Caribbean Culinary Bites

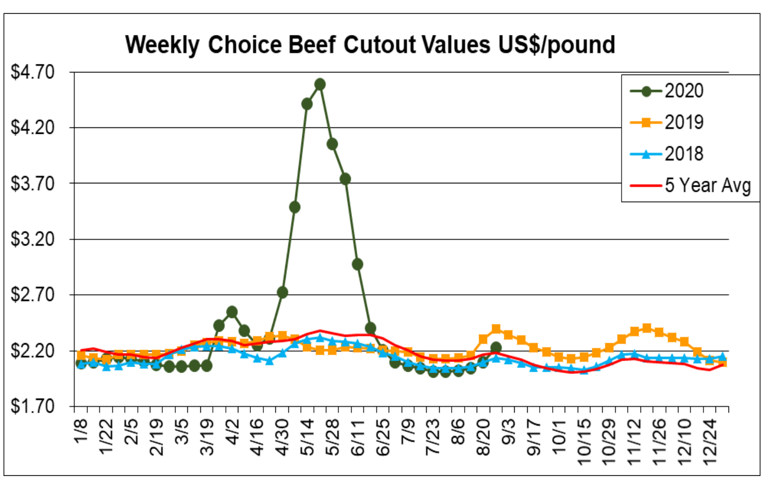
August 26, 2020

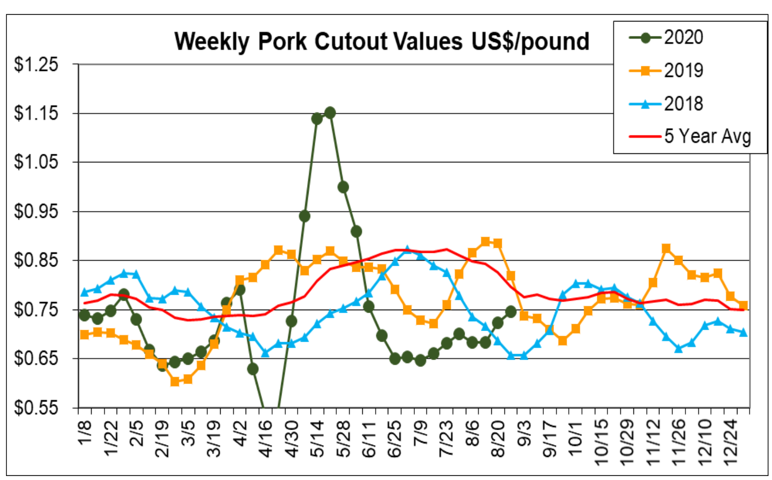
U.S. PORK MARKET TRENDS

Pork production has fully rebounded following covid-19 disruptions in April/May. Production was up 8.7% for Q1 but down 13% for April & May, and higher yr-over-yr each wk since 1st wk of June, bringing the yr-to-date total up 2.7%. USDA's Aug forecast is a 2.6% increase in production setting a record 12.86 million MT. Pork cutout peaked at $1.15/lb. mid-May, up 32% yr-o-yr (highest since 2014), decreasing mid-May/early July as production rebounded, to $0.65/lb. on 1st wk of July (-11% from 2019), and going higher end July to mid-Aug, and at $0.75/lb wk ending Aug 21 to $0.75/lb. (-9% from 2019). For wk ending Aug 21, wholesale primal values were up yr-o-yr for rib ($1.27/lb., +12%), ham ($0.67, +11%), and loin ($0.73, +1%); with picnics ($0.50) steady; and down for butts ($0.78, -17%) and bellies ($1.05, -34%). Loin increases were due to retail demand in USA and Japan; and picnics due to ground pork to Japan and USA retail (pandemic led). Since most pork sold at foodservice is processed, the drop in breakfast biz from the slowdown in buffet demand at hotels, restrictions on dining in sit-down b-fast restaurants, and fewer office workers hitting the drive-thru's, has lowered belly/bacon and ham prices which accounted for 32% & 10% of pork volume sales at foodservice in 2018, respectively. Heavy bone-in hams were >$0.50/lb. for wk ending Aug 21--below 2019 levels; rollout hams are avg. +6% since July due to tight USA labor supply which has limited bnls ham production (as well as bnls shoulder butts which have held close to yr-ago levels compared to bone-in butts). End of Aug 21, wholesale values were up yr-o-yr for med. spareribs ($1.32, +22%), St. Louis ribs ($2.28, +18%), 72% trim boxed ($0.93, +14%), picnic cushion ($1.16, +11%), rollout bnls hams, boxed ($1.42, +10%) and tenderloins ($1.86, +4%); down for loins ($0.87, -4%), bnls butts ($1.18, -4%), Bone-in hams ($0.52, -11%), B-in butts ($0.90, -25%), 42% trim, boxed ($0.51, -25%) and derind bellies ($2.09, -27%).

