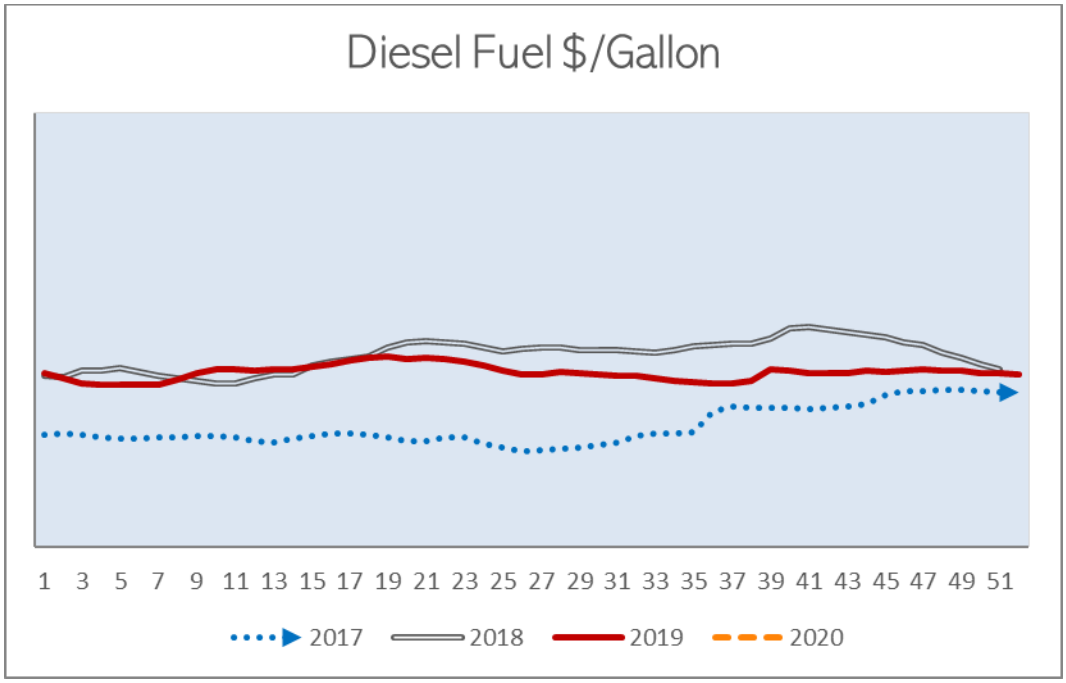
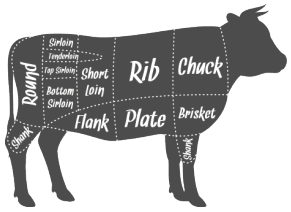
Frosty Acres Brands Market Report

Week Ending January 10, 2020

Graphs represent data for the week ending January 3, 2020

DIESEL





▲GRINDS
-- LOINS
▲ROUNDS
-- CHUCKS
▲▼RIBS

BEEF

Market is mixed. Total beef production for last week was up 16.2% compared to prior week and was up 2.4% compared to same time last year. Total headcount for last week was 546,000 as compared to 535,000 for the same week last year. Live weights for last week were down 2 lbs. from prior week but up 8 lbs. from same time last year. Live cattle prices have moved higher as we moved into this week and were at their highest point since April of last year and have seen 16 straight weeks of increases. This is putting pressure on packer margins and could result in reduced production rates over the coming weeks if this trend continues. The Choice and higher grading percentage has been moving higher and recent reports show that more than 83% of cattle have been grading as Choice or higher. This is putting pressure on availability on Select graded product.

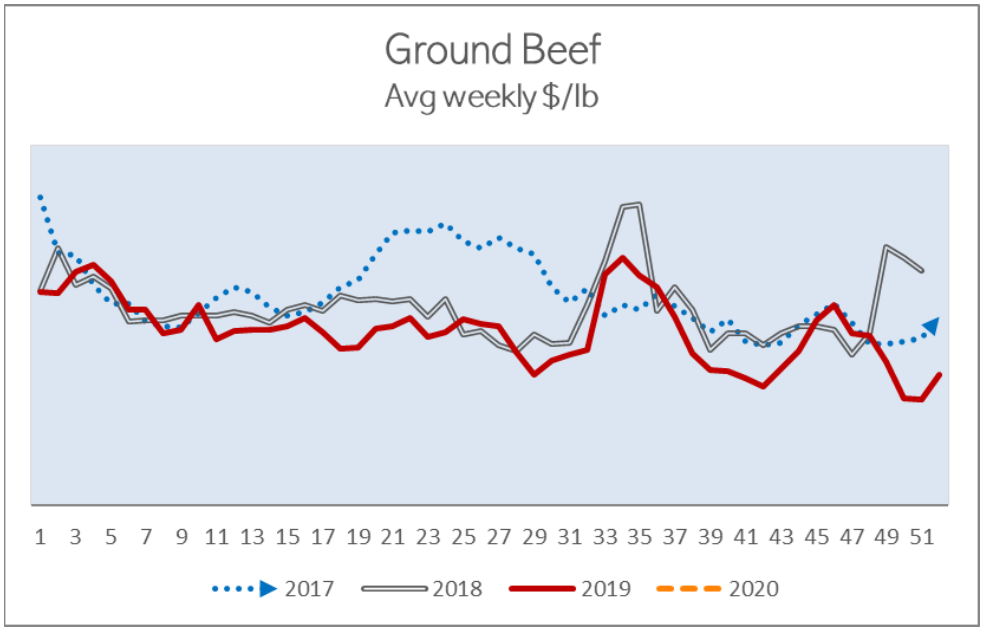
Grinds- Market is steady to firmer. The reduced production the past few weeks combined with improved demand has been putting pressure on the market this week. Pricing and availability are mixed between packers.

