



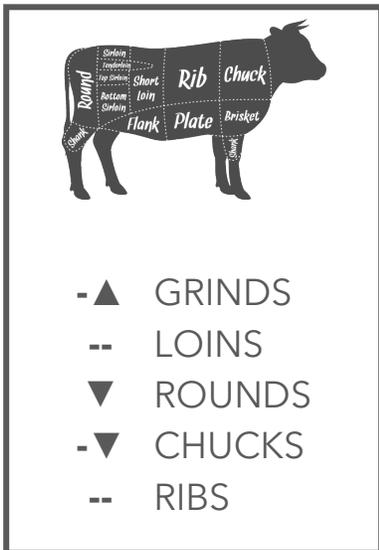
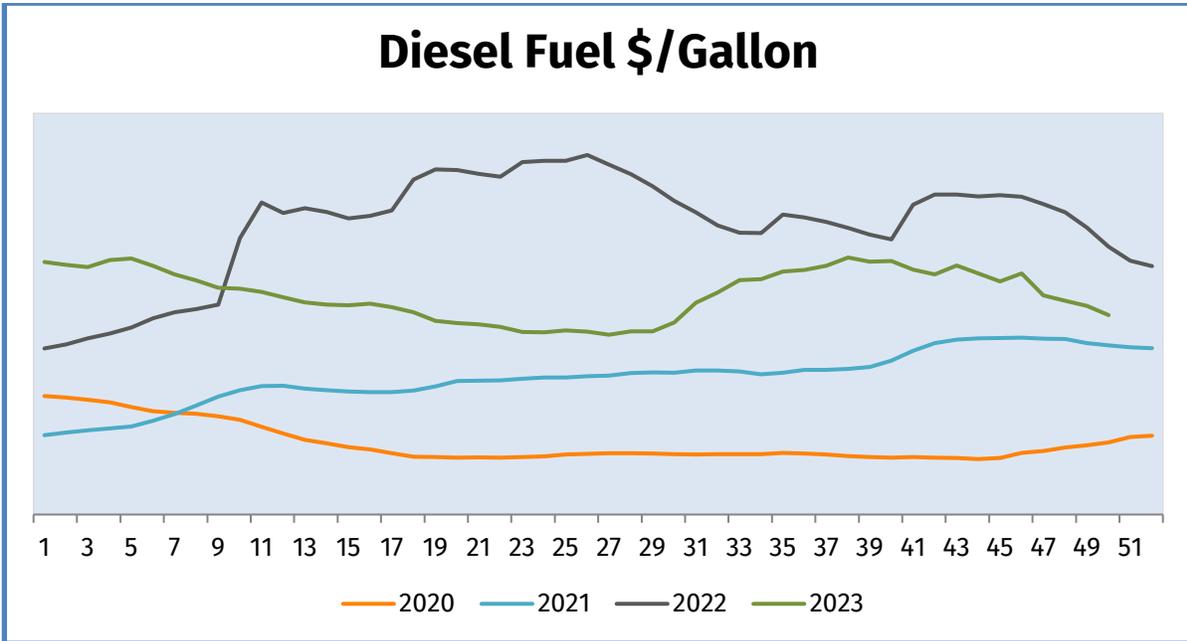
DIFFERENT
by design



Market Report

WEEK ENDING | DECEMBER 15, 2023

Graphs represent data for the week ending December 8, 2023



BEEF

The market is steady. Total beef production for last week was up 0.5% versus the prior week and down 1.8% compared to the same week last year. Year to date, total production is down 5.2% compared to the same timeframe last year. Total headcount for last week was 635,000 as compared to 648,000 for the same week last year. Year to date, the total headcount is 30.46 million head which is down 4.7% from last year. Live weights for last week were up 5 lbs. from the prior week and down 5 lbs. from the same time last year. Overall demand is reported to be good across the major categories. Ribeye and PSMOs continue to be in high demand as seasonal business is underway. Cattle futures are unsettled but still holding strong for the months of December, January, and February. Weekly slaughter continues to be down

about 5,000 head YOY and that continues to put pressure on the market. Limited production is keeping the category tight and overall price levels supported.

