



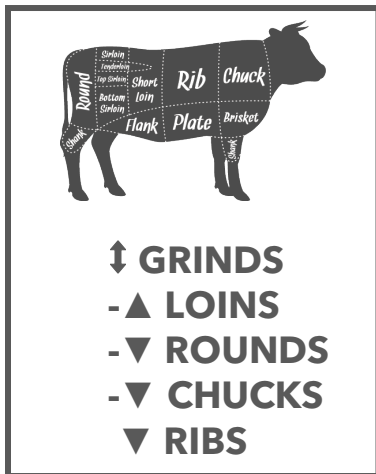
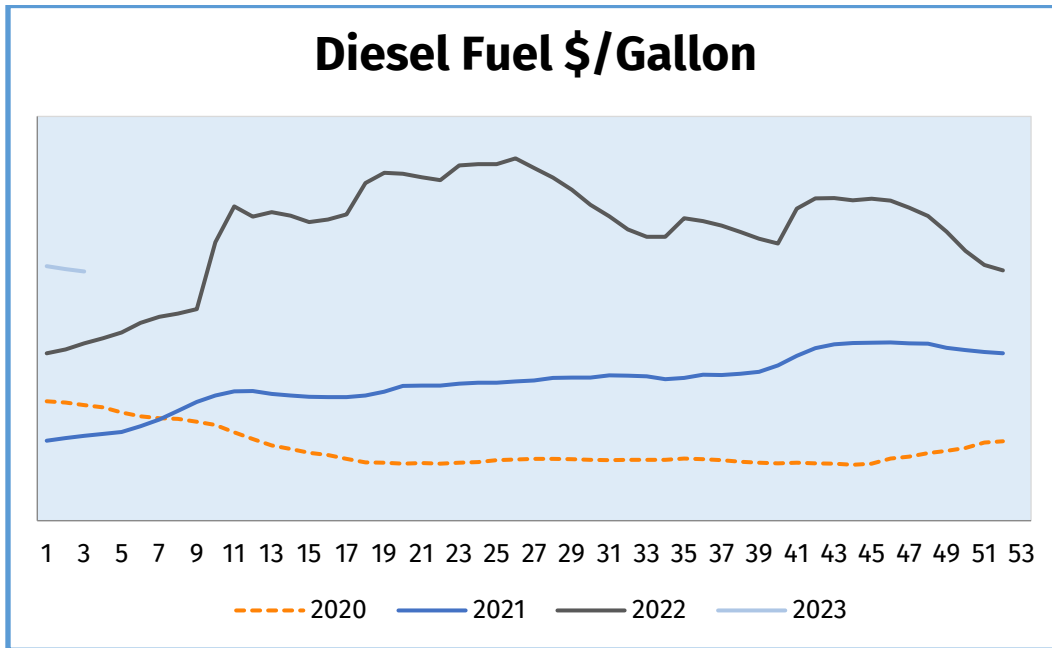
DIFFERENT
by design



Market Report

WEEK ENDING | JANUARY 20, 2023

Graphs represent data for the week ending January 13, 2023



BEEF

The market is unsettled. Total beef production for last week was up 17.1% versus the prior week and up 6% compared to the same time last year. Total headcount for last week was 661,000 as compared to 618,000 for the same time last year. Live weights for last week were down 3 lbs. from the prior week, and down 16 lbs. from same time last year. Live cattle prices have been pushing higher for the past several months and continue to push higher into new record levels. This is well above the prior year and the 5-year average. Futures contracts for April are still pointing towards possible additional record high live prices. This week has seen the market soften on multiple cuts as production picks back up and overall demand has been on the lighter side. Multiple cuts remain at higher than anticipated levels for this time of year and are helping the market to remain more unsettled.

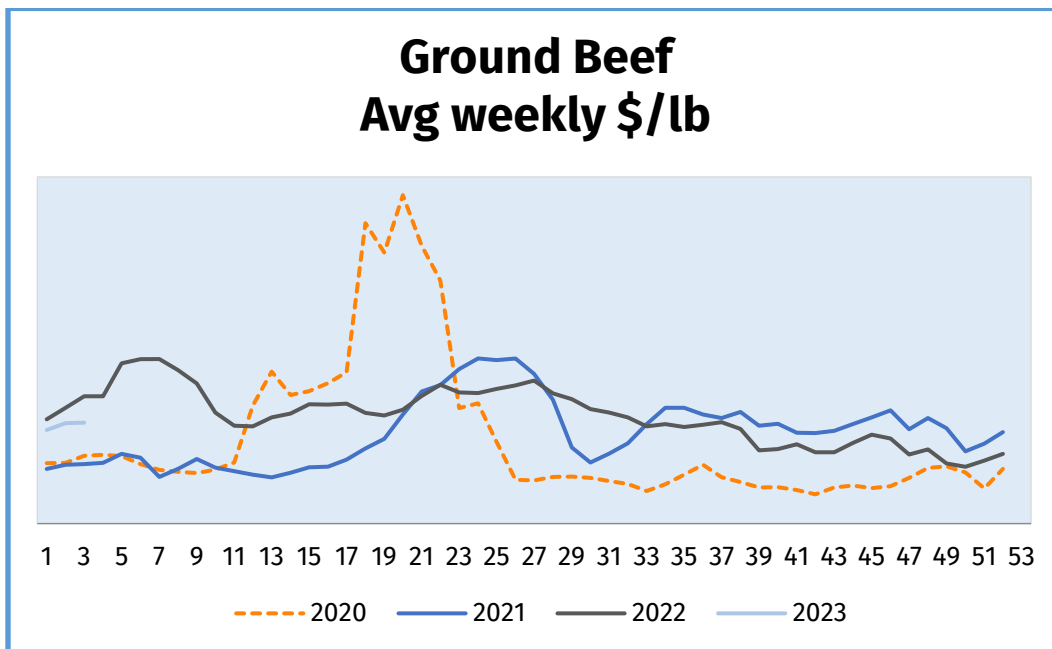
Grinds – The market is mixed. Retail demand is good and is helping to move inventories. Retail advertising for grinds is expected to continue as we move through January. Availability is mixed between packers, causing both higher and lower prices to be seen over the past few days.

