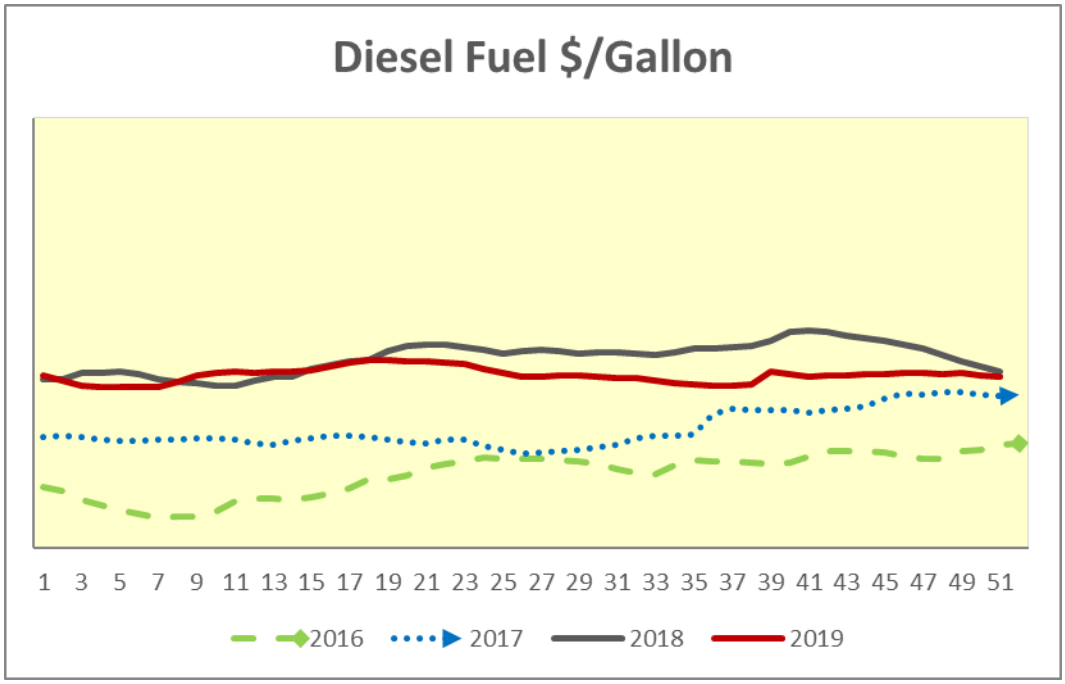
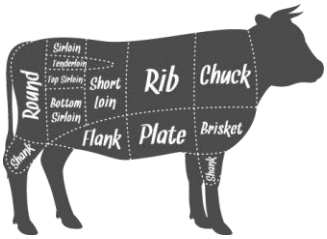
Market Report

Week Ending December 20, 2019

****Graphs represent data for the week ending December 13, 2019****

DIESEL





BEEF

Market is mixed. Total beef production for last week was down 2.2% versus prior week but was up 2.4% compared to same time last year. Total headcount for last week was 662,000 as compared to 654,000 for the same week last year. Live weights for last week were up 3 lbs. from prior week and up 10 lbs. from same time last year. The seasonal swing in demand was seen across the market as we moved into this week as demand for holiday items eased and the market slid sharply lower. Retail advertising is expected to be strong as we move into January as cold weather items increase in popularity. Production will be shortened due to the holidays the next two weeks and this is expected to put pressure on availability as we move into the new year.

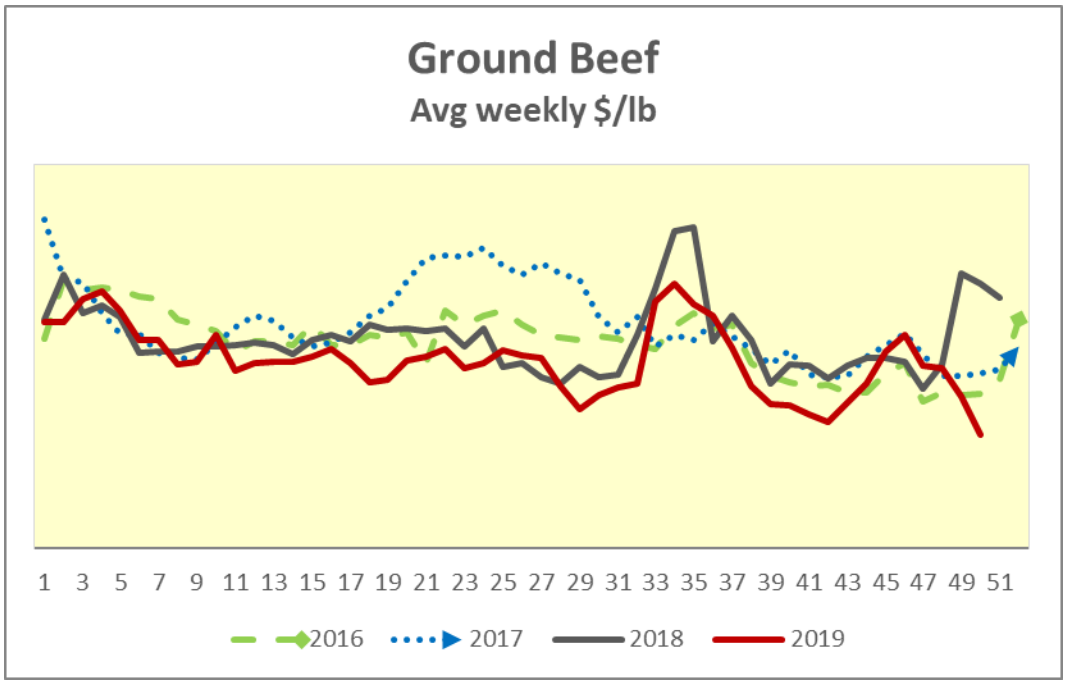
Grinds- Market is unsettled. After seeing downward pressure last week, the market has held mostly steady as we moved through this week. The shortened holiday production typically impacts this market at a time that demand begins to pick back up.