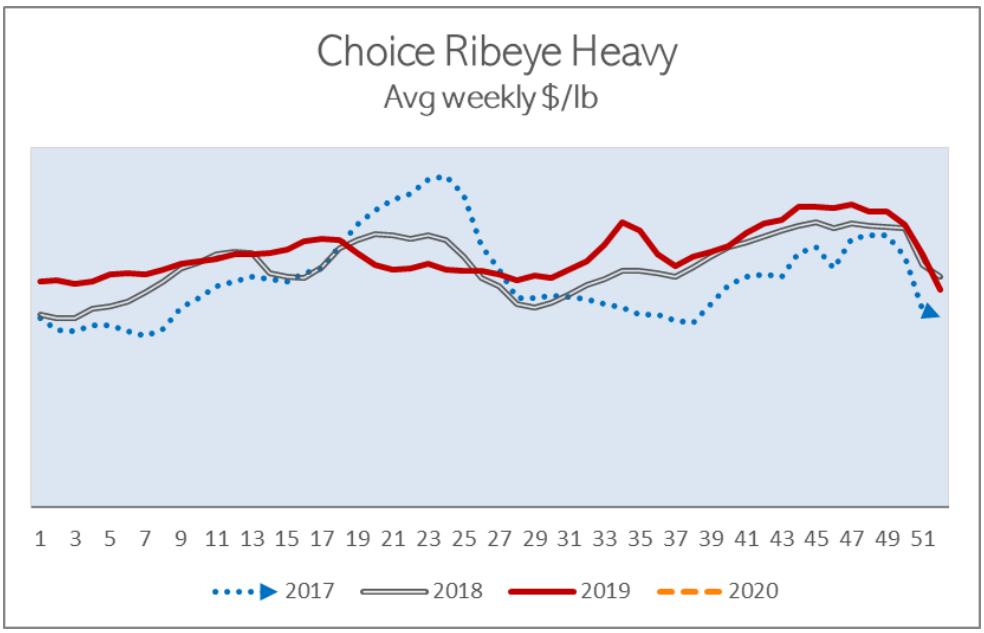
Loins- Market is mostly steady. The market has become steadier this week after seeing larger drops the past few weeks and after seeing some items move slightly higher at the end of last week.

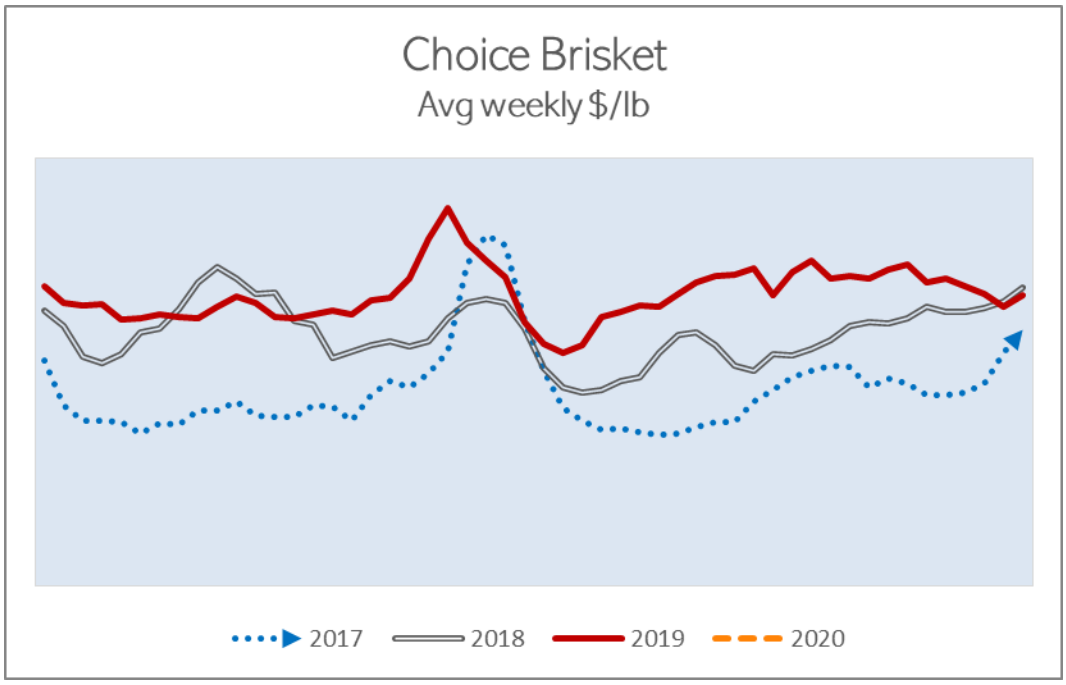
Rounds- Market is steady to firmer. Lighter inventory levels and improved buying interest is putting pressure on the market.

