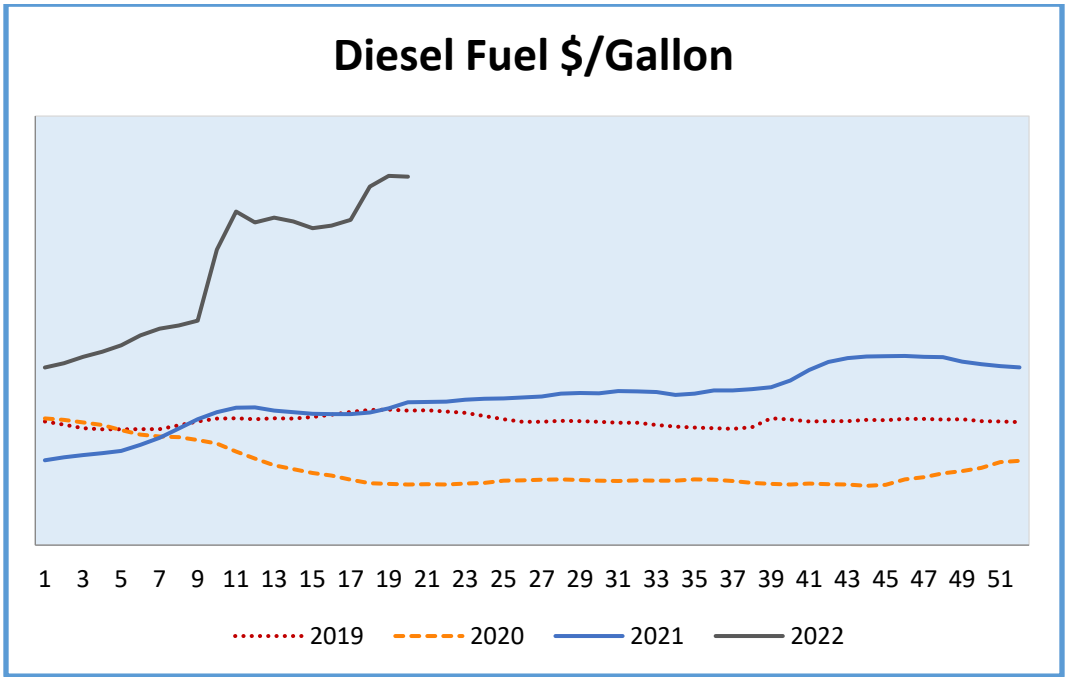
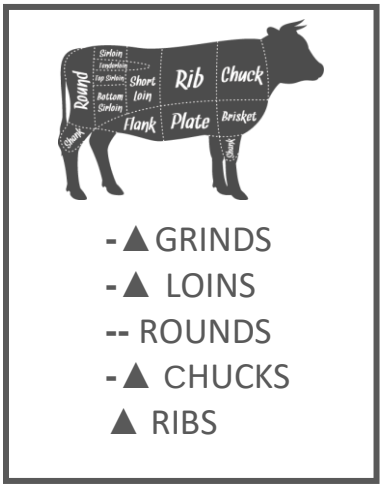
Market Report

Week Ending May 20, 2022

Graphs represent data for the week ending May 13, 2022

LOGISTICS





BEEF

Market is steady to firmer. Total beef production for last week was down 0.2% from prior week but was up 2.6% compared to same time last year. Total headcount for last week was 657,000 as compared to 644,000 for the same time last year. Live weights for last week were down 3 lbs. from prior week, but up 7 lbs. from same time last year. The CME live cattle market is currently well above prior year but has shown signs of possibly moving lower as we move into June. Cattle weights have continued their seasonal downward trend. Last year this trend continued thru July before moving higher again for the remainder of the year. Overall demand remains below expectations with retail demand remaining sluggish, due in part to concerns of higher consumer costs. Demand has been improved as we have moved closer to the holiday, but several cuts remain below seasonal expectations.

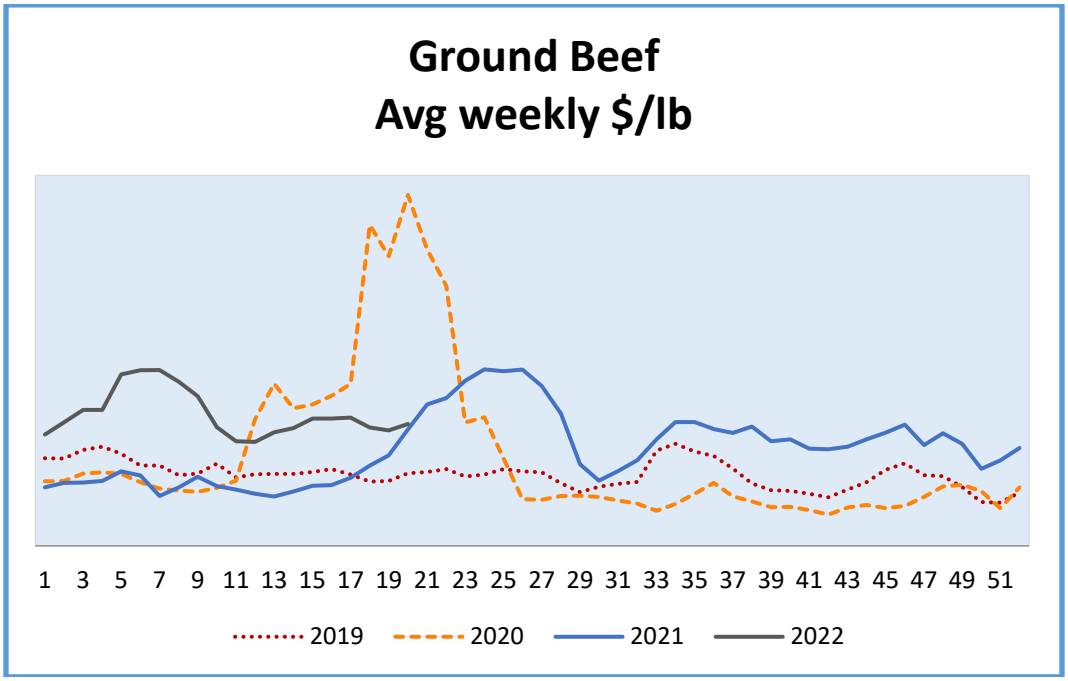
Grinds- Market is steady to firmer. Buying interest has been improving as we moved through the past several days as buyers look to cover their needs ahead of Memorial Day. Increasing consumer costs in other categories typically help to improve demand on ground beef as consumers look for more cost valued protein.