U.S. BEEF MARKET TRENDS

Q1 production was +8% from 2019 then dropped 20% in April & -21% in May on covid-19 slowdowns; then surpassed yr-ago levels in mid-June plus 9 out of the last 11 wks bringing levels to -1.7% in late Aug. USDA expects 2020 production to be -0.5% from 2019 at 12.26 million MT (although some private analysts are forecasting a slight increase); and 2021 to be +2.2% to a record 12.53 mill MT. Grain-fed production is the same: down 2% yr-to-date with weekly production above 2019 levels since mid-June. Larger %'s of fed cattle continue to grade Choice & Prime with both yr-to-date %'s at record highs: 10.2% grading Prime (+8.4% from 2019), and 72.9% grading Choice (+71.6% from 2019). On Aug 1, cattle on feed was record high for the mo. at 11.3 million head, +1.5% from 2019 and +6.5% from the 5-yr avg. with inventories of slaughter-ready cattle (cattle on feed over 120 days) at record levels on June 1 due to the covid-19 disruptions. Even though slaughter-ready cattle decreased in July/Aug, they were still >2019. The Choice cutout normalized from mid-May to mid-July after the late April/early May price surge, and has been below 2019 levels since late June, then going higher again in Aug, supported by Labor Day holiday (9/7) retail demand. For wk ending Aug 21, Choice cutout was $2.23/lb., -7% from 2019, and down for primals: loin ($3.16, -3%), round ($1.78, -6%), chuck ($1.89, -7%), rib ($3.69, -8%), flank ($1.19, -12%), short plate ($1.40, -17%), and brisket ($1.57, -22%); as well as for cuts like ribeye ($8.30/lb., -8%) and NY strip ($6.78, -12%) which have seasonally increased in Aug but still below yr ago, and tenderloin ($10.04, steady) has been increasing since mid-July. Top/inside round ($2.41, -3%) has been tracking near 2019 levels since mid-June. The foodservice slowdown has pressured certain cuts: briskets ($2.25, -20%), outside skirts ($5.23, -23%), and B-in rib short ribs ($4.43, -18%). Chuck B-in short ribs ($4.00, +23%), on the other hand, have been significantly higher than last year since May.





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U.S. Lamb Market Trends

The net carcass price was above all recent yr's levels through Q1, then lower in April and below 2017's highs since May due to the foodservice slowdown (although it still remains above 2019 levels), and averaging $3.57/lb, +5% on Aug 21. Choice and Prime lamb cut (9/21) were higher yr-o-yr for 4"x4" loins ($6.08, +20%), 1"x1" loins ($7.55, +5%), B-in, square cut shoulders ($3.31, +5%), and partial bnls legs (trotter off) ($5.29, +2%); were lower for medium racks ($8.32, -1%), B-in legs (trotter off) ($3.65, -4%), bnls legs (BRT) ($5.06, -7%), Frenched racks ($15.18, -8%), and square-cut bnls shoulders ($5.18, -10%). On 9/21, production was down 8% from 2019 at 81.4 mill lbs, while slaughter was down 7% at 1.218 mill head although only down 5% for Q1 before moving lower in April, then surpassing yr-ago levels in May (+7%) and June (+10%), rebounding during July until the last week when the Mountain States Rosen lamb plant closed, driving production down 1% over 2019. A new plant, Colorado Lamb Processors, opens in near future. For more lamb info, go to the following USDA website: http://www.ams.usda.gov/mnreports/lsddl.pdf.