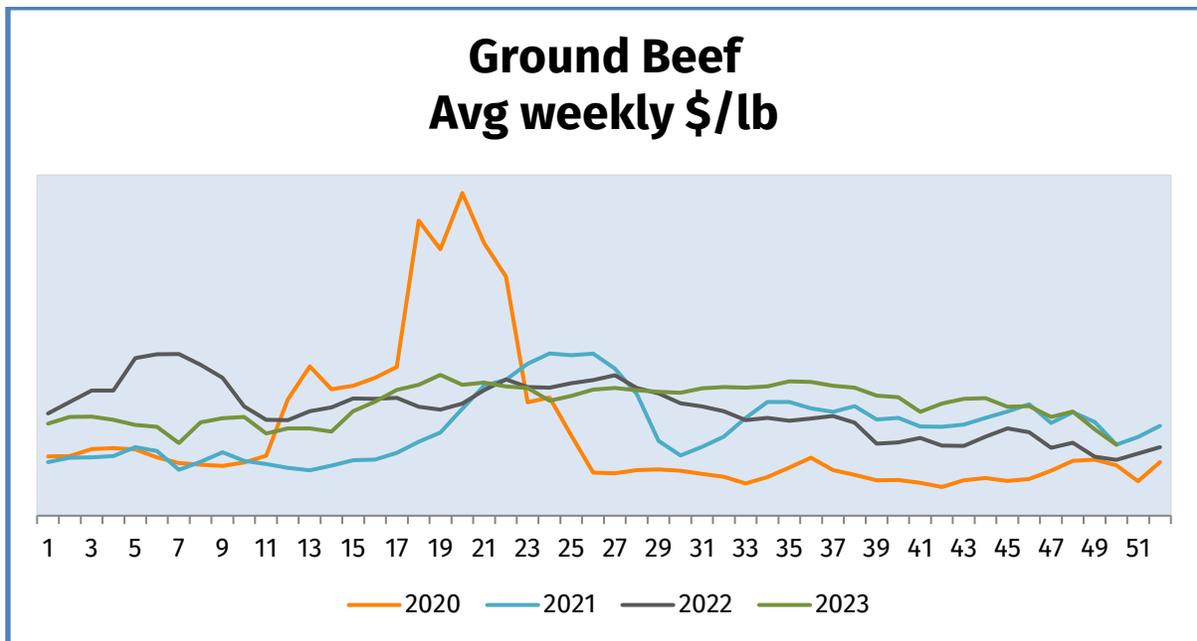
Grinds – The market is steady to firmer. Demand is moderate to good. Since the market corrected lower over the last two months, feature activity is starting up again. Availability varies among packers. Market levels on 73% and 81% grinds are being pressured higher.

Loins – The market is steady. Demand for middle meats is fair. Supply is tight and the category is fully supported. Availability is mixed among the packers. Trade levels are steady at established points.

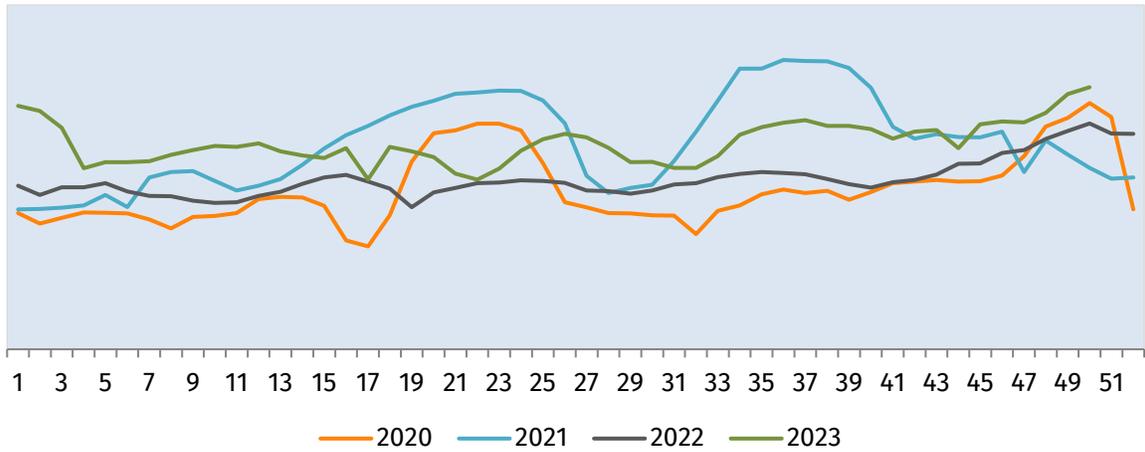
Rounds – The market is weaker. Overall volume on insides has been sluggish over the last month. Availability varies among packers. Market levels have been moving lower.

Chucks – The market is steady to weaker. Weekly demand for chuck rolls is moderate to slow. Over the last few weeks, spot market business has become prevalent. Supply varies by packer with some excess being reported. Trade levels are experiencing some downward pressure.

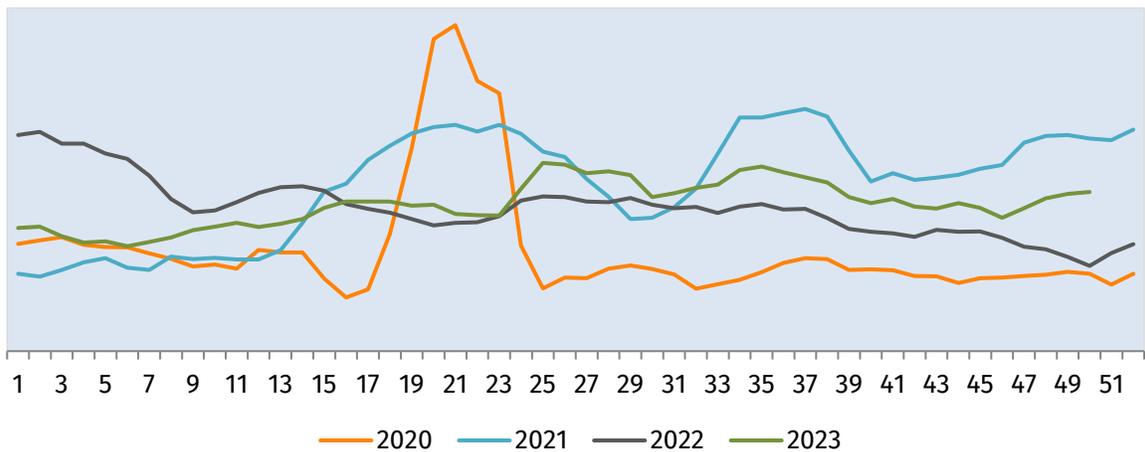
Ribs – The market is steady. Retail and foodservice business is moderate to strong as holiday business is in full swing. Availability is tight and varies by supplier. Trade levels are fully supported.



