



# Market Report

Week Ending September 10, 2021



*\*\*Graphs represent data for the week ending September 3, 2021\*\**

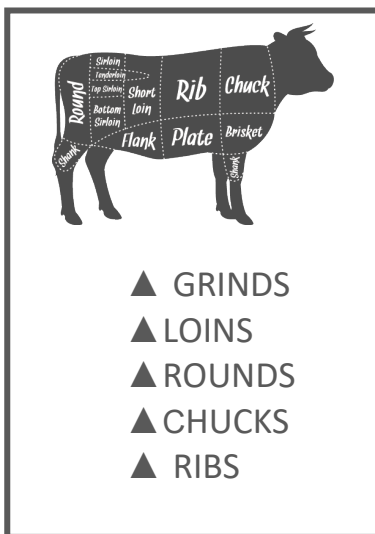
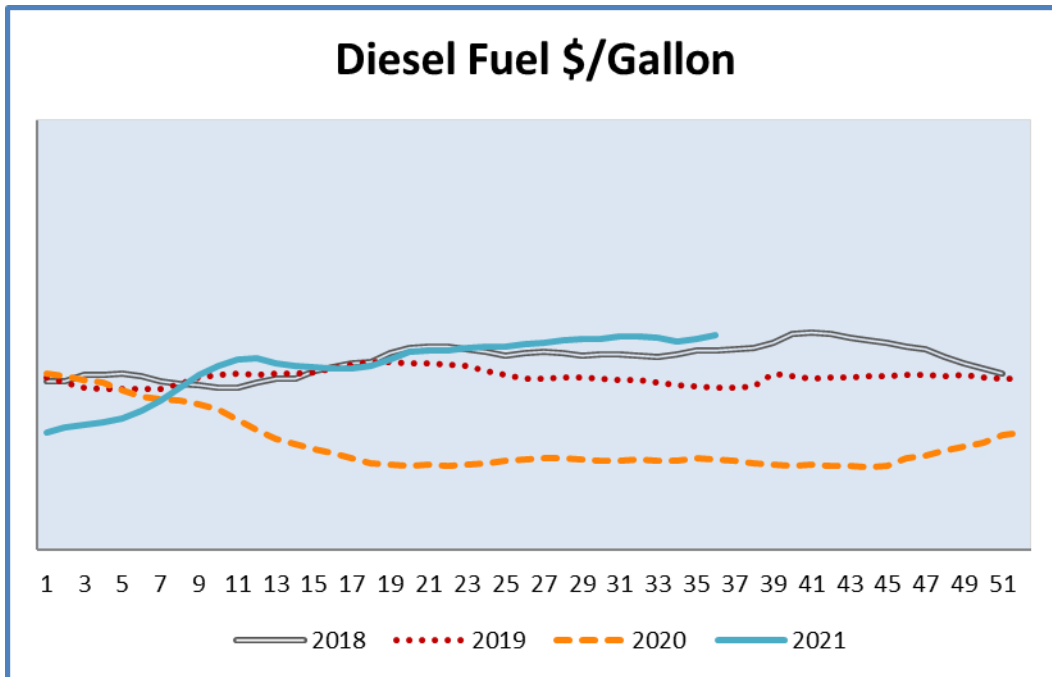


# LOGISTICS

As predicted, there have been some decent jumps last week with EOM and with Hurricane Ida making landfall. FEMA is pushing hard to make sure they have capacity and trucks to bring in supplies as needed to Louisiana which is affecting supply and rates in some areas.

The National rate per mile for dry vans is up this week and the National Reefer rate per mile continues to climb at a steady clip increasing several percentage points this week.

Carriers are still picking and choosing what lanes they want and need and are dropping loads last minute.



# BEEF

Market is unsettled. Total beef production for last week was down 3.9% versus prior week and was up 3.7% compared to same time last year. Total production year to date is up 3.7% compared to year-to-date 2020. Total headcount for last week was 624,000 as compared to 635,000 for the same week last year. Total headcount year to date is 22,464,000 as compared to 21,628,000 for year-to-date 2020. Live weights for last week were up 4 lbs. from prior week but down 19 lbs. from same time last year. Beef demand has been very good for several weeks due in part to disposable income levels being at higher than traditionally normal for this time of year. This has helped to keep upward pressure on higher priced cuts such as Ribeyes and Strips and many items are seeing record pricing for this time of the year. In addition, multiple plants had production issues as we moved through August, and this put additional pressure on availability.

The choice grading percentage is dropping and is expected to continue to decline over the coming weeks. The lighter availability of Choice and higher graded product is expected to put pressure on availability and put upward pressure on pricing for those buyers seeking the higher graded product. 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. Production is typically lighter this week due to holiday production schedules and helps to keep inventories more limited as we move into next week.

