



Market Report

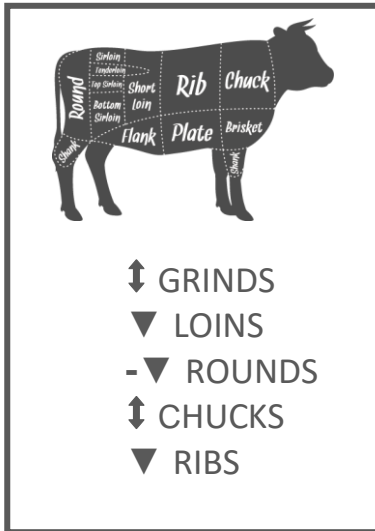
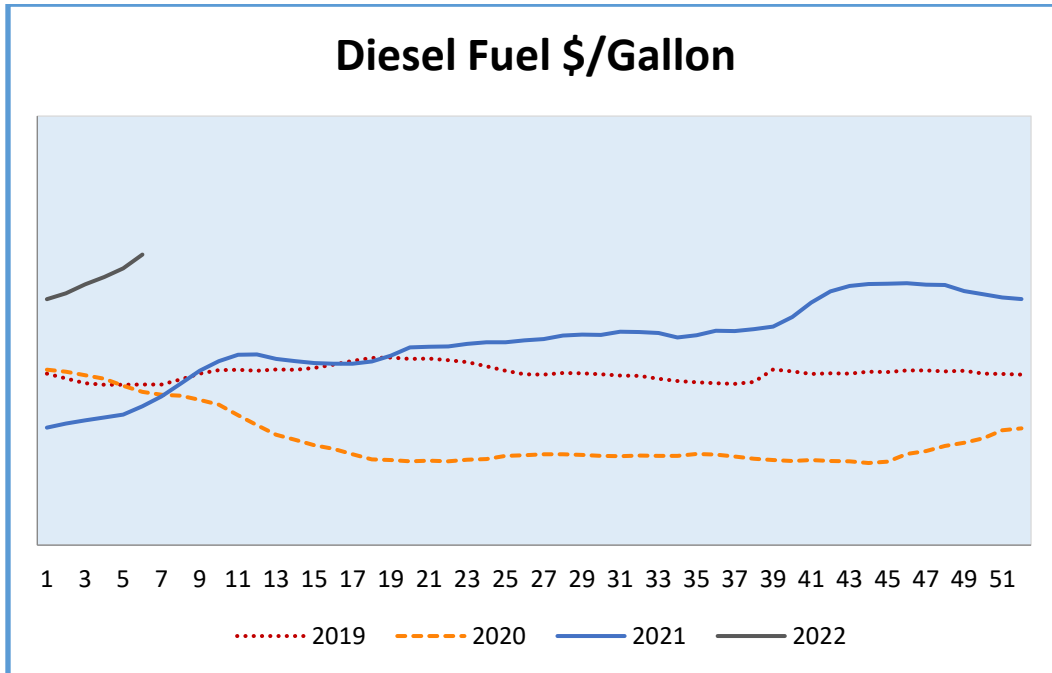
Week Ending February 11, 2022



Graphs represent data for the week ending February 4, 2022



LOGISTICS



BEEF

Market is weaker. Total beef production for last week was down 0.7% versus the prior week and was down 2.2% compared to same time last year. Total headcount for last week was 639,000 as compared to 652,000 for the same week last year. Live weights for last week were down 1 lb. from prior week and down 2 lbs. from same time last year. Live prices pushed higher again last week and are well above last year and the 5-year average. Available labor in the plants has been a concern for some time and is something to keep an eye on as we move further into 2022. Buying activity for Valentine’s is all but over and this combined with normal lighter seasonal buying activity has helped to push the market lower as we moved through this week. This is not unusual for this time of the year but buying activity typical starts to pick back up over the coming weeks as we move closer to grilling season.

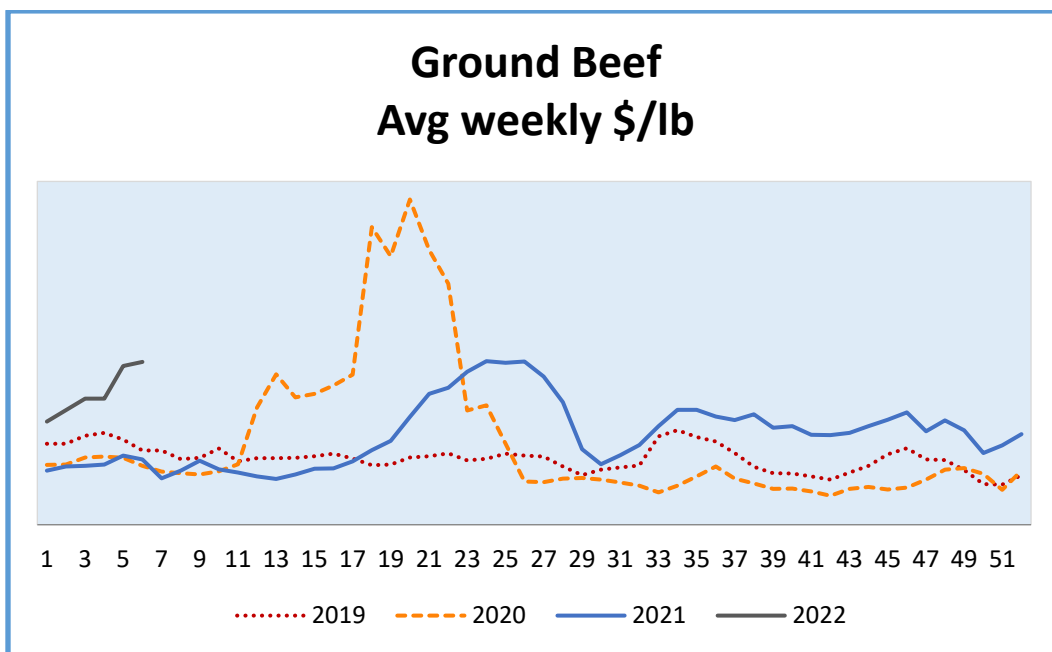
Grinds- Market is mixed. While other cuts have lost ground over the past few days, the grind market has continued to see good buying activity, and this has helped to keep strength on these items. Availability is mixed between the packers this week with larger gaps in pricing being seen between the different packers.

