

MarketNews

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Dairy Market Link



Produce Weekly
Link

Market Report -
Eggs



Flour Facts



Oil Market News and
Views



Weekly Market
Review



USDA Livestock, Poultry
& Grain Market Highlights



Market updates
from The Plastics
Exchange



Daily Market
Summary - Plus In-
Depth Analysis

Egg Markets

Week of March 6, 2023

TONE: Retail demand fair to fairly good. Whites remain well balanced. Market full steady here. Browns available

The regional egg markets are as follows:

	Northeast	Midwest	South Central	Southeast
Lg	\$2.81	\$2.80	\$2.95	\$2.91
Md	\$2.79	\$2.77	\$2.88	\$2.86

Source: Esbenshade, Inc.



Egg Markets Overview

The weekly Egg Markets Overview is now available on our website and may be accessed by clicking on the link or graphic below.



<https://www.ams.usda.gov/sites/default/files/media/Egg%20Markets%20Overview.pdf>



Egg Markets Overview

A weekly publication of the USDA AMS Livestock and Poultry Program, Livestock, Poultry, and Grain Market News Division

March 03, 2023

Wholesale prices for cartoned shell eggs continue to rise through the week on moderate to fairly good demand. Offerings were light with moderate supplies. The pace of trading slowed to a moderate rate. Wholesale prices for graded loose eggs wandered around for the week before finishing slightly down at the end. Offerings remain light. Supplies are light to moderate with moderate to good demand. The pace of trading is slow to moderate. The volume of trailer load loose egg sales this week increased 39% from the prior week with 28% for future delivery, a nod to the coming Easter demand period. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs decreased \$0.09 to \$2.31 per dozen with firm undertone. The wholesale price on the New York market for Large cartoned shell eggs delivered to retailers increased \$0.15 to \$2.80 per dozen with a firm undertone. In the major Midwest production region, the wholesale price for Large, white, shell eggs delivered to warehouses increased \$0.22 to \$2.48 per dozen with a firm undertone while prices paid to producers for Large cartoned shell eggs rose \$0.16 to \$2.45 with a firm undertone. The California benchmark for Large shell eggs declined \$0.20 to \$4.25 per dozen with a weak undertone. Delivered prices on the California-compliant wholesale loose egg market continue to decline, down \$0.36 per dozen to \$3.24 per dozen with a weak undertone. The price is now down 45% from its January high.

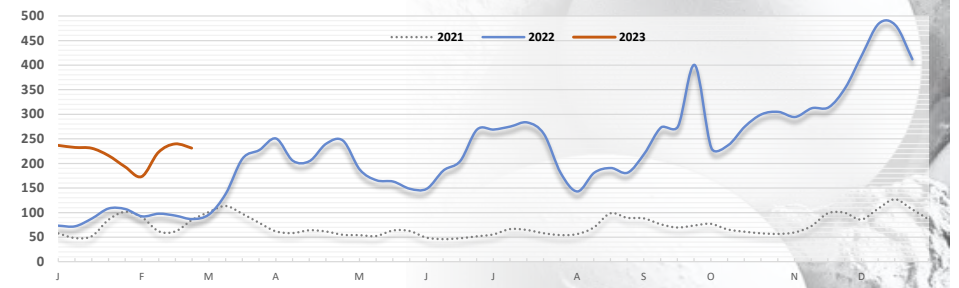
Consumer demand for shell eggs remains soft as deals at the dairycase remain few and far between. Planning for anticipated needs for the upcoming Easter demand period – now less than 5 weeks away - are getting underway with shell egg stocks beginning to build. Grocery retailers continue to limit their shell egg featuring activity as most are content to keep eggs on the shelf moving through normal attrition. The increased interest in carton business has limited spot market offerings to egg breakers who are slowing production and working from owned stocks to maintain breaking lines at full to reduced levels. When breakers are able to find spot market product, they are finding asking prices at firm to higher levels.

Promotional activity for conventional caged shell eggs in retail outlets limited but a few ads are showing up in this week's cycle. The average ad price declines \$0.29 to \$2.25 per dozen. Promotional activity for specialty shell eggs rises slightly but remains very limited with a few ads for nutritionally-enhanced and cage-free types being promoted. Feature activity for [UEP-defined cage-free](#) shell eggs has been very limited and not tested for the past two weeks. This week the average ad price is down \$1.00 to \$3.99 per dozen from its previous level. Eggs continue to clear store shelves with retailers reluctant to incentivize additional buying to maintain a consistent offering.

