



**DEARBORN**  
Marketplace



# Market Report

Week Ending August 20, 2021

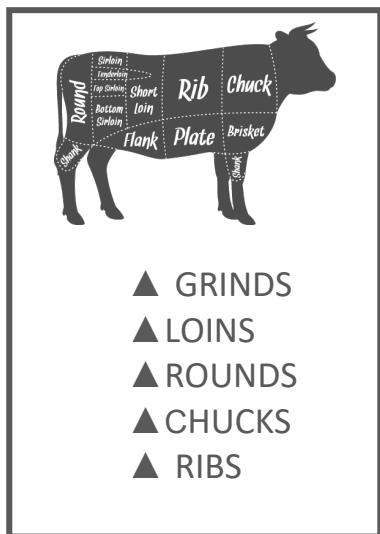
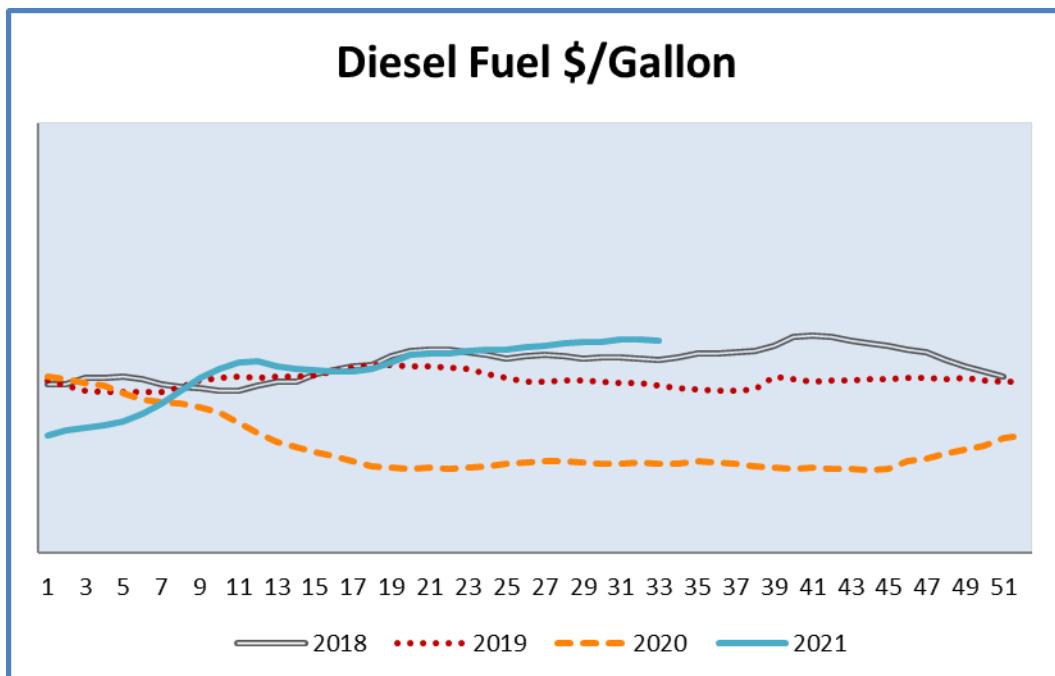


*\*\*Graphs represent data for the week ending August 13, 2021\*\**



## 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 logically 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.



## BEEF

Market is firmer. Total beef production for last week was down 0.2% versus prior week and was down 2.8% compared to same time last year. Total headcount for last week was 639,000 as compared to 644,000 for the same week last year. Live weights for last week were even with prior week but down 16 lbs. from same time last year. Beef demand has been very strong the past several days and this week has seen the market continue to move higher with multiple cuts seeing large increases week over week. In addition, multiple plants have been 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 be very good over the coming days with the uptick in seasonal demand as shoppers stock up ahead of the holiday. Labor

Day is just a few weeks away and typically sees strong advertising and is seen as the last grilling holiday of the season. The choice grading percentage is dropping and is expected to continue to decline over the coming weeks. Forecasts are showing that beef production for Q4 will be below Q4 of last year and this combined with the falling grading percentages is expected to put pressure on availability of product. The USDA is reporting that pasture conditions have continued to worsen across the west

with some states reporting 90% of their pastures are currently very poor due to the drought conditions.

