



DIFFERENT
by design



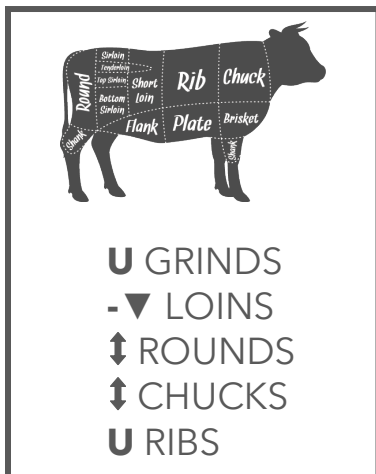
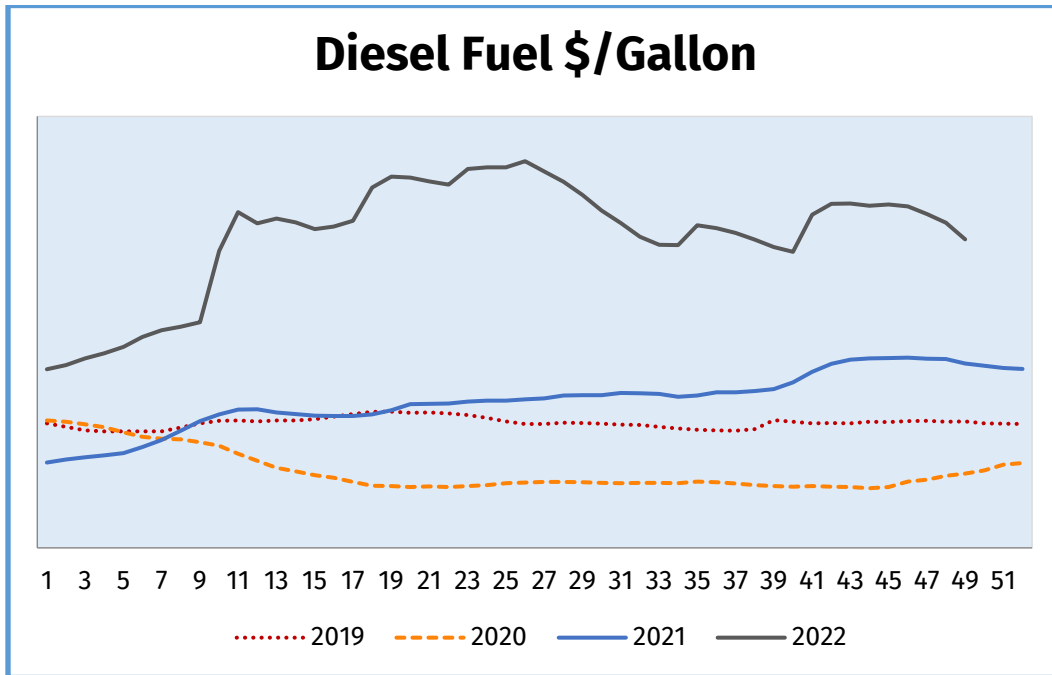
Market Report

WEEK ENDING | DECEMBER 9, 2022

Graphs represent data for the week ending December 2, 2022



LOGISTICS



BEEF

Market is unsettled. Total beef production for last week was up 11.4% from prior week due to the shortened holiday production week, but down 3.2% compared to same time last year. Total headcount for last week was 663,000 as compared to 682,000 for the same time last year. Live weights for last week were up 2 lbs. from prior week, but down 8 lbs. from same time last year. Live cattle prices continue to push higher and are at record levels, well above prior year and also the 5-year average. Futures contracts for February and April are still pointing towards possible additional record high live prices. Current demand is seasonally lighter but items such as ribeye's continue to see good demand

for holiday activities. Upper 2/3rds and higher Choice graded, and Prime product remain in very limited supply, and this is expected to continue over the coming weeks. Production will be lighter the last 2 weeks of the year, and this typically puts pressure on availability on multiple items. Recent reports show that the ongoing herd liquidations have resulted in females making up over 51% of total headcount for 2022. This is the highest number in over 30 years and is the sixth straight year of year-over-year increase. This means that the breeding herd has continued to contract over the past several months resulting in less ability to grow the overall herd for the upcoming months. Expectations are for the cattle market to see upwards pressure on prices as we move through 2023.

