



Market Report

Week Ending August 13, 2021

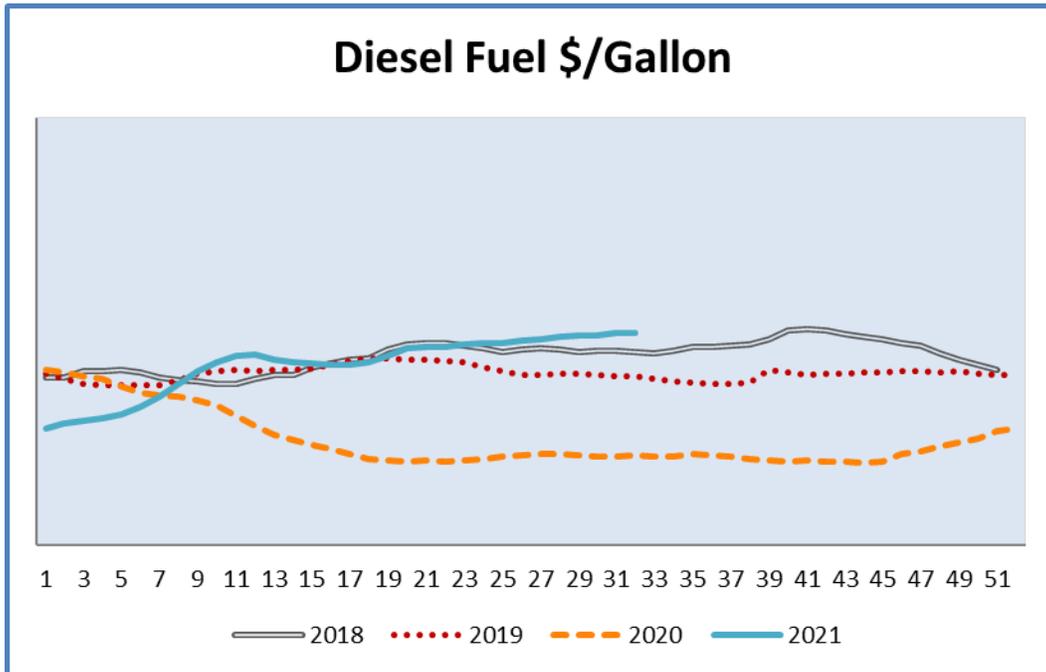


Graphs represent data for the week ending August 6, 2021



LOGISTICS

Supply chain issues continue to cause delays for all areas. The driver shortage issues are causing asset carriers to not bring on any new opportunities logistically and to tell some customers they are resigning business. Freight Costs in the Midwest are increasing as produce that grows in the MW is being picked for market.



- ▲ GRINDS
- ▲ LOINS
- ▲ ROUNDS
- ▲ CHUCKS
- ▲ RIBS

BEEF

Market is firmer. Total beef production for last week was down 1.1% versus prior week and was down 0.7% compared to same time last year. Total headcount for last week was 641,000 as compared to 633,000 for the same week last year. Live weights for last week were up 3 lbs. from prior week but down 10 lbs. from same time last year. Multiple plants this week are having production issues, and this is putting additional pressure on availability. This is a result of not only the high temps causing issues within the plants but also ongoing labor concerns. Demand at retail is expected to increase over the coming days with the uptick in seasonal demand. Labor Day is just a few weeks away and typically sees strong advertising and is seen as the last grilling holiday of the season.

