

# MarketNews

Click on the link below to view updates:

Dairy Market Link



Produce Market Link

Market Report - Eggs



Flour Facts



Produce Market Update



Oil Market Watch



USDA Weekly Livestock, Poultry & Grain Market Highlights



Market updates from The Plastics Exchange



Daily Market Summary



JBS USA Newsletters



Market Report

# Egg Markets

## Week February 21, 2022

**TONE:** Retail demand fair on average. Supplies readily available. Market soft.

The regional egg markets are as follows:

	Northeast	Midwest	Central	Southeast
Lg	\$1.73	\$1.70	\$1.85	\$1.84
Md	\$1.51	\$1.46	\$1.55	\$1.53

Source: Esbenshade, Inc.



### Egg Markets Overview

The weekly Egg Markets Overview is now available on our website and may be accessed by clicking on the link or graphic below.



<https://www.ams.usda.gov/sites/default/files/media/Egg%20Markets%20Overview.pdf>

# USDA Egg Markets Overview

A weekly publication of the USDA AMS Livestock and Poultry Program, Livestock, Poultry, and Grain Market News Division

February 18, 2022

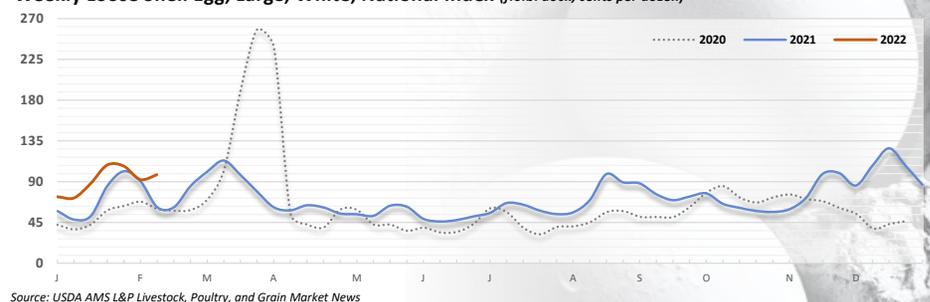
Wholesale prices for cartoned shell eggs are traded lower on light to moderate offerings and adequate to ample supplies. Interest is moderate and trading is moderate. Wholesale prices for graded loose eggs are up slightly moderate trading. Interest is good with mostly light to moderate offerings and a range of supplies. The volume of trailer load sales this week increased 43% into next week indicating increased business. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs rose \$0.05 to \$0.978 per dozen with a weak undertone. The wholesale price on the New York market for Large cartoned shell eggs delivered to retailers decreased \$0.20 to \$1.64 per dozen with a weak undertone. The Midwest wholesale price for Large, white, shell eggs delivered to warehouses declined \$0.05 to \$1.71 per dozen with a weak to lower undertone. Prices paid to producers in the Midwest for Large cartoned shell eggs declined \$0.17 to \$1.35 per dozen with a weak undertone. The California benchmark for Large shell eggs declined \$0.27 to \$2.38 per dozen with a firm undertone. Delivered prices on the California-compliant wholesale loose egg market increased \$0.10 to \$1.850 per dozen with an unsettled undertone.

Consumer demand for shell eggs continues to track above normal as retailers shift back to staples, including shell eggs, following the Super Bowl and Valentine's Day diversion. Demand continues to best past levels for this time of year and remains strong moving into a period when it typically fades. Easter is still two months out and past trends would indicate a decline in demand over the next few weeks. However, eggs remain a good value in the grocery cart despite a 13.1% year-over-year price increase in January according to the Bureau of Labor Statistics compared to a 13.6% increase in beef and pork and an 11.6% in chicken parts. The producer price index for eggs in January declined 20% which is helping to support more active retail promotional activity.

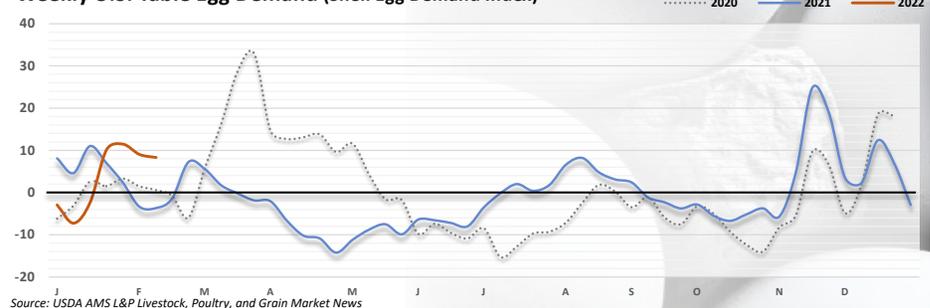
Promotional activity for conventional shell eggs in retail outlets rises sharply as retailers shift their focus back to consumer staples. The average ad price declines \$0.52 to \$1.05 per dozen. Retail purchases for delivery into this week were down 11% from the prior week. Promotional activity for specialty shell eggs also posts a sharp rise with nutritionally-enhanced offerings leading the category followed by cage-free types. Feature activity for [UEP-defined cage-free](#) shell eggs rises sharply and accounts for 25% of all shell egg types on feature. The average ad price declines \$0.23 to \$2.18 per dozen and the average ad price spread between 12-packs of Large caged eggs and UEP cage-free eggs widens by \$0.29 per dozen to a spread of \$1.13 per dozen.

The overall inventory of shell eggs decreased a half percent and the nation-wide inventory of Large eggs declined 2%. The inventory of Large eggs in the key Midwest production region declined 2% as marketers worked to rebuild stocks depleted by the recent active

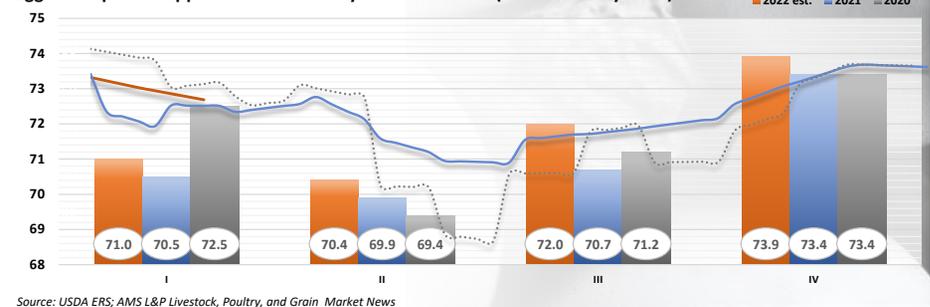
Weekly Loose Shell Egg, Large, White, National Index (f.o.b. dock, cents per dozen)



Weekly U.S. Table Egg Demand (Shell Egg Demand Index)



Egg Per Capita Disappearance vs. Weekly Est. Production (as of February 2022)



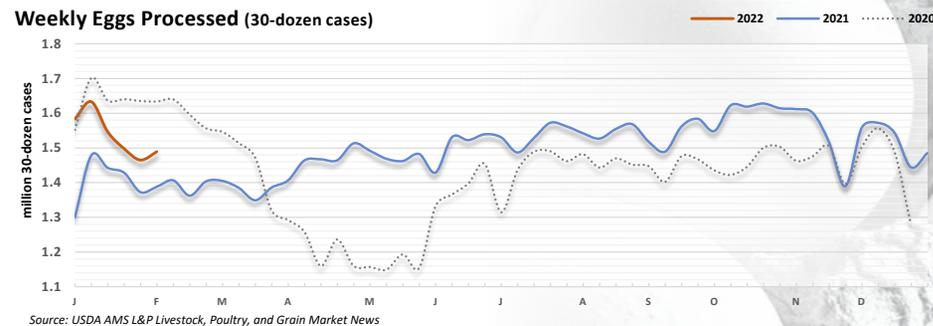
Demand. The inventory share of Large class shell eggs decreased 1% to a 47% share of all shell egg stocks on inventory at the start of the week. Stocks of cage-free eggs decreased 7% at the start of the week, signaling the return of these types to store ads after two cycles of limited activity. The inventory of nutritionally-enhanced shell eggs declined 5% as stocks moved into retail channels to support a sharp rise in promotional activity. Breaking stock inventories increased 4% as breakers slowed schedules and moved aggressively in the spot market to maintain sufficient stocks. Total table egg production for the week was unchanged from last week and was down slightly from last year and now only exceeds 2020 levels by an estimated 900,000 cases.

Wholesale prices for breaking stock in the Central States increased \$0.05 to \$0.85 with a firm undertone. Offerings are light and supplies are light to moderate. Demand is good and trading is moderate to active; schedules are reduced to normal. The volume of eggs processed over the past week increased 2%, representing a 29% share of weekly table egg production. Production of whole egg rose a half percent while production of whites was up 9% and yolk production rose 4.5%. Dried egg production increased 4% and the production of inedible egg was up 3.5%. Breaking yields without inedible improved over a half a pound to 41.73 pounds per case broken as lighter-weight eggs remain plentiful in the mix due to tight supplies and demand for carton business for heavier eggs.

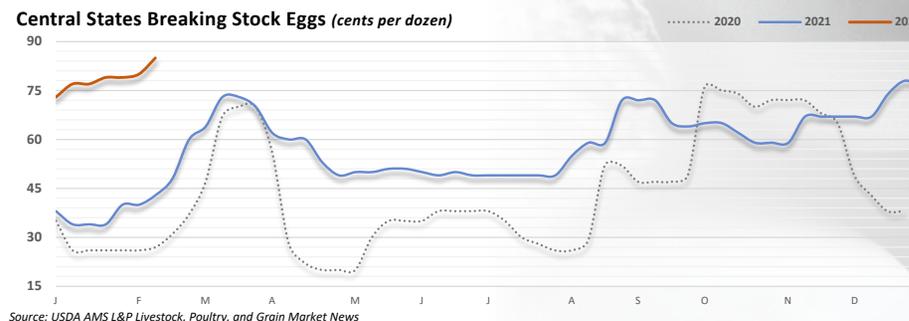
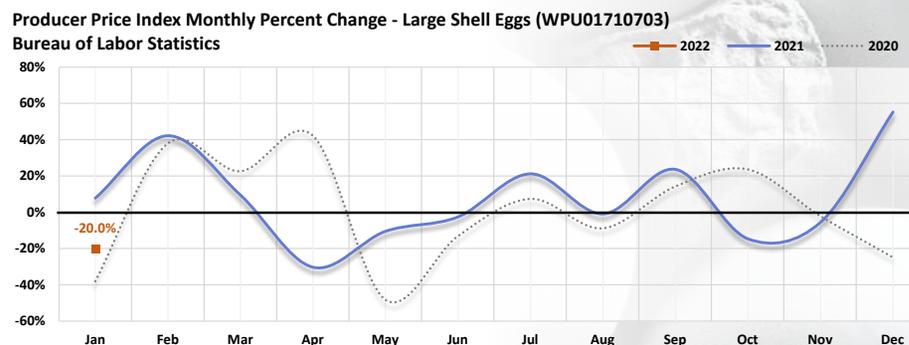
Wholesale prices for whole certified liquid whole eggs are too few to report. Offerings are light to moderate and demand is moderate. The wholesale price for frozen whole egg products is steady at \$1.17 per pound and the price for liquid whites was steady at \$0.74 per pound. The undertone is steady. Offerings and supplies are light to moderate for moderate to good demand. The pace of trading is moderate to active. Wholesale prices for whole dried egg are steady at \$4.12 per pound as are prices for dried yolk at \$3.60 per pound and those for dried albumen at \$5.00 per pound. The undertone is steady. Offerings are moderate with light to moderate supplies. Demand is good. Trading is moderate to active.

