

# MARKET REPORT

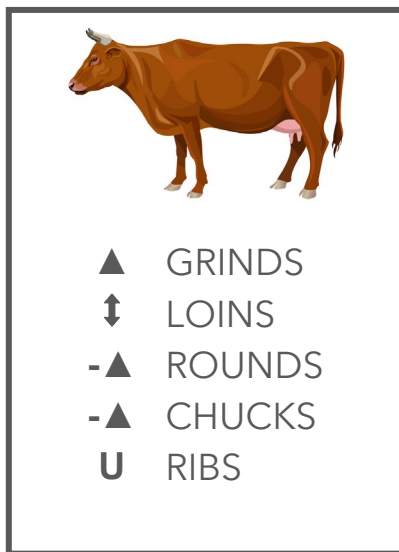
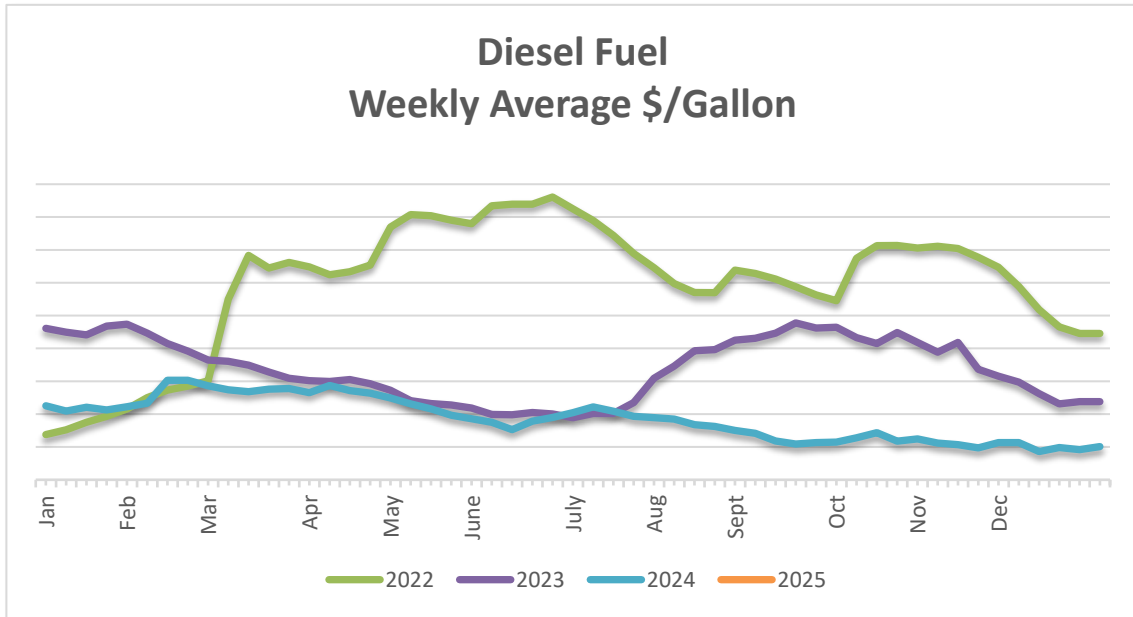


**WEEK ENDING | JANUARY 10, 2025**

Graphs represent data for the week ending January 3, 2025



# LOGISTICS



## BEEF

The market is firmer. Total beef production for last week was up 14.9% versus the prior week and down 6.5% compared to the same week last year. Year to date, total production is down 48.8% compared to the same period last year. The total headcount for last week was 498,000 as compared to 542,000 for the same week last year. Year to date, the total headcount is 273,000 head, which is down 49.7% from last year. Live weights for last week were up 2 lbs. versus the prior week and up 22 lbs. from the same week last year. The category is currently being driven by supply side economics. Packers are having to pay up money for live cattle in an unstable market. Suppliers are keeping production tight, and some are going to a 32-hour production week. Slaughter rates for the first week of the year were 44,000 less than the same week last year. Cattle futures were trending higher for February and April but have shown weakness over the past couple of days, which might be a signal of an overbought market. Beef demand continues to be moderate to good despite higher market prices. Dressed weights over the last month averaged 868 lbs. which is 3.8% above the 10-year average. Based on history, the industry usually enters a correction period where middle meats typically drop in value and end cuts move higher. Due to limited availability; wholesale prices are volatile, somewhat bullish, and mixed depending on supplier availability.

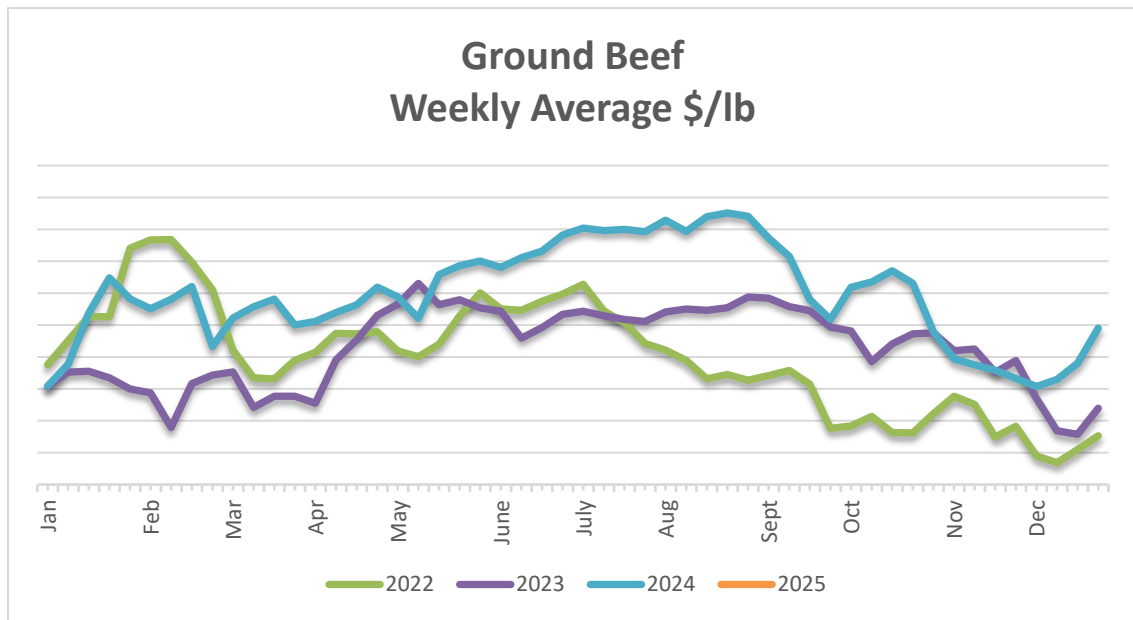
Grinds – The market is firmer. Demand is strong with improved food service and QSR volume following the holidays. Higher dressed weights are helping with added supply. Trade levels on 73% and 81% grinds have been moving higher.

