



DEARBORN
Marketplace



Market Report

Week Ending October 29, 2021

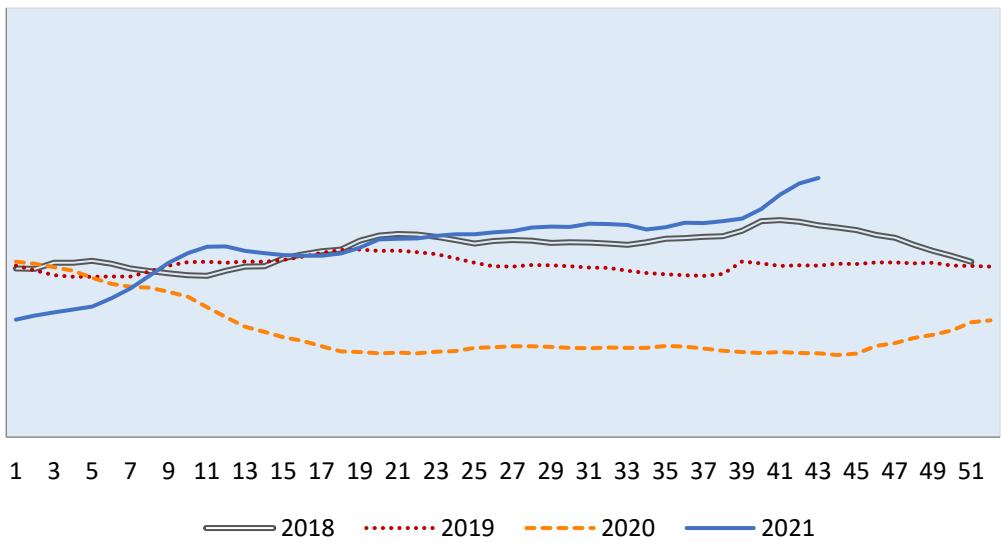


Graphs represent data for the week ending October 22, 2021

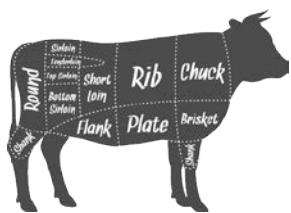


LOGISTICS

Diesel Fuel \$/Gallon



BEEF



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

Market is unsettled. Total beef production for last week was up 2.6% versus the prior week and was up 1% compared to same time last year. Total headcount for last week was 661,000 as compared to 645,000 for the same week last year. Live weights for last week were up 5 lbs. from prior week but down 13 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 few weeks. 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 thru 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.

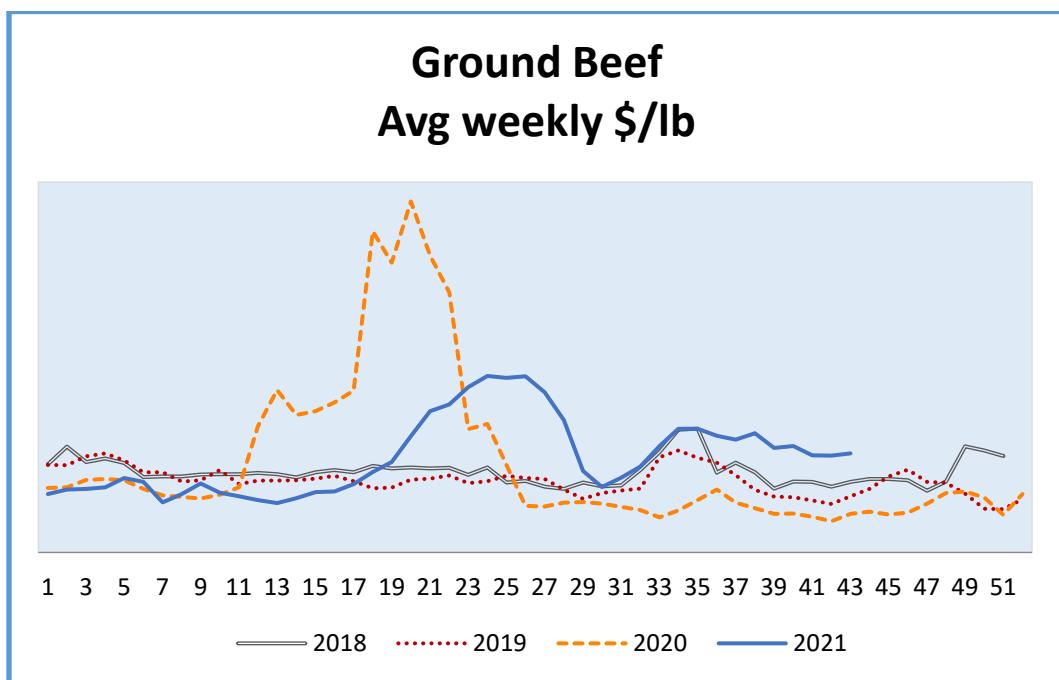
Grinds- Market is steady to firmer. A reduction in lean beef imports, stronger end meat values, and a strong demand for ground beef are keeping prices from trending seasonally lower.