According to NASS, the December monthly volume of frozen eggs in storage increased 5% from November, 24% below the 2020 level. Stocks of whole frozen egg increased 5% from last month and were 26% below year ago levels. The share of whole egg stocks remained at 43% of total frozen stocks. Stocks of frozen yolk rose 9%, 43% over last year's level. Stocks of frozen egg whites grew by 39%, 11% under last year. Stocks of unclassified eggs were down one percent, 26% below 2020 levels. The share of unclassified frozen stocks lost 2% to 45% of all frozen egg products in storage.

Cage-free commitments as of January 2022 remain about unchanged, requiring 66.7 billion cage-free eggs per year to meet 100% of needs from an approximate cage-free flock of 221 million hens (68% of the U.S. non-organic flock), indicating a shortage of 128 million hens from the current non-organic cage-free flock of 92.9 million hens. The average lay rate for non-organic cage-free production is currently estimated at 82.6%.



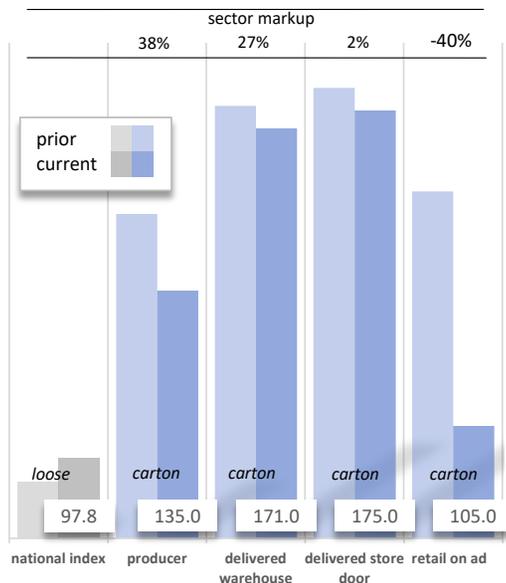
Eggs Processed Week-to-Week Change						
total	share	whole	whites	yolks	dried	inedible
▲ 1.7%	▲ 0.5%	▲ 0.5%	▲ 9.2%	▲ 4.5%	▲ 4.1%	▲ 3.5%



## Shell Eggs Market Price Comparisons

(as of February 18, 2022)

(National Index on a loose-egg basis, all other prices for carton eggs; LG White avg prices in cents per dozen)



Producer, warehouse, & store door = MW; retail no sale NY market; retail on sale Nat'l Retail Feature; loose eggs include minimal

## Key Egg Markets Overview

	18-Feb	% Change	Recent History				
			11-Feb	4-Feb	28-Jan	21-Jan	14-Jan
<b>SHELL EGGS (Large, White, conventional in cents per dozen)</b>							
National, Loose, (f.o.b. dock prices)	97.84	6%	92.44	107.27	108.40	88.00	72.25
New York, Cartonned (price to retailers)	164.00	-11%	184.00	191.00	180.00	142.00	126.00
Midwest, Cartonned (price dlvr'd to warehouse)	171.00	-3%	176.00	160.00	121.00	111.00	128.00
California, Cartonned, benchmark (cage-free)	238.00	-10%	265.00	298.00	296.00	273.00	255.00
<b>National Retail Shell Egg (avg. ad price in dollars per dozen)</b>							
Conventional, Large, White	1.05	-33%	1.57	1.13	0.86	1.20	1.30
Cage-Free, Large, Brown	2.18	-10%	2.41	2.56	2.66	2.37	2.30
<b>EGG PRODUCTS (f.o.b. dock prices; dollars per pound)</b>							
Central States Breaking Stock (dlvr'd prices per doz)	85.00	6%	80.00	79.00	79.00	77.00	77.00
Whole Frozen Eggs	117.00	0%	117.00	117.00	117.00	117.00	117.00
Whole Dried Eggs	4.12	0%	4.12	4.12	4.12	4.12	4.12
Processed Share of Weekly Egg Production	29.1%	0.5%	28.6%	29.2%	30.0%	31.6%	30.6%
<b>SHELL EGG DEMAND INDICATOR (no units)</b>	8.3	-0.7	9.0	11.5	10.2	-2.3	-7.3

Source: USDA AMS Livestock, Poultry, and Grain Market News

## Key Shell Egg Markets Snapshot - 2022

(Large, White, Conventional Shell Eggs in cents per dozen)	18-Feb	Change	11-Feb	2022 High	2022 Low
National, Loose, (f.o.b. dock prices)	97.8 ▲	6%	92.4	109.7	71.4
New York, Cartonned (price to retailers)	164.0 ▼	-11%	184.0	191.0	126.0
Midwest, Cartonned (price dlvr'd to warehouse) <sup>1</sup>	171.0 ▼	-3%	176.0	176.0	111.0
California, Cartonned, benchmark	238.0 ▼	-10%	265.0	298.0	235.0
Central States Breaking Stock (delivered prices) <sup>1</sup>	85.0 ▲	6%	80.0	85.0	73.0
Whole Frozen Egg Products (f.o.b. dock prices)	117.0 ▬	0%	117.0	117.0	115.0
Whole Dried Egg Products (f.o.b. dock prices)	4.12 ▬	0%	4.12	4.12	4.12
Natl Average Retail Ad Price - Conventional	1.05 ▼	-33%	1.57	1.57	0.86
Natl Average Retail Ad Price - Cage-free <sup>2</sup>	2.18 ▼	-10%	2.41	2.66	2.18
Shell Egg Demand Indicator	8.3 ▼	-0.7	9.0	11.5	-7.3

<sup>1</sup> mostly high; <sup>2</sup> non-organic



# FLOUR FACTS

Information Provided by General Mills Foodservice  
GeneralMillsCF.com



## Weekly Market Highlights

FEBRUARY 17, 2022

- The uncertainty of the Russia/Ukraine tensions are causing volatility in the wheat market.
- It's still dry in the winter wheat growing areas, but there is still some time for us to get some moisture or snow cover before it becomes a big concern from a market perspective.
- U.S. wheat is more expensive than the rest of the world, but Russian wheat numbers were said to be up \$3/ton Fob from yesterday.

## Facts on Flour

### Put'em all together and what d'ya get?

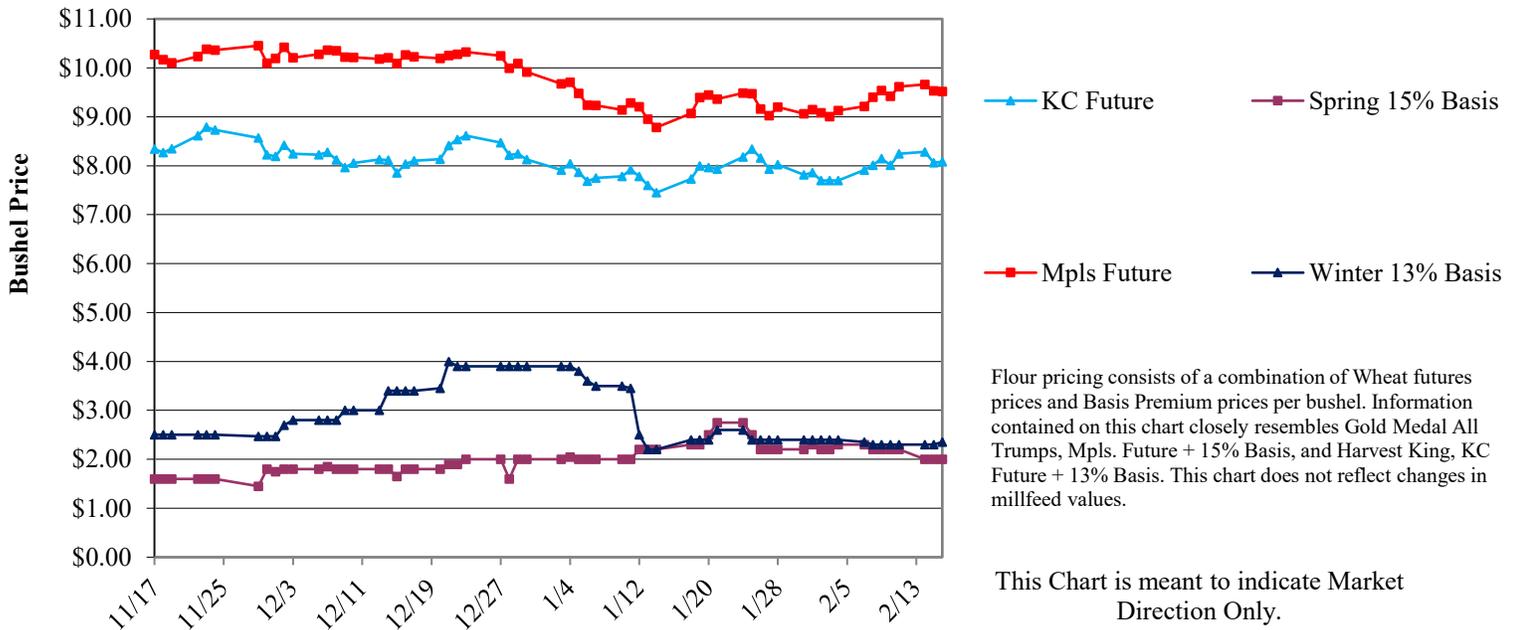
With the major classifications categories defined – Winter and Spring, Hard and Soft, Red and White – we can combine them to discover the range of wheat available. The major classifications of wheat used in the U.S. are: Hard Red Winter, Hard Red Spring, Soft Red Winter and Soft White Winter.

One other classification of wheat is Durum.

Now that we have identified the major wheat types, over the next several weeks, we can begin to discuss different flour types. Because, just as wheat is not “just wheat,” flour is not “just flour.”

◇ ◇ ◇

## Futures & Basis Markets



General Mills Foodservice is your trusted partner in baking – providing quality products, innovative business solutions and technical support to baking professionals. With product solutions for cakes, pizzas, bagels and breads, we're backed by trusted brands and recognized industry experts to offer a holistic approach to build your business.

Experience inspires confidence.





# Weekly Market Update



## Produce Market Update

For the week of: February 20<sup>th</sup>, 2022

"Produce from the Ground Up"

### **Loaded Baked Potato Skins**



#### Ingredients

4 80 ct *Pro Mark* Idaho® russet potatoes    1 tbsp olive oil  
1 tsp kosher salt    1 [15-ounce] can of Chili  
1 cup shredded cheddar cheese    ½ cup Sour Cream  
½ cup green onions, chopped

#### Directions

- 1.) Heat oven to 400°F.
- 2.) Wash and scrub potatoes; pat dry. Place potatoes on aluminum foil-lined baking sheet. Rub with oil and sprinkle with salt. Bake 45 minutes or until potatoes pierce easily with a fork. Let stand 10 minutes.
- 3.) Cut potatoes in half lengthwise. Using a spoon, gently scoop out center of potato, leaving a ¼-inch border on bottom and sides; careful not to tear or pierce sides or bottom. Reserve potato pulp for another use.
- 4.) Spoon chili into potatoes. Top with cheese and bacon bits.
- 5.) Bake 10 minutes or until heated through.
- 6.) Top each potato with 1 tablespoon sour cream and sprinkle with green onions

## **WEATHER**

No rain is forecasted, and temperatures will be cooler this week. Light to moderate lettuce ice likely in most Yuma area valleys becoming light-moderate to moderate-heavy ice Friday as morning lows cool to low 30s-low 40s.

## **EXTENDED OUTLOOK**

Slight chance for rain, strong gusty winds, and cooler temps Feb 22-23 due to an unseasonably strong low-pressure system passing overhead. Widespread lettuce ice Feb 24-25 with little change in afternoon highs.

**ARUGULA --** Overall good quality & performance. Low percentage of yellowing from cold weather. We will be monitoring this week's crop closely for any challenges from recent freezes.

**ASPARAGUS --** Peru season is over and Mexico low volume due to weather. However, expecting increase of volume next week if weather improves. Good quality and high demand.

