



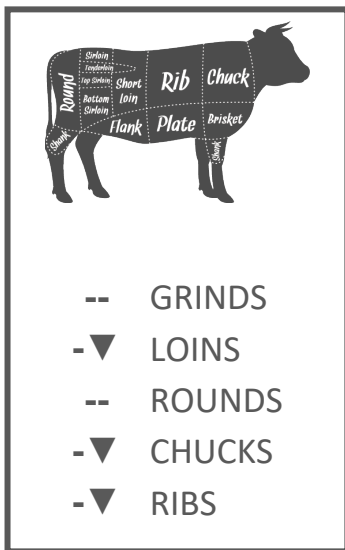
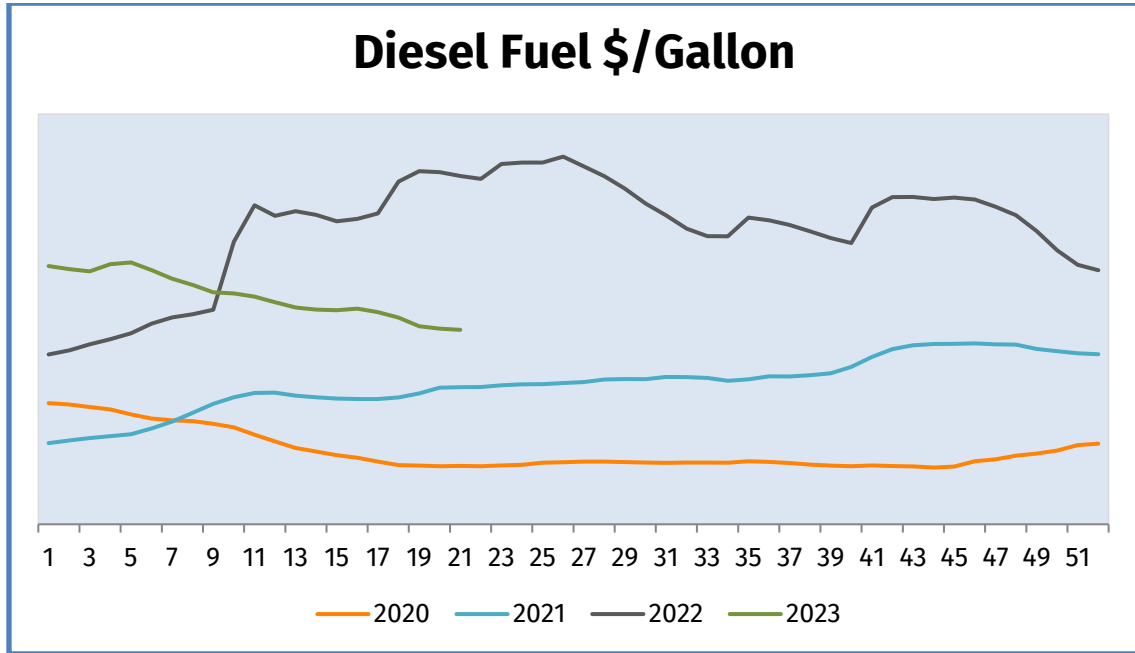
DIFFERENT
by design



Market Report

WEEK ENDING | MAY 26, 2023

Graphs represent data for the week ending May 19, 2023



BEEF

The market is steady to weaker. Total beef production for last week was down 0.6% versus the prior week and down 5.2% compared to the same week last year. Year to date, total production is down 4.7% compared to the same timeframe last year. Total headcount for last week was 642,000 as compared to 677,000 for the same week last year. Year to date, total headcount is 12.66 million head which is down 3.3% from last year. Live weights for last week were up 1 lb. from the prior week and up 3 lbs. from the same time last year. Supply remains tight as a result of last year’s herd liquidations. In addition, the USDA reports that feedlot inventories are down 4.4% compared to last year. Live cattle pricing and futures are holding firm with a strong undertone for the summer and fall months. As a result of the high beef market, overall consumer demand is trending lower.

Forward purchasing has slowed which typically means fewer beef features and promotions. After market levels increased in March and April, weaker demand has been the result in the month of May. Most primal categories are holding even or being pressured lower.

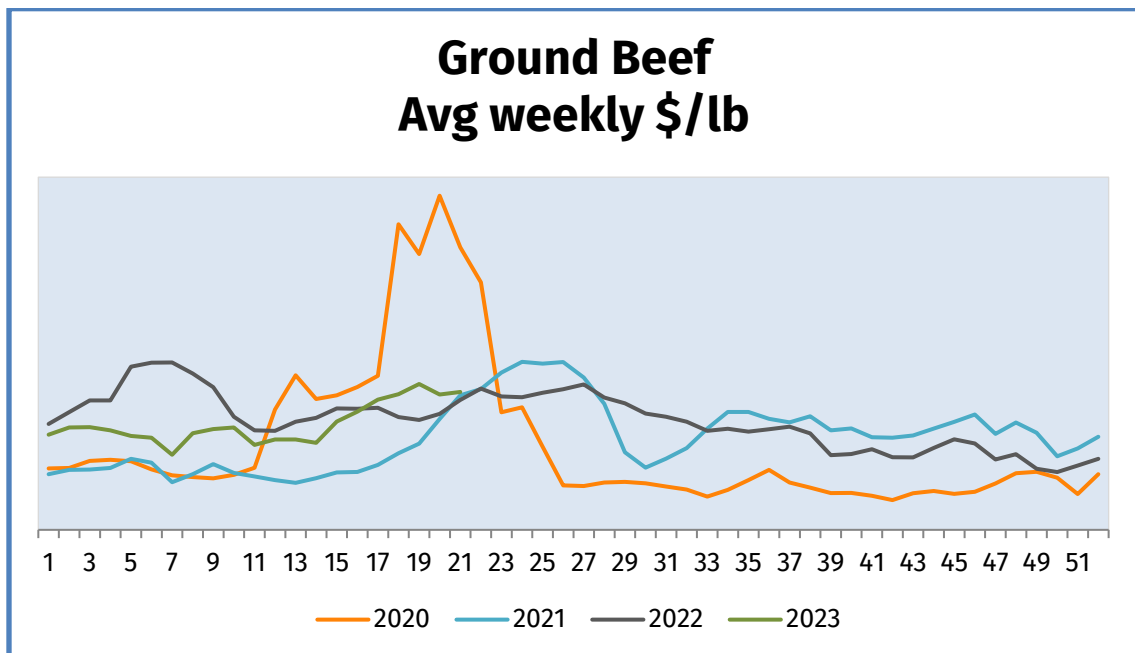
Grinds – The market is steady. Seasonal demand from the retail, QSR, and foodservice channels remains good as we get closer to Memorial Day. Availability varies among the packers. The markets on 73% and 81% grinds are holding firm.