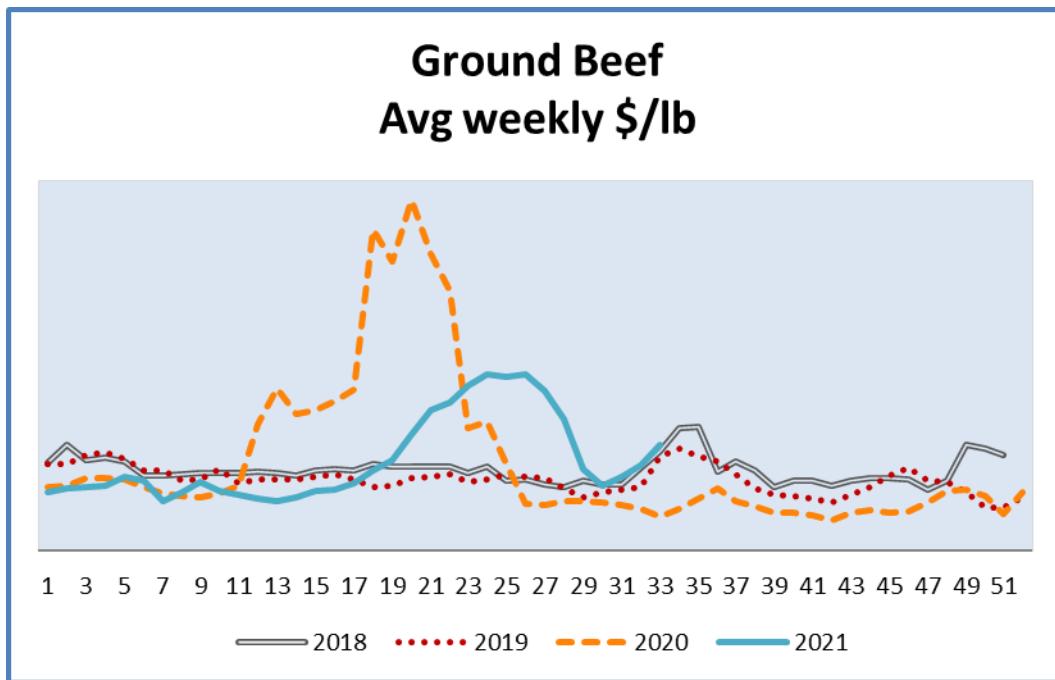
Grinds- Market is firmer. Lower production and stronger demand are pushing the market higher.

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.

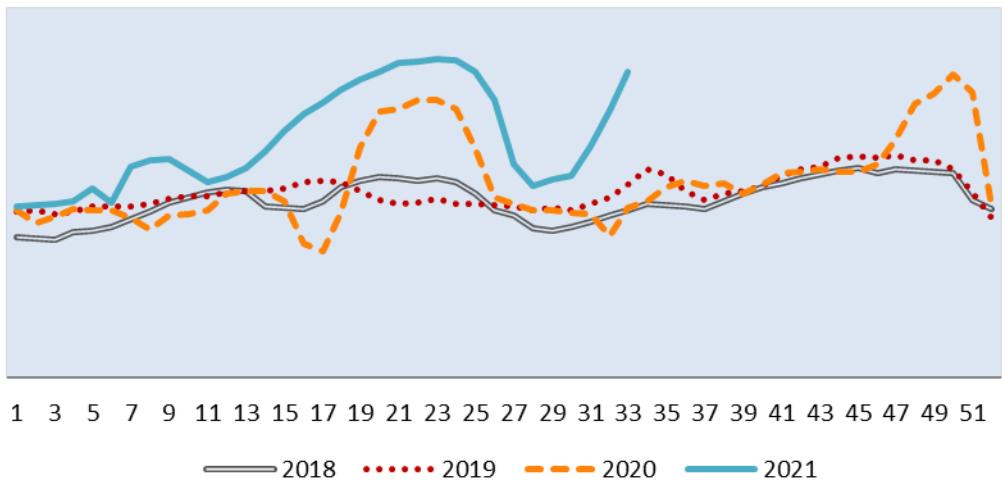
Chucks- Market is firmer. As with other cuts, lighter production over the past few weeks combined with improving buying interest is putting upward pressure on the market.

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.