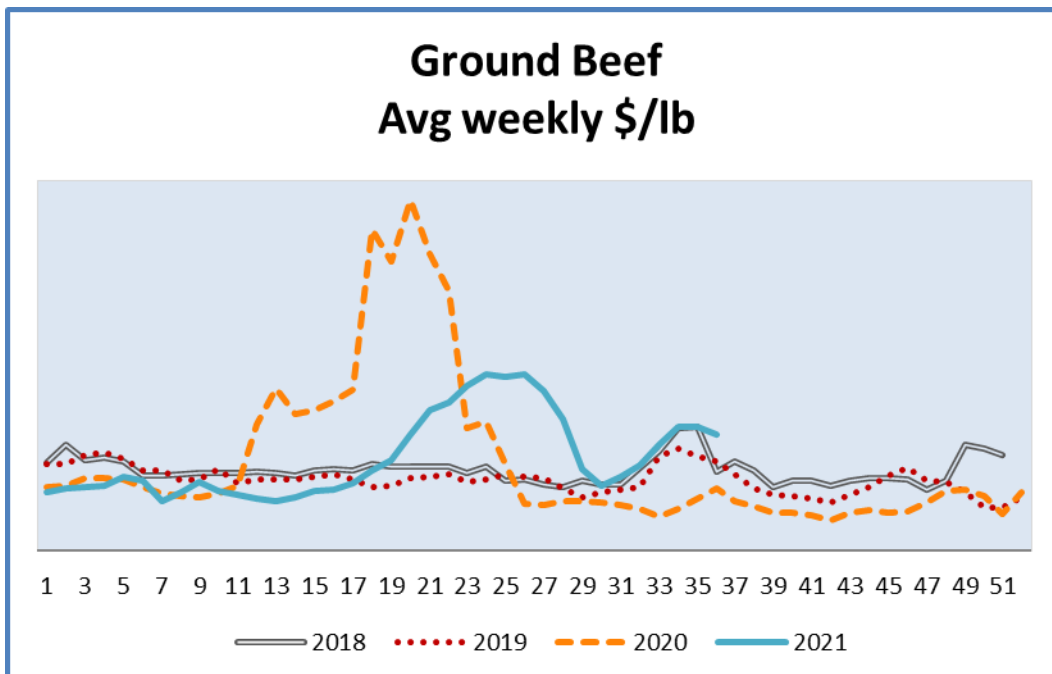
Grinds- Market is unsettled. Demand was very good leading up to the holiday and the shortened production week this week has helped to keep pressure on the market. As we moved closer to the end of the week availability has become more mixed between packers with some raising and some lowering their prices.

Loins- Market is unsettled. Buying activity has been very good the past few weeks as we led up to the holiday. This week has seen availability become more mixed between suppliers

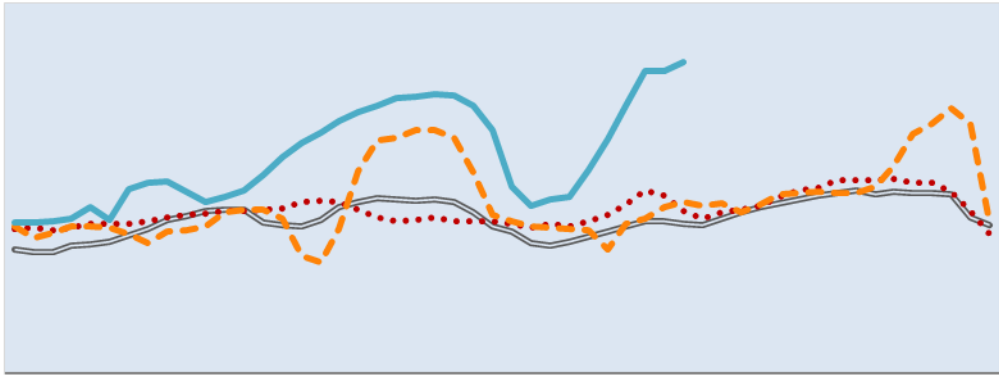
Rounds- Market is unsettled. This week has seen the market inch lower on multiple cuts which is in line with typical seasonal patterns. This market typically sees upward pressure as cooler temps start to set in across the country over the coming weeks.

Chucks- Market is weaker. Buying activity has been lighter as we moved through this week helping to put downward pressure on multiple cuts that had been seeing strength for the past few weeks.

Ribs- Market is unsettled. Demand has become more mixed this week as buying activity typically switches as we move past the holiday. Prices are still at very high levels and availability of choice product is more limited due to the grading percentages. Typically, this market is unsettled for the next few weeks before seeing upward pressure again as we move into the fall. The current high prices are keeping the market a little more unsettled this year as packers look to adjust asking prices to demand levels.



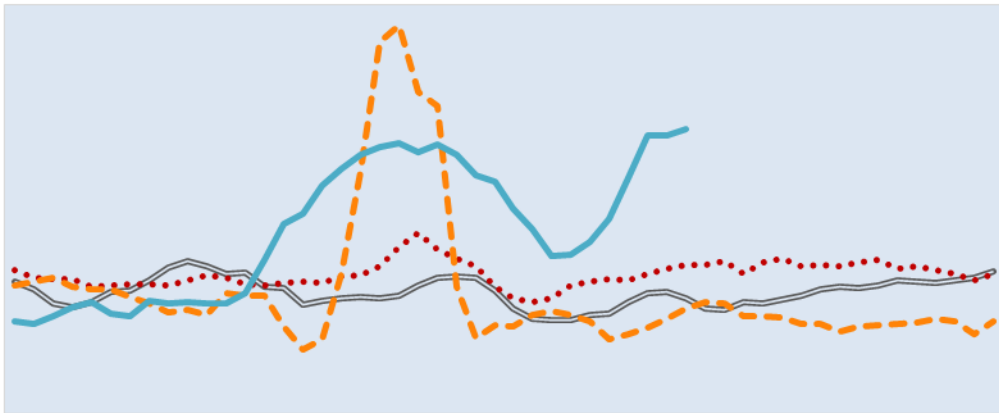
### Choice Ribeye Heavy Avg weekly \$/lb