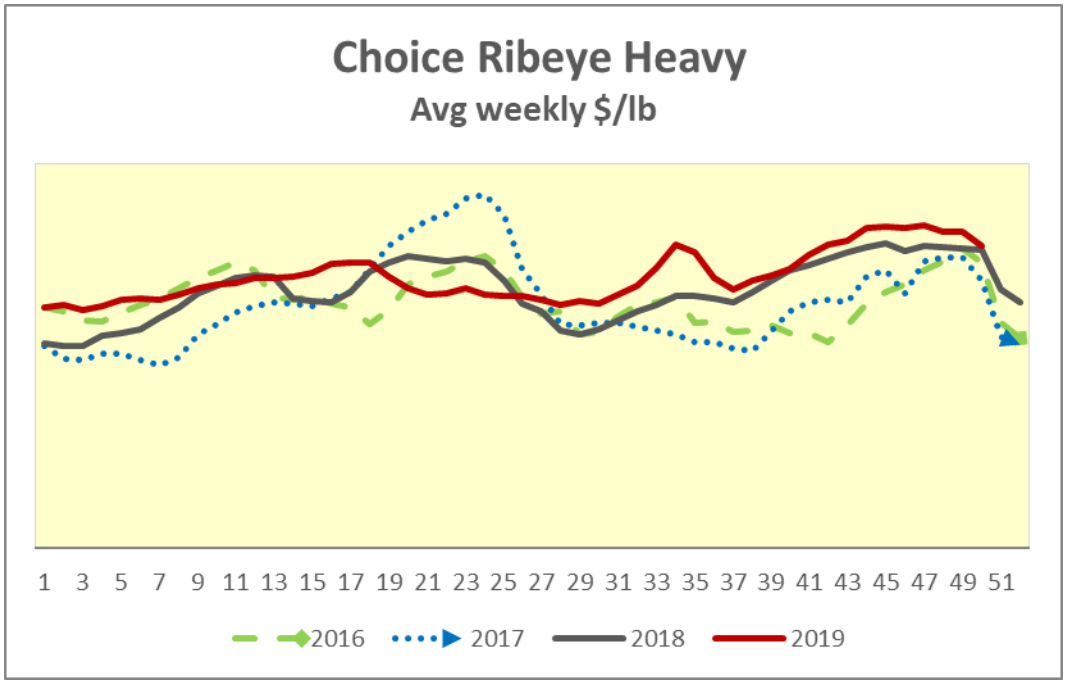
Loins- Market is steady to weaker. Lighter demand has helped to put downward pressure on multiple cuts.

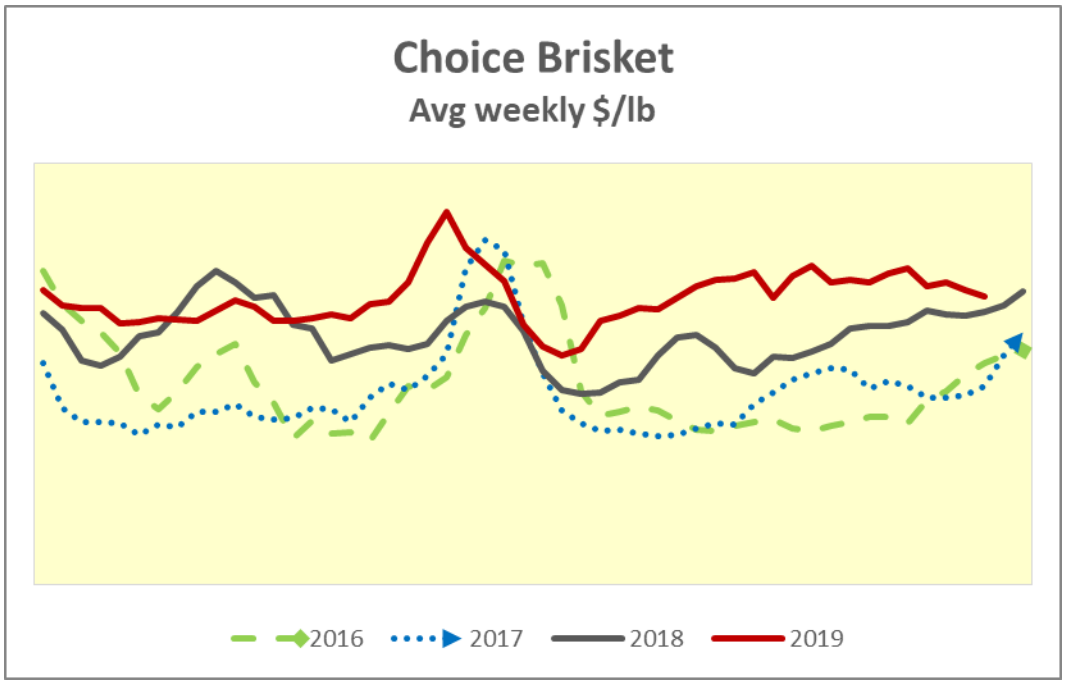
Rounds- Market is mixed. The market has seen both higher and lower prices as we moved into this week. Demand is expected to improve as we move through the coming weeks.

