



# FARMER'S REPORT

MARKET TRENDS | 4.24.2015

**US.**  
**FOODS**  
KEEPING KITCHENS COOKING.®



# BEEF

For the most part we are continuing to see higher costs on middle meats with some relief for tenderloins. Ribs are under pressure as we are seeing discounting to select grade product. End cuts continue to be unstable as we are seeing demand swing over to the BBQ items.

## ROUNDS

**INSIDES:** Inside rounds reported down from the previous week and all signs are in place that we will see discounting to price as seasonal demand lessons and focus is more on the BBQ season.

**FLATS:** Bottom flats are weak and expected to drift lower moving into late spring and early summer.

## LOINS

**STRIPS:** Strip loins are barely hanging on. We are expecting a downturn to price as strip loins are overvalued at this time.

**TOP BUTTS:** Top butts are steady to firm and are expected to remain that way into late spring. They are viewed as being a better value than the other middle meats so they are enticing buyers to take a second look.

**BALL TIPS:** Ball tips are a little higher for next week. There may be some near term strength next week as buyers concentrate on middles for grilling season. They should drift lower into early summer.

**TENDERLOINS:** Tenders are under pressure which led to a price reduction this week. Projections out front remain steady to minor decreases to price.

## RIBS

**RIBEYES:** All grades are under pressure with discounting to price in front of us. Select currently has the largest decline in the market and choice grade is under pressure to follow the declines.

## CHUCKS

**CHUCK ROLLS:** Chucks reported down and they should continue their movement downward. Any price decline will be tempered by the demand on grinds.

## THIN MEATS & GRINDS

**FLAP MEAT:** Reported up over previous week, the flap meat is on the verge of coming off in price as this item is overvalued based on strong demand. We should experience a down market over the next few weeks as demand will be less than what we are currently seeing.

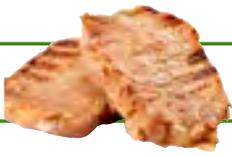
**FLANK:** Flank like other thin meats is on the rise. It is pretty high already so price increases may moderate over the coming weeks. Flank should continue higher into May.

**BRISKETS:** Briskets are struggling a bit, but they are still expected to see some price increases into May.

**GRINDS:** Grinds will likely move up slowly as demand is finally improving with better weather. Pricing is expected to move quietly upward into late May.

**SKIRT MEAT:** Skirt is higher and we may have seen the last of any downside risk. Skirt is expected to advance seasonally into May.





# PORK

Base hog prices traded steady as buyers are focused on filling orders for next week's schedule. Packer margins remain profitable this week which supports increased hog slaughter, however some plants are reducing their slaughter operations for next week. Packers are concerned with declining margins and tightening hog supplies during late Q2 and into Q3.

Slaughter numbers were reported at almost 2.25 million head which is approximately 12.0% above year ago levels. This week slaughter numbers are expected to come in at 2.19 million head which is about 9 % above 2014 levels. Weekly slaughter numbers are expected to remain above 2014 levels through May, however week over week slaughter numbers are expected to begin their seasonal decline during the May/June timeframe.

Hog weights were steady but are expected to continue trending lower through the summer months as producers clear out larger animals and become more "current".

On the demand side, domestic and export demand are expected to pick up during May as retail and foodservice demand improves. Overall demand for commodity cuts should begin to pick up early May through June as the weather warms up. Demand for hams and bellies are expected to increase during May due to foodservice and retail promotions.

## LOINS

Bone in and boneless pork loins prices moved lower last week due to weaker end of month demand. Prices for both are expected to firm and begin moving higher due to increased retail features for May and grilling season. Both bone in and boneless loins are expected to trend higher during May due to increased retail and export demand.

## TENDERS

Pork tenders moved lower last week due to weaker demand. Retailers are assessing their current inventory levels and are expected to feature tenders for their May promotions. Similarly, increased demand from foodservice is expected to support higher prices during May.

## BUTTS

Pork Butt price traded lower last week due to weak demand and excess supplies of fresh product in the market. Prices are expected to firm and gradually move higher during May due to increased export and domestic demand.

## RIBS

Spareribs and St Louis Ribs moved higher on improved retail and foodservice demand. Prices are expected to move higher through late May as buyers review their rib needs for the upcoming season. Back Ribs traded slightly higher due to improved retail and foodservice demand. Prices for Back Ribs are expected to gradually increase in response to retail and foodservice Spring promotions.