## **AVOCADO -- Alert**

Much information has been in the news and in our trade publications, but we also wanted to offer you an update. As we wait for a decision to be unveiled from the USDA regarding Mexico's call to action to ensure inspector's safety at packing facilities in Mexico, we are optimistic that a signed agreement will be produced quickly. The proposed plan is robust and includes truck tracking, safety checkpoints, and severe penalties for abusers. These are just a few of the high points. Should an agreement be signed even in a few days, avocado harvesting would resume with only the original list of permitted orchards this week. Regular harvesting week the week after signature is a strong possibility. Substantial harvesting will be required to fill depleted inventory levels and safety stock positions. As our experience with interruptions in Mexico has shown us in the past, regaining normal levels could take additional time. We appreciate your continued support and understanding. The Association of Avocado Exporting Producers and Packers of Mexico (APEAM) is actively working with the USDA-APHIS, Mexican Secretary of Agriculture (SADER) and other authorities to quickly address the situation in Mexico, and again, strengthen safety protocols and guarantee continued compliance with the requirements of this important export program of Mexican avocados into the United States. We appreciate your continued support and understanding, and we update you as we learn more.

**Bok Choy --** Production is steady and demand is light. Quality, color, and sizing are good.

**BROCCOLI --** With the weather finally warming up a bit, supplies have really picked up and both quality and color are good.

**BRUSSEL SPROUTS --** Volume continues to be strong. Production is steady in both US and Mexico growing regions. Predictably the open market is retreating from the high prices a few weeks back and headed to more normal levels. The VA added SKUs should be relatively more plentiful as well.

**CABBAGE --** Supplies are improving and will have abilities to increase beginning next week. Weights are improving because of crop movement; however, seeing cone shape heads for this week and early next week.

**CARROTS** -- Current demand exceeds predicted supply while lower than average yields caused by cold wet weather has limited availability. Rainfall totals in Bakersfield last month were greater than any December in the last several years. In addition, shippers are struggling with labor due to COVID and not having enough workers show daily to pack carrots.

**CAULIFLOWER** -- After a Few weeks of very tight supply, we are back on budget this week on the supply side. Overall good supply for current demand. Quality, sizing & texture look good.

**CELERY** -- Lighter supplies for us and the industry. Quality is good and the market is steady in Oxnard. We are harvesting in Mexico and Oxnard. Business is steady.

**CILANTRO** -- volume is expected to be on budget this week. Overall quality is very nice.

**GREEN ONIONS** -- *Alert* Supplies are a bit on the light side due to labor issues and ice delays.

**GREEN BEANS** -- We expect extremely light supply on the horizon as Florida will experience major crop loss from this past weekend's freeze. We may not see any improvement until Spring. Lighter supply and cool weather continue to delay volume out of Mexico but should improve by mid-Feb.

**HERBS** -- *Pro Mark* MINT will be slowing down for about 10 days as the cooler weather,

**KALE** -- Supplies continue to be steady, with good quality as well.

**LETTUCE** -- Overall supplies continue to be right on budget. Quality and weights have been good, and we seem to be past the cosmetic issue caused by freeze damage. Demand has been steady to slightly better. We continue to cut to order to keep all items fresh. The market is steady, and the forecast is steady at current prices.

**LEAF & ROMAINE** -- Quality on leaf in the desert is good with a good green color and appearance. Occasional fringe burn and sizing is 8-10". Demand is good, and pricing remains steady. Romaine production supplies are right at budget. We are experiencing some quality issues at the field level ultimately reducing yields a little bit with light blister and peel. Quality is improving daily.

**NAPPA** -- No change here, volume is expected to be plentiful for the next few weeks.

**PARSLEY** -- Steady supply with very good quality.

**SPINACH** -- Overall good quality, size, and texture. We will be monitoring this week's crop closely for any challenges from recent cooler temperatures .

**SPRING MIX** -- Overall great quality & color. We will be monitoring this week's crop closely for any challenges from recent cooler temperatures.

### **PEPPERS/CUCUMBERS/ /SQUASH** --

**Peppers** -- *Alert* Green bell market steady with good volume this week. Quality is very nice with dark green color and thick walls. Red and gold bell pepper volume will slightly increase this week. Demand still high along with high FOB's

**Cucumbers** -- market ramping up as supply has slowly decreased. Demand still steady for this week.

**Squash** -- Zucchini and yellow squash volume to pick up with lower FOB's and very nice quality.

**ONIONS** -- The onion market continues to stay strong at an unprecedented fashion on all jumbo sizes of all colors. The northwest continues to ship a smaller size profile, with limited Colossal and Super Colossal availability.

### **POTATOES** -- *“February is Potato Lovers Month”*

Overall, the market is unchanged. Idaho® Burbank and Norkotah markets are up as suppliers extend storage supplies. The remaining crop is dominated by large sizes (40- and 50-count potatoes); smaller sizes (80- to 100-count supplies) are adequate. Norkotah are expected to remain on the market into early April; once Norkotah supplies are depleted, Burbank's will be the sole variety through the rest of the season.

### **SWEET POTATOES** -- *February is Sweet Potato Month*



Just as WADA Farms, packs your Idaho® Pro Mark Russet carton potatoes, they also pack your sweet potatoes.

This year the supply is set to meet a demand for sweet potatoes which has been consistently increasing over the last three to four years. Now they're part of certain diets and influencer recipes on social media. Every year, they're getting further away from being just in the Thanksgiving sweet potato casserole and are becoming a year-round staple.

Meanwhile, the education aspect regarding sweet potatoes is an ongoing opportunity for the industry. There's still uncertainty around the sweet potato in that people ask: is it a yam? What do the different colors mean? Or are they all sweet potatoes? The answer? Yes, they are all sweet potatoes and there are different varieties of them. Part of that ongoing education is also teaching consumers about the health benefits of sweet potatoes

### **TOMATOES** --

**Rounds:** Markets are about the same as last week. Larger sized fruit seems to be more available. Quality from Mexico and Florida is very good currently.

Everything seems steady. There is a gap coming sometime in early March due to the very cold weather Florida experienced a few weeks ago. Not exactly sure currently. Demand has been consistent over the past few weeks.

**Grape:** There was excellent demand last week for the Super Bowl. Markets attempted to push prices up and this week they are up Demand is not as strong due to the uptick in prices. Both Florida and Mexico have good supply. Quality may be an issue and buyers should be cautious in their purchases. Like Roma's, Florida will hit a gap in a couple of weeks and supply will be lower.

**Cherry:** Plenty of supply available in both Florida and Mexico. Quality is decent out of both areas. The Florida cherries have larger sizing in Mexico. The sizes are neither good nor bad for the market. It will depend on each buyer or customers preferences.

**Roma:** Plenty of supply available in both Florida and Mexico. Market should remain low for the next couple of weeks. There is a chance it may go up due to a projected gap in supply out of Florida related to cold weather a few weeks ago. The cold weather damaged plantings that were supposed to come on at that time. Quality is pretty good. There are some discoloration issues out of Mexico, but plenty of high-quality Roma's to choose from.

**APPLES --** Washington exports a substantial amount to Mexico which has driven the price up over the last few weeks on many varieties. Market price remains firm on small fruit as local schools take most of the volume. The overall crop is down this year. Our apple expert advises crop was down last year by 20% and 20% again this year, for a combined full 40%. The tightest items this week are the premium Honeycrisp trays as well as all Gala apples.

**BANANAS -- ALERT** volume continues to be tight due to the cooler temperatures currently being experienced in the tropics. While this is an issue every year, what further complicates this is the presence of La Nina. La Nina is causing a lack of precipitation and this lack of precipitation causes humidity levels to drop and humidity is needed to assist in the maturation of the banana. This is expected to be the case for the remainder of January and could continue well into February. To further complicate the banana market, we are receiving word there is a transportation strike in Guatemala that will delay shipments from the country. We will most likely see some of the effects of these delays in the marketplace over the next 10-14 days

**BLACKBERRIES --** Steady supply through February. Mexico will contribute most of the supply. We expect steady production and gradually descend in late February and early March. A slight increase in supply is expected from the California regions due to the warm day temperatures, however this will be short lived.

**BLUEBERRIES --** Supply will continue to increase, driven mainly by Central Mexico. Central Mexico production continues to increase with peak spring volumes in February. Baja production starting to ramp up in the next few weeks with strong volumes. The South American production is finished for the season. Florida production will begin with light volumes this week

**CITRUS -- Lemons:** The *Pro Mark* Lemons are in full swing, and the quality is very good.  
**Limes: Alert** The citric kick of the limes which grow abundantly across Mexico, the world's largest producer of the fruit, help give the country's cuisine its distinctive flavor. But aggressive price fixing has sent prices soaring, prompting some eateries to stop offering limes with their tacos and leaving diners in a sour twist. Prices often peak in winter but this year they have reached unprecedented highs, due to falling production, continued exports and colder weather. The average cost of limes has nearly tripled January.  
**Oranges:** Demand has increased as exports are continuing to come in. The market is advancing also. Smaller fruit is demand exceeds; quality is very good. No rain in the forecast for the next 10 days.

**GRAPES -- Alert** A little back drop on where we were just last month. During January we had very limited volumes of white and red seedless grapes, which obviously kept pricing very high throughout the period. As we reported, toward the end of January, supplies gradually increased with Peru as the main supplier. Currently as we move into mid-February, the situation has improved with supplies now coming from Peru, and we are also getting Chilean and Argentinean supplies, which are increasing in volumes. Currently, the volume of table grapes is 11% lower than normal. Pricing continues to be strong

**KIWI FRUIT --** California and Imported kiwi available. California sizes mostly 36 and smaller, larger sizes are limited. Fruit is firm with occasional soft in box.

## **MELONS --**

**Cantaloupe / Honeydews:** supplies on the West Coast will be very light this week as most of the volume is staying on the East Coast. The market is a bit higher as delivered costs into the West are higher. Quality on the cantaloupes has been good to excellent and same on the honeydews.

**Watermelon:** supplies of MX fruit have fallen off as several shipper's wind down southern fields and prepare to migrate north. This week will be the shortest supply wise and the upswing in FOB's is a direct reflection. Quality has fallen off with a few shippers, but this is a limited situation that will correct itself as new acreage comes into play.

**RASPBERRIES --** Central Mexico has seen some quality issues in the field, but the local team is working to combat this. Production will pick up strongly as we head into mid March, and we forecast a late April / early May peak.

**STRAWBERRIES --**

We expect total volumes to gradually increase over the next several weeks. We are anticipating increased production from Florida and California, while Central Mexico is projected to gradually decline following their peak period. Some flight chances for showers, however long-range weather forecasts points toward favorable weather.



Ron Orr  
Executive Director  
Pro Mark  
[573] 680-1066  
[ronorr@promarkproduce.com](mailto:ronorr@promarkproduce.com)



## Stratas Foods Market Watch 02.18.22

### *What to Watch For in the Week Ahead*

---

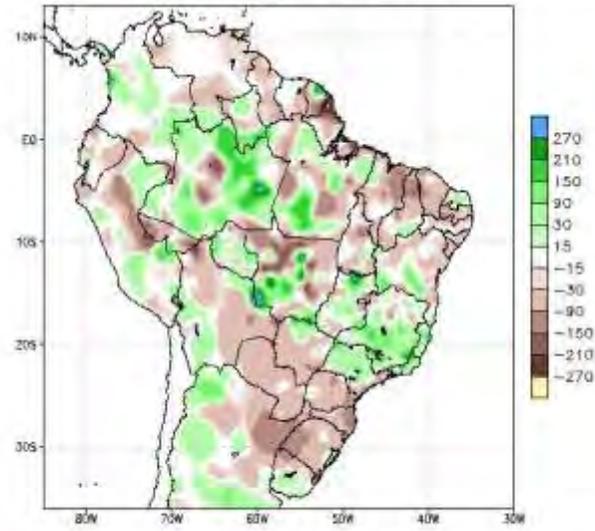
•**Fundamentals**—CBOT Closed Monday, CFTC COT, Weekly Export data

•**Weather**— South American weather concerns may be limited to corn at this point. Has the rain in Argentina done enough to stop the pain? Has the Brazilian troubled areas lost enough with the CONAB estimates to end the race to the bottom?

