

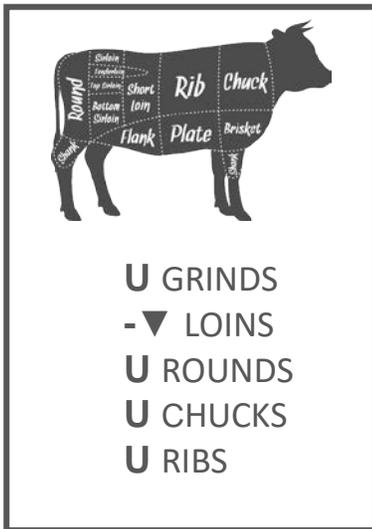
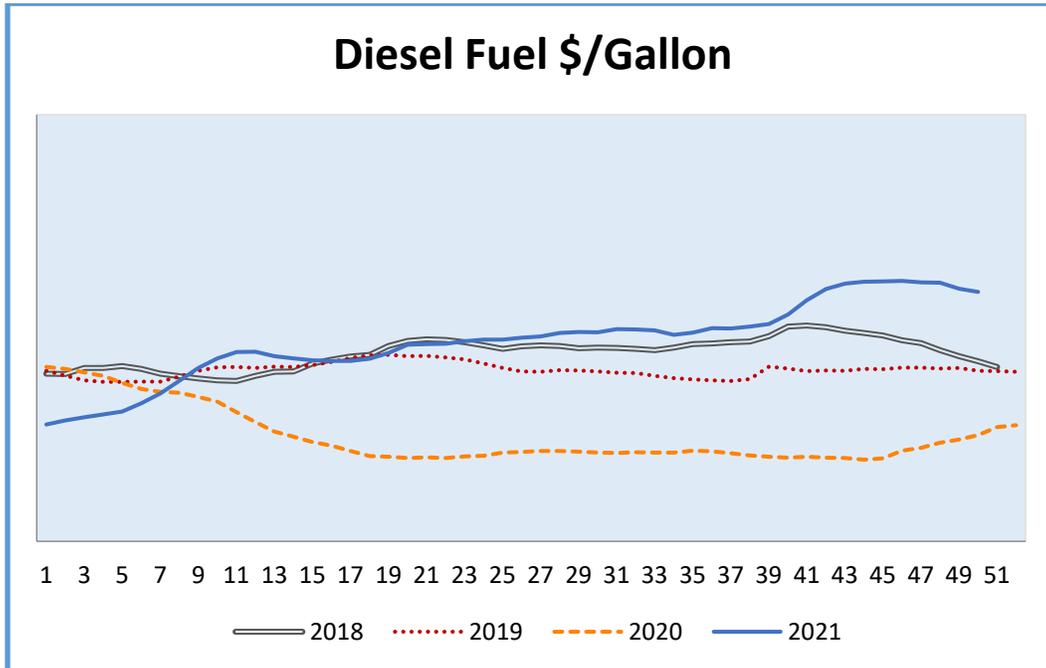


Market Report

Week Ending December 17, 2021



Graphs represent data for the week ending December 10, 2021



BEEF

Market is unsettled. Total beef production for last week was down 0.7% versus the prior week and was even compared to the same time last year. Total headcount for last week was 668,000 as compared to 664,000 for the same week last year. Live weights for last week were up 6 lbs. from the prior week but down 7 lbs. from the same time last year. 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. Live cattle prices have continued to push higher and have been trending well above the 5-year average for the past several months. The month of November saw live prices push sharply higher and that trend has continued as we moved into December. Production will be impacted over the coming weeks with reduced holiday schedules, and this is expected to put pressure on availability of multiple cuts. The

markets for multiple cuts have been outside of normal seasonal trends and this is keeping the market in an unsettled tone as move closer to year end. Extreme weather is being seen across much of the country and is expected to impact logistics and deliveries.

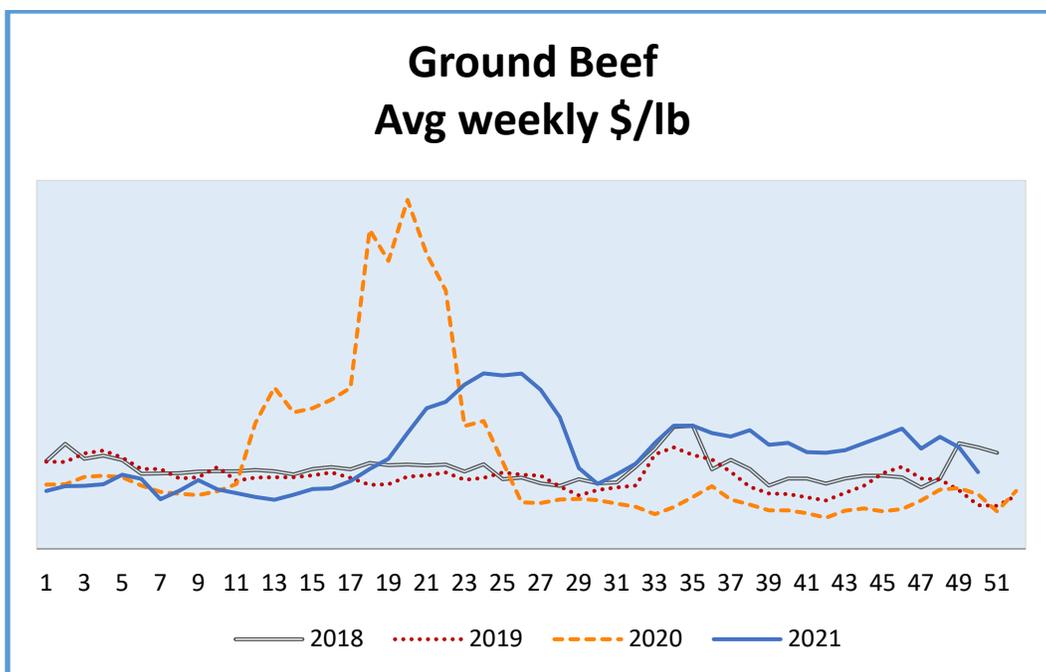
Grinds- Market is unsettled. Production will be lighter over the next few weeks due to the holiday schedules at year end. Grinds typically see upward pressure from this point on as we move towards year end with the reduced production weeks due to the holidays and improved demand.

