



DIFFERENT
by design

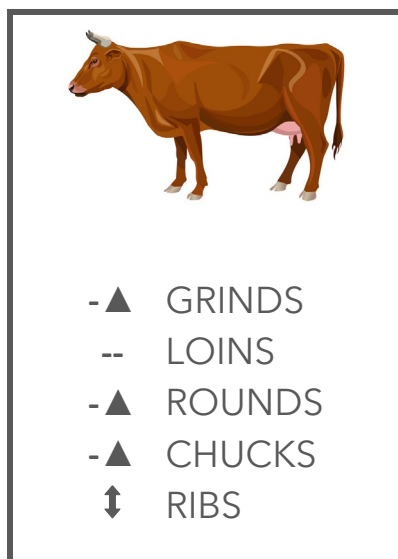
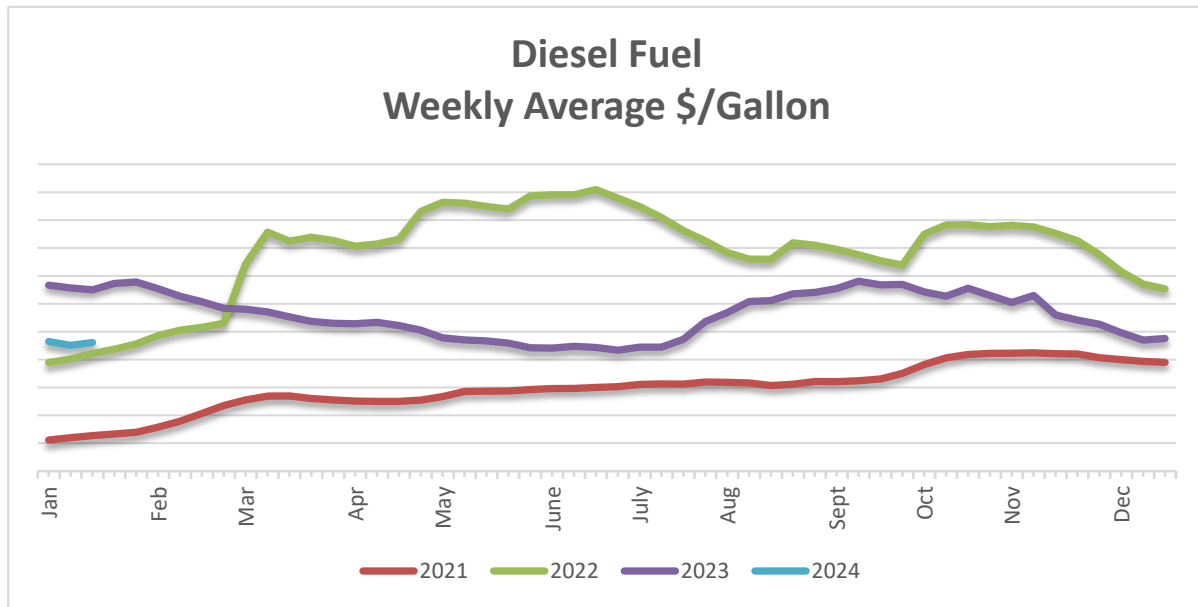
Market Report

WEEK ENDING | JANUARY 19, 2024

Graphs represent data for the week ending January 12, 2024



LOGISTICS



BEEF

The market is steady to firmer. Total beef production for last week was down 0.2% versus the prior week and down 14.7% compared to the same week last year. Year to date, total production is down 8.0% compared to the same period last year. Total headcount for last week was 549,000 as compared to 661,000 for the same week last year. Year to date, the total headcount is 1.1 million head, which is down 8.0% from last year. Live weights for last week were up 5 lbs. versus the prior week and up 19 lbs. from the same time last year. Snowstorms and colder temperatures across the country caused multiple issues with getting cattle to market, production, and logistics. The industry has had three weeks of below average production. Therefore, supply issues and shortages are a common theme

across the industry. The replacement inventory is tight and may take a few weeks to catch up. Cutout values have risen slightly due to the supply challenges over the last two weeks. Packers will be trying to get back on pace with head slaughter and order fulfillment over the next two weeks. Cattle futures for March and April have been pushed higher because of limited supply.

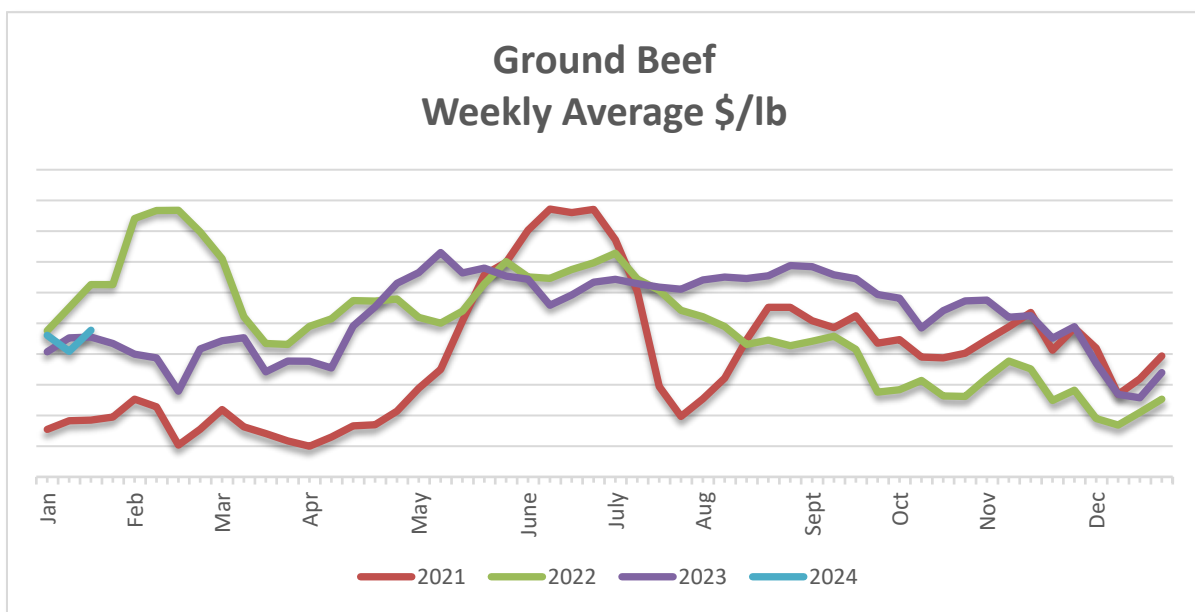
Grinds – The market is steady to firmer. Retail demand got a boost of consumer activity as shoppers bought hamburger grinds in preparation for the winter storms. Foodservice and QSR activity is fair. Supply is tight but should improve because of higher steer weights. Availability varies among packers. Trade levels on 73% and 81% grinds have been pressured higher.