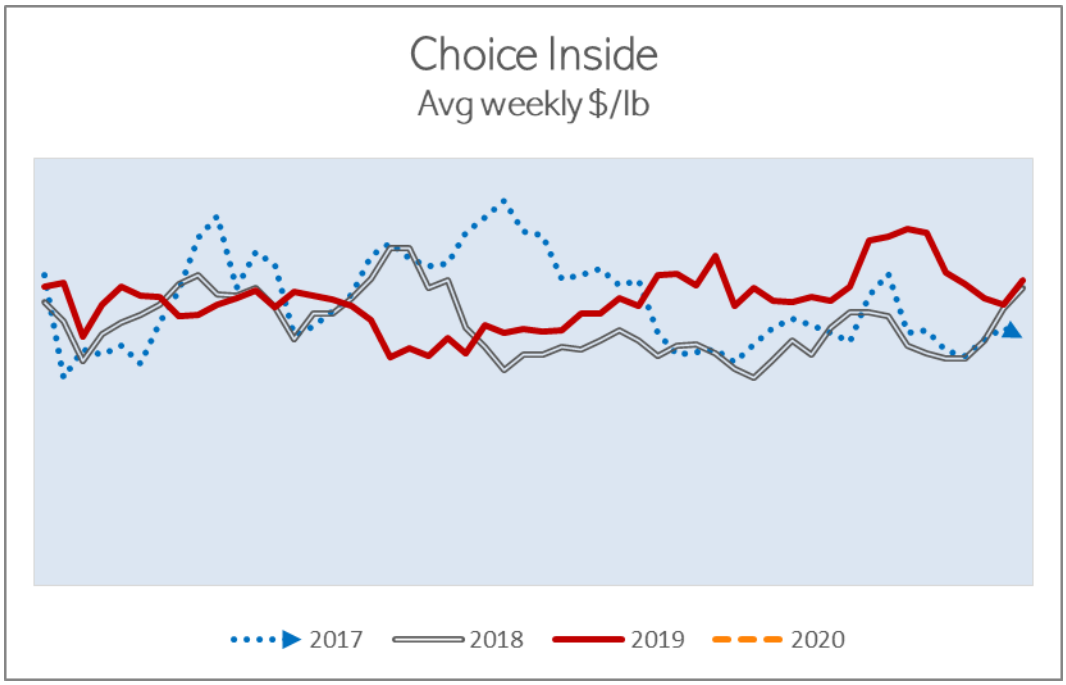
Chucks- Market is mostly steady.

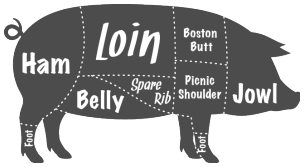
Ribs- Market is mixed. Availability it mixed between packers this week with both higher and lower prices being seen in the market. Select grade product is more difficult to come by due to the high % of Choice grade.






Choice Brisket
Avg weekly $/lb
2017
2018
2019
2020


Choice Inside
Avg weekly $/lb
2017
2018
2019
2020



U BELLIES
U HAMS
▼LOINS
-- BUTTS
▲RIBS

PORK

Market is mixed. Total pork production for last week was up 13% versus prior week and up 1.6% compared to same time last year. Total headcount for last week was 2,293,000 as compared to 2,251,000 for the same week last year. Live weights for last week were even with prior week and up 1 lb. from the same time last year. Export demand has been good and helping to move the record pork production that we have been seeing for the past several weeks. African Swine Fever remains a concern and has spread to multiple countries across the globe. This has resulted in not only larger amounts of pork headed to Asia but also other proteins to help with the overall demand.

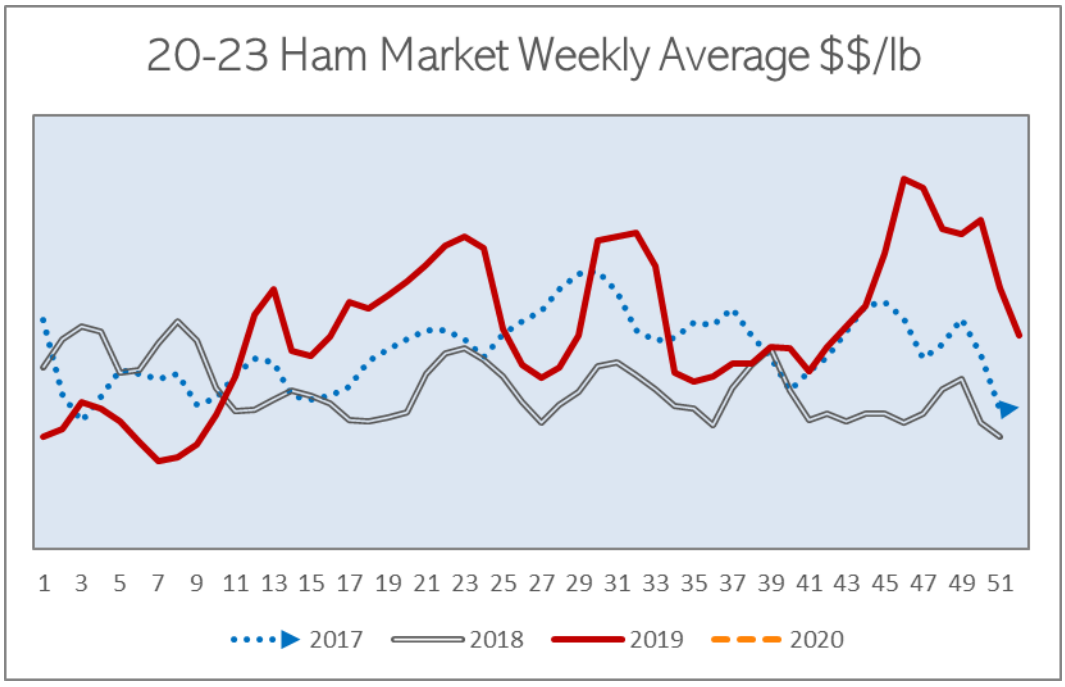
Bellies- Market is unsettled. The market has seen upward pressure as we moved into this week after seeing multiple weeks of downward pressure. Availability is varied between packers causing gaps in asking prices.

