



Gordon Food Service Market Updates for June 21, 2019

Dairy | Cheese

The CME Block and Barrel markets have continued an upward trend and are being supportive by the amount of volume being traded. Speculators feel this will continue in the short term, but supply is still available out in the market.

Last week:

Block- Up

Barrel-Up

This Week:

Block- Up

Barrel- Up

Dairy | Eggs

Retail demand good. Supplies well balanced to at times close. Market full steady.

Last week:

Large - Up

Medium -No change

Small -No change

This Week:

Large -No change

Medium -No change

Small -No change

Dairy | Butter

Butter production continues to be active and inventories continue to grow; expectations are for butter pricing to stay relatively stagnant on the spot market over the next few weeks prior to the butter inventory is reset with current levels and previous inventory is wiped out'.

Last week:

Butter -Down

This Week:

Butter -Down

Grocery & Bakery | Wheat

Spring wheat prices eased back further as the USDA reported the majority of the crop had emerged and is in good condition. Higher corn prices following unprecedented planting delays will continue to provide a floor for wheat prices (wheat is used for animal feed if prices get close to corn prices).

Grocery & Bakery | Soybean Oil

Soybean oil prices are somewhat higher to reflect delayed soybean planting -- 77% versus 93% normal.

Grocery & Bakery | Sugar

Most of the sugar beet crop is planted and prices have leveled off. Processors still have a big part of next year output available for booking.

Meat | Beef

Cattle weights are still dropping due to the lingering effects of a severe winter; beef production is up only marginally. With exports below last year domestic supply on a per-capita basis is unchanged from 2018. Cattle and beef prices are on par with last year and should drift lower into summer as slaughter and cattle weights increase.

Ground Beef:

Ground beef prices have held steady for much longer than usual. Cow and bull slaughter has dropped back to 2018 levels reducing 90% trim output. Fed cattle weights are lower which is generating less 50% trim. Smaller trim supply is supporting ground beef prices.

Ribs:

Retailers booked a good quantity of bone-in and boneless ribs for July 4th features. Spot prices are steady/higher as we approach the holiday.

Briskets:

We saw some good volumes booked for July 4th features a few weeks back, but not much since. Prices are drifting lower.

Rounds:

Round prices are steady as retail features and good export pulls keep supplies moving.

Strips:

Retailers have booked for bone-in ribeye and T-bone features while neglecting strips. Prices for strips continue to slip lower.

Tenders:

Prices really didn't go anywhere in the past 80 days and they continue to be flat.

Thin Meats:

Ball-tip and flank prices are steady/higher as supplies stay well cleared. Skirt meat prices are now tracking last year's gradual decline.

Meat | Pork

Pork prices are back down to where they were last year, which is pretty good given production was up an average of 7% over the last three weeks. The cool spring has helped performance with hogs gaining weight faster, forcing producers to move up marketing thereby creating the current supply bulge.

Butts:

Butt prices have leveled out with support coming from July 4th builds and the removal of Mexico's pork tariff.

Hams:

Ham prices may have peaked for now as prices edge lower. Mexico has been an active buyer since the removal of their pork tariff was announced.

Bacon/Bellies:

Belly prices continue to slip versus the usual summer uptrend. Prices may not recover until after we get through current overproduction.

Ribs:

Rib prices have leveled off and could get stronger into the July 4th holiday.

Loins:

Bone-in and boneless loin prices are holding above last years levels, which is still low relative to history.

Poultry | Chicken

Chicken production is up about 1%, keeping per-capita supply even with last year. Whole and cut-up chicken prices are steady, but have not seen a seasonal uptick which usually accompanies summer weather.

Breast and Tenders:

Jumbo breast meat prices are firming on good food service demand; medium breast prices are slipping as retail stays slow. Tenders prices are steady/higher on good pulls by further processors and retail.

Wings:

Jumbo wing supply seems a little long; prices are steady/weak.

Dark Meat:

Export and domestic demand for leg quarters is good; prices are steady/higher. Thigh meat prices are firm and leg meat prices are steady.

Poultry | Turkey

Whole turkeys prices continue to increase by a penny every few weeks.