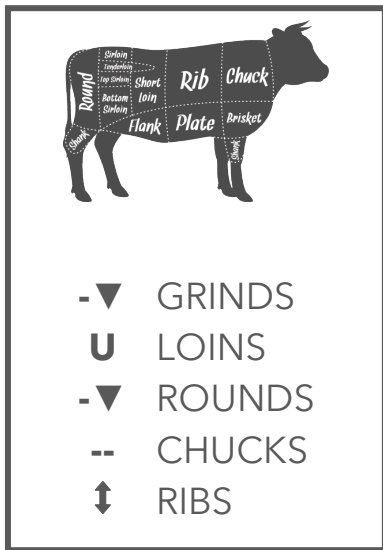
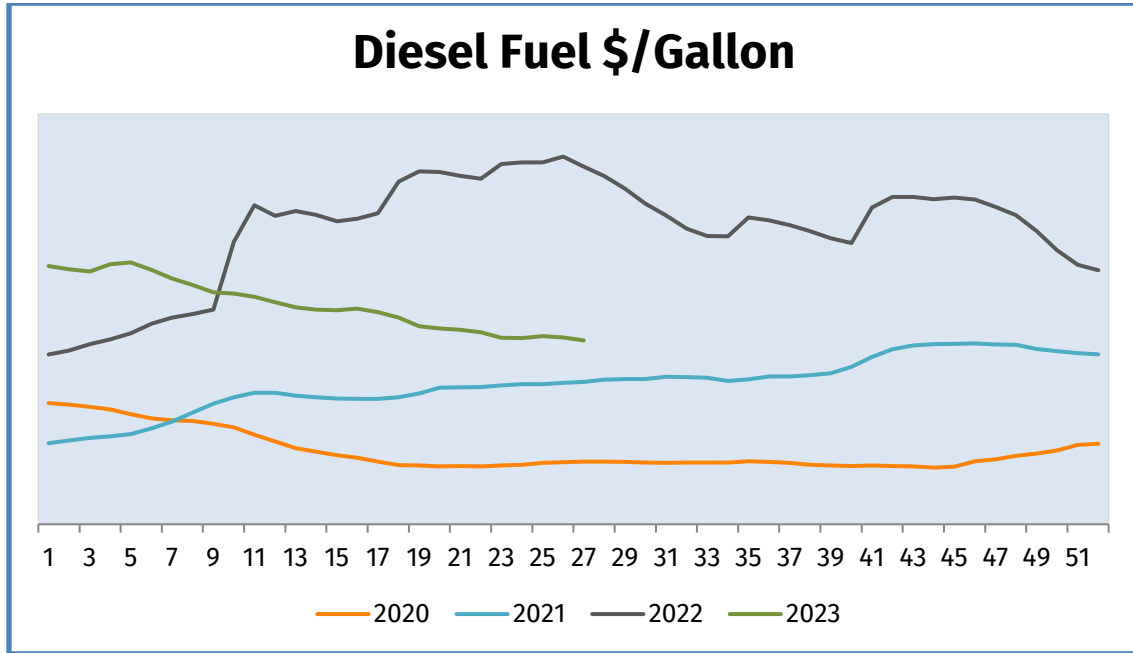




# Market Report

**WEEK ENDING | JULY 7, 2023**

Graphs represent data for the week ending June 30, 2023



## BEEF

The market is steady to weaker. Total beef production for last week was down 0.9% versus the prior week and up 0.9% compared to the same week last year. Year to date, total production is down 4.6% compared to the same timeframe last year. Total headcount for last week was 644,000 as compared to 641,000 for the same week last year. Year to date, the total headcount is 16.88 million head which is down 3.4% from last year. Live weights for last week were down 4 lbs. from the prior week and up 3 lbs. from the same time last year. The supply side remains tight with limited supply and cattle going to market. The choice beef cutout rally that occurred in June appears to have hit its peak and exceeded the runup in 2021. From a trend standpoint, these choice cutout values are slowly moving lower,

and this is comparable to what happened in calendar 2021. Live cattle futures remain historically high but are unsettled as the August levels are receding from their peak values. Cattle supplies are forecasted to be even tighter as the year moves forward. As a result of the high beef market, retail steak prices continue to rise on a monthly basis this year. Forward purchasing continues to be slow which is a sign of fewer beef features and promotions. Most primal categories are holding steady but soft undertones are starting to develop.

