



Market Report

Week Ending August 6, 2021

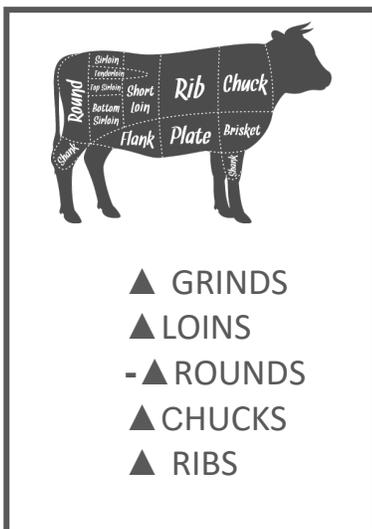
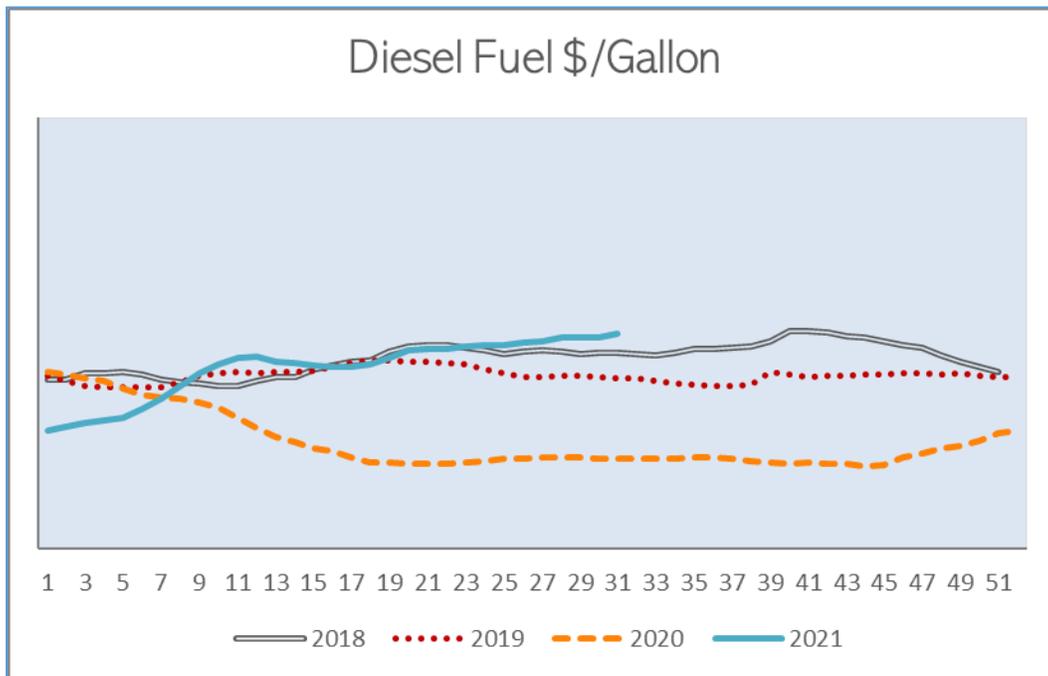


Graphs represent data for the week ending July 30, 2021



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.



BEEF

Market is firmer. Total beef production for last week was up 0.2% versus prior week and was down 0.3% compared to same time last year. Year to date production is up 4.6% compared to YTD 2020. Total headcount for last week was 649,000 as compared to 636,000 for the same week last year. Year to date total headcount is 19,328,000 as compared to 18,412,000 for YTD 2020. Live weights for last week were even with prior week but down 17 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 over the past few weeks. Labor Day is a few weeks away and typically sees strong advertising and is the last grilling holiday of the season. Pastures 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.

