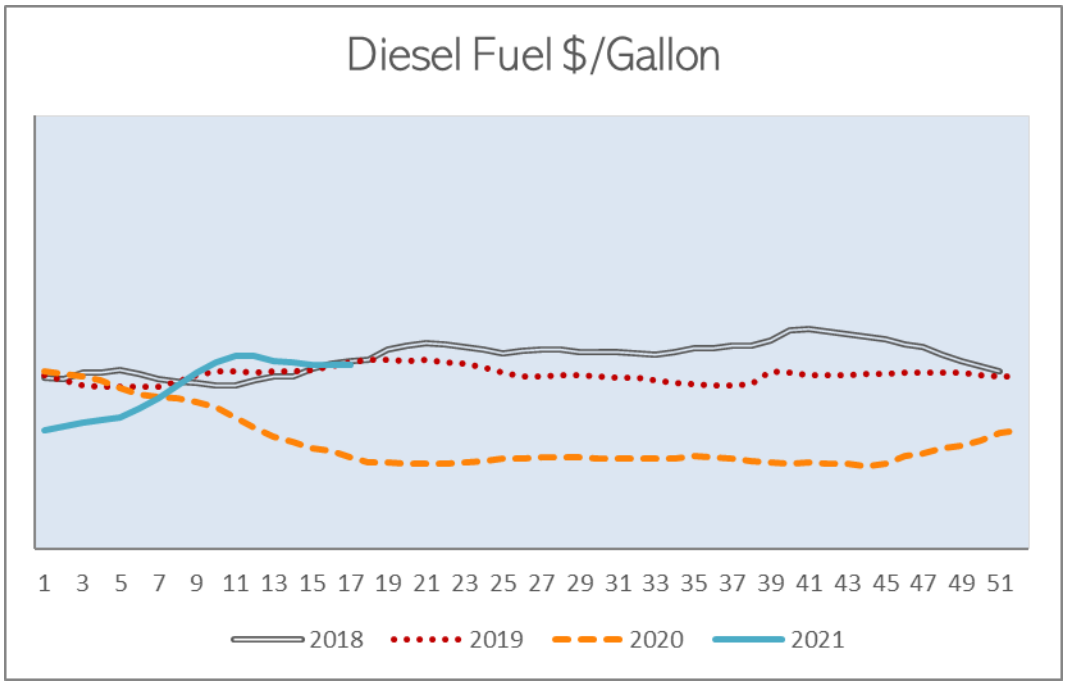
Frosty Acres Brands Market Report

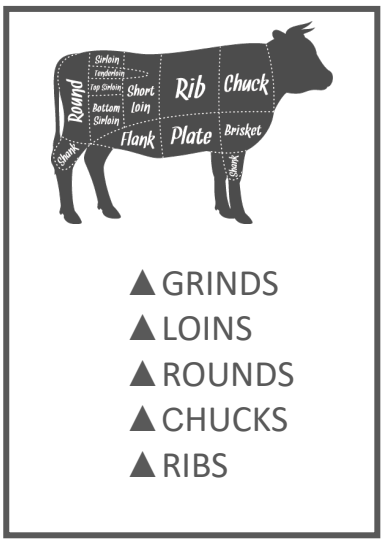
Week Ending April 30, 2021

Graphs represent data for the week ending April 23, 2021

LOGISTICS

Truck capacity is expected to tighten beginning April 30 through all next week (May 3-9) due to the upcoming DOT Blitz (May 4-6) and Mother's Day weekend. The decrease in capacity will result rates to spike across the country, and some experts predict rates will remain elevated until Q3. Four tips for overcoming capacity issues: prioritize with proven, reliable carrier partners; tender in advance when possible; tender with consistency; plan for higher rates on spot market loads and some loads you move weekly.





BEEF

Market is firm. Total beef production for last week was up 3.8% versus prior week and was up 44.4% compared to same time last year. Total headcount for last week was 665,000 as compared to 470,000 for the same week last year. Live weights for last week were down 3 lbs. from prior week but up 15 lbs. from same time last year. The market has seen large increases in prices on several cuts over the past few weeks due to the increased demand, lighter production, and more limited inventories. Prices on multiple cuts are at record highs for this time of year. Availability has become a concern with multiple packers as the recent surge in buying activity is keeping pressure on availability. Allocations and cuts should be expected. The ability to add onto orders is becoming difficult to non-existent due to the lack of available product. Production issues continue to be a concern with lack of available labor causing concern at multiple plants. Select Graded product is in very limited supply and pricing has moved much higher than just a few weeks ago. Warmer temperatures across the country are expected to help fuel additional retail demand which is already seeing a good seasonal increase.

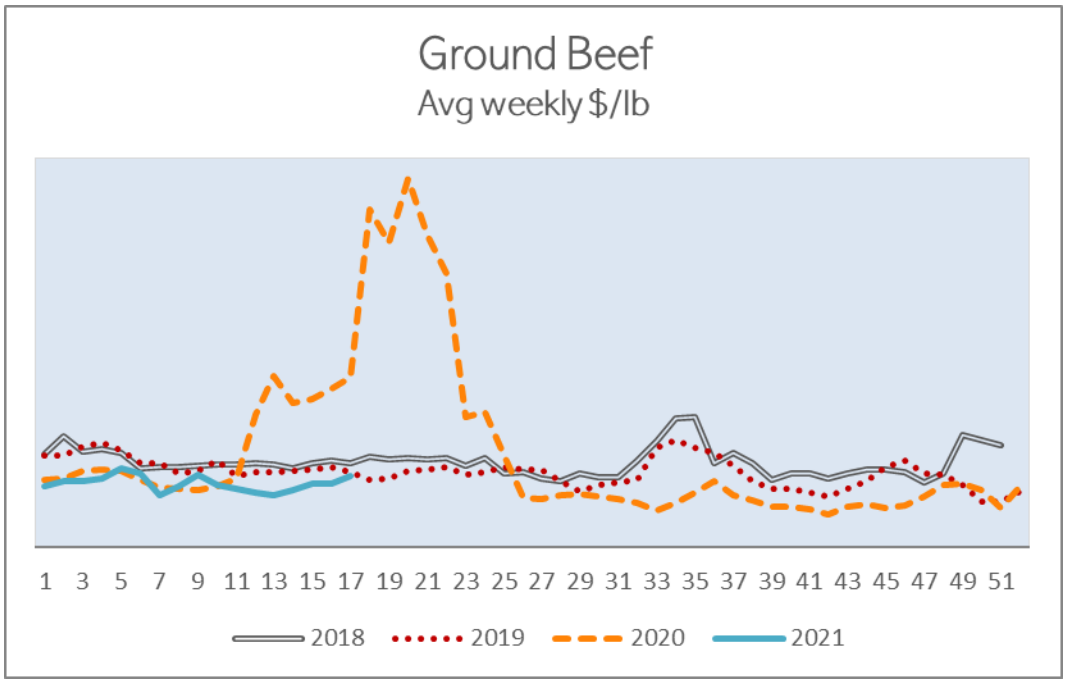
Grinds- Market is firmer. Demand has been improved and the market has continued to push higher. Retail advertising is expected to be good as we move into May. Demand for grinds is typically seasonally strong as we move closer to Labor Day.

