



# MARKET WATCH

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*Ingredients for your Success*



## Poultry

The chicken market was quiet except for the breast and tenders market.

- ▶ Wings were steady and we are still seeing ample supply in spot markets.
- ▶ Tenders were up this week and product availability has stabilized.
- ▶ The jumbo breast market was higher.



## Pork

- ▶ Butts continue to remain strong, they should continue to gain strength throughout the holiday season.
- ▶ Hams saw a late push at the end of the week due to exports to Mexico.
- ▶ Spareribs are seeing a lift due to demand shifting upwards.



## Beef

As the market demand continues to soften, packers continue to maximize profits before year end, harvesting as many animals as possible.

- ▶ Strips continue to outperform ribs and psms; although, middles continue to depreciate.
- ▶ Grind volumes continue to out-weighting consumer demand.
- ▶ Chucks and rounds are following seasonal trend, as they continue to soften into early / mid-December and then move higher into January



## Dairy

- ▶ The natural and mozzarella cheese markets are down while the processed cheese markets are up for the week. Production has been weaker but inventories are good.
- ▶ The butter market is higher.
- ▶ Eggs are higher for the week largely due to retail demand.



## Seafood

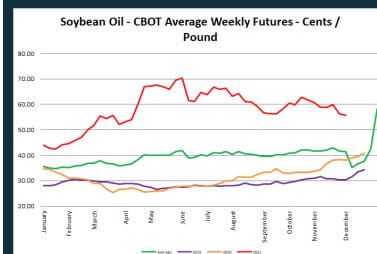
- ▶ Pangasius supply has become tighter due to reduced production capacity and shipping delays in Vietnam caused by COVID-19 outbreak.
- ▶ With the sporadic supply of Groundfish, flexibility with available substitutes can allow access to a wider variety of products.
- ▶ Frozen tuna supply is low in the US.



## Grains / Oil

- ▶ Trade last week was two-sided, but ended the week in negative territory as traders monitor the COVID-19 Omicron variant and increasing soybean oil supplies.
- ▶ Canola was higher, palm, lower.

## Market Headlines



## Frozen Potatoes

Increasing ingredient costs (cooking oil, batters and coatings), labor and supply chain issues, all frozen potato and breaded & battered appetizer items suppliers are taking a significant price increase December 20, 2021.

## Seafood

The port congestion situation has improved by 15-20% as goods are being worked through as more containers are being unloaded. Currently, they are still 51 vessels waiting for berth.

## Mushrooms

Mushrooms are in a dire state. Limited availability and high prices continue to plague the industry.



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## Asparagus

- ▶ Market active as Mexico supplies will tighten up through mid-January. Peru volume is a little better but increased demand from the West will put pressure on that market as well.

## Avocado - Alert

- ▶ Mexico is providing 99% of the US demand. Increased demand for the holidays and not as much fruit on the trees as expected, prices have increased across the board. Supply could get very tight around the holidays and remain active through December.

## Bell Peppers -Alert

- ▶ Lighter supplies and strong markets remain on both the east and west coasts for the next 2-3 weeks.

## Brussels Sprouts - Alert

- ▶ Quality issues are being reported as suppliers are dealing with light insect damage, worms, and decay. Strong demand and light supplies will continue until Mexico starts in January. Very active market condition at this time, coupled with limited supplies.

## Carrots - Alert

- ▶ Snack pack size will remain limited through the end of the school year 2022. Sizing for some suppliers is also now an issue with less baby peeled being available.

## Celery Value-Added - Alert

- ▶ Value Added celery(diced, sticks) is under and demand exceed supply situation due to capacity constraints. Commodity celery is now active as less overall supply is available.

## Corn - Alert

- ▶ Supplies out of Florida continue to be very tight mostly due to late growth and small sizes. Warmer weather now, so anticipate more growth quickly within weeks. Mexico producing limited supplies along with high demand.

## Cantaloupes & Honeydews - Alert

- ▶ Cantaloupes: Supplies are gradually increasing from Central America with most product coming into Florida and Los Angeles. Mexican cantaloupes are starting to wind down. Quality and sugar is good.
- ▶ Honeydews: Supplies are limited from Central America with Mexico being the primary source. Quality is good.

## Green Beans

- ▶ Florida supply good, quality good and market a little stronger. Mexico good supplies with decent movement.

## Citrus

- ▶ Lemons: The market is steady with good volume from California and Arizona.
- ▶ Oranges: Supplies are very light this week due to several days of rain hampering harvest. Choice grade is especially light as the fruits is grading out at 75% fancy. Sizing is peaking on 88's and smaller with 56's and larger being limited.
- ▶ Lime: Expect less supply into next week, specifically on anything larger than 200's. Key lime supply in Mexico is very tight, which has caused a higher demand for Persian limes nationally. Stronger prices to be seen into next week.

## Garlic - Alert

- ▶ There has been some adjustments in the market as more product has been released into the US. It is unknown how long our how much will continue to be available. As a result, the market is predicted to remain unsettled through the rest of the year.

## Mushrooms - Alert

- ▶ Demand is outpacing available supply on all mushrooms. We are now seeing different items be discontinued as suppliers can simply not produce. Pricing is at historical highs. Reported challenges relate to labor, freight costs, lack of drivers, peat moss shortages and spawn issues that have caused green mold issues that have crippled yields. All suppliers are having supply issues on multiple types of mushrooms. Specialty mushrooms continue to be very limited and scarce, but now this is being felt across all varieties, browns, whites, and creminis. The industry does not see the conditions changing for the foreseeable future beyond this year and well into the next year.

## Mixed Berries

- ▶ Stronger markets this week on blackberry and raspberries, better supplies being seen on blueberries.

## Strawberries - Alert

- ▶ Strawberries remain unsettled as some growing regions are faring better than others thus leading to a split market. Santa Maria and Oxnard CA are dealing with rainfall. Quality will be fair, and the shelf life will be minimal out of this growing area. Mexico and Florida continue to ramp up production with better supplies and increased quality being seen each week.

## PRODUCE MARKET Updates

### Processed Onions - **ALERT!**

Capacity issues on both demand outpacing available supply and production availability impacting diced, sliced and whole peeled packs.

### Bell Peppers - Red & Gold

East-Red and Yellow bells are short supply on both the east and west coasts. Green bell peppers are in good supply.

### Hot House

Cucumbers are heavy to mediums, large are tight. Red peppers and yellow peppers are very tight and subject to limited fill rates.

### Chili Peppers

East, Hot pepper supply very short on certain varieties. Overall, less planted this season. Jalapenos are plentiful, all other varieties are short supply. Mexico's chile volume will be moderate this week with better movement. Jalapeno supply will lighten up this week. Anticipate better supplies in a week.