

Gordon Food Service Market Updates

Meat | Pork

Weekly kills remain in the 2.7 million hogs per week area. Seasonally pork prices set back in the fall, this is not the cases this year. Cash prices are higher and expected to be stable to higher for the remainder of the month. There are a number of possibilities that are causing this unforeseen market. Recent African Swine Fever cases may have the export markets buying. Retail normally features pork during October as Pork Month and Oktoberfest kick off. Rumors are that pork buyers are stocking up as a Covid hedge against the return of the virus to plant employees.

Pork freezer inventory is low and it is expected that the USDA's inventory report will indicate that there are 5% fewer animals available for processing in the 4th quarter of 2020.

Butts, loins, spare rib and bacon prices are higher.

Meat | Beef

Production has remained steady, no significant change. We are seeing plants running full time with Saturdays included to support current demand. Although production plants are running full time, restrictions on line speeds and spacing employees along with labor shortages, due to COVID, has put a cap on capacity and production. With current production maxed out, some are showing fear of a shortage in the market on holiday items like ribeyes and tenderloins when demand increases. Seasonally we see a bit of a step back in September on beef. That seems to be playing out for most cuts; however, demand for rib items has started early, possibly in hopes to have enough stock to cover for holiday demand. Tenderloins are continuing to move higher as well, retail has done well with selling this item and some could be putting up product for the holiday season. Other middle meats such

as shortloins, striploins, and top sirloins are continuing their Fall decline which normally bottoms sometime in October. End cuts are mixed with no indications of increasing until November. Thin meats continue to be strong, capacity constraints could be playing into these items. Briskets have been doing well and continue to creep up each week as processors along with smoke houses are take advantage of this item. Ground beef has recovered well from its post Labor Day dip and is now steady.