The overall inventory of shell eggs gained 2% while the nation-wide inventory of Large eggs was up just over 2.5%. Stocks of Large eggs in the key Midwest production region

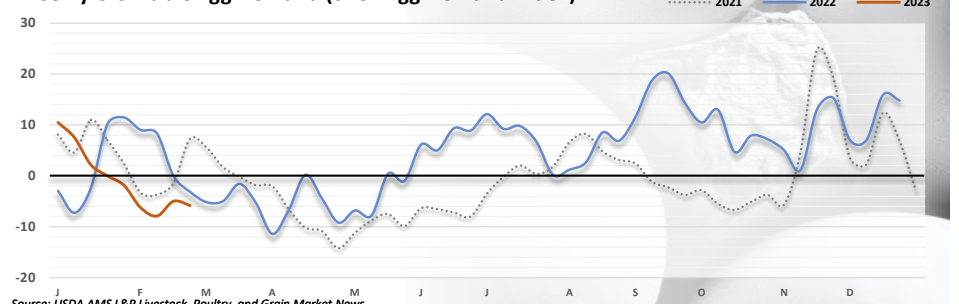
Source: USDA AMS Livestock & Poultry Program, Livestock, Poultry, and Grain Market News Division

Weekly Loose Shell Egg, Large, White, National Index (f.o.b. dock, cents per dozen)



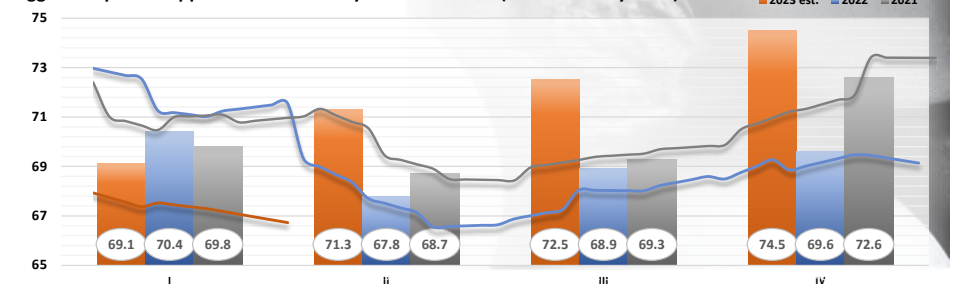
Source: USDA AMS L&P Livestock, Poultry, and Grain Market News

Weekly U.S. Table Egg Demand (Shell Egg Demand Index)



Source: USDA AMS L&P Livestock, Poultry, and Grain Market News

Egg Per Capita Disappearance vs. Weekly Est. Production (as of February 2023)



Source: USDA ERS; AMS L&P Livestock, Poultry, and Grain Market News

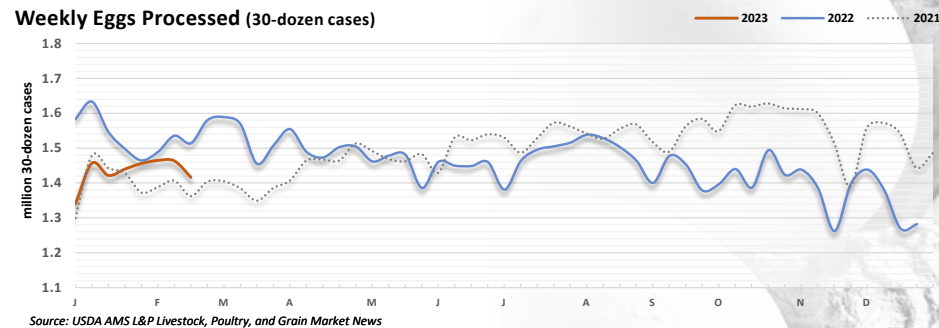
increased 5% as marketers have begun to build stocks in anticipation of increased demand for the coming Easter demand period. The inventory share of Large class shell eggs rose slightly to a 50% share of all shell egg stocks on inventory at the start of the week. Stocks of cage-free eggs increased 6.5% while the inventory of nutritionally enhanced shell eggs declined 9%. Stocks of organic eggs decreased 5% while breaking stock inventories decreased 2%. As interest in carton business rises, breakers are finding limited spot market product availability and are working more from owned production while slowing their schedules. Total estimated table egg production was unchanged from last week and from last year to a deficit of 7% from last year, about 10 million cases.