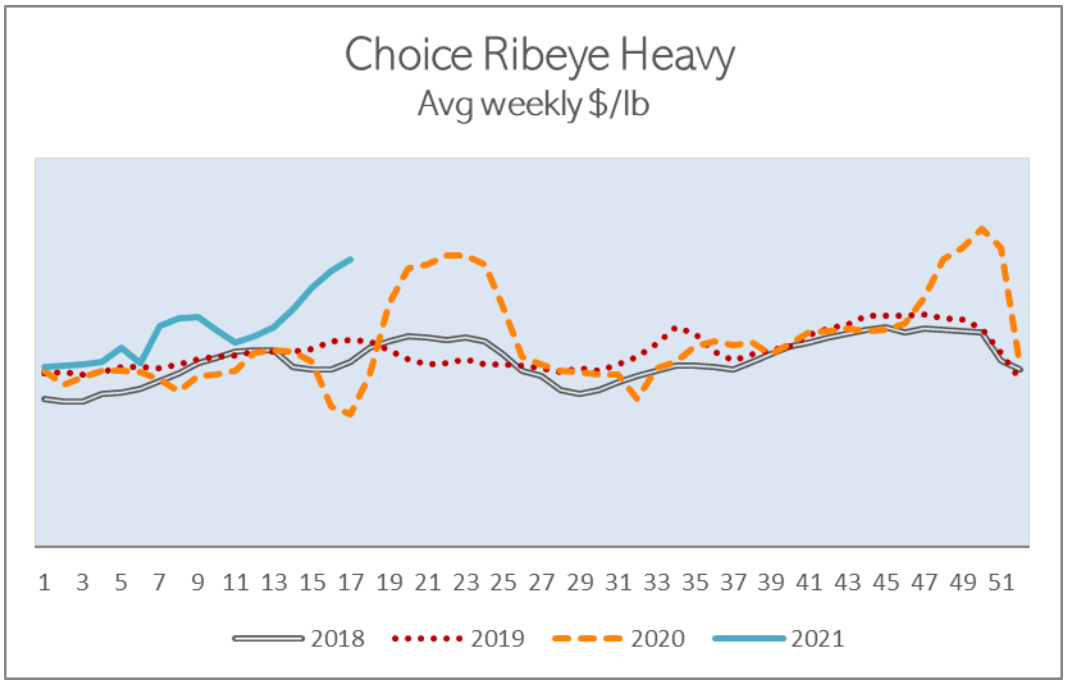
Loins- Market is firmer. Multiple cuts have seen large increases over the past several days. Availability of Select graded product is very limited. Buying activity has been very good for both retail and foodservice. Demand typically continues to seasonally improve as we move into May.

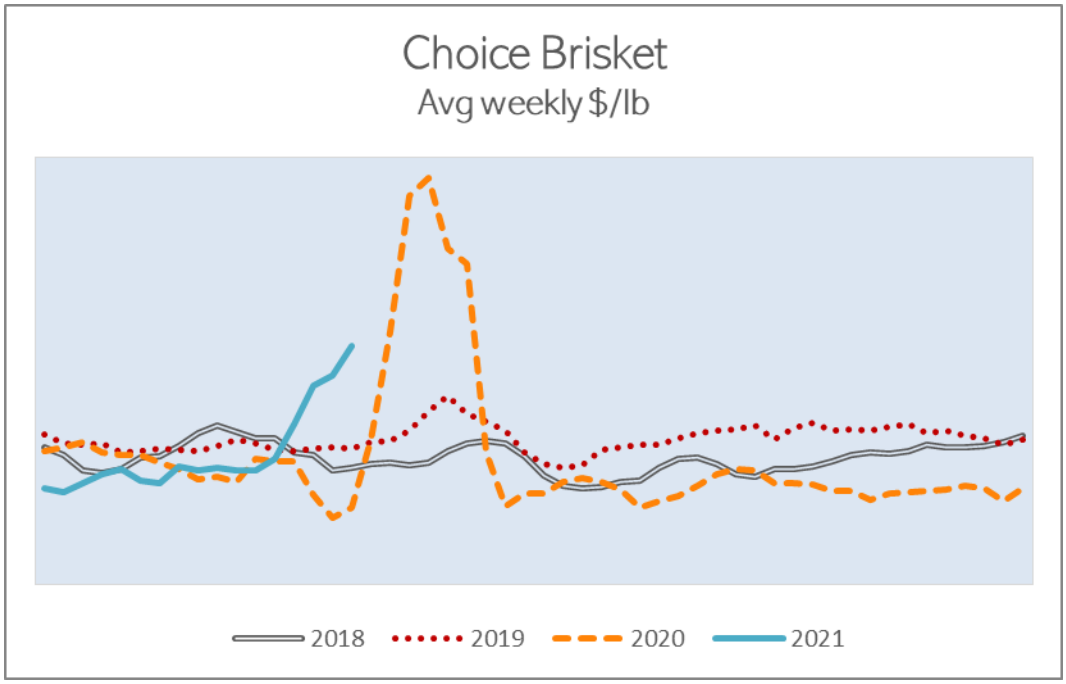
Rounds- Market is firm. Demand is typically seasonally lighter over the coming weeks but the overall increase in demand with foodservice demand has been keeping pressure on the market.