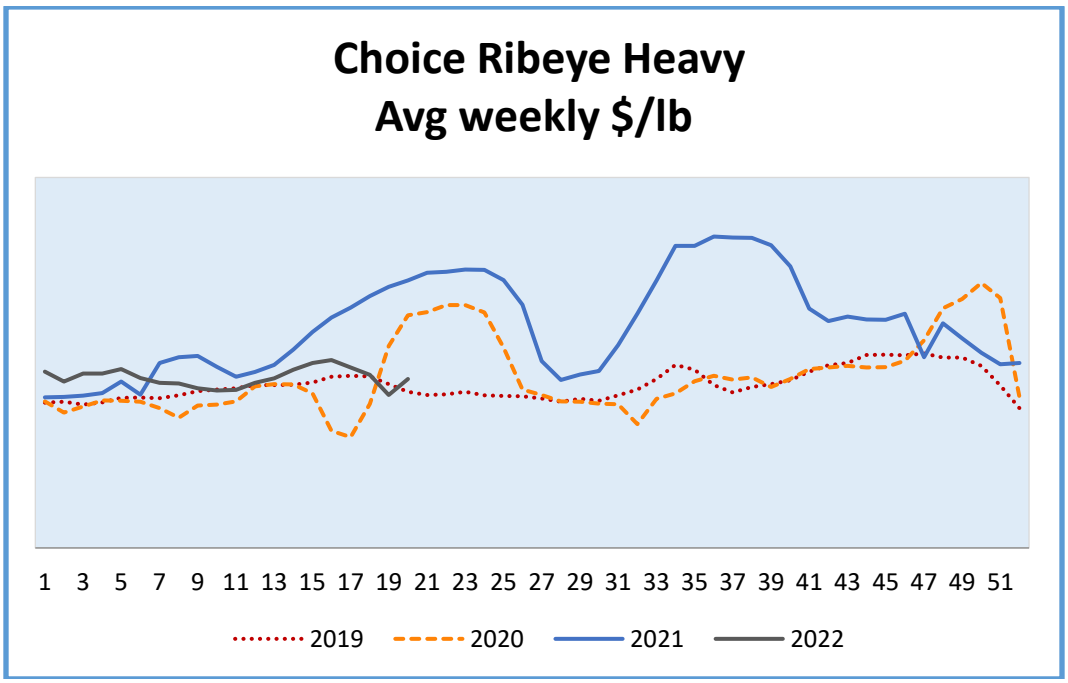
Loins- Market is steady to firmer. Demand ahead of the holiday has been improved and availability varies between the major packers this week.

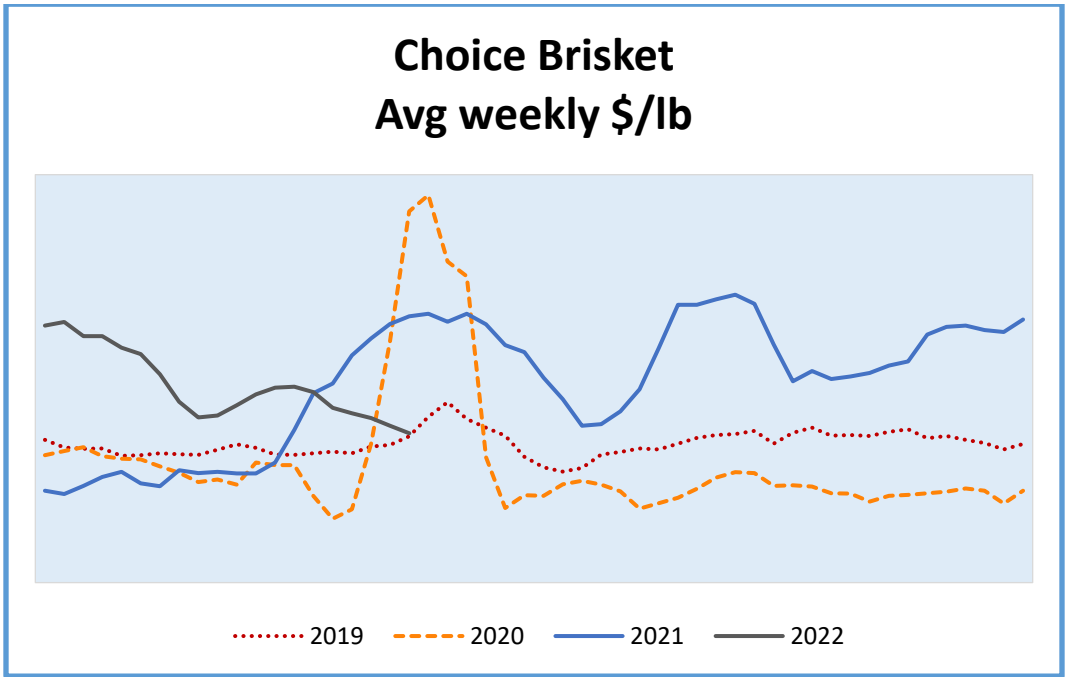
Rounds- Market is mostly steady. The market has seen increased demand over the past couple of weeks helping to reverse the downward trend that has been seen recently. Demand for grinding is picking up and helping to put pressure on this market.

