

Gordon Food Service Market Updates

Meat | Pork

Harvest levels are forecast to be lower this week and 3% lower than this time last year. Fewer hogs and labor issues factor in the decrease. At least one packer announced they are producing only 4 days per week due to lack of hogs.

The pork cutout is 40% higher this year as this time than last year. Butts are higher this week by 7-10 cents and expected to increase by more than \$.10 in the next 2 months, spare ribs are steady slightly higher and loin prices are bouncing off their lows.

Belly prices continue to increase, however at a modest pace compared to the past 2 weeks.

Increased food service demand and confidence is adding to price increases for pork.

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 week's 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.