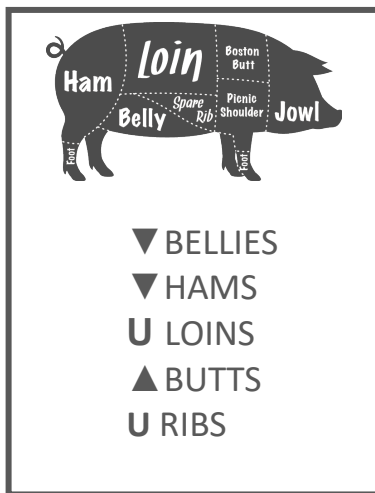
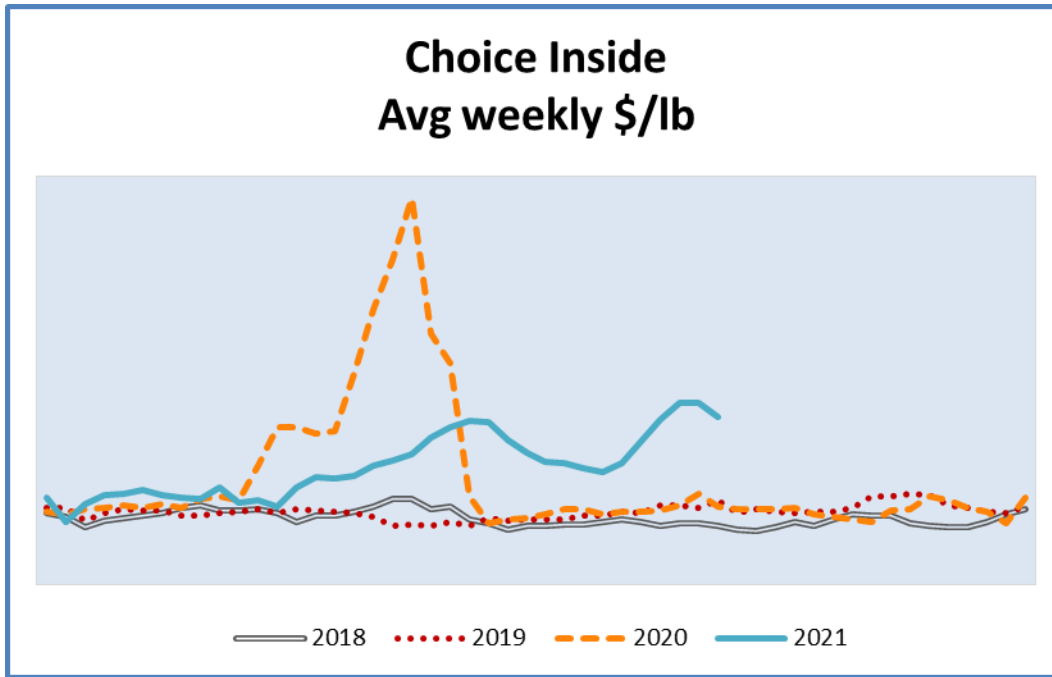
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

— 2018    ···· 2019    - - - 2020    — 2021

### Choice Brisket Avg weekly \$/lb



— 2018    ···· 2019    - - - 2020    — 2021



## PORK

Market is weaker. Total pork production for last week was down 1.7% versus prior week but was down 3.1% compared to same time last year. Total production year to date is down 1.6% compared to year-to-date 2020. Total headcount for last week was 2,398,000 as compared to 2,466,000 for the same week last year. Year to date headcount is 85,930,000 as compared to 87,416,000 for year-to-date 2020. 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> qtr. to be 3% lower. Pork exports in July were lighter than we had been trending and were down 8.4% compared to July of last year. Exports had been setting records since March of this year but slowed in July as record high prices on multiple cuts helped to slow international buying demand.

