

MARKET REPORT

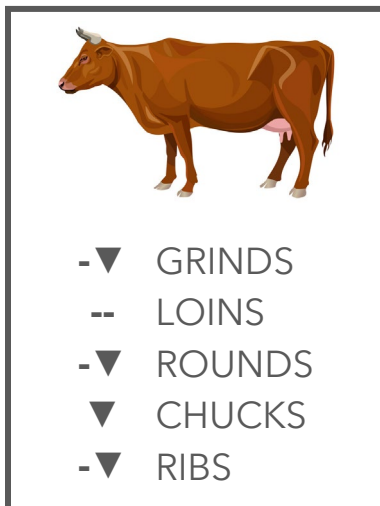
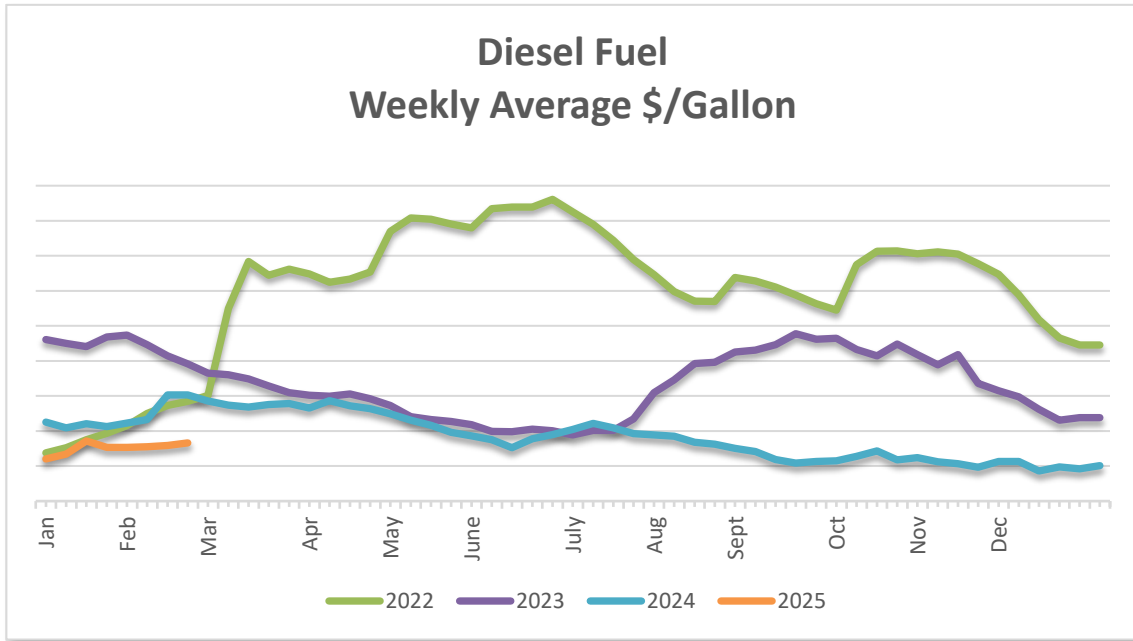


WEEK ENDING | FEBRUARY 28, 2025

Graphs represent data for the week ending February 21, 2025



LOGISTICS



BEEF

The market is steady to weaker. Total beef production for last week was up 0.4% versus the prior week and even at 0.0% compared to the same week last year. Year to date, total production is down 3.6% compared to the same period last year. The total headcount for last week was 563,000 as compared to 590,000 for the same week last year. Year to date, the total headcount is 4.38 million head, which is down 8.0% from last year. Live weights for last week were down 2 lb. versus the prior week and up 50 lbs. from the same week last year. Live cattle futures for April and June and have been inching higher. Supply continues to be constrained as cattle slaughter is down by over 3% this year. On the flip side, sustained dressed weights being

40lb over 2024's YTD average has helped with finished product. Beef demand remains a bit sluggish, which is typical during the month of February. Current demand is enough to keep supply sold up and some shortages continue to be reported. Due to tight supply and relatively high costs for beef, wholesale prices are unsettled on choice and select grades. Market levels have had soft undertones over the past couple of weeks.

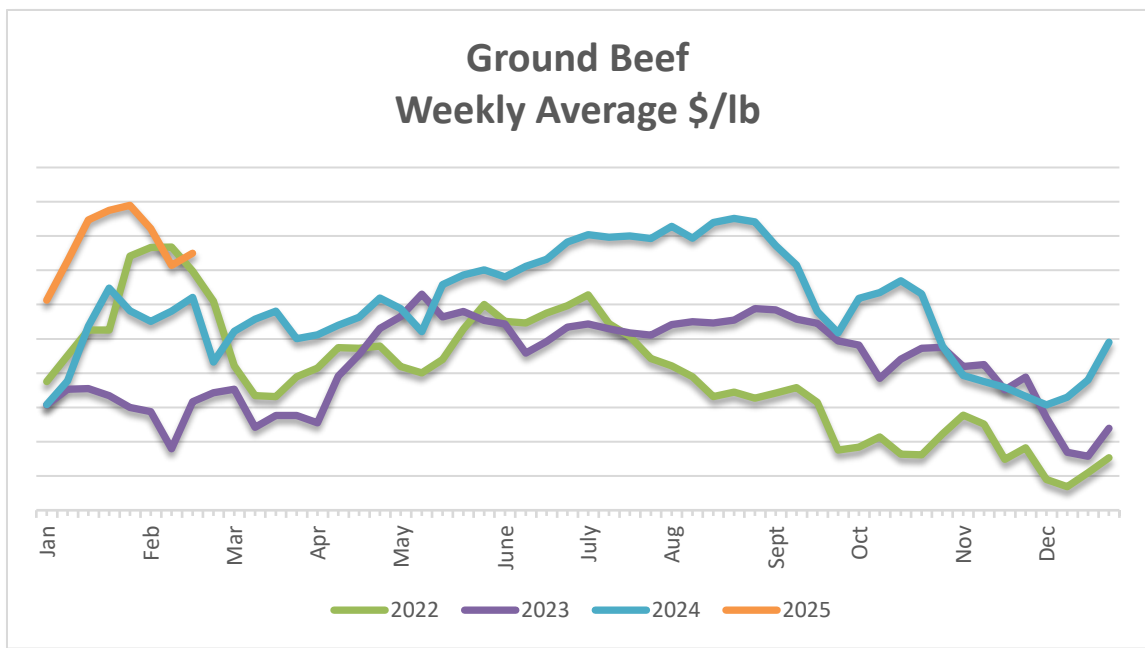
Grinds – The market is steady to weaker. Demand has begun to stagnate as price hikes have hit the retail and foodservice channels. With price levels up 28% over 2024’s opening price, consumer spending is being tested. Trade levels on 73% and 81% grinds are being pressured lower.