Loins – The market is steady to weaker. Demand is fair and could improve with seasonal demand. That remains to be seen. Market levels on premium primals have been trending flat but are being pressured lower depending on the packer. Availability remains mixed between the packers.

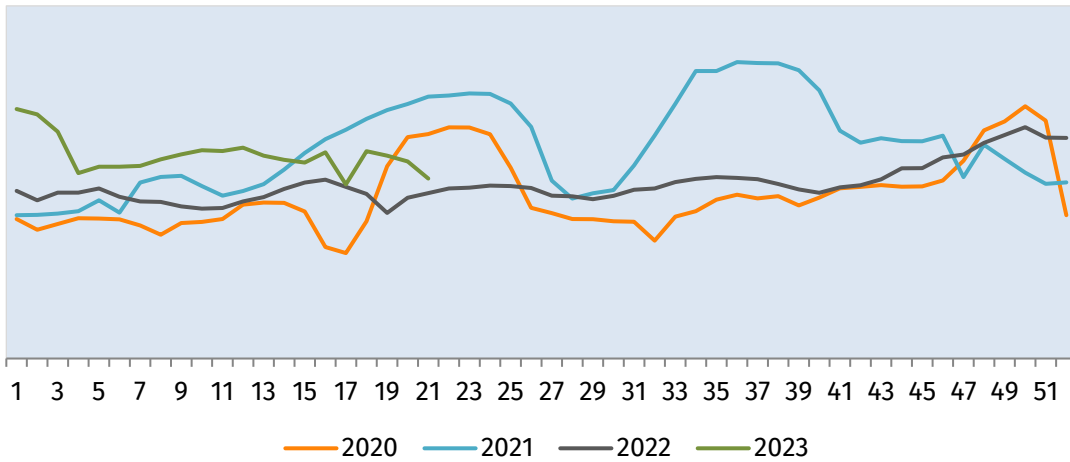
Rounds – The market is steady. Demand is moderate to good and keeping the supply side mostly sold out. Availability varies among packers. Market levels are mostly flat.

Chucks – The market is steady to weaker. Choice and select product continue to trade in a close range. Demand for all parts of the chuck category has softened over the last four weeks or so. Supply is available and varies among packers. Markets are adjusting lower.

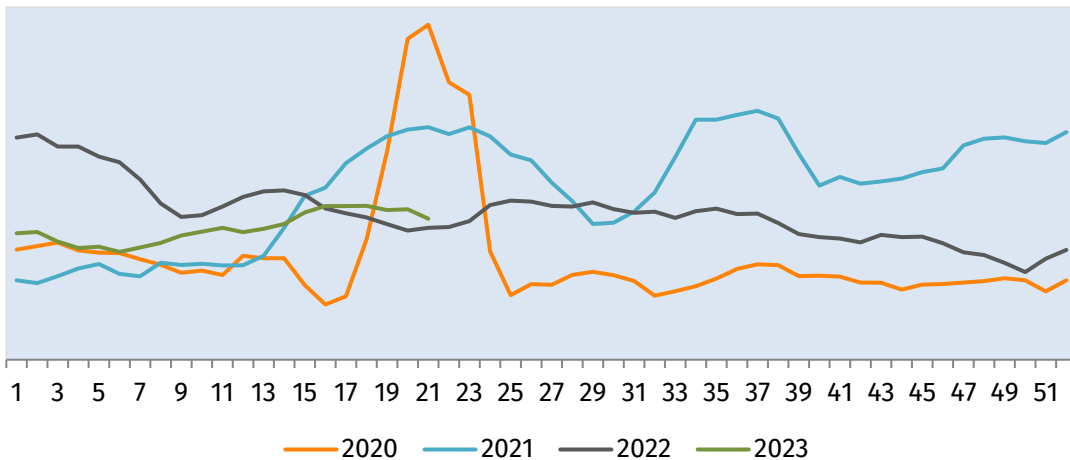
Ribs – The market is steady to weaker. Demand has been fair but has cooled down from the beginning of the month to Memorial Day. Higher retails have stressed promotional features. Availability is mixed between the packers. The market has been trending lower.

