



DSR Market Insights

Week of
September 9, 2024

CATEGORY	NEAR-TERM MARKET PRICING TREND	SUPPLY vs. DEMAND	DSR MARKET INSIGHTS COMMENTARY
Beef (Commodity)	Mixed	Short - Mixed	<i>Prices, driven by reduced packer production have killed consumer demand. Packer will continue short and control supply, to ensure Beef prices remain as high as possible to meet financial expectation for packer stockholders and shareholders. No change in market conditions is expected through years end and beyond. Near-term, expect price appreciation across the Beef complex. Product availability will tighten going into Labor Day weekend as Retail demand increases. Beef pricing should ease following the holiday weekend for a period of approximately 30-days. Near-term price appreciation is artificial and will be short lived.</i>
Pork (Commodity)	Decreasing	Increasing - Steady	<i>Pork market prices are facing downward pressure due to increasing or steady supply, while demand, particularly for ribs, is softening. Bone-In Butt, Spare Ribs, and Backribs are expected to see near-term price declines as supply outpaces demand.</i>
Pork (Value-Added)	Bacon: Decreasing Sausage: Steady	Bacon: Increasing - steady Sausage: Steady - Steady	<i>Bacon prices are expected to decline due to rising supply, while Sausage prices are likely to remain stable with balanced supply and demand.</i>
Poultry (Chicken)	Mixed	Mixed - Mixed	<i>Pricing on jumbo breast meat increased this week, while jumbo and medium wings decreased. 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>
Seafood	Salmon - Increasing Shrimp - Steady Swai - Steady	Salmon - Decreasing/Increasing Shrimp & Swai - Steady/Steady	<i>Salmon prices rise due to tight supply and strong demand. Shrimp and Swai markets remain stable with balanced supply and demand, keeping prices steady despite minor challenges in the shrimp supply chain.</i>
Butter	Steady	Available - Steady	<i>Nationwide, butter churning is steady. Cream availability has increased, and multiples have eased slightly. Some contacts anticipate the next two weeks may provide greater opportunities for strengthened churning. Some butter manufacturers are also busy micro-fixing to prepare for fall seasonal needs. Butter demand is steady to ticking higher seasonally. Seasonal purchases and buyers seeking to assure coverage of fall butter needs are pulling butter inventories lower.</i> <i>Source: USDA AMS as of August 30</i>
Cheese	Increasing	Available - Strong	<i>Despite strengthening market prices, cheesemakers say increasing demand has shown no marked difference week over week. Cheese demand is steady, and inventories are tightening seasonally. Milk availability increased as the school milk pipeline's capacity was filled and as the Labor Day weekend approached. While cheese production is steady to stronger in the Central and East regions, some West region cheesemakers report continued high temperatures and seasonally depressed milk availability have some cheese plants operating at below full capacity.</i> <i>Source: USDA AMS as of August 30</i>
Fluid Dairy	Class I - Increasing Class II - Increasing	Class I Available - Steady Class II Short - Strong	<i>September costs for Milks (Class I) are higher. September costs for Cultured/Creams (Class II) are higher.</i>



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Oils/Shortening	Steady	Available - Steady	<i>In early August, the soybean market fell to some of the lowest prices that we have seen in a few years. That did cause our prices to decrease during the month. The trading markets have since reversed somewhat and prices have show modest increases in recent days. Current pricing levels will likely prevail in the coming day. Other domestic oilseed products have followed a similar pricing trend. Palm Oils (the key ingredient in margarine and some cube shortenings) are still maintaining an elevated market. Thus pricing levels on these items will likely also remain in a similar range as we move through the month.</i>
Produce	Lower - Tomatoes Steady - Avocados, Broccoli, Bell Peppers, Lemons, Onions Higher - Apples, Strawberries, Iceberg, Romaine, Oranges, New Crop Russet Potatoes	Improving/Steady - Avocados, Broccoli, Onions, Peppers Good/Steady - Apples, Romaine, Russet Potatoes Short/Strong - Strawberries, Iceberg, Tomatoes, Oranges, Lemons	<i>Apples, fall Crop projected to be 12% below last year. Leaning to smaller fruit. Gala & Grannies reduced volumes. Market increasing. Avocados, MX supply up, CA/Peru dwindling. Note longer ripening time. Bell Peppers, production stable. Good quality. Broccoli, supplies are steady. Quality fair to good. Iceberg, more schools starting = higher costs. Above average quality. Romaine, active due to school demand. Quality good with good weight. Tomatoes, persistent rains limiting supplies, keeping market elevated. Strawberries, CA volume declining seasonally. Avg. Quality. Oranges, CA Val's scarce as schools return. Late Oct. Navels start. Lemons, CA 165/200/235s scarce thru September. Imports arriving. Onions, ID/OR new crop primary source. Reds & Whites elevated. Russet Potatoes, new crop shipping at higher costs. Storage Burbanks finishing at big discount vs. new crop, some pressure bruising.</i>
Sugar (Bulk)	Steady	Available - Steady	<i>As we inch towards fall harvest season, Sugar prices remain steady. Regional Supply concerns expressed earlier in the year have been alleviated. We should have enough of current crop to adequately supply demand through the fall baking season. The new Crop is progressing nicely. Unless there is a major weather event, Harvest (begins late October) should offer a solid crop to help maintain supply long term. We may see some small price changes as we move into late fall, but nothing extreme is expected at this point.</i>
Shell Eggs	Increasing	Available - Steady	<i>Demand for shell eggs continues to decline from its recent highs and has fallen below average as retail incentives fade and prices temper interest. Wholesale prices for negotiated trading of loose eggs are lower on moderate demand for light offerings. Supplies are light to moderate with moderate trading. Wholesale prices for formula trading of carton stock are lower with mostly moderate demand for light offerings and light to moderate supplies. Trading is moderate. Wholesale breaking stock prices are lower with limited demand for light offerings. Supplies are light to moderate, trading is slow to moderate, and schedules are full to reduced. The preliminary survey of retail outlets has yet to indicate any activity with no average ad price established at this time. Source: USDA AMS as of September 4 Avian Influenza News: On 7/15 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 - Steady	<i>The new crop harvest is continuing in a positive manner and yield is looking strong. We still have enough carryover from last harvest to cover domestic needs until new harvest has completed. As long as conditions stay similar, we do expect current pricing levels to prevail as we move into mid-month. Finished Goods utilizing Wheat/Flour as a key ingredient, will likely not show any significant price changes in the coming weeks.</i>