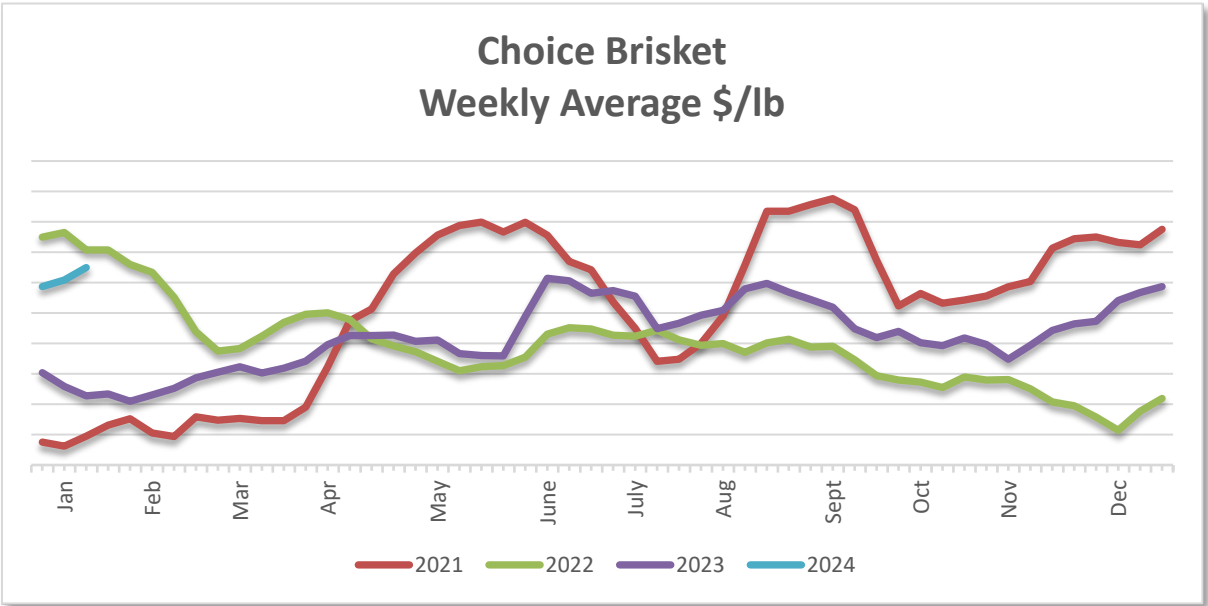
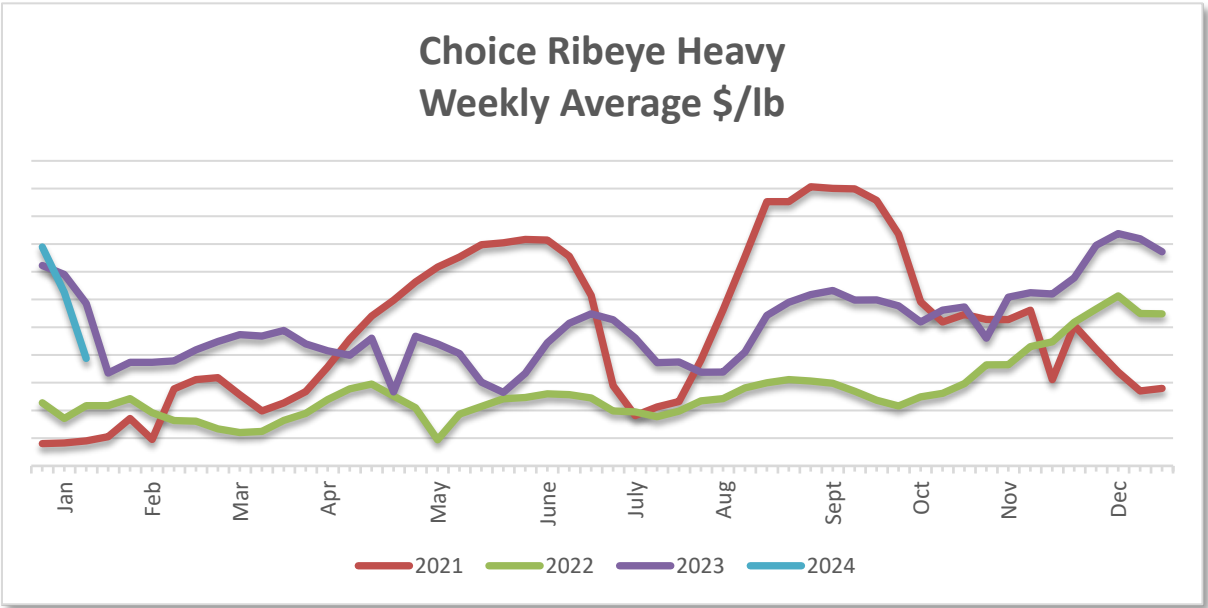
Loins – The market is steady. Middle meat demand is moderate to fair. With limited head slaughter, supply has tightened and varies among the packers. Trade levels are a full steady.

