

Gordon Food Service Market Updates

Poultry | Chicken

There was a significant drop in the birds processed that was primarily weather related. The birds processed dropped from 173 million head to 149 Million last week. This comes just as production was getting back up to what it was the previous year. The decrease was mainly on the smaller birds, but the Jumbo bird decreased as well. Jumbo breast meat has stopped the slide downward and seemed to level off for now. The medium and select breast markets remained in good balance and also seemed to have leveled off versus the seasonal decreases that are seen this time of year. There is expected to be some increases in Foodservice demands as we see fall sports starting up, but without spectators the restaurants are hoping to capture some additional business. The Jumbo wing market continues to remain strong. The recent increase appears to be more related to the shortness of supply to due weather related challenges. The small and medium wings that had leveled off for a few weeks also appeared to be impacted by the reduced supply. Tenders also remained balanced, but there could be some potential for a little softening. I think we can expect the wings and tenders to remain tight with the impact of sports as well as the take out demand. The dark meat side finally has seen some strength with the potential for some export demand to China and leg quarters have also experienced some strength with exports starting as well as some retail features.

Breast and Tenders:

The Jumbo Breast Meat market has leveled off and has remained at \$.93/lb. The shortness of supply seemed to hold it there and reduced the trading that was taking place below the market. The select and medium markets also remained unchanged. The select market is at \$2.22/lb and medium market continues to trade at \$1.61/lb which are both unchanged for a few weeks now. Line run Breast Tenders have finally come off a little and are now trading at \$1.74/lb.

Wings:

The market for wings continues to remain strong. The Jumbo whole wings have climbed up a \$.01/lb and are now at \$1.88/lb and medium have also increased \$.01/lb at \$2.01/lb. The small wings also took a \$.01/lb increase to \$2.03/lb. The expectation for wings is to remain in tight with the potential for more upside risk. We will continue to watch Foodservice with many fall sports making a change and deciding to play.