



Market Report

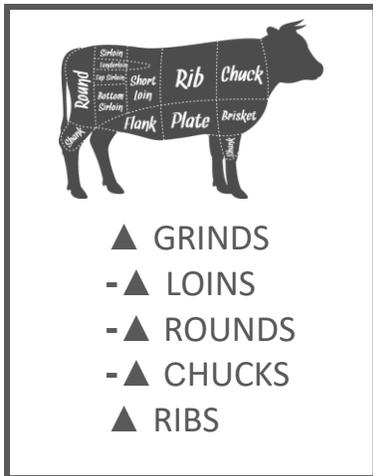
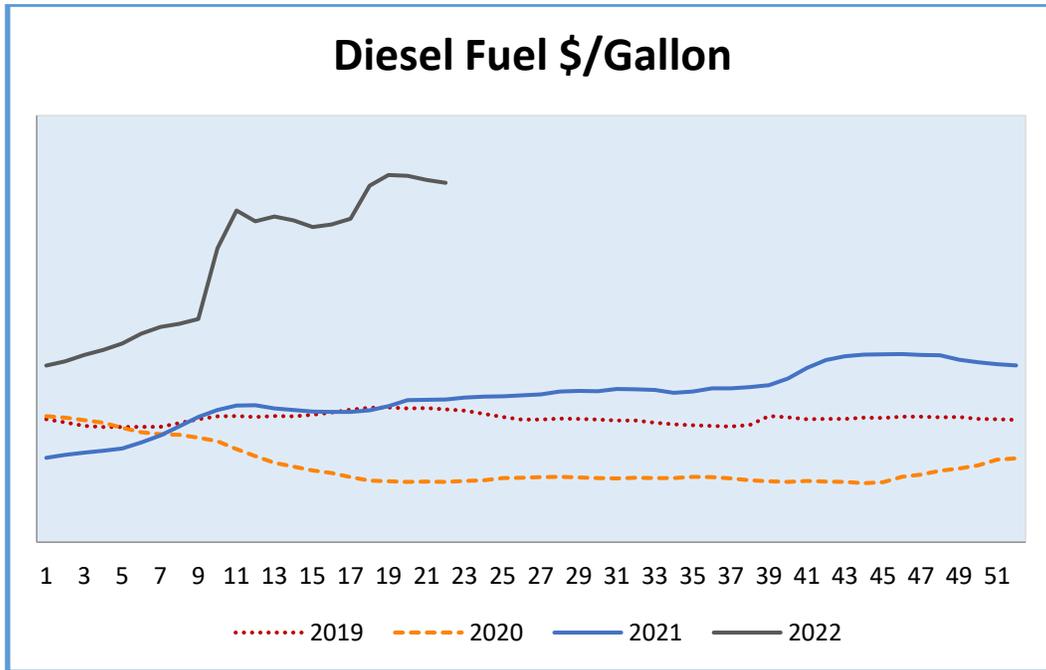
Week Ending June 3, 2022



Graphs represent data for the week ending May 27, 2022



LOGISTICS



BEEF

Market is steady to firmer. Total beef production for last week was down 5.8% from prior week but was up 3.0% compared to same time last year. Total headcount for last week was 644,000 as compared to 630,000 for the same time last year. Live weights for last week were down 6 lbs. from prior week, but up 10 lbs. from same time last year. The CME live cattle market has been moving lower over the past few weeks and expected to possibly continue to move lower over the next few weeks. Even with the recent decreases, the live market continues to trend above last year. Cattle weights have continued their seasonal downward trend. Overall demand has been below expectations over the past several weeks with retail demand remaining sluggish, due in part to concerns of higher consumer costs.

Demand leading up to Memorial Day was improved on multiple cuts helping to push the market higher on multiple items. This also helped to limit availability on multiple items due to ongoing labor issues at some plants. Demand is typically good as we move closer to the upcoming 4th of July Holiday.

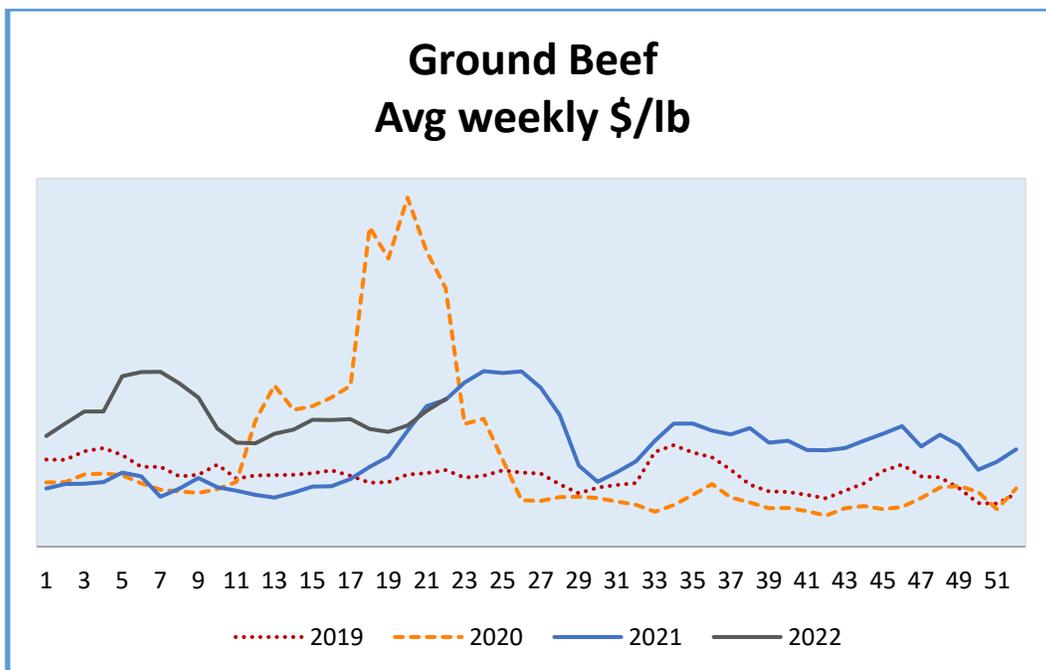
Grinds- Market is firmer. Buying interest has been improving as we moved through the past couple of weeks as buyers looked to cover their needs ahead of Memorial Day. This trend has continued as we moved through this week with grinding activity with packers remaining active. Increasing consumer costs in other categories typically helps to improve demand on ground beef as consumers look for more cost valued protein.