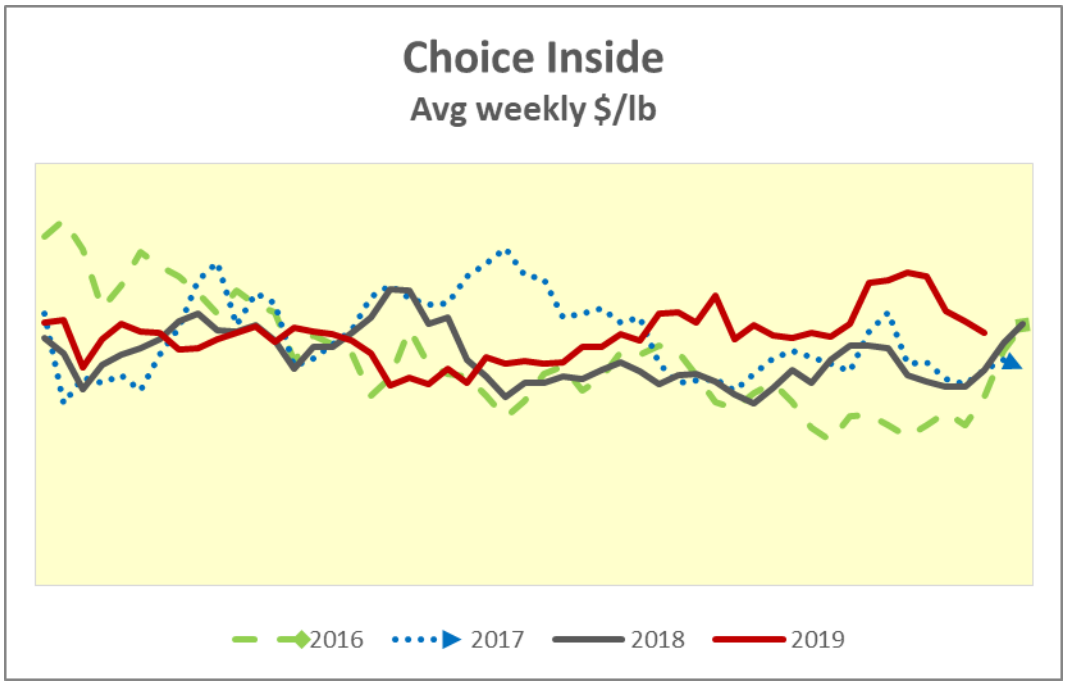
Chucks- Market is mostly steady. Retail advertising is expected to help improve demand as we move into January.

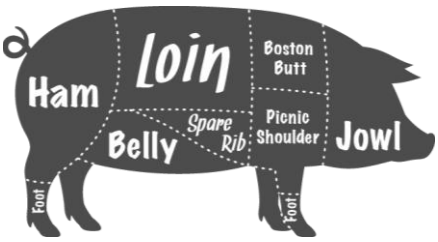
Ribs- Market is weaker. This week has seen large drops in the market as packers look to get their inventories in line with expected demand as we move towards year end.






Choice Brisket
Avg weekly $/lb
2016
2017
2018
2019


Choice Inside
Avg weekly $/lb
2016
2017
2018
2019



PORK

Market is mixed. Total pork production for last week was down 1.2% versus prior week but was up 6.5% compared to same time last year. Total headcount for last week was 2,763,000 as compared to 2,609,000. Live weights for last week were even with prior week and up 2 lbs. from same time last year. Export interest has been good and helping to move additional inventories. The record production has been keeping inventories more available as production has been outpacing domestic demand. Additional cases of African Swine fever have been reported over the past couple of weeks in both Europe and Asia. China has been importing large amounts of proteins from around the world to help cover their gap in pork production.

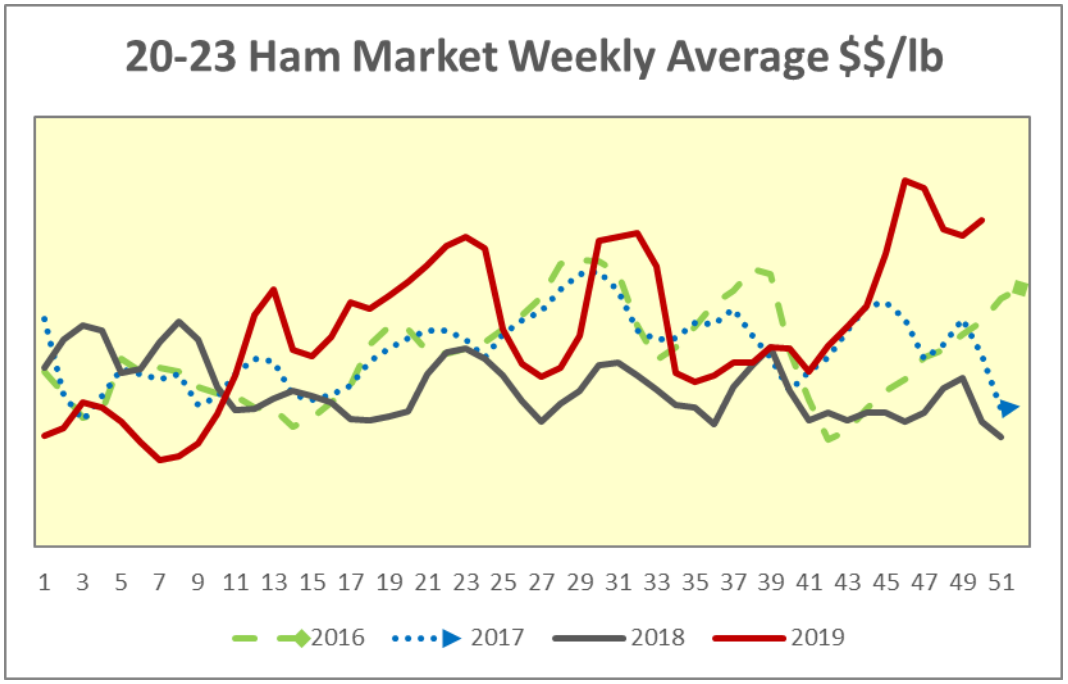
Bellies- Market is unsettled. The reduced production over the next couple of weeks is causing the market to be more unsettled as we moved thru this week.