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

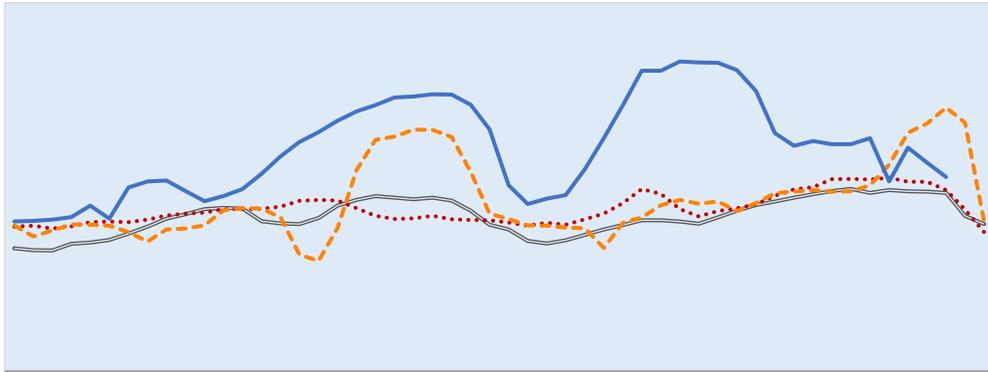
Rounds- Market is unsettled. The market has seen both higher and lower prices over the past few weeks.

Chucks- Market is unsettled. Lighter buying interest over the past few days has helped to put downward pressure on the market. This market typically sees strength as we move towards year end and cooler temperatures set in across the country.

Ribs- Market is unsettled. Availability is mixed between packers with large gaps being seen in asking prices. Typically, this market sees downward pressure as we move through mid-December and move closer to year end.



