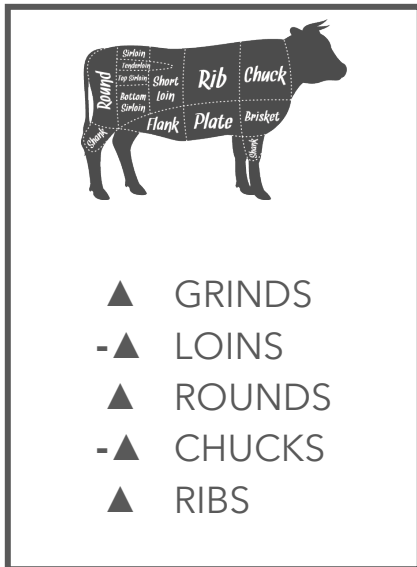
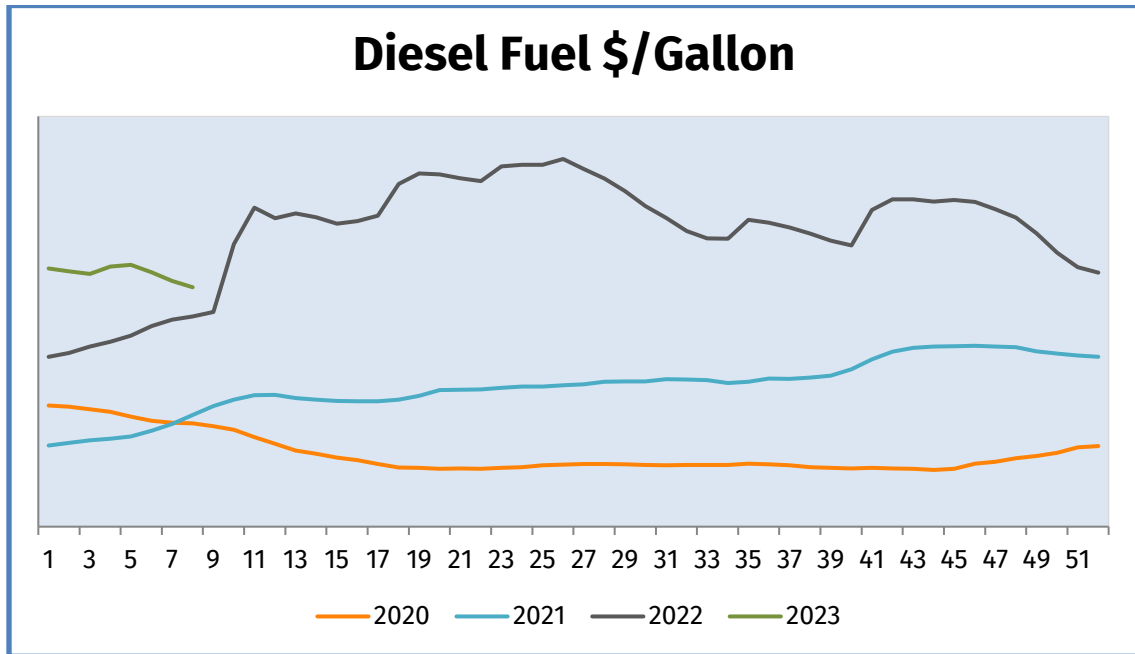




# Market Report

**WEEK ENDING | FEBRUARY 24, 2023**

Graphs represent data for the week ending February 17, 2023



## BEEF

The market is firmer. Total beef production for last week was down 0.4% versus the prior week and down 8.1% compared to the same week last year. Year to date, total production is down 3.7% compared to the same timeframe last year. Total headcount for last week was 627,000 as compared to 670,000 for the same week last year. Year to date, the total headcount is 4.42 million head which is down 1.9% from last year. Live weights for last week were down 3 lb. from the prior week and down 16 lbs. from the same time last year. Snowstorms in the upper Midwest have caused some production and logistics challenges. Live cattle prices continue to push to higher levels as we move forward in the new year. Futures are closing at slightly higher values, except for April which is holding flat. Live prices are showing a bit of strength and remain well above the prior year and the 5-year

average. The market is currently showing strength in many categories due to tight supply and seasonal buying trends.

