
# Caribbean Culinary Bites

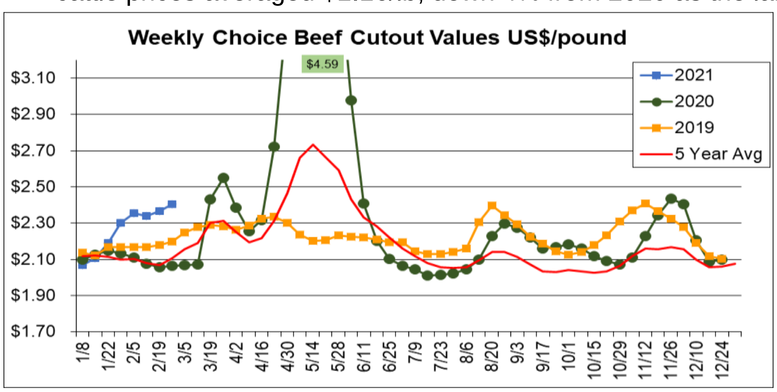
February 28, 2021

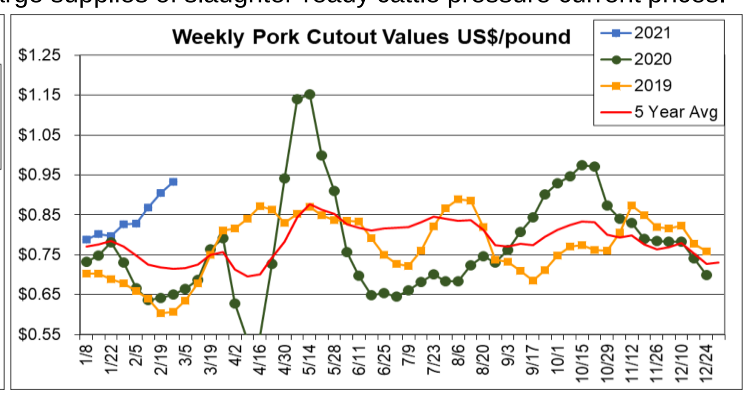
## U.S. Pork Market Trends

The pork cutout has been trending higher: Jan up 7% from 2020 ($0.80/lb); Feb up 36% ($0.88); and wk of Feb 26 up 43% ($0.93)—the highest since Oct. These were up even despite higher production from Jan to first ½ of Feb due to robust domestic retail and export demand coupled with severe winter weather leading to temporary disruptions. All primals were higher yr-over-yr: belly ($1.57/lb., +130%), ham ($0.85, +36%), loin ($0.80, +22%), picnic ($0.62, +22%), rib ($1.49, +11%), and butt ($0.82, +11%). Jan's fresh pork retail sales were +13.6% yr-o-yr and cold storage stocks were tight (-21% to -25% from May 2020 thru Jan 2021) which supports higher prices as the pipeline is refilled. 2020 production was up 2.4% yr-o-yr at 12.84 mill metric tons, and USDA's forecast says Feb '21 to be record high for the 7th consecutive yr at 13.02 mill metric tons (+1.4%). Production levels for each quarter should be steady in 2020 except for Q2 predicted to be +6.5% from the covid-related disruptions in 2020. Hog carcass prices are up for wk of Feb 19th at $0.76/lb (+41%) from 2020 and the highest since Oct. Carcass wts remain historically high but are trending lower starting 2021 (down to 215 mid-Feb from 220 lbs).

