

Gordon Food Service Market Updates

Poultry | Chicken

The markets have been staying pretty flat up until just recently. While we were expecting to see some downward movement it just has not been happening. We are just finally starting to see some signs of weakness in the chicken market. This is seasonally a time when we see less demand and prices falling, but this year it is just starting later and from a much higher level. The production levels are remaining very consistent and at the 167-168 million head levels week to week. We are running in the 57% level for heavier birds which puts more total pounds of supply in the system. These current levels are running just below where we were at a year ago. The labor challenges are still real and while many were hoping to see some relief in the months ahead things are not showing many signs of improvement. The plants running the Jumbo birds are in a little better position as the labor is not as high as the small bird plants that require more employees for further processing and portioning. The Jumbo wingmarket has remained in a very balanced position and not seen much of a decrease, but it does appear that wings are starting to show up a little more and could lead to some further declines. I would not expect to see any thing dramatic, but some softening is looking to become possible. The medium market and small wing markets were also showing some signs of weakness. The tenders have also experienced some softening, but at a very slow pace. While the production plants continue to struggle with labor it does not look like there will be much of an increase in production and output of supply. As we finish up the year and move into next year it is expected to see the markets remain at these higher levels, but some of the seasonality is coming into play.