



Gordon Food Service Market Updates for January 11, 2019

Dairy | Cheese

The Block and Barrel Markets have continued to be bearish. Speculators feel this will continue with the current environment trades are being made in. The weather has been mild with no current effect on milk production.

Last week:

Block- Up

Barrel-Up

This Week:

Block- Down

Barrel-Down

Dairy | Eggs

Retail demand fair. Supplies long. Market weak.

Last week:

Large - Down

Medium - Down

Small - Down

This Week:

Large - Down

Medium - Down

Small - Down

Dairy | Butter

After the Holiday demand, butter prices started to weaken until reports showed inventory had fallen to the lowest point since November 2015. It is now expected to stay at and around current levels rather than the traditional start of year price drop.

Last week:

Butter - Up

This Week:

Butter - Up

Grocery & Bakery | Wheat

Wheat futures are near one-year lows as export business remains slow and Northern Hemisphere weather conditions remain favorable.

Grocery & Bakery | Soybean Oil

Recent reports suggesting that hot-dry weather is shrinking the South American soybean crop havelifted prices off recent lows.

Grocery & Bakery | Sugar

Both raw and refined sugar prices have been flat since November. Cane remains at a 2-3% premium to beet sugar.

Meat | Beef

Cattle prices are down a little from pre-holiday peaks. Beef prices remain mostly flat overall.

Ground Beef:

Ground beef prices are holding pretty close to where they were in January 2018.

Ribs:

There were 10% more rib features for the holidays than in previous years and the cleanup was very good. Prices remain \$1/lb above last year as supplies are still pretty low.

Briskets:

Prices remain above 2018 levels as demand continues strong. My wife brought me home a BBQ brisket sandwich from a Vietnamese restaurant. Is everybody serving briskets now?

Rounds:

Round prices started slipping last week as beef plants returned to a full production schedule. January peaks for insides and flats occurred in the first part of the month in both 2017 and 2018.

Strips:

Prices are even with last year but could lose a little ground now that we are back into full production.

Tenders:

Tender prices have peaked and are slowly adjusting lower. Pipelines have yet to completely refill following banner holiday demand.

Thin Meats:

Seasonally-declining beef production is usually price supportive for thin meats in January.

Meat | Pork

Pork prices were flat last week but we are entering the time when hog supplies begin to shrink and prices start to rise.

Butts:

Butt prices are lower as the market tries to attract buying for freezer programs or exports.

Hams:

Ham prices have dropped and could begin to find support from freezer and deep-chill programs.

Bacon/Bellies:

Belly supplies cleaned up last week and prices are trending higher.

Ribs:

Backrib prices are above last year; St Louis spareribs are cheaper. Right now St Louis spareribs offer considerable savings.

Loins:

Boneless loins are now cheaper than jumbo chicken breast which could attract retail

features in a few weeks.

Poultry | Chicken

The industry's efforts to reduce production have paid dividends across all categories of chicken. Whole chicken prices are steady at elevated levels.

Breast and Tenders:

After bringing prices for most white meat items back to where they were in January 2018 the market is pausing. Makes sense with production holding near 2018 levels.

Wings:

Jumbo wing prices are steady; medium and small wings are also in good shape.

Dark Meat:

Strong export demand for leg quarters continues. Leg meat and thigh meat prices are a little soft.

Poultry | Turkey

Recent cold storage inventories show December 1 whole turkey inventories down 15% from last year. Price negotiations for 2019 are starting at steady money.