



# DSR Market Insights

Week of  
March 11, 2024

CATEGORY	NEAR-TERM MARKET PRICING TREND	SUPPLY vs. DEMAND	DSR MARKET INSIGHTS COMMENTARY
Beef (Commodity)	Increasing	Available - Mixed	<i>No changes to report in the Beef markets. Packers continue to manipulate harvest levels, disrupt the markets to improve packer margins. No improvement in consumer demand is expected until mid-April.</i>
Butter	Increasing	Available - Steady	<p><i>Retail and food service demands are seasonally steady to stronger. Cream for butter makers is plentiful throughout most of the country. Slower ice cream production, in some parts of the country, remains a factor in abundant cream availability for butter makers. Manufacturers are running busy at-or-near capacity production schedules. Unsalted butter loads for spot buyers are somewhat tight. Some contacts say overall butter supplies are tighter compared to the last couple years.</i></p> <p><i>East Region Cream availability remains strong in the East. Butter plant managers share they are operating churns at full capacity. Contacts continue to share that they are freezing butter to micro-fix later in the year. Retail demand is seasonally flat. Contacts share foodservice demand is steady.</i></p> <p><i>Central Region Butter contacts say this week is similar in most every facet as previous weeks. They say cream is still abundant. A number of contacts suggested early in the month that cream availability expectations would be soundly accessible throughout the month. Those expectations have come to fruition. Slower ice cream production remains a factor in available cream loads for butter makers. Butter demand is seasonally standard both on the food service and retail sides of the coin. Plant managers say active churning rates are prioritizing later-year demand needs. Market tones are firm.</i></p> <p><i>West Region Plenty of cream is available to utilize throughout most of the West. Butter makers are drawing on cream volumes to run busy at-or-near capacity production schedules. Manufacturers are working to build up adequate supplies for demands during Q2/Q3. Some contacts say butter Eastern cheese plant managers share seasonally steady production schedules.</i></p>
Cheese	Steady	Available - Steady	<p><i>Retail demand is noted to be seasonally strong. Foodservice demand is steady to lighter. Inventories are comfortable. Buying interest for cheese remains quiet in the Central region. Some contacts share orders outside of contracts have been sparse in recent weeks. Cheddar inventories have been growing slowly. Barrel producers say their orders are steady to stronger. Spot barrel loads are selling above market prices. Western contacts share Class III spot milk load availability varies from area to area. Cheese production schedules are noted to be steady. Contacts relay steady demand from international buyers. Spot cheese inventories are said to be tight.</i></p> <p><i>East Region Farm level milk production has flattened in the East region. Cheese plant managers relay seasonally steady production schedules. Some contacts note some plants are still running below capacity due to staffing shortages. Closing prices for cheese on industry cash exchanges still show a block/barrel inversion is in place. Foodservice demand is steady to lighter. Retail demand is seasonally strong.</i></p> <p><i>Central Region Cheese buying interests remain quiet according to most cheese plant contacts in the region. Cheddar and some Italian style cheesemakers say orders, particularly those outside of contracts, have been limited in recent weeks. Some Midwestern processors say Eastern region based pizza cheese customers have cut down buying. Barrel producers say orders are steady, if not strong. They say cheese loads are going at above-market pricing, and if one customer backs away, another one will step in. Milk pricing is holding around Class III for the most part. Cheese production has held steadier in</i></p>
Fluid Dairy	Class I - Decreasing Class II - Steady	Class I Available - Steady Class II Short - Strong	<i>March cost increases are in place on both Milk (Class I) and on Cultured/Creams (Class II).</i>
Oils/Shortening	Steady	Available - Steady	<i>Commodity frying oil pricing remains similar to that of the past couple of weeks. Though the market has continued to decline over several months, weekly changes have been slight. We do not expect to see any major changes in commodity frying oil prices or any changes in Premium Shortening and oil pricing in the coming days. Pricing on margarine will likely remain similar to what we have seen through February as world supply of Palm has been relatively steady lately.</i>
Pork (Commodity)	Mixed	Available - Steady	<i>Butt prices are forecasted to gradually increase between now and end of March. While Spareribs are on a slight decline until mid- March, which then it is forecasted to increase until Memorial Day. Loins are expected to continue its decline for another few weeks or at least till first week of April then bottoming out.</i>
Pork (Value-Added)	Steady	Available – Steady	<i>The belly value is relatively flat with a slight increases, now through Mid-March so expect bacon prices to increase accordingly.</i>
Poultry (Chicken)	Increasing	Short – Steady	<i>Overall markets are experiencing inflation for all cuts. Wings are experiencing strong inflation as we head into March Madness/Final Four for college basketball.</i>
Poultry (Turkey)	Steady	Short – Strong	<i>Current frozen turkey pricing has strengthened but is still well below the five-year average. Poultry placements have been reported as being down sharply for December, so the expectation is that availability in the first half of 2024 may be reduced over the previous year, which may in turn signal to price</i>