Wholesale prices for breaking stock in the Central States increased \$0.40 to \$2.35 per dozen with a firm undertone. Offerings are light, supplies light to instances moderate, demand ranges light to fairly good. Trading is moderate to; schedules are full-time to reduced. The volume of eggs processed over the past week declined 3%, representing just under a 30% share of weekly table egg production to a level 18% below the level of a year ago. Production of whole egg was down nearly 5% while that for whites and for yolks was up nearly 2% each. The production of dried egg increased 14.5% and inedible egg production was down nearly 5%. Breaking yields without inedible improved a quarter pound to 41.99 pounds per case broken.

Wholesale prices for liquid egg products remains too few to report. The undertone is steady to firm with light spot market offerings and moderate to good demand – best for whole egg and whites. Prices on frozen whole eggs were steady at \$2.20 per pound while those for frozen whites declined \$0.35 to \$1.95 per pound. The undertone is higher for light to moderate offerings and demand. Supplies are light. Trading is moderate. Prices for dried whole eggs were unchanged at \$12.25 per pound as were those for whole dried yolk at \$13.00 per pound. The undertone is steady with light to moderate offerings and very light supplies. Demand is fairly good to good and trading is moderate to active.

According to NASS, the January monthly volume of frozen eggs in storage increased 18% from December, 10% over the year ago level. Stocks of whole frozen egg were up 26% from last month, 8% over last year. The share of whole egg stocks gained 2% to a 45% share of total frozen stocks. Stocks of frozen yolk decreased 4%, 4% over last year's level. Stocks of frozen egg whites decreased 14% and were 18% below January 2022 levels. Stocks of unclassified eggs grew by 24%, 24% over 2022 levels. The share of unclassified frozen stocks increased 2% to 42% of total frozen stocks.

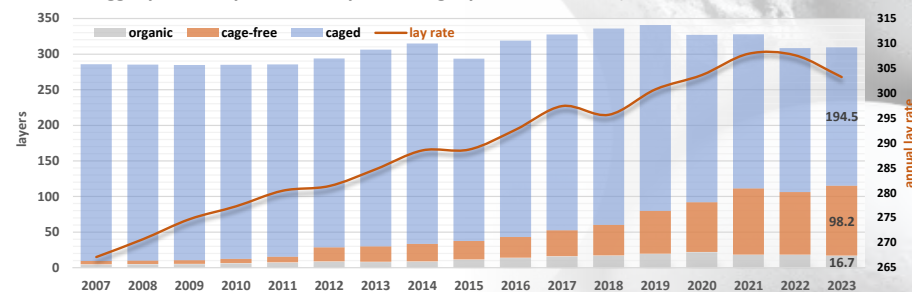
Cage-free commitments as of February 2023 remain about unchanged, requiring 66.7 billion cage-free eggs per year to meet 100% of needs from an approximate cage-free flock of 221.4 million hens (72% of the U.S. non-organic flock), indicating a shortage of 123.2 million hens from the current non-organic cage-free flock of 98.2 million hens. The average lay rate for non-organic, barn/aviary cage-free production is currently estimated at 80.9%



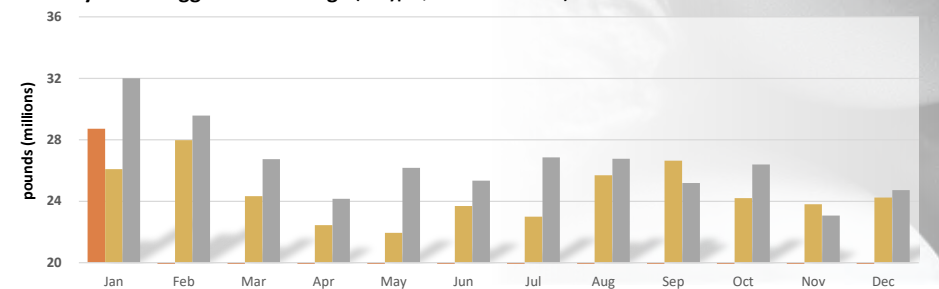
Source: USDA AMS L&P Livestock, Poultry, and Grain Market News

Eggs Processed - Week-to-Week Change						
total	share	whole	whites	yolks	dried	inedible
-3.2%	-0.9%	-4.7%	1.9%	1.7%	14.6%	-4.7%

U.S. Table Egg Layer Flock by Production System v. Avg Lay Rate (as of February 2023)