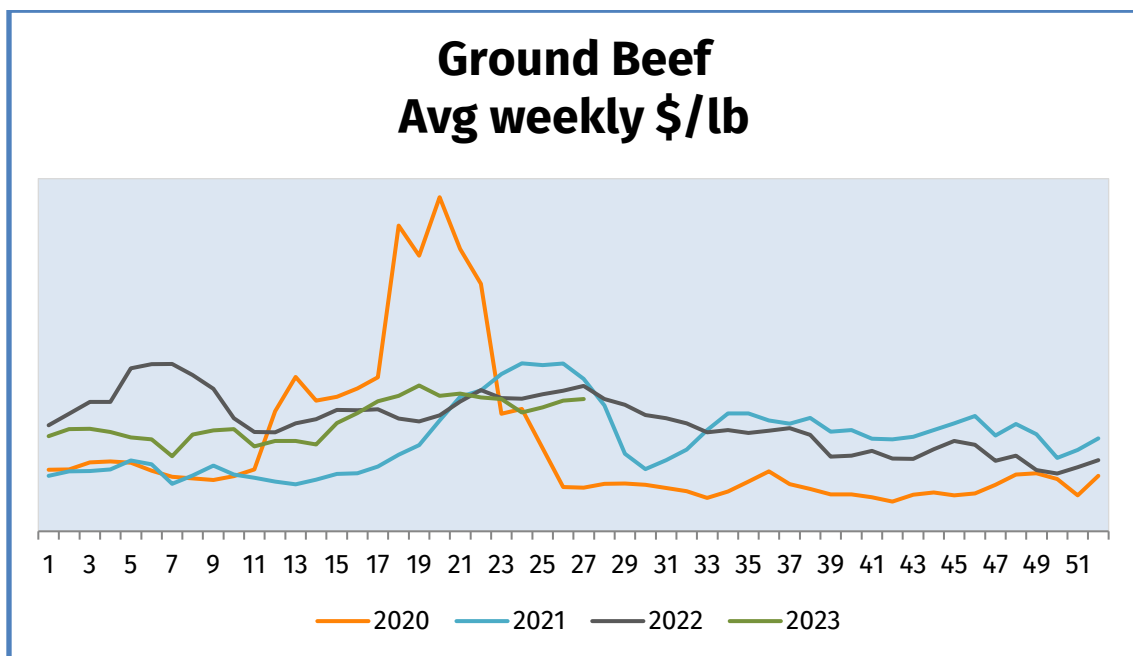
Grinds – The market is steady to weaker. Holiday demand from the retail and foodservice channels was reported to be moderate to good. Availability varies among the packers. Market levels on basic grinds are starting to experience some downward pressure following the holiday.

Loins – The market is unsettled. Demand is moderate to good. Limited supply during the holiday week kept supply in check. Availability remains mixed between the packers. Market levels were holding firm, but trade levels with some packers are being pressured lower.

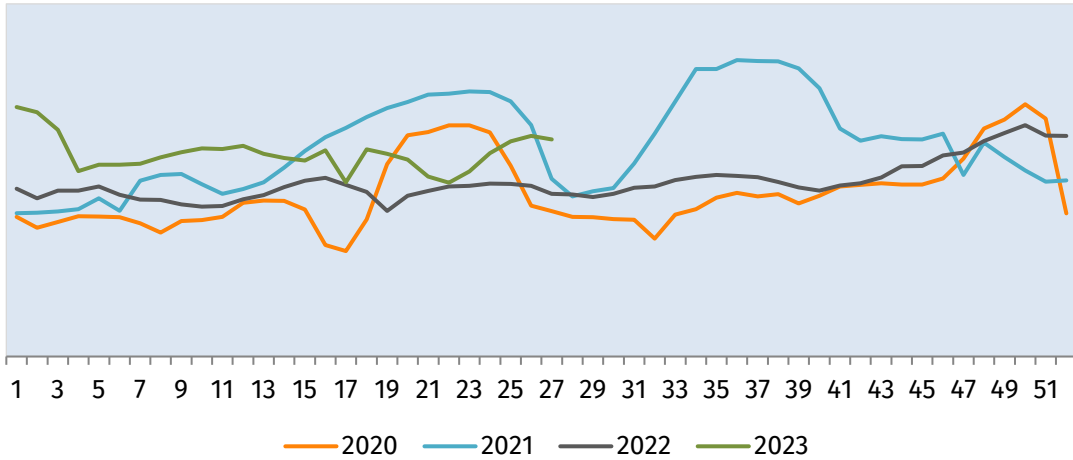
Rounds – The market is steady to weaker. Demand has slowed a bit for choice and select products over the last month. Availability varies among packers. Market levels peaked in mid-June and have moved slightly lower.

Chucks – The market is steady. Choice and select product remain in a close range. Demand has been slowing down since late May but appears to have found some stability. Markets levels are mostly flat.

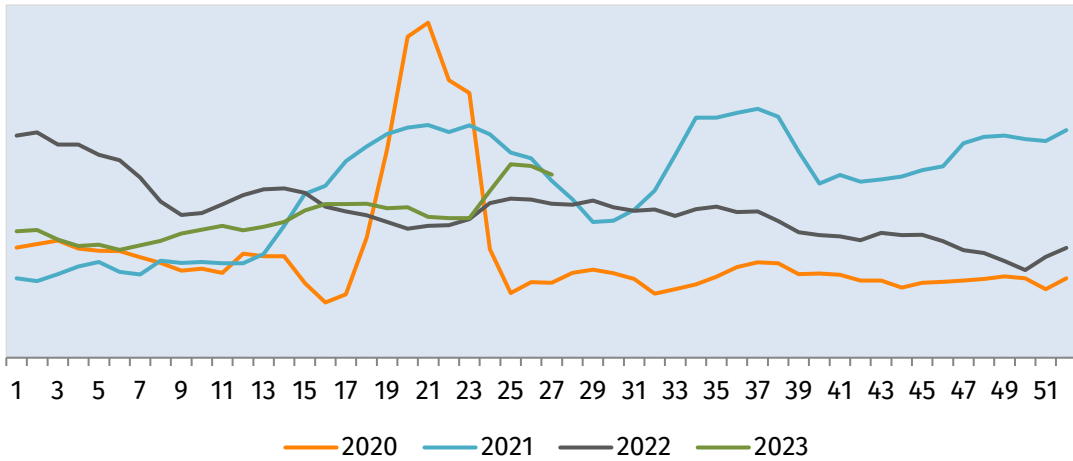
Ribs – The market is mixed. Demand was strong heading into the July 4th Holiday. Availability is mixed between the packers. Depending on plant availability, trade levels are moving higher and lower depending on the packer.