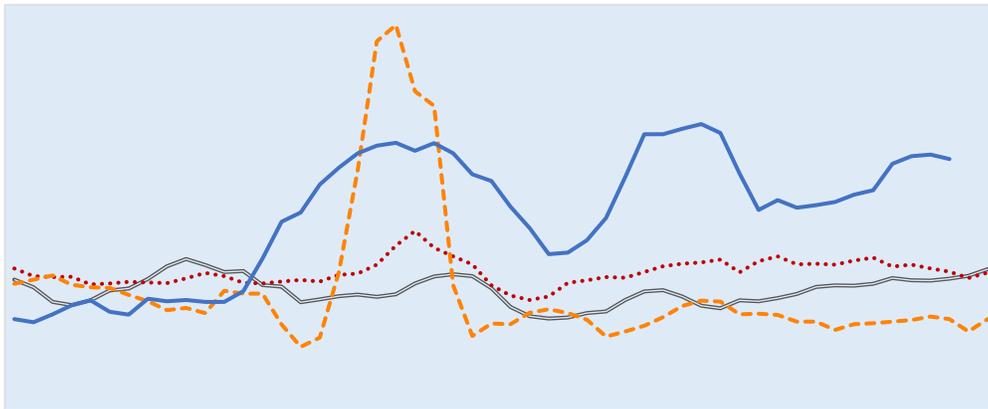
Choice Ribeye Heavy Avg weekly \$/lb



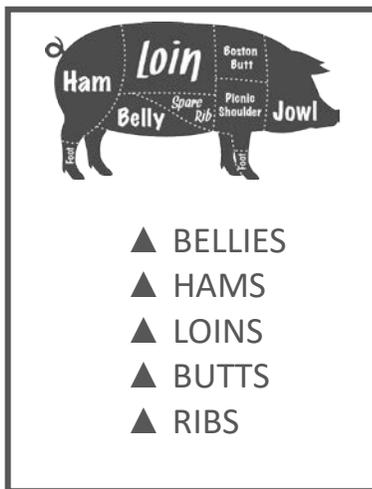
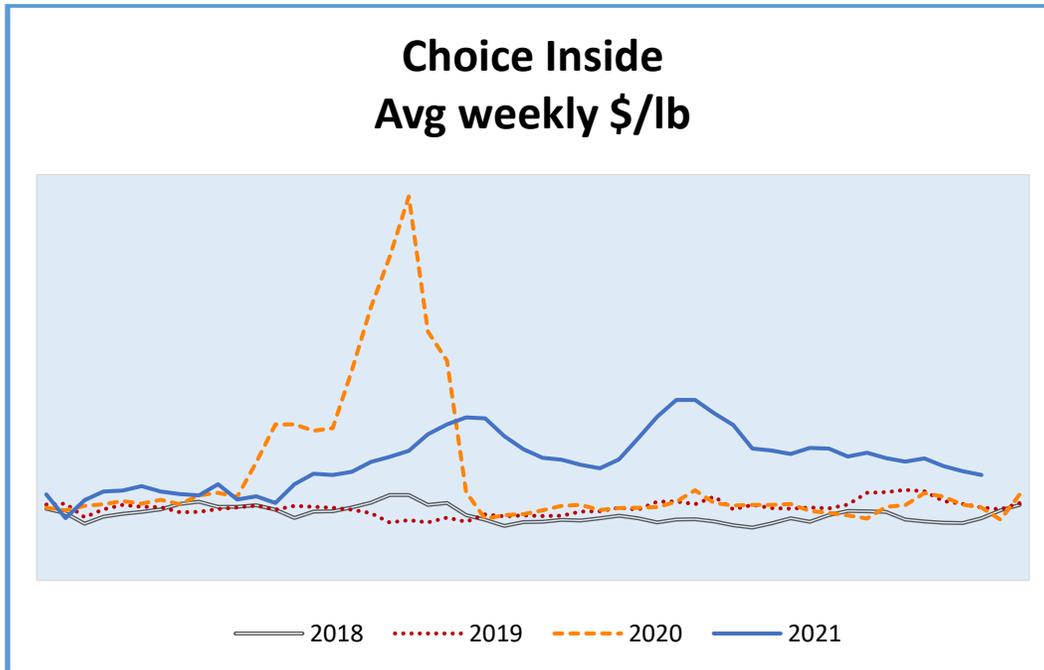
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— 2018 2019 - - - - 2020 — 2021

Choice Brisket Avg weekly \$/lb



— 2018 2019 - - - - 2020 — 2021



PORK

Market is firmer. Total pork production for last week was down 2.0% versus the prior week and was down 6.7% compared to the same time last year. Total headcount for last week was 2,601,000 as compared to 2,755,000 for the same week last year. Live weights for last week were even with the prior week but down 4 lbs. from the 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 into next year. Frozen pork inventories are trending below prior year and well below the 5-year average. Reduced production due to less hogs and reduced labor combined with a strong fresh pork market for the past several weeks has limited the opportunity to build inventories.

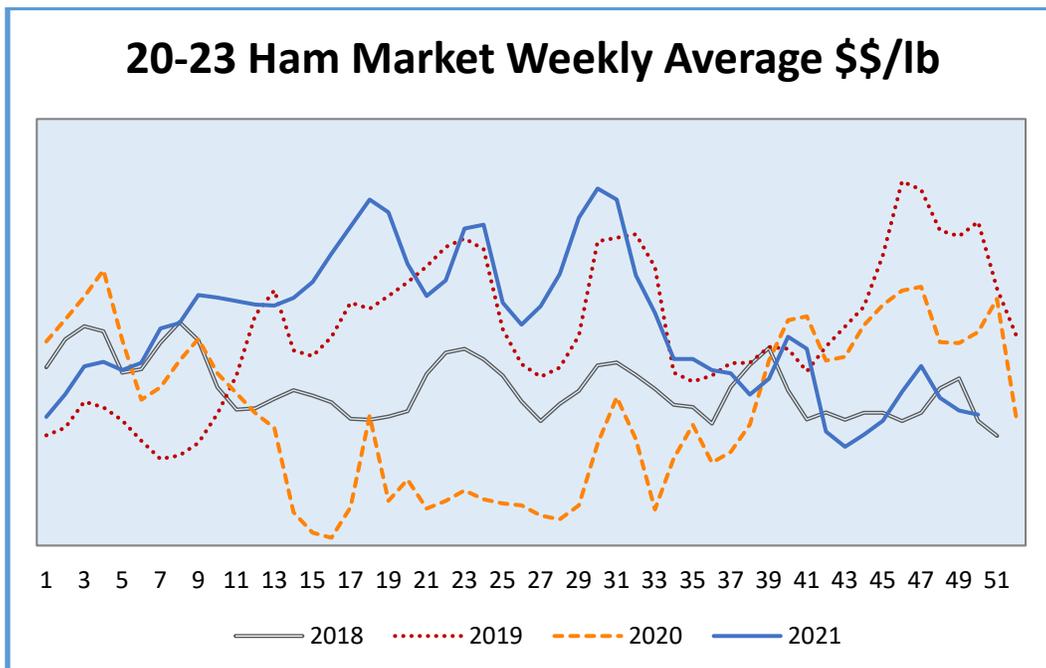
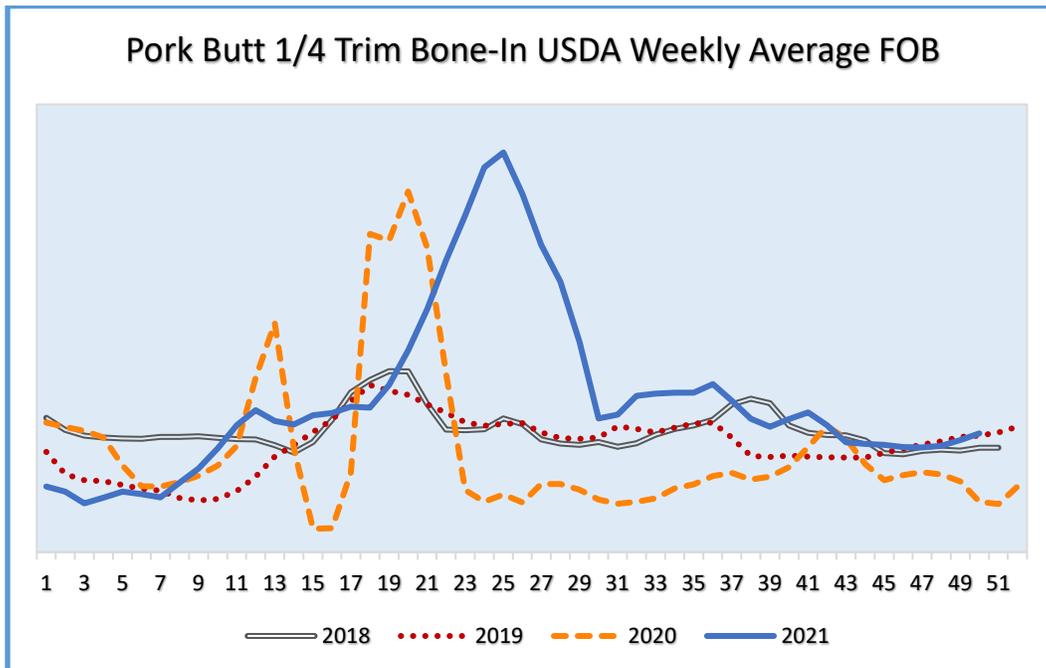
Bellies- Market is firmer. The belly market continued to push higher as we moved into this week. Improved demand is keeping pressure on the market. There remain issues with labor and being able to process product into bacon and this is keeping product limited and on allocation with multiple suppliers. Demand at the retail level has been very good and keeping pressure on availability.

