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At the heart of
food and service

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MARKET WATCH



Ingredients for your Success



Poultry

Bad weather in the East and Mid-West coupled with staffing issues in the South is impacting production across the country.

- ▶ Whole birds were up this week as supply continues to tighten.
- ▶ The breast market was very strong again as the breast market continues to be the biggest mover again this week.



Beef

Demand remains softer given the historical demand & sales for January and February year over year. Without the situation improving in the areas of transportation, labor, and COVID, there will continue to be a heightened volatility within the market.

- ▶ Middle meats (Strip/ribs/tenders) continue to trade higher.
- ▶ Top butts & short loins are showing increased demand.



Grains / Oil

- ▶ Soybean oil markets continue to move higher with poorer than expected crops in South America. Also, the ever-increasing crude oil market, largely due to the tensions between Russian, Ukraine, and the U.S.
- ▶ Good demand and less available stocks are pushing the Canola and Palm markets higher.



Pork

- ▶ Butts remained flat going into next week with speculation the market will gain some strength.
- ▶ Loins came off their lows and made some big gains for next week.
- ▶ Spareribs are coming down for next week but are expected to come back as they are a premium item.
- ▶ Hams hit their floor last week and are starting to come back up.



Dairy

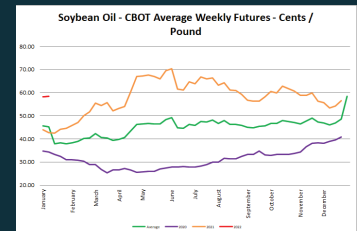
- ▶ The block and barrel markets are in decline for the week while the butter, cream and eggs markets are up due to bad weather across the country causing an increase in retail demand.



Seafood

- ▶ The Keta salmon fishery came in way below the forecast harvest and logistics constraints from China are causing a short supply.
- ▶ Shrimp supply has stabilized compared to the other seafood species.

Market Headlines



Seafood

The port congestion situation has not improved that much even though more containers have been unloaded over the last two months. There are still many boats waiting to be unloaded, impacting seafood pricing and availability.

Seafood

Rising costs and inflation persists in most seafood categories as 85% of the seafood consumed in the U.S.A. are imported.

Soybean Oil

There has been a 15% increase in soybean oil since one month ago. This is driving Canola and palm higher, too.



MARKET WATCH

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Asparagus

- ▶ Market remains active, the potential remains for some minor prorates.

Avocado - Alert

- ▶ There is a two-tiered market on 48/60 with older fruit findings way into the marketplace. The growers in Mexico are still trying to keep field prices elevated. California has started in a small way but expect minimal volume until at least the end of February.

Broccoli & Baby Broccoli

- ▶ Supplies out of Mexico are challenged this week. Improved supplies out of AZ and CA should be sufficient to cover all demand needs.

Brussels Sprouts - Alert

- ▶ Supplies are finally starting to see improvement out of Mexico. Markets are adjusting and over the next few weeks we should see the pipeline start to fill back up for the supply chain.

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.

Corn - Alert

- ▶ Florida supply is up and down, as markets and supply have ranged drastically the past couple of weeks. Cool weather and rain have hampered supply this week. Mexico production in good supplies and expect good movement.

Green Onions - Alert

- ▶ Market is adjusting as better supplies are becoming available. Full relief expected by mid-February.

Green Beans

- ▶ Florida supply very low as cold weather has slowed production. Demand far exceeds supply. Mexico supplies are moderating this week with good demand, expect market increase the next 10 days.

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 in Mexico has become active again, resulting in higher pricing to the U.S. market. Some suppliers are now shipping all qualities #1's, Combo's and #2's due to limited supply of quality fruit. Rain is in the forecast for the next 4-5 days which will limit harvesting causing a lower supply into next week. Key limes continue to stay high causing demand to be higher in Mexico for Persian limes than here in the U.S. Next week and the following 3 weeks are concerning as supply looks to tighten up.

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.

Onions - Alert

- ▶ 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.

Strawberries - Alert

- ▶ Supplies out of Florida have dropped due to cold and wet weather. Oxnard CA is also now facing cold weather as well. Main producing area has now shifted to Mexico. This could result in less overall supply for the upcoming Valentine's Day and Superbowl promotion adds. Stems will be very hit and miss for availability.

Squash

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

PRODUCE MARKET Updates

Hot House

Cucumbers improving but are still heavy to small/Mediums, holding to averages. Medley, and Campari tomatoes tight and holding to averages and prorates are possible.

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 but the situation continues to be very fluid.