



Market Report

Week Ending January 22, 2021

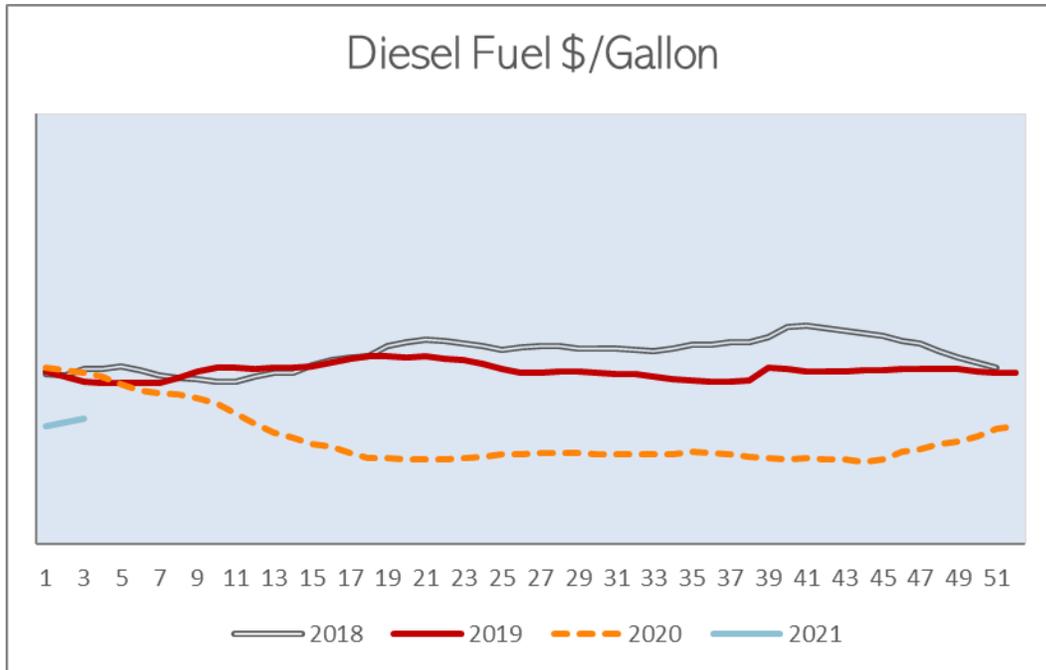


Graphs represent data for the week ending January 15, 2021



LOGISTICS

Capacity is expected to remain more limited as we move through January with the possibility of reduced driver availability. Most carriers have already discussed increased costs across all freight lanes as we start 2021. This combined with typical unfavorable seasonal weather conditions as we move through January into February are expected to keep continued pressure on costs, reduced availability, and possibilities of late trucks as we move through the coming weeks.



- ▲ GRINDS
- ▲ LOINS
- ▲ ROUNDS
- ▲ CHUCKS
- ▲ RIBS

BEEF

Market is firmer. Total beef production for last week was even with prior week and was up 4.3% compared to same time last year. Total headcount for last week was 651,000 as compared to 633,000 for the same week last year. Live weights for last week were up 1 lb. from prior week and up 14 lbs. versus same time last year. Brisket demand has been very good for the past several days with buyers looking to cover their needs ahead of St. Patrick’s Day and this week has seen the market continuing to push higher. Beef purchases have been stronger to start the new year and are helping to give the market a boost as pricing has moved higher on several items as we moved through this week.

