



**Sysco**  
At the heart of  
food and service

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# MARKET WATCH



Ingredients for your Success



## Poultry

Weather and COVID are effecting overall fresh chicken production this week.

- ▶ Wings are more available on all sizes.
- ▶ Tenders are becoming more available.
- ▶ The random breast market is very strong and continues to increase quickly due to further processor demand.



## Beef

Omicron variant, weather, reduced harvest, and transportation issues continue to stress demand and supply.

- ▶ With retail demand keeping inventories tight, packers can drive prices up on limited inventory levels.
- ▶ Middle meats (Strip/ribs/tenders) continue to trade higher, while top butts are showing increased demand.
- ▶ End cuts (Chucks/rounds) are moving higher in price.

## Grains / Oil

- ▶ Soybean oil markets moved higher again last week with continued dryness in South America. Brazil has announced a reduction for their expected production. Also crude oil has jumped higher, adding pressure to the soybean oil market.
- ▶ Canola and palm both moved higher with lower production.



## Pork

- ▶ Bone-in butts took a dip this week as labor is an issue with boning out butts. Boneless butts remain steady for now but will rise as supply tightens.
- ▶ Ribs are seeing supply constraints because of low harvest levels.
- ▶ Bellies and trimmings are higher.



## Dairy

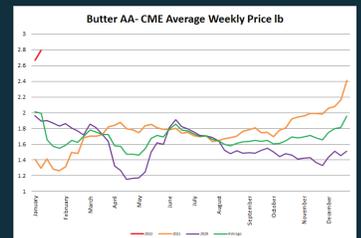
- ▶ Current weather conditions along with tighter supplies are driving mixed markets for block, barrel, butter and egg items.
- ▶ The butter market in particular, has moved much higher in recent weeks.



## Seafood

- ▶ The Keta salmon fishery came in way below the forecast harvest and there are logistical restraints in getting products to ship from China which is resulting in short supply of several Keta items.
- ▶ Pangasius supply has become tighter due to reduced production capacity and shipping delays in Vietnam.

# Market Headlines



## Beef

Absenteeism is again a key topic of conversations throughout beef the industry, impacting production and foodservice sales. Packers were holding asking prices with confidence, with strong price increases.

## Seafood

Record low harvest for Gulf Oysters due to mortality rate and several fishing areas being shut down for conservation has been reported.

## Pork

Pork plants continue to see increased labor struggles; expect boneless, and precooked bacon supply to tighten up.



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## Asparagus

- ▶ Markets are strong. Jumbo sizing is very limited. Peru volume is starting to decline, and Mexico weather is delaying improved volume.

## Avocado - Alert

- ▶ California season has started, but with limited volume. Chile and Colombia continue to send light volume with increased arrivals for the Big Game. Mexico will harvest to demand with some big volume's weeks ahead. Prices have started to increase due to the demands for Post Season Football. Size curve remains the same and category 2 pack outs running between 12-14% category.

## Brussels Sprouts - Alert

- ▶ Market continues to be very short and limited in supply. Relief is not expected until mid-February. Harvest finished in Salinas a month early than planting schedules showed and Mexico continues to run behind due to labor and weather challenges.

## Carrots - Alert

- ▶ Carrot suppliers remain at max capacity on their snack pack carrots. All are reporting now issues with labor due to high absentee rates due to increase covid cases. Limited production runs are being seen, resulting in supply fill rate challenges. Jumbo carrots are short and limited in supply out of CA. Better supply out of GA is 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.

## Broccoli, Baby Broccoli & Cauliflower- Alert

- ▶ Broccoli and cauliflower continue unsettled out both Mexico and CA due to colder weather conditions.
- ▶ Cauliflower is very active as yields have dropped considerably from the previous weeks.
- ▶ Baby broccoli and broccolini has become challenged as well due to rain events in the growing regions. Expect disruptions in supplies for the next 7-10 days.

## Green Beans

- ▶ Florida supply light, quality good and demand good. Mexico volume steady with moderate demand expected this week with better quality into new acreage. Market stronger going into the weekend.

## Citrus

- ▶ Lemons: Demand is steady with good availability on all sizes.
- ▶ Oranges: Dry weather for the past few weeks has allowed the harvest to catch up. Demand is good. Quality is good with 75-85% fancy grade. Sizing is lighter on 88, 113 and 138 counts and will continue to lighten through the season.
- ▶ Lime: Market continues to remain strong. New crop of Key Limes starting to come on. Should start to see more availability of Persian Limes just in time for Persian Limes to start getting tight; availability projected to heavy in 110's/150's and less in the mid sizes. Key Limes still very limited and will cause the Persian Lime market to remain very high.

## Green Onion - Alert

- ▶ Lack of labor and colder weather in the growing regions, green onions are very short and limited in supply as result. Market to be active till the middle of February.

## Mushrooms - Alert

- ▶ Demand continues to outpace available supply on all mushrooms. Supplies remain challenged and the lack of available peat moss for production needs continues to be a major concern. Improvements not expected for the foreseeable future.

## Strawberries - Alert

- ▶ Markets on strawberries are starting to adjust. Product out of CA continues to recover and each passing week is seeing better quality an availability. With Mexico, volumes are improving, but there is labor and freight challenges that the growers are dealing with.

## Squash - Alert

- ▶ Active markets on both East and West coast on zucchini. Yellow squash is limited as well.

## Tomatoes

- ▶ Markets continue to improve out East due to increased availability out of South Florida. Out West, supply will continue to improve out of Culiacan as availability continues to increase into February.

## PRODUCE MARKET Updates

### Hot House

Cucumbers are short and are heavy to small/Mediums, holding to averages or prorates up to 30% expected. TOV, and Campari tomatoes tight and limited in supply.

### Grapes

Supplies are very limited on red and green grapes due to lighter shipments from Peru and delays at the ports. The Midwest and East has had better availability with the West Coast having little to no product available. We are hoping supplies will improve by the end of the month.

### Corn-Alert

Florida supplies getting tighter. Markets are starting to advance due to limited supply. Anticipate supplies will be hit or miss for several weeks as cold weather hits Florida keeping growth down. Mexico production is limited with new acreage starting this weekend, should see good movement.

### Onions

Pack out yields are low compared to historic %. Red onions are wrapping up with some smaller growers which will add additional pressure. Processed Onions-

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