Loins- Market is steady to firmer. Demand the past several days has been improved and helping to put pressure on the market. Retail advertising has been good on loins as they are a price value over Ribeye's.

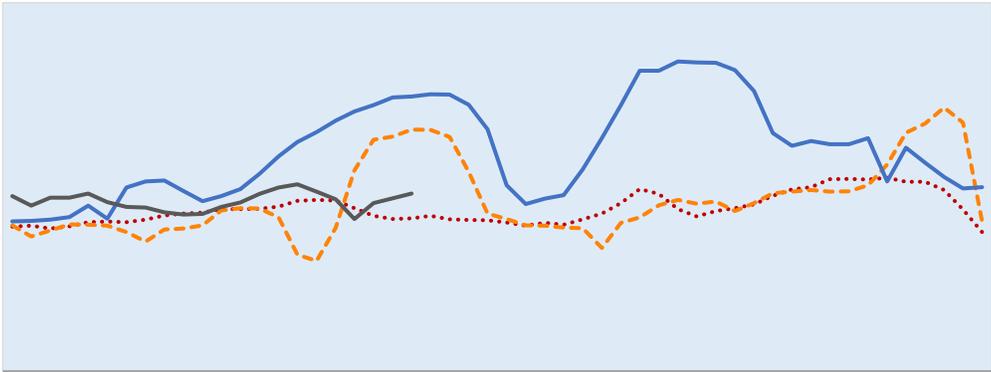
Rounds- Market is steady to firmer. The market has seen increased demand over the past couple of weeks helping to reverse the downward trend that had seen recently. Demand for grinding is picking up and helping to put pressure on this market.

Chucks- Market is steady to firmer. Buying interest has been improved as buyers have been looking for more value priced beef cuts. Demand for grinding is pulling additional product into that channel. Export interest has been improved as well.

Ribs- Market is firmer. Buying activity has been improved as we moved through the past few weeks. Demand typically is improved as we closer to 4th of July.