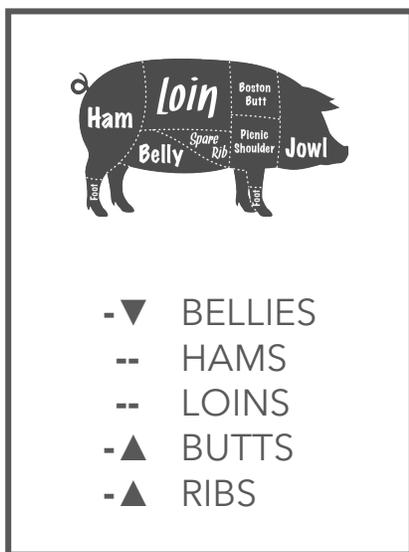
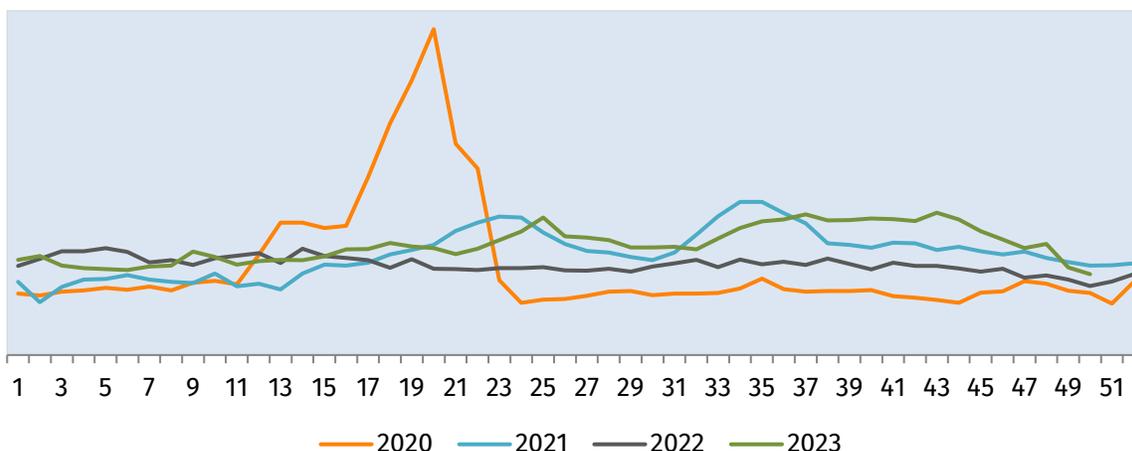
Choice Ribeye Heavy Avg weekly \$/lb



Choice Brisket Avg weekly \$/lb



Choice Inside Avg Weekly \$/lb



PORK

The market is steady. Total pork production for last week was flat at 0% versus the prior week and up 3.1% compared to the same week last year. Total headcount for last week was 2,687,000 as compared to 2,579,000 for the same week last year. Live weights for last week were up 1 lb. compared to the prior week and down 3 lbs. versus last year. Industry reports on weekly hog slaughter continue to hit or exceed 2.5 million head. With the slaughter level at 2.5 million head or higher, supply is fully adequate with some excess being reported. As the pork cutout moved lower last month, feature activity has started to pick up. Cutout levels appear to have stabilized for the time being. Export demand remains to be moderate to fair. Market levels are trying to hold steady.

