


The Red Sheet

April 4, 2011

- ✦ **BUTTER:** It is expected that butter prices will remain at current levels until after Easter orders are filled and then unsustainable high prices could force the market down \$.10/Lb. to \$.20/Lb.
- ✦ **CHEESE:** During last week's trading the CME spot-cash block market dropped \$.0325/Lb. There's a lot of disagreement between the 'Bears' and 'Bulls' as to where the cheese markets should be priced. In the near term, expect cheese market volatility ranging from the \$1.50's to the \$1.700's.
- ✦ **EGGS:** Retail demand continues good. Supplies of larger sizes are close to short of full needs. Market full steady to firm. Standard breaking eggs are trending to the high side of our stated ranges. Certified breakers are bid at premium levels.
- ✦ **SOYBEAN OIL:** Soybean oil closed up 184 points on the week at \$.5868 supported by a bullish USDA report showing low corn stocks in the U.S. supporting corn, beans and wheat as the market anticipates a "fight over acres planted." Soybean pricing comparison: LY=\$0.3898/Lb; LW=\$0.5684/Lb; TW=\$0.5868/Lb; YR CHNG= **+50.5%**
- ✦ **BEEF:** Cutout prices were steady to firm based on moderate demand and moderate or better offerings. Most of the price appreciation this week came out of loins and ribs. End meats remained relatively consistent compared to the previous week. Cattle prices are trading dramatically higher. Buyers are clearly anticipating higher prices in the coming weeks. Packers seem willing to unload some excess product at steady prices to prevent themselves from having to discount meat and place it in the aged category. As the market moves into next week, it will not be surprising to see cutout levels move even higher and at lower volumes. Out front sales were moderate. Beef trimmings were lower this session on moderate demand and heavy offerings. For the week: **ribs higher**; chucks slightly lower; rounds steady; loins higher; trimmings lower; Fed cattle and grinds higher, blended grinds slightly higher.
- ✦ **PORK:** Cut out values rose again. The current level falls near all time highs. Demand on the retail cuts remained light and supplies were more than adequate. Hams traded at higher prices for the week in spite of increased offerings as processors sought to acquire last minute hams prior to Easter. Bellies traded sharply higher as offerings continued to be light and demand good. Excess supplies of lean trimmings and only moderate sausage demand caused lean trimming prices to fall. For the week: bone-in loins slightly lower; butts steady to slightly lower; spareribs steady to much lower; hams slightly higher; **bellies much higher**; trimmings steady and much lower.
- ✦ **CHICKEN:** The first day of the month finds the market in a steady position. The exception is wings as supply is ahead of demand even as inexpensive as they are. Some breast fronts are available. Wogs are trading in close range to listed quotations. Thighs and drums are on solid ground. Leg meat and thigh meat continue to be short and wanted. Tenders are well maintained. Boneless breast meat is in a balanced position overall.
- ✦ **TURKEY:** Active demand patterns are struggling to get fully satisfied. There is a lot of buying interest in white and dark meats as well as whole body turkeys and bone-in breasts. Fresh tom breast meat is being sold at premiums. Asking prices for recently negotiated bookings range from flat to slightly higher. Quotations for these will likely be higher. Whole wings have been reported higher. Necks seem to be steady. Hens and toms are held for higher money but with very irregular offerings. Consumer breasts are very tight. Some processors are booked out of all near future production while others show limited volumes in a higher range of values.
- ✦ **RICE:** The US rice market remains soft due to the poor quality and yield issues and, as a result, pricing continues its downward trend. The average price of 100 Lbs. of bulk #1 rice, FOB the mill fell to **\$22.00/Cwt.** Futures pricing comparison for 100 Lbs. of rough rice: LY=\$12.38, LW=\$14.295/Cwt, TW=\$13.98/Cwt, YR CHNG= **+12.92%**
- ✦ **FLOUR FACTS:** The wheat markets continue to be choppy but settled somewhat after the initial shock following Japan's disaster. Indications are pointing to the markets moving higher, suggesting they may have found their new low. Futures pricing comparison for a bushel of hard spring wheat is: LY=\$4.89/Bu, LW=\$8.81/Bu, TW=\$9.2375/Bu, YR CHNG= **+88.91%**.
- ✦ **CANE SUGAR:** World sugar prices are buffeted by weather situations in Brazil and Thailand and domestic prices continue to look firm on tight supplies. Futures pricing comparison: LY=\$31.64/Cwt, LW=\$40.07/Cwt, TW=\$39.63/Cwt, YR CHNG= **+25.25%**

SEAFOOD

- **Snow Crab:** The new East Coast season has started. Calm seas and no ice on the water have given fishermen a good start. Except the market to open very high and prices to stay higher than last year. With little to no crab coming out of Alaska or Russia this will be the only major snow crab fishery for a while. Demand will be high and it is too early to see what the first catches are looking like.
- **King Crab:** The King crab market remains very tight. Short supplies and high demand will keep **prices at record highs** thru the summer.
- **Catfish:** We are starting to see some shortages on domestic catfish. Catfish will remain very tight and prices continue to climb with no relief in sight until late summer. . All US packers have cut back on production and laid off personnel. They are running 30-60% less than last year at this time. Expect to see shortages and higher prices thru the summer.
- **Pollock:** The new Alaskan season has begun and the quota is over 500 metric tons. Expect to see some deals on Pollock in the next month or two.
- **Halibut:** The 2011 Alaskan season is off to a good start. **Demand is high and prices will remain higher than last year** throughout the season. **The 2011 quota is down 19% from last year.**
- **Tilapia:** Prices are stable to firming. China has resumed production, but inventories are light and **offer prices from China are higher than last year.** Current US inventories are cheaper than replacement offer prices. Small fillet offerings (2/3 and 3/5) are tightening up. Replacement prices are higher than current US prices.
- **Scallops:** Current landings are minimal. USA product will be in strong demand and short supply thru the summer. Japanese scallops represented about 20% of total US consumption in 2010. Still waiting to see if there will be any Japanese scallops harvested this year. It is still too early to know complete results from earthquake and other issues in Japan.

 **NON-FOODS:** **Plastics resins continue to rise causing increases to occur in April and May.** Items affected are can liners; take out containers, foam and PVC film. Aluminum has seen a recent price increase. Expect foil to increase 8% in April and May.