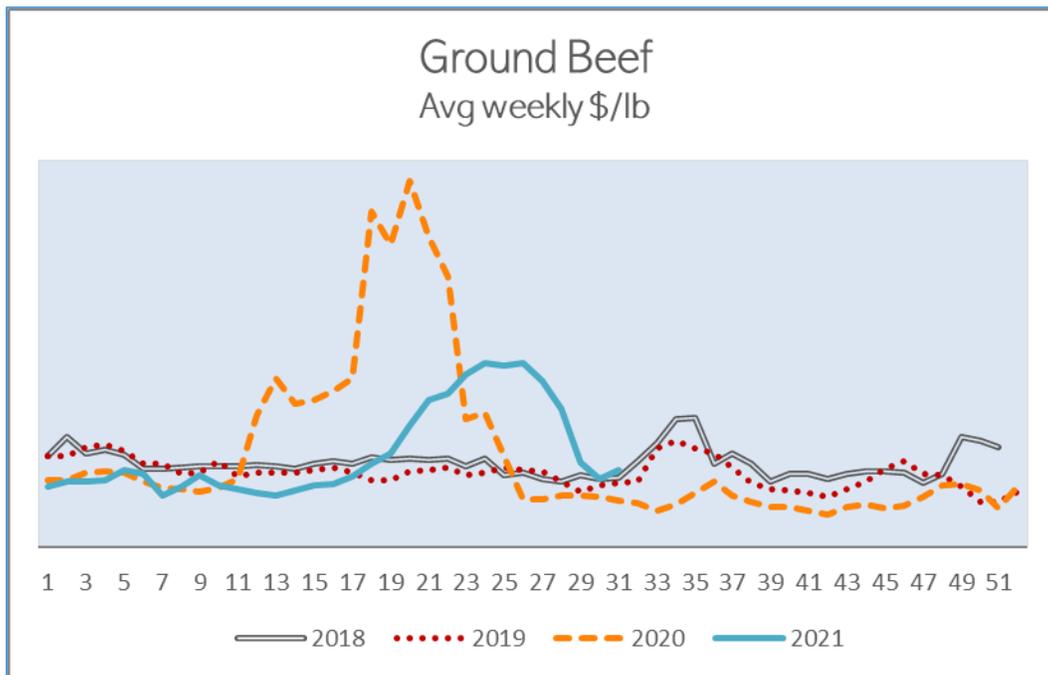
Grinds- Market is firmer. Demand has been improved as we moved into this week as the recent lower pricing has helped to improve advertising and buying interest.

Loins- Market is firmer. Buying activity has been improving with buyers looking to cover their needs ahead of the coming holiday.

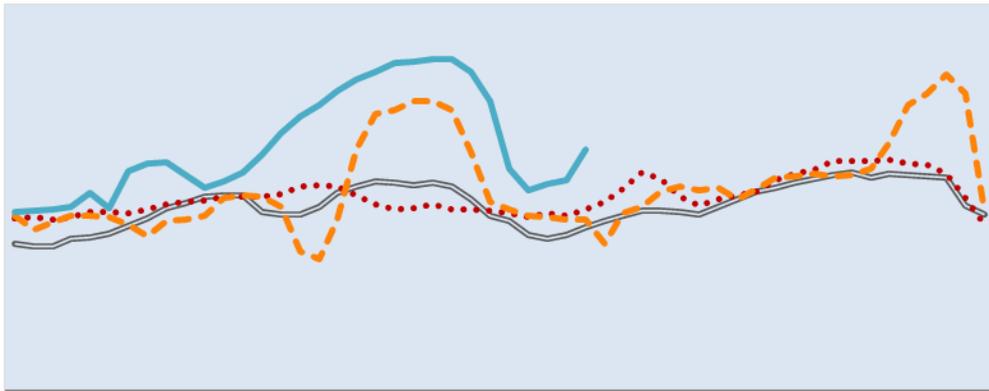
Rounds- Market is steady to firmer. The market has seen upward pressure as we moved through this week with some cuts seeing large increases and are trending well ahead of prior year and the 3-year average.

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. Buying interest has been improving over the past several days as the market has seen sharp drops in prices from just a few short weeks ago. Buying activity is expected to be improved as we move closer to the upcoming holiday.



