

MAY 2025

# MARKET REPORT



## Center of the Plate – Premium Proteins

### Beef

Packers remain in the red, even at today's elevated beef prices. The live cattle market is in control, and processors can't drive prices down without sacrificing supply. To cope, they're cutting production hours—a move that goes against their model of efficiency but is necessary to slow down the flow of cattle.

Retailers are making things more difficult by backing out of pre-booked orders due to pricing concerns. With little in the way of "affordable" beef, retailers are struggling to find cuts worthy of ad space.

The result? A middle meat market that's flat but leaning upward into summer, while ground beef remains historically expensive and could climb further. End cuts like chucks are losing momentum as certain export markets retaliate against U.S. beef in response to tariffs.

Expect prices to stay elevated, but broader economic pressures may cap runaway increases.

### Pork

While beef is volatile, pork is relatively stable—and cheap. It's a tale of two proteins. Grinding meat should firm up with grilling season, and bacon prices will gradually rise in the coming months, but nothing suggests a dramatic spike is imminent.

### Lamb & Veal

Supply remains tight. Domestic veal continues to lose market share due to high calf costs and limited demand outside of grinds and racks. One smart alternative: our new Wagyu Beef, Pork, and Veal blend—ideal for Bolognese, meatballs, sauces, or meatloaf. The 33% ratio of each protein mimics the flavor and texture of veal while controlling costs.

Imported lamb availability is improving as we move through spring, with steady supply anticipated through the fall.

### Seafood

- **Calamari:** Landings remain strong, though minor price increases may hit this spring.
- **Octopus:** The winter season has ended; expect higher replacement costs and pricing.
- **Lobster Meat / Tails:** Spring lobster season is launching. We're forecasting strong catches and lower prices, with fresh product hitting post-Mother's Day.
- **Shrimp:** Current production is healthy, but the threat of retaliatory tariffs has led to a spike in pre-buying.
- **Crab Meat:** Supply is tight. Demand is surging ahead of potential tariffs, and prices are climbing as a result.
- **Scallops:** The new season began in April. With quotas significantly reduced, expect lower availability and upward price pressure.

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## Pantry & Grocery – Elevated Staples

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#### Market Highlights

- Tariff effects are pushing up prices across the board for spices. Increases will vary by item.

#### Trending in Kitchens

- Domestically Grown Saffron: New to CW, grown in Washington State. Rich color, deep aroma, and packed in 0.5 oz tins.
- Yuzu Juice & Kewpie Mayo (try the Red Label for foodservice)
- Hot sauces like Fix's Sambal Oelek and Fresh Olive Co.'s Rose Harissa
- Labor-saving stars: CW Potato Pellets, Proper Stock & Sauce, BelAria Pesto

### Beverages – Sip-Worthy Shifts

#### Vendor Moves

- Perricone is now Natalie's. Same flavors, new label.
- Sizing adjustments: 16oz > 12oz, Pressed 12oz > 15.2oz

#### Trends to Pour Over

- Non-alcoholic expansion continues
- Organic ingredients
- Aluminum packaging rise
- Dairy alternatives dominate
- Functional beverages (think: prebiotic sodas)

### Non-Foods – Tabletop to Back-of-House

#### Highlights

- Restaurantware dropship now live: 10k+ SKUs, 2–4 day ship time
- CW palm plates in 4", 6", and 8" sizes are available now.
- CW Exclusive pan liners (GP100N) and palm plates in stock
- White thinsense gloves arriving May 2025—already stocked in FL
- World Centric lines now available in CW NY

#### Trends

- Latex gloves are on their way out—already banned in 8 states
- PFAs-free options gaining traction
- Compostability guidelines evolving—watch for 2025 launches

### Commodity Oil – Climbing Costs

- The March NOPA report showed a 5-million-pound drop in soybean oil stocks. Normally, stocks grow in Q1 and Q2 to prepare for heavier use later in the year. With inventory building behind pace, the market remains tight.

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## Dairy & Eggs

### Eggs

Supply has recently stabilized, with prices holding steady.

- Cage-free and organic flocks are on the rise: up 4.4% and 0.3% respectively.
- Caged flocks are down 12.5%.

### Butter

Cream is available but still trailing demand.

- May pricing is favorable.
- Foodservice demand remains weak year-over-year.

### Milk

Strong spring flush across U.S. farms.

- Fluid milk prices are down from April to May.

### Cheese

Inventories are rising in line with milk production.

- Mid-April saw a peak in pricing, but levels are holding steady.

## Pastry & Baking

### Flour

2024/25 U.S. wheat outlook: supply climbs with imports at 150M bushels—the highest since 2017/18. Exports down 15M bushels. Ending stocks projected at 846M, up 22% YoY.

### Cocoa

Cocoa prices spike 30% post-Q1 grind data. North America (-2.5%), Europe (-3.7%), and Asia (-3.4%) beat expectations. Ivory Coast mid-crop revised to 400K MT, down 9% YoY—weather and weak field surveys keep outlook tight.

### Sugar

- United States: Sugar beet planting is up 3%, which may boost output—but weather and mill efficiency remain critical factors.
- Mexico: As of April 2: 3.387M tons produced, down -0.5% YoY and -0.9% behind projections.
- U.S. Tariffs: Canada and Mexico remain exempt under USMCA. It's unclear whether raw sugar under the Tariff Rate Quota (TRQ) will be affected.

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## Specialty Goods

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### Avocado Oil

Still surging in foodservice as operators move away from seed oils. Non-GMO, expeller-pressed avocado oil demand continues to outpace supply, but expansion in Spain, Colombia, Mexico, and Kenya should help stabilize availability over time.

### Olive Oil

Positive signals from the groves: budding trees across Spain and Portugal, supported by strong rainfall and 30-year-high water reserves. While product costs are stable for now, tariffs could soon affect pricing.

### Tomatoes

Italian plantings are underway.

- Northern Italy is ahead of schedule thanks to favorable weather.
- Southern Italy faces a 5,000-hectare reduction due to water shortages—the Occhito Dam remains closed for agriculture.
- Total 2024 forecast: 5.6 million tons.