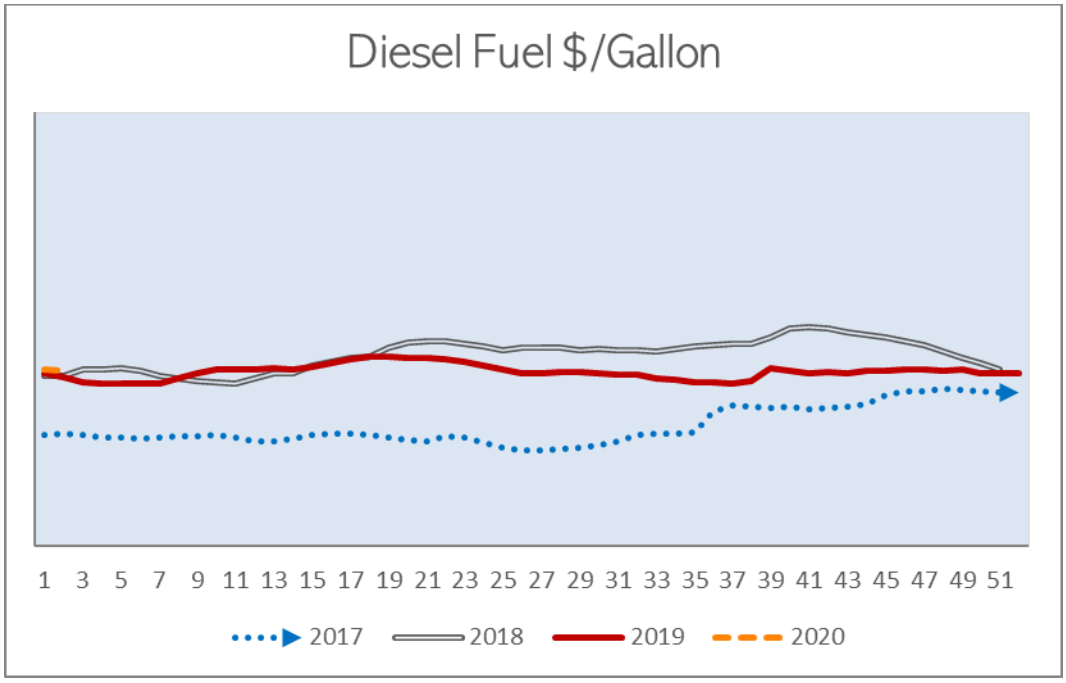
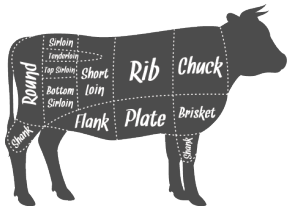
Market Report

Week Ending January 17, 2020

Graphs represent data for the week ending January 10, 2020

DIESEL





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

BEEF

Market is unsettled. Total beef production for last week was up 17.2% versus prior week and up 2.7% compared to same time last year. Total headcount for last week was 640,000 as compared to 631,000 for the same week last year. Live weights for last week were down 2 lbs. from prior week but up 11 lbs. from the same week last year. Retail advertising has improved and is focusing more on grinds and roast items. Buying demand is mixed this week as overall demand has been varied following the holidays. The choice grading percentage is very strong, and this is putting pressure on availability of select graded product. This has been very evident on ribeyes as select product availability has been more limited and continued to tighten coming into this week.

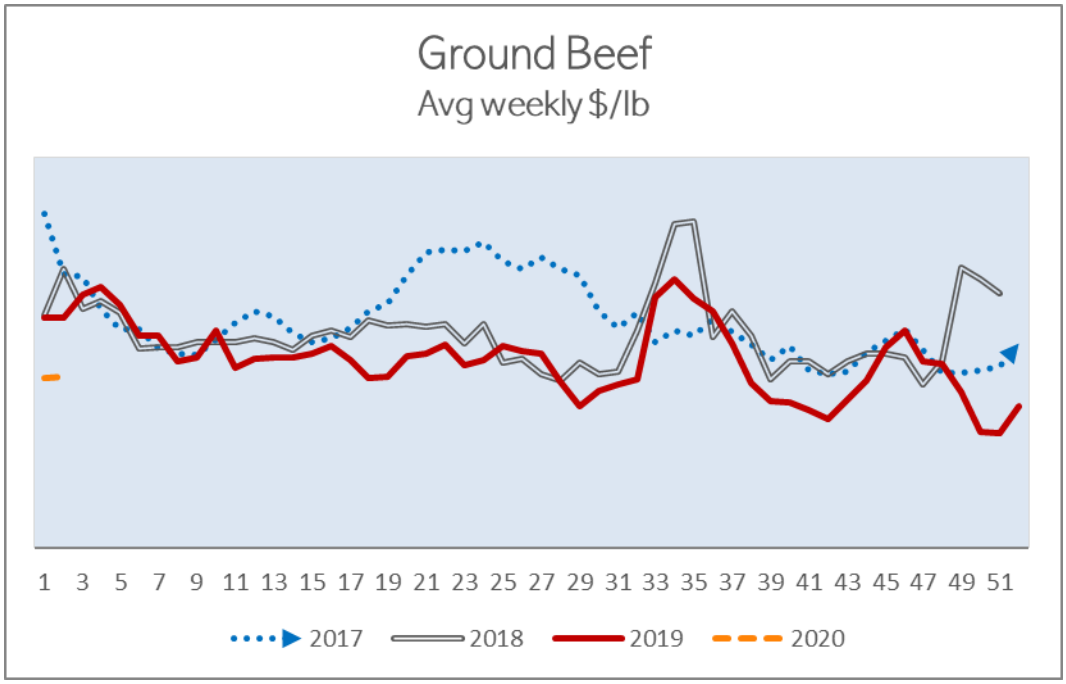
Grinds- Market is unsettled. Demand has been more varied as we moved through this week causing both higher and lower asking prices between suppliers this week.

