



Market Report

Week Ending June 18, 2021

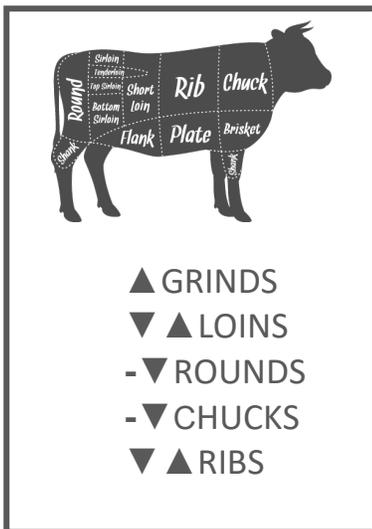
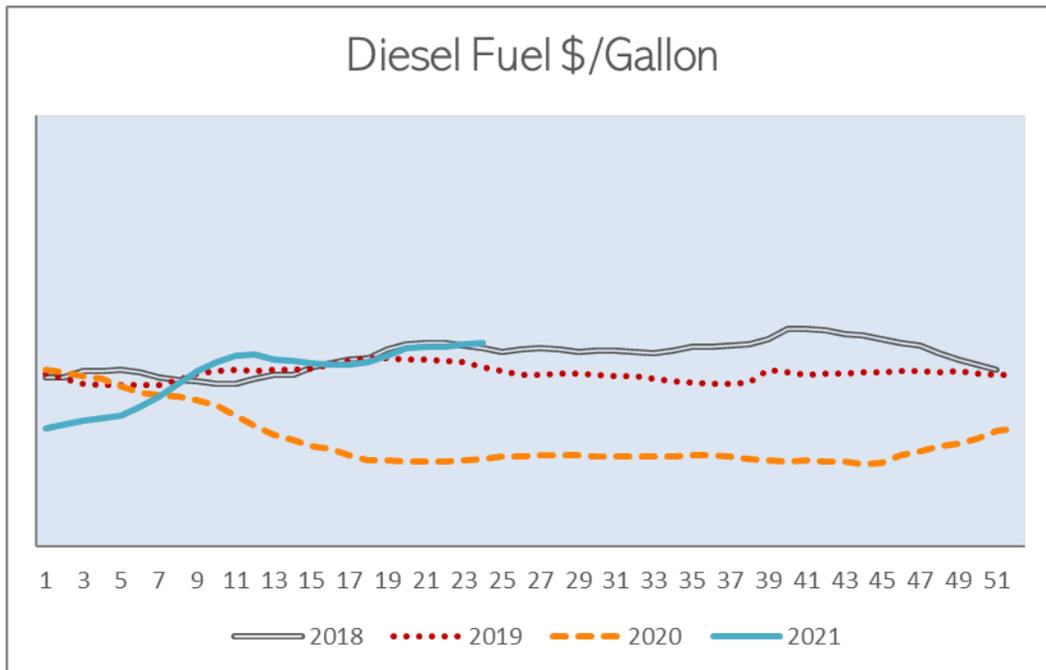


Graphs represent data for the week ending June 11, 2021



LOGISTICS

Tender rejections by carrier base have been on the decline in early June, indicating softening market conditions at a time when we have historically always seen conditions tighten. The Weekly DAT load to truck ratios show that conditions in the spot market were tighter earlier in May but have moderated into early June across all equipment types. The biggest obstacles for truckload supply recovery continue to be semiconductor shortages, causing delays in new truck production and ongoing driver availability issues. Elevated contract rates may result in a shift of volume from spot to contract, but the freight isn't going anywhere. Inventories are still depleted, which is leading to record-setting import levels and causing logistics opportunities with freight moves for shippers near ports.



BEEF

Market is unsettled. Total beef production for last week was up 23.2% versus prior week and was up 2% compared to same time last year. Total headcount for last week was 665,000 as compared to 645,000 for the same week last year. Live weights for last week were down 4 lbs. from prior week and down 11 lbs. from same time last year. Production has improved from the past few weeks that had seen the shortened holiday week as well as the lighter production seen from the JBS plants. The market has seen large price swings over the past several days with multiple cuts seeing the market ease as we moved through mid-week. Prices on multiple cuts are still well above seasonal normal for this time of the year and availability is mixed between plants. Production issues continue to be a concern with lack of available labor causing concern at multiple plants.

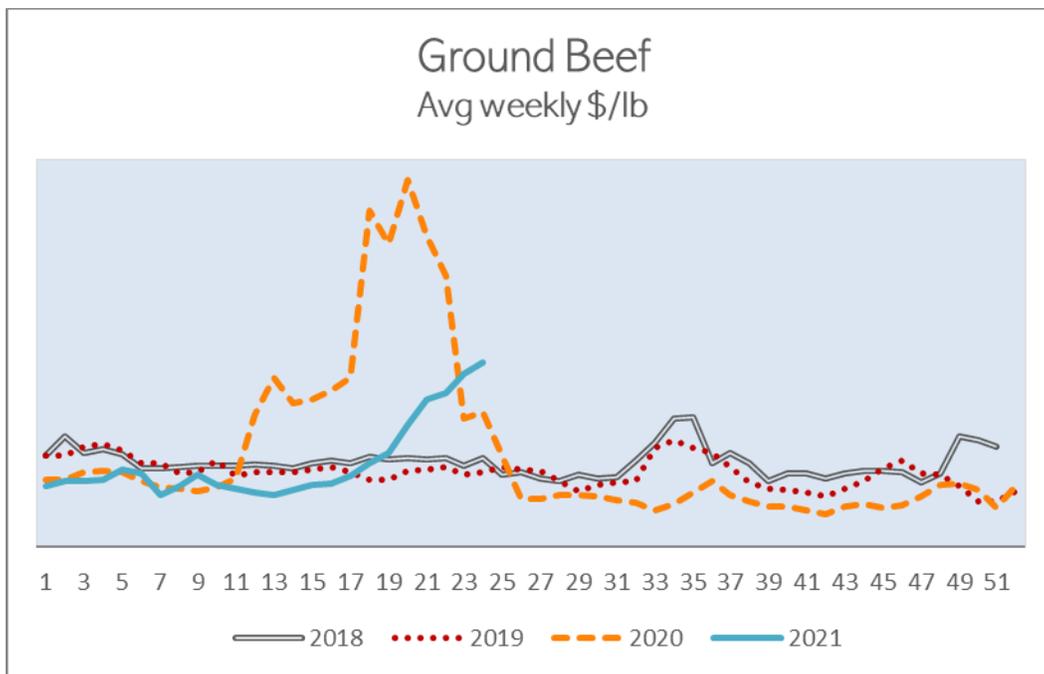
Grinds- Market is firm. Buying interest for the upcoming holiday is good and this combined with the lighter production over the past few weeks has helped to keep the market at higher levels.

