

Gordon Food Service Market Updates

Meat | Pork

Production this week will struggle to maintain the 2.6 million mark that has been the standard for the past 45 days as a packer will be closed for maintenance tomorrow. Cash prices have been steady to higher for the past week and this closure could give prices added lift. The market strength can be contributed to October Pork Month at retail. African Swine Fever in Europe also has many countries covering pork shortages increasing the US's export tonnage. Butts are higher based on retail demand and export shipment. Loins continue to be featured at retail and prices are up. Back rib prices are higher as retailers and food service chains book product, supply is tight as retail clearance has been good. With back ribs higher and harder to find, customers have turned to St Louis and spareribs increasing these prices. Bellies are in high demand and prices continue higher.

Meat | Beef

Production has remained steady, nothing new as of this week changing output numbers. We are starting to get into the cattle placed on feed back in March and April of this year which were reduced placement months by almost 25% compared to previous year. Expectations are a somewhat tight cattle market from now till late November. In normal years we don't tend to see big demands throughout October, however, this year is different as we have strong retail demand matched with strong export business, due to a weak US dollar. We should see a stronger cattle and boxed beef market as we move into late October and historically demand begins to pick up. Middle meats such as ribeyes and tenderloins have been strong; retail business insuring product coverage for the fall has increased demands. Striploins have been weak but recently higher ribeye prices have held them up as an alternative. Sirloins are slowly coming down; sign retail has finally discontinued

featuring activity and has moved onto other items. Expect both striploins and sirloins to continue to decline through October. End cuts and thin meats are flat to higher, expect the same through most of October and the seasonal increase on ends as we move into November. Briskets have been somewhat flat close in which some pressure around the select grade. Grinds are flat, expect the same for the next few weeks.