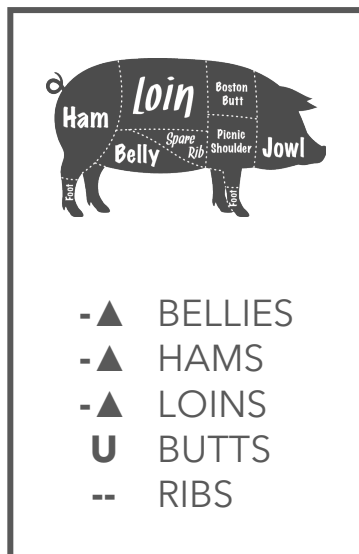
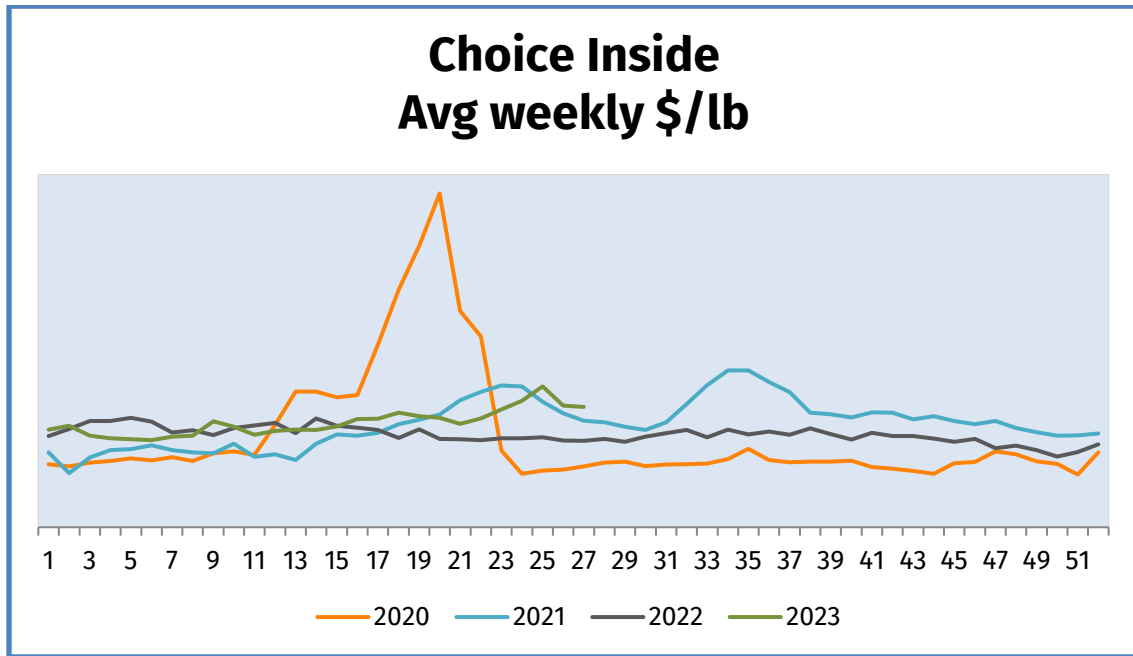


### Choice Ribeye Heavy Avg weekly \$/lb



### Choice Brisket Avg weekly \$/lb





## PORK

The market is steady. Total pork production for last week was down 1.9% versus the prior week and up 2.3% compared to same week last year. Total headcount for last week was 2,332,000 as compared to 2,284,000 for the same week last year. Live weights for last week were down 1 lb. compared to the prior week and up 1 lb. versus last year. Holiday demand and summer foodservice business is keeping the category well supported. Production numbers are holding steady and improved seasonal demand is keeping trade levels fairly stable. Domestic demand for loins, butts and ribs is moderate to good. Export volume remains fair. Markets continue to maintain a steady to firm undertone on most fresh primals.