Loins- Market is weaker. Demand has eased as we moved into this week with the market typically seeing lighter seasonal buying activity over the next few weeks.

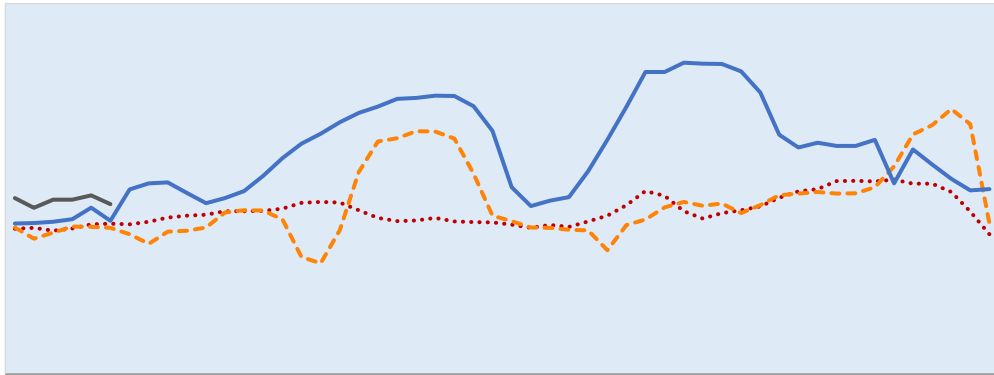
Rounds- Market is steady to weaker. The extreme weather the past few weeks has helped to disrupt retail buying patterns and the market has seen lighter buying activity as we moved into this week.

Chucks- Market is mixed. Demand has been lighter as we moved further into this week with some reports of inventories looking better this week than prior. Production and transportation issues related to the weather the past few weeks are helping to keep the market more unsettled

Ribs- Market is weaker. Buying activity has been lighter coming into this week due in part that demand for Valentine’s Day is now over and this is typically a seasonally slower time of the year for the rib market.