Loins- Market is unsettled. The market has seen larger decreases as we moved through this week as packers look to get their inventories in line with demand. Buying activity is typically seasonally lighter as we move past the 4th of July.

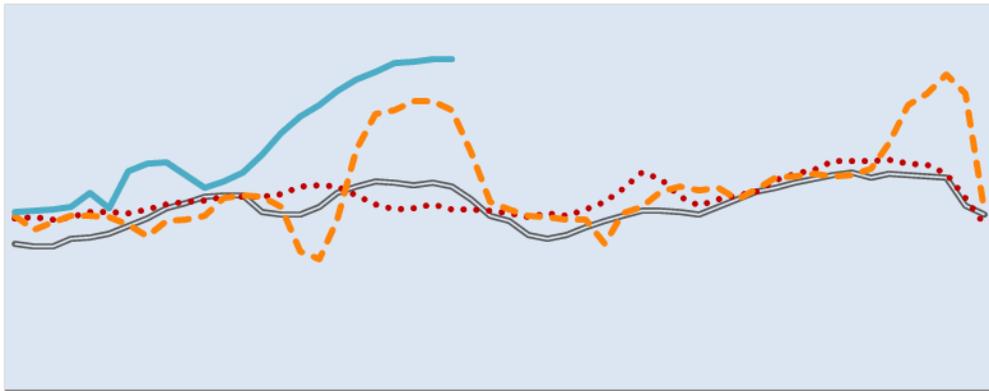
Rounds- Market is steady to weaker. Pricing has been outside of normal seasonal patterns and has pushed higher as we moved through the past several weeks. The market has started to reverse this trend as buying activity has started to ease as production has started to improve.

Chucks- Market is steady to weaker. Buying activity has eased compared to prior weeks and this combined with improved production is helping to take pressure off the market.

Ribs- Market is unsettled. The market has seen large drops as we moved thru this week as demand eases from the brisk pace seen over the past several weeks. Demand is typically seasonally lighter once we move past the 4th of July.