Loins – The market is steady. Retail and foodservice business demand was soft to start the month but appears to have firmed up. Supply varies by packer on choice and select grades. Market levels are holding even.

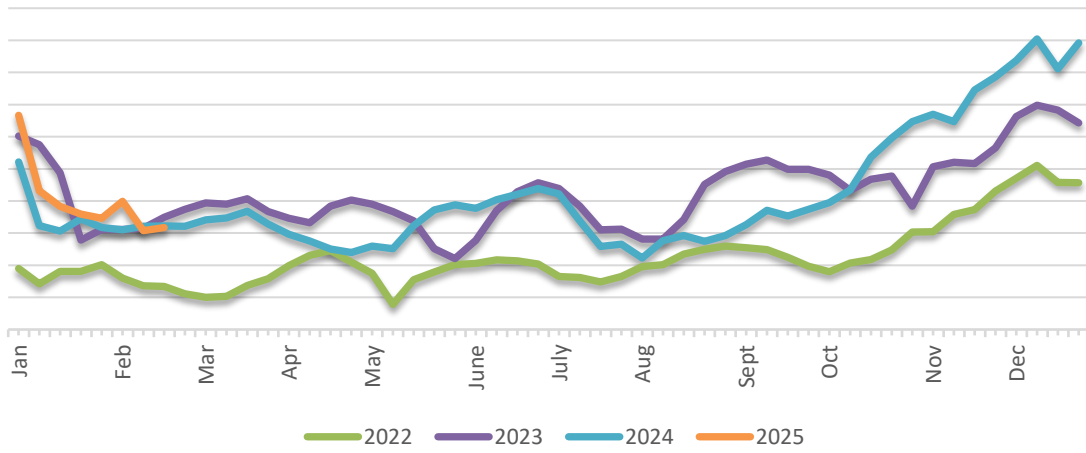
Rounds – The market is steady to weaker. The category had strength to start the year but has become sluggish due to less retail features. Supply on insides and denuded product varies by packer. Market values are being tested lower.

Chucks – The market is weaker. Retail demand and feature business was strong in January. As pricing pressure increased, consumer demand got soft. Supply varies by packer and available grade. Trade levels on chucks, clods, and XT product have been pressured lower recently.

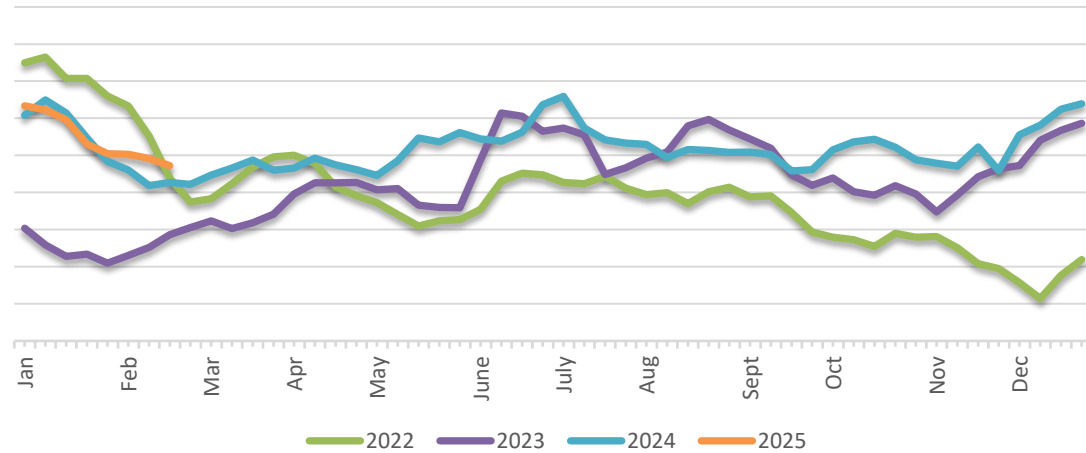
Ribs – The market is steady to weaker. Demand has slowed down due to higher retail prices and fewer promotions. Availability varies greatly by packer and grade level. Market levels have soft undertones and vary by packer.

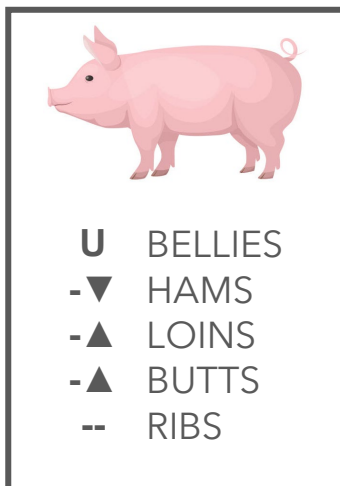
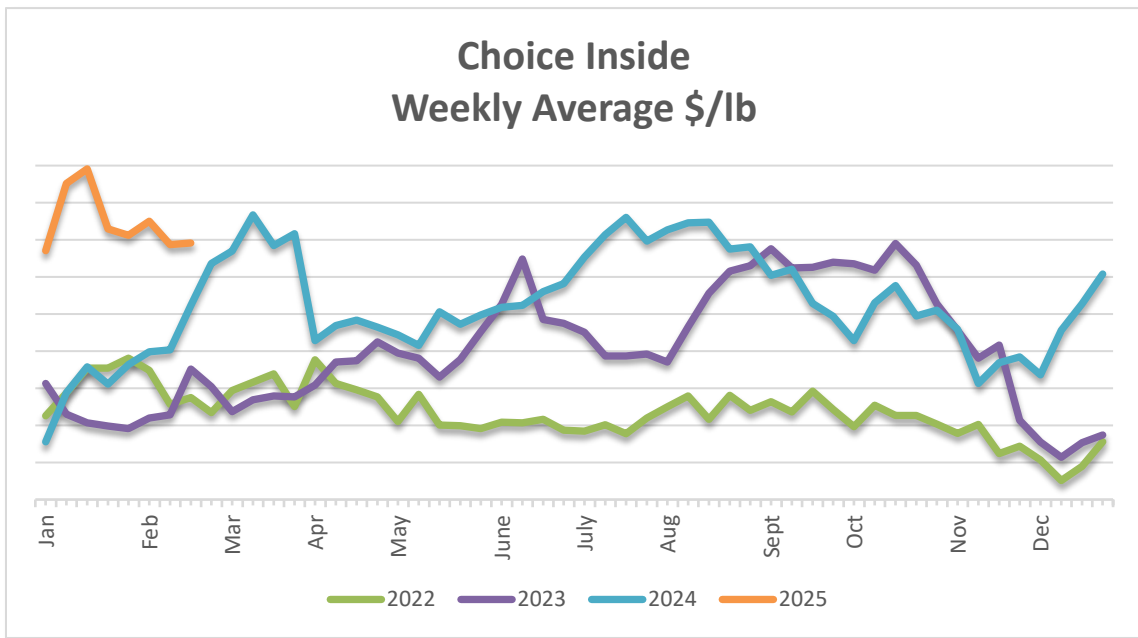