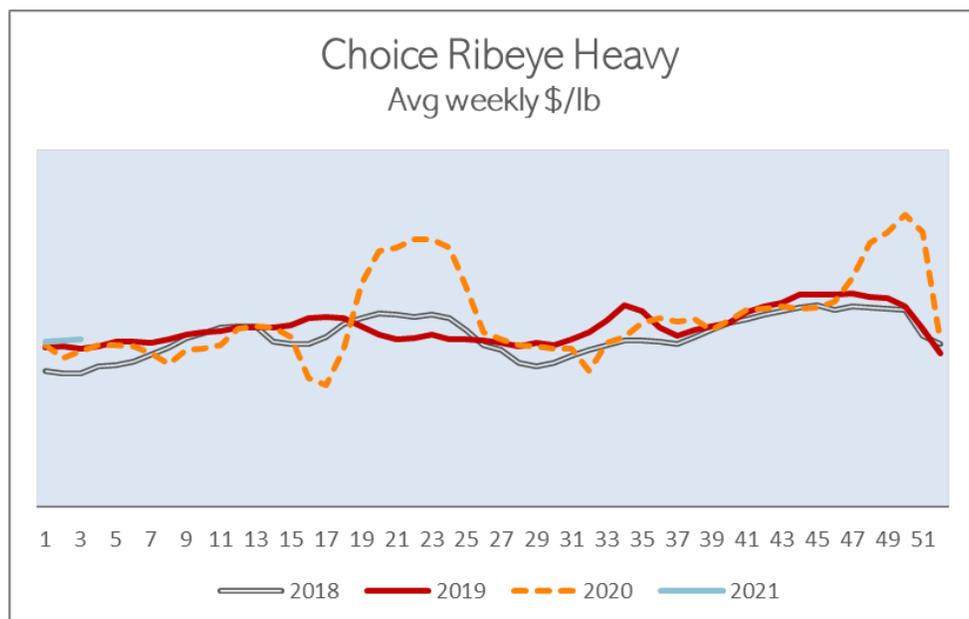
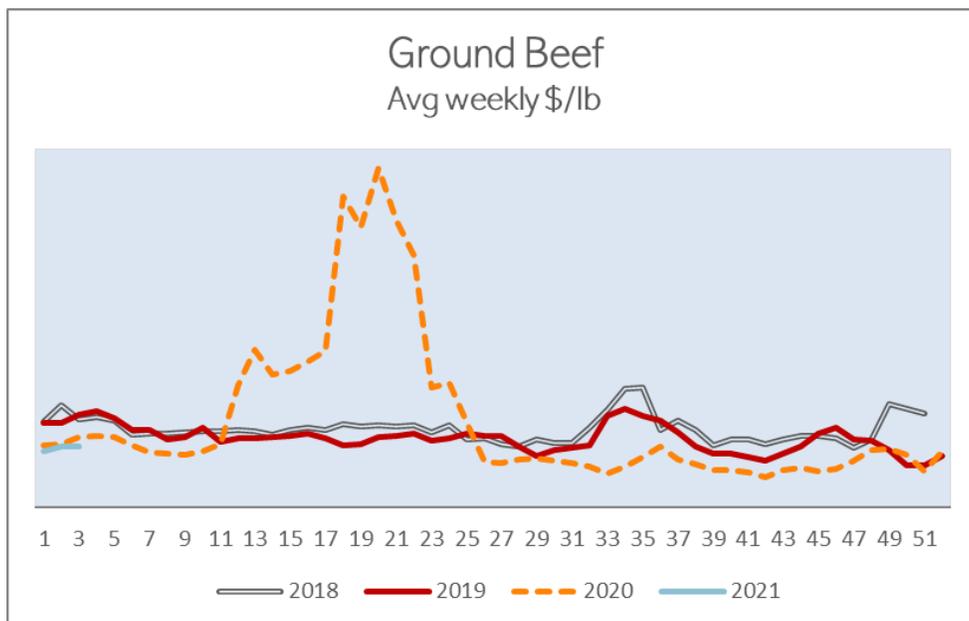
Grinds- Market is firmer. Demand has been very good for the past several weeks and keeping pressure on the market. Retail demand has been seasonally strong and keeping pressure on inventories.

Loins- Market is firmer. Buying activity has been improved as we move through January with multiple items seeing upward pressure on pricing.

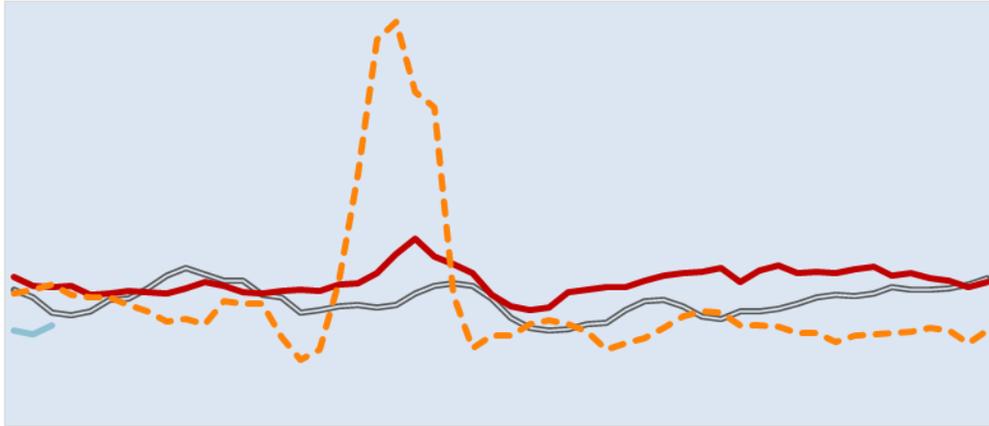
Rounds- Market is firmer. Retail demand has been very good for the past several days and helping to keep pressure on the market.

Chucks- Market is firmer. Good retail advertising combined with improved seasonal demand are helping to move additional inventories.

Ribs- Market is steady to firmer. The market saw its typical sharp seasonal decline as the year came to an end but the market has moved higher again over the past several days. Buying activity is good and helping to move inventories.