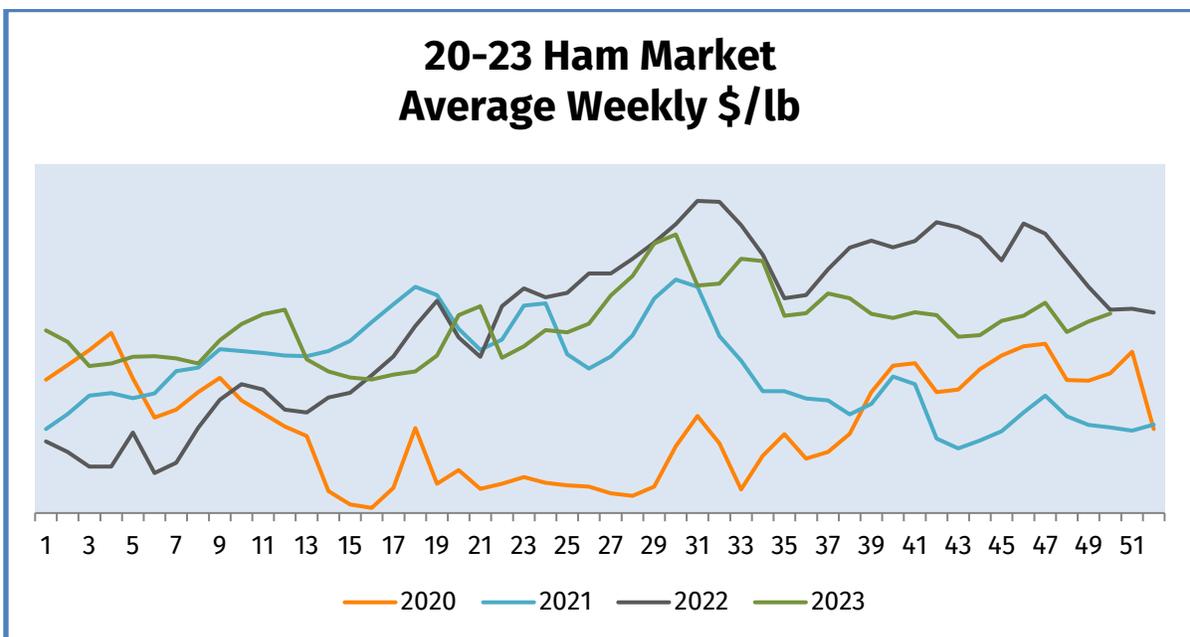
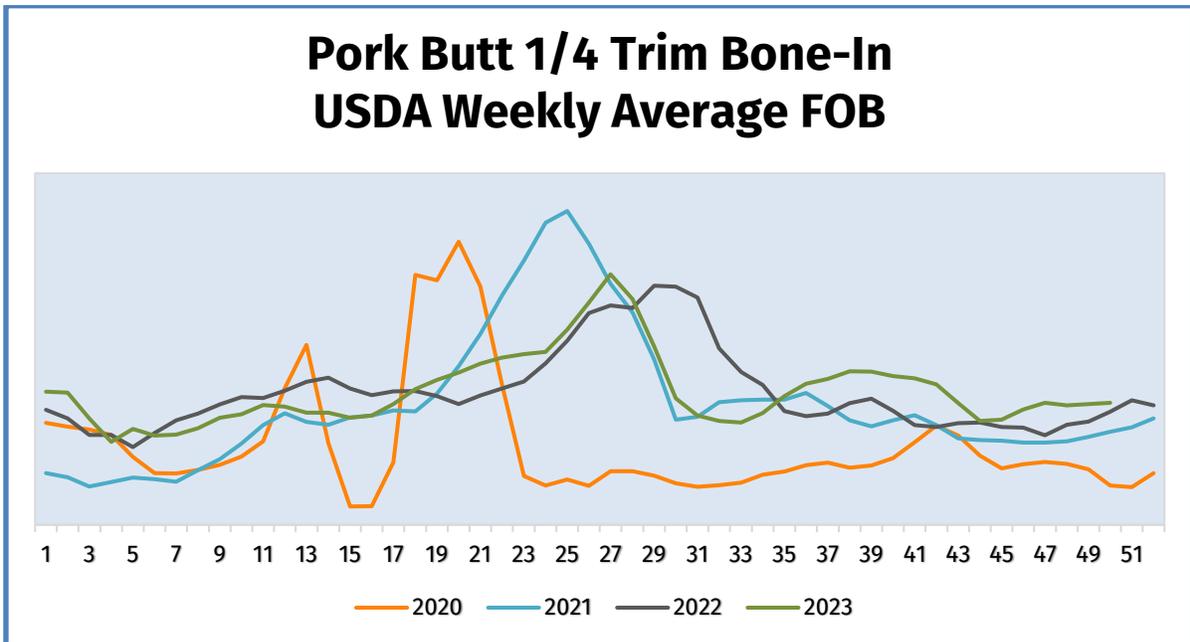
Bellies – The market is steady to weaker. Overall demand is moderate to slow with spot business being reported as lackluster. Supply levels are reported to be fully adequate and vary by supplier. The market continues to have soft undertones.

Hams – The market is steady. Bone-in hams are getting adequate support from further processors and the export channel. Supply varies among packers. Market levels are flat.

Loins – The market is steady. Current demand on bone-in and boneless loins is reported to be good with the retail channel being the main driver. Supply varies by packer. Market levels on bone-in and boneless are holding firm.

Butts – The market is steady to firmer. Holiday demand for butts is good and the category is getting a lift in volume. Export business is reported to be fair. Supply is available. The market is experiencing some upward pressure.

Ribs – The market is steady to firmer. Foodservice and retail volume is moderate. Future orders for end-of-year promotions are providing a boost in demand. Market levels on back ribs, St. Louis, and spareribs are being pressured higher.





CHICKEN

The market is steady. Total headcount for the week ending 12/9/2023 was 170,069,000 as compared to 172,213,000 for the same week last year. The average weight for last week was 6.50 lbs. as compared to 6.53 lbs. for the same week last year. As market levels receded on chicken over the past few months, promotional demand from the retail and foodservice channels has picked up. Demand for WOGS and small wings has been on the rise over the last few weeks. Activity on boneless breast meat and tenders is moderate to fair. Export demand for leg quarters and whole legs is reported to be status quo. Weekly slaughter is a key metric being watched by suppliers as they tighten their production levels due to year-end holidays. Supply has tightened

over the last month with less excess supply hitting the spot market. Markets are mostly stable and trade within established ranges.

WOGS – The market is steady to firmer. Fast-food business is on the rise in combination with holiday shopping patterns. Supply is limited by size and varies by plant. Market levels have been inching higher.