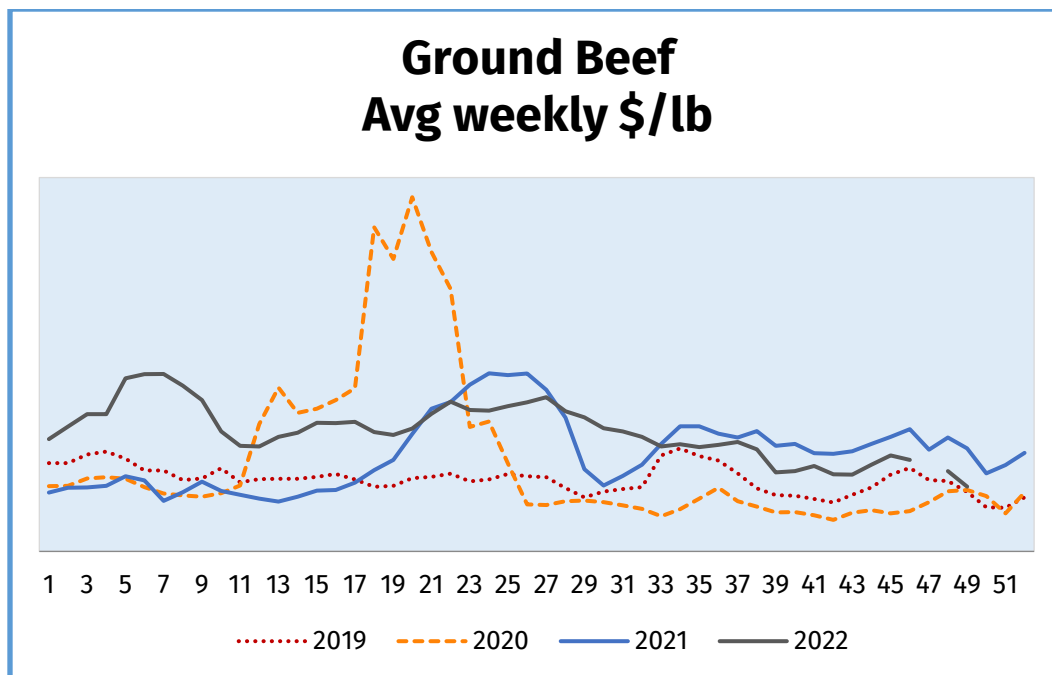
Grinds- Market is unsettled. Buying activity has been lighter as we moved through the past few weeks. This market typically sees improvement as we move closer to end of year and production numbers drop.

Loins- Market is steady to weaker. Demand is seasonally light.

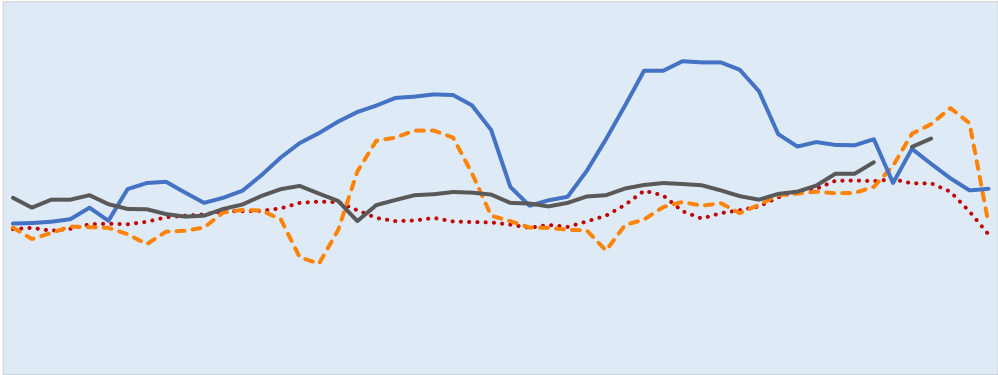
Rounds- Market is mixed. Buying activity has been more mixed as we moved into this week but reports by midweek showed that buying interest was improving and availability was varied between packers.

Chucks- Market is mixed. This week has seen both higher and lower prices from suppliers. Advertising typically starts picking up as we move into January as shoppers focus more on roasts and other like items.

Ribs- Market is unsettled. Demand has been very good over the past few weeks and availability has become more mixed between packers. Choice and higher graded product is in more limited supply, which is expected to continue, thus putting pressure on availability for those cuts. This week has seen large increases in prices from some packers as available inventories continue to shrink. Demand typically seasonally eases over the coming days normally causing large swings in prices over the next few weeks.