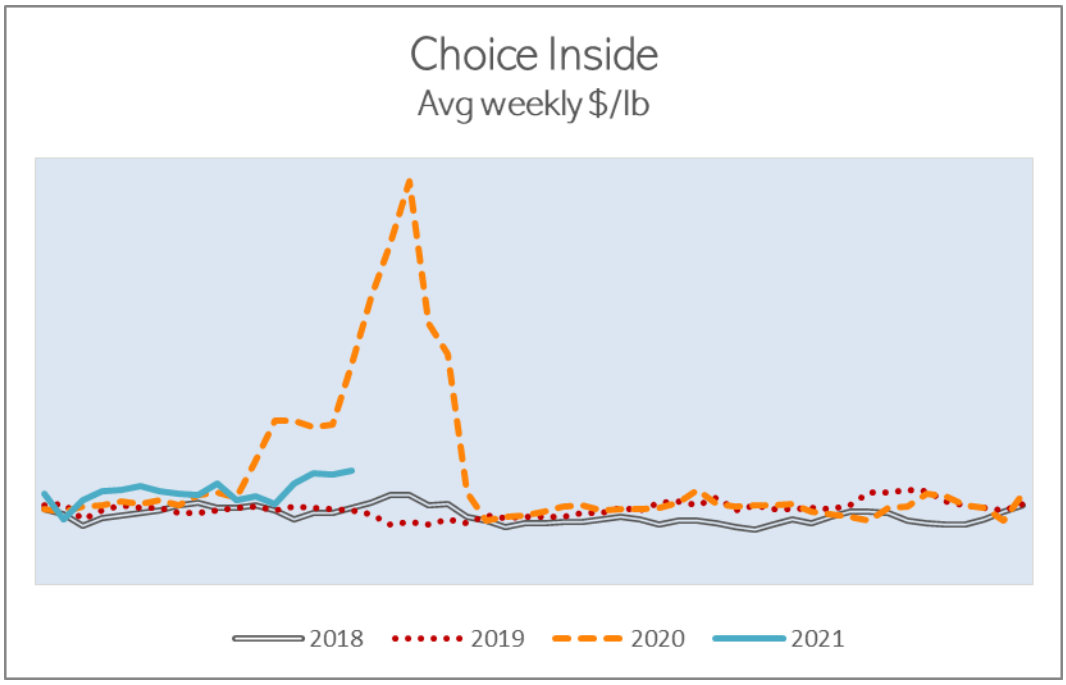
Chucks- Market is firmer. Improving demand and lighter production are keeping pressure on this market. Foodservice demand is very good.

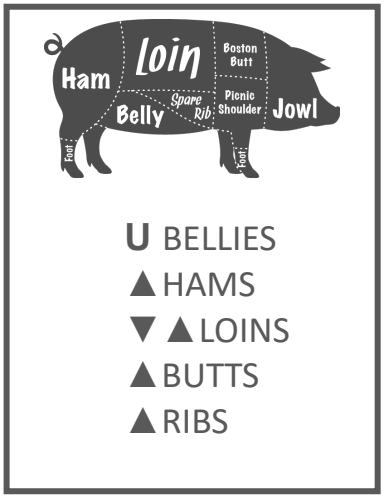
Ribs- Market is firm. The market has pushed much higher over the past several days. Select grade product is difficult to come by and prices have surged higher. Demand is typically seasonally improved as we move through the spring and the surge in demand as dining restrictions ease is putting a lot of pressure on prices.




Choice Ribeye Heavy
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
2018
2019
2020
2021


Choice Brisket
Avg weekly $/lb
2018
2019
2020
2021





PORK

Market is firm. Total pork production for last week was up 0.2% versus prior week and was up 24.3% compared to same time last year. Total headcount for last week was 2,473,000 as compared to 1,991,000 for the same week last year. Live weights for last week were even with prior week and up 2 lbs. from same time last year. The pork cutout values have surged higher as we have moved through this year and are now more than double this time last year. Production concerns continue to be reported due in part to lack of available labor being reported at multiple plants. Further processing activities have been lighter at multiple plants putting pressure on availability of multiple items. Allocations and product shortages should be expected, and this is expected to continue as we move through the coming weeks. The number of available hogs is expected to move seasonally lower as we move into the summer. Easing of dining restrictions across the country are helping to improve foodservice demand at a time that production is moving seasonally lower. Cold storage inventories remain very low and keeping pressure on the overall market. Export demand has been good as global demand for pork is very strong. Additional African Swine Fever cases continues to be reported in Asia and keeping pressure on their domestic production.

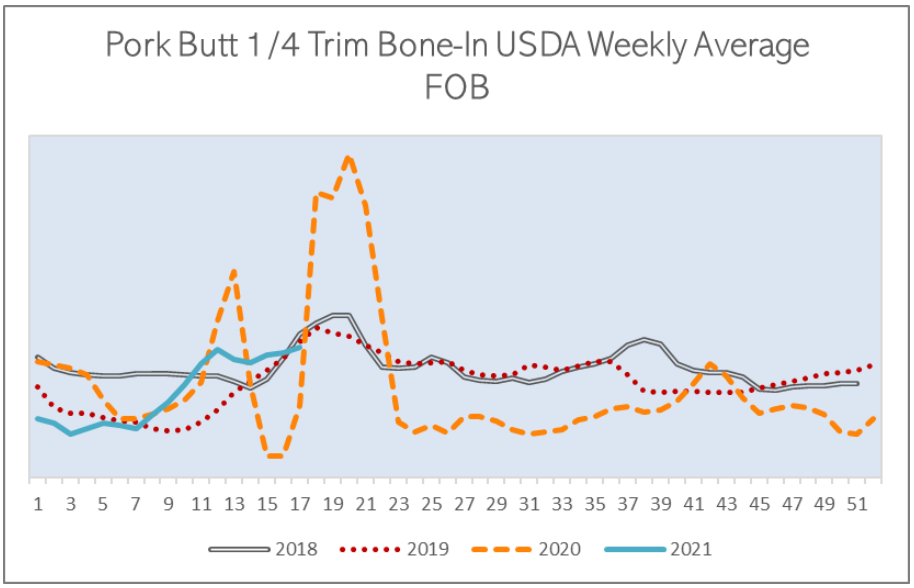
Bellies- Market is unsettled. After seeing several days of sharp increases, the belly market dropped lower as we moved through this week. Demand has been strong but the surge in prices typically helps to slow overall demand and that appears to be the case this week. Overall inventories remain light and well below expectations for this time of the year.