Loins – The market is steady to firmer. Demand has been very good over the past few weeks, helping to put upward pressure on the market. By mid-week, the market was not seeing the same increases seen over the past few weeks and were in more of a steady pattern after the multiple days of increases over the past few weeks.

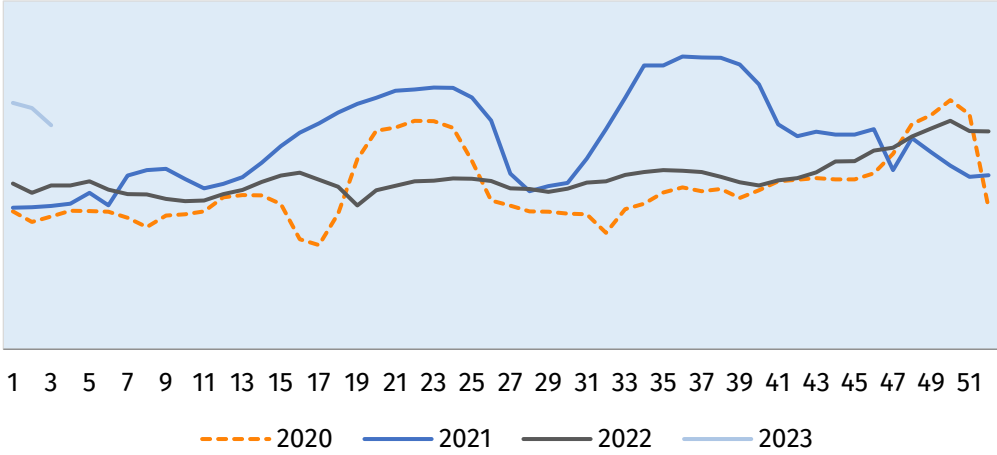
Rounds – The market is steady to weaker. The increased production over the past few days is helping to improve inventories and the market has seen some softness on multiple cuts.

Chucks – The market is steady to weaker. This market has seen upward pressure over the past couple of weeks, but the trend seems to have reversed as we moved into this week as the increased production started to take pressure off the lighter inventories seen over the past few weeks.

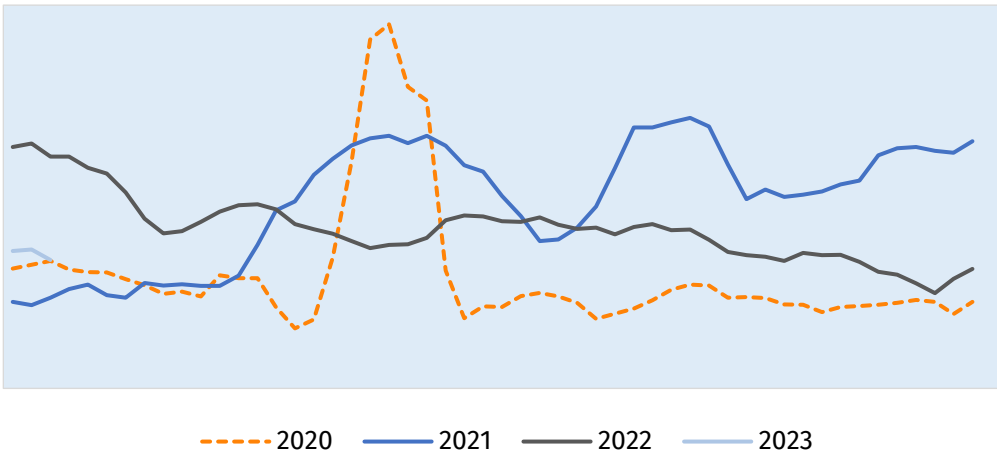
Ribs – The market is weaker. The market is seeing seasonal weakness as buying focus shifts to other cuts. This trend seems to have started later than normal this year due to already light inventories combined with weather issues that helped to disrupt the market over the past few weeks.