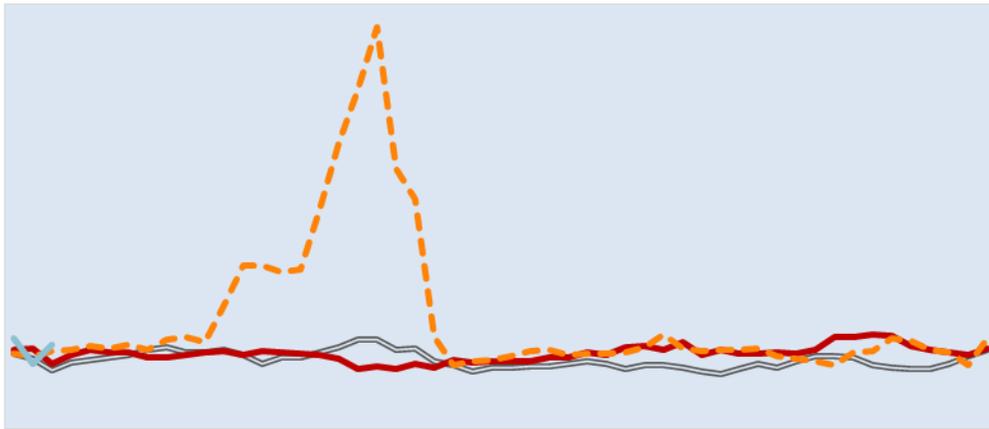


Choice Brisket Avg weekly \$/lb

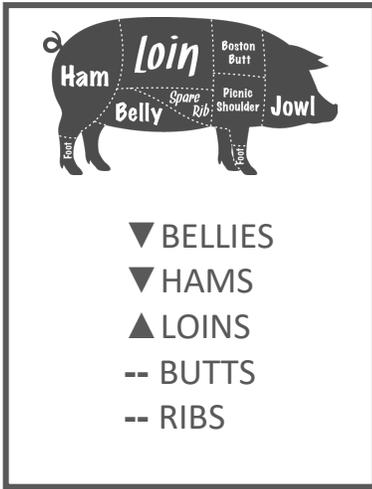


— 2018 — 2019 - - - 2020 — 2021

Choice Inside Avg weekly \$/lb



— 2018 — 2019 - - - 2020 — 2021



PORK

Market is mixed. Total pork production for last week was down 6.7% versus prior week but was up 7.6% compared to same time last year. Total headcount for last week was 2,654,000 as compared to 2,496,000 for same week last year. Live weights for last week were even with prior week but up 4 lbs. when compared with same time last year. Buying activity has been more unsettled on multiple cuts this week with many cuts reversing trend from prior week. Export demand has eased from prior week helping to take some pressure off the market. Retail demand is good while Foodservice demand remains fair.

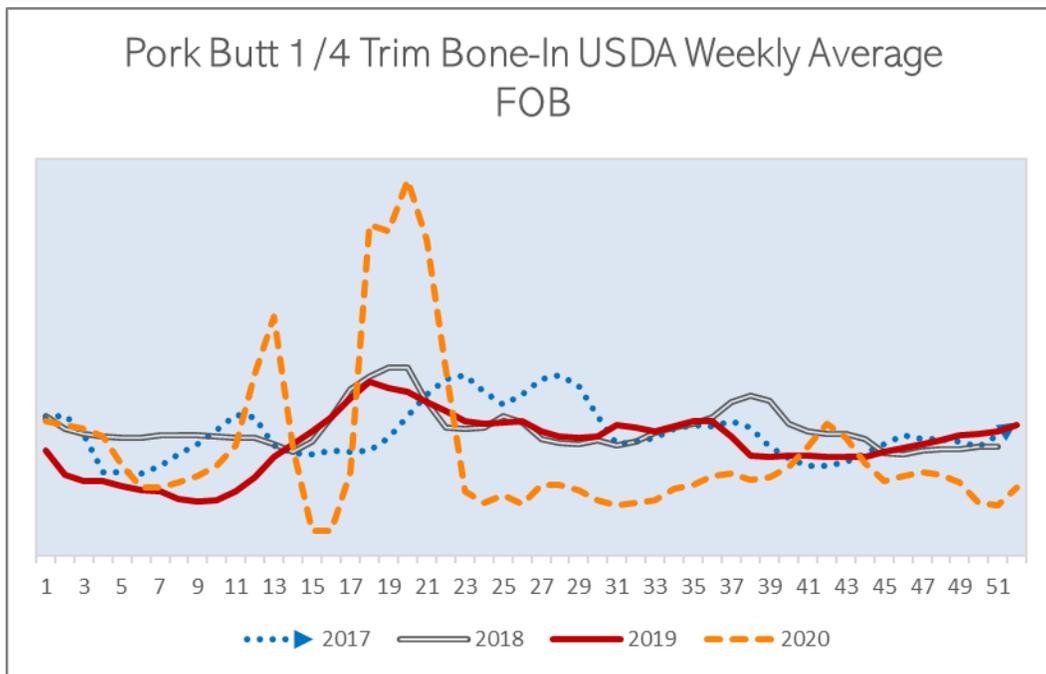
Bellies- Market is weaker. Buying activity has eased as we moved into this week.

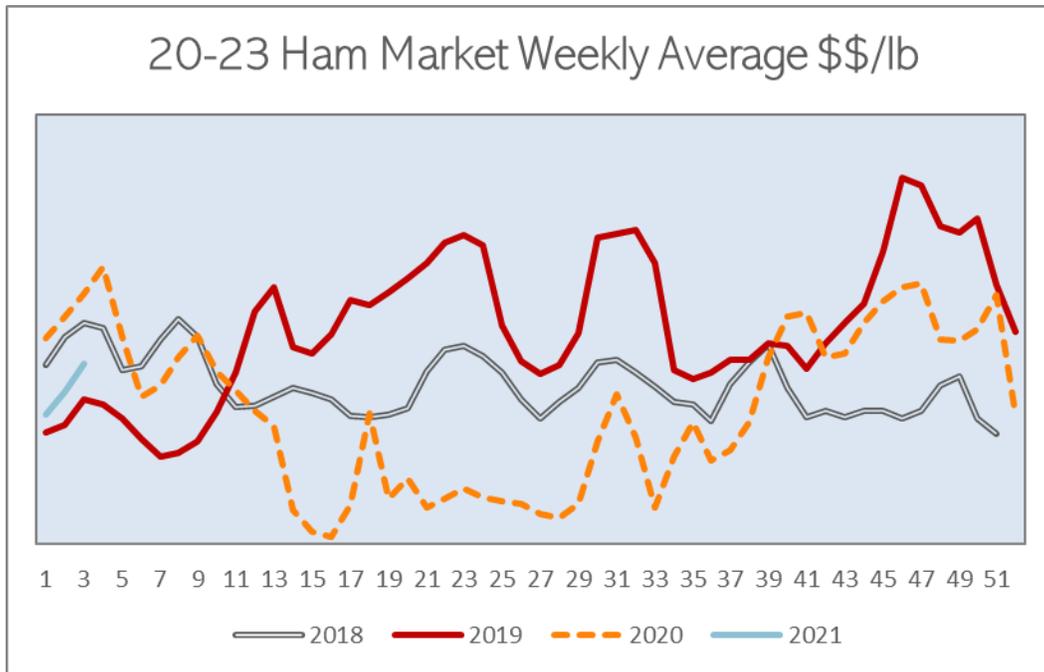
Hams- Market weaker. After seeing several straight weeks of increases the market has seen lighter buying activity giving some relief to the higher prices. Easter buying activity is expected to help keep pressure on available inventories over the coming weeks.

