

# The Red Sheet

July 11, 2011

- ✚ **BUTTER:** Last week's CME spot-cash AA Butter market declined \$0.01/Lb. There are said to be loads of cream available all around the US even though traditionally there is little to be had at this time of the year. It appears ice cream sales have taken a double-dip this year with summer sales not doing as well as expected after cold, rainy weather tanked spring sales.
- ✚ **CHEESE:** Last week's CME spot-cash Block market declined \$0.02/Lb., and the spot-cash barrel market increased \$0.005/Lb. The current cheese market values most likely have little to do with the real supply and demand of physical cheese.
- ✚ **EGGS:** Supplies of all sizes are fully adequate for current market needs. Stocks of heavier eggs are becoming more available than in previous weeks of close standing. Large have become increasingly available as the week comes to a close, and some report inventories beginning to build. Mediums and smalls are available. Brown eggs remain close to at times tight in all regions, but especially in the north east.
- ✚ **SOYBEAN OIL:** Soybean oil closed up 100 points on the week at \$.5632 as the market seeks some stability from recent price breaks, with ongoing concerns about tighter supplies amid smaller acreage projections and fresh export demand providing support to underpin prices. Soybean pricing comparison: LY=\$0.3750/Lb; LW=\$0.5532/Lb; TW=\$0.5632/Lb; YR CHNG= +50.2%
- ✚ **BEEF:** Cutout values were firm on moderate demand and slightly moderate offerings. Limited seasonal trading resumed following the holiday weekend. Select and Choice rib and loin primals was the primary contributing factor to the rising cutout value and end meats were mostly steady. Fed cattle grinds saw some weakness, while blended grinds were generally steady. Beef trimmings trended generally steady on moderate demand and offerings. Out front business saw fairly slow activity levels again this week. For the week: ribs slightly higher; chuck and round steady to barely higher; loins higher; trimmings generally steady; Fed cattle grinds slightly lower, while blended cattle grinds generally steady.
- ✚ **PORK:** Prices leveled after a steep fall in prices last week. Retail demand was extremely good for Boston butts as many retailers were running specials on pork steaks and country style ribs this week, this coupled with short packer supply drove the prices higher. Bone-in loins bounced back after mid-week softness to help support the boneless loin market. Spareribs continued to fall as retail demand decreased. Bone-in ham price levels were steady for the lighter weights while heavy hams experienced a slight uptick. Belly prices were steady throughout the week. Lean trimmings experienced light demand and offerings firming prices. Sausage manufacturers begin to focus on dry sausage items while demand for grilling items has slowed. For the week: bone-in loins mostly steady; butts higher; light spareribs lower, medium spareribs mostly lower; hams steady; bellies steady; trimmings higher.
- ✚ **CHICKEN:** The market is drifting along with some items moving in a more positive current than others. Those in fair to better shape include wogs, whole birds, tenders, wings and chunk and trim meat. Wogs and whole birds have progressively tightened up throughout the week and are rated steady overall. Tenders have seemingly turned on a dime from their position earlier in the week. These items are now steady. Wings are certainly well supported with jumbos being more so than smalls or mediums. Boneless is still only rated about steady but, product availability has tightened. Whole breasts and fronts remain discounted at most points of sale with boneless and bone-in thighs in a similar position. The balance of the complex is holding its own.
- ✚ **TURKEY:** A less than eventful week of trade is beginning to wind down under most of the same market conditions in place over the week. Available supplies of whole birds continue to be varied as are the asked prices associated with them. Prices range steady to higher. Institutional breasts are in good shape. Trade has improved in the wake of better supply and prices are holding firm. Fresh drums were reported at steady prices. Whole wings are adequate for needs. Necks are termed as full steady. Frozen breast meat is called steady. Supplies appear adequate for overall needs with the same being true of fresh meat.
- ✚ **FLOUR FACTS:** The market was closed last Monday, but overall was mixed for the remainder of the week. Futures market volatility continues. Futures pricing for a bushel of hard, spring wheat are: LY=\$5.545/Bu, LW=\$8.25/Bu, TW=\$8.50/Bu, YR CHNG= +55.96%.

✚ **CANE SUGAR:** Domestic sugar prices have remained surprisingly steady for the past several months as most end users are covered for the calendar year. Prices are expected to remain at current levels, but supplies could become tight at the end of the crop year, so prices could escalate quickly. Futures pricing comparison: LY=\$31.29/Cwt, LW=\$35.40/Cwt, TW=\$37.30/Cwt, YR CHNG=+19.20%

✚ **DRY BEAN MARKET UPDATE:** Market pricing has been volatile and has increased 25-30% in most classes since the March 31<sup>st</sup> SUDA planning intentions report. This is due to continued decrease in dry bean plantings resulting from wet growing conditions forcing growers to take crop insurance instead of planting as well as further acreage switching to soybeans.

✚ **SEAFOOD MARKET REPORT:**

- **Catfish:** The pond price for live catfish reached a all time high this week. The price the farmers are getting is over \$1.25 per pound. Last year it was close to .80 per pound. You can see why prices are where they are at today and why they will continue to rise. Supply should start to loosen up a bit and hopefully the market will start to come down but we will not see prices drop anywhere close to where they were at a year ago.
- **Mahi:** Still no relief in sight on Mahi. Taiwan is not reporting much of a catch and there is no product heading over to the states. We will just have to wait and see what the remainder of the Taiwan season brings, if anything.
- **Halibut:** Halibut catches are good and demand for fresh product is keeping the market high. Demand for frozen fish continues to increase as well and producers are buying more of the fresh catch for their needs. Fresh product should remain available thru November.