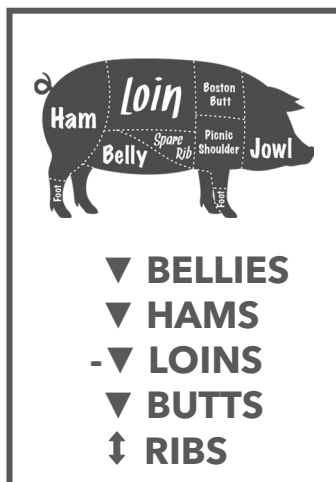
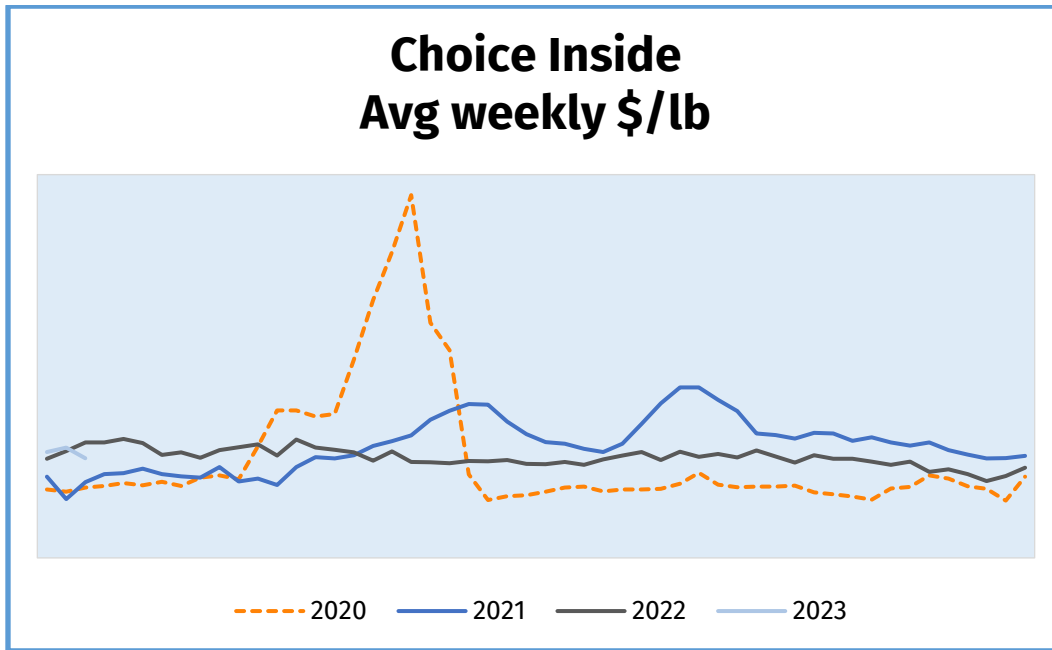


Choice Ribeye Heavy Avg weekly \$/lb



Choice Brisket Avg weekly \$/lb





PORK

The market is mixed. Total pork production for last week was up 17.3% versus the prior week and up 12.2% compared to same time last year. Total headcount for last week was 2,688,000 as compared to 2,367,000 for the same week last year. Live weights for last week were even compared to the prior week, and down 3 lbs. versus last year. The recently improving production is putting more meat on the market but demand has not been keeping pace. Severe weather is expected again this week across a large section of the country and could have an impact on production as we move through the week.

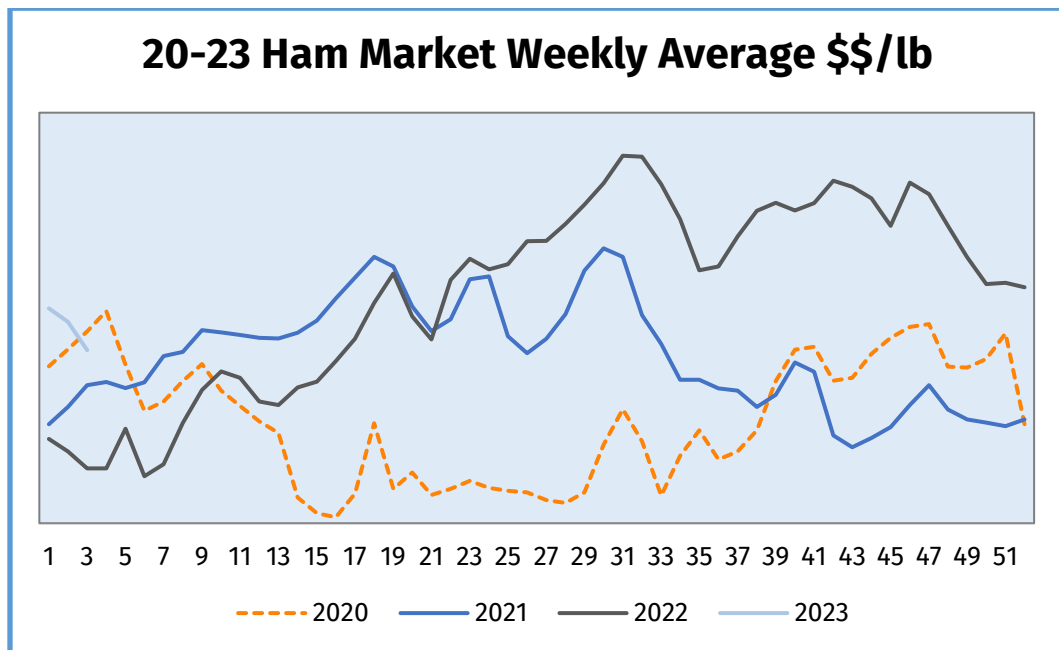
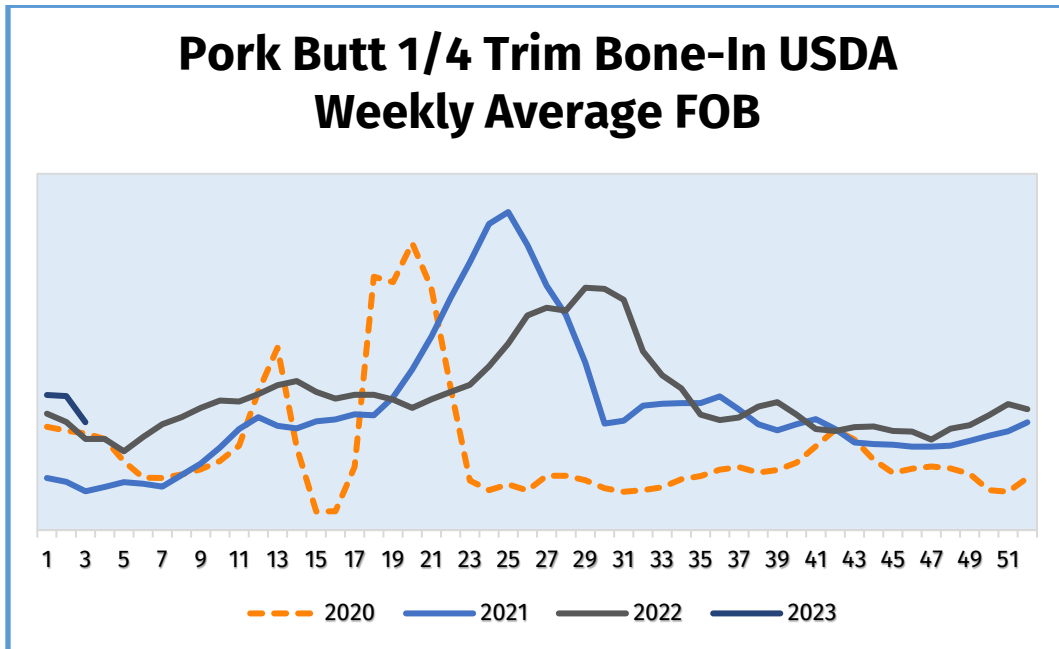
Bellies – The market is unsettled. Lighter demand over the past few weeks helped to push the market lower. The market has become more unsettled this week with higher and lower prices seen between packers with the market seeing some upward pressure as this week began.