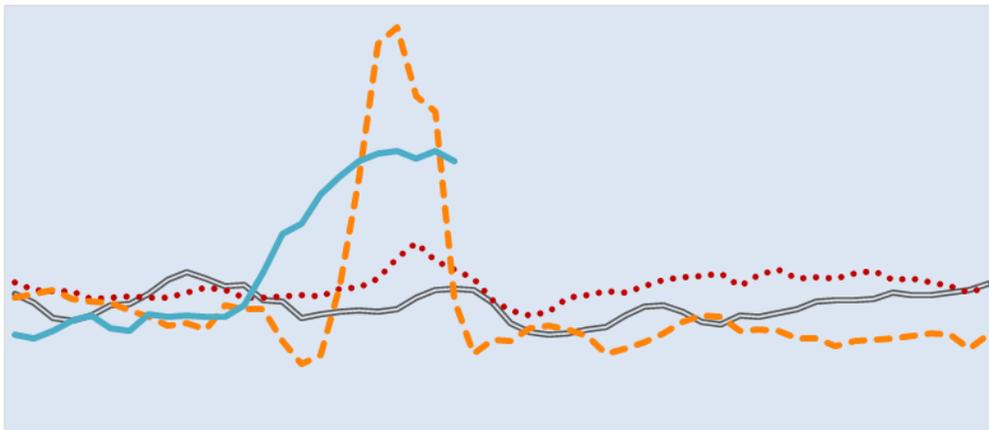
Choice Ribeye Heavy Avg weekly \$/lb



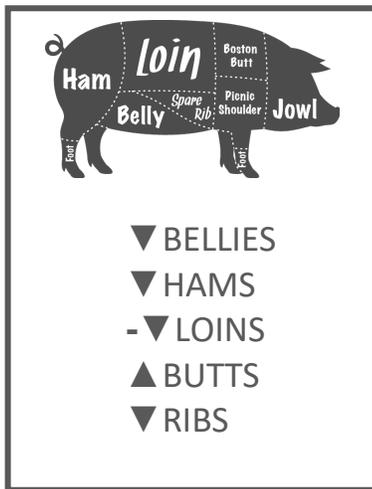
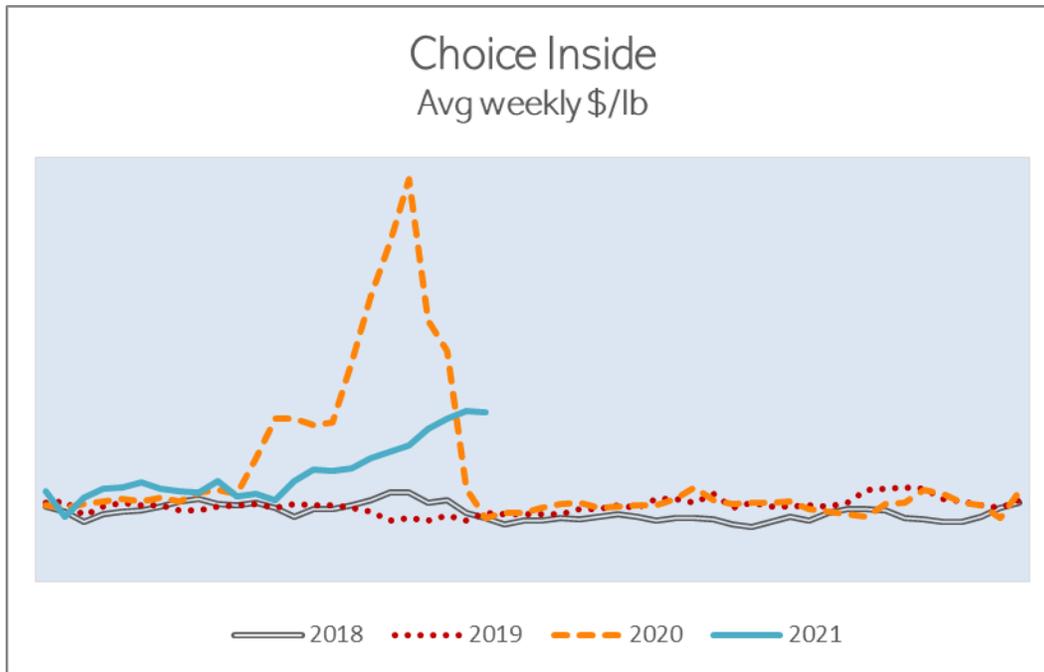
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

— 2018 ··· 2019 - - - 2020 — 2021

Choice Brisket Avg weekly \$/lb



— 2018 ··· 2019 - - - 2020 — 2021



PORK

Market is mixed. Total pork production for last week was up 23.3% versus prior week but was down 1.5% compared to same time last year. Total headcount for last week was 2,440,000 as compared to 2,464,000 for the same week last year. Live weights for last week were even with prior week and down 1 lb. from same time last year. Seasonal demand is very good on multiple items and has continued to help push the market higher on some cuts. This week has seen multiple cuts see large decreases in the market from just a few days ago as lower demand has helped to take pressure off record high prices. Even with the large decreases multiple items are still at elevated levels. Demand typically seasonally moves lower once we move past the 4th of July. Labor issues continue to be a concern at multiple plants along with transportation challenges.

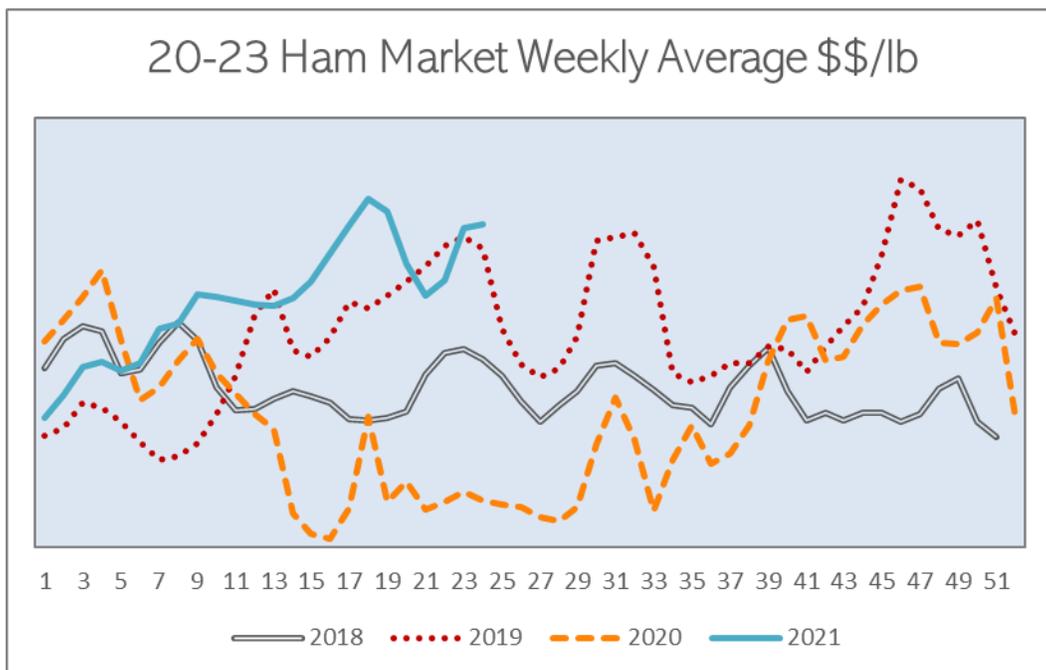
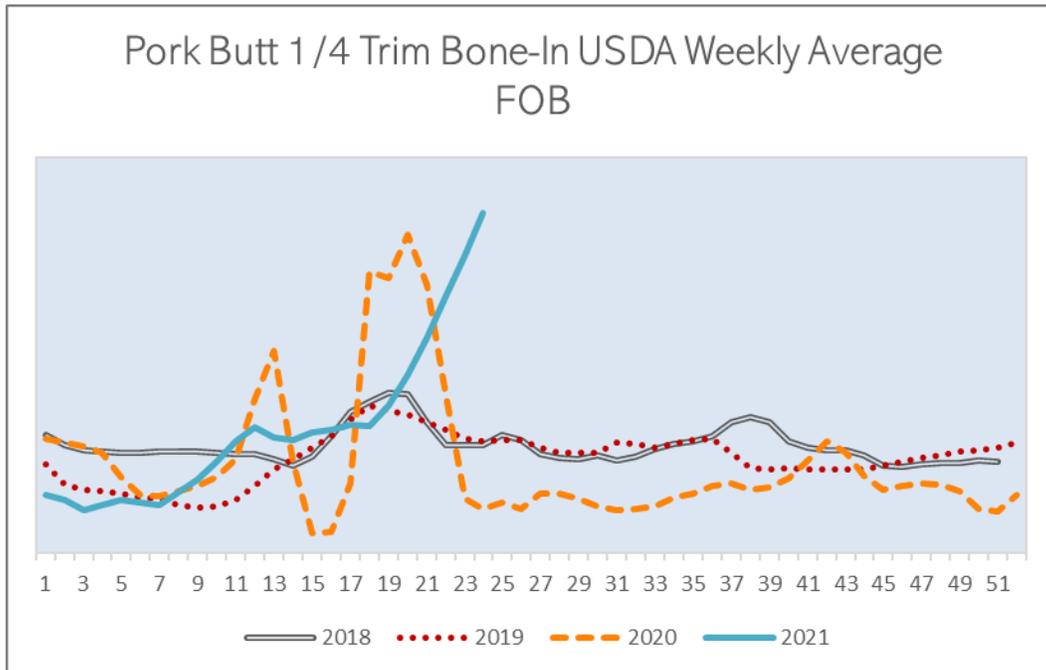
Bellies- Market is weaker. The market has moved much lower over the past few days as the recent pricing extremes has helped to slow overall demand. Demand is typically seasonally good as we move through the summer.