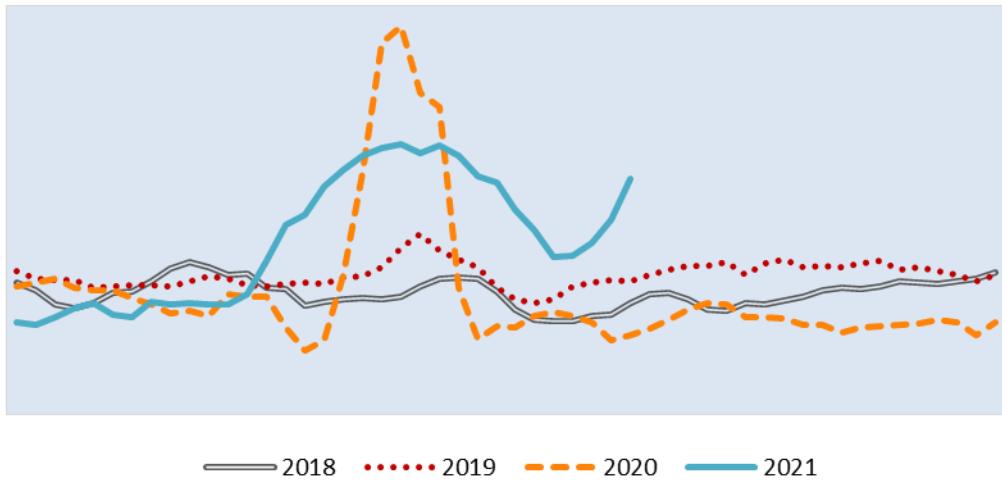
## **Choice Ribeye Heavy**

### **Avg weekly \$/lb**

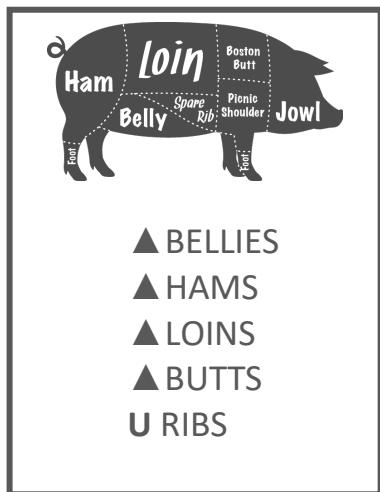
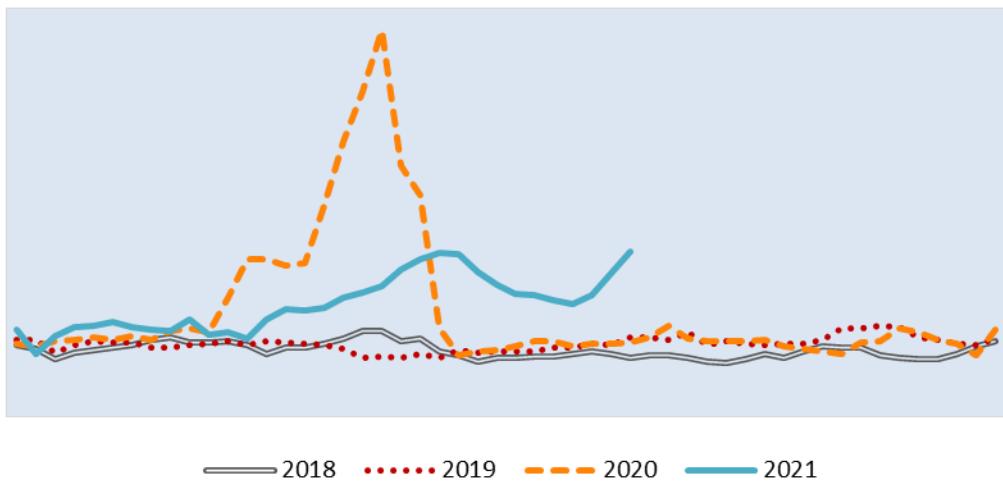


## **Choice Brisket**

### **Avg weekly \$/lb**



## Choice Inside Avg weekly \$/lb



## PORK

Market is unsettled. Total pork production for last week was up 3.9% versus prior week but was down 6.4% compared to same time last year. Total headcount for last week was 2,415,000 as compared to 2,561,000 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. The USDA has revised production estimates for the second half of this year and is now expecting production for 3<sup>rd</sup> quarter to be 6% lower than last year and 4<sup>th</sup> quarter to be 3% lower. Pork exports in June were very strong and were up 9% compared to June of last year and were the highest June on record. Exports have set records since March of this year and is expected to continue strong through September.

Bellies- Market is weaker. Buying activity has been lighter over the past few days after the market set records just a few weeks ago. Fresh belly inventories remain limited and helping to keep the market more unsettled as we move through the next few weeks. 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.

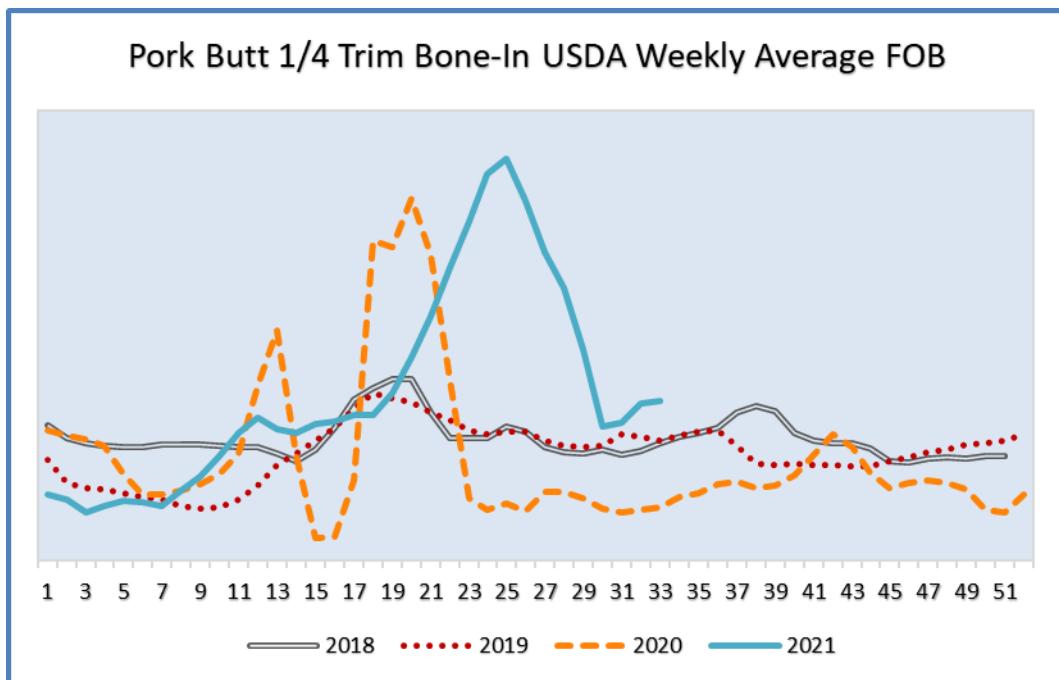
Hams- Market is unsettled. The market has become more unsettled over the past week with both higher and lower prices being seen. The high prices just a few weeks ago helped to slow buying activity