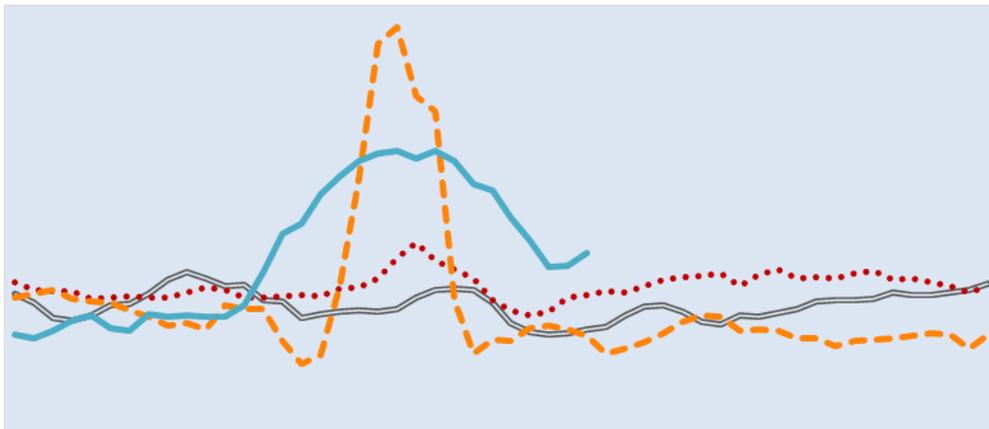
Choice Ribeye Heavy Avg weekly \$/lb



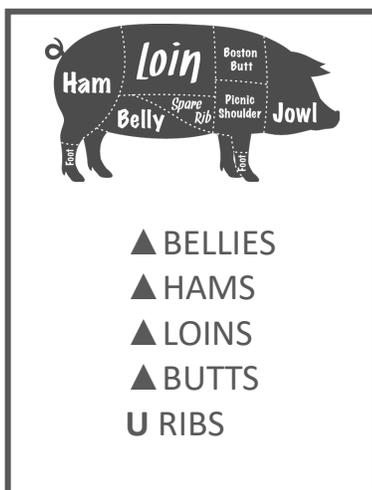
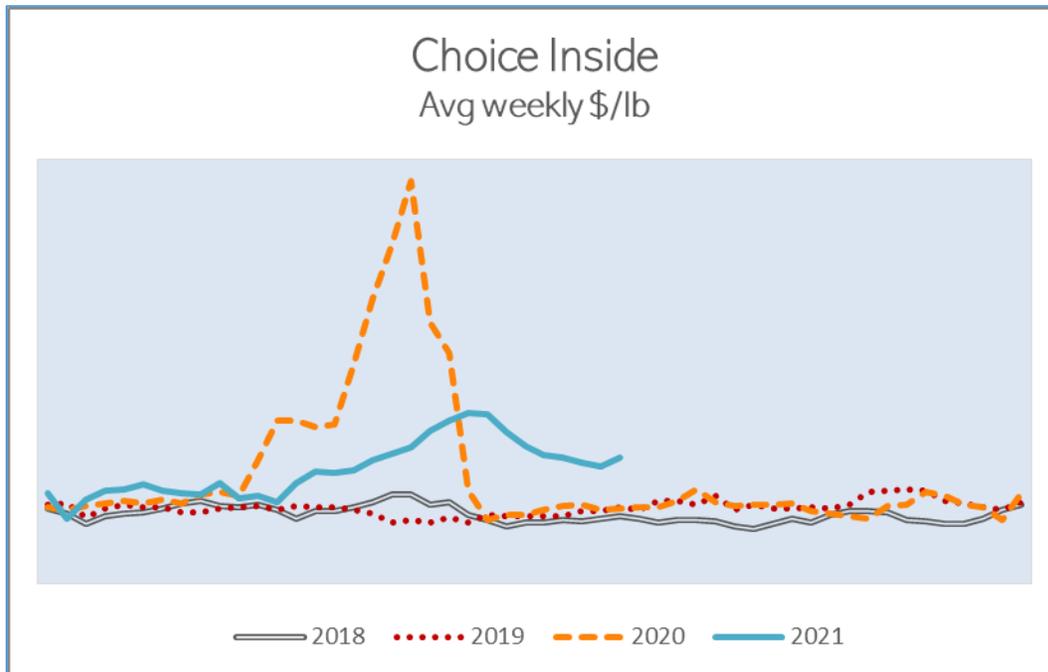
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

— 2018 ··· 2019 - - - 2020 — 2021

Choice Brisket Avg weekly \$/lb



— 2018 ··· 2019 - - - 2020 — 2021



PORK

Market is firmer. Total pork production for last week was down 0.3% versus prior week and was down 8.6% compared to same time last year. Year to date production is down 0.6% compared to YTD 2020. Total headcount for last week was 2,327,000 as compared to 2,537,000 for the same week last year. Year to date headcount is 73,947,000 as compared to 74,552,000 for YTD 2020. Live weights for last week were even with prior week and down 1 lb. from same time last year. Headcount vs prior year has been decreasing for the past several 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 help push the market higher on multiple cuts for several weeks. This trend had 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. The lower prices and stronger seasonal buying activity are once again putting upward pressure on the market. 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.