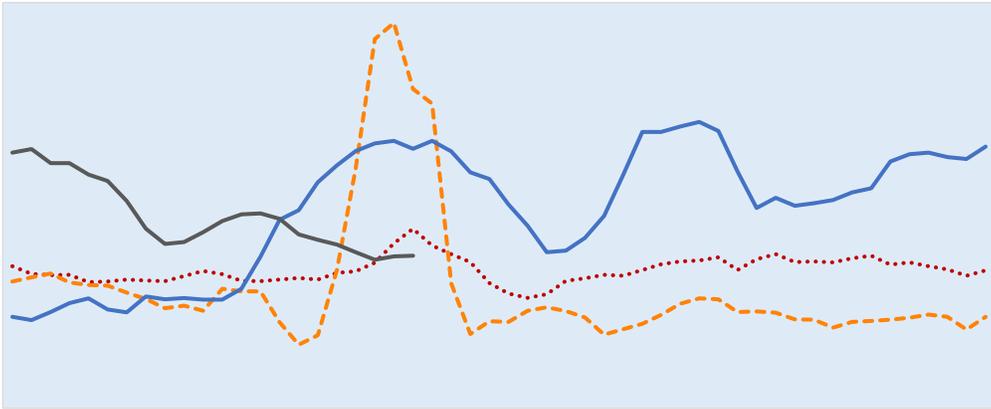
Choice Ribeye Heavy Avg weekly \$/lb



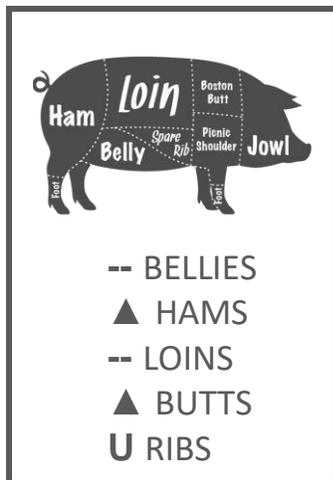
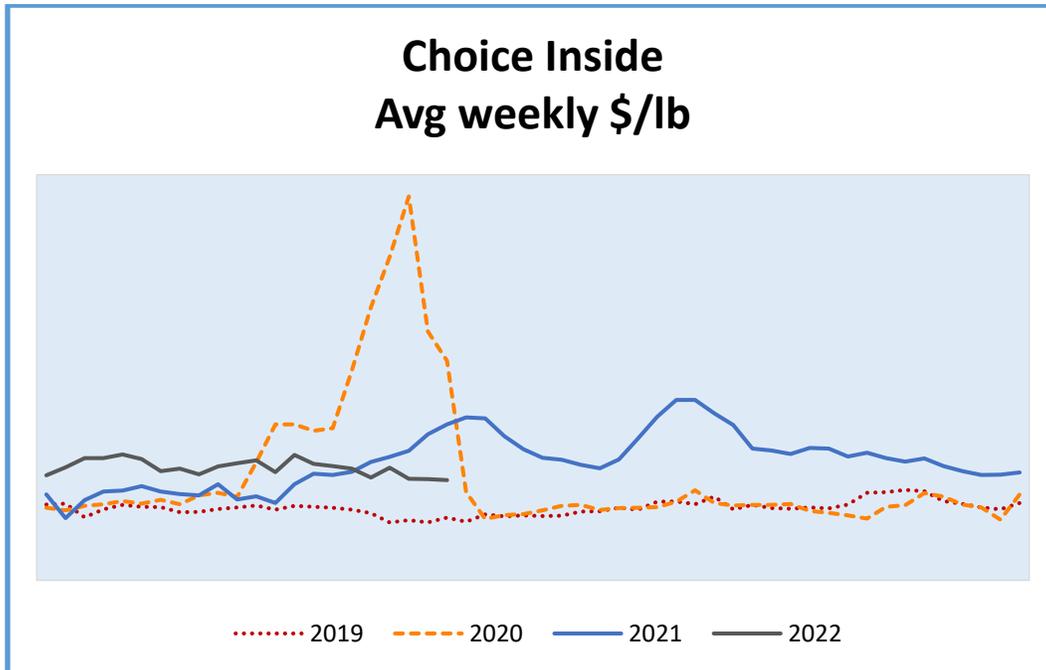
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

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

Choice Brisket Avg weekly \$/lb



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



PORK

Market is steady to firmer. Total pork production for last week was down 2.7% versus prior week but was up 0.9% compared to same time last year. Total headcount for last week was 2,351,000 as compared to 2,378,000 for the same week last year. Live weights for last week were down 1 lb. from 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. Hog weights are moving seasonally lower and typically will drop as we move through the summer.

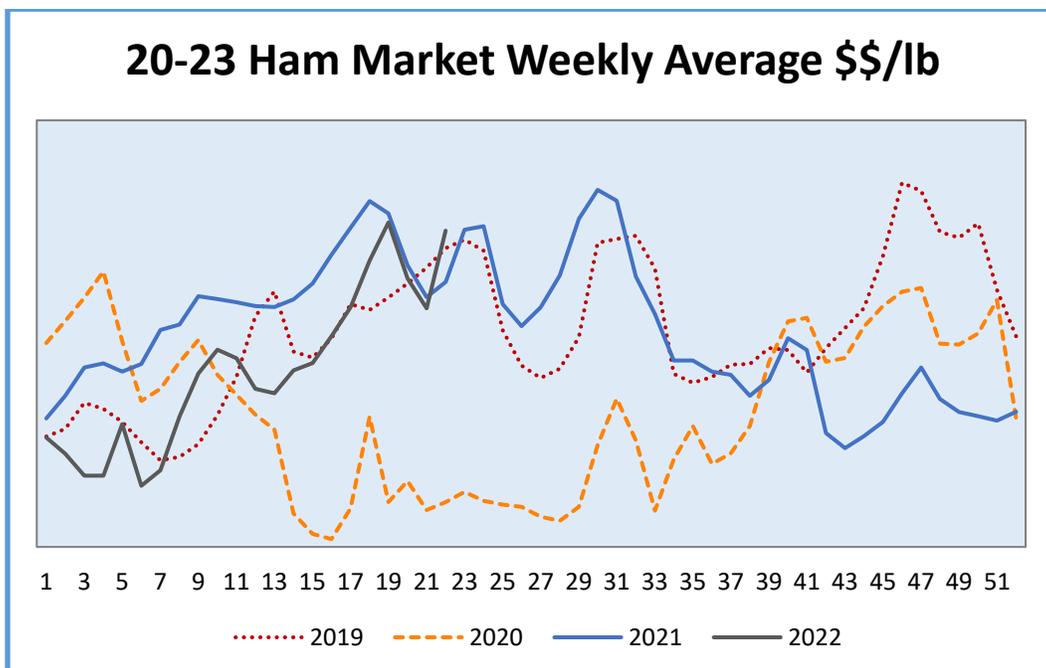
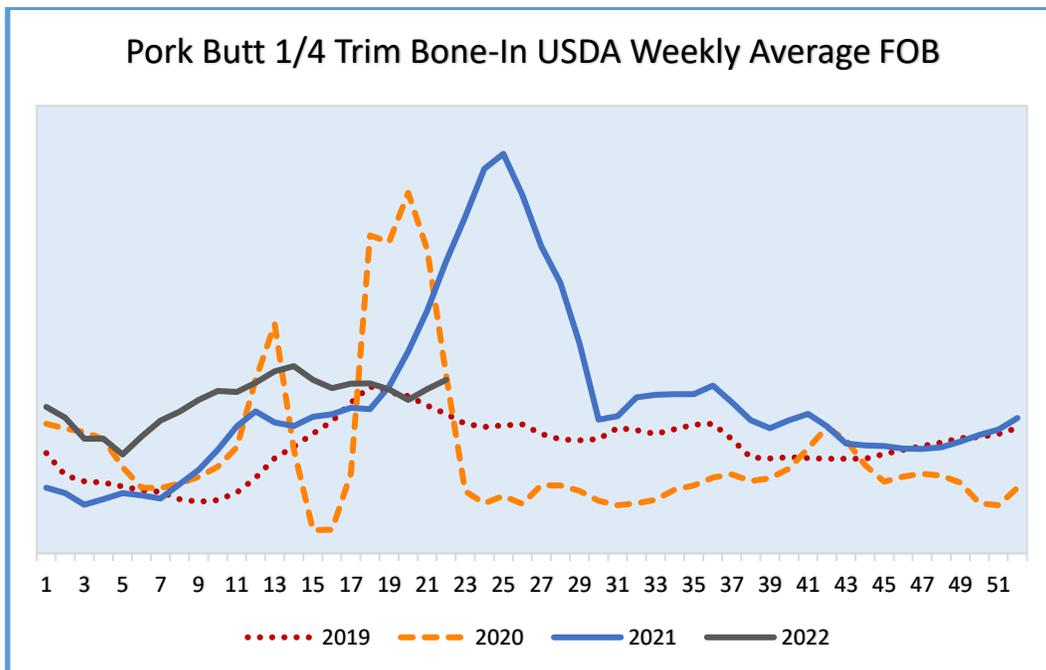
Bellies- Market is steady. Demand has been good the past few weeks and helped to push the market higher. The market had moved lower over the past few days before moving higher again by mid-week helping to hold the market about steady with same time last week. Bacon remains on allocation with multiple suppliers due to ongoing labor concerns.