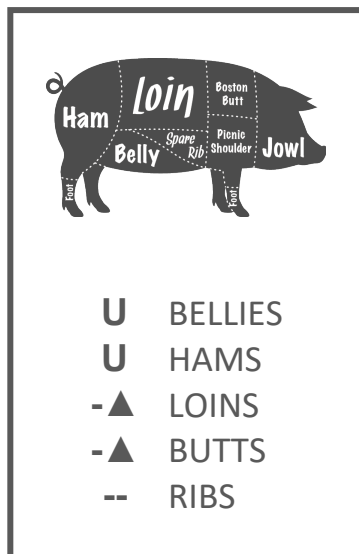
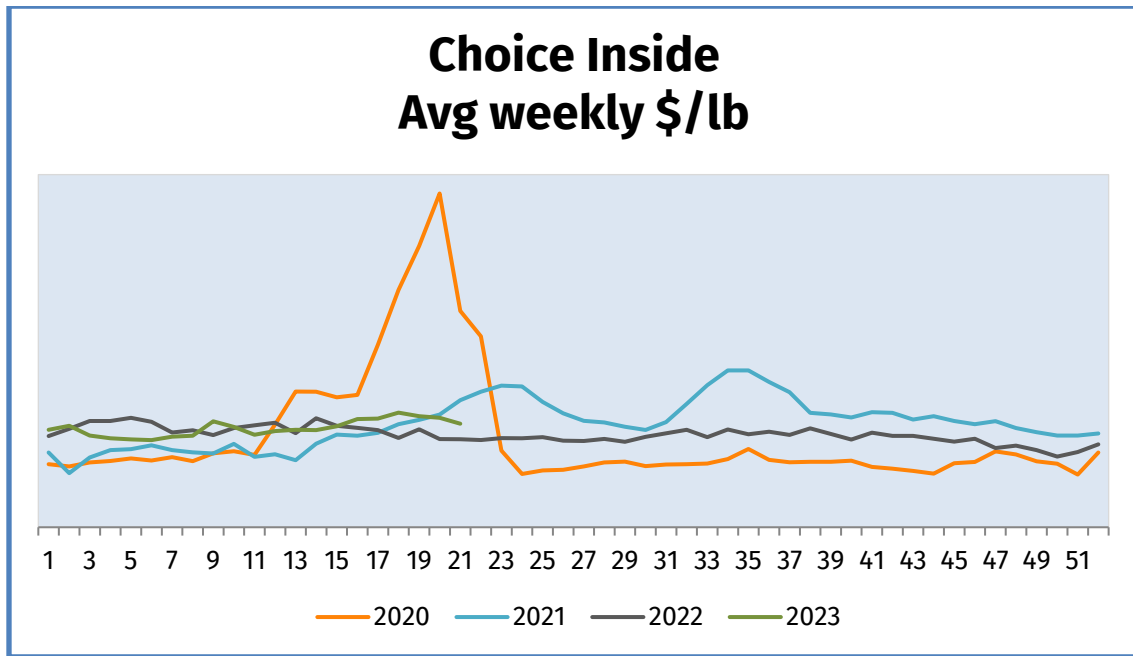


Choice Ribeye Heavy Avg weekly \$/lb



Choice Brisket Avg weekly \$/lb





PORK

The market is steady to firmer. Total pork production for last week was up 1.5% versus the prior week and down 0.2% compared to the same week last year. Total headcount for last week was 2,408,000 as compared to 2,403,000 for the same week last year. Live weights for last week were even at 0 lbs. compared to the prior week and even at 0 lbs. versus last year. With the recent news about Prop 12 being upheld, it is unknown as to when it will be enacted in California and Massachusetts. Therefore, the impact on pricing and supply remains to be seen. Spring demand has been moderate to good with improving momentum as we enter the Memorial Day weekend. Domestic demand for loins, butts and ribs is moderate to good. Export demand is reported to be fair. Supply estimates continue to beat expectations and headcount is up 1.5% for the

year. Markets are maintaining a steady undertone on most primals.