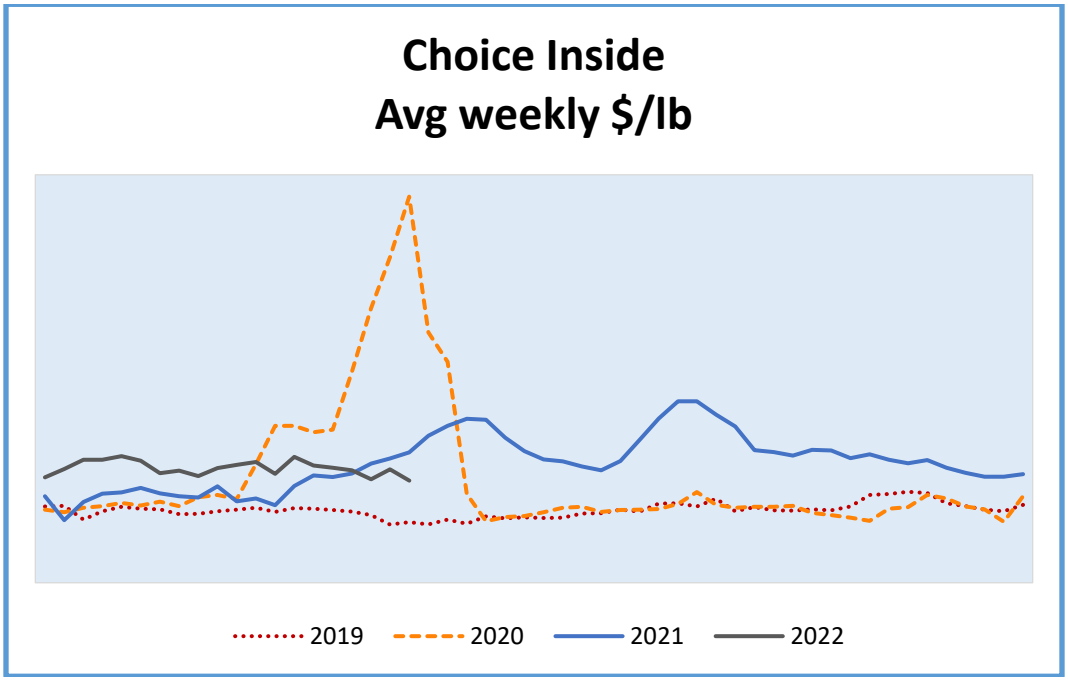
Chucks- Market is steady to firmer. This week has seen multiple packers raise their asking prices on some cuts. Export interest has been improved as well.

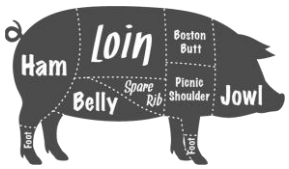
Ribs- Market is firmer. Buying activity has been improved as we moved into this week helping to push the market higher on multiple cuts. Demand is typically improved as we head closer to Memorial Day. Buying interest typically remains solid during grilling season.






Choice Brisket
Avg weekly $/lb
2019
2020
2021
2022


Choice Inside
Avg weekly $/lb
2019
2020
2021
2022



-▲ BELLIES
U HAMS
-- LOINS
-▲ BUTTS
U RIBS

PORK

Market is mixed. Total pork production for last week was down 1.7% versus prior week but was up 1.2% compared to same time last year. Total headcount for last week was 2,375,000 as compared to 2,384,000 for the same week last year. Live weights for last week were even with prior week, but up 5 lbs. from same time last year. Available labor continues to improve compared to prior months, yet it is still well below necessary levels; this continues to be a concern at multiple plants along with transportation challenges. Shortages and allocations are commonplace and are expected to continue as we progress through the year. Further processed items remain in lighter supply due to the limited labor. Demand for deli items is seasonally improving and this is helping to give extra support to items such as hams. Export demand has been solid on multiple items over the past several weeks, but that demand has become lighter.

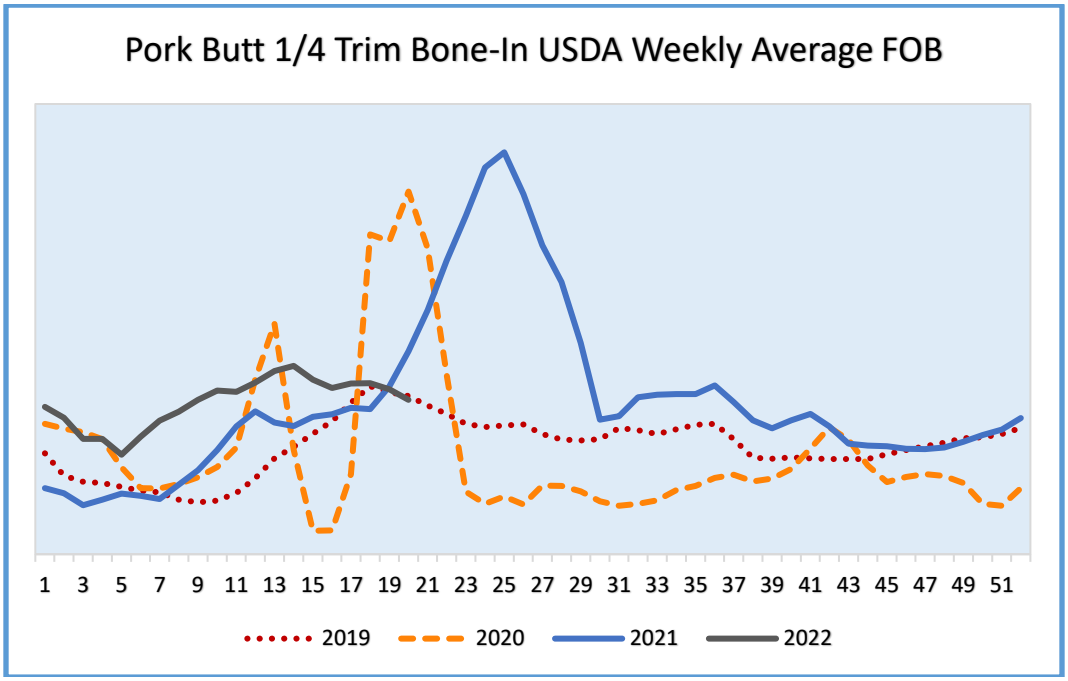
Bellies- Market is steady to firmer. Recent reports show that overall inventories were lighter as we moved into this week, and this has helped to put upward pressure on the market.