Hams- Market is firmer. Demand for deli items is seasonally improving and helping to put pressure on the market.

Loins- Market is steady. Buying activity leading up to Memorial Day was particularly good helping to put pressure on availability. The market is holding mostly steady now that we have moved past the holiday.

Butts- Market is firmer. Demand has been seasonally improving helping to keep inventories moving and the market has been pushing higher over the past few weeks.

Ribs- Market is unsettled. Buying interest ahead of the holiday was improved helping to push the market higher. Demand at retail had been below expectations over the past few weeks due to the high price levels limiting feature activity. The current market remains at elevated levels due to the limited labor and availability seen over the past several weeks.





CHICKEN

Market is unsettled. Total headcount for week ending 5/28/22 was 168,489,000 as compared to 165,599,000 for the same week last year. Average weights for last week were 6.34 lbs. as compared to 6.40 lbs. for the same week last year. Chick placements on fryers for week ending 7/2/22 are estimated at 164.5 million headcounts. Placements for previous week were 163.7 million and same week last year was 167.5 million. Now that the industry is in a post-holiday situation, full processing weeks are set to resume. Overall demand continues to be good, but buyers are taking an overly cautious approach due to the high markets in this inflationary

economy. The recent run up on market prices has made the market unsteady on WOGS and boneless breast. Demand for leg quarters and dark meat remains strong from both domestic and export channels. Processing schedules remain reduced and hatch rates are still underperforming industry standards.

WOGS- Market is unsettled. With activity from fast-food channel becoming sluggish, activity on WOGS is slowing down. Retail deli is reported as good but has softened a bit. Buyers continue to limit their weekly purchases with a wait and see approach. Supply is tight, but spot loads are starting to be reported. Market is soft and getting some downward pressure.

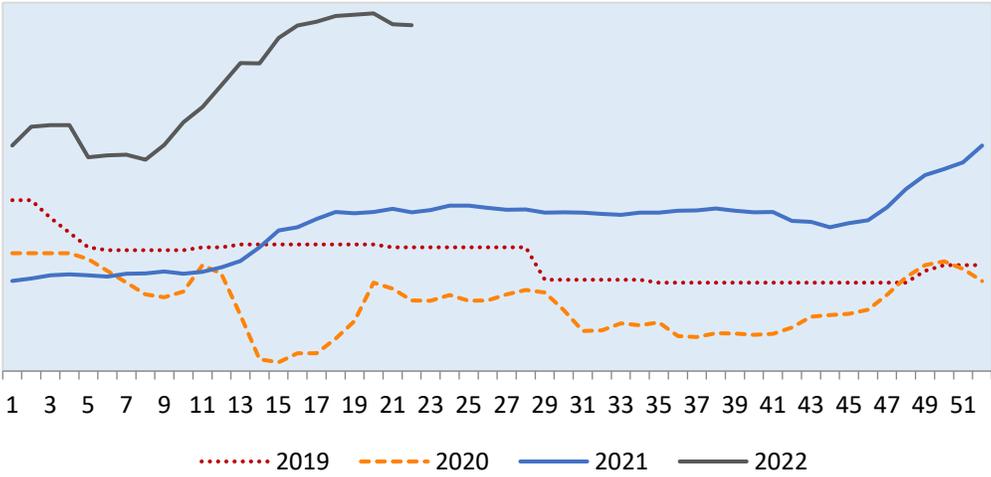
Tenders- Market is steady to firmer. Since the beginning of the year, tenderloin demand has been on an upward trajectory. While foodservice and QSR activity remains strong, the high price points are starting to have an effect on topside demand. Supply remains tight with very few spot opportunities. Both jumbo and select sizes are fully supported.

Boneless Breast- Market is unsettled. With the market at record highs, demand for the last two weeks is more on par with available supply. Both retail and foodservice buyers are taking a cautious approach on any spot activity being offered. Supply is available on jumbo boneless, but tight on medium and select sizes. The word on the street is that multiple loads of jumbo boneless are starting to hit the market and some downward pricing pressure is being reported.