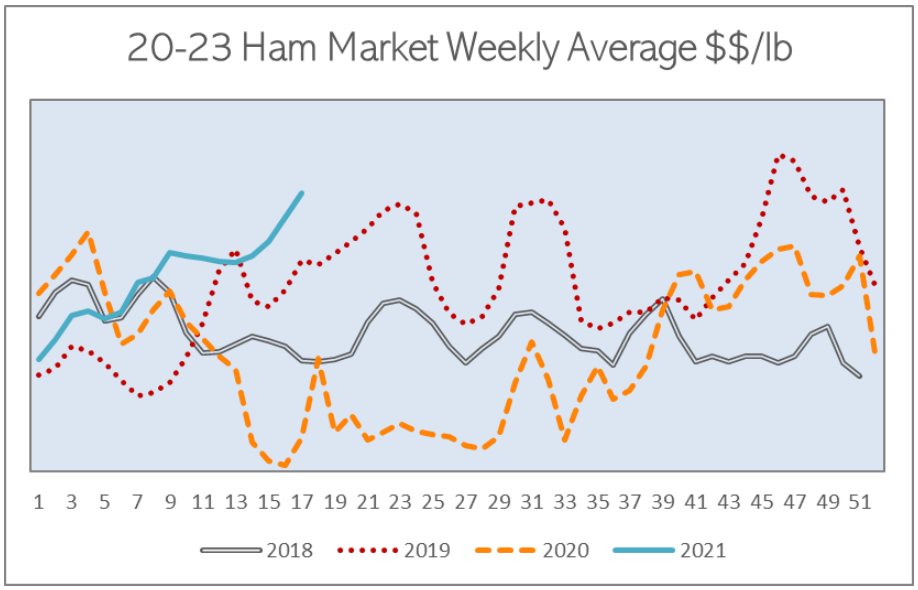
Hams- Market is firm. Export demand is very strong and helping to keep the market at record seasonal highs. Demand for deli items is expected to continue to improve over the coming weeks putting additional pressure on the market.

Loins- Market is mixed. Inventories are varied between suppliers helping to keep pressure on overall availability. Demand has been very good for the past several days. The market has seen both lower and higher prices as we moved through this week

Butts- Market is firm. Seasonal demand is strong and keeping pressure on available inventories. Foodservice buying activity is expected to be strong as we move closer to Memorial Day. Export interest is expected to keep additional pressure on this market as we move through the spring.

Ribs- Market is very firm. Retail demand has been strong with additional advertising expected as we move closer to Memorial Day and this has caused a large increase in buying activity. Foodservice buying activity has surged over the past several days as buyers look to cover their needs as additional restrictions are lifted across the country. Ribs in cold storage are down over 30% and are at their lightest numbers in almost a decade. Pricing is a record high and well above the extremes seen last May. Lighter production numbers will help keep pressure on the market over the coming days. Labor continues to be a concern in the plants and is limiting production. Allocations and shorts to orders should be expected. Demand is typically continuing to improve seasonally better as we move through spring.





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

CHICKEN

Market is firmer. Total headcount for last week was 164,317,000 as compared to 156,020,000 for the same week last year. Average weights for last week were 6.32 lbs. as compared to 6.30 lbs. for the same week last year. Chick placements on fryers for week ending 5/29/21 are estimated at 164.2 million headcounts. Placements for previous week were 164.0 million and same week last year was 170.3 million. Retail and foodservice activity is reported as moderate and improving. Industry demand for bone-in breasts, boneless breast, tenders, wings, and dark meat is rated as moderate to strong. Export volume on leg quarters and whole legs is reported as steady. Labor shortages continue to hamper weekly throughput and production is being constrained. Supply remains tight across the industry. Spot load availability is hard to find, and offerings are few. Shortages are being reported across most categories.

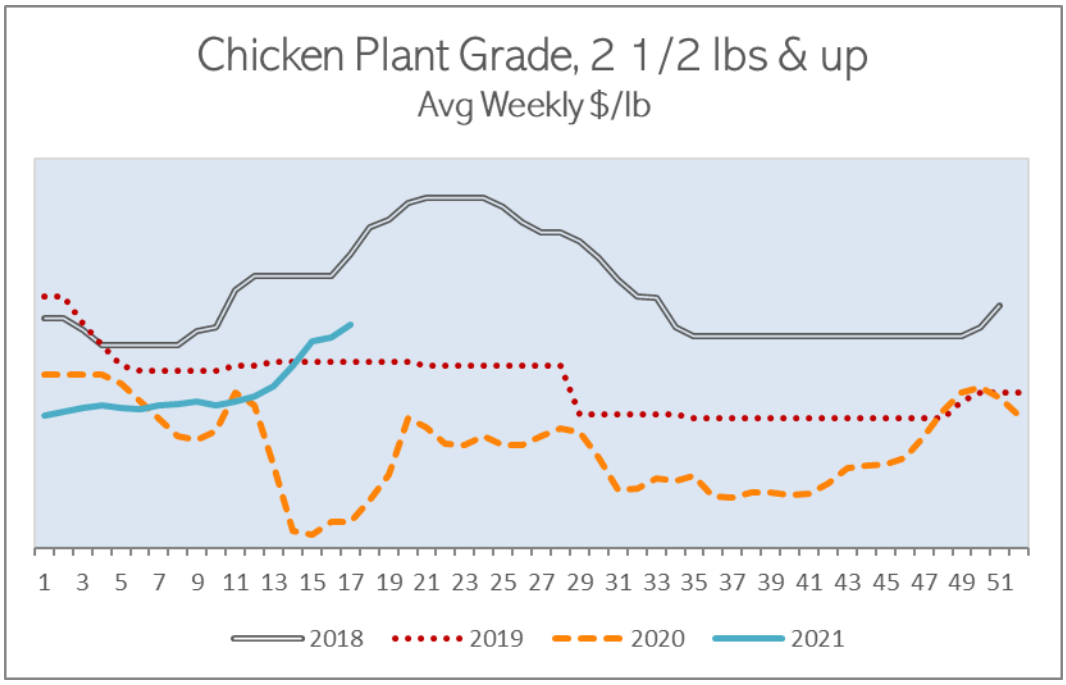
WOGS- Market is steady to firmer. Fast food and retail deli volume is trending up. All sizes of WOGS and 8pc cutups are clearing adequately on a weekly basis. Supply is tight and shortages are being reported.

