



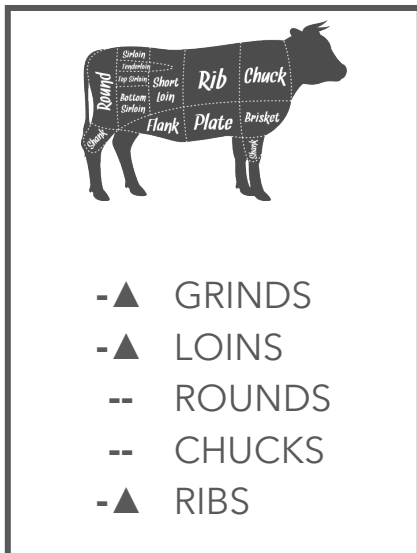
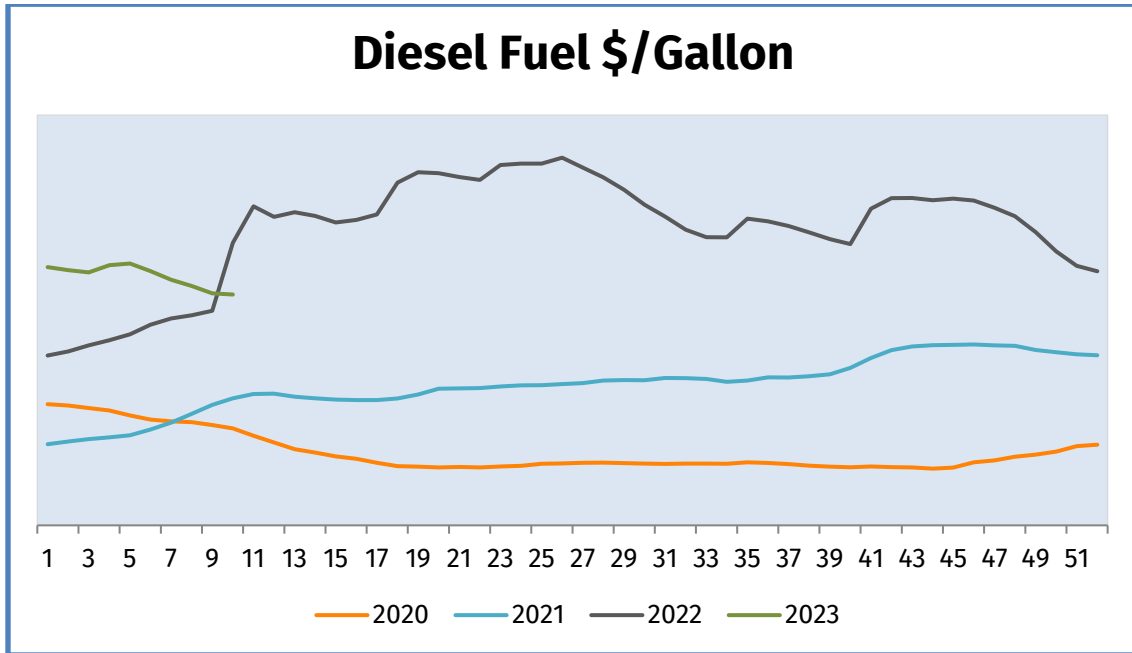
DIFFERENT
by design



Market Report

WEEK ENDING | MARCH 10, 2023

Graphs represent data for the week ending March 3, 2023



BEEF

The market is steady to firmer. Total beef production for last week was up 1.7% versus the prior week and down 6.3% compared to the same week last year. Year to date, total production is down 4.5% compared to the same timeframe last year. The total headcount for last week was 629,000 as compared to 659,000 for the same week last year. Year to date, the total headcount is 5.66 million head which is down 2.6% from last year. Live weights for last week were down 2 lbs. from the previous week and down 18 lbs. from the same time last year. As a result of the herd liquidations that played out in 2022, supply levels are being constrained in early 2023. Live cattle prices have been on the rise over the few months. These live prices remain about the 5-year average but appear to have plateaued for the time being. The market continues to hold steady to firm in most categories as the reduction in supply has tightened up the category.

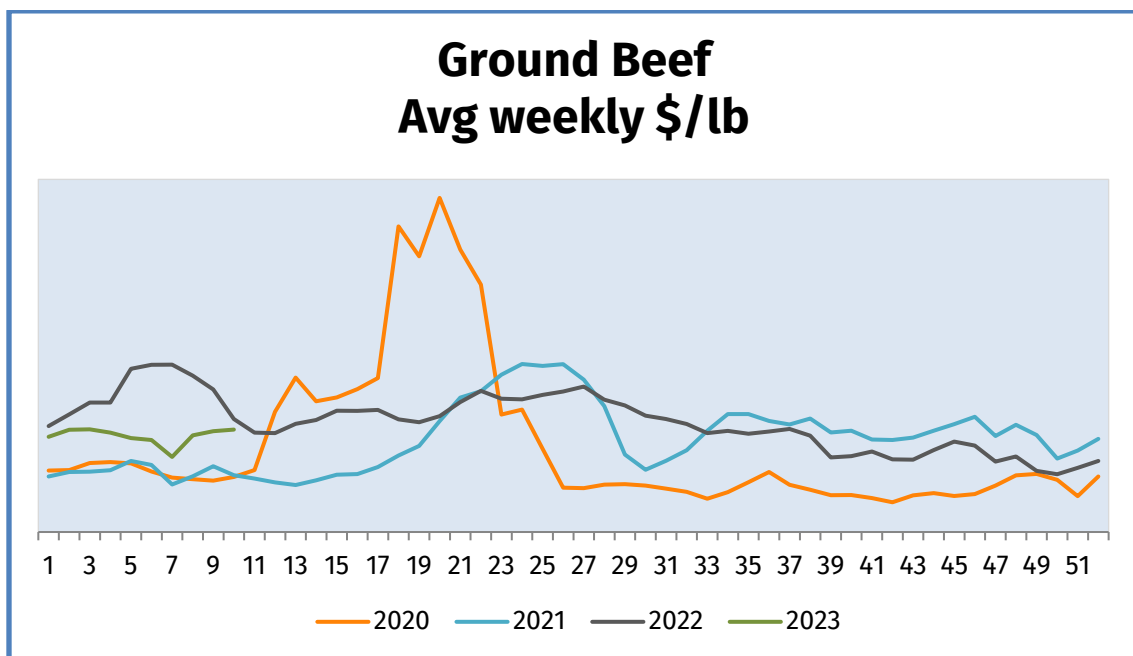
Grinds – The market is steady to firmer. Over the last three weeks, demand has been on a seasonal upward trend. Availability varies among the packers. The basic 73% and 81% grinds continue to see upward pressure.