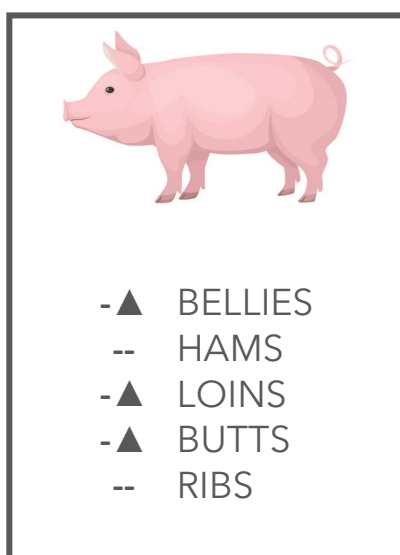
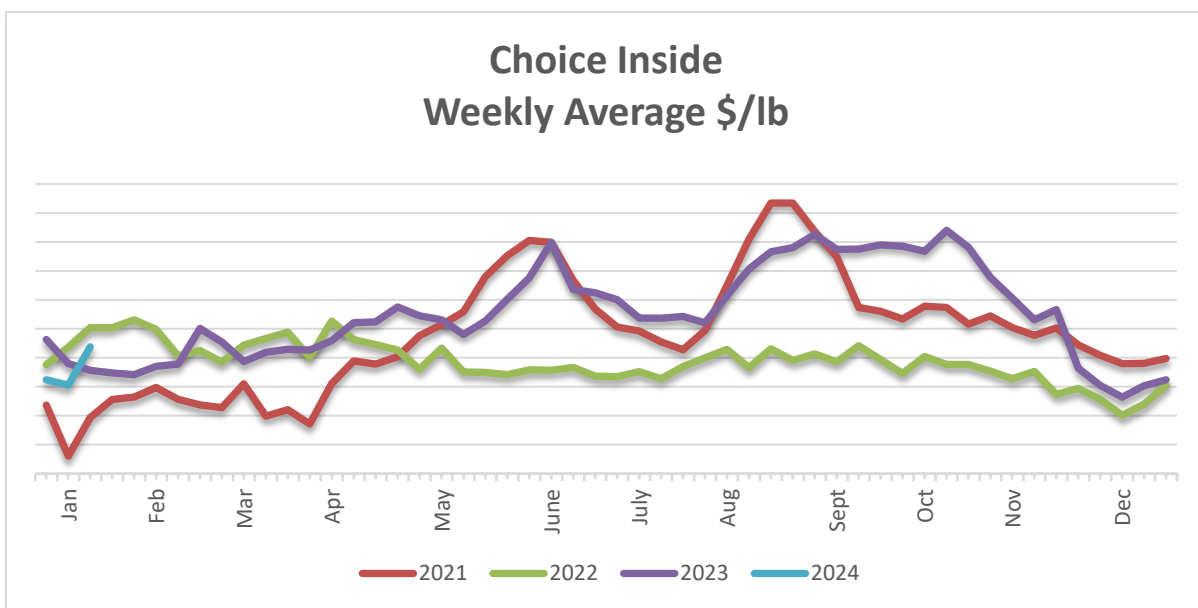
Rounds – The market is steady to firmer. Seasonal demand for insides has been rising since mid-December and consumer activity last week took things to a higher level. Availability varies among packers. Market levels are experiencing upward pressure.

Chucks – The market is steady to firmer. Retail demand is historically strong this time of year. In addition, consumer demand for chuck roasts peaked this week as consumers sheltered at home. Supply varies by packer. Trade levels have inched higher.

Ribs – The market is mixed. Retail and food-service demand has slowed as ribs tend to correct lower after the holidays. With the recent supply interruptions, the category has found a bit of short-term stability. Availability varies by packer. Trade levels are holding steady for the time being.







PORK

The market is steady to firmer. Total pork production for last week was down 3.7% versus the prior week and down 16.1% compared to same week last year. Total headcount for last week was 2,279,000 as compared to 2,689,000 for the same week last year. Live weights for last week were even at 0 lbs. compared to the prior week and down 3 lbs. versus last year. High levels of supply were being reported over the last month until these recent snowstorms hit the Midwest. Complications in getting hogs to the plants and worker shortages have been reported. Supply over the last week has been extremely limited and multiple shortages have been the result. As a result of limited supply, primal values on loins, butts, hams, and bellies firmed up over the last week. Suppliers will be challenged to get

back on pace with head slaughter and order fulfillment over the next week.

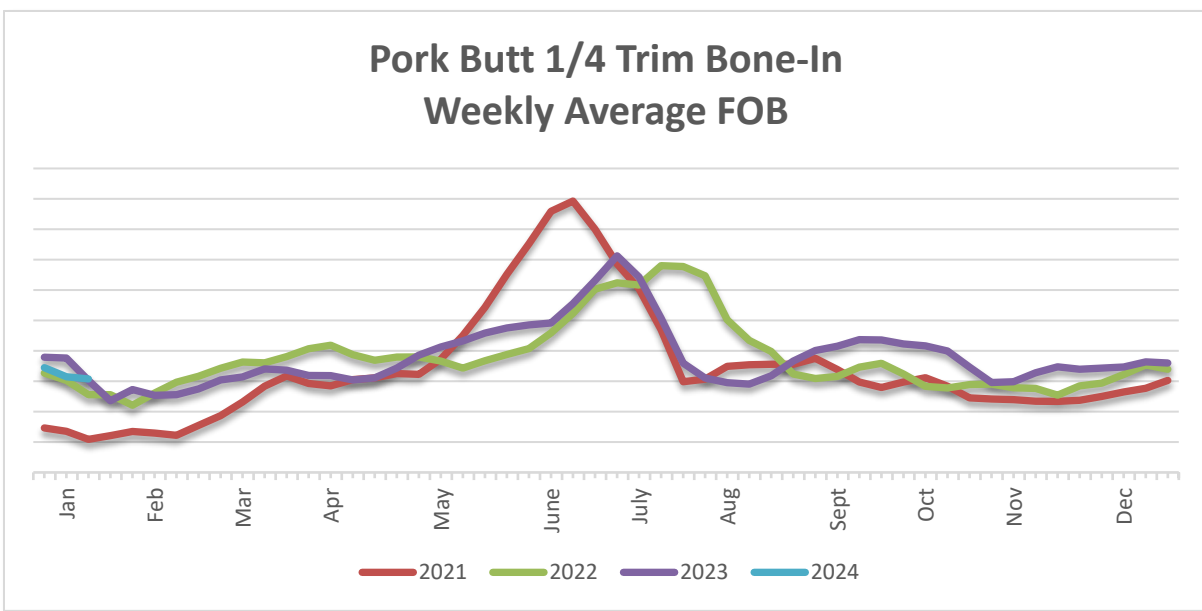
Bellies – The market is steady to firmer. Demand has been on the rise since mid-December as a result of more retail features. Disruptions in product supply have put a premium on raw material with the further processors. Supply is tight and varies by packer. The market has been moving higher.