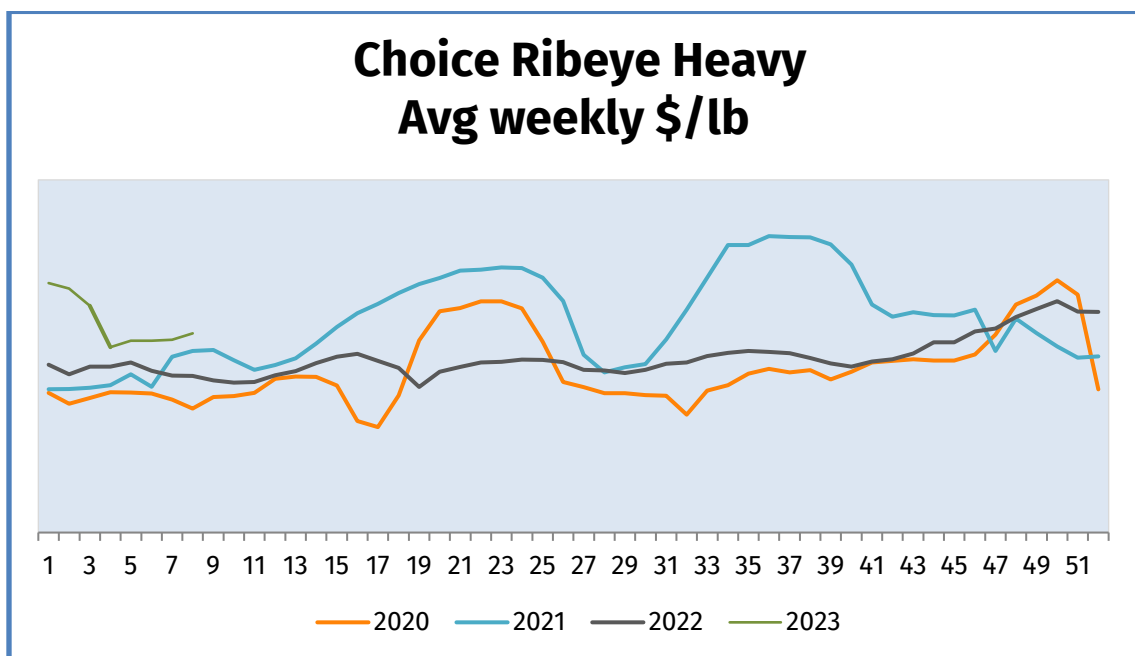
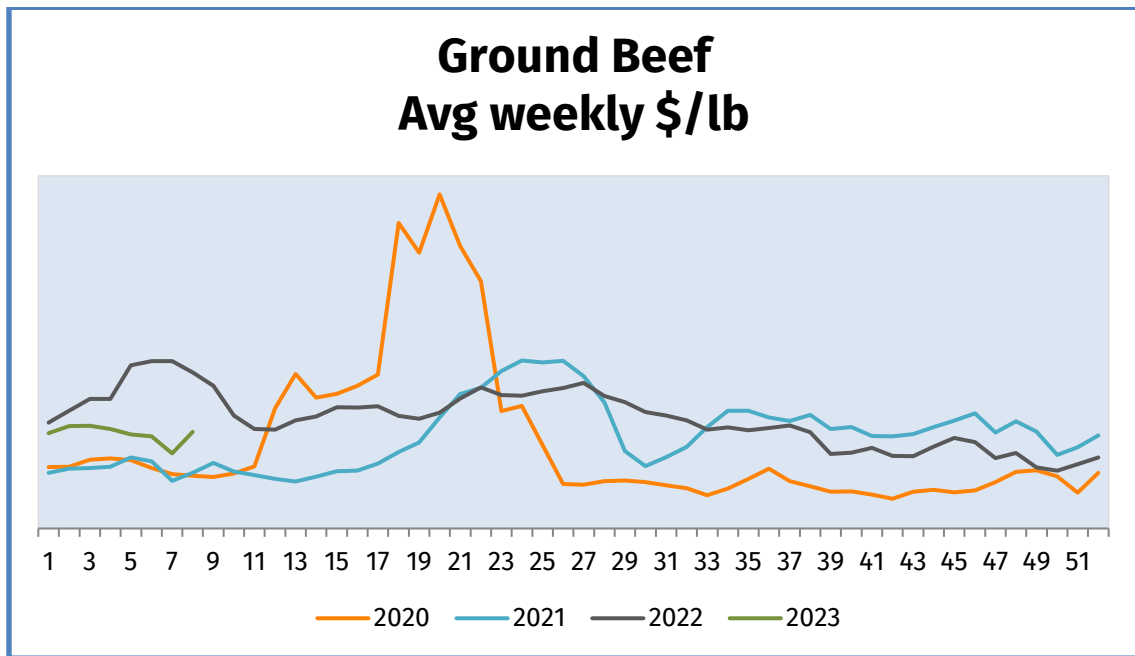
**Grinds** – The market is firmer. Demand has improved, which was expected. Availability varies among the packers. Supply levels have tightened, and the markets are being pressured higher.

**Loins** – The market is steady to firmer. Demand continues to improve as we near the end of February. Availability remains mixed between the packers. Price levels are seeing some upward movement.

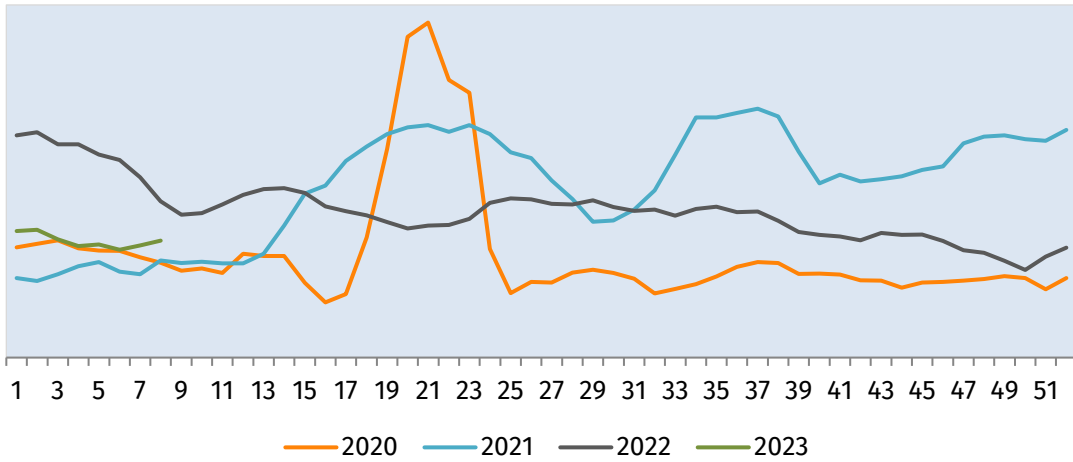
Rounds – The market is firmer. As rounds become a good cost value in today’s market, demand continues to improve. Supply is being squeezed a bit and availability varies among packers. Market levels are trending upward.

Chucks – The market is steady to firmer. Demand patterns are moderate to good. Supply is varied among packers and markets are seeing a bit of strength.

