

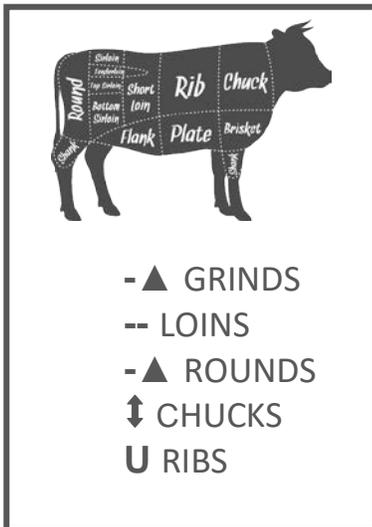
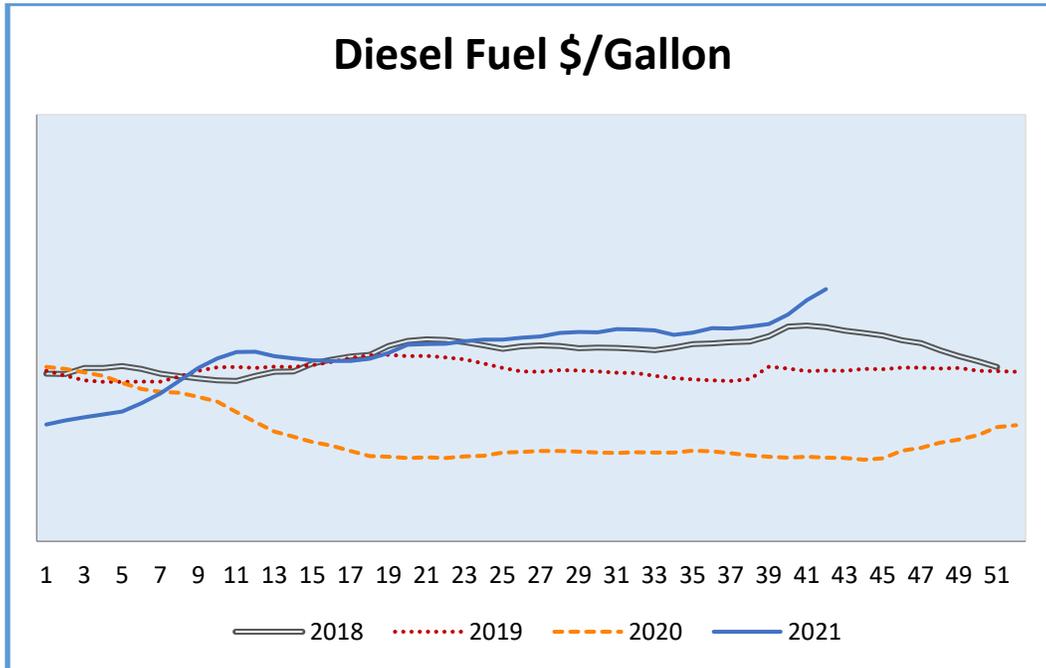


Market Report

Week Ending October 22, 2021



Graphs represent data for the week ending October 8, 2021



BEEF

Market is unsettled. Total beef production for last week was down 1.7% versus the prior week and was down 3.6% compared to same time last year. Total headcount for last week was 646,000 as compared to 659,000 for the same week last year. Live weights for last week were up 1 lb. from prior week but down 18 lbs. from same time last year. The market has moved into a more unsettled tone with both higher and lower prices being seen from packers on multiple cuts over the past several days. This is not out of the ordinary for this time of year as packers look to get their inventories and production in line ahead the upcoming holiday season. Available labor in the plants has been a concern for some time and is something to keep an eye on as we move through the coming weeks. Availability of Choice and higher graded product is expected to be in lighter supply over the coming

weeks and is expected to put pressure on availability and 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 are expected to keep pressure on availability of product. Some analysts are reporting that based on current trends average beef prices could trend up over 30% higher in prices for 4th quarter versus prior year. Live cattle prices remain at high levels and have been trending well above the 5 years average for the past several months. CME Futures contracts point to expectations of higher priced cattle as we move into early next year. Lighter availability at the retail level has been reported and could have an impact on the market as retail buyers try to cover their needs over the coming weeks. The drought conditions seen in

many growing regions combined with high feed costs are leading to additional herd reductions with recent numbers showing that the herd has been reduced by 9% compared to last year.

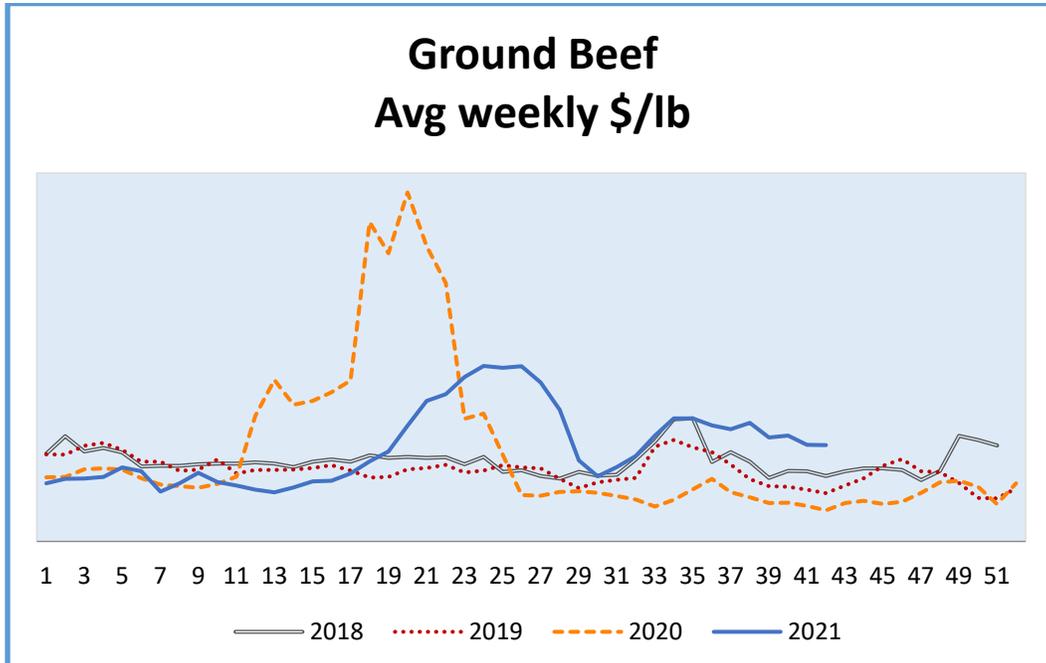
Grinds- Market is steady to firmer. This week has seen multiple prices raise prices as the week progressed. Retail advertising is strong and helping to push demand. Pricing levels are about 50% greater than same time last year.