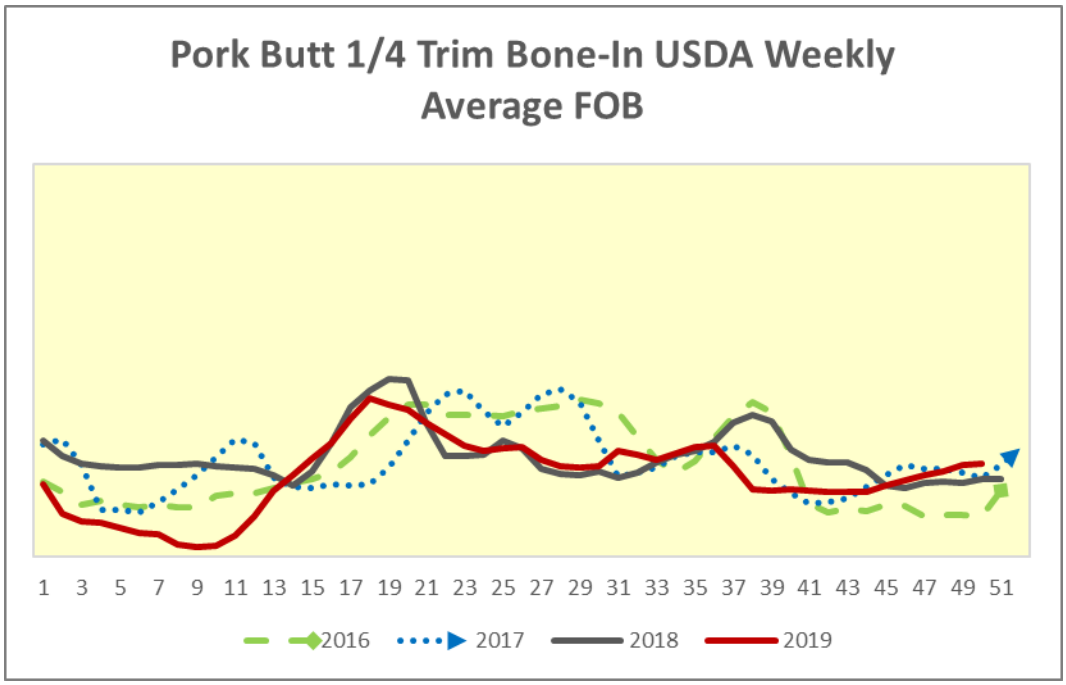
Hams- Market is steady to weaker. Holiday buying interest has eased helping to put downward pressure on the market.

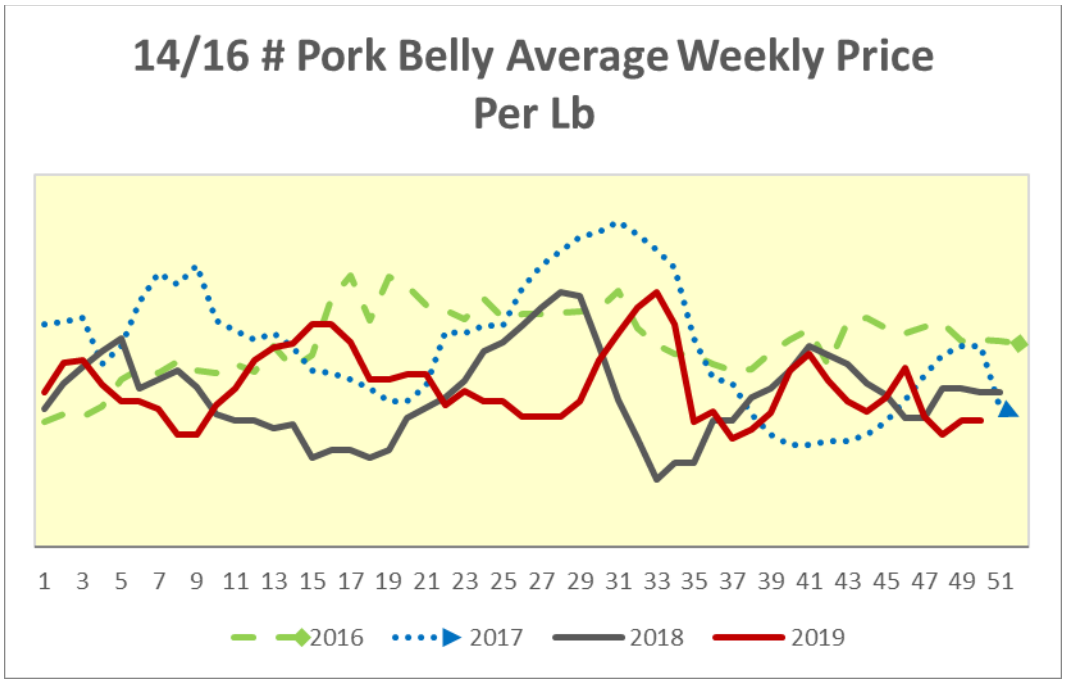
Loins- Market is unsettled. Availability remains varied between suppliers with gaps in asking prices.

Butts- Market is firmer. Export demand is very good and putting pressure on the market.

Ribs- Market is mixed. Buying interest has been mixed as we moved into this week causing both higher and lower asking prices.




Pork Butt 1/4 Trim Bone-In USDA Weekly Average FOB
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
2016
2017
2018
2019


14/16 # Pork Belly Average Weekly Price Per 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
2016
2017
2018
2019

CHICKEN

Market is steady. Total headcount for last week was 167,279,000 as compared to 156,773,000 for the same time last year. Average weights for last week were 6.36 lbs. as compared to 6.14 lbs. for the same week last year. Production and purchasing for the next two weeks are being reported as a little subdued at the current time. As for production, fresh plants will typically be closed one or two days per week due to plant holidays. In addition, further processing plants will also be closed one or two days each week in observance of the holidays. Hence, most players in the industry are keeping things close to the vest as they close out the year. Domestic demand for boneless breast and fresh leg quarters continues to be propped up by the retail channel. Foodservice operations are keeping tenders and wings supported as we close out the year. Export activity on leg quarters continues to be steady and future speculation about China keeps most participants watching the market closely. Supply is being reported as available across most lines of business.