Monthly Frozen Egg in Cold Storage (all types; end of the month)

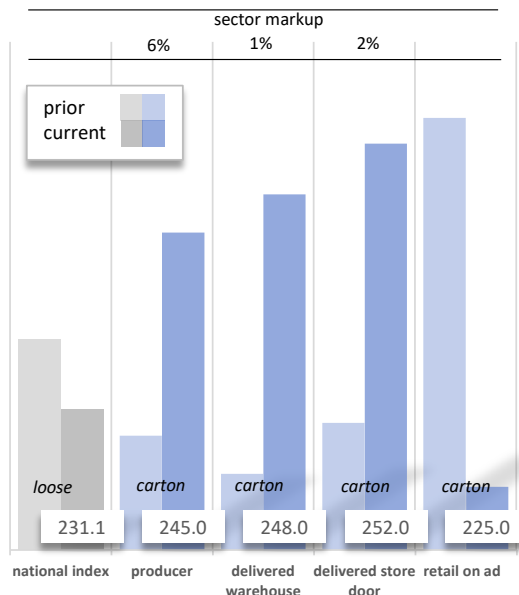


Source: USDA AMS L&P Livestock, Poultry, and Grain Market News; NASS

Shell Eggs Market Price Comparisons

(as of March 03, 2023)

(National Index on a loose-egg basis, all other prices for cartoned eggs; LG White avg prices in cents per dozen)



Producer, warehouse, & store door = MW; retail no sale NY market; retail on sale Nat'l Retail Feature; loose eggs include minimal

Key Egg Markets Overview

	3-Mar	% Change	Recent History				
			24-Feb	17-Feb	10-Feb	3-Feb	27-Jan
SHELL EGGS (Large, White, conventional in cents per dozen)							
National, Loose, (f.o.b. dock prices)	231.12	-4%	239.66	222.35	173.10	193.10	216.03
New York, Cartoned (price to retailers)	280.00	6%	265.00	245.00	231.00	267.00	313.00
Midwest, Cartoned (price dlvr'd to warehouse)	248.00	10%	226.00	219.00	265.00	305.00	329.00
California, Cartoned, benchmark (cage-free)	425.00	-4%	445.00	495.00	552.00	562.00	562.00
National Retail Shell Egg (avg. ad price in dollars per dozen)							
Conventional, Large, White	2.25	-11%	2.54	3.03	3.99	n/a	3.99
Cage-Free, Large, Brown	3.99		n/a	n/a	4.99	n/a	2.00
EGG PRODUCTS (f.o.b. dock prices; dollars per pound)							
Central States Breaking Stock (dlvd prices per doz)	235.00	21%	195.00	195.00	198.00	220.00	223.00
Whole Frozen Eggs	220.00	0%	220.00	200.00	200.00	215.00	240.00
Whole Dried Eggs	12.25	0%	12.25	12.25	n/a	n/a	12.00
Processed Share of Weekly Egg Production	29.8%	-0.9%	30.7%	30.7%	30.5%	30.1%	29.8%
SHELL EGG DEMAND INDICATOR (no units)							
	-5.8	-0.9	-5.0	-7.9	-6.2	-1.8	0.0

Source: USDA AMS Livestock, Poultry, and Grain Market News; "n/a" = not available.