Hams- Market is weaker. The market has pushed higher for multiple weeks, but this week the market has pushed lower as availability improves and demand eases from the strong pressure. Exports have been strong this year helping to keep pressure on pricing for much of the year.

Loins- Market is steady to weaker. Improving production and a softer demand has helped to take pressure off of the market as this week progressed.

Butts- Market is firm. Seasonal demand is very good and keeping pressure on the market. The easing of dining restrictions has coincided with typical strong seasonal demand ahead of BBQ season and this is keeping upward pressure on the market.

Ribs- Market is weaker. The market has seen multiple days of downward pressure, but the current market remains well above normal levels for this time of the year. Retail demand has been strong for several weeks and expected to remain good as we move closer to the 4th of July. Foodservice buying activity has surged over the past several weeks as buyers look to cover their needs as additional restrictions are lifted across the country. Ribs in cold storage are down over 30% and are at their lightest numbers in almost a decade. Pricing has been at record highs for several weeks and well above the extremes seen last spring. The record high pricing has helped to slow buying interest and is helping to put pressure on the market.





CHICKEN

Market is steady to weaker. Total headcount for last week was 169,146,000 as compared to 162,762,000 for the same week last year. Average weights for last week were 6.48 lbs. as compared to 6.42 lbs. for the same week last year. Chick placements on fryers for week ending 7/18/21 are estimated at 163.7 million headcounts. Placements for previous week were 164.2 million and same week last year was 156.5 million. Retail and foodservice volume is being reported as moderate to lighter. Industry demand for WOGS, tenders, and dark meat is rated as steady. Demand for boneless breast and wings is reported as soft. Export demand for leg quarters and whole legs is moderate. The supply side continues to be a challenged with a lack of labor and plant output is subpar. For the first time in many months, floor stocks are starting to be reported as sufficient. Market levels are unsettled as some categories are holding firm and some categories trending lower.

WOGS- Market is steady. WOGS and 8pc cutups are clearing well for the smaller sizes. Larger WOGS are starting to slow a bit as more spot loads are being offered. Supply is more in balance with demand and market is trending sideways.

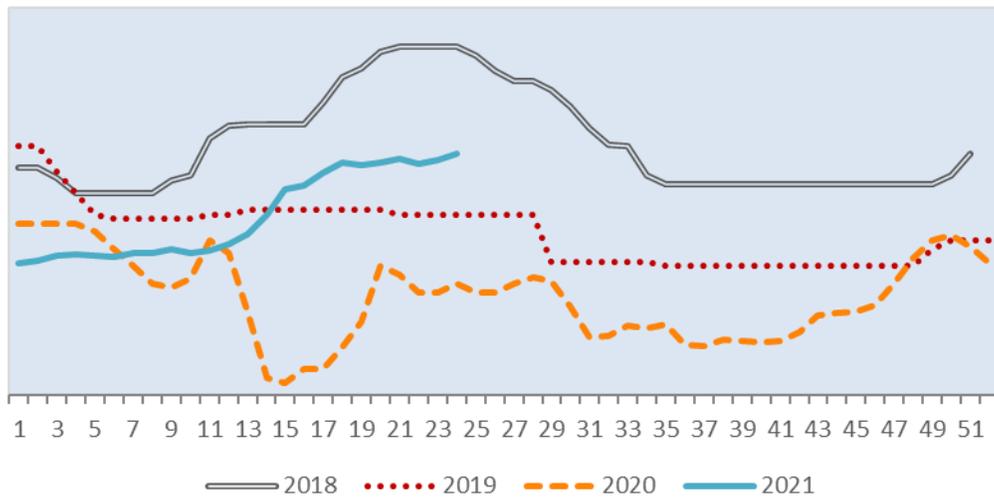
Tenders- Market is firm. Tenders continue to be highly sought after and the market remains strong. Foodservice and QSR activity are strong enough to support the market. Supply continues to be limited, but spot loads are starting to hit the market.

Boneless Breast- Market is weaker. Retail, foodservice, and QSR demand is starting to show signs of slowing a bit. Supply is becoming more available. Portioning is limited and shortages continue to be a problem for further processors.