Hams – The market is weaker. Buying activity for hams has been pushing lower over the past few weeks. Demand is typically seasonally lighter as we move through January and will start to pick up again as we move closer to Easter. Export interest has been lighter over the past few weeks.

Loins – The market is steady to weaker. Buying interest has been lighter as we moved into this week and available inventories are varied by supplier. Retail buying activity has been light and is helping to slow overall demand.

Butts – The market is weaker. Buying activity has been light as we moved into this week and the trend has continued as we move through mid-week.

Ribs – The market is mixed. Availability on ribs is mixed by supplier. Both higher and lower prices have been seen throughout last week and this week.





CHICKEN

The market is steady to firmer. Total headcount for the week ending 1/14/2023 was 172,120,000 as compared to 171,403,000 for the same week last year. The average weight for last week was 6.38 lbs. as compared to 6.35 lbs. for the same week last year. Retail and foodservice volume is gaining momentum and is reported to be good. Further processor activity is vibrant which is creating additional demand. WOG demand is moderate. Boneless breast, tenders, and wings are seeing an uptick in volume. Export demand for leg quarters and whole legs may get a bump in demand if countries from the Pacific Rim adjust their HPAI restrictions. The supply side is getting bird weights back to normal levels with full production and selling weeks.

WOGS – The market is steady. Fast-food and retail deli is fair to start the year. All sizes of product are reported to be clearing adequately. Supply is available depending on a plant-by-plant basis. Market levels are holding even.

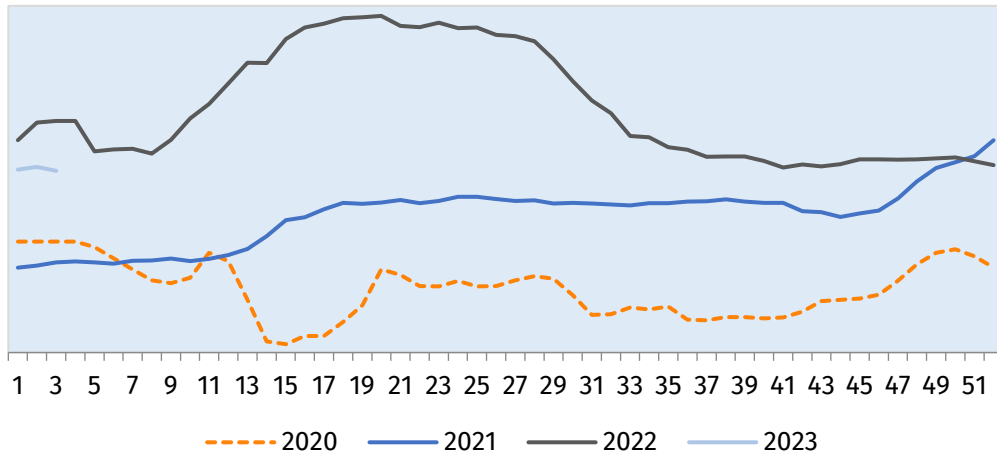
Tenders – The market is firmer. Foodservice, fast-food, portioner business is on the rise with improved seasonal demand. As further processors try to replenish inventory, supply has tightened. Market levels are experiencing some upward pressure.

