



DSR Market Insights

Week of
October 7, 2024

CATEGORY	NEAR-TERM MARKET PRICING TREND	SUPPLY vs. DEMAND	DSR MARKET INSIGHTS COMMENTARY
Beef (Commodity)	Mixed	Short - Mixed	<i>Beef markets remain unsettled. Packers are interested in increasing prices to improve margins. Buyers remain on the sidelines while packer struggle to clear on hand inventories without price discounts. Live Cattle values are creeping higher, which will cause packers to be more aggressive shorting the market to improve financial returns. Sustainable price appreciation will occur in 2-weeks. Beef market will look for traction until then.</i>
Pork (Commodity)	Butt - Increasing Sparerib - Decreasing Backribs - Decreasing	Butt - Available - Decreasing Sparerib - Available - Decreasing Backrib - Available - Increasing	<i>Bone-in Butt 1/4" prices are expected to hold steady or slightly increase for a few weeks before declining through October. Spare ribs are forecasted to steadily decrease as demand softens. Backribs will experience a more gradual price drop due to stronger demand, though supply is tightening less aggressively than for spare ribs.</i>
Pork (Value-Added)	Bacon - Decreasing	Bacon - Increasing - Steady	<i>Bacon prices are expected to decrease in the near term as belly primal prices trend lower. Supply is increasing due to more normalized inventories, while demand remains stable. This combination will likely drive prices down through the end of the year, with bacon costs expected to decline steadily.</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	Shrimp - Increasing Salmon - Increasing Lobster - Increasing	Shrimp - Mixed Salmon - Available - Steady Lobster - Decreasing - Steady	<i>Shrimp prices are stable with supply challenges, especially in wild shrimp, while demand is mixed but expected to rise. Salmon prices are stable to slightly increasing, with tight supply for larger sizes and moderate demand. Lobster prices are increasing due to limited fishing and raw material shortages, with active demand leading to unfilled orders in some cases.</i>
Butter	Decreasing	Available - Steady	<i>Retail and food service butter demand is steady in the East. For the Central region, butter demand is stronger. In the West region, salted butter demand is steady, while bulk butter demand is lighter. Cream volumes are widely available throughout most of the country. Some plant downtime in the Midwest is noted as contributing to more abundant cream availability. Butter production varies from steady to strong across the nation. Churns are building stocks ahead of Q4 maintenance projects and holiday period demands yet to come.</i> <i>Source: USDA AMS as of September 27</i>
Cheese	Decreasing	Available - Strong	<i>Cheese production remains mixed throughout the country. In the East, limited milk availability has tempered cheese production schedules. Contacts in the region say current cheese price points have dissuaded some customers, and demand is quiet. Cheesemakers in the Central region continue to note extended plant downtime. While milk availability remains tight, plant downtime has freed up some milk volumes to cheesemakers. Cheese demand has slowed in the region. In the West, cheese production ranges from steady to stronger. Mozzarella demand is reportedly strong. Overall, spot cheese inventories, namely for barrel cheeses, remain tight.</i> <i>Source: USDA AMS as of September 27</i>
Fluid Dairy	Class I - Increasing Class II - Increasing	Class I Available - Steady Class II Short - Strong	<i>October cost increase for Milks (Class I) are in place. October cost increase for Cultured/Creams (Class II) are in place.</i>



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Oils/Shortening	Increasing	Available - Steady	<i>The higher pricing levels that we have seen in recent days on most commodity oil products will likely prevail over the next couple of weeks. Though the current crop harvest is still progressing at a steady pace, global supply concerns and domestic political issues have impacted prices in the trading markets over the past couple of weeks. We do expect to see Premium and Blended Shortenings along with Commodity Frying Oils to maintain relatively steady pricing levels in the near term. Margarine prices remain at elevated levels based on limited global production and supply. It too early to tell if the Dock-Workers Strike will impact pricing levels.</i>
Produce	Decreasing - New Crop 40-70sz Russet Potatoes Steady - Apples, Bell Peppers, Iceberg, Romaine, Lemons, Onions Increasing - Avocados, Broccoli, Tomatoes, Strawberries, Oranges, New Crop 80-100sz Russet Potatoes	Improving/Steady - Avocados, Broccoli & Peppers Good/Steady - Apples, Romaine, Iceberg, Tomatoes, Peppers, Onions & Russet Potatoes Short/Strong - Strawberries, Oranges, Lemons	<i>Apples, new fall Crop 12% below 2023. Leaning to small size fruit. Avocados, rains reduced harvest in MX. Peaking on 48ct size. Bell Peppers, adequate supply, good quality. Broccoli, supplies tighter due to insects. Quality is average. Iceberg, some lower quality, light weight lettuce is being discounted. Romaine, warm temps resulted in surplus supply, quality strong. Tomatoes, higher as record rainfall reduced east coast supplies. Strawberries, north CA supply declining, south CA New Crop increasing. Oranges, CA Val's scarce, fair quality. Navel relief in late Oct. Lemons, CA 165-235s supply improving as a new areas starts harvest. Onions, ID/OR harvest finishing. Excellent quality. Reds still elevated. Russet Potatoes, new crop Nekota harvest peaking on large 40-70sz. 80-140 sizes and #2s remain limited.</i>
Sugar	Mixed	Available - Steady	<i>Domestic cane and beet crops continue to show signs of a healthy harvest and solid yields. This has caused the market to show some minimal softening in domestic prices of both beet and cane sugar in some regions. It is expected that similar pricing levels will remain in the coming weeks. The final harvest tonnage will not be known yet for a couple of months, so analysts will continue to watch weather patterns and hope that the crop conditions continue in the current healthy trend.</i>
Shell Eggs	Steady	Available - Steady	<i>Demand for shell eggs continues to make incremental improvements but remains below average. Wholesale prices for negotiated trading of loose eggs are firm to higher mostly moderate demand for moderate offerings and supplies. Trading is slow to moderate. Wholesale prices for formula trading of carton stock are steady with mostly moderate demand, moderate offerings, and light to moderate supplies. Trading is slow to moderate. Wholesale breaking stock prices are steady with moderate to good demand for light to moderate supplies and offerings. Schedules are full and trading is moderate. The preliminary survey of retail outlets indicates a decline from last week's pace with a focus on specialty types. Source: USDA AMS as of October 2</i> <i>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>No major changes in the price of commodity flour products have occurred in recent days. Supply remains adequate to cover domestic demand for the near term. Winter Wheat planting season is looking solid at this point. World markets on wheat are not showing any recent signs of turmoil at this time. Analysts will continue to watch world politics as conflicts could impact pricing longer term.</i>