

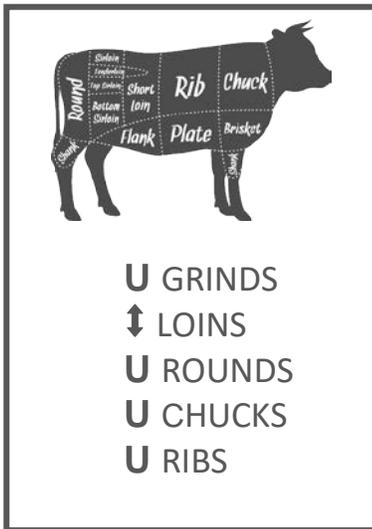
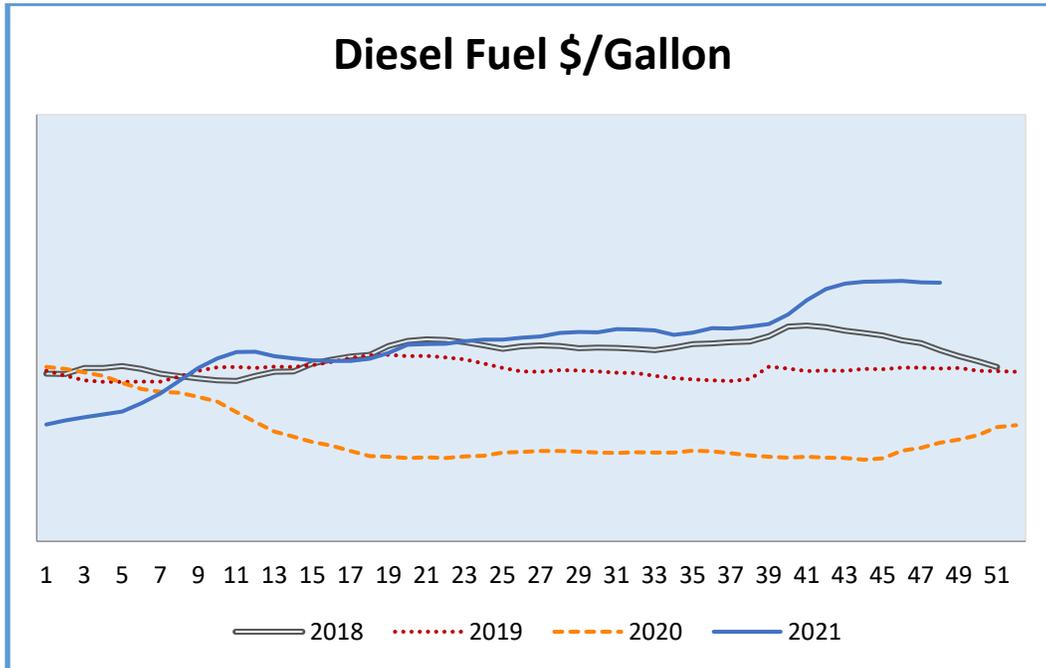


Market Report

Week Ending December 3, 2021



Graphs represent data for the week ending November 26, 2021



BEEF

Market is unsettled. Total beef production for last week was down 16.3% versus the prior week due to the shortened holiday week and was down 1.1% compared to the same time last year. Total headcount for last week was 566,000 as compared to 564,000 for the same week last year. Live weights for last week were up 2 lbs. from prior week but down 15 lbs. from the same time last year. The market has moved into a more unsettled tone with both higher and lower prices being seen from packers on multiple cuts over the past few weeks. Available labor in the plants has been a concern for some time and is something to keep an eye on as we move through the coming weeks. Live cattle prices have continued to push higher and have been trending well above the 5-year average for the past several months. The month of November saw live prices push sharply higher. Production will be

impacted over the coming weeks with reduced holiday schedules, and this is expected to put pressure on availability of multiple cuts. The market for multiple cuts have been outside of normal seasonal trends. As an example, the market for briskets is at record levels for this time of the year and about double what is typical for this time of the year. Multiple chains have put brisket on the menu since this summer and it is keeping upward pressure on the market and keeping product availability very limited.

Grinds- Market is unsettled. Last week saw reduced production putting more pressure on availability as we moved through this week. Grinds typically see upward pressure from this point on as we move

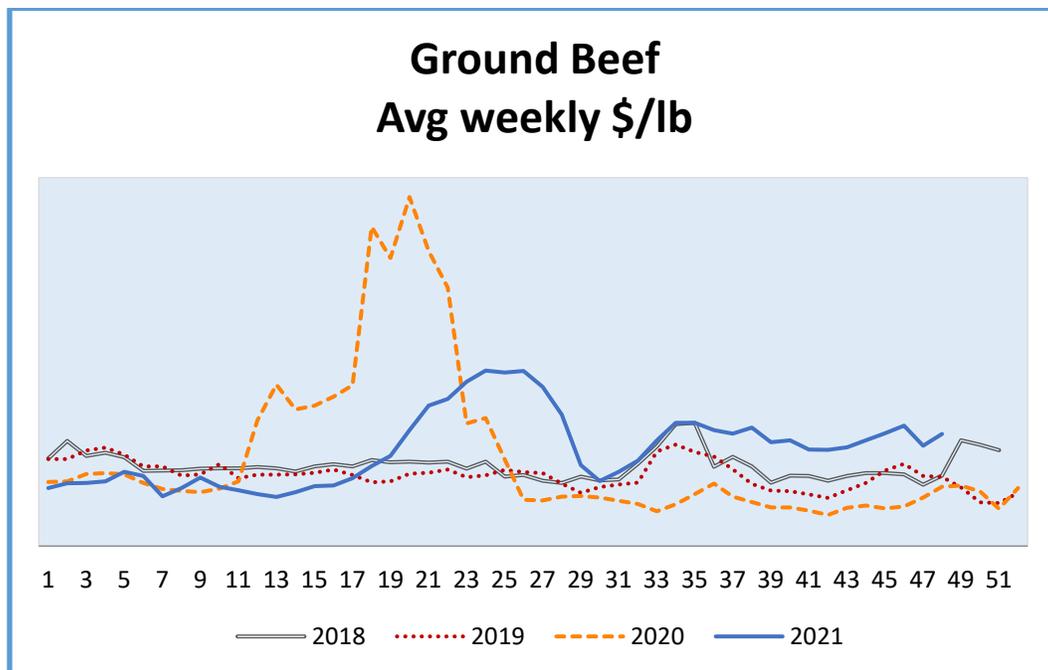
towards year end, due to production being reduced because of the shortened holiday schedules and the increased demand.