Choice Ribeye Heavy Weekly Average \$/lb



Choice Brisket Weekly Average \$/lb





PORK

The market is steady. Total pork production for last week was up at 0.1% versus the prior week and down 0.8% compared to the same week last year. The total headcount for last week was 2,536,000 compared to 2,577,000 for the same week last year. Live weights for last week were unchanged at 0 lbs. compared to the prior week and up 2 lbs. versus the same week last year. Current demand is moderate to good and showing slight improvement. The pork cutout is starting to show some signs of strength. Demand on loins, butts, and value-added ribs is improving with the retail channel being the main driver. Since the port strike was averted, export demand has resumed to traditional levels. With the United States exporting about 25% of its pork production, potential tariffs will be watched by suppliers and foreign countries

alike. Based on the most recent WASDE report, supply for 2025 is expected to rise 1.9% due to breeding efficiency. Lean hog futures firmed up and April trading hit a two-day top. Market values on loins, butts, and ribs have firmed up in combination with better outdoor weather and consumer demand.

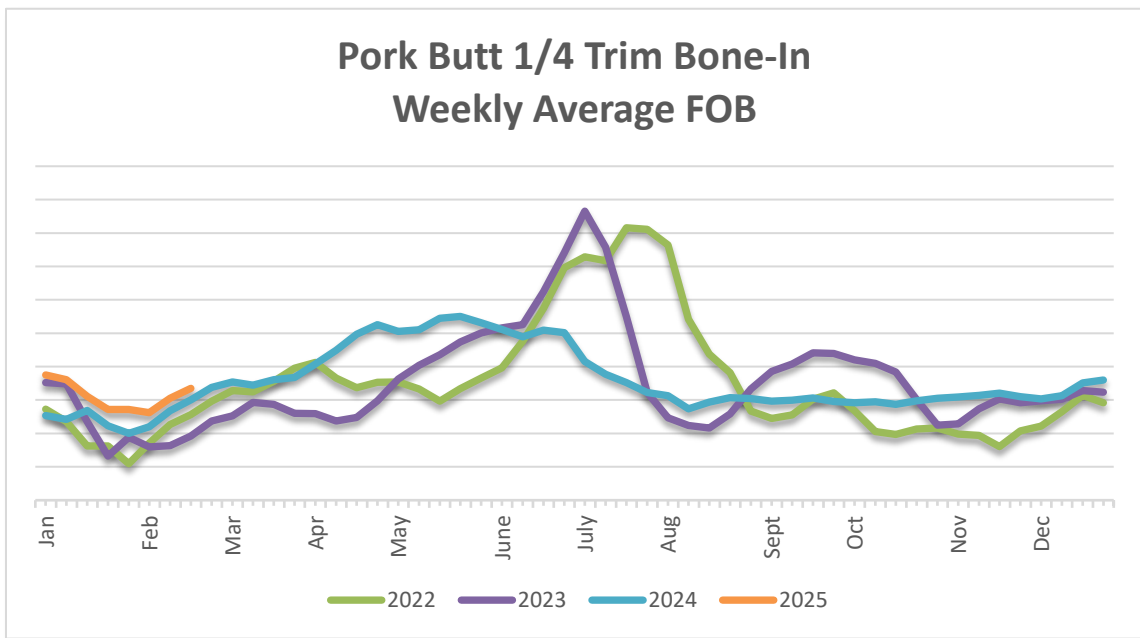
Bellies – The market is unsettled. Demand from retail is soft, which is causing some excess supply. Supply is available with spot loads being shown to the market. Primal belly values are trading in a wide range.

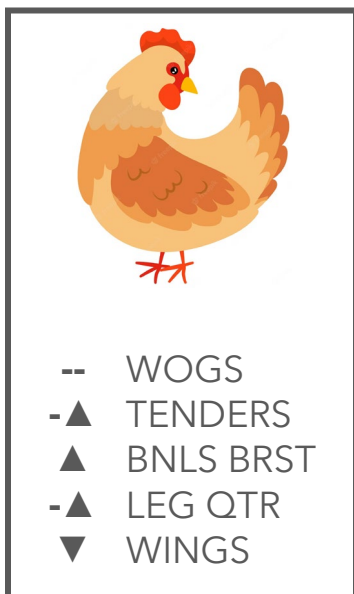
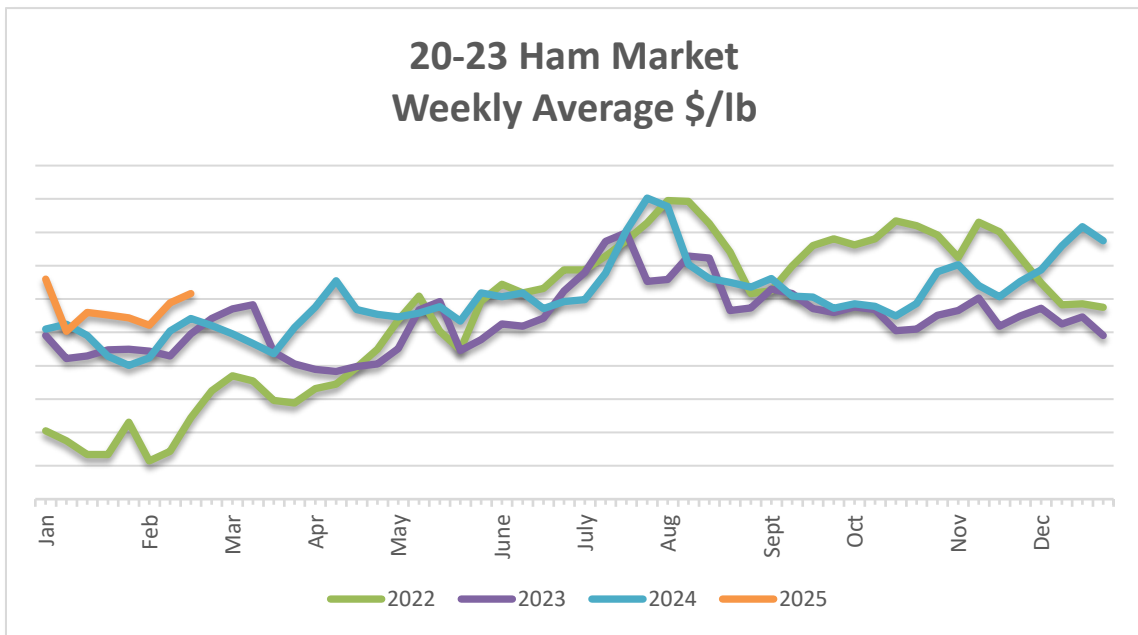
Hams – The market is steady to weaker. Domestic demand is moderate at best. Export demand to Mexico is unsettled due to potential tariffs in the future. Supply is available. Market levels on green hams have soft undertones.