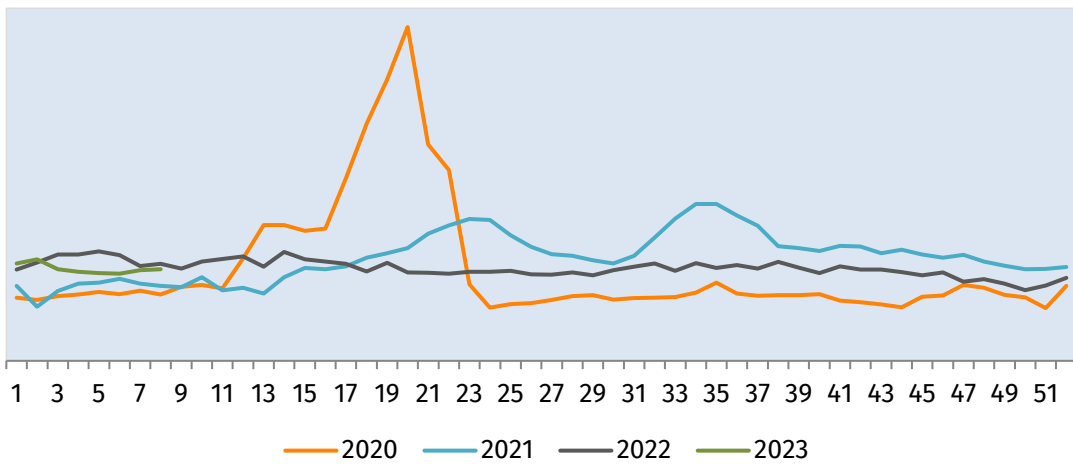
Ribs – The market is firmer. Seasonal demand is picking up as grilling season gets underway. Availability remains mixed between the packers. With tighter inventories and increasing demand, market levels are moving higher.

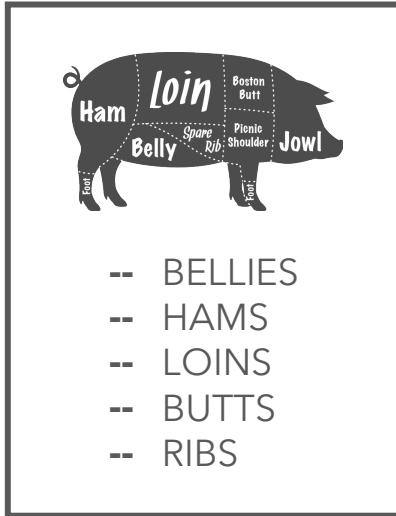


### Choice Brisket Avg weekly \$/lb



### Choice Inside Avg weekly \$/lb





## PORK

The market is steady. Total pork production for last week was up 0.5% versus the prior week and up 0.5% compared to the same week last year. Total headcount for last week was 2,505,000 as compared to 2,482,000 for the same week last year. Live weights for last week were down 1 lb. compared to the prior week and down 1 lb. versus last year. With adverse weather conditions in the Midwest, some plants had to reduce production with anticipation of making it up on Saturday. Industry demand is reported as moderate to good. The month of February has seen stable production levels. Export demand continues to be reported as light in combination with the US Dollar showing strength.

**Bellies** – The market is steady. Foodservice and retail sales of bacon are being reported as moderate to soft. With average to subpar demand, buying activity has slowed a bit. Markets are holding stable currently.

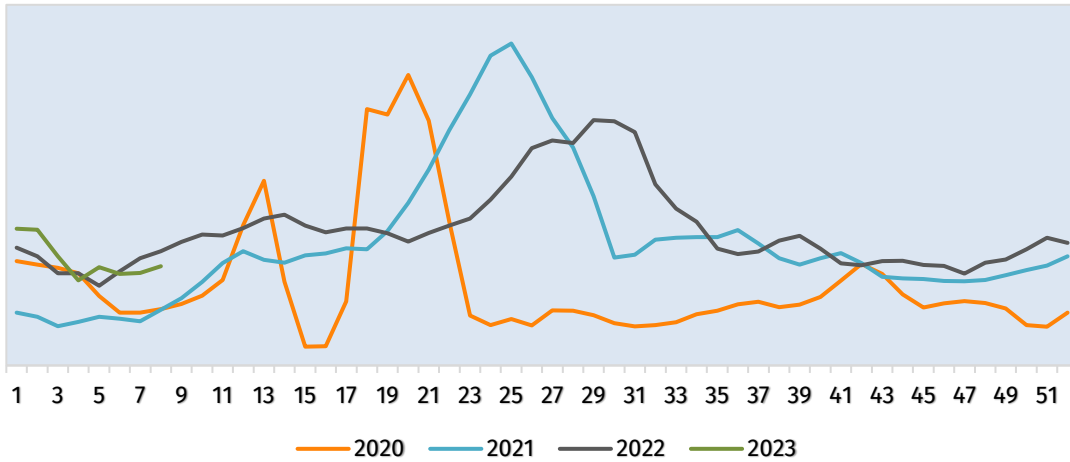
**Hams** – The market is steady. Seasonal buying activity is moderate and in line with expectations as we move towards the Easter Holiday. Domestic activity for boneless products is moderate and should improve as we move towards Easter. Export demand for bone-in is showing improvement.

**Loins** – The market is steady. Overall demand and buying interest are reported as moderate to fair. Available inventories are varied by supplier and have been interrupted due to weather-related conditions. Retail buying activity varies due to higher shelf prices.