## BELLIES/BACON

Bacon/Belly prices moved higher in week over week trade due to increased demand from second stage processors. Bellies are expected to trend higher during May due to increased retail and foodservice demand; however, markets are expected to remain volatile through late April. Unanticipated supplies of fresh bellies in the market may put downward pressure on belly prices during April.

## HAMS

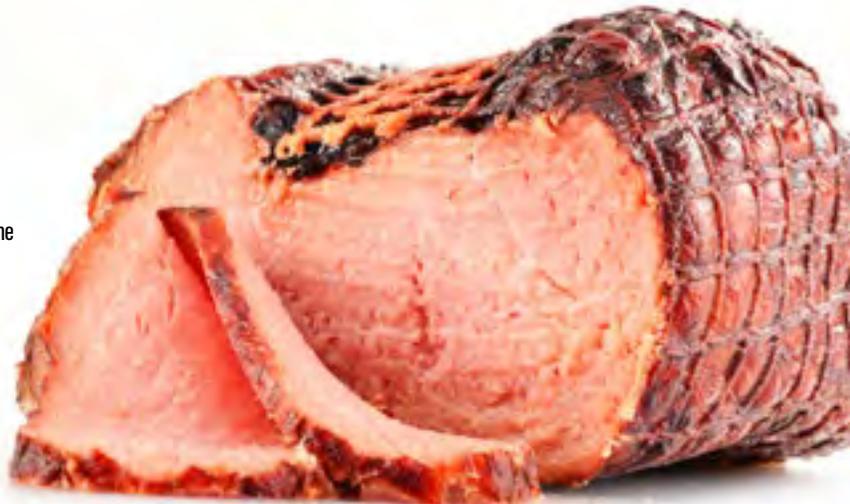
Ham prices moved higher last week due to an increase in domestic and export demand. Continued concern over the impact of the bird flu virus on turkey breast meat for deli items is supporting higher ham prices. Ham suppliers are anticipating consumers and foodservice switching their deli meat needs from turkey breast to ham items as a cost effective alternative. Ham prices are expected to gradually move higher through May/early June.

## TRIM

The following market dynamics will impact finished goods pricing during the April timeframe. Pork trimmings have traded lower due to excess supplies of product in the market. The unexpected increase in trimming supplies, during a seasonally weak demand period, resulted in lower prices for hot dogs and breakfast sausage for the April timeframe. Prices are currently trading steady to slightly lower early April which could result in lower prices for May.

## PICNICS

Pork Picnics traded lower last week due to increased supplies and weaker domestic and export demand. Picnics are expected to remain volatile week over week through April. This has resulted in lower prices for dinner sausage items during the April/May timeframe. Prices are expected to firm and begin their seasonal move higher during May.





# TURKEY

## WHOLE FROZEN TURKEY

The Whole Turkey Market continued its slow and steady inflationary trend as the industry continues to fight the bird flu. This market will continue trending higher through the end of the year.



# POULTRY

Bird flu continues to dominate all poultry conversations. After a chicken layer farm in Iowa came down with the H5N2 avian flu and over 4 million hens died, the current poultry death toll is over 7 million birds. All of the major outbreaks are in Minnesota, Wisconsin, Iowa and the Dakotas. The industry is hoping the spread of this virus doesn't descend down the Appalachian Mountains by migratory fowl and infect the eastern poultry states. Warm weather is our best hope.

Hatcheries in the United States weekly program set 218 million eggs in incubators during the week ending April 11, 2015, up 2 percent from a year ago. Hatcheries in the 19 State weekly program set 210 million eggs in incubators during the week ending April 11, 2015, up 2 percent from the year earlier. Average hatchability for chicks hatched during the week in the United States was 83 percent. Average hatchability is calculated by dividing chicks hatched during the week by eggs set three weeks earlier.

Broiler growers in the United States weekly program placed 174 million chicks for meat production during the week ending April 11, 2015, up 3 percent from a year ago. Broiler growers in the 19 State weekly program placed 168 million chicks for meat production during the week ending April 11, 2015, up 2 percent from the year earlier. Cumulative placements from the week ending January 10, 2015 through April 11, 2015 for the United States were 2.45 billion.

Cumulative placements were up 3 percent from the same period a year earlier.

