

Gordon Food Service Market Updates

Poultry | Chicken

The poultry industry is continuing to see strength once again this week. The increase in the feed costs is continuing to pull birds in earlier than originally planned reducing the supply on the market. We are continuing to see the weights of the birds slide down as well in to lighter weights. We experienced a reduction in birds processed by just over 4 Million head. The jumbo breast meat market increased again this week, but not at the levels in previous weeks. The medium market and the select breast market only experienced single digit increases this week. There is talk that the pull from the market for some of the QSR promotions may be starting to slow down which will free up some product in the weeks ahead. The Jumbo wing market remains tight and when talking to producers they are oversold. All sizes of wings remain at record highs and they are expected to remain there until early February. Tenders have continued to strengthen and we experienced an increase there again this week. The dark meat is also finding strength after remaining flat for such a long period of time. There is also talk of export picking up that is holding leg quarters at current levels.

Breast and Tenders:

The Jumbo Breast Meat market was in a steady position and increased \$.03/lb this week to \$.1.32/lb. It sounds like we may hold at this level or see some relief next week as product becomes more available. The select and medium markets also remain strong. The select market increased \$.01/lb to \$2.23/lb and medium market picked up \$.02 and is trading at \$1.68/lb. The breast meat is starting to balance out. Line run Breast Tenders climbed up \$.06/lb increase to trade at \$1.79/lb. These tenders continue to have interest in the foodservice segment.

Wings:

Wings remain in short supply and continue to set record prices. Even with the high cost there is no problem finding a home for all that are produced. The Jumbo whole

wings and medium whole wings have both climbed to new record highs of \$2.49/lb. The small wings are also at a new record high of \$2.53/lb. The expectation is that we will continue to see the market high prices and lack of inventory until we get beyond the Superbowl. I would not expect to see this fall off as much as we have experienced in previous years, but some correction to the high costs is expected.