Loins- Market is mostly steady. This market typically sees lighter buying activity as we move through the coming weeks as demand seasonally shifts to other cuts.

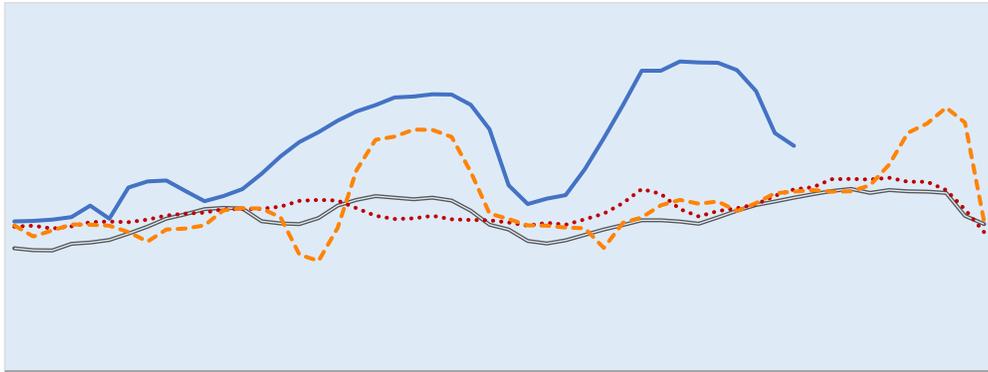
Rounds- Market is steady to firmer. This market typically seasonally moves higher as we move into 4th quarter and cooler temps set in across the country.

Chucks- Market is mixed. Inventories vary between packers with both higher and lower prices being seen as we moved through this week. This market typically sees upward pressure over the coming weeks as cooler weather sets in across the country.

Ribs- Market is unsettled. Availability is mixed between packers with larger gaps being seen in asking prices. 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 further into 4th quarter. Some packers have already announced that they will be limited on product through the holiday season this year. This could result in additional pressure to already high prices.