but labor remains a concern in multiple plants and deboning activity remains more limited than normal. Multiple packers are working on bookings for the fall to try to better understand the needed production over the coming weeks.

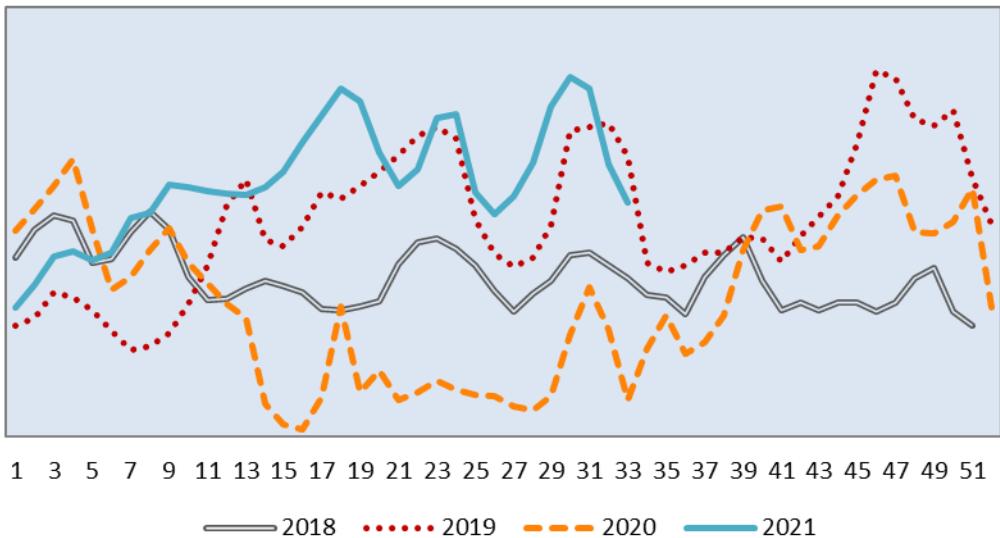
Loins- Market is unsettled. Available inventories vary between suppliers with boneless items still being a challenge for some packers. Export demand has been strong and limiting availability for domestic buyers on some cuts.

Butts- Market is unsettled. The market saw good strength last week only to start this week of slightly lower and then see the market inch back up as this week progressed. Inventories have been limited for several weeks and keeping pressure on the market. Demand typically starts to move seasonally lower over the coming weeks, but the limited labor is expected to have an impact on the market as we move through the coming weeks.

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. The labor concerns seen over the past several weeks is keep fresh inventories limited and keeping pressure on the market.



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



## CHICKEN



- WOGS
- ▲ TENDERS
- ▲ BNLS BRST
- LEG QTR
- ▲ WINGS

Market is steady to firmer. Total headcount for last week was 168,161,000 as compared to 168,110,000 for the same week last year. Average weights for last week were 6.34 lbs. as compared to 6.30 lbs. for the same week last year. Chick placements on fryers for week ending 9/18/21 are estimated at 162.1 million headcounts. Placements for previous week were 163.0 million and same week last year was 170.4 million. Retail and foodservice business is being reported as moderate to good across the country. Industry demand for WOGS and 8pc cutups is moderate across all sizes. Demand for tenders is steady while boneless breast and wings are rated as strong. Volume on bone in breasts and dark meat parts remains fair. Export activity for leg quarters and whole legs is reported as moderate. Lack of labor is causing most plants to run reduced schedules. These labor constraints are causing production issues with front half debone, portioning, and further processing. Floor stocks

are moderate to light depending on the plant. Market levels are showing strength on tenders, boneless breast, and wings.

