



MARKET TRENDS

FOR WEEK ENDING FEBRUARY 15, 2019

 **PERFORMANCE**
FOODSERVICE



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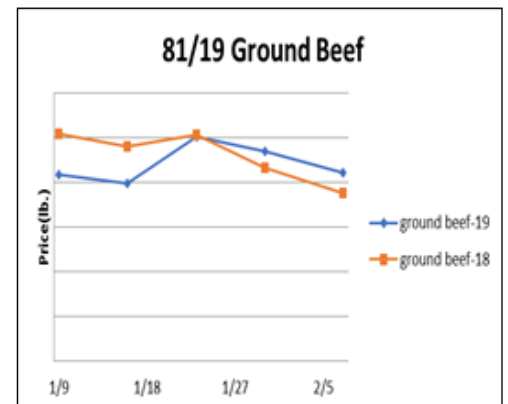
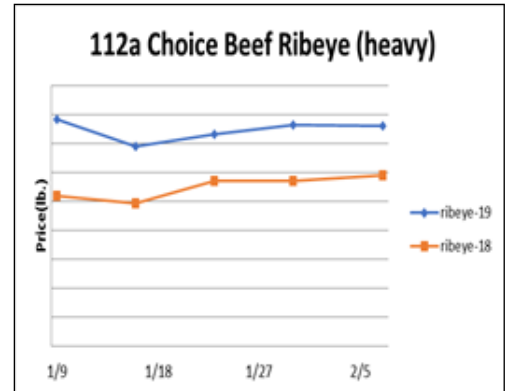
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Beef, Veal & Lamb

Hampered by severe winter weather, beef production last week fell nearly 3% from the prior week (and y-o-y). The Choice cutout remains supported, bolstered, not only by weather, but strong exports as well. Last week's export sales were the best since August and should continue to temper available U.S. beef supplies. But the cutout is slated to seasonally decline this month; a notoriously slow month for beef movement. Domestic 90's (prices) are rising, narrowing the year-over-year spread, but beef 50's remain depressed. Choice middle meat prices remain high, but this should be a headwind for the typical spring increases.

Description	Market Trend	Supplies	Price vs. Last Year
Live Cattle (Steer)	Increasing	Short	Lower
Feeder Cattle Index (CME)	Decreasing	Short	Lower
Ground Beef 81/19	Decreasing	Good	Higher
Ground Chuck	Decreasing	Good	Higher
109 Export Rib (ch)	Increasing	Good	Higher
109 Export Rib (pr)	Decreasing	Good	Lower
112a Ribeye (ch)	Decreasing	Good	Higher
112a Ribeye (pr)	Increasing	Good	Lower
114a Chuck , Shlder Cld(ch)	Increasing	Good	Higher
116 Chuck (sel)	Increasing	Good	Lower
116 Chuck (ch)	Increasing	Good	Lower
116b Chuck Tender (ch)	Decreasing	Good	Higher
120 Brisket (ch)	Decreasing	Good	Higher
120a Brisket (ch)	Decreasing	Good	Higher
121c Outside Skirt (ch/sel)	Decreasing	Good	Higher
121d Inside Skirt (ch/sel)	Decreasing	Good	Higher
121e Cap & Wedge	Increasing	Good	Higher
167a Knuckle, Trimmed (ch)	Increasing	Good	Lower
168 Inside Round (ch)	Increasing	Good	Higher
169 Top Round (ch)	Increasing	Good	Higher
171b Outside Round (ch)	Decreasing	Good	Lower
174 Short Loin (ch 0x1)	Increasing	Good	Higher
174 Short Loin (pr 2x3)	Increasing	Good	Lower
180 0x1 Strip (ch)	Decreasing	Good	Higher
180 0x1 Strip (pr)	Increasing	Good	Lower
184 Top Butt, boneless (ch)	Decreasing	Good	Higher
184 Top Butt, boneless (pr)	Increasing	Good	Lower
184-3 Top Butt, bnls (ch)	Decreasing	Good	Higher
185a Sirloin Flap (ch)	Decreasing	Good	Higher
185c Loin, Tri-Tip (ch)	Decreasing	Good	Higher
189a Tender (sel, 5 lb & up)	Increasing	Good	Higher
189a Tender (ch, 5 lb & up)	Decreasing	Good	Higher
189a Tender (pr, heavy)	Increasing	Good	Lower
193 Flank Steak (ch)	Increasing	Good	Higher
50% Trimmings	Increasing	Good	Lower
65% Trimmings	Decreasing	Good	Lower
75% Trimmings	Steady	Good	Lower
85% Trimmings	Increasing	Short	Lower
90% Trimmings	Decreasing	Short	Lower
90% Imported Beef (frz)	Decreasing	Good	Lower
95% Imported Beef (frz)	Decreasing	Good	Lower
Veal Rack (Hotel 7 rib)	Steady	Good	Higher
Veal Top Round (cap off)	Increasing	Good	Higher