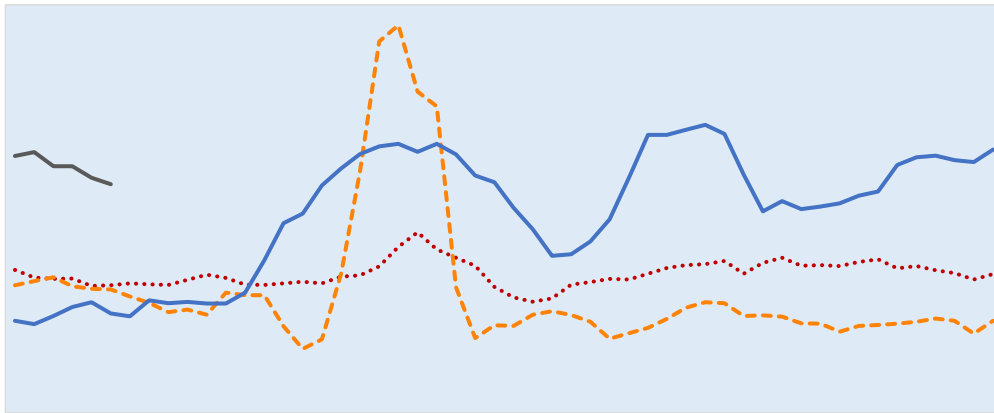
Choice Ribeye Heavy Avg weekly \$/lb



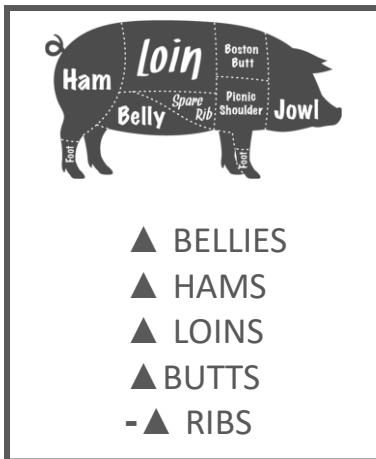
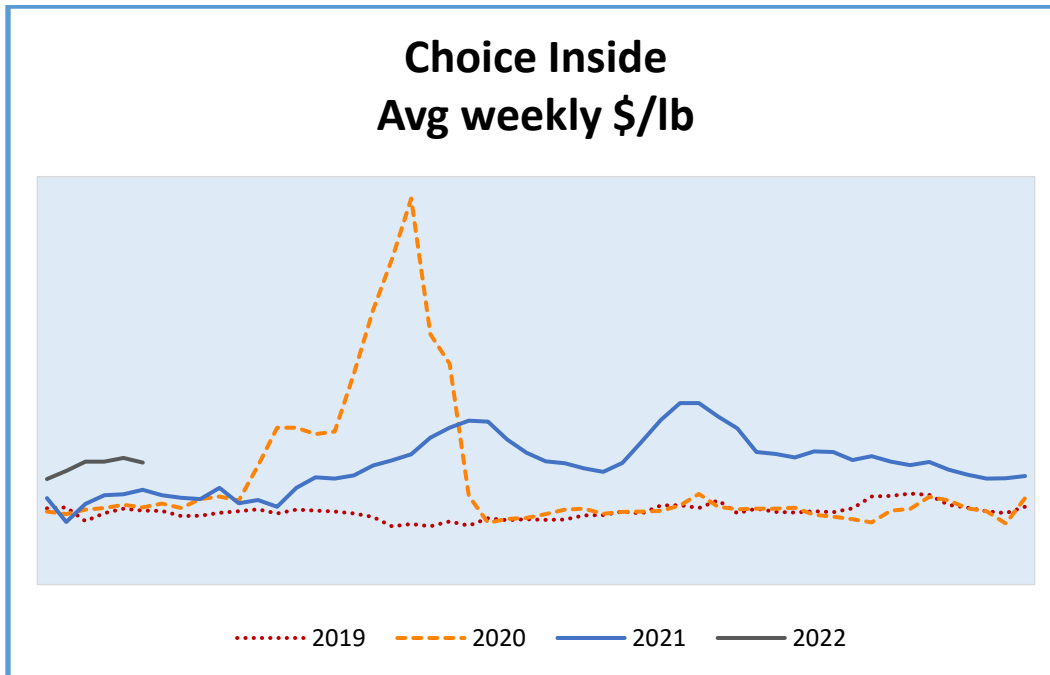
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

..... 2019 - - - - 2020 ——— 2021 ——— 2022

Choice Brisket Avg weekly \$/lb



..... 2019 - - - - 2020 ——— 2021 ——— 2022



PORK

Market is firmer. Total pork production for last week was down 3.3% versus prior week and was down 8.5% compared to same time last year. Total headcount for last week was 2,436,000 as compared to 2,673,000 for the same week last year. Live weights for last week were up 1 lb. from prior week and even with 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 further into this year. The severe weather over the past few weeks has hampered production and this combined with the labor challenges is keeping pressure on the market. Further processed items remain in tight supply due to the limited labor.

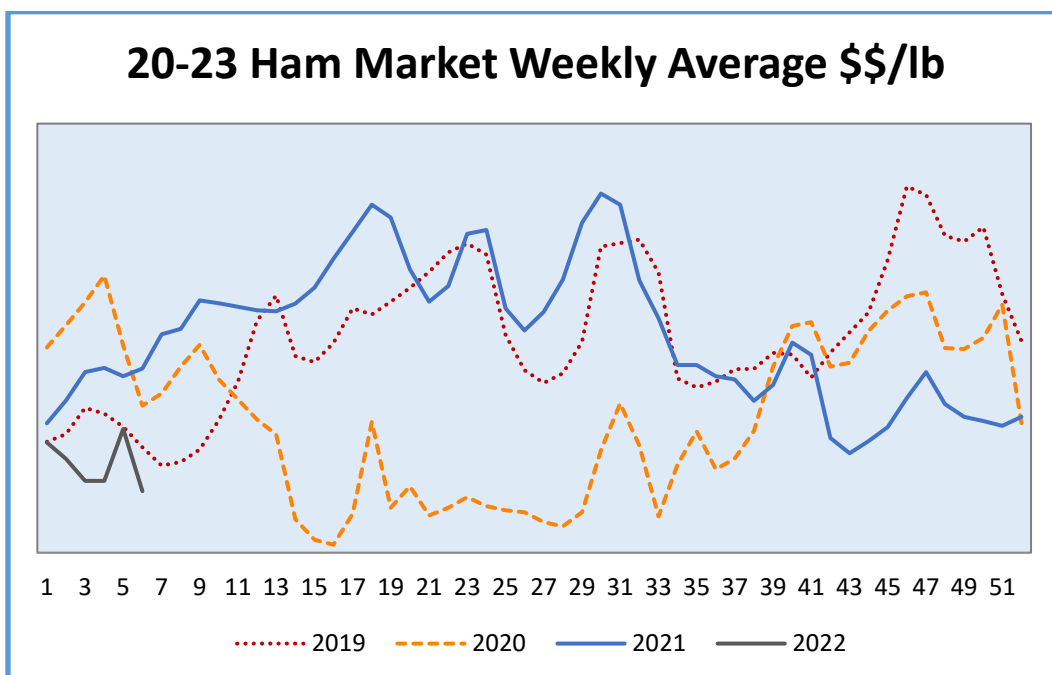
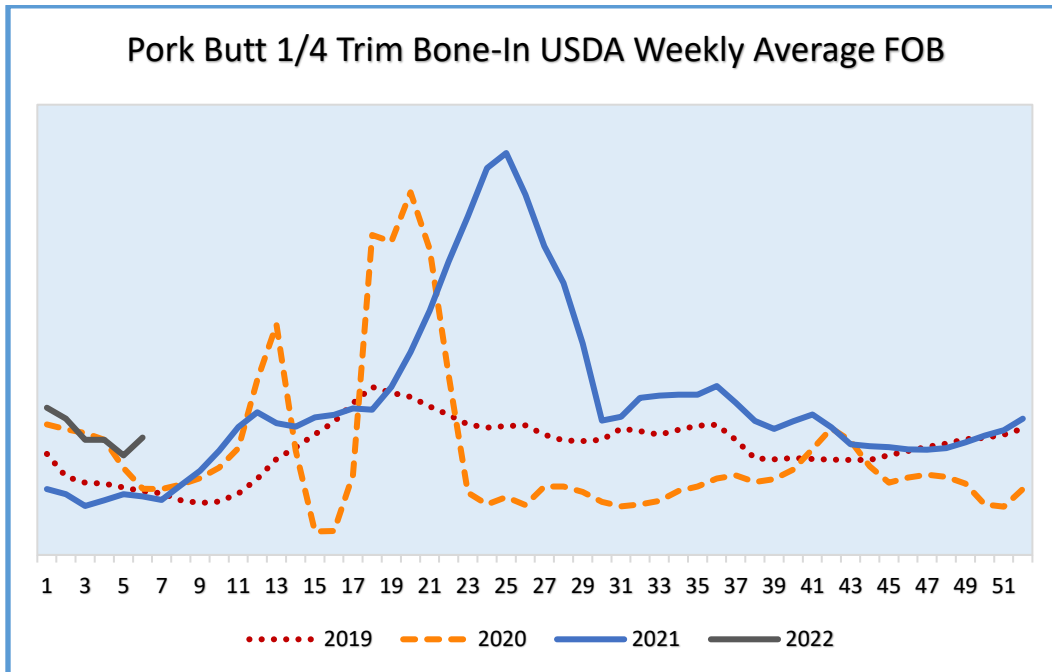
Bellies- Market is firmer. This market has pushed higher over the past few weeks. There remain issues with labor and being able to process product into bacon and this is keeping product limited and on allocation with multiple suppliers. The reduced production weeks during the holidays put additional pressure on availability and the severe weather has added additional pressure.