Key Shell Egg Markets Snapshot - 2023

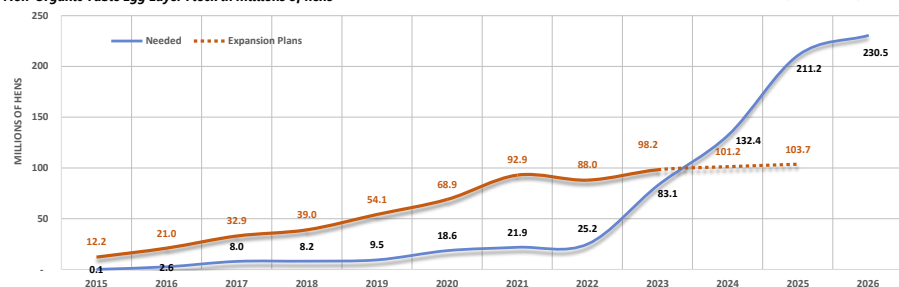
(Large, White, Conventional Shell Eggs in cents per dozen)	3-Mar	Change	24-Feb	2023 High	2023 Low
National, Loose, (f.o.b. dock prices)	231.1	▼ -4%	239.7	248.9	23-Feb 173.1
New York, Cartoned (price to retailers)	280.0	▲ 6%	265.0	474.0	03-Jan 231.0
Midwest, Cartoned (price dlvr'd to warehouse) ¹	248.0	▲ 10%	226.0	517.0	03-Jan 219.0
California, Cartoned, benchmark	425.0	▼ -4%	445.0	737.0	03-Jan 425.0
Central States Breaking Stock (delivered prices) ¹	235.0	▲ 21%	195.0	367.0	03-Jan 190.0
Whole Frozen Egg Products (f.o.b. dock prices)	220.0	▬ 0%	220.00	300.0	06-Jan 200.0
Whole Dried Egg Products (f.o.b. dock prices)	12.25	▬ 0%	12.25	13.8	06-Jan 12.00
Natl Average Retail Ad Price - Conventional	2.25	▼ -11%	2.54	3.99	27-Jan 2.25
Natl Average Retail Ad Price - Cage-free ²	3.99	▬ 0%	n/a	4.99	10-Feb 2.00
Shell Egg Demand Indicator	-5.8	▼ -0.9	-5.0	10.5	04-Jan -7.9

¹ mostly high; ² non-organic

Projected Cage-Free Expansion Plans Relative to Commitments + Legislated Needs

Non-Organic Table Egg Layer Flock in millions of hens

updated February 2023



Source: USDA AMS Livestock & Poultry Program, Livestock, Poultry, and Grain Market News Division

U.S. Table Egg Layer Flock Estimates

As of February 2023	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total U.S. Caged¹ Flock:	62.9%	65.9%	66.4%	72.0%	76.6%	82.2%	84.0%	86.6%	87.3%	89.5%	90.3%	90.4%
Layers (millions)	194.5	205.3	219.4	235.5	261.0	276.1	275.1	276.1	256.1	281.6	276.4	265.5
Total U.S. Cage-Free Flock:	37.1%	34.1%	33.6%	28.0%	23.4%	17.8%	16.0%	13.4%	12.7%	10.5%	9.7%	9.6%
Layers (millions)	114.9	106.2	111.1	91.7	79.7	59.9	52.4	42.9	37.3	33.2	29.6	28.3
NON-ORGANIC Cage-Free:	31.7%	28.2%	28.1%	21.4%	17.7%	12.8%	11.1%	9.1%	8.9%	7.8%	7.0%	6.7%
Layers (millions)	98.2	88.0	92.9	69.9	60.3	42.9	36.4	29.0	26.0	24.5	21.4	19.8
▪ Barn/Aviary	30.3%	27.0%	26.9%	19.9%	15.9%	11.6%	10.0%	7.9%	7.7%	6.7%	6.0%	5.7%
Layers (millions)	93.6	84.1	89.0	65.1	54.1	39.0	32.9	25.3	22.5	21.0	18.5	16.9
▪ Free-Range	1.0%	0.8%	0.7%	0.9%	0.8%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.6%
Layers (millions)	3.0	2.4	2.4	2.8	2.9	1.5	1.3	1.6	1.5	1.5	1.7	1.6
▪ Pastured	0.5%	0.5%	0.5%	0.6%	1.0%	0.7%	0.7%	0.7%	0.7%	0.6%	0.4%	0.4%
Layers (millions)	1.6	1.5	1.5	2.1	3.3	2.4	2.2	2.1	2.0	2.0	1.3	1.3
USDA ORGANIC Cage-Free:	5.4%	5.8%	5.5%	6.7%	5.7%	5.1%	4.9%	4.4%	3.9%	2.8%	2.7%	2.9%
Layers (millions)	16.7	18.2	18.2	21.8	19.4	17.0	16.0	13.9	11.4	8.7	8.2	8.5
▪ Organic	3.5%	3.8%	3.5%	4.6%	4.4%	3.9%	3.7%	3.4%	3.1%	2.2%	2.2%	2.5%
Layers (millions)	11.0	11.7	11.7	15.1	14.9	13.1	12.3	11.0	9.0	7.0	6.7	7.3
▪ Organic Free-Range	1.1%	1.2%	1.1%	1.2%	0.9%	0.8%	0.8%	0.7%	0.6%	0.4%	0.4%	0.3%
Layers (millions)	3.5	3.8	3.8	4.0	3.1	2.7	2.6	2.1	1.7	1.2	1.2	1.0
▪ Organic Pastured	0.7%	0.9%	0.8%	0.8%	0.4%	0.4%	0.4%	0.3%	0.2%	0.1%	0.1%	0.1%
Layers (millions)	2.3	2.7	2.7	2.7	1.4	1.2	1.2	0.8	0.7	0.4	0.4	0.3

Note: percentage of U.S. table egg layer flock as reported by NASS; past year annual numbers reflect flock as of the end of each year.

