

Gordon Food Service Market Updates

Meat | Pork

This week's harvest is forecast to be 2.5-2.6 million head, if Saturday's harvest is strong the weekly total maybe higher. As we enter the latter half of the week, the pork market is anticipated to be affected by October pork month demand, labor-related conversion issues, transportation shortages, and increased production.

Bone in Butt prices turned higher as retailers took advantage of the prices. Bone in butts will be featured in retail during Pork Month. Boneless pork butt prices are declining but continue to sell at a larger premium to bone in butts than we have seen in the past as labor issues have slowed boning lines. Boneless loin prices continue to decline.

Belly prices leveled off last week and prices have increased to start the week. Shortages are possible.

HOG SUPPLY

The USDA published it's quarterly hogs and pigs report this week

Total swine in inventory down 4% with market hogs showing 4% decrease from prior year. The breeding herd, as of September 1, was down 2.26% from the prior year. The pig crop is down from last year by 6%, continuing the herd tightening as a result of last years pandemic impacts as well as this years struggle with disease in the sow.

Meat | Beef

Harvest numbers are slightly higher than previous year's numbers as smaller cattle have dropped the production pounders per head slightly. Choice grading is starting

to slip and currently running a bit below previous years percentage. Prime has continued to drop percentage-wise making it even more difficult to come by. Expect to see the choice/select spread to increase as we move closer to September. Logistical issues with both container ships and port warehouses have slowed the processing of imports and exports. Late August and into September should show good numbers of exports as ports and warehouses work on catching up on the backlog of orders.

The choice cutout has started to move higher, up \$0.50 bouncing off the dip we had in mid-July. Demand is picking up again as prices became more realistic. Most middle meat items have started to trend higher as retail took interest and took positions in late July. Ribeyes are higher, expect to see these prices for the next few weeks with retailers booking for deep chill programs to support the holidays. Striploin and short loins have captured some retail attention and should keep support under these cuts through most of September. Briskets have been booked up by retail on forward bookings to help cover Labor Day ads with a cheap BBQ beef option, prices have shot back up. End cuts are steady to higher, holding well above historical prices for this time of year. Thinmeats and labor-intensive items are steady to slightly higher across the category as labor is an issue across all beef packers and specialty cutters. Grinds have started moving already, retail has already stepped in on ground beef packages for the upcoming holiday.