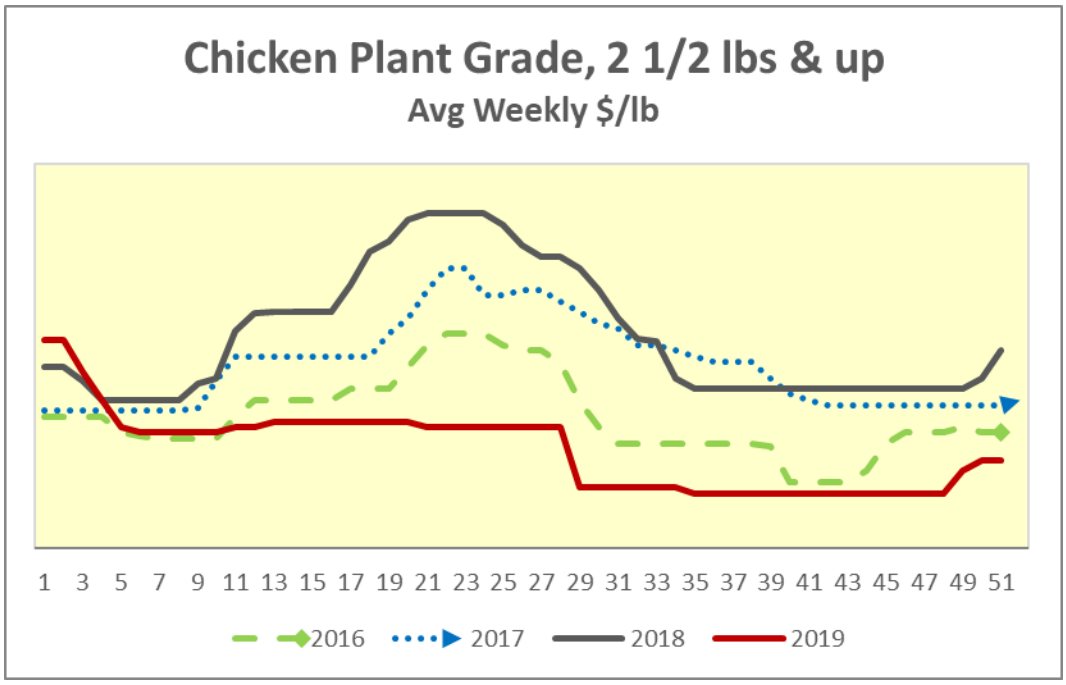
WOGS- Market is steady to firmer. Due to many family gatherings over the next two weeks, rotisserie chickens have become very popular for dinner time. Demand from retail deli and foodservice QSR's continues to drive this category. Volume for sized WOGS is being reported as active. Supply is tight and some shortages are being reported.

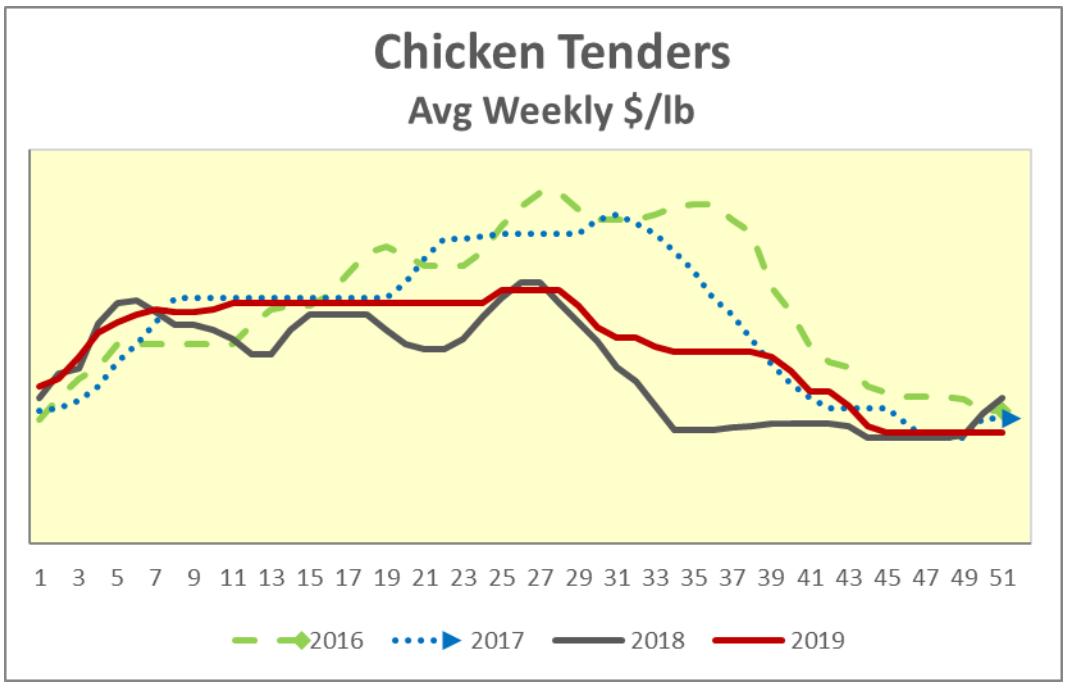
Tenders- Market is steady. Foodservice and QSR demand remains very steady this holiday due to consumer activity while doing their holiday shopping. Supply is available.

Boneless Breast- Market is steady. Demand from retail and foodservice continues to be reported as fair. Foodservice QSR business is fairly active and retail business is being supported with some holiday features. All sizes of boneless breast are being reported as steady. Supply is available.

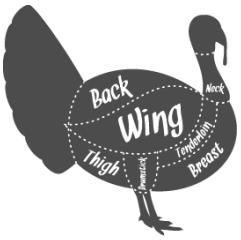
Leg Quarters and Thighs- Market is steady. Retail demand for fresh leg quarters has recently picked up and is continuing to be steady. Export orders for frozen leg quarters continue to be steady. News about China is being watched closely. Supply is available.

