



# FARMER'S REPORT

MARKET TRENDS | 1.10.2014



# BEEF

Packers paid another record price for cattle last week, \$136- \$137, up another \$3.00 - \$4.00 dollars from the week prior. Production levels came in at 521,000 head, close to the same level as last year.

## ROUNDS

**INSIDES:** The market continues to rise with the expectation of strength for several more weeks.

**FLATS:** Prices continue to rise and will likely continue well into late January or first part of February.

## LOINS

**STRIPS:** The market appears to have reached a bottom, and is starting to move up each week.

**TOP BUTTS:** Overall, the projections are for a steady to up market. Traditionally this is the lowest point in the market and it has a tendency to move up in January, with sharper increases in February.

**BALL TIPS:** The market appears to have bottomed and weekly increases are likely for quite some time. This cut, as well as many of the thin cuts, are quickly affected and vulnerable to price increases as the production numbers move up and down.

**TENDERLOINS:** Choice as well as select and ungraded tenders are starting to find a bottom at current levels with a sideways to up movement likely for the next several weeks.

## RIBS

**RIBEYES:** The market has rebounded and may have found a low at least for the next few weeks, with possible counter seasonal movement up as the live cattle prices continue to set records.

## CHUCKS

**CHUCK ROLLS:** The market is showing some strength, with prices expected to trend up for the next several weeks.

**CLODS:** The market is consistent with chuck rolls.

## THIN MEATS & GRINDS

**FLAP MEAT:** The market is showing some strength, which could indicate a more upward trend. This is typical of this time of year and beyond. The lower production numbers could impact this cut, as well as most thin cuts, simply due to the number of cattle it takes to make one box. It takes around 22 head of cattle to make one box.

**BRISKETS:** The trend is for a stronger market as corned beef users start taking product in for St. Patrick day needs.

**GRINDS:** Following a few weeks of seasonal adjustments we are seeing strength in the market for the next few weeks.

**SKIRT MEAT:** Outside skirts are showing some strength. We should see overall strength for the long term as we go into the next several weeks.





# PORK

Base hog prices are trending steady to slightly higher. Severe winter weather conditions slowed hog movements in the early week, and supported current price levels. Packers continue to look for hogs as many are adding Saturday shifts to make up for downtime due to the weather. Analysts are predicting lower than anticipated slaughter numbers through late spring and the possibility of tighter hog supplies due to an increase in the reported cases of PED virus during the November/December time frame.

Hog weights remain above year ago levels but are trending lower. Live hogs are running about 5 lbs heavier than prior year. Packers expect this trend to continue through January. Please note that extreme cold temperatures could negatively impact hog weights as we move into the winter season.

Overall pork prices are trending higher as buying activity improved and pork items are promoted at the retail level.

## LOINS

The markets for bone in and boneless loins traded slightly higher due to improved demand from the retail sector. Bone-in loins are expected to trade steady through January then gradually move lower early February. Boneless loins are expected to trade steady to higher through mid January then gradually move lower as Lent approaches.

## TENDERS

Pork tenders traded steady to slightly higher this week on improved demand. Prices are expected to trade steady to slightly higher through January. Retailers are expected to feature tenders in mid-January promotions.

## BUTTS

Prices for bone in and boneless pork butts were steady to slightly higher last week on strong retail demand for January features. Pork butt prices are expected to hold steady through January then gradually move lower through late January. Supply constraints could support higher prices during Q1.

## RIBS

**SPARE RIBS:** Spare rib prices traded steady to slightly higher last week on improved demand. Prices are expected to gradually move higher as we approach 2014 and buyers begin moving product to the freezer for the 2014 rib season.

**BACK RIBS:** Back ribs traded steady to higher on improved demand. Prices gradually moved higher as food service interest picked up. Some buyers are substituting back ribs for St. Louis Style ribs due to the pricing advantage.

## BELLIES/BACON

Bacon/belly prices averaged lower last week on increased supplies of fresh bellies and sluggish demand. Expect belly prices to begin moving higher as demand improves and in accordance with seasonal trends. Prices may hold steady late February/early March due to the Lenten season.

## HAMS

Ham prices moved lower last week on weaker product demand. Prices moved higher this week and are expected to trend higher through late February. This is the typical seasonal move for Easter ham production, as packers/processors move hams to the freezer.

## TRIM

The following market dynamics will impact finished goods pricing during February. Pork Trimmings are trading steady to higher on increased product demand. Trimmings prices are expected to trend higher through Q1.

## PICNICS

Pork picnics traded steady to higher last week on improved demand. Picnics are expected to trade steady to slightly higher through mid February. Demand for exports could support higher prices.







