



# Market Report

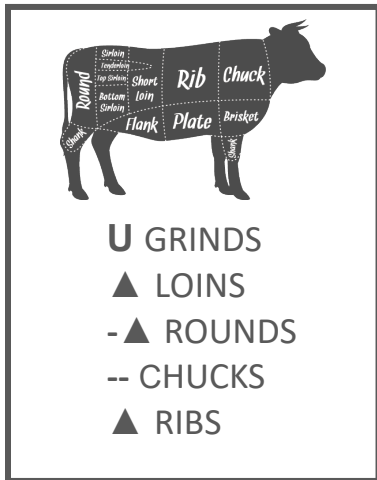
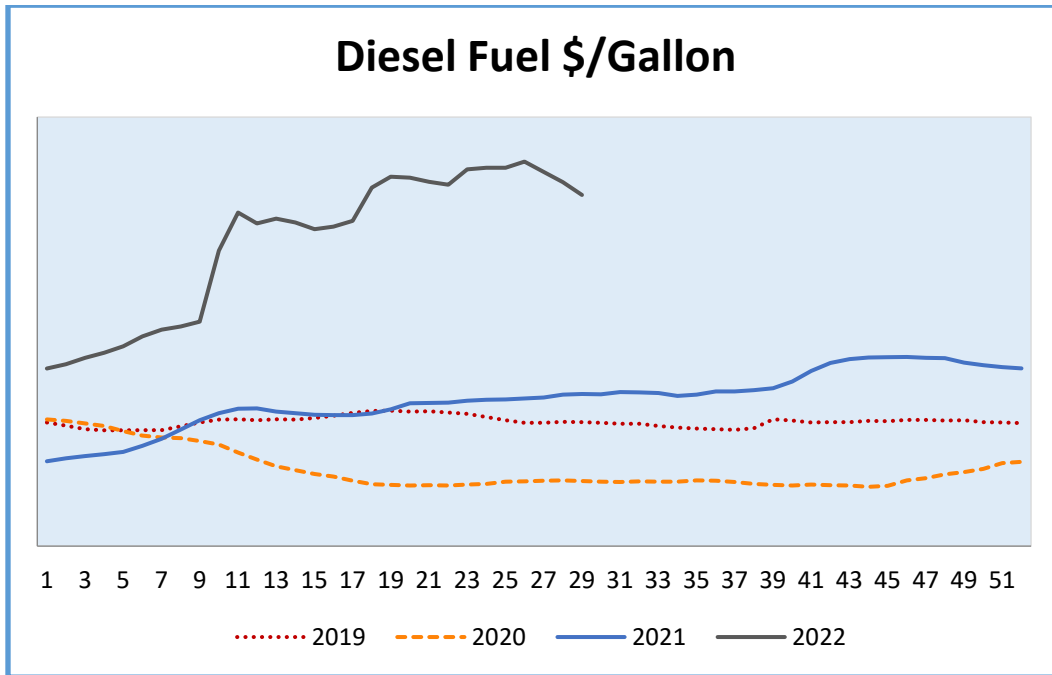
Week Ending July 22, 2022



*\*Graphs represent data for the week ending July 15, 2022\**



# LOGISTICS



## BEEF

Market is unsettled. Total beef production for last week was up 14.1% from prior week and up 3.2% compared to same time last year. Total headcount for last week was 677,000 as compared to 650,000 for the same time last year. Live weights for last week were down 1 lb. from prior week and down 8 lbs. from same time last year. Live cattle prices continue to trend well above prior year. The extreme heat has been having an impact on availability of Choice and Select grades as more cattle are seeing Select Grading due in part to the hot temperatures seen over the past several weeks. Demand remains below expectation on multiple cuts, due in part to inflationary concerns being seen as having an impact on the market. Buying activity at retail has been out of the

normal seasonal trends with some reports pointing to inflationary concerns having an impact on buying patterns at retail. The hot temperatures seen across much of the country have limited outdoor grilling activities across much of the country over recent weeks.

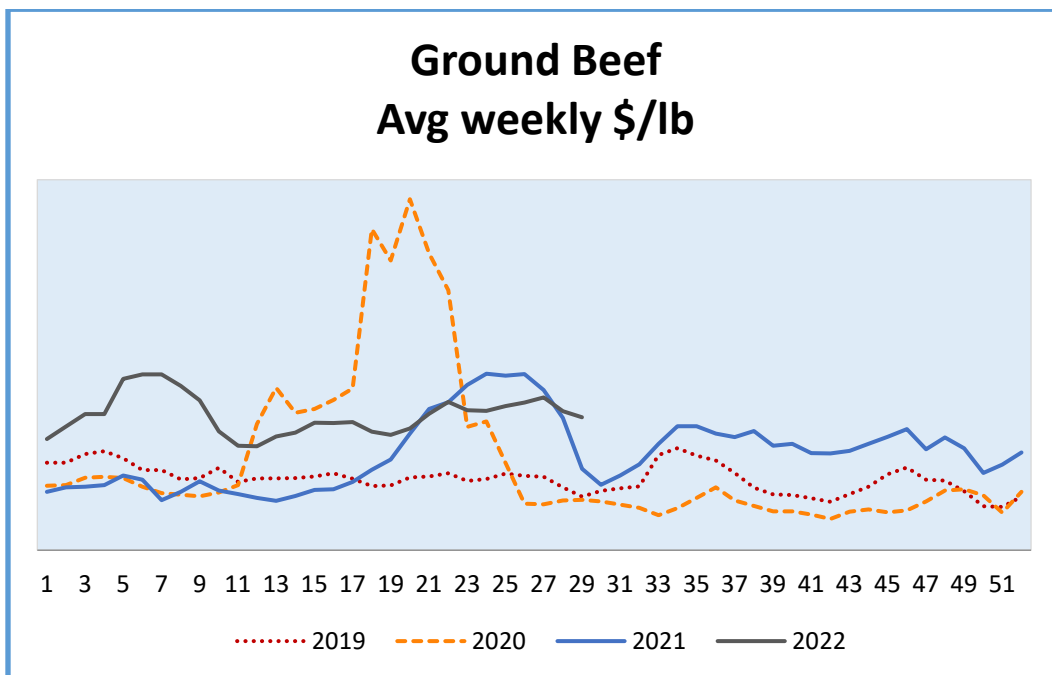
Grinds- Market is unsettled. This market has been seeing upward pressure over the past few weeks but has become more unsettled with both higher and lower asking prices being seen by the packers. The market typically sees lighter seasonal demand as we approach August, but this year has been out of the norm on multiple cuts. 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 firmer. Buying activity has increased as this week has progressed.