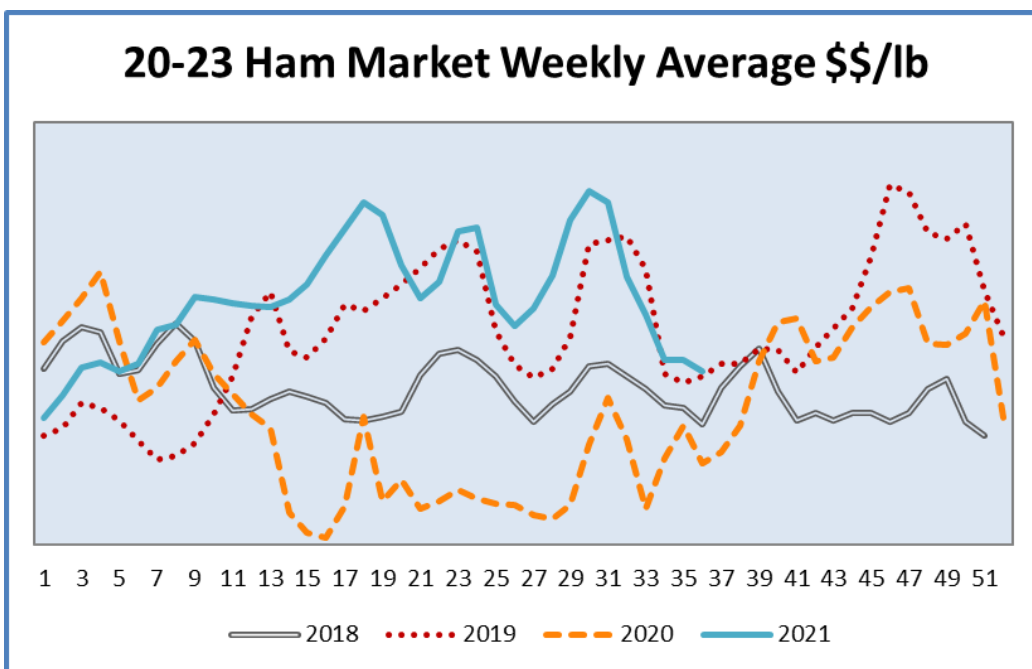
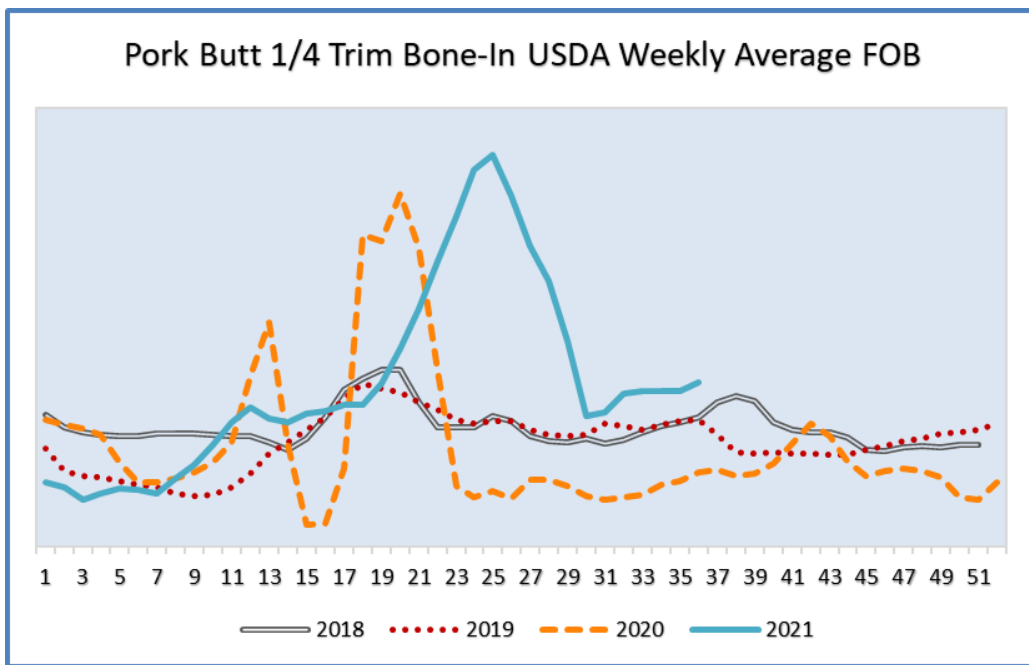
**Bellies-** Market is weaker. Buying activity has been lighter over the past few days after the market set records just a few weeks ago. The market has dropped significantly from just over a month ago. The market is expected to be more unsettled as we move through the coming weeks due to the limited available labor for processing and production typically drops over the coming weeks.

**Hams-** Market is unsettled. The market has pushed lower over the past few days but saw strength again at mid-week. The recent high prices have helped to slow buying interest and export interest has dropped sharply the past few weeks. Multiple packers are working on bookings for the fall to try to better understand the needed production over the coming weeks.

Loins- Market is weaker. Available inventories vary between suppliers with boneless items still being a challenge for some packers.

Butts- Market is weaker. Demand was very good leading up to the holiday but has been moving lower as this week progressed. 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. 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 as buyers looked to cover their needs for Labor Day. Buying activity has eased as we moved into this week helping to take some pressure off the market. Labor issues remain a concern and helping to keep the market more unsettled as we move through the coming weeks.





# CHICKEN

Market is steady to firm. Total headcount for last week was 161,343,000 as compared to 173,857,000 for the same week last year. Average weights for last week were 6.35 lbs. as compared to 6.38 lbs. for the same week last year. Chick placements on fryers for week ending 10/9/21 are estimated at 161.8 million headcounts. Placements for previous week were 162.6 million and same week last year was 169.0 million. Retail and foodservice business is being reported as moderate to light due to the short week following a holiday. Industry demand for WOGS and 8pc cutups remains steady across all sizes. Demand for tenders, boneless breast, and wings continues to be moderate to strong. Export activity for leg quarters and whole legs is reported as moderate. Labor issues and worker absenteeism is a constant problem for production plants. Reduced schedules are causing production issues with front half debone, portioning, and further processing. Floor stocks are moderate to light depending on the plant.

WOGS- Market is steady. Fast food and retail deli volume remains consistent. All sizes are clearing well with limited spot load activity being reported. Supply remains tight and is in balance with demand.