## BONELESS SKINLESS TURKEY BREASTS

The bird flu continues to effect the turkey industry as the supply of larger birds has gotten tighter. This market continued to inflate slightly this week due to the loss of millions of birds, including breeder stock.

## WHOLE CHICKEN & CUT-UP PARTS:

The Georgia Dock Market hit another record high mile stone. The inflationary trend is proving not only the high demand of small birds, whether whole or cut up, but more importantly, the shrinking supply of small birds in the industry.

## BONELESS SKINLESS BREASTS

The demand for boneless skinless chicken breasts remained strong. With McDonalds and Chicken Fil A each introducing a grilled chicken breast, the demand is being placed on both the Small boneless breast and Jumbo Boneless breast supply. Expect this market to remain strong for the coming weeks.

## CHICKEN TENDERLOINS

With QSR still featuring breaded tenderloin, the further processors continue buy tenderloins either at the market to a slight premium to the market. Expect this market to remain strong into May.

## WINGS

The small wing market gained strength this week, while the market halted its deflationary trend, mostly supported by the further processors attempt to build inventory until their production turns to school lunch products in June. Cooked frozen wing inventories remains extremely low. The Jumbo wing market also trended sideways this past week as the QSR segment continued to promote wing offerings. This market should trend sideways into the month of May.

## BONELESS SKINLESS THIGHS

The boneless thigh meat market continued its sideways trend. The demand and supply seems to have established a balanced point in the market.





# COMMODITY GROCERY

## SOYBEAN OIL

### SOY COMPLEX SUMMARY:

The two watch outs this week are:

1. Weather (crops are being planted in the Delta)
  - Keep a pulse on Delta region crop development due to JFM 2015 (Q1) being the driest in the corn/bean belt since 1988 – which was a major drought year.
2. Bird Flu
  - 1% of the turkey population has been impacted by the bird flu – and in recent days has been spreading to chicken farms-this impacts soy meal, which is the feed for the animals and soy oil is a by-product of that process. If soy beans aren't being crushed for meal (feed), then soy oil availability may (have the potential to) be lessened.

### INTERNATIONAL CROP:

- Weather is being watched closely during harvest. The Brazilian soybean harvest is now at approximately 90% complete with Argentina expected to be at 50% complete by week's end.
- The trade is expecting a Brazil soybean crop of 95+ million
- Rumors are beginning again regarding a trucker strike in Brazil.
- Indian total edible oil imports –soybean oil imports during October 2014 - March of 2015 were up 74% because their oilseed crop production fell short again.

### DOMESTIC CROP & PRODUCTION:

- Chatter continues to suggest lower corn acreage and increased soybean acreage due to the recent wet weather during the planting season in the Delta region.
  - Currently Mississippi is 32% planted vs. 24% YAGO, Louisiana is 16% planted vs. 27%, Arkansas was 11% planted vs. 12%.
- Total soybean oil stocks for NOPA members were reported at 1.420 billion pounds, up from 1.322 billion in February but well below the 2.023 billion reported in March of last year.
- A lower than expected oil yield number from NOPA, a setback in the value of the U.S. dollar
- The bird flu virus continues to spread and has now jumped from turkeys to chickens with a flock of 200,000 contracting the disease in southeastern Wisconsin last week and reported in Minnesota and South Dakota turkey farms this week. Mexico also reported two new outbreaks this week.
- Record imports of Canadian canola oil since Q3 of last year have helped to supplement tighter U.S. soybean oil supply.

### BIODIESEL:

- Expected that in June the Courts are going to force the government to make a decision regarding the EPA/Blenders credit to issue a mandate.
- As a result of the indecision by the government, soybean oil use for biodiesel production has fallen significantly in 2015 without the renewal of the \$1 per gallon blenders credit
- EIA (Energy Administration) came out with its biodiesel production numbers and it was higher than many expected on soy oil - coming in at 5.011B LBS - so USDA will probably have to increase their number up from the 4.95B. Will have to lower inventory by 5B LBS.
- Trade is waiting for a mandate to be set for 2015/2016 – so that baselines can be set.



## DAIRY

### BUTTER

Markets are climbing. Demand continues to be strong while production is lagging. Cold storage inventory is not building as expected which is continuing to drive the support for the current markets. Do not expect weakness in this market in the near future.

### CHEESE

Cheese prices have increase slightly over last week. Production remains strong but is being matched with strong domestic demand. With this strong demand premium pricing is likely to persist.