Loins – The market is steady to firmer. Demand for bone-in product is strong due to retail features. Boneless loins continue to be well supported by the export channel. Supply is available. Market on bone-in loins is showing upward strength and boneless are holding in established ranges.

Butts – The market is steady to firmer. Bone-in demand from retail is solid and foodservice business on boneless butts is fully steady. Export demand and tariff issues continue to be topics of discussion. Trade levels are showing some strength.

Ribs – The market is steady. February demand is reported to be good and meeting industry expectations. Supply varies by packer and plant. The market on spareribs, St. Louis Ribs, and back ribs is stable.





CHICKEN

The market is firmer. The total headcount for the week ending 2/22/2025 was 162,670,000 as compared to 163,766,000 for the same week last year. The average weight for last week was 6.49 lbs. as compared to 6.43 lbs. for the same week last year. Demand for chicken is extremely strong. As supply for other proteins is limited, retailers and foodservice operators are turning to boneless breast meat and 8pc cutups. Export demand to the Pacific Rim continues to be moderate. The categories of breast meat, tenderloins, and thigh meat are experiencing the biggest increase in volume. The supply side is improving but is being outpaced by industry demand. With some instances of HPAI being reported, some export restrictions have taken effect. With demand extremely robust, market levels are being tested higher across many categories.

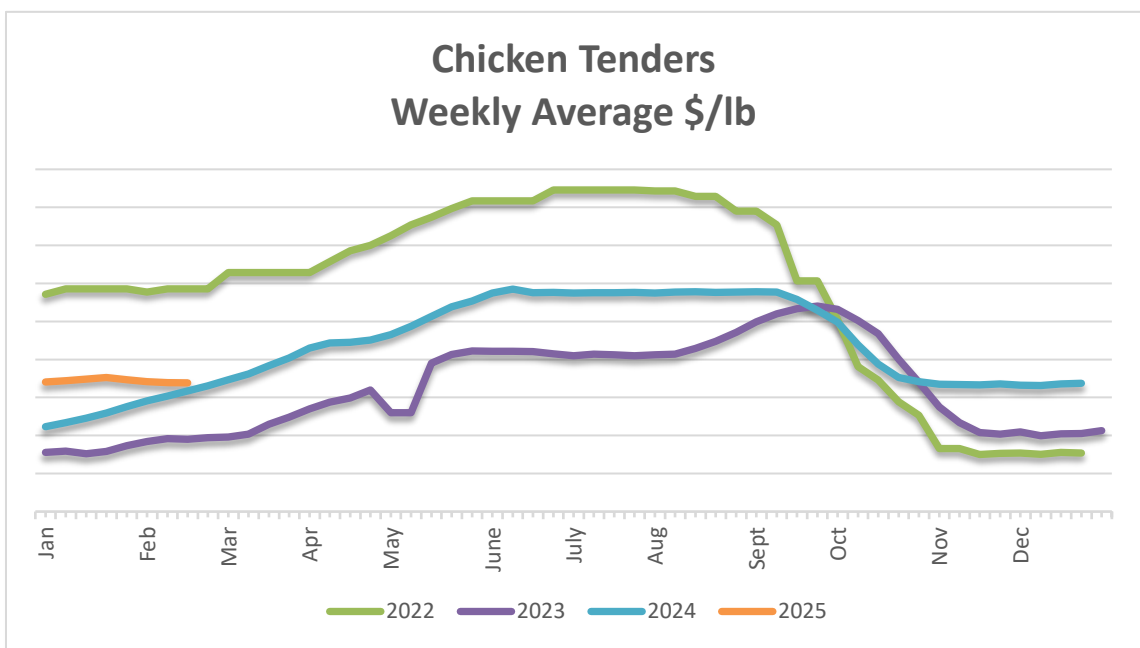
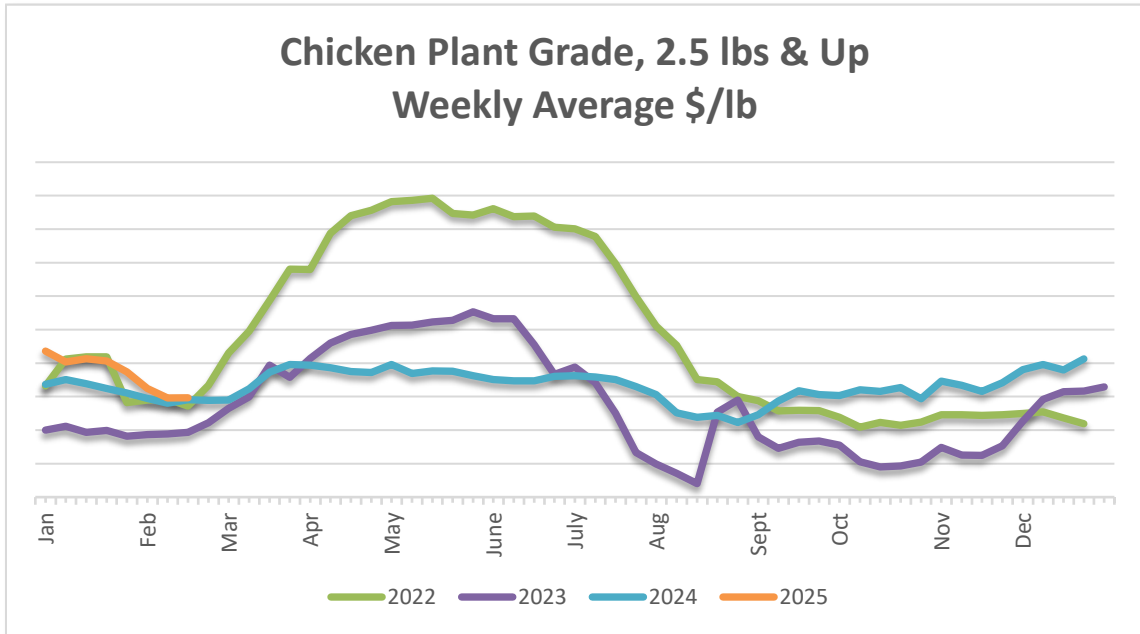
WOGS – The market is steady. Retail deli business and fast-food demand is a full-steady which is keeping the premium sizes sold up. Supply is tight on small and cutting stock sizes. Market levels are holding firm.