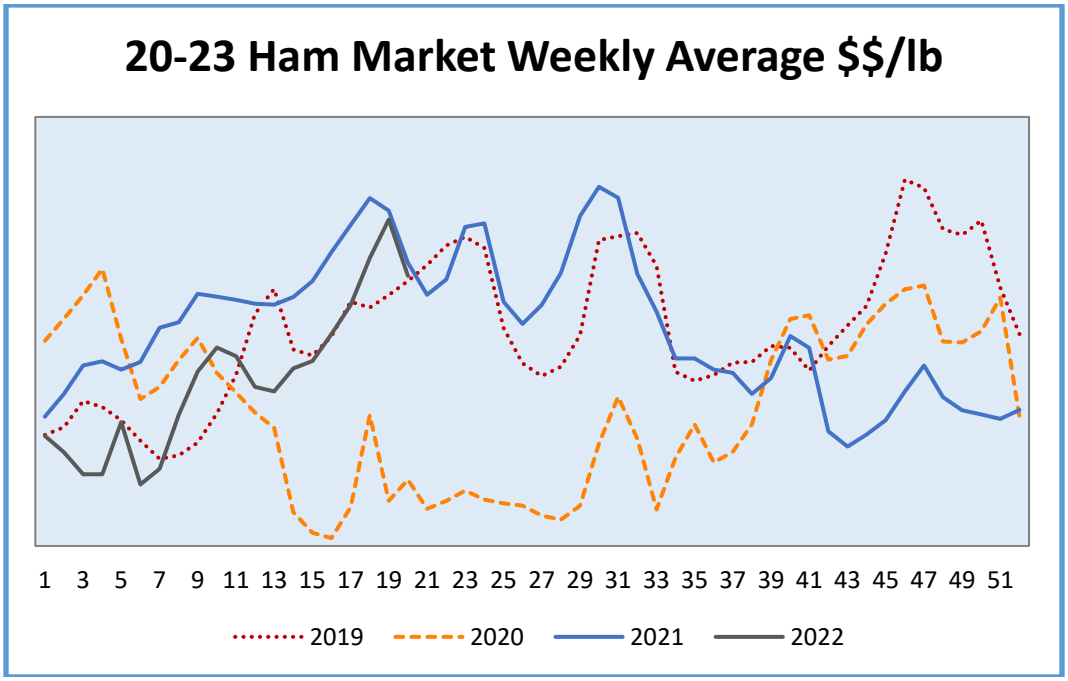
Hams- Market is unsettled. The ham market has seen both higher and lower prices over the past few weeks. Demand for deli items is seasonally improving but export demand has become more mixed as we have moved through the past few weeks.

Loins- Market is steady. Demand at retail has been fair with inventories that are in good supply as we moved into this week.

Butts- Market is steady to firmer. Demand has been seasonally improved helping to keep inventories moving and the market has inched higher as this week progressed.

Ribs- Market is unsettled. High retail prices are keeping pressure on buying interest ahead of the coming holiday. The current market remains at elevated levels due to the limited labor and availability seen over the past several weeks.


Pork Butt 1/4 Trim Bone-In USDA Weekly Average FOB
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


20-23 Ham Market Weekly Average $$/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

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

CHICKEN

Market is steady to firmer. Total headcount for week ending 5/14/22 was 165,073,000 as compared to 163,760,000 for the same week last year. Average weights for last week were 6.34 lbs. as compared to 6.41 lbs. for the same week last year. Chick placements on fryers for week ending 6/18/22 are estimated at 163.7 million headcounts. Placements for previous week were 163.7 million and same week last year was 167.9 million. The market continues to be constrained as lack of supply is bumping up against strong seasonal demand. Supply remains hit and miss with allocations being reported. With record soaring prices on boneless breast and tenders, spot load offerings are starting to get less interest as these price levels are starting to scare off potential buyers. Demand for WOG's, boneless breast, tenders, dark meat, and parts is trending strong. Wing business continues to correct downward. Processing schedules are reduced, and hatch rates still lag behind industry standards.

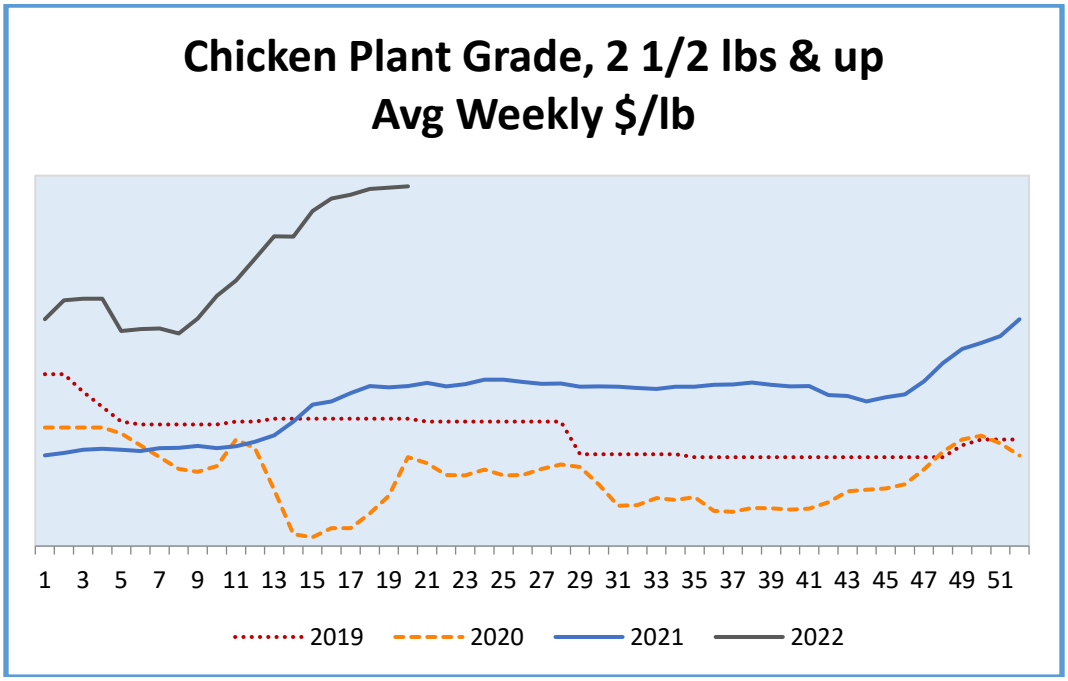
WOGS- Market is steady to firm. Seasonal from the retail deli and fast-food channels is robust. With high markets, buyers are starting to limit their purchases and keep inventories tight. Bird weights appear to be in better balance with demand needs. Supply is tight with allocations being reported. Market is fully supported with some premiums being noted.

