

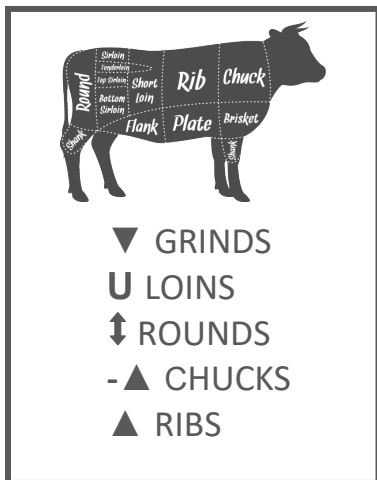
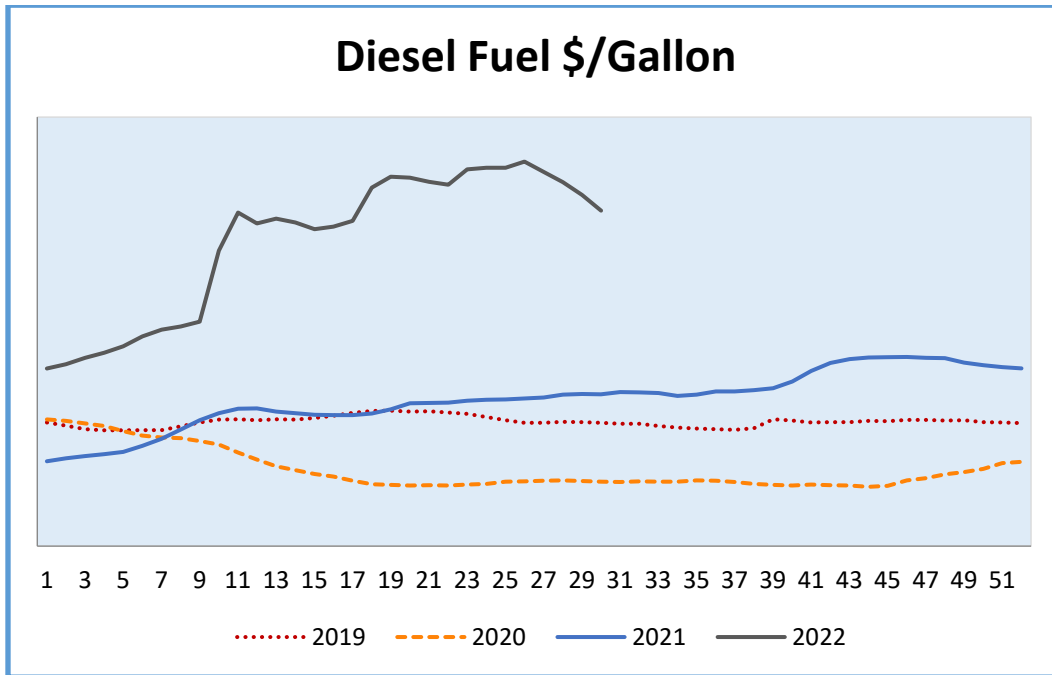


Market Report

Week Ending July 29, 2022



Graphs represent data for the week ending July 22, 2022



BEEF

Market is mixed. Total beef production for last week was down 1.1% from prior week and up 0.5% compared to same time last year. Total headcount for last week was 665,000 as compared to 655,000 for the same time last year. Live weights for last week were up 3 lbs. from prior week but down 13 lbs. from same time last year. Live cattle prices continue to trend well above prior year. The extreme heat has been having an impact on availability of Choice and Select grades as more cattle are seeing Select Grading due in part to the hot temperatures seen over the past several weeks. This is helping to put upward pressure on choice grade on multiple cuts as we moved through this week. Inflationary concerns are noted as having an impact on

buying activity. Recent news reports have shown that auction barns have been pressed to keep up with the demand of ranchers who have been liquidating their herds in some regions. Short term this could mean additional availability as we move towards the end of summer, but long-term impact is that availability could be more limited as we move towards end of year and into next year.

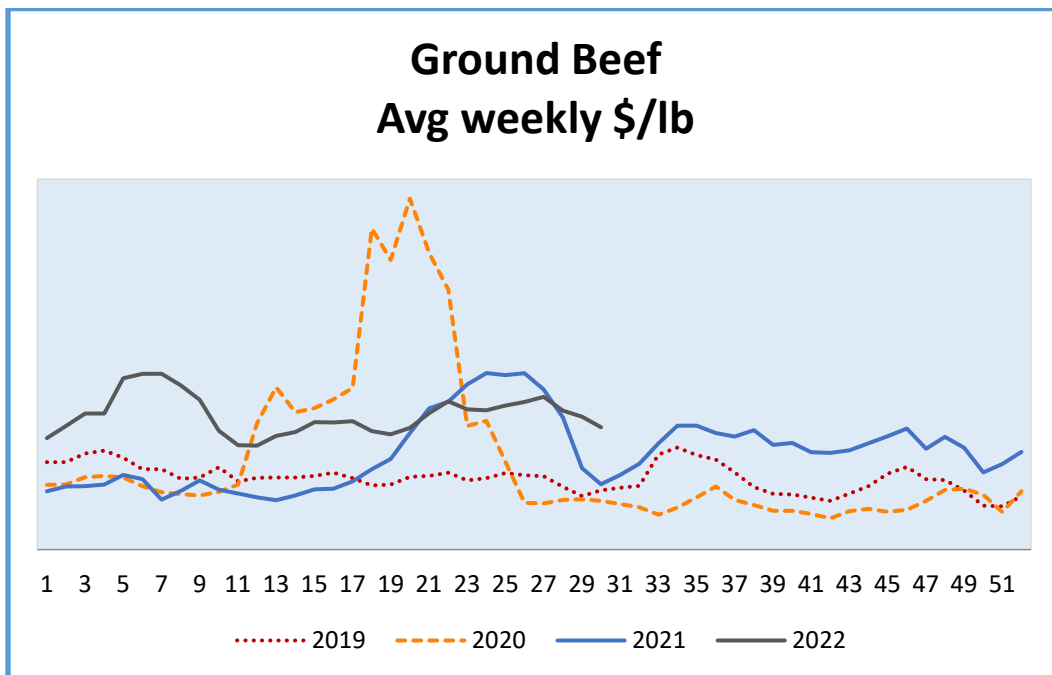
Grinds- Market is weaker. This market typically sees lighter demand as we move into early August and this week appears to be keeping with that trend as lighter buying activity has helped to put downward pressure on the market.