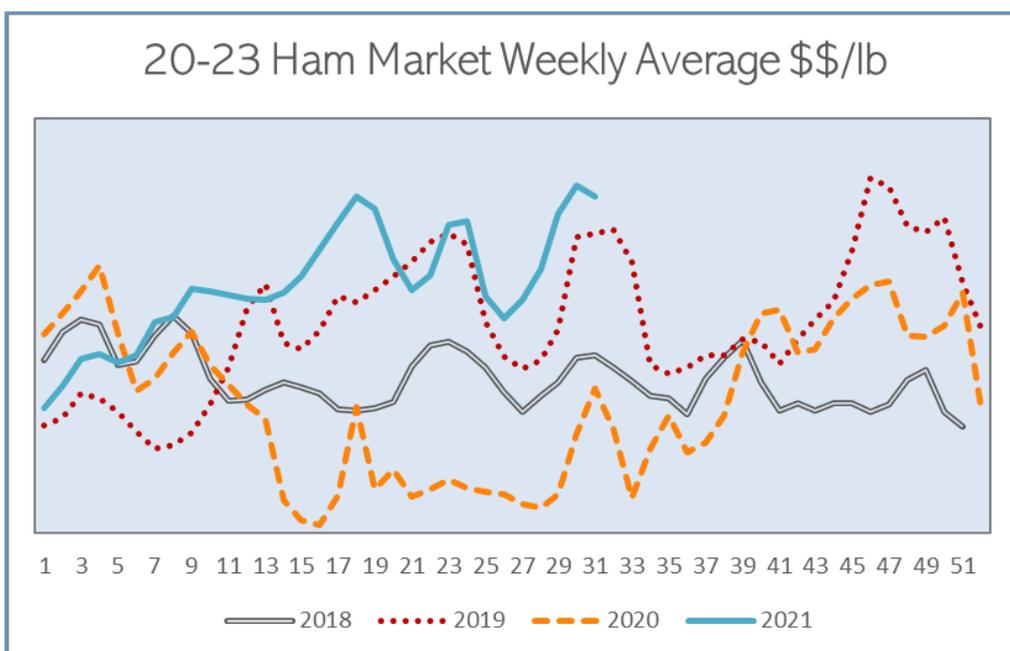
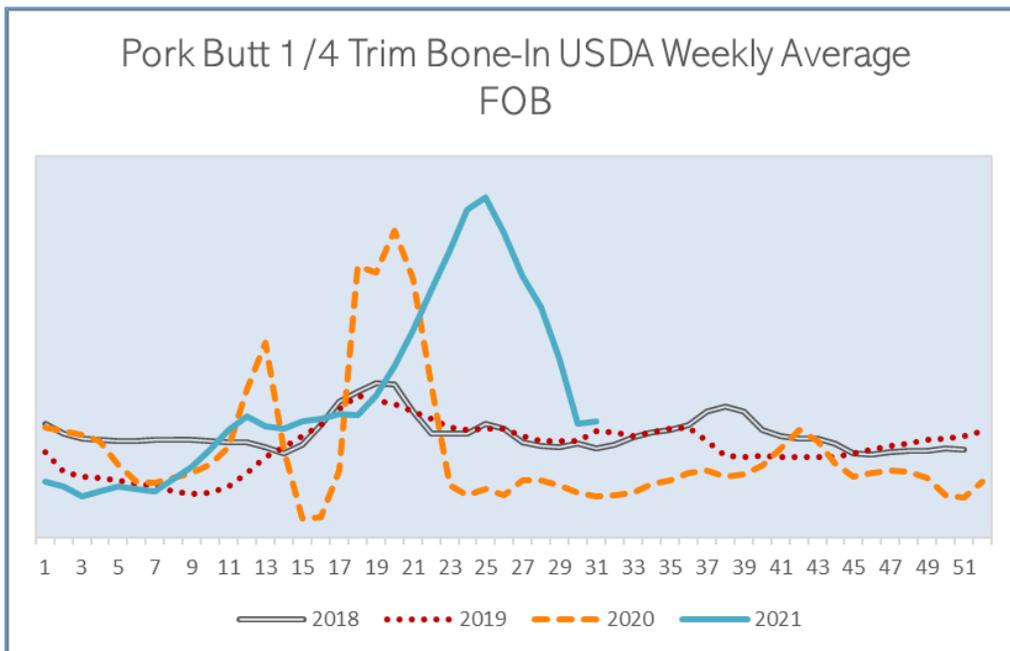
Bellies- Market is firmer. The market has moved higher over the past few weeks with good advertising being reported across much of the country. Demand is typically seasonally good as we move through the summer. The market is expected to be more unsettled as we move through the coming weeks due to the limited available labor for processing and production typically drops over the coming weeks.

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

Butts- Market is firmer. The lower prices seen over the past few weeks combined with improving seasonal demand has helped to push the market higher as we moved through this week. Buying activity is typically seasonally good leading up to Labor Day.

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 this week. Buying interest is usually seasonally improved as we move closer to the upcoming holiday.





CHICKEN

Market is steady. Total headcount for last week was 165,247,000 as compared to 165,886,000 for the same week last year. Average weights for last week were 6.30 lbs. as compared to 6.25 lbs. for the same week last year. Chick placements on fryers for week ending 9/4/21 are estimated at 163.1 million headcounts. Placements for previous week were 162.7 million and same week last year was 168.1 million. Retail and foodservice business is reported as average to fair across the country. Market demand for WOGS and 8pc cutups remains stable across all sizes. Demand for tenders is vibrant while boneless breast and wings are rated as fair. Activity on bone in breasts and dark meat parts is being reported as moderate to weaker. Export activity for leg quarters and whole legs remains stable. Labor issues and consistent worker headcount continues to be a challenge for most plants. 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.