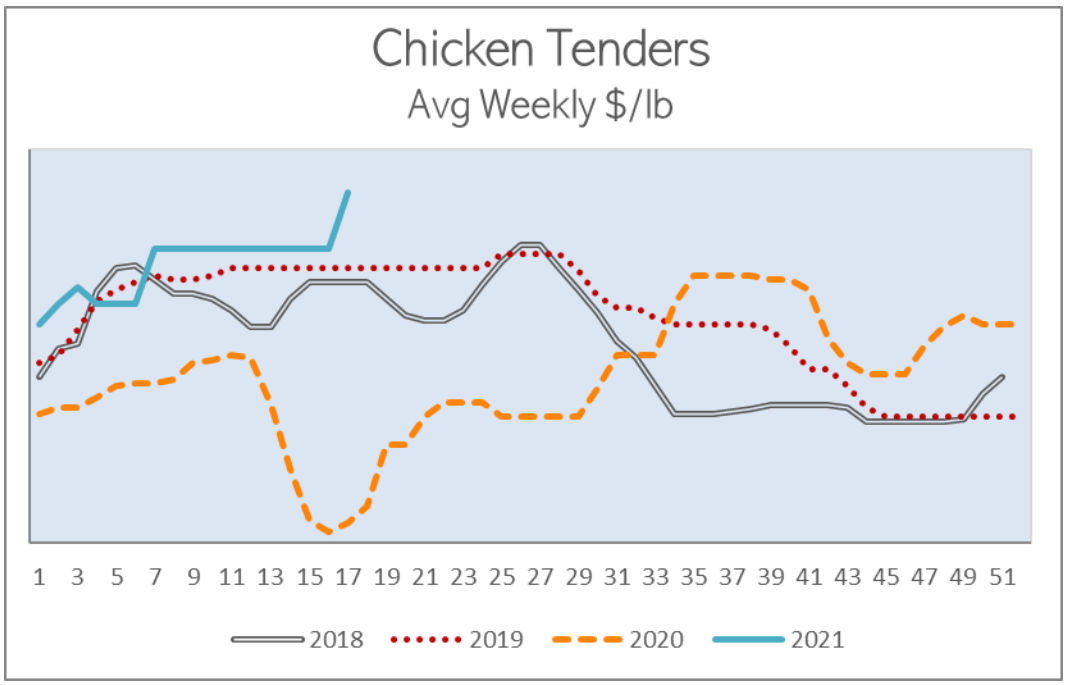
Tenders- Market is firmer. Foodservice demand is on the rise the economy reopens on a regional basis. Tight production schedules have the category constrained to a finite supply. Supply is short and allocations are being reported.

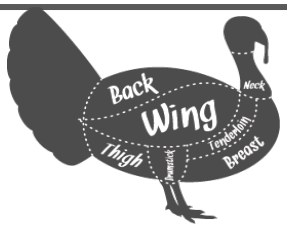
Boneless Breast- Market is firmer. Retail demand is reported as good across the country. Foodservice volume continues to improve as casual dining reopens and fast food QSRs promote chicken sandwiches. Supply remains tight and shortages are being reported.

Leg Quarters and Thighs- Market is steady to firmer. Export demand for leg quarters is steady and foreign demand for whole legs is on the rise. Retail business on drums and thighs is moderate to good. Lack of labor has put a premium on leg debone and dark meat availability is tight. Supply is limited.

Wings- Market is steady to firmer. Foodservice demand on medium and jumbo sizes remains strong. Further processors continue to source all the small wings they can to replenish inventory levels. Supply is tight on all sizes and allocations are being reported.


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
2018
2019
2020
2021


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
2018
2019
2020
2021



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

TURKEY

Market is steady to firmer. Total headcount for last week was 3,506,000 as compared to 3,975,000 for the same week last year. Average weights for last week were 31.97 lbs. as compared to 31.64 lbs. for the same week last year. Frozen whole birds are hard to find as industry bookings have the category sold up. Demand for breast meat, white trim, and tenders is moderate to good as seasonality for this raw material is on the rise. Domestic and export business on drums, thighs, and wings is rated as moderate. Labor shortages have put a limit on weekly production and throughput is constrained. Some shortages continue to be reported. Supply for whole birds is very tight, parts remain limited, and white meats are tight.

Whole Birds- Market is firm. The booking period for whole birds was open and shut in less than 60 days. The volume booked is being reported as moderate to good and the category is in a sold-up position. Supply is tight and spot availability is hard to find.

Breast Meat- Market is steady to firmer. Breast meat demand continues to improve as seasonality for sliced meats is underway and turkey is viewed as cost efficient protein. Supply has tightened on fresh and frozen raw material. Some shortages are being reported.

Wings- Market is steady. Domestic and export activity for whole wings and 2-joints is stable to good. Tom sizes remain more requested with all sizes are clearing well.

Drums and Thigh Meat- Market is steady to firmer. Domestic and export demand for drums and thighs is moderate and improving. Ground turkey remains popular in the retail channel. Supply is limited on bone in parts. Lack of labor is constraining the amount of deboned dark meat.

SEAFOOD

Gulf Shrimp- Market is firm. Inventories are limited for an active demand. Inventories have been light for several months and allocations have become common place. Additional fisheries will be opening over the coming days but the surge in foodservice demand is expected to keep pressure on availability as we move through the next several weeks.