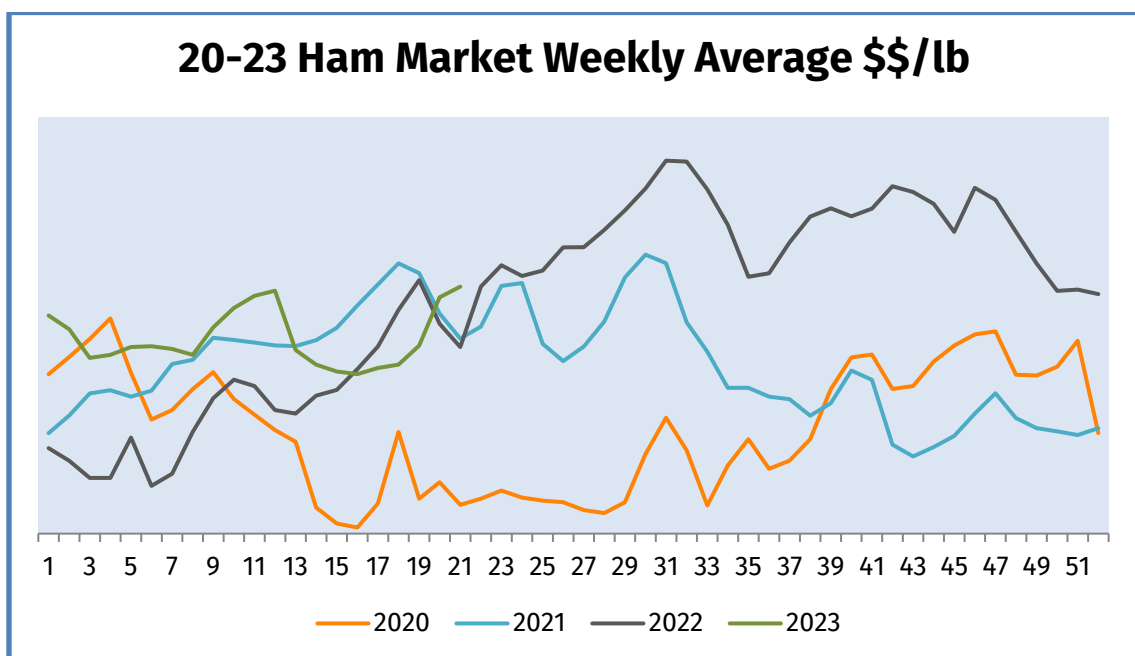
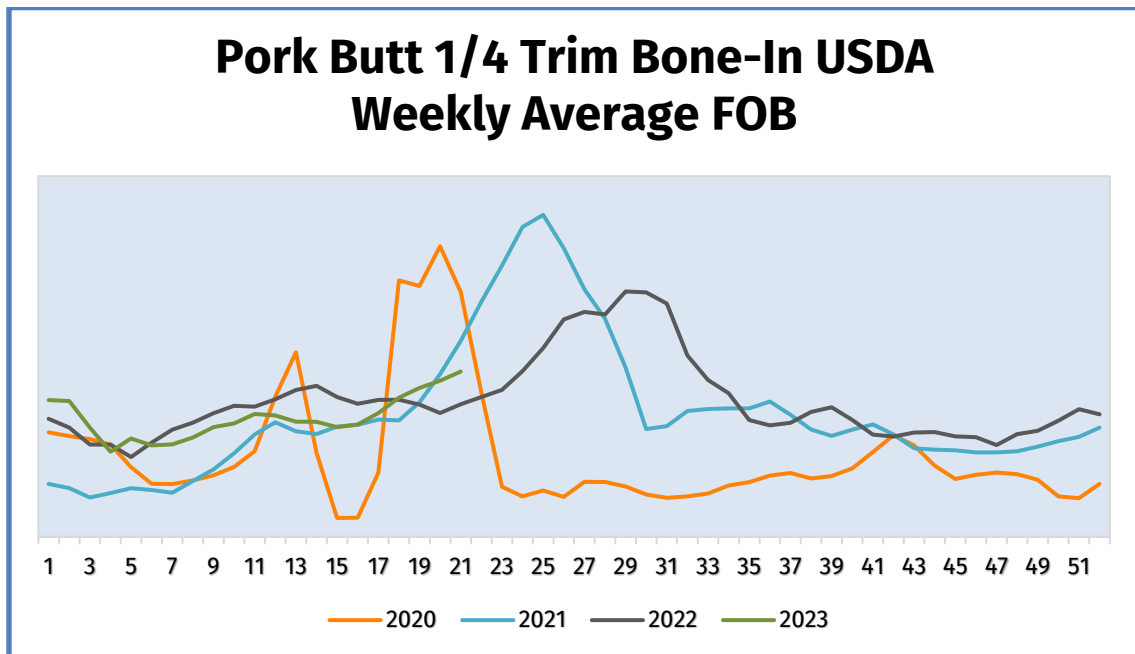
Bellies – The market is unsettled. Higher retail and foodservice pricing are causing unpredictable demand from the consumer. With frozen belly inventory up 8% over the previous period, supply is available. The market continues to ebb and flow on a weekly basis.

Hams – The market is unsettled. Seasonal demand from retail deli and sub shops was on the upswing in May. As we near the end of the month, demand is starting to flatten out. Supply varies among packers. Market levels are mostly flat with soft undertones.

Loins – The market is steady to firmer. Demand continues to improve as seasonal promotional features become more common. Available inventories vary by supplier. Market levels have been trending higher.

Butts – The market is steady to firmer. Demand has been strong leading up to Memorial Day and continues to be rated as very good. Availability is tight. Trade levels are being pressured higher.

Ribs – The market is steady. Foodservice demand is moderate to fair. Excess frozen inventory continues to be a factor. Availability remains varied by supplier. Market is unsettled on spareribs, St. Louis ribs have a weak undertone, and back ribs are holding firm.





CHICKEN

The market is steady. Total headcount for the week ending 5/20/2023 was 169,995,000 as compared to 166,719,000 for the same week last year. The average weight for last week was 6.35 lbs. as compared to 6.32 lbs. for the same week last year. Industry demand is reported to be moderate to fair, which is expected during the Memorial Day Holiday. WOGS, tenderloins, and boneless have had increasing demand during the month and now appear to be plateauing. Export demand on leg quarters continues to be rated at good. On the production side of the business, suppliers are juggling plant and worker schedules due to the holiday. Supply is available but reduced slaughter and hatchability continue to be a topic of concern.

WOGS – The market is steady. The month of May has been robust due to Mother’s Day and Memorial Day. The supply side for small birds continues to be limited to a finite amount each week. Market levels are holding even on all sizes.

