



DSR Market Insights

Week of
March 18, 2024

CATEGORY	NEAR-TERM MARKET PRICING TREND	SUPPLY vs. DEMAND	DSR MARKET INSIGHTS COMMENTARY
Beef (Commodity)	Increasing	Available - Mixed	Harvest reduction imposed by the nation's packers haven't delivered desired pricing or margin increases. At least, not enough. Packer will doubling down by cutting harvest further and deeper. Expect product shortage ahead. Packers are betting shortages will inspire a willingness to pay higher prices as a result packers tactical actions.
Butter	Increasing	Available - Steady	<p>Retail demand is generally steady across the country. Food service demand varies. It is noted as quiet in the East and strong to steady in the West. Some stakeholders note orders for spring holiday demands are starting. Cream continues to be readily available throughout the nation. Butter makers are running strong production schedules. Butter manufacturers are busy building stock for later quarter demands and planned summer downtime. Some manufacturers say unsalted butter and bulk butter loads are tight for spot buyers.</p> <p><u>East Region</u> Cream remains readily available in the East. Butter plant managers continue to relay robust churning schedules. Some contacts share they are churning seven days a week in order to build bulk inventory and freeze it for later in the year. Butter markets continue to see some bullish movement. Contacts share retail demand is seasonally steady. Foodservice demand is noted to be quiet.</p> <p><u>Central Region</u> Butter makers had expectations in late January that cream would be full through the second month of the year. Their expectations have materialized as leap day nears. Some butter plant runners said they have booked cream for the upcoming month at similar multiples. That said, cream handlers say demand is slowly starting to tick higher for milkfat and not specifically from just butter makers. There are expectations that churning activity, which has been very busy this year, will take a step back in coming weeks. Butter demand is holding somewhat steady at a seasonally light pace. Bulk butter is available, but customers/end users reported increasing price points. Butter market tones remain clearly firm.</p>
Cheese	Steady	Available - Steady	<p>Farm level milk production is trending slightly higher in the Northeast. Cheese plant contacts share steady barrel production schedules despite quiet demand. Inventories remain comfortable. Contacts in the Central region report quiet spot milk offers, but they expect spot availability to increase in the near term as Class I demand wanes due to school breaks and seasonal milk production increases. Cheese demand remains lackluster, but some barrel makers share strong year over year demand. In the West, contacts share steady to stronger production schedules. Class III spot loads of milk are tight in some parts of the region. Several manufacturers note spot cheese availability is tight through the remainder of Q1.</p> <p><u>East Region</u> Milk production is trending slightly higher in the East. Cheese plant managers relay steady production schedules. Contacts share that block demand remains mellow. Inventories remain comfortable, namely of American-type cheeses. CME Group cheese barrel prices have moved higher. Forty-pound block prices, too, have increased. A block/barrel inversion is still in place, which contacts attribute to strong barrel demand. Retail demand is seasonally steady, though contacts anticipate growing demand as spring holidays approach. Foodservice demand is steady to lighter.</p> <p><u>Central Region</u> Some cheesemakers say they are using internally sourced milk supplies, but they say handlers' offers have been mum. Some fluid milk contacts do expect near-term spot offer growth in availability as Class I demand slows and milk production seasonally increases. Cheese demand remains lackluster according to a number of cheesemaker contacts in the Midwest. Some, particularly barrel makers, say demand is better year-over-year.</p>
Fluid Dairy	Class I - Decreasing Class II - Steady	Class I Available - Steady Class II Short - Strong	March cost increases are in place on both Milk (Class I) and on Cultured/Creams (Class II).
Oils/Shortening	Steady	Available - Steady	Pricing on commodity clear fry and other commodity oils have not shown much of a change in recent weeks. Though prices on soy and canola oils have increased slightly in the stock markets in recent days this has had little impact on the sell price of a JIB of oil at this point. Demand has been relatively soft so far this year and product supply is ample. Thus prices will likely remain at similar levels in the coming days. Premium shortening and Blended products will likely follow the same trend. Palm markets have increased slightly in recent days. Palm is the primary ingredient in margarine. Thus margarine prices may show slight increases in the coming days in some markets. Any changes will be minimal and supply is readily available to cover foodservice needs.
Pork (Commodity)	Mixed	Available - Steady	Butt prices are forecasted to gradually increase between now and end of March. While Spareribs are on a slight decline until mid- March, which then it is forecasted to increase until Memorial Day. Loins are expected to continue its decline for another few weeks or at least till first week of April then bottoming out.
Pork (Value-Added)	Steady	Available - Steady	The belly value is relatively flat with a slight increases, now through Mid-March so expect bacon prices to increase accordingly.
Poultry (Chicken)	Increasing	Short - Steady	Overall markets are experiencing inflation for all cuts. Wings are experiencing strong inflation as we head into March Madness/Final Four for college basketball.



