



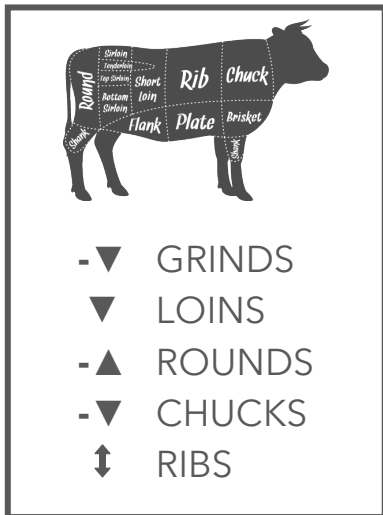
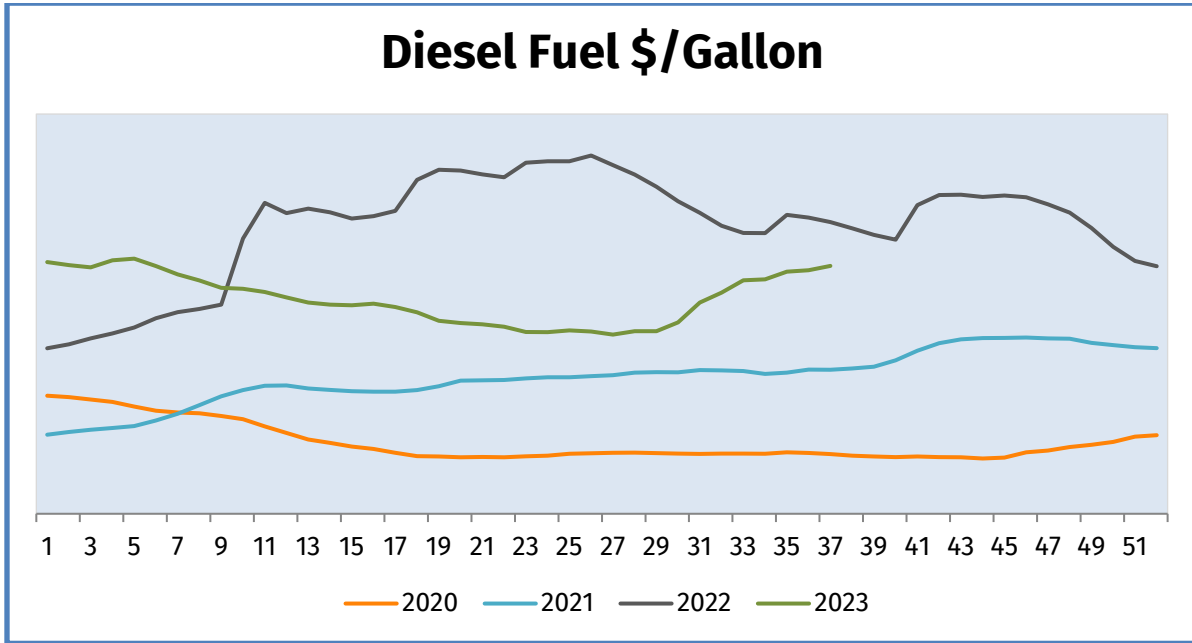
DIFFERENT
by design



Market Report

WEEK ENDING | SEPTEMBER 15, 2023

Graphs represent data for the week ending September 8, 2023



BEEF

The market is mixed. Total beef production for last week was down 10.8% versus the prior week and down 8.6% compared to the same week last year. From year to date, total production is down 5.0% compared to the same timeframe last year. Total headcount for last week was 559,000 as compared to 606,000 for the same week last year. Year to date, total headcount is 22.37 million head which is down 4.2% from last year. Live weights for last week were up 4 lbs. with the prior week and down 12 lbs. from the same time last year. Choice and select cutouts moved lower as the loin and brisket primal categories started showing some weakness. The supply side continues to be tight with shortages being reported. In the month of August, cattle on feed declined for the 11th consecutive period. Cattle futures are at historical highs and are unsettled in the months of October and December. Heifer slaughter rates dropped below last year for the months of June and July which could be a sign that heifers are being retained for herd expansion. Demand is moderate with limited forward purchasing for beef features and promotions. With the summer grilling season completed, some primals are showing soft undertones.

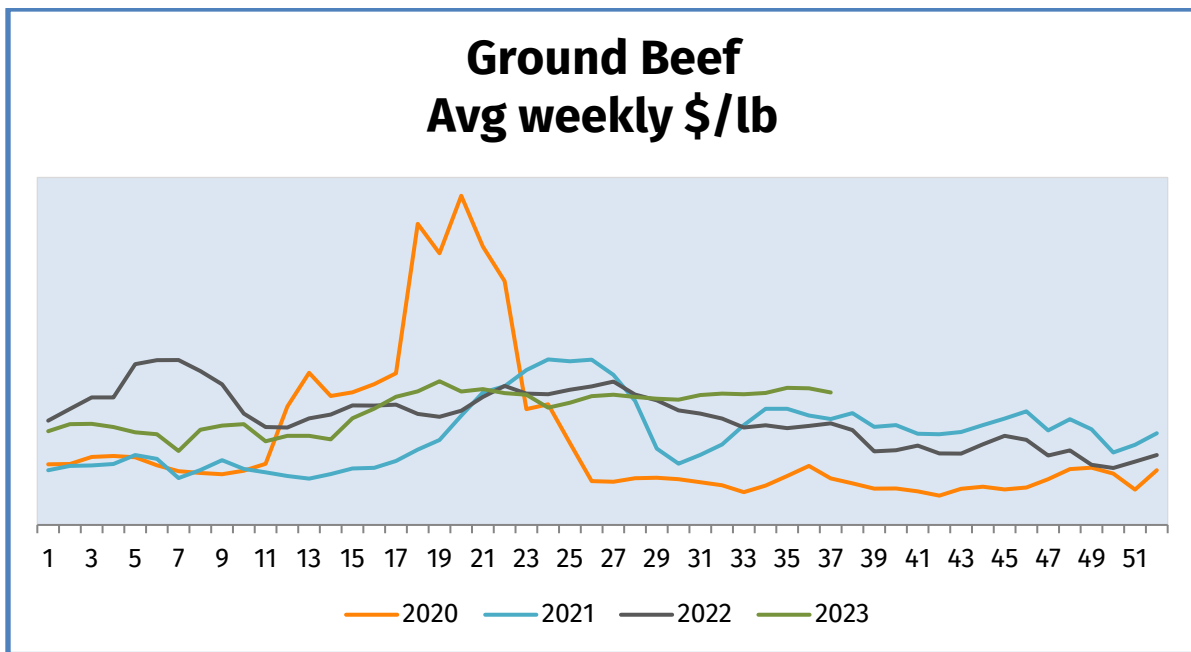
Grinds – The market is steady to weaker. Demand is reported to be fair but has slowed a bit after summer. Availability varies among the packers. Market levels on 73% and 81% grinds are being pressured slightly lower.