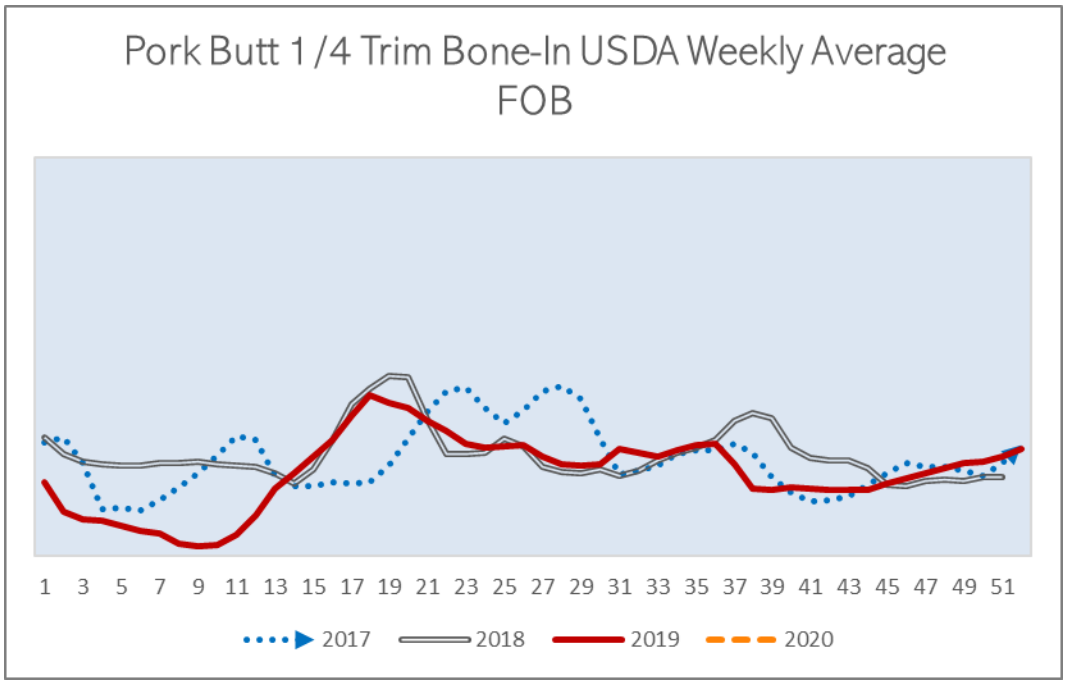
Hams- Market is unsettled. The market has seen both higher and lower prices as we moved into this week. Export demand is good and helping to move inventories. Movement on bone in items has been very good while boneless product has been mixed.

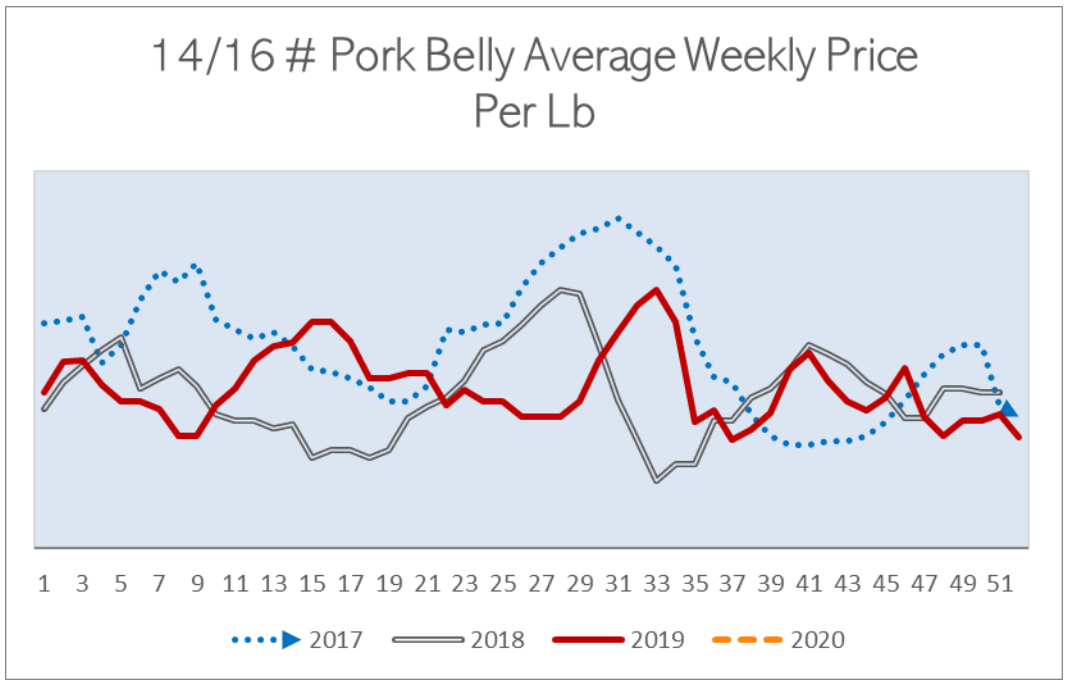
Loins- Market is weaker. Inventories are good for current demand.

Butts- Market is mostly steady.

Ribs- Market is firmer. Buying interest has been improved as we moved into this week.




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
2017
2018
2019
2020


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
2017
2018
2019
2020

-- WOGS
-- TENDERS
-- BNLS BREAST
-- LEG QTR
▲WINGS

CHICKEN

Market is steady. Total headcount for last week was 146,507,000 as compared to 137,882,000 for the same week last year. Average weights for last week were 6.36 lbs. as compared to 6.21 lbs. for the same week last year. Over the last three weeks, supply had been reported as tight due to plant holidays and less production. Now that plants are back to full capacity on a weekly basis, some signs of excess supply are starting to surface with WOGs and jumbo boneless. Domestic demand for boneless breast has been steady, but supply is starting to outpace need. The call for wings and tenders is starting to improve slightly. Export activity on leg quarters continues to be adequate enough to support the market. Future speculation about China keeps most export players watching the market intently. Supply is being reported as available across most lines of business.