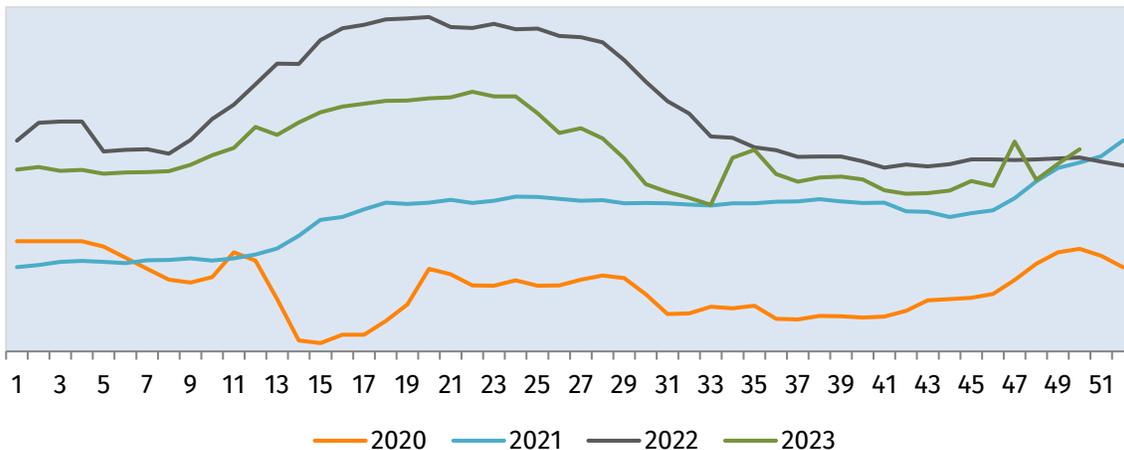
Tenders – The market is steady. Foodservice and QSR demand are moderate to good. With an active foodservice business, volume from the portioners and further processors is also reported to be good. Supply is available on jumbo and select sizes. The market for jumbo and select sizes remains firm.

Boneless Breast – The market is steady. Demand from the retail, foodservice, and QSR channels is reported to be good in mid-December. Supply is available with some excess. The market is flat on all sizes.

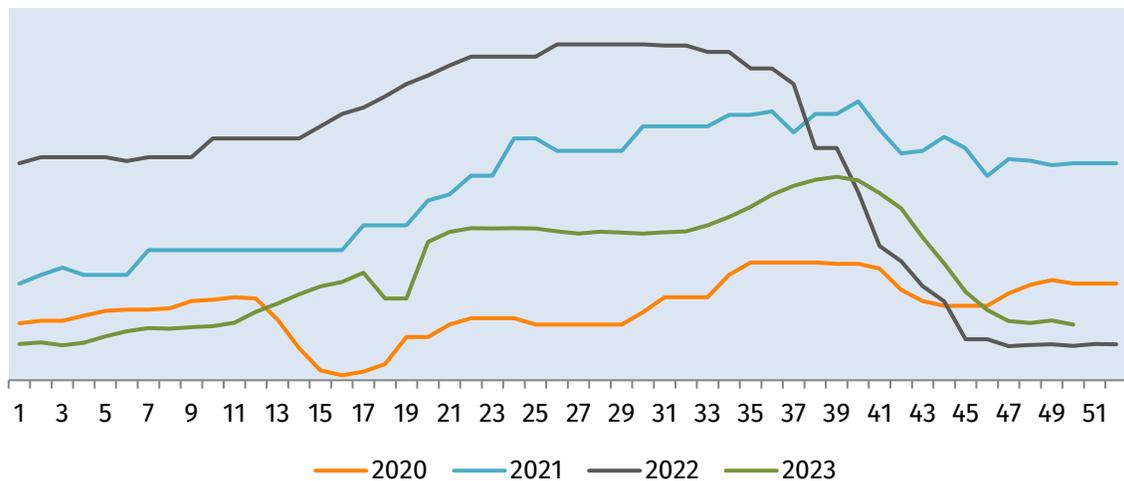
Leg Quarters and Thighs – The market is mixed. Export and domestic demand for leg quarters is fair. Activity on thigh meat and leg meat continues to be slow. Supply varies by plant. The market in leg quarters and parts is stable. Thigh meat is being pressured lower.

Wings – The market is mixed. Further processor business has picked up on small and medium wings as suppliers replenish fully cooked inventory. On the other hand, foodservice demand for jumbo wings is slow. Supply has tightened. The market is moving higher on small and medium wings and lower on jumbo wings.

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



Chicken Tenders Avg Weekly \$/lb





TURKEY

The market is steady to firmer. Total headcount for the week ending 12/9/2023 was 3,948,000 as compared to 4,109,000 for the same week last year. The average weight for last week was 31.20 lbs. as compared to 31.04 lbs. for the same week last year. Whole birds and bone-in breasts remain fairly easy to uncover on the spot market. Demand is vibrant for breast meat, white meat, and parts due to the uncertainty of supply created by HPAI. Export sales are fair, but HPAI restrictions from foreign countries continue to be a challenge for the supplier community. With more and more instances of HPAI being reported around the country, buyers are willing to pay higher levels to get their needs covered. The supply side remains vigilant about bird health during these late Fall months.

Whole Birds – The market is steady to weaker. Demand for Christmas is already committed. Spot loads are easy to uncover and met with little enthusiasm. The industry is starting to turn their attention to the booking needs for next year. Spot availability varies by bird size. Market levels are moving lower with very little spot trade activity being reported.

Breast Meat – The market is steady to firmer. Further processor demand for tom breast meat is moderate to good. Supply is available but has tightened considerably. The market is being pressured higher due to uncertainty of supply.

Wings – The market is steady to firmer. Export demand for whole wings and domestic volume on two-joints is moderate to fair. Supply is available on a plant-by-plant basis. Market levels are being pressured higher.