Loins – The market is steady to firmer. As the grilling season starts, improved demand follows. Foodservice and retail volume on middle meats is vibrant. Availability remains mixed between the packers. Price levels are inching higher by the week.

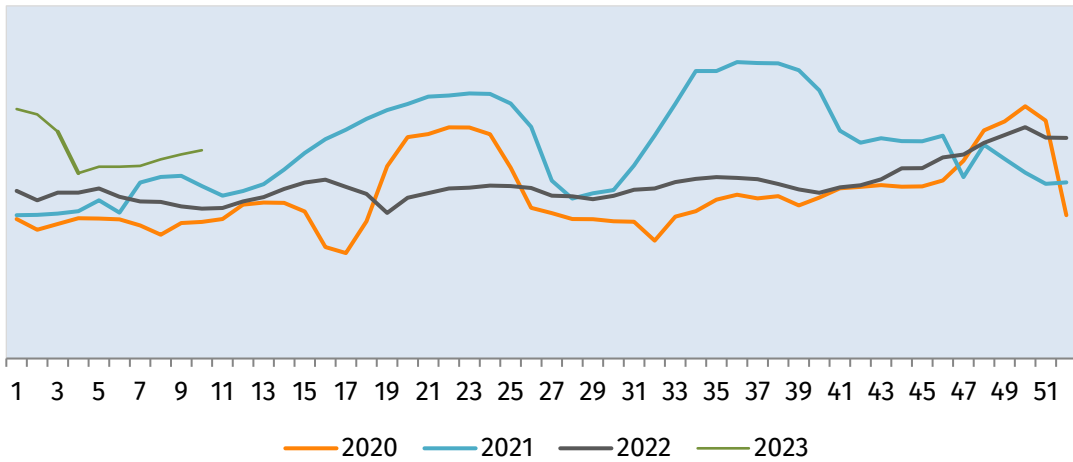
Rounds – The market is steady. Rounds remain at a good cost value in today’s beef market and demand is holding stable. Supply is available and varies among packers. Market levels are holding even.

Chucks – The market is steady. Demand patterns are steady overall but vary among the different cuts that make up the category. Supply is varied among packers and markets are stable with subtle adjustments.

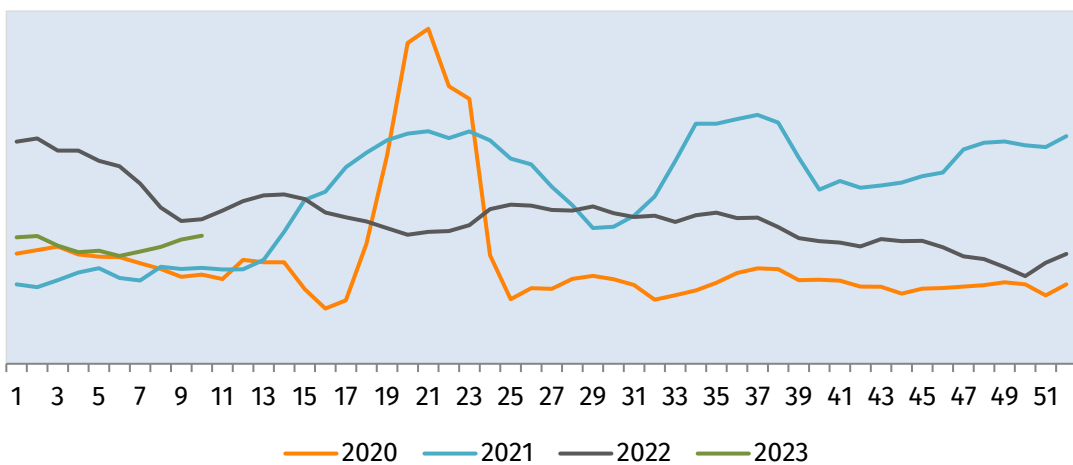
Ribs – The market is steady to firmer. Seasonal demand and grilling season drive the category. Retail activity is on the rise and foodservice business fairly good. Availability remains mixed between the packers. With tighter inventories and increasing demand, market levels are being pressured higher.