Black Tiger Shrimp- Market is firm. Inventories are limited for a strong demand. Allocations to orders should be expected. The surge in Foodservice demand is putting pressure on larger sized shrimp inventories and the market has seen price increases across all sizes over the past few weeks. Production costs and logistical concerns are putting additional pressure on the market. Delays on imports are putting additional pressure on this market.

White Shrimp- Market is firm. Inventories are limited for an active demand. The lack of container availability combined with overall logistical challenges is putting a large amount of pressure on the market. Allocations to orders should be expected. The recent increase in demand as additional dining restrictions are being eased is causing availability issues as replacement inventories are very difficult to come by.

King Crab- Market is firm. Inventories are limited for an active demand. Demand is very strong in Asia and putting additional pressure on the market.

Snow Crab- Market is firm. Inventories are limited for an active demand. New season product out of Canada is making its way into the market but the surge in demand is keeping inventories very limited. Foodservice demand continues to improve as additional dining restrictions are lifted across the country. Demand is expected to be very good over the coming weeks.

Warm Water Lobster Tails- Market is firm. The market has continued to push higher over the past several weeks as the active demand is keeping pressure on limited inventories. Inventories have been limited for several months due to strong demand keeping pressure on lighter than expected imports. Low production the past few years and seasonal closures are keeping pressure on availability. Allocations to orders are common due to the limited inventories.

North American Lobster Tails- Market is firm. Demand continues to improve and putting pressure on very limited inventories. Seasonal plant closures are causing additional issues with the limited availability. Shorts and allocations to orders should be expected.

Salmon- Market is steady to firmer. Demand has been improving around the world and keeping pressure on available inventories. This combined with ongoing logistical concerns is helping to keep pressure on the market. Inventory availability varies between suppliers helping to cause larger swings in prices.

Cod- Market is firmer. Product out of the Pacific is seeing inventories concerns with a strong demand that was seen during Lent and limited available inventories in the market. Foodservice demand is very good. There also delays with production coming back out of China putting additional pressure on the market.

Flounder- Market is steady to firmer. Pricing is expected to be higher as we move through Q2 as suppliers' costs are being impacted by tariff increases. Production issues and delays out of China are causing additional issues for the market.

Haddock- Market is steady to firmer. Inventories are light for an active demand. Increased tariffs combined with higher production costs and more limited inventories are putting pressure on the market.

Pollock- Market is steady to firmer. Demand in Europe is very strong. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

Domestic Catfish- Market is firm. Inventories have been limited for several months and the easing of dining restrictions across the country is putting additional pressure on the market. Allocations remain commonplace and are anticipated as we move into the summer. Inventories are limited on all sizes and well below current demand.

Tilapia- Market is firmer. Higher production and logistical costs are putting pressure on the market. Shipment delays on product coming out of China are expected over the coming weeks. Buying activity is improving as more dining restrictions ease across the country.

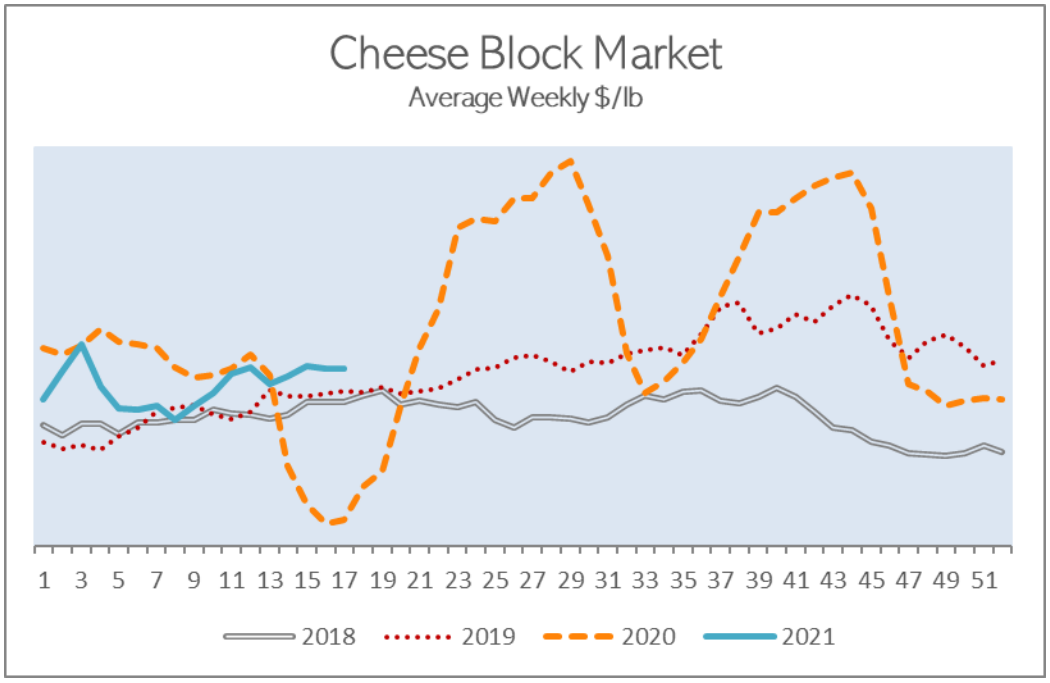
Swai- Market is firmer. Foodservice demand continues to improve across the country, and this is putting upward pressure on the market. Logistical concerns remain an issue with higher freight costs and longer lead times on both ocean freight and trucking.