Drums and Thigh Meat – The market is steady to firmer. Export demand for drums is moderate to good. Overall business on back half parts is fair. Supply varies by plant. The market is inching higher.



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 mostly unchanged. Lower priced white shrimp continues to keep pressure on the Black Tiger market.

White Shrimp – The market is slightly weaker. Supplies remain adequate to fully adequate with moderate demand.

King Crab – The market is unchanged. Russian King Crab inventories continue to dwindle, due to the import ban imposed over a year ago. Alaskan golden king crab is available, and the market is steady.

Snow Crab – The market is steady to fairly steady. Demand continues to be moderate with supplies being adequate to barely adequate.

Warm Water Lobster Tails – The market is unchanged. The market has trended downward due to supplies being fully adequate and light demand. It is reported that volume sales are falling short of usual expectations.

North American Lobster Tails – The market is unchanged. Supplies are adequate to barely adequate with moderate demand. It is reported that there are occasional firmer trades, but demand appears to be unsupportive of higher prices.

Salmon – The market is mixed. Supply of Wild Salmon continues to rise and is not being met with similar demand. Supplies of frozen fillets out of Chile are adequate with a moderate to fair demand. The European fillet market is reported to be firmer due to increased costs overseas.

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 while 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 firmer. Reports of lighter supply and increased costs overseas are being met with moderate 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.



FLUID MILK

The market is firmer. Farm level milk production is steady while butterfat components are showing continued improvement in volumes across all regions. According to the USDA's latest report, fluid milk and cream markets normally parallel one another, however this is not the case based on recent trends. Cream availability has decreased while fluid milk volumes increased, resulting in a rise in spot market usage. Handlers have reported that recent demands from processors are strengthening while processors report that milk supplies are meeting manufacturing needs. Farm level output and components are increasing week over week in the western regions as lower temperatures are contributing to cow comfort. Class I fluid milk demand is reported as steady with contacts noting that bottling orders are strong ahead of the winter holidays. Class II & III manufacturing remains strong thus impacting cream availability. Some processors have reported that demand for aerated cream has strengthened week over week as we approach the end-of-year holidays. Demand for all other Classes is reported as steady across all regions.

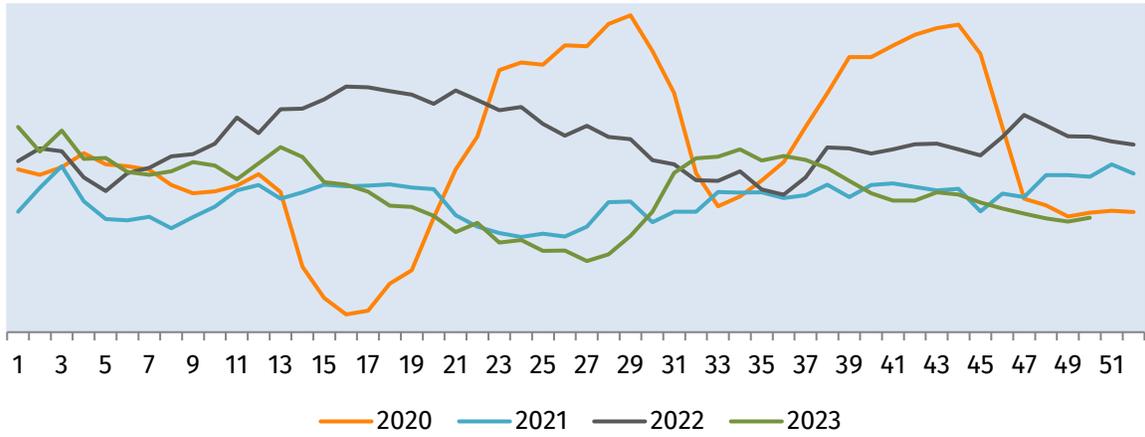


CHEESE

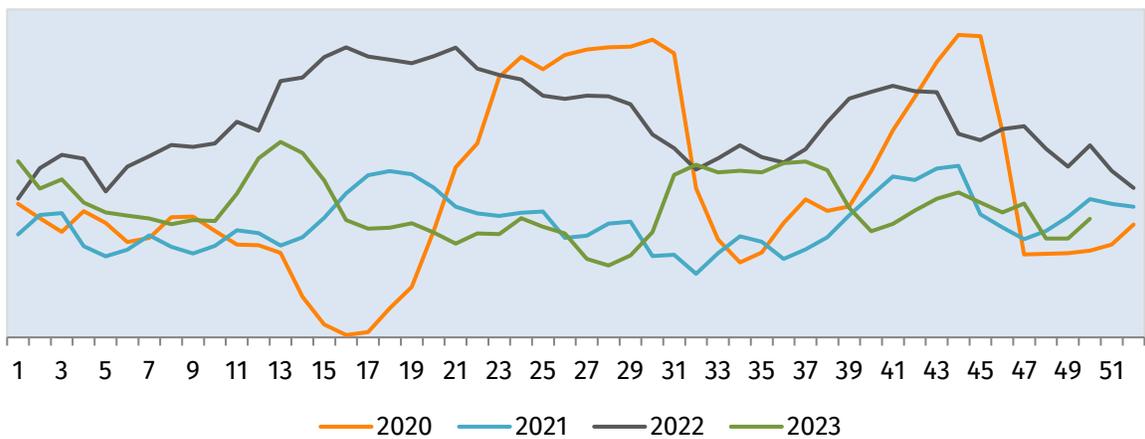
The market is mixed. Both the CME Block & Barrel markets were mixed as we progressed through the week with both markets trending softer than the week prior. Cheese production is overall steady. Several plant managers note that cheese inventories are comfortable despite slower production schedules. Cheese demand varies across the nation. Demand for cheddar and Italian (pizza) cheeses continue to outpace other American-type cheeses. Demand for varietal cheeses in the western regions is steady. Retail demand is reported to be strong while foodservice demand is waning. It is reported that restaurant traffic is down compared to the prior year as rising menu costs have deterred customers from dining. According to the USDA's latest report, some stakeholders have suggested that though competitive pricing of domestic cheeses versus international cheeses have improved recently, it has not contributed to an increase in export demand.