Wings- Market is steady. Foodservice demand remains active as the upcoming bowl games tend to create a lot of consumer activity. Production will be limited over the next two weeks due to plant holidays. Supply is available.


Chicken Plant Grade, 2 1/2 lbs & up
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
2016
2017
2018
2019


Chicken Tenders
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
2016
2017
2018
2019

TURKEY



Market is steady to weaker. Total headcount for last week was 4,274,000 as compared to 4,283,000 for the same week last year. Average weights for last week were 31.87 lbs. as compared to 32.60 lbs. for the same week last year. Egg sets for last week were down 2.97% from prior week and are trending down 2.72% for year to date versus same time last year. Domestic demand is starting to soften a bit as holiday orders for whole birds have already shipped. Supply for whole birds is starting to improve and become more available. Export demand for drums, thighs, and whole wings remain steady. Supply for most parts are available.

Whole Birds- Market is steady to weaker. Demand is slowing down as holiday shipments are mostly completed. Both suppliers and buyers are trying to rotate their inventory and get most of their 2019 production out the door. Supply is becoming more available.

Breast Meat- Market is steady to weaker. Foodservice and retail deli business continues to be slower than expected during this holiday season. Supply for fresh and frozen boneless is available.

Wings- Market is steady. Export demand for whole wings continues to be the main outlet in keeping this category supported. Supply is available.

Drums- Market is steady. Export demand for drums continues to be vibrant and is keeping supply moving on a week to week basis. Supply is available but limited.

SEAFOOD

Gulf Shrimp- Market is steady to firmer. Inventories are light for current demand with price increases being seen across multiple sizes and species. Brown shrimp continue to see the most upward pricing pressure.

Black Tiger Shrimp- Market is mostly steady. Larger sizes remain in light supply and have seen the most pressure on prices over the past several weeks. Mid and smaller sizes are in better supply.

White Shrimp- Market is steady.

King Crab- Market is firm. Inventories are light for an active demand. Global demand is very strong.

Snow Crab- Market is firm. Inventories are light for an active demand.

Warm Water Lobster Tails- Market is firm. Inventories have been light for several months and a strong demand is keeping upward pressure on the market.

North American Lobster Tails- Market is firm. Inventories are light for an active demand. Production has not been able to keep up with demand and contracted product has locked up most of production for several weeks. Additional product is difficult to come by.

Salmon- Market is firm. Inventories are light for an active demand. The market has moved higher from all regions as we moved into this week.

Cod- Market is firm. Strong global demand is keeping pressure on available inventories.

Flounder- Market is steady.

Haddock- Market is mostly steady.

Pollock- Market is firm. Strong global demand is keeping pressure on the market. Catches out of Russia are resulting in more small sized fish and putting additional pressure on larger sizes.

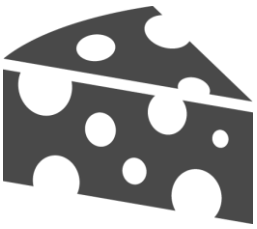
Domestic Catfish- Market is unsettled. Light production numbers for most of this season have kept inventories tight with allocations common place.

Tilapia- Market is steady.

Swai- Market is steady.

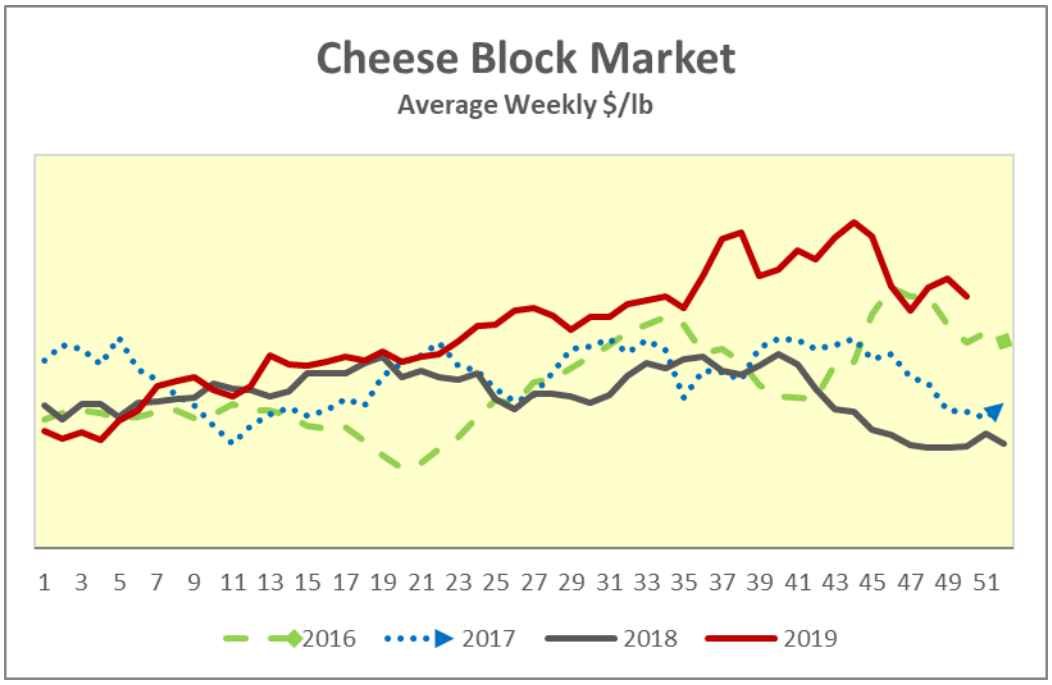
Scallops- Market is steady.