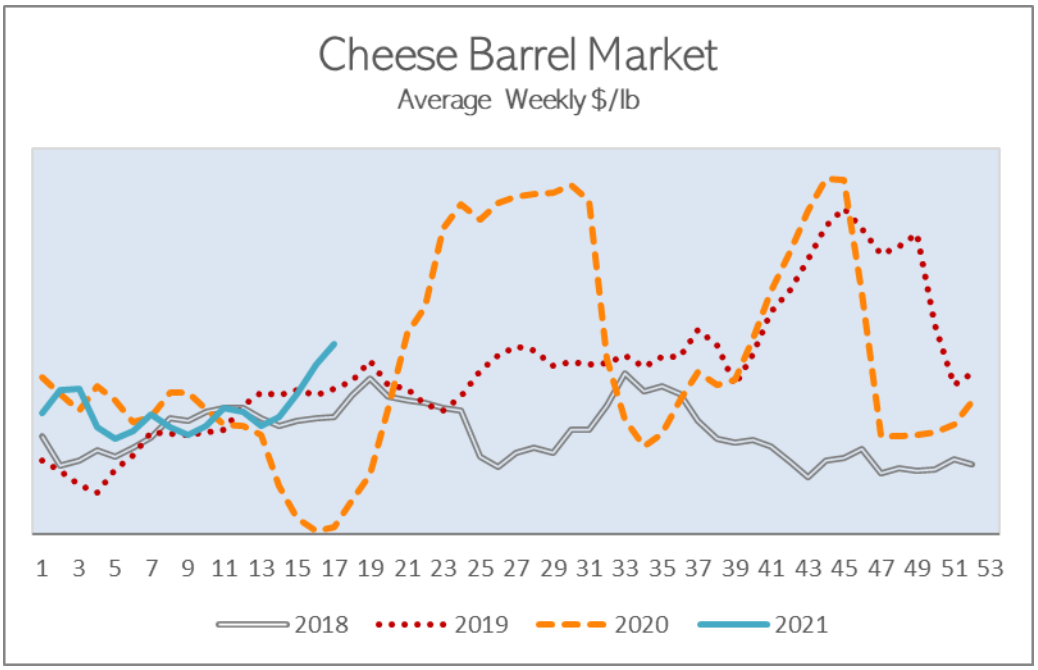
Scallops- Market is steady to firmer. The market for larger sized domestic product is firm with increased demand keeping pressure on the market. Inventories of U/10 product is very limited with record high pricing. New season fishing has begun but reports are showing expectations of inventories issues as we move into the summer. Current landings have not been enough to relive the pressure from the surge in Foodservice demand.

DAIRY

Cheese

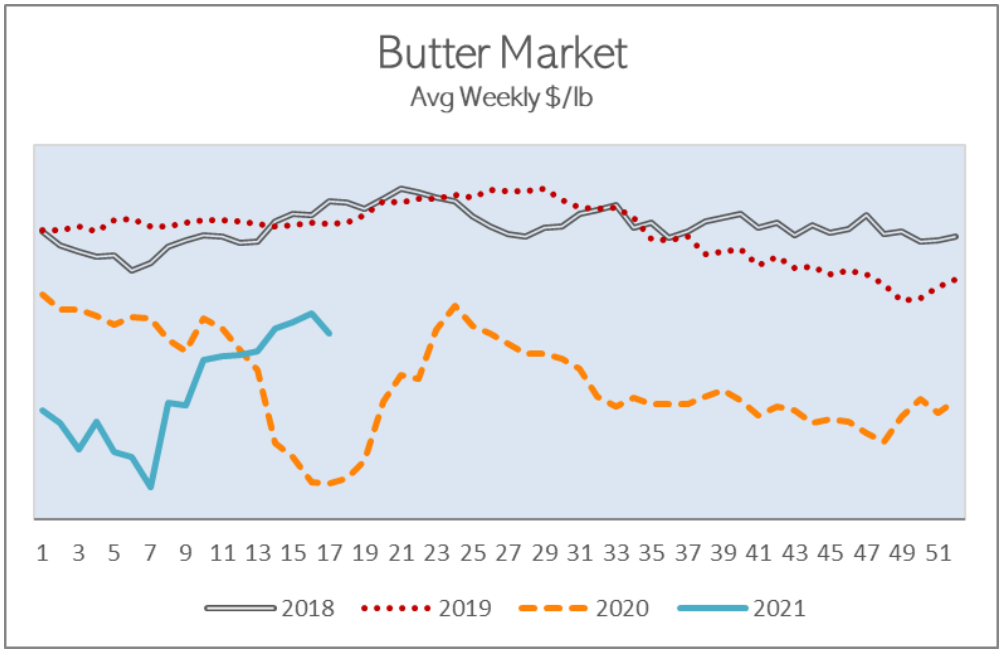
Market is firmer. The CME block and barrel markets moved higher this week. Across the country, availability of cheese varies widely. In the northeast, producers are receiving steady milk supply. Production in the region is stable. Foodservice demand continues to show signs of improving. In the Midwest, most producers are running at full capacity. The Western region demand for foodservice is improving. Retail has remained steady. Producers will continue running full production schedules as long as milk in the region remains plentiful. The Cold Storage Report for March showed an increase in natural cheese stocks of 7 percent from the same month a year ago.





