

# The Red Sheet

October 17, 2011

- ✚ **BUTTER:** This week's Chicago Mercantile Exchange Spot Cash Butter market increased \$.0650/Lb. After the holiday orders are filled sometime in mid-November it appears that butter prices will then decline further from today's levels.
- ✚ **CHEESE:** This week's Chicago Mercantile Exchange spot-cash Block Market dropped \$.0750/Lb. and the spot-cash Barrel market declined \$.0850/Lb. The outlook for late Q4 of 2011 and Q1 of 2012 has CME cheese prices remaining at or below current levels.
- ✚ **EGGS:** Retail demand is reported from fair to fairly good. Conditions are somewhat better than most would have expected as we head into the middle of a typically lackluster month. Retail features are generally light, but a few are anticipating ads next week. Call from institutional and foodservice channels is meeting seasonal expectations. Supplies of jumbos are readily available. Extra large and large are adequate for current needs. Lighter weights are well balances. Browns are close. The market is being called steady in most instances.
- ✚ **SOYBEAN OIL:** Soybean oil closed up 422 points on the week at \$53.54 fueled by strength in external financial markets and supportive fundamental outlooks. Soybean pricing comparison: LY=\$0.4777/Lb; LW=\$0.4907/Lb; TW=\$0.5320/Lb; YR CHNG= **+11.37%**
- ✚ **BEEF:** Cutout values were mixed during the week. Choice was firm and Select weak. Demand was moderate as were offerings. Late in the week the Cho/Sel spread was historically wide for this time of year. Choice rib and loin cuts appreciated while the Select middle meats trended steady to weak. These same trends between the grades were also apparent in chuck and rounds. Select product inventory levels were more burdensome to packers. Beef trimmings finished the week firm, while fed and blended cattle grinds depreciated. Forward negotiated sales activity was moderate, with Choice rounds, Select briskets, and cap and wedge meat significantly contributing to the overall trade volume. For the week: Select ribs lower, Choice ribs much higher; chucks steady to barely lower; rounds steady; loins barely higher; trimmings barely higher; Fed cattle grinds lower and blended grinds lower.
- ✚ **PORK:** Loins traded consistent through the week. Prices for butts reversed course and moved higher with an increase in buyer interest. Spareribs moved higher with limited availability as packers have orders for alternative cuts to fill. Ham trades were similar to last week with just a few trades setting the tone for the week while price levels were mostly steady. Demand from domestic ham buyers was mostly light as most procured only enough to fill their immediate needs. Bellies experienced light demand and offerings with only a couple of trades late week as price levels advanced. Foodservice is still the main area of business for most bacon slicers. Retail demand remains light. Abundant offerings on all trim items pressured price levels lower. For the week: loins generally steady; butts higher; spareribs higher; hams steady to slightly higher; bellies higher; trimmings significantly lower.
- ✚ **CHICKEN:** Whole broiler/fryer prices are firm and higher in the Midwest and East, but steady and unchanged in the West. Offerings of all sizes are light to moderate for trade needs. Demand into retail and food service channels is mixed, but mostly moderate to good. In general the market activity is moderate to active. Prices are steady to firm for wings, mostly steady for breast items and dark meat cuts. Availability is light for wings with smaller sizes limited availability.  
BONUS INFO: The chart of the week is the 6 week moving average for broiler egg sets which gives us an indication of pending chicken production levels. We remember that once a broiler egg is set it takes roughly 10 weeks for the chick to be hatched, fed appropriate weight and then sent to
- TURKEY:** The market on frozen hens and toms is steady with a firm undertone. Fresh and frozen demand was light to moderate. Frozen offerings light. Fresh offerings are very light for November. The parts market is steady to firm and with good demand and offerings. White meat is steady. Thigh meat is firm.
- ✚ **RICE:** Aside from continued weakness in the futures market, the cash market conditions are basically unchanged. Milled rice prices are off about slightly per cwt. The average price of 100 Lbs. of bulk #1rice, FOB the mill is currently \$27.00/Cwt. Futures pricing comparison for 100 Lbs. of rough rice: LY=\$13.59/Cwt LW=\$15.625/Cwt, TW=\$16.625/Cwt, YR CHNG= **+22.33%**

✚ **FLOUR FACTS:** Wheat futures spiked higher this week in anticipation of the USDA Supply and Demand report only to fall back as the report was bearish. Basis levels on winter wheat were steady. Spring wheat premiums continue to show volatility with big swings. Futures pricing for a bushel of hard, spring wheat are: LY=\$7.54/Bu, LW=\$9.195/Bu, TW=\$8.925/Bu, YR CHNG= **+18.37%**.

✚ **CANE SUGAR:** No major changes from the previous newsletter. Domestic Refiners are still sold for the 11/12 marketing year. Sugar sales have been very brisk for 11/12 with three beet refiners saying they are practically sold out. Pricing remains firm. Futures pricing comparison: LY=\$37.63/Cwt, LW=\$33.00/Cwt, TW=\$38.15/Cwt, YR CHNG=**+1.38%**

✚ **SEAFOOD MARKET REPORT:**

- **Mahi Mahi:** Fresh supply is steady and available. Pricing is stable at this time and product looks good.
- **Shrimp:** The Mexican wild bay season is up and running with steady landings of U-10's and smaller. Production looks good and expect to see stable prices and good inventory. Farmed production is in full swing with good supplies coming into the US.