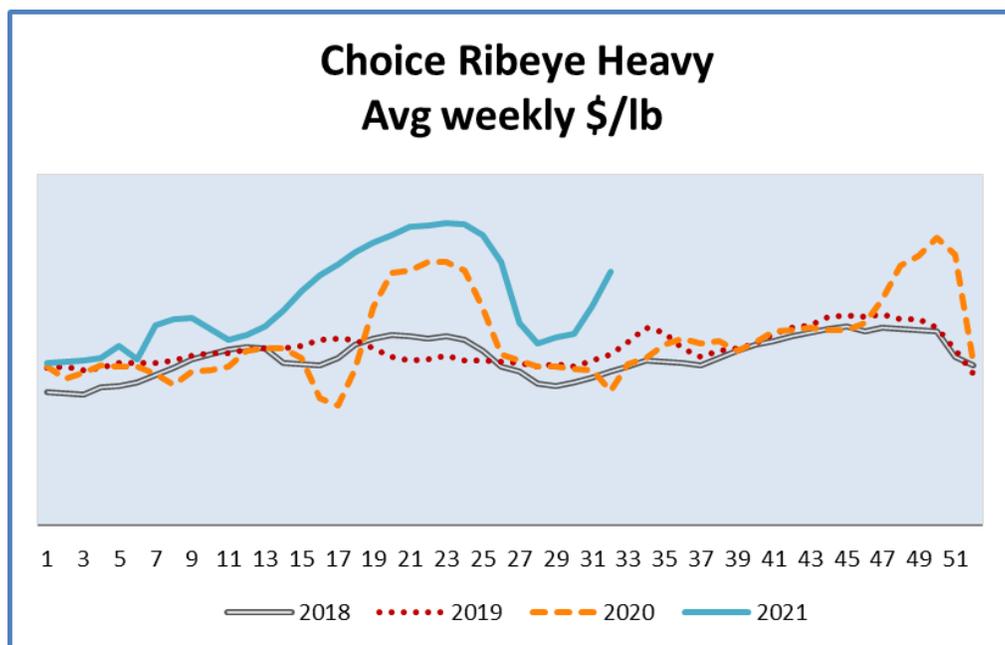
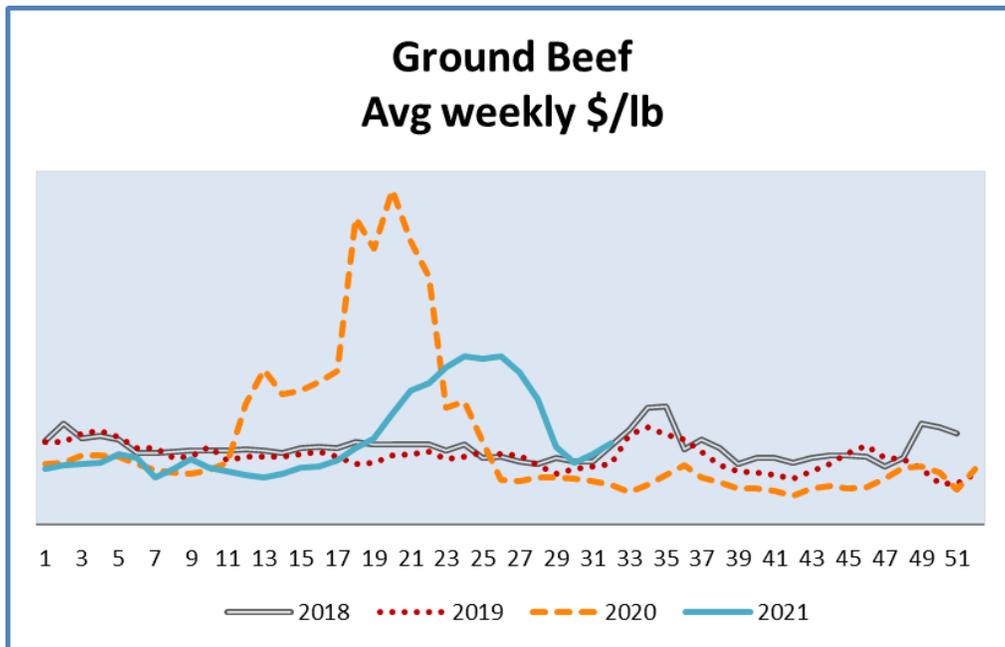
Grinds- Market is firmer. Lower production and improving seasonal demand are pushing the market higher.

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

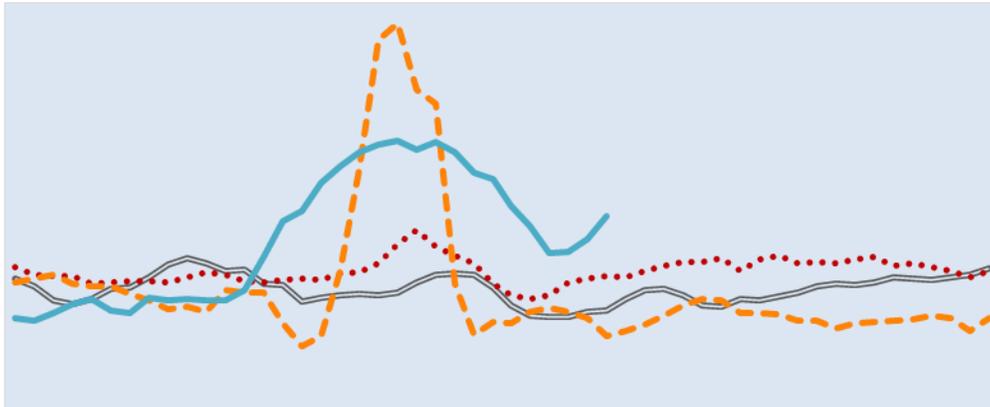
Rounds- Market is firmer. This market has continued to push higher for multiple weeks with the lighter production putting additional pressure on the market.

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. This market has seen very sharp increases over the past several days and are well above same time last year and the three-year average and are at levels that are unprecedented for this time of the year. Buying activity is expected to be improved as we move closer to the upcoming holiday.