•**Politics/Macro**—Ukraine/Russia continues to dominate the discussions. There are so many potential outcomes that it is probably best to "wait and see" what the weekend brings. That said, don't put off what needs to be done as far as coverage in simply hoping something happens to bring the prices back in line with your liking. The Indonesian concerns continue and markets are digesting what could/would/should happen to return trade flows to normal.

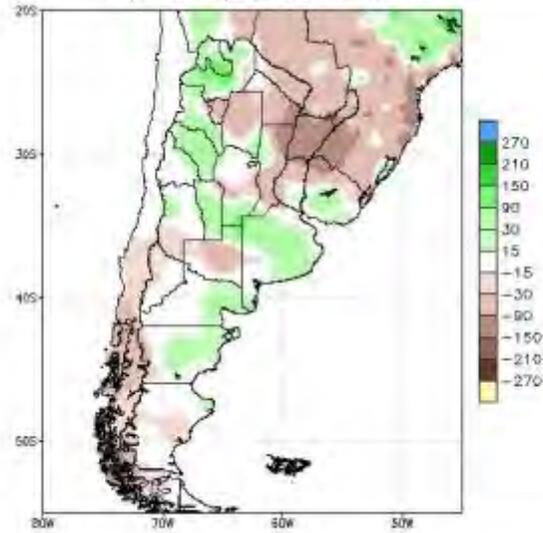
---

Prcp Anomalies (mm) 19JAN2022-17FEB2022



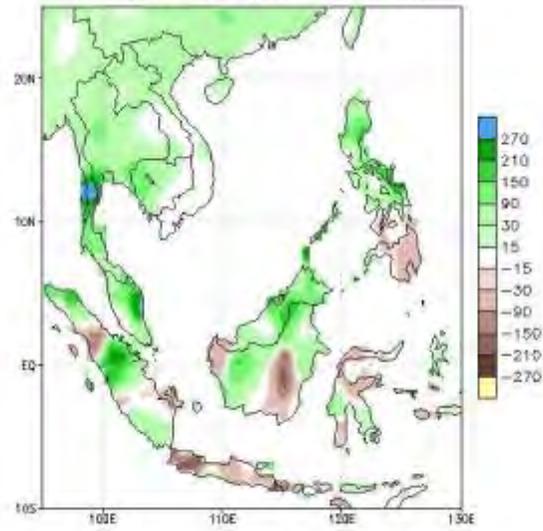
Site Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1991-2020)

Prcp Anomalies (mm) 19JAN2022-17FEB2022



Site Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1991-2020)

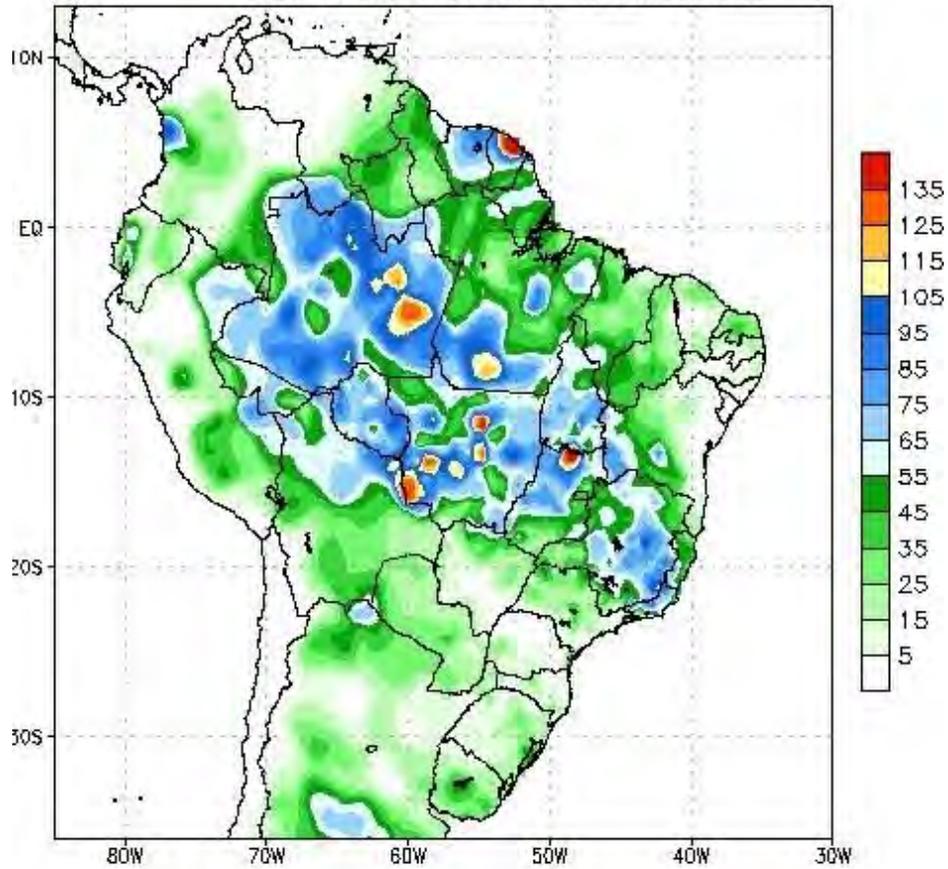
Prop. Anomalies (mm) 19JAN2022-17FEB2022



Data Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1991-2020)

## Brazil 7 Day Forecast

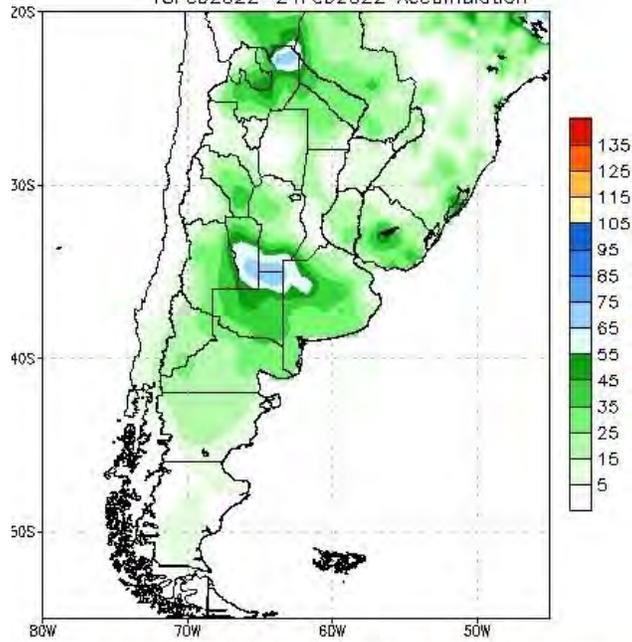
NCEP GFS Ensemble Forecast 1-7 Day Precipitation (mm)  
from: 18Feb2022  
18Feb2022-24Feb2022 Accumulation



Bias correction based on last 30-day forecast error

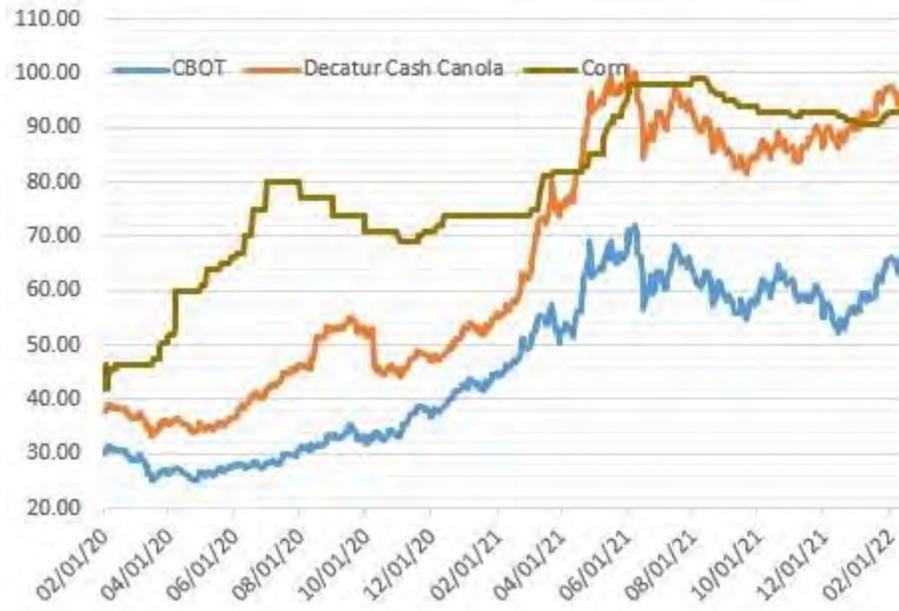
# Argentina 7 Day Forecast

NCEP GFS Ensemble Forecast 1-7 Day Precipitation (mm),  
from: 18Feb2022  
18Feb2022-24Feb2022 Accumulation



Bias correction based on last 30-day forecast error





	CBOT	Canola	Palm Olein	Coconut
2/17 Price	66.81	95.31	86.00	114.00
9-day MA	65.36	95.08	83.22	113.22
20-day MA	64.75	95.85	81.50	112.00
50-day MA	59.80	92.45	77.34	106.54
200-day MA	61.41	90.57	74.06	97.34

## Soybean Oil

### NOPA Highlights:

- *Jan Soy Crush seen at 182.2 M bu vs 186.4 in Dec and 184.7 Last year*
- *Jan oil stocks 2.026 B lbs vs 2.031 in Dec and 1.799 LY*

## Flash Summary

- *Futures were firmer on the week with the Ukraine/Russian concerns taking center stage*
- *Oil share values traded firmer to end the week.*

- *Soybean oil demand can see a bump from the export market as the Indonesian CPO export limitations have pushed BMD prices higher making US oil more attractive.*
  - *Renewable Diesel plants have been delayed, but will there be a renewed push to get their final materials now that the profit margins are expanding.*
  - *Technical indicators are pushing higher with the moving averages clearly painting a bullish picture.*
- 
- ***Expected CBOT Range 63.00 - 75.00***

## Canola/Rapeseed Oil



## Fundamental Updates

---

- *STATS CANADA estimated production at 12.6 MMT.*
  - *US Canola crush for December was 176,931T in December vs 160,197T last month and 215,502 last year. Crude canola oil production was 141M lbs - down 20% vs last year.*
- 

## Flash Summary

---

- *Canola seed futures saw little change on the week and remain near contract highs for March futures.*

- *Canola/Wheat will be the decision facing many Farmers in the North American Prairies (especially Canadian) this Spring. Could the UKR/RUS situation shoot Wheat futures pricing higher to the point that Canadian Farmers would switch to grain from oilseed?*
  - *Canola crush margins saw some more improvement as seed prices hold while products surged.*
  - *Long term, if oilseeds are grown for their oil (and not the protein meal), can Canola win farmers' hearts and minds? There is roughly 50% more oil per acre of Canola vs Soy. How about Wheat prices? Will canola lose acres to the grain trade?*
  - *What will Chinese demand be for 2022? Rapeseed is a large domestic crop and it is a "winter" crop meaning that it is planted and will be harvested this spring after dormancy. Should the harvest have issues, like 2020, the global market could scream higher. Australia is another major producer and quietly in a trade war with China. This could keep the non-Chinese demand away from Canadian sources and allow our neighbors to the north to push their seeds into crushing plants this Spring and Summer instead of the ports.*
- 

## Tropical Oils



## Fundamental Updates

---

### **MPOB:**

---

- *Production: 1.253 MMT (-13.54%)*

- *Exports: 1.158 (-18.67%)*
  - *Stocks: 1.552 (-3.85%)*
  - *Indonesia is yet to extend export restrictions, but doubts remain how long Indonesia can survive without their export duties and/or the domestic market can consume*
    - *Palm values remain negative import margins into China*
    - *Fears around geopolitical risk keeping offers firm into the weekend.*
-