Loins- Market is mixed. This market typically sees lighter buying activity as we move through the coming weeks as demand seasonally shifts to other cuts.

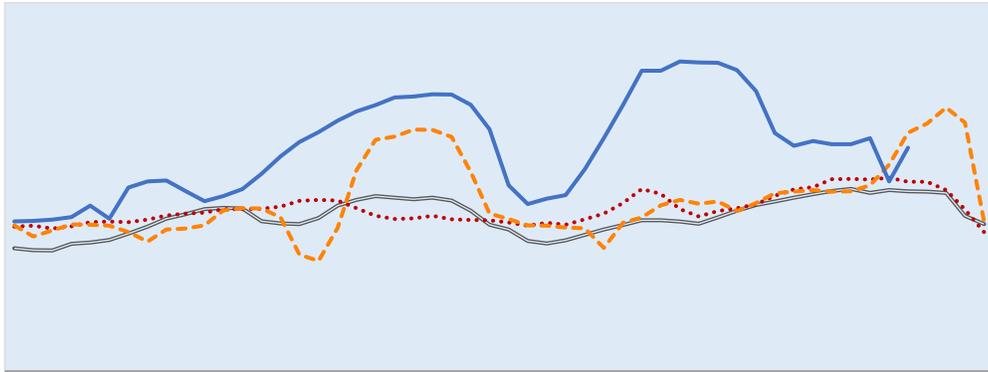
Rounds- Market is unsettled. The market has seen declines on several items as we moved through this week. Warm weather and high prices have been helping, so slow buying interest at a time that demand is high is typically very good. Cooler temperatures are forecasted over the coming days and combined with reduced production it is expected to help put pressure on the market.

Chucks- Market is unsettled. Lighter buying interest over the past few days has helped to put downward pressure on the market. This market typically sees strength as we move towards year end and cooler temperatures set in across the country.

Ribs- Market is unsettled. Availability is mixed between packers with large gaps being seen in the asking prices. Typically, this market is unsettled for the next few weeks before seeing downward pressure when we move through mid-December and move closer to year end.



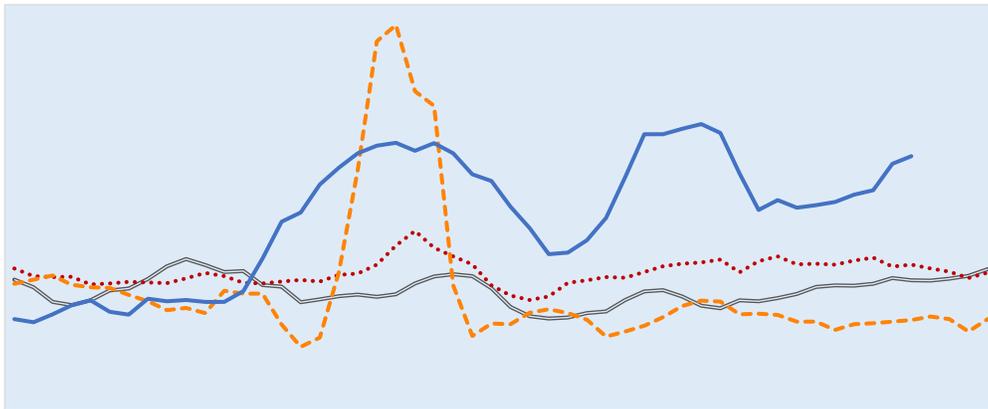
Choice Ribeye Heavy Avg weekly \$/lb



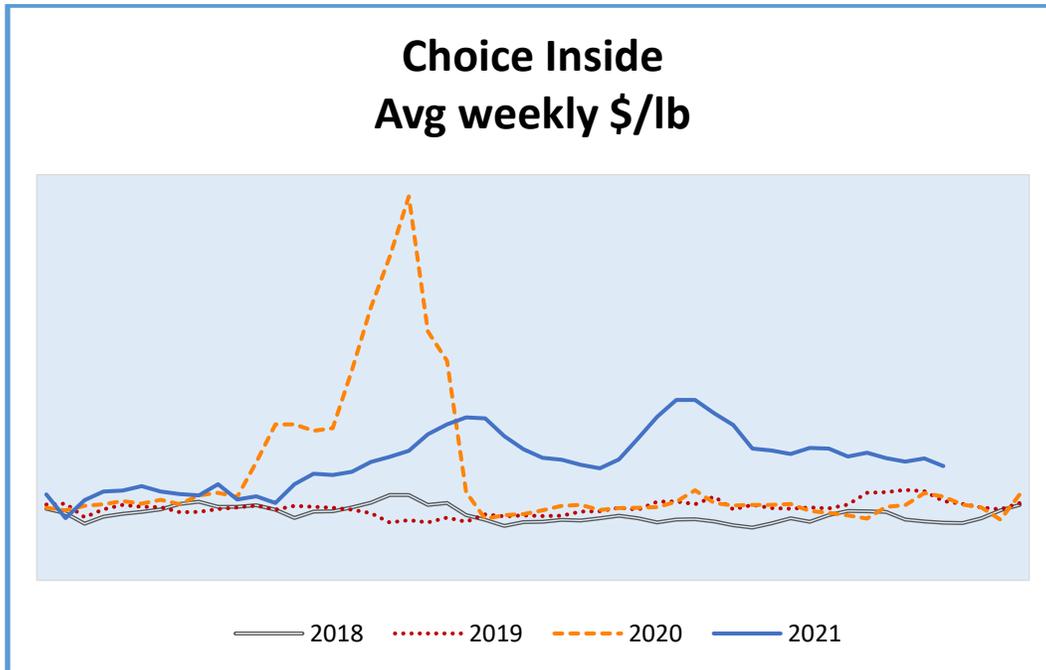
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— 2018 2019 - - - - 2020 — 2021