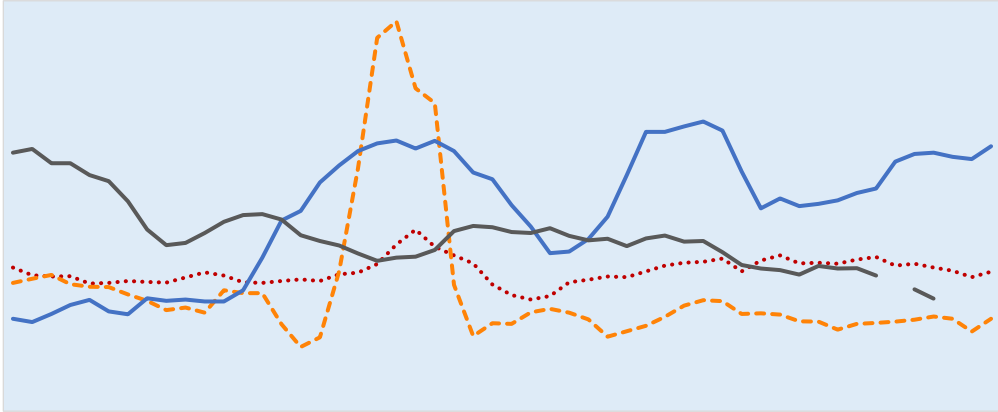
Choice Ribeye Heavy Avg weekly \$/lb



1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

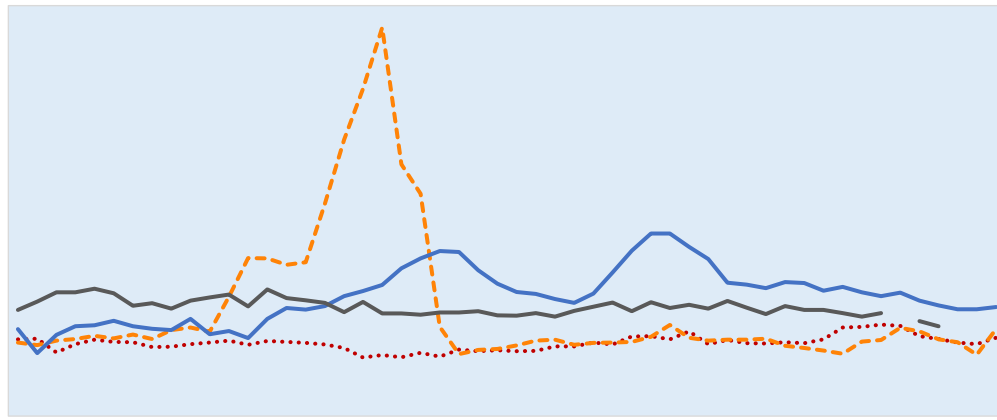
..... 2019 - - - - 2020 ——— 2021 ——— 2022

Choice Brisket Avg weekly \$/lb

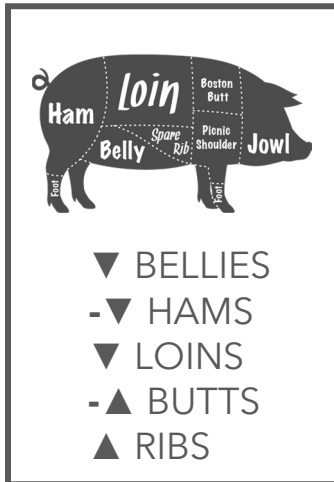


..... 2019 - - - - 2020 ——— 2021 ——— 2022

Choice Inside Avg weekly \$/lb



..... 2019 - - - - 2020 ——— 2021 ——— 2022



PORK

Market is mixed. Total pork production for last week was up 17.2% versus prior week due to the shortened holiday production week but was down 3.7% compared to same time last year. Total headcount for last week was 2,590,000 as compared to 2,656,000 for the same week last year. Live weights for last week were even compared to prior week, but down 3 lbs. versus last year. Hog weights have been pushing overall higher over the past several weeks but are trending behind prior year and the 5-year average. Demand at Retail for pork breakfast items has been trending lower for the past few weeks and continues to put downward pressure on those markets.

Bellies- Market is weaker. Lighter demand at retail has been helping to push the market lower over the past few weeks.

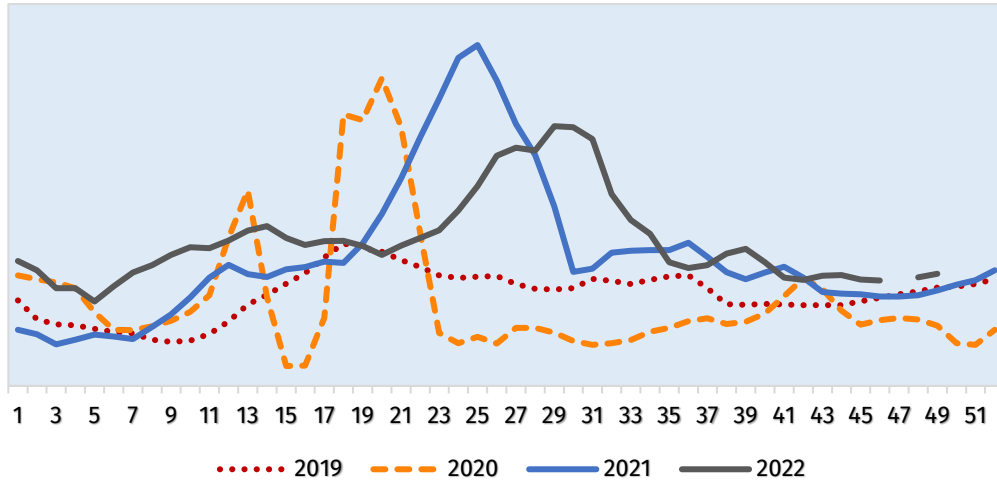
Hams- Market is steady to weaker. Buying activity for holiday hams is now all but over helping to take that pressure off the market. Export demand has been mixed over the past several days but is helping to move additional inventories.

Loins- Market is weaker. The market has seen both higher and lower prices over the past couple of weeks but has seen downward pressure more recently.