Loins – The market is weaker. Following Labor Day, fewer features and softer demand is the common theme. Availability remains mixed between the packers. Trade levels dropped about 20% from the June highs, held steady in August, and are now moving lower.

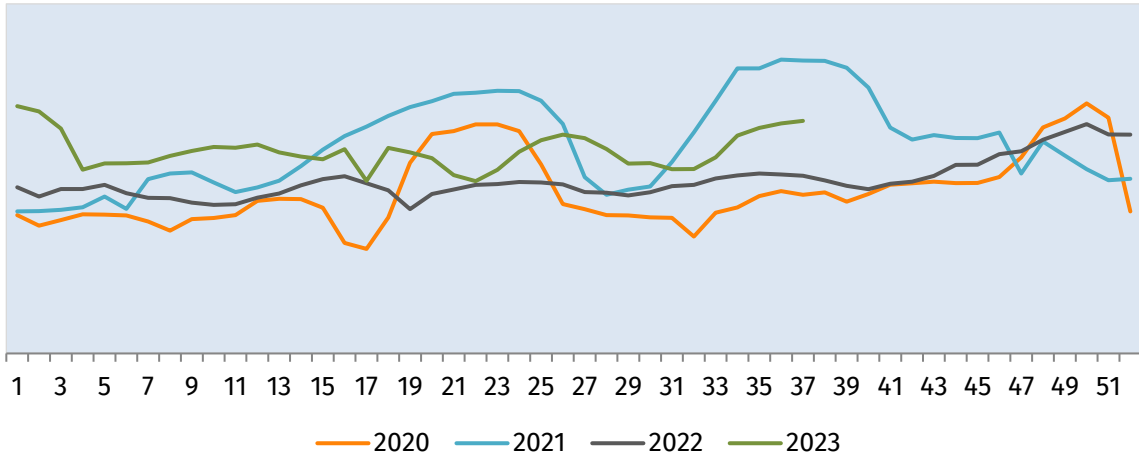
Rounds – The market is steady to firmer. Demand has shown a slight improvement with cooler temperatures. Availability varies among packers. The market on inside cuts was moving sideways and is now moving higher.

Chucks – The market is steady to weaker. Overall demand is moderate to soft. Supply varies by supplier and specific cut. Markets levels have soft undertones and pricing is being pressured lower.

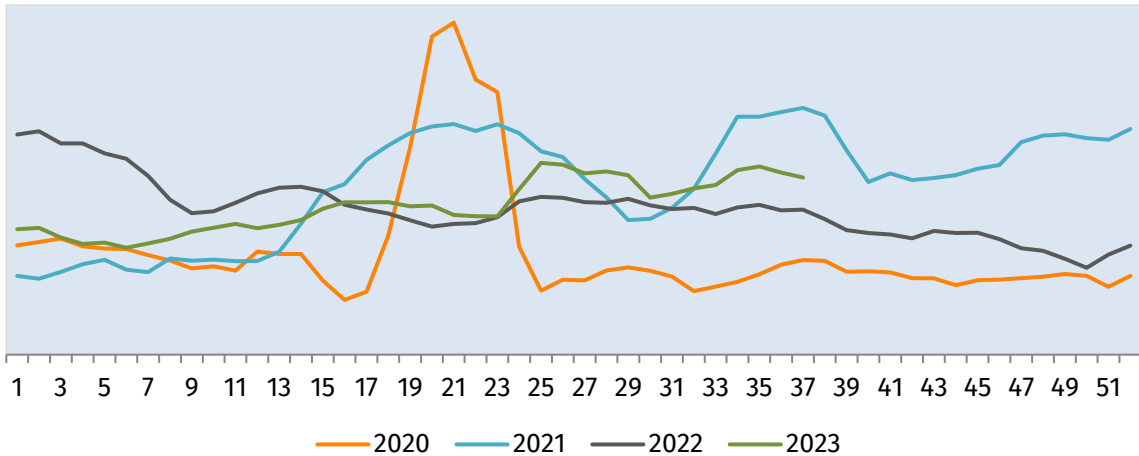
Ribs – The market is mixed. Demand from retail and foodservice is moderate, but market activity could change as we move into the Fall months. Availability varies depending on the supplier. Trade levels are choppy with some packers showing price strength and others showing price weakness.