Loins- Market is unsettled. Availability is varied between packers and larger gaps in asking prices have been seen this week.

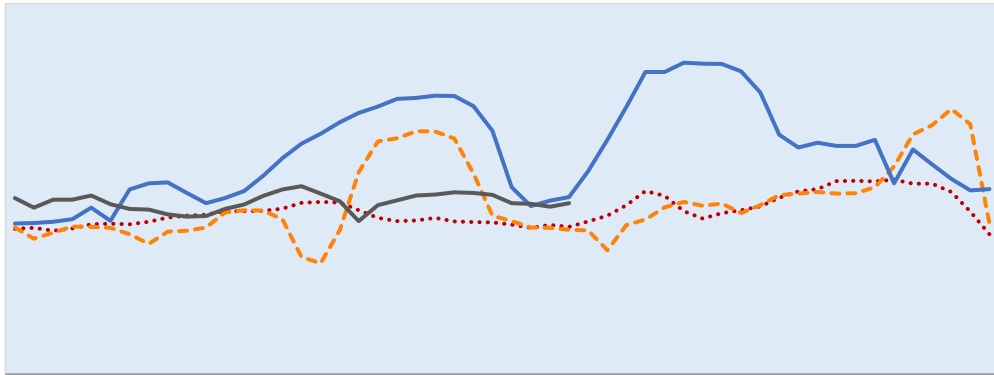
Rounds- Market is mixed. This week has seen both higher and lower asking prices from packers. The overall market is mostly steady as packers look to get their inventories in line with current demand.

Chucks- Market is steady to slightly firmer. Buying interest has been improved compared to normal for this time of the year, as buyers have been looking for more value priced beef cuts. Demand for grinding activity has been pulling additional inventories over the past several weeks.

Ribs- Market is firmer. Demand has been improving over the past several days. Buying interest has been improved as the recent low prices have helped to improve activity. Buying activity typically improves we move closer to the Labor Day holiday.



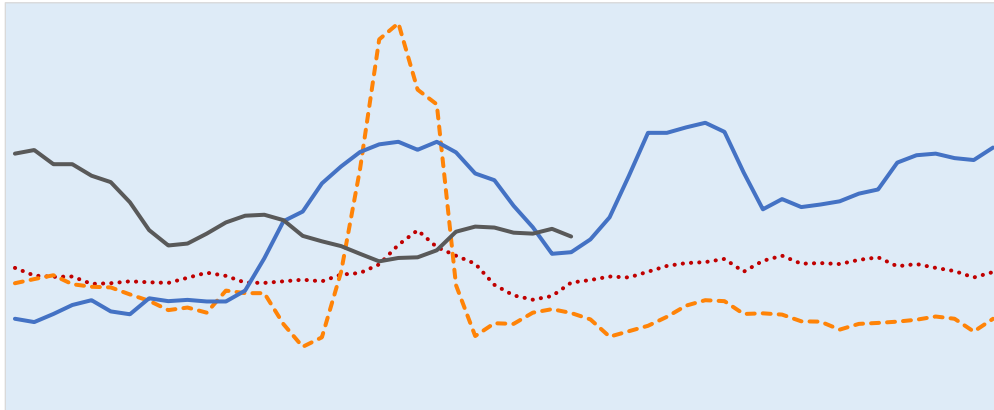
Choice Ribeye Heavy Avg weekly \$/lb



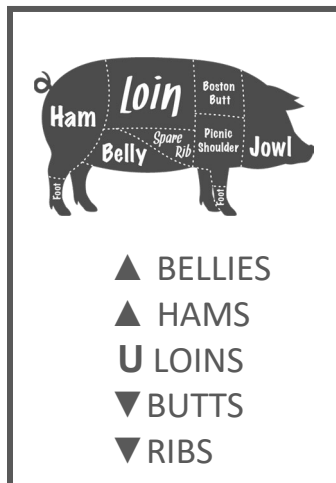
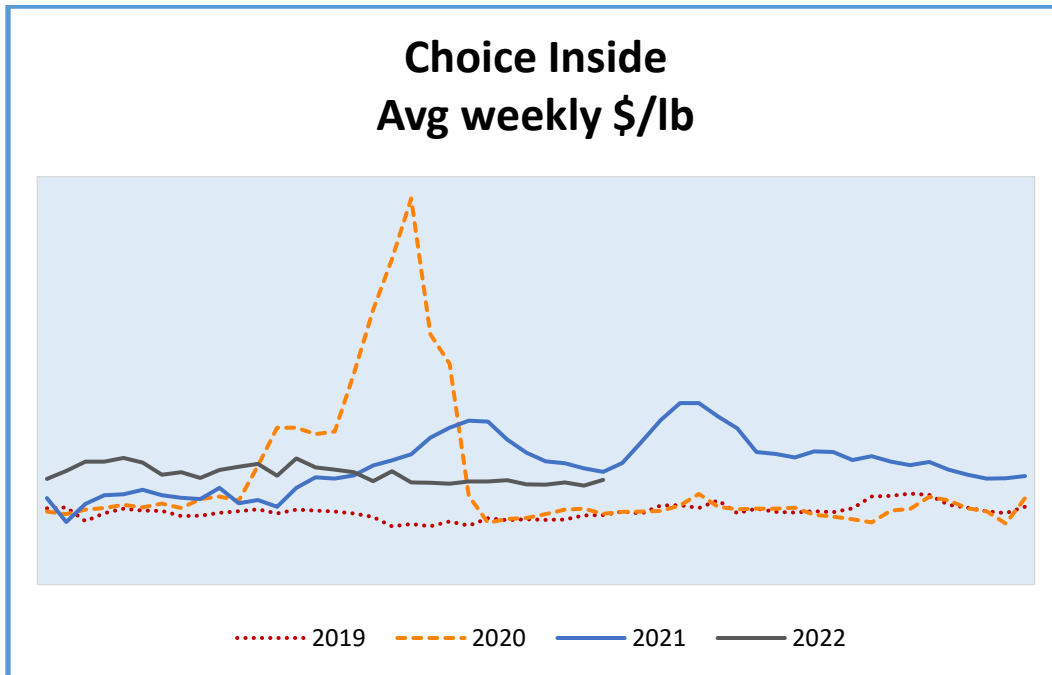
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