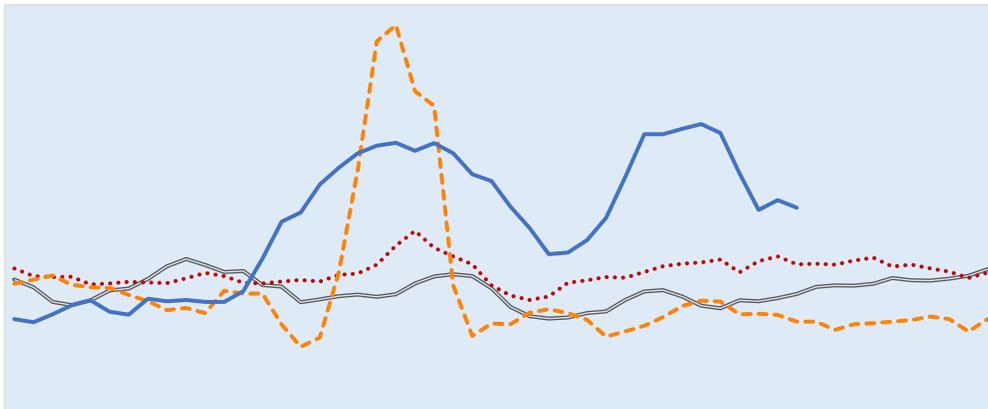
Choice Ribeye Heavy Avg weekly \$/lb



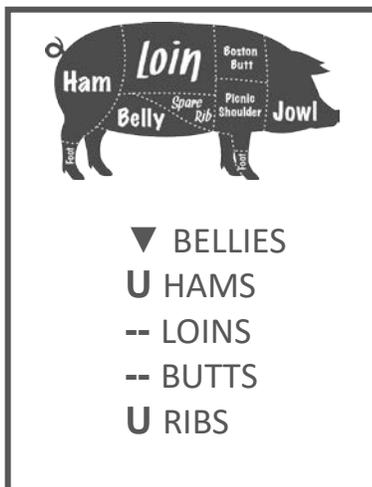
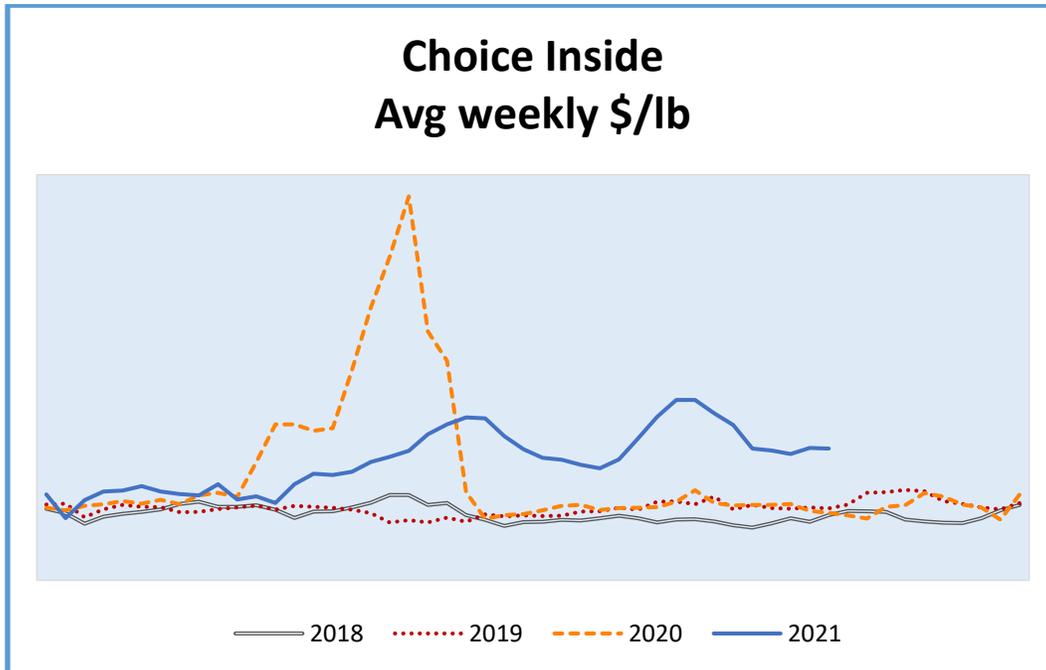
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

— 2018 2019 - - - - 2020 — 2021

Choice Brisket Avg weekly \$/lb



— 2018 2019 - - - - 2020 — 2021



PORK

Market is weaker. Total pork production for last week was up 1.8% versus prior week but down 4% compared to same time last year. Total headcount for last week was 2,637,000 as compared to 2,685,000 for the same week last year. Live weights for last week were up 1 lb. from prior week and down 6 lbs. from same time last year. Labor issues continue to be a concern at multiple plants along with transportation challenges. Shortages and allocations are common place and are expected to continue as we move through 4th quarter. The USDA Quarterly Hogs and Pigs report showed that as of September 1st there was a 4% decrease in hogs as well as a decline in weights. These hogs will come to market at the end of this year and into 1st quarter next year. The USDA also announced a reduction in breeding herd numbers

and this is expected to result in tighter hog supplies as we move through next summer.

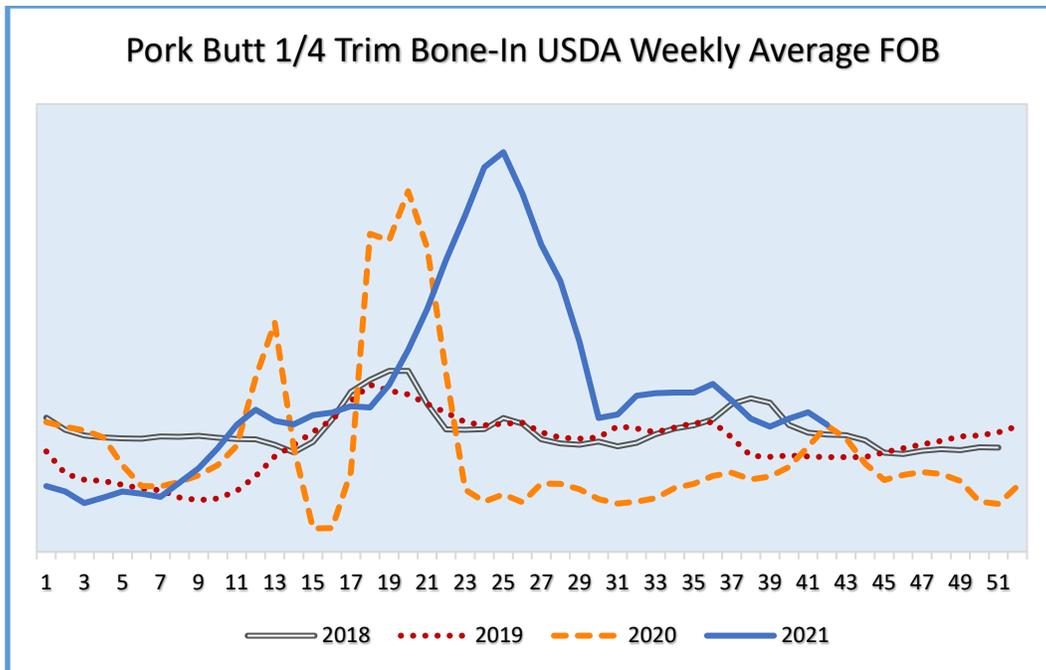
Bellies- Market is weaker. After seeing upward pressure for multiple weeks, the market has moved lower as this week progressed. Demand for bacon has been strong and keeping pressure on inventories. Fresh belly inventories have been limited for several weeks and are helping to put upward pressure on the market. The higher price points combined with lighter seasonal buying activity are helping to put downward pressure on the market.

Hams- Market is unsettled. Availability is expected to be limited for the holidays this year. Multiple packers are already maxed out and not accepting new opportunities on holiday-based items. Limited labor and raw material concerns are expected to help keep this market more unsettled as we move closer to the holidays. Exports to Mexico have been strong over the past few weeks helping to put additional pressure on the market.