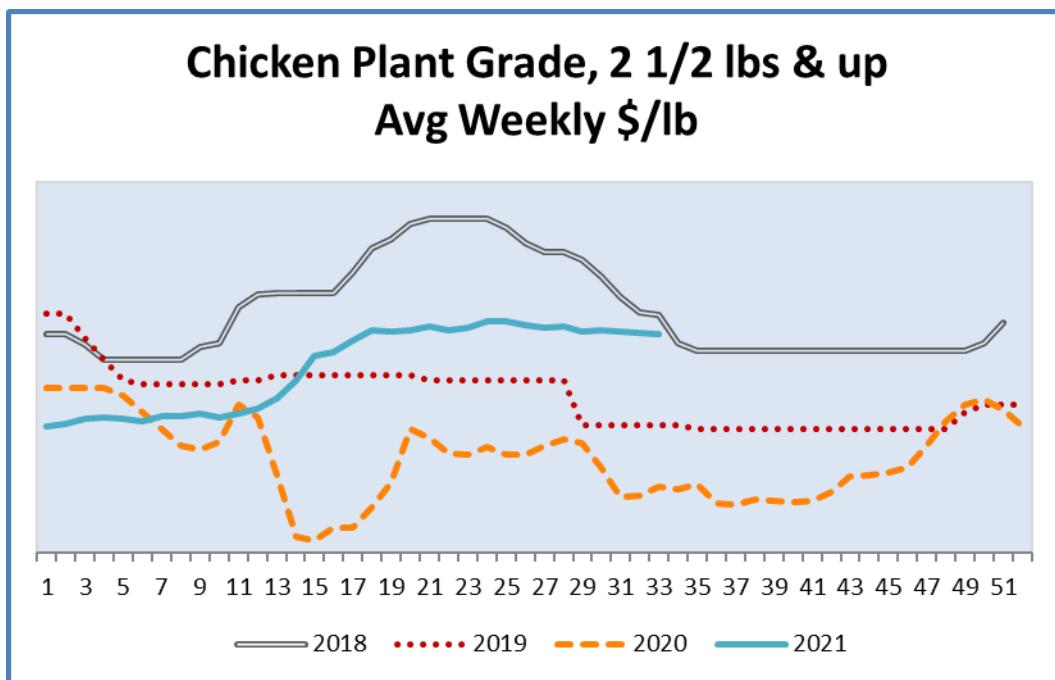
**WOGS-** Market is steady. As we near the end of summer, both fast food and retail deli continue to provide adequate support on WOG's and 8pc cutups. All sizes are clearing well with some spot load activity being reported. Supply is in balance with demand and the market remains flat.

**Tenders-** Market is steady to firm. Retail, foodservice, and QSR demand continues to be rated as moderate to fair. With limited headcount and debone capacity, supply is tight and is limited to the number of tenders that can be portioned on a weekly basis. Market levels are firm.

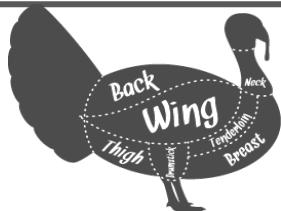
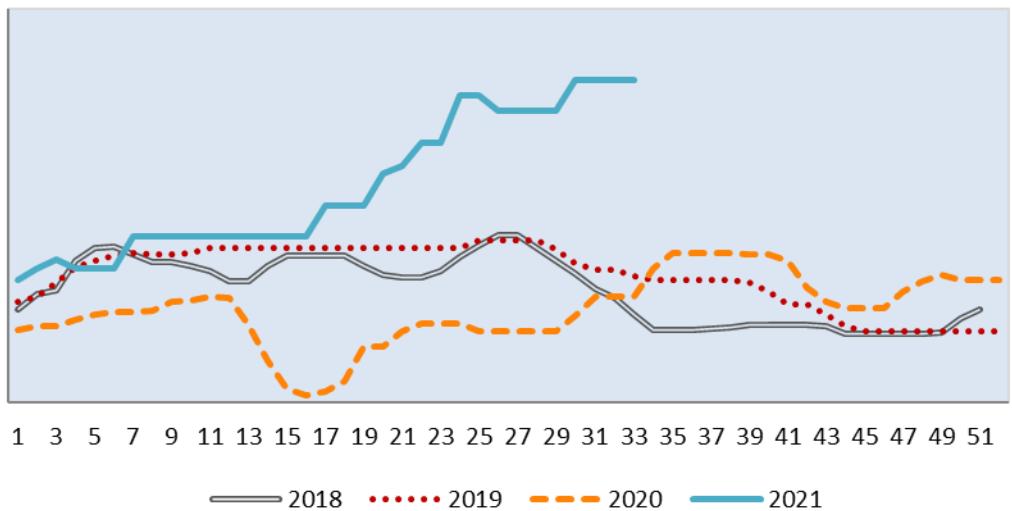
Boneless Breast- Market is steady to firmer. Retail and foodservice demand is on the rise which is keeping all sizes clearing adequately. Supply on all sizes has tightened a bit. Market on all sizes is being pressured higher.

Leg Quarters and Thighs- Market is steady. Export demand remains consistent on a weekly basis. Retail sales on drums, thighs, and bagged leg quarters is good. Boneless skinless thigh meat remains strong and supported by foodservice activity. The supply side remains tight due to limited debone capacity. Supply for bone-in parts is available while boneless skinless thigh meat is short. Market levels are mostly flat with bone in thighs showing strength.