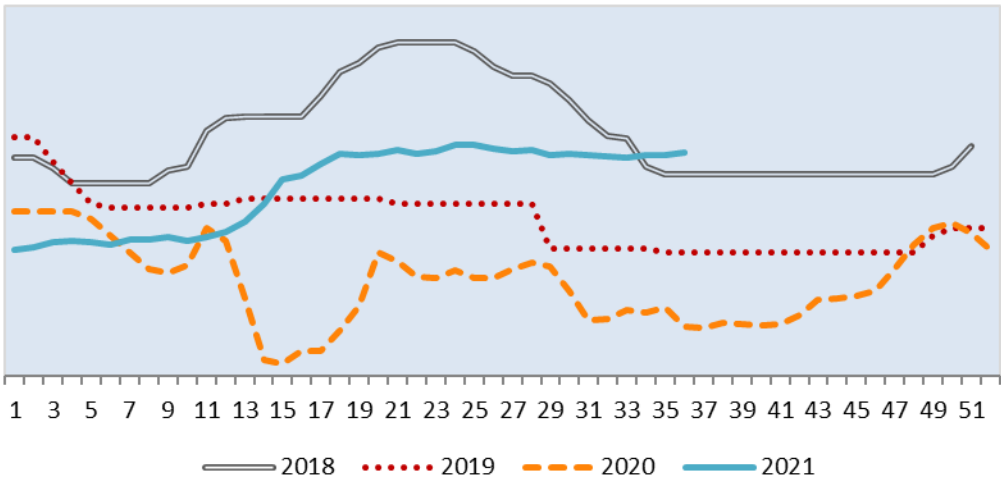
Tenders- Market is steady to firm. Retail, foodservice, and QSR demand is very active. Limited headcount and debone capacity continue to constrain the supply side. Inventories are tight and future production is limited to the number of tenders that can be portioned on a weekly basis.

Boneless Breast- Market is steady to firm. Retail demand had an uptick in demand leading into the holiday and is now reported as moderate. Foodservice activity is steady and helping to keep the select and jumbo sizes sold up. Supply on all sizes is tight.

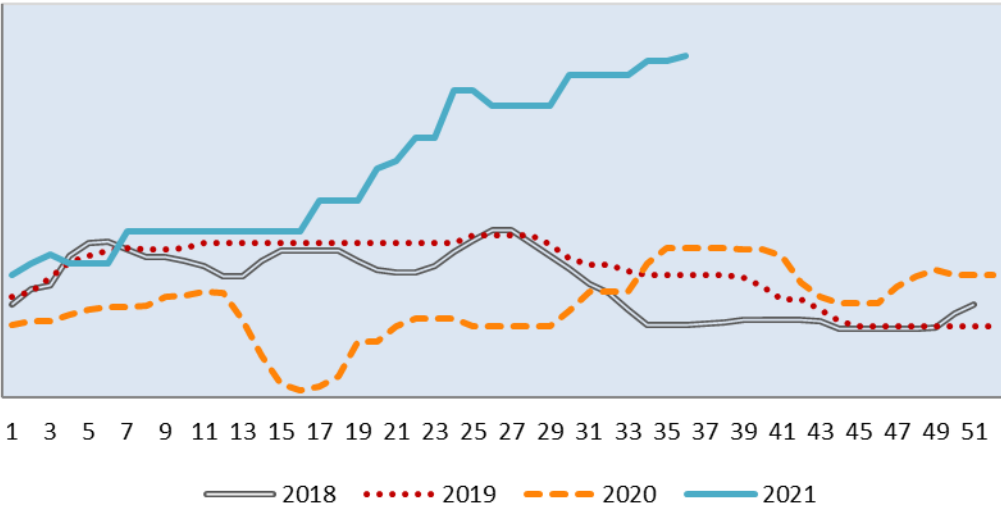
Leg Quarters and Thighs- Market is steady. Export business on leg quarters and whole legs is moderate. Retail sales are steady on drums, thighs, and bagged leg quarters. Boneless skinless thigh meat is in high demand. Supply for bone-in parts is available while boneless skinless thigh meat is short due to limited debone capacity.

Wings- Market is firm. With football season in full swing, foodservice demand for wings is very active. Further processor demand for small wings is strong as they try to replenish inventories on fully cooked items. Supply is tight.

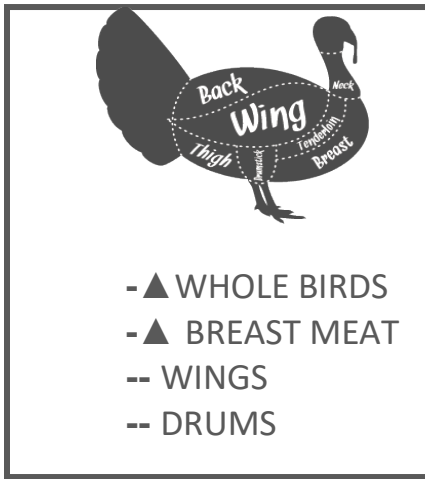
### Chicken Plant Grade, 2 1/2 lbs & up Avg Weekly \$/lb



### Chicken Tenders Avg Weekly \$/lb







## TURKEY

Market is steady to firm. Total headcount for last week was 3,756,000 as compared to 4,088,000 for the same week last year. Average weights for last week were 30.35 lbs. as compared to 30.85 lbs. for the same week last year. Whole birds remain sold out and supported by frozen and fresh sales. Demand for breast meat, white trim, and tenders is reported as moderate to good. Domestic demand for drums, thighs, and wings is moderate to good. Export volume is adequate to support back half parts. Labor issues continue to cause reduced production schedules. Limited production and reduced headcounts have floor stocks extremely tight on all major categories. Allocations continue to be reported. Supply for whole birds is extremely limited while parts and white meats remain tight.