Boneless Breast – The market is firmer. Jumbo boneless is getting a lift in demand from foodservice and further processors. Retail volume on medium boneless and QSR business for select meat is still moderate to fair. Supply is available but has tightened. Market levels are moving higher on jumbo, but flat on medium and select sizes.

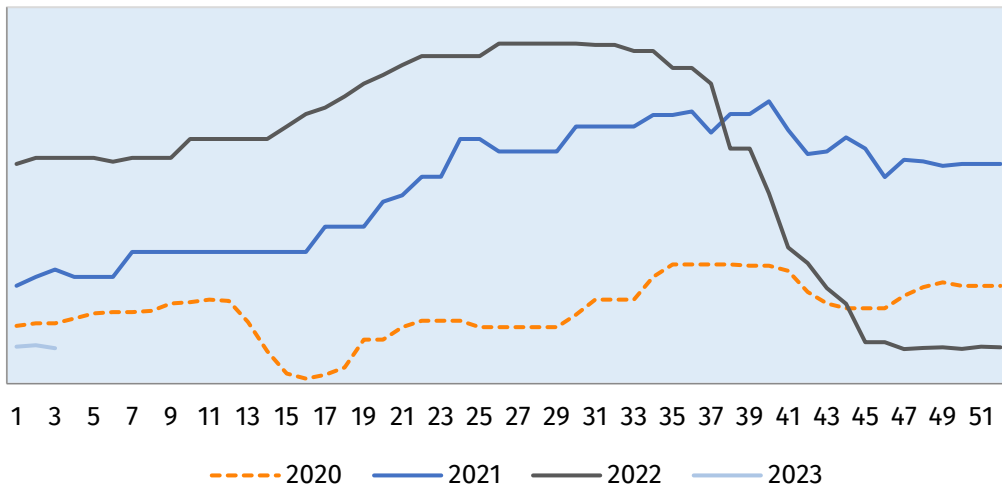
Leg Quarters and Thighs – The market is steady. Export demand is mostly static but may get a lift if foreign countries relax their HPAI restrictions. Retail volume for case ready drums and thighs is fair. Supply is available with some excess. Market on leg quarters and thigh meat remains flat.

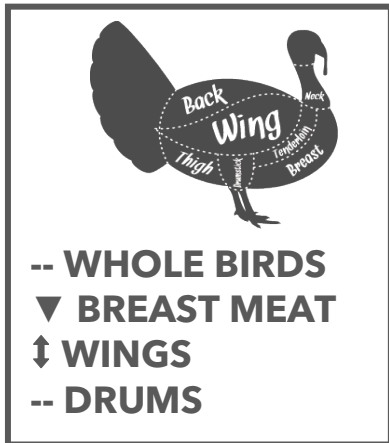
Wings – The market is steady to firmer. Wing season is finally getting a subtle boost in demand with the football playoffs underway. Jumbo and medium sizes are getting the bump in volume while small sizes are holding their own. Supply is available but has tightened. The market is moving up on jumbo sizes and mediums. Smalls are flat.

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



Chicken Tenders Avg Weekly \$/lb





TURKEY

The market is steady to weaker. Total headcount for the week ending 1/14/2023 was 3,781,000 as compared to 3,718,000 for the same week last year. Average weights for last week were 31.42 lbs. as compared to 32.36 lbs. for the same week last year. Now that the booking period for whole birds is fully underway, sellers and buyers are both in uncharted waters due to record market levels. The breast meat category shows a little retraction in demand. Drums, thighs, wings, and parts are reported to be fair to soft. Export sales continue to be status quo with HPAI restrictions, but that has the potential of changing. Suppliers remain uncertain about future production for the upcoming year. Slaughter numbers remain under past industry benchmarks. Market levels across most lines of business are steady.

Whole Birds – The market is steady. With whole bird prices almost double versus the 10-year average, buyers are having a hard time determining their future needs. Supply is tight and reported to be barely adequate. The market levels remain firm.

Breast Meat – The market is weaker. Retail deli and foodservice demand is holding steady, but further processing has slowed a bit. Some spot trading is showing softer demand. Supply is tight. Market values are being pressured lower.

Wings – The market is mixed. With limited export business, demand for whole wings is soft. Domestic demand for two-joints is reported to be good and is helping clear raw material. Supply is starting to become available. The market is moving lower on whole wings and higher on cut wings.

Drums and Thigh Meat – The market is steady. Drums and thigh meat demand is moderate with adequate support from further processors. Market is moving sideways on drums and thigh meat.



SEAFOOD

Gulf Shrimp – The market is mixed. The market for larger sized brown shrimp is seeing upward pressure due to the very limited inventories. The market for domestic whites is steady to weaker as this market continues to see pressure from imported product.

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

White Shrimp – The market is mostly steady. Buying activity has been below expectations for several weeks. This combined with ample inventories is keeping downward pressure on the market. November Shrimp import numbers were recently released showing over a 19% decline in numbers and was a fifth straight month in a row of declining imports. Even with the declines, there is still currently a large amount of inventory available. Demand last week improved but inventories remained heavy compared to current demand. Replacement costs overseas are noted as being on the rise along with higher capital costs putting pressure on farming costs.

King Crab – The market is unsettled. Availability has varied between suppliers, helping to cause both higher and lower prices in the market over the past few weeks. Overall demand has been below expectations for several weeks.

Snow Crab – The market is unsettled. Demand is light and putting downward pressure on the market. Even with the downward pressure, the market remains well above the seasonal norm for this time of the year.