Loins – The market is mixed. With average demand and limited supply, the market is being driven by supplier availability. Supply is available but varies by packer on choice and select product. Market levels are mixed depending on packer availability.

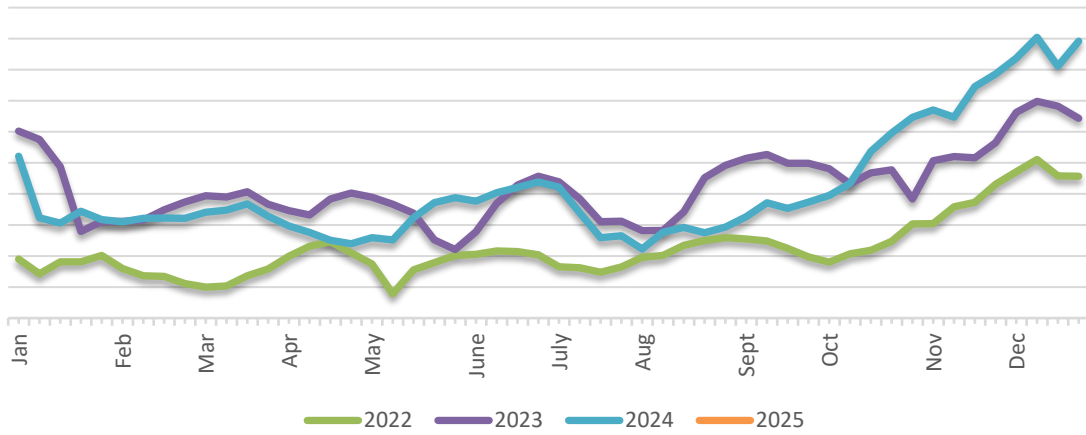
Rounds – The market is steady to firmer. Retail demand for rounds, XT insides, and denuded product are getting a bump in volume. The category is showing signs of being bullish to start the year. Supply varies by packer. Values on rounds, XT insides, and denuded product are inching higher.

Chucks – The market is steady to firmer. Retail features are creating more demand. Chuck roll volume hit a 52-week high in late November and supply is tight. Trade levels on chucks and clods are showing strength.

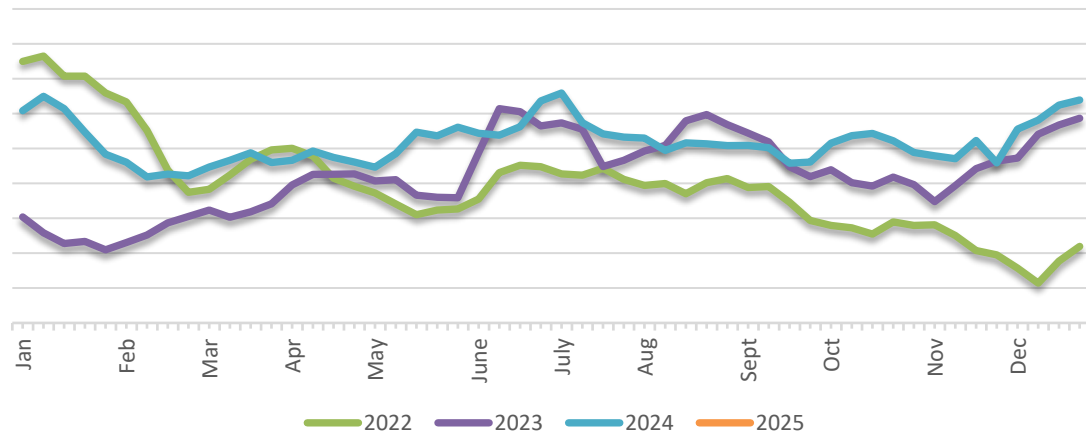
Ribs – The market is unsettled. Demand is fair at best, but limited supply is creating unpredictability. Availability is extremely tight and varies greatly by packer. Trade levels are being tested higher and lower depending on the day of the week and availability.

