



DSR Market Insights

Week of
August 5, 2024

CATEGORY	NEAR-TERM MARKET PRICING TREND	SUPPLY vs. DEMAND	DSR MARKET INSIGHTS COMMENTARY
Beef (Commodity)	Mixed	Short - Mixed	<i>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.</i>
Pork (Commodity)	Mixed	Available - Mixed	<i>The butt price should decline a bit more over the next couple of weeks. Sparerib and backrib prices should remain stable through Labor Day, however because hog weights are about 4lbs heavier than last year, light ribs may be in short supply so anticipate shortages.</i>
Pork (Value-Added)	Steady	Available - Steady	<i>Bacon prices should remain stable for the next week or so, with products using pork trim (sausages, pizza topping, etc.) should see mild increases.</i>
Poultry (Chicken)	Mixed	Mixed - Mixed	<i>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.</i>
Poultry (Turkey)	Steady	Available - Steady	<i>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.</i>
Butter	Steady	Available - Steady	<p><i>Butter makers are running active production schedules in the East and Central regions, but churning is seasonally light in the West. Cream volumes are tight or tightening throughout the country. Contacts in the East region note spot volumes of cream are limited. In the Central region stakeholders say cream is more available than typical for this time of year, though butter makers are purchasing cream volumes from the West to meet their manufacturing needs. In the West, salted butter loads are available, while unsalted butter inventories remain tighter. Central region butter inventories are also available. Demand for butter is steady to lighter, domestically, in the Central and West regions this week, though contacts in the West relay moderate international interest. In the East, retail demand has held steady while food service sales are steady to lighter.</i></p> <p>Source: USDA AMS as of July 26</p>
Cheese	Steady	Available - Strong	<p><i>Cheese production schedules continue to trend steady to lighter throughout much of the U.S. Contacts in the East region relay mixed production schedules. Some processors are running production schedules in line with recent weeks, whereas others share lighter production. Contacts share retail demand remains strong. Cheesemakers in the Central region note active production schedules despite tightening spot milk availability. Cheese demand is steady, and some contacts shared increased interest from customers in Mexico. Contacts in the West indicate seasonally weaker cheese production. Spot milk availability is limited, but manufacturers have shared enough milk is available to meet production needs.</i></p> <p>Source: USDA AMS as of July 26</p>
Fluid Dairy	Class I - Increasing Class II - Increasing	Class I Available - Steady Class II Short - Strong	<p><i>August costs on Milk (Class I) are projected to be steady. Cultured/Creams (Class II) are projected to be up slightly.</i></p>



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Oils/Shortening	Steady	Available - Strong	<i>Pricing on commodity oil products (particularly Soybean Oil) has shown slight declines in recent days following the slight increase a couple of weeks ago. This scenario has been ongoing since spring and pricing will likely follow this trend in the coming days. Right now the current crop in-the-ground looks solid and there is adequate carryover from last harvest to cover demand. It is unlikely that we will see any crazy price increases or declines in the near term unless there is some significant weather or political event that causes traders to buy or sell in haste.</i>
Produce	Lower - Broccoli Steady - Strawberries, Romaine, Iceberg, Grapes, Apples Oranges, Lemons, Avocados, Russet potatoes Higher - Tomatoes, Onions, Peppers, Russet Potatoes 40s-70s	Improving/Steady - N/A Good/Steady - Broccoli, Apples, Strawberries, Iceberg, Romaine, Russet Potatoes Short/Strong - Peppers, Tomatoes, Avocados, Oranges, Lemons, Onions	<i>Apples, new crop. Galas start in Sept. Plenty of smaller fruit this fall. Avocados supplies from MX, CA, Chile & Columbia insufficient. Bell Peppers, heat & rain stressed crops. Demand exceeds supplies. Broccoli, strong supplies, above average quality Iceberg, plenty of supply. Wts. 39-44lbs. Good quality. Romaine, plentiful. Quality above average with good size and weight. Tomatoes, strong demand and low supplies keeping market elevated. Strawberries, CA production strong with light demand. Quality good. Oranges, CA Valencia 88-138s even tighter as schools return. Lemons, CA 165/200/235s scarce thru September. Imports arriving. Onions, quality & supply issues due to high CA temps. New crop Northwest Onions start in mid-August. Russet Potatoes, 40s-70s, limited. 80s-120s & #2's are plentiful. Some pressure bruising showing. Storage crop will overlap new crop in Aug.</i>
Shell Eggs	Increasing	Available - Steady	<i>Demand for shell eggs over the past week was about unchanged and in balance with supply. Wholesale prices for negotiated trading of loose eggs are firm but lightly tested. 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 to good demand for light offerings. Trading is moderate. Wholesale breaking stock prices are firm with light demand and mostly light offerings. Supplies are light to moderate and trading is slow to moderate. The preliminary survey of retail outlets indicates increased activity for conventional and specialty shell eggs with a sharp decline in the average retail ad price. Source: USDA AMS as of July 31</i> <i>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.</i>
Wheat (Flour Based Products)	Steady	Available - Mixed	<i>Pricing on most bulk flour products has remained steady over the past couple of weeks as product is available to meet demand in most markets and the currently supply is available to cover domestic demand. Based on solid reports regarding the Winter Crop Harvest and the Spring Crop's current growth pattern, overall pricing should not show any major increases in the near term. We do expect some softening on High Gluten Flour Products in the coming weeks due to ample supply.</i>