In Europe, milk production is mixed. European cheesemakers report that low milk volumes are contributing to lighter production schedules and inventories are said to be tight. European cheese demand continues to outpace production. Both retail and food service demand for cheese is strong ahead of the year-end holidays. Export demand for cheese is reported as steady.

Cheese Block Market Average Weekly \$/lb



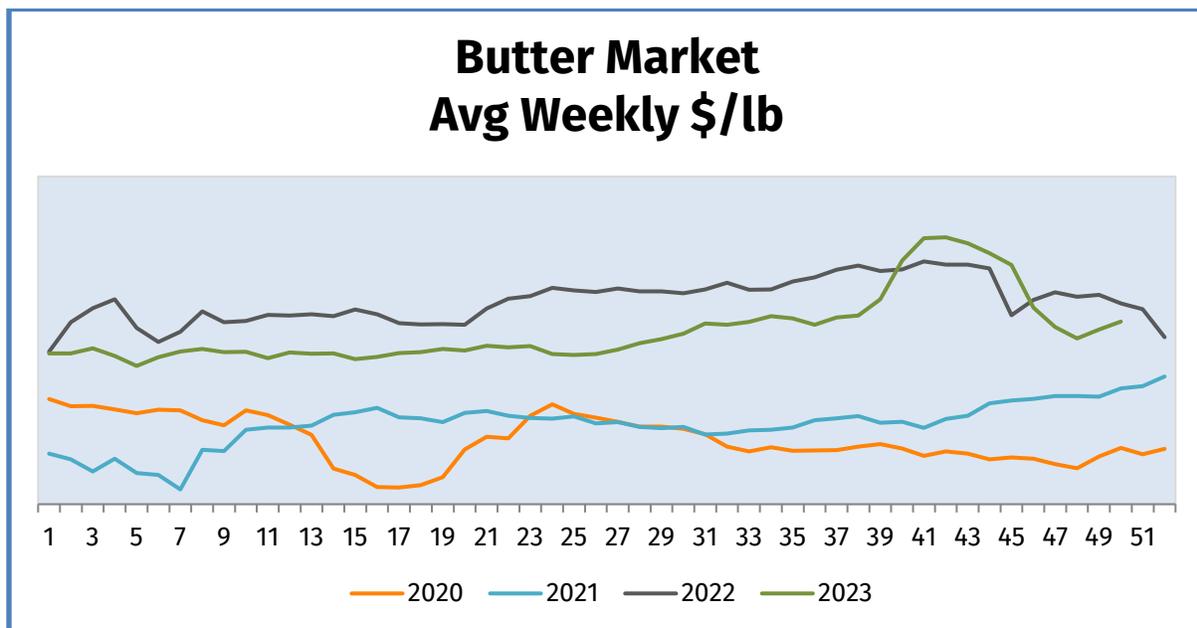
Cheese Barrel Market Weekly Average \$/lb





BUTTER

The market is weaker. The butter market softened as the week progressed and was weaker than the prior week. Cream supplies have tightened as a result of the increase in cream demand. According to the USDA's latest report, it is reported that churns are being kept steady by plant managers. Many manufacturers have noted comfortable retail inventory levels for December. Demand for retail butter is steady and expected to be strong throughout the holiday season. Foodservice demand is reported as steady to stronger as compared to recent weeks. Domestic demand is reported as strong while export demand is moderate with steady interest from Canadian buyers.