**Hogs and Pork**

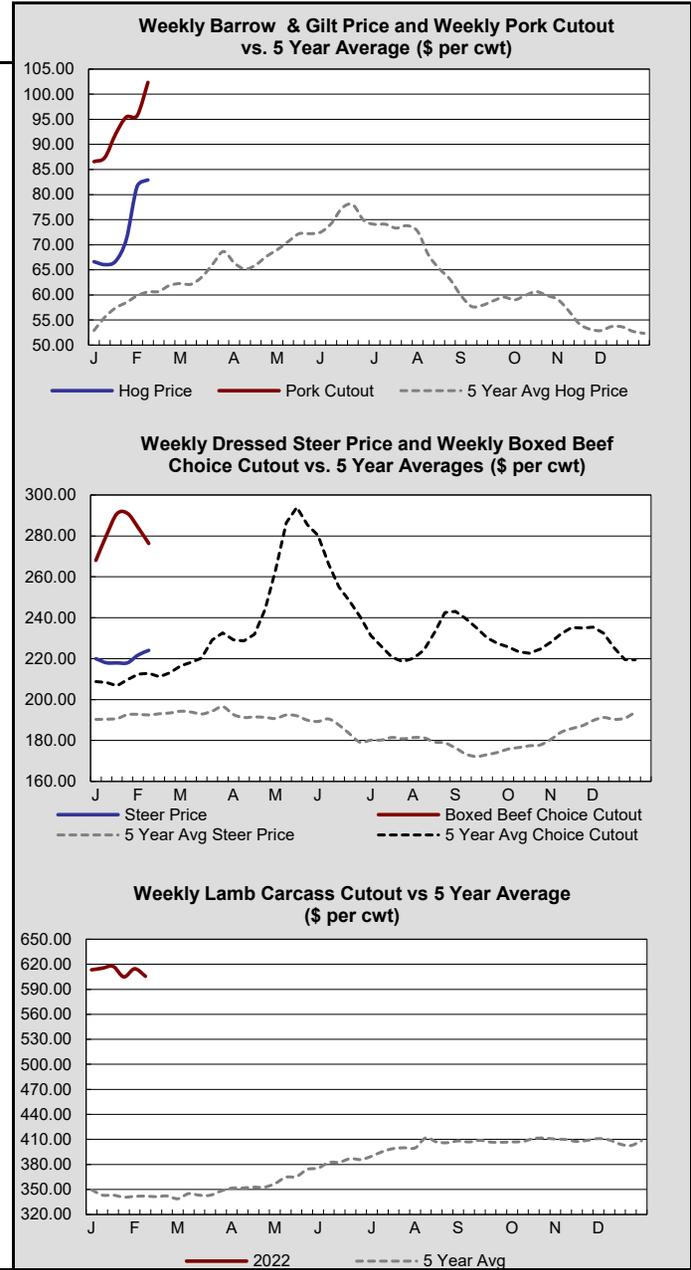
	Current Week	Change From Past Week	Change From Past Year
Nat'l Purchased Carc Wtd Avg Price - Barrows & Gilts (\$/cwt)	82.90	1.6%	28.3%
Pork Carcass Cutout FOB Plant (\$/cwt)	102.35	6.9%	17.8%
Segregated Early Weaned (SEW) Feeder Pigs (\$/head)	83.47	8.9%	39.0%
Iowa/So. Minn Avg Weight Barrows & Gilts (lbs)	289.1	-0.4%	0.3%
Est. Hog Slaughter	2,516,000	2.9%	-4.8%
YTD Est. Hog Slaughter	14,846,000	N/A	-10.0%
Est. Pork Production (mil lbs)	551.6	2.9%	-0.5%
YTD Est. Pork Production (mil lbs)	3,249.6	N/A	-10.2%

**Cattle and Beef**

Live Wtd Avg Steer Price, 5 Area FOB (\$/cwt)	140.48	0.5%	23.4%
Dressed Wtd Avg Steer Price, 5 Area Del (\$/cwt)	224.04	1.0%	24.4%
Boxed Beef Cutout, Choice (\$/cwt)	276.31	-2.7%	18.2%
Boxed Beef Cutout, Select (\$/cwt)	271.54	-2.7%	23.0%
Boxed Beef, Choice/Select Spread (\$/cwt)	4.77	-0.17	-8.30
By-Product Drop Value, Steer (\$/cwt live)	13.99	1.7%	45.6%
CME Feeder Cattle Index (\$/cwt)	162.64	1.5%	20.2%
Est. Cattle Slaughter	659,000	3.1%	8.7%
YTD Est. Cattle Slaughter	3,828,000	N/A	-3.0%
Est. Beef Production (mil lbs)	554.3	3.2%	8.7%
YTD Est. Beef Production (mil lbs)	3,212.9	N/A	-3.5%

**Lamb and Veal**

Slaughter Lamb, Comprehensive, Carc. Wtd Avg Price (\$/cwt)	230.78	-2.8%	39.5%
Lamb Carcass Cutout (\$/cwt)	605.52	-1.5%	52.2%
Est. Sheep Slaughter	27,000	-6.9%	-27.0%
YTD Est. Sheep Slaughter	180,000	N/A	-15.1%
Est. Lamb Production (mil lbs)	1.8	-5.3%	-28.0%
YTD Est. Lamb Production (mil lbs)	3212.9	N/A	-3.5%
Veal Carcass Wtd Avg Packer & Non-Packer Owned (\$/cwt)	371.53	0.2%	26.1%





**Weekly Livestock, Poultry & Grain Market Highlights**  
February 14, 2022

**Grain**

	Current Week	Change From Past Week	Change From Past Year
Central Illinois Avg Corn Price (\$/bu)	6.3800	4.9%	21.1%
Central Illinois Avg Soybean Price (\$/bu)	15.6600	2.1%	15.1%
Central Illinois 48% Soybean Meal, Rail (\$/ton)	471.10	4.5%	10.7%
Hard Red Winter Wheat Truck to Kansas City (\$/bu)	8.4325	4.5%	31.4%
Dark Northern Spring Wheat, 14%, MN, Rail (\$/bu)	11.4650	5.9%	57.4%
Soft White Wheat Portland (\$/bu)	10.9063	1.5%	49.4%
Sorghum, Kansas City, Truck (\$/cwt)	11.9020	2.6%	5.2%

**Broilers**

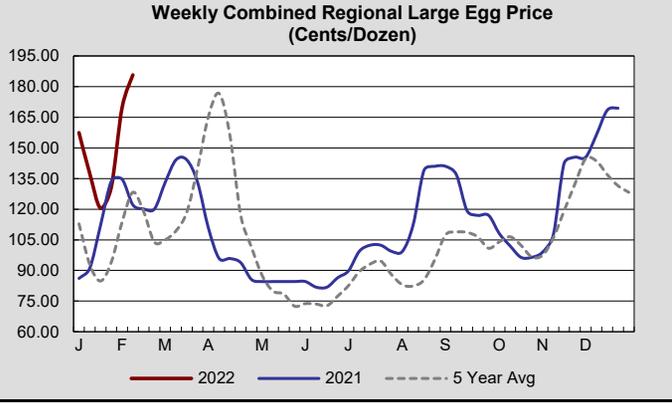
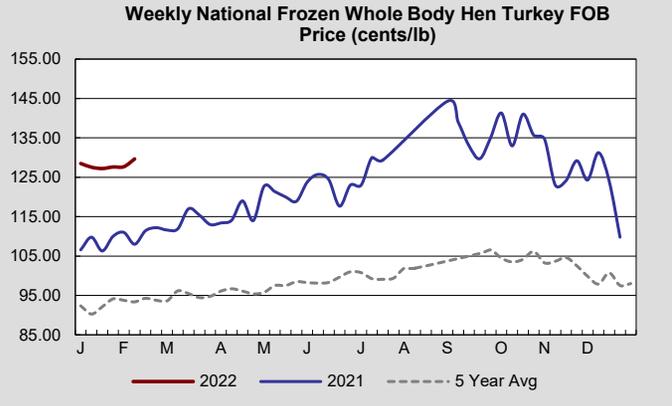
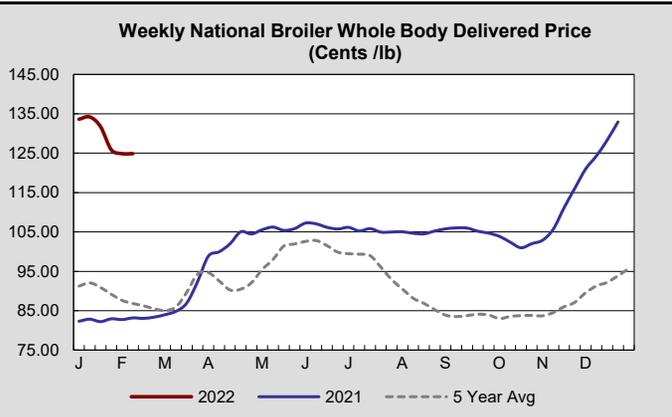
Nat'l Delivered Whole Body Price (cents/lb)	124.88	0.0%	50.9%
Est. Young Chicken Slaughter - Current Week (000's)	160,741	2.1%	N/A
Actual Slaughter of Young Chickens (000's)	154,735	-8.4%	-7.9%
YTD Actual Slaughter of Young Chickens (000's)	957,791	N/A	-1.8%
Actual RTC Pounds of Young Chickens (000's)	747,927	-10.1%	-7.7%
YTD RTC Pounds of Young Chickens (000's)	4,639,048	N/A	-1.6%

**Turkeys**

Nat'l FOB Frozen 8-16 lb. Hens,Wtd Avg Prices, cents/lb	129.66	1.6%	16.8%
Actual Slaughter of Turkeys (000's)	3,275	-11.1%	-18.0%
YTD Actual Slaughter of Turkeys (000's)	20,261	N/A	-8.0%
Actual RTC Pounds of Turkeys (000's)	94,043	-4.2%	-11.9%
YTD RTC Pounds of Turkeys (000's)	544,035	N/A	-8.0%

**Eggs**

Combined Regional Large Eggs (cents/dozen)	185.72	9.4%	37.9%
National Shell Egg Inventory (30 doz. Cases/000,s)	1490.1	-0.4%	N/A
Shell Egg Demand Indicator (SEDI)	9.00	-0.22	12.30
Central States Breaking Stock Av. Price (cents/dozen)	73.50	-4.5%	81.5%
National Breaking Stock Inventory (30 doz. Cases/000's)	287.5	4.2%	N/A
Eggs Broken Under Federal Inspection (30 doz cases)	1,464,749	-2.2%	5.5%
YTD Eggs Broken Under Federal Inspection (30 doz cases)	7,725,230	N/A	8.6%



Source: [USDA AMS Livestock, Poultry & Grain Market News Portal](https://www.ams.usda.gov/market-news-portal)  
[LSWLPGMrktHighlight](#)