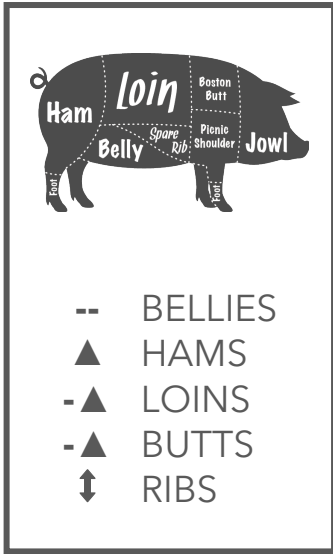
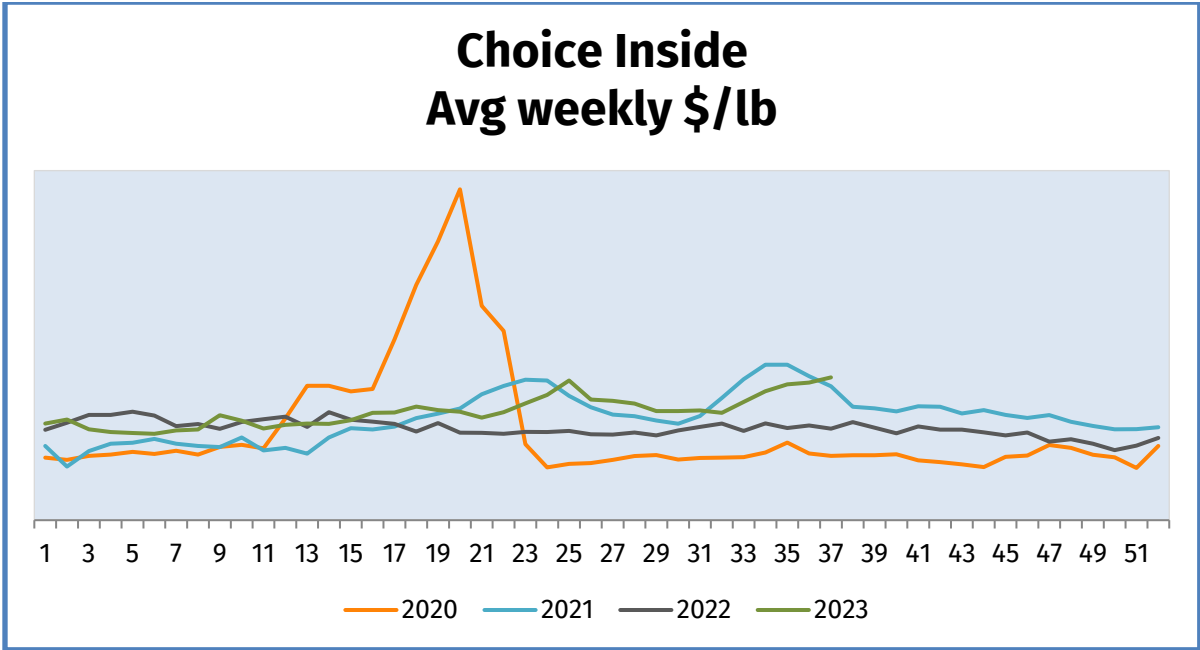


Choice Ribeye Heavy Avg weekly \$/lb



Choice Brisket Avg weekly \$/lb





PORK

The market is steady to firmer. Total pork production for last week was down 6.4% versus the prior week and down 3.5% compared to same week last year. Total headcount for last week was 2,234,000 as compared to 2,252,000 for the same week last year. Live weights for last week were down 1 lb. compared to the prior week and down 7 lbs. versus last year. Weekly hog slaughter continues to be consistent and YTD numbers are slightly exceeding last year. The pork cutout dropped about 10% in August, but is now moving higher on bellies, hams and ribs. Export volume remains fair. Production levels for September are reported to be adequate for the time being. Strong undertones are starting to develop with purchasers watching the market closely after the holiday.

