DSR Market Insights

Week of
October 14, 2024

CATEGORY	NEAR-TERM MARKET PRICING TREND	SUPPLY vs. DEMAND	DSR MARKET INSIGHTS COMMENTARY
Beef (Commodity)	Mixed	Short - Mixed	*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.*
Pork (Commodity)	Butt - Increasing Sparerib - Decreasing Backribs - Decreasing	Butt - Available - Decreasing Sparerib - Available - Decreasing Backrib - Available - Increasing	*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.*
Pork (Value-Added)	Bacon - Decreasing	Bacon - Increasing - Steady	*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.*
Poultry (Chicken)	Mixed	Mixed - Mixed	*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.*
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.*
Seafood	Shrimp - Increasing Salmon - Increasing Lobster - Increasing	Shrimp - Mixed Salmon - Available - Steady Lobster - Decreasing - Steady	*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.*
Butter	Decreasing	Available - Steady	*Domestic butter demand is steady in the East. For the Central region, domestic butter demand varies from steady to quiet. In the West region, domestic butter demand varies from steady to lighter. That said, some stakeholders note 2025 contractual booking is picking up. Demand from international buyers is stronger. Cream volumes are widely available across the nation. However, parts of the East region are seeing some disruptions in milk production and cream load transportation. Cream demand from butter manufacturers is mixed. Retail butter production paces are strong or steady. However, bulk butter production paces are more mixed.* *Source: USDA AMS as of October 4*
Cheese	Decreasing	Available - Strong	*Cheese production continues to vary throughout the U.S. In the East, cheese production varies from seasonally lighter to steady depending on manufacturer. The National Agricultural Statistics Service August Cold Storage report released last week lists total cheese stocks in storage at 1.4 billion pounds, down 3.1 million pounds from July. Cheesemakers in the Central region note mixed cheese demand. Some barrel processors have shared increased barrel availability but say spot loads move quickly. In the West, contacts share bottling demand continues to draw upon milk volumes available for Class III manufacturing. Contacts share steady cheese production schedules. Mozzarella production is strong. Cheese barrel inventories remain tight.* *Source: USDA AMS as of October 4*
Fluid Dairy	Class I - Increasing Class II - Increasing	Class I Available - Steady Class II Short - Strong	*October cost increase for Milks (Class I) are in place. October cost increase for Cultured/Creams (Class II) are in place.*

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Oils/Shortening	Mixed	Available - Steady	*The price of Soybean Oil had taken a downward turn this past week, which had suppliers hopeful for a price decrease. However, the dip in the markets was short-lived and the markets have increased back to levels that we have seen the past couple of weeks. This will likely translate to pricing on commodity products (Soy, Canola, Peanut, etc.) to remain as similar levels to those we have seen the past couple of weeks. Cottonseed Oils may show some longer term increases due to hurricane damage to the crops in the Southeast. Margarine prices will likely maintain the higher ranges that we have seen in recent weeks. At this time their is steady supply to cover all domestic demand on most products. We will need to watch Cottonseed oil over a longer term to determine if there may be any availability concerns.*
Produce	Decreasing - New Crop 40-70sz Russet Potatoes Steady - Apples, Iceberg, Romaine, Lemons, Onions Increasing - Avocados, Bell Peppers, 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	*Apples, fall harvest below 2023. Small Grannies limited. Avocados, rains reduced harvest in MX, pushing prices. Peaking on 48s. Bell Peppers, recent GA & NC rains reduced supplies, 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 but some tip burn showing. Tomatoes, higher as record rainfall reduced east coast supplies. Strawberries, CA heat wave affecting quality. Order for fast turns. Oranges, CA Val's scarce, fair quality. New CA Navels start in late Oct. Lemons, CA 165-235s supply improving as a new areas start 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. Quality Excellent!*
Sugar	Mixed	Available - Steady	*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.*
Shell Eggs	Steady	Available - Steady	*Demand for shell eggs continues to improve over the past week, driven more by a short bout of panic buying and tight supplies than sustained consumer interest. Wholesale prices for negotiated trading of loose eggs are advancing with improved demand for light to moderate offerings and supplies. Trading is moderate to active. Wholesale prices for formula trading of carton stock are higher with moderate to good demand for light offerings and light to moderate supplies. Trading is moderate to active. Wholesale breaking stock prices are higher with moderate demand for light offerings and mostly moderate supplies. Schedules are full and trading is moderate. The preliminary survey of retail outlets indicates limited activity with a sharp rise in the average ad price on the limited test.* *Source: USDA AMS as of October 9*
Wheat (Flour Based Products)	Increasing	Available - Steady	*Prices on bulk flour products have shown some increases in recent days. This increase has particularly impacted high gluten products. This increase is primarily due to world politics and potential world supply tightening longer term. Domestic supply remains adequate to demand for this year. Winter Wheat planting season is looking solid at this point. We do not foresee any additional major changes in bulk flour prices or products containing wheat in the coming days.*