# ThePlasticsExchange

bringing the market to you

## Market Update — February 11<sup>th</sup>, 2022

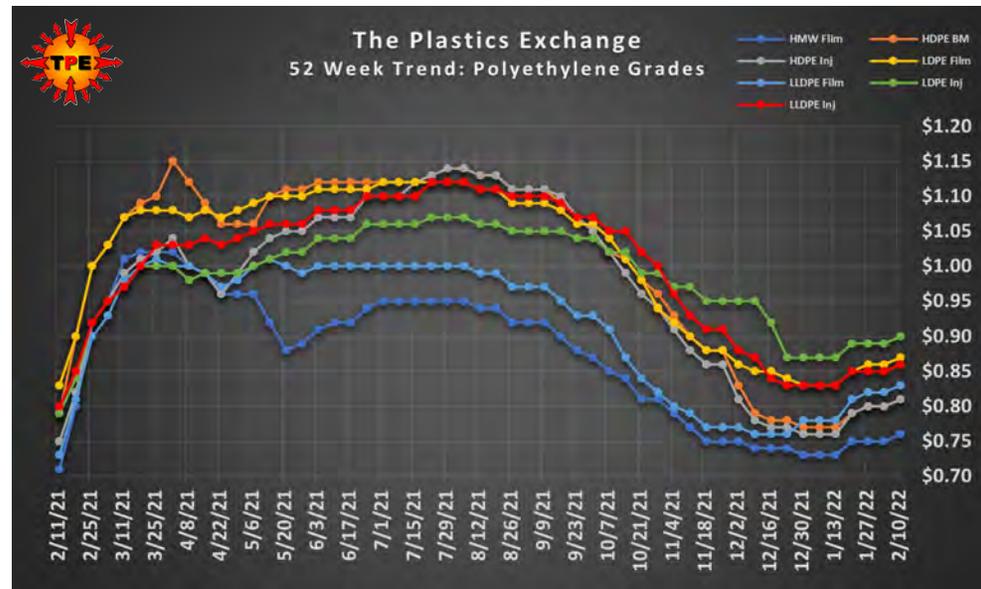
The spot resin markets continued to be busy at the beginning of this past week; good volumes of both Polyethylene and Polypropylene changed hands as strong demand remained, but transactions then became challenged as well-priced supplies began to dry up. Those processors that stuck firmly to their bids, hoping to secure more material at levels seen a week or two ago, saw other buyers, encouraged by rising energy and feedstock costs, flock to the market and snap up the material. Market sentiment continued to strengthen and our benchmark Prime prices were up a penny across all PE grades while PP rose by two cents. Spot Polyethylene offers for both domestic and export markets have been priced up \$.04/lb reflecting current price increase efforts, though contract implementation is still uncertain. Feb Polypropylene contracts are pointing moderately higher based on rising PGP monomer costs and better balanced supply / demand dynamics.

In the meantime, there are still quite a number of exporters that have resin sitting in Houston warehouses that should already be on ships. Higher resin prices overseas, specifically for competitive supplies coming from the Middle East and Asia support healthy exports from the US; however, lack of equipment, ships, and personnel have limited actual export shipments from Houston. Similar supply chain frustrations including high freight, delayed railcar shipments and slow packaging at warehouses around the country continue to send processors and resellers to our spot market for ready-to-ship truckloads. Resin producers were also looking to facilitate delivery of Canadian orders amid protests blocking key roadways and bridges into and out of Canada, adding that significant order-delivery delays should be expected until the supply chain constraints are alleviated. Major logistics companies and resin producers have already increased prices on transportation and on Polymer products since the start of 2022 due to labor shortages, truck capacity, rising fuel prices, and packaging costs, among others.

Energy futures took diverging price paths for a second straight week as Crude Oil continued to extend its gains while Nat Gas prices fell considerably. Crude Oil established an eighth consecutive weekly increase driven by ongoing tensions in Eastern Europe and supply concerns as US government data showed a decline of nearly 5 million barrels.

Disclaimer: The information and data in this report is gathered from daily exchange observations, actual transactions, and commercial interactions with producers, distributors, brokers and processors. These are all considered reliable, but the accuracy and completeness of this information is not guaranteed. Any decision to purchase or sell as a result of the opinions expressed in this report will be the full responsibility of the person authorizing such a transaction. Our market updates are compiled with integrity and we hope that you find them of value. Chart values reflect our asking prices of generic prime resin bagged in Houston, TX.

Resin for Sale 18,586,776 lbs		Spot Range		TPE Market	
Resin	Total lbs	Low	High	Bid	Ask
HDPE - Blow	3,297,796	\$ 0.750	\$ 0.860	\$ 0.750	\$ 0.800
PP Homo - Inj	2,902,716	\$ 0.820	\$ 1.010	\$ 0.830	\$ 0.930
PP Copo - Inj	2,881,404	\$ 0.840	\$ 1.050	\$ 0.910	\$ 1.000
HDPE - Inj	2,599,336	\$ 0.730	\$ 0.880	\$ 0.750	\$ 0.800
LLDPE - Film	2,248,692	\$ 0.770	\$ 0.920	\$ 0.770	\$ 0.820
LDPE - Film	1,891,772	\$ 0.820	\$ 0.940	\$ 0.810	\$ 0.860
HMWPE - Film	1,234,576	\$ 0.700	\$ 0.770	\$ 0.700	\$ 0.750
LLDPE - Inj	1,098,116	\$ 0.800	\$ 0.940	\$ 0.800	\$ 0.850
LDPE - Inj	432,368	\$ 0.770	\$ 0.880	\$ 0.840	\$ 0.890



www.ThePlasticsExchange.com MARKET UPDATE

Michael Greenberg  
312.202.0002



# ThePlasticsExchange

bringing the market to you

## Market Update — February 11<sup>th</sup>, 2022

In the past four weeks, product supplied hit a record 21.9 million bbl/day fuel, indicating that domestic demand is at an all-time high. Mar WTI crude started the week under pressure and established a low of \$88.41/bbl on Wednesday before the inventory data prompted a rally. By Friday, Mar WTI regained \$6.25/bbl to a high of \$94.66/bbl before closing at \$93.10/bbl for a weekly gain of \$.79/bbl. Apr Brent followed in similar fashion and fell to a low of \$89.93/bbl on Tuesday, before rebounding some \$5.73/bbl through the end of the week. Apr Brent settled on Friday at \$94.44/bbl, up a net \$1.17/bbl. Mar Nat Gas futures trended lower and returned much of the previous week's gains, dropping nearly 14% on the back of easing supply concerns and warmer weather forecasts for Feb. Mar Nat Gas dropped from a high of \$4.47/mmBtu on Monday to late week lows of \$3.88/mmBtu. Mar Nat Gas ended the week at \$3.94/mmBtu, wiping away a sizable \$.63/mmBtu chunk for the week. NGL prices came down in tandem, with Feb Ethane slipping a couple of cents at \$.381/gal (\$.161/lb) and Feb Propane seeing a similar loss to \$1.263/gal (\$.357/lb).

Spot monomer trading was active and price direction was mixed for a second consecutive week as Ethylene slid and Polymer Grade Propylene (PGP) firmed, while market interest ramped back up alongside robust volume. Traders were energetic in the Ethylene market, but prompt Feb did not change hands until midweek when a couple of deals were done at \$.3775/lb for TX delivery. By Friday, the Feb TX weighted average closed just above \$.375/lb, down slightly more than a penny on the week. The forward curve moved lower along with spot and remains in backwardation. Mar delivery changed hands on Wednesday at \$.3725/lb in TX, and deferred months were cascaded into the low \$.30s/lb through Dec.

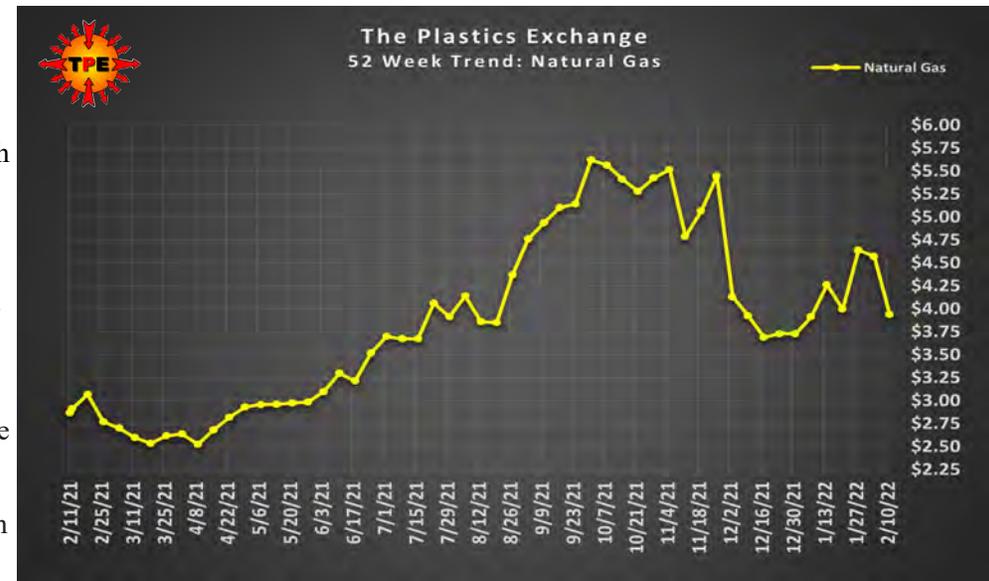
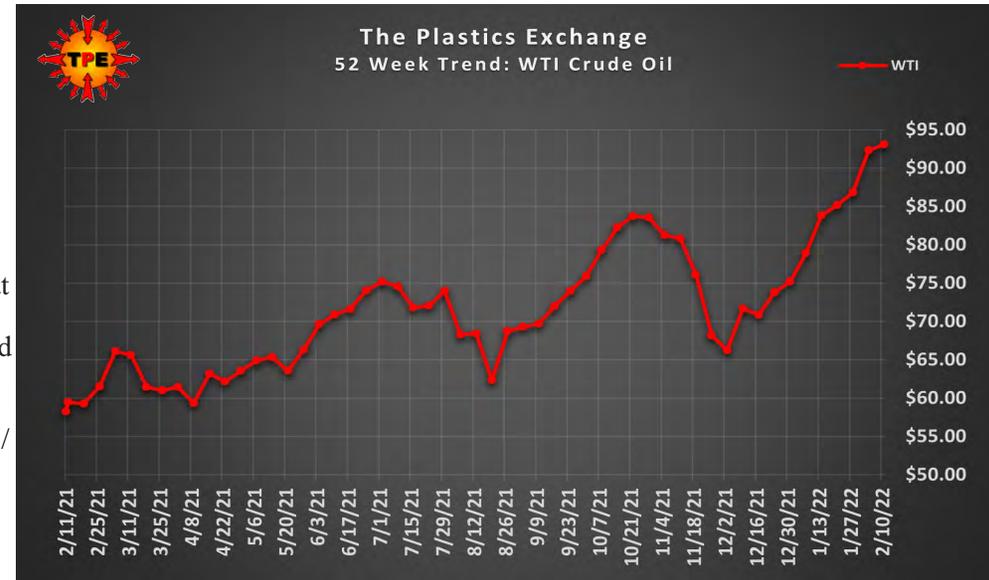
PGP was a more active market with a flurry of Feb business completed, starting with a dated transaction on Tuesday at \$.60/lb, and a few dated Feb deals on Wednesday at \$.59/lb. By Friday, Feb PGP ended just under \$.61/lb for a weekly gain of almost \$.02/lb. Deferred PGP months remained backwardated, evident by a series of Mar deals done midweek, \$.5825/lb transacted at least four times. Q2 PGP traded twice on Tuesday at \$.585/lb, and a few times on Friday at \$.61/lb. The forward curve moved higher but stayed in backwardation through year-end as PGP pricing remains slightly elevated.