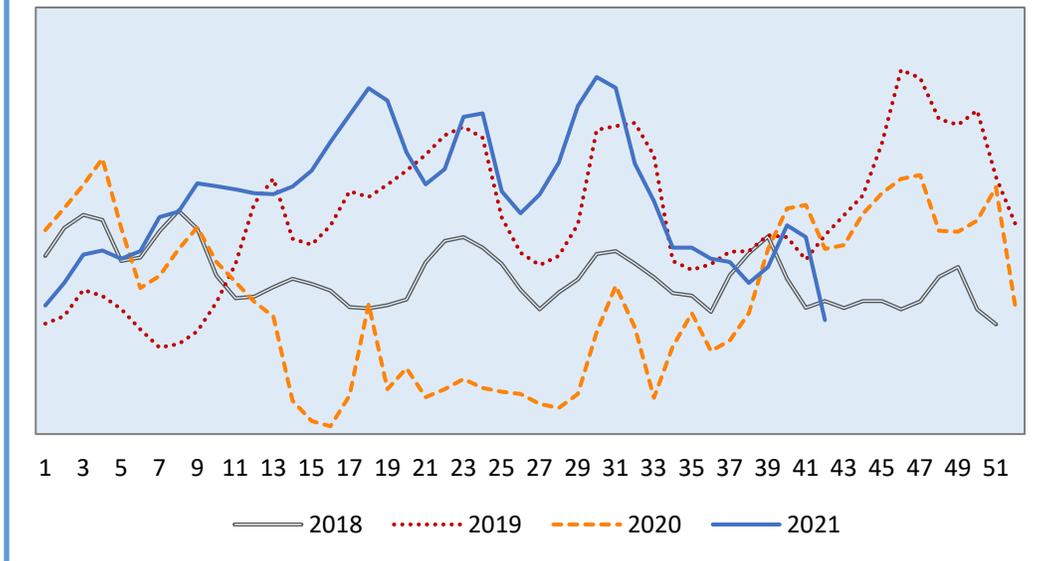
Loins- Market is steady. Available inventories vary between suppliers with boneless items still being a challenge for some packers.

Butts- Market is steady. This market has been moving both higher and lower over the past several weeks due to spikes in demand and mixed availability. Limited available labor is keeping availability on boneless items lighter than normal for this time of year.

Ribs- Market is unsettled. This market has seen extreme highs for much of this year and has seen some relief over the past few weeks. The lower prices over the past few weeks has helped to improve buying interest and the market has moved higher again as we moved through last few days. Labor issues remain a concern and are expected to keep the market more unsettled as we move through the coming weeks. Cold storage inventories remain very low and with production expected to be below last year as we move into next year.



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



CHICKEN



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

Market is weaker. Total headcount for last week was 168,101,000 as compared to 168,430,000 for the same week last year. Average weights for last week were 6.44 lbs. as compared to 6.45 lbs. for the same week last year. Chick placements on fryers for week ending 11/20/21 are estimated at 156.1 million headcount. Placements for previous week were 157.8 million and same week last year was 167.1 million. Retail and foodservice activity is being reported as light and this has been a constant theme in October. Demand for WOGS is starting to retreat and showing signs of correcting. Volume on boneless breasts and tenders continues to trend soft for the third consecutive week. Demand for wings, drums, thighs, and dark meat is trending lighter. Export activity for leg quarters and whole legs is rated as moderate. The industry still has labor issues to

contend with, but more and more plants are reporting improvements in worker headcounts. The number of birds being processed weekly remains slightly less than last year. With the reduction in headcounts, supply has yet to return to pre-pandemic levels. Floor stocks are now being reported as adequate. Market levels continue to correct downward on boneless breasts, tenders, and jumbo wings.

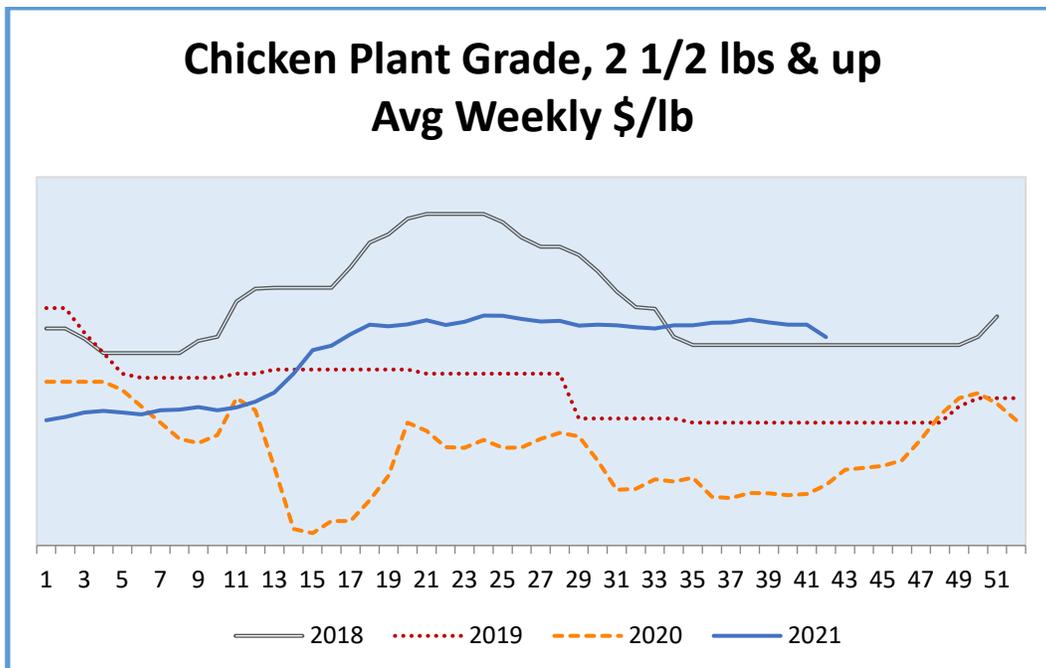
WOGS- Market is steady to weaker. Retail deli and QSR business is starting to trend weaker as we move into the cooler Fall Season. Smaller WOGS are holding steady while larger sizes are trending weaker. Supply is being reported as available and market is experiencing downward pressure.