Hams- Market is firmer. Limited labor is keeping continued pressure on this market. Several suppliers have had reduced availability for several weeks and this trend is expected to continue as we move into 2022.

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

Butts- Market is firmer. The market has pushed higher as this week progressed. Limited available labor is keeping availability on boneless items lighter than normal for this time of year.

Ribs- Market is firmer. 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 production is expected to be below last year as we move into next year.



CHICKEN



Market is firmer. Total headcount for last week was 166,001,000 as compared to 165,795,000 for the same week last year. Average weights for last week were 6.41 lbs. as compared to 6.34 lbs. for the same week last year. Chick placements on fryers for week ending 1/15/22 are estimated at 161.4 million headcount. Placements for previous week were 160.4 million and the same week last year was 158.1 million. Retail and foodservice business continues to be very active and is reported as strong. High demand for WOGS and whole birds continues to be the weekly theme. Activity on boneless breast and tenders is trending strong. Market activity on wings, drums, thighs, and dark meat is mostly steady. Export activity for leg quarters and whole legs is reported as consistent. Processing schedules continue to operate at reduced levels

due to labor issues. Plant renovations are still behind schedule as equipment supply is a challenge. The number of birds being processed on a weekly basis remains less than industry demand. Supply has not yet returned to pre-pandemic levels. Floor stocks are being reported as moderate to reduced. Market levels are rising on WOGS, boneless breasts, tenders, and wings. Dark meats and parts are holding steady.

WOGS- Market is firmer. Retail deli and fast-food volume is very active. Supply on all sizes is tight with shortages being reported. Market continues to be pressured higher.

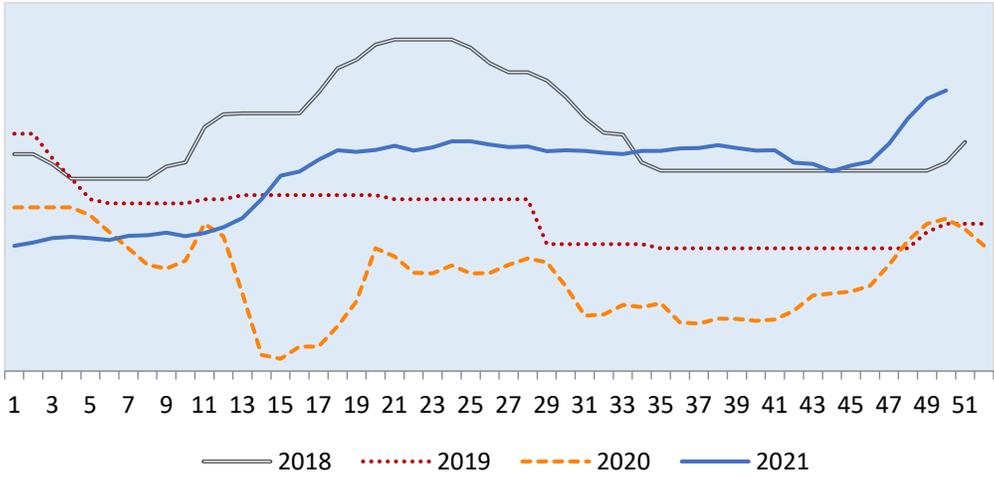
Tenders- Market is steady to firmer. Demand from foodservice and QSR's operators is active and trending strong. Supply is limited due to the number of tenders that can be portioned weekly. Market levels are firm on all sizes.

