



# DSR Market Insights

Week of  
April 8, 2024

CATEGORY	NEAR-TERM MARKET PRICING TREND	SUPPLY vs. DEMAND	DSR MARKET INSIGHTS COMMENTARY
Beef (Commodity)	Increasing	Available - Mixed	<i>No change. Packers continue capping harvest levels, short supply, creating product shortages, to promote and support higher selling prices and improve their 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>Contacts in the East and West note butter demand for the spring holidays has been robust. On the other hand, demand in the Central region is steady, but some contacts say holiday orders were lighter than last year. Unsalted butter is sought after across the country. Some manufactures in the East say they are storing butter for later in the year, while others suggest they are limiting their churning and selling the butter on the spot market. In West and Central markets, cream is available for production with an expected push as retail customers replenish their pipelines. The NASS Cold Storage report revealed February 2024 butter stocks were up 19% from January 2024 and up 1% from February 2023.</i></p> <p><i>East Region Cream demand is steady in the East. Monday's NASS Cold Storage report revealed February 2024 butter stocks were up 19% from January 2024 and up 1% from February 2023. Butter plant managers in the Northeast relay butter production schedules in line with recent weeks and share they are primarily freezing butter in bulk for later in the year. Elsewhere in the region, contacts share they are churning minimally and are selling cream on the spot market. Contacts note retail butter demand is strong heading into the holiday weekend. Foodservice demand is also said to be stronger, with contacts noting butter chips are in higher demand than in recent weeks.</i></p> <p><i>Central Region Butter makers reported generally steady demand ahead of the holiday last week. That said, some contacts say holiday demand was lighter than last year's. They relay they will have a clearer gauge of market tones after the holiday dust has settled in the next few weeks. Cream has been and is readily available for butter churning in the region. Butter makers say they Eastern cheese plant managers relay steady production schedules. Retail</i></p>
Cheese	Steady	Available - Steady	<p><i>cheese demand is noted to be seasonally steady. Overall market tones remain bearish as demand is light, and cheese inventories are ample. Cheese demand in the Midwest is noted to be more active than recent weeks. Milk availability is loose, and spot load prices were exclusively reported below Class III. Block inventories are comfortable. In the West, current cheese market prices are enticing some buyers, but demand remains generally quiet. Contacts share milk production is reaching early spring flush levels. Plant downtime is anticipated to exacerbate already ample milk volumes. Contacts share export demand remains limited.</i></p> <p><i>East Region Milk production continues to trend higher in the East. Cheese plant managers share that production schedules are steady. Contacts share retail cheese demand is steady. Overall cheese market tones remain bearish. NASS Cold Storage report released on Monday revealed that cheese inventories are largely unchanged, as February 2024 total natural cheese stocks in refrigerated warehouses were up slightly from January 2024 and up 2% from February 2023.</i></p> <p><i>Central Region Midwestern cheesemakers say demand has been somewhat more active in recent weeks. Market pricing and seasonal needs have cheesemaker contacts relaying stronger buying interest. Demand from Eastern pizza makers has noticeably increased since the Ides of March. Cheese supplies are available, particularly for block varieties. Milk availability is growing and it is expected to increase with upcoming holiday plant downtime and seasonal farm milk output humps. Reported spot load prices this week</i></p>
Canned Vegetables - Whole Potatoes & Whole Beets	Increasing	Short - Strong	<i>While limited inventories are still present of larger whole sizes, inventory of 6/10 Small or Tiny Whole Potatoes and Whole Beets are exhausted until new pack in late August.</i>
Fluid Dairy	Class I - Decreasing Class II - Steady	Class I Available - Steady Class II Short - Strong	<i>We saw small cost increases for April on Milk (Class I) and Cultured/Creams (Class II).</i>
Oils/Shortening	Steady	Available - Mixed	<i>The recent decline that we enjoyed in commodity oils has reversed and we are now seeing slight increases in all common oilseed products (Soy, Canola, Corn, Cotton, Peanut, etc.). Prices are expected to remain at similar levels in the coming days. Margarine prices are still looking higher than preferred and are not expected to decrease near term. Premium Shortenings and Oils will maintain current pricing levels as we move through the month.</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)	Steady	Short - Steady	<i>Pricing on most cuts have remained steady this week. Tenderloins have continued to appreciate slightly each day this week. Wings continue to follow traditional supply and demand patterns with some uncertainty on how demand will continue through April. The back half of the bird remains steady and supply is tight.</i>



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Poultry (Turkey)	Steady	Available – Strong	Frozen whole bird pricing remains steady and well below pricing we saw a year ago. Breast meat also remains steady with plentiful availability. Expectation is this will remain the pattern near term.
Produce		Improving/Steady - Strawberries Good/Steady - Apples, Bell Peppers, Iceberg, Russet Potatoes Short/Strong - Broccoli, Romaine, Tomatoes, Avocados, Lemons, Oranges, Grapes, Onions	Apples, Lighter supply of Golds & Pinks. Slim supply of Galas remain. Avocados, MX market higher. Short ripening times. Good quality. Bell Peppers, MX & FL spring crops are sufficient. Quality good. West Coast growing area in transition from Yuma, AZ to Salinas, CA. Lettuces, Broccoli, Cauliflower, etc. Broccoli, rain reduced Salinas harvest. Market higher, fair quality. Iceberg, AZ&CA producing. Supply improving. Quality fair, lite weight. Romaine, AZ&CA producing. Demand exceeds supply. quality fair. Fresh Cut Lettuces costs are escalated. Products have shorter life due to weaker ingredients. Transition to Salinas in mid-April. Grapes, import supply is short. MX starts in late May. Good quality. Tomatoes, low supplies over next few weeks. Good quality. Strawberries, rains have reduced supplies. Average quality. Oranges, CA Navel 88/113/138s scarce. Growers harvesting Valencia (seeds) to cover orders for small sized fruit. Good quality. Lemons, CA/AZ size running large. 200/235s scarce. Quality is fair. Onions, ID/OR storage in final weeks. New crop TX/MX insufficient. Russet Potatoes, abundant supplies, high quality and low cost.
Bulk Sugar	Steady	Mixed - Steady	Sugar pricing has not fluctuated much since January and is not expected to show much change in the near term. Supply is sufficient to cover spring demand and we do not expect to see any major changes in pricing or availability as we move through April.
Shell Eggs	Steady	Available - Steady	Shell egg demand gets a slight bump through the Easter marketing period, supported by retail holiday promotions incentivizing shopper purchasing. Negotiated prices on the loose egg market are firm as marketers assess their needs following the holiday. Offerings and supplies are light to moderate and sufficient for current business. Demand is generally light to moderate with some instances reported as good depending on position. Trading is moderate. Wholesale breaking stock prices are steady on improving demand. Offerings remain light with light to moderate supplies and breaking schedules are back to full-time. The preliminary survey of retail outlets indicates no observed activity at this point in the cycle with a focus on specialty shell eggs. Source: USDA AMS as of April 3
Seafood	Shrimp Steady	Shrimp Available - Steady	Shrimp has continued to remain steady and at the 52-week low.
Wheat (Flour Based Products)	Steady	Available - Steady	It is not expected that we will see any price changes in the coming days on bulk flour and flour based products. Wheat is in solid supply to cover current foodservice demand. We now begin watching the weather to see how the spring crop planting will progress based on weather patterns. As we still have product available from past harvests, weather driven price events are unlikely in the near future.