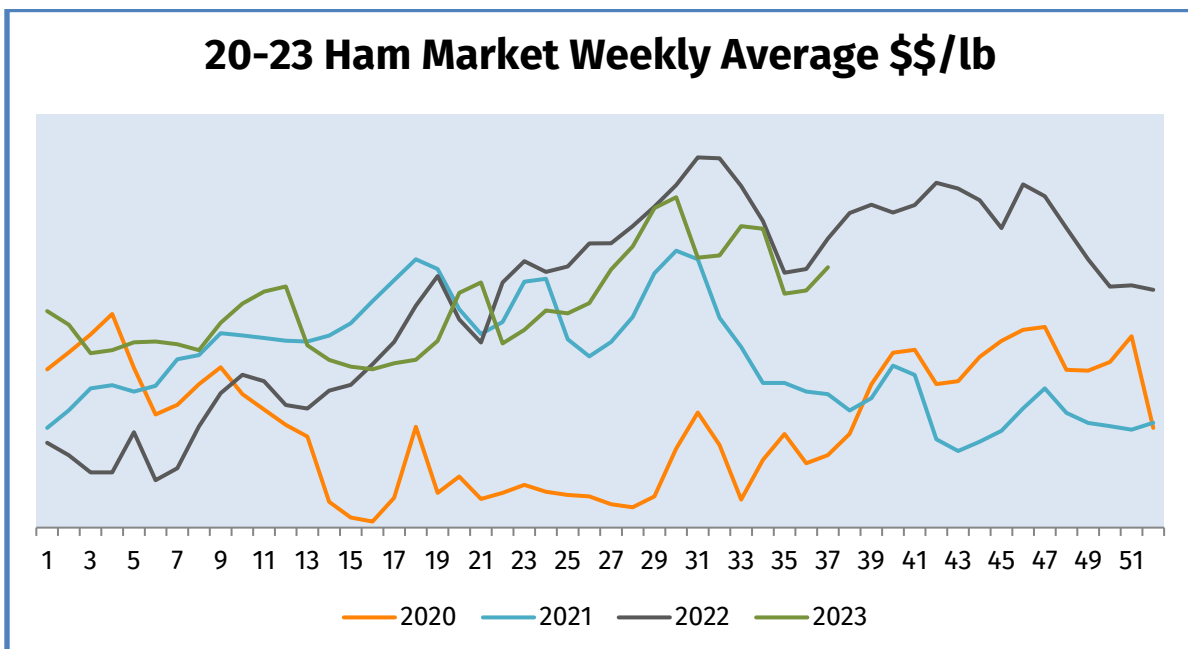
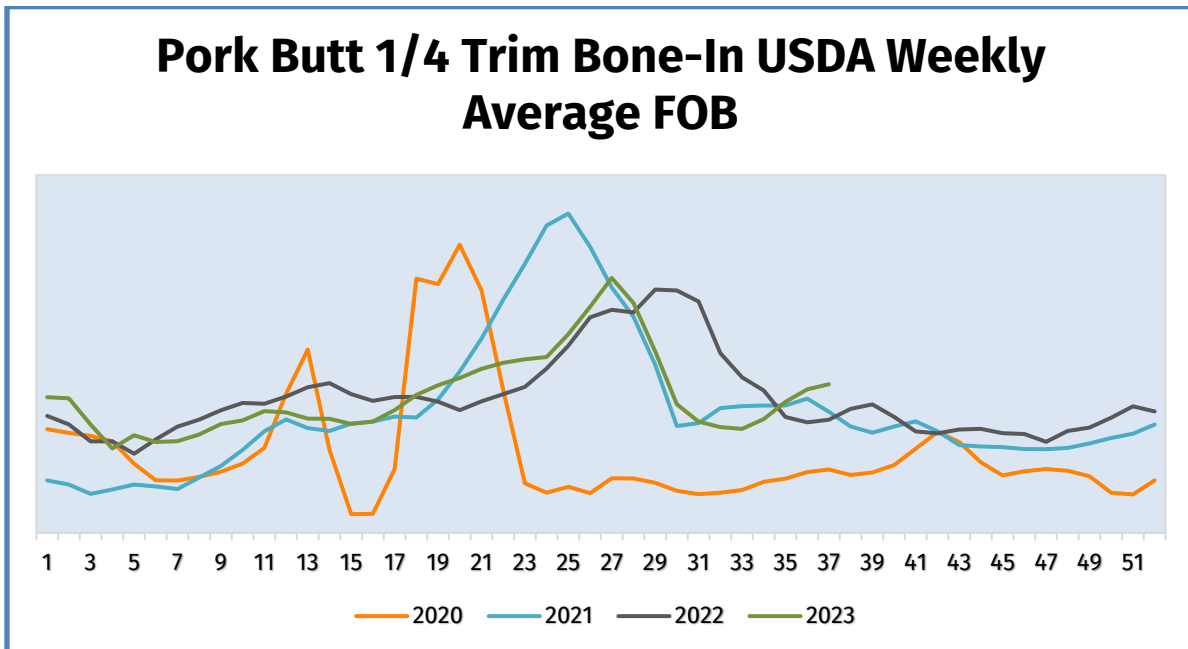
Bellies – The market is steady. High demand in June and July drove the market higher, but a downward correction occurred in August. Supply is available and varies by supplier. Markets were trending lower and now appear to have stabilized.

Hams – The market is firmer. Seasonal demand from further processors is on the rise. Export demand remains mostly stable. Supply varies among packers. Market levels are being pressured higher.

Loins – The market is steady to firmer. Demand is highly active with retail volume reported to be strong. Supply varies by packer. Market levels are moving upward.

Butts – The market is steady to firmer. Domestic demand is moderate to good. Export business to the Pacific Rim remains fairly brisk. Supply varies by packer. Trade levels are a full-steady and being pressured higher.

Ribs – The market is mixed. Foodservice and retail demand is moderate as we start to move into a non-seasonal time of the year. Availability remains varied by supplier. Market on spareribs and back ribs are steady while St. Louis ribs are experiencing downward pressure.





CHICKEN

The market is steady to firmer. Total headcount for the week ending 9/9/2023 was 154,738,000 as compared to 152,281,000 for the same week last year. The average weight for last week was 6.41 lbs. as compared to 6.45 lbs. for the same week last year. Industry demand remains strong as the retail and foodservice channels are promoting more poultry items. As cost levels rise with other proteins, consumer demand continues to move towards chicken. Weekly demand for boneless breast, tenders, and wings is fairly active with promotional features. Activity on WOGS, 8pc cutups, and leg quarters is moderate to good as we enter the Fall months. Export demand on leg quarters remains moderate to fair. Chick placements have moved lower over the last four months which is a sign of tighter

supply in the coming months. Supply is down 3.2% YOY when it comes to total chicken production. Overall weekly slaughter numbers are tight and that is putting a premium on availability.

WOGS – The market is steady. Retail and fast-food business is moderate to fair. Some feature activity is being reported on rotisserie birds and 8pc cutups. Market levels are flat.