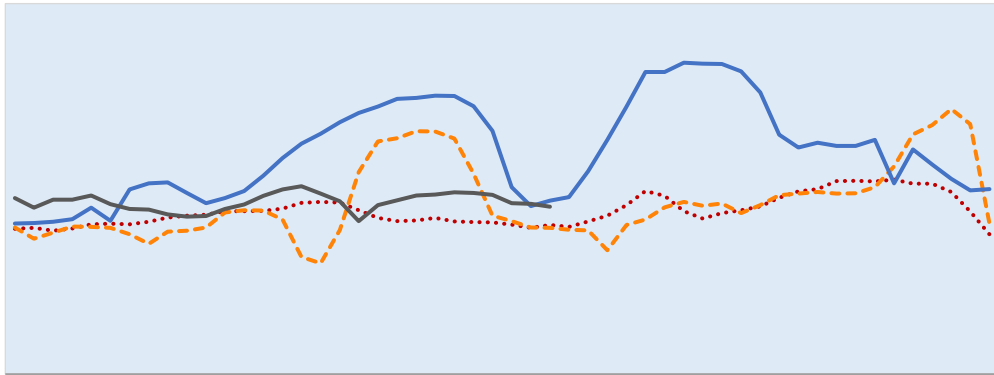
Rounds- Market is steady to firmer. The market has held mostly steady for the past few weeks as demand for grinding continues to pull additional inventories while consumers continue to look for lower priced beef options.

Chucks- Market is steady. Buying interest has been improved compared to normal for this time of the year, as buyers have been looking for more value priced beef cuts. Demand for grinds is pulling additional product into that channel.

Ribs- Market is firmer. Buying interest has been improved as the recent low prices have helped to improve activity. Overall demand improved this week. Buying activity should increase once we approach the Labor Day holiday.



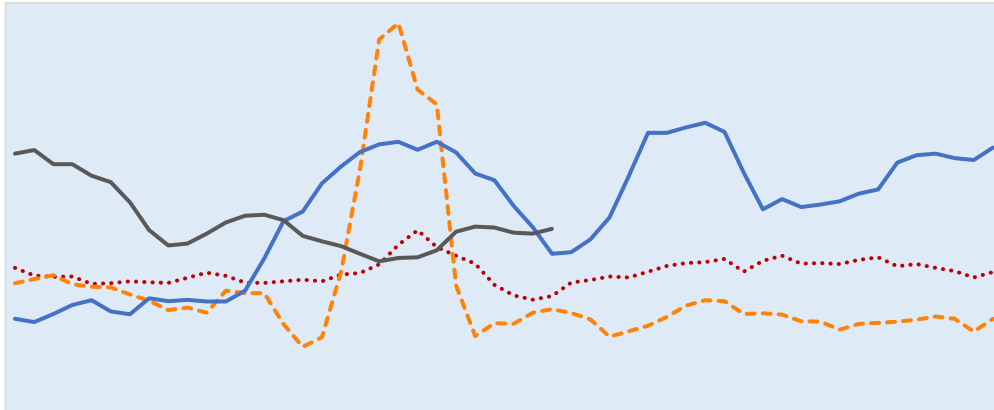
### Choice Ribeye Heavy Avg weekly \$/lb