..... 2019 - - - - 2020 ——— 2021 ——— 2022

Choice Brisket Avg weekly \$/lb



..... 2019 - - - - 2020 ——— 2021 ——— 2022



PORK

Market is mixed. Total pork production for last week was up 1% compared with prior week but down 0.4% compared to same time last year. Total headcount for last week was 2,285,000 as compared to 2,325,000 for the same week last year. Live weights for last week were down 1 lb. from prior week, but up 3 lbs. from same time last year. Available labor continues to improve compared to prior months, yet it is still below necessary levels; this continues to be a concern at multiple plants. Shortages and allocations are expected to continue over the coming weeks. Exports have been very good recently and helping to keep additional pressure on items such as hams. Buying activity on pork has been quite good as consumers look for value priced protein items; pork has been a value compared to other competing

proteins. Multiple cuts are now trending above prior year and above the 5-year average for this time of year.

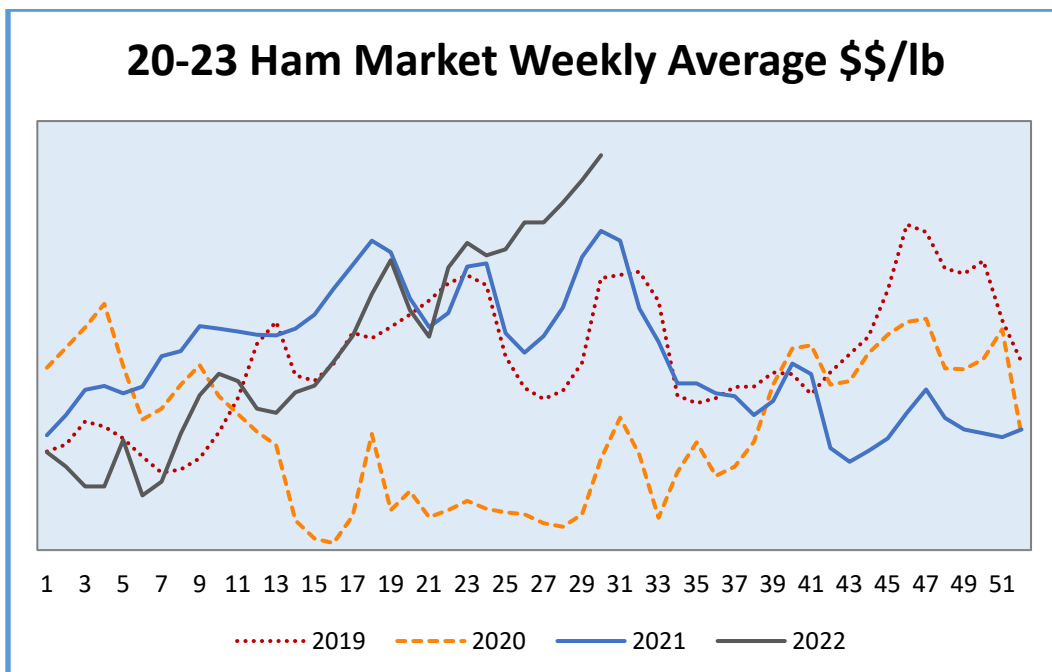
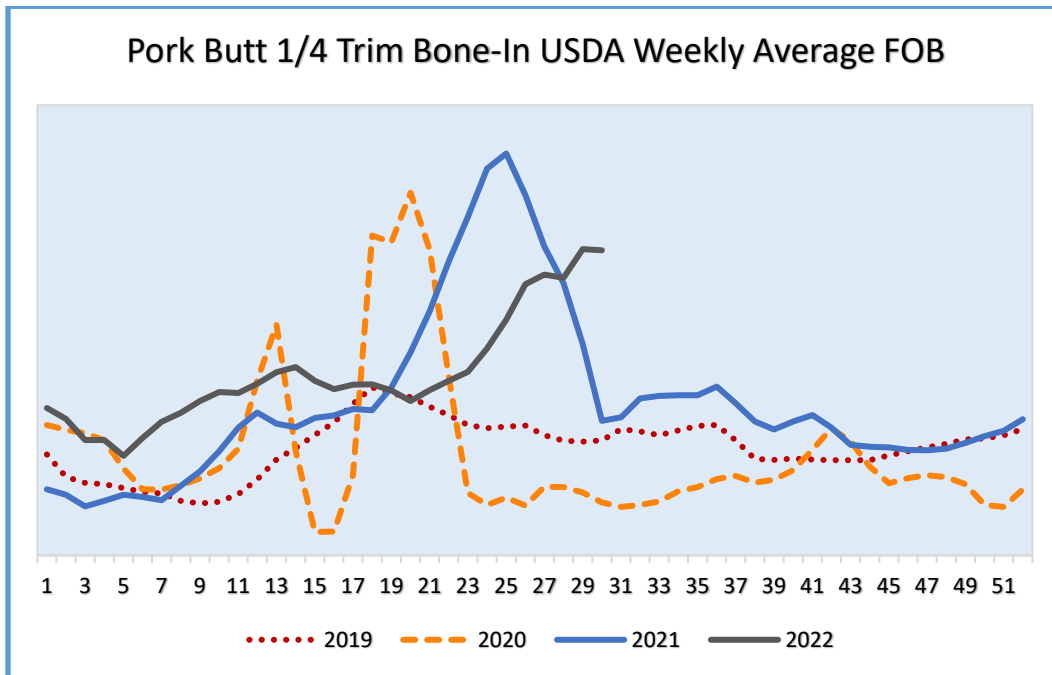
Bellies- Market is firmer. Buying activity has been very good as we moved into this week and the market has continued to push higher as this week progressed. Bacon remains on allocation with multiple suppliers due to ongoing labor concerns.