Boneless Breast- Market is firmer. Retail and foodservice demand is strong and continues to improve weekly. Boneless breast is considered cost efficient compared to other proteins and consumer purchases are proving that. All sizes of boneless breast are clearing well and supply is tight. Market levels are firm and being pressured.

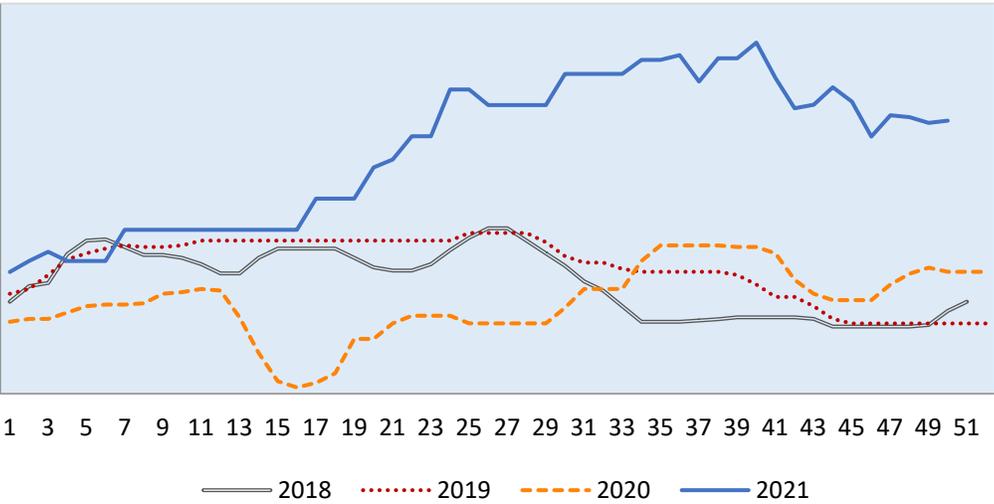
Leg Quarters and Thighs- Market is steady. Export demand for leg quarters and whole legs is reported as mostly steady. Global logistics remain a challenge. Domestic demand for bone-in parts and boneless thigh meat is steady. Supply is available depending on the plant. Market levels are steady on parts and thigh meat.

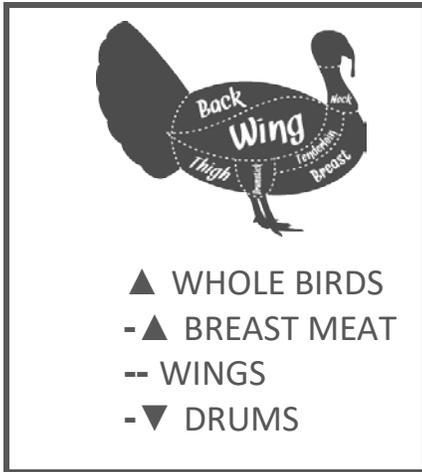
Wings- Market is firm. Foodservice business is showing an uptick in demand as we enter the early stages of wing season. Further processors are trying to build inventory which is keeping small and medium sizes supported. Supply is tight with all sizes clearing well. Market levels are fully supported.

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



Chicken Tenders Avg Weekly \$/lb





TURKEY

Market is firm. Total headcount for last week was 3,876,000 as compared to 3,558,000 for the same week last year. Average weights for last week were 32.68 lbs. as compared to 33.99 lbs. for the same week last year. Whole birds and bone-in breasts remain supported by fresh orders shipping for the Christmas Holiday. Demand for breast meat, white trim, and tenders is trending strong. Activity on drums, thighs, and thigh meat remains fair for this time of year. Export demand for back half parts remains steady and consistent. Weekly production and slaughter rates are down compared to past years. Floor stocks are constrained on all major categories. Whole birds remain tight, white meats are tight, and parts are limited.

Whole Birds- Market is firm. Fresh orders are shipping to support retail business for the Christmas Holiday. Many suppliers have started their bookings on frozen whole turkeys for calendar year 2022. Some spot loads of heavy Toms are being offered out. Supply is tight, and market is mostly flat.

Breast Meat- Market is steady to firmer. Retail deli and foodservice business continues to be vibrant. Further processors are trying to keep pace with strong industry demand which is keeping breast meat and white meats sold up. Supply is tight on white meats. Frozen inventory remains low. Market is being pressured on breast meat and white meats.

Wings- Market is steady. Whole wings continue to get adequate demand from the export channel and 2 joints are clearing well enough domestically. Supply is available and markets are trending flat.

Drums and Thigh Meat- Market is steady to weaker. Export demand for drums and bone-in product is stable. Domestic demand for drums is soft which is normal for this time of year. Ground turkey and boneless thigh meat is well supported. Supply is available on bone-in parts while boneless thigh meat is limited. Market is experiencing some downward pressure.



SEAFOOD

Gulf Shrimp- Market is steady to firmer. Overall demand has been lighter as we have moved through the past few weeks. Reports this week reflect concern of reduced production putting pressure on the market over the coming days. The National Marine Fisheries Service reported that year-to-date landings through October are down 27.4% compared to prior year.

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 unsettled. The market has seen downward pressure as we moved into this week even though inventories remain rather limited and demand remains strong. Availability of product from Ecuador is improved and helping to push the overall market lower. The market for product of Asia has also moved lower even though product of Asia continues to see logistical delays. 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. This market is at very high levels and well above normal for this time of the year.