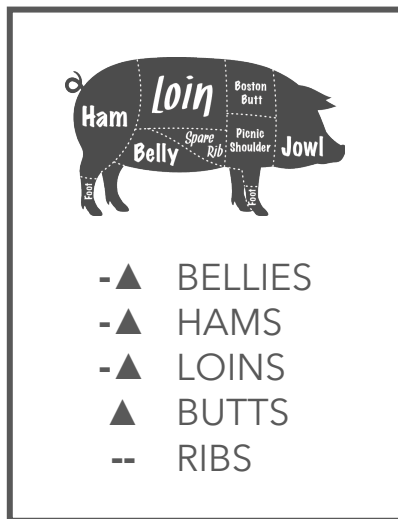
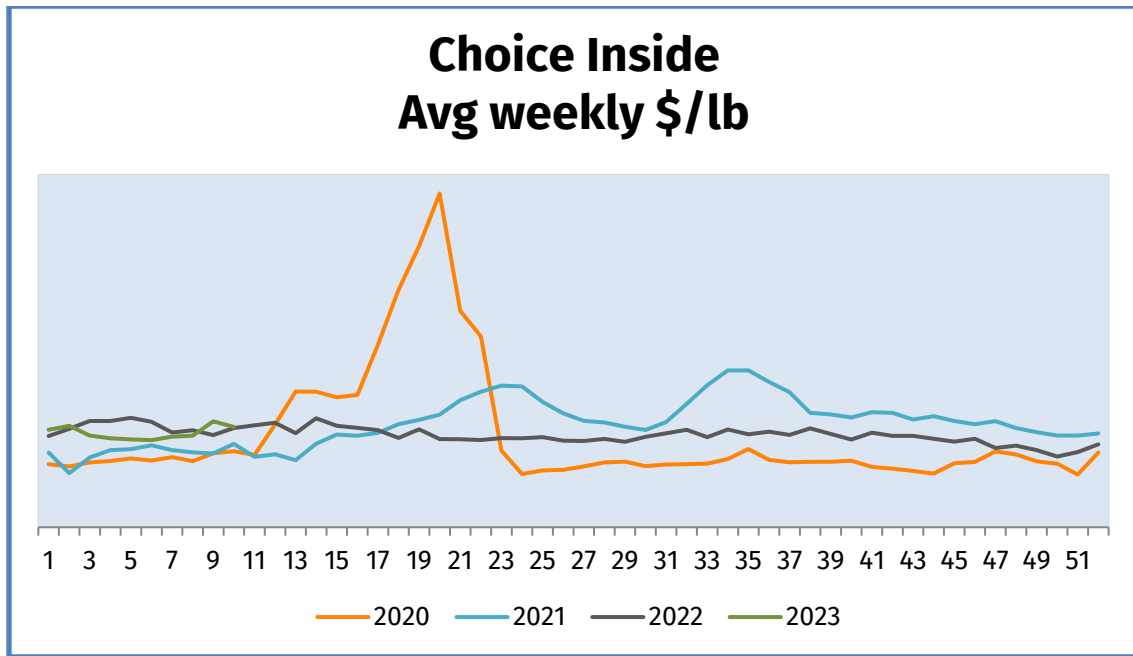


Choice Ribeye Heavy Avg weekly \$/lb



Choice Brisket Avg weekly \$/lb





PORK

The market is steady to firmer. Total pork production for last week was up 6.0% versus the prior week and up 3.5% compared to the same week last year. Total headcount for last week was 2,520,000 as compared to 2,419,000 for the same week last year. Live weights for last week were even at 0 lbs. compared to the prior week and down 1 lb. versus last year. Domestic industry demand is trending moderate to good with seasonal improvement. Export demand is reported as moderate to fair. With production schedules back to full capacity, order fill rates improved over the last week. Production levels are consistent on a week-to-week basis and remain close to last year.

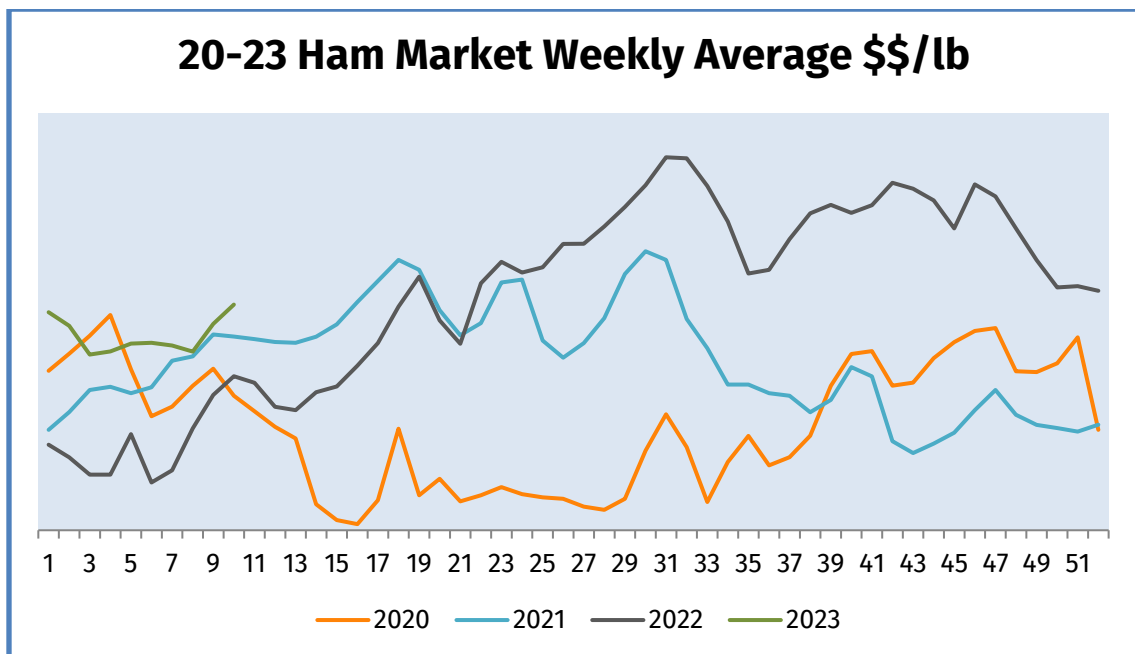
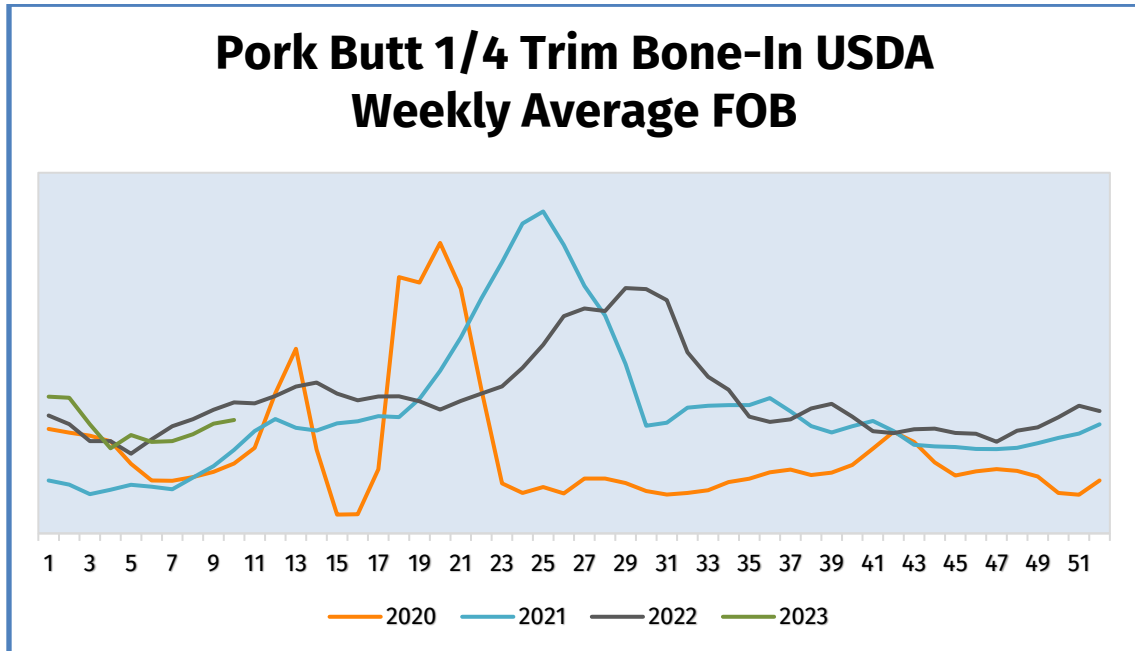
Bellies – The market is steady to firmer. Foodservice and retail sales of bacon are showing improvement, which is giving the market added support. Buying activity is steady. Market levels appear to have stabilized and are being pressured slightly higher.