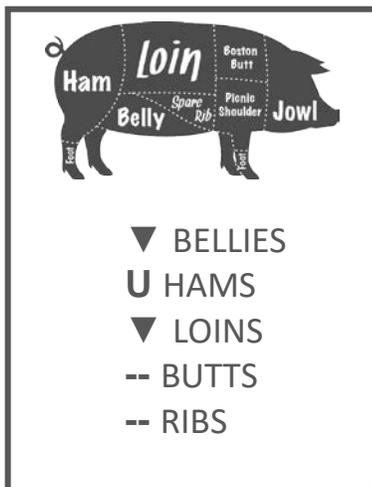
Choice Brisket Avg weekly \$/lb



— 2018 2019 - - - - 2020 — 2021



PORK



Market is steady to weaker. Total pork production for last week was down 13.7% versus prior week due to the shortened holiday week and was down 4.6% compared to the same time last year. Total headcount for last week was 2,261,000 as compared to 2,340,000 for the same week last year. Live weights for last week were up 1 lb. from the prior week, but down 3 lbs. from the same time last year. Labor issues continue to be a concern at multiple plants along with transportation challenges. Shortages and allocations are commonplace and are expected to continue as we move into next year. Frozen pork inventories are trending below the prior year and is well below the 5-year average. Reduced production due to less hogs and reduced labor combined with a strong fresh pork market for the past several weeks has limited the opportunity to build inventories. Pork bellies and ribs were at their lowest inventory levels for the month of October since

2011, and this helped to keep prices higher over the past several weeks.

Bellies- Market is weaker. The belly market moved lower as we moved through this week. Fresh belly inventories are improving, and this is expected to help the frozen stocks over the coming weeks. Even though bellies are becoming more available, there remains issues with labor and being able to process product into bacon and this is keeping product limited and on allocation with multiple suppliers. Demand at the retail level has been very good and keeping pressure on availability.

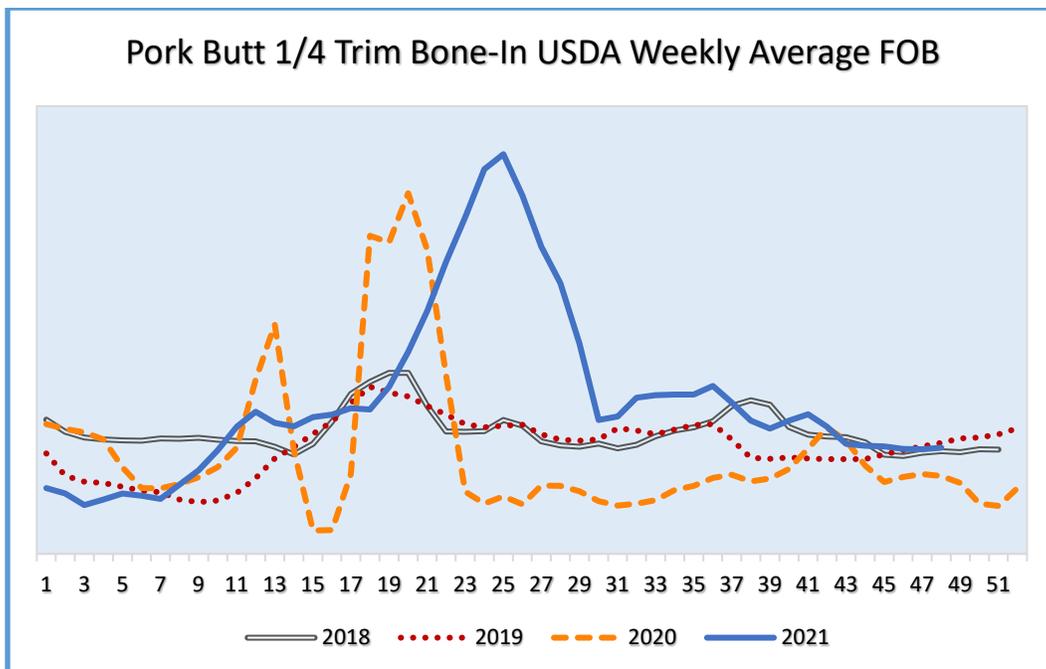
Hams- Market is unsettled. Availability is expected to be limited for the holidays this year. Multiple packers are already maxed out and are not accepting new opportunities on holiday-based items.

Limited labor concerns are expected to help keep this market more unsettled as we move closer to year end.