Hams- Market is firmer. Limited labor is having a large impact on this category. With the reduced labor the seasonal normal number of hams are not making it into the smokehouse productions schedules and is putting pressure on upcoming availability over the coming weeks. Several suppliers have already had reduced availability for several months and this trend is expected to continue as we move further 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 had been pushing higher as we move further into 2022. Limited available labor is keeping availability on boneless items lighter than normal. Reduced production is expected to put pressure on this market as we move into the coming months as buying activity for BBQ season begins to pick up.

Ribs- Market is steady to firmer. Labor issues remain a concern and are expected to keep the market more unsettled as we move thru the coming weeks. The lighter production numbers are keeping inventories more limited and have helped to push the market higher as we moved through this week.





CHICKEN

Market is steady. Total headcount for week ending 2/5/22 was 154,735,000 as compared to 167,930,000 for the same week last year. Average weights for last week were 6.36 lbs. as compared to 6.35 lbs. for the same week last year. Chick placements on fryers for week ending 3/12/22 are estimated at 162.0 million headcount. Placements for previous week were 161.4 million and same week last year was 169.9 million. Retail and foodservice business is reported as moderate to light. Demand for WOGS and whole birds has flat lined and is rated at steady. Demand on boneless breast and tenders is reported as moderate to good. Activity on drums and thighs is steady. Wings are starting to experience a decline in demand. Export business on leg quarters and whole legs is reported as good. Processing schedules continue to be

reduced as labor challenges persist. Hatch rates remain less than optimal. Floor stocks are being reported as sufficient. Market levels on WOGS have stabilized. Boneless breasts are still rising. Tenders and back half parts are steady. Wings are starting to show some weakness.

WOGS- Market is steady. Industry demand from retail deli and fast food is good and keeping all sizes clearing adequately. Supply is available, but tight depending on the size and sourcing plant. Market has stabilized and holding firm.

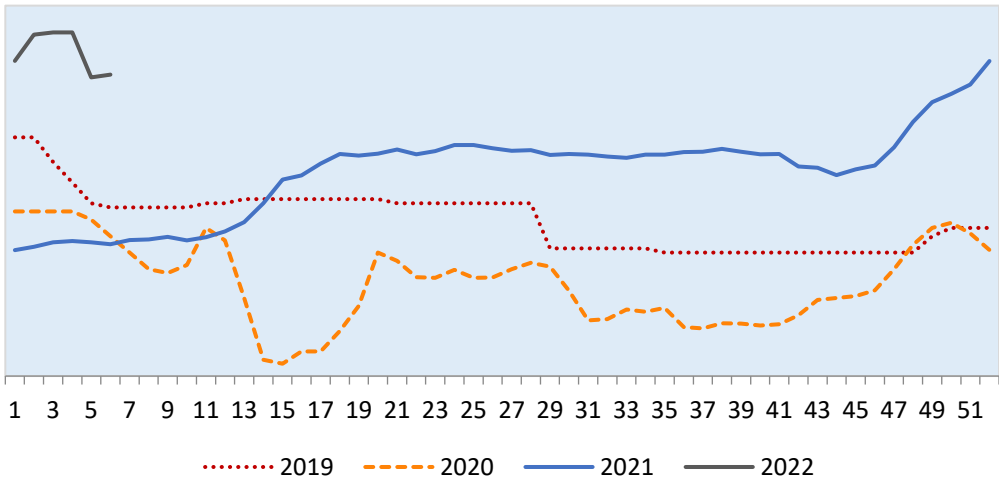
Tenders- Market is firm. Foodservice, retail, and QSR volume is moderate to good. Weekly supply is limited to a finite amount of product and portioning capacity. Market levels on select and jumbo sizes are trending flat, but remain firm.