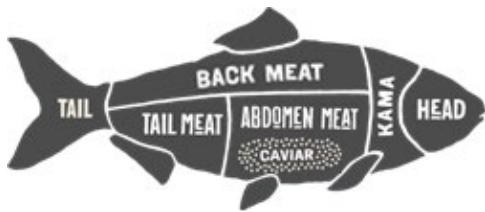
Whole Birds- Market is steady to firm. Fresh orders for the November timeframe are being reported as moderate to strong. Frozen orders are still being packed as the number of whole birds are tight. Spot loads are few and are being held with confidence. Hen sizes are extremely tight while some heavy Tom sizes are available. Supply is tight.

Breast Meat- Market is steady to firm. Foodservice and retail deli business is moderate to good. Further processor demand is vibrant and keeping supply sold up. Supply is tight on white meats.

Wings- Market is steady. Domestic demand for 2 joints and export demand for whole wings remains adequate for this time of year. Limited production is keeping the category tight.

Drums and Thigh Meat- Market is steady. Drums and thighs are supported by domestic and export volume. Thigh meat continues to be in high demand and tight supply. Supply is available on bone in parts, but tight on boneless thigh meat.

## SEAFOOD



Gulf Shrimp- Market is weaker. New season product is becoming more available and helping to move the market off the extreme highs seen just a few weeks ago. Production was impacted slightly by Hurricane Ida, but activity has picked up again in the region.

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 firm. The market for product of Latin America had seen downward pressure a few short weeks ago but demand from buyers looking to cover their needs has put upward pressure on that market again. 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 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.

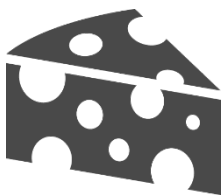
Pollock- Market is firmer. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

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. Covid issues in Vietnam have closed multiple plants and helping to push the market higher as availability is expected to become tighter over the coming weeks.

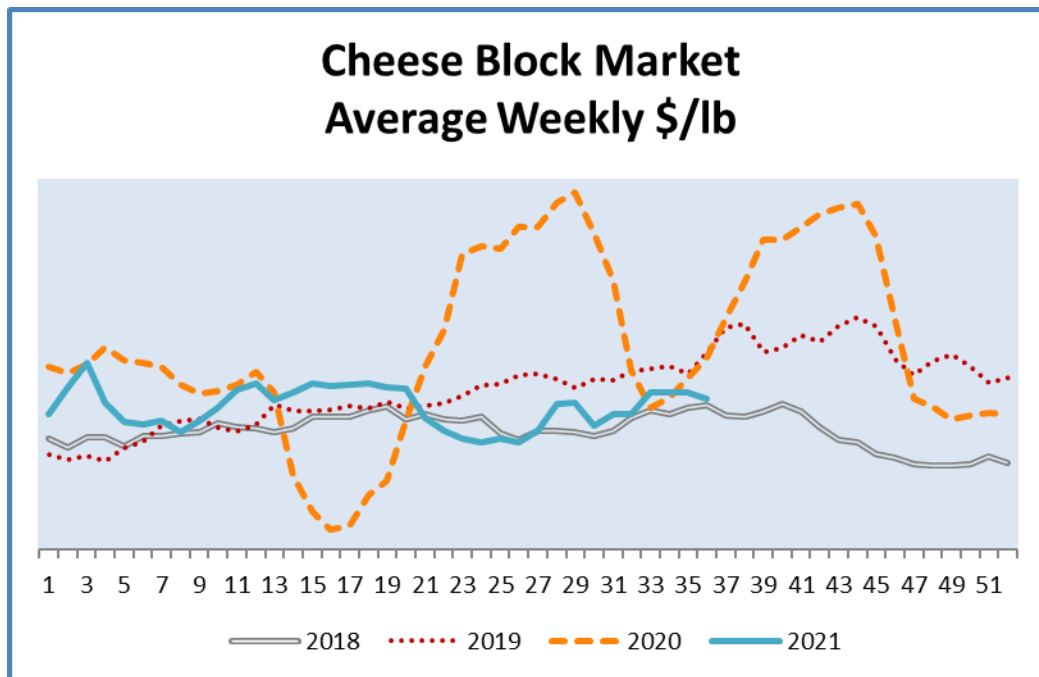
Scallops- Market is firm. The market for larger sized domestic product is firm with increased demand keeping pressure on the market. Inventories of U/10 product are very limited with record high pricing. New season product is making its way into the market, but reports are showing expectations of inventories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

