



Beef- Beef production last week rose notably from the holiday shortened previous week and was 3.9% more than the same week last year. Cattle supplies are anticipated to remain ample in the near term but could tighten in the next few months. Both domestic and foreign (export) beef demand is solid. During the last four weeks, forward beef sales were 28.8% larger than a year ago. Retail beef prices in June were up 1.1% from the previous month and were .8% higher year-over-year. Still, retailers plan to feature beef soon which may temper seasonal price declines, including ground beef. Since 2013, the average move for the domestic 90% beef trim market during the next three weeks was down 3.1%.

The Kitchen Sink (Various Markets)- Coffee prices continue to track at engaging levels for buyers. World coffee supplies are adequate, and the deflated Brazilian real continues to weigh heavy on the coffee market. That's said, Arabica coffee prices have not traded appreciably below a \$1 per pound since October 2004.

Grains- The grain markets have mostly been on the defensive as of late with soybean prices declining to nine-year plus lows. Trade challenges continue and don't look to be rectified in the near-term which should temper the upside in prices. That said, the grain markets are due for an upward correction.

Dairy- The cheese markets remain range-bound. U.S. cheese output was 1.4% better than 2017 during May, and Class III milk price premiums over Class IV should encourage cheese production moving forward. This factor, tempered exports due to trade challenges, and building world output are likely to mitigate any seasonal cheese price increases this summer. It's a similar story for the butter and nonfat dry milk markets. June 1st, U.S. nonfat dry milk stocks were 3.1% less than last year and the lowest for any month since the spring of 2017. Still, the current inventory is historically large.

Pork- Pork output last week rose notably from the holiday shortened prior week and was 4.7% bigger than 2017. Hog supplies will seasonally expand in the coming months. The USDA is forecasting July through December pork production to be 5.6% larger than last year. Look for the pork markets to experience downward pressure. In June, retail bacon prices were down 7.4% from the prior year which encouraged demand. But, wholesale belly prices will peak soon. The five-year average move for the pork belly cutout during the next eight weeks is lower by 26.8%.

Poultry- Chicken production for the week ending July 7th fell notably from the previous week due to the holiday and was .4% smaller than the same week last year. Currently, year-to-date chicken output is tracking only slightly better than 2017. But, production is forecasted to trend 2.1% above year ago levels for the second half of this year. The chicken wing markets are the cheapest for this time of year since 2014. Anticipate strong feature activity for bone-in wings as football season nears which will likely influence prices higher. Over the last five years, the combined average price of the ARA chicken wing index in August, September and October was 4.2% higher vs July. Chicken breasts prices are usually choppy during August but soft in September.

Seafood- World snow crab supplies remain limited. This is impacting U.S. import volume and prices. During May, the U.S. imported 3% less snow crab than the previous year at an average price north of \$8 lb.- a record high. Due to the smaller Canadian and U.S. harvest totals, world snow crab supplies are likely to remain tight into 2019, underpinning prices