Loins- Market is firmer. The market has moved higher as this week has progressed. Available inventories are mixed between suppliers.

Butts- Market is steady.

Ribs- Market is steady.





CHICKEN

Market is firmer. Total headcount for last week was 168,939,000 as compared to 174,538,000 for the same week last year. Average weights for last week were 6.35 lbs. as compared to 6.33 lbs. for the same week last year. Chick placements on fryers for week ending 2/20/21 are estimated at 164.8 million headcount. Placements for previous week were 162.3 million and same week last year was 163.6 million. Retail demand is being reported as good and foodservice activity is moderate depending on the region of the country. Production schedules continue to run at reduced levels. Bird weights continue to be reported as heavier than desired. Demand for WOGs, boneless breasts, tenders, and parts is improving. Wing demand is remains extremely strong. Export activity for leg quarters remains consistent while dark meat demand is starting to improve. There is some industry news and speculation that exports to China may increase in the upcoming weeks. Supply is available across most categories with wing availability tight.

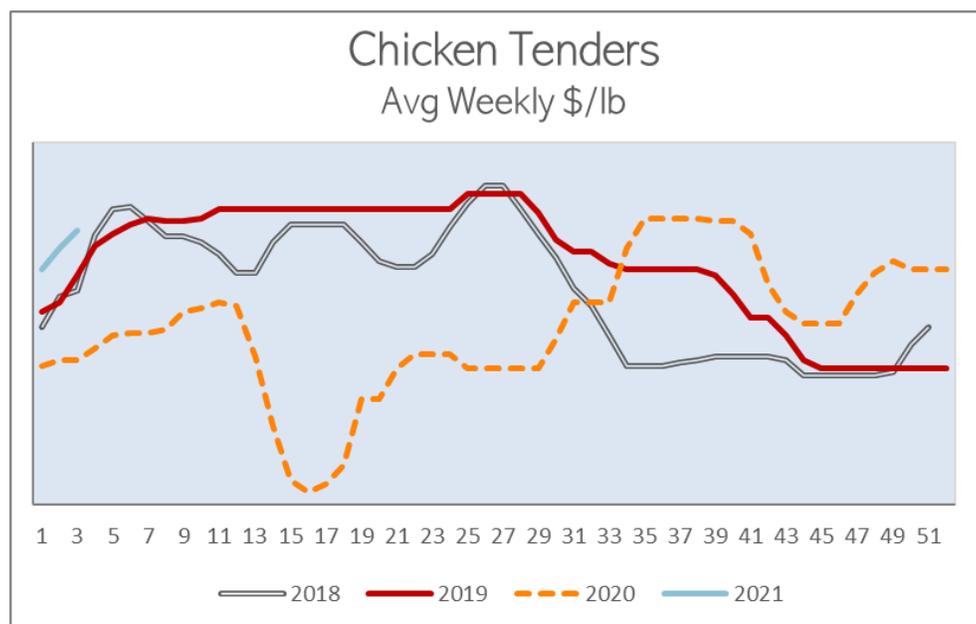
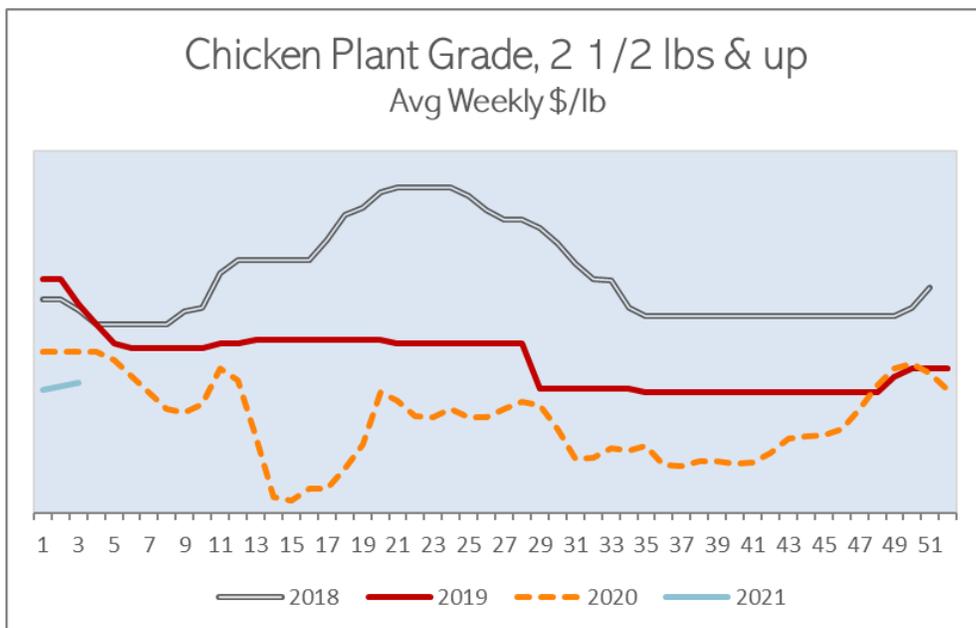
WOGS- Market is steady. Overall demand for 8pc cutups remains consistent from fast food QSRs and retail deli. Supply is available.

