

Gordon Food Service Market Updates

Meat | Pork

For the last 2 months, production has been consistent at 2.5 million hogs per week which is slightly lower than last year's number of 2.6 million. Strong export demand to Asia and China, due to African Swine Fever in Europe, October pork promotions at retail and retail buyer mentality of buying to never be out are pulling hard on supply and pushing prices higher. Since the start of September, 1/4 loins, bone in butts and medium spareribs are up 39%, 20% and 11% in price respectively. Bacon prices are increasing at a slower pace. As we get closer to November, prices should moderate, potentially declining.

Meat | Beef

We are starting to see cattle which were put on feed in March and April of this year which were 75% of previous year placements. This could lead to see some plant maintenance and cleanouts over the next month or so as cattle supply is slightly tight. Ribeyes and tenderloins are up. Ribeyes have cleaned up close in and out front; deep chill programs and forward purchases will keep the market firm. Tenders have done well at retail and were booked up at lower levels keeping the spot market cleaned up and moving it to higher levels as we have moved into holiday booking times. Strip loins, sirloins, and short loins have all been dropping in price as they normally tend to do this time of year. End cuts have stayed mostly flat. Knuckles, insides, and flats should show weakness over the next few weeks. Chucks have been driven by the chuck roll recently, due to strong retail demand. The rest of the complex is flat. Briskets are starting to show some lower prices on the spot market and on out front deliveries. BBQ restaurant interest has started to slow for the year. However, briskets have been rebounding well this year anytime they have dropped to attractive levels. Grinds are cheap, not much driving them this time of

year. Heavy cattle are still in the mix, demand is steady to lower. Ground beef tends to be an item packers are struggling to move each week.