

The Red Sheet

June 13, 2011

- ✦ **BUTTER:** In spite of retail resistance to unseasonably high prices there are concerns there won't be a sufficient supply for fall needs which is the cause of the choppiness in the market.
- ✦ **CHEESE:** It was another interesting week in the spot-cash cheese market trading with the block market continuing its upward climb, increasing \$.06/LB. Probably this entire cheese price move can be attributed to the Hilmar 40# block cheese recall in which several million pounds of cheese was pulled off the market because of extraneous contamination. In the coming weeks the market will either over or under correct causing continued volatility.
- ✦ **EGGS:** Retail demand continues to be reported as fairly good. Supplies of jumbos are tight, while extra large are considered close. Large are well balanced. Mediums are available throughout the country. Smalls are quiet. Brown eggs are now generally back in balance, with reported trades here supportive of our quotations. Breaking stock and egg products are unchanged but steady.
- ✦ **SOYBEAN OIL:** Soybean oil closed down 188 points on the week at 56.85 with commodity prices primarily being driven by weaker outside markets. Precariously tight projected end of year supply forecasts continue to underpin prices. The tight supplies leave little room for error in 2011 production, raising the risk of any lost acres and smaller yields further cutting into the balance between supply and demand. Soybean pricing comparison: LY=\$0.3690/Lb; LW=\$0.5873/Lb; TW=\$0.5685/Lb; YR CHNG= +54.10%
- ✦ **BEEF:** Cutout values dipped with fairly good demand and good offerings. Almost all primal values moved lower. This created some increased movement. While most in the industry anticipated beef trimming prices to decline, they appeared to exceed expectations during the week. Fed and blended were lower on moderate demand and moderate to heavy offerings. For the week: ribs mostly lower; chucks lower; rounds slightly higher; loins barely higher; trimmings much lower; Fed and blended cattle grinds lower.
- ✦ **PORK:** Pressure continued on pork prices early in the week and followed with a slight recovery. Loin prices slid while prices for butts moved higher. Ham processors were in good positions and offerings were very light and price levels remained mostly steady. Belly prices continued to slide as moderate offerings and light to moderate demand prevailed. Lean trim offerings were plentiful and cleared. Sausage manufacturers procured raw materials as they increase production for their summer grilling items. For the week: loins unevenly steady; butts mostly lower; light spareribs much higher, middle spareribs significantly higher; hams steady; bellies barely lower; lean trim higher.
- ✦ **CHICKEN:** Closing out the week the markets are rated about steady. Movement is marginally improved this week and product is in better balance. Retail features have helped entice additional interest mainly found on dark meat. Breast meat items are fairly manageable to satisfy spot business. Wings are steady and held with renewed confidence.
- ✦ **TURKEY:** Offerings of tom breast meat, tenders, breast trim and scapula have each been made available this week and some at discounted values. Lighter hen meats appear to be in close balance. Thigh meat is very solid. Parts are mostly adequate and in a nice balance. Sellers seem to be able to move product and buyers seem to be able to secure their needs as well. Toms and hens are mostly extremely tight and offerings are available at steady market values. Consumer packaged breast demand is slightly improved with sellers at higher price points.
- ✦ **RICE:** The market remains extremely quiet, with prices relatively steady. 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=\$11.56/Cwt LW=\$14.475/Cwt, TW=\$14.895/Cwt, YR CHNG= +28.84%
- ✦ **FLOUR FACTS:** Volatility continues in the wheat and row crop markets as we approach the end of another week of heavy planting. While prices seem very high, additional planting or growing problems in Russia, Europe, and here at home or in Canada, could make things worse. Expect continued volatility, and hope for good growing weather. Futures pricing for a bushel of hard spring wheat is: LY=\$5.01/Bu, LW=\$10.60Bu, TW=\$10.00/Bu, YR CHNG= +99.8%.

CANE SUGAR: The lateness of the US sugar beet crop raises the potential for extreme tightness of domestic sugar supplies during the transition from old to new crop. Pricing remains firm as supplies are tight and demand is solid. Futures pricing comparison: LY=\$33.45/Cwt, LW=\$35.02Cwt, TW=\$35.50/Cwt, YR CHNG=**+6.13%**



SEAFOOD MARKET REPORT:

- **Snow Crab:** The East Coast season is running smoothly and there has not been much movement in prices. Catches are looking good and there is plenty of product available. Alaskan and Russian production is scheduled to begin in late June.
- **Mahi Mahi:** US Mahi Mahi inventories are virtually whipped out now. The few importers that may be sitting on some are asking almost \$7.00 per pound for it. Sourcing product will continue to be an issue for the next 2-3 months. Our only option now is the Taiwan season that started at the end of May. We will not see any of that catch here late June or July.
- **Halibut** Alaskan/Pacific catches are good and demand for fresh has kept the market higher than usual for this time of year. Product is available and I do not expect to see any shortages of product, just higher than normal prices.
- **Shrimp:** Inventories for smaller sizes remain lower than normal for this time of year. Ecuador has started production and product is slowly arriving into this country.

Prepared by Shamrock Foods Enterprise Supplier Relationship Management and the Commodity Purchasing Team