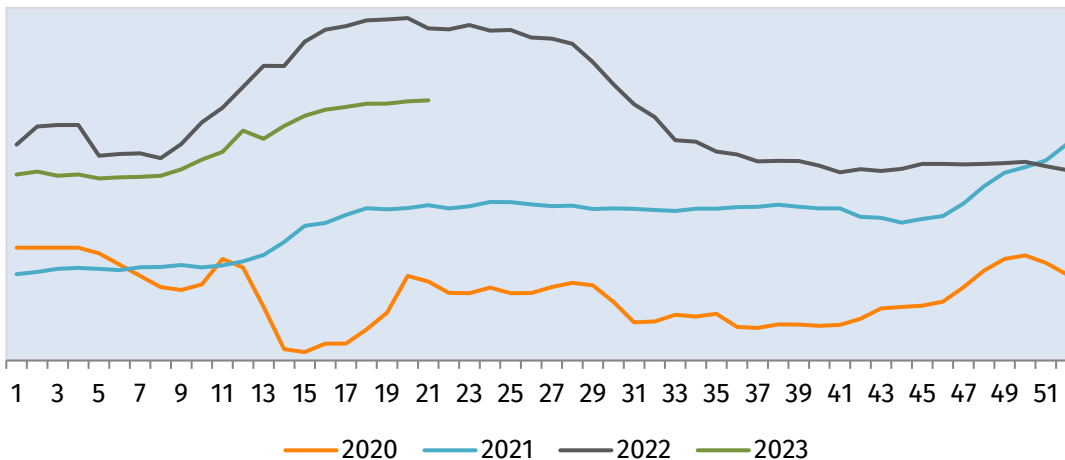
Tenders – The market is steady. Foodservice and fast-food demand has been vibrant but is now starting to flat-line. QSR’s that offer tenderloin-based sandwiches have really pushed the category to a new level. Supply is tight. The market for jumbo and select sizes is now moving sideways.

Boneless Breast – The market is steady. Retail demand is good due to promotional activity for the holiday. Foodservice activity is highly active with consumers traveling and eating out as a result. Supply is in balance with demand for most sizes. The market is flat on all sizes.

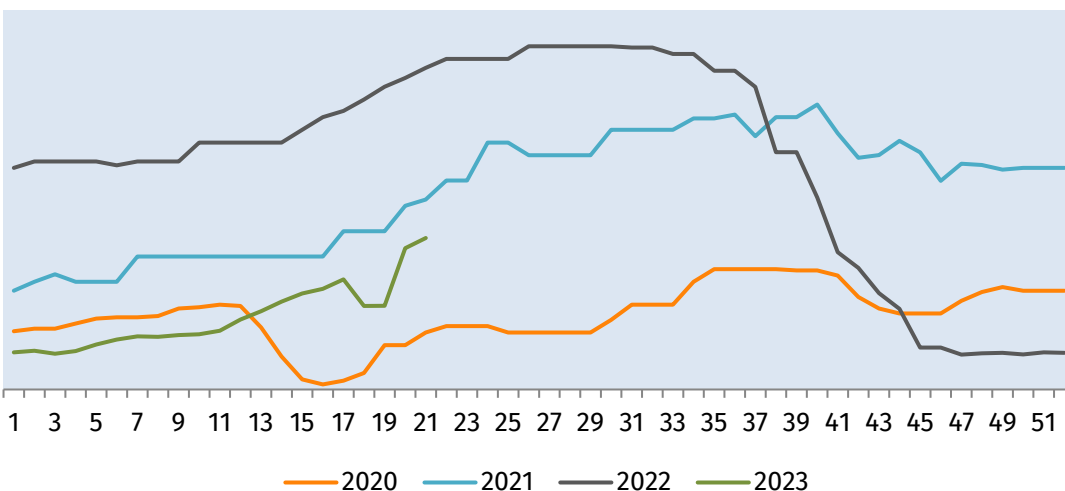
Leg Quarters and Thighs – The market is steady. Export volume continues to be good. Retail business for 4/10 leg quarters is highly active as consumers grill out. Supply varies by plant. The market is holding even on leg quarters and thigh meat.

Wings – The market is steady. Foodservice demand has seen an uptick in sales with the NBA and NHL playoffs, but overall volume still lags behind expectations. Supply is available with some excess. The market is holding even on all sizes.

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



Chicken Tenders Avg Weekly \$/lb





TURKEY

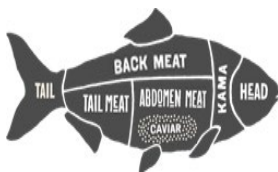
The market is steady to weaker. Total headcount for the week ending 5/20/2023 was 4,213,000 as compared to 3,663,000 for the same week last year. The average weight for last week was 31.18 lbs. as compared to 30.85 lbs. for the same week last year. The category remains in a transactional state with the overall category showing declining demand and trade levels. Whole birds remain mostly sold-out but more spot demand is being reported. Demand for breast meat, parts, and dark meat has slowed as purchasers take a cautious approach in a soft market. Export sales are fair at best while sellers are challenged by HPAI restrictions. Slaughter numbers continue to be lower than past annual standards. Market levels in most categories are trying to hold steady, but overall values are continuing to drop.

Whole Birds – The market is steady to weaker. Seasonal demand is light, and suppliers are entertaining lower trade levels on some spot loads. Offerings are limited, but weakness is starting to develop. Supply is tight depending on size. The market is starting to move lower.

Breast Meat – The market is weaker. Retail deli and foodservice demand is declining as the consumer dollar is being stretched more and more. With fresh and frozen supply combined, some excess is being reported. Market levels are trending lower.

Wings – The market is steady. Export demand on whole wings is stable. Domestic volume on two-joints is moderate to good. Supply is available on a plant-by-plant basis. The market is mostly flat.

