

# Gordon Food Service Market Updates

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## Meat | Beef

Milder winter weather has helped feedlot performance allowing steer and heifer weights to move above where they were in 2018 and early 2019. Grading has also improved pushing choice beef output about 1% above last year. This explains why choice beef prices are now 2% lower than year-prior levels.

### Ground Beef:

Ground beef prices dropped counter-seasonally prior to Christmas as heavier cattle weights add to beef trimming supplies. Imported beef was also cheaper after China finished buying for their New Year. Prices have since recovered and are very much in line with previous years.

### Ribs:

Rib prices are still soft as spot availability continues to be larger than it was at this time last year.

### Briskets:

Forward sales of briskets are made at declining prices suggesting packers see the current downtrend continuing.

### Rounds:

High prices last fall discouraged forward booking of round cuts. Reduced retail featuring has increased supply with prices drifting lower.

### Strips:

Strip prices made their seasonal lows in December; prices are gradually working higher.

Tenders:

Tender prices adjusted back to year prior levels after holiday buying finished up. We expect to see some strength develop as we get closer to Valentines Day.

Thin Meats:

Beef slaughter declines seasonally as we get into winter, tightening supplies of thin meats. Prices usually trend higher as a result.

## **Meat | Pork**

Pork output ran 5-7% higher in December but are expected to moderate in coming weeks. Pork prices are mostly on the defensive except when exports lend a helping hand.

Butts:

Butt prices remain above year-ago levels due to consistent export pulls.

Hams:

Ham prices have come down from their pre-holiday peaks but remain at the high end of historical ranges for this time of year. Excellent demand from Mexico continues to be a supporting factor.

Bacon/Bellies:

Belly prices are stuck at 5-year lows as buying fails to keep up with record output. Aggressive buying last fall pushed frozen belly inventories to 5-year highs. Now prices have to go lower to incentivize more booking for retail features.

Ribs:

Spare and back rib prices are in the middle of historical ranges; big supply is balanced with good seasonal demand.

Loins:

Loin prices are similar to historical averages. Stronger export demand is helping a

little.