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. September imports are down over 34% from same month last year.

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 firmer. The market for farmed product has seen upward pressure as we moved into this week. Reports of logistical delays combined with an active demand is putting pressure on the market. The market for wild salmon is mixed between species with limited availability. The Wild Alaskan season is over for the year and there are concerns on multiple salmon types. The Coho catch came in 50% below the 5-year average. The Sockeye catch looked good when you look at fish count, but the fish were very small in size this year and in lbs. it is the lowest catch since 2014. The Keta catch was larger than prior year but was over 40% lower than 2019 and processors are seeing quality issues with some of the catch. It is possible that supplies will run short of demand as we move through 1st quarter of 2022.

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.

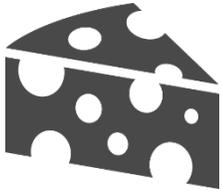
Pollock- Market is firm. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes. The Wild Alaskan season catch numbers have been announced and will be 17% below prior year. These are the lowest numbers seen in over a decade. Current inventories are already limited, and upward pressure is expected on the market as we move closer to Lent.

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 with orders severely delayed or cancelled all together.

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 supply due to drought conditions and farmers having to empty their ponds sooner than normal. Recent reports show that availability of smaller sized fish is going to be very limited over the coming weeks as farmers try to restock their ponds.

Swai- Market is firm. 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 is helping to push the market higher as availability is expected to become tighter over the coming weeks. Recent reports show that some plants are running at around 20% of capacity.

Scallops- Market is steady to firmer. Global demand is strong with demand from Europe being very strong and putting additional pressure on the market. The domestic market has seen upward pressure on all sizes over the past several weeks with light inventories for a strong demand. 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. Product from Japan is seeing upward pressure due in part to the strong demand from Europe.

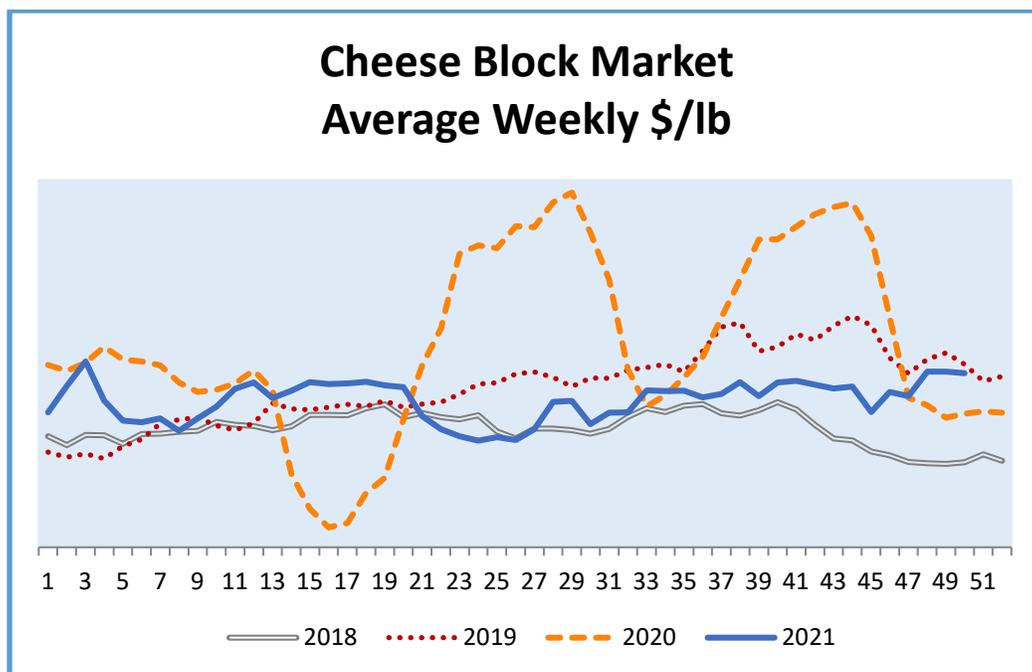


DAIRY

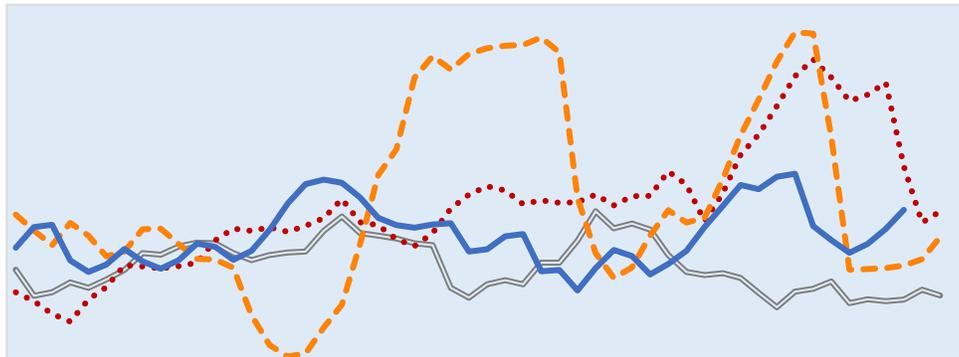
Cheese

Market is steady to firmer. The CME Block has trended higher while the Barrel Market has remained steady this week. In the Northeast, milk production has leveled, however supplies remain on par to maintain the current production levels.