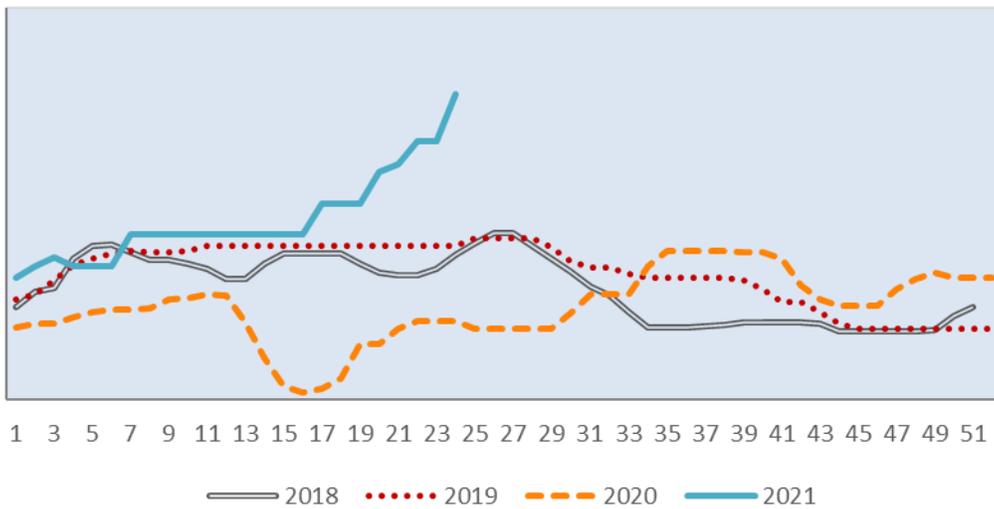
Leg Quarters and Thighs- Market is steady to firmer. Export activity for leg quarters remains moderate. Retail demand for drums and thighs is strong. Whole legs are in high demand from the leg debone processors. Demand for boneless skinless thigh meat is on the rise and supply is limited by debone production constraints. Supply is tight on bone-in parts, boneless skinless thigh meat is in short supply.

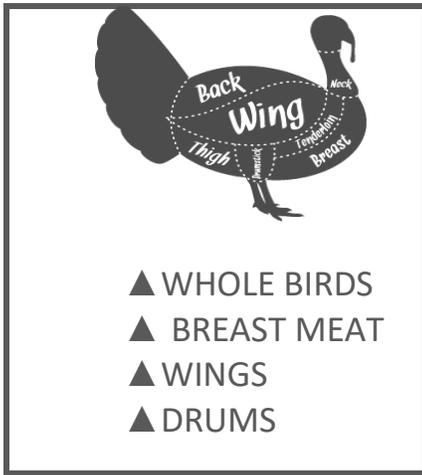
Wings- Market is weaker. Foodservice demand for medium and jumbo sizes is starting to slow for the first time in months. Further processors are starting to have better access to small wings. Supply is more available on all sizes.

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



Chicken Tenders Avg Weekly \$/lb





TURKEY

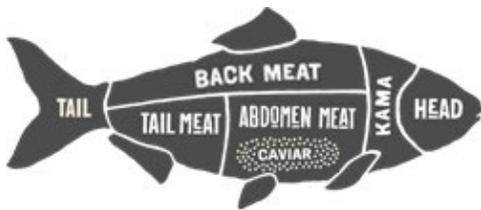
Market is steady to firmer. Total headcount for last week was 3,891,000 as compared to 3,964,000 for the same week last year. Average weights for last week were 31.13 lbs. as compared to 32.15 lbs. for the same week last year. Market information on frozen whole birds remains the same with very few spot opportunities being shown to the marketplace. Demand for breast meat, white trim, and tenders continues to be moderate to good. Domestic demand for parts is strong on drums, thighs, and wings. Labor shortages remain a major issue on the production side of the business. Limited weekly production has most categories undersupplied and in a sold-out situation. Product shortages and allocations continue to be reported. Supply for whole birds is extremely limited while white meat and parts remain tight.

Whole Birds- Market is firm. Hens and Toms remain in a sold-up position as suppliers are now producing to fulfill holiday orders. Supply is tight and spot availability is limited.

Breast Meat- Market is firmer. Foodservice and retail deli volume is trending higher as peak seasonality hits its stride. Supply remains tight on fresh and frozen raw material. Shortages continue to be reported.

Wings- Market is firmer. Domestic demand for 2 joints is steady and export demand for whole wings remains consistent. All sizes are clearing well with Tom sizes more preferred.

Drums and Thigh Meat- Market is firmer. Domestic and export volume for drums and thighs is moderate to good. Boneless thigh meat remains in high demand as ground turkey remains popular with consumers. Supply is limited on bone in parts. Lack of labor is constraining the amount of deboned dark meat.



SEAFOOD

Gulf Shrimp- Market is firm. Inventories are limited for an active demand. Inventories have been light for several months and allocations have become commonplace. The past few weeks have seen the market move sharply higher on all sizes and species due to the very limited inventories.

Black Tiger Shrimp- Market is firm. Inventories are limited for a strong demand. Allocations to orders should be expected. The surge in Foodservice demand is putting pressure on larger sized shrimp inventories and the market has seen price increases across all sizes for several weeks. Production costs and logistical concerns are putting additional pressure on the market. Delays on imports are putting additional pressure on this market.

White Shrimp- Market is firm. Inventories are limited for an active demand. The lack of container availability combined with overall logistical challenges is putting a large amount of pressure on the market. Allocations to orders should be expected. Shrimp imports are trending higher but the strong demand for both retail and foodservice are keeping inventories limited.

King Crab- Market is firm. Inventories are limited for an active demand. Global demand is strong and putting pressure on the market.