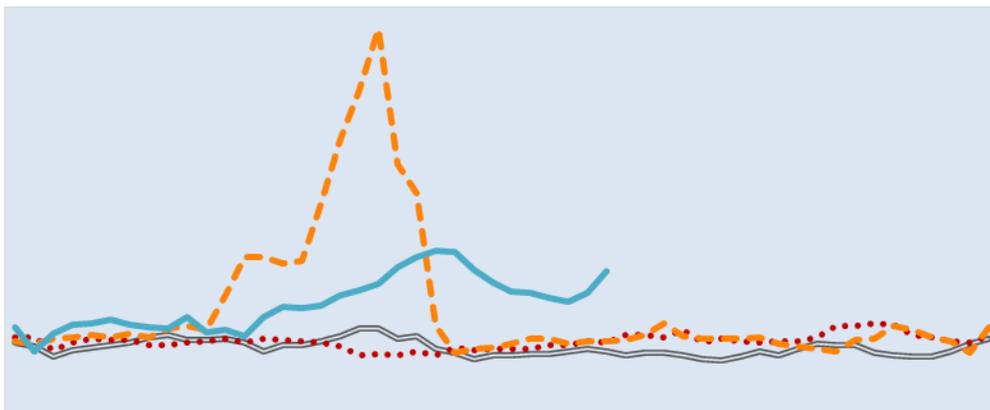


Choice Brisket Avg weekly \$/lb

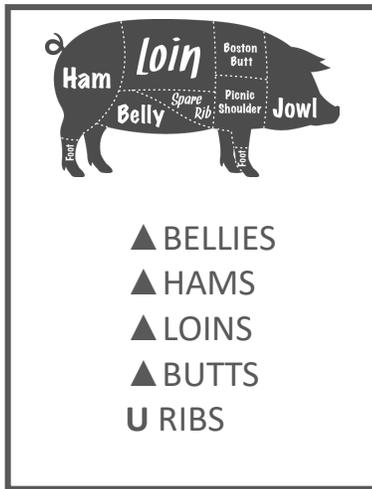


— 2018 2019 - - - 2020 — 2021

Choice Inside Avg weekly \$/lb



— 2018 2019 - - - 2020 — 2021



PORK

Market is firmer. Total pork production for last week was up 0.7% versus prior week and was down 9.7% compared to same time last year. Total headcount for last week was 2,327,000 as compared to 2,559,000 for the same week last year. Live weights for last week were even with prior week and down 2 lbs. from same time last year. Labor issues continue to be a concern at multiple plants along with transportation challenges. Shortages and allocations are commonplace and are expected to continue as we move through the fall. Pork exports have been very good again this year with exports expected to be almost 4% higher than prior year.

Bellies- Market is firmer. Fresh belly inventories are very limited and putting continued pressure on the market. 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.

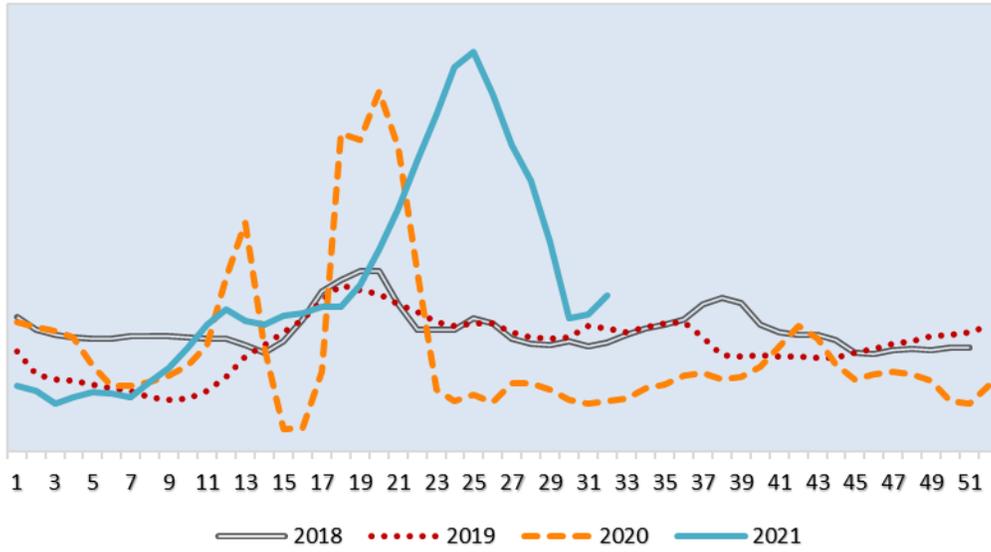
Hams- Market is firmer. The market has been pushing higher as this week has progressed. Export interest from Mexico is very strong and putting additional pressure on this market. Available labor remains a concern and is helping to keep the market more unsettled.