Cheese inventories are keeping up with the increased demand. Retail demand has increased as the upcoming Christmas and New Year's celebrations approach. Foodservice demand is steady. There has been a slight decline in restaurant dine-in business. Just how much of an effect the Omicron variant has had remains to be seen. In the Midwest, staffing shortages are slowly showing signs of improvement. Cheese demand has risen and are satisfying seasonal expectations. Plants are still lagging behind on orders and the catch up is expected once the holidays are in the rear-view mirror and demand eases. In the West, retail cheese demand is steady. Foodservice demand is being reported as trending higher than in any other region. Port congestion and truck driver shortages are continuing to have an effect on load delays.

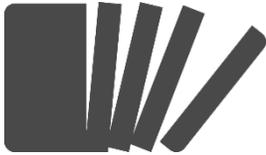


Cheese Barrel Market Average Weekly \$/lb



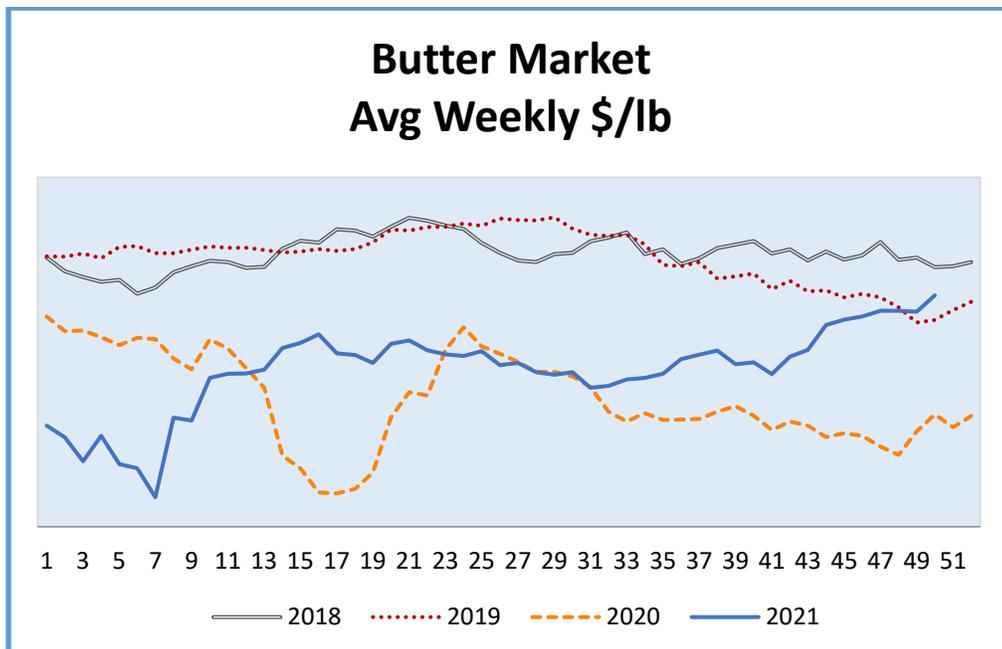
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— 2018 2019 - - - - 2020 — 2021



Butter

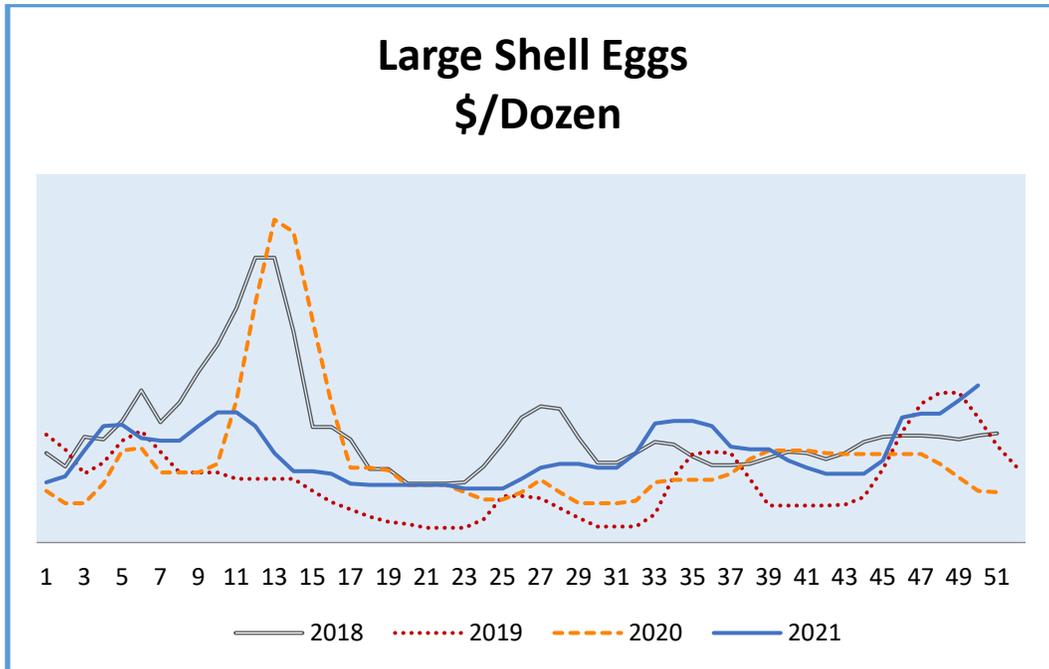
Market remains firm. The CME Butter Market has trended slightly higher this week. In the Northeast, manufacturers cream supply is keeping up with the holiday demand. Retail sales are lagging behind last year's numbers. As indoor mask mandates are beginning to be implemented again, the effect on restaurant/foodservice sales is the big unknown. In the Central region, cream availability remains robust. There are concerns about the cream coming in from the West as the freight challenges remain on-going. In the West, cream inventories are adequate and meeting production needs. Truck driver shortages continue to be a challenge and while the demand for cheese is high, particularly from other regions such as the Central region, load delays remain to be of concern. Because of these delays along with the ongoing labor shortage, plant managers are still having to operate on shortened schedules.