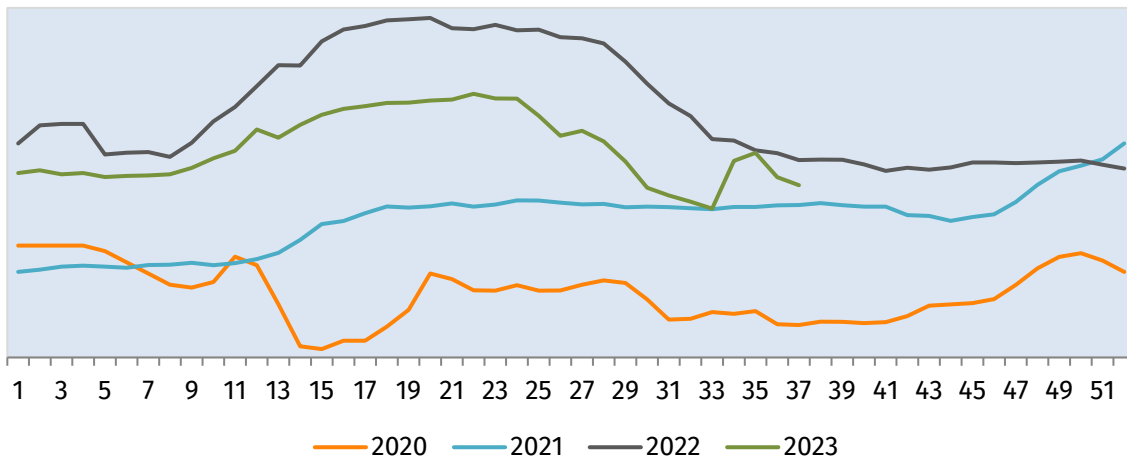
Tenders – The market is steady to firmer. Vibrant demand from foodservice and QSR’s continues to be reported. Portioning business for jumbo tenders is strong. Some supply shortages are being reported. The market for jumbo tenders is moving higher, while select products are holding even.

Boneless Breast – The market is mixed. Retail and food-service demand is moderate to fair. Supply is available and availability varies by plant. The market for jumbo products was pressured higher for the past few weeks and now appears to be showing some weakness.

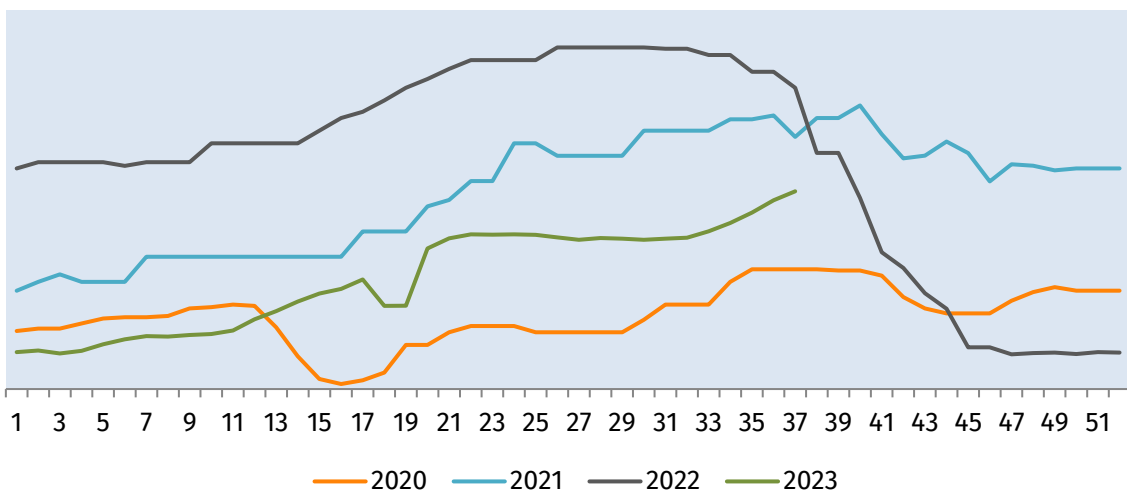
Leg Quarters and Thighs – The market is steady to firmer. Export volume and domestic retail business in leg quarters is static. Whole legs and thigh meat business is fair. Supply varies by plant. The market on leg quarters is flat while dark meat is being pressured higher.

Wings – The market is steady to firmer. Wing season is here, and demand is very strong this year. As more and more restaurants put wings back on the menu, overall demand is picking up. The availability of fresh product has tightened. The market has been inching higher on all sizes.

Chicken Plant Grade, 2 1/2 lbs & up Avg Weekly \$/lb



Chicken Tenders Avg Weekly \$/lb





TURKEY

The market is steady. Total headcount for the week ending 9/9/2023 was 3,254,000 as compared to 3,419,000 for the same week last year. The average weight for last week was 30.75 lbs. as compared to 28.60 lbs. for the same week last year. Category demand is reported to be moderate across most categories. Spot loads on whole birds are being met with lackluster enthusiasm. Demand for breast meat, parts, and dark meat is active enough to support the market. Export sales are moderate, and suppliers still have to manage HPAI restrictions from foreign countries. Supply is available and varied by plant. Market levels appear to have stabilized, but customers are still proceeding with caution.

Whole Birds – The market is weaker. Most loads that are shipping are pre-booked orders. Spot availability is being met with weak customer response. Supply varies by size. Market levels on spot loads are reported to be negotiable.

Breast Meat – The market is steady. Retail and foodservice activity is moderate to fair and strong enough to support the market. Supply is available. The market is holding even with some soft undertones.

Wings – The market is steady. Export demand on whole wings and domestic activity for two-joints is slightly on the rise. Supply is available on a plant-by-plant basis. Market levels are experiencing some upward pressure.

Drums and Thigh Meat – The market is unsettled. Domestic and export demand is moderate at best in the back half parts. Supply varies by plant. Market levels have corrected lower and are trying to hold steady.



SEAFOOD

Gulf Shrimp – The market is unsettled. Demand for domestic Gulf Shrimp has trended down due to competitive pressure from the import market.

Black Tiger Shrimp – The market is weaker. The lower priced white shrimp market is helping to keep pressure on the Black Tiger market.

White Shrimp – The market is steady to weaker. Supplies are adequate to fully adequate with moderate demand.