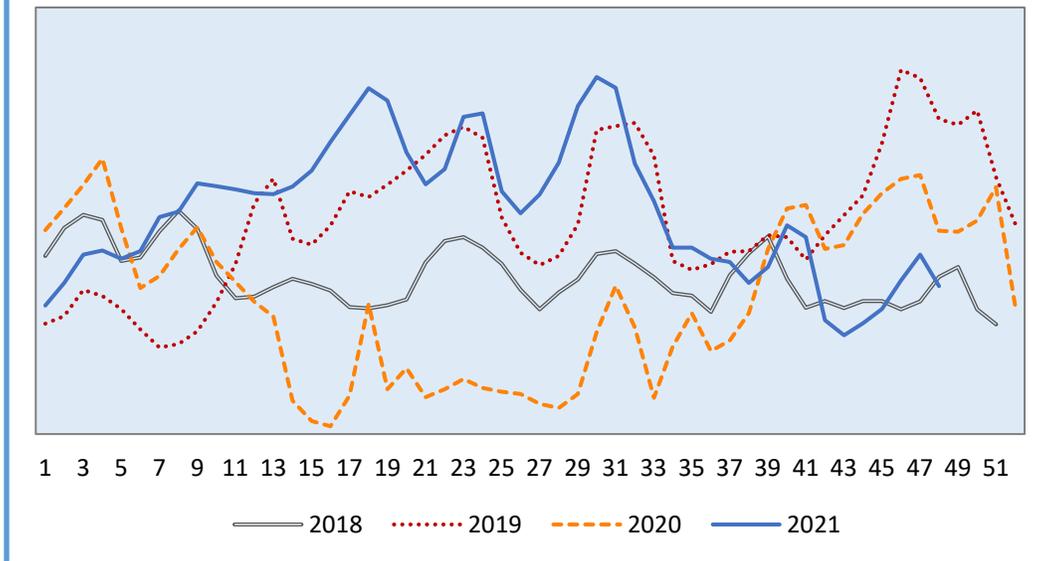
Loins- Market is weaker. Available inventories vary between suppliers, with boneless items still being a challenge for some packers.

Butts- Market is mostly steady. This market has been moving both higher and lower over the past several weeks due to spikes in demand and mixed availability. Limited available labor is keeping availability on boneless items lighter than normal for this time of year. Exports for October were strong and were at the highest levels since April of last year.

Ribs- Market is mostly steady. Labor issues remain a concern and are expected to keep the market more unsettled as we move through the coming weeks. Cold storage inventories remain very low, and production is expected to be below last year as we move into next year.



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



CHICKEN



- ▲ WOGS
- ▲ TENDERS
- ▲ BNLS BRST
- LEG QTR
- WINGS

Market is steady to firmer. Total headcount for last week was 124,235,000 as compared to 133,741,000 for the same week last year. Average weights for last week were 6.24 lbs. as compared to 6.20 lbs. for the same week last year. Chick placements on fryers for week ending 1/1/22 are estimated at 161.2 million headcount. Placements for previous week were 157.8 million and same week last year was 160.6 million. Retail and foodservice business is reported as moderate to strong. Demand for WOGS and whole birds is on the rise. Activity on boneless breast and tenders is vibrant and improving. Market activity on wings, drums, thighs, and dark meat is trending mostly steady. Export activity for leg quarters and whole legs is reported as fair. Processing schedules are still running at reduced levels due to labor issues and the

challenges of plant renovation. The number of birds being processed on a weekly basis remains less than industry demand. Supply has not yet returned to pre-pandemic levels. Floor stocks are being reported as moderate to light. Market levels are rising on WOGS and increasing on boneless breasts. Tenders are firm. Dark meat and wings are trying to hold stable.

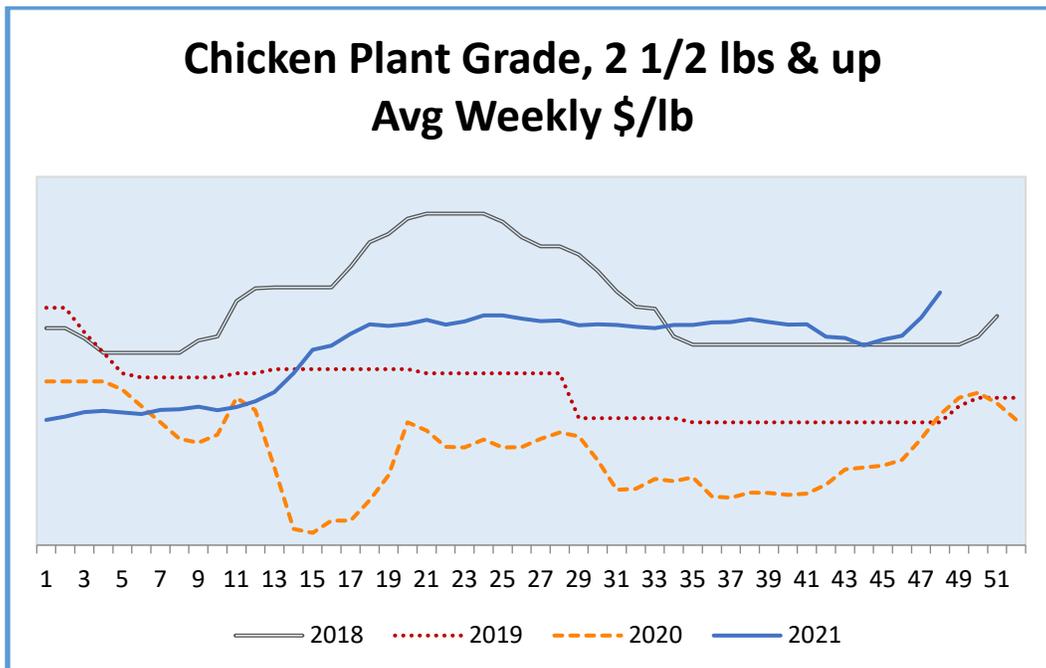
WOGS- Market is steady to firmer. Solid demand from retail deli and fast-food is keeping the category in a sold-up position. The supply side for small birds is extremely tight compared to past years. All sizes are clearing well on a weekly basis with limited spot loads being reported. Supply is tight and the market is rising.