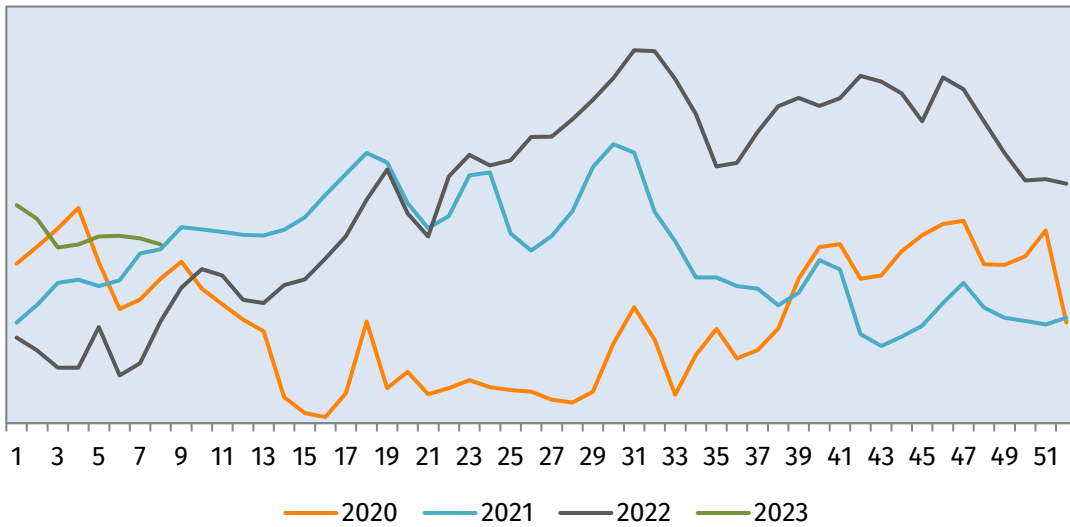
**Butts** – The market is steady. The buying trend for the month is moderate to good. With butts being a cost value item in the pork category, consumer activity is showing some vigor. Supply varies by plant and markets levels are fairly stable.

**Ribs** – The market is steady. Industry demand for spareribs and St. Louis ribs is barely moderate. Availability remains varied by supplier and frozen supplies continue to be higher than normal. The market is moving trending sideways.

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



### 20-23 Ham Market Weekly Average \$\$/lb





## CHICKEN

The market is steady to firmer. Total headcount for the week ending 2/18/2023 was 167,379,000 as compared to 166,031,000 for the same week last year. The average weight for last week was 6.36 lbs. as compared to 6.45 lbs. for the same week last year. Seasonal demand is on the rise for some categories. The production side has tightened up as the overall amount of slaughter has been slightly decreasing over the last few months. The categories of WOGS, leg quarters, and dark meat are seeing improved demand. Boneless breast, tenderloins, and wings are holding a full-steady rating. Export demand for bulk leg quarters and whole legs continues to be on the rise considering HPAI restrictions. On the supply side, some reports of increasing mortality rates are starting to surface.

**WOGS** – The market is steady to firmer. The retail deli and fast-food business is reported to be moderate to good. Small bird supply is the tightest category in the chicken complex. Market levels on the premium sizes are seeing upward pressure.

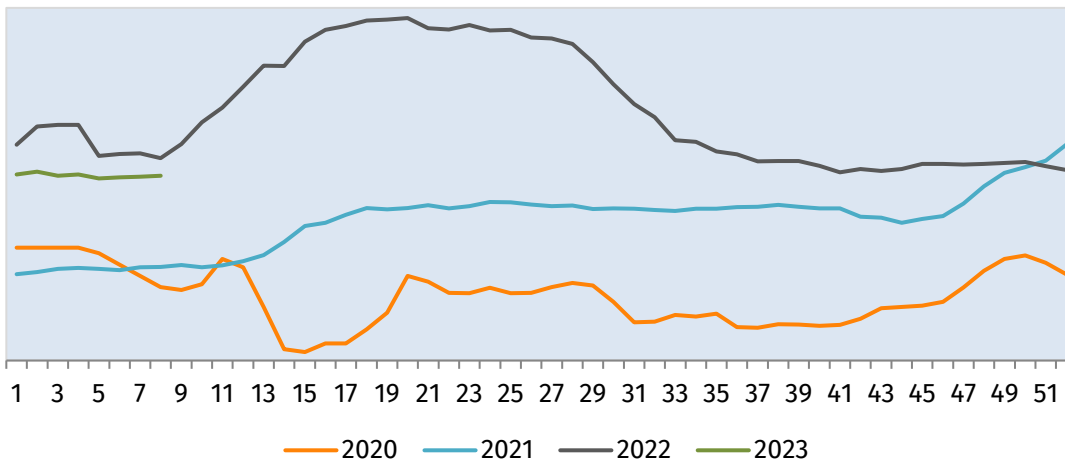
**Tenders** – The market is steady. Foodservice and QSR volume are starting to flat line a bit. Business from portioners is steady enough to keep jumbo tenders clearing adequately. Supply is available and in balance with demand. The market on jumbo and select sizes are holding even.

**Boneless Breast** – The market is steady to firmer. The foodservice business has shown improvement over the last two months but has now plateaued. Demand for the medium and select sized product is average at best. Supply is available and varies by plant. The market was on the rise for jumbo but is now holding even. Medium and select sizes are flat.