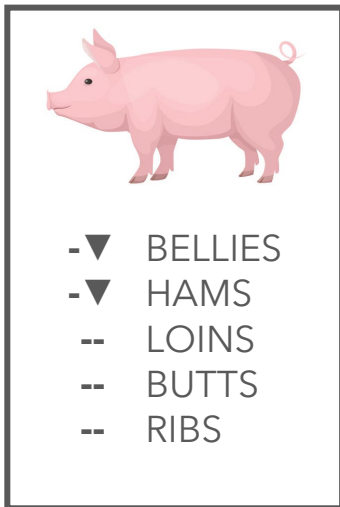
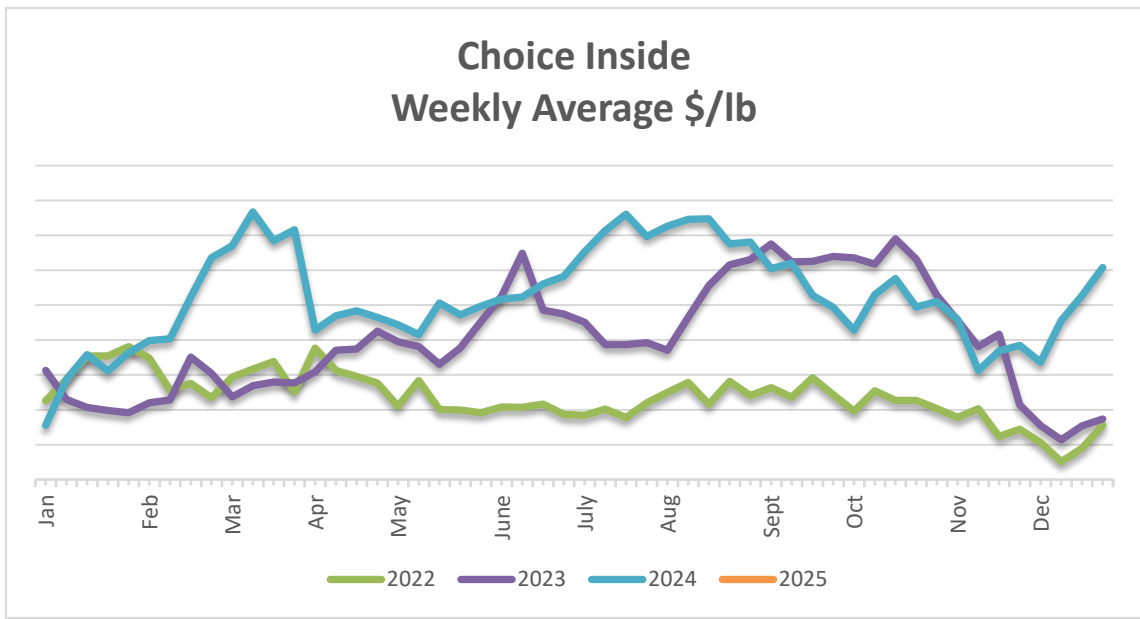


### Choice Ribeye Heavy Weekly Average \$/lb



### Choice Brisket Weekly Average \$/lb





## PORK

The market is steady to weaker. Total pork production for last week was up 11.6% versus the prior week and down 4.3% compared to the same week last year. The total headcount for last week was 2,288,000 compared to 2,369,000 for the same week last year. Live weights for last week were even at 0 lbs. compared to the prior week and down 3 lbs. versus the same week last year. Current demand patterns remain strong and fairly consistent. The November cutout value was the highest recorded in many years. The carcass cutout hit a record high for the month of December versus past years and is starting the year on firm footing. Activity on loins, butts, and value-added ribs is meeting industry expectations. Export volume to the Pacific Rim is fair at best. On the supply side, 2024 production was up 1.1% from 2023 levels. Based on the most recent WASDE report, supply for 2025 is expected to rise 1.9%. Breeding efficiency in 2024 hit a record high for pigs per litter. Lean hog futures were trending lower after being in an oversold situation for February and April. Market values in the key categories are mostly stable and holding within established ranges.

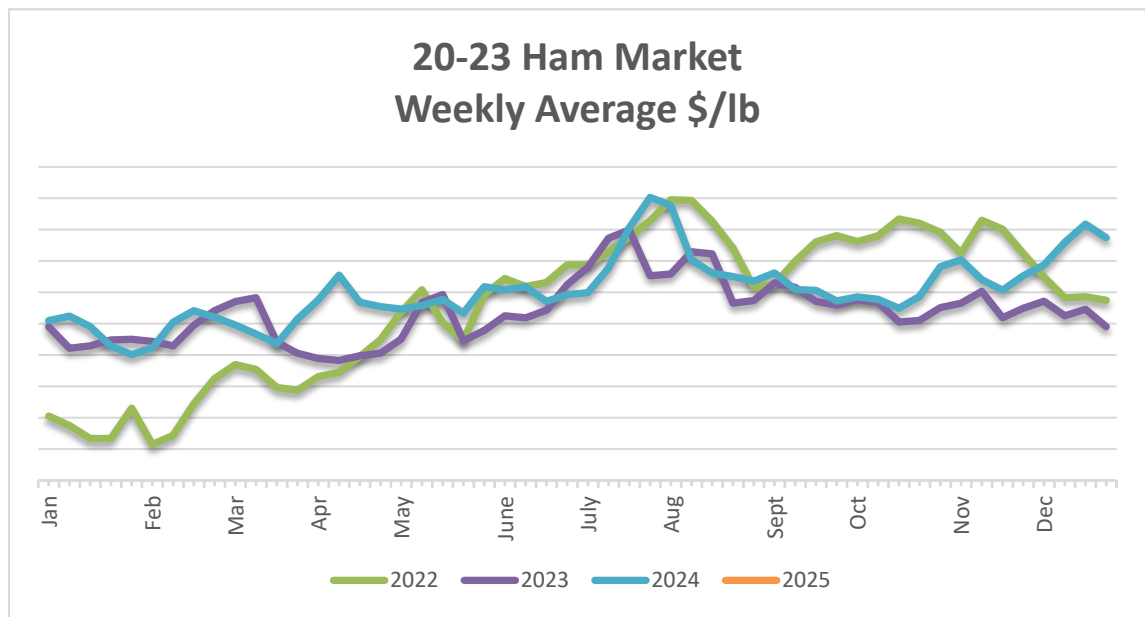
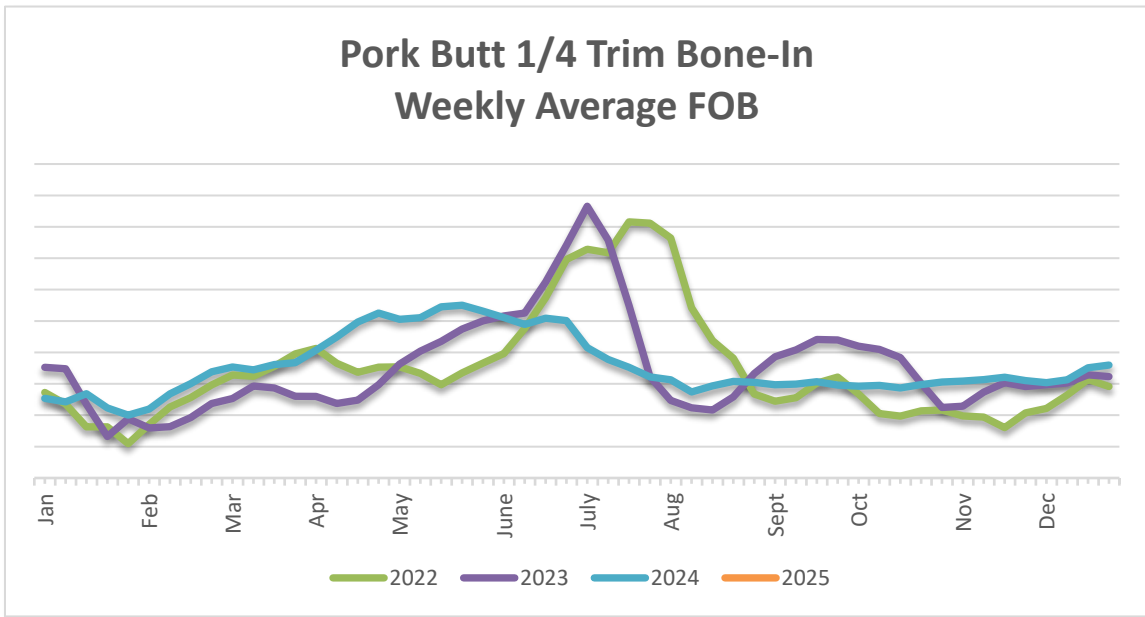
Bellies – The market is steady to firmer. Demand from retail and foodservice is vibrant even with higher-than-normal market prices. Supply of fresh and frozen material has tightened a bit. Primal belly values are being pressured higher.