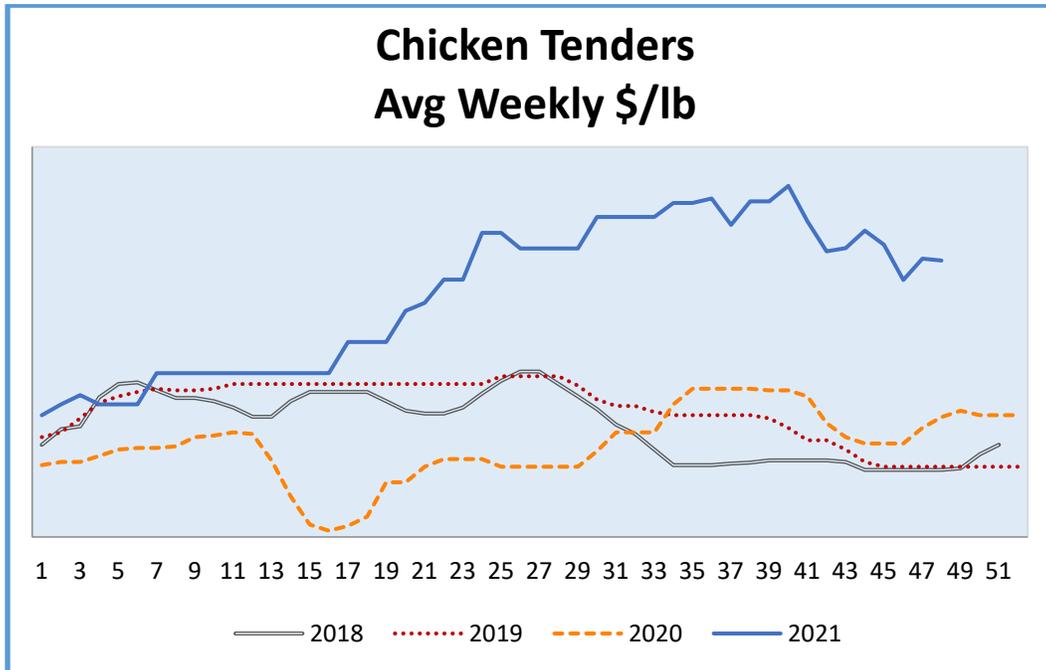
Tenders- Market is steady to firmer. Demand from foodservice and QSR's operators is on the rise. Supply is limited to the number of tenders that can be portioned weekly. Market levels are firm on all sizes.

Boneless Breast- Market is firmer. Retail and foodservice demand is moderate to strong across the country. In this inflationary economy, boneless breast is considered cost efficient compared to other proteins. In normal times, demand for boneless breast tends to drop off in the Fall months. This year, all sizes of boneless breast appear to be well supported. Supply is tight on all sizes. Market levels are firm and being pressured higher.

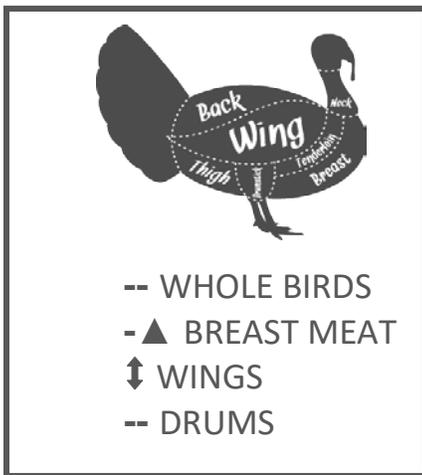
Leg Quarters and Thighs- Market is steady. Export demand for leg quarters and whole legs is stable. Global logistics remain a challenge. Domestic demand for bone-in parts is steady while boneless dark meat is showing some weakness. Supply is available depending on the plant. Market levels are firm on bone-in product and weaker on boneless skinless thigh meat.

Wings- Market is steady. Foodservice operations are showing an uptick in demand. Further processors are starting to ramp up production for wing season. Supply has tightened up over the last two weeks. All sizes are reported to be clearing well. Market levels are supported at the current time.





TURKEY



Market is steady. Total headcount for last week was 2,363,000 as compared to 2,375,000 for the same week last year. Average weights for last week were 32.24 lbs. as compared to 34.03 lbs. for the same week last year. Whole birds and bone-in breasts are being supported by fresh orders shipping for the Christmas Holiday. Market demand for breast meat, white trim, and tenders remains strong due to tight supply. Demand for drums, thighs, and thigh meat remains moderate. Export demand for back half parts is fair. Weekly production and slaughter rates are down year over year which is keeping floor stocks extremely tight on all major categories. Supply for frozen whole birds is starting to surface a bit, but supply for fresh whole birds is hard to find. Parts are limited, and white meats are tight.

Whole Birds- Market is steady. Fresh orders for the Christmas Holiday and existing frozen bookings are keeping the market supported. Hen sizes remain the most sought after and some Tom sizes in the 20 lbs. and up range are being offered out. Supply is tight, market is mostly flat.

Breast Meat- Market is steady to firmer. Retail deli and foodservice demand is starting to pick up as consumer shopping activity increases. Fully cooked breast products remain in high demand and further processors are challenged to keep pace with industry volume. Supply is tight on white meats. Frozen inventory remains low. Market is being pressured higher on breast meat and white meats.

Wings- Market is mixed. Export demand for whole wings is adequate and domestic activity on 2 joints is moderate. Supply is limited on hen sizes and more available on Tom sizes. Market levels are unpredictable based on the sourcing plant.

Drums and Thigh Meat- Market is steady. Export demand for drums and bone-in product is moderate to fair. Ground turkey is keeping market levels on thigh meat supported. Supply is tight on bone-in parts and boneless thigh meat is limited. Market is trending sideways.



SEAFOOD

Gulf Shrimp- Market is steady. Overall demand has been lighter as we have moved through the past few weeks. Reports this week reflect the concern of reduced production putting pressure on the market over the coming days.

Black Tiger Shrimp- Market is firm. Inventories are limited for a strong demand. Allocations to orders should be expected. Production costs and logistical concerns are putting pressure on the market. Delays on imports are putting additional pressure on this market. Replacement inventories have been difficult to come by for several months.