Warm Water Lobster Tails – The market is steady to weaker. Buying activity has been improved as we moved into this week but not enough to have an impact on inventories yet this week. Additional downward pressure has been seen this week on smaller sizes.

North American Lobster Tails – The market is unsettled. The market has seen lower prices for the past several weeks, but the market has become more unsettled recently. This is partially due to reports of imports from Canada for the third quarter being down almost 24% for the past quarter. Severe weather has caused delays in fishing in both Canada and Maine. Smaller sizes are holding mostly steady while larger sizes have seen continued downward pressure due to lighter buying interest.

Salmon – The market is steady to firmer. Buying activity has been improving over the past few weeks. Inventories are starting to become lighter compared to just a few weeks ago. The availability of West Coast product is more limited, and this is helping to put additional pressure on the market.

Cod – The market is steady. Available inventories have been limited for several months. Ongoing production and logistical issues are keeping pressure on the market.

Flounder – The market is steady. Production out of China has improved, helping to increase inventories that have been light for several months.

Haddock – The market is steady. Inventories are light for an active demand. Higher production costs and more limited inventories have been putting pressure on the market.

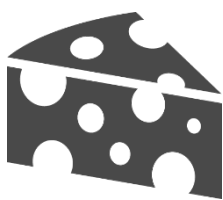
Pollock – The market is steady. Retail demand has been very good for several months and is helping to move additional inventories. Production and logistical issues have been improving over the past several weeks.

Domestic Catfish – The market is unsettled. Inventories have been limited for several months. Inventories of all sizes are limited, and this trend is expected to continue as we move through spring.

Tilapia – The market is steady to weaker. Demand in retail has been lighter over the past few weeks helping to put downward pressure on the market while imports continue to trend at high levels.

Swai – The market is steady to weaker. Imports year to date through October 2022 were up almost 25% compared to the previous year. This is the record for that time frame. This combined with lighter demand at retail and lower Ocean shipping costs are helping to keep pressure on the market.

Scallops – The market is mixed. The market for larger sized Domestic product had been seeing upward pressure over the past few weeks. This is due to lighter availability for the larger sizes. 20/30 count Domestic product have seen some downward pressure due to lighter demand for those sizes. The import market is holding mostly steady.



DAIRY

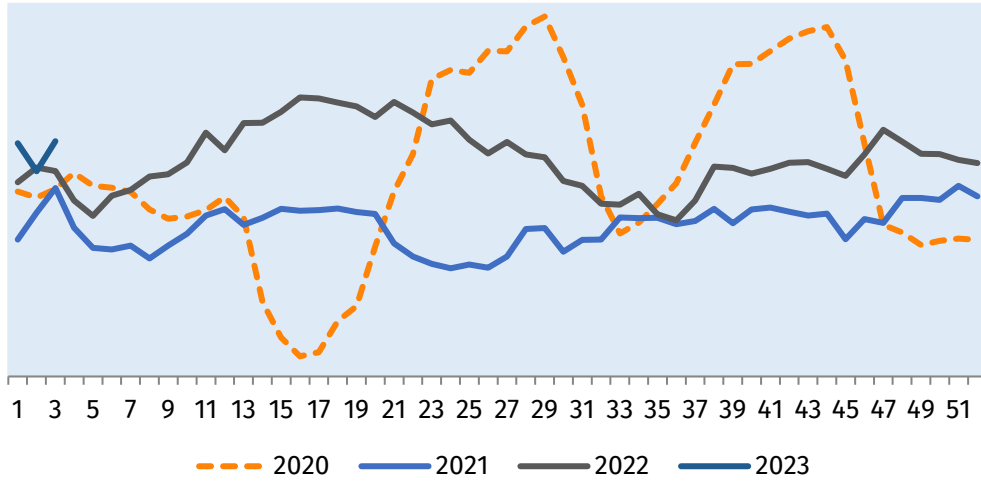
Cheese

The market is weaker. The CME Block market and Barrel market are both trending lower than the prior week. Milk remains widely available across the country as we moved into this week. Both retail and foodservice buying activity have been lighter as we moved into this week. Multiple cheese plants continue to face labor challenges, keeping them from being able to maximize the opportunity of the additional milk supplies. Export demand remains below expectations due in part to the lower priced international market compared to our domestic market.

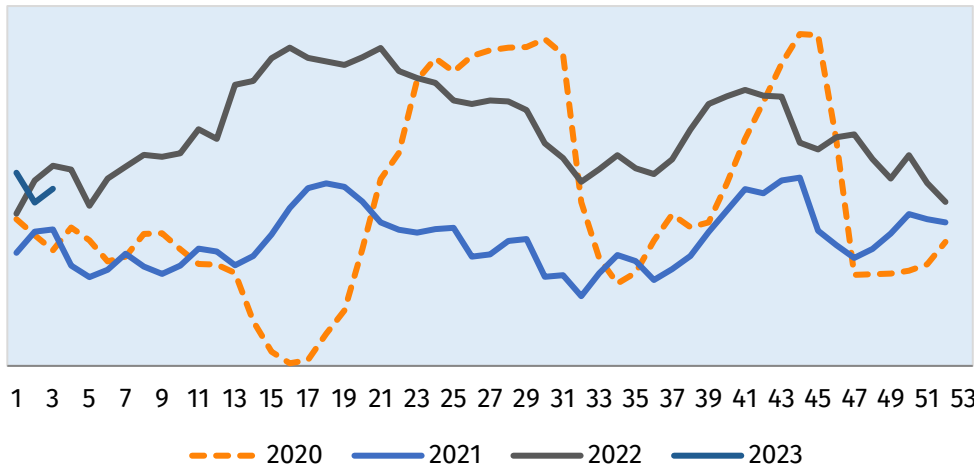
Cream Cheese

The market is unsettled. Inventories are limited, and allocations and cuts should continue to be expected over the coming months. Multiple suppliers are not taking on new business, and inventories are expected to remain noticeably light as we move further into 2023. Labor, logistics, and packaging issues are all contributing to the current industry-wide situation. Both foodservice and retail sectors are being affected.

