



# DSR Market Insights

Week of  
August 26, 2024

| CATEGORY  | NEAR-TERM MARKET PRICING TREND                | SUPPLY vs. DEMAND                                     | DSR MARKET INSIGHTS COMMENTARY  |
|---|---|---|---|
| Beef (Commodity)                                | Stable  | Available - Steady                                    | <i>With July 4th demand behind us, summer temperatures climbing, and the start of a new school season ahead, demand for beef will slow. Packers are entering a period of margin compression. While prices will ease lower, seasonally expect a bumpy ride as packers fight to keep prices high</i>  |
| Butter  | Stable  | Available - Steady                                    | <i>As of June 30, cream volumes are available in all regions. Some contacts in the Central region note cream suppliers in the region are offering larger volumes ahead of the July 4th holiday. Butter makers are operating active schedules, as some continue running seven-day schedules. In the Central region, some butter makers say they did not anticipate running current busy schedules at this point of the year but cite strong cream availability as contributing to current butter production. Cream remains available for strong butter production in the West. Contacts in the West say Independence Day has contributed to retail demand picking up this week and anticipate increased food service demand next week. The holiday is also contributing to strong demand for butter in the East. Demand for butter is steady in the Central region, as some stakeholders report sales are seasonally increasing.</i> |
| Cheese  | Decreasing                                    | Available - Steady                                    | <i>As of June 30, milk is available for cheesemaking throughout the country. Some contacts in the Northeast say milk is being discarded. In the Upper Midwest milk surpluses are keeping cheese flowing into Class III plants. Cheesemakers are running active production schedules in the Northeast and West. In the Northeast, cheese sales are steady to strong. Contacts in the West report steady food service sales, but softening retail demand. Some contacts in the region note frozen pizza demand is below 2022 levels and say this is negatively impacting mozzarella cheese sales. Demand for cheese is busy in the Midwest, and some contacts report turning away new orders as they are nearly oversold. Meanwhile, Northeast cheese inventories are ample. Contacts in the West say spot loads of cheese barrels and blocks are available for purchasing.</i>   |
| Fluid Dairy                                     | Class I - Decreasing<br>Class II - Increasing | Class I Available - Steady<br>Class II Short - Strong | <i>Milk (Class I) costs easing a bit for July. Cultured/Creams (Class II) costs looking at a modest increase for July. UHT Cream remains demand exceeds supply.</i>   |
| Canned Vegetables                               | Stable  | Short - Strong  | <i>Availability and supply challenges are present coming into new pack for select items within canned categories such as Lima Beans, Wax Beans, Beets, Carrots, Whole Potatoes, and Mixed Vegetables.</i>   |
| Canned Tomatoes-West Coast                      | Stable  | Short - Strong  | <i>West Coast processors experiencing shortages in supply on select items such as puree, sauces, and whole peeled products heading into this years harvest period. Weather related challenges will likely delay new pack processing into late July or early August.</i>   |
| Canned Fruits<br>(Peaches, Pears, Mixed Fruits) | Stable  | Short - Strong  | <i>While supply of most extra light syrup Northwest and West Coast fruits are currently present, inventories of select Juice packed Peaches, Pears, and Mixed Fruits are awaiting new pack production.</i>  |
| Oils, Shortening                                | Increasing                                    | Available - Steady                                    | <i>Soybean oil prices on the stock market are at the highest levels seen in several months. This has caused recent price increases on all Soybean oil and shortening products. The higher prices have also carried over into Canola, Peanut, Cotton and Sun products. High Oleic products are still in limited supply and pricing remains at higher selling levels as seen in recent months. As we move through Summer, analysts will be watching the current crop depletion rate and how weather is impacting the new crop. These will be the two key factors that impact pricing and supply. World Palm Oil Supply has been recently limited and prices have increased. This will impact margarine prices in the near term. Look for prices to remain similar to current elevated levels on most products in the near future. Product supply should be adequate to cover demand on most products.</i>                             |
| Pork (Commodity)                                | Increasing                                    | Short - Strong  | <i>The butt price should increase slightly another week after which it should decline slightly through the end of June. The spare rib should continue to increase in value through July 4, then begin the steady but slight decline through Labor Day. The backribs price should decline slightly week on week until Labor Day.</i>   |
| Pork (Value-Added)                              | Increasing                                    | Available – Steady                                    | <i>The belly value is on the rise after two months of nearly flat pricing. Expect bacon pricing to nearly double in price between now and mid-August.</i>   |
| Poultry (Chicken)                               | Stable  | Mixed – Steady  | <i>Boneless breast meat prices remained steady this week. Small and medium wings have remained steady this week, while jumbo wings have taken a slight increase. Tenderloins have also remained steady. Whole chickens and WOGs remain steady with little activity. The back half of the bird also remains steady. There is a expectation as we move later in the summer that the back half of the bird will begin to increase in price.</i>  |
| Poultry (Turkey)                                | Steady  | Short – High  | <i>Fresh breast meat prices have remained steady and are there 52-week low. Whole bird availability is showing in the marketplace. The turkey market is recovering from the HPAI effects that occurred in 2022, as long as it stays the course, availability should continue to rebound in 2023.</i>  |