Loins- Market is firmer. Available inventories vary between suppliers with boneless items still being a challenge for some packers. Export demand has been strong and limiting availability for domestic buyers on some cuts.

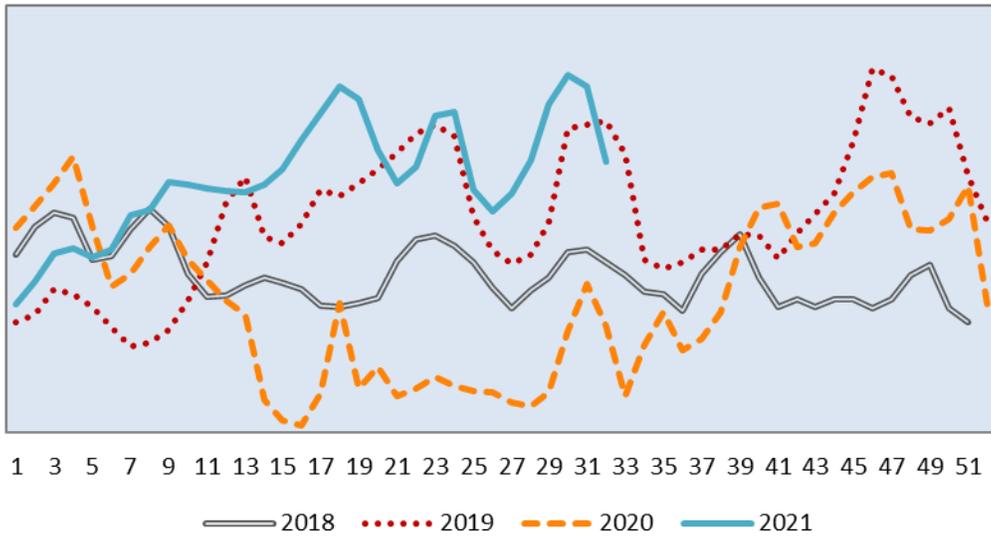
Butts- Market is firmer. Good seasonal demand combined with labor concerns are keeping pressure on this market. Buying activity is typically seasonally good leading up to Labor Day.

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 the past few weeks. Buying interest is usually seasonally improved as we move closer to the upcoming holiday.

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



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





CHICKEN

Market is steady. Total headcount for last week was 164,748,000 as compared to 165,413,000 for the same week last year. Average weights for last week were 6.36 lbs. as compared to 6.28 lbs. for the same week last year. Chick placements on fryers for week ending 9/11/21 are estimated at 163.0 million headcounts. Placements for previous week were 163.1 million and same week last year was 170.0 million. Retail and foodservice business is reported as good across the country. Industry demand for WOGS and 8pc cutups is fair across all sizes. Demand for tenders is strong, boneless breast is improving, and wings are rated as steady. Volume on bone in breasts and dark meat parts remains fair. Export activity for leg quarters and whole legs continues to be adequate. Lack of labor is still a major challenge for producing plants. These labor problems are causing production issues with front half debone, portioning, and further processing. Processing schedules are less than optimal. Floor stocks are moderate to light depending on the plant. Market levels are holding firm on tenders, boneless breast, and wings.

WOGS- Market is steady. Fast food and retail deli continue to provide adequate support to WOGs and 8pc cutups. Small and large sizes are clearing well with some spot load activity being reported. Supply is in balance with demand.

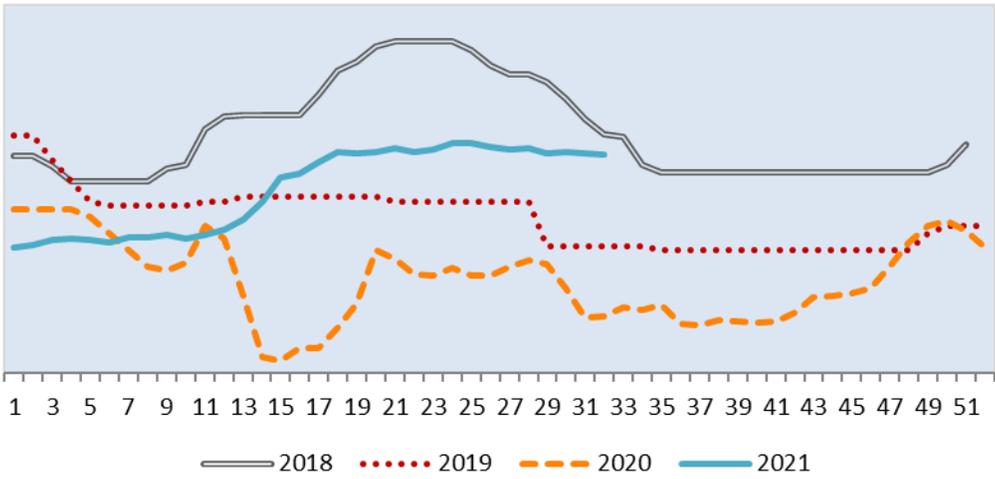
Tenders- Market is steady to firm. Retail, foodservice, and QSR demand continues to be rated as moderate to fair. Supply is tight and is limited to the number of tenders that can be portioned on a weekly basis.