Cheese Block Market Average Weekly \$/lb



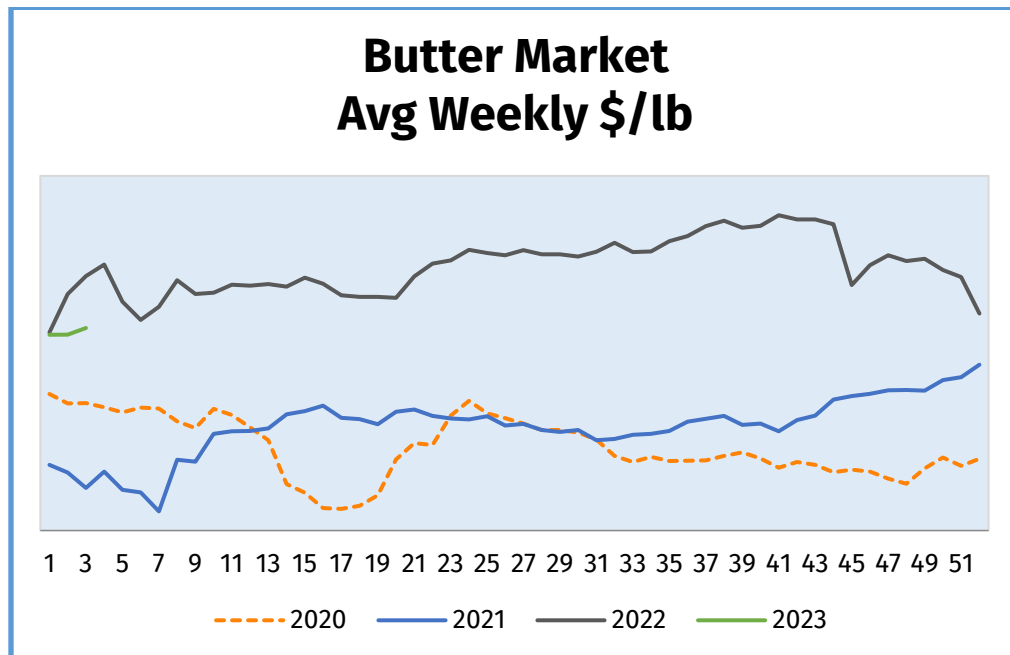
Cheese Barrel Market Average Weekly \$/lb





BUTTER

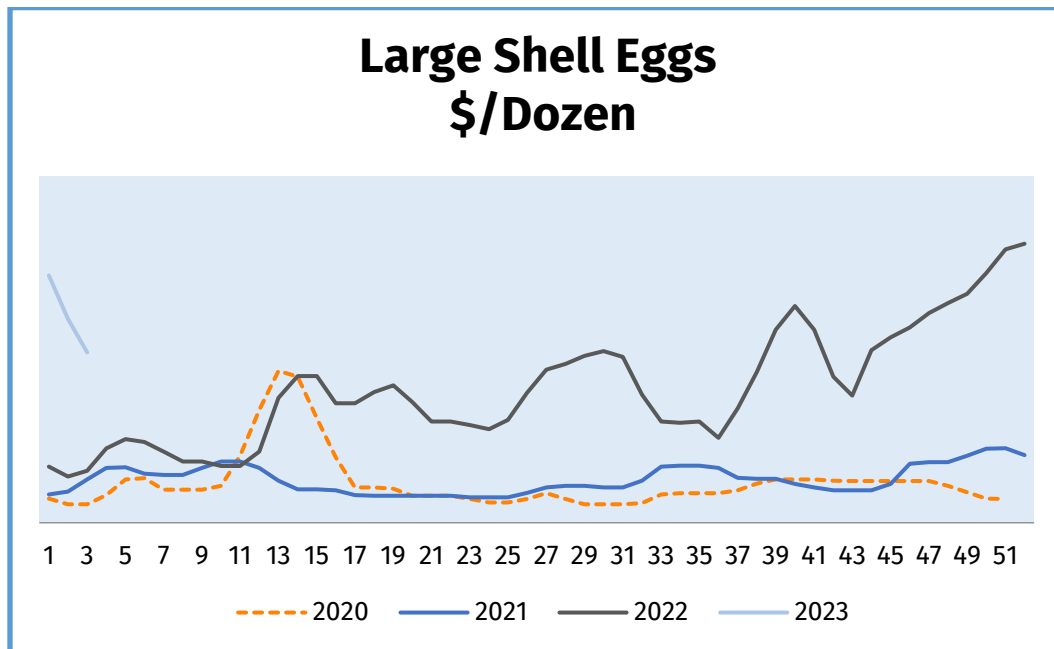
The market is weaker. The CME Butter market is trending below the previous week. Cream supplies are reported as available and multiple plants have been operating full schedules. Labor continues to be a concern and has hampered production in some regions. Global prices have been trending lower than our domestic prices, putting pressure on export interest. Retail demand has been lighter as we moved into this week and is putting additional pressure on the market.