## TURKEY

The industry is definitely starting out 2014 with some spring in its step which was missing this time last year. Turkey inventories are very snug and product demand remains strong. Whole Birds, Breast Meat continues to show high price values.

### WHOLE TURKEYS

Prices were reported up based on heavy demand and short supply. Projections are that we will continue to see market increases thru February.

### BONELESS RAW TURKEY BREASTS

Demand has not shown any signs of slowing down causing the market to move upward, forward projections are for higher prices as February approaches.



## POULTRY

Weather has taken a toll on production this week. Getting birds to production was a challenge where the market experienced orders not being filled based on product availability. Transportation was challenging and deliveries were delayed. Things are starting to come back together where production levels will be at a normal pace and should not affect next week's deliveries.

### WHOLE/CUT-UP CHICKENS

Market reported steady from the previous week, we project that the market will remain sideways thru January.

### BONELESS BREAST MEAT

Market reported steady from previous week, but signs are in place for an upward trend to price as interest is being shown through buyers.

### CHICKEN TENDERLOINS

Market reported up in price with heavy demand and a lack of inventory available, we do project that the market will remain slightly higher to steady as we go thru January.

### MEDIUM WINGS

Market did move upward slightly last week and all signs are in place for higher costs as we go deeper into the football playoffs. Still the outlook is bright and the pricing will be well below prior year.

### JUMBO WINGS

Market did move upward slightly last week and all signs are in place for higher costs as we go deeper into the football playoffs. Demand will be heavy over the next four weeks.

### BONELESS SKINLESS THIGH MEAT

Markets reported sideways this week. There are no signs of markets moving over the next few weeks.





## DAIRY

### BUTTER

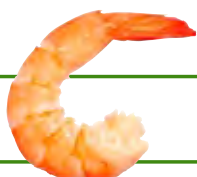
International butter prices are currently about 25% higher than domestic levels. Exports remain high which continues to drive domestic markets higher.

### CHEESE

Contrary to expectations, cheese markets are increasing sharply. High global demand for milk powders is pulling milk away from cheese production. This is the highest January pricing seen since 2008.

### SHELL EGGS

Markets are still declining, but the free fall has stabilized. Demand will test at these levels and perhaps markets may increase by the end of the month.



## SEAFOOD

### SHRIMP, DOMESTIC (WHITES AND BROWNS)

The domestic brown headless shell was mostly unchanged this week. This is to be expected as the majority of shrimp boats were docked for 2 weeks through the holidays. There may be a little bit of fishing over the next few weeks but the season is over for the most part. Make sure you are covered on any key sizes that you may need now through next July when the season opens again. Whites continue to be short and will continue to demand premium prices moving forward, although there were no changes this week.

PUD Markets were unchanged this week after a few increases on key sizes last week. With the season over and supply already a talked about issue, we can expect to be chasing product for the next 6 months until the season opens again. The supply of the key middle sizes (51/60-71/90) will be especially tight with shortages throughout the 1st and 2nd quarters of 2014.

### SHRIMP, IMPORTED (BLACK TIGER AND WHITES)

The tiger market saw increases across the board on larger size value added shrimp (Cooked and P&D). Supplies of large size tiger shrimp are limited with limited replacement expected in the short term. The white market larger size shrimp are full steady to firm with the smaller sizes steady at this time. Higher replacement costs are apparent as we enter the slowest harvest period of the year – Jan – April.



## COMMODITY GROCERY

### OIL

We've seen some lower levels with the soybean complex over the last several weeks. The World Agricultural Supply and Demand Estimate report is scheduled to release on Friday, January 10th. Traders are expecting an increase on the US 2013 soybean yield number. Current trade estimates range between 43.3 and 44.0 bushel per acre compared to 43 bushel on the December report. Based on the current size of the US crop, as well as favorable weather in South America we expect values to continue following the trend we've seen over the last several weeks.

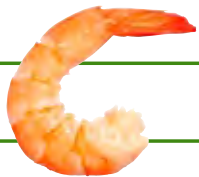
### SHRIMP, LATIN – CENTRAL AMERICA (WHITES)

The Latin American headless shell-on white shrimp market was stronger amid a tight supply situation. Import records show that Ecuador had increased shipments to the EU this past Nov. In addition, as mentioned in previous reports, the Chinese have stepped up their purchasing in Ecuador, further adding to the supply situation, which is showing in the tight supply situation in the US and the resulting higher prices.

