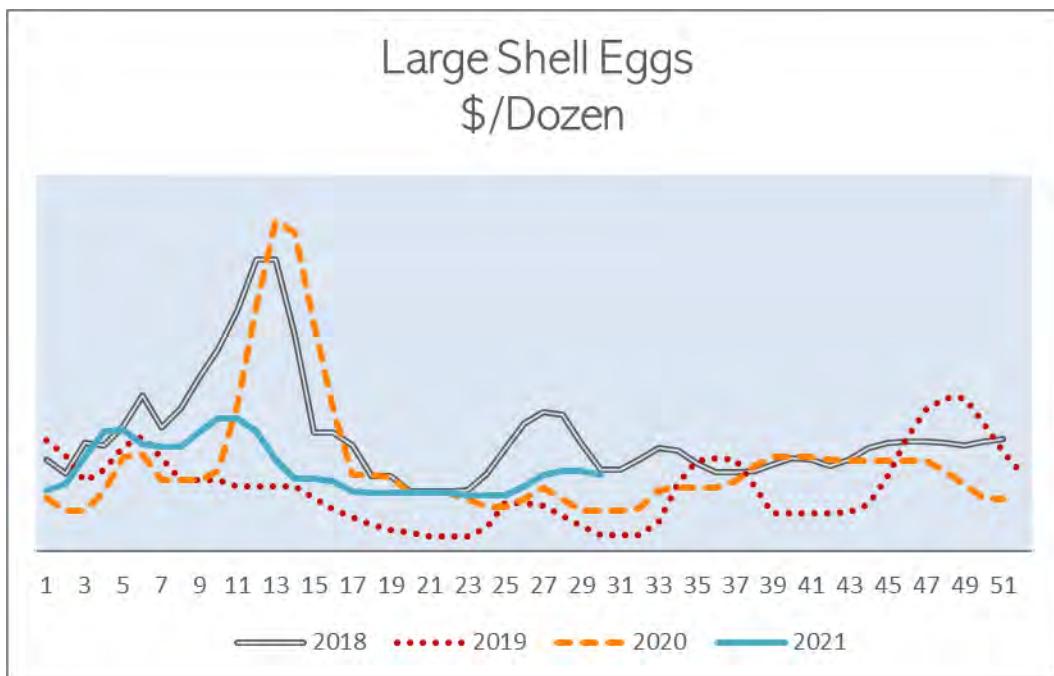
Market is weaker. The CME Butter Market has inched lower as we moved through this week. Cream has become more available across much of the country while some producers have stated that demand for the second half of July has been lighter than anticipated. Logistics concerns in the west continue to put pressure on cream availability in that area but the lighter demand has taken some pressure off the market.





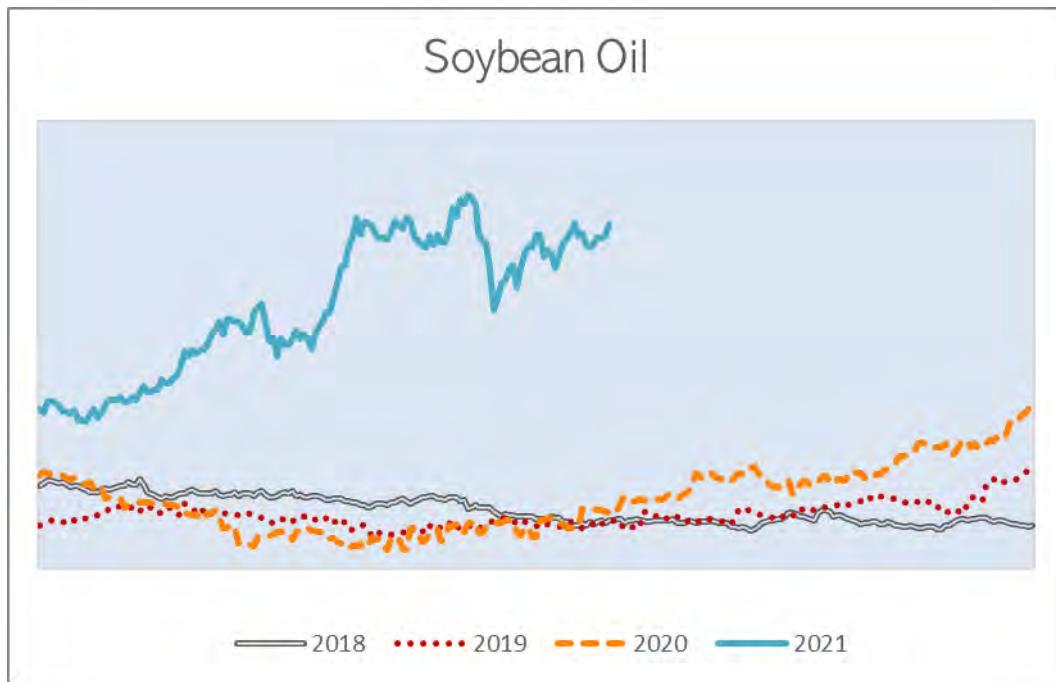
EGGS

Market is steady to weaker. Retail demand is being reported as light across multiple regions of the country. Regional promotional activity is moderate to soft. Foodservice demand is rated as moderate and gradually improving. Fast food sales remain fair for this time of year. Supply is available on both medium and large sizes. Market is trending lower on medium sizes and large sizes. National weekly shell egg inventory reports shell egg inventory up 2.5% over last week.



SOY OIL

Market is steady to firmer. Soybean markets and futures have been trending higher over the last week. The U.S. crop report was released in early July, and trading has been volatile since planted acreage was less than estimated. Dry conditions continue to persist in parts of the Midwest and that is key driver of the stronger markets. 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 U.S. Based on current trends, this shortage situation could continue through the summer. Bio-diesel demand remains strong, and the markets will turn their attention to the EPA's future announcement on blending information for 2022. Further weather conditions across the U.S. will be closely watched by the market traders. Soybean supply remains tight in the U.S. and South America.



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. Last week, Brazil was hit by a frost event causing extensive damage to coffee bean crops. A high probability for another frost to hit again this week is predicted. 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.