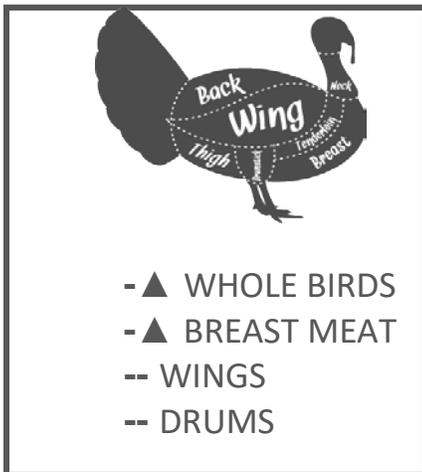
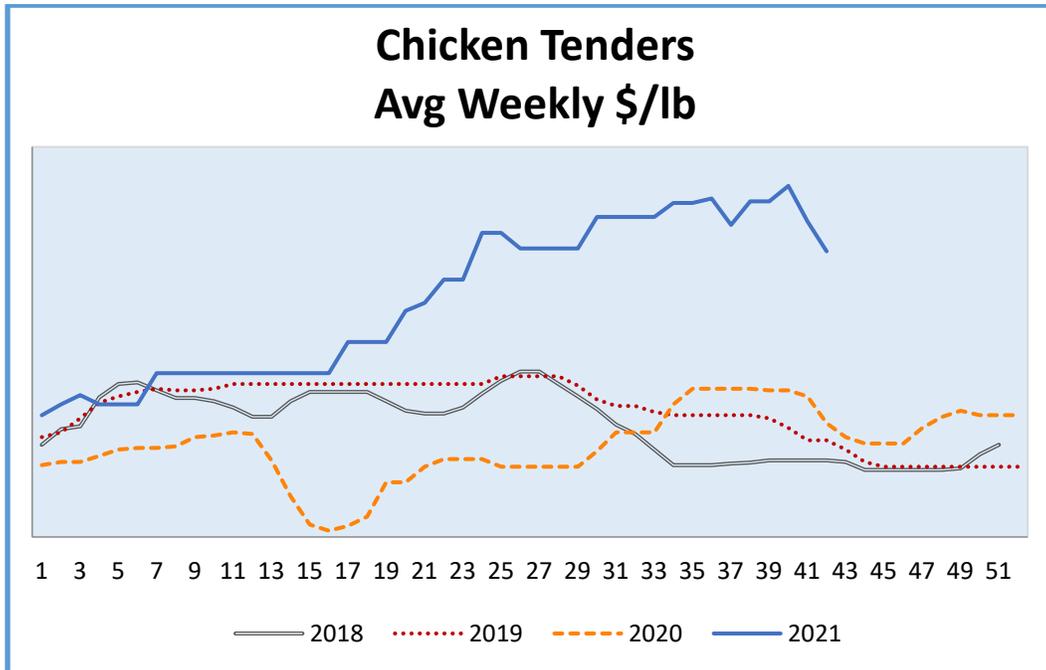
Tenders- Market is weaker. Demand has been soft for the entire month. Offerings are being reported as heavy and market has yet to find a stable bottom. Supply is available and is being reported on the spot market. Market levels are trending downward.

Boneless Breast- Market is weaker. Retail and foodservice demand has slowed down and is rated as light. Supply on all sizes is available and more product is being offered on the spot market. Market is being pressured downward.

Leg Quarters and Thighs- Market is steady to weaker. Export demand continues to be consistent on leg quarters and whole legs. Retail sales on drums and thighs remains steady. Demand for thigh meat is starting to correct and trending light. Supply on bone-in parts and boneless skinless thigh meat is available. Market levels are soft.

Wings- Market is steady to weaker. Foodservice demand on jumbo wings is being reported as light and further processor needs for medium and small sizes is moderate. Market levels all sizes are trending lower and being pressured.





TURKEY

Market is steady to firm. Total headcount for last week was 3,910,000 as compared to 4,630,000 for the same week last year. Average weights for last week were 31.25 lbs. as compared to 29.00 lbs. for the same week last year. Whole birds remain sold-out as fresh orders for the holidays are rated as good. Strong demand for the categories of breast meat, white trim, and tenders is being reported. Market activity for drums and thighs remains fair to moderate. Export activity on back half parts remains adequate and supporting the market. The production side of the business remains limited as labor shortages are constraining throughput. Weekly production and slaughter rates are down year over year which is keeping floor stocks extremely tight on

all major categories. Supply for whole birds is extremely limited, parts are limited, and white meats are tight.

Whole Birds- Market is steady to firm. Fresh orders for the November and December timeframe are being reported as moderate to very good. With suppliers still packing frozen orders, these fresh orders have consumed most of the industry supply. Spot loads are few and are being held with confidence by the suppliers. Hen sizes are extremely hard to find. Some Tom sizes in the 20 LB and up range are available. Supply is tight and the market remains firm.