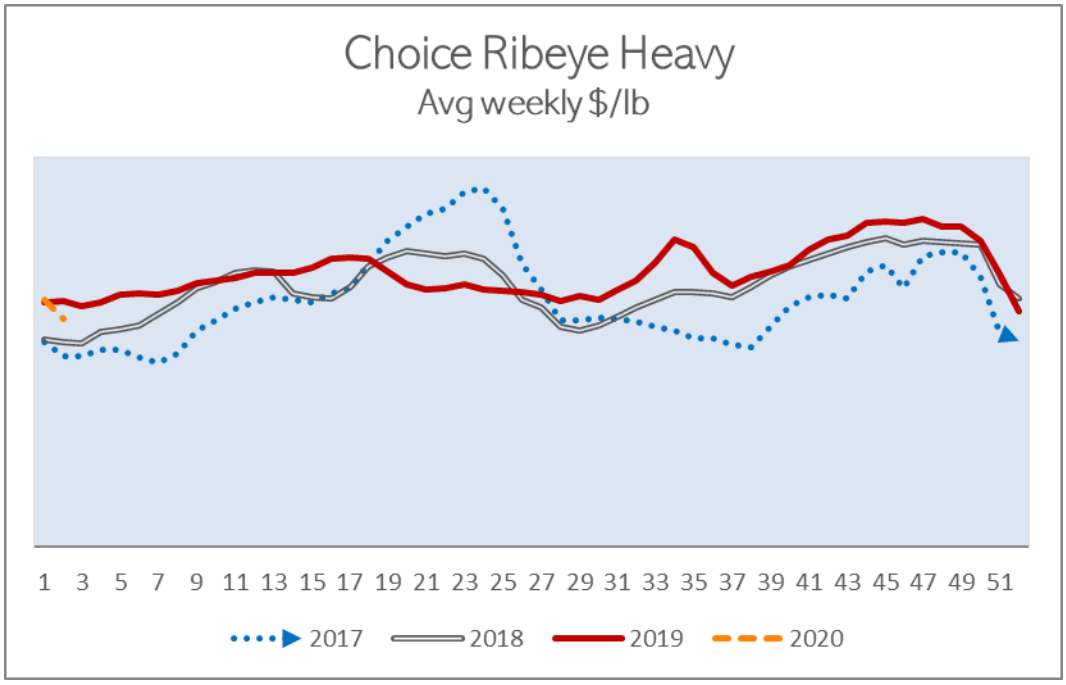
Loins- Market is mixed. Overall demand has been fair this week with pricing being varied by packer. The high choice grading percentage is impacting availability on select graded product and that market has pushed higher.

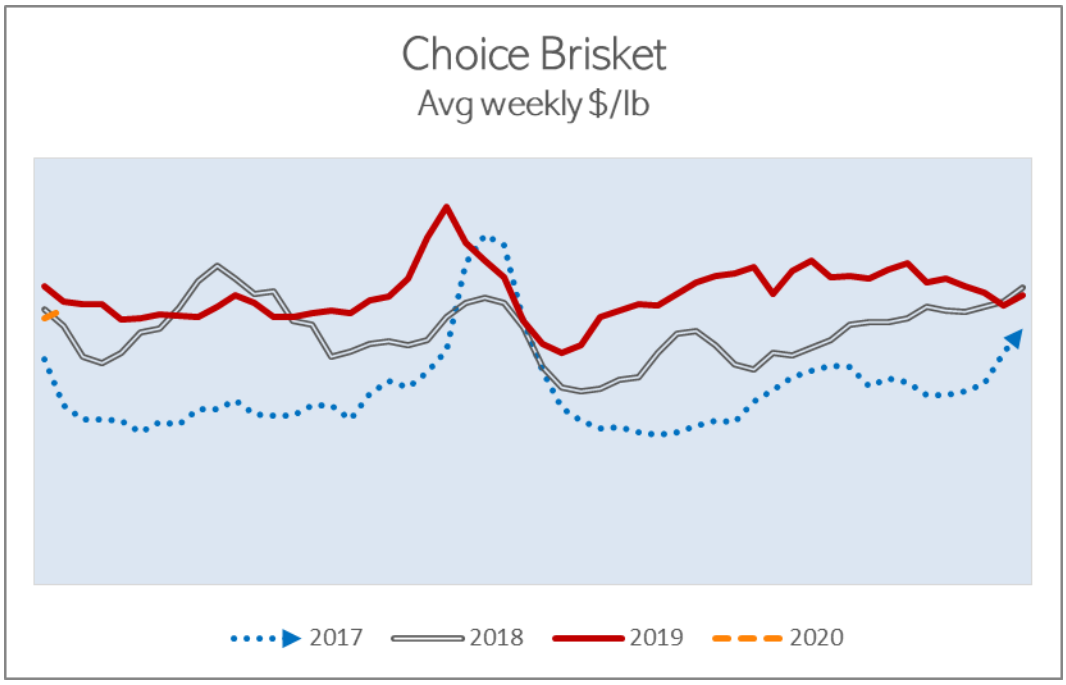
Rounds- Market is firmer. Retail demand has been good and helping to put additional pressure on the market.