### SHRIMP, MEXICAN (WHITES & BROWNS)

Mexican WILD shrimp market is full steady this week with no changes in the market. Import records for Nov show that imports from Mexico are down sharply for Nov versus Nov 2012 which supports the information that the Mexican economy is keeping more of this production in country.





# SEAFOOD (CONT'D)

## SCALLOPS

**SEA:** After some significant increases in Dec, the market is quiet this week with no changes in the market pricing. Supplies are limited and with most boat owners having used their days at sea and at or approaching their quota, there will be very little raw material coming in until the season opens again in March. Expect prices to continue to climb through the first quarter.

**BAY:** The Chinese Bay scallop market adjusted downward on midsize scallops (40/60 and 60/80) as new season product starts to hit the US. The smaller sizes (80/100-120/150 ct) however were up slightly as it appears these were a smaller percentage of this year's harvest. The season in China starts in Nov and goes through Mid Jan.

## TILAPIA

As inventory levels become better known in the beginning of the 1st quarter in the build up to Lent, expect to see price increases, especially on 5/7 and 7/9. Converting to a 3/5 size will subvert this anticipated shortage.

## CATFISH, DOMESTIC & IMPORTED

Both the domestic and imported market are flat this week. Domestic Farmers continue to ask for higher prices for the limited supply or production that they have, which could mean higher prices for Lent on both fresh and frozen fillets. Word out of China is that replacement costs are up as more of the product is either staying in the country or going to other countries like Brazil. This is still a great alternative versus Domestic frozen fillets from a cost perspective.

## STRIPED PANGASIU

(ALSO CALLED SWAI OR BASA)

Pangasius exports from Vietnam were down in the last months of the year amid instability in the raw fish price due to a supply shortage. The price of feed is expected to rise in the near future which will also support higher prices.

## SALMON

**CHILEAN FARMED SALMON:** Salmon prices are firm. Supplies are barely adequate for an active demand. A strike in Chile is affecting shipments to the US which only adds to the supply issue. Price increases apply to whole fresh fish, fresh fillets and frozen portions.

## WHITEFISH COMPLEX

(COD, POLLOCK, HADDOCK)

**COD:** Atlantic raw material price has risen again as a result of less than ideal catches in the North Atlantic but this is not yet reflected in market prices. These higher raw material costs will be reflected in pricing for the first quarter 2014. Another issue pushing cod pricing is the lack of haddock supply and some larger accounts switching to cod.

**POLLOCK:** The market remains stable on both domestic and imported pollock fillets.

**HADDOCK:** The haddock market was firm but flat after a significant price in late Dec. Expect more prices as we get closer to Lent.

## TUNA, YELLOWFIN

(CO TREATED)

The market appears to be settling with firming prices noted on all sizes and forms.

## MAHI MAHI

The market prices still reflect inventory from the previous season which will start to change upward as new season product makes its way to the US. The market's firm undertone on pricing is a result of strong prices at the dock.

## SNOW CRAB

**CANADA & ALASKA:** The market took a slight increase this week on 5/8 of both Newfoundland and Gulf origins. Supplies are barely adequate for a moderate to active demand. The Alaskan fishermen have caught about 8 % of the quota having gotten in a few trips before the holidays – this product is not yet down to the lower 48. All indicators are that this season will start stronger than last year due to the lack of product available and the belief the Japanese will buy heavy.

## KING CRAB

The market for both red and gold was flat after some big run ups in Dec. Supplies range adequate to barely adequate for a moderate to active demand after the Japanese made larger than normal purchases this past Nov/Dec.





# PRODUCE

## POTATOES

Overall, we do not anticipate any market movement this week. Typically the two weeks following New Years are the most active shipping weeks of the storage season, and the market is expected to begin moving upward over that time period. The Idaho russets carton market is slightly higher due to the lighter availability that New Years is causing. Burbanks are spread evenly across the size spectrum while the Norkotahs are still heavier to 40-80's. Washington russets are steady on all sizes but the availability is light. Colorado and Nebraska are both steady but supplies are light. Wisconsin russets are steady on all sizes and more evenly sized now. Wisconsin red potatoes are mostly steady on all sizes but there is some flex on B's. North Dakota red potatoes are steady and continue to peak on Red A's but they have good availability on B-size as well.



# PRODUCE

## VEGETABLES



### LEAF LETTUCE

Romaine is fair to steady supplies. There are occasional blister on the outer leaves. Green, Red and Butter supplies are steady with fair to ok quality.



### ICEBERG LETTUCE

The iceberg market continues to be steady as volumes are meeting demand. Overall the market is low for this time of year. Quality is good with medium size heads.