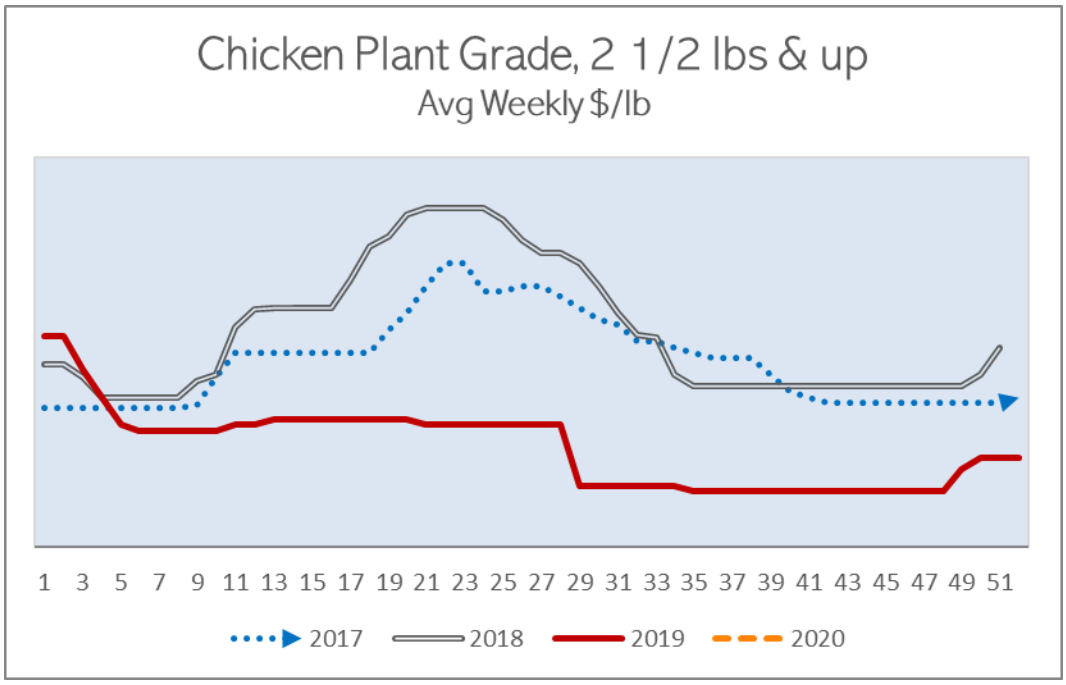
WOGS- Market is steady. Demand for sized WOGs has finally plateaued and is now in better balance with supply. Now that plants are back to 5-day work schedules, supply has improved and is now available to cover current industry needs.

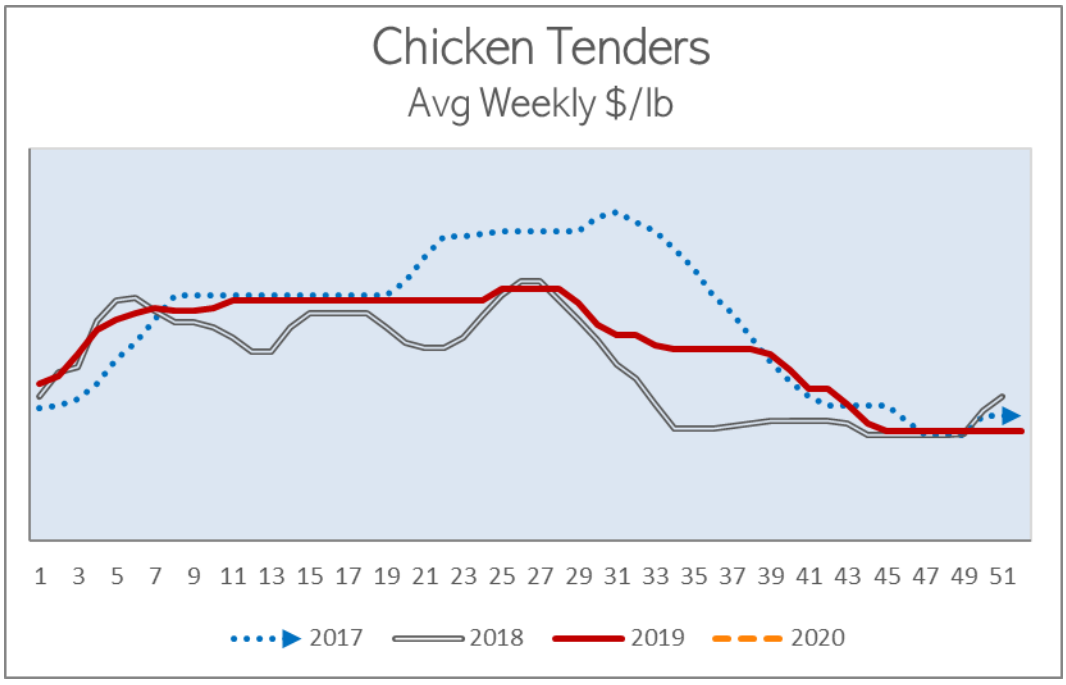
Tenders- Market is steady. Foodservice and QSR demand continues to be very good as we head into January. Demand for jumbo and select tenders continues to be consistent enough in keeping industry supply moving at an adequate pace. Supply is available.

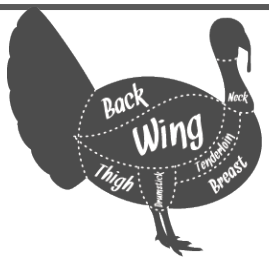
Boneless Breast- Market is steady to weaker. Domestic demand from the retail and foodservice channels remains consistent. Full production schedules are having an impact on this category. Jumbo boneless has gone from tight supply to showing some excess over the last week. Demand for medium and small sizes is being well supported by the retail and QSR channels. Supply is available.