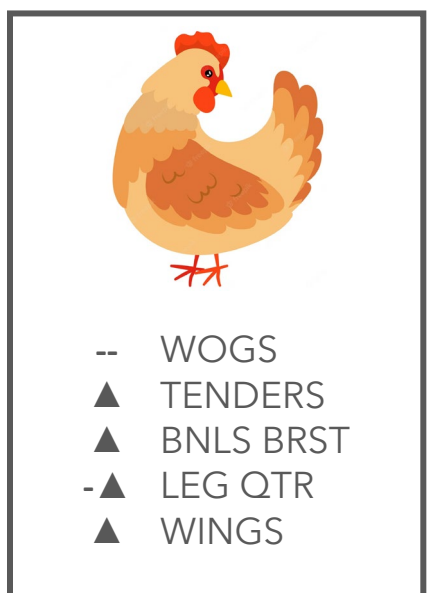
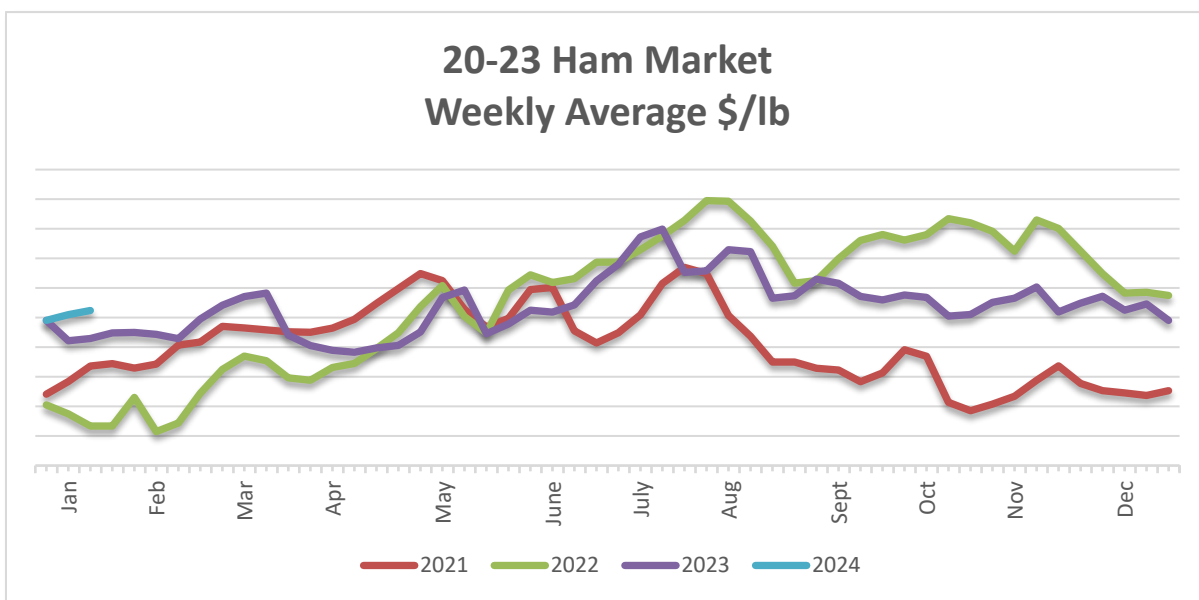
Hams – The market is steady. Domestic demand is moderate and export business is showing recent strength. Supply is limited due to the recent disruptions and bone-in hams have tightened a bit. Market levels are holding firm.

Loins – The market is steady to firmer. Retail demand for bone-in and boneless products spiked a bit as consumers purchased products before and during the recent snowstorms. Supply varies by packer and boneless product may be tight over the next week. Market levels on bone-in and boneless have been pressured upward.

Butts – The market is steady to firmer. Demand over the last week has improved, especially with the retail channel. Export business continues to be reported as moderate. Supply is expected to be tight over the next week. Trade levels are fully supported with some upward pressure.

Ribs – The market is steady. Foodservice and retail activity has picked up a bit since post-season football is underway. Supply is adequate. Market levels on spareribs, back ribs, and St. Louis ribs are fully supported at the current time.





CHICKEN

The market is firmer. Total headcount for the week ending 1/13/2024 was 172,864,000 as compared to 172,120,000 for the same week last year. The average weight for last week was 6.56 lbs. as compared to 6.38 lbs. for the same week last year. The retail and foodservice business continues to show improved volume and activity. Market activity on jumbo boneless, jumbo tenders, and wings is strong. Business on WOGS and back half parts is moderate to good. Export demand for leg quarters and whole legs is rated as fair and keeping inventory turned. Weekly slaughter is increasing as plants get back to full production schedules in January. Markets are being pressured higher on most key categories of the product mix.