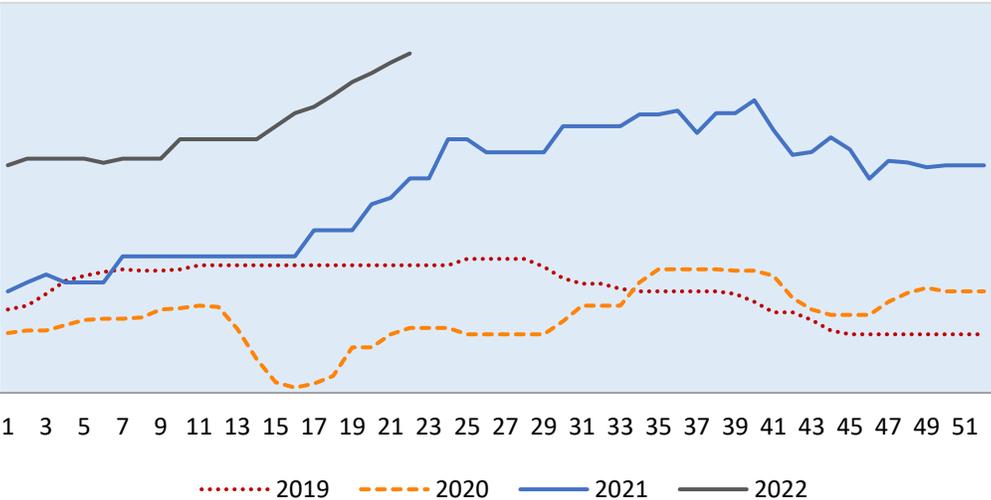
Leg Quarters and Thighs- Market is firmer. Domestic demand continues to be supported by the consumer looking for protein items with cheaper price points. Export demand from Mexico is robust and not showing signs of letting up. Activity from deboners and further processors is vibrant which is keeping whole legs fully supported. Supply is short. The market on parts and thigh meat is on the rise.

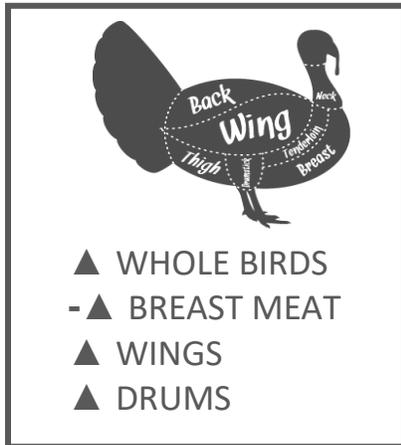
Wings- Market is mixed. Wing demand has been on a steady decline for a few months now. At the current time, foodservice demand for jumbo wings is strong enough to support market levels. Medium and small wings are still trying to gain some traction as further processors are starting to replenish their inventories. Supply is available on all sizes. Market is stable on jumbo sizes and small sizes, but medium wings are still being pressured downward.

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



Chicken Tenders Avg Weekly \$/lb





TURKEY

Market is firm. Total headcount for week ending 5/28/22 was 3,484,000 as compared to 3,520,000 for the same week last year. Average weights for last week were 31.12 lbs. as compared to 31.67 lbs. for the same week last year. Now that the holiday weekend has been completed, week over week category news is status quo. Lack of supply caused by HPAI continues to be a challenge. Industry participants are starting to adjust based on what they can supply or what they can buy. Because most categories are undersupplied, buyers remain unable to get their needs covered. Whole birds, breast meat, white meats, and parts are pretty much sold up. Markets continue to be pressured higher because of the supply situation.

Whole Birds- Market is firm. In terms of latest information, little is being reported about whole birds. The category remains in a sold-out status with limited transactions. At the current time, suppliers are turning their efforts to fulfilling existing bookings. Any spot loads reported usually come with premiums noted.

Breast Meat- Market is steady to firmer. Retail demand for sliced meats is moderate to good. Foodservice and sub shop demand is getting its seasonal bump in volume. Tight supply and shortages continue to be the weekly theme. With markets at historical highs and fully supported, values have been holding steady with some premiums being noted.

Wings- Market is firmer. Export demand for whole wings is reported as good. Domestic needs for 2-joints are on the rise as smokehouse business improves during the summer. With supply constrained, order fulfillment has been a challenge. Markets are moving higher.

Drums and Thigh Meat- Market is firm. Demand for drums is getting the seasonal bump in business during the summer months. Thigh meat continues to be highly sought after due to retail grinds and further processors. Market has been holding firm with some premiums noted.



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 weaker. New season product is helping to improve inventories and the market for PUD's has seen the most downward pressure over the past couple of weeks.

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 large amount of imports over the past few months combined with slowing demand is putting pressure on the market.

King Crab- Market is unsettled. Prices for product from Russia have fallen from their recent record highs and this is causing the overall market to be more unsettled. King Crab imports for March were down over 41% compared to same time last year.

Snow Crab- Market is weaker. Demand has pushed much lower as we have progressed through this year. The high prices that we saw from 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 even lower as we continue through May due to the light demand. Even with the sharp drops, pricing is still well above normal for this time of the year. Year to date snow crab imports through March are down over 48%. The ban on Russian Seafood is expected to have an impact on this market as 30% of snow crab product sold last year was from Russia.

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 from the sharp highs that have been seen for several months. Buying activity for lobster is light, due in part to inflationary concerns impacting multiple seafood items.

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

Salmon- Market is mixed. Buying activity has been below expectations over the past few weeks helping to push the market lower from all regions on farmed salmon. Fishing for Wild Salmon out of the northwest is underway with reports of unfavorable weather impacting fishing over the past few days. Current inventories for wild salmon are limited as new season product begins to become available.