Leg Quarters and Thighs- Market is steady. Demand for fresh leg quarters is being supported by the retail channel. Frozen leg quarters continue to receive adequate interest from export market. News about China continues to be watched closely. Supply is available.

Wings- Market is steady to firmer. Wing season is starting to gain momentum. Foodservice demand for jumbo wings is starting to get an uptick. Further processor demand for small wings is also on the rise. 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
2017
2018
2019
2020


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
2017
2018
2019
2020



-- WHOLE BIRDS
-- BREAST MEAT
-- WINGS
-- DRUMS

TURKEY

Market is steady. Total headcount for last week was 3,460,000 as compared to 3,053,000 for the same week last year. Average weights for last week were 34.84 lbs. as compared to 33.30 lbs. for the same week last year. Egg sets for last week were up 1.76% from prior week and are trending up 1.76% for year to date versus same time last year. With freezer stocks and inventory being reported as less than last year, plant production is moving adequately through regular channels at the current time. Many industry customers are starting to get involved in negotiations for bookings to support the next holiday season. Domestic demand for institutional sized breasts and fresh breast is starting to improve now that consumers are getting back to normal consumption trends. Export activity for frozen parts remains adequate and mostly unchanged. Supply is available.

Whole Birds- Market is steady. Demand for frozen whole birds is being supported by negotiations for future bookings. With freezer stocks are being reported as lower than last year on whole birds, many customers are starting to look at their current needs a little sooner this year. Supply is available.

Breast Meat- Market is steady. Domestic demand for fresh and frozen breast meat is starting to improve as retail deli and foodservice activity are on the rise. Supply for fresh and frozen boneless is available.

Wings- Market is steady to firmer. Export demand for whole wings and domestic demand for two joints has had a recent uptick in demand. Supply is available, but tight.

Drums- Market is steady. Export demand for drums continues to be steady enough to support the market. Supply is available.

SEAFOOD

Gulf Shrimp- Market is steady but firm. Limited inventories are keeping pressure on the market. Brown shrimp have seen the most upward pressure over the past several weeks due to the more limited availability.

Black Tiger Shrimp- Market is mixed. The market for mid and smaller sized shrimp is steady to slightly weaker with good inventories for current demand. The lower priced White market has been putting pressure on this market at times over the past several weeks. The market for large size product continues firm with additional pressure being seen as we moved into this week. Inventories are very limited and pushing prices to higher levels.

White Shrimp- Market is unsettled. The market for product from Latin America has seen mixed pricing coming into this week as additional product from Mexico has moved into the market and has improved availability on some sizes. The market for product of Asia has seen some upward pressure due in part to good movement during the holiday season and higher asking pricing prices for product overseas.

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

Snow Crab- Market is firm. Demand is very good and keeping pressure on inventories.

Warm Water Lobster Tails- Market is firm. Imports have been at lighter levels for the past couple of years and as production seasonally winds down, this year has continued the trend. Inventories are limited for a strong demand.

North American Lobster Tails- Market is firm. Pricing has been at record levels due to the limited inventories. Light availability from other growing regions combined with lighter than expected inventory levels have kept buyers actively looking to cover their needs.

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

Cod- Market is firm. Global demand is very good and keeping pressure on the market.

Flounder- Market is steady.

Haddock- Market is steady.

Pollock- Market is steady to firmer. Demand is very good and keeping pressure on the market. Catches out of Russia have been more on smaller sized fish and putting pressure on inventories on larger sizes.

Domestic Catfish- Market is unsettled. Availability varies between suppliers but the common theme that remains is that allocations have been common for several months with multiple suppliers having limited inventories.

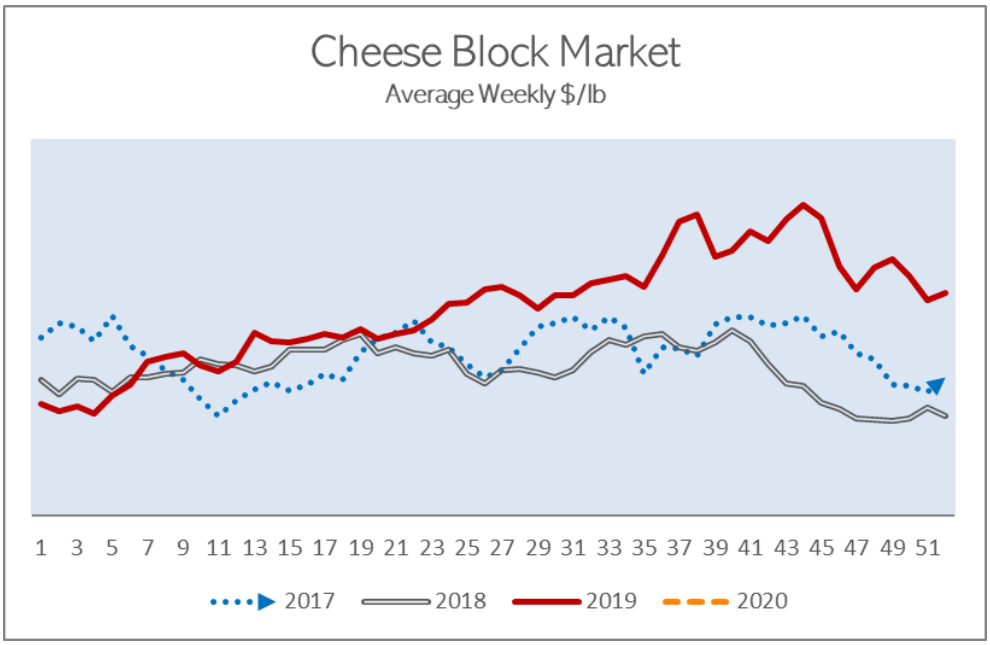
Tilapia- Market is steady.