DSR Market Insights

Week of
March 18, 2024

CATEGORY	NEAR-TERM MARKET PRICING TREND	SUPPLY vs. DEMAND	DSR MARKET INSIGHTS COMMENTARY
Poultry (Turkey)	Steady	Short – Strong	<i>Current frozen turkey pricing has strengthened but is still well below the five-year average. Poultry placements have been reported as being down sharply for December, so the expectation is that availability in the first half of 2024 may be reduced over the previous year, which may in turn signal to price</i>
Produce	Lower - Grapes, Strawberries Steady - Avocados, Bell Peppers, Broccoli, Carrots, Lemons, Russet Potatoes, Tomatoes, Oranges Higher - Apples, Iceberg, Romaine, Onions, Oranges, Fresh Cut Lettuces	Improving/Steady - Strawberries, Carrots Good/Steady - Apples, Avocados, Lemons, Broccoli, Russet Potatoes Short/Strong - Bell Peppers, Iceberg, Romaine, Tomatoes, Oranges, Grapes, Onions	<i>Apples, cheaper lots finished Lighter supply of Galas, Golds & Pinks. Avocados, MX market steady. Short ripening times. Good quality. Bell Peppers, FL spring crop moderate volume. Quality good. Broccoli, good steady supplies. Yuma, AZ has fair quality. Carrot, supply improving. GA harvesting. Good quality. Iceberg, supplies low due to cold/rain/hail. Quality fair, lite weight. Romaine, supply low due to cold/rain. Rib blister & peel. Lite weight. Fresh Cut Lettuces costs have jumped and are moving higher. Products will have shorter life due to weaker ingredients. Grapes, import volume increasing Good quality. Tomatoes, steady but low supplies. Good quality Strawberries, warm weather resulted in overabundance. Good quality. Oranges, CA 88/113/138s scarce, likely through April. Good quality. Lemons, CA/AZ size running large. 200/235s scarce. Quality is fair. Onions, ID/OR storage winding down. New crop TX starts late March. Russet Potatoes, abundant supplies, high quality and low cost.</i>
Bulk Sugar	Steady	Mixed - Steady	<i>Supply of sugar is available nationally. We do expect some spotty shortages out of Louisiana due to plant production issues and limited fall harvest. There is product available from other mills to cover any shortfalls. Pricing is expected to remain near current levels as we move through March.</i>
Shell Eggs	Steady	Available - Steady	<i>Demand for shell eggs remains weak despite increased retail promotions over the past week as ad price levels failed to incentivize interest. Wholesale prices for cartoned eggs have steadied on light to moderate demand and moderate supplies and offerings. Trading is moderate. Prices on the loose egg market are higher on light to moderate offerings and mostly moderate supplies. Interest is light to moderate and trading is moderate. Wholesale breaking stock prices are firm on mostly light demand. Offerings are light and supplies are mostly moderate. Schedules remain full to reduced and with moderate trading. The preliminary survey of retail outlets indicates very limited activity this week with no average ad price yet determined. Source: USDA AMS as of March 6</i>
Seafood	Shrimp Steady	Shrimp Available - Steady	<i>Shrimp has continued to remain steady and at the 52-week low.</i>
Wheat (Flour Based Products)	Decreasing	Available/Weak	<i>Prices have shown some declines in most markets due to soft demand. Flour demand typically starts increasing in the spring, but that has not occurred thus far this year. Product is readily available from most suppliers without issue at this time. We do expect pricing on bulk flour and related products to remain at similar levels in the near term.</i>