WOGS- Market is steady. Industry demand from fast food and retail deli is being reported as moderate. Small and large sizes continue to clear well on a weekly basis with some spot load activity being reported. Supply is in balance with demand.

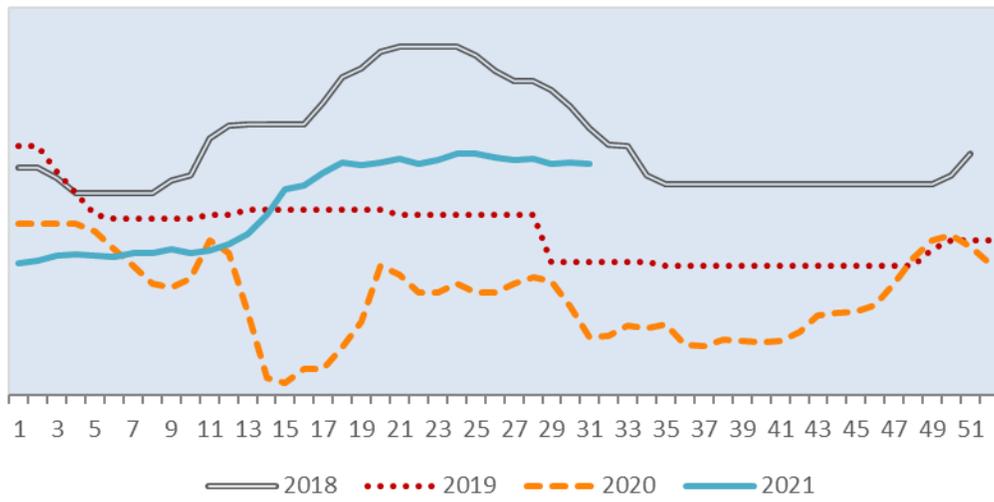
Tenders- Market is steady to firm. Retail, foodservice, and QSR demand continues to be rated as strong. Supply is limited to the number of tenders that can be deboned on a weekly basis.

Boneless Breast- Market is steady. Retail and foodservice demand is being reported as fair to start the month. 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 fair on a weekly basis. Domestic demand on drums, thighs, and leg quarters is starting to slow a bit. 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.

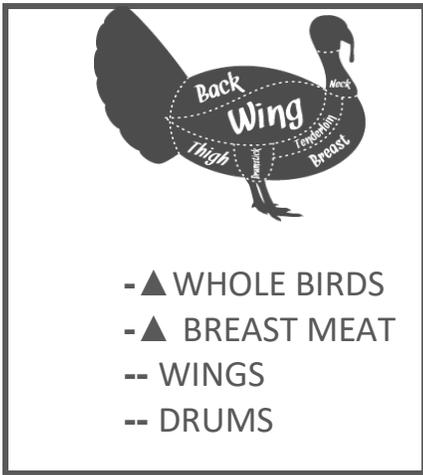
Wings- Market is steady. Foodservice and retail demand is moderate as we start the month. Over the next month, football season will start, and wing demand usually gets additional support. Small, medium, and jumbo sizes continue to clear well.

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



Chicken Tenders Avg Weekly \$/lb





TURKEY

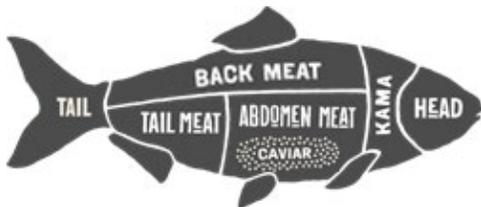
Market is steady to firm. Total headcount for last week was 4,356,000 as compared to 4,239,000 for the same week last year. Average weights for last week were 30.84 lbs. as compared to 31.50 lbs. for the same week last year. Frozen whole birds remain sold out across the various sizes and very few spot loads are being offered. Demand for breast meat, white trim, and tenders is reported as moderate to fair. Domestic demand is steady on drums, thighs, and wings. Export volume remains moderate on back half parts. Lack of labor continues to be a weekly challenge for most plants and is causing issues with product availability and debone capacity. Limited production has floor stocks tight on the key categories. Allocations continue to be reported. Supply for whole birds is extremely limited while parts and white meats remain tight.

