



DSR Market Insights

Week of
October 21, 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	In the East region, domestic demand for butter is steady. In the Central region, domestic butter demand is stronger. In the West region, domestic butter demand varies from steady to lighter. Stakeholders throughout the country convey some buyers are holding back from purchasing, waiting to see if butter prices might adjust lower. Cream volumes are readily available across the nation. In some cases, butter makers are turning down spot cream offers due to being at processing capacity. Some parts of Eastern U.S. continue to face transportation challenges. Butter manufactures note strong or steady production paces. Source: USDA AMS as of October 11
Cheese	Decreasing	Available - Strong	Cheese production remains varied throughout the U.S. In the East, contacts share cheese production remains seasonally steady-to-lighter. Cheese inventories are adequate to meet demand. Foodservice demand has picked up slightly. Cheesemakers in the Central region relay steady to active production schedules. Milk availability remains somewhat tight. Contacts share demands for cheddar and Italian style cheeses are steady. In the West, contacts relay milk volumes are readily available for Class III processors. Production schedules range from steady-to-stronger. Cheese demand is varied. Some buyers share hesitancy over purchasing additional spot loads. Source: USDA AMS as of October 11
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	Steady	Available - Steady	<i>The price of commodity soybean and canola seed products has remained at similar levels in recent days. Though we saw some slight declines in the market, they have returned to similar levels to those we have seen in over the past month. We do not expect to see any major changes in pricing on most oilseed products in the coming days. Margarine prices will likely stay at their ongoing higher levels as imported Palm Pricing is still very high. There is no expectation that we will see any softening in margarine pricing in the near future. All products are in good position to cover foodservice needs.</i>
Produce	Decreasing - 40-70sz Russet Potatoes Steady - Avocados, Iceberg, Romaine, Lemons, Onions Increasing - Apples, Bell Peppers, Broccoli, Tomatoes, Strawberries, Oranges, 80-140sz Russet Potatoes	Improving/Steady - Avocados, Broccoli & Peppers Good/Steady - Romaine, Iceberg, Tomatoes, Peppers, Onions, Russet Potatoes Short/Strong - Apples (small sizes), Strawberries, Oranges, Lemons	<i>Apples, volume down, sizing larger. Challenge for small Foodservice sizes. Avocados, rains reduced harvest in MX, pushing prices. Peaking on 48s. Bell Peppers, Hurricanes reduced supplies and quality. Broccoli, supplies tighter due to insects. Quality is average. Iceberg, supplies outpacing demand. Will tighten up in a few weeks. Romaine, excellent supplies. Some slight fringe & tip burn. Tomatoes, prices continuing to climb due to impact of Hurricanes. Strawberries, CA producing, MX starts in 3 weeks, FL will be delayed. 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, ID shipping new storage Norkotahs. Sizing peaking on large 40-70sz. 80-140 sizes and #2s remain limited. Quality Excellent!</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	Increasing	Available - Steady	<i>Shell egg demand improved over the past week as prices have moderated from recent spikes which, when combined with cooler Fall weather, have stimulated buying interest. Wholesale prices for negotiated trading of loose eggs are sharply higher on a thin test with moderate-to-good demand for light-to-very light offerings and light-to-moderate supplies. Trading is moderate-to-active. Wholesale prices for formula trading of carton stock are sharply higher with moderate-to-good demand for light-to-very light offerings and light-to-moderate supplies. Trading is moderate to active. Wholesale breaking stock prices are firm with mostly light demand for light offerings and light to moderate supplies. Schedules are full to reduced and trading is moderate. The preliminary survey of retail outlets indicates increased activity with an increase in the average ad price. Source: USDA AMS as of October 16</i> <i>Avian Influenza News: On 10/14 Eggs America reported a Highly Pathogenic Avian Influenza (HPAI) outbreaks in Washington State and Utah affecting 1.8MM hens. This follows reports from Eggs America in July of HPAI outbreaks affecting 1.3MM conventional and 2MM cage-free birds, in addition to earlier HPAI outbreaks reported back in April/May.</i>
Wheat (Flour Based Products)	Increasing	Available - Steady	<i>Prices on bulk flour products have continued to show increases in recent weeks. 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.</i>