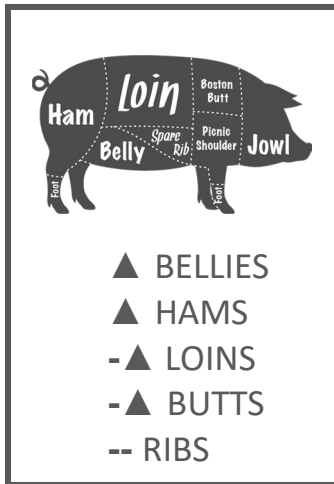
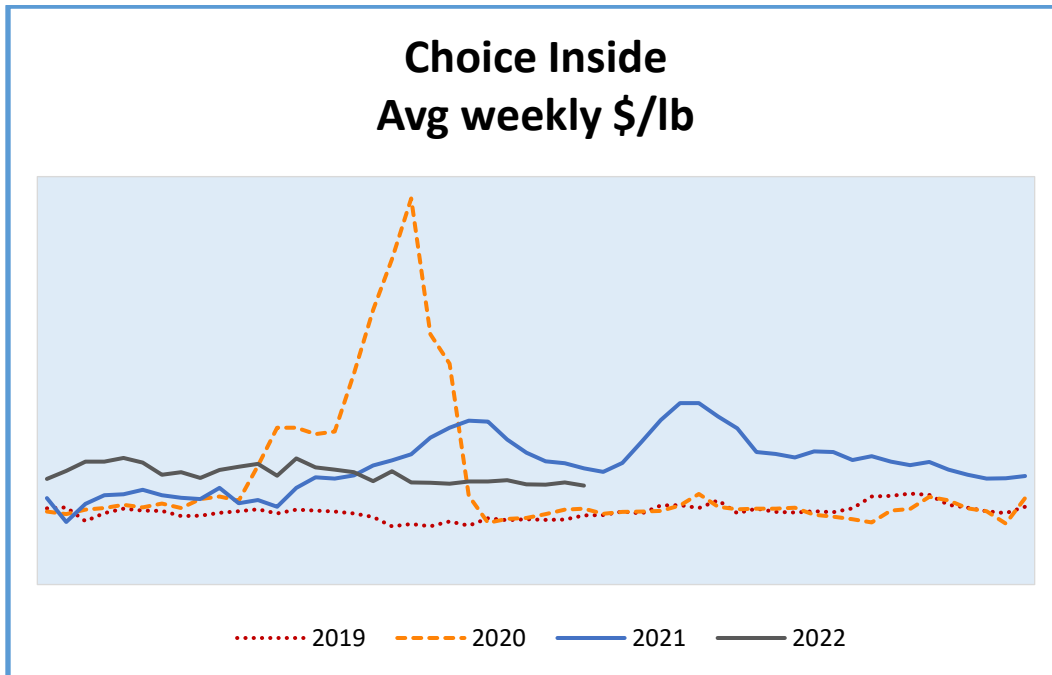
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

..... 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 up 13.6% compared with prior week and up 0.3% compared to same time last year. Total headcount for last week was 2,255,000 as compared to 2,288,000 for the same week last year. Live weights for last week were down 2 lbs. 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 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 over the coming weeks. Exports have been very good recently and helping to keep additional pressure on items

such as hams. Buying activity on pork has been quite good as consumers look for value priced protein items; pork has been a value compared to other competing proteins.

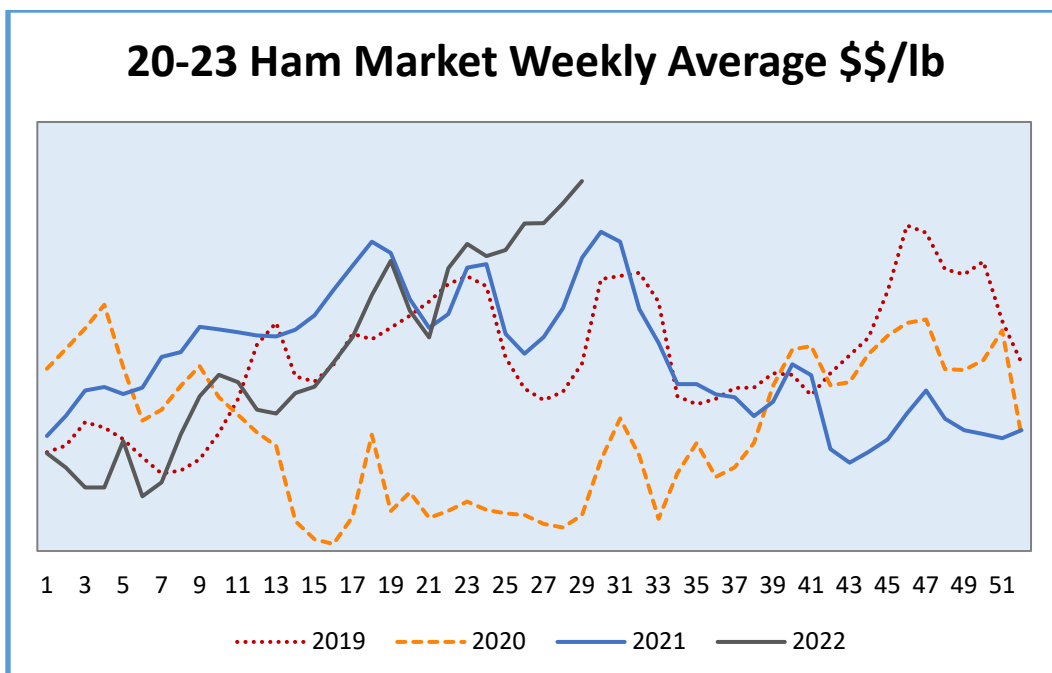
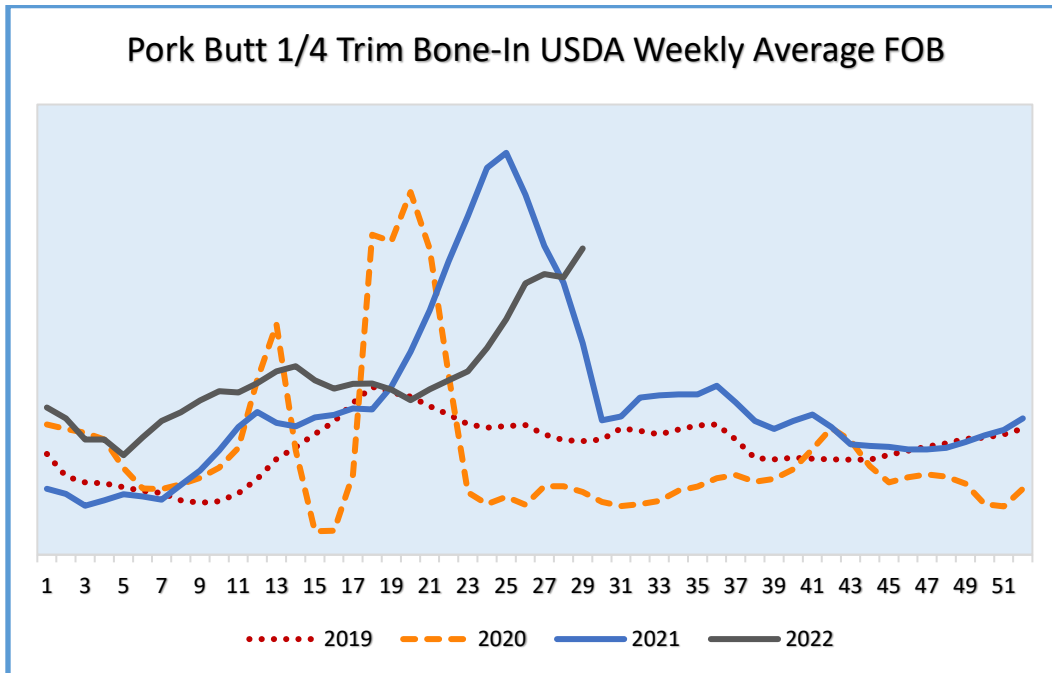
**Bellies-** Market is firmer. The market has seen both up and downs over the past few weeks but seasonally buying activity is picking up and putting pressure on the market. Bacon remains on allocation with multiple suppliers due to ongoing labor concerns.