Wings- Market is steady to firmer. Foodservice demand is on the rise due to football season starting last week. All sizes are clearing well and supply has tightened. Market is firm and is starting to be pressured higher.



## Chicken Tenders Avg Weekly \$/lb



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

## TURKEY

Market is steady to firmer. Total headcount for last week was 4,063,000 as compared to 4,241,000 for the same week last year. Average weights for last week were 31.17 lbs. as compared to 30.64 lbs. for the same week last year. Frozen whole birds remain sold out with limited spot loads being reported. Demand for breast meat, white trim, and tenders continues to be rated as steady. Domestic demand for drums, thighs, and wings is steady enough to keep markets supported. Export volume remains steady to good on back half parts. Labor issues continue to be a pressing issue for most plants which is causing issues with product availability and debone capacity. Limited production and reduced headcounts year over year

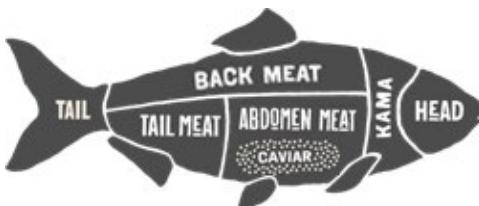
have floor stocks tight on the key categories. Allocations continue to be reported. Supply for whole birds is extremely limited, parts remain tight, and white meats are tight.

**Whole Birds-** Market is steady to firm. Demand is strong as suppliers continue to pack whole birds to fill prebooked loads. Spot loads are hard to find and are being held with confidence. Hen sizes are extremely tight, some Tom sizes are available. Supply is tight and the market remains firm.

**Breast Meat-** Market is steady to firmer. Foodservice and retail deli business continues to trend moderate to good. Further processor demand is vibrant and is keeping the balance of supply sold up. Supply is tight on white meats. Market is firm on breast meat and tenders.

Wings- Market is steady. Domestic demand for 2 joints is moderate to good and export demand for whole wings is trending steady. Limited production is keeping the supply side tight. Market is trending flat.

Drums and Thigh Meat- Market is steady. Export and domestic volume for drums and thighs is reported as moderate and consistent. 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, but tight on boneless thigh meat. Market is flat.



## SEAFOOD

Gulf Shrimp- Market is weaker. The recent additional fishery opening is helping to improve landings and overall inventories are slowly improving.

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 due to availability of product from Ecuador helping to improve inventories from the region. That market has become more steady as we moved into this week. 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 take pressure off of the market. 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.

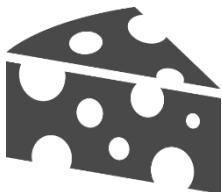
Domestic Catfish- Market is firm. Inventories have been limited for several months and the easing of dining restrictions across the country has put additional pressure on the market. Allocations remain commonplace and are anticipated as we move through the summer. Inventories are limited on all sizes and well below current demand. Supply issues with imported product is putting additional pressure on the market as that market is seeing record high prices.

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. Total tilapia imports ytd through June are down 12.2% compared to same time last year.

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

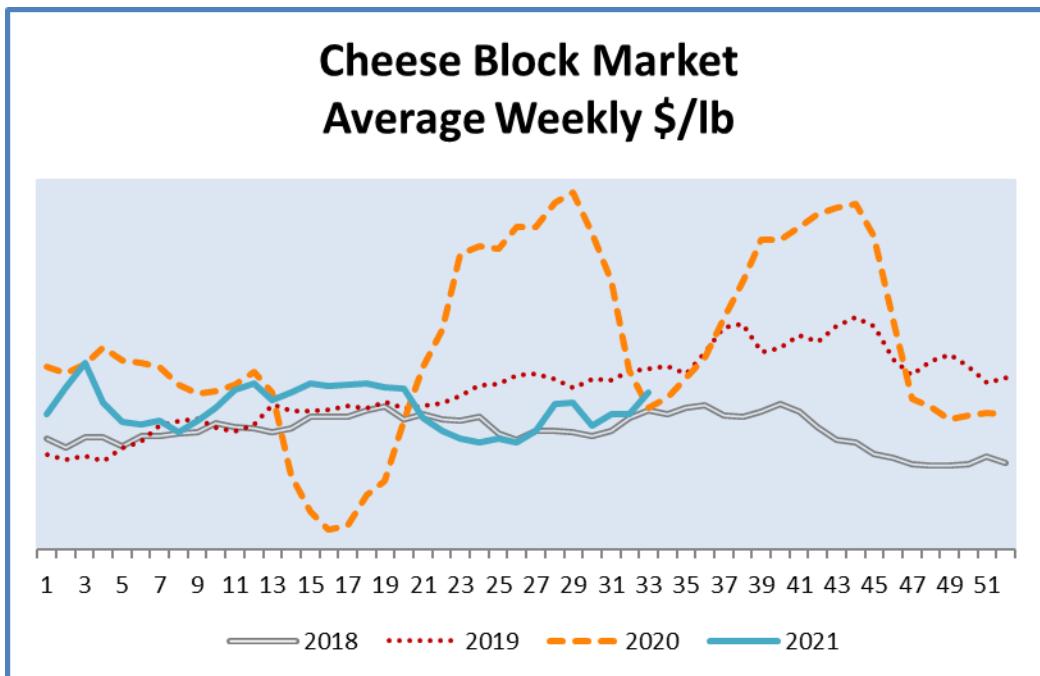
and keeping continued pressure on the domestic market. The market for imports is steady to firmer with product from Canada seeing upward pressure due to limited availability and product from China continues to see shipping delays.



