



Gordon Food Service Market Updates for July 16, 2021

Dairy | Eggs

Large - Higher

Medium -Higher

Small - No change

Retail demand mixed. Supplies of extra large and large well balanced and held confidently. Market steady to full steady.

Dairy | Butter

Butter- Down

Cream inventories are continuing to tighten as ice cream production starts to compete for raw material and hits its production stride. Retail sales show signs of decline, but overall are still healthy. With restaurants reopening food service distributors are still coming back to the buying table, but orders are still below expectations.

Dairy | Cheese

Barrel -Up

Block -Up

The CME Block market responded to the government's release of another billion dollars in the USDA Box program. Speculators feel this will have an effect on the markets for the short term but will not be sustainable for the long term.

Meat | Pork

Packers are resisting paying more for hogs as wholesale cut prices are declining in value, with some exceptions. The harvest this week is forecast to be 2.3 million head about 8% smaller than last year.

Bone in butt prices are decreasing with the chance that they will level off in the next 2-3 weeks, boneless butt prices are declining in price however not as rapidly as bone in. Loin prices are down this week.

Spare ribs are lower this week, with St Louis prices lower. Back ribs prices are stable to higher.

Belly prices are higher this week as demand at retail and food service continues to thrive. Shortages are possible due to labor issues.

Meat | Beef

Harvest numbers are currently out-weighting demand, prices peaked on most cuts, and are trading down at this point. Grade has slipped and select is now showing up putting further pressure on select cuts. Expect the select/choice spread to continue to be wide until we see some better grading. Exports have slowed down slightly and imports are sluggish coming in. Logistical issues are part of the issue.

Middle meats such as ribeyes are trading lower, select much lower due to the grade slippage. Striploins are coming down from their peak pricing. They should start to gain traction again soon as retailers step back into the market. Tenderloins are slowly coming down but are still somewhat tight in the market. Expect to see a slow descend for the remainder of the summer. Briskets are coming off quickly as retail interest was lost with the recent high pricing. We should get into a price point over the next few weeks where retail will step in and steady pricing. End cuts should continue to hold steady to slightly lower. Thin meats such as skirts continue to show strength. Imported skirts are tight so expect increased demand on domestic products. Grinds have shown strength into the 4th of July holiday pull week. They are starting to come off at this point but expect to see price holding steady at higher levels than previous years.