Hams – The market is steady to weaker. Domestic demand has slowed following the holidays which is expected. Export business to Mexico has been soft recently. Supply is available with some excess. Market levels on green hams are trending lower.

Loins – The market is steady. December volume on bone-in and boneless loins was better than average. With higher-than-normal retail prices on beef, consumers’ demand is gravitating to pork chops. Supply is available. Market levels on bone-in and boneless are barely steady.

Butts – The market is steady. Domestic demand is strong and well supported by the retail channel. Export business is status quo for the time being. Trade levels are holding even.

Ribs – The market is steady. Buyers continue to purchase their weekly needs with caution. Supply varies by packer and plant. The market on spareribs, St. Louis Ribs, and back ribs is stable.







## CHICKEN

The market is steady. The total headcount for the week ending 1/4/2025 was 135,706,000 as compared to 144,226,000 for the same week last year. The average weight for last week was 6.70 lbs. as compared to 6.57 lbs. for the same week last year. With calendar year 2024 completed, the poultry category proved to be strong as the UB's chicken index was 15% higher than the 5-year average for the first half of the year and 27% higher for the last six months of the year. With higher-than-normal retail prices on other proteins, chicken remains relatively affordable for the consumer. With demand trending strong, market levels continue to hold firm across the key categories. Export demand to the Pacific Rim is moderate to good. The categories of WOGS, breast meat, tenderloins, and wings remain in balance from a supply and demand perspective. The supply side is improving gradually, and weekly slaughter numbers are rising slowly. Market values are well supported at the current time.

**WOGS** – The market is steady. Retail deli business is strong, and fast-food demand is fair to start the year. Supply is tight on premium sizes and cutting stock WOGS. Market levels are holding within established ranges.

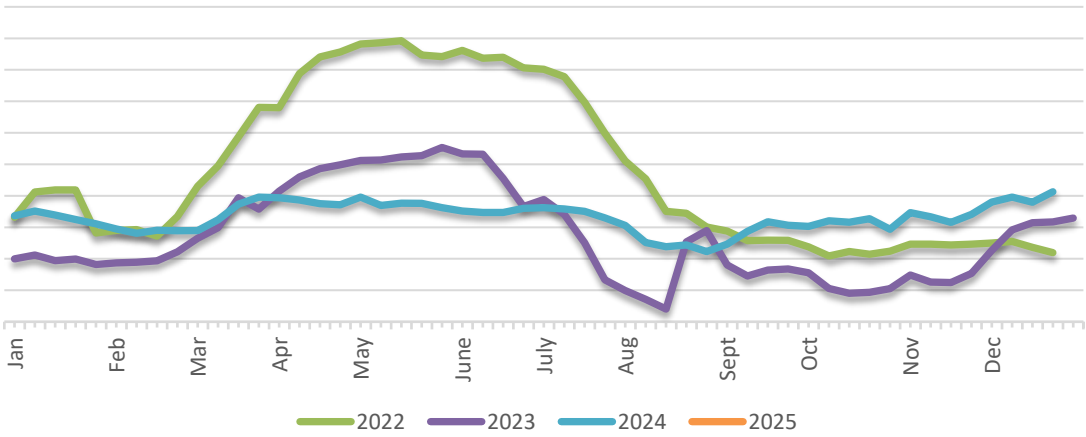
**Tenders** – The market is steady. Demand from foodservice and further processors is keeping the category well supported. Supply is in balance with demand on select and jumbo product. The market is holding even on select and jumbo sizes.

**Boneless Breast** – The market is steady. Retail and food service demand remains strong as breast meat is an affordable option for protein. Supply is available. Market on jumbo and medium sizes are mostly flat.

