

The Red Sheet

May 2, 2011

- ✚ **BUTTER:** During Last week's spot-cash butter market jumped up \$.075/Lb. Even though the Easter season has now passed, there appears to still be strong interest for retail butter. Butter prices seem to be well grounded at or slightly above \$2.00/Lb.
- ✚ **CHEESE:** The CME spot-cash cheese markets continued to be choppy with the Block Market ending the week with increases totaling \$.0125/Lb and the Barrel market increased \$.02225/Lb. There is still plenty of cheese seasonally available and there'll continue to be strong cheese production into June. Pricing is expected to keep moving sideways for the next few weeks.
- ✚ **EGGS:** Retail demand is still considered fair on average, but does vary from account to account. Supplies of jumbos are becoming less burdensome, with asking prices trending slightly higher. Extra large and large are fully adequate, with sellers attempting to hold their asking prices. The market is fairly quiet and likely unchanged.
- ✚ **SOYBEAN OIL:** Soybean oil closed up 31 points on the week at \$0.5858/Lb. as improving global weather forecasts raised hope for larger harvests, however, the market stabilized from previous selling pressure with traders booking profits on recent short positions. Soybean pricing comparison: LY=\$0.3858/Lb; LW=\$0.5827/Lb; TW=\$0.5858/Lb; YR CHNG= **+51.8%**
- ✚ **BEEF:** Cutout values ended the week lower on moderate to heavy offerings. Demand was light early in the week and increased at weeks end as pricing became more attractive. Chucks experienced the greatest decline. The middle meat complex was mixed and the loin complex declined. Forward sales activity was modest with a package of briskets priced consistent to the spot market. Trimmings were generally steady. Fed cattle grinds trended weak and blended grinds were generally steady. For the week: Choice ribs higher – Select ribs much higher; chucks lower; rounds barely higher; loins lower; trimmings steady and fed cattle grinds slightly lower; blends generally steady.
- ✚ **PORK:** Post Easter blues was the mood of the week. Sellers expected to be able to move loins and butts higher but buyers had different thoughts as movement at retail counters was minimal. Supplies built daily for almost all cuts. Offerings for bone-in hams were quiet this week as post-holiday harvest was reduced and buyer orders were very light. Bellies were the talk of the week as bacon sales at retail lag while consumers limit purchases. Slicing orders from retail also reflect this trend while foodservice demand was also slightly lighter. Price levels for raw bellies dropped daily as a result while sellers needed to move the backlog. Lean trimmings were in light demand. In anticipation of the upcoming season, sausage manufacturers are hesitant to ramp up production too quickly as consumer dollars are being stretched. For the week: loins lower; butts much lower; spareribs unevenly steady; hams steady; bellies significantly lower.
- ✚ **CHICKEN:** The focus at the end of the week has been on determining the overall impact that the storms have left on the processors in the south. So far, there is still much speculation to the exact amount but the consensus is that a multitude of houses have been destroyed and a number of plants are either damaged or without power. This will obviously disrupt pipelines in the near future. As a result, wogs and whole birds are in a sort of limbo as the industry looks to further assess the situation. Otherwise, conversations revolve around first of the month and the upcoming Cinco de Mayo and Mother's Day holidays. These events should bolster the market going forward. Tenders are reported as readily available. Wings appear to be in the same boat.
- ✚ **TURKEY:** Reported trade is light and irregular. Offerings continue to be very spotty. There is little haggling going on over the values of frozen drums, wings and two joint wings. Breast meat is very tight but more available into May. Asked prices reflect market values or better. Thigh meat continues to lack interest but is very well supported nevertheless. Whole body turkeys are firm and likely higher. Market quotes continue to lag behind the prices paid on limited spot offerings.
- ✚ **RICE:** The domestic market is "flat out" quiet because of a lack of fresh offshore demand. The average price of 100 Lbs. of bulk #1 rice, FOB the mill is currently \$21.50/Cwt. Futures pricing comparison for 100 Lbs. of rough rice: LY=\$11.69 LW=\$13.995/Cwt, TW=\$14.805/Cwt, YR CHNG= **+26.64%**
- ✚ **FLOUR FACTS:** Roller coaster wheat futures markets rolled down hill last week following the previous week's run upward. Parched winter wheat crops received some rain and the ever resilient crop is expected to rebound, but the size of the harvest could remain unimpressive. Futures pricing for a bushel of hard spring wheat are: LY=\$5.22/Bu, LW=\$9.515/Bu, TW=\$9.4525/Bu, YR CHNG= **+81.08%**.

- ✚ **CANE SUGAR:** The current softness in world market prices is going to have little effect on domestic sugar prices. Price outlook: Not looking for any significant drop-off in domestic sugar prices, as supplies will remain tight for the foreseeable future. Futures pricing comparison: LY=\$28.90/Cwt, LW=\$37.71/Cwt, TW=\$36.50/Cwt, YR CHNG=+26.28%
- ✚ **SEAFOOD MARKET REPORT:** General market pricing is firm and overall inventories are light in US markets. US dollar is still weak. Fuel prices are high and expectations for further increases throughout the summer. Worldwide emerging middle class economies in Russia, Brazil, India and China are purchasing more products. Japan is rumored to begin purchasing seafood again and will have definite impact on certain species such as king crab, snow crab, salmon and scallops. General feel is that prices should stay firm as inventories are not building.
- **Snow Crab:** Canadian fishing is reported good. The Gulf opened on 4/25/2011. Please note that those area's produce very nice crab (bright shell and good meat fill. excellent product for retail and foodservice). Quota is up 11% from last year. At current rate of catch, fishing may be over in as little as 3 weeks. Japan typically purchases up to 60% of the total catch is rumored to be buying within the next couple of weeks.
 - **King Crab:** The Only small red king crab is available (20/24 and 20/+). Alaska's next red fishery is in October and brown is in August.
 - **Swai Fillet:** US market is very firm with inventories reported as low. 3/5 and 7/9's are reported as very short today with limited offerings on 5/7's. Overall production is forecasted to be 30% less this year. Primary factors are soaring cost of fuel, high cost of feed and many farmers in Vietnam have gone bankrupt due to the overall cost of business. In addition there is an increased demand on Swai fillet due to the decreased supply of both Chinese and domestic catfish.
 - **Tilapia:** Pricing overseas is higher than current US prices. Forecast is that market will remain strong throughout summer season. Demand is likely to remain strong as this is one of the top 10 most consumed seafood's in the United States and is still relatively inexpensive.
 - **Lobster:** New Canadian season will open May 1, 2011. Note: Spring season produces largest amount of lobster. Sizes typically produced are 2/3, 3/4, 4, 4/5 (60%), 5/6 (5-7%), 6/7 (8-10%), 7/8 and larger (25%). If fishing is good and weather cooperates, fishing season will be finished in 10 weeks.
 - **Shrimp:** Overall white shrimp inventories are reported as low and prices are firm to rising. Most all small white shrimp (31 and smaller) are in high demand with retailers and foodservice operators. New Black Tiger shrimp offerings are reported as high. Current US inventories on black tigers are reported as low. Next possible opportunity with white shrimp will be in late June/early July.
 - **Scallops:** Domestic landings report only 10/20's with very few U/10 and 20/30's. Market is very firm.

Prepared by Shamrock Foods Phoenix, Az.