Boneless Breast- Market is steady to firmer. Retail and foodservice demand is being reported as good which is keeping all sizes clearing adequately. Supply on all sizes has tightened a bit. Market on larger sizes is starting to be pressured higher.

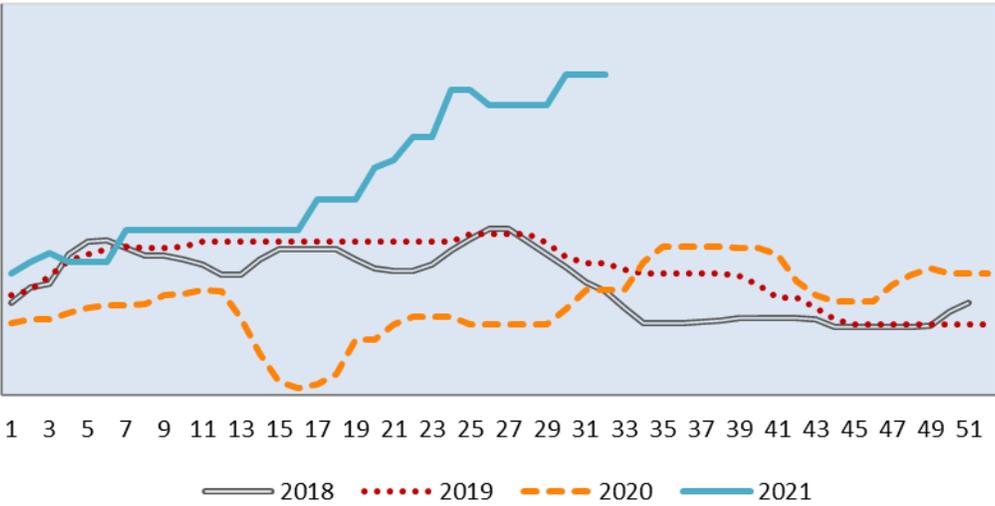
Leg Quarters and Thighs- Market is steady. Export volume remains consistent on a weekly basis. Retail sales on drums, thighs, and bagged leg quarters is moderate. Foodservice demand for boneless skinless thigh meat remains strong. The supply side remains tight due to limited debone capacity. Supply is available on bone-in parts while boneless skinless thigh meat is short.

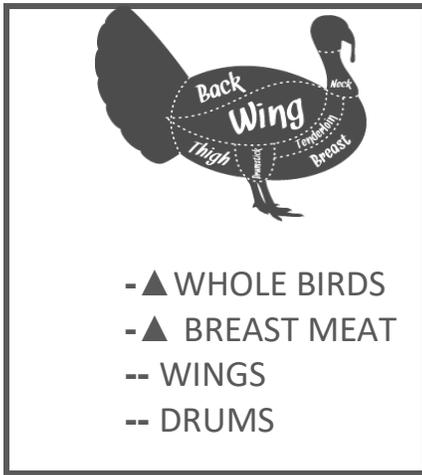
Wings- Market is steady. Foodservice demand remains good and further processor needs are reported as adequate. With football season underway, wing demand usually gets an uptick in carryout volume. Small, medium, and jumbo sizes continue clear weekly. Market has stabilized and remains at high levels for this time of year.

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



Chicken Tenders Avg Weekly \$/lb





TURKEY

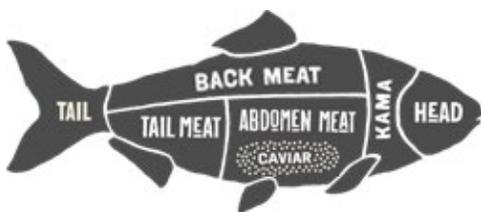
Market is steady to firm. Total headcount for last week was 4,065,000 as compared to 4,408,000 for the same week last year. Average weights for last week were 31.38 lbs. as compared to 30.52 lbs. for the same week last year. Frozen whole birds remain sold out across the various sizes and very few spot loads are being offered. Demand for breast meat, white trim, and tenders is reported as steady. Domestic demand for drums, thighs, and wings remains adequate. Export volume remains steady to good on back half parts. Labor issues continue to be a weekly challenge for most plants which 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, 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. Hen sizes are extremely tight, some Tom sizes are available. Supply is tight.

Breast Meat- Market is steady. Foodservice and retail deli business is moderate to good. Further processor demand continues to keep the balance of supply sold up. Supply remains tight on white meats.