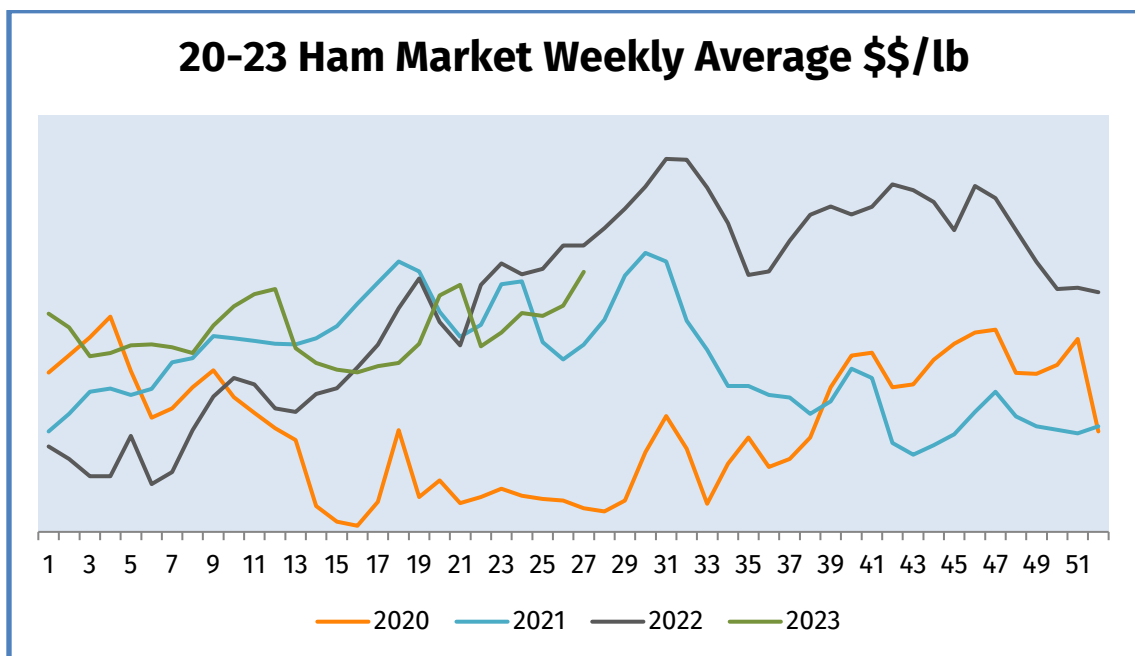
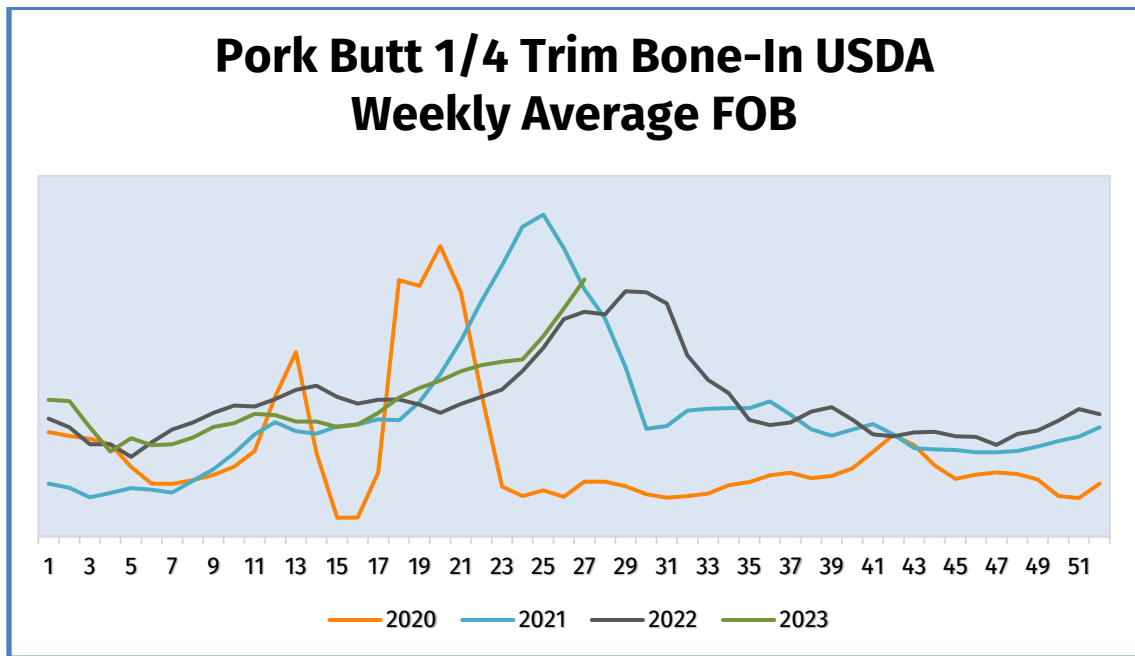
**Bellies** – The market is steady to firmer. Demand is good and has been consistent over the last month. The market is being pressured a bit.

**Hams** – The market is steady to firmer. Demand has been active over the last month for cold cuts, retail deli, and sandwich business improves. Supply varies among packers. Market levels are inching higher.

**Loins** – The market is steady to firmer. Promotional features during the holiday gave added support to the category. Product availability is tight. Market levels are holding even bone-in product and moving slightly higher on boneless.

**Butts** – The market is unsettled. Seasonal demand for butts remains moderate. As market prices and retail prices have risen, demand is showing some signs of correcting. Availability varies by plant. Trade levels are at historical highs and trading in a wide range.

Ribs – The market is steady. Foodservice and smokehouse demand is nearing its peak seasonality and demand is moderate to good. Availability remains varied by supplier. Market is holding firm on spareribs, St. Louis ribs, and back ribs.





## CHICKEN

The market is steady. Total headcount for the week ending 7/1/2023 was 169,408,000 as compared to 171,973,000 for the same week last year. The average weight for last week was 6.31 lbs. as compared to 6.27 lbs. for the same week last year. Industry demand for boneless breast, tenders, wings, and leg quarters is moderate to good following the July 4th Holiday. WOGS and 8pc cutups continue to show sluggish activity. Export demand on leg quarters is reported to be good. On the supply side, packers missed a day of production and will try to pick it up after the holiday.

WOGS - The market is weaker. Higher menu prices at QSR's and retail deli are the main factor for the slowing demand. As demand slows down, excess supply is being reported on premium sized

WOGS and cutups. Market levels are trending downward.

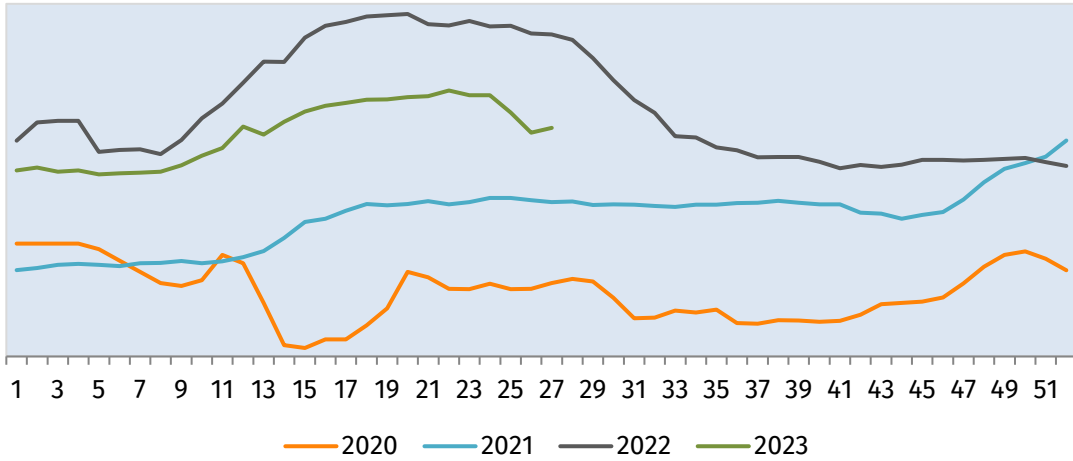
Tenders - The market is steady. Foodservice and QSR demand receded a bit in June due to higher menu prices. Demand is in balance with the supply side on select and jumbo sizes. The market for select and jumbo sizes is moving sideways.