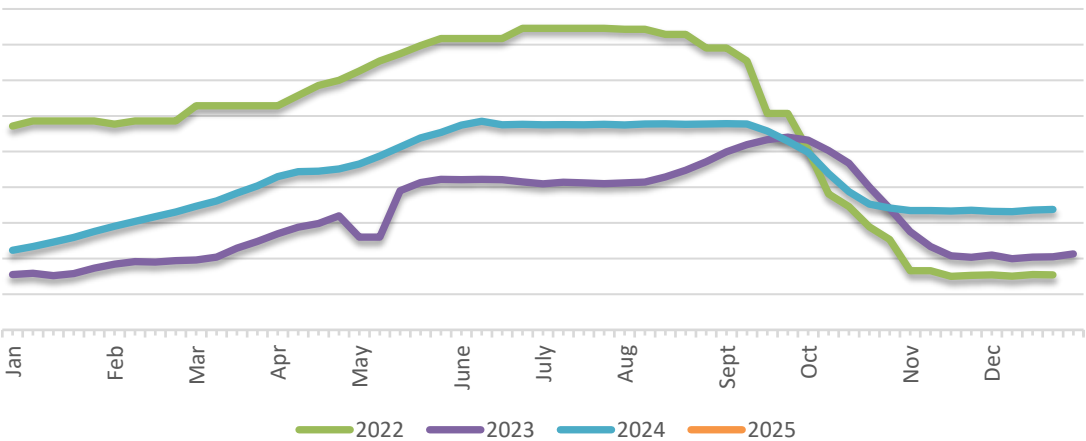
**Leg Quarters and Thighs** – The market is steady. Domestic demand for leg quarters and thigh meat is flat. Export activity for back-half parts may become irregular due to export restrictions in response to recent HPAI news. Supply is available and varies by plant. Market levels on back-half parts and dark meat are moving sideways.

**Wings** – The market is steady. Food service demand is vibrant and tends to remain active with post season football underway. Supply is available but limited. The market is flat on all sizes.

### Chicken Plant Grade, 2.5 lbs & Up Weekly Average \$/lb



### Chicken Tenders Weekly Average \$/lb







## TURKEY

The market is steady to firmer. The total headcount for the week ending 1/4/2025 was 2,751,000 as compared to 2,746,000 for the same week last year. The average weight for last week was 35.23 lbs. as compared to 32.44 lbs. for the same week last year. The turkey category for the last 12 months has been driven by the supply side of the industry. With compounded year-over-year reductions in hatchery and headcounts, availability on whole birds and bone-in parts has been somewhat restricted. Demand for whole birds is static while demand for turkey parts and boneless breast meat has shown some vibrance recently. Market levels continue to be being tested higher on breast meats and parts.

**Whole Birds** – The market is steady. Demand is limited to buyers on the spot market. With the booking season getting underway, demand trends for calendar 2025 will start to develop. Supply is available and varies by size. Market levels are being tested as customers put forth their volume estimates for the upcoming year.

**Breast Meat** – The market is steady to firmer. Demand from the retail deli and food service channels is picking up. As further processors replenish finished inventory, supply has tightened up considerably. Market levels have been trending 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 mostly flat.

**Drums and Thigh Meat** – The market is steady to firmer. Export business for drums is moderate to good. Domestic demand for thigh meat is on the rise due to foodservice demand. Supply is tight on parts and thigh meat. The market on drums is holding even while thigh meat has been moving higher.



## SEAFOOD

**White Shrimp** – The market is steady. Demand for headless shell-on and HOSO categories remains moderate. Pricing varies greatly depending on the origin and U.S. spot market levels. Supply from Asia is available in most sizes. Replacement costs have leveled out.

**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 steady. Demand is fair to start the new year. Supply is limited which is providing some short-term market stability.

King Crab – The market is firm. Supply levels remain tight as Russian king crab levels have been removed due to lack of trade and supply. Supply is tight and pricing is firm.

Snow Crab – The market is steady to firmer. Strong demand across all sizes and origins is being reported. Inventories vary by supplier. Market levels are trading at the high end of established ranges.

Warm Water Lobster Tails – The market is steady. 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. Imports from Canada into the United States increased about 21.9 percent in September and are now about 9.2 percent higher for the year.

Salmon – The market is steady. Farmed salmon is holding within established trading ranges with adequate supplies being reported from various regions of the world. Wild salmon demand is moderate. With full supply, market values are mostly flat.

Cod – The market is steady and mostly unchanged. There is a steady to firm undertone in the market. Demand is fair at the current time.

Flounder – The market is steady and mostly unchanged.

Haddock – The market is steady and mostly unchanged.

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 steady and mostly unchanged.

Swai – The market is steady and mostly unchanged.

Scallops – The market is steady to firmer. Mid-Atlantic scallops are holding firm with some recent upward market pressure. Supply is tight due to limited landings.



## FLUID MILK

The market is steady. Farm level milk production is reported to be strong and improving across the nation. Steady volumes are reported out of the East and Central regions and improving in the West. Farm level milk outputs are steady across the Eastern states.