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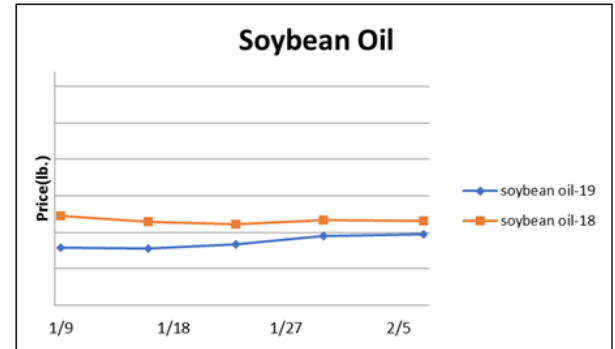
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Grains

China has stepped up purchases of U.S. soybeans during the last week as a sign of good faith with the Trump Administration. However, U.S. soybean exports as a whole continue to struggle. Ample U.S. soybean supplies are projected to persist for the next several months which should keep a lid on prices.

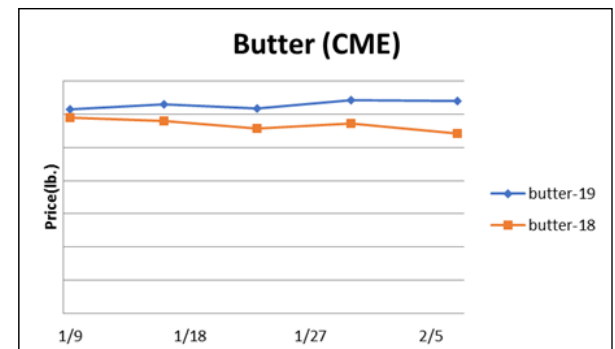
Description	Market Trend	Supplies	Price vs. Last Year
Soybeans, bushel	Increasing	Good	Lower
Crude Soybean Oil, lb	Increasing	Good	Lower
Soybean Meal, ton	Decreasing	Good	Lower
Corn, bushel	Increasing	Good	Higher
Crude Corn Oil, lb	Steady	Good	Lower
High Fructose Corn Syrup	Increasing	Good	Higher
Distillers Grain, Dry	Decreasing	Good	Lower
Crude Palm Oil, lb BMD	Increasing	Good	Lower
HRW Wheat, bushel	Increasing	Good	Higher
DNS Wheat 14%, bushel	Increasing	Good	Lower
Durum Wheat, bushel	Increasing	Short	Lower
Pinto Beans, lb	Steady	Good	Higher
Black Beans, lb	Steady	Good	Higher
Rice, Long Grain, lb	Steady	Good	Lower



Dairy

The spot butter market held steady since last week. In November, domestic butter production was down 2.7% year-over-year. But butter output has risen with more available milk (cream) supplies due to costlier Class IV milk prices than Class III milk. The quarterly pivot model hints that spot butter prices could fade to \$2.150 this month. The cheese markets were modestly higher since last week. International cheese prices continue to rise and are higher than their U.S. counterparts. This is encouraging U.S. exports and suggests that the downside risk for the cheese markets is nominal.