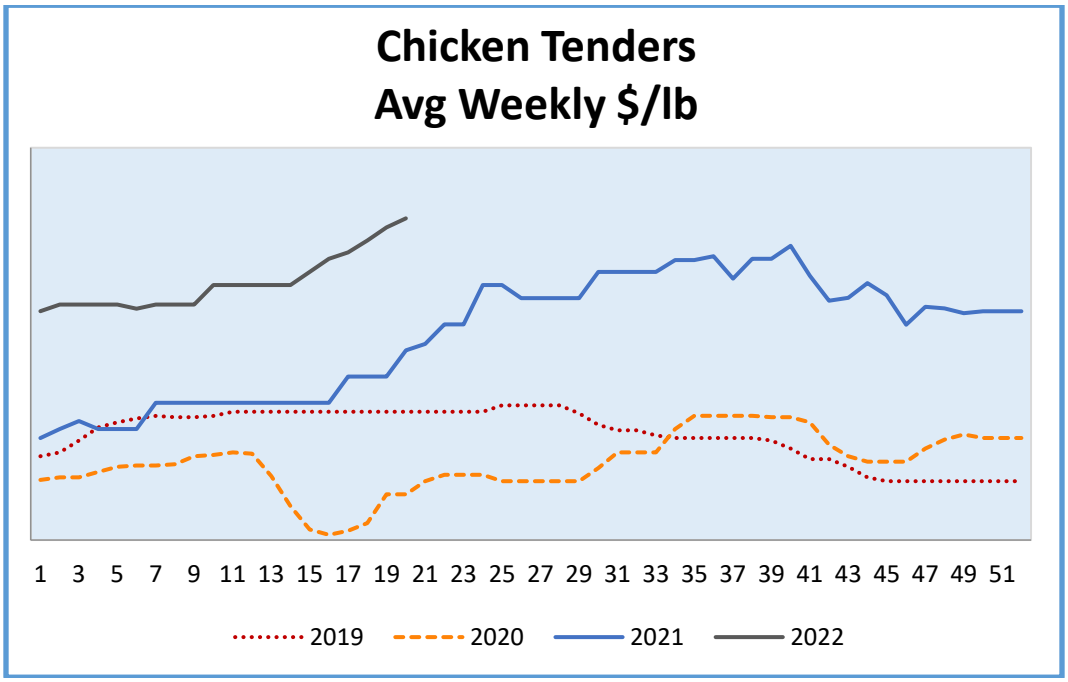
Tenders- Market is firmer. Demand is quite strong across all channels and supply is hard to get unless it is previously committed. Supply cannot match demand needs. Allocations to customers and further processors remain a challenge. Both jumbo and select sizes are held with confidence and the market is moving higher.

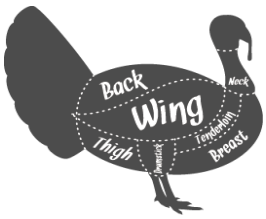
Boneless Breast- Market is firm. After a two-month run up of market values, seasonal demand from retail and foodservice may be reaching its peak. Jumbo and select sizes are showing some signs of leveling off, while medium boneless for retail is still getting some premiums. Market remains strong but has flattened out over the last week.

Leg Quarters and Thighs- Market is firmer. Domestic and export demand continues to be robust. Retail demand in the United States is fueled by consumers looking for cost efficient products like drums and thighs. Dark meat needs from deboners and further processors continue to keep whole legs sold up. Supply is short and the market on parts and thigh meat is moving upward.

Wings- Market is steady to weaker. Industry demand is starting to become dependent on wing size and the channel supporting it. Jumbo wings are starting to get ample support from the foodservice channel. Medium and small wings are harder to place as further processors are watching their inventories and producing on a tight schedule. Supply is available on all sizes. Market on jumbo wings is flat, while small and medium sizes are being pressured downward.


Chicken Plant Grade, 2 1/2 lbs & up
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


Chicken Tenders
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



- ▲ WHOLE BIRDS
- ▲ BREAST MEAT
- ▲ WINGS
-- DRUMS

TURKEY

Market is steady to firmer. Total headcount for week ending 5/14/22 was 3,688,000 as compared to 3,716,000 for the same week last year. Average weights for last week were 30.69 lbs. as compared to 32.48 lbs. for the same week last year. Since HPAI was reported over a month ago, the supply side became even more constrained and market levels on most categories were pressured higher. Suppliers are still being challenged with grow out and that may take six to nine months to improve. Lack of supply on most categories continues to be the main talking point. On the demand side, many customers are purchasing weekly needs and holding off on carrying any extra inventory.

Whole Birds- Market is steady to firm. Whole bird supply has been reported as tight for many months, and now the prospect of not being able to fulfill existing bookings is being talked about. Market levels on all sizes continue to be fully supported.

Breast Meat- Market is steady to firmer. Demand from retail and foodservice is vibrant which is expected this time of year. Lack of supply has constrained this category so much that market levels have hit record highs. Shortages continue to be reported. Market levels are being pressured higher.

Wings- Market is steady to firm. Export demand for whole wings is reported as particularly good and domestic demand for 2-joints is starting to be fueled by summer seasonal demand. As supply has tightened over the last 45 days, spot availability has been hard to uncover.

Drums and Thigh Meat- Market is steady. Volume from the export and domestic channels is trending consistent and keeping the supply side in balance. Supply is limited on bulk drums and thigh meat. Market has been trading sideways.

SEAFOOD

Inflation concerns are being noted as having an impact on multiple categories such as crab, lobster, and shrimp. Demand has eased in these categories and the market is expected to be more unsettled as we move through the coming weeks.

Gulf Shrimp- Market is unsettled. Inventories are limited for current demand. The weaker market of farmed shrimp is helping to keep this market from surging higher as the gap between the Wild and Farmed Shrimp markets continues to increase.

Black Tiger Shrimp- Market is steady to weaker. Lighter buying interest is helping to keep pressure on the market.

White Shrimp- Market is steady to weaker. The market for product of Latin America is weaker with good inventories for a lighter demand. Recent reports show that Ecuador is looking to increase their exports over the coming weeks. The market for product of Asia is becoming more unsettled as recent imports have been especially good and helping to build inventory levels at a time that demand is below expectations. Imports for March were the highest on record for that month. Replacement inventories overseas are currently at higher levels than the current market and helping to hold the future market outlook more unsettled. Logistical challenges remain due to port issues in China, and this is causing longer lead times for replacement inventories.

King Crab- Market is unsettled. Prices for product from Russia has fallen from their recent record highs and this is causing the overall market to be more unsettled.

Snow Crab- Market is weaker. Demand has pushed much lower as we have progressed through this year. The high prices that we saw through the Fall and into early this year have helped to slow buying interest, and the market has pushed sharply lower over the past several weeks. The market is forecasting to push lower as we progress through May due to the light demand. Even with the sharp drops, pricing is still well above normal for this time of the year.

Warm Water Lobster Tails- Market is weaker. New season production is helping to put downward pressure on the market and helping to push prices lower for the sharp highs that have been seen for several months.