Hams – The market is steady to firmer. Seasonal buying activity is moderate to good in order to support the Easter Holiday. Supply varies among packers. Market levels are fully supported.

Loins – The market is steady to firmer. As grilling season is ushered in, demand for the loin category gets an uptick from both the retail and foodservice channels. Available inventories vary by supplier and are getting tighter. Market levels are starting to show some seasonal strength.

Butts – The market is firmer. Both retail and food-service demand are reported to be strong. Supply has tightened over the last month and varies by plant. Markets levels are being pressured higher.

Ribs – The market is steady. Foodservice demand was soft to start the year and a lot of frozen inventory was hitting the market. Demand is starting to improve and trade levels are starting to show signs of stability. Availability remains varied by supplier with frozen supplies being reported higher than normal.





CHICKEN

The market is steady to firmer. Total headcount for the week ending 3/4/2023 was 167,391,000 as compared to 166,498,000 for the same week last year. The average weight for last week was 6.31 lbs. as compared to 6.34 lbs. for the same week last year. Seasonal demand patterns for chicken tend to improve and rise through Memorial Day. That trend has started early this year as WOGS, boneless breast, tenderloins, leg quarters, and dark meat are seeing improved demand. Export demand is extremely vibrant as future orders for bulk leg quarters and whole legs are fairly good. Supply continues to be constrained by reduced slaughter, hatchability, and higher mortality rates on the grow-out side of the business.

WOGS – The market is steady to firmer. Retail deli and fast-food business is solid. The supply side remains limited on small birds and premium sizes. Market levels on the premium sizes are being pressured higher.

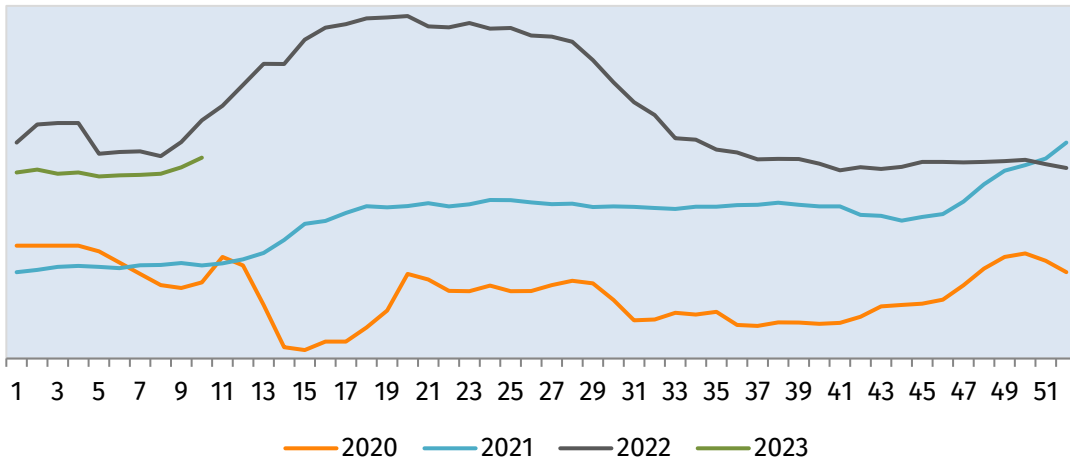
Tenders – The market is firmer. Spring and summer are usually peak demand for the foodservice and QSR channels. This year is no different and demand is on the rise. Portioning business on jumbo tenders is starting to improve. Supply is available. Market on jumbo and select sizes are starting to show some strength.

Boneless Breast – The market is steady to firmer. As foodservice and QSR business is showing seasonal improvement, jumbo breast meat is getting added demand. Demand for the medium and select sized product remains status quo. Supply is available and varies by plant. The market is on the rise for jumbo, but medium and select sizes remain flat.