King Crab – The market is unsettled. With Russian King Crab inventories starting to dwindle, due to the import ban imposed in June of 2022, suppliers are actively seeking offers and availability.

Snow Crab – The market is firmer. Demand has been moderate to active with supplies being adequate to barely adequate.

Warm Water Lobster Tails – The market is unsettled to weaker. The market has trended downward due to supplies being fully adequate and light demand.

North American Lobster Tails – The market is steady to firmer. Supplies are adequate to barely adequate with moderate demand.

Salmon – The market is steady to weaker. Supplies of Wild Salmon are on the rise and not being met with similar demand. The market for frozen fillets out of Chile is weaker. Supplies are adequate but demand for Chilean Salmon has slowed down due to import pressure from other regions.

Cod – The market is steady to weaker. Demand remains below expectations as supplies continue to be adequate to fully adequate.

Flounder – The market is steady. The market is mostly unchanged.

Haddock – The market is steady to weaker. The market continues to be mostly unchanged in seeing lower pricing on all sizes. Supplies are reported as fully adequate with a quiet demand.

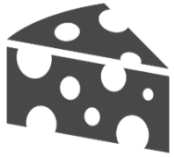
Pollock – The market is steady to weaker. Lack of demand has continued to put downward pricing pressure on the commodity.

Domestic Catfish – The market is steady to firmer. Demand for domestic Catfish remains down due to competitive pressure from the import market.

Tilapia – The market is steady. Supplies are adequate with a fair demand.

Swai – The market is weaker. Supplies are fully adequate, and demand remains lackluster.

Scallops – The market is steady to weaker. Recent landings have been on the lighter side, but demand has been barely adequate.



CHEESE

The market is mixed. The CME Block market was mixed as we moved through the week but trended weaker than the week prior. The CME Barrel market trended weaker as the week progressed as well as trended weaker than the week prior. Some operators report downtime due to plant updates and persistent labor issues while others reported 7-day workweeks. Cheese inventories are reported to be steady and cheese market tones are reported as firm. According to the USDA's most recent report, demand for process American and mozzarella is strong in many regions. American type cheeses like cheddar have been a core production focus. There are continued concerns from the midwestern regions regarding the demand for mozzarella and pizza cheese pulling on the supply and demand equation due to schools reopening, the start of football season and limited milk supplies. Both retail and food-service demand are reported as steady across most regions. Export demand is reported as moderate.

In Europe, milk production continues to decline. Several cheesemakers in Europe report they continue to run busy production schedules despite limited milk availability. According to the USDA's latest report, demand for cheese in Europe continues to outpace production and there are some reports that warehouse inventories are tight. Food service cheese sales though demand is reported as strong from southern European vacation destinations and retail demand is reported as strong. Export demand for cheese from Europe remains unchanged.

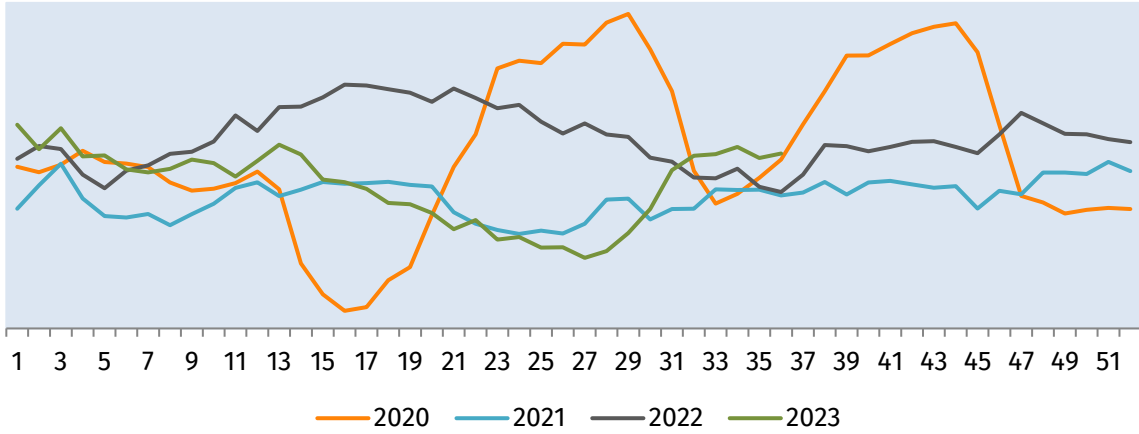


FLUID MILK

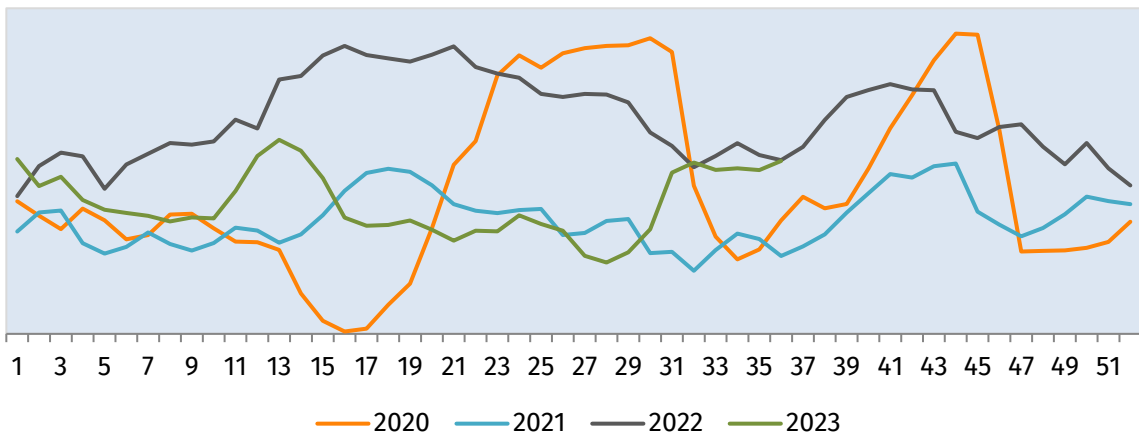
The market is slightly weaker. According to the USDA, milk volumes continue to trend downward across most regions. Environmental factors continue to negatively impact cow comfort and thus contribute to decreased milk production. In the western regions, triple digit temperatures persisted and in the southeastern regions, high humidity impacted milk production with steady decreases week over week. Approximately 36% of the dairy herd across the U.S. is within an area experiencing drought, according to the USDA. That said, cow comfort has improved in the Pacific Northwest as well California due to lower temperatures across these regions.

