



# DSR Market Insights

Week of  
March 25, 2024

CATEGORY	NEAR-TERM MARKET PRICING TREND	SUPPLY vs. DEMAND	DSR MARKET INSIGHTS COMMENTARY
Beef (Commodity)	Increasing	Available - Mixed	<p>Harvest reduction imposed by the nation's packers will continue. Packers believe ongoing short supply and product shortage will translated into higher selling prices and improved margins. Improved beef demand is just ahead with warmer weather, the spring grilling season, Cinco De Mayo, and Memorial weekend all coming up fast. Higher prices on seasonal beef items are ahead.</p>
Butter	Increasing	Available - Steady	<p>Retail demand is strong-to-steady across the country. However, demand to secure loads for upcoming spring holidays vary. For the West, contacts note earlier spring holidays are encouraging more consistent Q1 activity. For the Central, contacts note customer interest has been slower to pick up ahead of the spring holiday season. Some stakeholders say food service is weakening in the West region. Some distributors indicate buying interest is stronger from Canadian purchasers. Cream remains readily available for most of the nation. Butter makers are running strong to steady production schedules. However, tight unsalted spot load availability through Q2 is noted by some manufacturers.</p> <p>East Region Butter plant managers relay robust butter production schedules, with some sharing they continue to churn seven days a week. They are focusing on building bulk inventory for demand later in the year. Retail demand is steady to stronger. Foodservice demand is unchanged. Cream remains readily available in the East. Milk production is increasing week over week, and components have remained strong. Cream multiples are unchanged from last week. Spot cream demand is unchanged from recent weeks.</p> <p>Central Region Butter production is somewhat steady with previous weeks, but churning has slid lower as more plant managers report increasing micro-fixing bulk volumes. Up to now, demand has been in line with seasonal norms. That said, contacts say customer interest for 80 percent inventories has been slower to pick up ahead of the spring holiday season. This has created some concerns for industry participants regarding mid- and longer-term market sentiment. Cream remains at</p>



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Cheese	Decreasing	Available - Steady	<p><i>Farm level milk production continues to grow in the East region. Contacts share Class III spot milk demand is growing as spring holidays inch closer. Contacts share cheese inventories are ample. Barrel demand has dropped, and the block/barrel inversion on industry cash exchanges resolved as a result. Retail demand is steady to stronger. Demand for cheese in the Central region is growing. Contacts suggest increased demand is due to both bearish cheese prices as well as seasonal holiday demand. Milk availability is growing, and cheese production schedules are steady. Cheese inventories are noted to be generally available. Retail demand in the west is noted to be weaker to trending flat. Class III milk is readily available for cheesemakers in the region. Processors are running steady production schedules, and inventories are noted to be ample.</i></p> <p><i>East Region Milk production continues to increase in the East. Contacts share Class III milk demand is increasing as spring holidays approach. Cheese plant managers continue to remark that cheese production schedules are steady. Barrel demand has dropped, and the block/barrel inversion on industry cash exchanges has resolved as of report publishing time. Contacts share cheese inventories remain strong while demand is unchanged. Retail demand is noted to be steady to stronger, and contacts expect spring holiday demand to further increase in the near term. Foodservice demand is steady to lighter.</i></p> <p><i>Central Region Cheese demand is edging higher. Cheese plant contacts share mixed views as to whether market prices, which have been notably bearish, or customers seeking seasonally based needs are the primary</i></p>
Fluid Dairy	Class I - Decreasing Class II - Steady	Class I Available - Steady Class II Short - Strong	<p><i>March cost increases are in place on both Milk (Class I) and on Cultured/Creams (Class II).</i></p>
Oils/Shortening	Increasing	Available - Mixed	<p><i>Oilseed products have traded higher on the stock market in recent days due to seasonal trends and international factors. This has caused prices on most commodity oils to show nominal increases this past week. As prices were originally lower than expected, these price levels are more sustainable and are likely to prevail in the coming days. Palm oil prices have increased as well in recent days which will impact margarine pricing in the coming weeks. Premium shortening and blended oils will likely maintain similar pricing levels as we move into April. There is ample supply of all products at this time based on weak demand earlier this year, thus no product shortages should be expected.</i></p>



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Pork (Commodity)	Mixed	Available - Strong	<i>Prices for butts and spare ribs should soften through the first week of April, while backrib prices are on the gentle rise for through June.</i>
Pork (Value-Added)	Increasing	Available – Steady	<i>With MLB Baseball starting, the 8000 average franks per game will drive demand for pork trim upward, and higher prices for sausage, franks, pizza toppings will follow.</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 increases later in the year.</i>
Produce	<p>Lower - Strawberries Steady - Apples, Bell Peppers, Broccoli, Carrots, Lemons, Russet Potatoes, Oranges Higher - Avocados, Iceberg, Romaine, Onions, Grapes, Tomatoes, Oranges, Fresh Cut Lettuces</p>	<p>Improving/Steady - Strawberries, Carrots Good/Steady - Apples, Broccoli, Russet Potatoes Short/Strong - Bell Peppers, Iceberg, Romaine, Tomatoes, Avocados, Lemons, Oranges, Grapes, Onions</p>	<p><i>Apples, Lighter supply of Golds &amp; Pinks. Slim supply of Galas remain. Avocados, MX market higher. Short ripening times. Good quality. Bell Peppers, FL spring crop moderate volume. Quality good. Broccoli, good steady supplies. Yuma, AZ has fair quality. Carrot, supply improving. GA harvesting. Good quality. Iceberg, demand far exceeds supplies. Quality fair, light weight. Romaine, supply low due to cold/rain. Rib blister &amp; peel. Light weight. Fresh Cut Lettuces costs have jumped and are moving higher. Products will have shorter life due to weaker ingredients. Grapes, import volume spotty. Good quality. Tomatoes, low supplies over next few weeks. Good quality. Strawberries, warm weather resulted in overabundance. 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 winding down. New crop TX starts late March. Russet Potatoes, abundant supplies, high quality and low cost.</i></p>
Bulk Sugar	Steady	Mixed - Steady	<i>Demand for sugar typically starts increasing in the spring. This will put more pressure on producers to maintain supply. Product is available from most facilities to cover such demand. Price levels will likely stay at similar levels in the coming weeks.</i>



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Shell Eggs	Increasing	Available - Steady	<p>Shell egg demand is about unchanged from the last cycle but remains average in the near-term as the Easter demand season gets underway. Negotiated prices on the loose egg market are higher on light to moderate offerings and mixed supplies. Interest is mostly moderate and trading is moderate to instances active. Wholesale breaking stock prices are higher on mostly light demand. Offerings are light and supplies are light to moderate. Schedules remain full to reduced and with moderate trading. The preliminary survey of retail outlets indicates increased activity as the Easter marketing period arrives. The average retail ad price declines on the increased ad activity. Source: USDA AMS as of March 20</p>
Seafood	Shrimp Steady	Shrimp Available - Steady	<p>Shrimp has continued to remain steady and at the 52-week low.</p>
Wheat (Flour Based Products)	Steady	Available/Weak	<p>Pricing on flour has some slight increases in some markets based on signs of increased spring demand. Most pricing levels will remain steady as we move through the end of April. Products are available on most products at most mills without issues. The overall outlook indicates that there will be steady supply and relatively steady pricing in the coming days.</p>