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

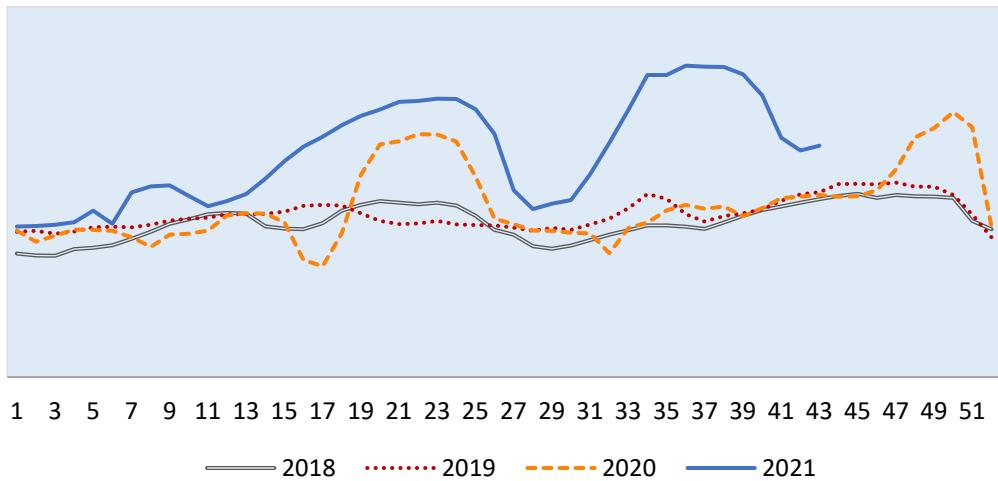
Rounds- Market is steady to firmer. This market typically seasonally moves higher as we move into 4th quarter and cooler temps set in across the country.

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

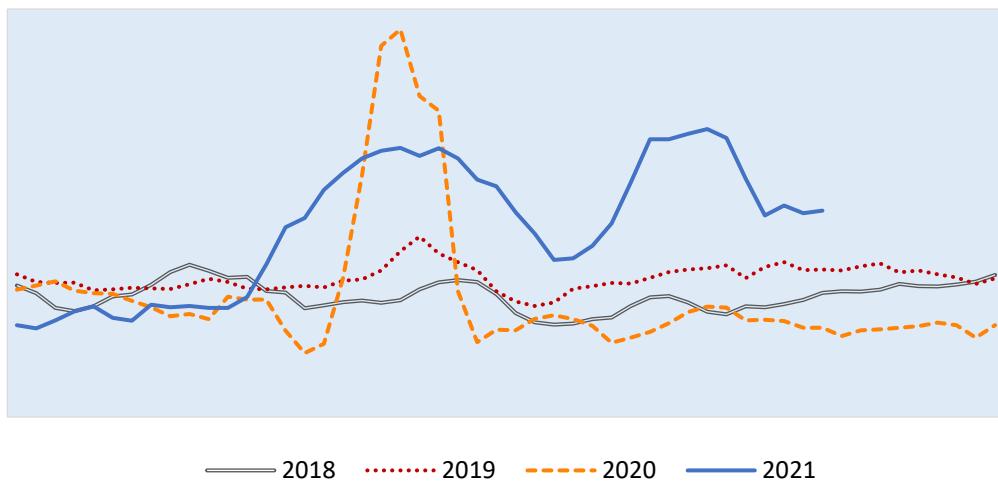
Ribs- Market is unsettled. Availability is mixed between packers with larger gaps being seen in asking prices. Availability of choice product is more limited due to the grading percentages. Typically, this market is unsettled for the next few weeks before seeing upward pressure again as we move further into 4th quarter. Some packers have already announced that they will be limited on product thru the holiday season this year.