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|------------------------------|---|--|--|
| Produce                      | Lower: Grapes & Onions<br>Stable: Strawberries, Apples & Tomatoes<br>Increasing: Avocados, Broccoli, Iceberg & Romaine, Lemons, Oranges, & Idaho Potatoes | Improving - Grapes & Onions<br>Good - Strong: Strawberries<br>Short - Strong: Avocados, Apples, Broccoli, Iceberg, Romaine, Lemons, Oranges, Idaho Potatoes & Tomatoes | <p><u>Apples</u>: Golds finishing. Granny supply low, ample supplies of smaller sized Red, Galas &amp; Fujis.</p> <p><u>Avocados</u>: MX &amp; CA. Market rising very fast as MX has reduced shipments to boost prices. Peru fruit limited.</p> <p><u>Broccoli</u>: supplies tight, prices rising due to severe weather in MX.</p> <p><u>Iceberg, Romaine and Hearts</u>: production is down. Prices up. Weights lower.</p> <p><u>Grapes</u>: new crop greens higher, Reds lower.</p> <p><u>Tomatoes</u>: supplies &amp; market are steady but elevated costs until July.</p> <p><u>Strawberries</u>: production will peak in July. Market steady. Nice quality.</p> <p><u>Oranges (Navels)</u>: shipping new crop Valencias (seeds). Pricing remains high.</p> <p><u>Lemons</u>: rains produced larger fruit. Small sizes ltd. Prices climbing.</p> <p><u>Onions</u>: CA &amp; NM growing region.. Supply shortage. Good quality.</p> <p><u>Idaho Russet Potatoes</u>: Burbanks shipping. Quality is good. #2 availability increasing. Prices extreme due to a short '22 crop. No relief until Aug.</p> |
| Sugar                        | Mixed   | Short - Steady   | Domestic sugar supplies continue to dwindle as everyone watches the weather to see if the fall crop will provide ample supply. Domestic sugar demand typically increases as we move through the later summer months in preparation for fall baking season. As we started the crop year in tight supply, this summer will lead to continuation of tight supply and ongoing higher prices. It is not expected that we will see any price relief as we move through late summer.  |
| Shell Eggs                   | Steady  | Available - Steady   | As of July 5, consumer demand for shell eggs improved into the long holiday weekend as shoppers looked to compliment their grilled fare with egg-based salads for outdoor celebrations. Wholesale prices for cartoned eggs are steady on a light to moderate offerings and moderate supplies. Interest is moderate as is trading is moderate. Prices on the loose egg market are firm on mostly moderate demand, moderate supplies, and light to moderate offerings. Trading is moderate. Wholesale breaking stock prices are steady with light to moderate demand and supplies for light offerings. Schedules are returning to normal following the holiday. Trading is slow to moderate. The preliminary survey of retail outlets indicates modest improvement in activity with a sharp drop in the average ad price.  |
| Seafood                      | Shrimp<br>Decreasing  | Shrimp<br>Available - Steady   | Shrimp has continued to decrease in price across all sizes and imported variations. Supply continues to outweigh demand.   |
| Wheat (Flour Based Products) | Increasing  | Available – Steady   | The story on domestic wheat has not changed much in recent days. Prices are still higher than hoped. World wheat pricing remains at high levels based on supply concerns related to the black sea region and domestic weather concerns. If domestic weather conditions do not improve in the coming weeks, we could see domestic supply start to tighten as we move into fall. This may put pressure on pricing through the summer and into fall.  |
| Polypropylene Resin          | Decreasing  | Available - Steady   | The holiday week combined with resin factories around the Gulf of Mexico and Texas building inventory to protect against this years hurricane season have effectively left these markets unchanged with unremarkable trading.  |