1 - battery and enriched systems

Source: USDA Livestock and Poultry Program, Livestock, Poultry, and Grain Market News Division

Current Estimates of Table Egg Production and Use in States with Cage-Free Legislation - as of January 2023

State	Deadline Date	Layers on Hand (Jan 2023)	Est. Caged Layers	Est. Cage-Free Layers	Est. Annual Egg Production			Est. 2022 Population	Annual Egg Consumption	Self-Sufficiency Rate	
					caged	cage-free	combined			overall	cage-free
California.....	Jan 2022	11,392,000	0	11,392,000	0	3,381,910,328	3,381,910,328	39,029,342	11,181,906,483	30%	30%
Massachusetts*.....	Jan 2022	675,000	0	675,000	0	200,385,312	200,385,312	6,981,974	2,000,335,551	10%	10%
Nevada*.....	Jul 2022	5,000	0	5,000	0	1,484,336	1,484,336	3,177,772	910,431,678	0%	0%
Washington.....	Jan 2024	5,548,000	3,052,000	2,496,000	972,733,440	740,980,353	1,713,713,793	7,785,786	2,230,627,689	77%	33%
Oregon.....	Jan 2024	1,909,000	1,762,000	147,000	574,271,040	43,639,468	617,910,508	4,240,137	1,214,799,251	51%	4%
Arizona*.....	Jan 2025	8,500,000	5,840,000	2,660,000	1,702,944,000	789,666,562	2,492,610,562	7,359,197	2,108,409,941	118%	37%
Colorado.....	Jan 2025	1,109,000	737,000	372,000	238,257,360	110,434,572	348,691,932	5,839,926	1,673,138,799	21%	7%
Michigan.....	Jan 2025	16,297,000	5,674,000	10,623,000	1,717,860,240	3,153,619,506	4,871,479,746	10,034,113	2,874,773,375	169%	110%
Utah.....	Jan 2025	5,959,000	3,354,000	2,605,000	1,048,460,400	773,338,870	1,821,799,270	3,380,800	968,599,200	188%	80%
Rhode Island*.....	Jan 2026	56,000	43,000	13,000	12,538,800	3,859,273	16,398,073	1,093,734	313,354,791	5%	1%
* = layers on hand estimated.		51,450,000	20,462,000	30,988,000	6,267,065,280	9,199,318,577	15,466,383,857	88,922,781	25,476,376,757	61%	36%

Note: cage-free includes organic

Source: USDA AMS L&P Livestock, Poultry, and Grain Market News; data derived from USDA NASS and ERS; U.S. Census Bureau



FLOUR FACTS

Information Provided by General Mills Foodservice
GeneralMillsCF.com



Weekly Market Highlights

MARCH 2, 2023

- Wheat prices hit a 17-month low on Monday with the renewal of the safe passage agreement between Russia and Ukraine expected to be extended and then rebounded as Black Sea tensions escalated along with some technical resistance.
- The current safe passage agreement between Russia and Ukraine is up for expiration on March 18, so some additional volatility from that agreement is possible.
- Kansas winter wheat conditions declined in Feb., now at 25-year lows, with 51% poor/very poor and soil moisture at 60% short/very short. Spring wheat conditions in the Northern Plains is mixed, with improvements in the Dakotas and decline in Montana. The soft wheat region looks strong, particularly Illinois which is at 10-year highs on conditions at 81% good/excellent.