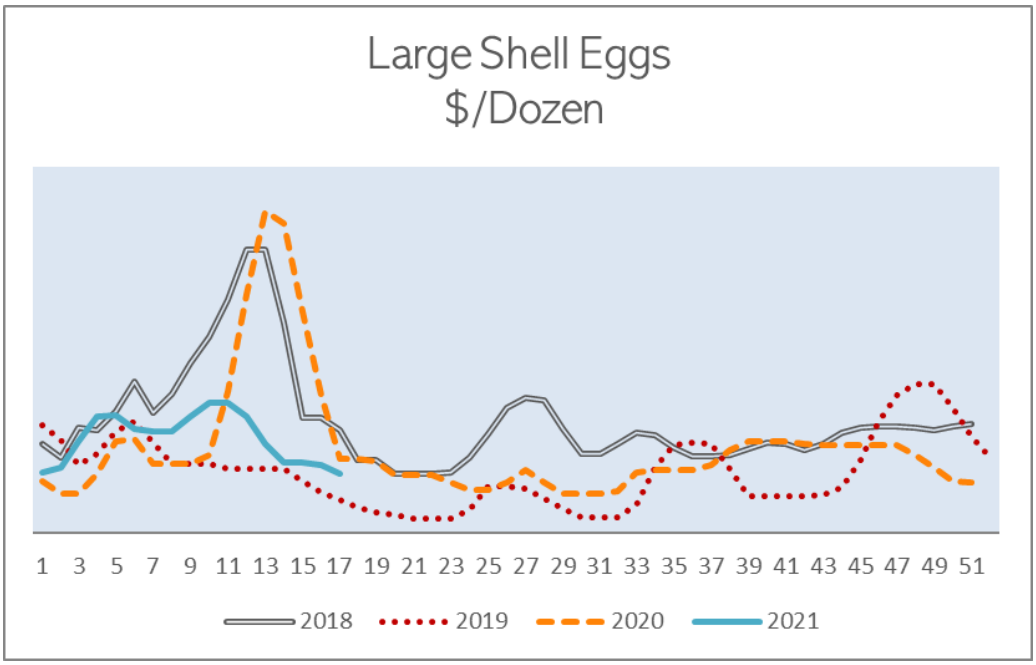
Butter

Market is firmer. The CME butter market moved higher this week. The March Cold Storage Report showed an increase in butter cold storage stocks up 15 percent from prior year. Cream supply across the country varies by region. Generally, producers can access enough milk for plants to run at seasonal production levels. Foodservice demand in both the west and east regions is growing. In the northeast producers report a steady supply of cream resulting in stable production schedules. Demand is increasing for food service while retail remains steady. In the central region foodservice interest has been steadily increasing in recent weeks. In the west, cream Is abundant as spring flush is peaking in the region. However, access to tankers for transport has been a concern of late. Producers are at seasonally active production levels. Inventory in the region is steady.



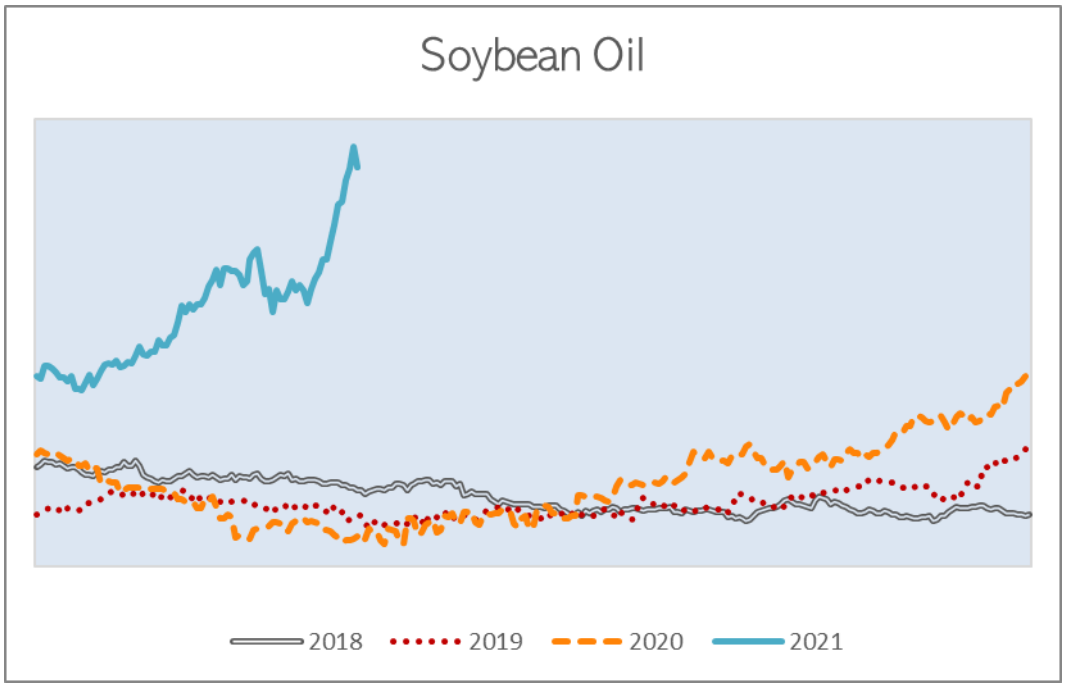
EGGS

Market is steady to weaker. Retail activity is being reported as weaker on the East Coast and steady in most other regions. Limited regional promotions are being reported. Foodservice volume continues to show improved demand across the nation which is helping shell egg demand at the restaurant level and with further processors. Fast food sales remain constant for this time of year. Supply is available on both medium and large sizes. Market is trending flat on medium sizes and lower on large sizes. National weekly shell egg inventory reports shell egg inventory up 1.4% over last week.



SOY OIL

Market is firmer. Soybean markets and futures have been on a steady rise for the last week. Allocations on soy oil and other related products continue to be reported across the United States. It is anticipated that this trend could continue through the summer. The same three components continue to drive the industry. Tight soybean supply in the United States, strong export demand, and rising demand from the bio-diesel sector of the economy. At the current time, demand continues to outpace supply. The planting season in the United States has just begun and early reports show acres planted to be on track compared to the five-year average. The market remains volatile and continues to change daily as new information becomes available.



GLOVES

Additional production capacity is now to emerging for vinyl. The vinyl glove market is seeing downward pressure as additional supplies are now available. Supply is expected to be stable for the near future which will place additional pressure on the market. Vinyl/nitrile blend availability is stable at the present time though no softening of the market is expected. Latex gloves are seeing a resurgence in interest as nitrile supply remains tight. Supply of latex has become increasingly unstable as the demand has increased. The nitrile market has seen increased capacity recently. Though priority is still going to the healthcare industry, other industries have yet to experience an increase in availability. Poly resin markets have been unstable and rising though supply and availability are good. In transportation news, both domestic transportation as well as ocean freight operations continue to battle multiple challenges as attempts are made to keep up with increased traffic. There have been some improvements recently, as wait times on the water for incoming ocean freight are improving. Improvements in congestion are anticipated over the coming months.

CANNED GOODS (DOMESTIC)

Several factors are going to come into play for the outlook on costs for domestic canned goods for the 2021 pack season. Produce costs are up over last year driven by the price of soybeans and field corn. The cost of steel is in tight supply and will have a direct impact on the cost on #10 cans. Labor is in high demand and driving costs up as well as freight is higher than last year.

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

Canned Products, Imports: Scott MacKaben, Senior VP of Procurement, ext. 5457

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

Poultry, Eggs Oil, Wheat, Grains: Ken Kotecki, Category Manager, ext. 5463

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

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

1225 Old Alpharetta Road, Suite 235, Alpharetta, GA 30005 | 800.569.4821 | frostyacres.com