**Hams-** Market is firmer. Export demand has been solid helping to keep pressure on the market. Demand for deli items is seasonally strong and is also pushing the market.

**Loins-** Market is steady to firmer. Buying activity is improved and putting pressure on the market.

Butts- Market is steady to firmer. Demand has been seasonally improving helping to keep inventories moving, as the market has been pushing higher over the past few weeks. Bone in butt prices is at remarkably high levels and near record pricing.

Ribs- Market is steady. Weekly buying activity has been increasing helping to move the market higher over the past several days.





## CHICKEN

Market is weaker. Total headcount for week ending 7/16/22 was 167,933,000 as compared to 163,075,000 for the same week last year. Average weights for last week were 6.36 lbs. as compared to 6.43 lbs. for the same week last year. Chick placements on fryers for week ending 8/20/22 are estimated at 166.1 million headcounts. Placements for previous week were 167.0 million and same week last year was 167.7 million. Overall demand is starting to soften as we reach the mid-point of summer. Boneless breast, wings, and WOGS continue to see lessening demand and market corrections are trending lower. Tenders and back half parts are holding

steady for the time being. The supply side is still not back to peak levels, but some improvement is being made. Processing schedules remain moderate to reduced.

**WOGS-** Market is weaker. Demand from retail and fast-food is starting to wane a bit. Consumer demand is being tested with higher prices points. Buyers continue to take a wait and see approach. Supply is available and more spot activity is pushing the market downward on all sizes.

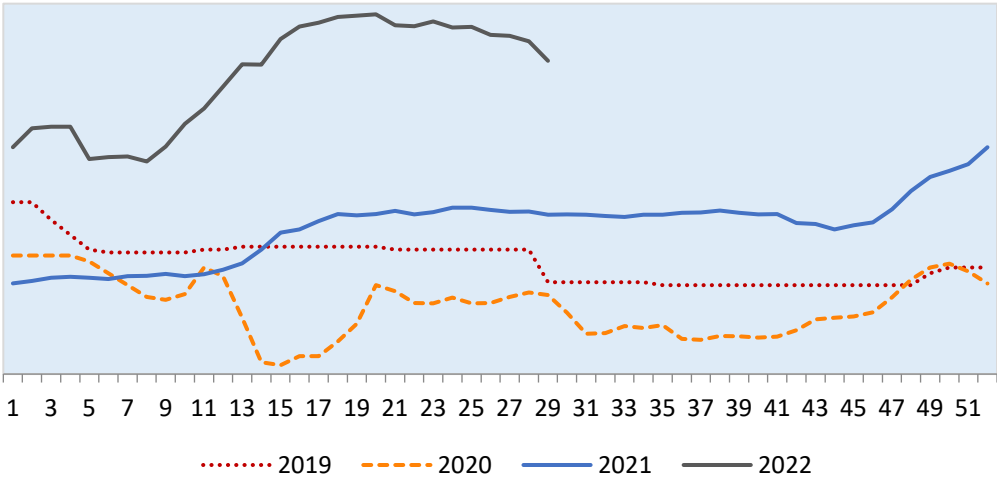
**Tenders-** Market is steady. Foodservice and QSR business remain vibrant which is keeping select and jumbo tenders propped up. Limited supply on a weekly basis the key reason the category remains in a sold-up position. Supply continues to be tight. Market levels are holding firm.

**Boneless Breast-** Market is weaker. Demand from foodservice and retail is weak. Expected seasonal trends of lessening demand and high price points are taking effect. Supply is available on all sizes. Market has moved lower on all sizes over the last week.

