

The Red Sheet

January 5, 2012

- ✚ **BUTTER:** The Butter Market continues to slowly creep lower. Projections are that the pricing will continue to move lower due to the suppliers having heavier inventories than are ideal.
- ✚ **CHEESE:** Cheese Market was extremely quiet during the Holiday shortened week. The Block Market has remained at the same level while the Barrel Market has increased finally taking it back up above the Block. Traditionally the Barrel Market is approximately \$.03/lb higher than the Block. As mentioned in last weeks memo, pricing is currently extremely weak and increases are expected, especially as we move closer to the Superbowl.
- ✚ **EGGS:** Retail demand continues to slow. Supplies of all sizes are long. The egg producer inventories are building in all categories of both white and brown eggs. Offers to sell now well exceed interest to buy. Trading is light and mostly discounted. Further processors have their needs filled and are not in the buying mode at this time.
- ✚ **SOYBEAN OIL:** Soybean oil prices have strengthened a bit based on the economic news out of Europe and also weather concerns for the South American Soybean Crop. Soybean pricing comparison: LY=\$0.5774/Lb; LW=\$0.5096/Lb; TW=\$0.5209/Lb; YR CHNG= -9.78%
- ✚ **BEEF:** cutout values were higher on light to moderate demand and light offerings. The advance in overall carcass value can be mainly attributed to reduced production. The trends generally unfolded as expected with ribs and tenderloins depreciating with the close of holiday business. By contrast chuck and round cuts trended higher. Ground beef prices generally advance during this holiday period and this week the fed cattle grinds exhibited even more strength than usual. By contrast, blended grinds were generally steady overall on a typical lightly tested holiday session. Beef trimmings were steady to firm, as the strong ground beef market lent support to this item. For the week: ribs significantly lower; chucks slightly higher; rounds higher; loins barely higher; beef trimmings firm; Fed cattle grinds higher, while blended cattle grinds generally steady.
- ✚ **PORK:** : quiet retail demand continued to pressure this weeks market. With limited interest, retail cuts traded at generally lower prices for the week as supplies were more than adequate. Bone-in ham inventories were limited. Heavy ham price levels held steady on light trading. Bacon slicers are running at near production capacity to maintain pace with foodservice demand as most every food item at restaurants comes with some type of bacon. Both fat and lean trim experienced an up and down market this week. Demand was mostly light to moderate. For the week: loins lower; butts steady; spareribs lower; hams steady; bellies steady; trimmings steady to weaker; bnl picnics lower.
- ✚ **CHICKEN:** the chicken market is entering the year well positioned from a production and supply standpoint. Should demand increase it seems likely that all parts will benefit from the egg set reduction and efforts at curtailing bird weights. Wings continue to reflect improvement and values advanced. Boneless skinless breasts were also looking better after a shaky start following the holidays. Legs showed some advancing interest against tight supplies. The other dark meats are well balanced and supported. Tenders seem to be following a similar path as cutlets and sources tend to be cautious.
- ✚ **TURKEY:** As the year ended transactions are limited at best. Wing prices have been unsettled. Drums are in a fair balance but not on solid ground. Elsewhere there are questions about what levels will represent the bottom of the market for whole birds and breast meat in early 2012. Most sizes of whole birds remain tight to hard to find. Consumer breasts are steady to barely steady. Supplies of institutional sized breasts are very tight. Thigh meat is breaking all the expected seasonable rules and is in a full steady position
- ✚ **RICE:** The market is mostly quiet as it usually is during this time of year. The average price of 100 Lbs. of bulk #1rice, FOB the mill is currently \$25.50/Cwt. Futures pricing comparison for 100 Lbs. of rough rice: LY=\$13.995/Cwt LW=\$13.905/Cwt, TW=\$14.605/Cwt, YR CHNG= +4.35
- ✚ **FLOUR FACTS:** Wheat futures prices advanced this week. Basis remained steady. There have been limited wheat sales due to mill downtime during the holidays. Futures pricing for a bushel of hard, spring wheat are: LY=\$8.815/Bu, LW=\$8.445/Bu, TW=\$8.495/Bu, YR CHNG = -3.63%.

- ✚ **CANE SUGAR:** No major changes from the previous newsletter to refiners inventory positions. Domestic Refiners are still sold for the 11/12 marketing year. While recent sugar sales have shown some sluggishness, sugar sales have been very brisk for 11/12 with three beet refiners saying they are practically sold out. Pricing remains firm. Futures pricing comparison: LY=\$39.33/Cwt, LW=\$36.13/Cwt, TW=\$36.25/Cwt, YR CHNG=-7.83%
- ✚ **PEANUT CROP UPDATE:** Peanut crop has been a disaster. Prices for nearby material for all grades continue to set record pricing levels on a weekly basis. No Shellers are offering long term contracts. Prices are going to continue to be extremely high with limited availability. This scenario could carry through to the 2012 crop.
- ✚ **FROZEN POTATOES:** Raw stocks are up, but mostly to recover from last year's shortages. All potato suppliers are currently looking to open markets to insure enough raw product to cover the 2012 production season. Usage is up and raw crop will be tight as we enter the summer months. Be prepared for very little additional raw product to cover increased demands.

✚ **SEAFOOD MARKET REPORT:**

- **Lobster:** There is a good supply of Canadian / Maine lobster in the market and prices are staying steady thru the holiday season. Western Australian product is still in very short supply with no more product due in to the US until after Christmas. Prices are still very high and will remain well over \$40.00 per pound.
- **Cod:** Prices are very strong on Pacific product as well as Twice Frozen Cod Loins. Supplies are very tight on all frozen Cod, with 16/32 oz Shatter pack Cod being particularly tight. Prices are expected to remain strong for early 2012. Atlantic Cod Loins and Frozen at Sea product is expected to get much stronger in the next few months as well.
- **Tilapia:** Larger 7/9 fillets are very strong and product is hard to find right now. 3/5 and 5/7 fillets seem to be very plentiful. The market is slightly lower here as well. Expect stronger pricing to continue on the Larger 7/9 fillets.
- **Crawfish:** Prices are stronger on both tail meat and whole Crawfish. Expect much higher pricing on Whole Crawfish and tails as the harvest in China this year is at a 20 year low.
- **Pasteurized Crab Meat:** Prices are strong on all Pasteurized Crab Meat and supplies are tightening. Expect continued short supply for the foreseeable future.
- **Scallops:** Supplies remain tight and prices strong on both Bay and Sea Scallops. Processed Sea Scallops and Bay Scallops are moving up in value as domestic product is very short and will remain tight thru the winter.
- **Shrimp:** Market is steady on all sizes of Asian White Shrimp. Smaller shrimp, 31/40 and smaller, supplies are tightening and prices may bump up slightly higher in the short term. Overall, due to heavy production expectations from India in 2012, shrimp prices should continue to drift lower.