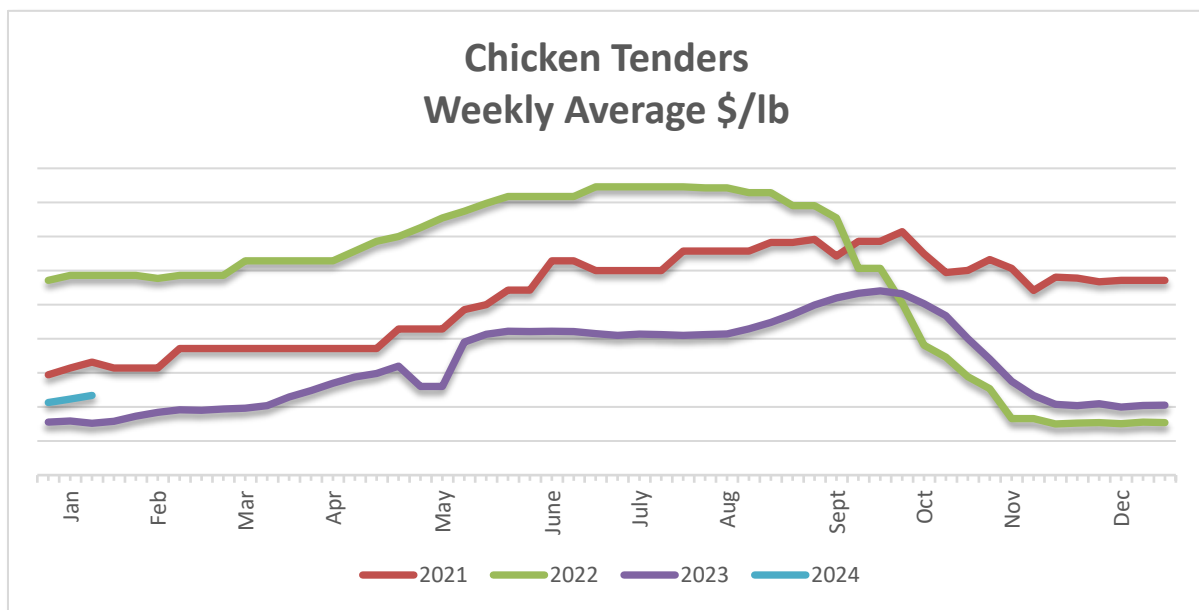
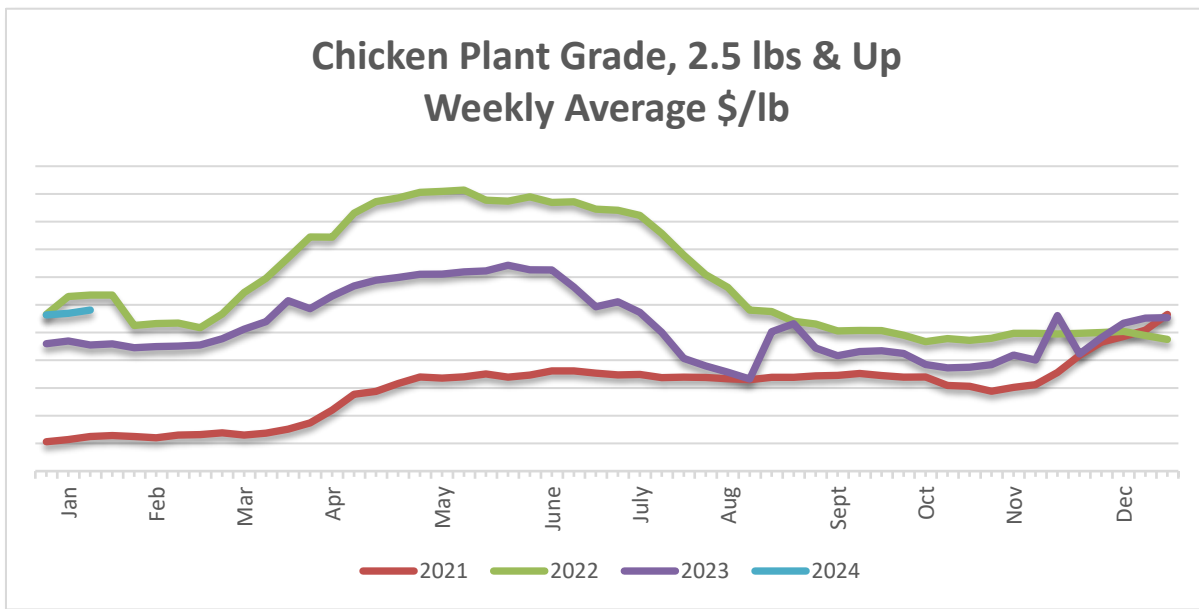
WOGS – The market is steady. Fast-food business is moderate, but retail deli got a boost in business this past week with many consumers sheltering during the snowstorms. Supply is limited by size and varies by plant. Market levels are a full steady.

Tenders – The market is firmer. Foodservice and QSR volume is vibrant and getting a boost in activity during post-season football. Strong demand from the further processors is also being noted. Supply is limited to the spot market. The market for jumbo and select products is moving higher.

Boneless Breast – The market is firmer. Retail, foodservice, and QSR activity are being reported as very strong. Limited production schedules during December tightened up the supply side and suppliers have yet to catch up. The market is currently being pressured higher on all sizes.

Leg Quarters and Thighs – The market is steady to firmer. Export and domestic retail demand for leg quarters has shown improvement in early January. Foodservice activity for thigh meat is picking up. Supply varies by plant. The market on leg quarters and thigh meat is moving upward.

Wings – The market is firmer. Wing season has kicked off with foodservice operators promoting wings on the menu. Foodservice and carryout business is strong and expected to continue throughout the Super Bowl timeframe. Further processors continue to source small and medium wings to replenish inventories. Supply is tight. The market has been moving higher on all sizes.





TURKEY

The market is steady to firmer. Total headcount for the week ending 1/13/2024 was 3,523,000 as compared to 3,781,000 for the same week last year. The average weight for last week was 32.48 lbs. as compared to 31.42 lbs. for the same week last year. Booking season for whole birds is now underway and reported to be very mundane as buyers take a wait and see approach. Demand is active on boneless breast and bone-in parts. Supply remains tight as the recent HPAI outbreaks took raw material out the supply chain. Export business is moderate at the current time and comes with HPAI restrictions depending on the importing nation. On the supply side, HPAI depleted about 3.2 million turkeys from October to December. In Q4 of 2022 about 2.4 million birds were affected. While HPAI has depopulated more

birds, suppliers are carrying over more excess finished inventory into 2024. The supply side remains vigilant about bird health during these winter months.

Whole Birds – The market is steady. Booking season during the month of January is reported to be slow with buyers taking a patient approach. The carryover of whole birds from 2023 into 2024 is being reported as higher than normal. Market levels are holding even.

Breast Meat – The market is steady to firmer. Further processor demand for tom breast meat is reported to be good as QSR business starts to pick up. Supply is available with more frozen breast meat being shown. The market continues to have strong undertones.

Wings – The market is steady. Export volume for whole wings is fair and domestic demand for two-joints is moderate. Supply is tight and varies on a plant-by-plant basis. The market is trending sideways.

Drums and Thigh Meat – The market is steady to firmer. Export and domestic demand for drums is moderate to good. The call for thigh meat is quite active at the current time. Supply varies by plant. The market on drums is flat while thigh meat is being pressured higher.



SEAFOOD

Gulf Shrimp – The market is unsettled. Demand for domestic Gulf Shrimp remains down due to competitive pressure from the import market.

Black Tiger Shrimp – The market is mostly unchanged. Lower priced white shrimp continues to keep pressure on the Black Tiger market.

White Shrimp – The market is slightly weaker. Supplies remain adequate to fully adequate with moderate demand.

King Crab – The market is unchanged. Alaskan golden king crab is available. Supplies are adequate to barely adequate and the market is steady.

Snow Crab – The market is steady. Demand is fair with supplies being adequate to barely adequate.

Warm Water Lobster Tails – The market is unchanged and has trended downward due to supplies being fully adequate and light demand. Despite the recent activity of North American Lobster Tails, there has been no impact on the Warm Water Lobster Tail market.

North American Lobster Tails – The market is firmer. Current year-to-date landings are lower than anticipated. Sellers continue to firm up prices to slow down demand and allocations are in effect.