EGGS

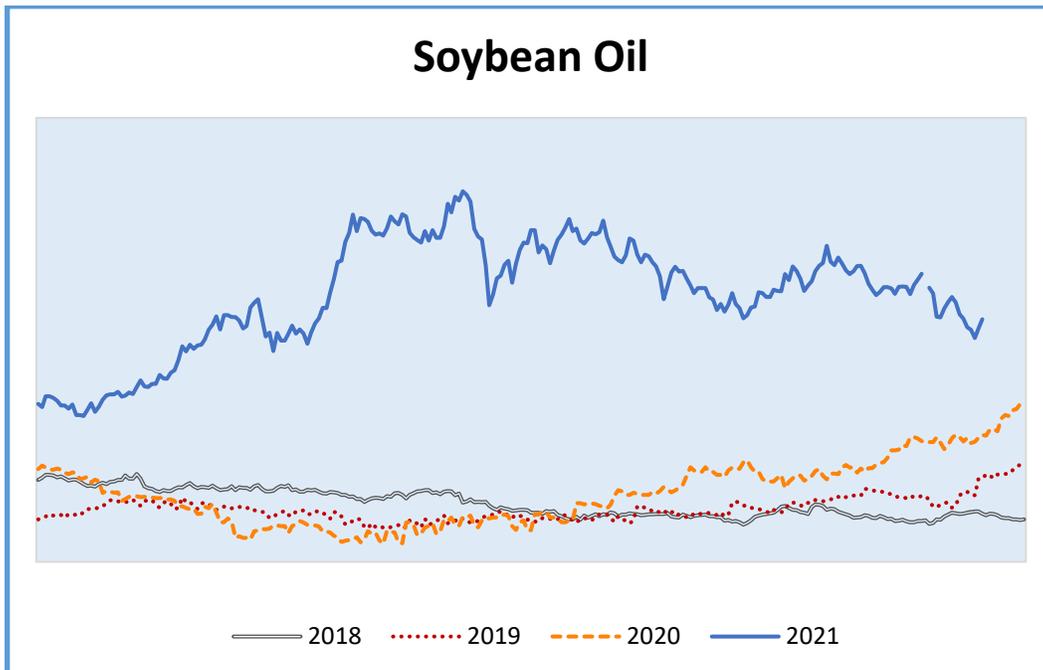
Market is firmer. East Coast volume is trending strong. West Coast business remains moderate and regional business is mostly stable. Retail demand is trending moderate to very good across the country. As the holidays approach, consumer baking trends are on the rise. Foodservice activity is vibrant and QSR business is steady for this time of year. Supply is tight on both medium and large sizes. Processing schedules are being stressed due to labor issues. Market is trending higher on both medium sizes and large sizes. National weekly shell egg inventory reports shell egg inventory up 0.6% over last week.





SOY OIL

Market is weaker. The soybean oil market softened this week, despite the continuing tightness with canola seeds. Although crush margins have increased and many plants that are able to crush soy or canola are doing so without hesitation, the likelihood of the market remaining soft is not something to be expected. With improved COVID-19 management and rising vaccination rates, OPEC has reported in their monthly oil market report that economic activity and mobility may likely return to pre-pandemic levels, which will support transportation fuels. Southern Brazil has received some much-needed rain this week, which offered a temporary reprieve from recent drying. Unfortunately, more dry weather is expected, particularly in Argentina.



RICE

Harvesting for the new crop is being completed. 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 the Delta variant surge in cases has added concerns for coffee supplies.

SUGAR

Beet Sugar

Market is firm. Despite a summer of concerns about drought in key growing areas, high levels of late season rains and favorable weather has led to a much healthier than expected crop. The November WASDE report is showing record levels of beet sugar production. Despite this, refined sugar remains tight in the U.S. due to issues with cane production. Logistical barriers continue to make it difficult to move sugar at the rate needed to provide supply relief to the U.S. market.

Cane Sugar

Market is firm. As the beet crop improved the cane crop worsened as expected in the aftermath of Hurricane Ida that damaged major sections of cane growing areas in Louisiana. On top of this, there is a major logjam of raw cane imports struggling to find their way into the U.S. as ocean going vessels wait for port congestion to clear. Some refiners that rely heavily on imports are having major challenges running their refineries at the rates needed to supply their demand due to a shortage of raw sugar on site. This paired with rising costs on inbound truck freight and packaging/pallet shortages is leading to increased costs around the country for cane sugar and widening the spread between beet and cane sugar prices.

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.