Facts on Flour

King Wheat

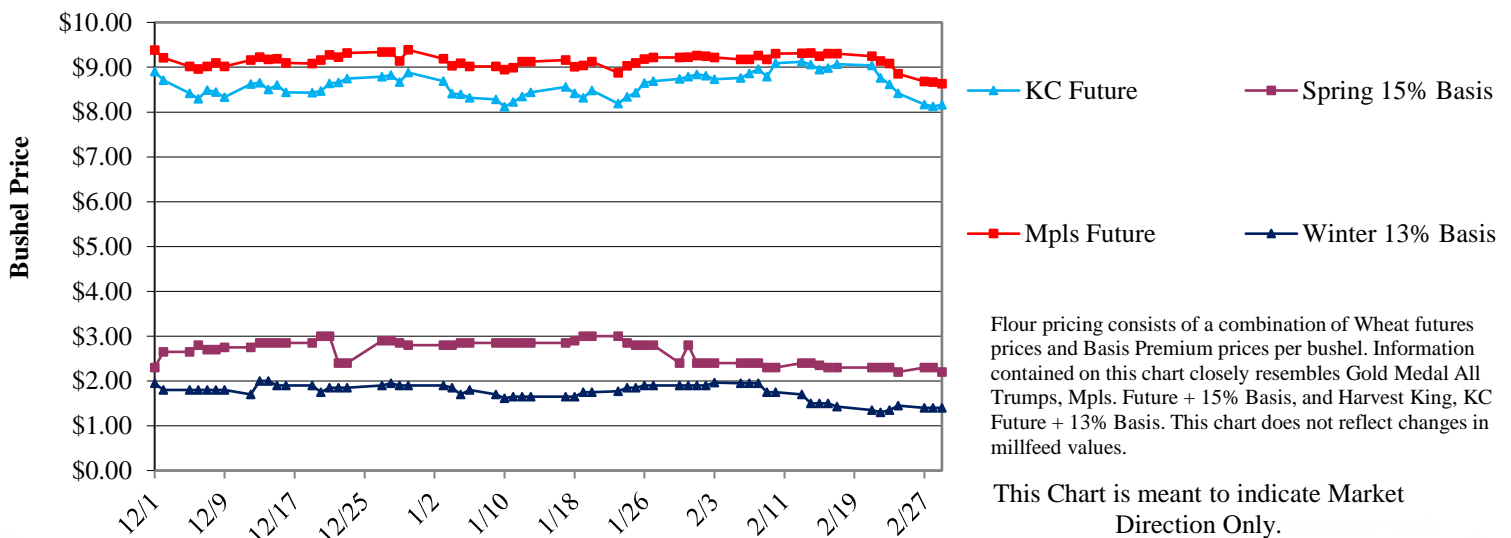
The standard of the winter wheat flours, King wheat is widely used in bakeries from the largest wholesaler to the smallest retailer. It has very good tolerance and is recommended for all types of yeast-raised products.

Description: A high quality malted flour milled from a selected blend of Hard Red Winter Wheat, King wheat is available bleached or unbleached.

Uses: Pan breads, soft rolls, sweet goods, thick crust pizza.



Futures & Basis Markets



Flour pricing consists of a combination of Wheat futures prices and Basis Premium prices per bushel. Information contained on this chart closely resembles Gold Medal All Trumps, Mpls. Future + 15% Basis, and Harvest King, KC Future + 13% Basis. This chart does not reflect changes in millfeed values.

General Mills Foodservice is your trusted partner in baking – providing quality products, innovative business solutions and technical support to baking professionals. With product solutions for cakes, pizzas, bagels and breads, we’re backed by trusted brands and recognized industry experts to offer a holistic approach to build your business.

Experience inspires confidence.