Tenders – The market is steady to firmer. Demand from the foodservice and QSR channels has picked up in February. Supply is tight on select and jumbo product. The market has been moving higher over the last couple of weeks.

Boneless Breast – The market is firmer. Retail and foodservice demand is robust. As grocers, foodservice operators, and QSR’s look for feature options; boneless breast has become very popular. Supply has tightened up quickly. The market on all sizes is being tested higher on a daily basis.

Leg Quarters and Thighs – The market is steady to firmer. Domestic demand for leg quarters and thigh meat is strong. Export business on whole legs is moderate to good. Supply is available and varies by plant. Market levels on back-half parts are flat while boneless thigh meat is moving higher.

Wings – The market is weaker. Since the Super Bowl, demand has become stagnant. Supply is in excess on all sizes. The market on all sizes is being pressured lower.





TURKEY

The market is steady to firmer. The total headcount for the week ending 2/22/2025 was 2,953,000 as compared to 3,713,000 for the same week last year. The average weight for last week was 33.74 lbs. as compared to 31.86 lbs. for the same week last year. The year-over-year reductions in hatchery and headcounts is having a profound effect on the availability of whole birds, boneless turkey meat, and parts. Recent slaughter data shows the number of turkeys processed year to date is down 10% from last year, which was an all-time record low. With recent announcements of plant closures, current and future supply is tight. Demand for parts is moderate and business on boneless breast meat is extremely strong. Market levels continue to move higher on boneless meat and parts.

Whole Birds – The market is steady to firmer. As more and more booking orders get confirmed, available supply continues to shrink on a weekly basis. With the supply side being challenged by recent HPAI news, market levels are being tested higher for the upcoming year.

Breast Meat – The market is firmer. Demand from retail deli and foodservice continues to be strong. With the recent plant closures announced across the industry, supply is limited. Market levels continue to be tested higher.

Wings – The market is steady. Export business on whole wings is fair and domestic volume on two-joint wings is adequate. Supply is available and varies by plant. The market is stable on Hen and Tom size wings.

Drums and Thigh Meat – The market is firmer. Export business for drums is moderate to good. Domestic demand for thigh meat is extremely robust from both the retail and foodservice channels. Supply is tight on parts and thigh meat. The market on drums is firm while thigh meat is being pressured higher.



SEAFOOD

White Shrimp – The market is unsettled. There are reports of downward pressure and price reductions, though current market ranges hold steady.

Black Tiger Shrimp – The market is steady. Demand is moderate to good and pricing levels are holding firm. Availability is tight on the premium sizes.

Gulf Shrimp – The market is firmer. Supplies are barely adequate to adequate while maintaining a firm undertone. Upward movement has been reported.

King Crab – The market is firmer. Overall supplies are tight, and pricing is firm. Demand is moderate to active.

Snow Crab – The market is firmer. Overall supplies are reported to be barely adequate amid moderate to active demand across all sizes and origins. Market levels are trading at the high end of established ranges.

Warm Water Lobster Tails – The market is in settled. Prime-sized tails are highly sought after and continue to be in tight supply. Larger tails continue to be over supplied with weak demand.

North American Lobster Tails – The market is steady and mostly unchanged. The bulk of trading continues to occur within previously established levels.

Salmon – The market is unsettled. Farmed salmon is unsettled with pricing influenced by sellers' supply positions. There are reports of offers above and below the current range. Wild salmon demand is moderate to firmer. West coast whole fish remains unquoted due to inadequate supply. Europe is reporting a steady market. Demand is moderate, while supply ranges from adequate to barely adequate. Chilean whole fish market is unsettled with offers fluctuating above and below the range. Supply is adequate with moderate demand.

Cod – The market is firmer. There is a steady to firm undertone in the market. Demand has improved, while supplies have tightened.

Flounder – The market is steady and mostly unchanged.

Haddock – The market is firmer. There is a steady to firm undertone in the market. Demand has improved, while supplies have tightened.

Pollock – The market is steady. Supplies are adequate with moderate demand.

Domestic Catfish – The market is steady. Demand for domestic catfish is static and being pressured a bit from the import market.

Tilapia – The market is unsettled while maintaining a firm undertone.

Swai – The market is steady and mostly unchanged.

Scallops – The market is steady to firmer. Supply is barely adequate, particularly for large sizes. Demand remains lackluster. However, there are reports of offers being fulfilled above and below the current range.



FLUID MILK

The market is steady. Seasonal upticks in farm level outputs were seen across most of the country this past week, despite wintry weather conditions. Milk availability is generally in balance with processing needs throughout the nation. Cream remains in abundance across the nation. Cream handlers are working to find processing homes for cream supplies. According to the USDA's latest report, component levels are shifting higher than expected. This is causing contacts to research new ways to utilize the surge in milkfat in the markets in recent months. In the East, milk production is slowly ticking ahead of the spring flush season. In the Southeast and Mid-Atlantic, production is slightly higher. Milk outputs from Florida are ticking higher ahead of the spring flush. In the Central region, despite very cold weather, milk outputs are seeing steady increases. Butter makers throughout the Central region are seeing busy churning schedules and taking in as much available cream for processing as possible. In California, milk production is seasonally strengthening. Milk volumes are noted to be comfortable in comparison to processing capacities in the region. In the West, milk production is steady to stronger. In the Pacific Northwest, milk production is noted as being mixed. Weather in the region has been a contributing factor to the lessened milk volumes. Manufacturers indicate milk volumes are sufficient for processing needs in the region. Demand from Class I is steady throughout the nation. Though butter makers are pulling cream regularly, extra cream loads are becoming more difficult to place. Some Class II buyers are hesitant to take on more than their contracted volumes, according to the USDA. Milk availability for cheesemakers is mixed and varies based on location. Class II demand for cheese varies from steady to lighter depending on the region. Demand for all other classes is steady.



