



Gordon Food Service Market Updates for October 15, 2021

Dairy | Eggs

Large -Down

Medium -No change

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- Up

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 - Down

Block - Down

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.

Grocery & Bakery | Frying Oil

The USDA updated production forecasts this week, increasing the total soybean quantities and carryouts. After seeing oil prices move up 13% over the past two weeks this created a sharp correction. Chinese orders appear to be picking up for new crop purchases, which is typical for this time of year. Any softness in the market may be short-lived as veg oil demand continues to be strong.

Meat | Pork

This week's harvest is forecast to be 2.7 million head, up fractionally from last week.

Bone in Butt prices are steady this week as retail prices increased this October versus prior year due to the supply chain disruptions, possibly decreasing demand. Boneless pork butt prices are declining as customers are not willing to pay the premium to bone in butts. Boneless loin prices continue to decline.

Belly prices are bouncing around as the market is unsettled.

Spares and St Louis prices are slightly lower, Back rib prices are stable.

Meat | Beef

Harvest numbers are slightly higher than previous year's numbers as smaller cattle have dropped the production pounders per head slightly. Choice grading is starting to slip and currently running a bit below previous years percentage. Prime has continued to drop percentage-wise making it even more difficult to come by. Expect to see the choice/select spread to increase as we move closer to September. Logistical issues with both container ships and port warehouses have slowed the processing of imports and exports. Late August and into September should show good numbers of exports as ports and warehouses work on catching up on the backlog of orders.

The choice cutout has started to move higher, up \$0.50 bouncing off the dip we had in mid-July. Demand is picking up again as prices became more realistic. Most middle meat items have started to trend higher as retail took interest and took positions in late July. Ribeyes are higher, expect to see these prices for the next few weeks with retailers booking for deep chill programs to support the holidays. Striploin and short loins have captured some retail attention and should keep support under these cuts through most of September. Briskets have been booked up by retail on forward bookings to help cover Labor Day ads with a cheap BBQ beef option, prices have shot back up. End cuts are steady to higher, holding well above historical prices for this time of year. Thinmeats and labor-intensive items are steady to slightly higher across the category as labor is an issue across all beef packers and specialty cutters. Grinds have started moving already, retail has already stepped in on ground beef packages for the upcoming holiday.