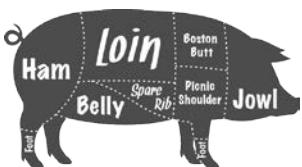
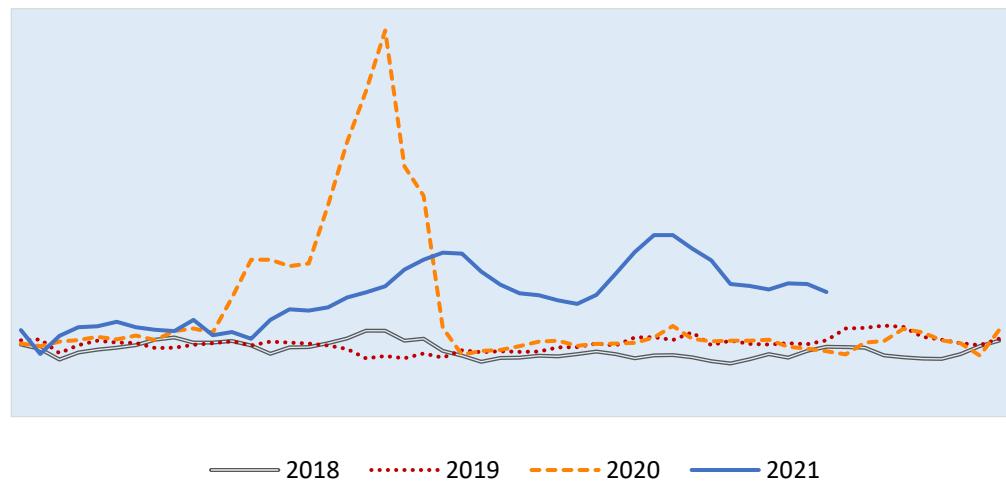
Choice Ribeye Heavy Avg weekly \$/lb



Choice Brisket Avg weekly \$/lb



Choice Inside Avg weekly \$/lb



- ▼ BELLIES
- U HAMS
- LOINS
- BUTTS
- RIBS

PORK

Market is steady to weaker. Total pork production for last week was down 0.3% versus prior week and down 4.7% compared to same time last year. Total headcount for last week was 2,606,000 as compared to 2,676,000 for the same week last year. Live weights for last week were up 1 lb. from prior week and down 7 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 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 thru next summer.

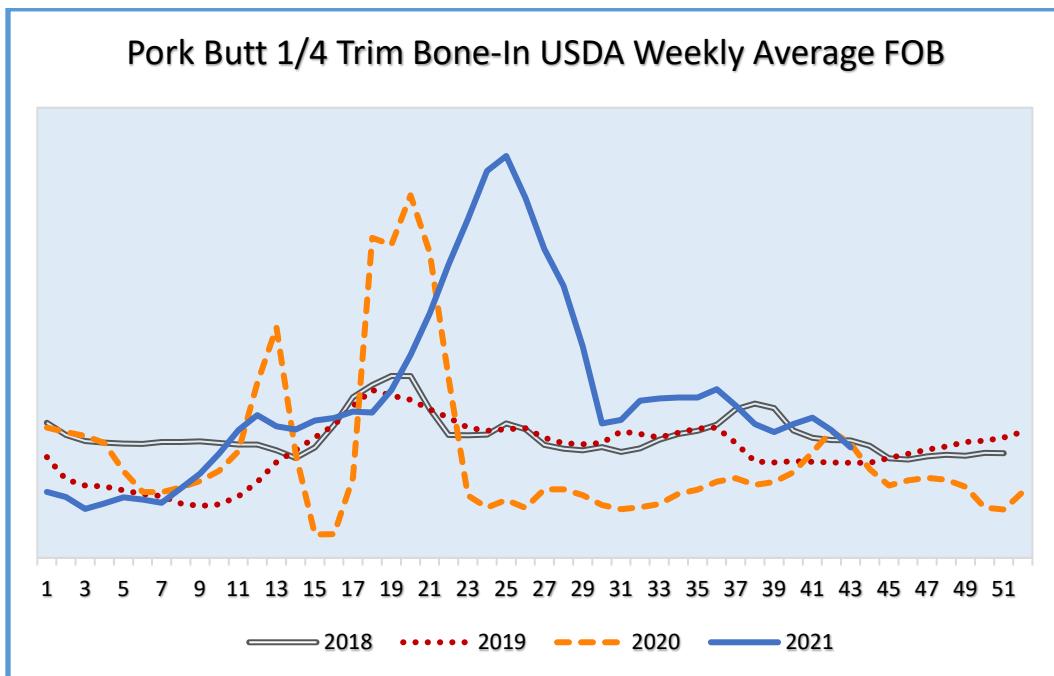
Bellies- Market is weaker. The belly market has seen sharp decreases over the past several days. Fresh belly inventories are improving, and this is expected to help frozen stocks over the coming weeks. Even though bellies are becoming more available there remains issues with labor and being able to process product into bacon and this is keeping product limited and on allocation with multiple suppliers.

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 concerns are expected to help keep this market more unsettled as we move closer to the holidays.