Boneless Breast- Market is firmer. Retail and foodservice demand continues to be on the rise and outpace weekly supply. Of all the major proteins, boneless breast is considered a good cost option for consumers in this inflationary economy. Supply is tight on all sizes. Market remains on an upward trajectory.

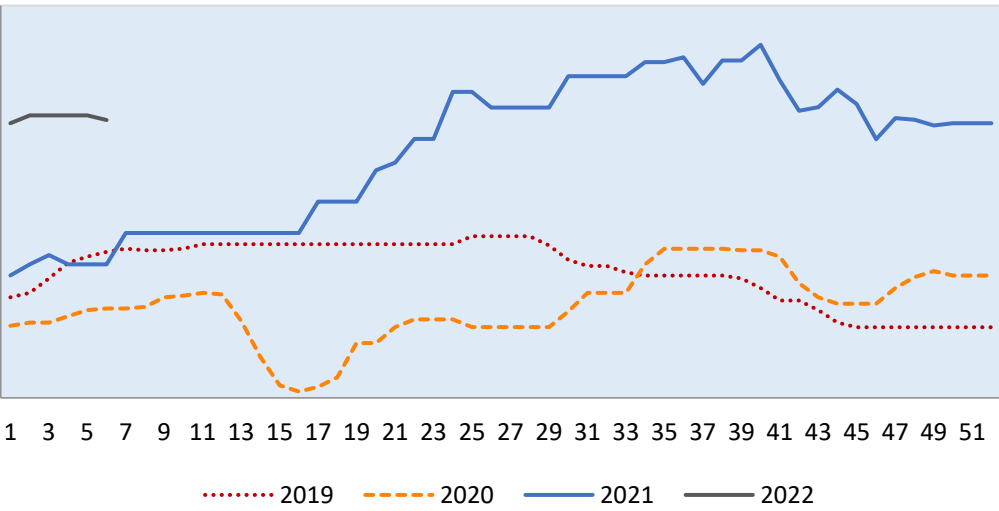
Leg Quarters and Thighs- Market is steady. Export demand for leg quarters and whole legs is reported as moderate. Domestic volume on drums and thighs is moderate to good in the retail channel. Foodservice demand for boneless thigh meat remains good. Supply is limited depending on the plant and the market levels are mostly unchanged.

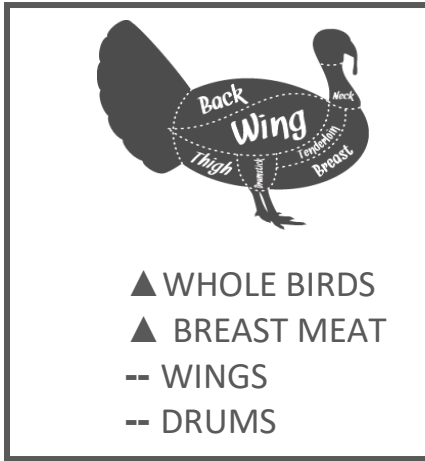
Wings- Market is weaker. This category is in a state of flux. Foodservice demand is moderate as we get closer to the Super Bowl. More and more spot loads are starting to be reported. Market levels remain high by historical standards, but prices are trending downward.

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



Chicken Tenders Avg Weekly \$/lb





TURKEY

Market is steady. Total headcount for week ending 2/5/22 was 3,275,000 as compared to 3,992,000 for the same week last year. Average weights for last week were 35.71 lbs. as compared to 33.24 lbs. for the same week last year. Whole birds bookings are near completion as the industry started the process 30 to 45 days earlier this year. Demand for breast meat, white trim, and tenders remains moderate to good. Volume on parts remains mostly steady. Export demand for back half parts is moderate to good. Weekly production and slaughter rates are limited due to the current labor situation. Floor stocks remain light on most major categories. Whole birds remain tight, white meats are tight, and parts are limited.

Whole Birds- Market is firm. The booking season on whole birds is about 30 to 45 days ahead of past years. Most suppliers have stopped accepting pricing requests until they firm up committed loads with expected supply. Supply is very tight on Hen sizes, while some Tom sizes are being shown to the market. Market is fully supported at the current time.

Breast Meat- Market is firm. Volume from retail deli and foodservice remains strong but appears to have plateaued for the time being. Supply is tight on fresh white meats and frozen inventory is limited. Market levels have been trending flat.

Wings- Market is steady. Export demand for whole wings is stable while domestic needs for 2 joints is soft. Supply is available and the market is trending sideways.

Drums and Thigh Meat- Market is steady. Export demand for back half parts is moderate to good. Domestic demand from drums is weak. Thigh meat demand is moderate to good as retail grinds are selling well. Supply is available but limited. Market is holding steady on parts on thigh meat.

SEAFOOD



Gulf Shrimp- Market is firm. Inventories are limited for current demand and an improvement in inventories is not expected until spring. The National Marine Fisheries Service has reported that total landings for calendar year 2021 were down over 33% compared to same time 2020.