Boneless Breast - The market is steady. Retail demand got a boost with holiday shoppers and consumers grilling out over the long weekend. Foodservice and further processing demand is fair at best. Supply is available in all sizes. The market was declining and appears to have found a floor.

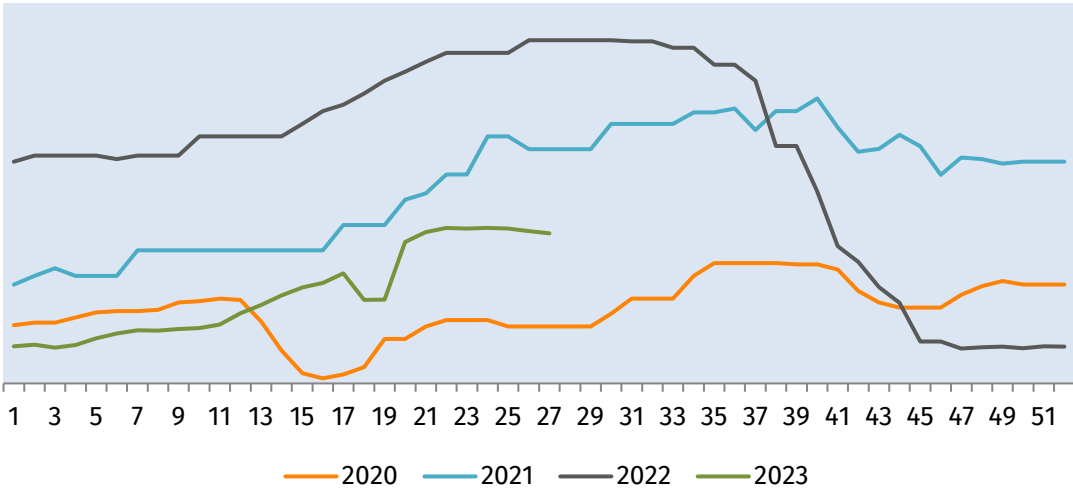
Leg Quarters and Thighs - The market is steady to firmer. Export volume is good and retail business on 4/10 leg quarters is good due to holiday features. Supply varies by plant. The market is holding firm on leg quarters and moving higher on thigh meat.

Wings - The market is unsettled. Week over week, the category remains mostly unchanged, but jumbo wings are getting some added foodservice activity. Supply is available with some excess. The market is moving higher on jumbo wings while the smaller sizes are 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 the week ending 7/1/2023 was 4,061,000 as compared to 3,698,000 for the same week last year. The average weight for last week was 30.91 lbs. as compared to 30.33 lbs. for the same week last year. Category demand is trending soft as purchasers play wait and see in a declining market. Whole birds remain mostly sold-out, but more and more spot loads are being shown on a weekly basis. Demand for breast meat, parts, and dark meat is slow due to other proteins getting the holiday promotional business. Export sales are fair at best and still challenged by HPAI restrictions. Slaughter numbers continue to be lower than past annual standards. Market levels on parts are trying to hold steady, but overall values continue to trend downward.

**Whole Birds** - The market is steady. Overall demand is a result of pre-booked loads. Spot loads that are being offered are not being met with enthusiasm and lower values are being entertained. Supply is tight depending on size. The market is holding even.

**Breast Meat** - The market is steady to weaker. Higher retails, higher deli price points, and higher menu prices are all contributing factors to diminishing demand. With fresh and frozen supply combined, some excess is being reported. Market levels continue to have soft undertones.

**Wings** - The market is steady to weaker. Export demand for whole wings is slowing down and domestic volume on two-joints is fair. Supply is available on a plant-by-plant basis. The market is moving lower.

**Drums and Thigh Meat** - The market is weaker. Export demand for Tom drums is slowing down and domestic volume on boneless thigh meat has stalled a bit. Supply varies by plant. Market levels continue to move lower.



## SEAFOOD

**Gulf Shrimp** – The market is unsettled. Demand for domestic Gulf Shrimp has trended down due to competitive pressure from the import market.

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

**White Shrimp** – The market is steady to weaker. Supplies are adequate to fully adequate for the current lackluster demand.

**King Crab** – The market is steady to weaker. Demand has been lighter and has helped to push the market lower. Year-to-date imports are down dramatically versus the same time period in 2022.

Snow Crab – The market is steady to firmer. Light supplies to start the 2023 season have been met with firmer demand.

Warm Water Lobster Tails – The market is unsettled. As sellers are still looking to mitigate remaining inventories, Brazilian product has entered the marketplace. Buyers are waiting to see where the market will settle.

North American Lobster Tails – The market is steady to firmer. Lighter supplies to start the season are being met with increasing demand.

Salmon – The market is unsettled to weaker. Demand continues to be lackluster while supplies remain steady. The market for frozen fillets out of Chile remains weaker. Supplies are still readily available, and demand remains low.

Cod – The market is unsettled. Demand remains below expectations as supplies continue to be adequate to fully adequate.

Flounder – The market is steady. The market is mostly unchanged.