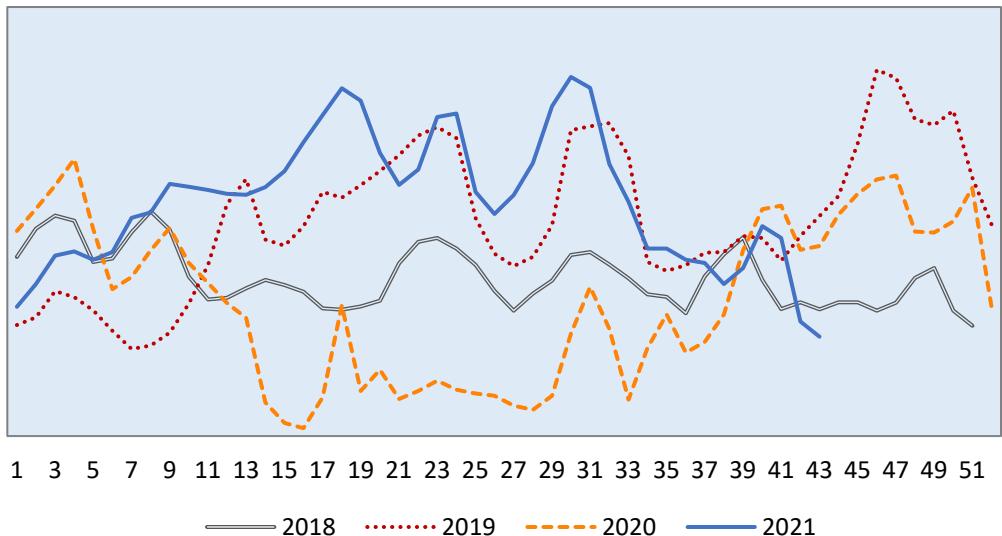
Loins- Market is steady. Available inventories vary between suppliers with boneless items still being a challenge for some packers.

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 steady. Labor issues remain a concern and are expected to keep the market more unsettled as we move thru 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 steady to weaker. Total headcount for last week was 167,229,000 as compared to 167,358,000 for the same week last year. Average weights for last week were 6.40 lbs. as compared to 6.40 lbs. for the same week last year. Chick placements on fryers for week ending 11/27/21 are estimated at 156.8 million headcount. Placements for previous week were 156.1 million and same week last year was 167.5 million. Retail and foodservice activity is being reported as moderate to light. Demand for WOGS and whole chickens is trending weaker which is a typical seasonal trend. Industry needs on boneless breasts and tenders is showing some signs of stabilizing. Demand for wings, drums, thighs, and dark meat is trending lighter. Export activity for leg quarters and whole legs is reported as moderate. Even though more plants are

reporting improvements in worker headcounts, overall staff and worker absenteeism persists. The number of birds being processed weekly remains slightly less than last year. With the reduction in headcounts, supply has not yet returned to pre-pandemic levels. Floor stocks are now being reported as adequate. Market levels continue to correct downward on boneless breasts, tenders, wings, and dark meat.

WOGS- Market is weaker. Retail deli and QSR business is being reported as soft. Small and large sizes of WOGS are not clearing on a weekly basis and spot load activity is becoming more common. Supply is being reported as available and market is being pressured.

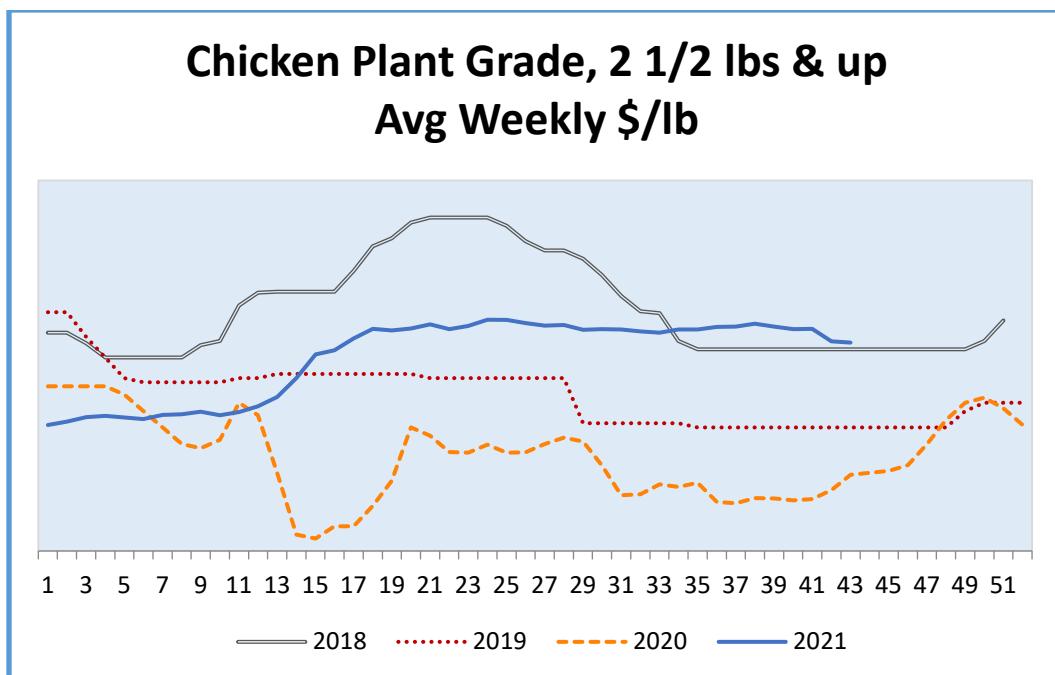
Tenders- Market is steady to weaker. Demand has been trending soft over the last four weeks. Offerings on jumbo tenders are being reported and market has yet to find a stable bottom. Supply is