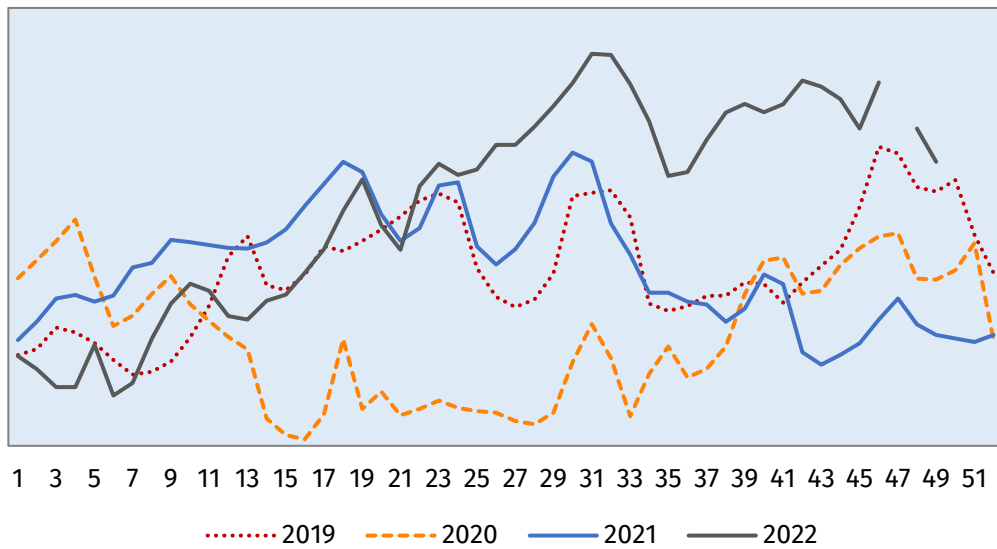
Butts - Market is steady to firmer. Buying activity has been seasonally lighter for several weeks but this week has seen a slight uptick in the market.

Ribs - Market is firmer. Buying interest has been improved over prior week as the recent lower prices became more attractive for buyers.

Pork Butt 1/4 Trim Bone-In USDA Weekly Average FOB



20-23 Ham Market Weekly Average \$\$/lb





CHICKEN

Market is steady. Total headcount for week ending 12/3/22 was 172,200,000 as compared to 164,957,000 for the same week last year. Average weights for last week were 6.43 lbs. as compared to 6.43 lbs. for the same week last year. Retail and foodservice business is moderate as most industry players just want to get through the holiday season. WOG demand is rated a full steady, and supply continues to be limited depending on size. Boneless breast and tenderloins hold a steady rating as suppliers try to negotiate future contracts for next year. Wings continue to experience lackluster demand with little improvement in sight. Back half parts continue hold steady as suppliers work on January export commitments. Weekly slaughter rates are now trending around pre-pandemic levels.

WOGS- Market is steady to firm. Demand for cutups is vibrant as QSR business gets an uptick during the holiday shopping season. Very little spot business is being reported which is keeping market levels firm on all sizes.

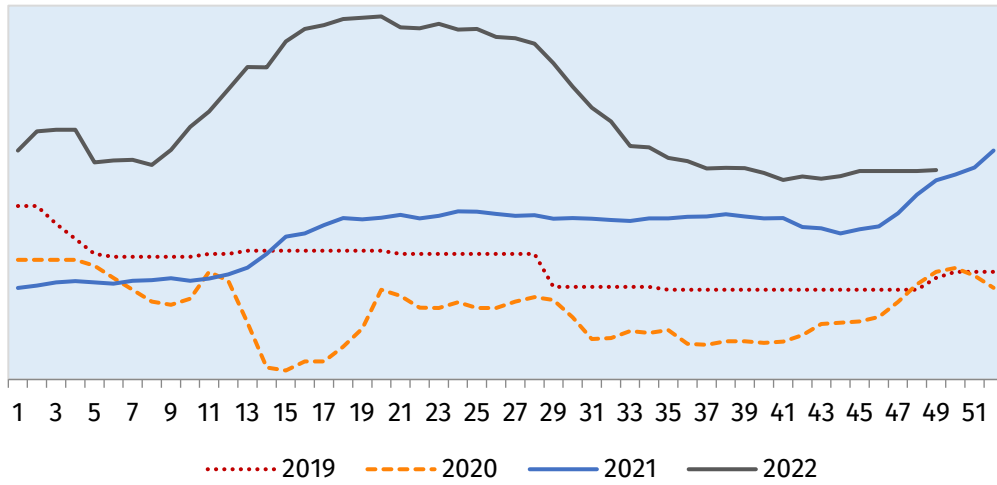
Tenders- Market is steady. Foodservice and QSR demand are reported to be static. Suppliers and customers are looking at future needs for the next calendar year. Supply is available on select and jumbo sizes. Market levels are holding even.

Boneless Breast- Market is steady. Grocery and foodservice demand are consistent at best. Portioning activity and further processing is starting to show improvement. Supply is available and market is flat.

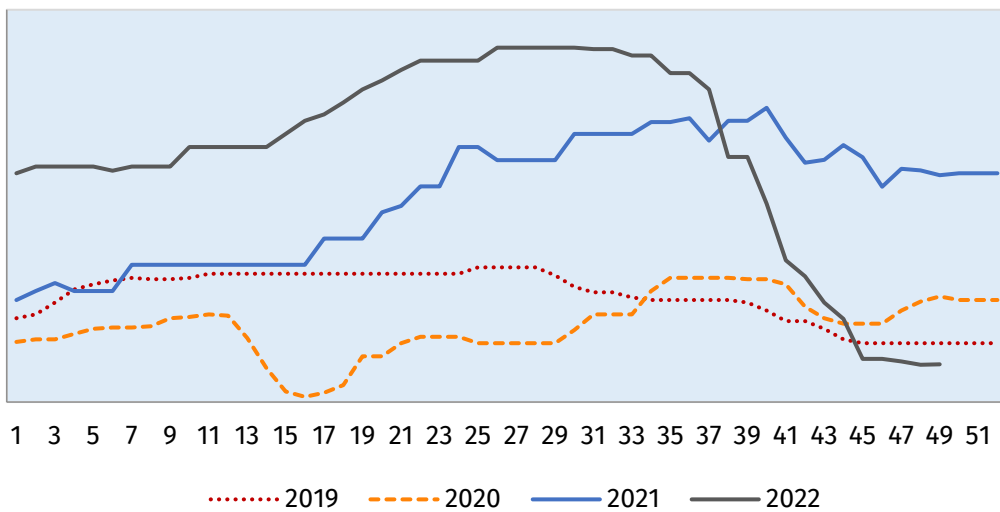
Leg Quarters and Thighs- Market is steady to weaker. Export demand on leg quarters revolves around future bookings in January and February. While bone-in products are fully supported, weak demand is being reported on thigh meat. Supply is available with some excess. Market on leg quarters is firm while thigh meat is moving lower.