- **Wiener Wednesdays to promote hot dogs and sausages**

Taco Tuesday may have been the originator of the 'meal of the day' trend, but frankly, Wiener Wed is the top dog of weekly food holidays. Hot dog sales have grown during the COVID period. Recipes? www.hot-dog.org.

- **National Donut Day promotion at Smokey Bones combines donuts & bacon**

Meat Donuts, started with a 3/8" thick slice of Applewood bacon, candied in brown sugar & black pepper and roasted until crispy, then shaped into a donut ring, hand-dipped in a vanilla cake batter, & cooked until golden brown, finally dipped in a confectioners' sugar & maple syrup glaze, topped with chunky smoked bacon pieces.

- **The "Future of Foodservice" Series: Lessons in Creativity** by Maggie O'Quinn, Midan Mktg

1. **The 2020 word of the year is "pivot."** Creativity, resourcefulness, a fearless attitude and a keen understanding of their customers helped the foodservice channel find new ways to keep doors open.
2. **The Hybridization of Restaurant and Retail.** The trend of foodservice growth was stopped in its tracks. According to Momofuko founder, Chef David Chang, "it was as if aliens came to planet earth to wipe out every restaurant on the planet within a matter of days." One of the first changes was the blurring of the line between restaurants and retailers, particularly pertaining to e-commerce and omnichannel meat sales. Early April, Panera offered pickup or delivery for basic pantry staples (like milk/bread) that grocers were struggling to keep on shelves. For Mother's Day, steakhouses offered raw ribeye stks alongside pre-made side dishes so a steakhouse experience could be had at home. RARE Steakhouse chain began selling premium, hand cut, dry-aged meat cuts for home cooks—driving retail sales to make up 30% of their biz. Grocers began expanding restaurant offerings. Texas chain H-E-B set up 30 stores selling ready-made meals from local restaurants (like meatloaf & gravy from Backstreet Café; Korean braised beef & dumpling from Underbelly Hospitality) and opened a new location with a drive-thru for its True Texas BBQ chain.

- **Consumers migrating toward indulgent snacking during pandemic** by NPD Group

Indulgent snacking is playing an increasing role during the past few months as consumption has increased >8% as consumers seek comfort through savory and sweet snacks. During the height of the shelter-at-home orders in April, 37% of consumers said they wanted to make sure they had sufficient snack foods on hand.

- **Changing habits in foods eaten and how prepared** International Food Information Council

1. **Biggest change:** 60% of consumers reported cooking at home more.
2. **1 in 3 consumers are snacking more.** 40% <35 yrs are snacking more versus 26% >50 yrs.
3. **20% are eating healthier.** It includes eating more pre-made meals from their pantry or freezer. However younger consumers were more likely to eat both more and less healthy foods. The increased focus may be linked to the increase (from 38% to 43%) of consumers following a specific diet—mostly losing weight.
4. **Changes in the way food safety is viewed.** Food handling and prep. topped the list with >50% concerned about food prepared outside the home and >40% worried about food safety when shopping.

- ***Test your knowledge:*** **What are BBQ burnt ends?** a) the tasty burnt morsels originally given for free at Arthur Bryant BBQ; b) the most famous BBQ dish of K.C. which is now prepared from the brisket point; c) a dish unknown until Calvin Trillen's 1972 article; d) all of the above. Answer = D

To check out the latest USMEF BBQ video featuring K.C. Burnt ends: https://youtu.be/GWoUpV_0Y5I

- **USMEF Caribbean Happenings: Some travel for BBQ videos; rest of time working in office!!**

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