Wings- Market is steady. Domestic demand for 2 joints is slow, but 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 and domestic volume for drums and thighs is moderate. Demand for boneless dark meat and thigh meat continues to be rated as moderate to good. Supply is limited by debone capacity. Supply is available on bone in parts, but tight on boneless thigh meat.



SEAFOOD

Gulf Shrimp- Market is unsettled. Additional fisheries have opened through the area over the past few weeks, and this 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 through the last few weeks 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. 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. 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 through the last few weeks 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 has been keeping pressure on inventories for several months. Foodservice demand is very good. There are 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.

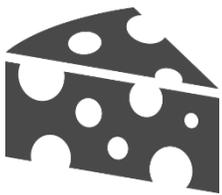
Pollock- Market is firmer. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

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.

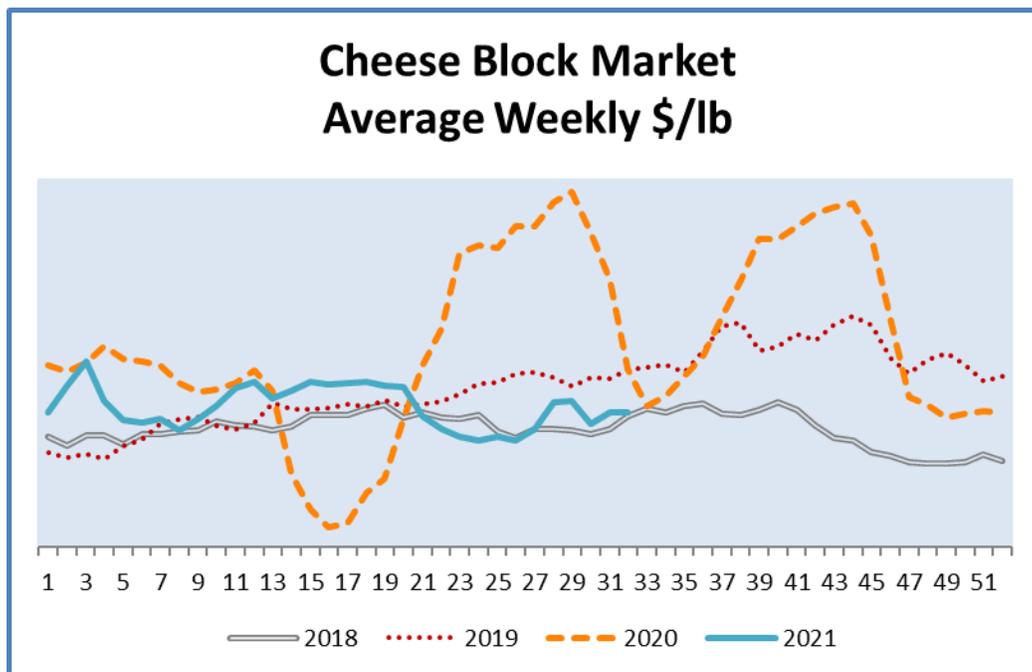
Scallops- Market is firm. The market for larger sized domestic product is firm with increased demand keeping pressure on the market. Inventories of U/10 product are very limited with record high pricing. New season product is making its way into the market, but reports are showing expectations of inventories issues as we move through 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 Canada seeing upward pressure due to limited availability and product from China continues to see shipping delays.