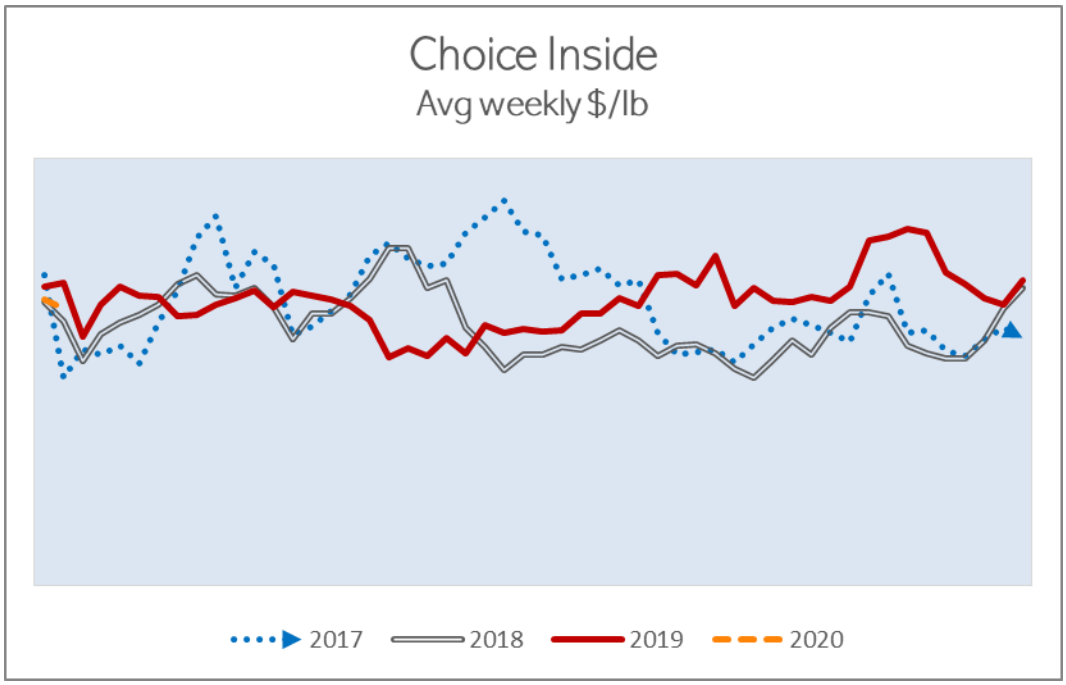
Chucks- Market is mostly steady.

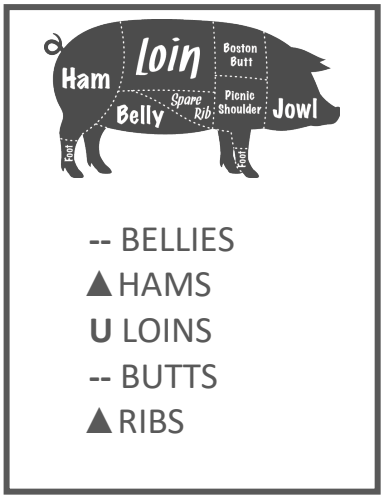
Ribs- Market is mixed. Availability of select grade is limited and putting upward pressure on those cuts.






Choice Brisket
Avg weekly $/lb
2017
2018
2019
2020


Choice Inside
Avg weekly $/lb
2017
2018
2019
2020



PORK

Market is unsettled. Total pork production for last week was up 18% versus prior week and up 5.6% compared to same time last year. Total headcount for last week was 2,713,000 as compared to 2,554,000 for the same week last year. Live weights for last week were down 1 lb. from prior week but even with same time last year. Pork production continues at record levels while export volume continues to improve. Domestic demand is currently fair. China has been importing a large amount of product ahead of their Chinese New Year. Recent tariff reductions are expected to help improve exports to China over the coming weeks. African Swine Fever outbreaks continue to be reported across the globe and helping to keep the market unsettled.

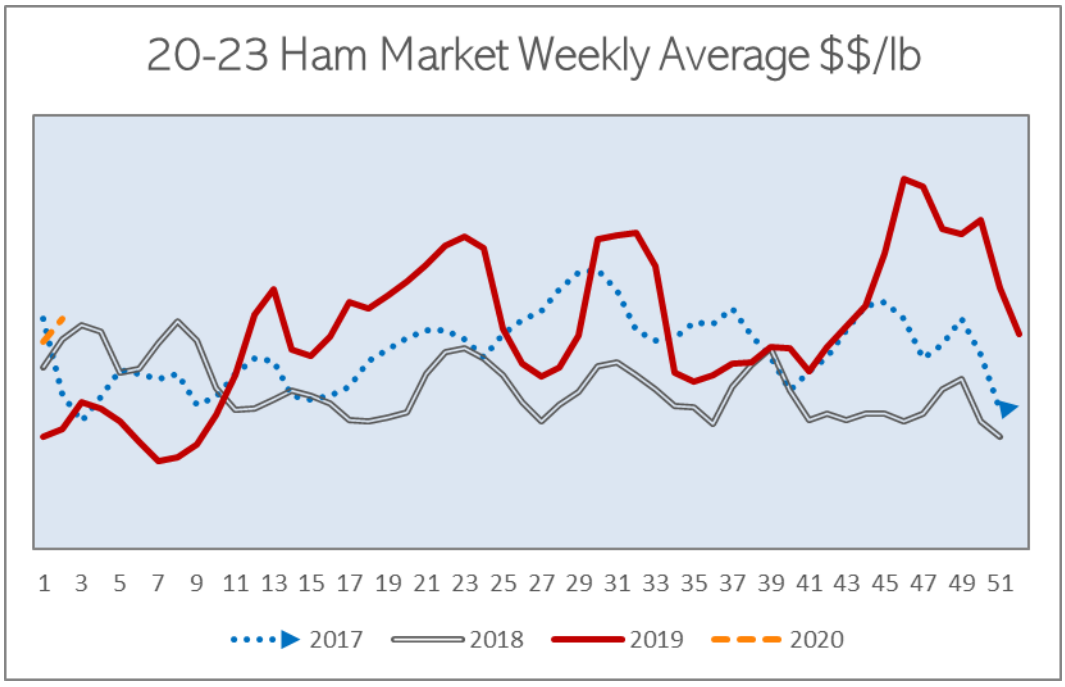
Bellies- Market is steady to firmer. Demand has been improved as we moved into this week helping to put pressure on the market.