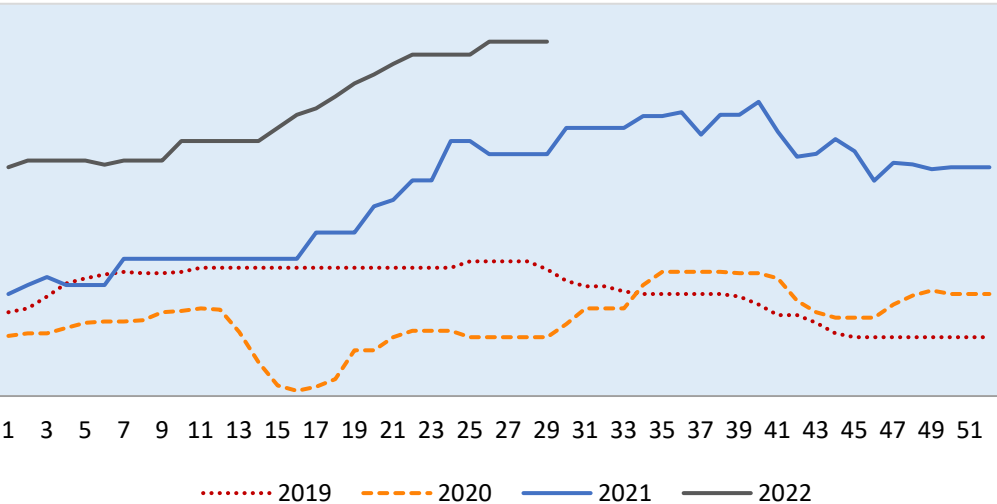
**Leg Quarters and Thighs-** Market is steady. Export and domestic volume on leg quarters is holding status quo. Drums and thighs are turning adequately in the retail channel. Thigh meat demand is moderate to weak. Supply is available. Market is holding even on parts but moving lower on thigh meat.

**Wings-** Market is weaker. Foodservice business on jumbo wings is soft due to the effects of higher menu prices. Further processors are keeping finished inventories limited which is causing additional weakness on medium and small wings. Supply is available on all sizes. Market is moving lower all sizes.

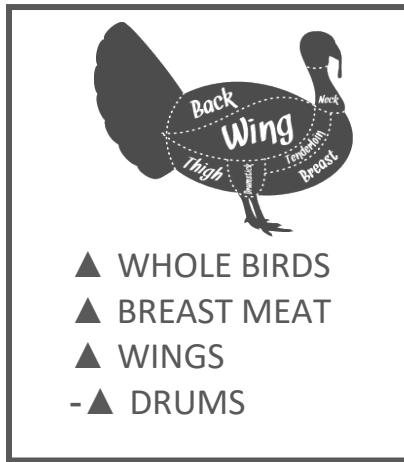
### Chicken Plant Grade, 2 1/2 lbs & up Avg Weekly \$/lb



### Chicken Tenders Avg Weekly \$/lb







## TURKEY

Market is steady to firmer. Total headcount for week ending 7/16/22 was 3,823,000 as compared to 4,085,000 for the same week last year. Average weights for last week were 31.07 lbs. as compared to 31.27 lbs. for the same week last year. Adequate demand and tight supply remain the two key factors in this category. Lack of supply is the main headline being heard around the industry. The recovery from HPAI may take another full year to get the supply side back to reasonable levels. Whole birds, breast meat, white meat, and parts remain in a sold-out status. Limited spot business is reported to be at market or higher trading levels. Market levels continue to hold firm or trend

higher depending on the category.

**Whole Birds-** Market is firm. Lack of supply, tight production, and limited freezer stocks is the talk on the street. In past years, large Tom sizes would come available in late summer. This year, many birds are being harvested early to fill orders which is causing a void in the heavy Tom sizes. Supply is extremely hard to uncover. Market levels are holding firm.

**Breast Meat-** Market is firm. Demand is reported to be stable and consistent for this time of year. Limited supply is the key driver of the record market levels on breast meat and white meat. Further processors continue to produce finished inventory on a wait and see basis in order to limit their carrying costs. Supply is tight and market is getting upside pressure.

**Wings-** Market is firm. Activity on whole wings and two joints continues to be moderate to good. Finite supply is keeping the category sown up. Market levels are flat.

**Drums and Thigh Meat-** Market is steady to firmer. Seasonal demand is good and trending as expected. Product availability on drums is tight and some premiums are being noted on spot deals. Demand from deboners and further processors is keeping thigh meat adequately supported. Market is stable with some upward pressure.



## 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. Buying demand remains below expectations while current fishing has been good and helping to build inventories. The upcoming Texas season is just around the corner and helping to put additional pressure on the market.

Black Tiger Shrimp- Market is steady to weaker. Lighter buying interest is helping to keep pressure on the market. The lower priced white shrimp market is helping to put pressure on the Black Tiger market.

White Shrimp- Market is unsettled. The market for product of Latin America has seen upward pressure over the past few weeks due in part to domestic issues in Ecuador that have caused logistical issues and good demand coming from Asia and Europe. The market for product of Asia remains steady to weaker due to the large number of imports over the past few months combined with lighter buying interest.

King Crab- Market is weaker. Buying demand is light to dull and putting downward pressure on the market.

Snow Crab- Market is unsettled. Demand has pushed much lower as we have progressed through this year. The soaring 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 July due to the light demand.

Warm Water Lobster Tails- Market is weaker. The market has been seeing sharp drops over the past few weeks. Inventories are normally very limited for this time of the year, but this year is out of the norm as inventories remain in good supply for current demand. 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 steady to weaker. Demand from Europe and Asia has been improved over the past few weeks. Larger sized product is in lighter supply compared to other sizes and is not seeing the downward pressure that other sizes have continued to see.

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. The Wild Salmon market is unsettled as new season product begins to make its way to market. Availability is varied between fishing areas and species.

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.

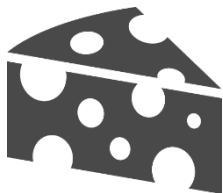
Pollock- Market is firm. Retail demand has been quite good and putting stress on already light inventories. Production and logistical issues continue to hamper availability.

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 weaker. The market had 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. The past few weeks have seen this trend reverse as overall lighter demand, lower Ocean Freight costs, and lower replacement costs are all combining to put downward pressure on the market.