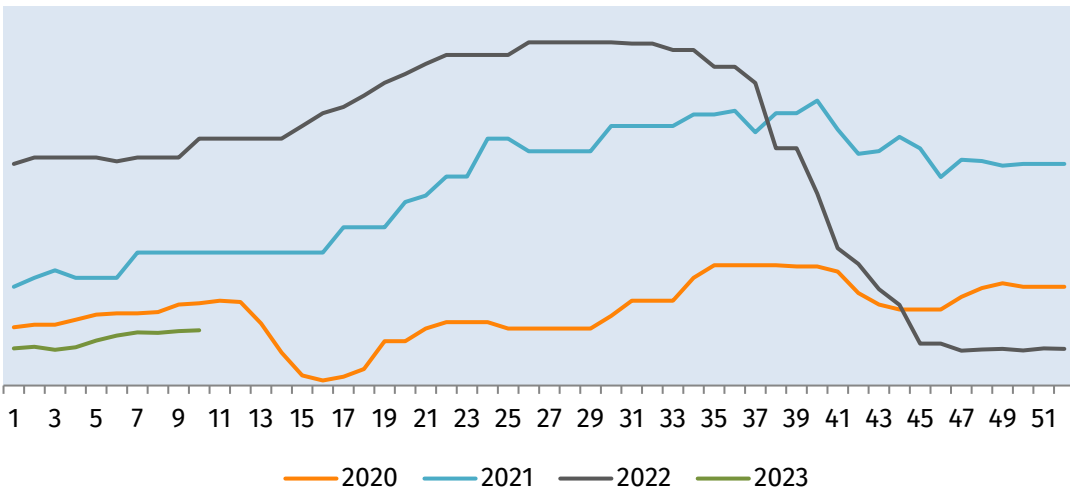
Leg Quarters and Thighs – The market is firmer. Export demand for leg quarters and dark meat is on the rise as Mexico and Cuba have increased their purchases recently. The debone side of the business and foodservice demand continues to improve on thigh meat. Supply is available but has tightened. The market on whole legs and whole leg meat is moving higher.

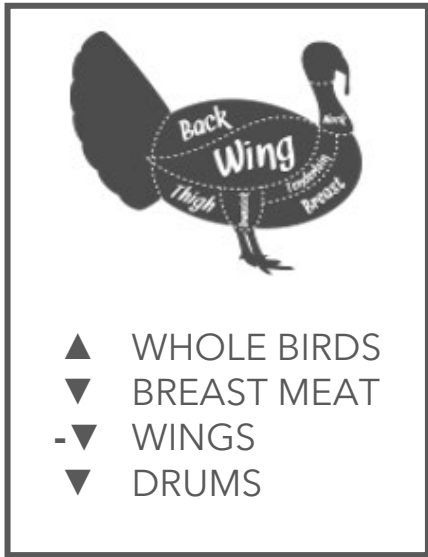
Wings – The market is mixed. Demand is expected to increase during the March Madness basketball tourney, but we are not seeing that trend as of yet. Medium and jumbo sizes are underperforming with weak demand while small wings are getting improved support from further processors. Supply is available. Jumbo size and medium sizes are moving lower, while small wings are on the rise.

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



Chicken Tenders Avg Weekly \$/lb





TURKEY

The market is steady to weaker. The total headcount for the week ending 3/4/2023 was 3,771,000 as compared to 3,858,000 for the same week last year. The average weight for last week was 32.06 lbs. as compared to 33.13 lbs. for the same week last year. Whole birds continue to be in tight supply with very few spot loads being reported. The part side of the business is experiencing declining demand. Weekly demand for breast meat, wings, and drums has been declining over the last month. Export sales are moderate to soft and challenged due to HPAI restrictions. Suppliers remain cautious about future production and potential HPAI issues. Slaughter numbers remain lower than past annual standards. Market levels on breast meat and parts are being pressured lower.

Whole Birds – The market is firm. Same situation week over week. Market levels are at unprecedented highs and sellers are holding firm during the booking period. Supply is scarce with small sizes the hardest to uncover. Market levels remain firm.

Breast Meat – The market is weaker. The higher price points at retail and foodservice outlets are having a direct effect on consumer purchases. Further processing and buying activity have slowed. Excess frozen inventory is being reported due to raw material being imported from foreign countries. Market levels continue to be pressured lower.

Wings – The market is steady to weaker. Export business for whole wings remains slow and domestic demand for two-joints is moderate. Supply is available on a plant-by-plant basis. The market is moving lower on whole wings and holding steady on two-joints.

Drums and Thigh Meat – The market is weaker. Sluggish demand for Tom drums and boneless thigh meat is being reported. Supply varies by plant. The market is moving lower on drums and thigh meat.



SEAFOOD

Gulf Shrimp – The market is mixed. The market for larger sized shrimp has seen upward pressure over the past few weeks due to very limited inventories. The market for smaller sized domestic shrimp is steady to weaker as this market continues to see pressure from imported products.

Black Tiger Shrimp – The market is mixed. The market for larger sized products is firm due to limited inventories and lack of available replacement inventories. The market for mid and smaller sized products is steady to weaker with good inventories for current demand combined with the white shrimp market keeping pressure on pricing.

White Shrimp – The market is unsettled. Buying activity has been improving over the last few weeks. Larger-sized products are currently in lighter supply than other sizes and this can be seen in prices over the past few weeks. Replacement costs overseas are noted as being on the rise along with higher capital costs putting pressure on farming costs. The past few weeks have seen upward pressure on larger sized products coming from Latin America. This is due in part to large numbers of product being shipped to Asian countries. The market for products from Asia has become more unsettled. Inventories remain ample but storage costs continue to rise and could put pressure on this market over the coming weeks. Total shrimp imports for 2022 were down 6.4% versus the prior year.

King Crab – The market is steady to weaker. Demand has been lighter as we moved through the past few weeks and has been helping to push the market lower. Imports for King Crab for 2022 were down almost 19% compared to 2021.

Snow Crab – The market is steady to weaker. 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. Imports for Snow Crab for 2022 were down almost 31% compared to 2021.

Warm Water Lobster Tails – The market is mostly steady. Buying activity has improved over the past couple of weeks, helping to limit the continued downward pressure the market has seen. Recent reports show that imports for December were up 8.4% but year-to-date for 2022 were down 16% compared to the prior year.

North American Lobster Tails – The market is firmer. Buying activity has been very good for several weeks. This is due in part to buyers looking to cover their needs because of production being well below expectations and inventories expected to be limited until the spring season. Imports from Canada were down almost 17% for 2022 versus the prior year.

