



# MARKET WATCH

Published: September 2, 2021



*Ingredients for your Success*



## Poultry

Hurricane Ida tore through the heart of chicken country this week but the our chicken suppliers escaped major damage, but supply disruptions are expected due to labor shortages as a result of the storm.

- ▶ Jumbo wings were flat but we are seeing less availability. Boneless skinless thighs were up this week and sit at historic highs.



## Pork

Butts continue to move higher as Labor Day approaches. Demand from retail and foodservice has increased.

- ▶ Suppliers continue to struggle to bone out products.
- ▶ Ribs are also moving up with strong demand and limited availability.
- ▶ Bellies are still showing weakness; however, bacon continues to be in high demand.



## Beef

The whole beef complex is outperforming expectations, buyers had to scramble to cover short-term needs due to a major packers' plant not able to run as scheduled.

- ▶ Rounds, Chucks, Ribs and Briskets continue to garner steady to firm prices due to continued demand.
- ▶ Strips, tenders, thin meats showed minimal gains.



## Dairy

Natural cheese and mozzarella markets are up while processed cheese markets are down.

- ▶ The butter markets were up week over week with smaller production.
- ▶ Shell Eggs were mostly up week over week with increased demand.



## Grains / Oil

The soybean oil market broke a bit lower last week. The soybean crop is looking better than expected helping move the market lower.

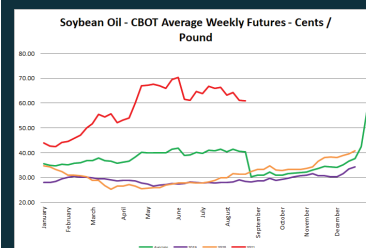
- ▶ Pricing is starting to move lower for commodity soybean oil-based products.
- ▶ Canola is also flat, but the Canola crop is being reported unfavorably due the extended drought in Canada.



## Seafood

- ▶ Domestic shrimp supply has improved tremendously in the last few weeks due to improved catches.
- ▶ Imported Cod, Pollock, and Haddock is seeing upward pressure on pricing due to shipping cost increases.
- ▶ Domestic Catfish production suffers with large fish causing shortages of 3-5 oz. fillets.

## Market Headlines



## Seafood

The US ports continue to experience delays due to the lack of workers to unload the containers from vessels causing massive imported seafood shortages. The public freezers have been overwhelmed.

## Seafood

Vietnam is completely shut down due to Covid-19. Farmed shrimp and pangasius supply are affected as the factories are not operating.

## Produce

**Challenges remain industry-wide with lack of labor, pallets and freight** in all segments of the business, making for challenges in the executions of the supply chain flow from harvest to shipping to receiving.



# MARKET WATCH

*Ingredients for your Success*

## Avocados

- Market is extremely active and short in supply. Demand is strong amid the short supply, but there doesn't seem to be any resolution in sight, as fruit will need to size up to bring some normalcy to the market, which may not be until late September to early October.

## Brussel Sprouts

- Supplies are slowly starting to improve; however, demand continues to be strong thus keeping the market firm. At harvest, there continues to be insect damage, coupled with oxidation

## Cauliflower and Broccoli

- As local regional markets start to end, there is more demand shifting back to CA. Markets are reacting due to increased demand that is now coming back into the CA market

## Bell Peppers

- Green Bell supply much lighter in the East, quality good, and market stronger. Red and yellow bells are extremely short supply in the East. West, green, and red bells in promotable volumes with yellow bells lighter volume.

## Chili Peppers

- East, hot pepper supply continues to be short. On the west coast, serrano peppers remain short and limited in supply.

## Cilantro

- Market is slowly starting to see some sign of recovery as supply and quality continue to improve.

## Eggplant

- Eggplant supply good in the East, quality good, demand good and market stronger. West, supplies very short on larger sizes, predominantly 24's and smaller, industry wide including Mexico and U.S. production.

## Asparagus

- Market is active as both Peru and Mexico are in transition and supplies are tighter. Better volume expected to come on mid-September. Quality is fair to good.

## Green Beans

- East, bean supplies very light, quality is sporadic, and market is strong. Significant rain expected to hit mid-Atlantic region which could curtail harvesting and cause market to rise. West, market is very active due to rains from last weekend, in Baja.

## Lemons, Limes, & Oranges

- Limes: market is very active and large size fruit is very hard to come by.
- Lemons: Supplies are improving due to increased import volume.
- Oranges: 88ct, 113, and 138ct are light in supply with active markets.

## Green Onions

- The market quickly and unexpectedly turned into a demand exceeds supply scenario. Record breaking temps the last two week followed by rainfall has impacted yields causing less supply in the marketplace. The industry will be short supplied for the next two -four weeks.

## Mushrooms

- The mushroom category remains challenged on supply and labor issues.
- Challenges are expected to last for several months.
- Multiple varieties are impacted. Shiitake and oyster mushrooms remain in a demand exceed supply situation.

## Mixed Berries

- Blackberries remain in good supply this week but are expected to start a downward trend in supply by mid next week and then for the next 2-3 weeks.
- Raspberries are very short this week with limited supplies expected to continue to be active for 2-3 weeks as well. Blueberries are shorted and limited in supply
- as the PNW wraps their season. Supplies will be short for the next 2-3 weeks until production can ramp up out of South America and Mexico.

## Carrots

- Availability remains as biggest concern, as processors are at max capacity for snack packs and large bulk carrots. Quality remains steady as we move through late summer heat waves, overall sizing is still of concern for jumbos.

## PRODUCE MARKET Updates

### Labor and Freight

Challenge continues with lack of labor, high freight costs, shortage of pallets, higher fuel cost, plastic shortages and corrugate shortages in all segments of the business, making for challenges in the executions of the supply chain flow from harvest to shipping to receiving.

### Strawberries **ALERT!**

Supplies continue to decline as the season is coming to an end for the Salinas/Watsonville growing regions. Sizing is very small coupled with fruit being susceptible to bruising. Plants are not able to produce/yield what they were doing previously due the end of the season as well as the growing regions high humidity over the past several weeks. Labor is limited and a growing concern for suppliers. Market to be shorter and limited supply, with strong markets for the next 4-6 weeks.

### Shallots **ALERT!**

Zucchini and yellow squash more available in the East.. Rain could keep market up a few days longer. (East coast production will be limited due to tropical disturbance). West currently in a gap on yellow squash, quality is fair at best. Zucchini is ahead of yellow with better supplies but not enough to fill the pipeline.

### Green Beans **ALERT!**

Market on green and red leaf are steady, but on romaine and iceberg, the markets are stronger this week due to reports of yields starting to drop and more insect and quality issues start to be seen. Markets are expected to start to see increasing signs of market activity over the next 2-4 weeks as we start to look towards the annual fall transition from CA to AZ.