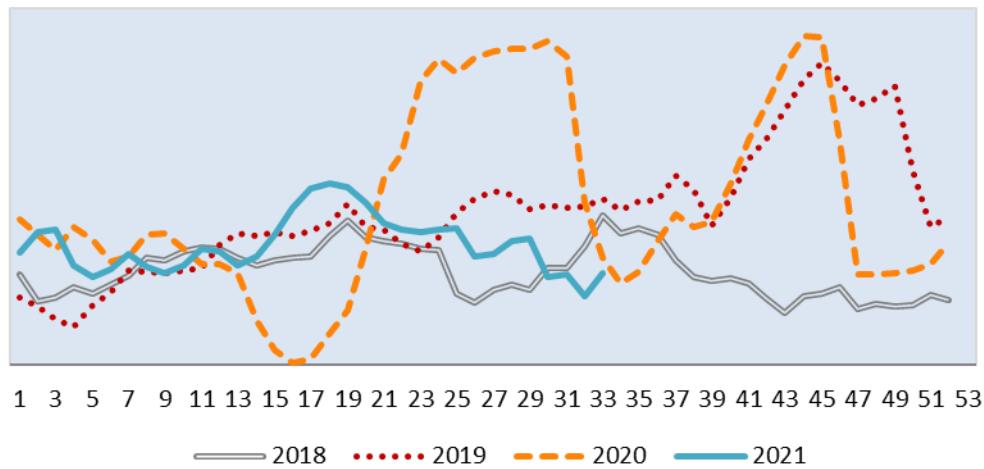
## DAIRY

### Cheese

Market is firmer. The CME Block market started this week off higher but has inched lower as this week has progressed, but the weekly average is still above prior week. The CME Barrel market started this week off higher than prior week and has continued to inch higher as this week has 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.



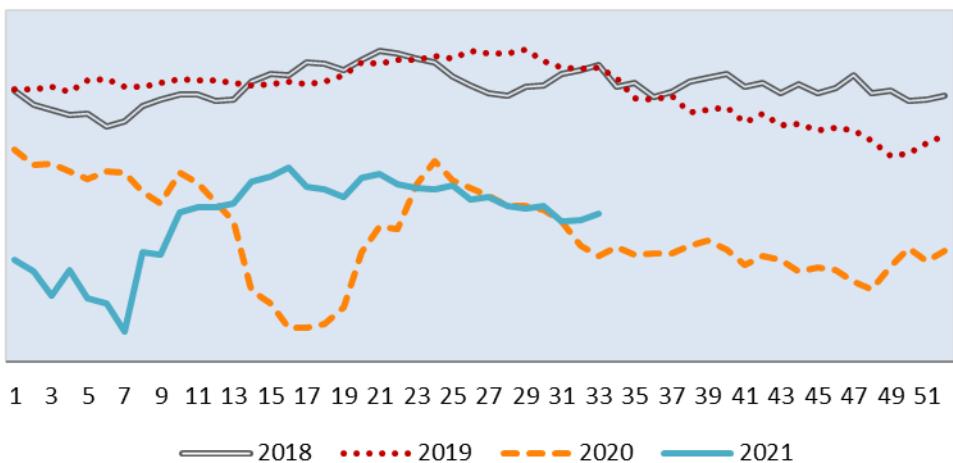
## Cheese Barrel Market Average Weekly \$/lb



## Butter

Market is firmer. The CME Butter Market started this week higher than prior week and has held mostly steady as the week progressed. Cream availability has become more mixed across the country causing production to become more limited. Logistics and labor remain a concern for both inbound and outbound shipments.