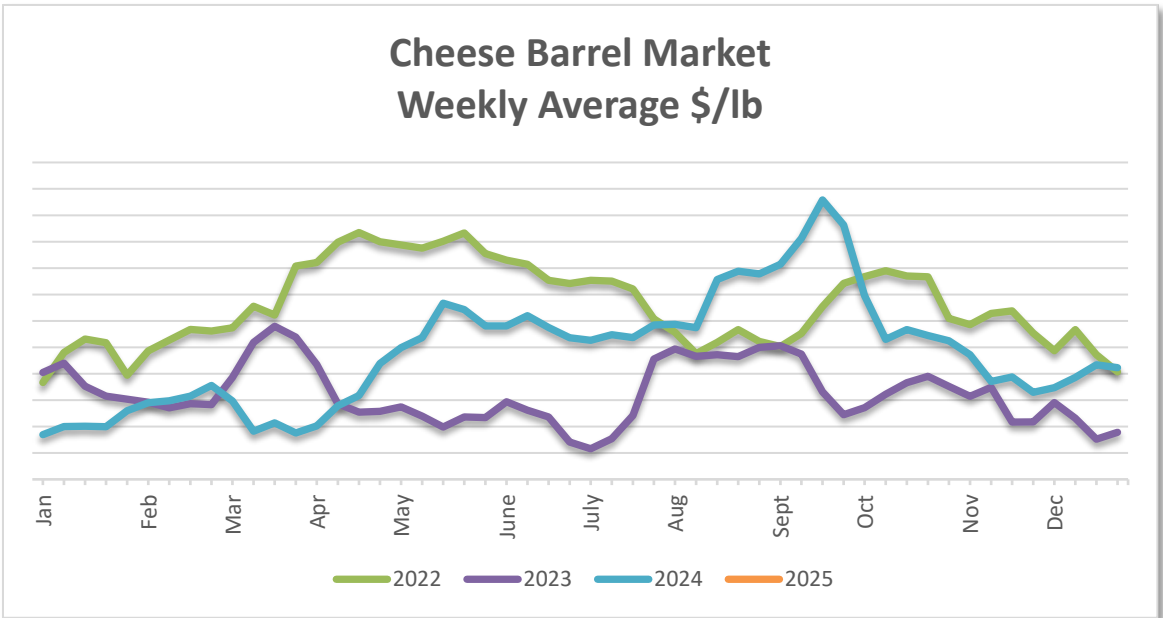
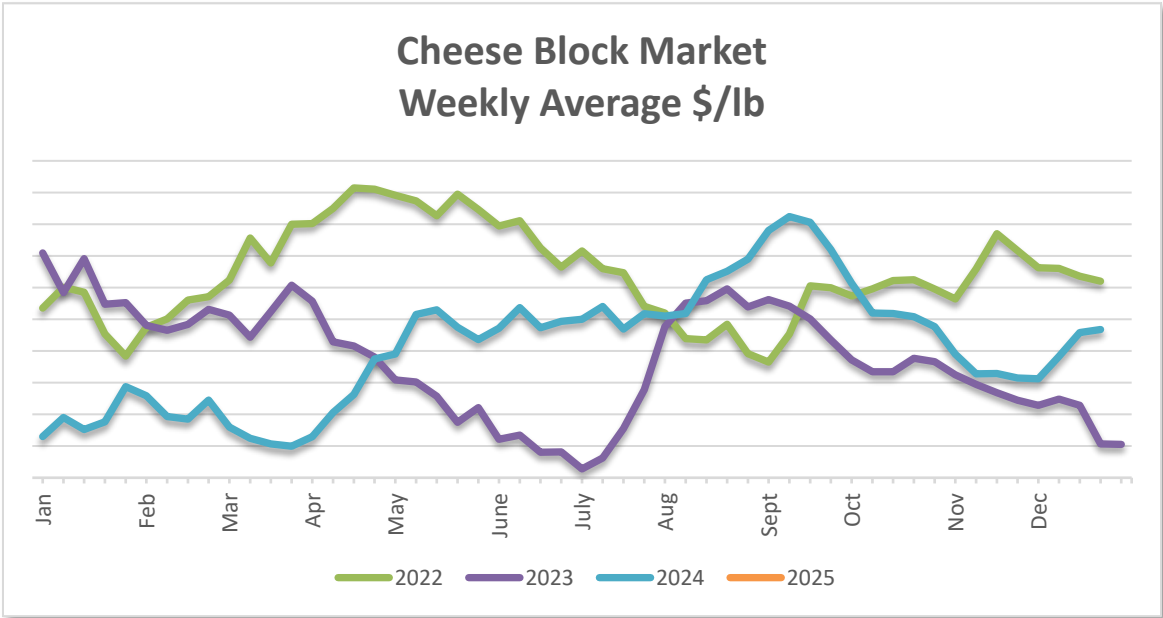
Farm level milk production in the Northeast is reported as steady. Demand in the Southeast is steady as cooler temperatures move through the region. In California, processors have been running lighter schedules though milk and cream have been more available as of late. In the Southwest, cooler weather has improved cow comfort and milk output numbers. Cream is ample in the mountain states but reported as somewhat steady in the coastal areas. Protein and component levels were regularly reported at respective records through the last day of the year. This trend is expected to continue into 2025. Cream handlers are working around the clock to find destinations for their cream tankers as some truckers are tackling lengthier routes amid weather conditions and plant downtime. Class I demand slowed nationwide in December as schools shuttered for holiday breaks. Demand has yet to pick up in the East and Central regions but is expected to pick up in the West soon. Cream availability continues to build up across the nation. Demand from Class IV is steady to light. Class III demand is strong while Class I demand is expected to regain strength in the coming weeks as schools reopen.



## CHEESE

The market is mixed. The CME Block market moved slightly weaker as the week progressed. The CME Barrel market was mixed as the week progressed. Milk availability for cheese production is increasing in the East. Both markets trended slightly firmer than the prior week. In the Central region, demand has been variant over the holidays weeks as processors report continued strong demand while others report a noted slowdown. In the West, cheese production is mixed. Milk production has strengthened in recent weeks leaving plenty of volume available for cheese manufacturers. Production has been steady to lighter around the end of year holidays. Some plant managers note they are operating below capacity due to holidays time off and slower deliveries over the past two weeks. According to the USDA's latest report, buyers note cheese is snug but remains available for purchase. Demand for cheese is steady from retail customers while foodservice demand is mixed. Domestic demand for cheese is strong though contacts note export interest is lighter.