### SHELL EGGS

Markets are flat while CA is seeing some slight increases. All sizes are considered adequate. Avian Influenza is not having an effect in the markets yet, but further outbreaks will certainly drive increases.

### MILK & CREAM

For the month of April all categories saw flat to lower pricing with the exception of cottage cheese which saw a slight increase. Pricing is expected to remain flat to slightly lower across all items next month. Production across the country is increasing while demand is seasonally lower as schools take spring breaks.



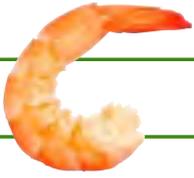
## SEAFOOD

### SHRIMP, DOMESTIC (WHITES AND BROWNS)

Shell on Domestic Brown and White shrimp are still in steady supply and prices have remained stable. Supplies of this size shrimp are becoming tight.

**DOMESTIC PUDS:** Pricing is weaker now with lower pricing and plenty of inventories. New Season coming up in May time will tell on how far this market will go down.





# SEAFOOD (CONT'D)

## SHRIMP, IMPORTED

### (BLACK TIGER AND WHITES)

The imported shrimp market is still very sloppy! Shell on Tigers continue to fall as do Value Added Whites and Tigers. The outlook is not clear as inventory remains strong and packers continue to look for cash.

## CATFISH, DOMESTIC & IMPORTED

**DOMESTIC:** Talk at the Boston Show on Domestic Catfish was positive. Live fish population is good. Once water becomes warmer and fish start to grow we look to see more product in the market place. Pricing is now stable.

**IMPORTED:** The market is starting to see some upward movement this week as product is getting tighter. Inventories in the US are getting tighter, and in some cases not available.

## SALMON

**CHILEAN FARMED SALMON:** The Chilean frozen fillet market is seeing some weakening in price due to a good catch year. Prices continue to weaken many think this will be the summer to promote Salmon! The Chilean fresh market saw lower pricing due to low demand. This market is becoming sloppy, outlook does not seem clear. Salmon farmers could react by letting fish stay longer in the pond to get the price back up.

**NORWEGIAN SALMON:** With the current exchange rate Salmon from Norway may be a fish you see promoted this year. Inventories look good and many suppliers are looking to move fish.

## MAHI MAHI

Fishing in the South and Central is almost over with very little catch now. Pricing is stable but overall outlook for late Spring and Summer is higher pricing as the Winter catch did not live up to its projections.

## SCALLOPS

**SEA:** Pricing became flat over the last week with steady inventory and good fishing. Short term outlook is for lower prices over the next 2 months. Once hot weather hits, yields will fall off and pricing will start to rebound. BAY – Pricing unchanged this week.

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## TILAPIA

This could be a good summer for tilapia pricing. A mild winter in China has created more fish for the market. Outlook seems to be steady to lower pricing. Time will tell but we could be in for a good year.

## WHITEFISH COMPLEX (COD, POLLOCK, HADDOCK)

**COD:** The market for Atlantic Cod is on the rise. Pacific Cod is showing signs of lower prices.

**POLLOCK:** The market remains stable to lower. Inventories are good and the Alaska Seafood Marketing Association is looking to promote heavy in the US. Look for bargains in the near future on Alaskan Pollock filets and imported Pollock filets.

**HADDOCK:** Inventories have rebounded and we will see lower prices in April and May coming out of the Lenten season. Current outlook for the summer is good, with higher inventory and lower pricing.

## KING CRAB

**RED & GOLDEN:** Smaller King Crab is starting to tighten up with supply. We can expect higher prices on smaller crab. Large crab seems to be in good supply and pricing is stable.

## TUNA, YELLOWFIN

### (FROZEN STEAKS & LOINS)

The portion business is seeing a rise in price due to new fishing rules being put in place. Outlook for the next few months is higher prices.

## CRABMEAT

### (BLUE & RED, PASTEURIZED)

Imports on Blue Swimming continues to be good and pricing is lower. Red Swimming crab imports have slowed down and movement is strong. Prices are going to rise in the next week. Projections of movement are being down with most packers talking about putting suppliers on allocation.

## SNOW CRAB

### (CANADA & ALASKA)

Alaskan crab is now stable with 8 million pounds still to come out of the water. Our feelings is this market will remain steady with very little outlook for decreased pricing. Canadian The Canadian market took a 180 turn on Thursday as Japan buyers came into the market. Market took a \$.10 increase in one day. The overall feeling is this market will settle in the next 3 weeks as more fishing areas open.