available and loads are being reported on the spot market. Market levels continue to be soft on jumbo sizes.

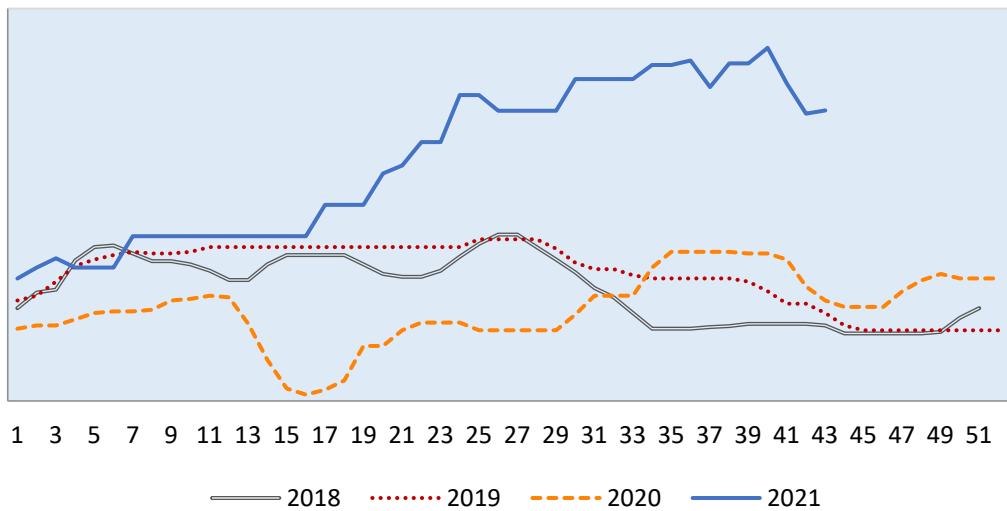
Boneless Breast- Market is steady to weaker. The recent slowdown in retail and foodservice demand has caused a correction in the boneless breast category. Supply is available, more product is being offered on the spot market, and the market is trending weaker on large sizes.

Leg Quarters and Thighs- Market is steady to weaker. Export orders for leg quarters and whole legs remains consistent. Actual shipments are problematic due to the lack of shipping containers and access to ports. Retail sales on drums and thighs is trending soft. Dark meat demand from foodservice and further processing has slowed a bit. Supply on bone-in parts and boneless skinless thigh meat is available. Market levels continue to correct downward.

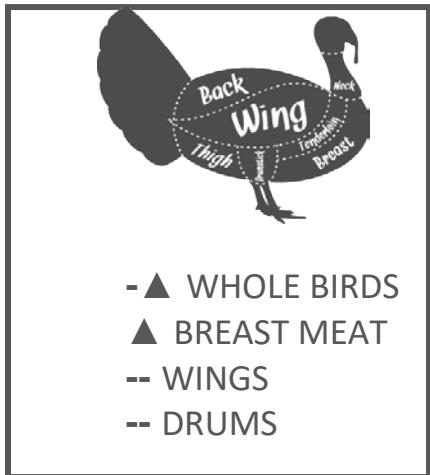
Wings- Market is steady to weaker. As foodservice menus and retail pricing reflect higher costs, demand is starting to correct and has been trending downward. Availability on all sizes of wings is being reported and more loads are being traded. Market levels are trending lower on jumbo wings.



Chicken Tenders Avg Weekly \$/lb



TURKEY



Market is steady to firm. Total headcount for last week was 4,481,000 as compared to 4,930,000 for the same week last year. Average weights for last week were 29.76 lbs. as compared to 28.36 lbs. for the same week last year. Whole birds and bone-in breasts remain sold-out as fresh orders for the holidays are strong. Consistent demand for the categories of breast meat, white trim, and tenders remains an industry theme. Demand for drums, thighs, and thigh meat remains fair to moderate. Export activity for back half parts remains stable for this time of year. The production side of the business is limited by labor shortages. 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.