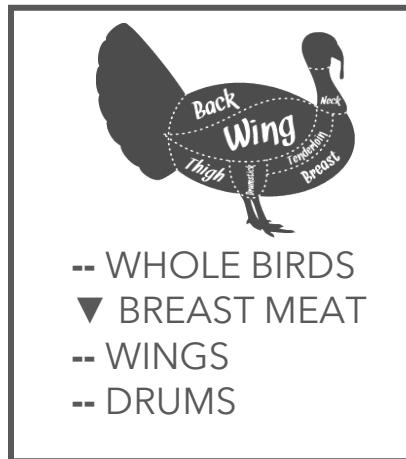
Wings- Market is weaker. Wing season never took flight this year. Higher menu prices and overall inflation has limited consumer purchases on this category. Supply is in excess, and the market is moving lower on large sizes.

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



Chicken Tenders Avg Weekly \$/lb





TURKEY

Market is steady to weaker. Total headcount for week ending 12/3/22 was 4,070,000 as compared to 3,804,000 for the same week last year. Average weights for last week were 31.68 lbs. as compared to 32.54 lbs. for the same week last year. Whole birds remain a sold-out category as suppliers fill Christmas business over the next two weeks. The breast category is showing a bit of weakness due to lessening demand as we end the year. Business on drums, thighs, and wings is reported to be strong. Export sales are constricted by HPAI restrictions, but domestic business has picked up the slack. Slaughter numbers remain less than industry standards. Market levels across most lines of business are steady, but boneless breast meat is dropping slightly.

Whole Birds- Market is steady. Fresh orders are beginning to ship for the Christmas Holiday which keeping the marketplace sold up. Suppliers are beginning to assess their strategy for booking season in January. Supply remains extremely tight. Market levels remain firm.

Breast Meat- Market is weaker. Retail and foodservice demand is starting to wane a bit which is expected as we end the year. Higher prices are having a negative impact on consumer purchases. Suppliers are also trying to sell out any frozen inventory before year end. Some spot supply is being reported. Market is experiencing some downward pressure.

Wings- Market is steady. Even with soft export volume due to HPAI restrictions, domestic volume on two joints is picking up the slack. Supply remains limited. Market is flat.

Drums and Thigh Meat- Market is steady. Weekly needs for drums and thigh meat remains constant. With fewer birds being cut up for parts, supply remains tight. Market is moving sideways.



SEAFOOD

Gulf Shrimp- Market is unsettled. Even though landings have been lighter resulting in lighter inventory levels, demand is below expectations due to current economic conditions combined with lower priced imports. High fuel costs are putting pressure on fisherman in the Gulf with reports of multiple boats electing to stay tied up at the dock instead of fishing.

Black Tiger Shrimp- Market is weaker. The lower priced white shrimp market is helping to keep pressure on the Black Tiger market. Inventories on large sized shrimp are more limited but the current market conditions have limited any upward pricing pressures. The market for smaller sized Black Tiger Shrimp has seen downward pressure due in part to a light demand. The recent Typhoon that impacted Vietnam has had a big impact on shrimp farms in certain regions of the country and is expected to impact production in the coming weeks.

White Shrimp- Market is weaker. Buying activity has been below expectations for several weeks. This combined with ample inventories is keeping downward pressure on the market. Imports have been lighter over the past few months with 4 straight months of double-digit declines.

King Crab- Market is unsettled. Availability is varied between suppliers helping to cause both higher and lower prices in the market over the past few weeks. Overall demand has been below expectations for several weeks. The Alaska Department of Fish and Game has announced the closing of both the Alaskan King Crab and the Alaskan Snow Crab for the 2022/2023 season. This is due to concerns related to the biomass and healthy stock numbers. This is the second season in a row that the Alaskan King Crab season will not take place but the first time in many years that the Alaskan Snow Crab season will not take place. This is expected to put pressure on the markets over the coming weeks.

Snow Crab- Market is unsettled. The Alaska Department of Fish and Game has announced the closing of both the Alaskan King Crab and the Alaskan Snow Crab for the 2022/2023 season. This is due to concerns related to the biomass and healthy stock numbers. This is the second season in a row that the Alaskan King Crab season will not take place but the first time in a very long time that the Alaskan Snow Crab season will not take place. This is expected to put pressure on the markets over the coming weeks. Year to date snow crab imports through September are down over 30% compared to prior year.

Warm Water Lobster Tails- Market is mostly steady. Buying activity for lobster is light, due in part to inflationary concerns impacting multiple seafood items. Imports for 3rd qtr. were down almost 33% compared to same time last year.