Disclaimer: The information and data in this report is gathered from daily exchange observations, actual transactions, and commercial interactions with producers, distributors, brokers and processors. These are all considered reliable, but the accuracy and completeness of this information is not guaranteed. Any decision to purchase or sell as a result of the opinions expressed in this report will be the full responsibility of the person authorizing such a transaction. Our market updates are compiled with integrity and we hope that you find them of value. Chart values reflect our asking prices of generic prime resin bagged in Houston, TX.

www.ThePlasticsExchange.com

MARKET UPDATE

Michael Greenberg  
312.202.0002





# ThePlasticsExchange

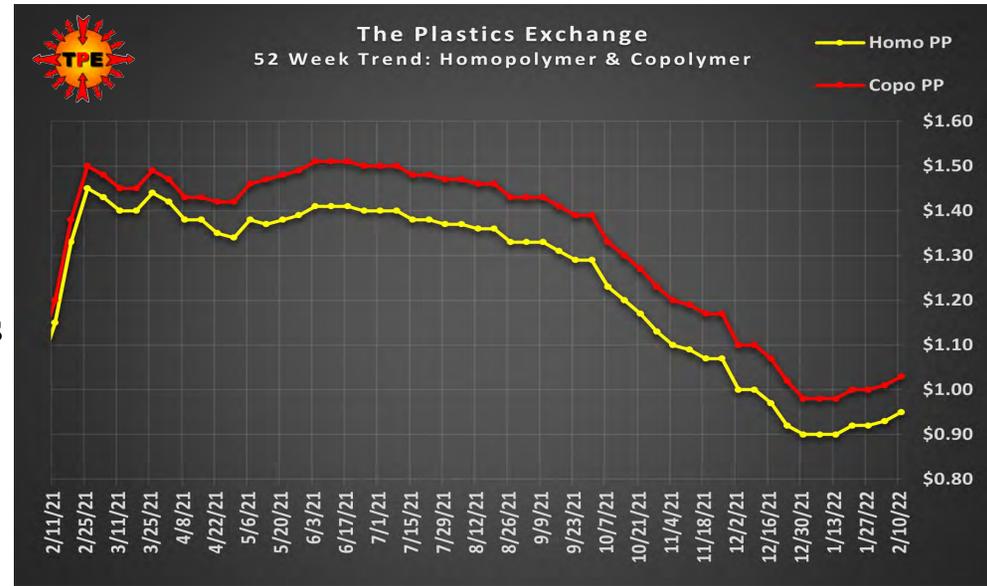
bringing the market to you

## Market Update — February 11<sup>th</sup>, 2022

Although ample market time is left to influence pricing, current spot levels call for an upcoming Feb contract increase in the vicinity of \$.05-.06/lb, which would be the first increase for PGP in six months. Jan PGP contracts previously settled flat at \$.56/lb. Crude oil and PGP are moving pretty close with one another. The correlation indicates some snug/balanced PGP fundamentals. PGP will likely continue to follow Crude prices; however, any production disruptions could push PGP higher.

Polyethylene trading moderated a bit compared with the heavy turnover of material seen in Jan and early Feb. However, the global and US PE floor price rose slightly on the week amid upstream cost pressures. Our PE prices were up another \$.01/lb across all commodity grades as producers held domestic prime offers up \$.04/lb as they push to enforce the current price increase. Railcar delays and backups at packaging facilities had resellers clearing out material available for prompt shipment. HDPE Blow Mold, which had more than ample volume move a week earlier, saw action dwindle substantially. LDPE activity was also limited with no surplus of inventory available for the wholesale trade. LLDPE Film trading was the main focus and again material seemed to sell as quickly as it became available. This comes as tightness for Film grade with both slip and antiblock persists leaving unfilled demand. Downtime at major slip manufacturing facility in Memphis is expected to run through most of Feb, while a PE producer in TX remains on its planned turnaround at its facility.

Polypropylene trading was more active compared to the Polyethylene market, as strong demand emerged, especially from the Northeast amid a force majeure in the region. There was a consistent flow of offgrade railcars, but prime material was hard to come by. With Feb PGP contracts on track to move into the low \$.60s/lb, some prime PP offers inched further above \$1.00/lb, stretching the overall price spectrum. Completed PP volumes were above average with HoPP more available than CoPP. Deals were pretty evenly split between HoPP and CoPP, with Prime mid-melt HoPP leading the way, followed closely by widespec CoPP mid-melt. High flow CoPP would have been our top mover of the week if there was more material available to sell. Processors continued to seek well-priced material in the spot market as they sense a Feb contract increase coming; based on higher feedstock costs the increase could be a nickel or more.



**Be sure to follow us on LinkedIn for daily news updates!**

**Visit our website or contact our trading desk for your spot resin needs.**

**312.202.0002**

MARKET UPDATE  
www.ThePlasticsExchange.com

Michael Greenberg  
312.202.0002

Disclaimer: The information and data in this report is gathered from daily exchange observations, actual transactions, and commercial interactions with producers, distributors, brokers and processors. These are all considered reliable, but the accuracy and completeness of this information is not guaranteed. Any decision to purchase or sell as a result of the opinions expressed in this report will be the full responsibility of the person authorizing such a transaction. Our market updates are compiled with integrity and we hope that you find them of value. Chart values reflect our asking prices of generic prime resin bagged in Houston, TX.



02/18/2022

**Dairy Market**

BLOCK: Unchanged @ \$ 1.9875 0 Sales  
 BARRELS: Unchanged @ \$ 1.9350 0 Sales  
 BUTTER: Unchanged @ \$ 2.6900 1 Sales  
 NFDM Grade A: Down .0200 @ \$ 1.8500 2 Sales  
 CME Dry Whey Unchanged @ \$ .8100 0 Sales

<u>Date</u>	<u>Blocks</u>	<u>Block Change</u>	<u>Block Sales</u>	<u>Barrels</u>	<u>Barrel Change</u>	<u>Barrel Sale</u>	<u>Spread</u>
02/14/2022	1.9150	Up .0075	1	1.9500	Up .0400	4	-0.0350
02/15/2022	1.9900	Up .0750	3	1.9500	Unchanged	0	0.0400
02/16/2022	1.9825	Down .0075	3	1.9200	Down .0300	3	0.0625
02/17/2022	1.9875	Up .0050	0	1.9350	Up .0150	7	0.0525
02/18/2022	1.9875	Unchanged	0	1.9350	Unchanged	0	0.0525
<b>Average Market:</b>	1.9725		<b>7</b>	1.9380		<b>14</b>	

<u>Date</u>	<u>Butter</u>	<u>Butter Change</u>	<u>Butter Sales</u>	<u>Grd A</u>	<u>Grd A Change</u>	<u>Grd A Sales</u>
02/14/2022	2.7850	Up .0300	4	1.9000	Up .0025	3
02/15/2022	2.8600	Up .0750	10	1.9000	Unchanged	2
02/16/2022	2.8000	Down .0600	7	1.8900	Down .0100	1
02/17/2022	2.6900	Down .1100	6	1.8700	Down .0200	3
02/18/2022	2.6900	Unchanged	1	1.8500	Down .0200	2
<b>Average Market:</b>	2.7650		<b>28</b>	1.8820		<b>11</b>

<u>Date</u>	<u>Dry Whey</u>	<u>Dry Whey Change</u>	<u>Dry Whey Sales</u>
02/14/2022	0.8425	Up .0200	5
02/15/2022	0.8125	Down .0300	0
02/16/2022	0.8100	Down .0025	1
02/17/2022	0.8100	Unchanged	3
02/18/2022	0.8100	Unchanged	0
<b>Average Market:</b>	0.8170		<b>9</b>

**--Year Ago--**

<u>Date</u>	<u>Blocks</u>	<u>Barrels</u>	<u>Butter</u>	<u>NFDM Grade A</u>	<u>Dry Whey</u>
02/16/2021	1.5575	1.4900	1.4550	1.1150	0.5425
02/17/2021	1.5300	1.4400	1.4950	1.1100	0.5500
02/18/2021	1.5100	1.4250	1.4950	1.0950	0.5500
02/19/2021	1.5375	1.4125	1.5500	1.0925	0.5475

# NEWS Letter



February 16, 2022

## Beef Production Overview

Greeley, CO  
Cactus, TX  
Grand Island, NE  
Green Bay, WI  
Hyrum, UT  
Omaha, NE  
Plainwell, MI  
Souderton, PA  
Tolleson, AZ

## Beef COMMODITY

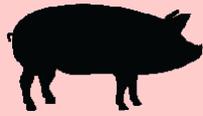
- Fed cattle slaughter rates continued to improve and cattle weights have stayed close to last year's levels
- This combination created incremental more supply and combined with the typical slower demand post Super Bowl and Valentine's Day have kept beef under pressure
- Last week, weekday average fed slaughter hit 94.2k head/day – near the run rate experienced last fall
- During the last four weeks, fed slaughter was down 0.6% Y/Y and non-fed slaughter was up 4.4% Y/Y with beef cows driving the increase
- While beef prices have eased, cash cattle prices moved up to \$142 per cwt – up over 2% week-on-week and up 25% Y/Y
- January US retail sales showed that the US consumer continues to spend - total sales were up 3.8% from December and up 13.0% Y/Y
- Grocery continued to perform well as was the case in December – total grocery sales were up 1.2% from December and up 8.9% Y/Y
- Food service establishment sales declined 0.9% from December – perhaps due to the Omicron virus, and were up 27.0% Y/Y

## Beef HARVEST

Beef	2/11/22	Week Ago	Change	Year Ago	Change
Choice Cutout (\$/cwt)	\$ 274.52	\$ 279.81	-1.9%	\$ 232.37	18.14%
Select Cutout	\$ 267.83	\$ 276.05	-3.0%	\$ 220.93	21.23%
Choice Primal and Trimming Prices (\$/cwt)					
Rib	\$ 391.02	\$ 390.93	0.0%	\$ 388.72	0.6%
Chuck	\$ 242.01	\$ 249.63	-3.1%	\$ 195.48	23.8%
Round	\$ 233.34	\$ 235.21	-0.8%	\$ 187.84	24.2%
Loin	\$ 350.59	\$ 358.78	-2.3%	\$ 315.30	11.2%
Brisket	\$ 255.56	\$ 268.44	-4.8%	\$ 166.71	53.3%
Beef 50s	\$ 114.09	\$ 116.63	-2.2%	\$ 43.25	163.8%
Beef 90s	\$ 283.39	\$ 279.80	1.3%	\$ 224.07	26.5%
5 Market Steers	\$ 142.15	\$ 138.85	2.4%	\$ 113.75	25.0%
Harvest (1,000 head)	659	639	3.1%	606	8.7%

This newsletter may contain, and JBS USA Food Company and Pilgrim's Pride Corporation (collectively, the "Company") management may make, certain "forward-looking statements" as defined under the Private Securities Litigation Reform Act of 1995. Statements of the Company's intentions, beliefs, expectations or predictions for the future, denoted by the words "anticipate," "believe," "estimate," "expect," "plan," "project," "imply," "intend," "should," "foresee" and similar expressions, are forward-looking statements that reflect the Company's current views about future events and are subject to risks and uncertainties. Actual results could differ materially from those expressed in, or implied or projected by these forward-looking statements as a result of these risks and uncertainties, many of which are difficult to predict and beyond our control. The Company's forward-looking statements speak only as of the date of this newsletter or as of the date they are made, and the Company undertakes no obligation to update its forward-looking statements.