Breast Meat- Market is steady to firm. Foodservice and retail demand remains moderate to strong. QSR activity and sub shops are trending strong. Further processor demand is vibrant as they maintain their inventories on deli meats. Supply is tight on white meats. Frozen inventory remains low. Market is firm on breast meat, white meat, and tenders.

Wings- Market is steady. Export demand for whole wings is fair and domestic volume for 2 joints is moderate. Limited production continues to keep the supply side in balance with sales. Market is mostly flat.

Drums and Thigh Meat- Market is steady. Domestic and export demand for drums and thighs is reported as adequate. Thigh meat needs from the retail channel remains moderate to good as consumers gravitate to ground turkey. Supply is available on bone in parts and tight on boneless thigh meat. Market trending sideways.



SEAFOOD

Gulf Shrimp- Market is steady. The market had been moving lower over the past few weeks as additional new season product makes its way into the market and has now become more steady as we moved into this week. The USDA recently announced that they will be buying 4.6 million lbs. of shrimp from the region.

The National Marine Fisheries Service reported that Aug 2021 landings for were down 34.6% compared to same time last year and were the lowest August on record. The year to date number through August for 2021 is 25.7% lower than same time 2020.

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 steady but 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. The quota for the upcoming Alaskan season has been announced and there is an 88% reduction compared to prior year. This is putting upward pressure on the market and suppliers are managing their current inventories closely.

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. The market is becoming more unsettled due to the record high prices.

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 farmed product is mixed between growing regions. The market for product from Europe is firm with limited inventories for an active demand. Product from other regions are seeing steady to weaker markets due to a lighter demand. 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 firm. Inventories are light for an active demand. 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 firm. 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.

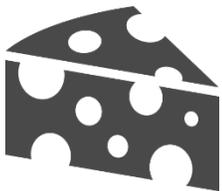
Domestic Catfish- Market is firm. Inventories have been limited for several months. Allocations remain commonplace and are anticipated as we move through 4th quarter. Inventories are limited on all sizes and well below current demand. Supply issues with imported product is putting additional pressure 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 to continue over the coming months. Buying activity has been very good and keeping pressure on already light inventories. Larger sized fish are in lighter supplier due to drought conditions and farmers having to empty their ponds sooner than normal.

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.

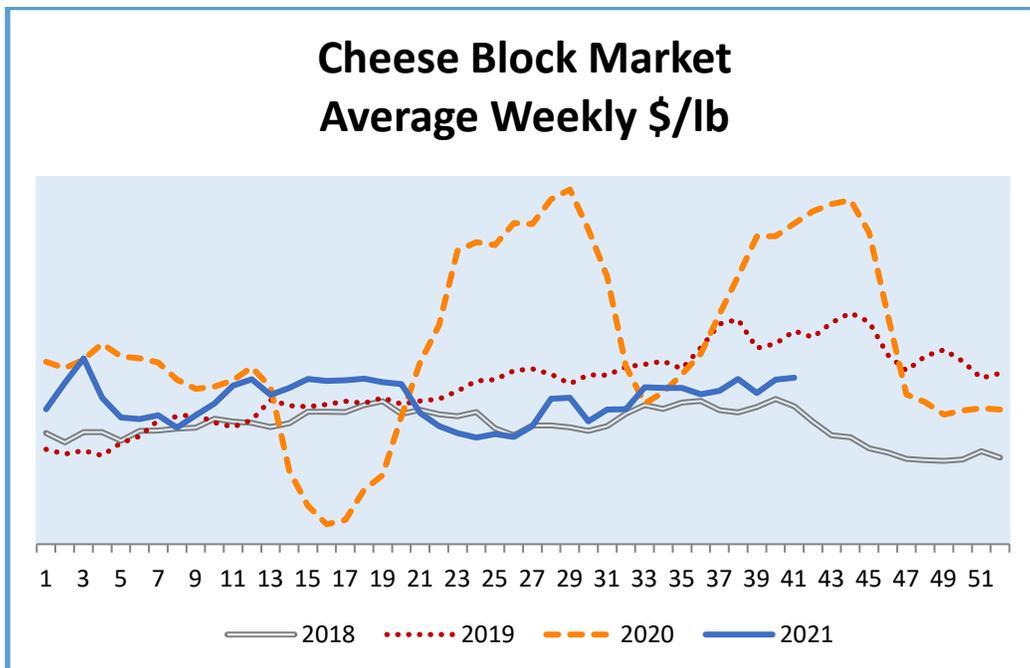
Scallops- Market is steady but firm. The domestic market has seen upward pressure on all sizes over the past few weeks as some fisheries have already closed for the season. The market for imports is steady to firmer with product from Canada seeing upward pressure due to limited availability and product from China continues to see shipping delays.