## LOBSTER TAILS

**WARM WATER AND NORTH AMERICAN LOBSTER:** Both lobster tail markets were steady for the week. As seasons start to come in to play packers are looking at inventories and trying to get as low as possible for new pack. Lobster meat is also firm.

# PRODUCE

## VEGETABLES



### POTATOES

**Russets:** The Idaho Russet potato market is stable this week. Supply continues to remain heavy on the small sizes and off grades crops. There will be more off grades becoming available over the next few weeks. Growers continue to report good quality for Burbank. The market and demand for non-Idaho has gone up some but is still priced under the Idaho market.

**Reds and Gold's :** The market is stable this week on A size reds but is slightly up for Florida B size. North Dakota storage crop is expected to be finishing up by the 1st of May. It is reported that the quality is good for both A and B-size potatoes. Look for this market to be more active as shippers finish up their older storage crops.

**White/Yellow Potatoes:** The yellow potato market remains steady but availability is starting to get tighter. Look for this market to be active by the end of April due to light planting from the spring/summer growing areas. Wisconsin crop is projected to start-up in August.



### GARLIC

Chinese Peeled Garlic is now available in all markets, East and West. The supply is limited and pricing is currently higher than California Peeled Garlic. Peeled Garlic from Spain is available in the East Coast Markets. We could see the Mexican Purple Garlic move into US Markets in two weeks once the product is cured, packed, and ready for shipping.



### CABBAGE

The market on cabbage is steady this week with moderate supply and demand. Quality continues to be good.



### LEAF LETTUCE

The leaf markets have all strengthened due to lighter supplies. Many shippers are ahead of their budgeted schedule. Overall, quality is good but there is some light mildew and insect pressure in the romaine. Most leaf production is now coming out of the Salinas and Santa Maria area.



### ICEBERG LETTUCE

Salinas and Santa Maria iceberg supply are fair and the market is steady this week. Quality is good with weights in the low to mid-forties. Many shippers are ahead of schedule in their lettuce fields, thus causing a gap in supplies. Look for this market to be more active next week.



### ONIONS

Supplies are now available out of California along with light availability out of Texas. The onion market is stable with a slight increase in pricing as shippers finishing up their Idaho season. Quality is variable depending on growing region. As Texas continues to struggle with quality and supplies, look for this market to start to increase rapidly.



### CHILE PEPPERS

The market is steady this week on jalapeños with moderate supply and demand.



### CUCUMBERS

Florida continues to produce good volume which helps keep prices down. Mexico has increased their production and more supplies are available crossing through Baja. Quality is improving and ranges from fair to good depending on growing region.



### SQUASH

Good green squash supplies are available out of all the East coast growing regions. Mexico crossing is lighter this week which put a little pressure on the FOB price. Yellow squash supply is much lighter and is causing a little bump in pricing on products coming out of Florida. Fresno continues to have good supplies. Baja is projected to begin in a few weeks.

# PRODUCE



## TOMATOES

**Rounds:** The market remains strong as both Immokalee and Mexico mature green crop winds down. Palmetto-Ruskin crop is just starting to be picked but volume out of these new fields is low. Palmetto volume should pick up by the end of the week. The west coast mature green crop is at the end of its season and is causing some of the demand to move to the East. Baja crossing is projected to start in a week or two. Quality is variable in both regions.

**Romas:** Roma market remains active in both Florida and Mexico. Supplies are still relatively tight out of Florida and Nogales harvesting is winding down. Quality is variable but good products can be found in both growing regions.

**Cherry and Grape:** The markets are stable with prices for grape tomatoes starting to come down slightly in Florida. Quality is reported to be variable due to rain and high temperature issues. Look for the cherry market to remain active due to availability in the west coast.



## GREEN BEANS

The market is steady this week on green beans with moderate supply and demand. Quality is good.



## EGGPLANT

The east market for both fancy and choice grades are steady. Quality continues to be variable. The west supply is much lighter which cause an upward pressure on FOB prices.



## BELL PEPPERS

More peppers are becoming available this week which has improved the market and prices continue to come down in East and West region. Quality remains variable due to storms and heat over the past week. Georgia is projected to start harvesting in about 2 weeks.



