DSR Market Insights

Week of July 29, 2024

CATEGORY	NEAR-TERM MARKET PRICING TREND	SUPPLY vs. DEMAND	DSR MARKET INSIGHTS COMMENTARY
Beef (Commodity)	Mixed	Short - Mixed	*Seasonal price corrections are complete, Rib Eyes, Tenderloins, and Briskets have set seasonal and Semi-annual lows. We are in the Dog Days of Summer. Consumer demand for Beef has slowed, especially with so many families preparing for the upcoming school season the expenses that go along with the season. Near term, keep an eye on Ground Beef. Packers are deliberately tightening supply going into Labor Day weekend. Expect product shortage ahead as well as price appreciation.*
Pork (Commodity)	Mixed	Available - Mixed	*Spareribs and backrib pricing should remain relatively stable, perhaps slightly declining through August, the Butt price should continue to soften through the end of July.*
Pork (Value-Added)	Steady	Available – Steady	*Bacon prices should remain stable for the next week or so, with products using pork trim (sausages, pizza topping, etc.) should see mild increases.*
Poultry (Chicken)	Mixed	Mixed - Mixed	*Pricing on jumbo breast meat remained steady this week, while all sizes of wings took a slight decline. Tenderloins remain in tight supply. The back half of the bird remains steady and supply is tight.*
Poultry (Turkey)	Steady	Available – Steady	*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.*
Butter	Increasing	Available - Strong	*In the West, domestic butter demand varies from steady to lighter. For the Central region, domestic butter demand is slightly down. In the East, domestic butter demand is steady for retail and steady to lighter for food service. Cream volumes are generally tighter throughout the country. In the Southwest, handlers indicated fat components in milk output are decreasing. However, some week-over-week increases in cream availability for the Central region were noted. In the Northeast, roads and bridges damaged by Hurricane Beryl created some transportation difficulties. Butter production schedules are mixed.* *Source: USDA AMS as of July 19*
Cheese	Increasing	Available - Steady	*Cheese production schedules are mixed throughout the U.S. Contacts in the East say spot loads of milk available for Class III processing are tightening, but cheese production schedules have largely held steady. Cheese inventories in cold storage remain balanced with demand. In the Central region, cheesemakers relay steady production schedules. Cheese demand remains strong. Cheese manufacturers in the West share steady production schedules. Like in much of the U.S., though, milk availability is tightening week over week. Contacts note cheese inventories are available for spot buyers. Export activity varies from steady to lighter due to current domestic cheese price points.* *Source: USDA AMS as of July 12*
Cocoa/Baking Chocolate	Increasing	Available/Strong	*Based on Global weather and crop conditions, the Cocoa Bean crop is limited this pack year. World markets are trading at high prices and that continues to trickle into Foodservice. Expected pricing to remain high on all baking Chocolate and Cocoa products with the potential for more near term increases. This will also impact pricing on finished-goods that contain chocolate as a key ingredient. This situation is expected to prevail through summer months.*
Fluid Dairy	Class I - Increasing Class II - Increasing	Class I Available - Steady Class II Short - Strong	*August costs on Milk (Class I) are projected to be steady. Cultured/Creams (Class II) are projected to be up slightly.*

DSR Market Insights

Week of July 29, 2024

CATEGORY	NEAR-TERM MARKET PRICING TREND	SUPPLY vs. DEMAND	DSR MARKET INSIGHTS COMMENTARY
Oils/Shortening	Steady	Available - Mixed	*Commodity Oil products (including soybean, canola, corn, etc.) continue to sell at similar levels to those of recent days. The pricing had increased somewhat early in the month but has now settled into similar pricing levels to those seen in past weeks. Analysts do not think that we will see any major changes in the coming days. We will likely see slight increases or decreases in commodity prices in the coming days, but nothing that will be overly impactful. Premium Shortening products will likely maintain current pricing levels as we move into August.*
Produce	Lower - Broccoli Steady - Strawberries, Romaine, Iceberg, Grapes, Apples Oranges, Lemons, Avocados, Yellow Onions, Russet potatoes Higher - Tomatoes, Bell Peppers, Russet Potatoes 40s-70s	Improving/Steady - Grapes & Broccoli Good/Steady - Apples, Strawberries, Iceberg, Romaine, Russet Potatoes Short/Strong - Bell Peppers, Tomatoes, Avocados, Oranges, Lemons & Onions	*Apples, new crop harvesting starts in early August.* *Avocados supplies from MX, CA, Chile & Columbia insufficient.* *Bell Peppers, heat & rain has stressed crops. Supplies insufficient.* *Broccoli, supplies improving. Market easing.* *Iceberg, some tip burn due to heat. Wts. 38-44lbs. Good quality.* *Romaine, excellent availability. Quality above average.* *Tomatoes, market remains high as supplies insufficient.* *Strawberries, CA production strong with light demand. Quality good.* *Oranges, CA Valencia crop, 88-138s will be tight when schools start.* *Lemons, CA 165/200/235s scarce thru summer. Imports arriving.* *Onions, quality & supply issues due to high CA temps. Northwest starts in a few weeks.* *Russet Potatoes, availability of 40s-70s, limited. 80s-120s & #2's are plentiful, with good quality. Storage crop will overlap new crop in Aug.*
Bulk Sugar	Steady	Available - Mixed	*The current domestic crop season is still looking overall positive for both beet and cane crops. This will be watched diligently as we move closer to the late fall harvest. There is adequate carryover from last crop to cover Foodservice as we move into the fall baking season. There are no major price adjustments expected as we move through late summer.*
Shell Eggs	Increasing	Available - Steady	*Demand for shell eggs over the past week improved, stimulated in part by increased feature activity at retail outlets at attractive price levels combined with an easing of the recent heat wave that affected large areas of the country. Wholesale prices for negotiated trading of loose eggs are higher on limited trading. Demand is moderate to good for light offerings and light to moderate supplies. Wholesale prices for formula trading of carton stock are higher with moderate demand for light offerings. Trading is moderate. Wholesale breaking stock prices are steady with light demand and light to very light offerings. Supplies are light to moderate and trading is slow to moderate. The preliminary survey of retail outlets indicates a sharp decline activity for conventional shell eggs with an increase in the average ad price. Source: USDA AMS as of July 24* *Avian Influenza News: On 7/17 Eggs America reported a Highly Pathogenic Avian Influenza (HPAI) outbreak affective 1.3MM hens. This follows a report on 7/8 from Eggs America of an HPAI outbreak at another Colorado farm affecting 2MM cage-free birds, in addition to earlier HPAI outbreak reports back in April/May.*
Wheat (Flour Based Products)	Steady	Available - Mixed	*We have seen some slight softening in bulk flour prices in recent days s (both standard and high gluten products) based on strong crop reports coming from the field. The Winter Crop harvest is currently offering solid supply and the Spring Crop is healthy and abundant. Unless there is a significant weather*