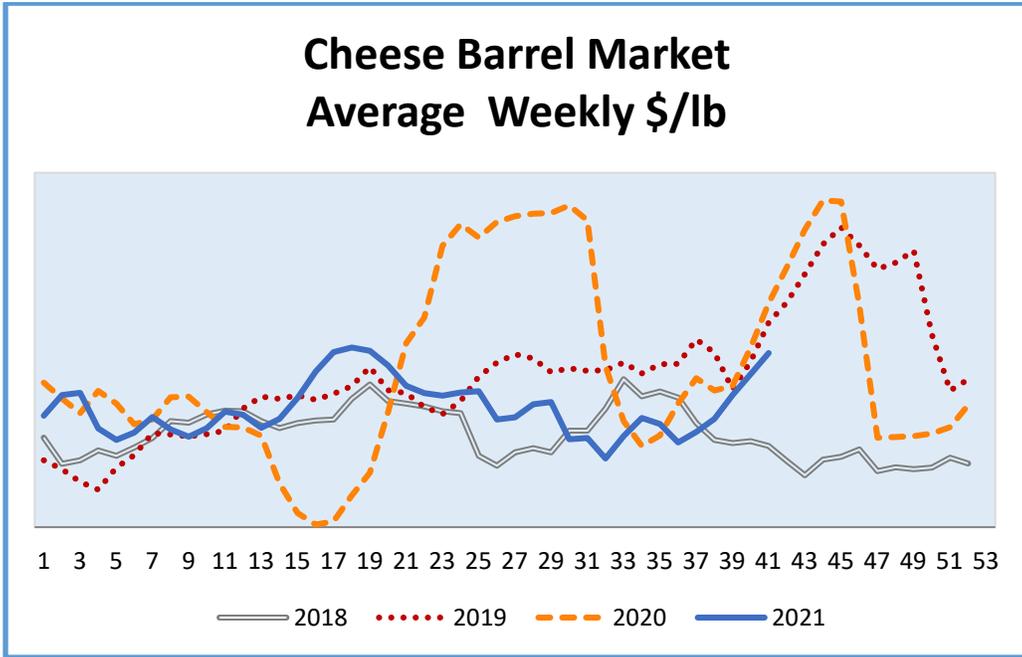


DAIRY

Cheese

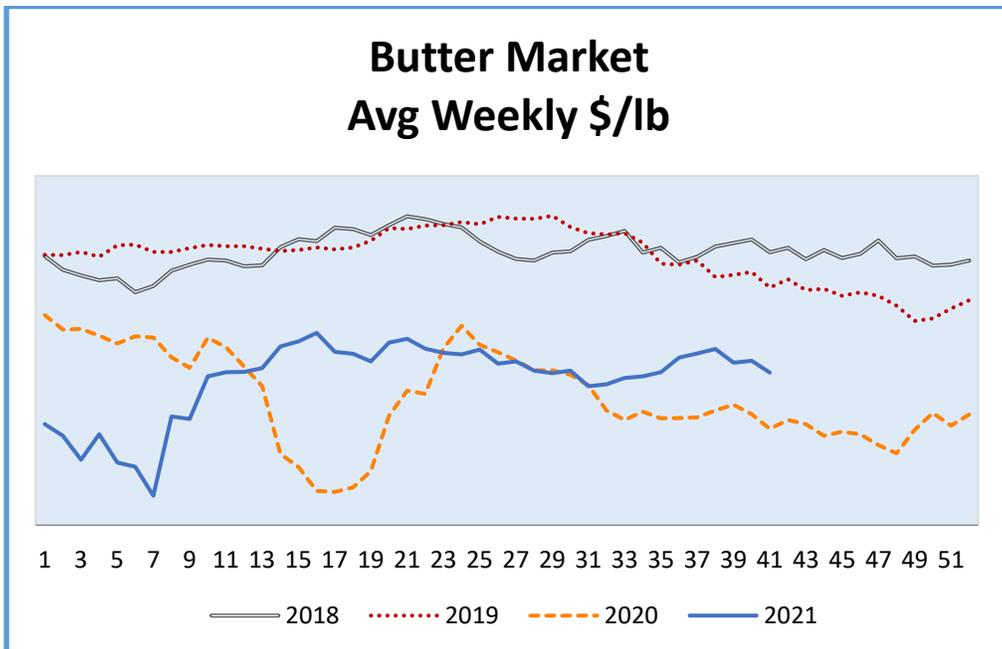
Market is mixed. The CME Block Market was weaker this week. The Barrel Market was firmer as supply tightens in some parts of the country. More milk is becoming available as the weather cools and becomes more comfortable for the cows. Cheese makers in the Northeast are clearing what is needed for milk supplies, however supply chain issues continue to be a challenge. Labor shortages are a challenge in the Midwest and has cheesemakers hesitant to clear spots for supply they don't know will be received as needed. The West is continuing to deal with labor shortages and port congestion, which is causing load delays across the region.





Butter

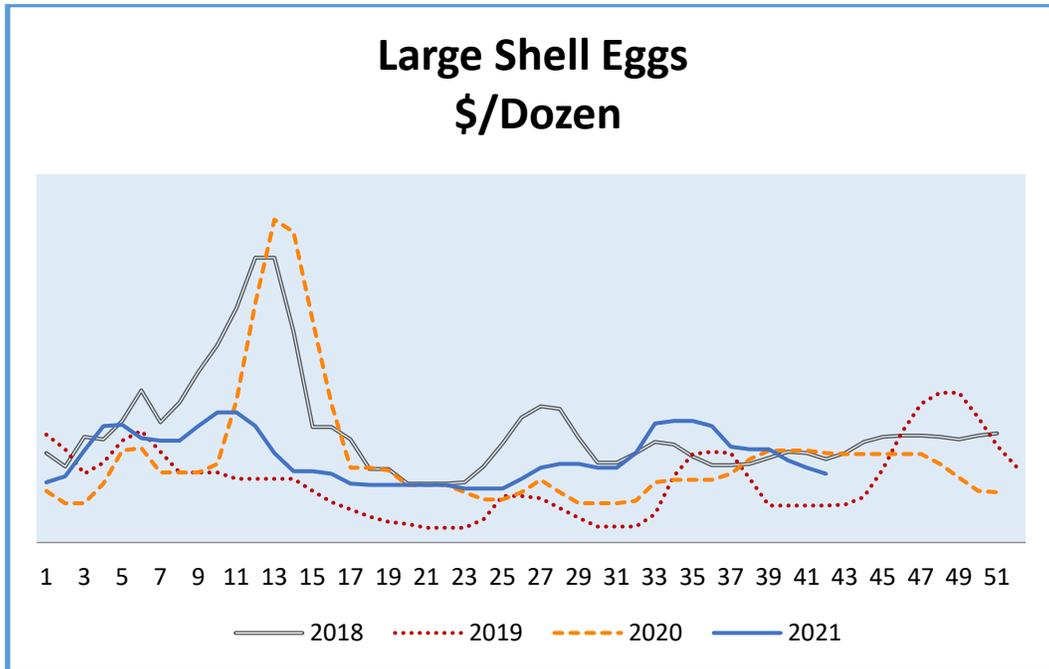
Market is firmer. The CME Butter Market moved higher as we moved through this week. There was a fire at a butter/powder plant in the West last week that caused milk/cream due into that plant to be diverted out into a market that is already full with supply as holiday butter production is underway. In the East and Central regions of the country, shortage of labor continues to cause stresses on production schedules. Transportation challenges continue to be an on-going problem as well. Retail demand is strong, particularly in the Northeast, while foodservice demand is varied by region.