Salmon – The market is unsettled. Buying activity has been improving over the past several weeks. Demand for product out of Chile is currently strong while inventories are light. Overall demand has been very good over the past few weeks and is keeping pressure on the market. Higher raw material costs are putting additional pressure on the market.

Cod – The market is unsettled. The market has seen downward pressure over the past few weeks as demand has been below expectations. Lent is expected to help keep the market more unsettled as we move through the coming weeks. Recent reports show that in 2022 frozen fillet imports were up almost 13% compared to the prior year.

Flounder – The market is steady.

Haddock – The market is steady. Demand for Lent is typically particularly good and is expected to help move additional inventories as we move through March. Recent reports show that frozen fillet imports for 2022 were up almost 52% compared to the previous year.

Pollock – The market is unsettled. The market for product coming out of China has seen downward pressure over the past couple of weeks. This is causing the market to be unsettled as demand is expected to pick up as we move further into Lent. Recent reports show that frozen fillet imports for 2022 were up over 31% from the prior year.

Domestic Catfish – The market is unsettled. Available inventories have improved over the prior months with most allocations to orders being removed. Growing conditions have been more favorable over the past several weeks, as warmer temps helped improve conditions.

Tilapia – Demand has been lighter over the past several weeks. Smaller sized products are in lighter supply than other sizes and as a result are starting to see some upward pressure on pricing. Recent reports show that imports for the month of December were up almost 6% compared to the prior month but for the full year 2022 imports were down almost 6% compared to the prior year.

Swai – The market is steady to weaker. Imports for 2022 were up over 21% compared to the prior year. This, combined with lighter demand at retail and lower Ocean shipping costs, is helping to keep pressure on the market.

Scallops – The market is steady to weaker. The market for Domestic product has seen downward pressure over the past few weeks on mid and smaller sized product. The past few days have seen that pressure move over onto larger sizes as well. The new season for domestic product will begin on April 1st, but there are currently expectations that the new season quota may be reduced by around 20%. The import market is holding mostly steady, with the exception of product from China which is seeing downward pressure due to a light demand.



DAIRY

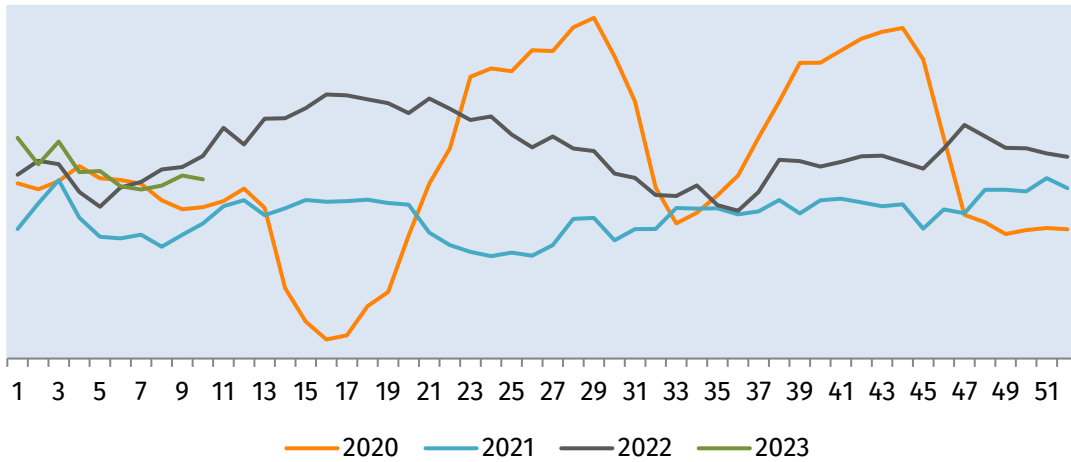
Cheese

The market is mixed. The CME Block market moved lower and the CME Barrel market moved firmer as we progressed through this week. Overall milk production has been plentiful and many cheesemakers are operating busy production schedules. Multiple cheese plants continue to face labor challenges, keeping them from being able to maximize the opportunity of the additional milk supplies. Export demand has been mixed over the past few days with some buyers looking to cover their needs through the second quarter. International demand has been improving and demand in Europe has been improving over the past few weeks, putting upward pressure on that market. A fire at a production facility a few weeks ago is expected to impact the industry over the coming weeks and is expected to put pressure on available inventories of processed cheese items, such as items used for melting cheese dip. Allocations to orders for those items should be expected.

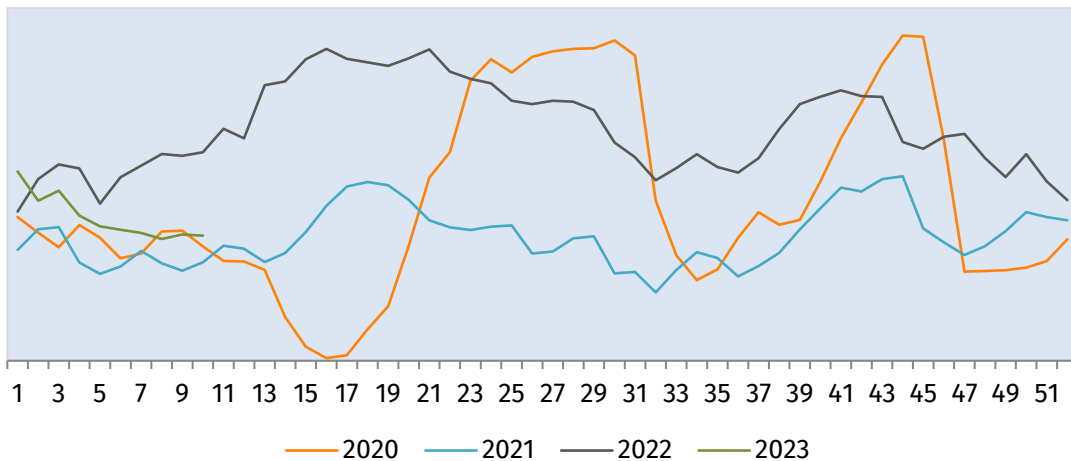
Cream Cheese

The market is unsettled. Inventories have been more limited over the past several months, and allocations and cuts have been the norm. 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