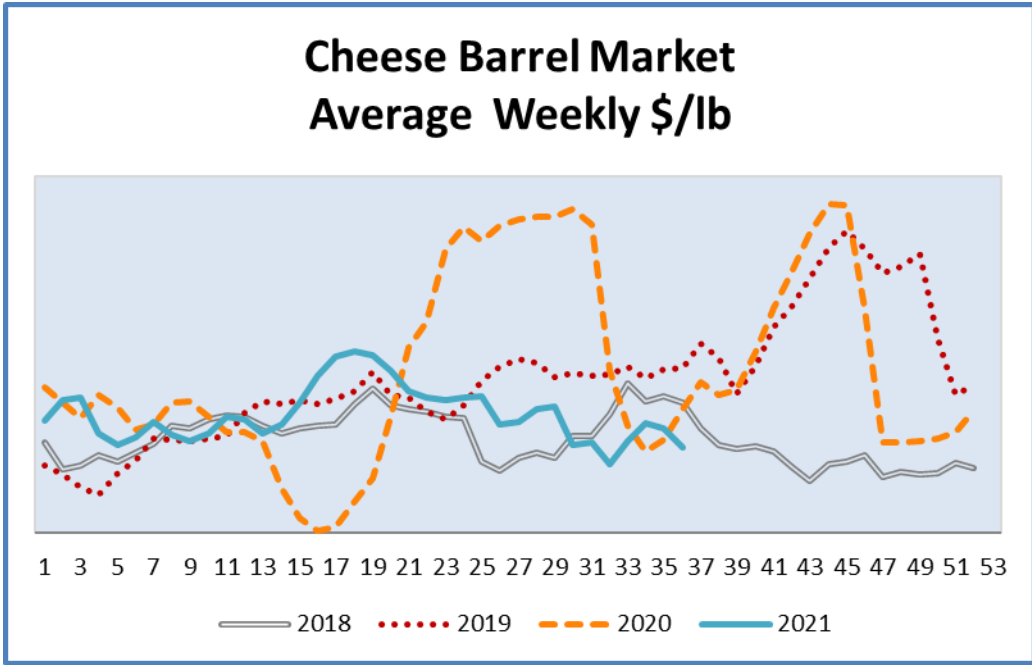


## DAIRY

### Cheese

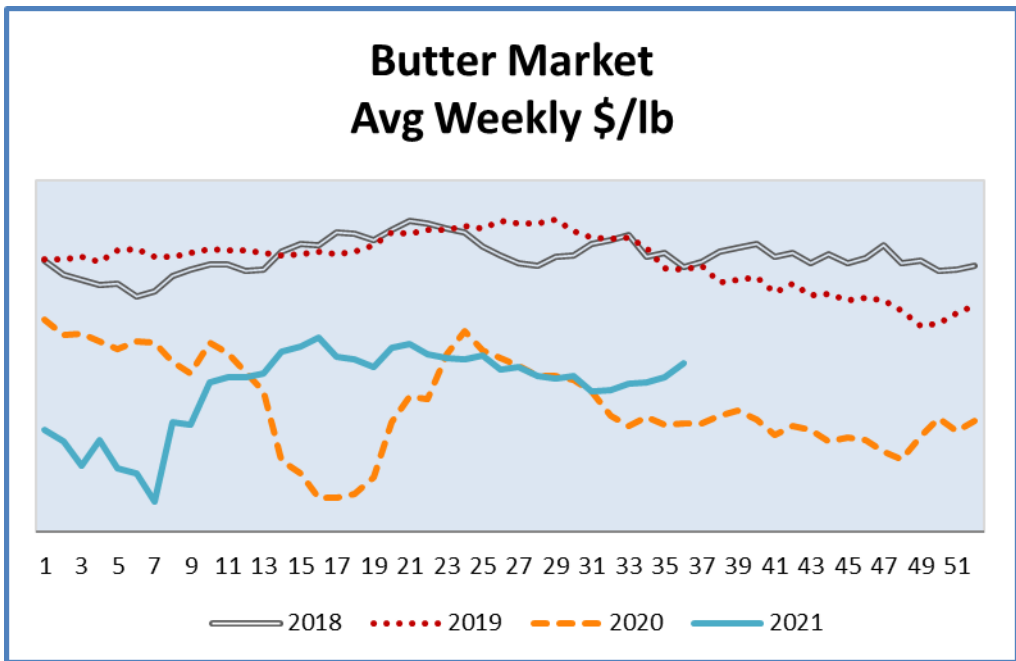
Market is firmer. The CME Block & Barrel prices are trending upwards. Summer heat has caused milk production to stall. While the shutdown of the country is unlikely to happen as it did in 2020, the industry could see a potential slowdown in production as the COVID-19 Delta variant continues to surge and consumers react by pulling back on their usage. Forecasts for the cheese market for rest of the year are varied. Labor and logistical challenges (truck shortages & freight issues both domestic & international) continue to be prevalent.