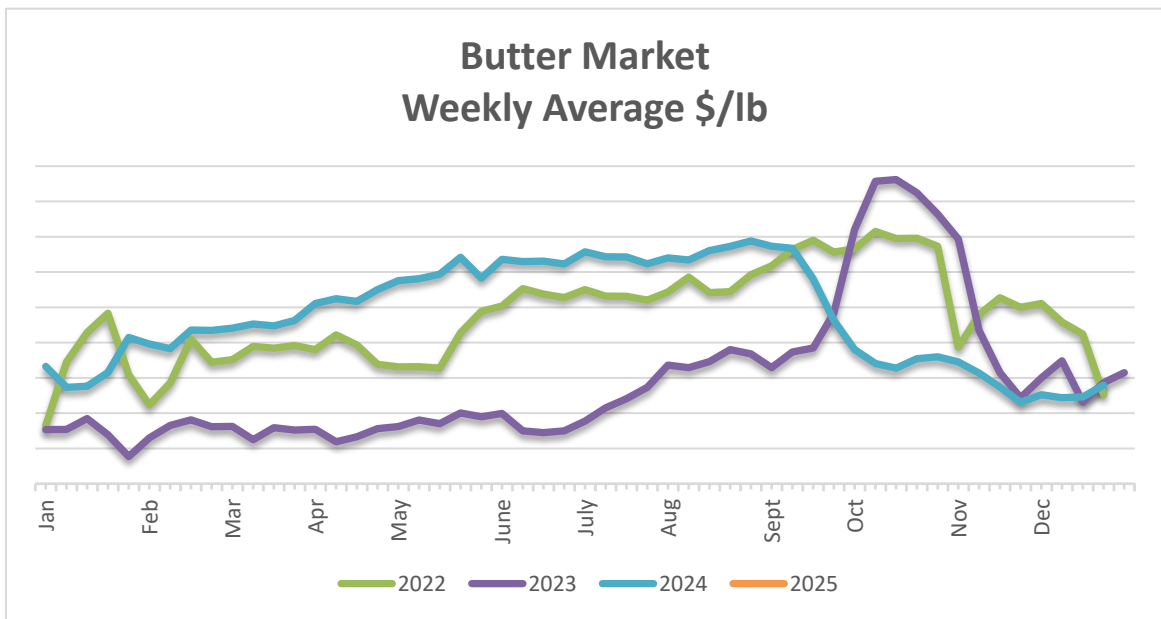
In Europe, milk production has been down in December 2024 compared to the prior year. According to the USDA's latest report, lower milk intake volumes combined with year-end holidays have contributed to some cheesemakers running lighter production schedules. Retail demand for foreign cheese is steady. Contacts report the end of year holidays have had a negative impact on foodservice demand for foreign type cheese. International demand for foreign type cheese is seasonally light. Spot inventories of foreign type cheeses are somewhat firmer.





## BUTTER

The market is firmer. The butter market moved firmer as the week progressed and trended slightly firmer than the prior week. Cream volumes have continued to be abundant across the nation and contacts don't expect volumes to tighten this quarter. In the East, cream is readily available for butter makers. Cream is plentiful in the West and spot loads of butter have been available for purchase. Butter makers have been running lighter production schedules over the past couple of weeks due to holidays though they expect to return to regular schedules this week. Inventories are reported as steady in the East while the Central and West inventories are reported as slightly lighter due to slower holiday production. Demand for Class II and III is steady but not as strong as expected. According to the USDA's latest report, contacts note that cream contracts are favorable for processors and spot cream demand may be slower in the early part of the year. Retail demand is steady, and foodservice demand is reported as light to steady.



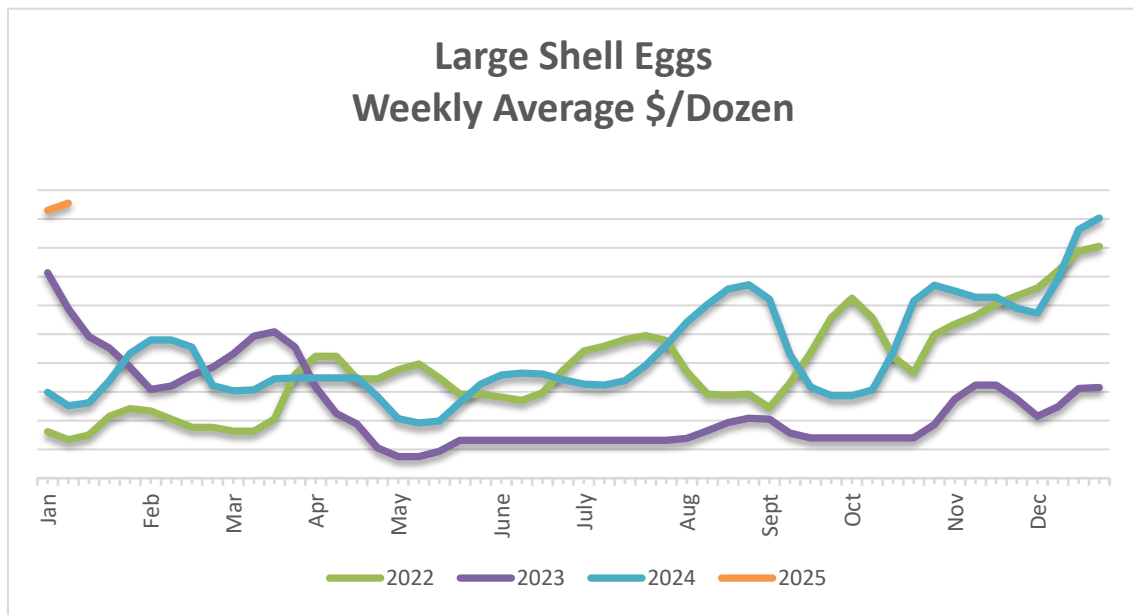


## EGGS

The market is steady to firmer. Retail demand is reported to be strong and driven by grocers in regions with wintry weather. Despite historic wholesale prices, many retailers have been slow to raise retail pricing with the intention of preserving foot traffic as inclement weather is forecasted for parts of the country. Demand for the distribution and food service channels is mixed. Larger distributors are generally steady, while smaller operators are grappling with record-high prices and resorting to hand-to-mouth purchasing or sourcing smaller quantities on an as needed basis.