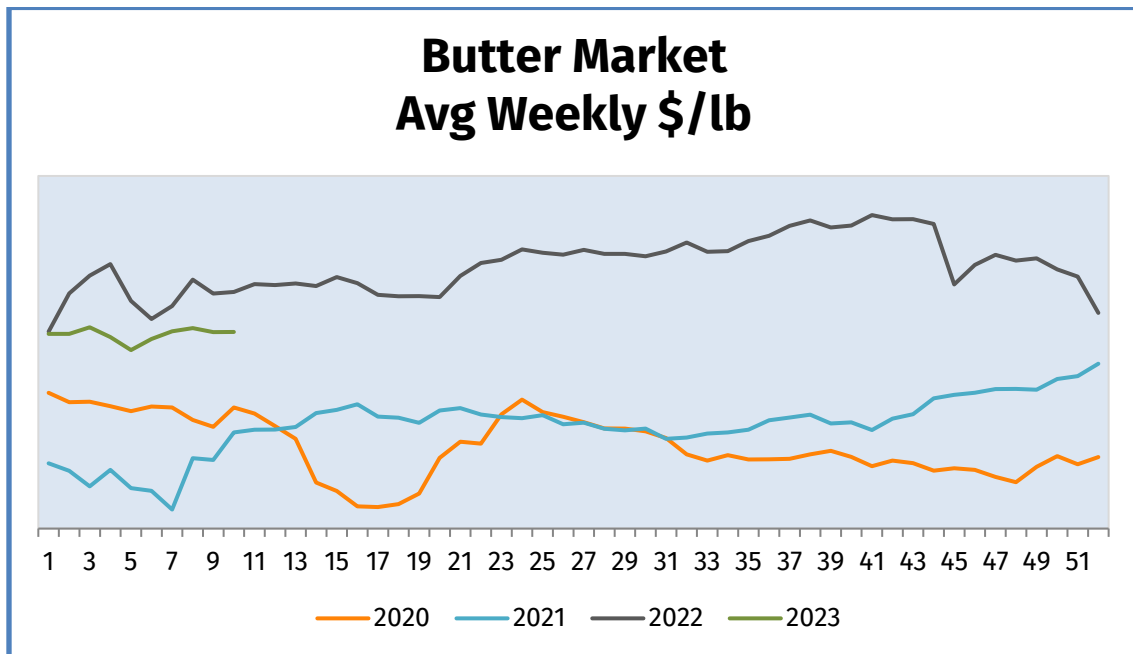
Cheese Barrel Market Average Weekly \$/lb





BUTTER

The market is weaker. The CME Block market opened this week lower than the prior week and has moved lower as this week progressed. Severe weather has hampered production over the past few days in multiple sections of the country. Cream supplies are reported as available and multiple plants have been operating full schedules trying to gear up for the expected demand of the upcoming Spring holidays. Some plants have been running 7 day-a-week schedules to prepare for the anticipated upcoming demand. Labor continues to be a concern and has hampered production in some regions. Export buying activity has eased compared to just a few weeks ago.



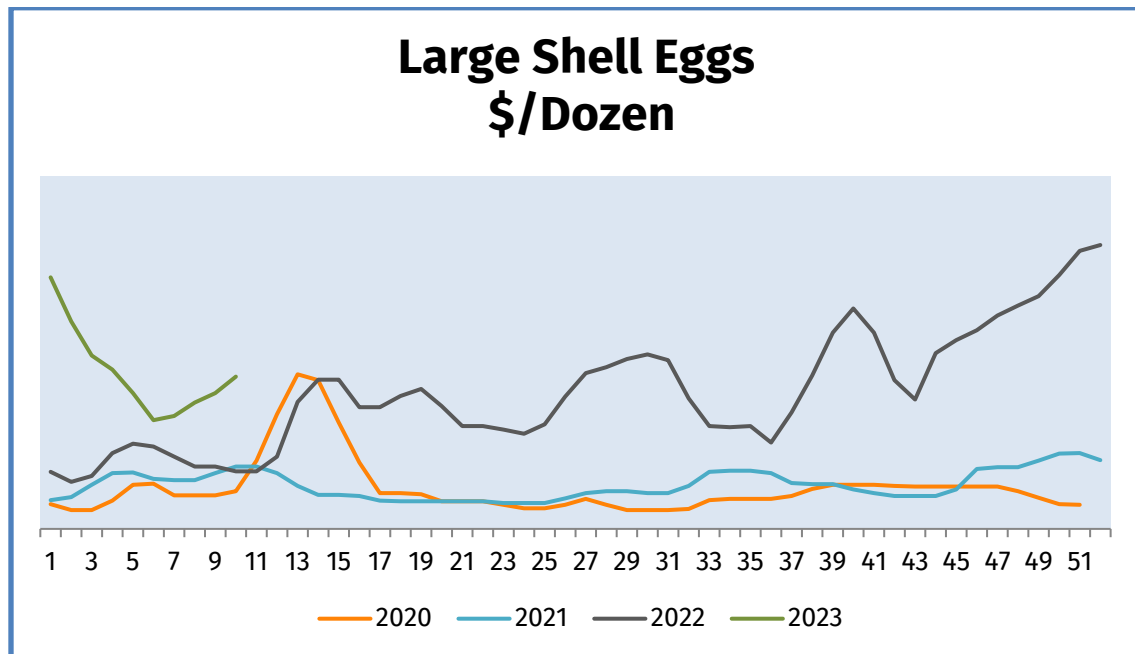


EGGS

The market is steady to firmer. Retail demand has been showing steady improvement due to shelf prices dropping over the last couple of months. To support the Easter Holiday, some retailers are purchasing inventory earlier than expected just in case supply becomes an issue. Distributive business is also rebounding a bit as buyers look to replenish inventory in a rising market.