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 pushed lower on multiple sizes with good inventories for current demand. Product from Canada has seen downward pressure, with good landings helping to improve inventories. Imports from Peru have dropped off due to the domestic market seeing downward pressure. The Japanese season is just beginning, and that market is a little more unsettled with both higher and lower prices being seen. The remainder of the market is holding mostly steady.

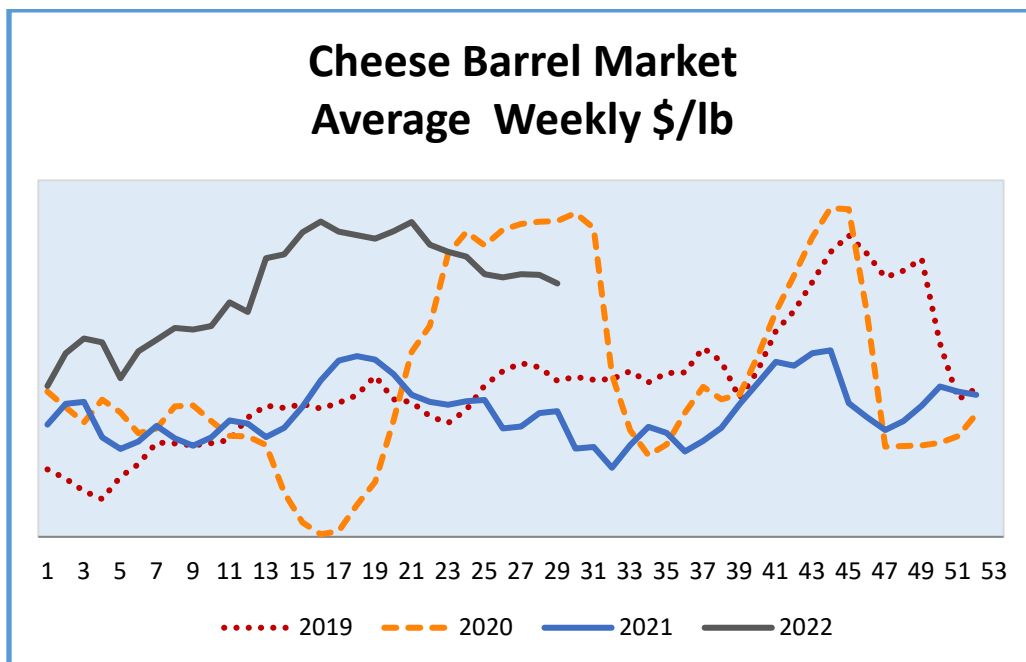
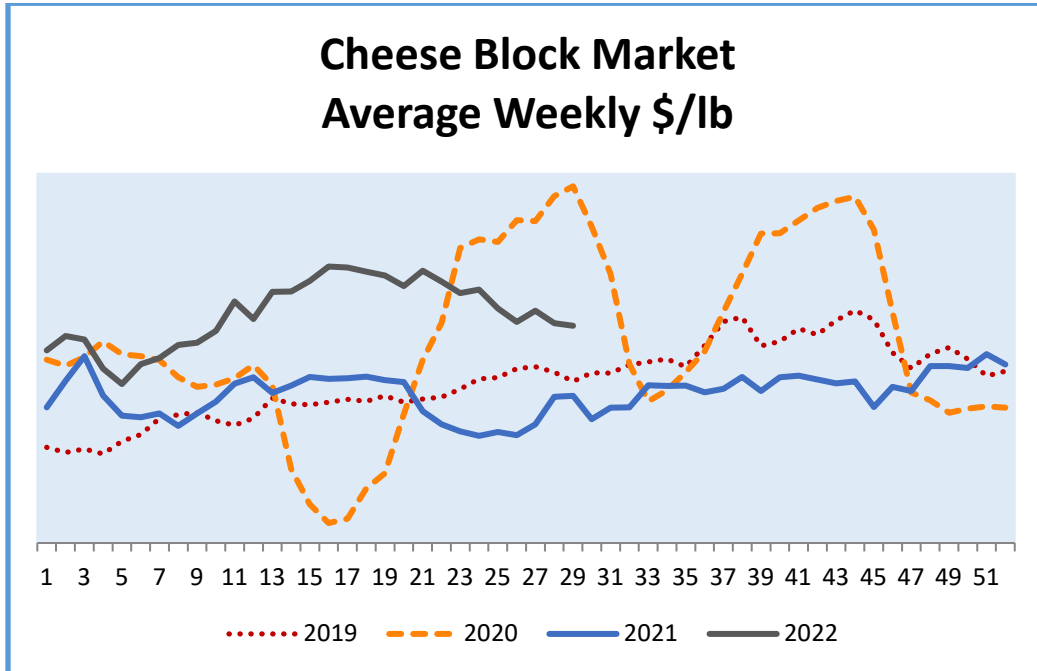


## DAIRY Cheese

Market is weaker. Both the CME block and barrel markets are down from the previous week. Cheese production is busy nationwide, with milk supplies still abundant in all areas, though holiday downtime did have an impact on production this past week. Inflation continues taking its toll as the weeks go by, generating softness in demand in both the retail and foodservice arenas nationwide, as customers pare back spending due to higher prices. The one bright spot in the demand picture nationally is that export demand continues to be strong, with many export customers placing cheese orders for delivery as far out as mid-2023. In the Northeast, milk production and supply are good, cheese production is busy, and inventories of cheese are abundant. Northeastern retail and foodservice demand are both weaker, continuing the trend of the past few weeks. In the Midwest, milk availability is good, though contacts in the region are raising concerns about regional milk supplies going forward. There are reports that significant numbers of milk producers in the Midwest have been shutting down due to an inability to retain workers, and contacts report that many haulers are retiring or otherwise exiting the market as well. It remains to be seen if these reports will begin to have an impact on regional milk prices, which are still soft overall. Cheese demand in the Midwest is meeting seasonal expectations in retail and foodservice, though that demand does appear to be softer than at this time in 2021, reflecting the demand picture throughout the country. In the West, foodservice and retail demand are both continuing to weaken, with most contacts, still, blaming consumer cutbacks due to inflation. Cheese production is busy in the region, but delayed deliveries and ongoing labor shortages continue to somewhat depress plant activity.