Haddock – The market is slightly weaker. The market is mostly unchanged but seeing lower pricing on all sizes. Supplies are reported as fully adequate for a quieter demand.

Pollock – The market is mostly steady.

Domestic Catfish – The market is firm. Inventories of all sizes are limited, and this trend is expected to continue as we move through the spring.

Tilapia – The market is steady. Year to date total, Tilapia imports are trending down 7% compared to this time last year.

Swai – The market is weaker. Year to date total, Swai imports are trending down over 47% compared to this time last year.

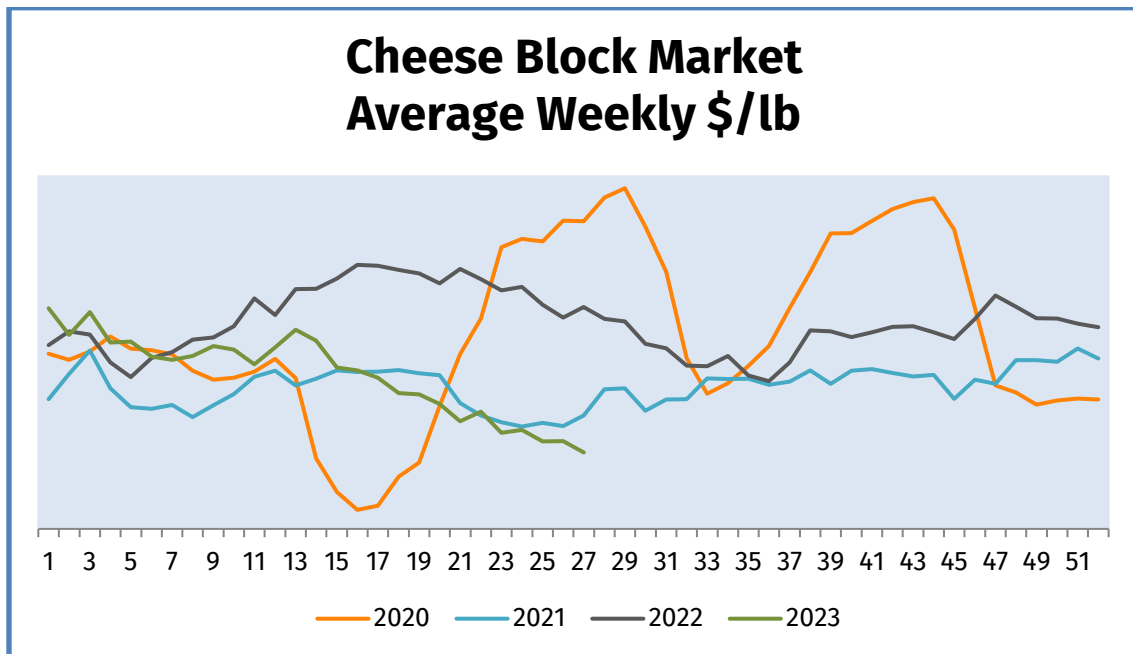
Scallops – The market is steady to slightly firmer. Recent landings have been on the lighter side and met with moderate demand.

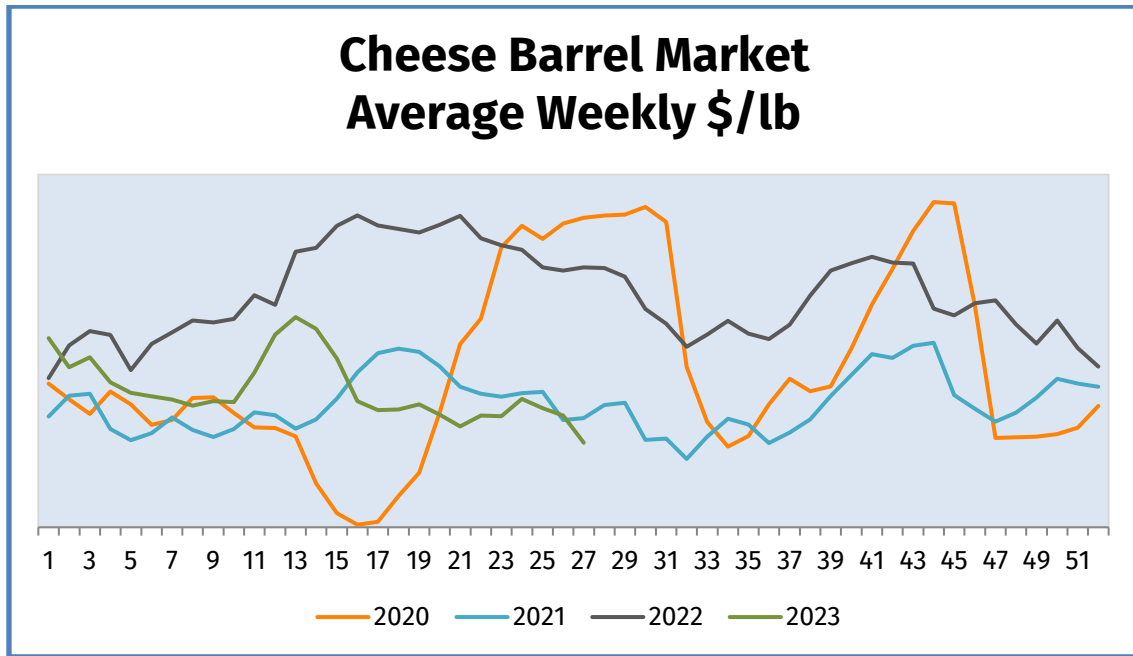


## CHEESE

The market is mixed. The CME Block market was mixed as the week progressed but trended firmer than the week prior. The CME Barrel market moved slightly firmer as the week progressed, however the market moved weaker than the week prior. Milk remains available for cheesemakers throughout all regions.