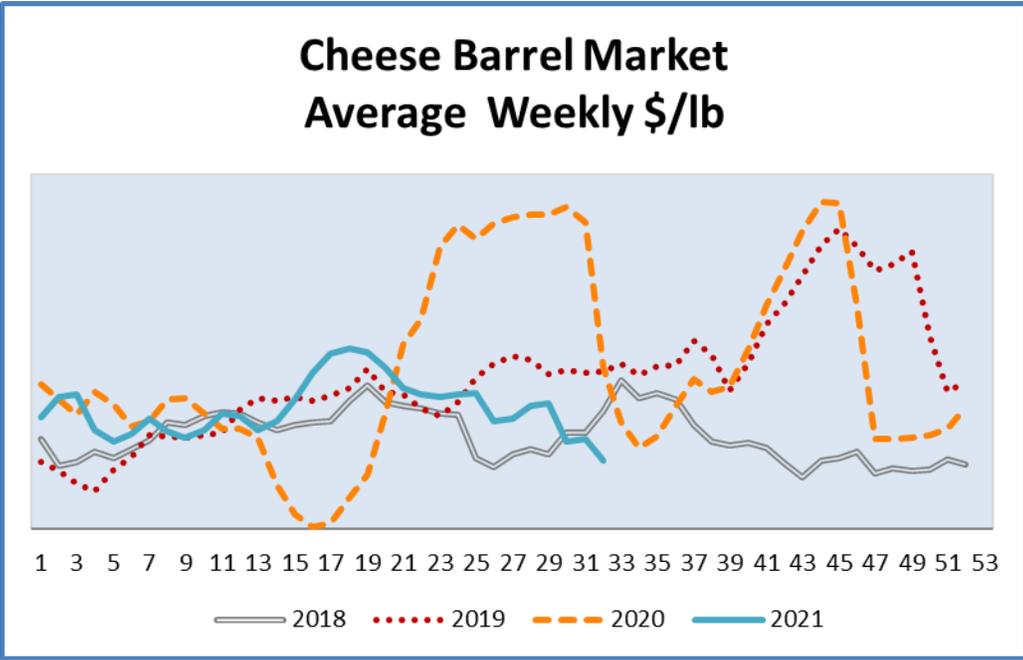


DAIRY Cheese

Market is firmer. The CME Block and Barrel markets have both pushed higher as this week progressed. Milk supplies are beginning to tighten as back to school buying is picking up across the country and milk production starts to seasonally decline.

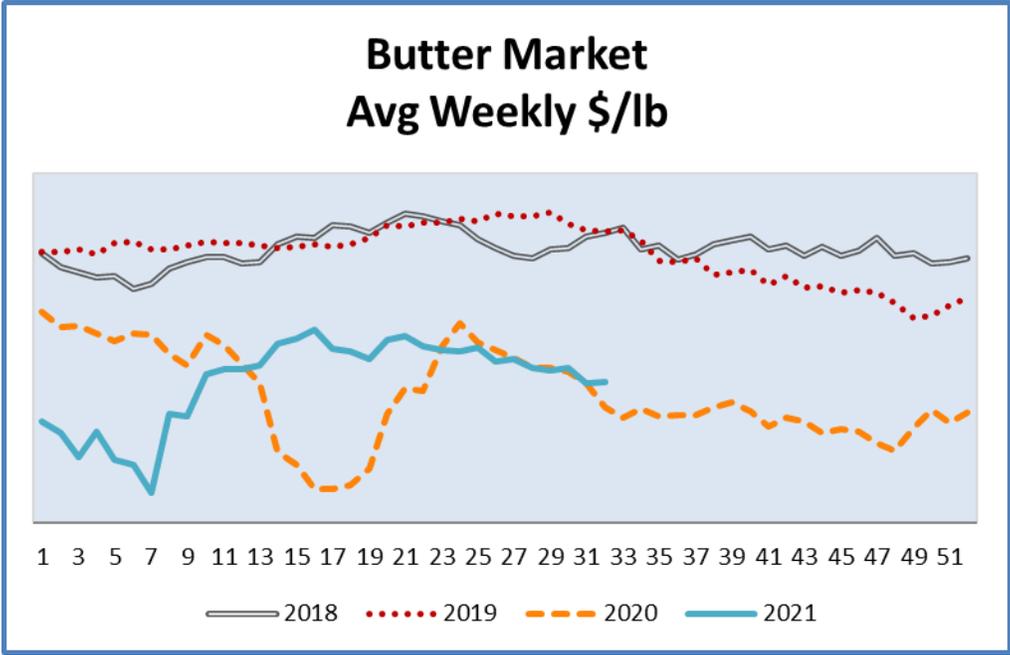
Overall buying activity has been very good for both Retail and Foodservice. Export interest has been strong as Domestic prices are favorable to the global market. Exports have had obstacles with the shipping issues of the delayed ports and sharp rise in container costs. The severe drought conditions 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