### ONIONS

For yellows, some shippers are quoting higher because they aren't packing this week, but overall this market is mostly steady. Reds are steady in all areas and the availability is better because the Washington shippers are packing all week except Wednesday. Medium reds are still generally short. White onions are steady on all sizes. Trucks are still the hardest thing to find in the northwest so stay ahead. The quality has been good in all areas and on all colors.



### CUCUMBERS

Florida product is all but finished this week. Quality and supplies on offshore product continues to be strong keeping this market steady. Mexico continues with moderate supply crossing from Yucatan. Look for Nogales to have good volume and quality.



### BELL PEPPERS

Florida is continuing their winter season, but overall supplies are lower for green peppers as the product grows slower this time of the year. Look for the markets to be stronger for the next few weeks as a result. There is a fair supply of green bell peppers out of Nogales. More hot house Red, Yellow, and orange bell are available out of Nogales. Look for that market to be steady out of the west.



### EGGPLANT

The market remains stable at this time. Expect good quality and steady supplies.



### TOMATOES

**Rounds:** Good weather in the east continues to increase the supply of round tomatoes; however the size is running smaller than normal. Prices continue to fall on the smaller sizes. The quality is very good. In Mexico demand is light. Two-layer vine-ripes continue down on all sizes.

**Grapes and Cherries:** The lowered pricing is steady in the east with good quality. This is expected to remain into the New Year. In the west, grapes pricing is down slightly on clams. There is a wide range in quality and condition. Most repackers are going east to meet the demand.

**Romas:** Supplies are up in the east with good quality, pushing the pricing down on larger sizes and steady on the medium size. In the west, the demand is light with increasing supplies. The quality is variable from shipper to shipper, but good quality is available.



### CHILE PEPPERS

Market and supply is expected to remain steady with good supply and quality.



### SQUASH

Volumes are increasing as new growing areas come into production. Yellow squash quality is fair due to scarring caused by high winds. Green squash quality on the other hand is showing good quality from both the East and West regions.



### CABBAGE

North Carolina and Georgia has moderate supply with good quality. Overall, the market is steady.



### BROCCOLI

Georgia and Florida continue with good supply and good quality. The eastern broccoli market continues to be steady. Growers are forecasting more supplies to be available in February. The western broccoli market continues to be softer with increased supplies. Overall the market is steady with good quality compared to December.



# PRODUCE



## CAULIFLOWER

Supplies have improved on cauliflower but the market is still stronger than average for this time of year. Quality will still only be fair to good with creamy to creamy white color.



## CARROTS

The market remains steady with good quality. Jumbo supply is good. Georgia cello carrots are projected to start on the 6th of January.



## CELERY

Florida celery is going with good supply. Quality is good and the market is steady. CA market will ease up a bit with lighter demand this week. Expect blister and peeling from both Oxnard and Santa Maria. There is a split market with Santa Maria being slightly lower than Oxnard due to quality.



## GREEN ONIONS

Green onion markets continue to be steady. Mexico's production continues to be good. Again, supplies are anticipated to be steady throughout the week.



## ASPARAGUS

Asparagus demand continues to decrease with the holidays behind us but there is still uncertainty regarding volume as we enter the New Year as Peru is winding down its season. Mexico supplies are winding down until the next growing area starts up by late January. Quality is good.



## GREEN BEANS

Florida is harvesting with good supply. Quality is good. Markets are steady.



## GARLIC

Supplies continue to be limited with steady demand. Prices are still inflated due to lack of inventory. Chinese product continues to have suspect quality due to delays. There is a potential for supplies to increase after the Chinese New Year.



## BERRIES

### STRAWBERRIES

The strawberry markets are slightly lower out of all domestic growing regions. Fruit is firm, with occasional bruising and white shoulder, counts averaging 20 to 22. Supplies from Texas are increasing as holiday pulls have been completed. Supplies are good and the strawberry markets are trending down.



### BLACKBERRIES

Production in Mexico has remained firm and steady, and is expected to remain so for the next few weeks. Production is up, which has lead to a decline in pricing. Overall, product quality and supply is healthy. The blackberry markets are lower.



### RASPBERRIES

Raspberry production continues to be weak as winter is an off season for these bush berries. The market is short, and is expected to be so for awhile. Pricing has been climbing, and this week is no different. The raspberry markets are up.



### BLUEBERRIES

This market is tight on the West Coast, but good on the East Coast. Argentina's import season has basically wrapped up, while the Chilean imports are coming into the U.S. consistently and with good quality. Chilean blueberries are mostly being packed in six ounce clamshells, but more pints are thought to be arriving soon. Demand is expected to rise over the next few weeks, but for the time being the blueberry markets are flat.