Milk supplies are variant within respective regions. All Classes have reported steady demand. With most schools now in session, Class I milk demand for bottling is strong. Ice cream manufacturing has continued to decrease as the summer season comes to an end.

Cheese Block Market Average Weekly \$/lb



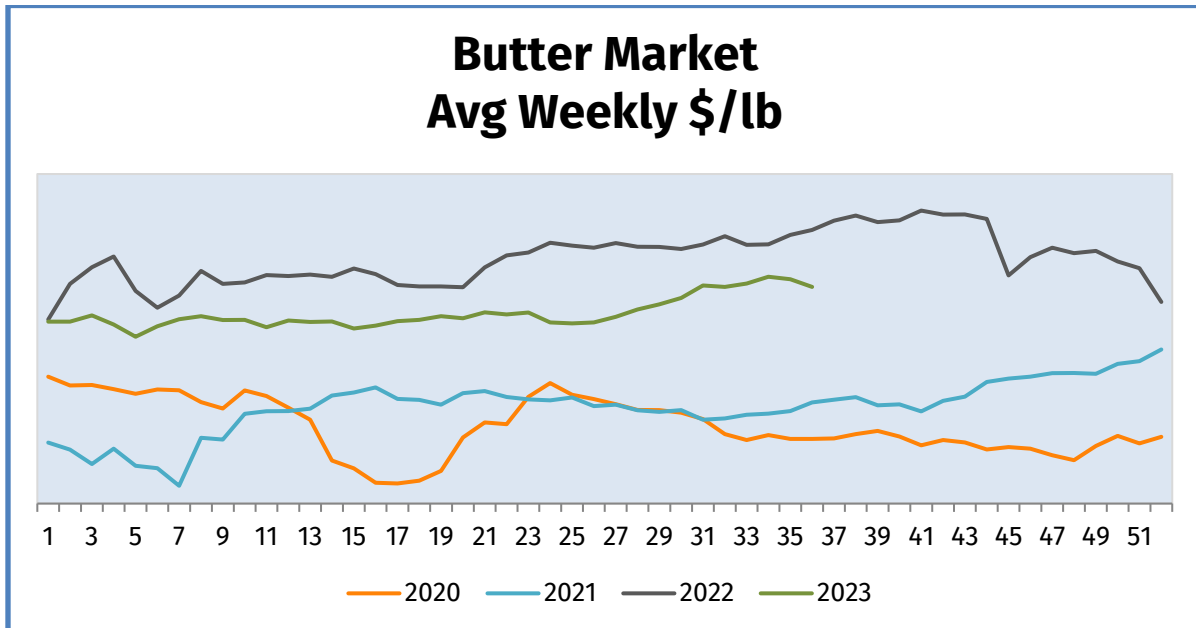
Cheese Barrel Market Average Weekly \$/lb





BUTTER

The market is mixed. The butter market was mixed as the week progressed but trended firmer than the week prior. According to the USDA, large supplies of cream were freed up due to several plants with downtime around the Labor Day holiday. As such, several contacts reported operating busy schedules though there is anticipation that cream tightness will return in the near future. Butter production overall is mixed. Butter demand is reported as steady to strong throughout most regions. Retail and food-service demand for butter was reported as strong to steady across most regions.