Snow Crab- Market is firm. Inventories are limited for an active demand. New season product out of Canada is making its way into the market but the surge in demand is keeping inventories very limited. Foodservice demand continues to improve as additional dining restrictions are lifted across the country. Demand is expected to be very good over the coming weeks.

Warm Water Lobster Tails- Market is firm. The market has continued to push higher over the past several weeks as the active demand is keeping pressure on limited inventories. Low production the past few years and seasonal closures are keeping pressure on availability. Allocations to orders are common due to the limited inventories.

North American Lobster Tails- Market is firm. Demand continues to improve and putting pressure on very limited inventories. Seasonal plant closures combined with poor fishing conditions have caused more limited availability. Shorts and allocations to orders should be expected. Production has been improved in recent weeks, but the strong demand is keeping inventories from growing.

Salmon- Market is mixed. Demand has been improving over the past few days and putting pressure on product from multiple growing regions. Availability of product from Europe has become lighter over the past few weeks due to an improved demand. The market for product from Chile has seen downward pressure as we moved into this week with good inventories for a fair demand. The market for wild salmon is mixed between species with limited availability.

Cod- Market is firm. Product out of the Pacific is seeing inventories concerns with a strong demand that was seen during Lent and limited available inventories in the market. Foodservice demand is very good. There also delays with production coming back out of China putting additional pressure on the market.

Flounder- Market is steady to firmer. Pricing is expected to be higher as we move through Q2 as suppliers' costs are being impacted by tariff increases. Production issues and delays out of China are causing additional issues for the market.

Haddock- Market is steady to firmer. Inventories are light for an active demand. Increased tariffs combined with higher production costs and more limited inventories are putting pressure on the market. Shipping delays are adding additional challenges to the market.

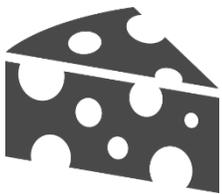
Pollock- Market is steady to firmer. Demand in Europe is very strong. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

Domestic Catfish- Market is firm. Inventories have been limited for several months and the easing of dining restrictions across the country is putting additional pressure on the market. Allocations remain commonplace and are anticipated as we move into the summer. Inventories are limited on all sizes and well below current demand. Supply issues with imported product is putting additional pressure on the market.

Tilapia- Market is firmer. Higher production and logistical costs are putting pressure on the market. Shipment delays on product coming out of China are expected over the coming weeks. Buying activity is improving as more dining restrictions ease across the country.

Swai- Market is firmer. Foodservice demand continues to improve across the country, and this is putting upward pressure on the market. Logistical concerns remain an issue with higher freight costs and longer lead times on both ocean freight and trucking. Inventories have become more limited with larger sizes seeing the most pressure. Farmers have been trying to turn their ponds faster to keep up with demand and this is resulting in smaller sized fish.

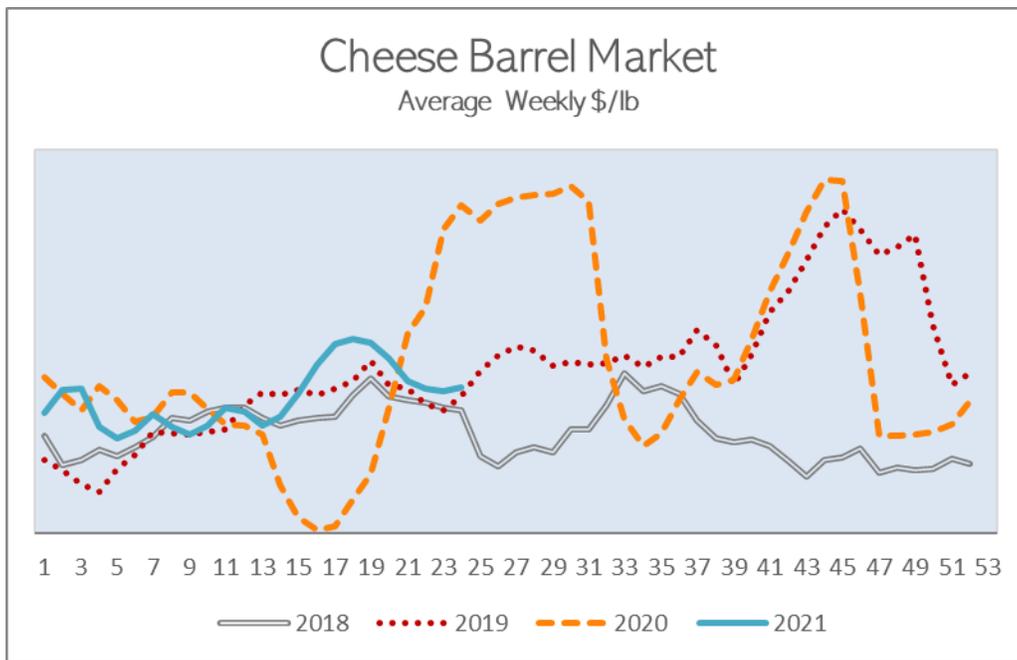
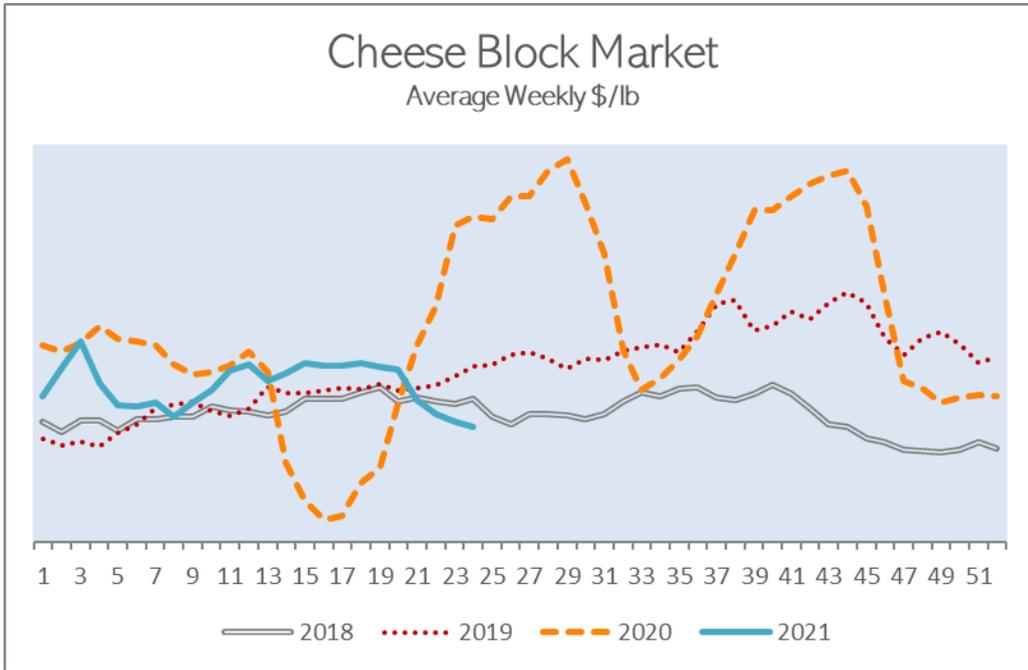
Scallops- Market is mixed. The market for larger sized domestic product is firm with increased demand keeping pressure on the market. Inventories of U/10 product is very limited with record high pricing. New season fishing has begun but reports are showing expectations of inventories issues as we move into the summer. Landings have been improving and smaller sizes have started to see some slight softening of the market. The market for imports is steady to firmer with product from Japan expected to be limited until new season product arrives later this summer.