Hams- Market is firmer. Export demand has been solid helping to keep pressure on the market. Demand for deli items is seasonally strong and is also putting additional pressure on the market. The past few weeks have seen sharper increases on multiple items due to the strong demand.

Loins- Market is unsettled. Buying activity has been very good over the past several weeks helping to put upward pressure on the market. The market has seen some downward pressure as we moved into this week, but the market continues to trend above prior year pricing levels.

Butts- Market is weaker. After several weeks of strong demand, the market has started to see softening this week which is seasonally typical. The market continues to trend well above prior year levels.

Ribs- Market is weaker. Buying activity has been lighter as we moved into this week helping to push the market lower. As with other cuts, the market continues to trend higher than prior year.





CHICKEN

Market is weaker. Total headcount for week ending 7/23/22 was 169,606,000 as compared to 170,063,000 for the same week last year. Average weights for last week were 6.40 lbs. as compared to 6.39 lbs. for the same week last year. Chick placements on fryers for week ending 8/27/22 are estimated at 165.9 million headcounts. Placements for previous week were 166.1 million and same week last year was 167.4 million. Retail and foodservice demand is reported to be light this week. Boneless breast, wings, and WOGS have been trending weaker the entire month and market levels are correcting downward. Tenders and back half parts continue to hold steady with adequate demand. The supply side is still underperforming normal industry standards and processing schedules remain moderate to reduced.

WOGS- Market is weaker. Demand from retail and fast-food is trending weaker as we enter later stages of summer. The higher price points are having an effect on consumer demand. Buyers continue to take a wait and see approach. Supply is available and weekly spot activity is pushing the market lower on most sizes.

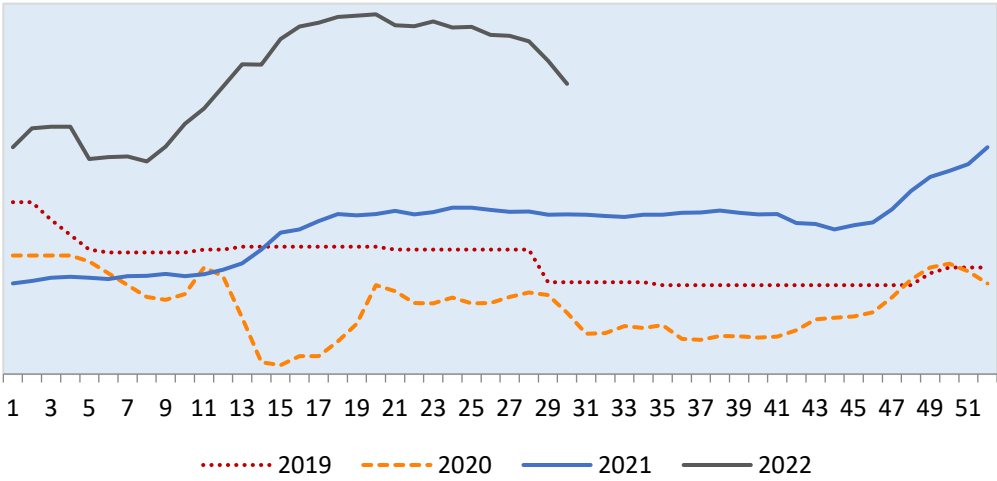
Tenders- Market is steady. Volume from the foodservice and QSR channels is steady and keeping the category propped up. This category has a finite amount of weekly supply. Some spot business is starting to be reported and market levels are holding firm.

Boneless Breast- Market is weaker. Foodservice demand for jumbo sized boneless continues to underperform as higher price points have curtailed consumer spending. Retail demand for medium boneless is moderate to weak. Supply is available on jumbo and medium sizes, while select boneless is tight. Market is trending weaker on jumbo and medium sizes.

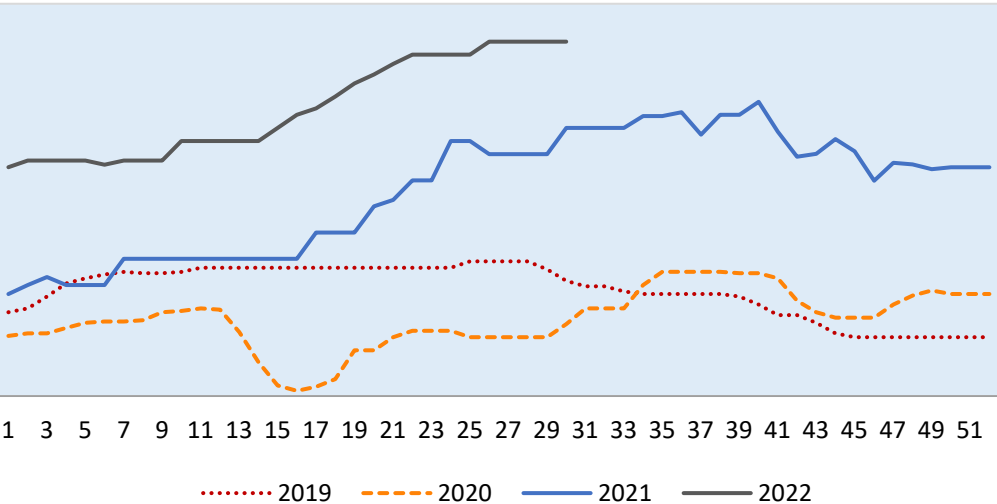
Leg Quarters and Thighs- Market is steady to weaker. Export and domestic volume for leg quarters is adequate. Retail demand for drums and thighs continues to be good as consumers shop for price point items. Thigh meat demand is trending weak as foodservice demand is tapering off a bit. Supply is available with the market holding steady on parts and moving lower on thigh meat.

