

Gordon Food Service Market Updates

Meat | Pork

The hog harvest continues to increase, last week totaled 2 mil hogs. This week the forecast is for the harvest to reach 2.1 mil hogs. At the low point of the pandemic the industry harvested 1.4 mil hogs. A major processor indicated today's conversion rate is 44% vs pre-covid level of 80%. Products that are converted are Bnls butts, Bnls loins and injected or marinated items. Due to plant closures during the holiday week and the reduce harvest prices should hold steady with the potential for prices to decline the first week of June as supply and demand stabilize.

Meat | Beef

Cargills Schuyler, NE plant started production this week after being shuttered for two weeks. With almost all large beef plants now up and running we are expecting to see slaughter numbers for this week around the 540K head range. This will put us at around 85% capacity compared to same time period last year and up around 20% higher than just three weeks prior. The 15% still missing from capacity will come back slowly as more workers return to the job and as plants adapt to new safety guidelines to help prevent the spread of sickness. With more labor available, some plants will start back production on labor intensive and further trimmed items in the weeks ahead. The increase in production and slowing in demand, due to high prices, we should start to see easing in prices across the board. Look for lower pricing on end cuts, sirloins, and grinds. Middle meats will most likely come off some, but expect some flattening in the market around these cuts as retail will demand for summer features and food service will start to demand as more restaurants begin to open.