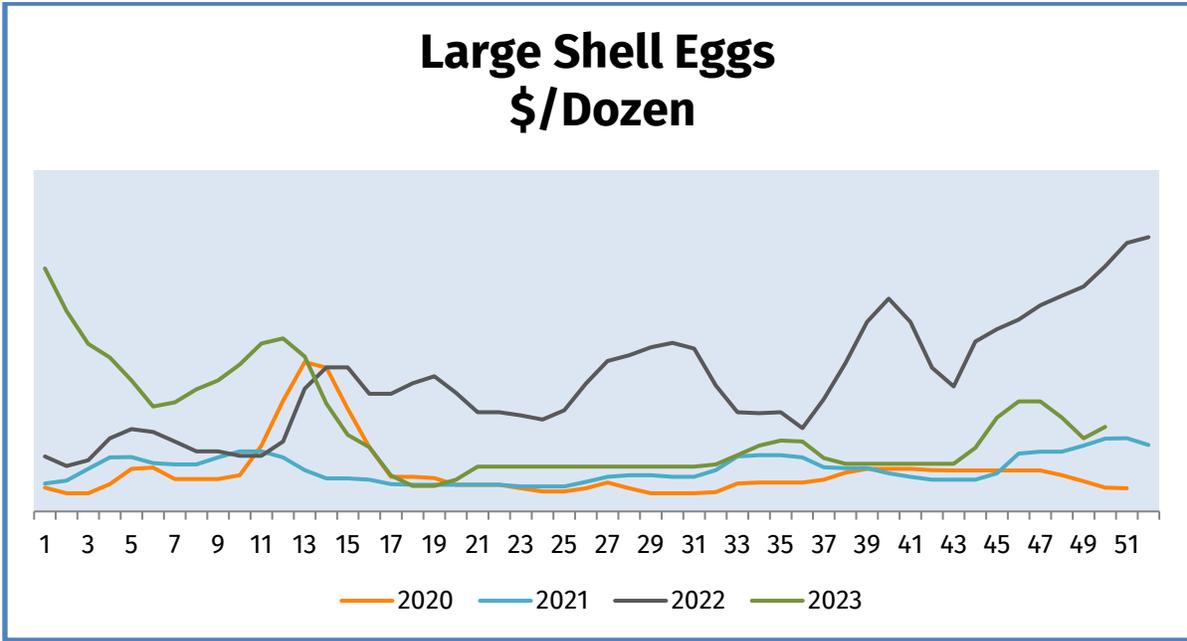


EGGS

The market is firmer. An uptick in orders was reported from both smaller regional retailers and larger retailers as early Christmas prep begins. Export demand from Canada has increased this week.

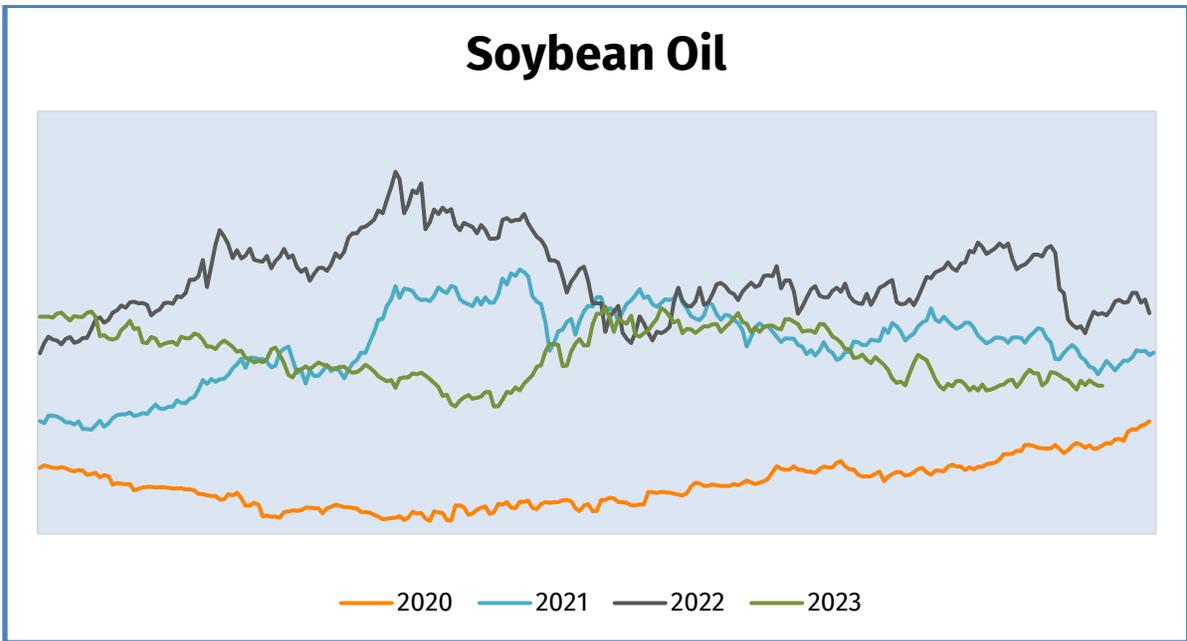
Supply is available on medium and large sized shell eggs. Market levels are moving higher on medium sizes and flat on large sizes. National weekly reports show shell egg inventory down 2.5% and breaking stock inventory up 1.5% over last week.

Demand in the egg products category is reported to be moderate. Demand for liquid whites, yolks, and dried items has been soft recently. These lower market levels may jump start the further processing side of the business. Trade levels on liquid product and liquid whites are mixed as suppliers and processors test the market.



SOY OIL

The market is mixed. There was a late-week rally following the crude increases. With the Federal Reserve holding key interest rates steady for the third time, January futures are reacting, driving the market firmer. The NOPA report indicated record crushing numbers, around 188 million bushels for December compared to 179 million for November. This may cause markets to change and a higher-than-normal export of soybean products.



FLOUR

The market is firm. Winter wheat condition rated 10% very poor, 15% poor, 36% fair, 34% good, and 5% excellent. This is the last weekly Crop Progress and Condition report for the 2023 growing season.

PARBOILED RICE

Par-boiled rice is still in short supply with multiple manufacturers not looking to take on new business. Allocations and very long lead times should be expected.

SALT

The market is unsettled. Salt has been on allocation over the past several weeks due to hampered production due to ongoing labor issues. This is expected to improve over the coming months, but allocations could remain common over the coming weeks.

SUGAR

The market is unsettled. Availability remains limited. This year's US sugar crop came in below expectations and this is expected to put additional strain on inventories over the coming months. Allocations and longer lead times should be expected with multiple suppliers not looking to take on new business.

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

