



DSR Market Insights

Week of
April 29, 2024

CATEGORY	NEAR-TERM MARKET PRICING TREND	SUPPLY vs. DEMAND	DSR MARKET INSIGHTS COMMENTARY
Beef (Commodity)	Increasing	Available - Mixed	<p>Anticipation is high with Memorial weekend 5-week away. Not much has changed. Packers continue hold back harvest levels to promote improved. Foodservice demand is good. Spring grilling hasn't kicked in. Add Cinco De Mayo to the mix, odds are beef demand will improve. Expect higher prices on middle Meats driven by seasonal demand.</p>
Butter	Increasing	Available - Steady	<p>Domestic butter demand varies across regions. In the West region, demand is mixed. Some industry participants noted lighter interest for retail and bulk loads from buyers. Demand is steady in the Central region. In the East region, contacts conveyed steady retail demand and steady to seasonally stronger foodservice demand. Stakeholders continue to indicate cream volumes are widely available throughout the country. Amongst butter manufacturers, churning is generally robust, overall. Butter makers indicate both salted and unsalted production is taking place. However, many contacts say availability of unsalted butter loads is tight.</p> <p>East Region Cream demand remains steady. Contacts share they continue to run strong butter production schedules and are freezing butter in bulk for later in the year. Foodservice demand is steady to seasonally stronger. Industry contacts say retail butter demand is generally steady.</p> <p>Central Region Butter makers continue to suggest summer/fall inventories are in fair shape. Production, namely churning, has been robust during the first months of the year with plentiful cream supplies week to week. Current cream availability is no different. Butter demand is steady. Interests remain for both unsalted and salted varieties, but a number of customers say unsalted 82% butterfat availability is difficult to locate. Butter market tones remain hearty.</p> <p>West Region Butter makers note strong to steady production schedules. Manufacturers indicate working to build additional unsalted and salted butter inventories. Some processors convey unsalted butter load availability is tight. Cheese production schedules are trending steady to stronger nationwide.</p>
Cheese	Steady	Available - Steady	<p>Eastern cheese plant contacts relay seasonally steady production schedules. Milk production remains strong and cheese inventories in cold storage are ample. Contacts in the East region note light foodservice demand, and steady to stronger retail demand as grilling season approaches. Cheesemakers in the Central region share curd demand is up from this point in 2023. Cheese inventories are comfortable. Spot milk availability is not as loose as in recent weeks. Cheese manufacturers are running strong production schedules in the West. Cheese inventories are adequate to meet both contractual and spot needs. Contacts share regional spot demand is moderate. Demand from international buyers is steady to stronger. Some processors continue to note that cheese production outpaces demand.</p> <p>East Region Milk production continues to grow in the East. Cheese plant contacts share seasonally steady production schedules. Cheese inventories remain ample despite there being some upticks in demand. Contacts continue to relay light foodservice demand. Retail demand is noted to be steady to stronger, with contacts citing grilling season as a possible reason for increased demand.</p> <p>Central Region As cheese market tones show further signals of life, the same is being said among contacts regarding demand. According to contacts, these bullish factors are not mutually exclusive. Customers are trying to get ahead of increasing market price points. Curd demand, according to processors, is not where it was two and three years ago, but it has improved when compared to 2023. Cheese supplies are available in the Midwest, but not at levels of</p>
Canned Vegetables - Whole Potatoes & Whole Beets	Increasing	Short - Strong	<p>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.</p>
Fluid Dairy	Class I - Decreasing Class II - Steady	Class I Available - Steady Class II Short - Strong	<p>For May, expect a decrease on Milk (Class I) and an increase on Cultured/Creams (Class II).</p>



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Oils/Shortening	Steady	Available - Mixed	Price levels on commodity oil products have remained at similar levels to this past week. The oil markets have traded in a relatively similar range in recent days based on domestic supply and world news. Analysts are not expecting any major changes in price levels in the coming days. Market prices may vary by region based on input costs, but there should not be any crazy volatility in the near term. Premium shorting products are holding steady pricing levels as they have in recent weeks. Supply is available of all product varieties to satisfy foodservice needs.
Pork (Commodity)	Mixed	Available - Strong	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.
Pork (Value-Added)	Increasing	Available – Steady	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.
Poultry (Chicken)	Steady	Short – Steady	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.
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	Lower - Broccoli, Romaine & Onions Steady - Apples, Avocados, Bell Peppers, Broccoli, Russet Potatoes, Oranges & Iceberg Higher - Avocados, Strawberries, Broccoli, Lemons, Grapes & Tomatoes	Improving/Steady - Strawberries, Broccoli, Iceberg, Romaine & Onions Good/Steady - Apples, Bell Peppers, Oranges & Russet Potatoes Short/Strong - Tomatoes, Avocados, Lemon & Grapes	Apples, good supply except for Galas, Golds & Pinks. Nice quality. Avocados, MX fruit higher, ripens quickly. CA harvesting. Good quality. Bell Peppers, MX & FL spring crops are sufficient. Quality good. Broccoli, Salinas has good supplies. Market steady. Better quality. Iceberg, Salinas struggling with quality issue due to cold wet weather. Romaine, Salinas demand low, so market easing. Quality improving. Grapes, import supply is short. MX starts in late May. Good quality. Tomatoes, demand exceeds supply. Average quality. Strawberries, supply to increase over next few weeks. Avg. quality. Oranges, CA Navel sizing large. 88/113/138s are Valencia (seeds). Lemons, CA/AZ sizing large. 165/200/235s scarce. Quality is fair. Onions, new crop TX/MX & CA, supplies increasing. Russet Potatoes, 40-70ct somewhat limited supply, higher costs. 80-120ct and #2 supplies are abundant. High quality and low cost.
Bulk Sugar	Steady	Mixed - Steady	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.
Shell Eggs	Steady	Available - Steady	Consumer demand for shell eggs declines to just below average for the recent time period but increased retail featuring in the current ad cycle at attractive sale prices may help to bring shoppers back to the dairy case. Negotiated prices on the loose egg market are lower on light to moderate interest, moderate offerings and varied supply levels. Trading is slow to moderate. Wholesale breaking stock prices are weak on limited demand. Offerings are light with light to moderate supplies. Breaking schedules are full to reduced with slow to moderate trading. The preliminary survey of retail outlets indicates increased feature activity for conventional caged shell eggs this ad cycle with a slight increase in the average ad price. Source: USDA AMS as of April 24 Throughout April there were three reports of Highly Pathogenic Avian Influenza (HPAI) in Michigan (4/2 and 4/9) and in Texas (4/2). Though these are the same type of outbreaks that led to widespread flock depopulations in 2022 and subsequent increases in market prices for eggs in 2022 and early 2023, the current scale of these late-2023 outbreaks is much smaller than that which were experienced last year. Urner Barry reports steady spot market pricing despite news of these outbreaks, however it is important to remain vigilant regarding local market conditions that may affect supply and spot pricing.



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Wheat (Flour Based Products)	Steady	Available - Weak	<i>Bulk Flour prices have dropped slightly in recent days due to ample supply and solid domestic crop out look. World news is currently looking promising for wheat availability. That should keep the markets pretty steady in the near term. That will likely result in flour and flour based products maintaining steady pricing levels in most markets.</i>