

# Gordon Food Service Market Updates

## Meat section for Market Update: January 18, 2019

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### Meat | Beef

Cattle slaughter normally declines from pre-holiday peaks by as much as 8% in the late winter. Smaller supplies will likely support beef prices.

#### Ground Beef:

Fewer retail features have resulted in disappointing demand for ground beef; prices are easing.

#### Ribs:

Rib prices are at the upper end of where they usually trade this time of year. Packers are discounting forward sales to keep spot supplies tight.

#### Briskets:

Prices often drift lower in January and this year appears to be no exception.

#### Rounds:

Round prices dipped last week, but supplies have since cleaned up and prices are firming.

#### Strips:

Prices have been trading sideways and forward sales are being made at steady money/

#### Tenders:

Tender prices are holding at the high end of their historical range for this time of

year. Similar to ribeyes, packers are discounting forward sales to keep spot supplies tight.

Thin Meats:

Seasonally-declining beef production is usually price supportive for thin meats in January.

## **Meat | Pork**

Packers have been cranking out 5% more pork in the last few weeks as strong bacon prices support margins. Winter storms and deteriorating margins is starting to trigger more downtime. Supplies should start to shrink.

Butts:

Butt prices are at 5 year lows as the latest production surge swamped the market. Prices should lift as output is cut back.

Hams:

Ham prices have recovered as Mexican buyers load up at cheap prices.

Bacon/Bellies:

Belly prices have been lifted by QSR promotions which have tightened supply considerably.

Ribs:

Rib prices have been mostly sideways as big production puts a lid on prices. Reduced output should allow the seasonal uptrend to resume in coming weeks.

Loins:

Bone-in loin prices are steady; boneless loin prices tanked at the end of the year and could start to recover when production shrinks.