Cod- Market is firm. Available inventories have been limited for several months and ongoing production and logistical issues are keeping pressure on the market. Product coming back out of China continues to see upward pressure due to the ongoing labor and logistical challenges

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.

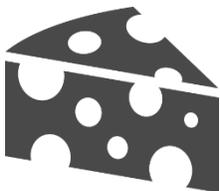
Pollock- Market is firm. Retail demand has been quite good and putting stress on already light inventories. Production and logistical issues continue to hamper availability.

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 steady. The market has been surging higher over the past several months due to strong global demand, freight costs, and increased import costs. Demand has seen softening over the past few weeks due in part to the higher prices.

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 mixed. 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 exception is U10 product as it is in lighter supply and helping pricing to remain at records highs. 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 seeing upward pressure on product from overseas due in part to higher replacement cost levels compared to current market.



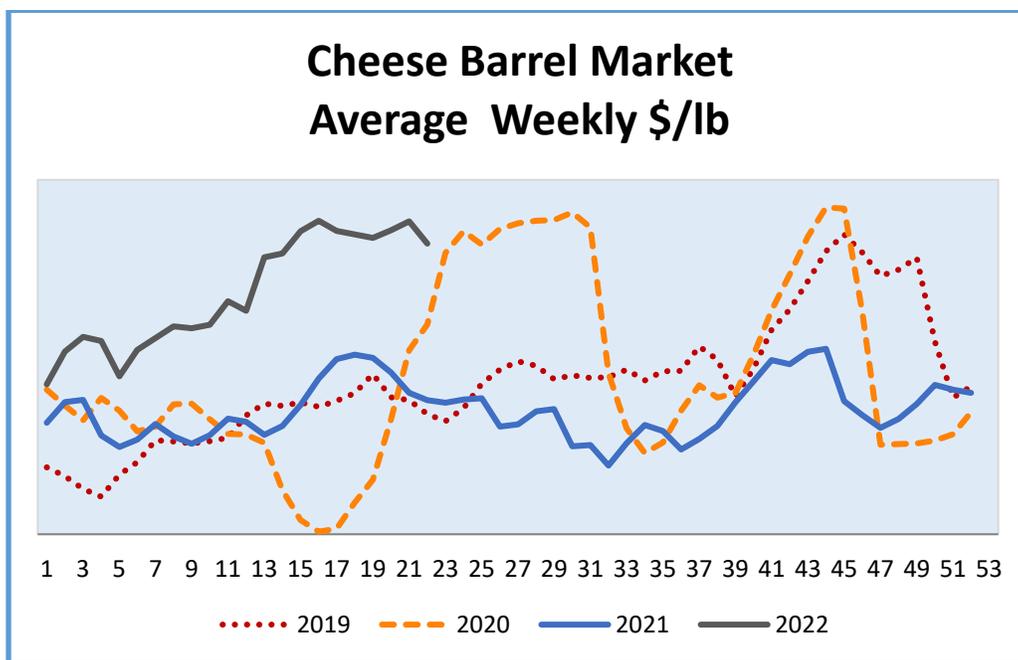
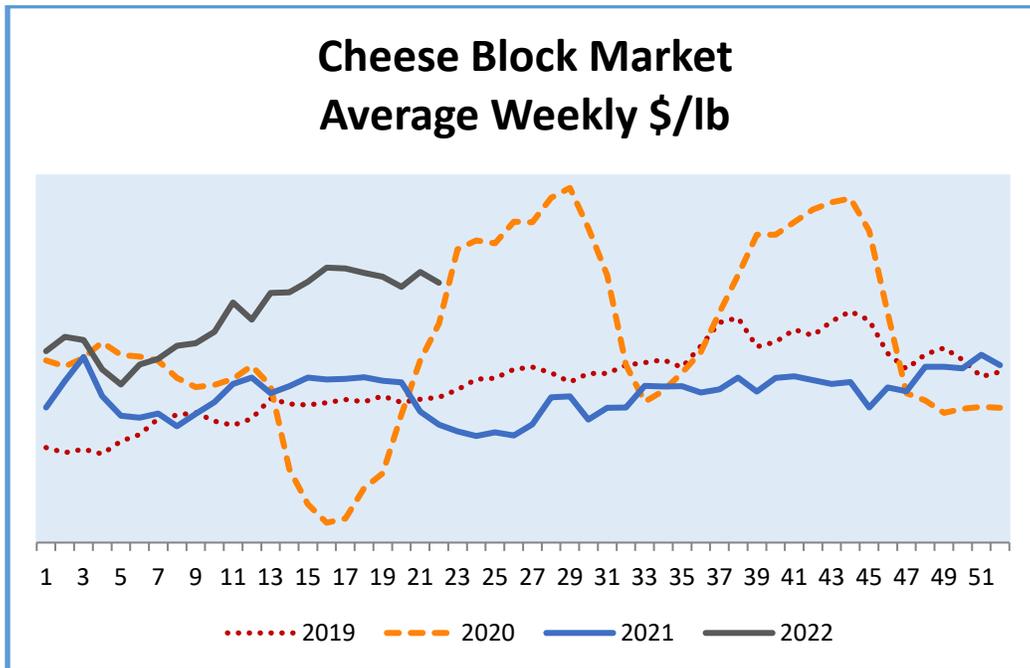
DAIRY

Cheese

Market is weaker. The CME block and barrel markets are both trending down again this week. The NASS cold storage report for May showing a record amount of natural cheese in stock may be helping to drive prices down somewhat. Cheese production is busy nationwide, with milk supplies available in most areas, though labor shortages continue to effect production in some regions. Demand is good in the foodservice sector in all regions, though retail demand is steady to weaker nationally. In the Northeast, milk production and supply are good, cheese production is busy, and inventories of cheese are available to meet most demand. Retail demand is steady this week in the region, and foodservice demand continues to be robust. In the Midwest, milk availability is good, and the labor situation continues to improve. Overall cheese demand in the Midwest is now on par with seasonal expectations. In the West, foodservice demand is steady this week, while retail demand is looking softer after leveling off last week. Cheese production is busy in the region, though delayed deliveries and ongoing labor shortages continue to somewhat depress plant activity.