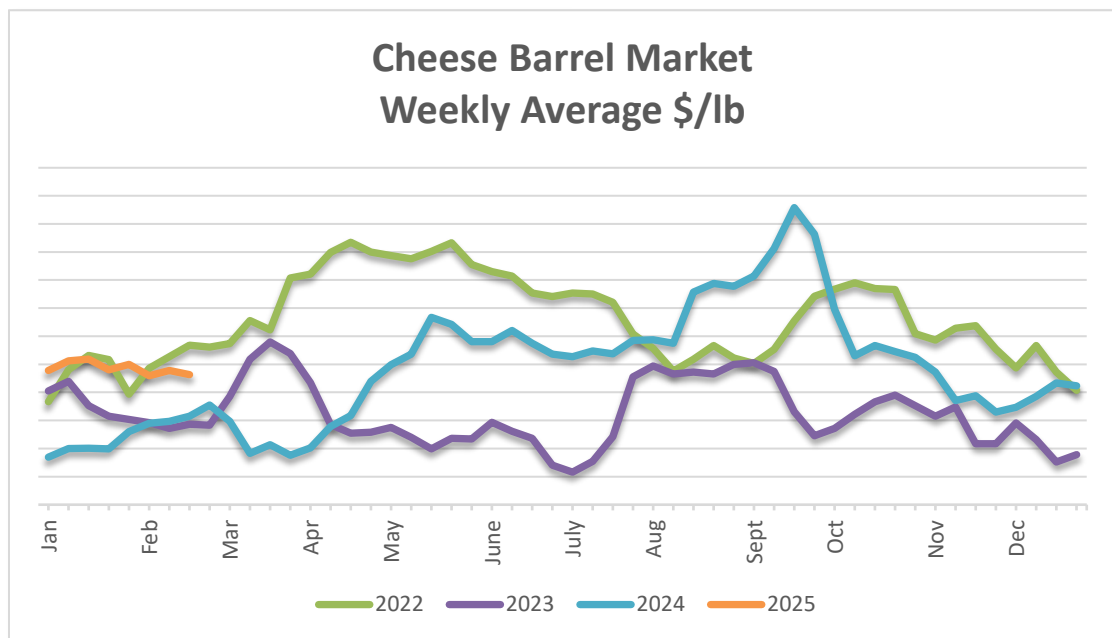
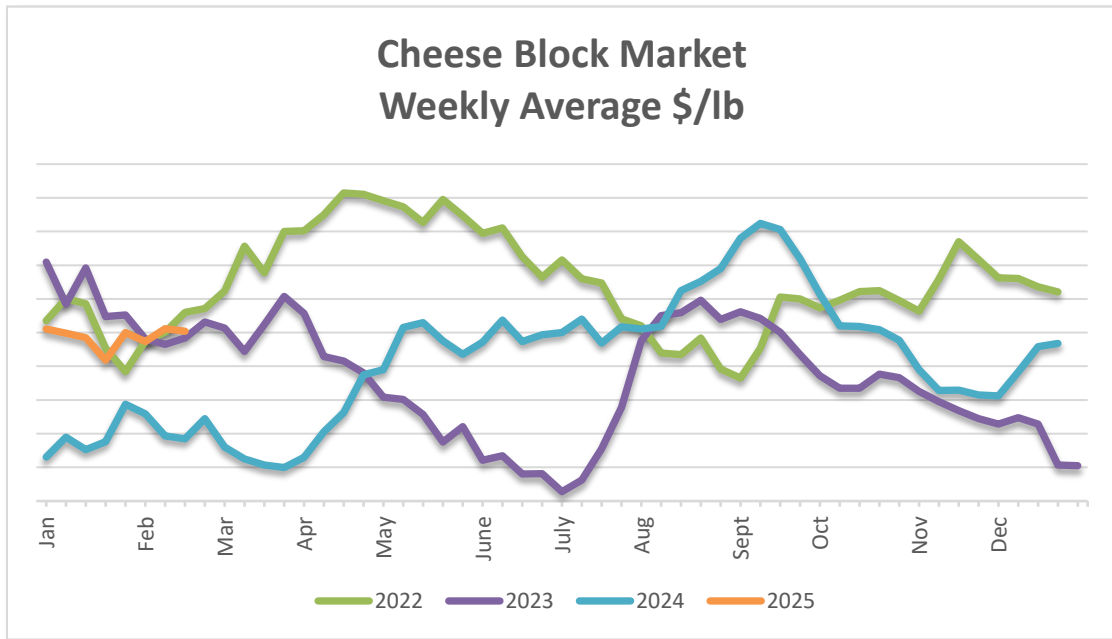
CHEESE

The market is mixed. The CME Block market moved weaker as the week progressed. The CME Barrel market was mixed as the week progressed. Both markets trended weaker than the prior week.

Special Note: The USDA has released their final ruling announcing changes to the Federal Milk Marketing Order system. As part of these changes, the Barrel Market will be eliminated from pricing effective June 1st, 2025. The final rule eliminates barrels from the Dairy Products Mandatory Reporting Program and will rely solely on the 40-pound block cheddar cheese price to determine the monthly average cheese prices.

Cheese production is trending from steady to stronger across the country. In the East, contacts report demand for cheese is seasonally steady. Increased interest in Italian cheese varieties have been noted in the region. Plenty of milk is available for cheese production in the region and steady production schedules are reported. In the Central region, contacts note mixed demand and seasonally slow sales. Production schedules in the region are reported as being mixed. Recent inclement weather and plant maintenance have kept several plants in the region from a full production schedule. In the West, cheese production schedules are reported to be steady. Many cheesemakers and distributors in the region indicate demand is in balance with supplies. Cheese inventories are sufficient to meet most retail and foodservice needs across the country. Demand from the retail sector is noted to be stronger than demand from the foodservice sector.