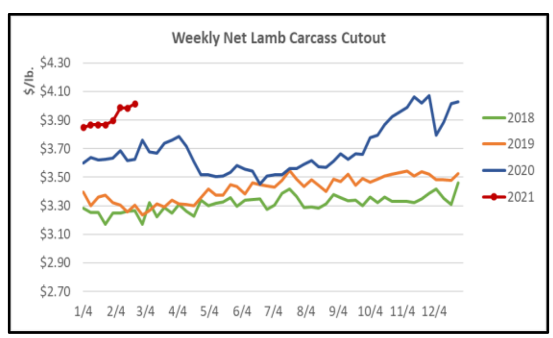
## U.S. Beef Market Trends

The Choice cutout was counter-seasonally higher Jan (+2%) & Feb (+14%) due to domestic retail and export demand; and wk of Feb 26 it averaged $2.40/lb (+17%). Values were higher yr-o-yr for Choice chuck ($2.04/lb., +24%), rib ($3.96, +21%), loin ($3.27, +20%), round ($1.94, +8%), & brisket ($1.69, +1%) but lower for short plate ($1.40, -4%) and flank ($1.08, -4%). Jan saw a 13.1% increase in USA retailer sales as consumers continued to choose high-quality steaks as they prepare more meals and celebrate more occasions at home. Ribeyes are the #1 steak volume item sold at retail and were up 27% in 2020 (accounting for 10% of the total beef volume growth). Valentine's Day also boosted demand for ribeyes and strips, with consumers celebrating at home rather than eating out—wk ending Feb 26, ribeyes ave $9.39/lb (+29%) and NY strips were $8.12/lb (+46%). Tenderloins and top sirloins were higher in Jan then moved sideways in Feb, with Feb 26th tenderloins at $10.77/lb (+14%), and top sirloins $3.14/lb (+6%). Overall fed beef production was -0.3% in 2020, with Choice (+3.7%) and Prime (+20%) reaching new records. Thru Feb 13, 10.3% of fed cattle graded Prime (+9.5%), 73.6% graded Choice (+73.5%); and 12.9% graded Select (-14%). USDA predicts 2021 production +1.4% to a record 12.49 mill metric tons, with the growth in the 1st half of 2021, then tightening in the 2nd half. Weekly beef production avg. +5% from 2020 for the 1st 5 wks of 2021 before winter weather disrupted production in mid-Feb. Cattle on feed (Feb 1) was 12.1 mill head, +1.5%. Slaughter-ready cattle remain large: >120 days are +14% at 4.4 mill hd: >150 days at +24% at 2.2 mill vs 2020. With longer days on feed, steer wts remained heavy in mid-Feb at 919 lbs, +16 lbs. from last year. For the week ending Feb 22, cash cattle prices averaged $1.16/lb, down 4% from 2020 as the large supplies of slaughter-ready cattle pressure current prices.




## U.S. Lamb Market Trends




Carcass prices were up Feb 26th, nearing the Nov's record-highs at $4.01/lb (+11% from 2020); Choice & Prime cuts were up for 1"x1" loins ($8.38/lb, +42%), 4"x4" loins ($6.86, +30%), bnls legs (trotter off) ($5.95, +12%), bnls legs (BRT) ($6.30, +12%), B-in square cut shoulders ($3.61, +10%), Bnls square-cut shoulders ($6.38, +8%), B-in legs (trotter off) ($4.26, +7%), and frenched racks ($17.28, +4%); and lower for med. racks ($8.52, -3%). The cook-at-home trends have created the loin demand and higher prices. Overall, 2020 lamb production was 123.1 mill lbs (-8% from 2019) with Dec production down only 3% at 10.7 mill lbs but Jan at 9.4 mill lbs (-14% but with 2 fewer slaughter days than Jan 2020). Thru Feb 27 compared to 2020, year to date lamb production was -7.1% with slaughter -7.7%. Two new plants may help with slaughter numbers: 1) Colorado Lamb Processors (began slaughter late-Sept); 2) Double J to come online soon. For more info go to USDA website: [http://www.ams.usda.gov/mnreports/lsddl.pdf](http://www.ams.usda.gov/mnreports/lsddl.pdf)

Elizabeth Wunderlich
USMEF Regional Representative, Caribbean

Jessica Spreitzer
USMEF Trade Analyst

## ➢ Chefs pare down menus with a focus on tasty takeout

Chefs are streamlining menus and adding dishes designed to focus on flavor and hold up during delivery. For example, going from 32 items to 12, adding simpler dishes in larger portions at Restaurant Pasjoli, CA.