## CARROTS

The carrot market is steady this week with lighter supply and moderate demand. Sizing on Jumbos is better.



## CELERY

The market on celery is up this week with lighter supply and good demand. Quality and sizing continue to be good.



## GREEN ONIONS

The green onion market is down this week with lighter supply and moderate demand. Sizing is good.



## CAULIFLOWER

The market on cauliflower is up this week with lighter supply and moderate demand. Florets still remain on trigger. Quality continues to be good.



## ASPARAGUS

The asparagus market is up again this week with light supply and good demand. Quality is good. The season in Mexico is done.



## BROCCOLI

The market is steady this week on broccoli with lighter supply. Weather issues in California this past month are affecting volume. Demand is good and so is the quality. Mexican season is ending as California's volume builds.

## TROPICAL



## PINEAPPLES

Market volume is back to normal, with pricing coming back down. Quality and supply is good from Costa Rica.



## BANANAS

Market is steady and well supplied with plenty of fruit available. Steady supply and demand for tropicals, but the plantain market has been very active as of late.



## AVOCADOS

In Mexico, the larger fruit is gaining a little strength while some smaller sizes are a bit weaker with supply leaning heavy to smaller size. Growers are ramping up volume in Cinco De Mayo holiday pulls. Pricing is expected to remain steady with possible further price fluctuations on some sizes. In California the pricing has remained mostly steady. Demand is strong and pricing is expected to remain steady through April.

# PRODUCE

## MELONS



### CANTALOUPE

There is great cantaloupe volume from Guatemala and Honduras.



### HONEYDEWS

The honeydew market is firm good volume coming out of Mexico, while the offshore volume slows.

## BERRIES



### BLACKBERRIES

Demand is good to moderate with the market lower. Good volumes are expected out of Mexico with improved quality on this week's arrivals. The harvest is at peak production levels. Peak volumes are expected for the next several weeks and then the crop will decline by the end of May. The California crop is progressing and is expected to begin mid May.



### STRAWBERRIES

Strawberry demand is very good with the market holding steady. Overall volumes are somewhat limited. Volume is increasing in Salinas/Watsonville. Volumes are up Santa Maria and have good quality. In Oxnard, the volumes are a little shorter than expected. Increased sizing is expected this week as well.



### RASPBERRIES

Demand is good to moderate with the market holding steady. There was a significant decrease in volume this week with the growers moving into early cutback due to low season pricing. Quality on some smaller farms has been reported as low. In California, there is a slight increase in volume. The crop is expected to continue to ramp upward as supply from Mexico will fall off. The supply is expected to begin harvest during the middle of May.

### GRAPES

Chilean grapes are in their last two weeks. Quality is the best of the season because their best fruit is sent last. California and Mexico start in early May. Domestic grapes are expected to start early (late April/early May) because of the warm winter.



## BLUEBERRIES

Blueberry demand is moderate to light, with the market declining due to heavy supply. Blueberries in the east are building momentum on their supply, the soft demand is helping. Harvest labor is an issue in all areas. The Mexican crop has moved past peak volumes. The crop is expected to wind down at the end of May. Volumes from California are increasing steadily from the Southern and Central regions.

## HANGING FRUIT

### APPLES

The supply and price on Washington apples and pears is right where it is expected to be. There are still ample supplies of everything. Even some of the varieties, such as Jazz and the Pacific Rose will continue through May and into June, with no end in sight for the normal Reds, Golds, Granny Smiths, Galas, and Fujis.



### PEARS

The pear market is steady. A few of the domestic varieties are winding down such as Bosc and D'Anjou, but they can be replaced with imports.



## CITRUS

### LEMONS

Lemons are strong and most likely going up this week. Large sizes have already gone up and smaller sizes are steady to strong. Demand is steady at the moment and supplies are light.



### ORANGES

Navels are into the late variety. Quality is good and demand is steady. Supplies are mostly 72s and larger. Small sizes will be short this week. California Valencia's are also available. Supplies are good and demand is weak. Mexican Valencias are also available with good supplies on 88's and larger. 113's have more demand and are a bit stronger. Blood oranges and Texas oranges are done and Cara Cara oranges are about done.



### LIMES

Volumes of fruit crossing the border have started to pick up with good quality in all sizes. However, sizing is very heavy to 230's and smaller. Pricing is expected to keep dropping as the market returns to normal.