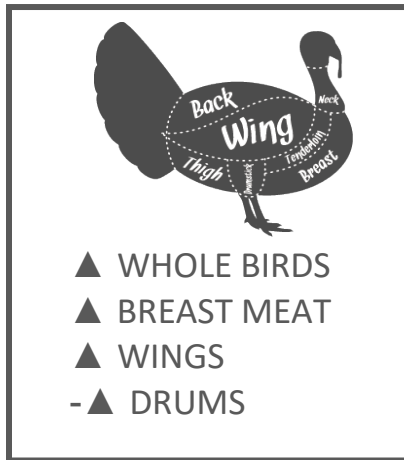
Wings- Market is weaker. Demand for wings has been weak since the beginning of June and this week is no different. Foodservice business is soft and further processors are keeping their finished inventories tight. Supply is available on all sizes. Market is moving lower all sizes.

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 week ending 7/23/22 was 3,627,000 as compared to 3,907,000 for the same week last year. Average weights for last week were 30.95 lbs. as compared to 31.29 lbs. for the same week last year. Some call it adequate demand and some call it robust demand depending on their vantage point. The effects from HPAI are being felt and some reports are starting to surface that slaughter numbers are at the lowest level since 2004 for this time of year. The recovery from HPAI may take another full year to get the supply side back to reasonable levels. Whole birds, breast meat, white meat, and parts remain in a sold-out status. Limited spot business is reported to be at market or higher trading levels. Market levels continue to hold firm or trend higher depending on the category.

Whole Birds- Market is firm. Limited slaughter figures are having a direct impact on supply. Lack of supply, tight production, and limited freezer stocks are being reported. In past years, large Tom sizes would come available in late summer. This year, many birds are being harvested early to fill orders which is causing a void in the heavy Tom sizes. Supply is extremely hard to uncover. Market levels are holding firm.

Breast Meat- Market is firm. Demand from retail deli, foodservice, and QSR outlets continue to be reported as good. Further processors continue to produce finished inventory on a wait and see basis in order to limit their carrying costs. Supply continues to be tight with very little spot business being offered or reported. Supply remains tight and market is getting upside pressure.

Wings- Market is firm. Seasonal demand for whole wings and two joints continues to be moderate to good. Limited slaughter means there is a finite weekly supply. Market levels are holding level.

Drums and Thigh Meat- Market is steady to firmer. Demand for this category is seasonal and this summer is trending very good. Product availability on drums is tight and premiums continue to be noted. Demand from deboners and further processors is keeping thigh meat adequately supported. Market is trending higher on drums and flat on thigh meat.



SEAFOOD

Inflation concerns are being noted as having an impact on multiple categories such as crab, lobster, and shrimp. Demand has eased in these categories and the market is expected to be more unsettled as we move through the coming weeks.

Gulf Shrimp- Market is weaker. The market continues to see downward pressure with some sizes seeing large dips compared to just a few weeks ago. Buying demand remains below expectations while current fishing has been good and helping to build inventories.

Black Tiger Shrimp- Market is steady to weaker. Lighter buying interest is helping to keep pressure on the market. The lower priced white shrimp market is helping to put pressure on the Black Tiger market.

White Shrimp- Market is unsettled. The market for product of Latin America has seen upward pressure over the past few weeks due in part to domestic issues in Ecuador that have caused logistical issues and good demand coming from Asia and Europe. The market for product of Asia remains steady to weaker due to the large number of imports over the past few months combined with lighter buying interest.

King Crab- Market is weaker. Buying demand is light to dull and putting downward pressure on the market.

Snow Crab- Market is unsettled. Demand has pushed much lower as we have progressed through this year. The soaring prices that we saw from the Fall and into early this year have helped to slow buying interest, and the market has pushed sharply lower over the past several weeks. The market is forecasting to push even lower as we continue through July due to the light demand. The market on some sizes is trending about 60% lower than January of this year.

Warm Water Lobster Tails- Market is weaker. The market has been seeing sharp drops over the past few weeks. Inventories are normally very limited for this time of the year, but this year is out of the norm, as inventories remain in good supply for current demand. New season production is helping to put downward pressure on the market and helping to push prices lower from the sharp highs that have been seen for several months. Buying activity for lobster is light, due in part to inflationary concerns impacting multiple seafood items.

North American Lobster Tails- Market is steady to weaker. Larger sized product is in lighter supply compared to other sizes and is not seeing the downward pressure that other sizes have continued to see. Buying activity continues to be lighter with reports of demand at National chains being below expectations.

Salmon- Market is mixed. Buying activity has been below expectations over the past few weeks helping to push the market lower from all regions on farmed salmon. The Wild Salmon market is unsettled as new season product begins to make its way to market. Availability is varied between fishing areas and species.

Cod- Market is firm. Available inventories have been limited for several months and ongoing production and logistical issues are keeping pressure on the market. Product coming back out of China continues to see upward pressure due to the ongoing labor and logistical challenges

Flounder- Market is steady. Production issues and delays out of China have been causing issues for this market for several months.

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 as well.

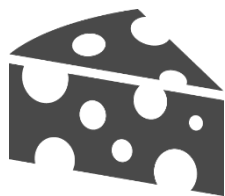
Pollock- Market is firm. Retail demand has been quite good and putting stress on already light inventories. Production and logistical issues continue to hamper availability.

Domestic Catfish- Market is firm. Inventories have been limited for several months. Allocations remain commonplace and are anticipated to continue as we head further into 2022. Inventories are limited on all sizes and well below current demand.

Tilapia- Market is weaker. The market had been surging higher over the past several months due to strong global demand, freight costs, and increased import costs. Demand has seen softening over the past few weeks due in part to the higher prices. The past few weeks have seen this trend reverse as overall lighter demand, lower Ocean Freight costs, and lower replacement costs are all combining to put downward pressure on the market.

Swai- Market is weaker. Imports have been improved and helping to improve overall inventories. The high prices that were seen in the market over the past several months helped to slow demand while the imports were improving. Total Swai imports through May are up over 41% compared to same time 2021.