Description	Market Trend	Supplies	Price vs. Last Year
Cheese Barrels (CME)	Increasing	Good	Lower
Cheese Blocks (CME)	Increasing	Good	Lower
American Cheese	Increasing	Good	Lower
Cheddar Cheese (40 lb)	Increasing	Good	Lower
Mozzarella Cheese	Increasing	Good	Lower
Provolone Cheese	Steady	Good	Same
Parmesan Cheese	Increasing	Good	Lower
Butter (CME)	Decreasing	Good	Higher
Nonfat Dry Milk	Decreasing	Ample	Higher
Whey, Dry	Decreasing	Good	Higher
Class 1 Base	Steady	Good	Higher
Class II Cream, heavy	Increasing	Good	Higher
Class III Milk (CME)	Increasing	Good	Higher
Class IV Milk (CME)	Decreasing	Good	Higher



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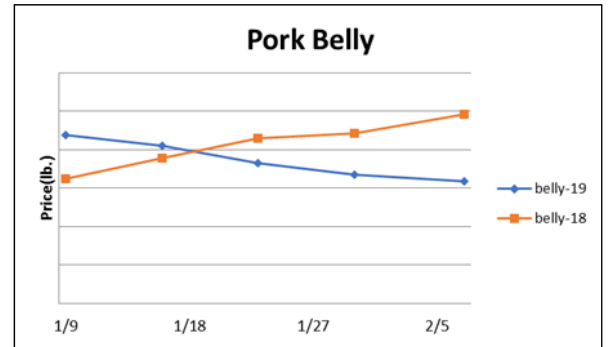
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Pork

Pork production fell sharply last week, down 4.6% week-to-week and was 2.2% less than the prior year. The winter weather may have staved off further USDA pork cutout price declines in the short term, but further downward pressure is expected moving forward. Ham prices continue to languish at multi-year lows, but with Easter a mere two months away, prices remain favorable for late holiday negotiations. Pork belly prices have come off rather abruptly, but are expected to find modest support as buyers look for value heading into the spring.

Description	Market Trend	Supplies	Price vs. Last Year
Live Hogs	Decreasing	Ample	Lower
Sow	Increasing	Ample	Lower
Belly (bacon)	Decreasing	Good	Lower
Sparerib(4.25 lb & down)	Decreasing	Good	Lower
Ham (20-23 lb)	Decreasing	Good	Lower
Ham (23-27 lb)	Decreasing	Good	Lower
Loin (bone in)	Decreasing	Good	Lower
Babyback Rib (1.75 lb & up)	Decreasing	Good	Higher
Tenderloin (1.25 lb)	Increasing	Good	Lower
Boston Butt, untrmd (4-8 lb)	Decreasing	Good	Lower
Picnic, untrmd	Decreasing	Good	Lower
SS Picnic, smoker trm box	Decreasing	Good	Lower
42% Trimmings	Increasing	Good	Higher
72% Trimmings	Decreasing	Good	Lower



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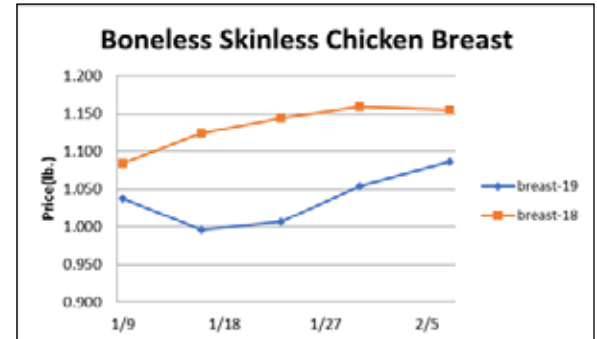
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Poultry

For the week ending January 26th, weekly average chicken production fell 4.8% week-to-week, but the six-week average of output moved into positive territory (y-o-y) for the first time since October. Weekly average live bird weights are falling seasonally and are near 2% below a year ago, a trend extending from December onward as small-bird production has been growing. Producer margins are on the mend, with the feed-cost ratio improving to its best level in 15 months, due mainly to rising wholesale chicken prices. Wing prices have likely seasonally peaked, but some support can occur for March Madness. Chicken breast and tender prices can still appreciate.