Retail demand is reported as mostly steady and foodservice demand is reported as steady strong heading into the weekend before Independence Day. Overall, cheese market tones remain under some bearish pressure, particularly regarding cheese blocks. Steady milk flows & soft demand continue to fuel downward movement in the CME Cheddar Block markets. As we move through the summer season, cheese demand has begun to outpace production in the European market. According to the USDA's latest report, declining outputs in milk production in Europe is contributing to reduced availability to cheesemakers and to lighter overall production. Cheese inventories are reported as steady to lower and some cheese varieties are reported as tight in the international market. Export demand for cheese is unchanged from last week.





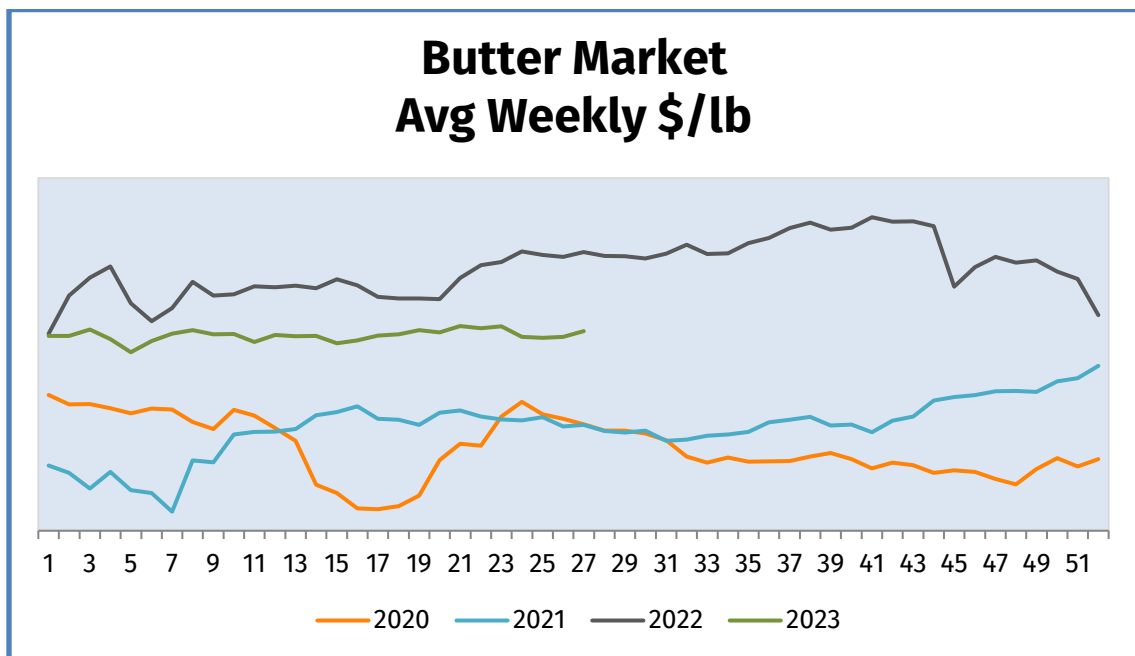
## FLUID MILK

The market is mixed. Milk production is reported as steady to weaker across many regions, according to the latest USDA report. High temperatures and humidity across many regions have contributed to hampered cow comfort and lower milk outputs. Milk supplies are readily available, and, in some regions, it is reported that supplies are stronger than what is needed. Some regions have reported seasonally strong ice cream production has drawn on some of the available cream volumes but that has not impacted butter production. There is strong demand for cream from ice cream makers, but it has been reported that the demand is lighter in comparison to previous years. According to the latest USDA report, soft serve mixes have been in higher demand than hard pack ice cream products. Class I Fluid Milk demand is reported as lighter as many educational facilities are currently on their summer breaks. Class II Ice Cream demand is reported as heavy. Recent drought monitoring indicates there are several regions in moderate to severe drought conditions which have begun to affect output of those regions, thus causing some ongoing concerns. Global milk supply is showing signs of contracting in the coming months.



## BUTTER

The market is firmer. The butter market moved firmer as we progressed through the week and trended firmer than the week prior. Cream remains readily available in most regions of the country. Several operators continue to report steady production schedules with some reporting churning seven days a week. In some regions, butter makers report they did not anticipate running busy schedules at this point in the year but due to strong cream availability they are able to contribute to continued strong butter production. Retail demand for butter was reported as steady to strong across all regions ahead of the weekend heading into Independence Day. The holiday also contributed to steady to strong food service demand through most regions. Inventories and supplies are reported as steady and stable across all regions according to the latest USDA report.