Scallops- Market is steady to weaker. The market for domestic product has pushed lower on multiple sizes with good inventories for current demand. Product from Canada has seen downward pressure, with good landings helping to improve inventories. Imports from Peru have dropped off due to the domestic market seeing downward pressure. The Japanese season is just beginning, and that market is a little more unsettled with both higher and lower prices being seen. The remainder of the market is holding mostly steady.



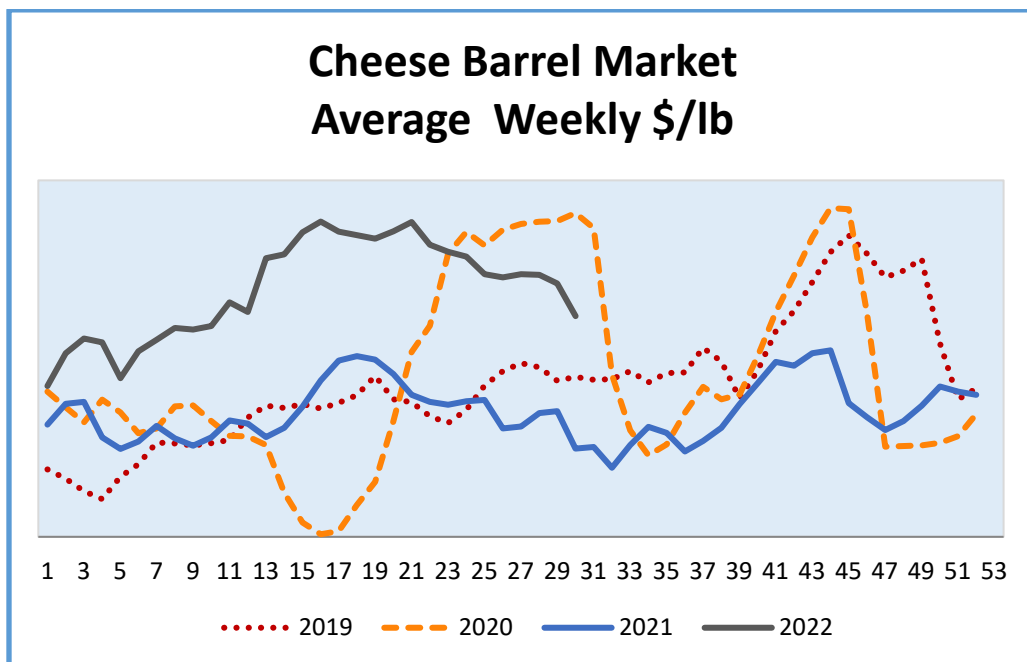
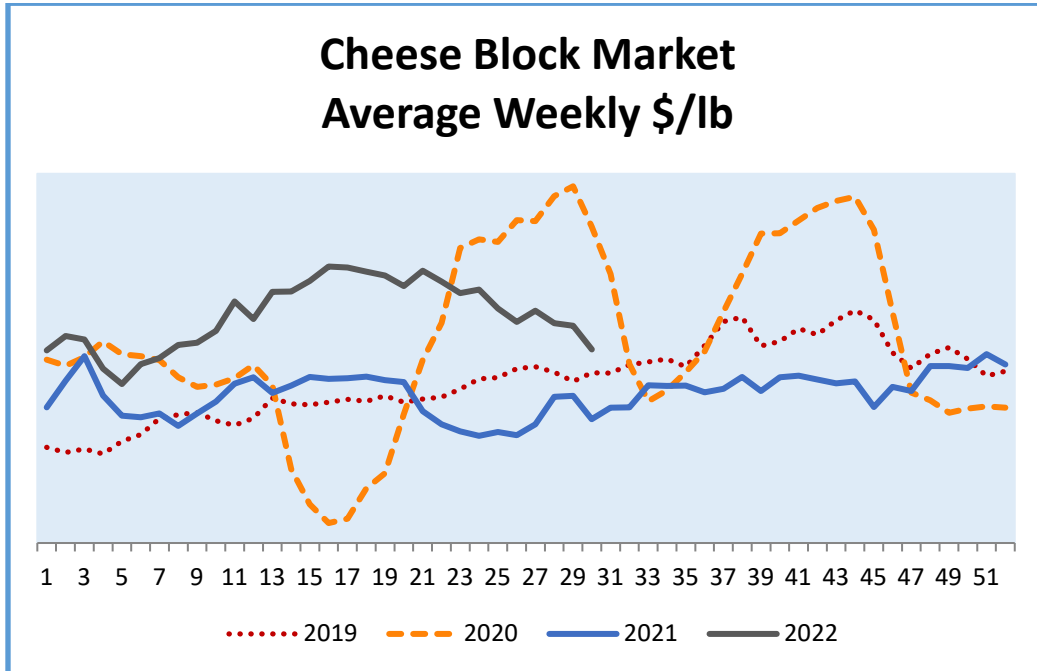
DAIRY

Cheese

Market is weaker. Both the CME block and barrel markets are down again as of midweek. Cheese production is busy nationwide, though continued regional labor shortages are hurting production in the Midwest. Inflation continues taking its toll as the weeks go by, generating softness in demand in both the retail and foodservice arenas nationwide, as customers pare back spending due to higher prices. Milk is generally available for cheesemaking nationwide, even as milk producers enter a seasonal lull. In the Northeast, milk supplies are nearly overabundant, and cheese production is busy. Northeastern retail and foodservice demand are both weaker, continuing the trend of the past few weeks. Some contacts in the Northeast are concerned with possible surplus of cheese inventory in the region as demand continues to soften. In the Midwest, milk availability is still decent, though contacts report that that is most likely a temporary situation. There are continued reports that significant numbers of milk producers in the Midwest have been shutting down due to an inability to retain workers, and contacts report that many haulers are retiring or otherwise exiting the market as well. It remains to be seen if these reports will begin to have an impact on regional milk prices, which are still soft overall. Cheese demand in the Midwest is a lone exception to the story of softening demand in other parts of the country, with current demand in retail and foodservice being steady for this time of year. In the West, foodservice and retail demand have steadied somewhat this week, though overall demand is still down from this time last year, most likely due to inflationary pressures on consumers. Cheese production is busy in the region, but delayed deliveries and ongoing labor shortages continue to somewhat depress plant activity.