### PEARS

Demand is still fairly strong on Anjou pears but flat on Bartlett's and Bosc varieties. Sizing structure is still heavy to larger fruit (60 and 70 count) with smaller fruit availability a challenge. The pear markets are flat.

# PRODUCE



## GRAPES

Reaching full color is still an issue for California grapes, and the markets continue to inch higher as supplies fall. Imported grapes are now arriving in good quantities, and as a result many think that the grape markets have peaked. The quality of imported grapes is reportedly very strong. With supplies lighter during this transition, the grape markets are up a bit.



## STONE FRUIT

Reports suggest that up to 55% of all Chilean stone fruit acreage may have been adversely affected by the freeze a couple of months ago. Particularly hard hit were apricots, as nearly 80% of the crop may have been negatively affected. Plums also were hit hard with 60% of the acreage seeing issues. The stone fruit markets remain unchanged this week.



## APPLES

Honeycrisp apples took a pricing jump the past couple of weeks as demand has been higher than usual. Many shippers are struggling to cover premium orders and even lesser color fruit is tight. Red Delicious is still the best deal to be had, with smaller fruit running tighter than large. The majority of the other variety's markets have stabilized as holiday demand has settled down. The apple markets are up.



## TROPICAL

### PINEAPPLES

Costa Rican temperatures remain stable and farms are reporting very high quality fruit. Volume is still low due to the pre-harvest of some farms trying to maintain supply for the holiday season. Mexican pineapples are being harvested in the Veracruz, Mexico region, and the quality is excellent. Most pineapples have an average brix reading of 13, and supplies have been steadily increasing these past few weeks. Pricing is expected to increase as demand increases. The pineapple markets are flat.



### BANANAS

Bananas remain in good supply and of good quality. Sizing is running smaller which is normal for this time of year. The banana markets are even.



### AVOCADOS

The avocado markets have good movement and stable prices. Most of the fruit is Mexican, very little is Chilean, and California growers are expecting to start harvesting small volumes any day now. The flavor profile and quality is very good. The avocado markets are flat.



# PRODUCE

## CITRUS



### ORANGES

The recent California freeze has hurt the orange crops, but the full extent of the damage is yet to be known. Pricing is up as a result, and overall yield is expected to be down 2% from last year. Wind scar is prevalent, and fancy grade is still tight. Sizing is also large, peaking on 72 and 88 counts. The orange markets are steady.



### LEMONS

Lemons of all shapes and sizes have limited availability, but volumes are starting to increase. Production is currently light out of District 2 (Coastal). Sizing is smaller as lemons are peaking on 140 counts, heaviest to fancy. District 1 (California central valley) has started and is peaking on larger sizes. District 3 (California desert) has started and is seeing more consistent volume. The Mexican season loading in Texas has started, but has been decimated by the near flooding in and around growing and packing regions. The lemon markets are up.



### LIMES

Limes are currently being imported from Eastern Mexico with good quality and good, green color. Current supplies are very good with excellent availability on all sizes. Demand should continue to be strong, and weather conditions have been favorable in all growing regions. The lime markets are flat.



### GRAPEFRUIT

Grapefruits continue to be in good supply and of good quality to start off the New Year. Demand is anticipated to pick up in the near future, and the grapefruit markets are level.



## MELONS

### CANTALOUPE

Demand on cantaloupes continue to be light, but with fewer players, there is better inquiry and seemingly better demand. Most domestic supplies in Arizona and California have finished, and a few remaining cantaloupes are crossing at Nogales. Offshore Guatemalan supplies are available to load in Florida and also a few in Texas. At this point very little if any offshore can be loaded on the West coast. Quality is good, but with green cast, which has improved, but is typical for this time of year. Shelf life is short, and the cantaloupe markets are up.



### HONEYDEWS

Look for honeydews to be steady all week as demand on honeydews is rather light. Shippers in both Texas and Arizona are looking for business and expect demand to remain light all week. Look for the honeydew market to slowly regain some strength as supplies begin to fall in the near future. The honeydew markets are flat.



### WATERMELON

Supplies are still good and demand is low. Nogales is winding down with fruit out of Hermosillo, Mexico and there are limited supplies of new crop from Obregon. Central Mexico has started up with limited volume into Texas, and seeded melons are tight as there are limited amounts planted due to lower demand. The seedless size is heavier on four counts and Florida is finishing up in the next few weeks or so. Offshore melons will start hitting this week, and the watermelon markets are steady.