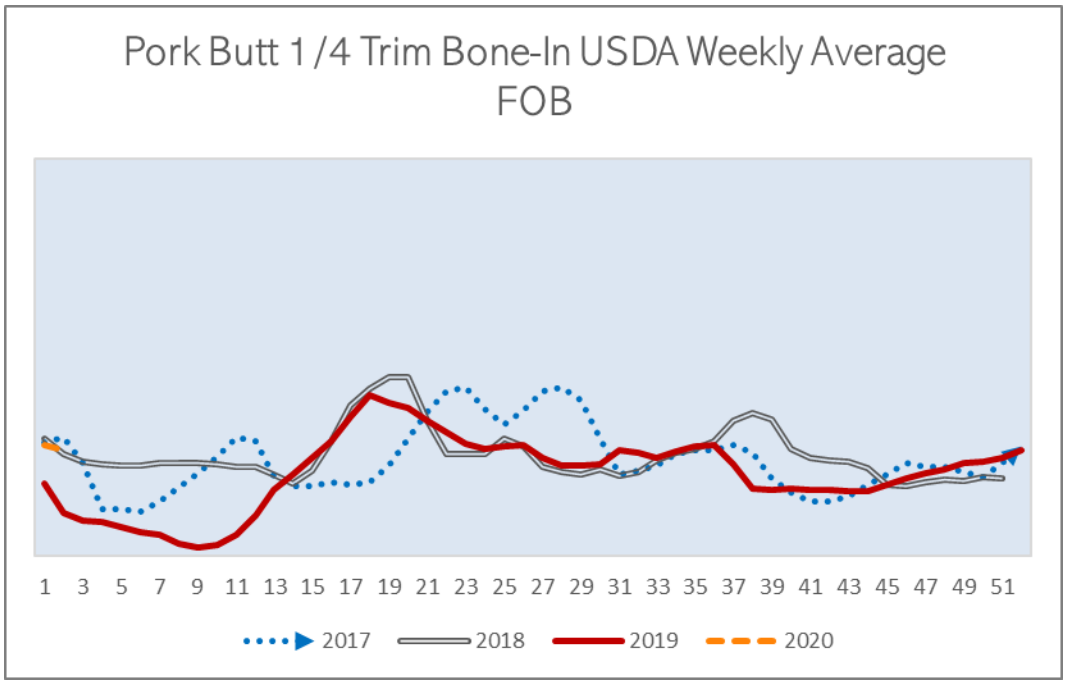
Hams- Market is firmer. Export buying interest is very good and putting pressure on the market.

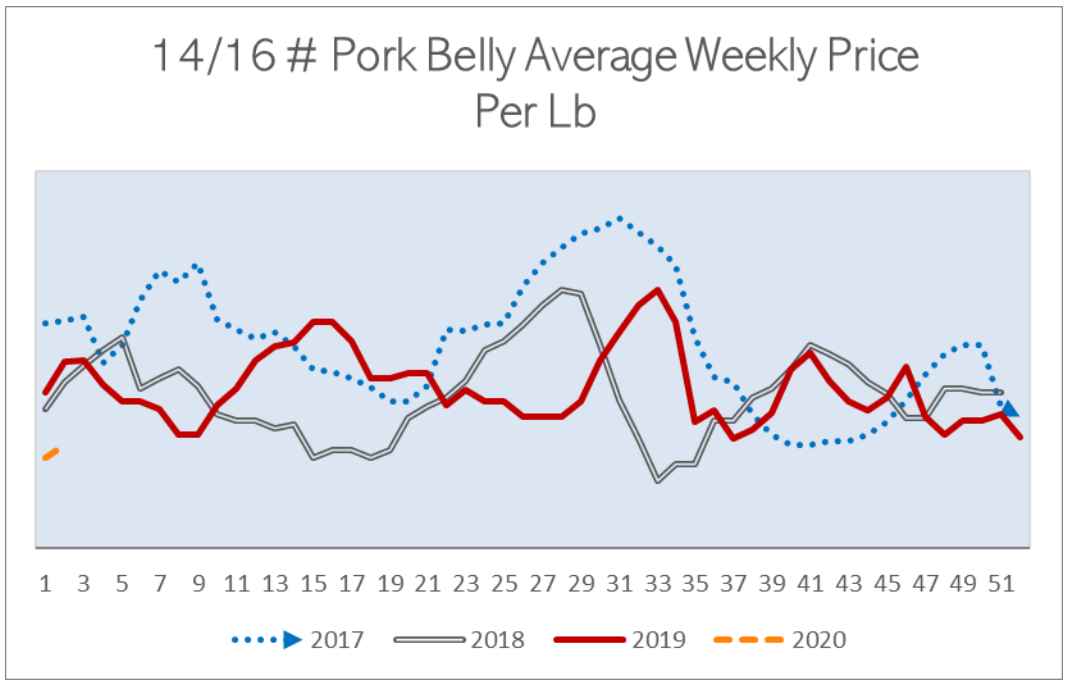
Loins- Market is unsettled. Inventories continue to vary between packers with mixed buying interest.

Butts- Market is mostly steady.

Ribs- Market is firmer. Demand has been improved as we moved through 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 173,135,000 as compared to 165,877,000 for the same week last year. Average weights for last week were 6.26 lbs. as compared to 6.17 lbs. for the same week last year. The industry is experiencing an increase in bird weights. This rise in live weights is causing additional supply of jumbo boneless and demand is not able to absorb this increase at the current time. Domestic demand for medium boneless, tenders, and wings continues to be active as consumers are getting back to their regular shopping habits. Export activity and future orders on leg quarters remains steady enough to keep the market supported. The big unknown revolves around future potential from the Chinese market. Supply is being reported as available across most lines of business.