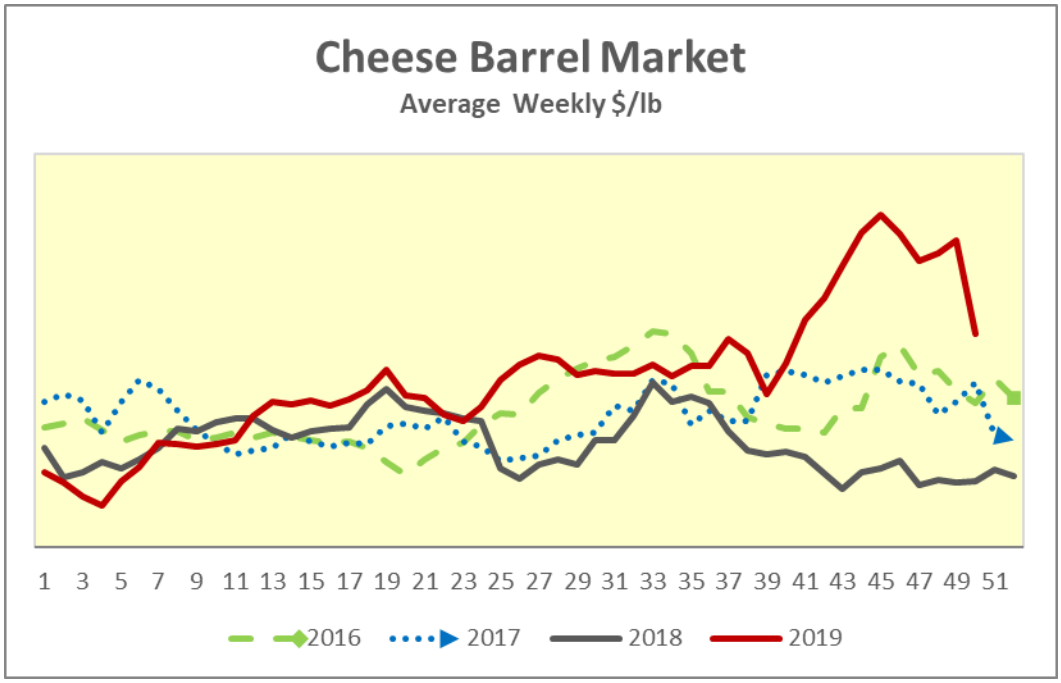
DAIRY



Cheese

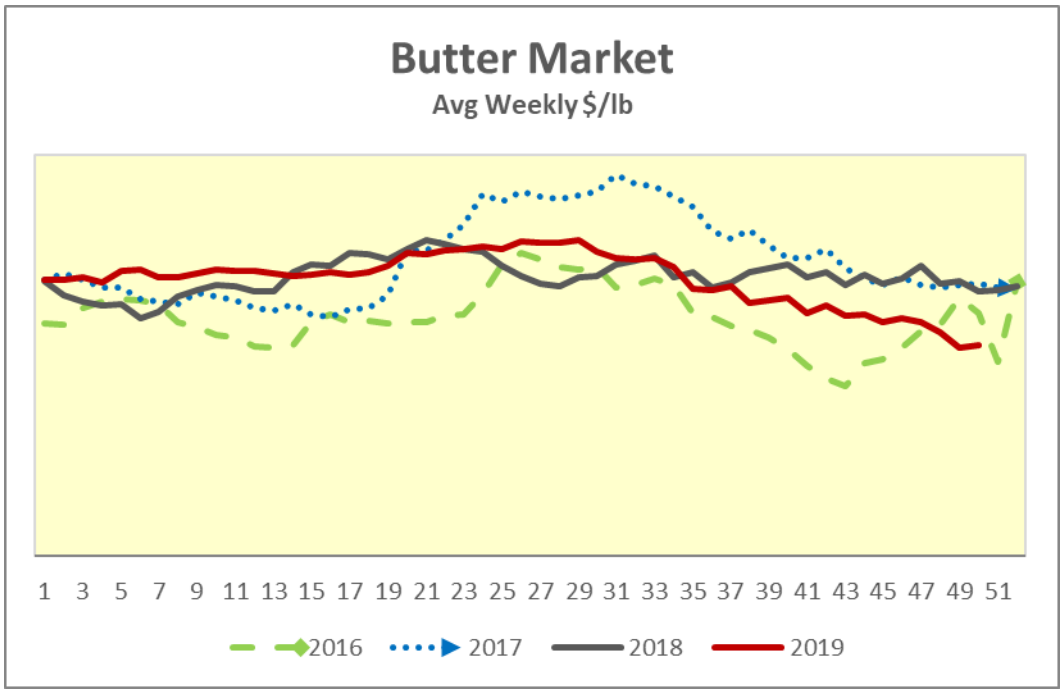
Market is unsettled. The CME Block and Barrel markets have moved both higher and lower this week. Block and barrel markets are moving lower after approaching historic peaks this fall. With plenty of milk supply available production nationally is steady to higher. In the Northeast production is steady. Demand is healthy for both mozzarella and provolone. Inventories are balanced. Midwestern producers report lackluster demand amid growing inventory. Milk supply is higher in the region. In the West, demand for both retail and foodservice segments is stable. Export demand is meeting seasonal expectations. Milk in the region is plentiful and production is following suit.