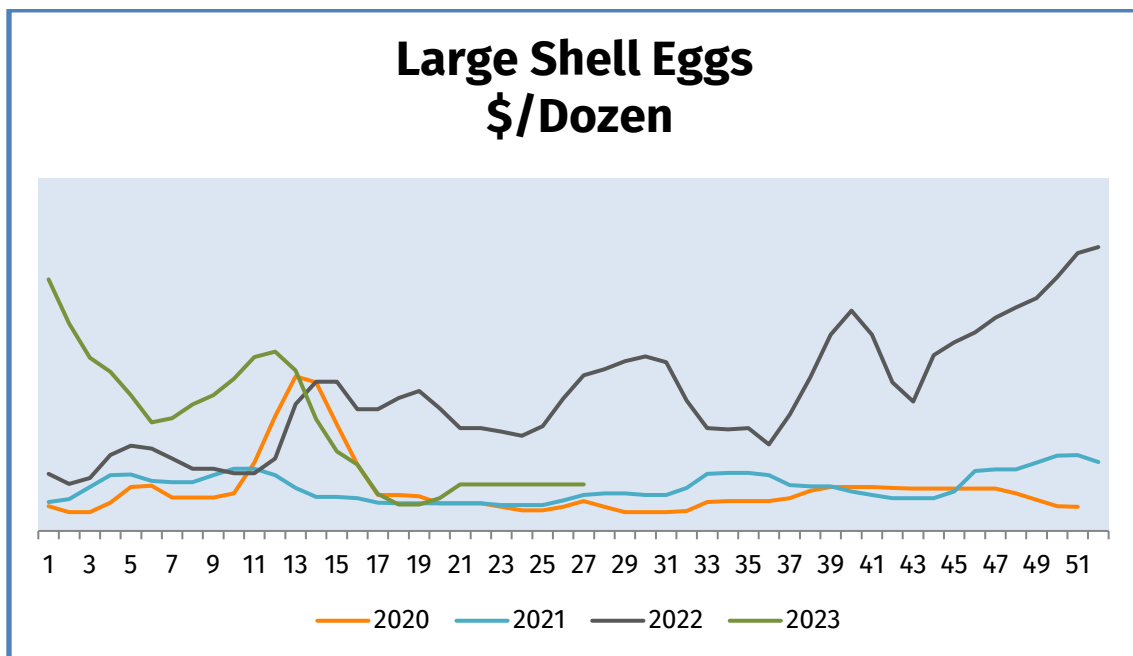


## EGGS

The market is steady. Retail demand is moderate to good. Consumer purchasing during the summer tends to be a bit slower. The USDA's National Retail Report shows that retail prices have climbed a bit over the last couple of weeks. Foodservice and distributive business is reported to be moderate to fair. Export business is steady and mostly uneventful.

Demand in the egg products category remains moderate to fair. Across the industry, most further processors are losing a day of production this week and that has softened demand for raw material. A bit of surplus raw whole egg is being reported, but availability on liquid whites remains fairly tight. Values on liquid products and liquid whites are holding fairly steady week over week.

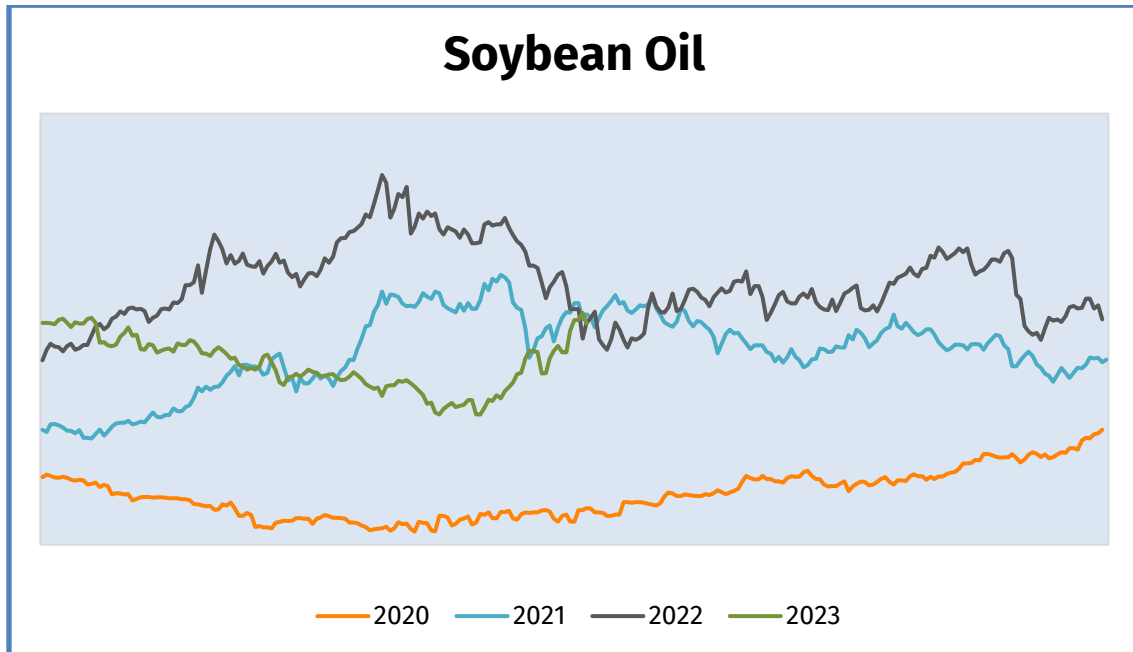
Supply is available on medium and large sized shell eggs. The market is flat in both medium sizes and large sizes. National weekly reports show shell egg inventory down 4.4% and breaking stock inventory down 2.0% over last week.





## SOY OIL

The market is unsettled. The market has seen both higher and lower pricing over the past few days. We came into this week with upward pressure due to reports of lower production numbers. The market became more unsettled as the week progressed due in part to positive weather reports and lower than expected energy consumption numbers.



## FLOUR

The market is firm. Concerns over US. Wheat yields and quality, European wheat production and dryness in Canada are on the rise. Another topic of concern in the market is whether the Black Sea Grain corridor will be renewed, as it is due to be extended in less than two weeks. The previous renewal wasn't as critical as most of the old crop had been exported for the year. This renewal would be for new crops. Crop conditions for Winter Wheat released by the USDA remained steady at 40% in the good/excellent category. Harvest completion increased from 24% to 37% complete. This continues to trail last year's numbers of 52% as well as 46% for the five-year average. Spring Wheat good-to-excellent conditions declined 2 points going from 50% to 48%.