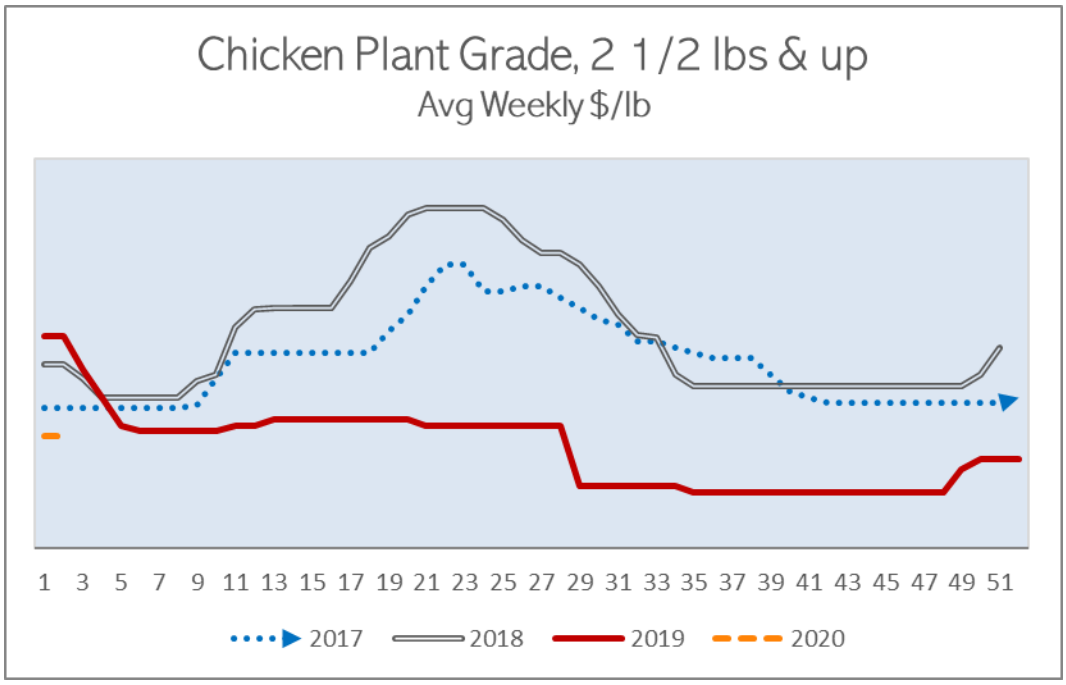
WOGS- Market is steady. Domestic demand for sized WOGs continues to receive steady demand from retail deli and foodservice. The recent reports on heavier bird weights is causing some challenges in meeting correct size requirements. Supply is available.

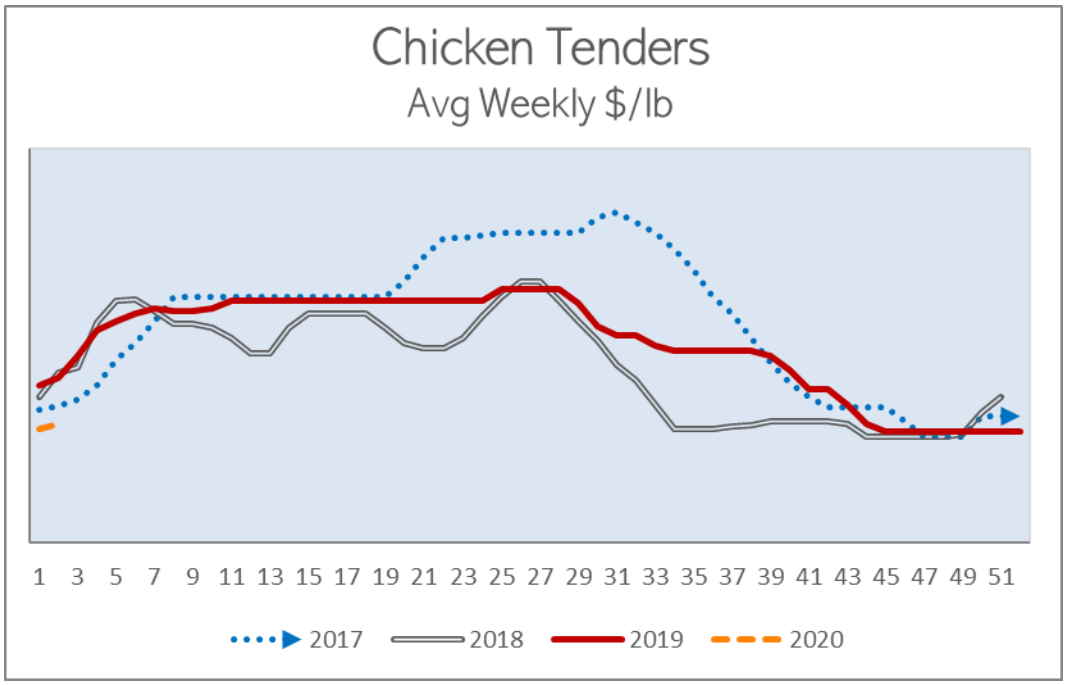
Tenders- Market is steady. Foodservice and QSR demand continues to be the driver of this category. Additional demand from further processors has helped keep this category supported. Supply is available.

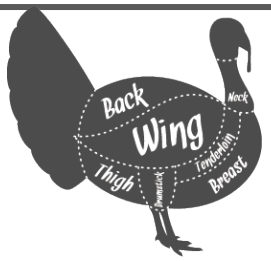
Boneless Breast- Market is steady to weaker. From a demand perspective, the medium and small sizes are well supported by the retail and QSR channels. The recent rise in bird weights has been causing additional supply of boneless jumbo breast meat and the foodservice channel has not been able to keep up. Supply on medium and small sizes is available and supply on jumbo is in excess.