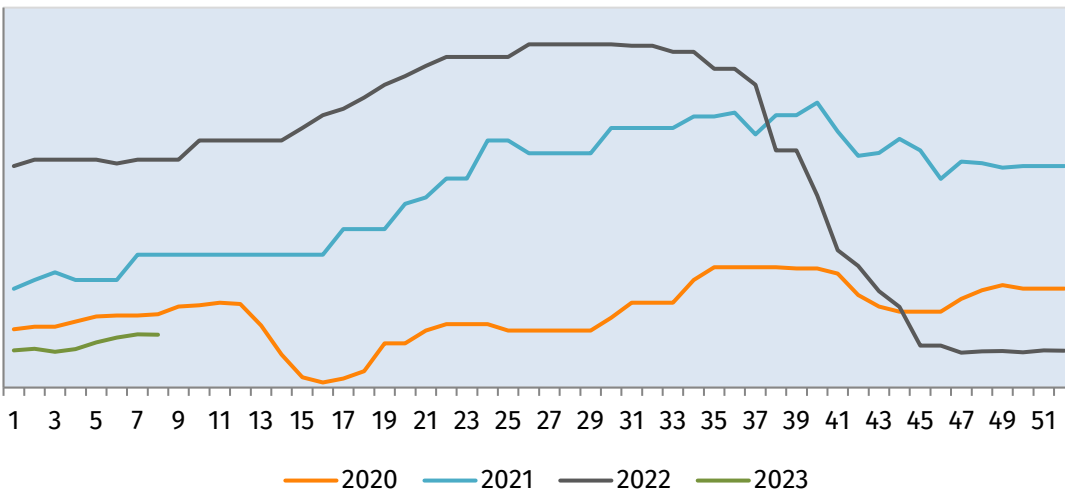
**Leg Quarters and Thighs** – The market is firmer. Export demand for leg quarters is on the rise and continues to show strength. The debone side of the business and foodservice demand continues to improve on thigh meat. Supply is available but has tightened. The market on leg quarters and whole leg meat is moving higher.

**Wings** – The market is steady to firmer. Demand for wings has shown continued improvement since the beginning of the year as buyers are taking advantage of the low market levels. The next big event is March Madness which typically provides additional demand. Supply is available. Jumbo and small sizes continue to show strength, while the medium size is flat.

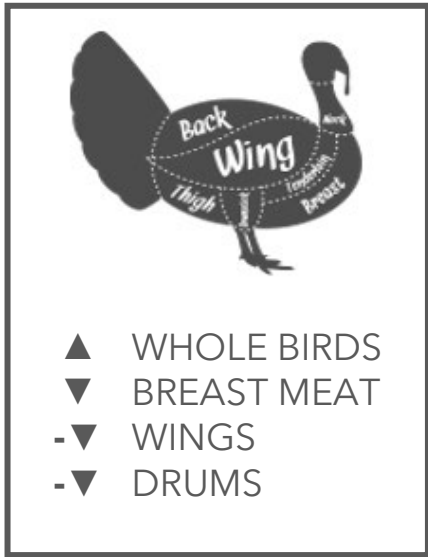
## Chicken Plant Grade, 2 1/2 lbs & up Avg Weekly \$/lb



## Chicken Tenders Avg Weekly \$/lb







## TURKEY

The market is steady to weaker. Total headcount for week ending 2/18/2023 was 3,640,000 as compared to 4,074,000 for the same week last year. The average weight for last week was 31.49 lbs. as compared to 32.25 lbs. for the same week last year. Whole birds continue to be in tight supply with limited spot loads being reported. Breast meat, wings, and drums continue to experience declining demand which is leading to some excess supply. Export sales continue to be challenged as HPAI restrictions come into play. Suppliers remain cautious about future production and potential HPAI issues. Slaughter numbers remain lower than past standards. Market levels continue to be pressured lower on individual parts and breast meat.

**Whole Birds** – The market is firm. It’s been the same situation week over week. Sellers are holding firm during the booking period for whole birds. Supply is scarce and reported to be very tight. Market levels remain firm.

**Breast Meat** – The market is weaker. Higher consumer prices are starting to have an effect. Further processing and buying activity have slowed as manufacturers have to be careful in a declining market. With excess frozen and fresh inventory being reported, market levels continue to be pressured lower.

**Wings** – The market is steady to weaker. Export business for whole wings has been soft and now domestic demand for two-joints is showing weakness. Supply is available on a plant-by-plant basis. The market is moving lower on whole wings and holding steady on two-joints.

**Drums and Thigh Meat** – The market is steady to weaker. Demand for Tom drums is soft while the call for thigh meat is moderate. Supply is becoming more available. The market is moving lower on drums but holding even on thigh meat.



## SEAFOOD

**Gulf Shrimp** – The market is mixed. The market for larger sized shrimp has seen upward pressure over the past few weeks due to very limited inventories. The market for smaller sized domestic shrimp is steady to weaker as this market continues to see pressure from imported product. The overall light demand continues to limit fishing activity along the Gulf as the current price point restricts fishing opportunity due to operating costs.

**Black Tiger Shrimp** – The market is steady to weaker. The lower priced white shrimp market is helping to keep pressure on the Black Tiger market.

White Shrimp – The market is steady to firmer. Buying activity has been improving as we moved through the last few weeks. Larger-sized product is currently in lighter supply than other sizes and this can be seen in prices over the past few weeks. Replacement costs overseas are noted as being on the rise along with higher capital costs putting pressure on farming costs. The past few weeks have seen upward pressure on larger sized products coming from Latin America. This is due in part to large numbers of product being shipped to Asian countries. Total shrimp imports for 2022 were down 6.4% versus the prior year.

King Crab – The market is steady to weaker. Demand has been lighter as we moved through the past few weeks and has been helping to push the market lower. Imports for King Crab for 2022 were down almost 19% compared to 2021.

Snow Crab – The market is steady to weaker. Demand is light and putting downward pressure on the market. Even with the downward pressure, the market remains well above the seasonal norm for this time of the year. Imports for Snow Crab for 2022 were down almost 31% compared to 2021.