EGGS

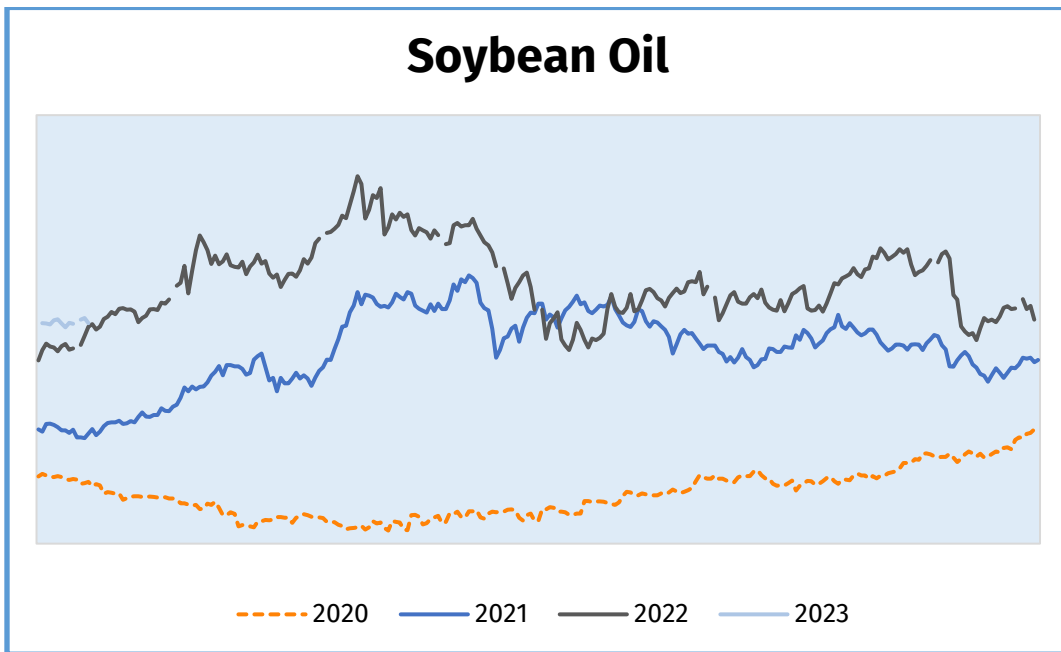
The market is weaker. Retail volume continues to decline as more and more retailers have stopped promoting eggs as a loss leader. With retail prices reflecting the recent inflation of the category, consumer purchases are beginning to stall. Distributive business is moderate as buyers are taking a week-to-week approach on purchases. Liquid product demand is moderate, but spot trading on graded product and liquid whole egg is pressuring the market downward. Further processors continue to have a cautious approach on their raw material needs. Supply is available in medium and large sizes. The market is moving lower on medium sizes and lower on large sizes. National weekly shell egg reports show inventory up 0.8% and breaking stock inventory down 4.6% over last week.





SOY OIL

The market remains firm. For South America, the USDA has increased the Brazilian 2022 & 2023 crop estimates by a combined 3.5 million tons, while lowering the Argentine crop estimates by four million tons if rains don't materialize. Hopeful news - while Argentina remains hot and dry, much-needed rain is coming. If the Argentinian crop numbers remain low, then world production could be as much as nine million tons lower than the USDA's number. If that holds, it would be it will be the smallest soybean crop since 2008/2009.



CANOLA OIL

The market remains firm. Exports remain strong, particularly to China, Mexico, and Japan. If the supply of soybeans in South American remain on the lower end, supplies of Canola will fall is demand increases.

ITALIAN TOMATOES

Because of the record drought, the 2022 processing season ended with a 10% drop compared to the record results of 2021. Pricing has risen due to higher input costs, including gas/energy, water, and labor.

MANDARIN ORANGES

China endured extreme heat for more than 67 days straight this past summer. This was the worst drought since 1961, with temperatures exceeding 104 degrees. Because of this, their crop has been diminished by 30%. In Spain, supply was initially forecasted to be 10% lower than the previous year, but with the recent unfavorable weather, supply has dropped by 20%. Pricing is also expected to be 20% higher, due to inflated raw material costs due to increased transportation, tin, and sugar.

PINEAPPLES

Crops in Thailand were forecasted to be a normal crop; however, supply seems to have dwindled in recent weeks forcing raw material costs to rise, which will cause increased pricing. The revised forecast is now 8% lower than a normal crop. The Indonesian and Philippines pineapple regions are experiencing good weather with plenty of rain. Supply is sufficient; however, with Thailand being the leading producer, world pricing is following Thailand's lead.

RICE

Parboiled – There is still an industry-wide production shortage of parboiled rice in 25 lb. & 50 lb. bag sizes. Lead times extensions, order delivery delays/cuts and allocations should be expected.

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

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

Appetizers, Baked Goods, Eggs, Poultry: Ken Kotecki, Category Manager, ext. 5463

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

Dry Pasta, Non-Foods, Spices: Steve Moulthrop, Category Manager, ext. 5451