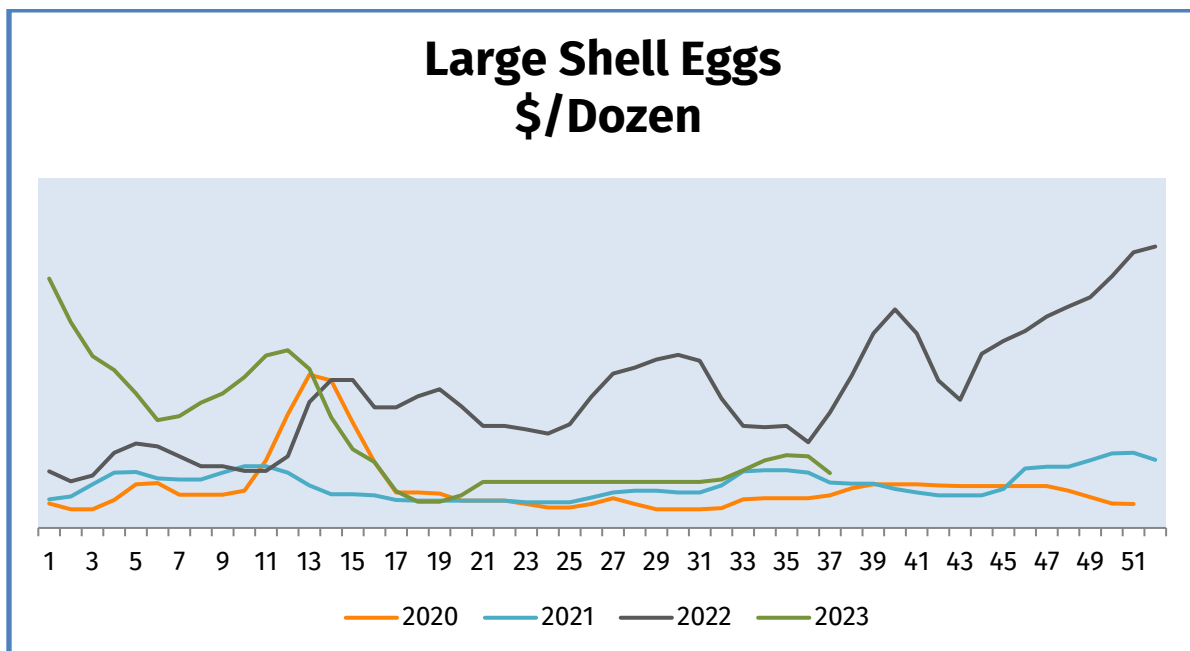


EGGS

The market is steady to weaker. In the retail sector, back to school demand for shell eggs has worn off. Retail demand remains good due to schools being back in session. Foodservice and distributive business has declined as purchasers push off ordering to work through expensive holdover and bring in new inventories at cheaper prices. Export business continues to be good with supportive business coming from Canada, Mexico, and the Pacific Rim.

Supply is available on medium and large sized shell eggs. Inventories have risen due to higher productivity and slower weaker demand. National weekly reports show shell egg inventory up 4.0% and breaking stock inventory up 0.1% over last week.

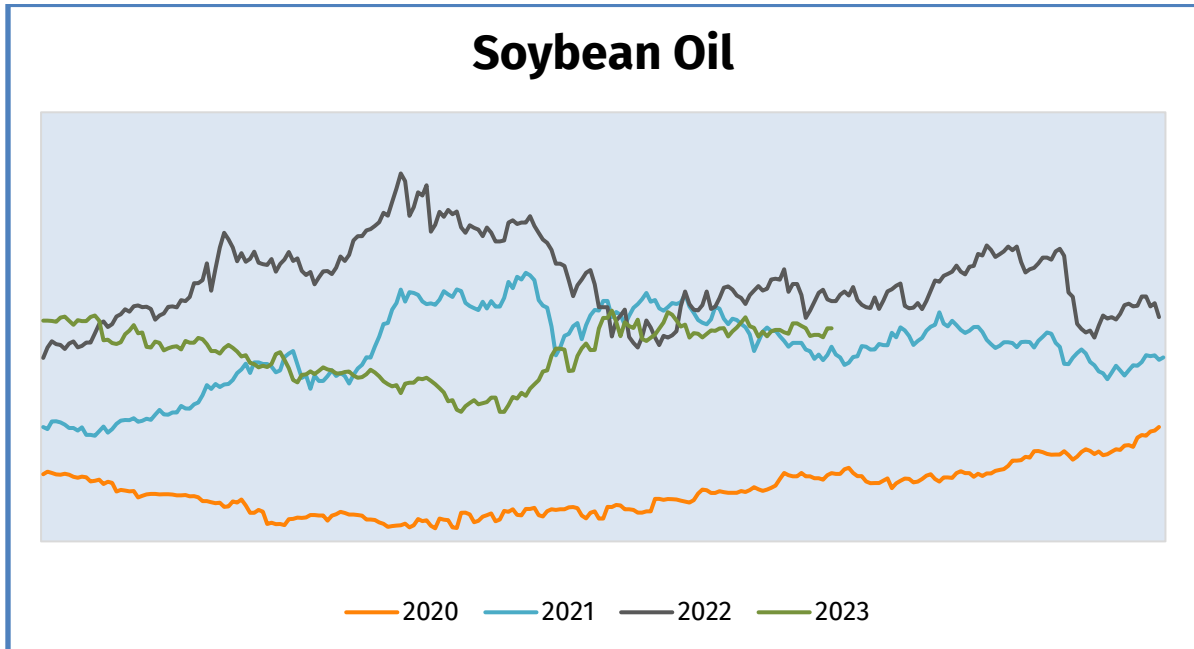
Demand in the egg products category remains moderate to good. Further processing business for raw whole egg and liquid whites is moderate and mostly transactional. Export demand from Canada is moderate to good on liquid product. Supply is available on liquid whites. Trade levels on liquid product and liquid whites are mostly flat, but strong undertones are starting to develop.





SOY OIL

The market is mixed. The recent WASDE report came in slightly under previously estimated acreage yield allowing futures to find some support. It is still expected that 2023 yields will slightly outperform 2022 numbers, as above normal precipitation was key during final maturing soybean plant stage. Diesel went up another 3% this week and up an astounding 40% since the end of June adding to futures price increases. Olive oil markets are taking significant increases as buyers are looking for blends to help offset higher costs. Reports are beginning to surface that some olive oil manufacturers may be defaulting on previous pricing contracts.



FLOUR

The market is firm. Spring Wheat harvest is 87% complete versus 74% from the previous week.

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

Dairy, I.P.A.P.: Davy Ard, Sr. Vice President of Category Management, ext. 5431

Beef, Pork, Poultry: Ken Kotecki, Sr. Category Manager, ext. 5463

Bakery, Beverages, Coffee & Tea, Frozen Fruit & Vegetables: Dwayne Joseph, Category Manager, ext. 5433

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

Canned Goods, Commodities (Sugar, Oil, Rice, Beans), Imports, Pickles: Willie Biddix, Category Manager, ext. 5457

Appetizers, Eggs, French Fries, Frozen Pasta, Produce, Seafood: Gabriel Tegenkamp, Category Manager, ext. 5432