Leg Quarters and Thighs- Market is steady. Fresh leg quarters continue to be supported by the retail channel. Frozen leg quarters continue to get very good interest from the export market. News about China continues to be watched closely. Supply is available.

Wings- Market is firmer. Wing season is here and in full swing. Foodservice demand for jumbo wings is very active and further processors have a strong need for the medium and small sizes. Supply is tight.


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 4,144,000 as compared to 4,166,000 for the same week last year. Average weights for last week were 33.75 lbs. as compared to 32.84 lbs. for the same week last year. Egg sets for last week were up 1.60% from prior week and are trending up 1.70% for year to date versus same time last year. The months of January and February are usually transitional months for the turkey industry. Demand for whole birds is being supported by the customer base starting to look at their future holiday needs. As for turkey parts and boneless breast, demand is being reported as subpar. Export activity for frozen parts remains adequate at the current time and mostly unchanged. Supply is available.

Whole Birds- Market is steady. This category is being supported by many customers turning in their volume expectations for the holidays. Due to freezer stocks being reported as lower than last year, many customers are starting to look at their holiday needs earlier this year. Supply is available.

Breast Meat- Market is steady to weaker. Domestic demand for fresh and frozen breast meat has seen a slight decrease in activity. Seasonal demand in the retail deli and foodservice channels has been reported as lackluster thus far. Supply for fresh and frozen boneless is available.

Wings- Market is steady. Whole wings and two joints continue to receive adequate interest from the export and domestic markets. Supply is available.

Drums- Market is steady. Demand for drums continues to be steady as the export market continues to need frozen product. Supply is available.

SEAFOOD

Gulf Shrimp- Market is steady but firm. Limited inventories are keeping pressure on the market.

Black Tiger Shrimp- Market is steady. Larger sized shrimp have been priced at higher price points for several months due to more limited inventories on those sizes.

White Shrimp- Market is steady.

King Crab- Market is steady but firm. Global demand has been strong for several weeks and keeping pressure on the market.

Snow Crab- Market is firm. Inventories are light for an active demand. The market saw additional upward pressure as we moved into this week.

Warm Water Lobster Tails- Market is firm. Inventories are limited. Availability of product from Brazil is very light as that season ended back in November. Product of the Caribbean is also insufficient due to ongoing production issues for the past few years. Demand is very strong.

North American Lobster Tails- Market is firm. Inventories are very limited and buying demand is very strong.

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

Cod- Market is steady. The market has seen upward pressure for several weeks as strong global demand put pressure on inventories.

Flounder- Market is steady.

Haddock- Market is unsettled. The recent news of the tariff agreements has put the market in a more unsettled tone as product from China is now exempt from the 25% tariff as we move forward. The market was holding mostly steady before we moved into this week with good inventories for current demand.

Pollock- Market is unsettled. Inventories on larger sized fillets are in tighter supply due to the Pacific season resulting in catches on more small-sized fish. The recent tariff removals on other whitefish species is expected to hold this market more unsettled as we move into next week.

Domestic Catfish- Market is unsettled. Light inventories and strong demand have kept pressure on this market for several months. Inventories are varied between suppliers causing gaps in asking prices. Allocations are still common with multiple suppliers.

Tilapia- Market is steady.

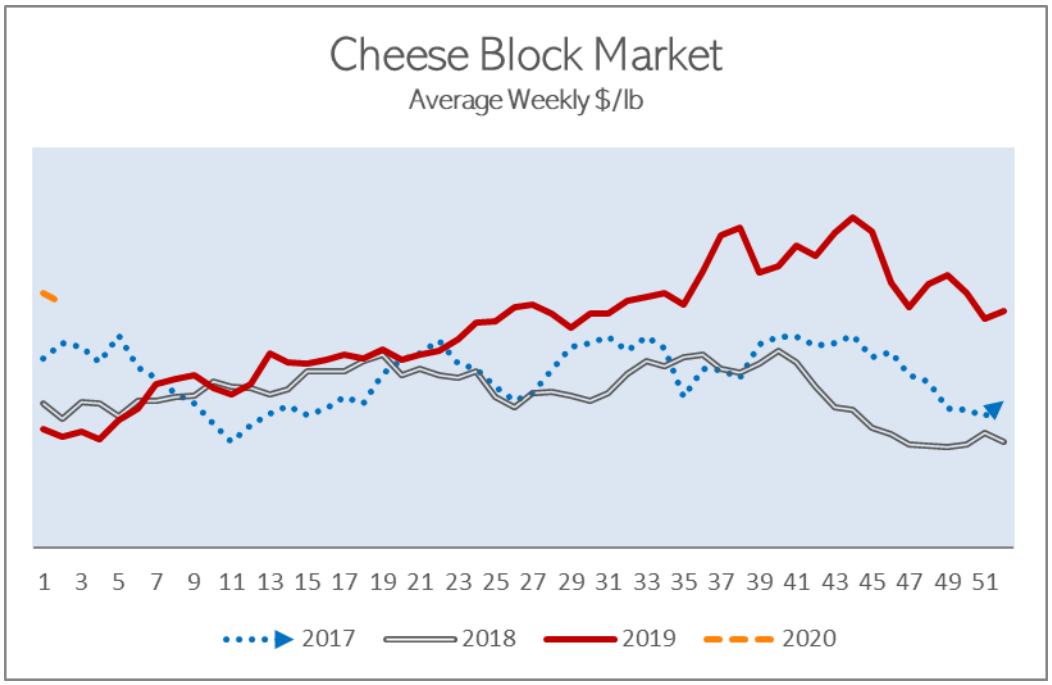
Swai- Market is unsettled. The market has seen both large ups and downs over the past several months and mixed inventory levels between suppliers. Imports dropped sharply through 2019 after seeing extreme high prices to start the year. Production costs have been on the rise overseas putting additional uncertainty on the market.

