



# DSR Market Insights

Week of  
April 1, 2024

CATEGORY	NEAR-TERM MARKET PRICING TREND	SUPPLY vs. DEMAND	DSR MARKET INSIGHTS COMMENTARY
Beef (Commodity)	Increasing	Available - Mixed	<i>Harvest reduction imposed by the nation's packers will continue. Packers believe ongoing short supply and product shortage will translated into higher selling prices and improved margins. Improved beef demand is just ahead with warmer weather, the spring grilling season, Cinco De Mayo, and Memorial weekend all coming up fast. Higher prices on seasonal beef items are ahead.</i>
Butter	Increasing	Available - Steady	<p><i>Retail demand is strong to steady across the nation. However, stakeholders note interest for securing loads for the spring holiday season varies from picking up slowly to steady. Food service demand is flat to weaker. Cream is readily available throughout most of the country. Butter production is mixed. In the East, various butter makers indicate churning varies from as much as possible to as minimal as possible. In the Central, butter makers indicate steady churning and increases with micro-fixing bulk volumes. In the West, butter makers indicate strong to steady production schedules. Some manufacturers note tight spot load availability for unsalted butter.</i></p> <p><i>East Region Cream demand is increasing as spring holidays draw closer, and multiples have inched higher. Notes from butter plant managers are mixed. Some contacts share that they are purchasing spot loads of cream in order to produce as much bulk butter as possible. Other contacts share that they are selling cream on the spot market and churning minimally. Retail demand is noted to be steady to stronger, and demand for both unsalted and salted varieties is increasing. Foodservice demand is trending flat.</i></p> <p><i>Central Region Butter manufacturing is in line with recent weeks. That said, churning varies as some plant managers report increases with micro-fixing bulk volumes. Demand is steady. However, some stakeholders say interest for securing loads for the spring holiday season is picking up slowly, while others convey interest in securing spring holiday loads is seasonally steady. This has led to some concerns amongst industry participants regarding mid/longer term market sentiment. Contacts indicate cream is readily available but cream volumes are not overwhelming either. Some butter plant Milk production continues to trend higher in the East region. Cheese plant managers note that production schedules are steady. Inventories remain comfortable as cheese demand remains quiet. Contacts share retail demand is increasing. Cheese demand in the Central region is trending higher. Cheese plant managers share that they are running robust production. In the West, cheese production schedules are steady to stronger as milk availability remains ample. Contracted cheese demand is steady, though spot demand is trending lighter. Some contacts share current market conditions are weakening export demand.</i></p> <p><i>East Region Milk production continues to increase in the East. Cheese plant managers share that production schedules are steady, and inventories remain comfortable. Contacts share overall block cheese demand is lackluster, but cheese demand in retail stores is increasing as spring holidays near.</i></p> <p><i>Central Region Contacts share cheese demand is trending higher as spring holidays approach. Cheese plant managers report that their production schedules are nearing capacity. Milk availability is ample, and some contacts shared having to decline spot milk loads. Some processors share that they have scheduled downtime next week which, in concert with school closures, will free up spot milk supplies. Cheese inventories are noted as comfortable in the region.</i></p> <p><i>West Region Industry participants indicate contractual cheese demand is pacing steadily in the West. However, spot load demand is lighter. Contacts convey any recent week-to-week changes in demand have neither</i></p>
Cheese	Decreasing	Available - Steady	<p><i>Forecasting small cost increases for April on Milk (Class I) and Cultured/Creams (Class II).</i></p>
Fluid Dairy	Class I - Decreasing Class II - Steady	Class I Available - Steady Class II Short - Strong	
Oils/Shortening	Steady	Available - Mixed	<i>Soybean and other commodity oilseed products have shown slight declines in stock trading in the past week but not enough change to cause significant changes in the price of a JIB of oil. Traders are expecting commodity frying oil prices to remain near current levels (minimal changes) in the coming days. Prices on commodity oils do not typically show much decline during the spring months. Premium products will likely maintain current pricing levels as we move through the spring.</i>
Pork (Commodity)	Mixed	Available - Strong	<i>Prices for butts and spare ribs should soften through the first week of April, while backrib prices are on the gentle rise for through June.</i>
Pork (Value-Added)	Increasing	Available - Steady	<i>With MLB Baseball starting, the 8000 average franks per game will drive demand for pork trim upward, and higher prices for sausage, franks, pizza toppings will follow.</i>
Poultry (Chicken)	Increasing	Short - Steady	<i>Overall markets are experiencing inflation for all cuts. Wings are experiencing strong inflation as we head into March Madness/Final Four for college basketball.</i>
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>



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Produce	Lower - Strawberries Steady - Apples, Bell Peppers, Broccoli, Lemons, Russet Potatoes, Oranges Higher - Avocados, Iceberg, Romaine, Onions, Grapes, Tomatoes, Oranges, Fresh Cut Lettuces	Improving/Steady - Strawberries Good/Steady - Apples, Broccoli, Russet Potatoes Short/Strong - Bell Peppers, Iceberg, Romaine, Tomatoes, Avocados, Lemons, Oranges, Grapes, Onions	<p>Apples, Lighter supply of Golds &amp; Pinks. Slim supply of Galas remain. Avocados, MX market higher. Short ripening times. Good quality. Bell Peppers, FL spring crop moderate volume. Quality good. West Coast growing area transition from Yuma, AZ to Salinas, CA scheduled for early April. Lettuces, Broccoli, Cauliflower, etc. Broccoli, good steady supplies. Yuma, AZ has fair quality. Iceberg, demand far exceeds supplies. AZ Quality fair, light weight. Romaine, supply low due to cold/rain. AZ quality fair. Light weight. Fresh Cut Lettuces costs are escalated. Products have shorter life due to weaker ingredients. Transition to Salinas in mid-April. Grapes, import volume spotty. Good quality. Tomatoes, low supplies over next few weeks. 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 starting. Russet Potatoes, abundant supplies, high quality and low cost.</p>
Bulk Sugar	Steady	Mixed - Steady	<p>Demand for sugar typically starts increasing in the spring. This will put more pressure on producers to maintain supply. Product is available from most facilities to cover such demand. Price levels will likely stay at similar levels in the coming weeks.</p>
Shell Eggs	Increasing	Available - Steady	<p>Shell egg demand rises into Easter week in typical fashion, supported by active grocery featuring across the country. Negotiated prices on the loose egg market are in a holding pattern as marketers are looking past the holiday. Offerings are mostly light with light to moderate supplies. Demand is moderate to good and movement varies. Wholesale breaking stock prices are steady on light demand. Offerings remain light with light to moderate supplies. Schedules vary in preparation for the holiday weekend and trading is slow to moderate. The preliminary survey of retail outlets indicates decreased activity from last week with a focus shift towards specialty shell eggs. The average retail ad price rises as last week's more attractive offers expire. Source: USDA AMS as of March 27</p>
Seafood	Shrimp Steady	Shrimp Available - Steady	<p>Shrimp has continued to remain steady and at the 52-week low.</p>
Wheat (Flour Based Products)	Steady	Available/Weak	<p>Wheat Markets have traded down slightly in the past week due to solid domestic weather reports and good expectations as we move into spring wheat planting season. These wheat market decreases may translate to slight decreases in the cost of a bag of bulk flour in the coming days, however we do not expect to see any significant changes. The price levels on products that utilize flour as a key ingredient (mixes, finished goods, etc.) will likely show minimal to no change as it takes a longer term market trend to impact these types of items.</p>