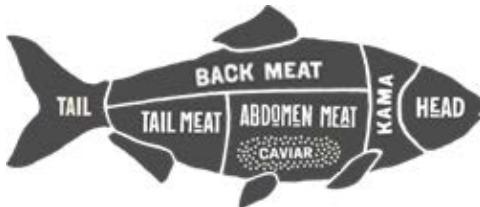
Whole Birds- Market is steady to firm. Fresh orders for the November and December timeframe are being reported as very good. With suppliers still packing frozen orders, these fresh orders have consumed most of the industry supply. Spot loads are few and are being held with confidence by the suppliers.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

Breast Meat- Market is firmer. Foodservice, QSR sub shops, and retail demand remains moderate to strong. Production by further processors is the key driver of this category and demand is extremely high. 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 stable and domestic volume for 2 joints is fair. 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 consistent. Thigh meat continues to be in high demand from both the retail and foodservice channels. Supply is available on bone in parts and tight on boneless thigh meat. Market trending flat.

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 were down 34.6% compared to same time last year and were the lowest August on record. The year-to-date number thru 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.

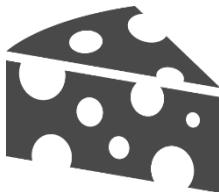
Pollock- Market is firm. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

Domestic Catfish- Market is firm. Inventories have been limited for several months. Allocations remain commonplace and are anticipated as we move thru 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.

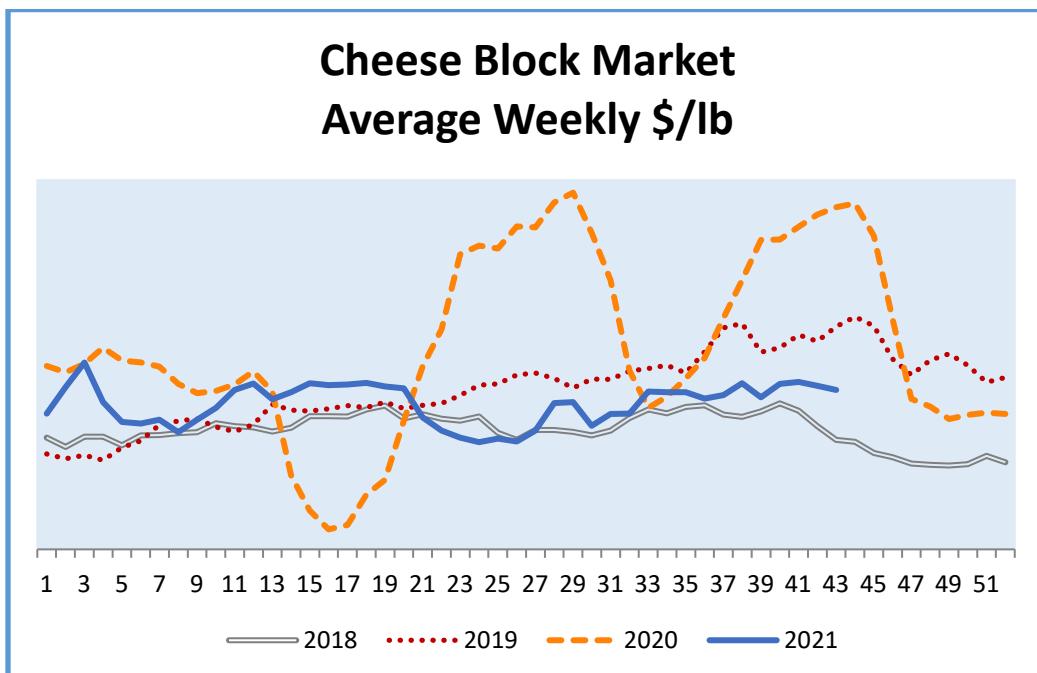
Scallops- Market is steady but firm. The domestic market has seen upward pressure on all sizes over the past few weeks as some fisheries have already closed for the season. The market for imports is steady to firmer with product from Canada seeing upward pressure due to limited availability and product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