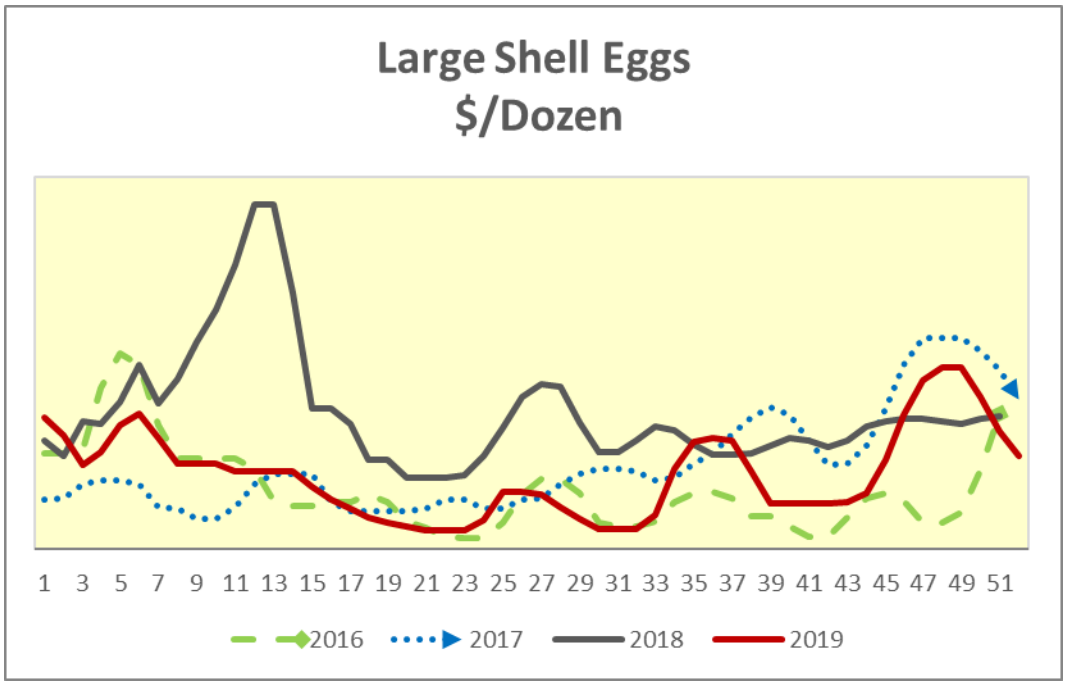
Butter

Market is firmer. The CME Butter market moved higher this week. Declining butter markets in recent weeks have hit lows not seen since 2016. Nationally there is ample butter inventory which has producers anticipating increased retail ads. In the Northeast producers have begun building inventory ahead of Q1 2020 interest. Bulk butter interest is steady. Central region cream supply is ample. Demand in the region is within expectations for the season. Western producers are running heavier churning schedules as cream availability in the region is ample. Retail interest in the region is strong.



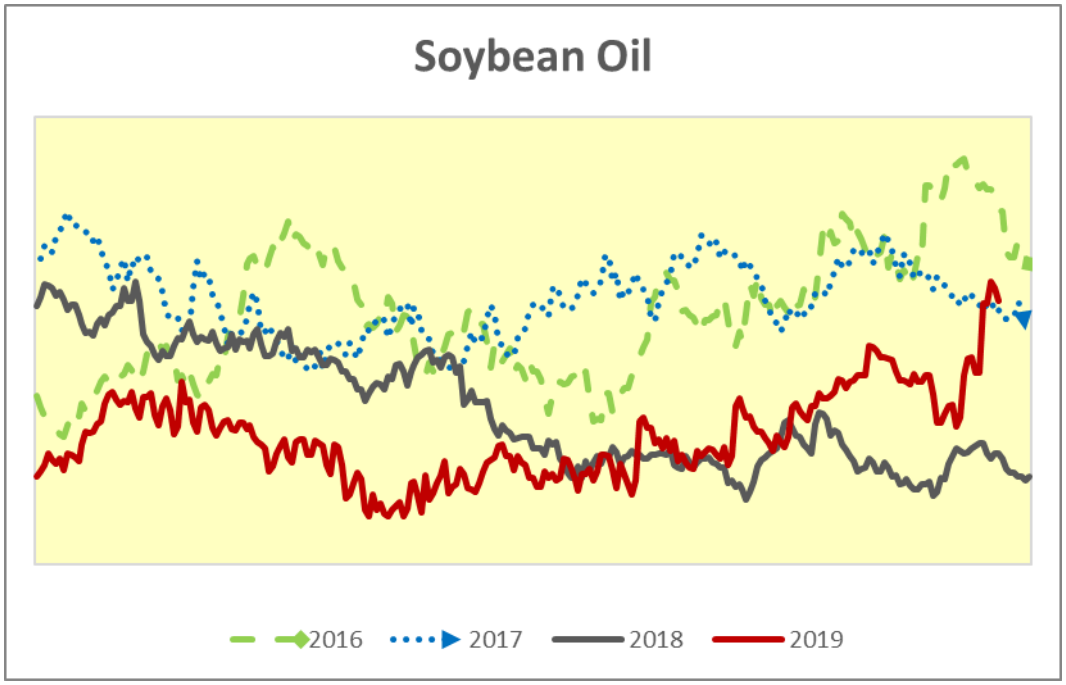
EGGS

Market is weaker. Retail demand is being reported as unsettled. Regional ads across the country vary widely on price points and promotional activity. While December is considered a baking season, retail ad activity has not yet gotten the expected holiday lift. Foodservice demand and QSR sales continue to be vibrant due to holiday travel and seasonal shopping. Supply across all sizes is being reported as available. Market is trending downward on medium sizes and large sizes. National weekly shell egg inventory reports shell egg inventory down 0.3% over last week.



SOY OIL

Market is firm. The market has reached the highest point for 2019. A big driver is the renewed Blender tax credit for farmers on biofuels. This is now up for vote in the Senate and is expected to pass. Also, the renewed trade deal with China and new export sales are having a major impact on this market.



WHEAT/FLOUR

Market is firm. Because of the recent breakthrough on trade negotiations between China and the U.S., Argentina is raising export taxes on grains, and U.S. exports are at an all-time high for 2019.

<u>For questions regarding the markets, please contact the appropriate Category Manager:</u>

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

Oil, Wheat, Grains, Canned Products, Imports: ***Willie Biddix, Category Manager, ext. 5433***

Non-Foods, Spices, Dairy: ***Angie Rivera, Category Manager, ext. 5427***

Beverages, Frozen Vegetables: ***Crystal Wilkins, Category Specialist, ext. 5451***