## ➢ Convenience Store Sales grow in 2020

1) Keep up with shopper preferences
2) Introduce new products
3) Meet demand for pickup or delivery
4) Foodservice offerings
5) Food safety

## ➢ Banking on Ghost Kitchens

Guy Fieri of *Diners, Drive-Ins and Dives* has launched Guy Fieri's Flavortown Kitchen in 23 states, a delivery-only restaurant operating out of existing restaurants or industrial kitchens, and serving the sort of flavor-blasted Americana cuisine Fieri has become known for—overstuffed burgers, fried pickles, and snacks wrapped in meat. Ghost kitchens have the potential of offering unestablished or money-strapped chefs a way to get their food out there with a lower overhead than a traditional restaurant.

## ➢ Keto Diet Comes of Age

Originally introduced to physicians in the 1920's as a treatment for epilepsy, the Keto diet has become increasingly popular in recent years due to its reported effectiveness in weight loss. The global keto food category is projected to $14.75 billion by 2027, prompting major brands like Kashi and Sara Lee to get into the game. But at the bottom of it all…meat is core to the program! Let USMEF know if you want to "Take Back Protein" at your retail case with POS that let's the consumer know how to Power up their Plates!

## ➢ Post-COVID: The Pattern of Dual Migration

The pattern of Dual Migration, where the two largest generational groups, Baby Boomers and Millennials, moved in similar patterns, flocked to cities' outlying areas and close-in suburbs rich with amenities. The younger generation bought homes and started families, and seniors with disposable income settled in areas where they could enjoy a stable of diverse restaurants and other conveniences without the hassles and high prices of urban centers. How restaurants can prepare? Think fast and outside the box: as fast-casual accelerates, it's important to ensure a dining space has plenty of options for eating beyond a traditional dining room, whether that's adding a drive-thru, providing ample takeout space or ensuring that delivery is as widely available and seamless as possible. These changes will attract pandemic-weary customers who are returning to a more normal dining experience but still crave speed and convenience. In considering new spaces, explore the areas where cities' edges meet lively suburbs to capitalize on less expensive real estate and a potentially growing number of active, growing families or affluent seniors. 2$^{nd}$ tier cities could be a great option for innovative restaurants as food trends are forecast to transcend quicker from major cities through to rural areas.

## ➢ How do Organic and Natural Purchasers purchase meat during COVID? From Midan Mkg

1. 68% of organic purchasers have bought natural/organic meat online vs 53% of the avg meat consumer.
2. 75% of purchasers claim they know the definition of natural and organic meats, while 50% of non-purchasers say they know the definition. About 38% – 48% of natural/organic purchasers believe the two terms basically mean the same thing. With this confusion, there is an opportunity to educate consumers.
3. Organic and Natural meat purchasers tend to be brand loyal. 74% of organic purchasers have a specific brand they regular purchase versus 62% of natural purchasers have a regular purchased brand.

Key takeaway: Natural & Organic meat eaters are actively seeking claims-based meat products based on their perceived health benefits (the pandemic has them turning toward Claims-based meat to help boost their immunity), and gravitating toward companies and brands that care about social causes and the environment.

➢ ***Test your knowledge:*** **What is the Keto diet?** a) high fat, adequate protein, low carb diet; b) a diet originally developed to treat hard to control epilepsy in children; C) it helps a body burn fats not carbohydrates; D) all of the above.

Answer = D

## ➢ USMEF Caribbean Happenings:

- March 16 – 19: Nassau, Bahamas for Marketing visits and in-house seminars.
- March 21 – 24: Virtual Annual Meat Conference

ELIZABETH WUNDERLICH — U.S. MEAT EXPORT FEDERATION — TEL: 830.997.6319 — TEXT: 830.456.5560 — E-MAIL: caribbean@usmef.org – Web site: www.usmef-caribbean.org