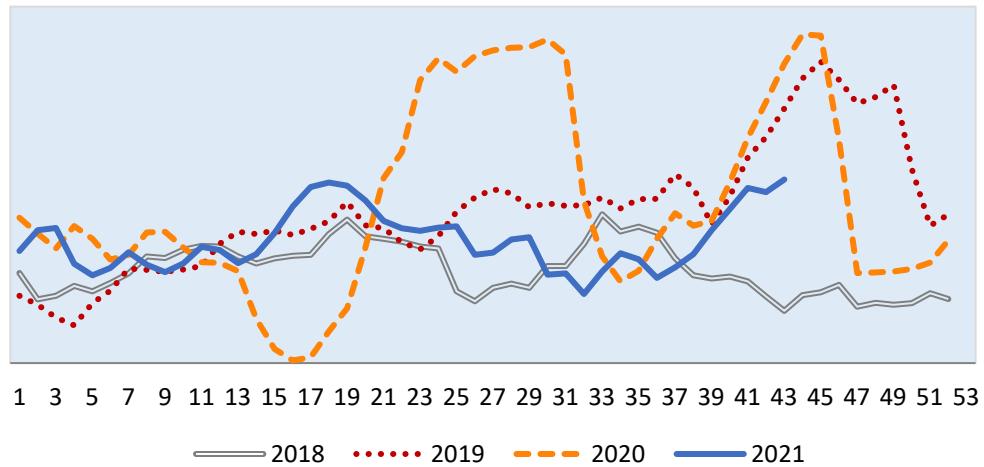
DAIRY

Cheese

Market is firm. The CME Block and Barrel Markets have trended upwards this week. Northeastern cheese producers are reporting pockets of tightness with regards to milk availability. Employee shortages and logistical challenges remain; however, cheese production has been fairly consistent. Retail demand continues to grow seasonally. Cheesemakers in the Midwest are reporting milk as being fairly available, although it hasn't been as open as it has been in previous weeks. Cheese contacts are very concerned about production schedules due to the plant employee shortages. In the West, cheese demand in both retail and foodservice is steady and growing. Some cheesemakers are operating at maximum capacity and others are reporting staffing challenges. Port congestion continues to provide heartburn as load delays continue across the region.



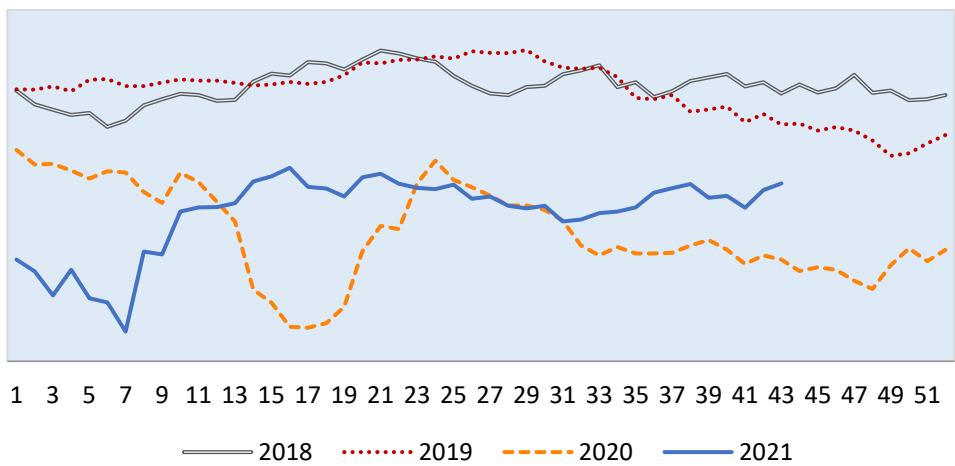
Cheese Barrel Market Average Weekly \$/lb



Butter

Market is very firm. The CME Butter Market moved higher as we progressed through this week. Cream is tight in the East region and availability varies in the West. Producers in the West are operating on shorter schedules due to labor challenges. In the Central region, employee numbers are increasing, however the process for getting them up to speed has been slow. Logistical challenges are at the forefront of their concerns and agendas.