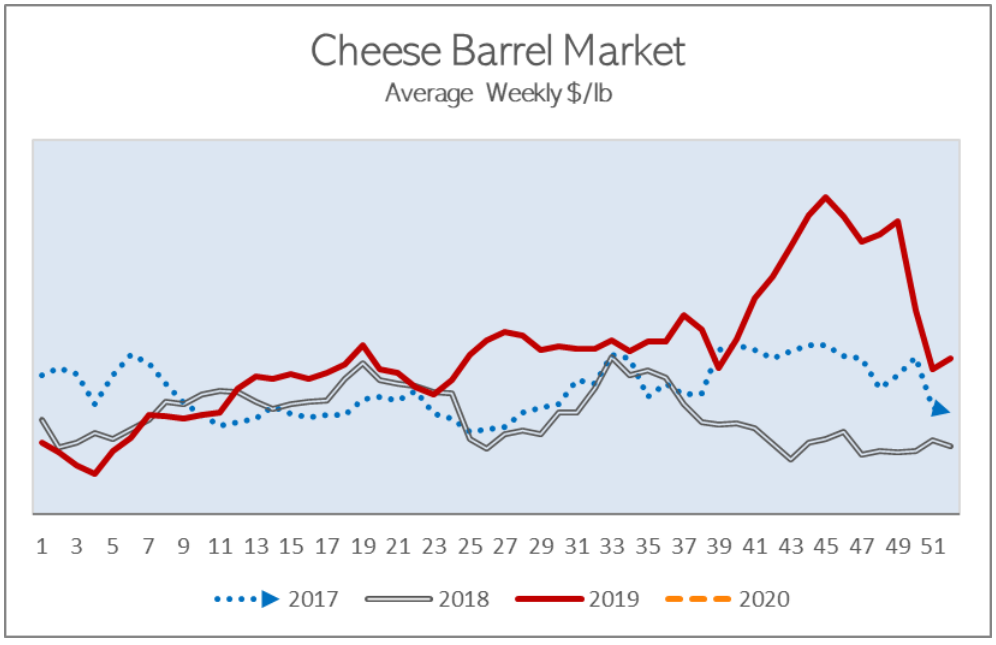
Swai- Market is unsettled. The market for Swai saw extreme highs and lows for 2019 in terms of both pricing and available inventories. The year ended with market prices well below the levels seen coming into the year even though import levels were well below prior year. Production costs have been on the rise overseas and have helped to slow the downward pressure as we moved through year end but are helping to hold the market in a more unsettled tone.

DAIRY

Cheese

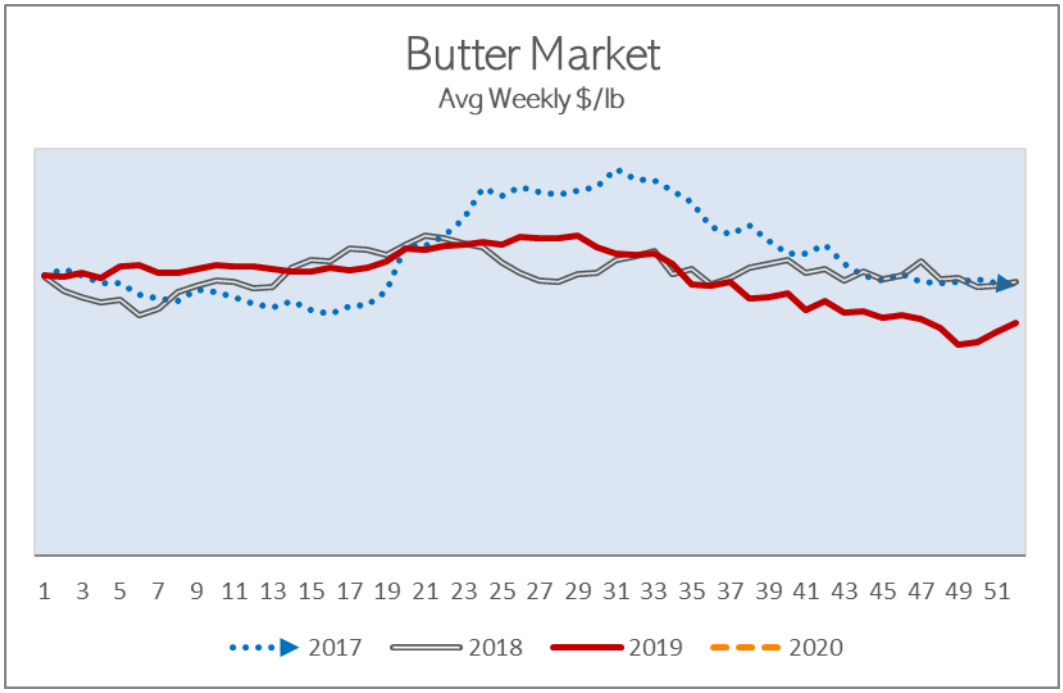
Market is weaker. The CME Block and Barrel markets moved lower this week. Across most of the country milk availability is steady to higher and production has followed suit. Overall, inventories are in balance. In the Northeast retail segment demand for both mozzarella and provolone is reported as healthy. Inventory in the region is good. Midwestern cheese producers report a slow return to pre-holiday demand levels. Western producers report ample milk supply and active production schedules. While foodservice segment demand has been slower to resurface, heavier retail demand has kept inventories in balance.