DAIRY

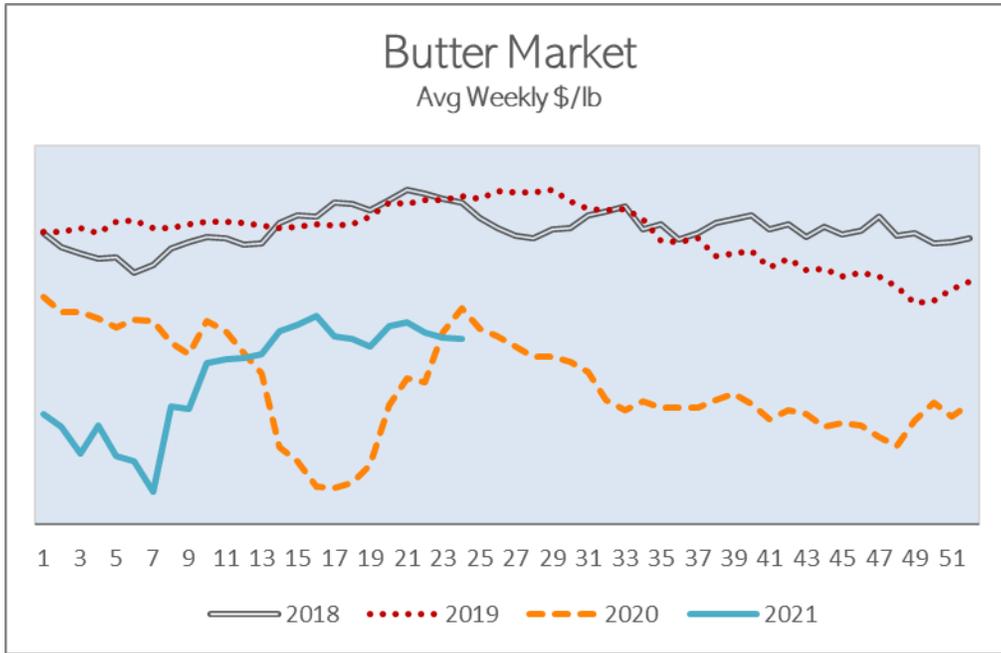
Cheese

Market is firmer. The CME Block market has moved higher as this week has progressed. The CME Barrel market started the week off higher and while it has moved lower through mid-week, it remains higher than prior week. Domestic cheese prices have been favorable versus the global market and export interest has been very good over the past several days. Production in the Midwest has been very good with multiple plants running at full capacity. The hot temperatures being seen across much of the country are expected to have an impact on milk production over the coming days. Transportation issues continue to put pressure on the market with higher freight costs and delivery schedules.



