

Gordon Food Service Market Updates

Poultry | Chicken

The chicken market remains out of balance with the supply not able to satisfy the demand that is out there. As restrictions loosen and states open up more Foodservice locations the demand has been very strong. I have been hearing of demand stronger this year than it was in 2019. The labor challenges are real and something that all of the processors are dealing with. This is also impacting many of the other protein industries as well. We are seeing Wings, Tenders and breast meat take increases almost every day of the week. Jumbo boneless breast meat is trading \$.80/lb over 2019 levels and Wings are \$1.00/lb over 2019. Even at the elevated prices all product is clearing the market. While we are starting to see an increase in the number of birds being hatched for meat production the increases are small due to the challenges faced in production as well as the increasing feed costs. The production numbers took a 2million head increase, but this is still well below the normal production for this time of year. The total production was at 164million head. We continued to see more birds in the heavier weight ranges which also helps put more meat on the market. The heavier birds account for 55% of the total production. The wing market remains extremely short and processors are having to continue to allocate product against open orders. There continues to be discussion of some restaurants having to pull wings off the menu as they are simply not able to get what they need to continue to offer them.

Breast and Tenders:

The Jumbo Breast Meat market has found it's way up to \$.2.03/lb for the week. This is a \$.14/lb increase. The select and medium markets also took on further strength this week. The medium market at \$2.08/lb, so this is up \$.08/lb and the Select is now at 2.65/lb, so a \$.10/lb increase as well. Line run Breast Tenders have picked up strength and are at \$2.20/lb, which is a \$.15/lb increase. If we start to see production numbers increase we might see some flattening out, but I would not expect any immediate downturns. We are entering a time of year that should be

putting more demand on the breast meat market, so hopefully the increase in production can help at least flatten out the pricing.

Wings:

Wings remain in very short supply for the demand that is real. The Jumbo whole wings are at \$2.90/lb up \$.13/lb from last week. The medium whole wings up \$.13/lb to \$2.79/lb and small wings have gone up \$.14/lb to \$2.91/lb. The talk out there is that at these levels some customers can make a decision to not offer wings and that seems to be happening. For those that have wings as the main product offering for their concept they will have to continue to pay the prices and just reflect it on the menu costs.