North American Lobster Tails- Market is unsettled. The market has seen lower prices for the past several weeks, but the market has become more unsettled recently, partially due to reports of imports from Canada for 3rd qtr. being down almost 24% for the past quarter.

Salmon- Market is firmer. Buying activity has been improved over the past few weeks. Inventories are light for an active demand. A recent truckers strike in Chile helped to hamper logistics from that region and helping to put pressure on pricing.

Cod- Market is steady. Available inventories have been limited for several months and ongoing production and logistical issues are keeping pressure on the market.

Flounder- Market is steady. Production out of China has been improved, helping to increase inventories that have been light for several months.

Haddock- Market is steady. Inventories are light for an active demand. Higher production costs and more limited inventories have been putting pressure on the market.

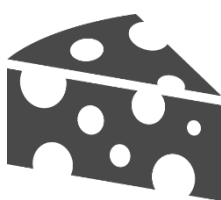
Pollock- Market is steady. Retail demand has been very good for several months and helping to move additional inventories. Production and logistical issues have been improving over the past several weeks. The ban on Russian product is helping to keep additional pressure on this market.

Domestic Catfish- Market is unsettled. Inventories have been limited for several months. Allocations remain commonplace and are anticipated to continue as we move into next year. Inventories are limited on all sizes and well below current demand.

Tilapia- Market is steady to weaker. Demand at retail has been lighter over the past few weeks helping to put downward pressure on the market.

Swai- Market is steady to weaker. Shipments booked earlier in the year have been arriving in larger quantities over the past few weeks and helping to build inventories. This combined with lighter demand at retail and lower Ocean shipping costs are helping to put pressure on the market.

Scallops- Market is unsettled. The market for Domestic product has been seeing upward pressure over the past few weeks. This upward pressure has helped to slow demand as prices pushed to the higher levels. Overall inventories remain limited helping to keep the market unsettled. The import market is holding mostly steady.



DAIRY

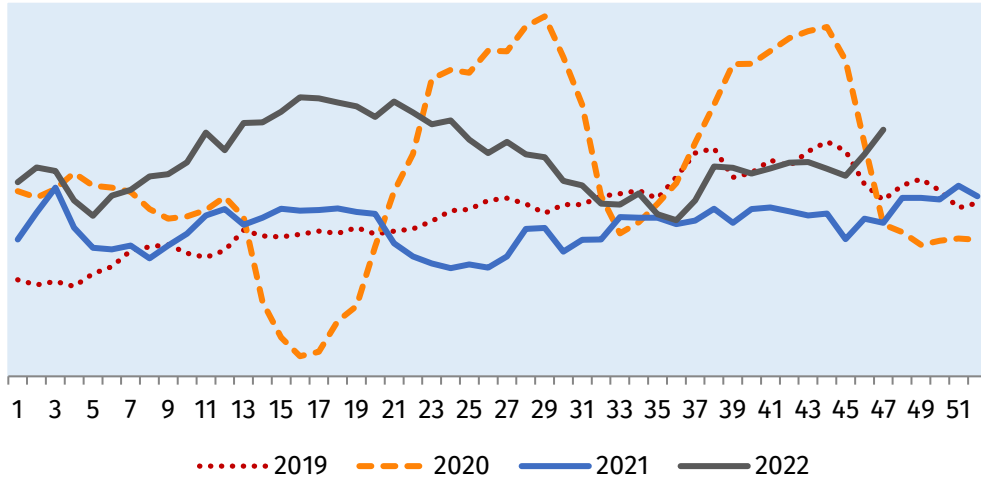
Cheese

Market is mixed. The CME Block market has moved lower as this week progressed, while the CME Barrel market has moved higher. Supply chain shortages and ongoing labor issues continue to be an issue at multiple plants. Milk is available in all cheese making regions of the country helping producers to maximize production schedules as much as they can, in light of the other supply issues. Holiday purchases should become lighter over the coming weeks, during a time that schools will also be letting out for holiday breaks; this will help to hold the market more unsettled. Demand in Europe is below expectations and that market has pushed much lower over the past few weeks, while their production has remained good. This could put pressure on our domestic market as we move into Q1.

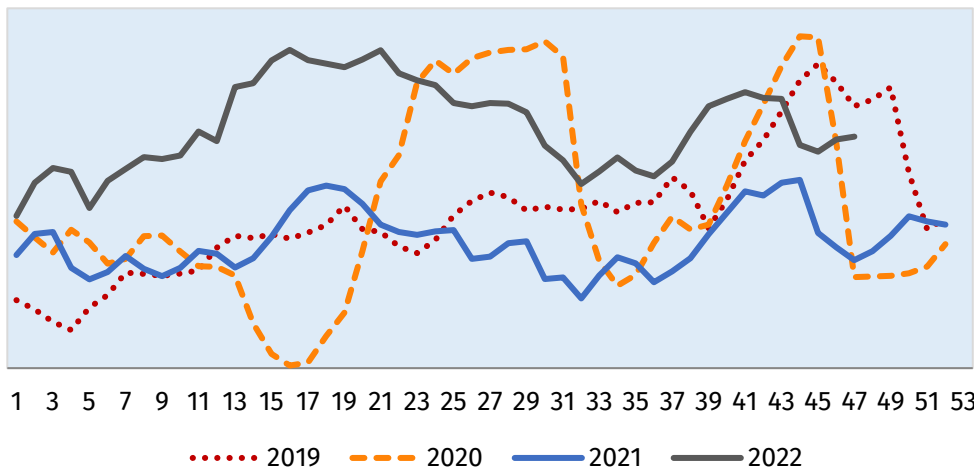
Cream Cheese

Market is firm. Inventories are limited, and allocations and cuts should continue to be expected for the remainder of the year. Multiple suppliers are not taking on new business, and inventories are expected to remain noticeably light as we move into 2023. Labor, logistics, and packaging issues are all contributing to the current industry-wide situation. Both foodservice and retail sectors are being affected.