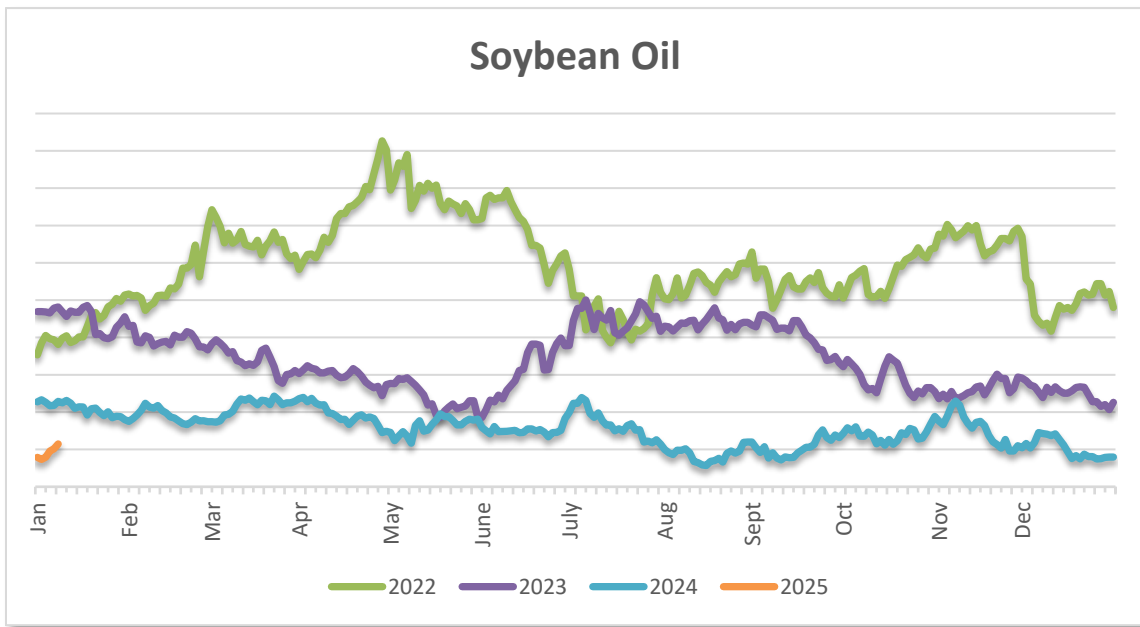
Market levels are higher for medium and large sizes. National weekly reports show shell egg inventory up 2.1% and breaking stock inventory up 7.0% over last week.

Demand in the egg products category has improved. Demand for yolks is firmer as food manufacturing channels regain momentum post-holiday. 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 steady to firmer as the liquid market sees heightened activity.



## SOY OIL

The market continues to be weaker. The market closed slightly higher on Wednesday, but still no sizeable correction forecasted. The USDA reports show upcoming higher than expected soybean acreage and yield. Despite recent activity, there is still a bearish undertone to futures, and it is keeping the market lower than expected.



## 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.

## COFFEE

The coffee market is unsettled. Coffee prices are expected to continue soaring due to adverse weather in Brazil and Vietnam, two of the world’s largest coffee growers. 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.

## GLOVES

The transfer of nitrile glove orders from China following U.S. tariffs on Chinese nitrile medical exports is ongoing. Because of the increase in demand from Southeast Asian glove manufacturers, there is potential that raw NBR (nitrile butadiene rubber) shortages will become more acute beginning in Q2. Many manufacturers typically reduce capacity in late Q1 and Q2 due to equipment maintenance, so we must watch how that plays out in 2025. As a reminder, the U.S. Trade Representative announced tariffs in September that will see import duties on Chinese medical-grade gloves jump to 50% in 2025 and further to 100% by 2026, a significant increase from the current 7.5%. With a new U.S. administration beginning in January, there is also a potential for a future increase in tariff rates.



When it comes to latex disposable gloves, production is being impacted by the wet season. Thailand is the world's largest natural rubber exporter. Recent flooding in Thailand may cause natural rubber output to decrease by 320,000 metric tons. This decrease is because farmers will have a harder time tapping rubber trees.

The supply chain continues to experience volatility due to geopolitical tensions, rising transportation expenses, higher labor costs, and seasonal impacts.

## **HONEY**

The honey market is mixed. The annual U.S. Beekeeping Survey reported the highest colony losses in at least a decade (55%) due to the increasing presence of varroa mites in hives. Concerns over tariffs threatened by the incoming Trump administration against Mexico, Canada and the EU could result in price increases and tighten the overall supply of honey. The U.S. Department of Commerce has postponed the final determination on their ruling for duty rates for Period of Review 1 (POR1) in the Raw Honey case, which was expected in early January 2025, citing unprecedented workload. 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**

Canned Pineapple – A limited supply of canned pineapple and pineapple juice concentrate (PJC) is being reported. There is a shortage of these two commodities stemming from crop issues in Thailand over the last five years. In addition, Indonesia and the Philippines have been challenged since 2023 due to the El Niño weather event.

The Indonesian crop in 2023 decreased by 10% and is expected to be below the 600,000 metric ton benchmark. The Philippines' crop was also affected by El Niño last year and was reported to be down 10% year-over-year. The production in Indonesia is 20% below usual volumes.

In the Philippines, a production shortfall of 15 to 20% is creating additional constraints. Markets are reacting to reports that the southeastern pineapple crop is not projected to recover anytime soon which is causing product prices to be pressured higher.

## **SUGAR**

The sugar market is mixed. According to the December World Agricultural Supply and Demand Estimates report, the 2024/25 sugar ratio is raised from the prior month as larger imports have offset lower beginning stocks. Beet sugar production for 2024/25 is flat compared to the previous two years. Cane sugar production in the U.S. is down 2% from last year. Total U.S. sugar output is reported to be 1% lower than last year's record. Mexico's 2024/25 forecasts are unchanged as the increase in sugar headed to the United States is offset by a decrease to other countries.

## **WHEAT**

The wheat market is mixed. The market saw a bit of volatility this past week as markets were moving off the lows that occurred before Christmas. Cold temperatures and snow hit the US Plains this past week as a winter storm rolled through the region. According to the USDA, cumulative U.S. export sales are well ahead of the same point last year. Exports for the U.S. were raised in December, and increases were supported by the fast pace of export sales and shipments as well as smaller export forecasts from competitors like Russia and the European Union (EU). Forecasts for the EU are lower as smaller crop was produced. That said, the EU remains as the second largest global supplier. Canada and Australia are forecasted to have larger crops and exports year over year. Wheat exports from the U.S. are expected to remain as the fifth largest supplier in the world.

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

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**Dry Pasta, Non-Foods & Chemicals, Redistribution, Spices:** Steve Moulthrop, Category Manager, ext. 5451

**Appetizers, Eggs, Frozen Fruits & Vegetables, Pickles, Produce, Seafood:** Gabriel Tegenkamp, Category Manager, ext. 5432

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

**Bases, Canned Fruits & Vegetables, Dressings, Dry Commodities, Imports, Oils:** David Sonnon, Category Manager, ext. 5436