Cream Cheese

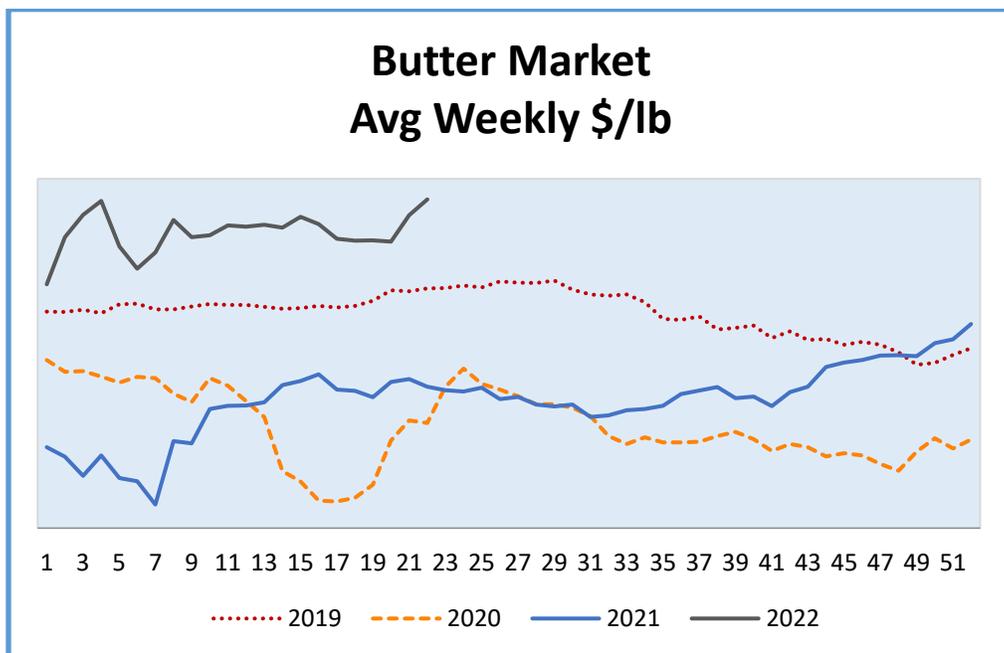
Market is firm. Inventories are limited, and allocations and cuts should continue to be expected for the remainder of the year. Multiple suppliers are not taking on new business, and inventories are expected to remain noticeably light through Quarter 4 of 2022. Labor, logistics, and packaging issues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





Butter

Market is steady to firm. The CME Butter Market is up again by a slim margin so far this week. Butter production nationally is active, and cream supplies, while still available to meet most needs, continue to tighten everywhere except out west. Unlike with cheese, the NASS cold storage report for May reflects a large deficit of butter inventory compared to last year, which could continue to drive prices higher in the coming weeks as buyers look to offset expectedly tight Q4 inventories, and higher market prices, in the coming weeks. In the Northeast, butter production is busy, but some contacts report tightening cream supplies, along with labor shortages and scheduled downtime, are taking a toll on their production schedules. Foodservice demand in the Northeast is steady to stronger, while retail demand continues to be weaker due to higher grocery store prices. In the Central region, production is busy, though increasingly hampered by tighter cream supplies in the region, and contacts report that loads of cream are being imported from the west to offset limited local cream inventories. Foodservice and retail demand in the region are both weaker again this week, though the tightness in butter inventories nationwide is keeping prices stable to higher in the region. In the West, demand for cream is softer this week off the holiday weekend, and supplies are still more available than in other areas. With better cream availability than other regions, butter makers are generally busy, and cream loads are being shipped out to the Central and East to pad inventories in those areas. Foodservice demand is steady out West, but the retail picture still 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.