Cheese Block Market Average Weekly \$/lb



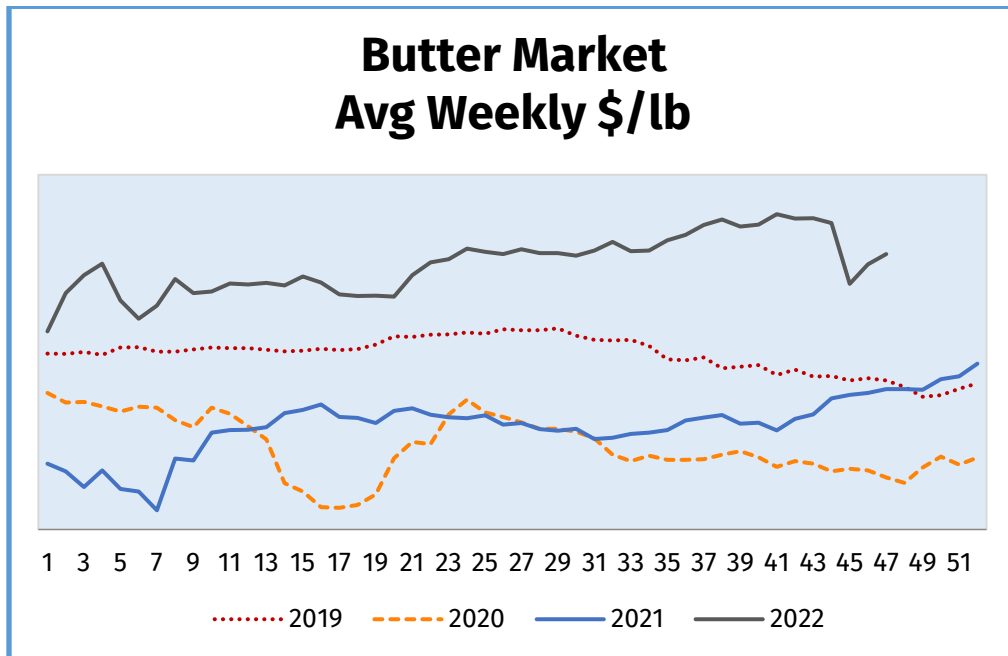
Cheese Barrel Market Average Weekly \$/lb





Butter

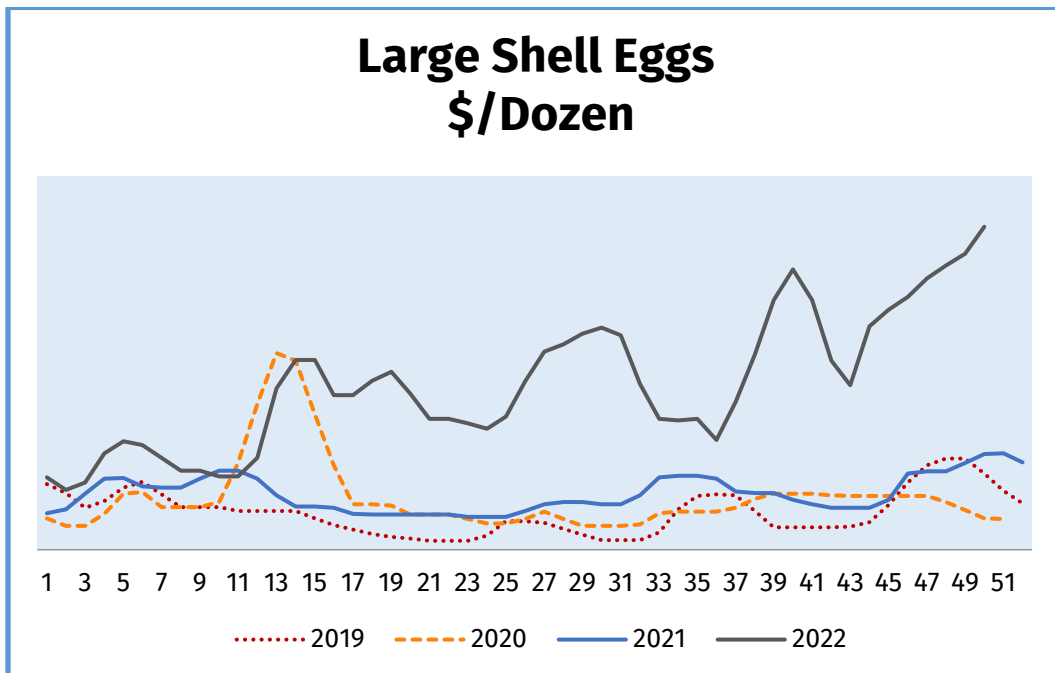
Market is weaker. The CME Butter market has moved lower as this week progressed. Buying activity for the holidays is expected to ease over the coming days at a time that butter production is expected to be very good due to available cream supplies. Global prices have pushed lower than our domestic prices putting pressure on export interest.