Cream Cheese

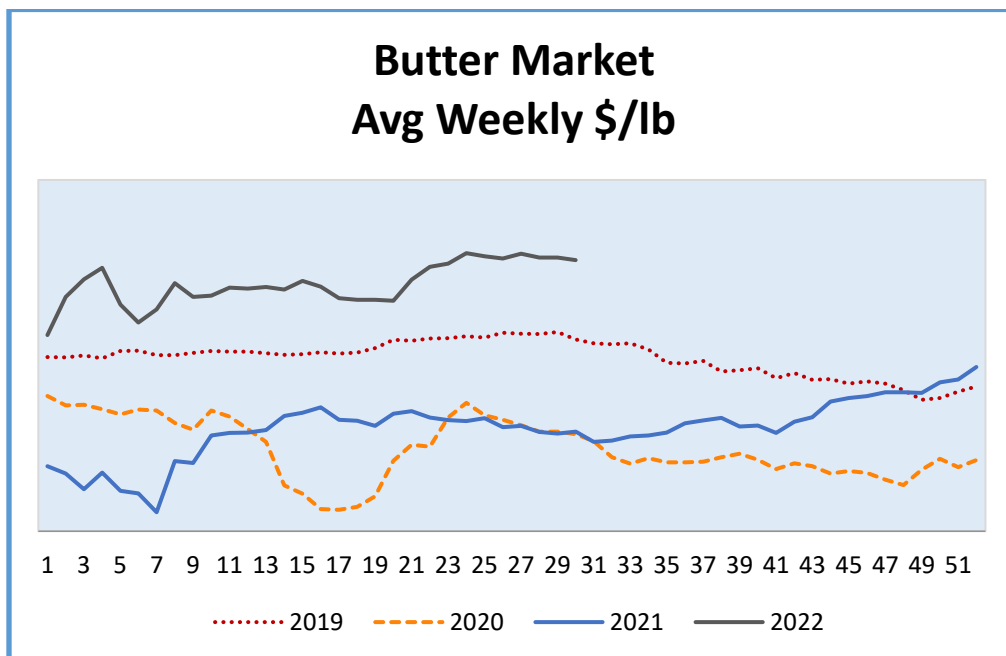
Market is firm. Inventories are limited, and allocations and cuts should continue to be expected for the remainder of the year. Multiple suppliers are not taking on new business, and inventories are expected to remain noticeably light through Quarter 4 of 2022. Labor, logistics, and packaging issues are all contributing to the current industry-wide situation. Both foodservice and retail sectors are being affected.





Butter

Market is firmer. The CME Butter Market is back up again as of midweek after a slight dip last week. Butter production nationally is steady, though labor shortages and continued tightening in the cream supply are putting a dent in some production schedules. In the Northeast, butter production is mixed due to staffing issues and tight cream supplies. Foodservice and retail demand are steady to soft in the Northeast this week, and reports of consumer cutbacks due to inflation continue. In the Central region, production of butter is steady, and cream supplies are available to meet most needs. Labor issues are still a factor in the region, though producers report that they are slowly building back their staffing numbers. Foodservice and retail demand are steady this week in the Midwest, though still a bit weak year over year. In the West, demand for cream remains high as both ice cream and butter producers are running busy schedules. Cream supplies are still available in the West but appear to be tightening week by week. Retail demand continues to weaken due to inflationary cutbacks from shoppers, and foodservice demand, while below seasonal expectations, is steady this week in the region. Butter production in the West is busy, but labor issues and hauling costs are still an ever-present factor in keeping production from reaching optimal levels. There is some concern among contacts nationally over the level of butter inventories going into the fall, as the widespread labor issues in plants nationwide, and the tightening supplies of cream, may be keeping many producers from padding their inventories during this time of year.

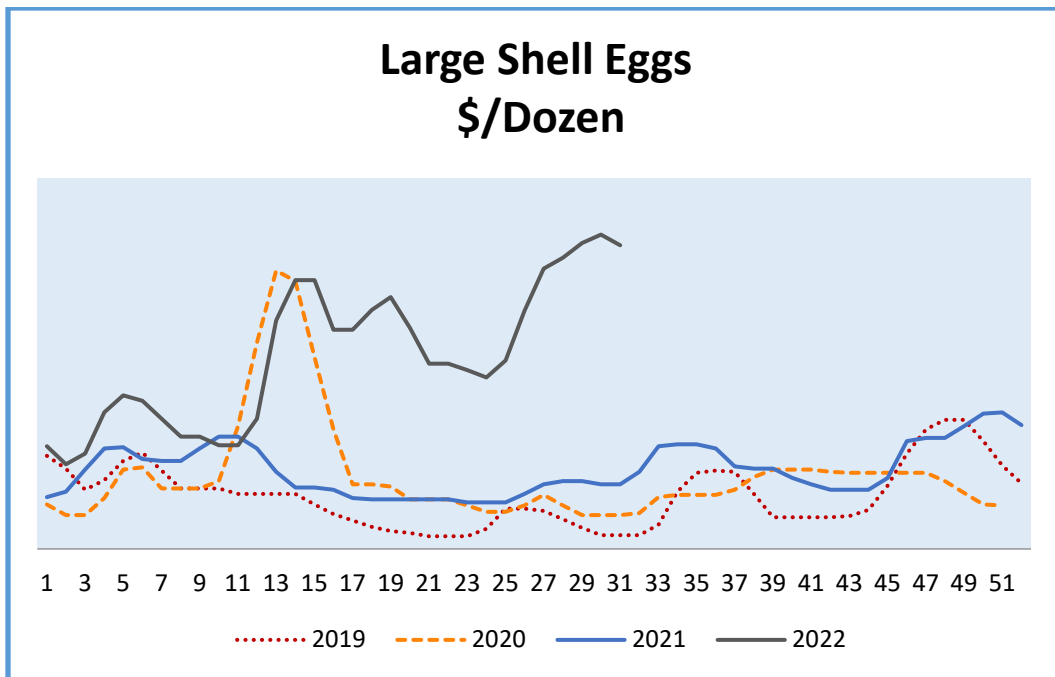




EGGS

Market is unsettled. Retail volume is rated as moderate to fair as higher shelf prices are starting to curtail demand a bit. Some data is starting to surface that retail prices for shell eggs may have rose almost 60% from June to July. Foodservice and fast-food demand continues to be reported as moderate to good due to vibrant summer travel. Shell egg inventories are starting to improve. Large sizes are becoming more available as younger flocks start to size up over time. Market is moving higher on medium sizes and lower on large sizes. National weekly shell egg inventory reports shell egg inventory up 4.8% over last week.