## Cream Cheese

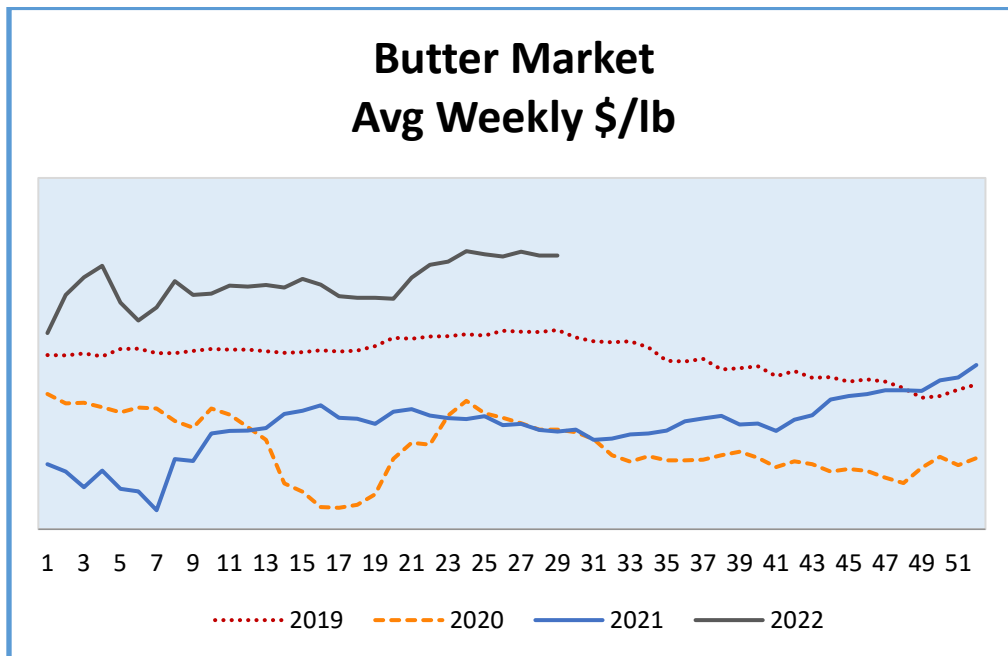
Market is firm. Inventories are limited, and allocations and cuts should continue to be expected for the remainder of the year. Multiple suppliers are not taking on new business, and inventories are expected to remain noticeably light through Quarter 4 of 2022. Labor, logistics, and packaging issues 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 steady this week. Butter production nationally is steady, though impacted by labor shortages and scheduled time off for the 4<sup>th</sup> of July holiday. In the Northeast, butter production is weakening, mostly due to staffing shortages. Foodservice and retail demand are both still softening in the Northeast this week, mostly blamed on higher consumer prices. In the Central region, production of butter is steady, and cream supplies have improved over the past few weeks, though labor shortages are still a drag on production. Foodservice and retail demand in the Central are continuing to weaken, mostly due to inflation driven consumer cutbacks, as in all other regions. In the West, demand for cream remains high as both ice cream and butter producers are in high gear moving into the summer. Still, cream is generally available in the region to meet most needs. Demand in foodservice and retail continues to weaken out West due to higher prices at both grocery stores and restaurants. Butter production in the West is steady, but below seasonal expectations for this time of year, due to persistent labor shortages and higher hauling costs for production materials. There is some concern among contacts nationally over the level of butter inventories going into the fall, as the widespread labor issues in plants nationwide are keeping many producers from padding their inventories during this time of year. However, depressed consumer demand for butter due to inflation may offset this concern.