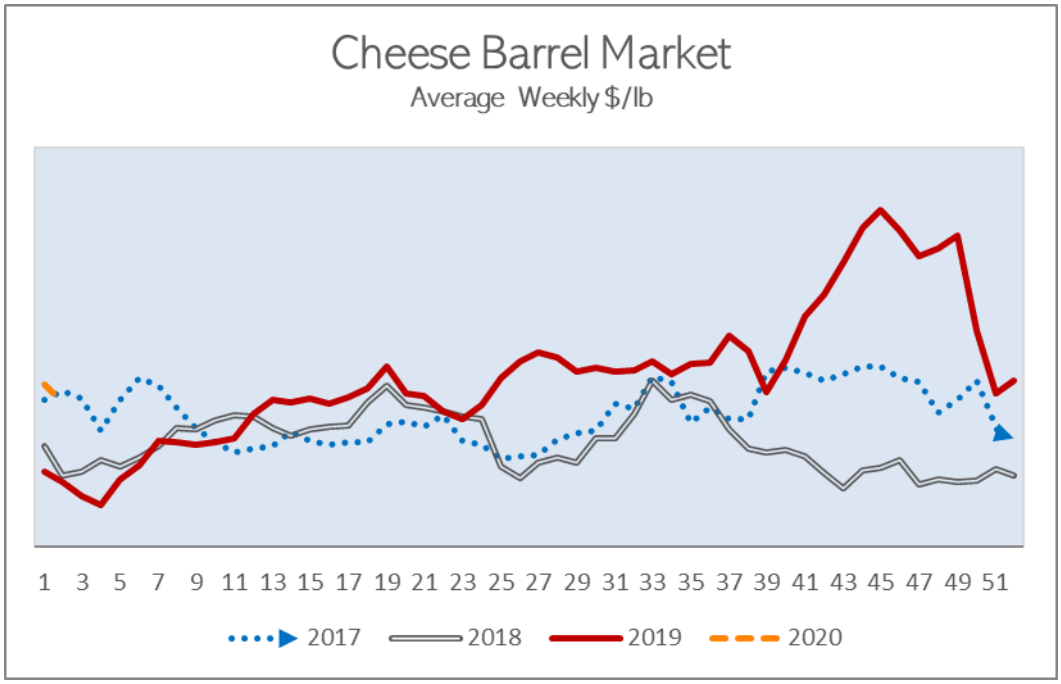
Scallops- Market is steady to firmer. The market for product from both Canada and China pushed higher as we moved into this week. Light inventories and additional production costs are putting pressure on the market.

DAIRY

Cheese

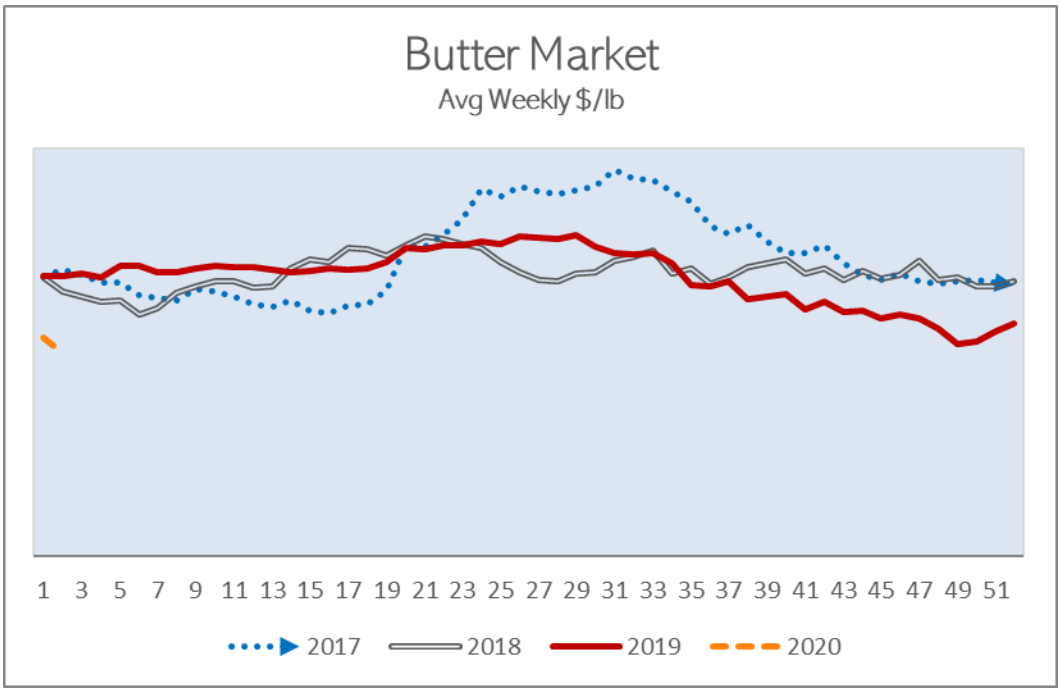
Market is unsettled. The CME Block market moved higher while the Barrel market moved higher and lower. Overall cheese stocks are expected to rise as milk availability has increased in most regions. Demand is healthy and keep inventories in balance. In the Northeast region, heavier milk supply is moving into production. Producers in the Midwest report good demand and active to increasing production. Production in the West is good. Inventories are in balance.





