

Gordon Food Service Market Updates

Meat | Pork

On Tuesday, the industry harvested 450,000 head, the largest weekday level since the rebuild of hog processing capacity, now at 89.5% of peak capacity. Weekly expectation is for a harvest of 2.45 million hogs. Prices are expected to remain soft for the remainder of this week and should firm for the next two weeks with minor strength going into buying for the July 4th holiday.

Meat | Beef

Production is almost back to normal running at or above 96% capacity, compared to this time last year. With cheap cattle and high boxed beef prices, it only made sense that packers would push to get back to full production ASAP. Its been a slow start to getting back to normal demand; only part of the country is open partially or fully. This is causing some items to start backing up at plant level. There is just too much production and not enough demand just yet. Middle meats, including ribeyes, tenderloins and striploins are starting to struggle. Of the restaurants open and busy, its more of the bar type setting which serves burgers and chicken tenders over higher priced cuts of beef. We would need some retail feature activity to keep these items in check. Thin meats and sirloins are both headed lower this week along with grinds. We should see a bit of a bump in grinds as we get closer to the 4th of July. Chucks, end cuts, and briskets have all hit what some believe to be the bottom for the time being. There could still be a bit more down side to a few end cuts such as the eye of round. Expect to see flat to slight moves higher on cuts as demand comes back and retailers take on features.