North American Lobster Tails- Market is weaker. New season production combined with lighter demand is putting downward pressure on the market.

Salmon- Market is weaker. Buying activity has eased over the past several days and this lighter demand is putting downward pressure on the market.

Cod- Market is firm. Available inventories have been limited for several weeks and ongoing production and logistical issues are keeping pressure on the market.

Flounder- Market is firm. 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 as well.

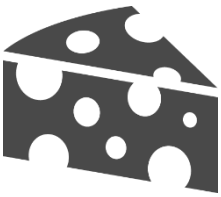
Pollock- Market is firm. Retail demand has been quite good and putting stress on already light inventories. Production and logistical issues continue to hamper availability.

Domestic Catfish- Market is firm. Inventories have been limited for several months. Allocations remain commonplace and are anticipated to continue as we head further into 2022. Inventories are limited on all sizes and well below current demand.

Tilapia- Market is firmer. Inventories are limited for current demand. The market has been surging higher over the past several months due to strong global demand, freight costs, and increased import costs.

Swai- Market is weaker. Imports have been improved and helping to improve overall inventories. The high prices that were seen in the market over the past several months helped to slow demand while the imports were improving. Total Swai imports through March are up over 14% compared to same time 2021.

Scallops- Market is steady to weaker. The market for Domestic product has seen downward pressure as we travelled through recent weeks, with good fishing resulting in improved volume coming to the market. The lower fishing quota for this season is expected to help keep the downward pressure more limited as we move through the upcoming weeks and seasonal summer demand normally picks up. The import market is holding mostly steady.



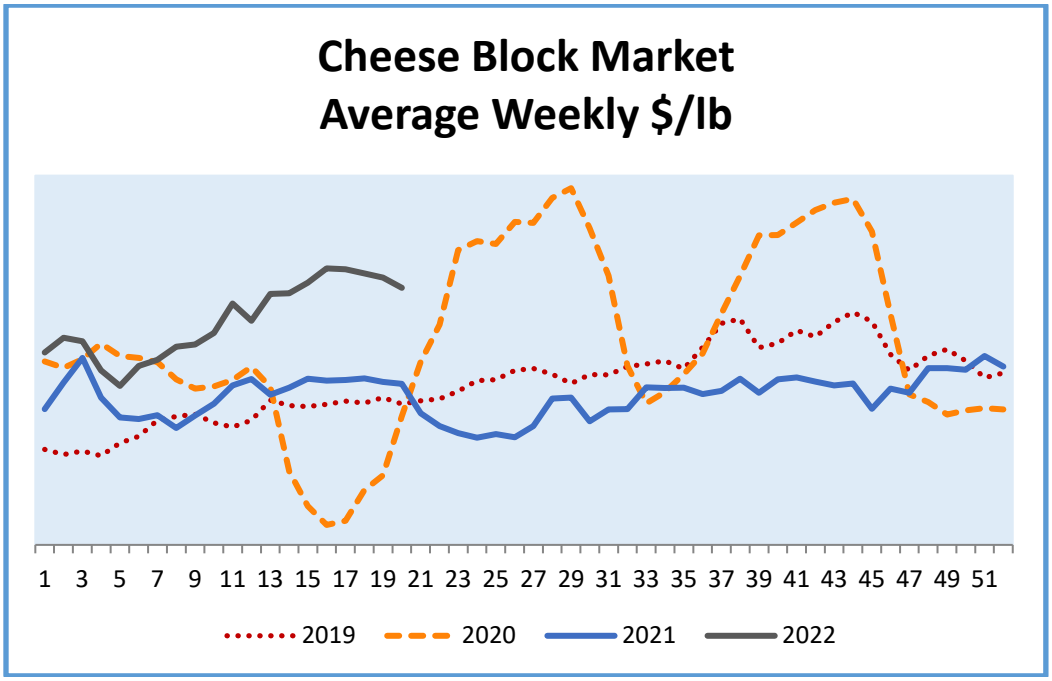
DAIRY

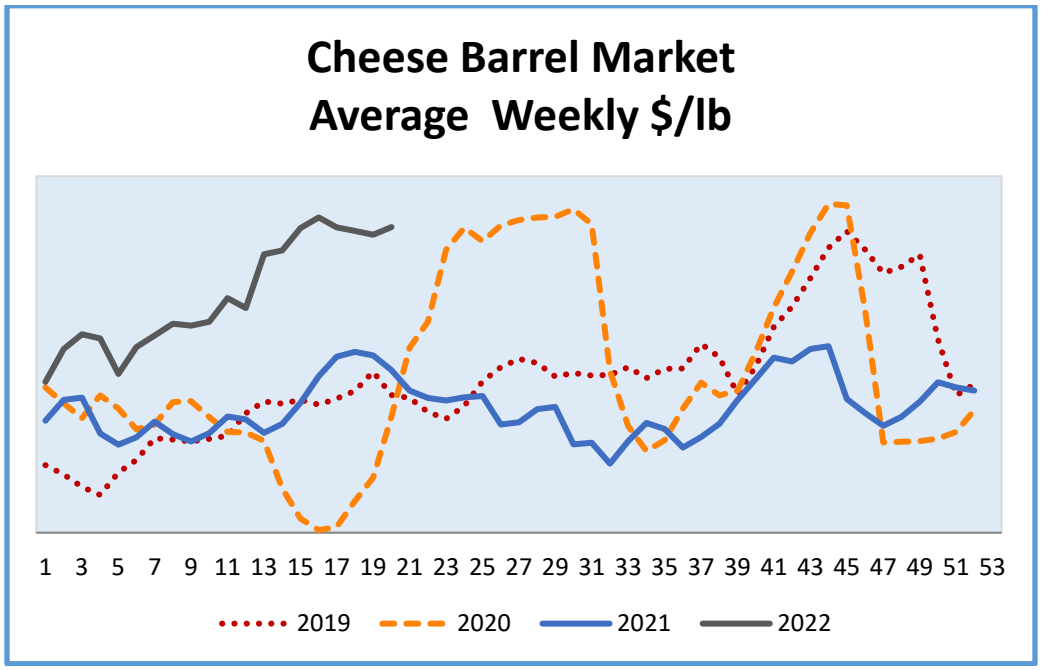
Cheese

Market is steady to firmer. The CME block and barrel markets are both up so far this week after a few weeks of mixed or weaker trends. Cheese production is busy nationwide, with milk supplies widely available in most areas. Demand is steady to strong across retail and foodservice sectors in all regions, though the retail demand is showing signs of softening in the northeast and west. In the Northeast, milk production and supply are good, cheese production is busy, and inventories of cheese are still plentiful, with strong demand keeping them from becoming over-abundant. Retail demand is showing signs of weakening in some areas of the region, but foodservice demand continues to be robust. In the Midwest, milk availability is good, and the labor situation appears to be getting better by the week. Overall cheese demand in the Midwest continues to be strong in both retail and foodservice, and contacts report that production capacity continues to improve as labor issues continue to lessen. In the West, foodservice demand is stronger, offsetting a few weeks of weakening retail demand. Cheese production is busy in the region, though delayed deliveries and ongoing labor shortages continue to somewhat depress plant activity.