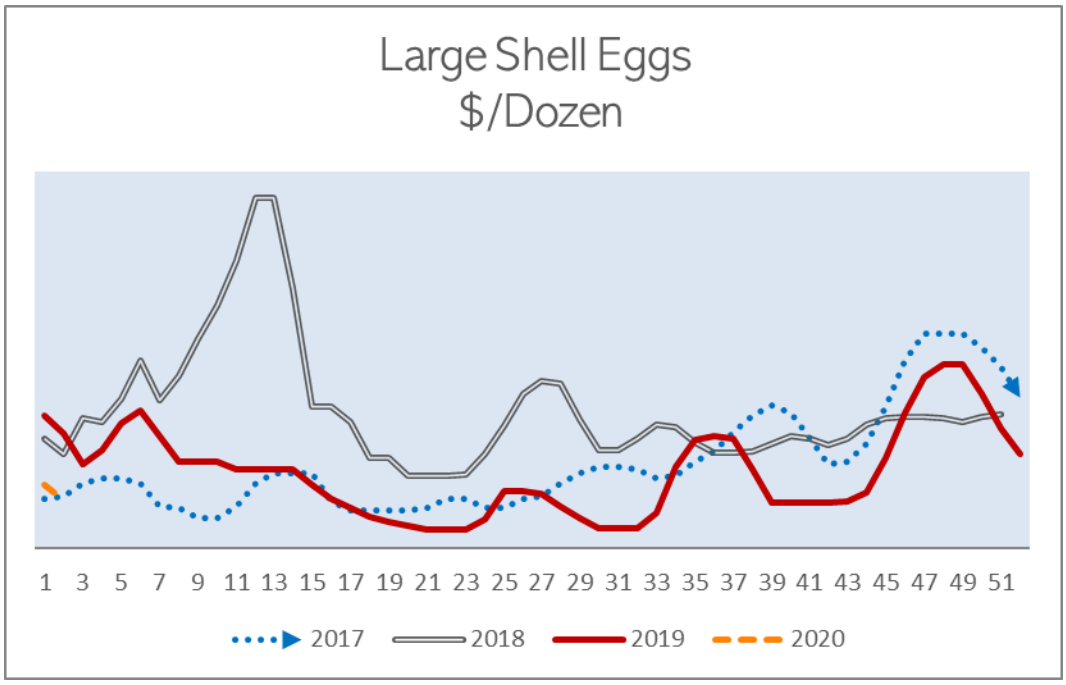
Butter

Market is unsettled. The CME Butter market has moved both higher and lower this week. Butter production across the country is active as cream remains readily available. Northeastern producers report demand for butter prints is noticeably lower. In the Central region active churning is expected to continue in the short term. Demand overall in the region is flat. Western cream availability is so prevalent that producers are moving cream into production anywhere possible. Inventories are adequate.



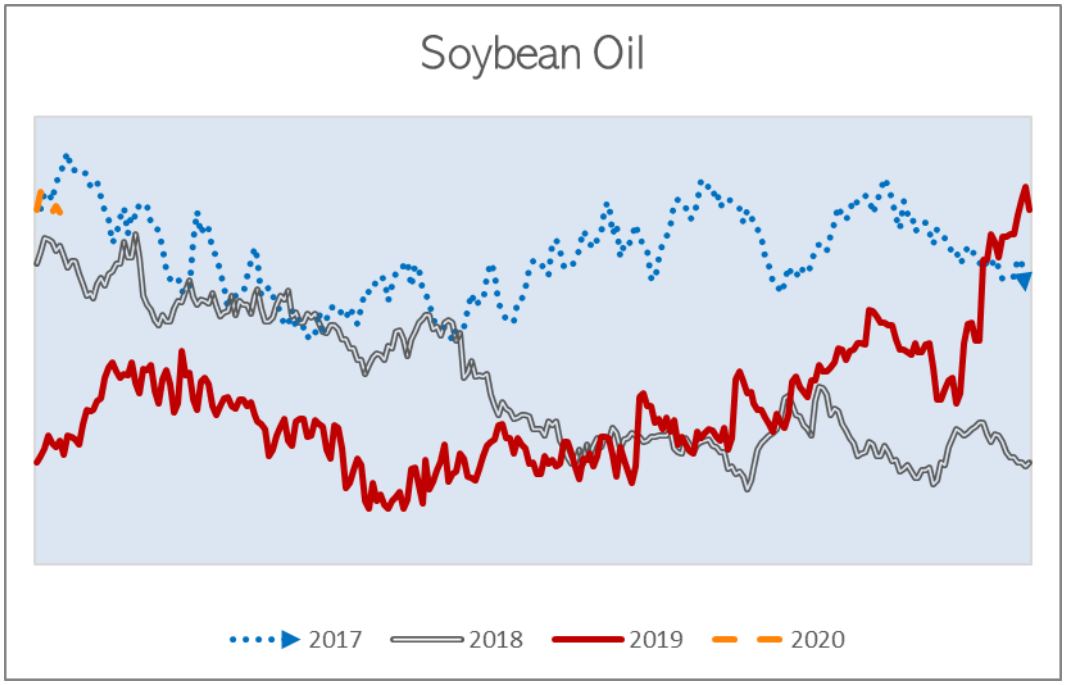
EGGS

Market is mixed. Retail demand is being reported as soft now that the holiday season is over. With more attractive market levels, feature activity is expected to improve in mid to later January. Foodservice demand and QSR sales continue to be reported as very active. 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 up 4.7% over last week.



SOY OIL

Market is unsettled. Crush demand is down mostly due to the Asian Swine Flu in China that is impacting their pork production. (Soy solids, crush, is a major/inexpensive feed for hogs.) This is causing oil to have a shorter supply worldwide.



WHEAT/FLOUR

Market is soft. Wheat futures have fallen this week driven in part by the news of the increased tensions in the Middle East. Weather conditions in the U.S. are improving from previous drought worries. All eyes are on the USDA report being released this week on allocated acreage for new wheat crops.

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

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Beef, Pork, Seafood: Davy Ard, Director of Category Management, ext. 5431

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