Black Tiger Shrimp- Market is unsettled. The market has become more unsettled over the past few weeks as foodservice demand has become lighter. Foodservice is the big demand drive for this category and the recent increases in Covid cases across the country has caused overall demand to be lighter over the past few weeks.

White Shrimp- Market is unsettled. Demand has been lighter over the past few weeks due in part to Covid concerns impacting dining. Total imports for 2021 end the year up 19.8% compared to 2020.

King Crab- Market is steady but firm. This market has been firm for several months due to the limited availability and strong demand. Demand has eased over the past couple of weeks due in part to the very high

prices of the current market. Buying activity has also eased now that the holidays and Valentine's demand is in the rear view mirror.

Snow Crab- Market is steady but firm. This market is at very high levels and well above normal for this time of the year. The reduced quotas for this year helped to push the market to very high levels and the higher levels have also helped to slow buying interest.

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. Imports have been trending well below prior 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 over the past several weeks. Demand leading up to Valentine's Day has been very good. Reports of Covid issues at plants combined with an Algae issue in Chile has helped to push the market higher over the past few weeks. The market for wild salmon is mixed between species with limited availability. The Wild Alaska 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. 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 thru 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.

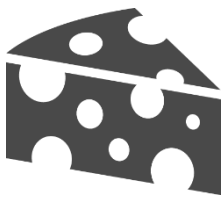
Pollock- Market is firm. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes. The Wild Alaskan season catch numbers have been announced and will be 25% 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 to continue as we move further into 2022. 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 supplier 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. Shipping costs continue to move higher and put additional pressure on the market.

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 over the past few months and has helped to push the market higher as availability is expected to become tighter over the coming weeks. Recent reports show that some plants had been running at around 20% of capacity.

Scallops- Market is steady to weaker. Bad weather has caused fishing activities for domestic product to be lighter over the past several weeks, but landings have been improving as we moved into this week helping to improve inventory levels and helping to put downward pressure on the market.



DAIRY

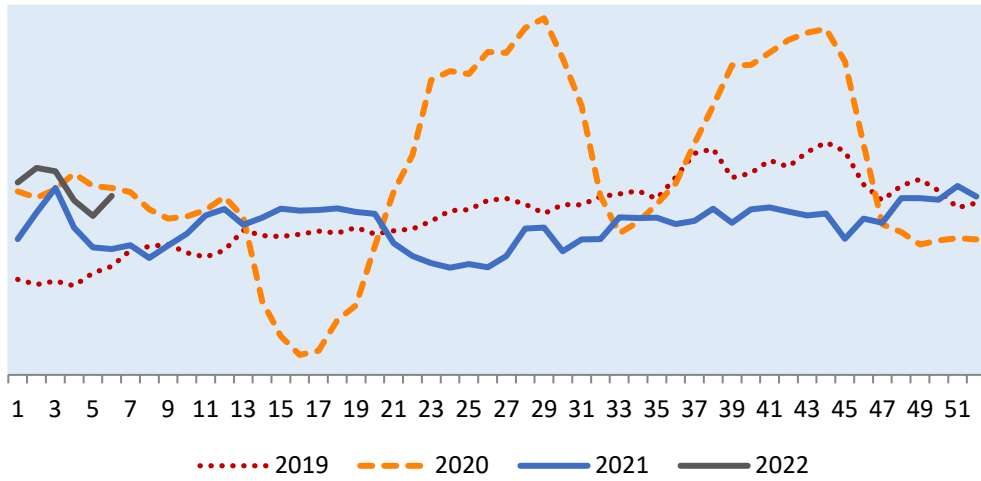
Cheese

Market is unsettled. The CME Block and Barrel markets are both trending higher this week, but daily trends overall are mixed. In the Northeast, milk supplies are steady to higher. Cheese production schedules have been busy, though still affected by labor shortages, supply chain issues, and recent winter weather in some areas. Retail demand is steady and growing. Foodservice demand is steady to weaker, with restaurants in some locales still affected by labor and material shortages. In the Midwest, recent price drops are still causing some customers to hold off buying in case prices fall further. Plant production is generally busy but being negatively affected by shipping delays and worker shortages. In the West, demand for cheese is still steady in retail, but weaker in the food service sector as COVID concerns continue to affect hours of operation for many restaurants. Cheese production is steady in the west, though not all plants are able to operate at full capacity due to ongoing labor shortages.

