



Gordon Food Service Market Updates for August 9, 2019

Dairy | Cheese

Due to the cheese inventories report coming out bearish, the CME Block and Barrel Markets grew strength. Speculators still feel there is enough cheese available to keep the market from falling to the bulls. Focus will continue on crop reports and weather reports as we go through the coming months.

Last week:

Block- Up

Barrel- Down

This Week:

Block- Up

Barrel- Down

Dairy | Eggs

Retail demand fair to at times fairly good. Supplies generally available. Market soft and adjusting.

Last week:

Large -No change

Medium -Down

Small -Down

This Week:

Large -Up

Medium -No change

Small -Down

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

With plenty of wheat available, prices are trading just above their feed value versus corn. The final size of the corn crop is still a big question mark which will become

clearer in the next 60 days; this will determine the direction of corn and wheat prices.

Grocery & Bakery | Soybean Oil

Soybean oil prices have been trading in a 27-29 cents-per-pounds range since the growing season started. New input on the potential crop size will be available next week; until then we may be range-bound.

Grocery & Bakery | Sugar

2019's beet sugar crop is 70% sold and processors are starting to increase their offering prices. Larger cane sugar crops are expected which should narrow the premium to beet.

Meat | Beef

Beef production actually dipped a little last week, lending some support to beef prices. Overall, beef prices should trend a higher into Labor Day.

Ground Beef:

Ground beef prices continue to firm as we approach Labor Day.

Ribs:

Packers have been inching prices higher as we get closer to Labor Day.

Briskets:

We had a 15% price pop in the last two weeks as retailers get positioned for Labor Day. Briskets have been a retail feature favorite all summer.

Rounds:

Prices are firming up as features of inside rounds keep supplies well-cleared. Prices

for most other round cuts are steady in an uneventful trade.

Strips:

Prices are trending higher as buying ahead of Labor Day picks up.

Tenders:

Prices for all grades of tenders firmed after large steak cutters booked their million pound-plus orders for Christmas gift steaks.

Thin Meats:

We are seeing a gradual adjustment lower.

Meat | Pork

Pork production dropped close to last years levels as we get into the lowest production weeks of the year; output should gradually expand as we approach Labor Day. In general, pork prices should ease as production increases.

Butts:

The Labor Day price rally got underway with prices expected to advance for a few more weeks.

Hams:

Ham prices continued to be propelled higher by tight supplies and good domestic demand. Mexican buying has tapered off.

Bacon/Bellies:

Belly prices are still ratcheting higher as retail features easily clean up smaller output. Increased production should cap prices in the next week or two.

Ribs:

Back ribs are priced about the same as in 2018; St. Louis and sparerib prices are struggling to get traction. One problem is a large overhang of frozen inventory - 14% higher than last year.

Loins:

Bone-in and boneless loin prices are roughly in line with where they were at this time last year. There is still plenty of low-priced chicken and ground beef competing at retail.

Poultry | Chicken

Large-scale Immigration and Customs Enforcement (ICE) raids on Mississippi poultry plants and farms Wednesday could disrupt trade. Whole birds and cut-up chicken have been plentiful, but short-term supply disruptions could steady prices out.

Breast and Tenders:

Chicken breast is mostly steady but there is adequate availability across most lines. Tender prices continue to slide lower.

Wings:

Medium and jumbo prices are steady, small wings are still soft but supply has cleaned up a bit.

Dark Meat:

Leg quarters are moving well at mostly steady prices. Leg and thigh meat prices are still negotiable.

Poultry | Turkey

Whole turkeys and bone-in breasts are held with confidence; forward sales are made at various premiums.