Drums and Thigh Meat – The market is steady. Export demand for Tom drums is moderate. Domestic volume for boneless thigh meat is fair as grinding business has slowed a bit. Supply varies by plant. Market levels are static.



SEAFOOD

Gulf Shrimp – The market is unsettled. Both higher and lower prices have been seen over the past weeks due in part to available inventories and current economic conditions. Inventory for larger sized shrimp remains in tight supply. New seasonal production is expected to arrive on the market as we move through the coming weeks, and this is helping to put downward pressure on mid and smaller prices.

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

White Shrimp – The market is steady to weaker. Despite importers suggesting US inventories have decreased, the market remains steady to weaker due to lack of demand.

King Crab – The market is steady to weaker. Demand has been lighter and has helped to push the market lower. Year-to-date imports are down dramatically versus the same time period in 2022.

Snow Crab – The market is unsettled. Now that the 2023 fishing season is in full swing, buyers and sellers are shifting their focus in this direction even though quotes for 2022 production are still available.

Warm Water Lobster Tails – The market is steady to weaker. Sellers are looking to mitigate current inventories in preparation of Brazil's season coming to a start.

North American Lobster Tails – The market is steady to weaker. Weather related issues caused the new season to open slower than anticipated. Suppliers are currently being burdened with higher holding costs.

Salmon – Market is unsettled. Initial demand for Wild Salmon has been lighter than expected starting out the season. The market for frozen fillets out of Chile is holding mostly steady.

Cod – The market is unsettled. The market has seen downward pressure over the past few weeks as demand has been below expectations. Supplies are reported as adequate for a quieter demand.

Flounder – The market is steady. The market is mostly unchanged.

Haddock – The market is slightly weaker. The market is mostly unchanged but seeing lower pricing on all sizes. Supplies are reported as adequate for a quieter demand.

Pollock – The market is mostly steady.

Domestic Catfish – The market is firm. Inventories of all sizes are limited, and this trend is expected to continue as we move through the spring.

Tilapia – The market is steady. Year to date total, Tilapia imports are trending down 7% compared to this time last year.

Swai – The market is weaker. Year to date total Swai imports are trending down over 47% compared to this time last year.

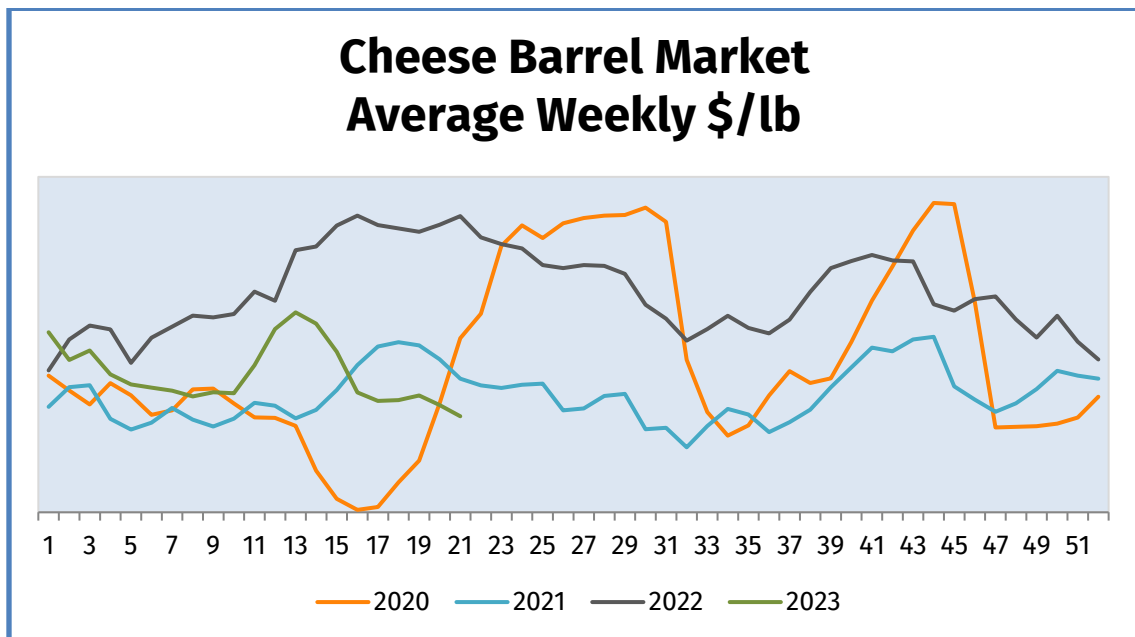
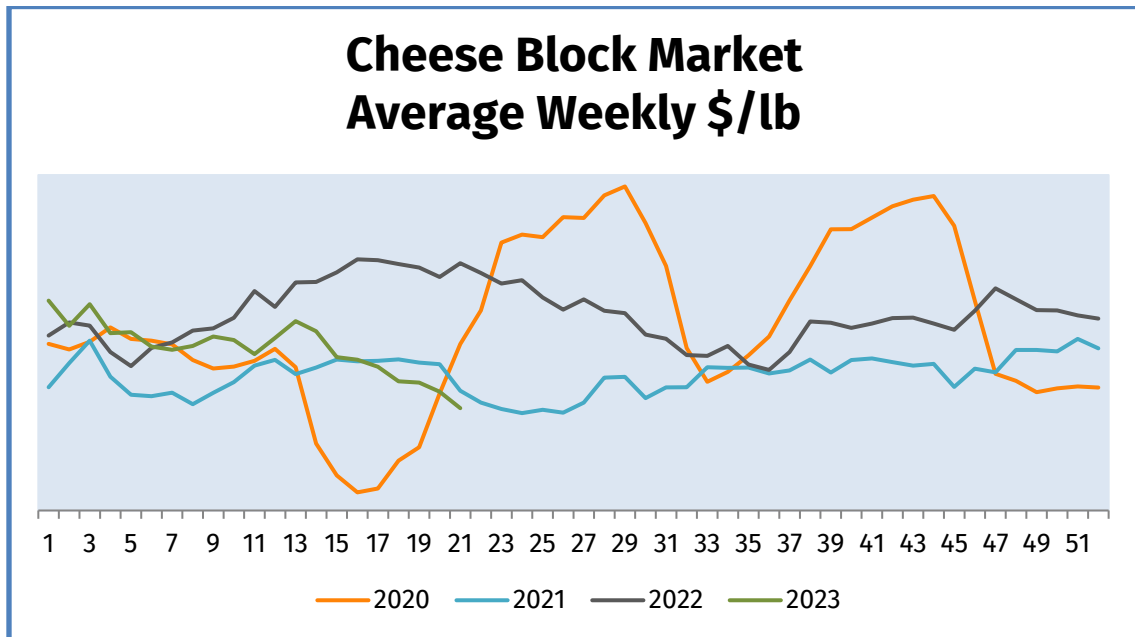
Scallops – The market is slightly weaker. Inventories are good for a fair to moderate demand a month into the new domestic season. Import supplier activity has slightly improved.