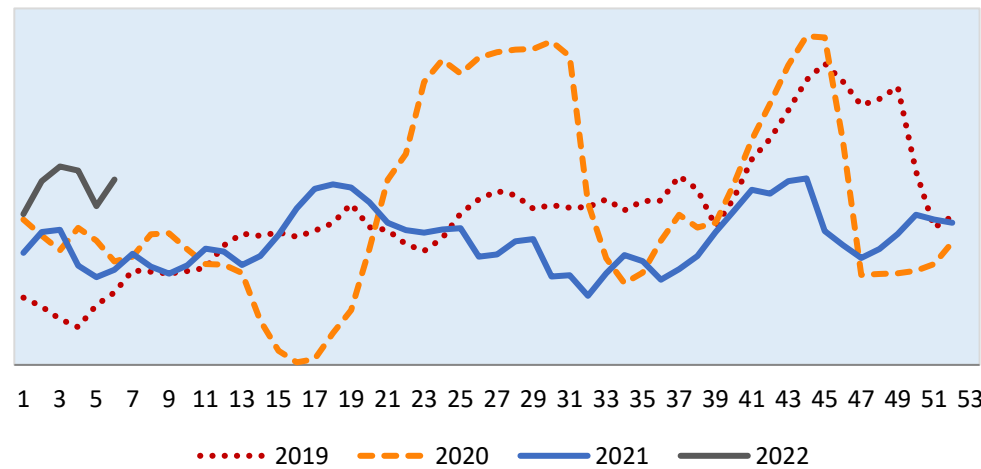
Cream Cheese

Market is firm. Inventories are very limited, and allocations and cuts should be expected over the coming weeks. Multiple suppliers are not taking on new business, and inventories are expected to remain very light as we move through Quarter 1 of 2022. Labor, logistics, and packaging issues are all contributing to the current industry-wide situation. Both foodservice and retail sectors are being affected.

Cheese Block Market Average Weekly \$/lb



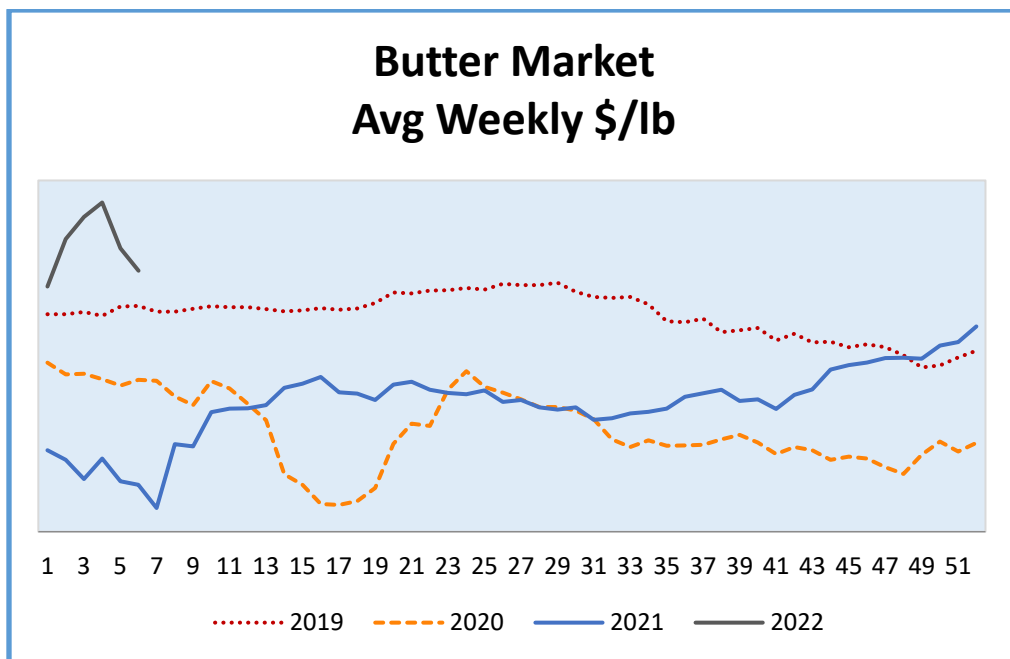
Cheese Barrel Market Average Weekly \$/lb