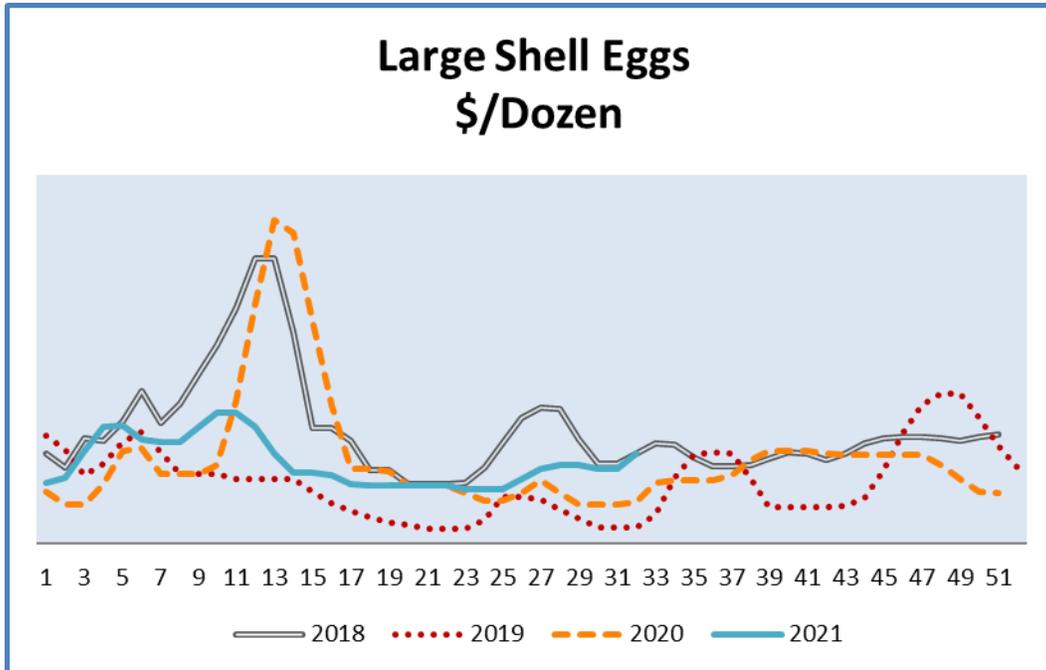
Market is firmer. The CME Butter Market has moved higher as we moved into this week. Cream availability has become more mixed across the country causing production to become more limited. Demand for ice cream is very good and suppliers are putting more production into cream cheese in anticipation of demand over the coming weeks. Logistics and labor remain a concern for both inbound and outbound shipments.





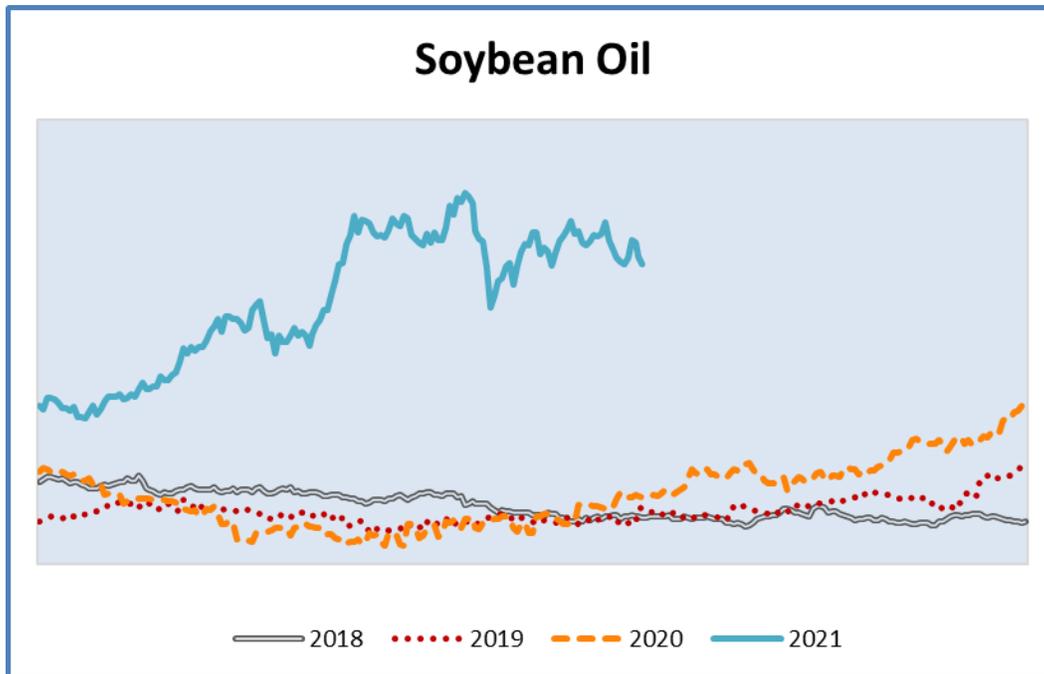
EGGS

Market is firmer. Retail demand is being reported as moderate to good across most regions. Some promotional activity is being reported on a regional basis. Foodservice demand is rated as good and is showing signs of continued improvement. Fast food sales remain steady for this time of year. Supply is has tightened on both medium and large sizes. Market is trending higher on medium sizes and large sizes. National weekly shell egg inventory reports shell egg inventory down 4.0% over last week.



SOY OIL

Market is unsettled. Soybean markets and futures have been up and down, but trending in a close range. USDA crop news is rating soybean growing conditions as good across many regions of the country. Soybean demand continues to outpace supply at the current time. Foodservice demand, export activity, and bio-diesel production continue to be reported as strong. Allocations on soy oil and other related products continue to be reported across the United States. Bio-diesel demand is on the rise and the markets are awaiting the EPA's future announcement on blending information for 2022. Some reports are starting to surface that China may be booking vast amounts of soybeans out of the new crop. Weather conditions across the U.S. are being closely monitored on a weekly basis. 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.

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.