White Shrimp- Market is unsettled. The market has seen downward pressure as we moved into this week even though inventories remain rather limited and demand remains strong. Availability of product from Ecuador is improved and is helping to push the overall market lower. The market for product from Asia has also moved lower even though product from Asia continues to see logistical delays. Covid concerns in Asia are putting additional pressure on that market as production in that region is seeing additional impact from the spread of the virus.

King Crab- Market is steady but firm. Inventories are limited for an active demand. Global demand is strong and putting pressure on the market. This market has been firm for several months due to the limited availability and strong demand.

Snow Crab- Market is firm. The quota for the upcoming Alaskan season has been announced and there is an 88% reduction compared to the prior year. This is putting upward pressure on the market and suppliers are managing their current inventories closely. This market is at very high levels and is well above normal for this time of the year.

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. Allocations to orders are common due to the limited inventories. New season product is making its way into the market, but the brisk demand has helped to prevent inventories from building. The market is becoming more unsettled due to the record high prices. September imports are down over 34% from the same month last year.

North American Lobster Tails- Market is firm. Demand has been strong for several weeks and is 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. The market is at record high levels.

Salmon- Market is mixed. The market for farmed product is mixed between growing regions. The market for product from Europe is firm with limited inventories for an active demand. Product from other regions are seeing steady to weaker markets due to a lighter demand. The market for wild salmon is mixed between species with limited availability. The Wild Alaskan season is over for the year, and there are concerns on multiple salmon types. The Coho catch came in 50% below the 5-year average. The Sockeye catch looked good when you look at the fish count, but the fish were very small in size this year and in lbs. it is the lowest catch since 2014. The Keta catch was larger than the prior year but was over 40% lower than 2019 and processors are seeing quality issues with some of the catch. It is possible that supplies will run short of demand as we move through 1st quarter of 2022.

Cod- Market is firm. Product out of the Pacific is seeing inventories concerns with a strong demand that has been keeping pressure on inventories for several months. Foodservice demand is very good. There are also delays with production coming back out of China putting additional pressure on the market.

Flounder- Market is steady to firmer. 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 to the market.

Pollock- Market is firm. 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 the shipping lanes. The Wild Alaskan season catch numbers have been announced and will be 17% below the prior year. These are the lowest numbers seen in over a decade. Current inventories are already limited, and upward pressure is expected on the market as we move closer to Lent.

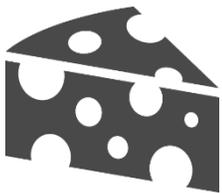
Domestic Catfish- Market is firm. Inventories have been limited for several months. Allocations remain commonplace and are anticipated as we move through the 4th quarter. Inventories are limited on all sizes and is well below the current demand. Supply issues with imported product is putting additional pressure on the market as that market is seeing record high prices with orders being severely delayed or cancelled all together.

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 to continue over the coming months. Buying activity has been very good and is keeping pressure on already light inventories. Larger sized fish are in lighter supplier due to drought conditions and farmers having to empty their ponds sooner than normal. Recent reports show that availability of smaller sized fish is going to be very limited over the coming weeks as farmers try to restock their ponds.

Swai- Market is firm. 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

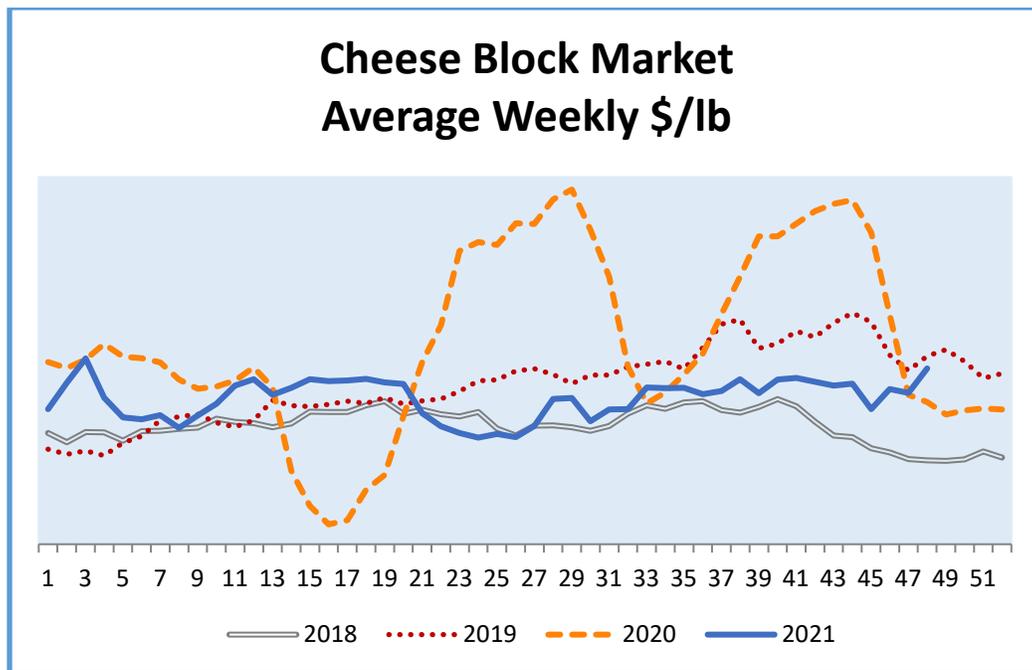
with demand and this is resulting in smaller sized fish. Covid issues in Vietnam have closed multiple plants and is helping to push the market higher as availability is expected to become tighter over the coming weeks. Recent reports show that some plants are running at around 20% of capacity.