# Newsletter



February 16, 2022

## Pork Production Overview

Beardstown, IL  
Louisville, KY  
Marshalltown, IA  
Ottumwa, IA  
Pipestone, MN  
Worthington, MN

## Live Pork Overview

Cameron, OK  
Dalhart, TX  
Morrilton, AR  
Umpire, AR



## PORK COMMODITY

- The pork cutout continued to show strength as hog numbers remain tight and domestic demand remains solid
- Last week, negotiated hog prices showed a strong trend – even though the Friday-to-Friday quote below showed modest weakness – topside prices gained about \$6 per cwt last week
- Spot hog prices have continued to strengthen this week as well – reflecting the reduced availability of spot hogs
- Feed costs have continued to move higher for many hog producers – cash corn prices have increased by over 6% since the beginning of the year
- Even with the higher feed cost trend, the gains in hog prices have pushed many hog producers to at or above break-even levels
- Last year, Iowa State estimated hog producer returns at \$27.55 per head – the highest return since 2014 – it appears that many producers will have another solid year this year

## PORK HARVEST

Pork	2/11/22	Week Ago	Change	Year Ago	Change
Cutout	\$ 109.96	\$ 97.41	12.9%	\$ 88.38	24.4%
Loin	\$ 108.23	\$ 104.02	4.0%	\$ 77.32	40.0%
Butt	\$ 114.85	\$ 112.83	1.8%	\$ 77.49	48.2%
Picnic	\$ 60.07	\$ 62.05	-3.2%	\$ 57.74	4.0%
Rib	\$ 157.23	\$ 149.39	5.2%	\$ 145.65	8.0%
Ham	\$ 89.13	\$ 58.16	53.2%	\$ 77.43	15.1%
Belly	\$ 191.87	\$ 171.45	11.9%	\$ 152.48	25.8%
Pork 42s	\$ 73.55	\$ 66.08	11.3%	\$ 30.96	137.6%
Pork 72s	\$ 90.89	\$ 109.27	-16.8%	\$ 86.72	4.8%
Negotiated Hog Base	\$ 82.36	\$ 83.87	-1.8%	\$ 65.38	26.0%
Harvest (1,000 head)	2,516	2,445	2.9%	2,643	-4.8%

This newsletter may contain, and JBS USA Food Company and Pilgrim's Pride Corporation (collectively, the "Company") management may make, certain "forward-looking statements" as defined under the Private Securities Litigation Reform Act of 1995. Statements of the Company's intentions, beliefs, expectations or predictions for the future, denoted by the words "anticipate," "believe," "estimate," "expect," "plan," "project," "imply," "intend," "should," "foresee" and similar expressions, are forward-looking statements that reflect the Company's current views about future events and are subject to risks and uncertainties. Actual results could differ materially from those expressed in, or implied or projected by these forward-looking statements as a result of these risks and uncertainties, many of which are difficult to predict and beyond our control. The Company's forward-looking statements speak only as of the date of this newsletter or as of the date they are made, and the Company undertakes no obligation to update its forward-looking statements.

## Clemens Food Group

### Pork Market Commentary Sunday, February 13, 2022

Total US pork exports for December 2021, at 531.6 million pounds, were down more than 16% from December 2020, and down almost 8.5% from November 2021. This fell slightly below expectations, as China fell below expectations. Totals for 2021 were just over seven billion pounds of US pork exported, down 3% from 2020's records that approached nearly 7.3 billion pounds. The reduction for the year was anticipated, as China gave notice early in the year that its hog herd would be back to size before second half 2021, requiring less pork from its trading partners. Mexico has been the banner participant in US pork exports, taking 198 million pounds, 37% of all US pork exported in December and roughly 8% of total production for the month. Mexico averaged 8.6% of US pork production for the fourth quarter of 2021, a record for delivery into Mexico despite the high prices of US pork.

**Hams:** Last week hams rebuilt some of the losses from week prior, though not fully back from the selloff. 17-20#, 20-23#, and 23-27# hams all averaged in the mid-\$40s when an average of \$60 would have been expected for this time of year, and certainly well below last year's \$70s. The industry has more hams this year, despite the low harvest levels, as China is not the major buyer it was the last two years. Curing lines and smokehouse space has limited throughput ability due to capacity and labor, which means far more fresh (green) hams than can be processed.

**Bellies:** Bellies moved sharply higher last week, increasing the trajectory from the gains over the last six weeks. The last six weeks have not produced enough fresh bellies to satisfy both cold storage rotation programs as well as secondary processors. Bids pushed the primal to average near \$180 for the week, well above last year's high prices. Bellies typically ease back the second half of February and through March, with these high prices likely to begin changing cold storage plans. It is expensive to carry bellies into the summer at these prices.

**Butts:** Butts moved higher again last week, still coming off the recently over-sold conditions when they got down to the low \$80s almost four weeks ago. They are back now to averaging above the \$105 level. The gains the last few weeks have been quite strong, but butts present as the value play as of lately, and retailers do not have any extra product around for anything in meat cases. As well, export markets will gladly take boneless butts as they come available at discounted prices, which is helping to explain the current lift off the low \$80s.

**Ribs:** Spareribs saw additional bids during last week, trading above \$180—certainly stronger than anticipated as buyers and cold storage programs are not satisfied. Expecting anything but support and minor strength would be unwise, as cold storage programs will not slow down until April, when it no longer makes sense to rotate into cold storage for a short window. Highs of last year above \$300 are certainly not expected, as China is not targeting them this year nor expected to target them through May, unlike last year.

**Trim:** 72s made a strong price reset through last week, as the \$120 level forced buyers to make alternate decisions. These decisions affected boneless picnics as well as hams, with targeting of hams for generating lean content. Buyers are getting weary of continuous allocations by packers, and the general lack of boning product has the trimmings markets in short supply. This easing may dig much deeper, though, as the strong price reset already put 72s back into a motivating price point for the buyer who is not set up to grind whole muscle for lean content.

F21-Period 12

USDA Daily Market Quote - MPR Weighted Average

W/O 01/31/2022	31-Jan	1-Feb	2-Feb	3-Feb	4-Feb	Wk Ave.	Diff LW	Last Year	Diff to LY
<i>Hog Slaughter</i>	475	480	432	416	642	2,445	Total	2,707	-9.68%
<i>National Base Hog Price</i>	\$ 68.53	\$ 72.35	\$ 86.36	\$ 87.49	\$ 83.87	\$ 79.72	Average	\$59.81	33.29%
<i>Carcass Cutout</i>	\$ 94.51	\$ 92.97	\$ 96.44	\$ 97.21	\$ 97.41	\$ 95.71	Average	\$82.80	15.59%
20/23 Hams	46.51	43.86	38	38.99	43.53	42.18	(10.89)	64.34	(0.34)
23/27 Hams	44.55	42.56	41.24	40.41	40.83	41.92	(11.08)	62.33	(0.33)
3 Muscle Bnls Ham	225.97	184.31	184.31	184.31	226.34	201.05	(6.82)	185.90	0.08
1/4" Trim Bone In Loin	110.53	121.01	118.37	123.39	121.73	119.01	6.09	93.91	0.27
Bnls CC Loin Strap Off	158.64	162.48	161.42	163.47	165.3	162.26	5.08	145.06	0.12
Tenderloins	232.71	232.75	232.16	230.85	215.3	228.75	0.40	191.56	0.19
9/13 DeRind Bellies	211.68	209.34	199.62	225.98	224.3	214.18	18.27	165.18	0.30
13/17 DeRind Bellies	195.68	192.07	197.21	204.04	207.99	199.40	5.45	156.22	0.28
Bnls Picnics, 72%	118.23	120.86	116.59	115.56	120.44	118.34	5.02	95.26	0.24
Pork Trimmings 42%	60.06	60.46	61.22	63.38	66.08	62.24	5.18	27.39	1.27
Pork Trimmings 72%	116.46	116.62	118.94	112.29	109.27	114.72	0.23	78.15	0.47
Pork Trimmings 50%	112.19	114.19	110.61	116.63	116.63	114.05	1.24	52.90	1.16
Beef Trimmings 85%	250.79	254.49	253.22	252.75	253.78	253.01	1.44	195.32	0.30

W/O 02/07/2022	7-Feb	8-Feb	9-Feb	10-Feb	11-Feb	Wk Ave.	Diff LW	Last Year	Diff to LY
<i>Hog Slaughter</i>	481	472	472	473	618	2,516	Total	2,680	-6.12%
<i>National Base Hog Price</i>	\$ 74.52	\$ 82.51	\$ 84.51	\$ 82.64	\$ 82.36	\$ 81.31	Average	\$64.06	26.92%
<i>Carcass Cutout</i>	\$ 98.19	\$ 97.29	\$ 104.84	\$ 101.48	\$ 109.96	\$ 102.35	Average	\$86.87	17.82%
20/23 Hams	44.06	42.81	43.77	43.77	46.43	44.168	1.99	69.28	-36.25%
23/27 Hams	41.17	42.23	47.15	45.14	48.81	44.9	2.98	70.32	-36.15%
3 Muscle Bnls Ham	225.48	209.11	209.11	209.11	216.62	213.886	12.84	183.04	16.85%
1/4" Trim Bone In Loin	125.53	129.96	129.71	133.31	133.15	130.332	11.33	91.47	42.49%
Bnls CC Loin Strap Off	165.71	164.47	164.53	160.26	167.33	164.46	2.20	143.95	14.25%
Tenderloins	233.41	222.64	229.59	230.33	226.92	228.578	(0.18)	195.82	16.73%
9/13 DeRind Bellies	218.8	222.4	226.38	236.08	239.09	228.55	14.37	182.22	25.42%
13/17 DeRind Bellies	208.44	213.11	219.3	231.09	235.12	221.412	22.01	178.70	23.90%
Bnls Picnics, 72%	121.84	119.26	106.94	121.34	106.43	115.162	(3.17)	99.58	15.65%
Pork Trimmings 42%	65.89	65.9	67.49	71.88	73.55	68.942	6.70	31.01	122.35%
Pork Trimmings 72%	105.96	96.83	87.18	88.71	90.89	93.914	(20.80)	82.13	14.35%
Beef Trimmings 50%	111.24	116.71	111.96	114.09	117.31	114.262	0.21	45.06	153.60%
Beef Trimmings 85%	254.49	258.1	253.53	254.33	254.36	254.962	1.96	195.57	30.37%

W/O 02/14/2022	2/14/2022	2/15/2022	2/16/2022	2/17/2022	2/18/2022	Wk Ave.	Diff LW	Last Year	Diff to LY
<i>Hog Slaughter</i>	470	478				948	Total	2,476	-61.71%
<i>National Base Hog Price</i>	\$ 86.51	\$ 89.41				\$ 87.96	Average	\$68.80	27.85%
<i>Carcass Cutout</i>	\$ 107.98	\$ 106.72				\$ 107.35	Average	\$90.49	18.63%
20/23 Hams	45.73	52.15				48.94	4.77	72.68	-32.67%
23/27 Hams	50.62	51.87				51.245	6.34	74.12	-30.86%
3 Muscle Bnls Ham	196.41	212.57				204.49	(9.40)	191.74	6.65%
1/4" Trim Bone In Loin	128.62	130.43				129.525	(0.81)	88.85	45.78%
Bnls CC Loin Strap Off	166.92	171.23				169.075	4.61	141.47	19.51%
Tenderloins	233.64	228.4				231.02	2.44	197.49	16.98%
9/13 DeRind Bellies	245.01	246.16				245.585	17.04	197.92	24.08%
13/17 DeRind Bellies	239.81	247.66				243.735	22.32	193.44	26.00%
Bnls Picnics, 72%	112.74	99.5				106.12	(9.04)	106.46	-0.32%
Pork Trimmings 42%	77.12	78.21				77.665	8.72	40.18	93.27%
Pork Trimmings 72%	92.41	94.41				93.41	(0.50)	90.65	3.04%
Beef Trimmings 50%	104.27	107.36				105.815	(8.45)	49.35	114.40%
Beef Trimmings 85%	259.7	257.77				258.735	3.77	202.31	27.89%

W/O 02/21/2022	21-Feb	22-Feb	23-Feb	24-Feb	25-Feb	Wk Ave.	Diff LW	Last Year	Diff to LY
<i>Hog Slaughter</i>						0	Total	2,650	-100.00%
<i>National Base Hog Price</i>							Average	\$75.17	
<i>Carcass Cutout</i>							Average	\$93.19	
20/23 Hams								77.15	
23/27 Hams								75.72	
3 Muscle Bnls Ham								181.61	
1/4" Trim Bone In Loin								89.12	
Bnls CC Loin Strap Off								141.60	
Tenderloins								195.62	
9/13 DeRind Bellies								197.80	
13/17 DeRind Bellies								192.93	

Bnls Picnics, 72%			113.08
Pork Trimmings 42%			41.11
Pork Trimmings 72%			95.87
Beef Trimmings 50%			49.05
Beef Trimmings 85%			205.54