In the egg products category, demand for graded products, liquid whole egg, and whites is robust and outpacing supply. With improving demand for liquid products, further processors are trying to replenish inventory while to market is being pressured higher.

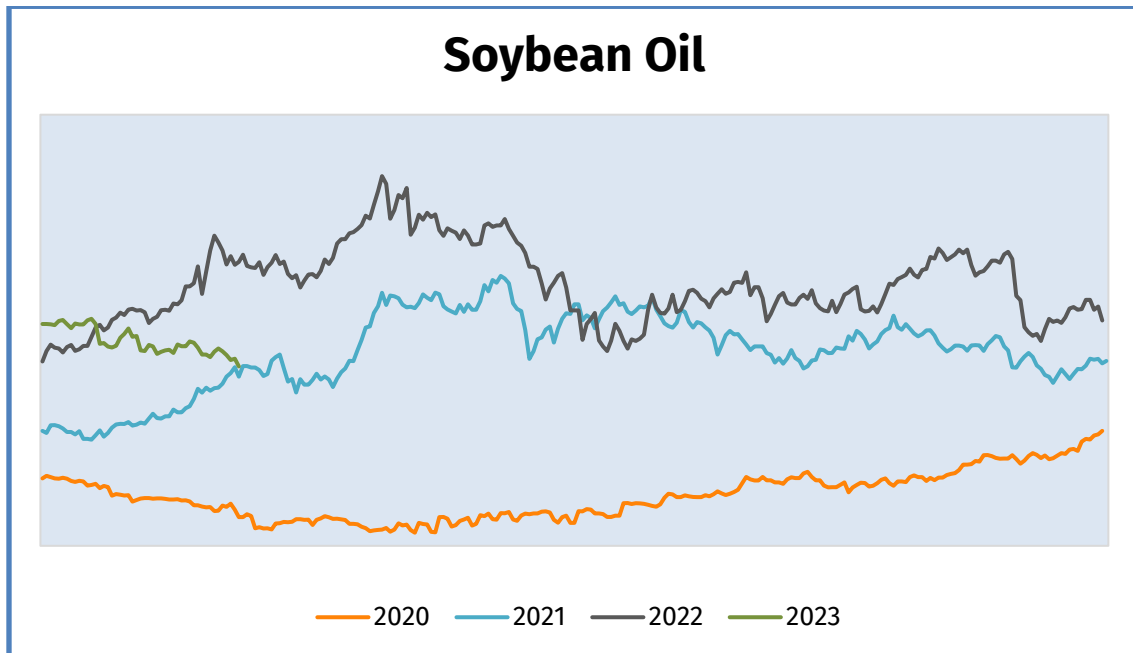
Supply is tight on medium and large sizes. The market is moving higher on medium sizes and large sizes. National weekly shell egg reports show inventory down 1.4% and breaking stock inventory up 1.3% over last week.





SOY OIL

The market remains firm. The Good/Excellent crop rating for Argentina fell to a new all-time low of just 2% as Mother Nature continues to wreak havoc. There is indication that Argentina's current crop number will be lowered by 4.4 million tons to 36.7 million tons. Brazil continues to offset Argentina's decrease with its' record crop, which is currently 40% complete versus 50% this time last year. Exports are still on the lower end at 800 million pounds versus 700 million pounds in February.



CANOLA OIL

The market remains firm. Canola oil production is up 14% versus December and up 47% vs January 2022. China continues to lead with strong export numbers. There is new focus on Canola out of Australia, as they have produced a third record canola crop of approximately 7.8 million tons, despite very wet conditions.

RICE

Rice exports have been reduced by 3 million cwt to 59.0 million due to the lackluster pace of export sales and shipments. Total exports are now only slightly above export numbers from 1985/86 of 58.7 million cwt, which is the last time exports were at this level.

Long-grain – Exports have decreased 2 million cwt to 45 million as near-record U.S. export prices continue to affect shipments to Latin America, which is dealing with the challenge of more competitively-priced rice from South American suppliers.

Medium and short-grain – Exports have been lowered 1 million cwt to 14 million. This is due to record-high California prices, which are reducing Northeast Asian purchases.

SUGAR

Production in U.S. sugar has increased, while export numbers continue to trend on the lower end of the scale.

Beet sugar production numbers have increased by 59,941 STRV (Short Tons Raw Value) going to 5,160,157 on an increase in sucrose recovery from the 2022 sugar beet crop. Sucrose recoveries in all regions are above average with the recovery in the Red River Valley region likely to be at a record high.

Cane sugar production in Florida has increased by 26,167 STRV to 2,039,845 but has decreased in Texas by 11,018 STRV to 76,164. Louisiana cane sugar has increased by 4,297 STRV.

Imports have decreased by 133,573 STRV as exports from Mexico have been limited due to the AD/CVD (Antidumping and Countervailing) Suspension Agreements, which are intended to keep suppliers or manufacturers from selling goods in the U.S. below the price it is sold in the exporter's market.

The production of Mexican sugar has been reduced by 415,000 metric tons. This is at least 15 percent behind the pace established over the preceding 9 years.

WHEAT

Wheat prices hit a 17-month low with the renewal of the safe passage agreement between Russia and Ukraine expected to be extended. Kansas winter wheat conditions declined in February with 51% poor/very poor and soil moisture at 60% short/very short. Spring wheat conditions in the Northern Plains are mixed, with improvements in the Dakotas and decline in Montana. The soft wheat region looks strong, particularly Illinois which is at 10-year highs on conditions at 81% good/excellent.

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

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

Appetizers, Beef, Eggs, French Fries, Pork, Poultry: Ken Kotecki, Category Manager, ext. 5463

Bakery, Beverages, Coffee & Tea, Frozen Fruit & Vegetables: Dwayne Joseph, Category Manager, ext. 5433

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

Canned Goods, Commodities (Sugar, Oil, Rice, Beans), Pickles: Willie Biddix, Category Manager, ext. 5457