DAIRY

Cheese

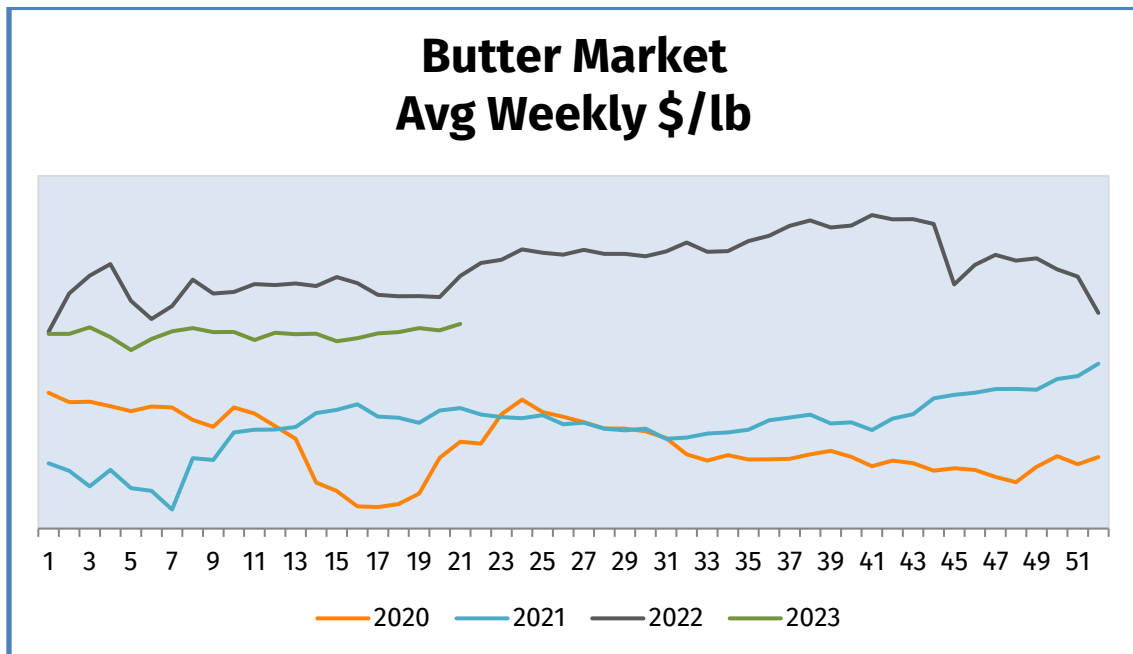
The market is firmer. The CME Block market has moved firmer as we moved through the week. The CME Barrel market moved slightly stronger as the week progressed. Milk remains widely available for cheesemakers throughout all regions. Current demand for cheese is variable as seasonal holidays have encouraged grilling season though we are also approaching schools taking their summer breaks. There are continued challenges in the market due to transportation issues, residual effects from flooding in California and the recent fire at a dairy operation in Texas. International and European demand has remained steady as of recent weeks, putting upward pressure on that market. International demand for cheese has strengthened and exports are reported to be strong.





BUTTER

The market is steady. The butter market has moved slightly weaker as this week progressed. Retail and food service demand is steady overall. Current reports show steady demand for both domestic and export markets as seasonal holidays have encouraged baking interests. Operators are reporting strong production schedules in all regions though continued labor shortages and transportation issues have impacted some regions. Butter manufacturers have plenty of cream readily available throughout all regions. Ice cream manufacturers are seeing steady demand as their production increases for the summer season.