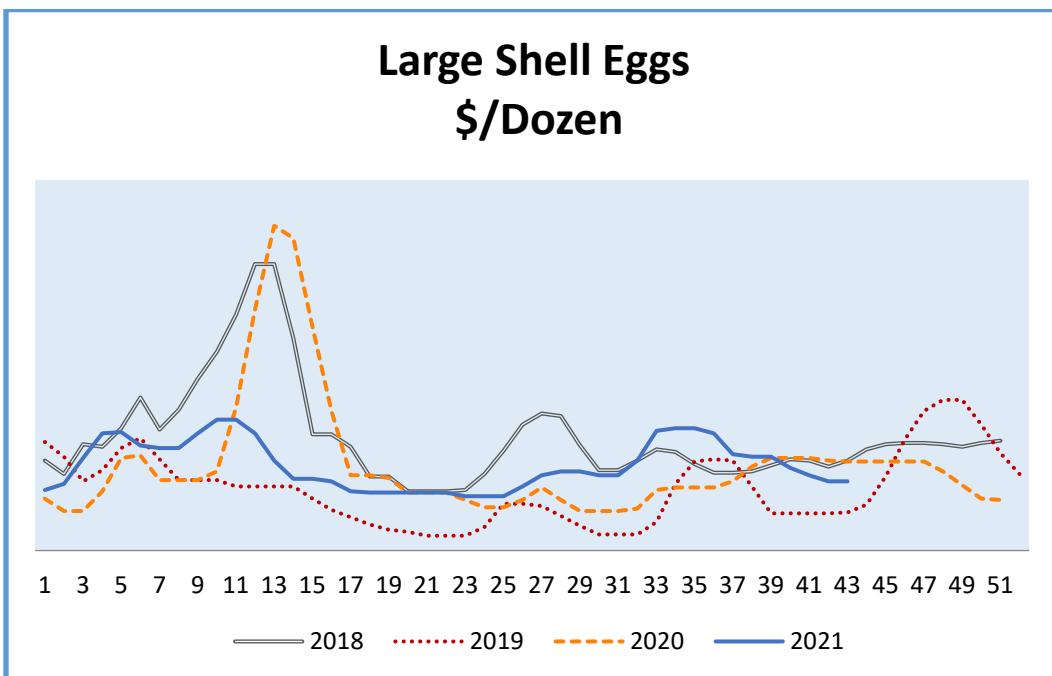
Butter Market Avg Weekly \$/lb





EGGS

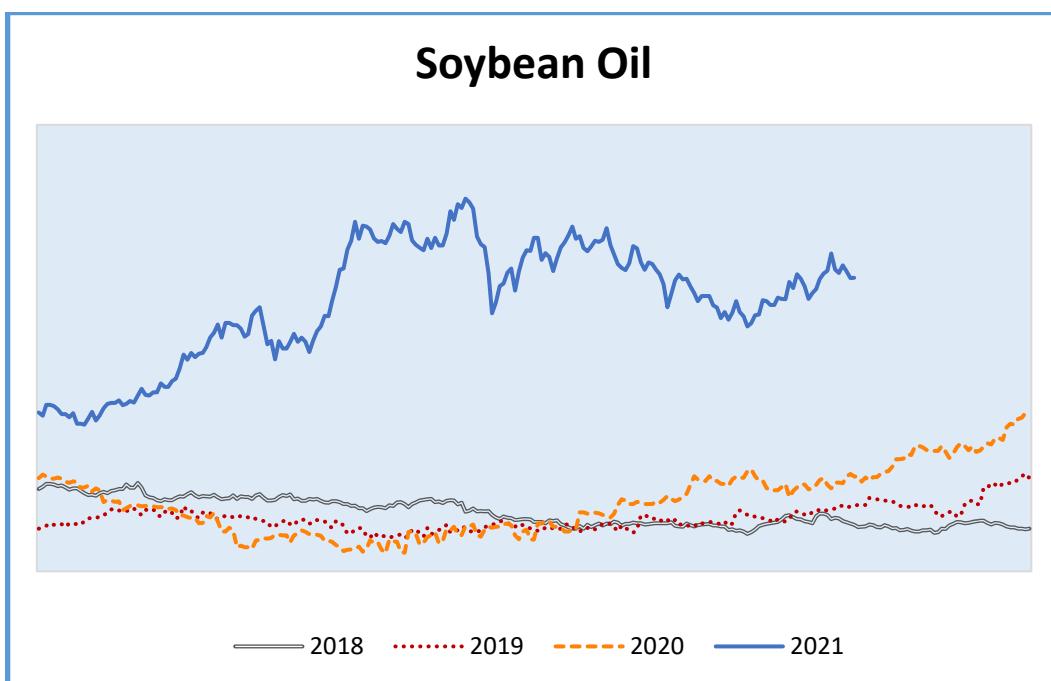
Market is steady. Retail demand is being reported as moderate across most areas of the country. West Coast, East Coast, and regional demand is showing some improvement. Consumer baking is trending stronger due to the cooler temperatures of the Fall Season. Foodservice activity is being reported as moderate to strong. QSR demand is status quo as consumers breakfast trends remain active and consistent. Supply is available on both medium and large sizes. Market is trending flat on both medium sizes and on large sizes. National weekly shell egg inventory reports shell egg inventory down 0.3% over last week.





SOY OIL

Market remains firm. Weather is an interesting factor, particularly in South America. Because the US competes with Argentina for the export soy meal business, any crop issue in South America could mean more demand for the crushers in the US and if that happens, that will increase the amount of oil to be produced. Here in the US, rain is returning to slow down harvest. Unseasonably warm weather limits the risk of frost. In the Dakotas the rain should help reestablish subsoil reserves. We are still waiting for the EPA to release blending obligations. The hope is that will come before Thanksgiving. Canola crush margins continue to be a work-in-progress, which will continue to keep demand for soy tight.



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.