Description	Market Trend	Supplies	Price vs. Last Year
Whole Birds WOG-Nat	Decreasing	Good	Higher
Wings (jumbo cut)	Increasing	Good	Higher
Wing Index (ARA)	Increasing	Good	Higher
Breast, Bnless Skinless NE	Increasing	Good	Higher
Breast, Bnless Skinless SE	Increasing	Good	Higher
Breast Boneless Index (ARA)	Increasing	Good	Same
Tenderloin Index (ARA)	Increasing	Good	Higher
Legs (whole)	Increasing	Good	Higher
Leg Quarter Index (ARA)	Increasing	Good	Lower
Thighs, Bone In	Increasing	Good	Higher
Thighs, Boneless	Decreasing	Good	Higher



Description	Market Trend	Supplies	Price vs. Last Year
Whole Turkey (8-16 lb)	Increasing	Good	Higher
Turkey Breast, Bnls/Sknls	Steady	Good	Higher

Eggs

Description	Market Trend	Supplies	Price vs. Last Year
Large Eggs (dozen)	Increasing	Short	Lower
Medium Eggs (dozen)	Increasing	Short	Lower
Liquid Whole Eggs	Steady	Short	Lower
Liquid Egg Whites	Decreasing	Short	Higher
Liquid Egg Yolks	Decreasing	Short	Lower
Egg Breaker Stock Central	Steady	Short	Lower



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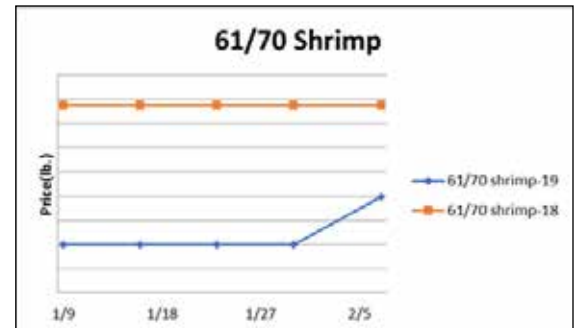
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Seafood

World snow crab supplies remain limited supporting the snow crab leg markets. The Alaskan Bering Sea snow crab fishing season is escalating with 33% of the quota landed. The Canadian snow crab quotas will be set this spring, but expectations are that the Newfoundland total could be historically small. Elevated snow crab prices may persist into the summer.

Description	Market Trend	Supplies	Price vs. Last Year
Shrimp (16/20 frz)	Increasing	Good	Lower
Shrimp (61/70 frz)	Increasing	Good	Lower
Shrimp Tiger (26/30 frz)	Increasing	Good	Lower
Snow Crab, frz	Decreasing	Good	Higher
Tilapia Filet, frz	Decreasing	Good	Lower
Cod Filet, frz	Decreasing	Good	Lower
Tuna Yellowfin, frsh	Decreasing	Good	Lower
Salmon Atlantic Filet, frsh	Increasing	Good	Higher
Pollock Filet, Alaska, frz	Decreasing	Good	Lower



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Paper and Plastic Products

Description	Market Trend	Supplies	Price vs. Last Year
WOOD PULP (PAPER)			
NBSK- Paper napkin	Steady	Good	Higher
42 lb. Linerboard-corrugated box	Steady	Good	Higher
PLASTIC RESINS (PLASTIC, FOAM)			
PS-CHH-utensils, cups, to-go cont.	Decreasing	Good	Lower
PP-HIGP-heavy grade utensils	Decreasing	Good	Lower
PE-LLD-can liners, film, bags	Steady	Good	Lower

Retail Price Change from Prior Month

Description	Dec-18	Nov-18	Oct-18
Beef and Veal	Decreasing	Increasing	Decreasing
Dairy	Increasing	Decreasing	Decreasing
Pork	Decreasing	Decreasing	Decreasing
Chicken	Increasing	Decreasing	Increasing
Fresh Fish and Seafood	Increasing	Increasing	Decreasing
Fresh Fruits and Vegetables	Increasing	Decreasing	Decreasing

Various Markets

Cocoa futures experienced some modest strength during the last week. Global chocolate demand is solid, and the current West Africa cocoa harvest is running 9% better than last year. Nearby cocoa futures could trend higher in the near term but there is key price resistance at \$2,280 (quarterly pivot).

Description	Market Trend	Supplies	Price vs. Last Year
Whole Peeled, Stand (6/10)	Steady	Good	Higher
Tomato Paste-Industrial (lb)	Steady	Good	Higher
Coffee lb ICE	Increasing	Good	Lower
Sugar lb ICE	Decreasing	Ample	Higher
Cocoa mt ICE	Increasing	Short	Higher
Orange Juice lb ICE	Increasing	Good	Lower
Honey (clover) lb	Decreasing	Good	Lower