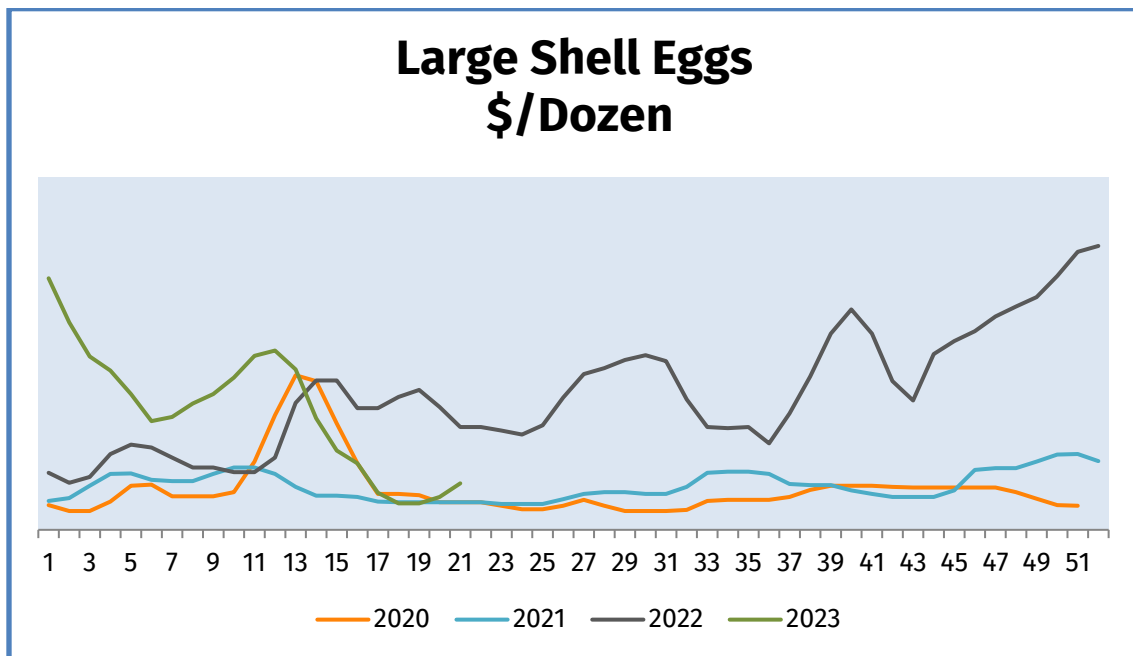


EGGS

The market is firmer. Retail demand continues to gain momentum due to lower retail pricing and more promotional features. Distributive business is on the rise as buyers try to stay ahead of an ascending market. Export business is reported to be moderate to fair.

Demand in the egg products category continues to be moderate to good. Liquid whites and graded product remain highly sought after as processors replenish finished inventory. As raw material and tankers are still being worked through the system, some discounted tankers are still being reported.

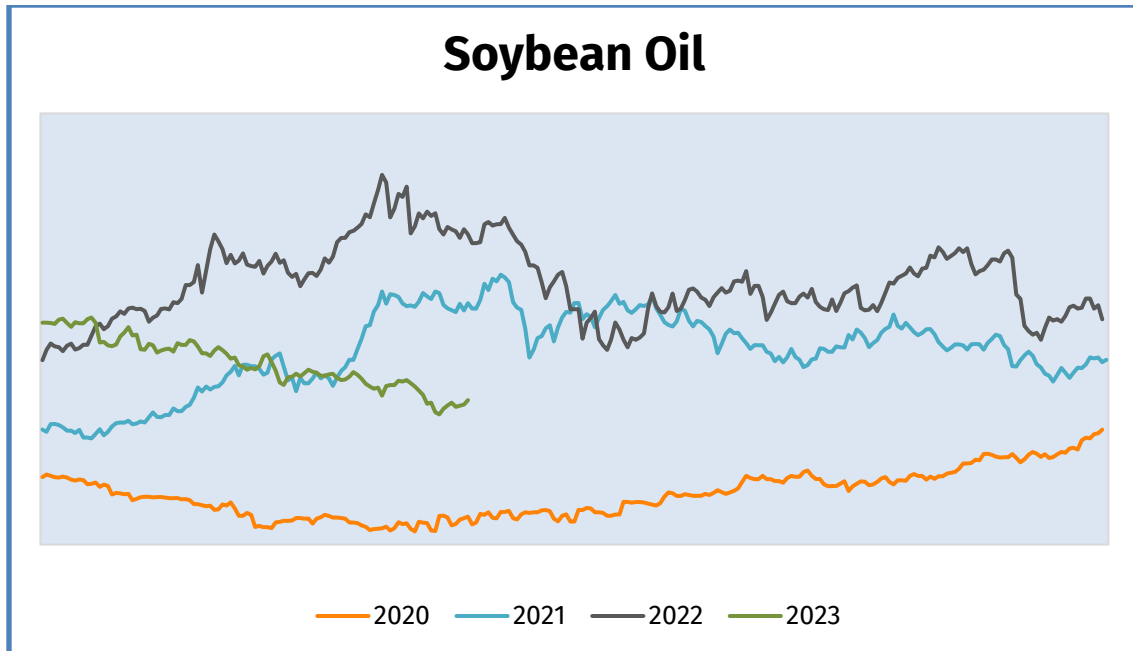
Supply is available on medium and large sized shell eggs. The market is moving higher on medium sizes and large sizes. The national weekly reports show shell egg inventory down 4.1% and breaking stock inventory down 9.9% over last week.





SOY OIL

The market is firming. Rising renewable demand and scheduled maintenance processor downtime has firmed up physical soy and canola markets.



FLOUR

The market remains firm. Crop conditions released by the USDA showed a 2% improvement of the winter wheat crop going from 29% to 31% in the good/excellent category. Spring wheat planted is currently at 65%. This is above last year's number of 48%, but it is trailing the five-year average of 73%.

RICE

Par-boiled rice is still in short supply with multiple manufacturers not looking to take on new business. Allocations and very long lead times should be expected.

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