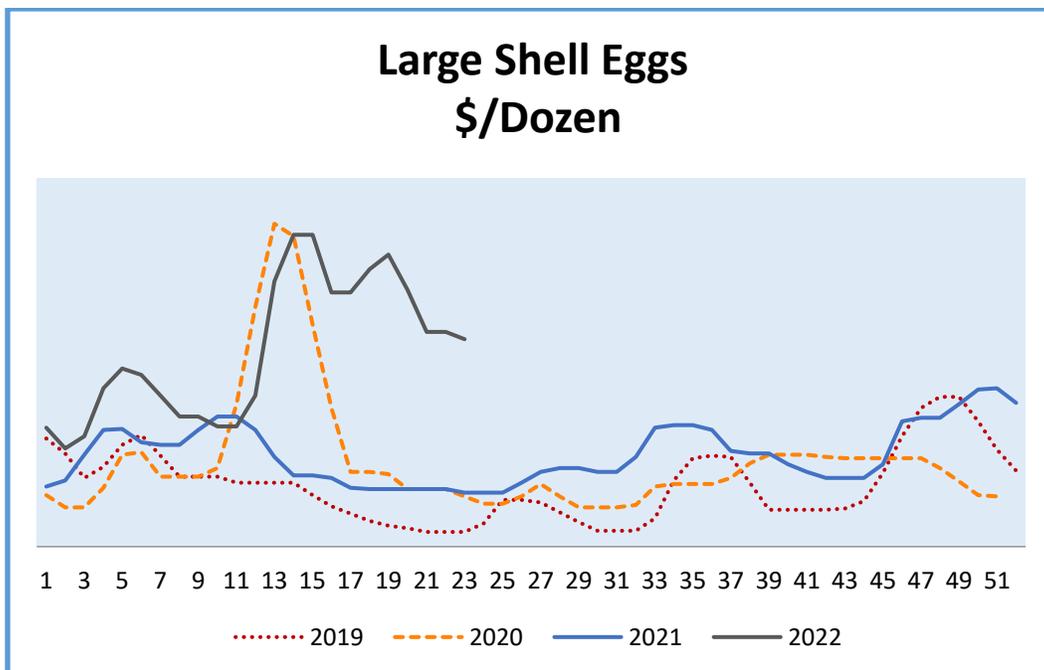




EGGS

Market is weaker. Retail demand is moderate as the summer months begin. While shell egg sales tend to slow down in the summer, retail business is meeting most expectations. Foodservice activity is getting the expected seasonal bump in demand. With the high market prices, buyers continue to be cautious and are buying with a weekly turn approach. 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 2.0% over last week.

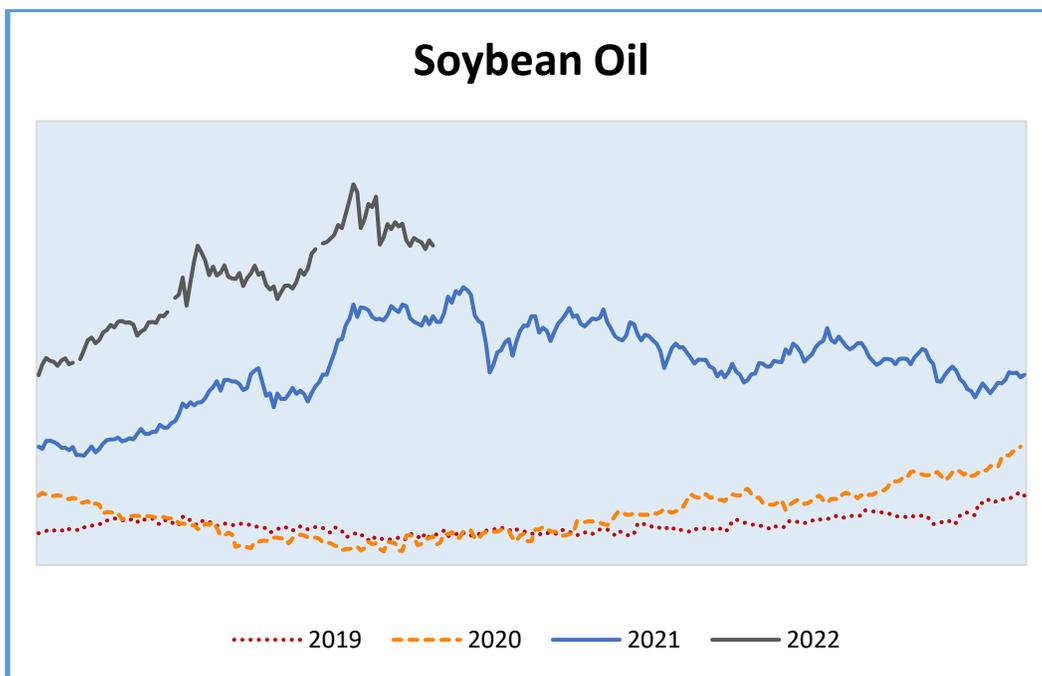
Breaking stock demand is reported as good from further processors who continue to feel the effects from HPAI. While demand is rated as good, it is also noted that the demand pattern from the further processors is trending downward which is pressuring the markets lower.





SOY OIL

Market remains firm. Planting progress has improved across the plains and farmers have been able to plant in between the raindrops, but we are still not out of the woods as numbers continue to trail last year's by 17%. MN and ND are trouble states due to excess field moisture. OH, and WI are also areas of concerns with increased rains in the forecast. Soybean exports continue to lag behind expectations.



CANOLA OIL

Market remains firm. Planting delays remain a real concern as seeding continues to fall behind last year's numbers, particularly in Canada, however in Manitoba the planting progress is now at 10% versus 4% last week – a much needed improvement. Canola exports are expected to fall by 12%

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 head through the coming weeks.

CORNSTARCH

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

CORN

Market remains firm. Crop progress is at 86% vs 72% last week, but still trails the 94% this time last year. MN and ND are areas of concern due to increased moisture in the forecast. ND, particularly, as it currently sits with only 56% of the corn in the ground.

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 unsettled. 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 remains firm. Sugar prices continue to increase in some markets, due to demand outpacing supply. Prices on all sugar types (granulated, powders, brown and liquid products) will remain at inflated levels through summer.

TOMATOES

Market is steady. Crops are off to a great start. Tonnage flow is where it needs to be, as opportune weather conditions continue for ideal planting.

COMMODITY CANNED GOODS

Drivers affecting the 2022 new pack price increases:

- The price of steel has increased 90% to 105% over previous year.
- Transportation – 34% increase in freight year over year. Diesel fuel currently at \$5.07/gallon versus an average of \$2.75/gallon last year.
- Packaging increases.
- Labor issues.