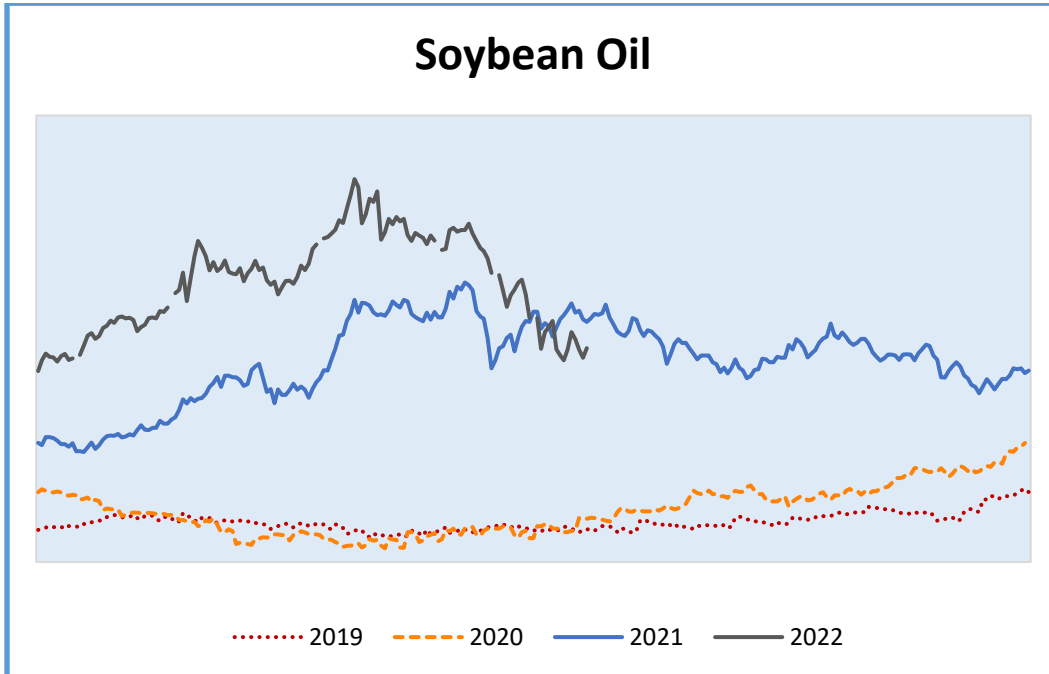
Breaking stock activity is reported to be moderate to good. Demand from further processors remains steady for graded product and yolks but starting to soften a bit. Supply is available, but still tight. Market is starting to show signs of weakness and being pressured lower.





SOY OIL

Market remains firm. Hot and dry weather is forecasted for the next 6 - 10 days. Fortunately, surprise showers have kept crops from turning into a concern thus far. Farmers are holding out hope for more surprise rainfall. The combined good/excellent rating is currently at 59% versus previous week's 62%. The percentage of soybeans in bloom is currently at 64%. This is 5 percentage points behind the 5-year historical benchmark.



CANOLA OIL

Market remains firm. Planting progress remains steady. To the delight of farmers, the crop conditions remain favorable across the Prairies.

CHERRIES

The mid-west Cherry harvest is over 40% picked and will conclude at the end of August. Because of unprecedented frost and rain, the harvest is expected to be about 50% of the average harvest.

CORN

Market remains firm. The combined good/excellent crop ratings are 61%, versus 64% from the previous week. There are concerns in Tennessee, Kansas, Kentucky, and North Carolina, with North Carolina sitting at a significantly low poor to very poor crop rating of 42%. Crop pollination made a 25 percent jump from the previous week, as it now sits at 62%. The 6 – 10-day forecast is calling for above normal temperatures. Cooler than normal weather conditions are expected in areas of the Desert Southwest. While rain is expected for most of the nation, drier conditions are being forecasted in parts of the Northern Plains and from the Lower Great Lakes region to New England.

PEACHES

Peach harvest is ramping up. Grower's main area of concern have to do with uneven ripeness. With the above normal temperatures being seen across much of the country, growers will have to allocate their time to picking to avoid overripe fruit while irrigation occurs as necessary. A resultant harvest of approximately 78% of normal (22% short of initial spring estimate) is expected.

RICE

Market remains firm. Rice crop development is on track. USDA reports that currently 4% of the crop is headed (rice panicle have emerged from the stem) in Arkansas versus the average of 7%. Nationally 21% is headed, which is in line with the norm. Parboiled rice supply is limited and projected to remain that way for several months.

SUGAR

Market remains firm. Sugar prices continue to increase in some markets, due to demand outpacing supply. Prices on all sugar types (granulated, powders, brown and liquid products) will remain at inflated levels through summer.

TOMATOES

Market is steady. Conventional early and mid-season tomato plantings are developing nicely. San Marzano Style tomato crop is continuing to mature and grow.

WHEAT

Winter Wheat: 77% of the harvest has now been completed.

Durum Wheat: 84% of the harvest has now been completed.

FRESH POTATOES

Market is firm. Potatoes are very limited with cuts and allocations common place on all varieties and sizes. Several suppliers are not looking to take on new business due to the very limited availability. New season crops will be harvested over the coming weeks but not much relief is anticipated in pricing or availability until we get into mid-September.

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

Scott MacKaben, Senior VP of Procurement, ext. 5457

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

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

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

Non-Foods, Dairy: Matt Burden, Category Manager, ext. 5427