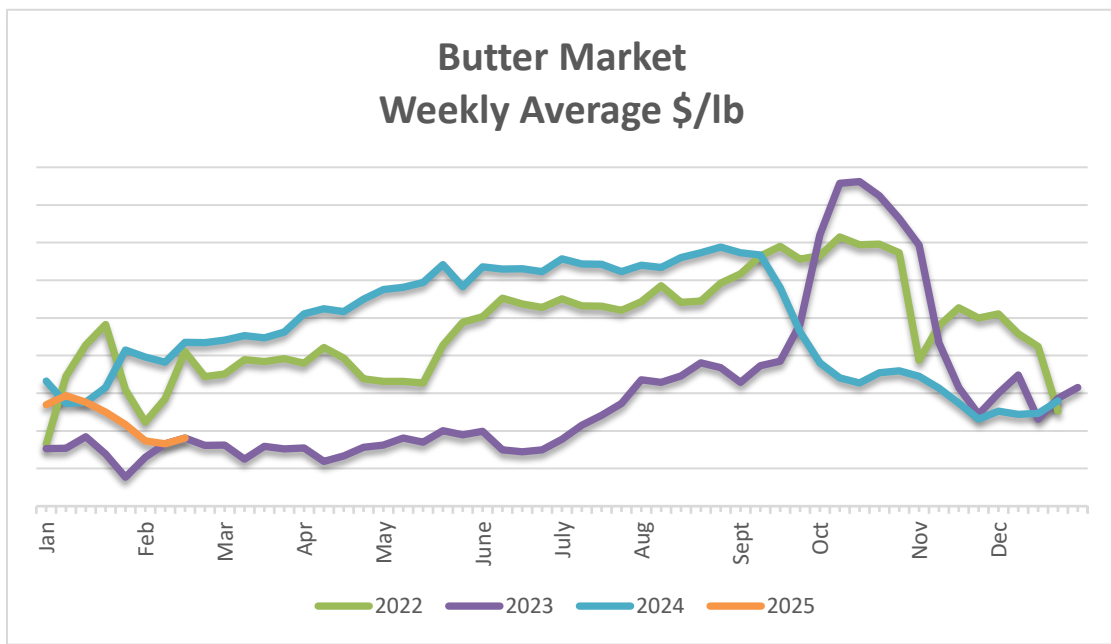
Milk production in Europe is seasonally strengthening. Some stakeholders note European milk production is below expectations in some areas, according to the USDA's latest report. Stakeholders note concerns over herd health as the primary contributor to weaker demand. Cheese manufacturing schedules vary from steady to strong. Industry sources note steady to strong retail demand for foreign type cheeses. Demand for foodservice for foreign type cheeses is noted to be steady to strengthening. Some manufacturers note strengthening demand from international buyers, according to the USDA. Export demand is mixed.





BUTTER

The market is mixed. The butter market was mixed as the week progressed and trended weaker than the prior week. Demand for butter varies from steady to lighter throughout the nation. Cream volumes at affordable prices are plentiful. Butter production schedules are busy as processors work through cream volumes. In the East, cream remains ample, and many handlers are hesitant to take on additional loads. Butter makers are weighing options to actively churn, to move butter into storage or sell extra loads of cream, according to the USDA's latest report. In the Central region, plant managers scheduled downtime ahead of recent inclement weather in the region, thus impacting production schedules. In the West, cream volumes are heavy. Butter manufacturers in the region are busy working through readily available cream volumes to build inventory for seasonal demands. Butter production is steady to stronger. Industry contacts note butter is moving consistently through current contracts. Some butter makers indicate unsalted butter inventories are lacking in availability to spot buyers.



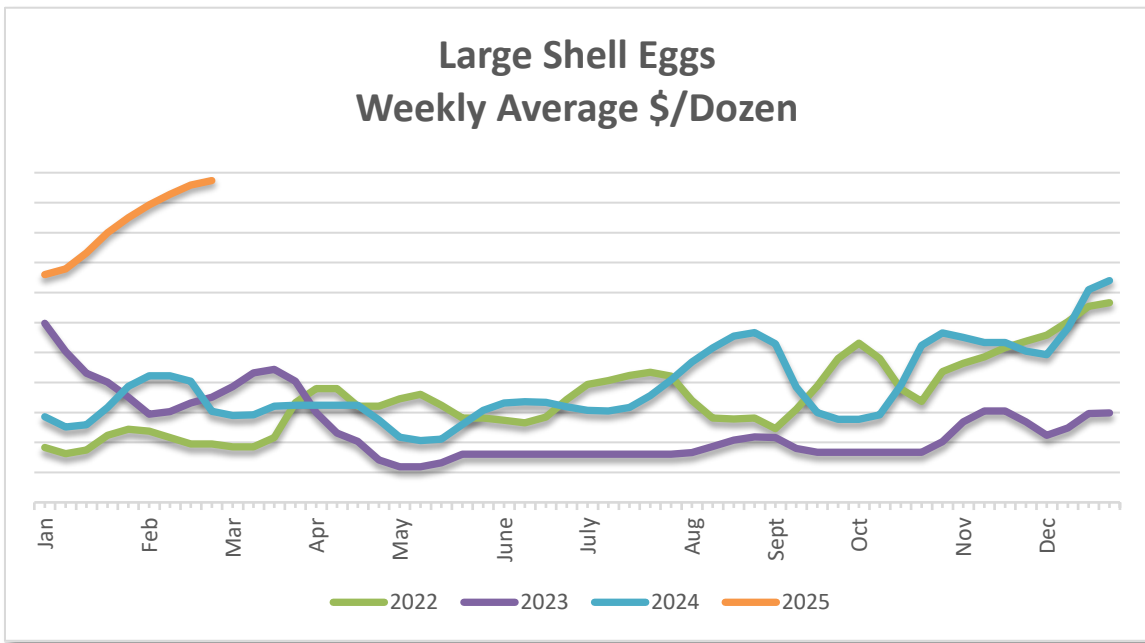
EGGS

The market is unsettled to steady. Retail demand is weaker. Rising shelf prices are heavily influencing consumer purchasing behavior, which has led to a pullback in retailer needs. Demand for the distribution and food service channels is unsettled to weaker. The food service sector is increasingly divided between quick-service restaurants (QSR) and sit-down dining. QSRs are seeing stable or improving traffic due to promotions and better weather, while sit-down restaurants are experiencing slower demand as they raise prices to offset record-high wholesale costs. Demand from Canada is strong with buyers actively seeking product.

Market levels are higher for medium and large sizes. National weekly reports show shell egg inventory up 3.8% and breaking stock inventory up 0.9% over last week.

Egg supplies remain critically low due to HPAI outbreaks, with suppliers struggling to meet demand despite reallocating products.

Demand in the egg products category is firmer. Demand for yolks is firmer. With the majority of the nation's shell egg supply directed toward the retail sector, processors in need of additional raw material are increasingly turning to liquid product. Demand for liquid whites is firmer for similar reasons as the liquid yolk market. The yolks and dried markets are firmer as the liquid market sees heightened activity.



