

Gordon Food Service Market Updates

Meat | Pork

The harvest this week is working back to normal levels 2.6 million hogs after last week's storm reduced harvest numbers.

The price for pork butts increased again this, up 5-8 cents this week. Loin and sparerib prices are steady.

Belly prices continue to increase, based on the use of fresh and higher demand. Manufacturers are relying on fresh product for current production. Increased demand with more at home meals and January's cold storage report indicating 2 percent more bellies in the freezer and 56 percent fewer bellies than last year are boosting prices.

Worth keeping an eye on are reports that PEDv and PRRS, are limiting hog producers output. Some industry sources suspect that pork production in 2021 may be less than 2020, noting that pandemic-induced sow liquidation last year coupled with pressure from higher feed costs and diseases may curb supplies in the months ahead. In contrast, the USDA projects record pork production in 2021 at 28.7 billion pounds, up 1.4% from 2020 on expectations of a larger pig crop and increases in growth and number of pigs per litter.

Meat | Beef

Weather-related issues both with producers and consumers have the boxed beef market in an interesting position. Harvest was down 100K last week from the average weekly runs all due to weather-related issues. The excess market-ready cattle will need to be pushed to production over the next few weeks increasing supply during a time when we historically experience reduced demand before the spring grilling season. We have yet to see the market react due to short boxed beef,

but it will come soon and probably be a good portion of March as prices are too high for this time of year and increased supply will push prices lower. Middle meats have performed well on retail ads, however, high prices will put pressure on ad placements at retail and foodservice will follow. Look for opportunities on middle meats over the next few weeks. Grinds took a big dive after Super Bowl but are now up again due to short supply caused by last weeks weather events. Expect to see some softness until later into March. End cuts should come off some over the next few weeks and stay lower through most of the spring. Expect lower levels as we move into March. Thin meats and briskets should see good demand and higher prices as we move into March. There are still many large customers shopping brisket packages for the spring business.