

# Gordon Food Service Market Updates

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## Meat | Pork

The cyber attack last week cut the kill by approximately 600,000 animals. As of last Thursday was back in operation and running at close to capacity. The harvest this week is forecast to 2.2 to 2.3 million hogs. Smithfield's Sioux Falls, SD plant could possibly strike this week, potentially decreasing kills and giving packers a reason to keep prices high.

Cash markets continue to run up as buyers are irrationally buying product trying not to run out. Bone in and boneless butts are up \$.25-\$.30/LB this week. Bnls loins are \$.20lb higher. Product shortages are decreasing as higher prices are decreasing demand.

Spare ribs are lower this week, while still not cheap based on historical prices. St Louis ribs price are stable. Back ribs prices up this week. Ribs should hold steady into the higher.

Bellies are higher this week. Price is expected to climb slowly into July fourth as the travel season continues, customers are exploring and eating more meals out and bacon demand increases. .

Sausage trimmings are steady this week. It is likely that prices will increase in advance of the 4th.

## Meat | Beef

Harvest numbers continue to be under pressure. JBS, the world's largest meat producer fell under a cyber-attack over the weekend causing a further slowing of production pounds. Labor is still making full-on production difficult as well. Packers

have cut back on labor-intensive items to help keep production pounds up. Grade has slipped slightly by 1-2% and the expectation is another 2-4% drop. Expect the select/choice spread to increase over the next few weeks. Exports to China are strong and news of Argentina shutting down exports for 30 days has put further stress on the overall market.

Middle meats such as ribeyes are at all-time highs and bouncing around at these levels slightly higher than last week. The market continues to stay clean on most middle meats and packers are not showing quantities until July for some cuts. Expect to see high prices for at least a few more weeks. Striploins are continuing to climb and should peak over the next few weeks. Tenderloins are continuing to be strong hitting all-time highs; packers are clean for the next few weeks. Briskets are moving sideways and may have hit the top for the next few weeks. If retailers decide to do a Summer holiday promo on briskets, we can expect another run. Thin meats such as skirts continue to show strength. Imported skirts are tight so expect increased demand on domestic products. Grinds are continuing to move up quickly. Expect to see strong demand for grinds through the 4th of July.