Warm Water Lobster Tails – The market is mostly steady. Buying activity has improved over the past couple of weeks, helping to limit the continued downward pressure the market has seen for multiple weeks. Recent reports show that imports for December were up 8.4% but year-to-date for 2022 were down 16% compared to the prior year.

North American Lobster Tails – The market is firmer. Buying activity on smaller sizes has been very good for several weeks. This is due in part to buyers looking to cover their needs because of production being well below expectations and inventories expected to be limited until the spring season. Imports from Canada were down almost 17% for 2022 versus prior year. Larger sizes have not seen the buying activity of smaller sizes, but pricing remains well above seasonal norms for this time of the year.

Salmon – The market is steady to firmer. Buying activity has been improving over the past several weeks. Demand for product out of Chile is currently strong while inventories are light. Overall demand has been very good over the past few weeks and is keeping pressure on the market. Higher raw material costs are putting additional pressure on the market.

Cod – The market is unsettled. The market has seen downward pressure over the past few weeks as demand has been below expectations. Lent is just around the corner and is expected to help keep the market more unsettled as we move through the coming weeks.

Flounder – The market is steady.

Haddock – The market is steady. Demand for Lent is typically very good and is expected to help move additional inventories as we move into March.

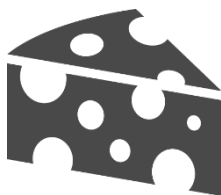
Pollock – The market is unsettled. The market for product coming out of China has seen downward pressure over the past couple of weeks. This is causing the market to be unsettled this week as demand is expected to pick up over the coming days as we move into Lent.

Domestic Catfish – The market is unsettled. Inventories have been limited for several months. Inventories of all sizes are limited, and this trend is expected to continue as we move through spring.

Tilapia – The market is weaker. Imports from China have been at levels higher than the prior year over the past few months. Demand has been lighter over the past several weeks. Recent reports show that imports were almost 23% higher for the month of November compared to October.

Swai – The market is steady to weaker. Imports year-to-date through November 2022 were over 25% higher compared to the previous year. Imports for the month of November were almost 48% higher than for the month of October. This is the record for that time frame. This combined with lighter demand at retail and lower Ocean shipping costs are helping to keep pressure on the market.

Scallops – The market is steady to weaker. The market for Domestic product has seen downward pressure over the past few weeks on mid and smaller sized product. Larger sized products are in more limited supply and not seeing the downward pressure like the other sizes. The new season for domestic product will begin on April 1st, but there are currently expectations that the new season quota may be reduced by around 20%. The import market is holding mostly steady, with the exception of smaller sized product from Japan, which has seen downward pressure over the past few weeks.



## DAIRY

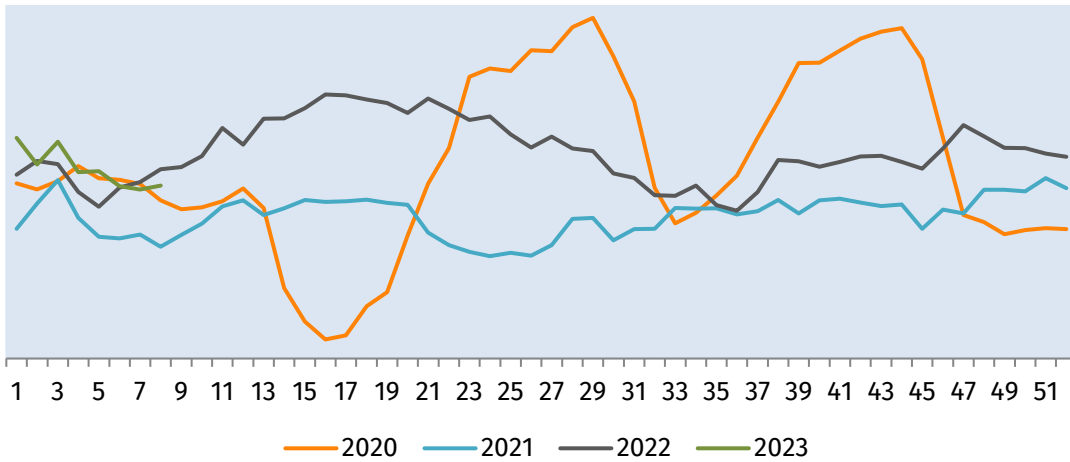
### Cheese

The market is firmer. The CME Block and Barrel Markets both moved higher this week. The cold temps over the past several days across large sections of the country have hampered overall milk production. Multiple cheese plants continue to face labor challenges, keeping them from being able to maximize the opportunity of the additional milk supplies. Export demand has been improving over the past few days with some buyers looking to cover their needs through the second quarter. International demand has been improving and demand in Europe has been improving over the past few weeks, putting upward pressure on that market. A fire at a production facility a few weeks ago is expected to impact the industry over the coming weeks and is expected to put pressure on available inventories of processed cheese items, such as items used for melting cheese dip. Allocations to orders for those items should be expected.

