

The Red Sheet

April 18, 2011

- ✚ **BUTTER:** Contrary to the usual trend of butter prices declining after the Easter holiday orders are filled, the week's CME spot cash butter market increased \$.0275/Lb. US stocks of butter remain well below historical levels which is causing some uneasiness.
- ✚ **CHEESE:** The CME spot cash cheese markets had a rally of sorts this week, with the Block Market gaining \$.0275/Lb. and the Barrel Market increasing \$.0850/Lb. Export demand is still strong as the world scrambles to replace lost milk production from infected cows in Japan.
- ✚ **EGGS:** Retail demand is good to occasionally very good. Supplies of extra large and large are adequate for current needs. Offerings are increased for next week. Market steady and likely unchanged today. Brown eggs trending lower.
- ✚ **SOYBEAN OIL:** Soybean oil closed down 293 points on the week at \$.5684/Lb. as the market continues to factor in slower export interest from China and competition from Brazilian harvests. Soybean pricing comparison: LY=\$0.3980/Lb; LW=\$0.5977/Lb; TW=\$0.5684/Lb; YR CHNG= +42.8%
- ✚ **BEEF:** Cutout values were lower on lighter demand and moderate offerings. There was an accumulation of unsold inventories by packers and left sellers lowering bids to move product. End cuts sold for less money at higher volume. Middle meats were unsettled, with some product also discounted for quick sale. Forward business activity was moderate with a significant package of Choice top butts priced higher than spot pricing. Fed cattle and blended coarse grinds trended higher as this product continues to benefit from being a lower cost item during overall record high beef prices. Beef trimmings were steady to weak. For the week: ribs steady and barely lower; chucks lower; rounds much lower; loins steady to lower; trimmings barely lower; Fed cattle and blended grinds higher; packer hides slightly lower; cheek and head meat steady; hearts lower; lips steady.
- ✚ **PORK:** The carcass value neared new record levels again as loin cuts traded higher. As hog costs rose, packers asked and received increased dollar values. Conversely, light demand for butts, caused trading levels to fall as supplies were excessive. Bone-in and boneless ham price levels dropped slightly. Bellies had no reported trades for the second week in a row and maintained the current value. Trim items both lean and fat showed no significant market direction until late in the week. For the week: loins higher; butts lower; spareribs generally steady; hams weak to slightly lower; bellies steady; fat trim lower; lean trim higher; neck bones steady to higher; tails higher; cheek meat steady; front feet toes on slightly higher; hearts lower; salivary glands higher; stomachs lower.
- ✚ **CHICKEN:** Wogs and chickens are commanding full market or better. Boneless is rated at least steady. Wings are snug and trading at steady market levels. Dark meats are considerably limited and held with confidence.
- ✚ **TURKEY:** The most active products seem to be frozen drums, frozen tom breast meat, and tails. Frozen drums are reported higher as is frozen tom breast meat and tails. Demand is also quite good for whole wings, breast trim and thigh meat. Whole body turkeys are very well supported with bookings reported for May ship dates at one and two cent premiums. 8-10 lb. breasts were reported at steady trading.
- ✚ **RICE:** The rice market in the South remains very quiet due to very limited demand for milled rice. In rather sharp contract, the paddy exports have been fairly steady. The average price of 100 Lbs. of bulk #1 rice, FOB the mill fell to \$21.50/Cwt. Futures pricing comparison for 100 Lbs. of rough rice: LY=\$13.19/Cwt, LW=\$13.685/Cwt, TW=\$13.63/Cwt, YR CHNG= +3.33%
- ✚ **FLOUR MARKET HIGHLIGHTS:** Wheat futures prices have fallen steadily this week but protein basis premiums remain mostly firm. Good news, some of the driest portions of the winter wheat growing areas were finally receiving some rain. Russia could begin exporting wheat again lowering expected wheat prices worldwide. Futures pricing comparison for a bushel of hard spring wheat is: LY=\$5.01/Bu, LW=\$9.53/Bu, TW=\$8.89/Bu, YR CHNG= +77.35%.
- ✚ **CANE SUGAR:** World sugar futures hit a 5-month low last week because of larger than expected crop estimates from Thailand, Pakistan and Brazil. Price outlook: Domestic sugar prices remain firm for the foreseeable future based on tightening supplies towards the end of the pack year. Futures pricing comparison: LY=\$31.50/Cwt, LW=\$38.60/Cwt, TW=\$37.70/Cwt, YR CHNG= +19.68%



SEAFOOD

- **Snow Crab**: The East Coast season is in full swing. Fishermen are reporting light catches for the first week. The market is still very strong and high demand is keeping prices high. With no production coming out of Alaska or Russia we do not expect to see prices anywhere near last years' levels. Demand will remain high most of the year.
- **Catfish**: We continue to see shortages on domestic catfish. Catfish supplies will remain very tight and prices will continue to climb thru the summer.
- **Mahi**: Landings for export are done for this season and the final catch was less than a third of last year's catch. Importers are having a very tough time finding product from South America to fill orders. Product will be very tight and prices will be very high all year. Even with the Taiwan fishery starting later this summer we do not expect to see any price relief.
- **Shrimp**: U.S inventories are lower than normal for this time of year. Importers are reluctant to pay the high prices offered by oversea packers. The market is short of medium to small sizes and will be until new crop comes out in late spring.