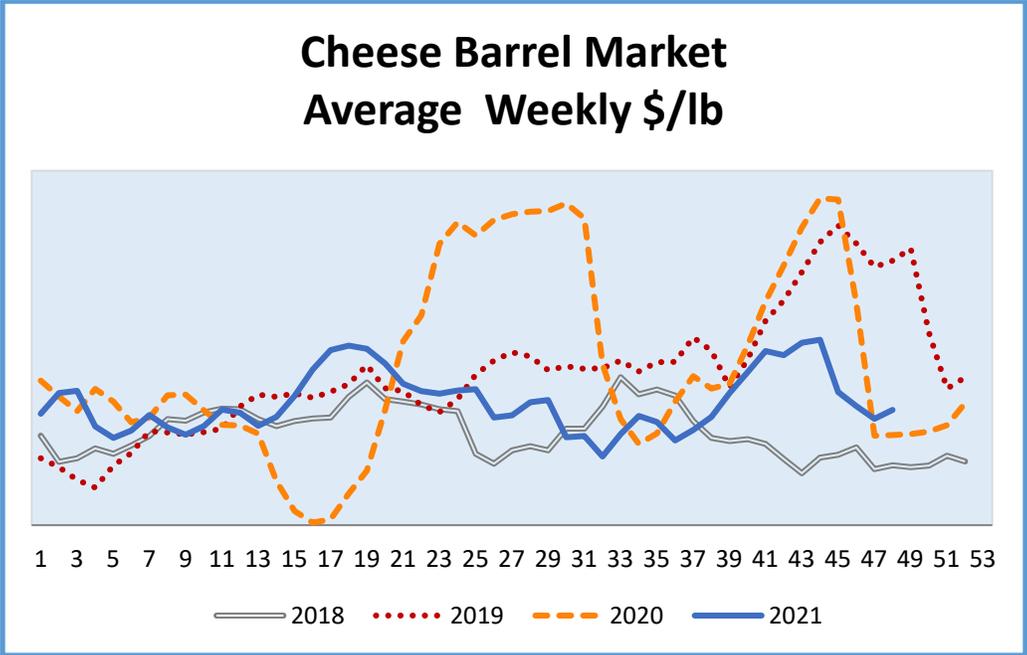
Scallops- Market is steady to firmer. Global demand is strong, with demand from Europe being very strong and putting additional pressure on the market. The domestic market has seen upward pressure on all sizes over the past several weeks with light inventories for a strong demand. The market for imports is steady to firmer with product from Canada seeing upward pressure due to limited availability and product from China continues to see shipping delays. Product from Japan is seeing upward pressure due in part to the strong demand from Europe.



DAIRY Cheese

Market is steady to firmer. The CME Block remained steady while the Barrel Markets trended higher this week. Cheese demand is varied particularly on the foodservice side. Logistical challenges continue to affect cheese sales both domestically and internationally. In the Northeast, milk supplies are ample and are supporting cheddar, mozzarella, and provolone production. Retail sales are growing quietly month to month. Foodservice demand is mixed, although the overall trend has been steady. In the Midwest, retail and foodservice demand have eased, giving cheesemakers the ability to catch up on back orders. In the West, retail and foodservice demand is strong and has inventories tight as spot purchasers continue to buy up loads to meet increased holiday demand. Trucking challenges continue to cause load delays. Export load delays continue as there has been no relief yet at the ports.

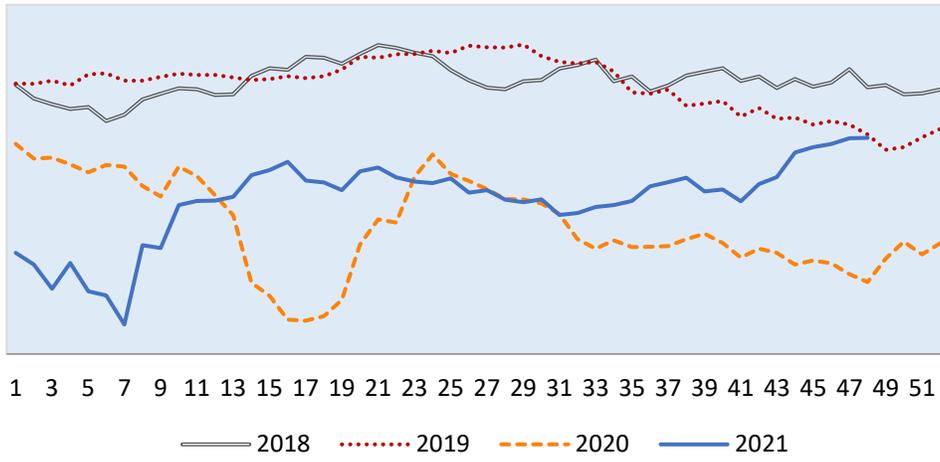




Butter

Market is weaker. The CME Butter Market trended slightly below last week’s movement. Cream availability is meeting needs required by the producers. In the Northeast, hesitation to increase butter outputs at manufacturing plants remain, despite cream supplies having improved recently. Foodservice and retail seasonal demand are trending positively. In the Central region, churns have been busier than anticipated due in part to the ample cream that was available last week, which kept plants near capacity. In the West, cream availability is mixed, although there seems to be enough to meet current production needs. Demand is strong, but there are some concerns as the truck driver shortages continue to cause challenges. Retail demand is trending upwards as expected. Foodservice demand is steady.