OIL

Soy Oil

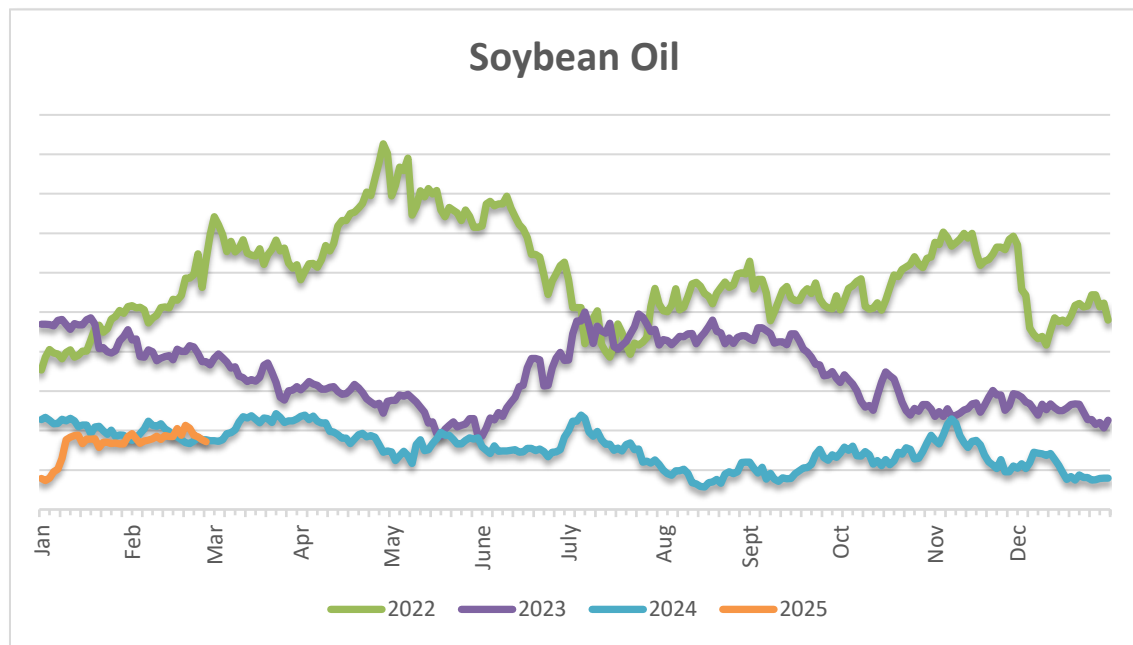
CBOT soybean oil futures were mixed this week with futures moving lower this week. South American supply is an unknown at the current time and political indecision is a topic of concern. Argentina is reporting favorable rain supply which is easing production concerns. Brazil is in harvest now and the combined production of both countries could result in record crop yield.

Canola Oil

The market is mixed. The market gained some relief after tariffs were extended reportedly until April 2, 2025.

Palm Oil

Crude Palm oil futures are expected to drop after the Ramadan season as production will increase. Indonesia has imposed restrictions on exports of used cooking oil and palm oil residue to support new Biodiesel blending mandates.



COCOA

The cocoa market is unsettled. Rising costs of cocoa are expected to increase the financial burden on chocolate producers and consumers. Supply issues for cocoa have been exacerbated by long lasting structural problems within the industry as seen in crop diseases and low wages paid to farmers. Cocoa trees take years to mature and produce pods, therefore recently planted crops will take years to produce a yield. Potential price volatility is expected due to financial pressure on this market. Price increases on cocoa and any products produced with cocoa should be expected throughout the year.

COCONUT

The coconut market is unsettled. Due to weather from typhoons and El Nino drought conditions, growing regions in the Philippines were impacted and caused production and transportation disruptions. Demand from China, Europe and the United States continues to rise. Additionally, packaging costs and operational disruptions have contributed to record-level prices. Any impacts from potential tariffs could further these issues as we progress through the year. Price increase on coconut and any products produced using coconuts should be expected throughout the year.

COFFEE

The coffee market is unsettled. Coffee prices hit a new high this week after threatened tariffs rattled nerves in the coffee market. Columbia is the third largest coffee-producing country in the world behind Brazil and Vietnam. Coffee prices are expected to continue soaring due to adverse weather in both Brazil and Vietnam. Drought and higher temperatures in Brazil during the fruit development and filling period caused Arabica and Robusta yields to fall below initial projections. Price increases on coffee should be expected to continue throughout 2025.

HONEY

The honey market is mixed. Concerns over tariffs threatened by the new administration against Mexico, Canada and the EU could result in price increases and tighten the overall supply of honey. According to Statistics Canada's December report, Canadian honey production was down 18% in 2024, despite an increase in both beekeepers and hives. In India, the Minimum Export Price (MEP) imposed by the government for honey has been extended through 2025. Organic honey from Brazil is expected to be tight through mid-2025 as price increases and logistics challenges plague the market.

IMPORTS

Tuna Varieties

Skipjack prices are increasing, driven by poor catches in the Western Pacific. Prices are expected to strengthen as we approach February.

Yellowfin yields are lower in Thailand, Vietnam, Indonesia, and the Philippines, with poor catches in the Western Pacific affecting supply. The current catch ratio when caught alongside skipjack is reported to be anywhere from 5-10%. Low supply is expected to continue through the following month.

Tongol catches are limited due to heavy rains in Asia, making fishing difficult. Packers expect improvement from January to February with better weather and the start of the catching season.

Albacore prices remain low due to weak demand. Some packers still hold excess stock and are selling at aggressive prices.

SUGAR

The sugar market is mixed. According to the February World Agricultural Supply and Demand Estimates report, the 2024/25 sugar supply was decreased from the prior month. Beginning stocks of beet sugar and imports are by the decreases in cane sugar production and imports.

Cane sugar production in the U.S. is down from last month as the reduction in Florida outweighs the Louisiana increases.

Beet sugar production has been raised and could reach a new record level if all indicators stay at the current level. Beet Sucrose Recovery has been increased meaning a higher possible yield than previously forecasted.

Mexico's 2024/25 sugar production is lowered by 235,000 metric tons. This reduction is primarily based on the lower estimate for sucrose recovery and lower area harvested derived from statistical analysis using data published by Mexico's National Committee for the Sustainable Development of Sugarcane.

WHEAT

The wheat market is mixed. The market is a bit unstable due to concerns over crop damage from winter weather in the Central US. Additionally, moderate drought has plagued certain growing regions in the Central and Northern Plains regions and is expected to continue that pattern through the end of March. According to the February World Agricultural Supply and Demand Estimates report, the U.S. wheat supply and demand outlook is for slightly higher domestic use and lower ending stocks. U.S. consumer demand for food products made from wheat flour is relatively stable. The global wheat outlook for 2024/25 is for slightly larger supplies and higher consumption. China's sluggish import pace of wheat is expected to be the largest import change for the year globally. This decrease is partly offset by increases that are expected for Russia, Kazakhstan, and Ukraine.

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

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Bakery, Beverages, Dairy, Dry Grocery, I.P.A.P.: Beth Hatter, Category Manager, ext. 5412

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