

# Gordon Food Service Market Updates

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## Meat | Beef

Beef production has been running 2% lower since the late August Tyson plant fire. The percentage of cattle grading choice has been running about 4% lower which, when combined with smaller production, translates into 6% less choice beef than in 2018. This goes a long way in explaining why choice beef prices are 5% higher.

### Ground Beef:

Prices are down 30% from summer peaks during a timeframe when we usually make fall lows. While we may not be at the absolute bottom, history suggests upside risk increases as we get to the end of the month.

### Ribs:

Choice rib prices are trending higher along the same path they followed last year. A larger-than-normal percentage of select grade cattle is causing a 40% discount for select-grade ribs.

### Briskets:

Packers have lowered forward pricing but are keeping cash prices high.

### Rounds:

Cash prices are still at a small premium to forward prices. Packers are keeping spot supplies well-cleared so they can keep cash and formula prices high.

### Strips:

Cash strip prices continue to adjust down as packers try to attract more retail interest. Select strips are discounted 30% below choice.

### Tenders:

Choice tender prices are on a vertical trajectory as we approach the Christmas holiday period. Select tenders are at a 16% discount to choice grade.

Thin Meats:

This is the time of year when thin meats prices start to bottom out. As we move into the winter months slaughter numbers start to decline which typically offers support to prices.

## **Meat | Pork**

Pork production is record large and exports have not grown fast enough, so far, to keep pace. This has kept a lid on many pork prices.

Butts:

Butts prices are now at levels attracting export interest; prices could firm if buying picks up.

Hams:

Large production has become a problem once again as Mexico slows their buying; prices are on the defensive.

Bacon/Bellies:

Belly prices rallied 50% since mid-September but are starting to feel "toppy" as retail features wind down.

Ribs:

Spare and back rib prices are under 2018 levels. Given the risk of increasing China pork demand, retailers have started booking for freezer programs.

Loins:

Bone-in loin prices got cheap enough to attract retail interest; prices are rebounding. Boneless loin prices remain featureless.