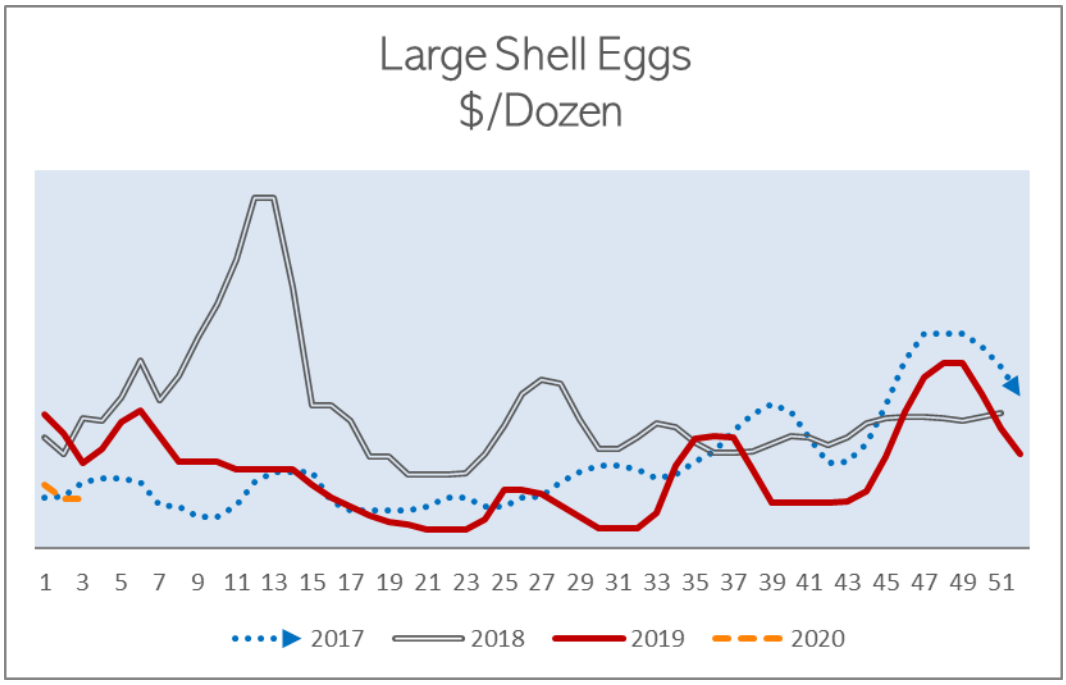
Butter

Market is unsettled. The CME Butter market has moved both higher and lower. Nationally supply of cream for churning continues to be readily available. Butter demand for the retail segment is lower than expectations for the season. The November NASS report showed butter production increased 4.4 percent over the same time frame in 2018. In the East butter plants are running heavy production schedules to keep up with the inflow of cream. Foodservice demand in the region is very good and off target from expectations for retail. In the central region producers are planning production schedules in anticipation of spring demand. Western region producers report similar conditions with retail demand lighter than anticipated and heavier cream availability.



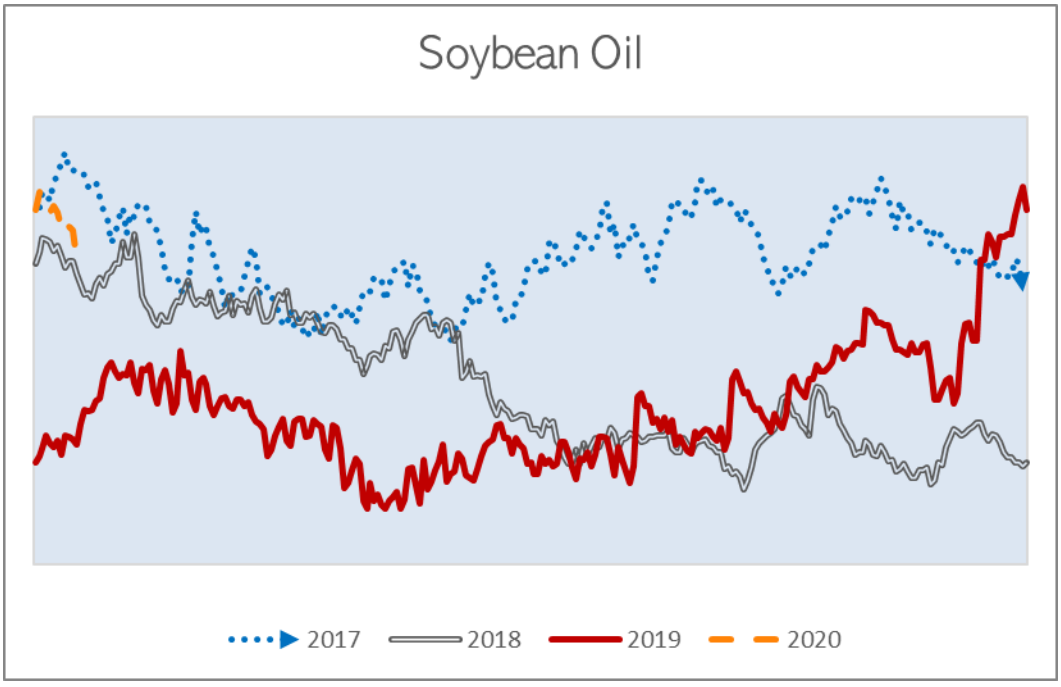
EGGS

Market is steady. Retail demand is starting to improve as grocery retailers are getting eggs back into the rotation of their promotional schedules. With the market adjusting downward over the last month, price points are now more attractive for feature activity. Foodservice demand and QSR sales continue to be reported as adequate. Supply across all sizes is being reported as available. Market is trending flat on medium sizes and large sizes. National weekly shell egg inventory reports shell egg inventory down 7.0% over last week.



SOY OIL

Market is soft. After reaching seasonally record highs in late December and early January, this market continues to fall. Lower palm oil and Brazilian soy prices are driving the downward trend. Shortages on the palm oil market are being reported.



WHEAT/FLOUR

Market is unchanged as middle east tensions continue. Iraq, Iran and Saudi Arabia are large importers of wheat. All eyes on Australia as fires have decimated some estimated 8% of their wheat fields. The USDA reports the U.S. acreage allocated for wheat is slightly down compared to 2019.

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

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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