Cream Cheese

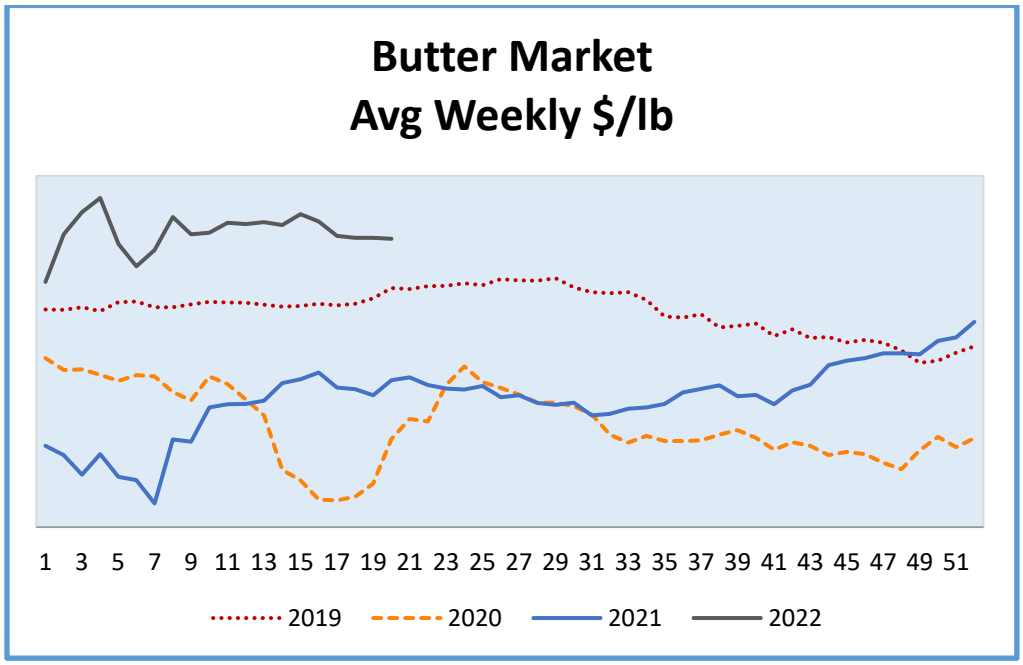
Market is firm. Inventories are limited, and allocations and cuts should continue to be expected for the remainder of the year. Multiple suppliers are not taking on new business, and inventories are expected to remain noticeably light through Quarter 4 of 2022. Labor, logistics, and packaging issues are all contributing to the current industry-wide situation. Both foodservice and retail sectors are being affected.


Cheese Block Market
Average Weekly $/lb
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


Cheese Barrel Market
Average 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 53
2019
2020
2021
2022

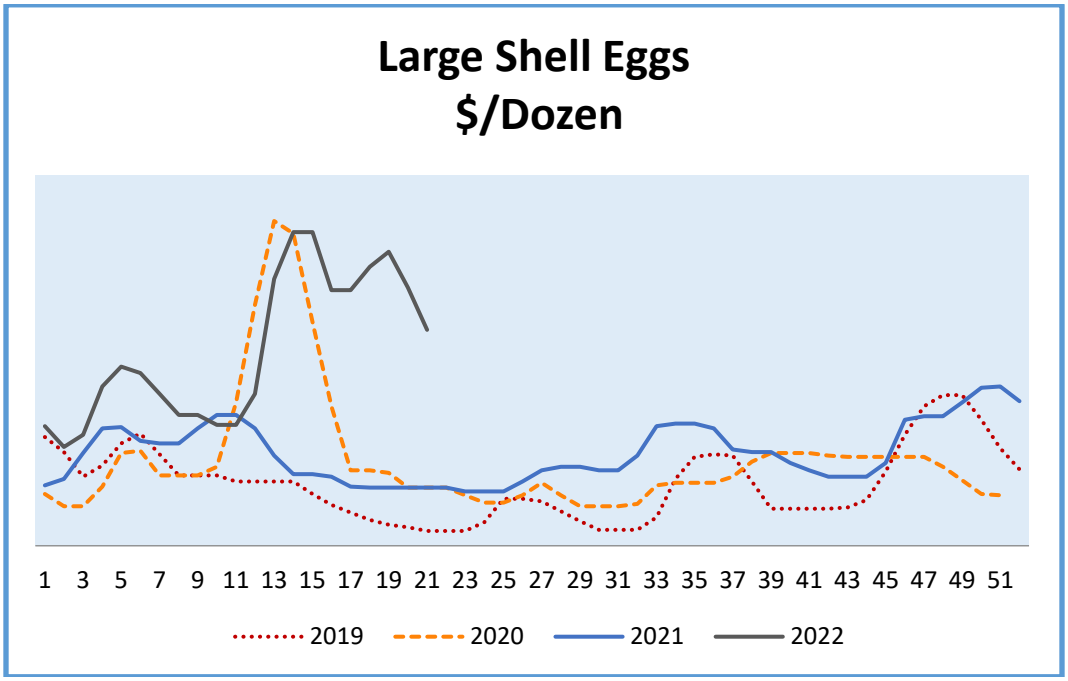
Butter

Market is firmer. The CME Butter Market is up this week. Butter production nationally is busy, and cream supplies, while still available to meet most needs, are tightening considerable as ice cream producers continue to increase their intake. In the Northeast, butter production is busy, but some contacts report tightening cream supplies are taking a toll on their production schedules. Foodservice demand in the Northeast is steady, while retail demand continues to weaken due to higher grocery store butter prices. In the Central region, production is busy, though slightly hampered by tighter cream supplies in the region, and contacts report that loads of cream are being imported from the west to offset increasingly limited cream inventories. Foodservice demand in the region is steady, though retail demand continues to weaken, as in the rest of the country, giving producers room to build butter inventories for the summer. In the West, demand for cream is steady this week, and supplies are more available than in other areas. With better cream availability than other regions, butter makers are generally busy, and cream loads are even being shipped out to the central and east to pad cream inventories in those areas. Foodservice demand is steady out west, and the retail picture mirrors other regions as consumers pare down butter purchases due to higher grocery store prices. In all regions, hauling costs driven by historically high fuel prices are still a source of concern for producers.