Whole Birds- Market is steady to firm. Suppliers are packing whole birds 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 continues to be reported as moderate to good. Further processor demand is reported as very good and is keeping the category well supported. Supply remains tight on white meats.

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

Drums and Thigh Meat- Market is steady. Export volume for drums and thighs is moderate while domestic demand is soft on bone in parts. Demand for boneless dark meat and thigh meat remains moderate to good. Supply is limited by debone capacity. Supply is available on bone in parts and tight on thigh meat.



SEAFOOD

Gulf Shrimp- Market is unsettled. Additional fisheries have opened through the area over the past few weeks and is causing the market to become more unsettled as new season production makes its way into the market. Inventories have been light for several months and have helped to hold the market at high levels.

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 is mixed. The market for product of Latin America has seen downward pressure as we moved into last 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. 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. 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 last 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.

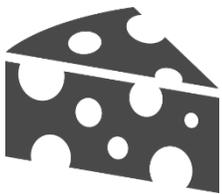
Pollock- Market is steady to firmer. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

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.

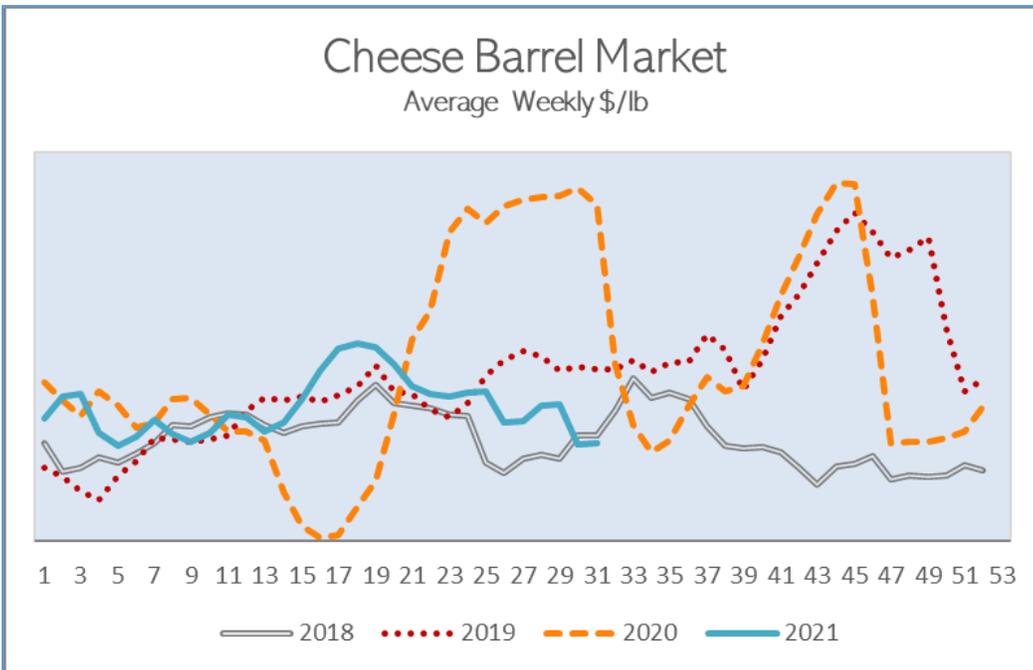
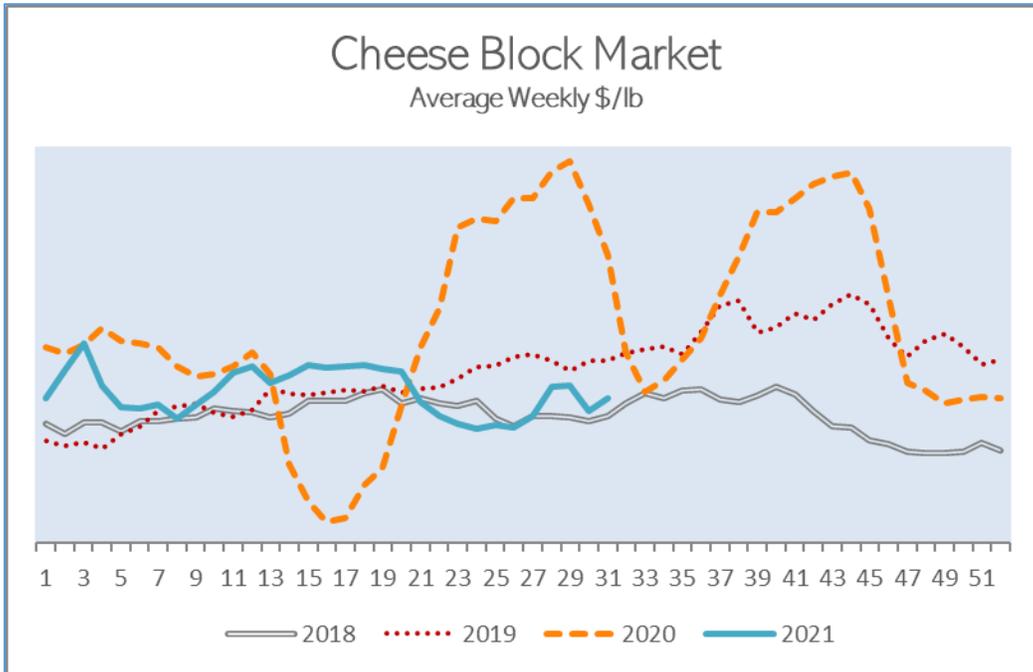