Salmon – The market is firmer. Supplies of frozen fillets out of Chile are barely adequate with a moderate to active demand. The European fillet market is weaker due to adequate supplies and quieter demand.

Cod – The market is steady to weaker. Demand remains below expectations as supplies continue to be adequate to fully adequate.

Flounder – The market is steady and mostly unchanged.

Haddock – The market is steady to weaker. Supplies are reported as fully adequate with a quiet demand.

Pollock – The market is steady to weaker. Lack of demand has continued to put downward pricing pressure on the commodity.

Domestic Catfish – The market is steady to firmer. Demand for domestic catfish remains down due to competitive pressure from the import market.

Tilapia – The market is firmer. Light supply and increased costs overseas are being met with moderate demand.

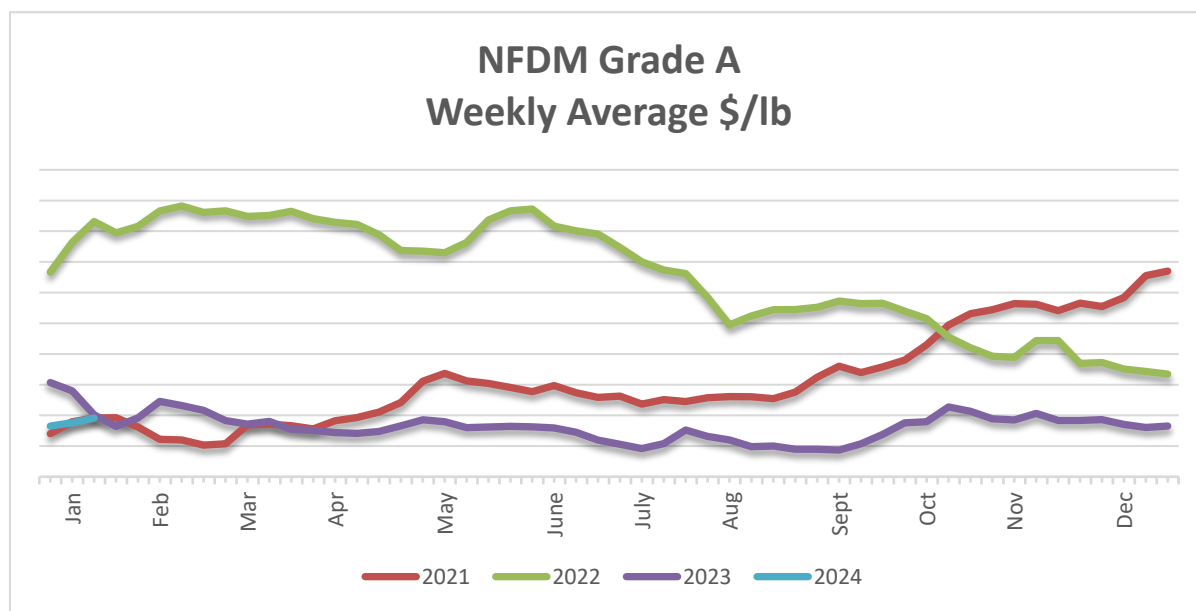
Swai – The market is weaker. Supplies are fully adequate, and demand remains lackluster.

Scallops – The market is steady to weaker. Supplies are adequate with fair to weak demand.



FLUID MILK

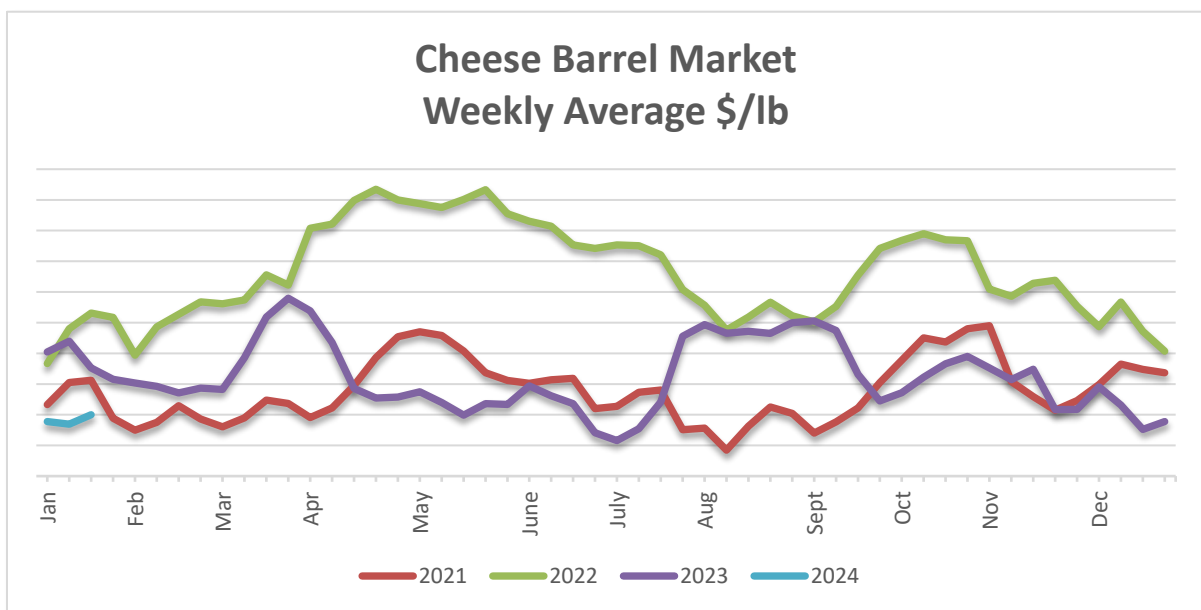
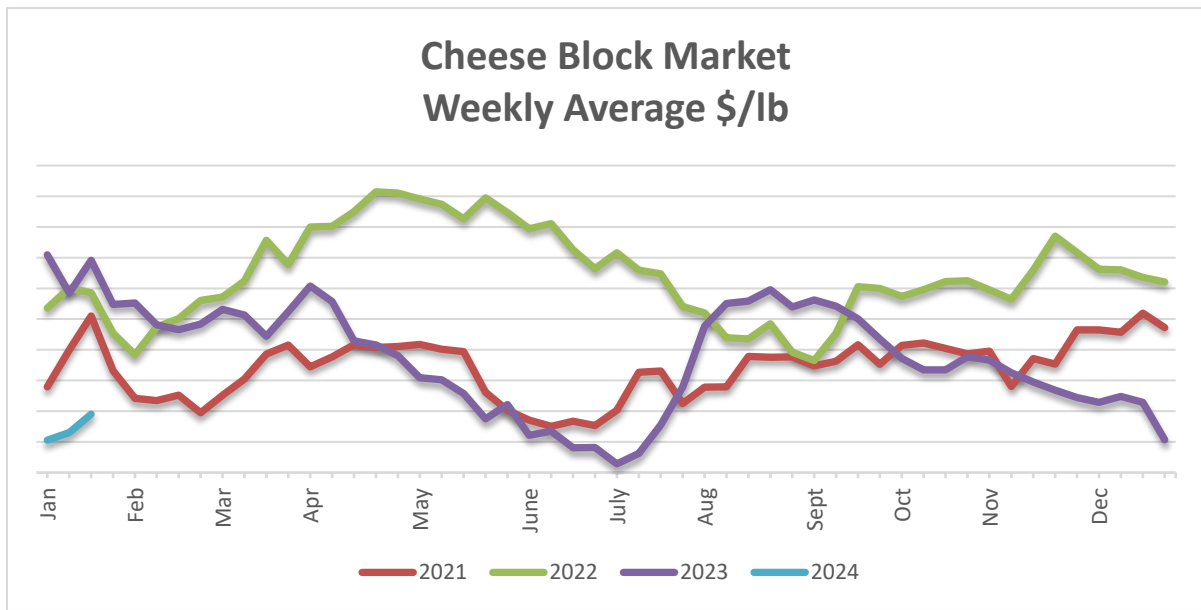
The market is strong. According to the USDA's latest report, farm level milk production is steady across the nation and growing week over week. Winter weather across much of the nation this week had an impact on both production and logistics. In some cases, fluid products were able to be diverted into different channels to avoid interruptions. It is reported that cream is readily available, and many churns are operating seven days a week. Class I bottling orders are steady and Class IV is stronger as processors amp up butter manufacturing. Demand for all other Classes is reported as steady.