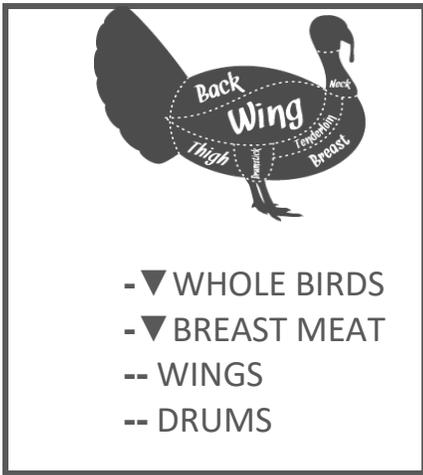
Tenders- Market is firmer. Fast food remains the key driver, foodservice is starting to improve, and further processors are starting to build inventory for the spring. Moderate to reduced production schedules are keeping supply tight.

Boneless Breast- Market is firmer. Retail demand is being reported as good and improving. Foodservice demand has been showing signs of improvement. In addition, further processors are starting to create their springtime build on filet and nugget products. Reduced processing is keeping offerings moderate.

Leg Quarters and Thighs- Market is steady to firmer. Export demand for leg quarters remains consistent with logistics the key hurdle to manage each week. Activity on dark meat and boneless skinless thigh meat is on the rise. Supply is available. Market for dark meat is being pressured.

Wings- Market is firmer. Demand during wing season remains strong and well supported by foodservice. Carry out demand remains very high and fits into consumer purchasing trends. Further processors continue to seek small and medium wings to fill their production schedules. Supply remains tight on all sizes.





TURKEY

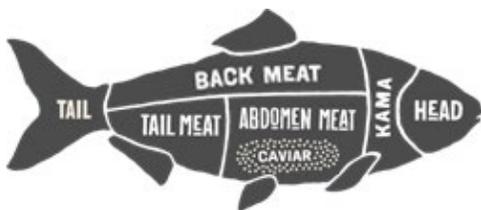
Market is steady. Total headcount for last week was 3,801,000 as compared to 4,181,000 for the same week last year. Average weights for last week were 33.59 lbs. as compared to 33.55 lbs. for the same week last year. The market on frozen whole birds has regained some footing and is now being reported as stable. White meats and trim demand continue to trend flat while turkey parts remain firm. Export demand for wings and drums continues to provide adequate support to the market. Supply for whole birds is available, parts remain tight, and white meats are available.

Whole Birds- Market is steady to firm. Now that bookings are starting to come across to the supplier community, weekly shipments and future shipments are providing adequate support to the market. Supply is available and some offerings are starting to be reported.

Breast Meat- Market is steady. Consumer shopping patterns are starting to improve, and retail business is the key driver. Retail deli and prepackaged meat sales are being reported as steady. Foodservice and sub shop activity is spotty depending on the region of the country. Supply is available on both fresh and frozen product.

Wings- Market is steady. Domestic and export demand remains consistent with tom sizes more requested. Offerings are limited, and market remains supported.

Drums and Thigh Meat- Market is steady. Domestic and international demand for drums remains mostly unchanged and enough to support market conditions. Thigh meat volume remains moderate to good. Supply is available.



SEAFOOD

Gulf Shrimp- Market is unsettled. Inventories are in light supply and keeping upward pressure on the market. Meaningful replacement inventories are not anticipated until later in the spring.

Black Tiger Shrimp- Market is mixed. The market remains in the same trends that have been seen for several weeks. Larger sized product continues to see lighter demand as this product is primarily used in the foodservice market and many restaurants continue to see lighter traffic. Smaller sized product has seen upward pressure with light inventories with a good demand.

White Shrimp- Market is unsettled. The market for product from Latin America has seen upward pressure as we moved through the past few weeks. The market for product from Asia has also become more unsettled after reports of October shrimp imports being the second highest amount ever on record. Logistic costs combined with higher production costs are putting additional pressure on the market. The overall market remains unsettled due to concerns related to COVID-19 and additional regions across the country tightening restrictions over the past few weeks.

King Crab- Market is steady to firmer. Inventories are light for a strong global demand.

Snow Crab- Market is firm. Demand has been strong for several weeks and is keeping pressure on limited inventories.

Warm Water Lobster Tails- Market is firm. Demand has been improved as we moved into this week and it is putting pressure on available inventories. Inventories will be lighter due to seasonal fishery closures.

North American Lobster Tails- Market is firm. Weather conditions have been less than favorable for fishing and have been hampering landings. Demand for Live Lobsters has been very robust for several months and has been keeping pressure on the market, but demand has been easing over the past few days. Inventories are limited.

Salmon- Market is steady to firmer. The market for product from Chile is steady to firmer. Production and logistic delays out of the region are putting additional pressure on that market. Retail demand has been very good as we moved into this week. Demand is improved out of the other regions this week and helping to put upward pressure on the market.

Cod- Market is mostly steady. COVID-19 is having an impact on overall demand as additional dining restrictions are impacting multiple regions across the country. Recent reports show that delays in shipments of imports are possible over the coming weeks due to heightened inspections. There has been a 6% reduction in the quota for product of Iceland.