DAIRY

Cheese

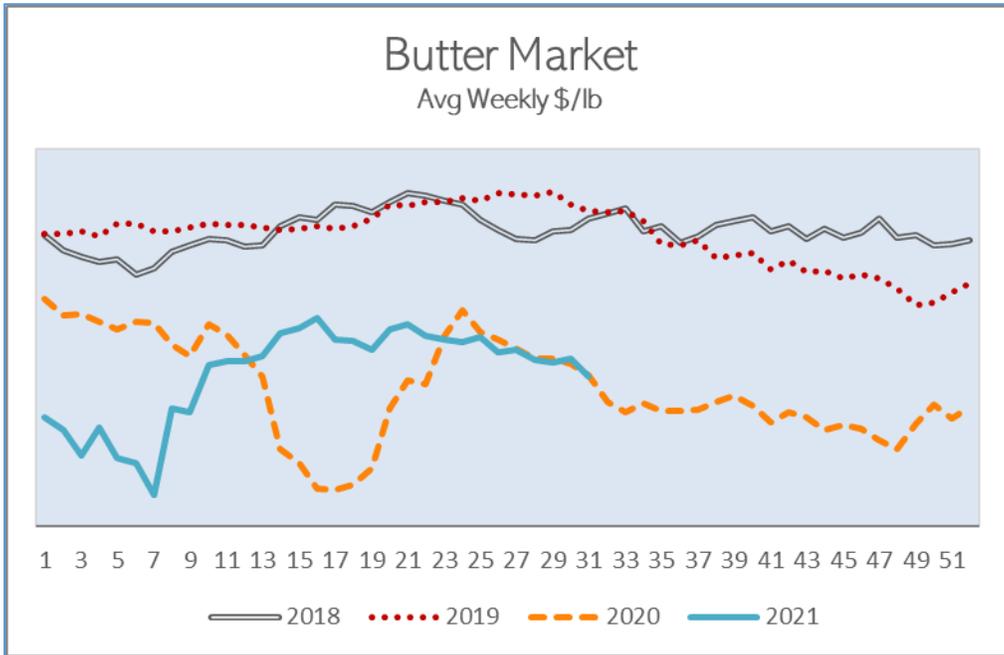
Market is mixed. The CME Block market has held steady as we moved through this week while the CME Barrel market started the week off lower than prior week and has remained steady during the week helping to pull the weekly average lower.

Multiple plants have been running at capacity the past few weeks as available milk supplies have been very good and helping to keep production strong. Export interest has been very good as Domestic prices are favorable to the global market. Exports have had obstacles with the shipping issues of the delayed ports and sharp rise in container costs. 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.