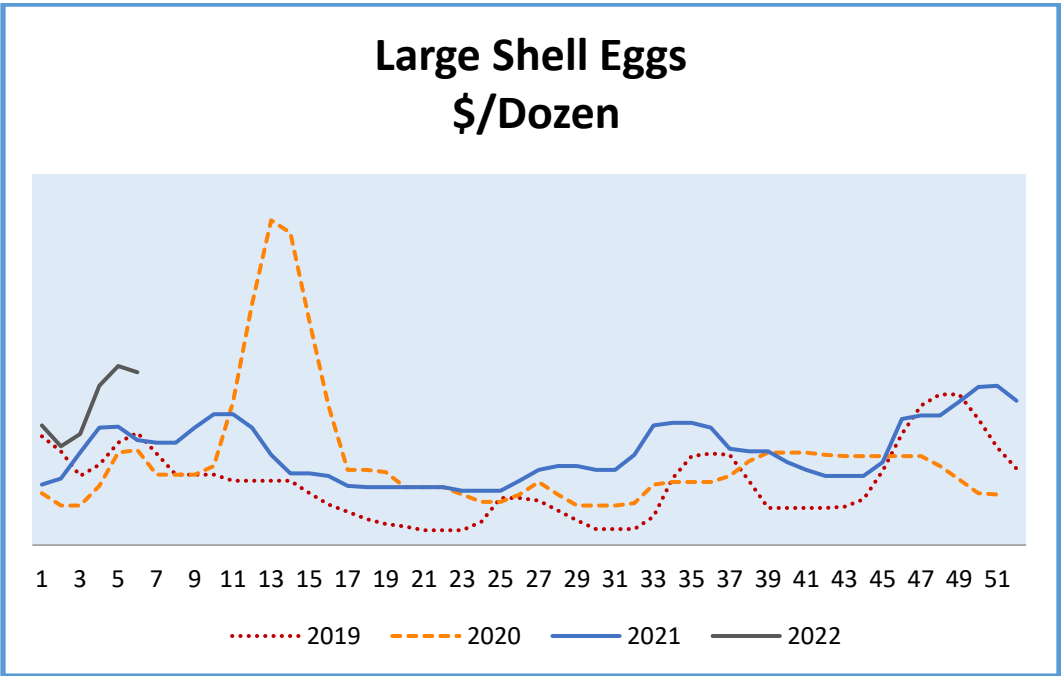
Butter

Market is unsettled. The CME Butter Market is trending slightly higher after dropping the last few weeks. Butter production overall is busy due to abundant cream supplies nationally. The exception is in the Northeast, where butter production is steady to weaker due to recent winter weather. In the Central region, churning has been active with cream supplies readily available. Retail and foodservice demand are showing signs of weakening this week due to the recent mixed market causing buyers to delay purchases, allowing many producers to build safety stock for the Spring holidays. In the West, demand for cream continues to remain elevated as inventories are still readily available for production. Some plants in the west are still having labor shortages, leading to excess cream being marked down and sold on the spot market. Domestic demand for bulk butter is steady to weaker, but inventories remain tight overall.



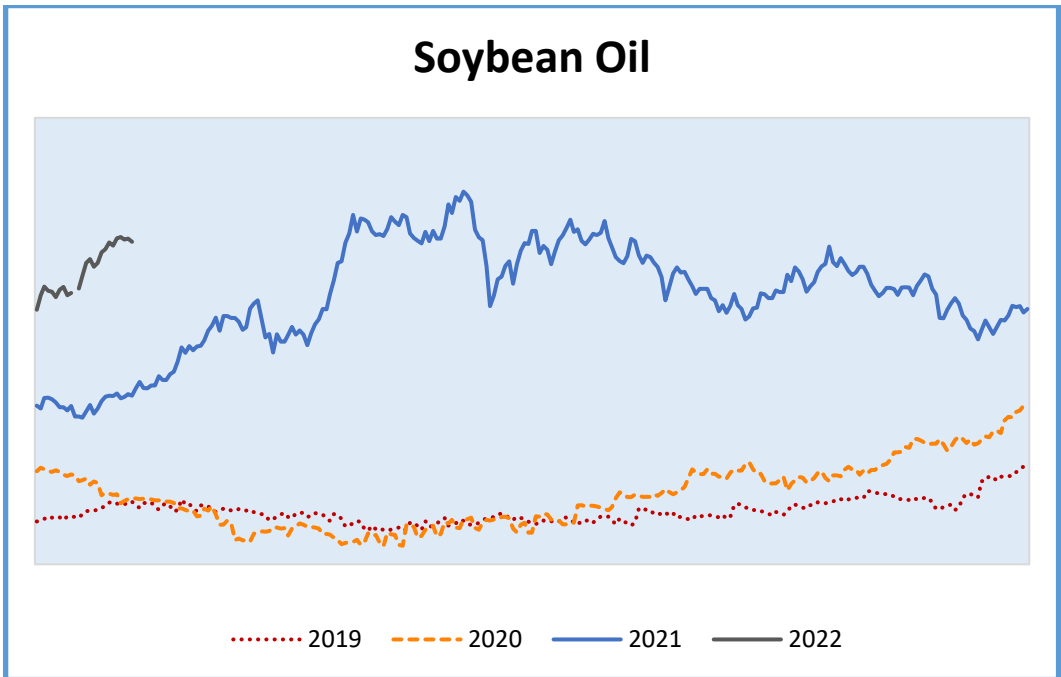
EGGS

Market is weaker. Retail volume for this week is being reported as moderate to soft across many regions of the country. As a result of last week's winter storm, many consumers purchased shell eggs to stock up in case of an emergency. Foodservice and QSR activity are reported as moderate. Processing schedules are reduced due to labor issues. Supply is available on 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 2.9% over last week.



SOY OIL

Market is firm. Weather continues to be the lead story. In the next two weeks, rainfall amounts will either make or break Argentina’s soybean crop. In the Central and Eastern US growing regions, all eyes are watching to see how the supply chain will bounce back after last week’s winter storms.



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 remains firm. Beet growers took in an unexpectedly large crop this year and have been much more aggressive moving sugar than cane suppliers over the last few months as they work through their processing season. However, with beet slicing season coming to an end in the spring, expect prices for beet sugar to increase as suppliers narrow the current price spread seen in the market between beet and cane sugar. A short winter and warm spring could cause concern of the deterioration of the beets left piled in the field. The longer these piles remain frozen, the longer beet sugar suppliers can stretch their feedstock and will allow them to produce additional sugar.

Cane Sugar

Market is firm. A crop year of production challenges and major logistics hurdles across the entire industry has made it extremely challenging for cane sugar refiners to keep up with customer demand. As a result, pricing continues to rise many suppliers are sold out or are limiting offers for spot business. On a positive note, the impact of last week's ice/snow event in Ohio was minimal.

CORN

Market is firm. Due to severe drought conditions in some regions and excessive rain in others this past growing season, the corn crop was short expectations and suppliers are projected to start running out of supply very early in Q1 2022. Replenishment will not happen until new pack in August. Allocations and cuts to orders should be expected as we move through the coming weeks.

CANNED PEAS

Market is firm. Due to severe weather conditions this past growing season, the pea crop was short of expectations and suppliers are projected to start running out of supply very early in Q1 2022. Replenishment will be with the new pack in June. Allocations and cuts to orders should be expected as we move through the coming weeks.

