

the Market Report

August 27, 2023

Ingredients for Your Success

BUCKHEAD
Meat & Seafood | a Sysco company

Harvest

LAST WEEK'S KILLS:

616,000

CURRENT WEEK'S PROJECTED KILLS:

620,000-630,000

CATTLE TRADE: LAST

WEEK: LIVE: SOUTH: \$1.77-\$1.79

NORTH: \$1.82-\$1.89

DRESSED AVG. \$2.88-\$2.98

CURRENT WEEK'S PROJECTED

TRADE: LIVE STEADY TO \$2 HIGHER

DRESSED STEADY TO \$3 HIGHER



rounds

The round complex continues to mirror the chuck complex behind tight supply and high demand for value cuts. Peeled knuckles, insides, eyes, and flats continue to be sought out by grinders and further processors as well.

ground beef

The ground beef complex continues steady overall. The wild cards at this point, are Labor Day demand and continued lower production levels. Usually, this combination leads to a run-up in prices. Recommend grind orders are placed ASAP, as for the week of and after Labor Day.

striploins

The loin complex continues to gradually slow the price decline; although, predominately isolated around short loins and strips.

chucks

The chuck complex continues to reflect upward momentum through the week; once again, driven by tighter supplies. Most notable are chuck rolls, clods, and chuck tenders; this reflects buyers continuing to seek out value during times of high prices as consumers look for value.

tenderloins

Tenderloins climbed aggressively, driven by tighter supplies. This trend will hopefully slow after Labor Day and as packers loosen harvest hours.

ribeyes

The rib complex continues to accelerate as buyers look to cover upcoming weeks' demand from retail ads. Overall, a significant increase in prices should continue with the combination of stronger demand and limited spot availability. There continue to be conversations around year-end pricing, but counterparties are far apart.

briskets

The brisket complex continues to be supported by improved interest; therefore, driving costs higher. As retail has bought in for the Labor Day ads, packers have also been reducing harvest levels, allowing prices to increase for close-in delivery windows.

Grading

PRIME

8.78% (UP .0055)

CHOICE

71.83% (UP .0029)

SELECT

15.61% (DOWN .0085)

UPPER 2/3RD CHOICE/CAB

31.63% (UP .0045)

Hard to Find

CAB & PRIME GRADE
CLOD HEARTS
EXPORT RIBS
RIBS
FLATS
PSMOS
EYE ROUND
HANGING TENDER
TERES MAJOR
TRI TIP PEELED
PEELED KNUCKLES
CHUCKS
INSIDE ROUNDS
BRISKET

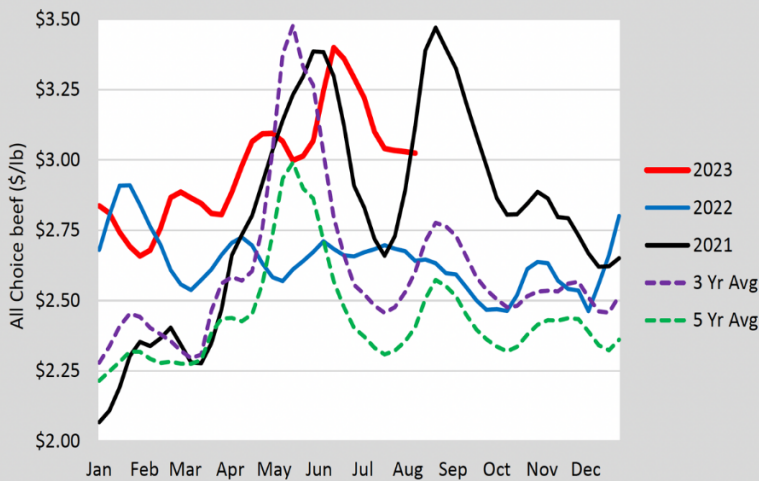
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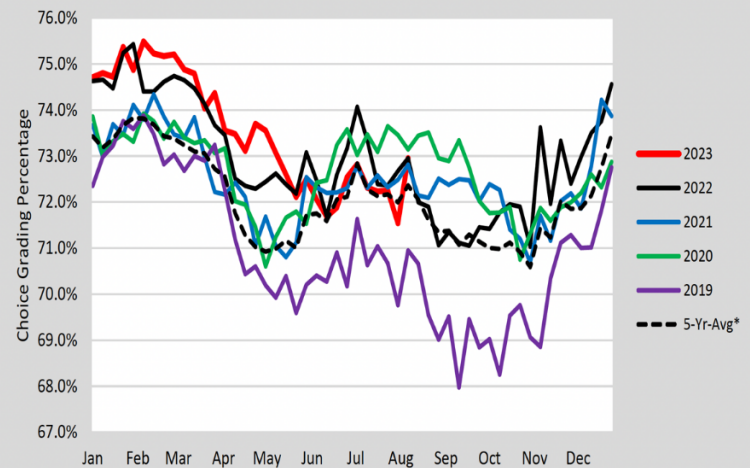
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USDA Choice Cutout