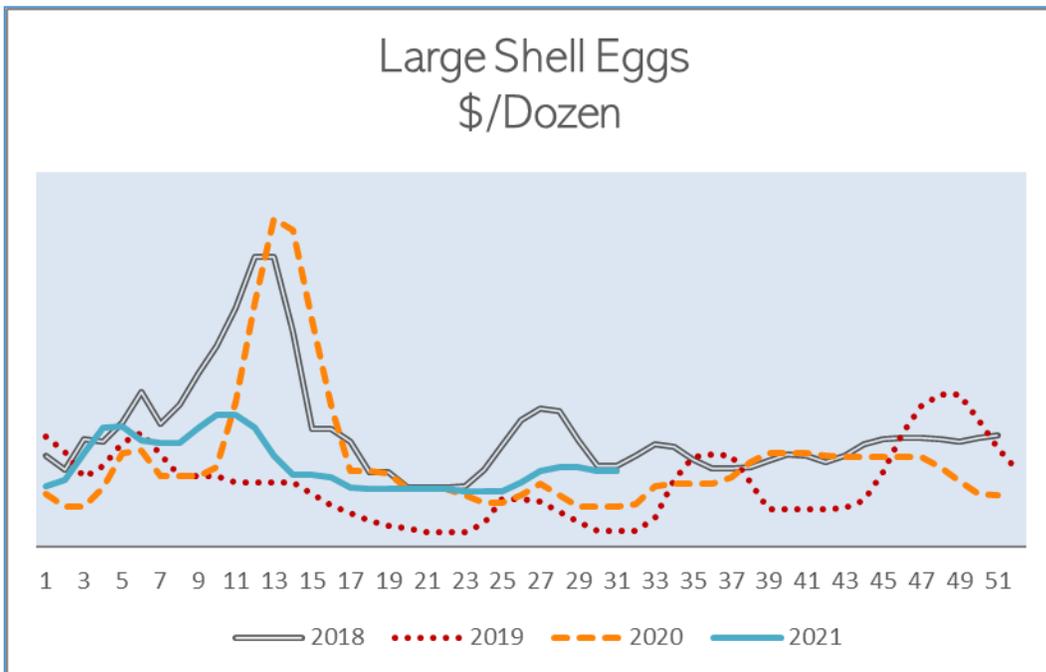
Butter

Market is unsettled. The CME Butter Market has seen both higher and lower pricing as we moved through this week. Cream availability has become more mixed across the country causing production to be mixed across the country. 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. Overall sales have been lighter as we moved into this week but are more in line with normal seasonal trends.



EGGS

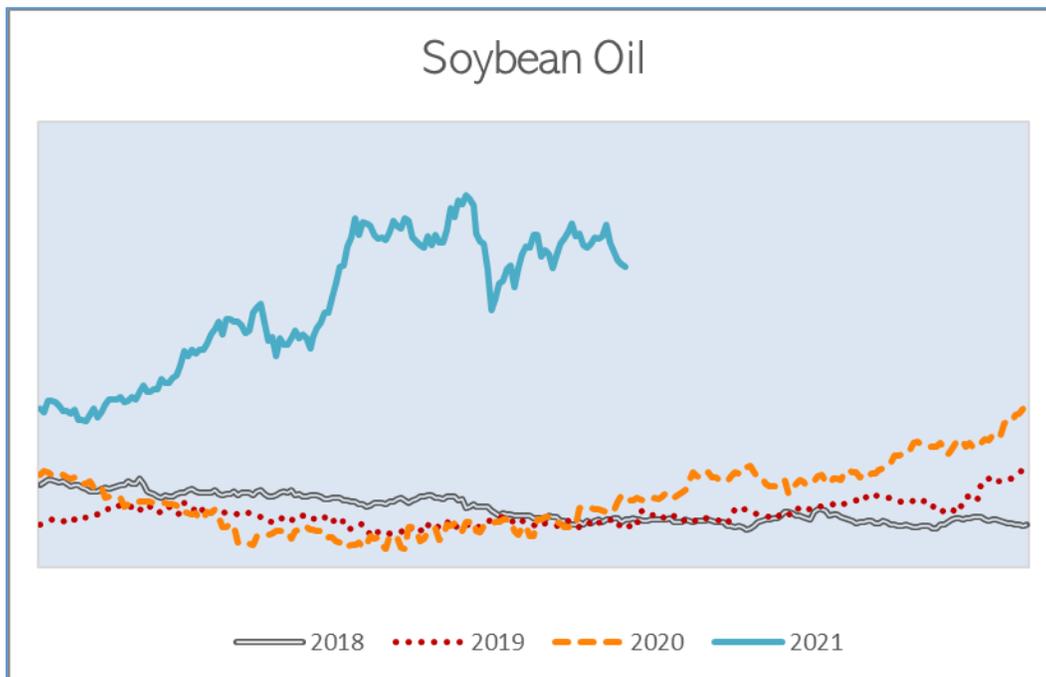
Market is steady. Retail demand is being reported as average to light across most regions. Promotional activity is starting to pick up slightly in some regions. Foodservice demand is rated as moderate and improving as the summer progresses. Fast food sales remain moderate for this time of year. Supply is available on both medium and large sizes. Market is trending flat on medium sizes and large sizes. National weekly shell egg inventory reports shell egg inventory down 0.7% over last week.





SOY OIL

Market is steady to weaker. Soybean markets and futures have been trending lower over the last week. Current USDA crop reports were rated as good to excellent on soybean growing conditions in the U.S. Soybean demand continues to outpace supply at the current time. Foodservice demand, export activity, and the increase from the bio-diesel sector continue to support 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. Bio-diesel demand continues to be very strong, and the markets are awaiting the EPA's future announcement on blending information for 2022. Future weather conditions across the U.S. will be closely monitored. Soybean supply remains tight in the U.S. and South America. Market remains at high levels and trading is volatile as new information becomes available.



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.