### Butter

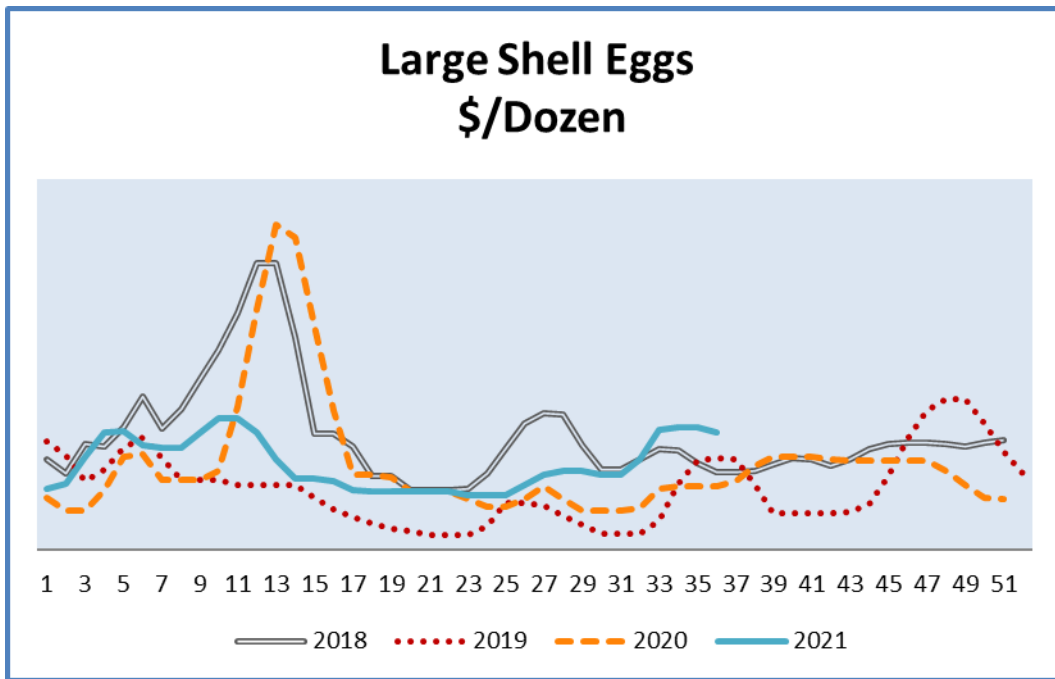
Market remains firm. Cream availability continues to decrease week over week, vary across the region. Butter in the Northeast continues to tighten as demand increases due to school openings. Butter sales in the Midwest remain steady, however an uptick is anticipated as the fall draws closer. The West side of the country is sharing a similar story: staffing and logistic concerns. The DELTA Variant continues to be of great concern across the country.





## EGGS

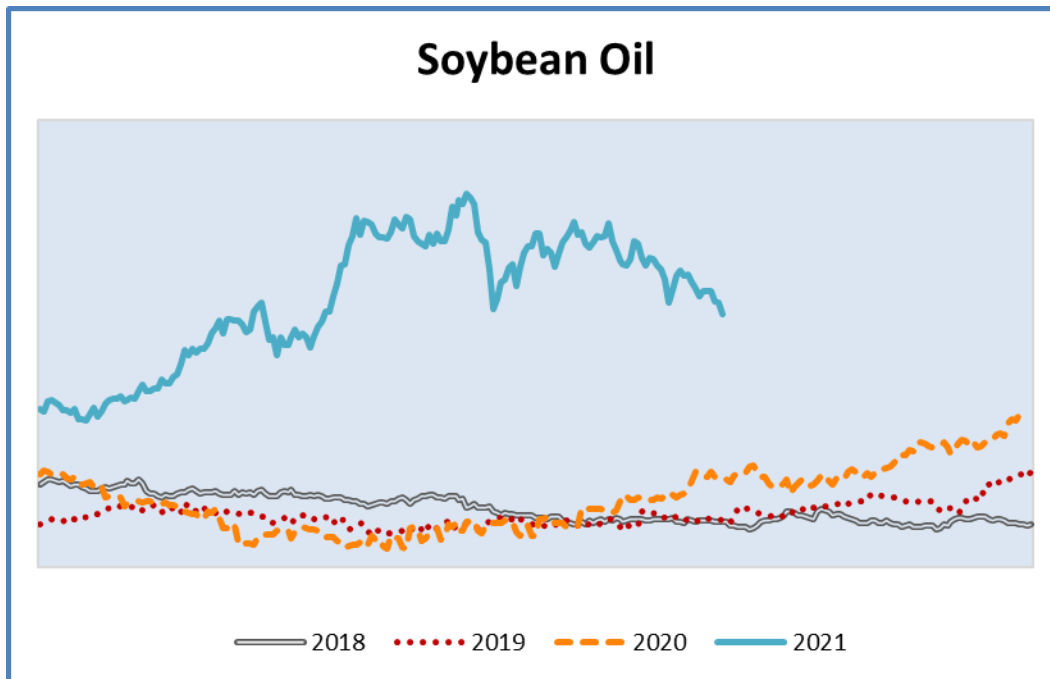
Market is steady to weaker. Retail demand is being rated as moderate across the United States with some regional promotional activity being reported. Foodservice business is reported as moderate. Fast food QSR business is steady for this time of year. Supply is available on both medium and large sizes. Market is trending flat on medium sizes and lower on large sizes. National weekly shell egg inventory reports shell egg inventory up 2.7% over last week.



## SOY OIL

Market has softened this week. Focus has shifted to harvest and how the rest of the crop will finish. South America will begin planting next year’s crop. Brazil will have a strong planting season as more land is available. Something to keep an eye on is a potential La Niña event, which if it occurs, could mean dry conditions for the crops. The plus is that if it does in fact happen, it is forecasted to be a weaker event versus last year. EPA Biofuel proposal sent to White house. No new updates on the mandates for this week. COVID – 19 Delta variant continues to have an effect and has everyone concerned with the economic impact globally.

**CANOLA OIL** Canola crop continues to tighten and raise supply concerns.



**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.

## WHEAT

Durum market is firmer. Pricing has risen by over 200% due to the durum harvest having been severely impacted by drought conditions. The harvest was also then affected by heavy rains at the end of the crop season.

## COFFEE

Market is firm. Brazil was hit by two frost events causing extensive damage to coffee bean crops. Some of the extensive damage may cause farmers to replant trees which could take years to produce. It is important to note that the situation of the ground in Brazil continues to evolve. The lockdown in Vietnam because of Delta variant surge in cases has added concerns for coffee supplies.

## 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.