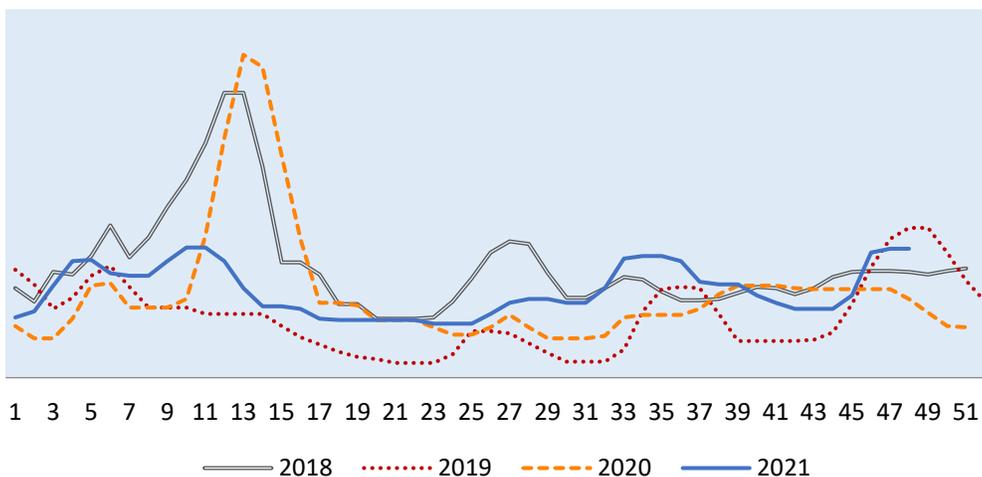
Butter Market Avg Weekly \$/lb



EGGS

Market is steady. East Coast volume is reported as steady, West Coast activity is moderate at best, and regional business is stable. Retail demand is fair and consumer baking trends are providing adequate support to the market. Foodservice and QSR business is steady for this time of year. Supply is moderate to limited on both medium and large sizes. Processing schedules are less than normal due to labor issues. Market is trending flat on both medium sizes and on large sizes. National weekly shell egg inventory reports shell egg inventory is up 7.5% over the last week.

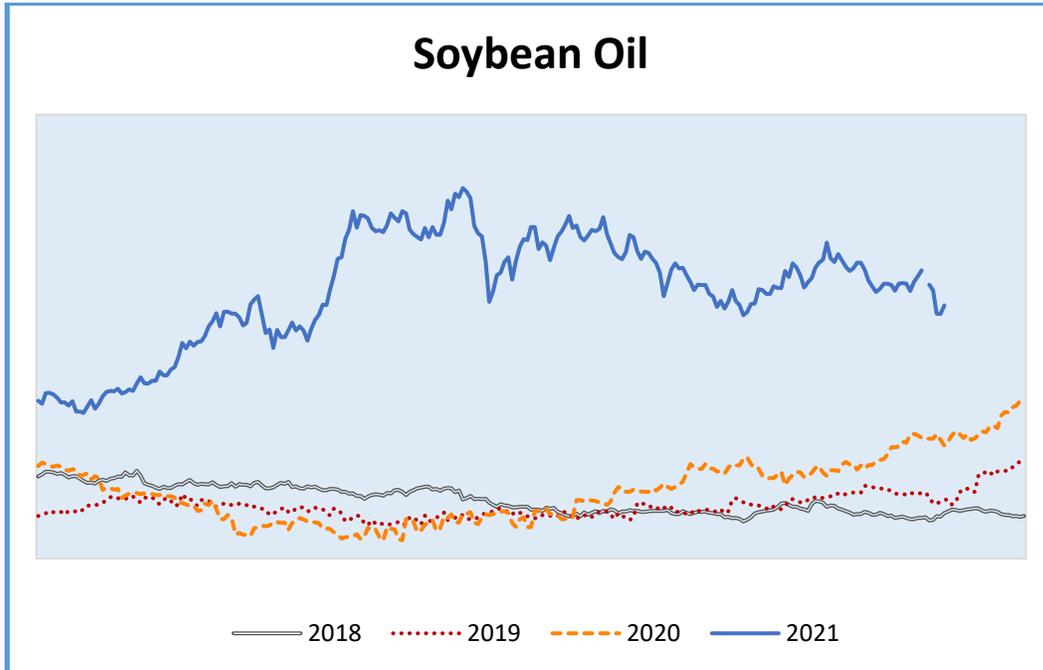
Large Shell Eggs \$/Dozen





SOY OIL

Market is firm. Crush totals for October were released showing an all-time record crush. This puts crush on pace to meet the USDA’s September 2021 through August 2022 estimates. Oil stock have risen, and soybean yield has increased. The appearance of the Omicron variant and its economic effects are being watched closely.



RICE

Harvesting for the new crop is being completed. Total planted rice acreage is down 16% year over year. Long grain production has seen a 15% decline versus last year. Medium Grain supply is down nearly 13% year over year. This is due to the drought conditions affecting California agricultures. Export sales of rough rice and milled white and brown rice are outpacing last year’s sales. With the increase in exports sales and a smaller crop supply, firmer prices are expected.

COFFEE

Market is firm. Brazil was hit by two frost events causing extensive damage to coffee bean crops. Some of the extensive damage may cause farmers to replant trees which could take years to produce. It is important to note that the situation of the ground in Brazil continues to evolve. The lockdown in Vietnam because of Delta variant surge in cases has added concerns for coffee supplies.

SUGAR

Beet Sugar

Market is firm. Despite a summer of concerns about drought in key growing areas, high levels of late season rains and favorable weather has led to a much healthier than expected crop. The November WASDE report is showing record levels of beet sugar production. Despite this, refined sugar remains tight in the U.S. due to issues with cane production. Logistical barriers continue to make it difficult to move sugar at the rate needed to provide supply relief to the US market.

Cane Sugar

Market is firm. As the beet crop improved the cane crop worsened as expected in the aftermath of Hurricane Ida that damaged major sections of cane growing areas in Louisiana. On top of this, there is a major logjam of raw cane imports struggling to find their way into the U.S. as ocean going vessels wait for port congestion to clear. Some refiners that rely heavily on imports are having major challenges running their refineries at the rates needed to supply their demand due to a shortage of raw sugar on site. This paired with rising costs on inbound truck freight and packaging/pallet shortages is leading to increased costs around the country for cane sugar and widening the spread between beet and cane sugar prices.

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:

Non-Foods: Scott MacKaben, Senior VP of Procurement, ext. 5457

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

Poultry, Eggs: Ken Kotecki, Category Manager, ext. 5463

Canned Products, Dairy, Oil, Grains, Beverages: Dwayne Joseph, Category Manager, ext. 5433