Flounder- Market is unsettled. Inventories vary between suppliers, but overall demand has become lighter helping to keep the market more unsettled. A 25% tariff on twice frozen Sole/Flounder imports was in place starting on January 1, 2021.

Haddock- Market is firmer. Inventories are good for a fair demand. Icelandic Fishing Quotas have been increased 9% for the 20/21 season. Demand has been below expectations due to concerns related to COVID-19. 25% Tariff on twice frozen haddock imports was put in place on January 1, 2021.

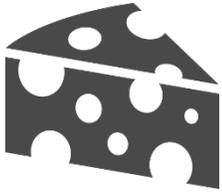
Pollock- Market is unsettled. Fishing has been below expectations and continue to result in more smaller sized fish. This is keeping continued pressure on larger sized product as it is in tighter supply as compared to the smaller sizes. Concerns related to COVID-19 have the market in a more unsettled tone.

Domestic Catfish- Market is unsettled. Production has been lighter than expectations and keeping pressure on availability. Shorts and allocations to orders have been commonplace. Pricing has been at higher levels for several months now.

Tilapia- Market is firmer. Increasing shipping costs combined with higher raw material costs are putting upward pressure on replacement inventories overseas. Demand has been improved over the past few weeks putting additional pressure on the market. Plants in China are at capacity as they try to get orders out ahead of Chinese New Year. Container availability for product coming out of China is limited and delays in shipments are likely over the coming days.

Swai- Market is unsettled. The current market is holding mostly steady but raw material costs overseas have been increasing and this combined with increasing ocean freight costs are putting upward pressure on replacement inventories overseas. Demand is fair.

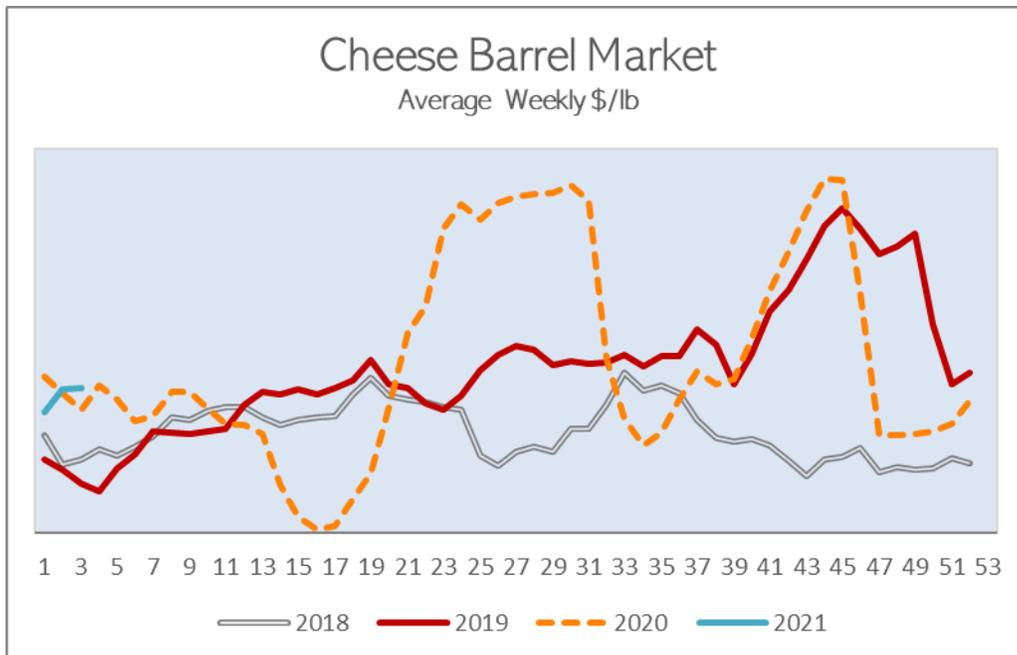
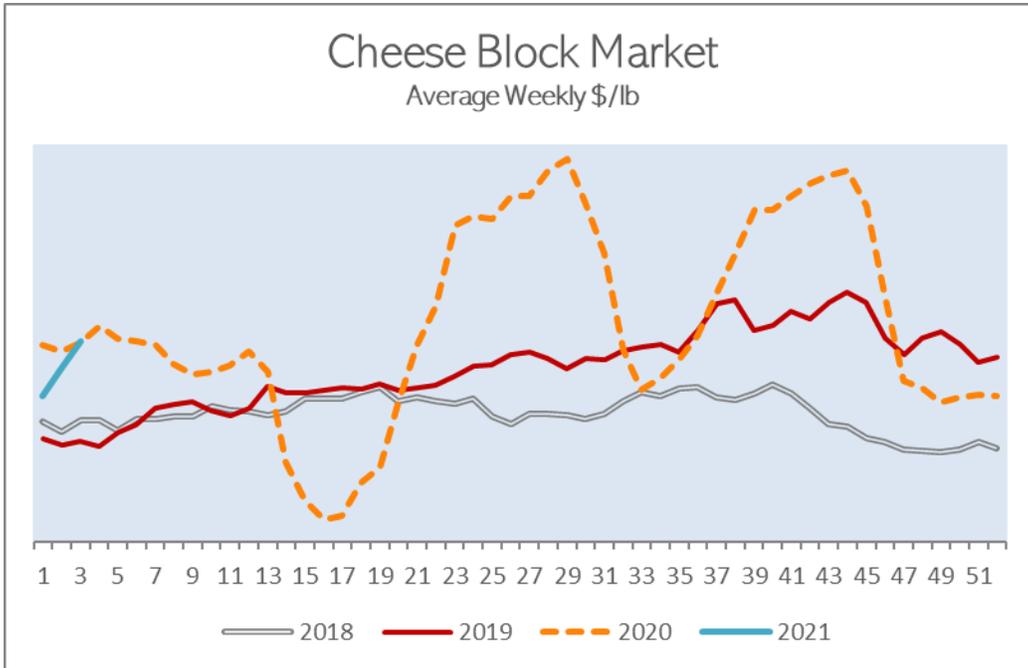
Scallops- Market is mixed. This week has seen the market on 20/30 ct domestic product ease lower as inventories on this side are very good for current demand. The past few weeks have seen other sizes inch higher on Domestic and product of Canada. The remainder of the market is holding mostly steady.



