

Center of the Plate Competition: The first quarter of the year is typically marked by a few food trends. New year’s resolutions related to fitness and healthy eating are generally supportive of lean proteins around this time of year. Consumer’s may also be feeling a need to cut back expenses after a 4th quarter spending.

Those feelings may be intensified by the very high prices for animal protein seen at the grocery store. Grocery store sales still appear strong as consumers have not switched back to dining out as much as they had in 2019. Still, dining out has made progress from where it was a year ago. **Advanced retail sales for December showed a 9% increase compared to December 2020. Food service and drinking places increased 44% over last year.**

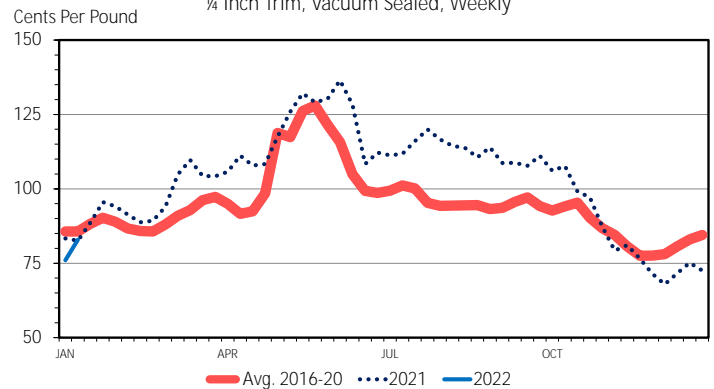
The competition among meat cuts has been steep. Breast meat is over \$2 per pound, and beef chucks over \$3.50. **Pork loins, however, seem undervalued.** Wholesale pork loin prices were still significantly under \$1 per pound (\$0.82 per pound last week). Pork loins appear to be trying to catch up; they are at a steep discount to most of the major pork cuts with the exception of ham, at a time of year when they should be favored. Lean ground beef too, is priced at just above chicken breast prices, compared to the usual fairly steep discount between chicken breast and ground beef.

The relationship between wholesale pork loin and chicken breast price over the 5 year average in the first quarter is that pork loin prices are roughly 75-85% of chicken breast price. This year, that ratio has been closer to 35%. The wholesale relationship of

pork loins relative to beef chuck prices over the last 5 years has been pork loins at about 30-35% of beef chuck value. The start of 2022 that ratio has only been 21%.

In the short term, wholesale pork loin appears to a bargain relative to other meat prices. Expect pork loin prices to rise, reverting to normal relationships, as it seems unlikely wholesale beef or chicken prices will decrease much in the near term.

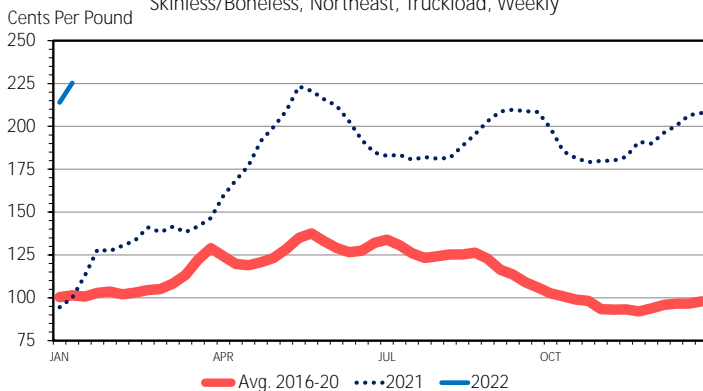
WHOLESALE PORK LOIN PRICES
¼ Inch Trim, Vacuum Sealed, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

M-P-28
01/14/22

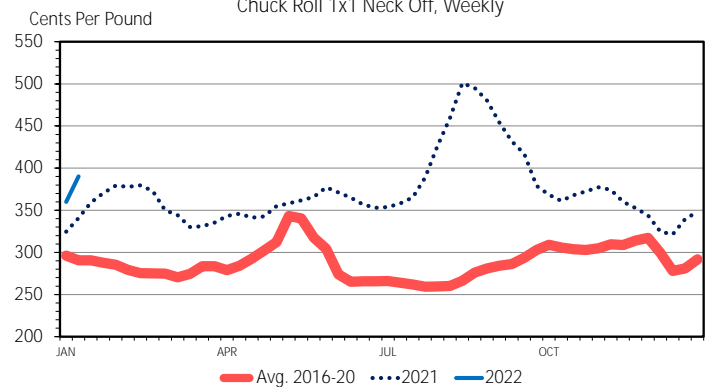
WHOLESALE CHICKEN BREAST PRICES
Skinless/Boneless, Northeast, Truckload, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

P-P-02
01/14/22

WHOLESALE BEEF CHUCK PRICES
Chuck Roll 1x1 Neck Off, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

01/14/22

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