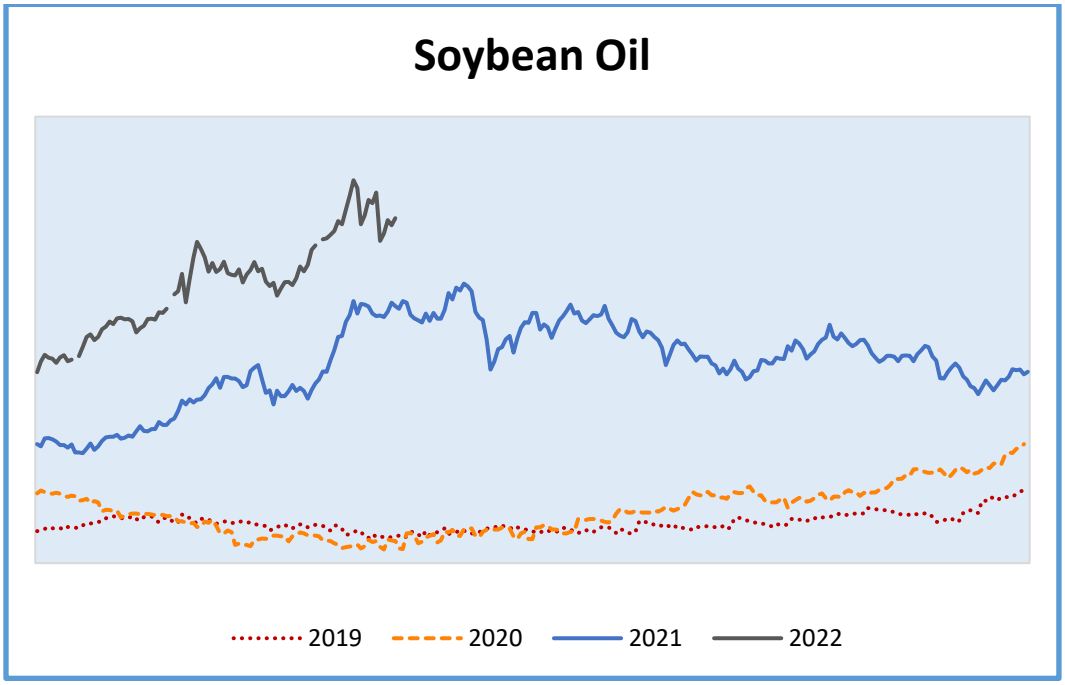
EGGS

Market is weaker. Retail demand continues to underperform as consumer demand typically wanes in the summer months and high shelf prices are curtailing grocery sales. The foodservice channel continues to report good volume, but shell egg buyers are taking a “wait and see” approach. Breaking stock inventories were down 1.8% versus the previous week. Further processors continue to take selective approach in their weekly purchases and prices continue to be pressured lower. Supply is available on medium and large sizes. Market is moving lower on both medium sizes and on large sizes. National weekly shell egg inventory reports shell egg inventory up 2.4% over last week.



SOY OIL

Market remains firm. Soybean export sales continue to be well below the bottom of recent years' trends. Drought conditions continue to cause concern.



CANOLA OIL

Market is firm. Canola crush margins continue to lag behind last year's numbers. As vegetable oil exports become harder to source, could traders begin to look to Vancouver for Canola? Three major producers will have limited production runs in Q2, which is keeping the industry tight. Q3 Canola oil availability will be dependent on how the Q2 downtime goes.

OLIVE OIL

Market is firm. Drought conditions in Spain created concerns for the 2022/2023 crop. With availability of sunflower oil being uncertain due to the Russia/Ukraine conflict, prices for olive oil have risen drastically, as demand for this and other vegetable oils have spiked.

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 incredibly 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.

CORNSTARCH

Current national shortage due to on-going labor shortages and supply chain issues.

CORN

Market remains firm. Poor weather conditions in key growing areas, along with the Russia/Ukraine conflict has not only caused delays with the planting of the crops, but they have also caused risks of less yields being produced as well. Without improvement, expect corn crop prices to continue to rise to near-record levels.

MANDARIN ORANGES

Market is unsettled. COVID shutdowns in China continues to cause supply chain challenges. Recent government mandates have caused farmers to shift their focus from mandarins to rice, wheat, and grains in an effort to decrease their dependency on importing from other regions, such as the Zhejiang and Hubei regions, which both saw small harvests and were affected by freeze damage.

PEACHES & CHERRIES

Market is varied. While as a whole the peach crop potential is positive, two frosts and a hail event in the Northern Peach District has caused concerns of crop yield being down nearly 9% over previous year. Due to the freezes and hail, the cherry yield is estimated to be at 65% of a typical crop yield.

RICE

Market is firm. The first USDA report estimating size of the upcoming new rice crop was released last month. To no surprise, planted rice acreage was forecasted to be down for the second year in a row. This is an exceedingly rare occurrence, as normally in even number years rice acreage increases. One factor contributing to the acreage reduction: Rice takes more fertilizer per acreage than other crops. With the rising cost of fertilizer, rice is under pressure from both sides. For example: higher returns from alternative crops and a higher cost to plant. With the reality of a smaller rice crop and a much smaller carry-over inventory from this year, rice prices have risen. Another factor are the rising costs of soybean and corn prices. Each winter, farmers must decide how to allocate their planned acreage between soybean, corn, cotton, and rice. The climb in soybean and corn prices makes them attractive to the farmers.

SUGAR

Market is firm. Uncertainty about the 2022 beet crop prospects has caused several major processors to temporarily withdraw from the market. Slow planting progress of the beet sugar, due to cold, wet conditions in the Upper Midwest and dry conditions in other areas, has raised concerns about the beet sugar production estimates. This has caused tightness with refined cane sugar, which is expected to last through Q4.

TOMATOES

Market is steady. Early plantings are growing and developing as anticipated.