DAIRY

Cheese

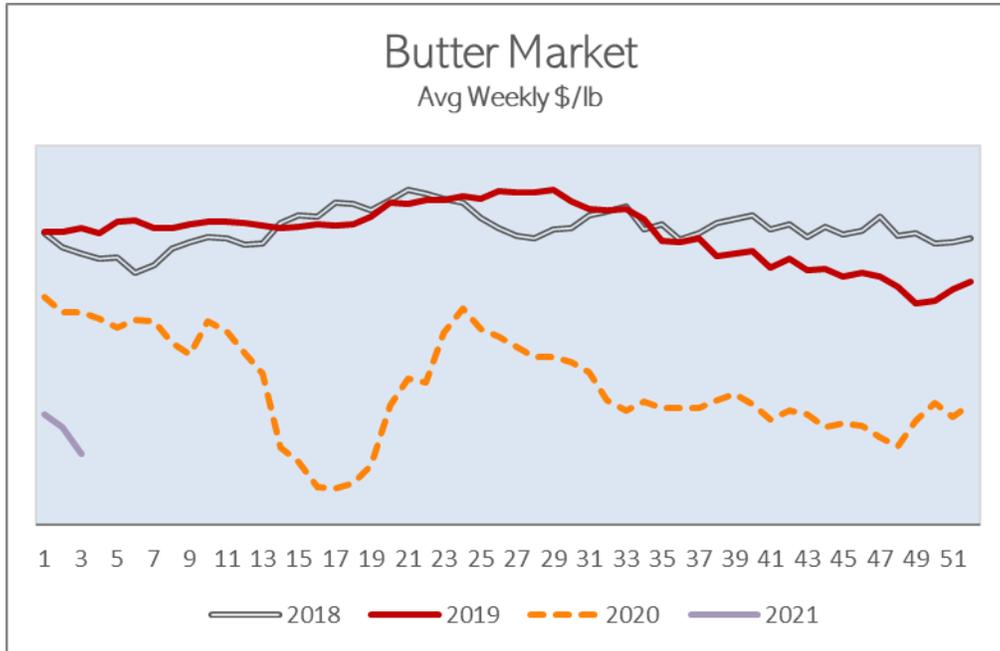
Market is weaker. The CME block and barrel markets have both moved lower this week. In the northeast producers report an uptick in overall demand. Production in the region is strong with milk supply readily available. Midwestern region producers have seen an increase in production since the holiday season ended. Demand is mixed. In the west producers have an abundance of milk supply. Production is active. Although with cheese inventories in a favorable position, producers are watching inventory levels carefully.





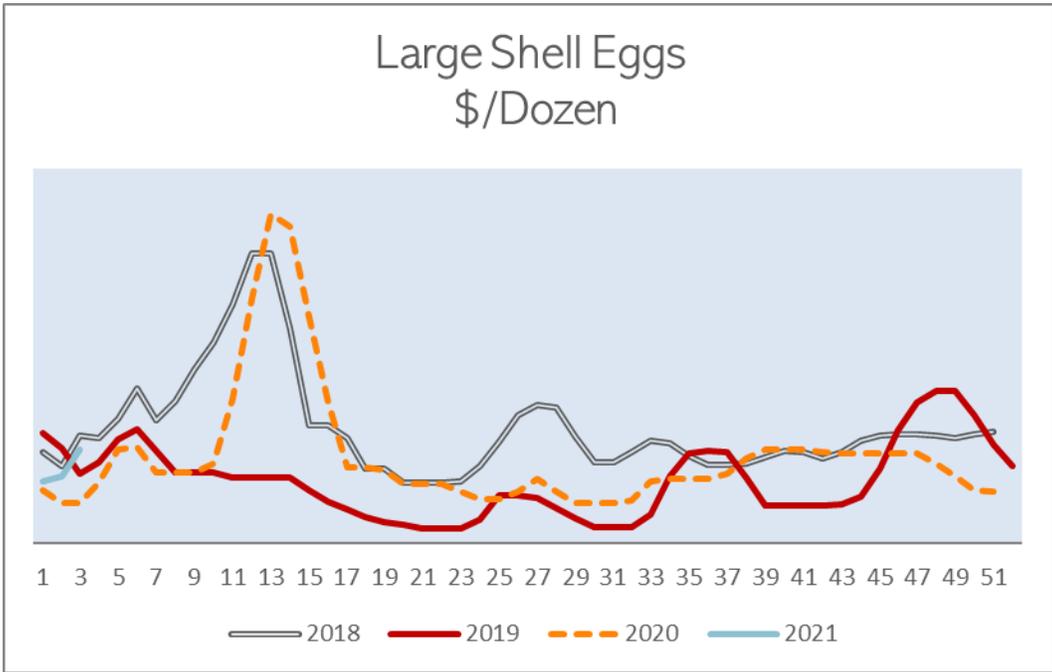
Butter

Market is unsettled. The CME butter market moved both higher and lower this week. Across the country butter production is increasing in conjunction with ample cream supply. Frozen inventories are also growing heavier than anticipated. In the east butter producers are watching closely as their production schedules rise to 7-days a week. Stocks are growing heavier. Demand for prints is good. Export interest is good as well. In the central region plentiful cream supplies are going into production of bulk butter. Western plants report similar sentiments in both cream supply and production levels. Retail demand is lighter post-holiday season.