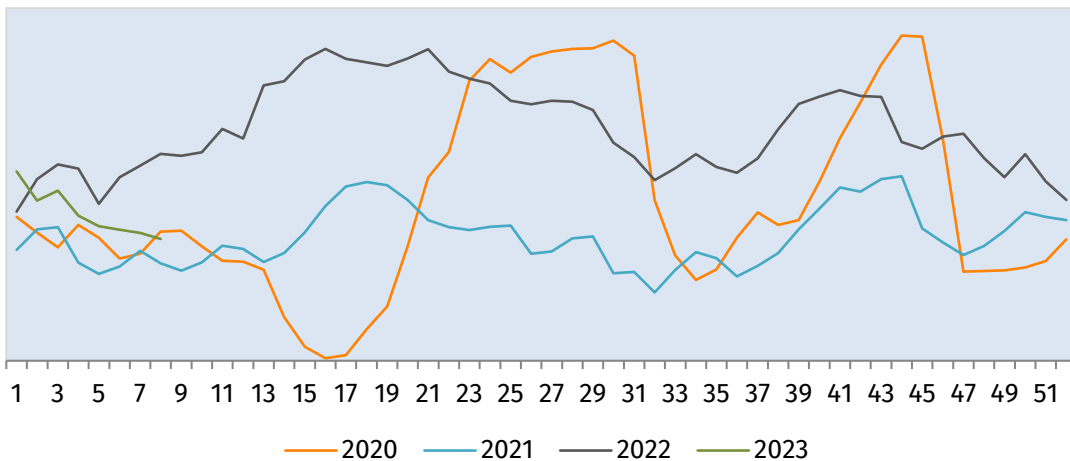
### Cream Cheese

The market is unsettled. Inventories are limited, and allocations and cuts should continue to be expected over the coming months. Multiple suppliers are not taking on new business, and inventories are expected to remain noticeably light as we move further into 2023. 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



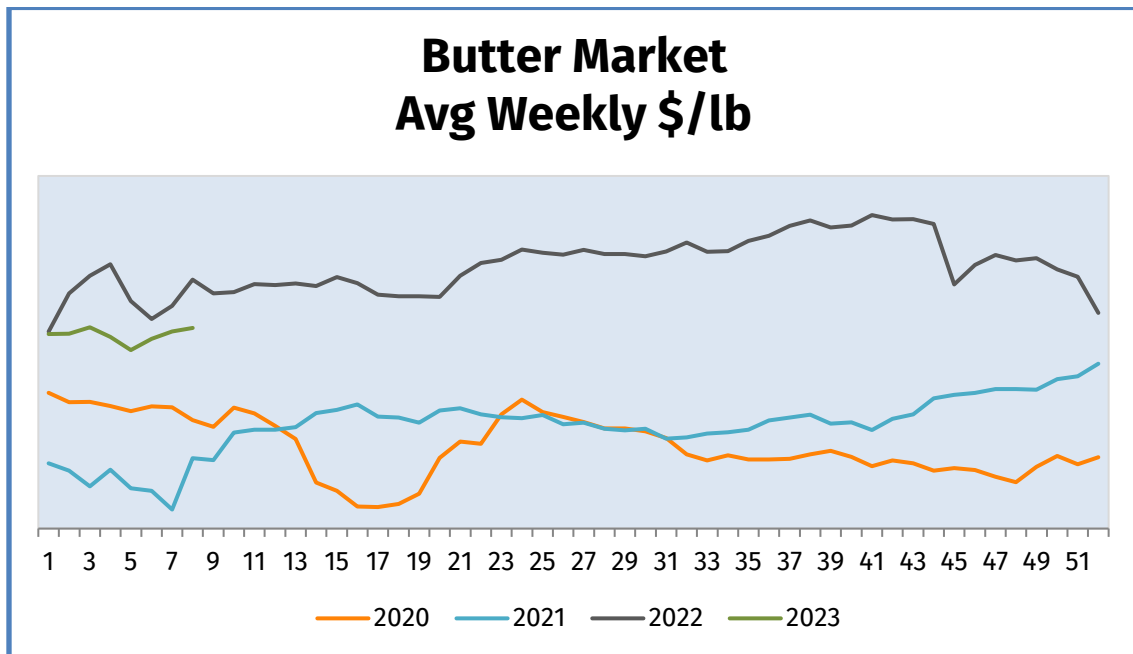
### Cheese Barrel Market Average Weekly \$/lb





## BUTTER

The market is weaker. The CME Butter market has moved lower as we moved into this week. Demand for butter is typically lighter as we move into mid to late February and this year seems to be in line with those seasonal trends. Cream supplies are reported as available and multiple plants have been operating full schedules trying to gear up for the expected demand of the upcoming Spring holidays. Some plants have been running 7 day-a-week schedules to prepare for the anticipated upcoming demand. Labor continues to be a concern and has hampered production in some regions. Export buying activity has eased compared to just a few weeks ago.