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Produce	Lower - Carrots, Strawberries Steady - Apples, Avocados, Bell Peppers, Broccoli, Lemons, Grapes, Russet Potatoes, Oranges Higher - Iceberg, Romaine, Onions, Tomatoes, Oranges, Fresh Cut Lettuces	Improving/Steady - Strawberries, Carrots Good/Strong - Apples, Avocados, Lemons, Broccoli, Russet Potatoes Short/Strong - Bell Peppers, Iceberg, Romaine, Tomatoes, Oranges, Grapes, Onions	Apples, good supply overall. Lighter supply of Galas, Golds & Pinks. Avocados, MX market steady. Short ripening times. Good quality. Bell Peppers, supplies very short, due to weather. Quality good. Broccoli, good supplies. Yuma, AZ has fair quality. Carrot, supply improving. GA harvesting. Good quality. Iceberg, supplies low due to cold/rain/hail. Quality fair, light weight. Romaine, supply down, cost up. Rib blister & peel. Quality good. Fresh Cut Lettuces costs have jumped and are moving higher. Products will have shorter life due to weaker ingredients. Grapes, imports light volume. Good quality. Tomatoes, headed higher as FL production is low. Good quality Strawberries, warm weather has increased production. Good quality. Oranges, CA 88/113/138s scarce, likely through April. Good quality. Lemons, CA/AZ size running large. 200/235s scarce. Quality is fair. Onions, ID/OR storage supplies winding down early. Excellent quality. Russet Potatoes, abundant supplies, high quality and low cost.
Bulk Sugar	Steady	Mixed - Steady	Supply of sugar is available nationally. We do expect some spotty shortages out of Louisiana due to plant production issues and limited fall harvest. There is product available from other mills to cover any shortfalls. Pricing is expected to remain near current levels as we move through March.
Shell Eggs	Decreasing	Available - Steady	Demand for shell eggs continues to decline from its January highs and has now slipped below average. Wholesale prices for cartoned eggs are lower, increasing offerings and moderate supplies. Interest is light to moderate with slow to moderate trading. Prices on the loose egg market are lower with moderate offerings and mostly moderate supplies. Interest is light to moderate with moderate trading. Wholesale breaking stock prices are steady to weak with moderate offerings and mostly moderate supplies. Schedules are full to reduced and with slow to moderate trading. The preliminary survey of retail outlets indicates robust activity with about no change in the average ad price. Source: USDA AMS as of February 28
Seafood	Shrimp Steady	Shrimp Available - Steady	Shrimp has continued to remain steady and at the 52-week low.
Wheat (Flour Based Products)	Steady	Mixed – Steady	Bulk Flour and commodity Flour Based products continue to offer similar pricing to the levels that we have seen in recent weeks. This pricing is much lower than what we experienced last year and we do expect to see this favorable pricing to continue in the coming days. Product is available with solid supply expected to cover Foodservice needs through spring.