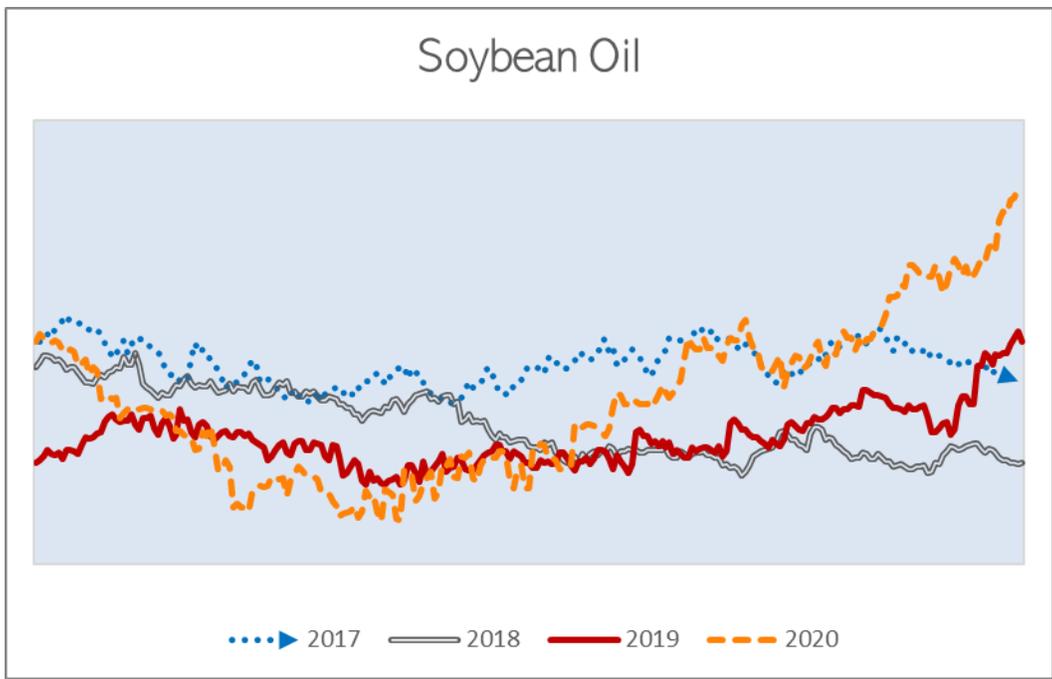
EGGS

Market is firmer. Industry news continues to revolve around how well retail sales have been on shell eggs to start the year. Retail demand, supported by regional ad activity, continues to be on the rise. Foodservice volume continues to be soft but is showing some signs of improvement. The QSR segment maintains a steady source of demand for shell eggs and liquid product. Supply is tight on both medium and large sizes. Market is trending upward on medium and large sizes. National weekly shell egg inventory reports shell egg inventory down 6.0% over last week.



SOY OIL

Market is steady to weaker. Soybeans have been trading off their highs from earlier in the month. Demand from China has curtailed slightly due to the uptick in COVID-19 cases being reported. Growing conditions in South America are starting to improve with increased rainfall. The renewable diesel sector continues to create more domestic demand than previous years. Soybean supply remains extremely tight. Market levels continue to change daily as new information becomes available.



GLOVES

Market is firmer. A dramatic rise in markets is being seen for nitrile, latex and vinyl gloves. All indications point to an increasing demand of as much as 25% in 2021. The nitrile gloves market has been plagued with higher demand, higher costs, and lower availability. There are some factories working to increase output by adding additional production lines for both vinyl and nitrile. However, any potential increase in capacity on the vinyl market would not be realized until at least late Q2 or early Q3 2021. The nitrile market is expected to remain unstable for the foreseeable future. Raw material increases are expected on both latex and vinyl gloves as well. The poly resin glove market saw market increases as well. Further increases are anticipated. It should be noted that counterfeit products are in circulation in the marketplace. Attempts to defraud customers may rise, especially as supply tightens. Logistics has been and will remain a major factor to the overall glove market health. Ocean freight operations are experiencing problems as they attempt to keep up with the increased demand. Not only shortages in containers but equipment as well has led to significant delays in offloading goods. Currently, trends point to space shortages as the largest contributor to ocean freight & receiving challenges.

For questions regarding the markets, please contact the appropriate Category Manager:

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Beef, Pork, Seafood: Davy Ard, Director of Category Management, ext. 5431

Poultry, Eggs Oil, Wheat, Grains: Ken Kotecki, Category Manager, ext. 5463

Non-Foods, Spices, Dairy: Angie Rivera, Category Manager, ext. 5427

Beverages, Frozen Vegetables: Crystal Wilkins, Category Specialist, ext. 5451