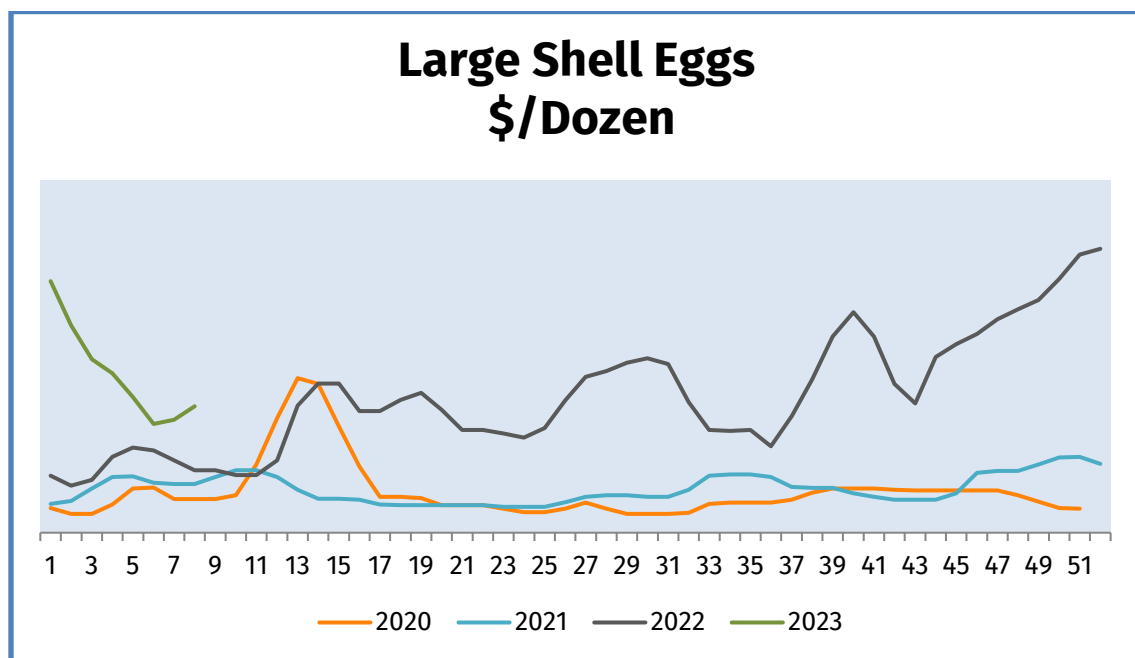




## EGGS

The market is steady to firmer. Retail demand has been showing improvement in February as grocers re-adjust their shelf prices lower in combination with current market conditions. Distributive business is on the rise as buyers look to replenish inventory. Demand for graded product, liquid whole egg, and whites is reported to be moderate to fair. With markets stabilizing on egg products, further processors continue a cautious approach on their weekly purchases.

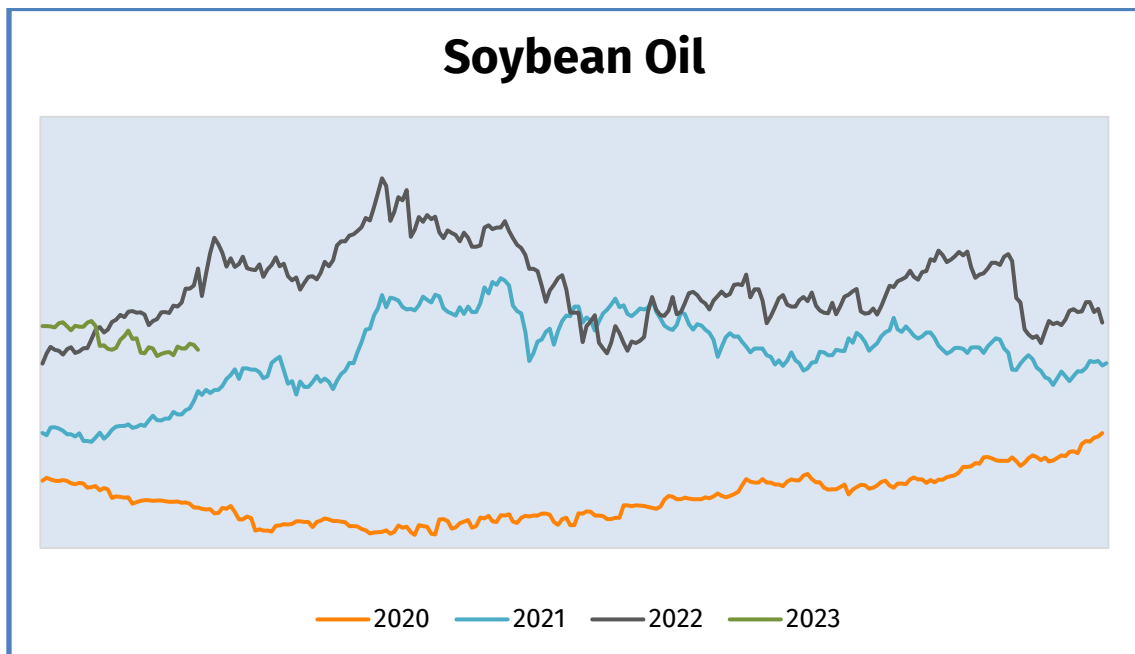
Supply is available in medium and large sizes. The market is moving higher on medium sizes and large sizes. National weekly shell egg inventory reports shell egg inventory down 2.9% and breaking stock inventory down 9.2% over last week.





## SOY OIL

The market remains firm. The weather in Argentina continues to be concerning. While the Mato Grosso region continued to see rain, Argentina had to deal with the early wrath of frost. How affected the soybean crop will be remains to be seen. Argentina is also looking at the possibility of high temperature conditions. The crush will have to be supported by beans from their northern neighbor, as the Brazilian crop looks to be in good shape. As the end of the crop season approaches in South America, the planting intentions for the US crop are drawing nearer, with acreage expectations anticipated to begin coming in from the US Farmers within the next week. The estimates are expected to be similar to the previous year.



## **CANOLA OIL**

The market remains firm. A 1.6% increase in canola acres going to 21.745 million acres is expected for the 2023/24 crop year. This is well below the 2017 peak in canola acres of 23 million acres. Canola acres will not move much this spring. In fact, there could be a decline as growers may opt to plant more wheat instead.

## **CORN**

Domestic – Market remains firm. Growing seasons for Northern Hemisphere areas start in April/May and harvest in Sep/Oct/Nov.

Global – The total global demand for corn is estimated at 1,180 MMT. The United States is the world's largest consumer of Corn with an estimated usage of 304.8 MMT. The second largest consumer is China at 295 MMT. Rainfall in central Brazil is expected to slow the harvest in the region. A delayed soybean harvest will slow the planting of the country's second corn crop.

## **RICE**

While imports have been the highest on record (currently at 42 million tons), US rice exports of 62 million tons are forecasted to be the lowest since 1985/86 for both long-grain and medium-grain rice. The decline is primarily due to strong price competition from several South American exporters—especially Brazil and Uruguay.