CHEESE

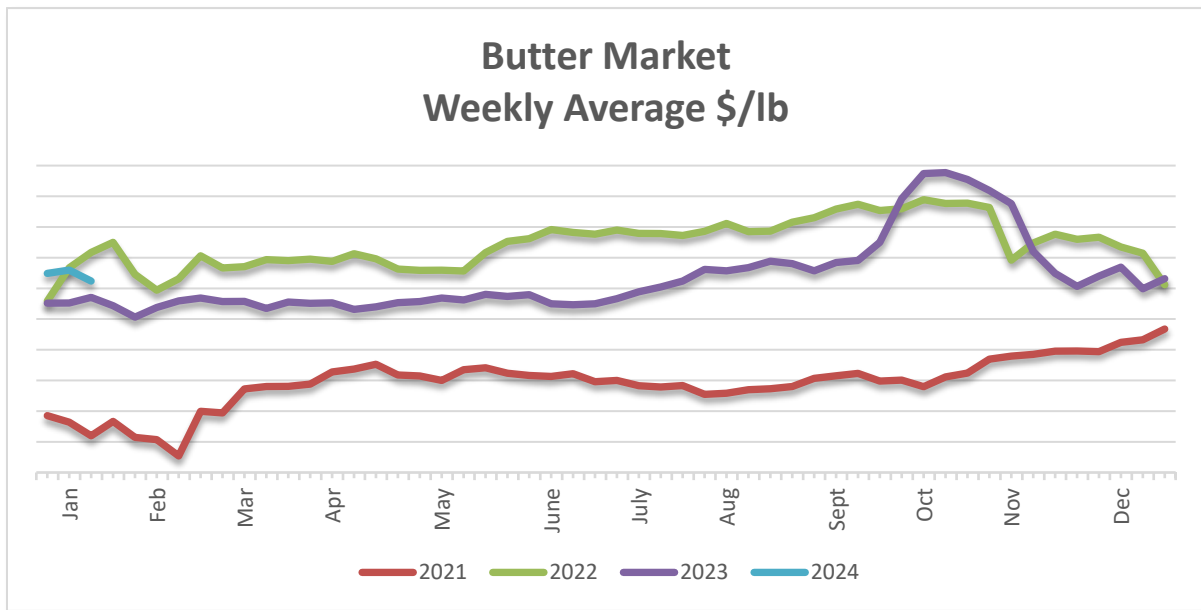
The market is weaker. Both the CME Block & Barrel markets moved weaker as we progressed through the week. As compared to the prior week, both the Block & Barrel markets were slightly weaker. Due to winter weather, many milk loads destined for Class III cheese manufacturing were diverted to Class I bottling channels. As a result, plant managers reported operating steady to lighter production schedules proportionate with supplies while some plants also reported downtime for maintenance and inspections. According to the USDA, cheesemakers note steady demand and comfortable inventory levels. Some industry sources report that current domestic prices have strengthened international purchasing.

In Europe, milk production is mostly steady. Recent cold weather has had a negative impact on milk outputs. European cheesemakers are operating busy production schedules to meet demand. Retail and foodservice demand is reported to be strong. Cheese inventories in Europe are coming more in balance after the holiday season. According to the USDA's latest report, European cheese prices are holding steady.



BUTTER

The market is mixed. The butter market was mixed as the week progressed and trended firmer than the prior week. Cream supplies for churning are plentiful throughout the country and it is reported that some butter makers are turning down cream offers due to being at capacity. According to the USDA, butter makers are staying busy working on bulk butter as well as adding to their spring-demand in cold storage capacities. Winter weather causes some transportation disruptions across multiple regions. Retail and bulk butter demand are both reported as steady. Foodservice demand continues to be reported as weaker.