EGGS

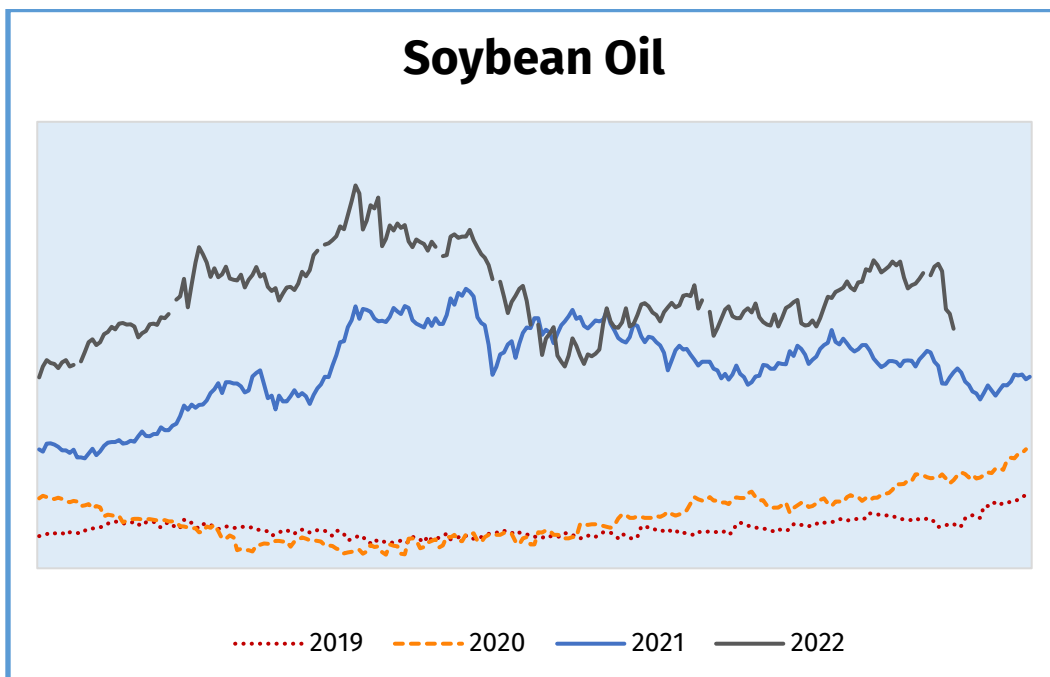
Market is firmer. Retail demand is reported to be very good as consumers shop in preparation for the Christmas Holiday. Some reports are surfacing that retail orders are up 50%. Foodservice and QSR business is getting the seasonal uptick for the holidays. Liquid products are supported by strong demand from the foodservice and processor channels. Supply is reported to be tight on all sizes. Market is higher on medium sizes and higher on large sizes. National weekly shell egg inventory reports shell egg inventory up 2.8% and breaking stock inventory down 5.9% over last week.





SOY OIL

Market remains firm. Prices remain high based on world events and speculation that the US Government could require a large amount of soy oil to be used for biofuels in the new year. This could tighten supply the supply of oil for food. Export volumes to China fell 14% annually on slowed U.S. shipping paces due to low water levels on the Mississippi River. China only imported 270 million bushels of soybeans in November after only taking in 151 million bushels of soybeans in October 2022. These are China's smallest soybean import volumes recorded since 2014. 11.9lbs of oil per bushel has been yielded versus 11.93 last year. South American crops are favorable, but with temperatures reaching 105 degrees Fahrenheit, dryness in Argentina continues to be of concern. This will likely take a bite out of yield prospects.



CANOLA OIL

Market remains firm. 169 million pounds of oil was produced in October of this year. This is an increase of 14% over September figures, and 9% over October 2021. Canola export demand continues to be strong.

CARROTS

95% of the planned tons were finished and processed by mid-November.

CORN

Sweet Corn harvest has finished above budget in all regions.

SUGAR

The beet sugar crop is not as abundant as originally anticipated. This has put pressure on both beet and cane sugar prices in many markets. Pricing on bulk sugar products will remain near current high levels through year-end and into early to mid-2023.

WHEAT

- Pricing continues to be higher than historic levels, based on worldwide availability concerns.
- Domestic - planted wheat crops are in good shape at this time.
- Crop progress on winter wheat will be watched closely in the coming months and could determine changes in pricing levels on flour as the spring approaches.

RAIL STRIKE

President has signed a bill into law making the rail strike illegal. The paid sick leave provision workers were seeking was not passed, and so it remains an ongoing issue.

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

Dry Pasta, Non-Foods, Spices: Scott MacKaben, Senior VP of Procurement, ext. 5457

Beef, Dairy, Pork, Seafood: Davy Ard, Vice President of Category Management, ext. 5431

Appetizers, Baked Goods, Eggs, Poultry: Ken Kotecki, Category Manager, ext. 5463

Beverages, Canned Products, Grains, Oils: Dwayne Joseph, Category Manager, ext. 5433