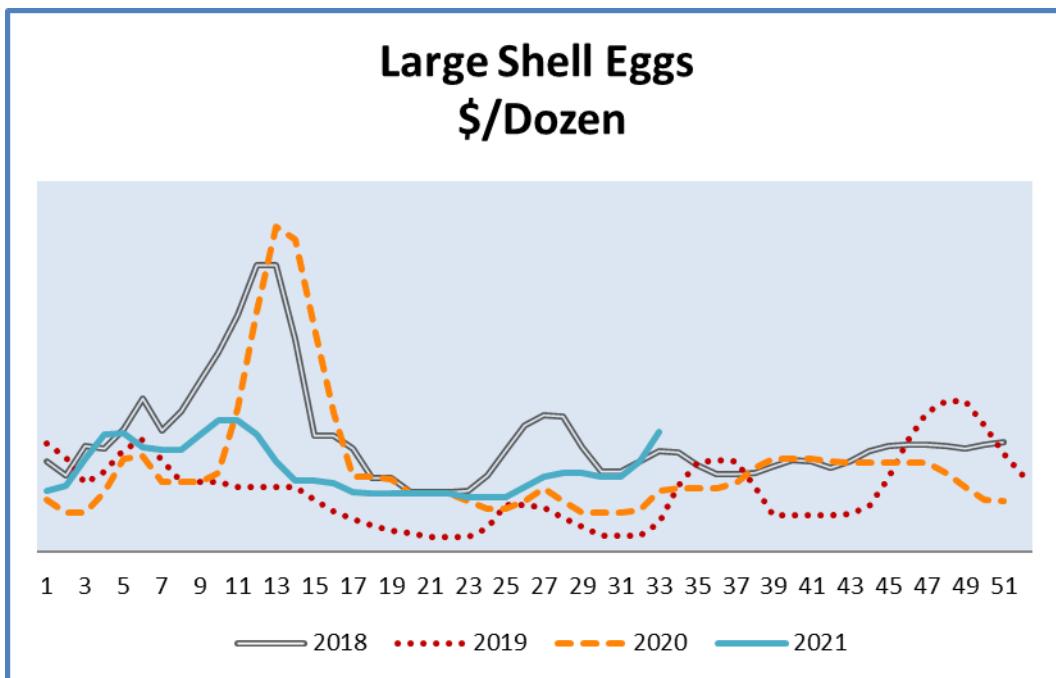
## Butter Market Avg Weekly \$/lb





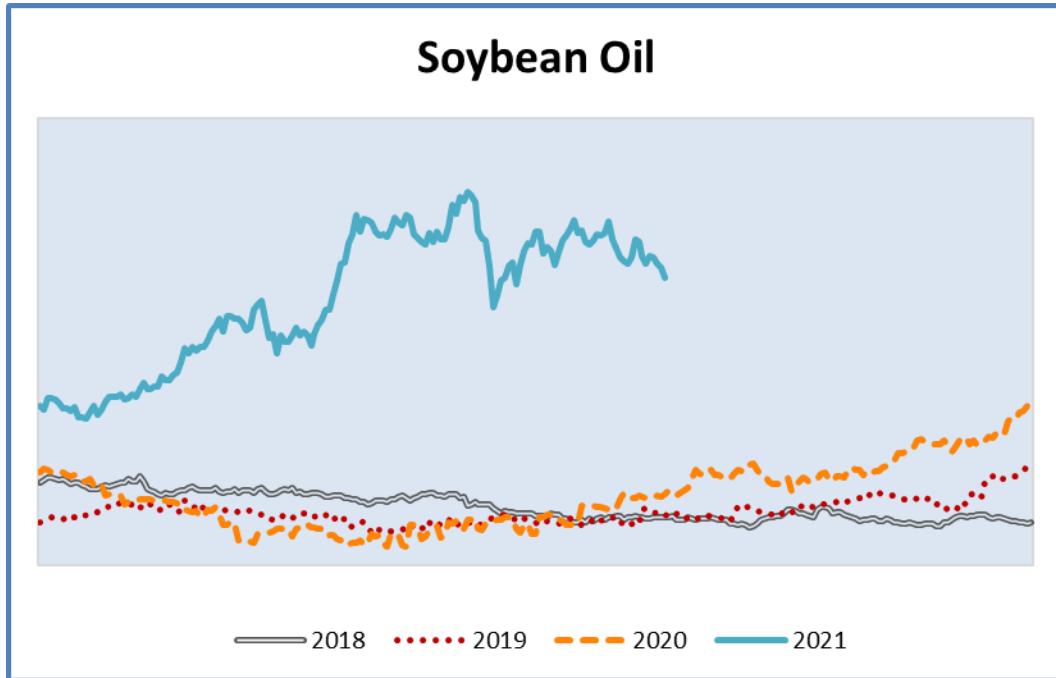
## EGGS

Market is firmer. Retail demand is being reported as moderate to good across most regions. Promotional activity is being reported on a regional basis. Foodservice demand is rated as good and continues to show weekly improvement. Fast food sales remain steady for this time of year. Supply 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 1.0% over last week.



## SOY OIL

Market is steady to weaker. Soybean markets and futures continue to be up and down but have been trending slightly downward over the last week. Growing conditions in the United States are rated as mixed as the Northern Plains are reporting dry conditions and other areas are starting to get adequate rainfall. At the current time, soybean demand continues to outpace supply. 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. Even with their third largest port being shut down due to Covid, demand from China has been strong over the last two weeks. Market remains at high levels and trading is volatile as new information becomes available.



# MODIFIED FOOD STARCH

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.