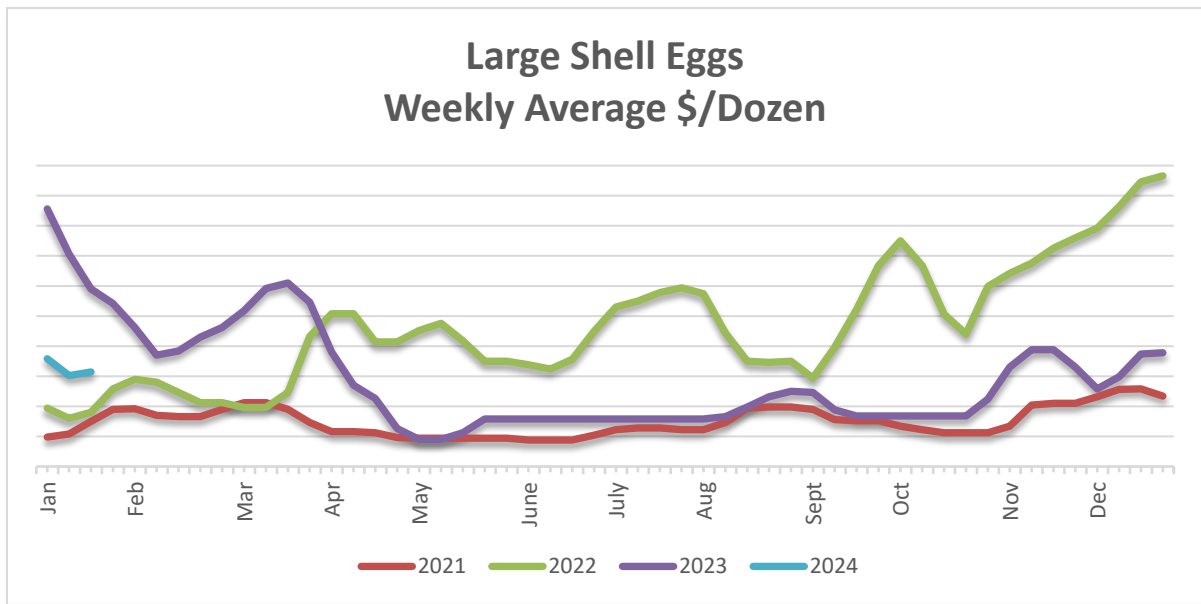


EGGS

The market is mixed. Retail demand through midweek remains good as severe winter storms continue across the US. With consumers giving shell eggs an unexpected bump in volume, foodservice sectors have seen a downturn in movement.

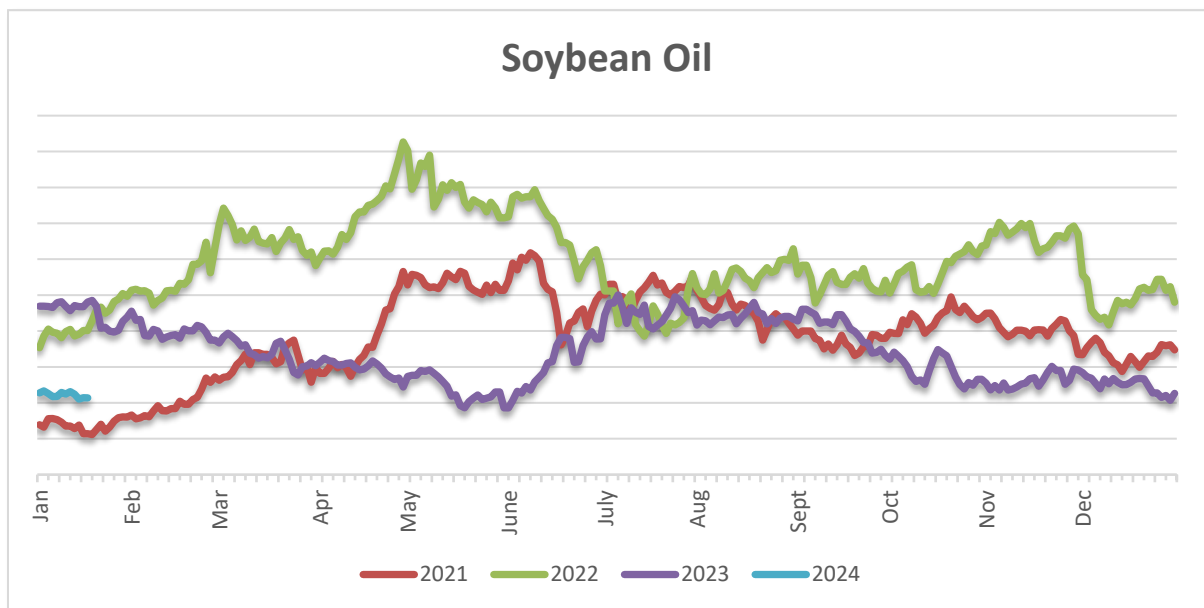
Supply is available on medium and large sized shell eggs. Market levels are moving lower on medium sizes and large sizes. National weekly reports show shell egg inventory down 7.9% and breaking stock inventory down 3.8% over last week.

Demand in the egg products category is mixed. Demand for liquid whites remains strong as food processors look to ramp up post-holiday production volumes. Demand for yolks and dried items has been quiet.



SOY OIL

The market is unsettled. The current strength of the US dollar continues to have an impact on exports. The crop in South America came in above expectations and is putting additional pressure on that market.



CANNED PEACHES

The market is firmer. Recent reports show that the 2023 US domestic peach harvest was one of the worst that has been seen in the past several years. This is expected to result in price increases and allocations over the coming months.

HONEY

The market is steady. Honey imports from Cambodia spiked just after high Anti-Dumping duty rates were imposed on Vietnam after years of no activity. The effects of anti-dumping ruling continue to ripple through the honey industry. Honey markets are quiet as geography prepares for winter (northern hemisphere) and the new season (southern hemisphere).

RICE

The situation with parboiled rice has not improved. Lead times are increasing to 10 weeks or more with some suppliers. Plan ahead to stay stocked. Maybe some good news is the most recent harvest was better than last year. Production for parboiled rice is still having difficulties keeping up with demand.

SALT

The market is unsettled. Salt has been on allocation over the past several weeks due to hampered production and ongoing labor issues. This is expected to improve over the coming months, but allocations could remain common over the coming weeks.

SUGAR

The market is unsettled. Availability remains limited. This year's U.S. sugar crop came in below expectations and this is expected to put additional strain on inventories over the coming months. Allocations and longer lead times should be expected with multiple suppliers not looking to take on new business.

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

Dairy, I.P.A.P.: Davy Ard, Sr. Vice President of Category Management, ext. 5431

Beef, Pork, Poultry: Ken Kotecki, Sr. 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), Imports, Pickles: Willie Biddix, Category Manager, ext. 5457

Appetizers, Eggs, French Fries, Frozen Pasta, Produce, Seafood: Gabriel Tegenkamp, Category Manager, ext. 5432