EGGS

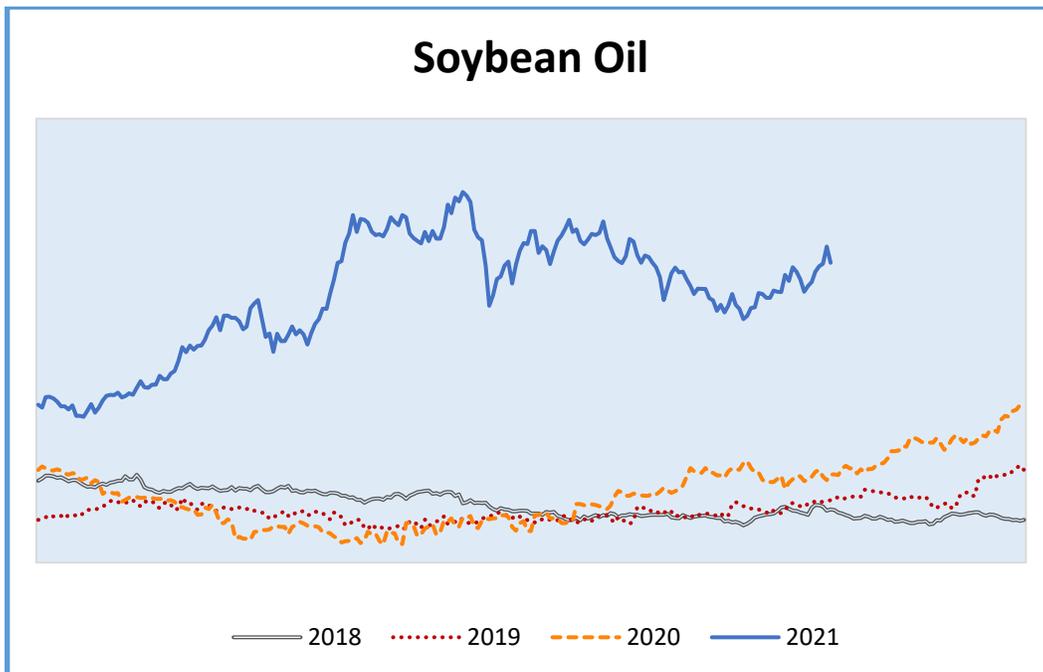
Market is steady to weaker. Retail demand is being reported as moderate to light. West Coast and regional demand is steady while East Coast demand continues to be weak. Consumer baking trends this Fall Season are being reported as less than normal. Foodservice activity is being reported as moderate to fair. QSR demand remains steady as consumers flock to the drive through window for breakfast. 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 2.1% over last week.





SOY OIL

Market is firm. Harvest is producing well, however the pace is slower than usual in Illinois, which is the top producing state. Logistical issues have been challenging the industry’s ability to max out the crush rates. The lagging of the Canola crop yields behind the Soy crop continue. Prices continue to rally, which continues to keep soybean supply tight. Ports are open but the ongoing question remains: How long will it take for goods to be released? Last week’s storms and rains slowed down harvest this week, however dryer conditions and above normal temperatures are projected for the coming weeks, so expect farmers to go after acres, particularly in the Midwest.



RICE

Harvesting for the new crop is being completed. Louisiana, Texas, and Mississippi. Arkansas, which produces 50% of the nation’s rice crop is currently at 65% complete. Total planted rice acreage is down 16% year over year. Long grain production has seen a 15% decline versus last year. Medium Grain supply is down nearly 13% year over year. This is due to the drought conditions affecting California agricultures. Export sales of rough rice and milled white and brown rice are outpacing last year’s sales. With the increase in exports sales and a smaller crop supply, firmer prices are expected.

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.

SUGAR

The market remains firm. Domestic cane supply is decreasing rapidly as all are waiting for the new crop to be harvested. Recent hurricanes limited supply from the Southeast and so supply is expected to be tight through year end. Domestic beet sugar supply is limited as well until the new pack is completed. Current yields are looking positive, however with increased demand, the prices are not expected to soften soon. Imported sugar out of Mexico is soft and the likelihood of that changing is slim, therefore the markets are expected to remain tight. South American raw sugar supply is typically refined by domestic suppliers, however there is not enough supply at this time. The backup at the seaports is having a great impact the available quantity.

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.