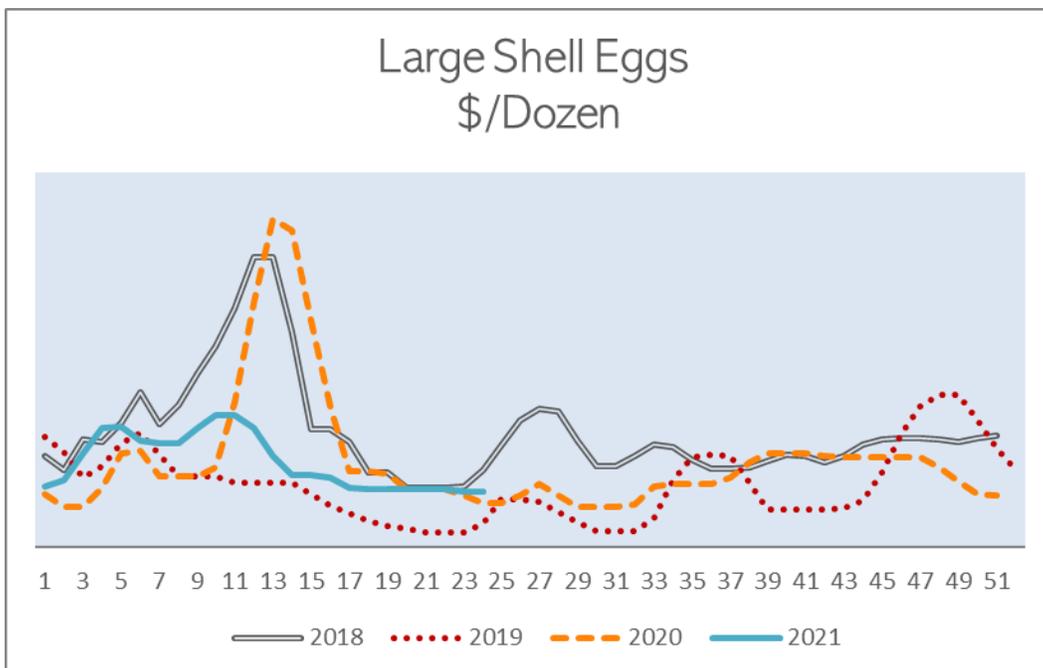
Butter

Market is unsettled. The CME Butter Market started this week off higher than prior week and has moved lower as the week progressed. Production was lower as we moved into this week as plants in multiple regions shuffle their schedules based on expected cream supplies. Ice Cream production continues to pull more available cream away from butter production and this trend is expected to continue over the coming weeks. Domestic butter prices continue to trend lower than global prices making it attractive for export opportunities. Recent reports show that through March butter exports have been trending well ahead of both 2019 and 2020 levels.



EGGS

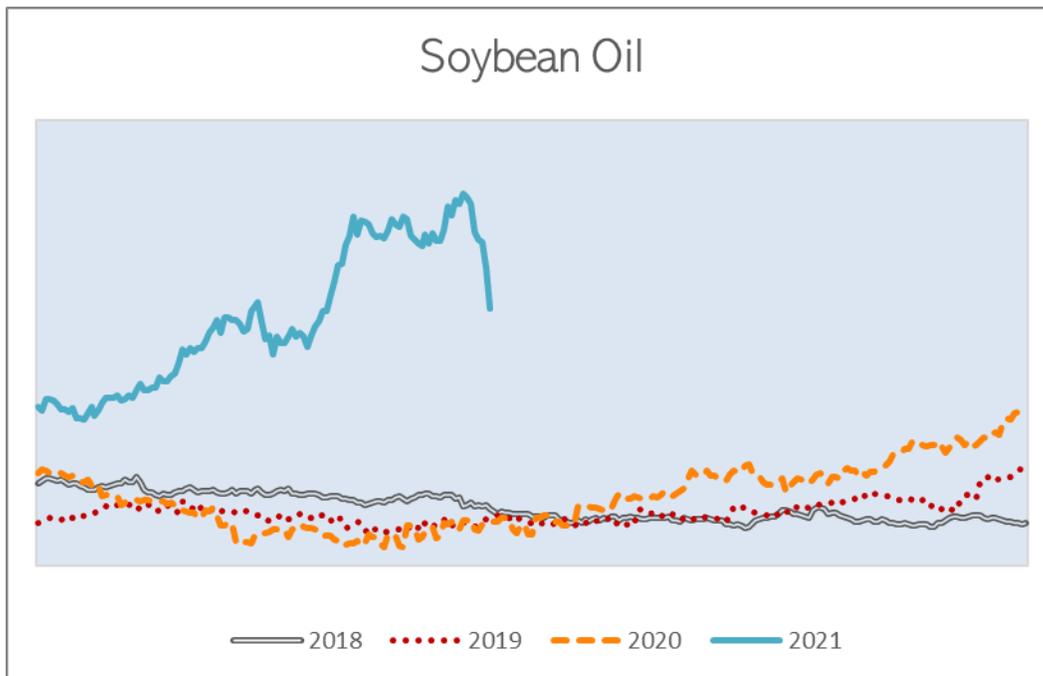
Market is steady. Retail activity across most of the regions is being reported as moderate to soft. Regional promotions remain limited and on a regional basis. Foodservice demand is reported to be steady and improving. Fast food sales are reported to be stable for this time of year. Supply is available on both medium and large sizes. Market is trending flat on medium sizes and on large sizes. National weekly shell egg inventory reports shell egg inventory down 2.5% over last week.





SOY OIL

Market is weaker. Soybean markets and futures have been moving lower over the last two weeks. More news is being reported about improved weather forecasts and cooler temperatures in the Midwest. Soybean demand continues to outpace supply at the current time. Allocations on soy oil and other related products continue to be reported across the United States. Based on current trends, this shortage situation could continue through the summer. Soybean supply remains tight in the United States and the crop harvest from South America is starting to be corrected higher now that more harvest information is known. Domestic and bio-diesel demand continues to be strong. Export demand is starting to weaken due to higher premiums in relation to the South American product offerings. US biodiesel margins are being challenged due to the overall strength of veg oil compared to diesel prices. The planting season in the United States is estimated to be around 90% or more complete which is ahead of schedule. Market remains at an all-time high and continues to change daily as new information becomes available.



CANNED GOODS (DOMESTIC)

Several factors are going to come into play for the outlook on costs for domestic canned goods for the 2021 pack season. Produce costs are up over last year driven by the price of soybeans and field corn. The cost of steel is in tight supply and will have a direct impact on the cost on #10 cans. Labor is in high demand and driving costs up as well as freight is higher than last year.

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

Canned Products, Imports, Non-Foods, Spices: Scott MacKaben, Senior VP of Procurement, ext. 5457

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

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

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