Weekly Choice Grade Out



beef/slaughter market

Cattle prices appear to have hit a trading level the last few weeks that both sides are willing to participate in, so the gain in box values will work packer margins back towards the black. Reports to start the week are that the push-in box values last week should have helped packer margins edge back into positive territory. On the cattle side, last weekend's spike in temperatures was concerning for cattle that are close to market weight. Fortunately, the heat in the midwest isn't supposed to last long, and cooler temperatures will be seen later this week, but these hotter temperatures can have an impact on feeding performance, as well as higher rates of death loss, so packers will use it to their advantage and try to buy cattle cheaper, knowing feedlots will be leery about keeping market-ready cattle around longer than needed. Both quality grade and carcass weight reports from the USDA have been mostly sideways for the last couple of weeks. There was a sizable drop in the reported choice grade for the week of July 31st production, but this week's report showed choice grade popped back up for the week of August 7th production. With the hotter temperatures this past week to 10 days, it will be important to watch early September reporting from the USDA to see if there were any negative impacts to either weights or grading.

Last week's cattle slaughter was reported to be an estimated 616,000 head. Last week's slaughter compares to an estimated 603,000 head the week prior and 664,000 head the same week a year ago. Early calls for this week are for packers to add a few more head into this week's production, to capture some positive gain in margins. A couple of packers are noting calls for slaughter to be around 620,000 head, possibly up to as high as 625,000 head, with a few more hours added in for Friday and Saturday production.

cash cattle/futures market

Cash cattle trade was aided last week by hot temperatures throughout the central part of the U.S., and packers were able to get lower prices for cattle. Trade numbers were still on the smaller side, with packers buying what was needed for this week's production, and a little for next week, but not extending positions too far out, in hopes of buying cattle cheaper again this week.

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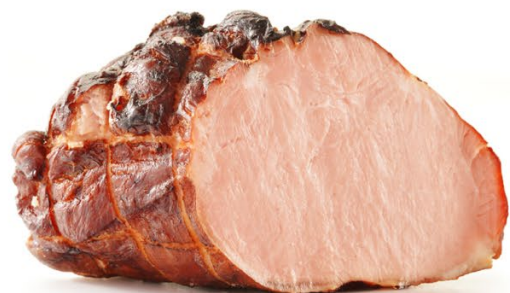
Chicken

Hotter temperatures outside continue to negatively affect bird weights which is slowing production. The wing market is seeing continued tightening on supply and is expected to get more constrained as we move closer to fall. The jumbo breast is seeing strong demand and diminished production. Medium and small breasts are steadier than their jumbo counterpart. Tenders remain extremely tight on the open market and hard to find. Whole birds continue to see solid demand. Dark meat is continuing to see strong pull with good demand on thighs and legs.



Pork

Butts are continuing the upward trend as Labor Day approaches. Ribs are still relatively flat but could see some late movement this week as interest is growing. Loins are down slightly as demand has tapered off. Bellies are also coming down from the run-up they had a few weeks ago.



Lamb

Domestic - The Colorado lamb market remains steady. Colorado lamb will have supply through September, but we may see another slight increase in lamb carcasses in late August due to the end of the summer production run. We expect Colorado lamb pricing to level off in October as the new fall run production will start, and pricing should come down. Featured Colorado lamb products for September are lamb Philly's steaks, kabobs, loin chops, boneless loins, loin tenderloins, frenched racks, burgers, sliders, and ground lamb.

New Zealand - The New Zealand lamb market remains steady. There is still a tight supply of 14-16 oz and 18-20 oz frenched lamb racks. There is a supply of all other sizes at this time. Please try to stay ahead of your inventories, and note that we expect the New Zealand lamb market to remain at these pricing levels through mid-September 2023.

Australian - The Australian lamb market remains steady. Supply is plentiful on BRN legs, lamb top rounds, stew meats, chucks, shanks, and grinds, but we are seeing strong movement on frenched racks and loins as we are in the summer grilling season. Supply remains tight on 28 oz+ frenched racks; all other rack sizes are available. We expect this market to remain steady through Labor Day weekend. Featured products heading into September are BRN legs of lamb, butterflied lamb legs, lamb leg kabobs, lamb top rounds, loin chops, and all styles of grinds.