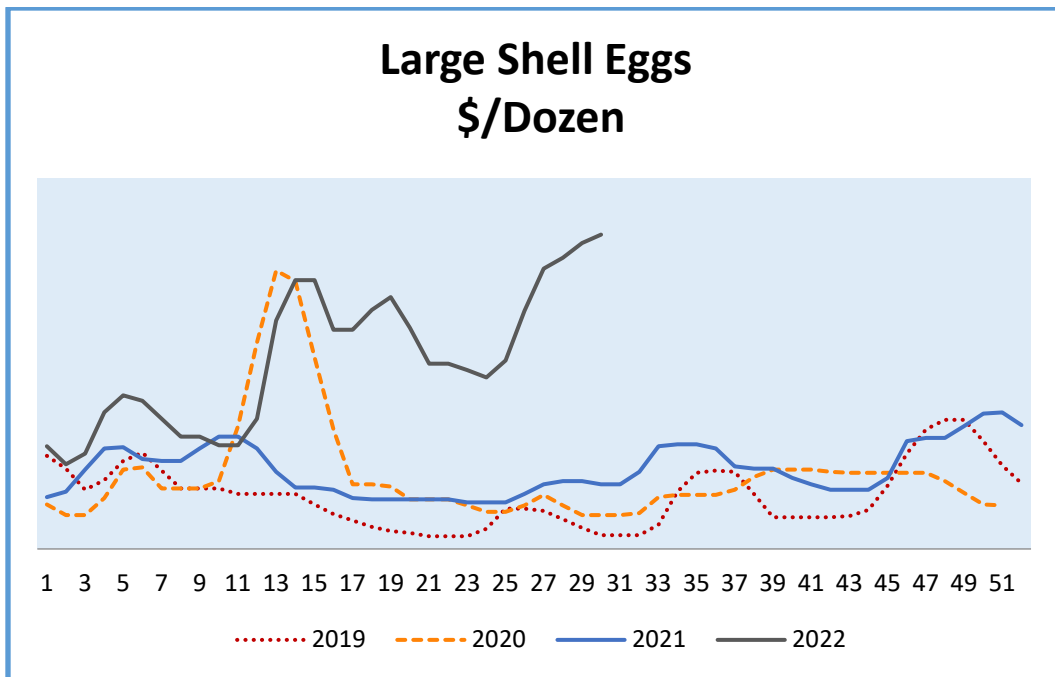




## EGGS

Market is firmer. Retail volume is rated as moderate to good even with high shelf prices. Grocery volume was outperforming seasonal volume during the month of July and is now reported to be normal. Foodservice and fast-food demand is reported to be moderate to good. Supply continues to be tight as seasonal flock rotations and heat are being reported. Shell egg inventories remain at a multi-year low, and supply continues to be tight on medium and large sizes. Market is moving higher on medium sizes and large sizes. National weekly shell egg inventory reports shell egg inventory down 3.4% over last week.

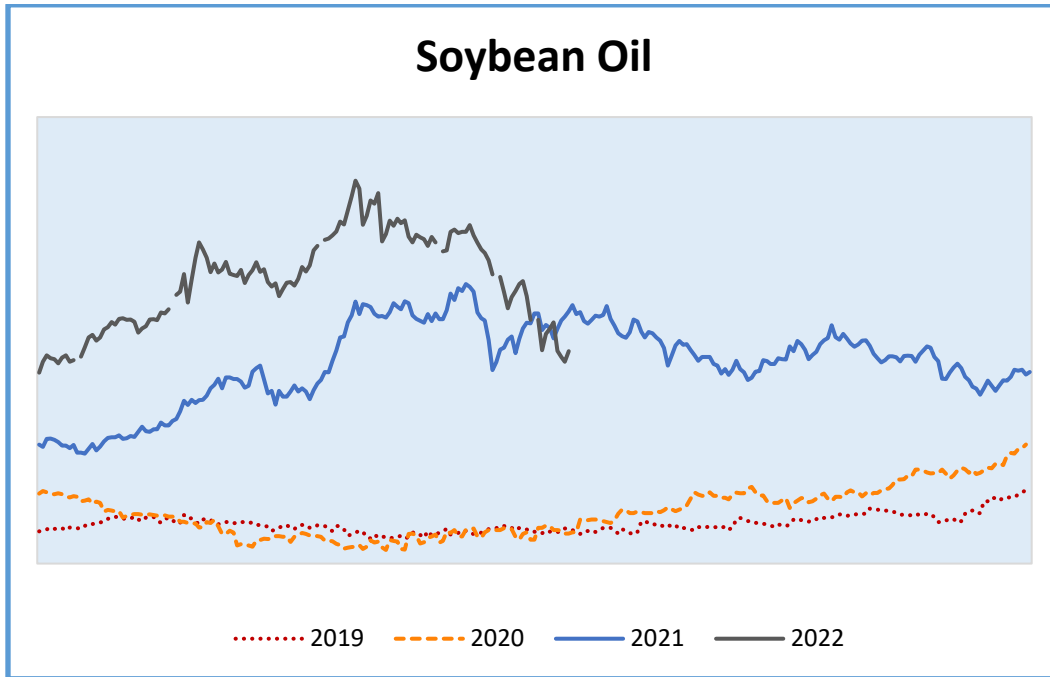
Breaking stock activity is reported to be moderate to good. Further processors continue to need graded product and yolks. Supply is tight. Market is at near record highs and buyers are taking a week-to-week approach.





## SOY OIL

Market remains firm. Hotter and drier weather is forecasted for the coming week. The combined good/excellent rating is currently at 61% versus previous week's 62%.



## CANOLA OIL

Market remains firm. Planting progress remains steady. Crop conditions are currently favorable across most of the Prairies, however warmer weather and drier conditions are forecasted for the coming weeks.

# 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 \$5.43/gallon versus an average of \$3.34/gallon last year.
- Packaging increases.
- Labor issues.

## CORN

Market remains firm. The 8 – 14 day forecast for North America continues to show above normal temperatures and below normal moisture. Corn maintained the same numbers from the previous week with 64% of the crop considered good/excellent as we are in the critical period of crop pollination. The bulk of pollination occurs during the last 2 weeks of July.

## RICE

Market remains firm. Rice crop development is on track. USDA reports that currently 4% of the crop is headed (rice panicle have emerged from the stem) in Arkansas versus the average of 7%. Nationally 21% is headed, which is in line with the norm. Parboiled rice supply is limited and projected to remain that way for several months.

## 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. Conventional tomato early and mid-season plantings are developing nicely. San Marzano Style tomato crop is continuing to mature and grow.

## WHEAT

**Winter Wheat:** Production is forecasted at 1.20 billion bushels, which is up 2% from June, but lagging last year's numbers by 6%.

**Hard Red Winter Wheat:** Production currently sits at 585 million bushels. This is up 1% from last month.

**Soft Red Winter Wheat:** Production currently sits at 376 million bushels. This is up 5% from last month.

**Winter White Wheat:** Production currently sits at 240 million bushels. This is down 1% from last month.

**Durum Wheat:** Production is forecasted at 77.2 million bushels, which is up 107% from last year.