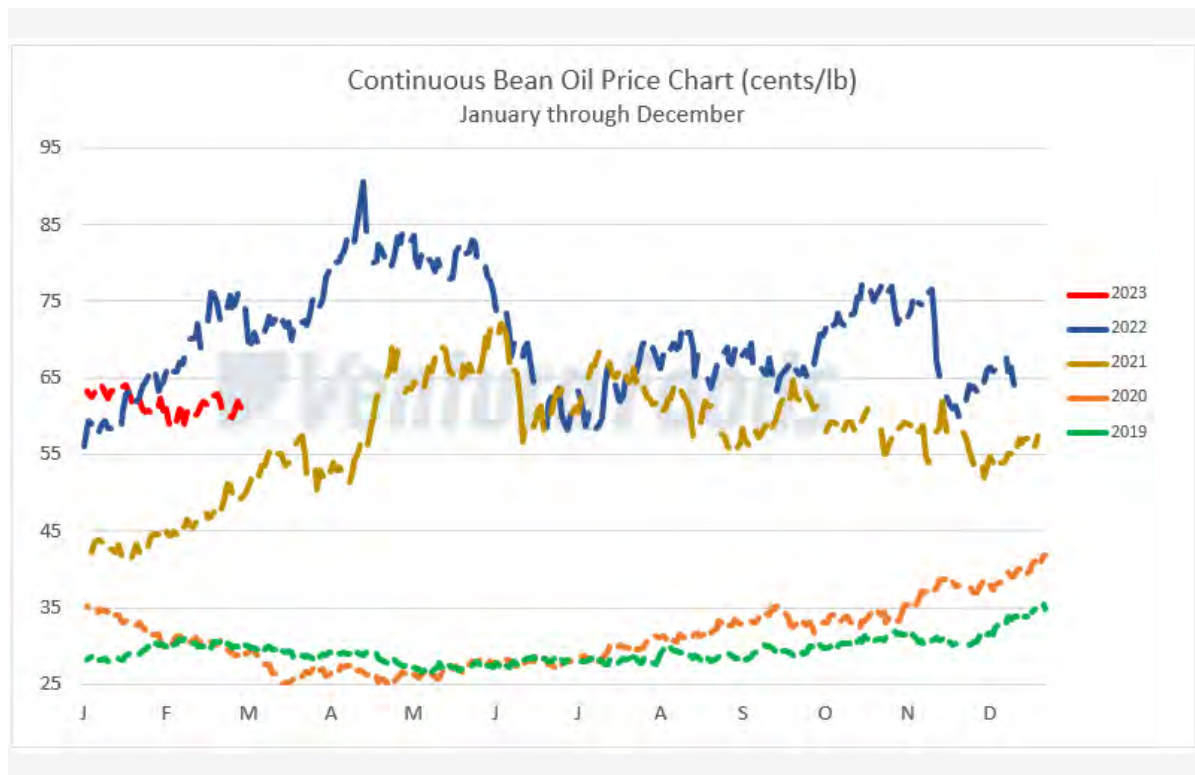


Ventura News & Views

By Ventura Foods Oil Trading Team • Mar 03, 2023

Smart Brevity® count: 1.5 mins...431 words

Commodities	This Week	Last Week	Last Year	Yr Change
CBOT Soybean oil (¢/lb) May	61.19	61.11	72.80	-16%
Soybean oil as % of crush value	38.86%	38.07%	44.15%	-12%
CBOT Soybean meal (\$/ton) May	481.30	497.10	460.40	5%
CBOT Soybeans (\$/bu) May	15.1875	15.2900	16.6050	-9%
CBOT Soybean crush margin (¢/bu)	213.20	236.83	153.18	39%
Canola oil - RBD, West Coast (¢/lb)	93.19	93.11	108.80	-14%
Corn oil - RBD, Midwest (¢/lb)	130.00	140.00	105.00	24%
Peanut oil - Crude, Southeast (¢/lb)	110.00	110.00	110.00	0%
Cottonseed oil - PBSY, MS Valley (¢/lb)	106.19	111.11	112.80	-6%
CME Butter - AA Grade (\$/lb) Spot	237.00	241.50	269.00	-12%
Coconut oil - Crude CIF US Gulf (¢/lb)	59.00	57.25	113.25	-48%
Lard - Edible, Chicago, IL (¢/lb)	87.00	87.00	82.00	6%
Palm oil - RBD, CIF US Gulf(¢/lb)	59.75	58.75	87.00	-31%



CBOT and Soy Factors



The sideways trade in CBOT soybean oil futures continues as the May contract finished the week unchanged. Exports have been disappointing so far this marketing year, and with US soybean oil still a premium to competing veg oils, exports are unlikely to gain much traction. Ongoing weather issues in Argentina have led to further soybean production cuts with some analysts calling for a sub-30MMT crop; initial estimates to start the crop year were between 45-50MMT. Seasonally, soybean oil prices tend to firm as the market enters March as food demand returns and biofuel production comes back online after winter downtime. Biofuel demand has the potential to notch higher as 2 large refineries are scheduled to start up over the next several weeks. The USDA releases the March WASDE report next Wednesday (3/8); the biggest change to the balance sheet is expected to be a significant (and unsurprising) reduction to Argentine soybean production.

2. Canola Factors



Canola seed futures held a relatively firm tone as the May contract finished higher in 4 out of 5 sessions this week. The US Energy Information Administration reported December feedstock data for biofuel production that showed canola oil use at a record high. The **increased usage is likely attributed to the EPA's approval of the canola** oil pathway into renewable diesel in early December. Canola oil use as a biofuel feedstock is expected to continue to grow. Optimism that Chinese demand may return to the market after better-than-expected economic indicators could give a boost to Canadian canola exports if the improving outlook continues.

3. Palm Factors



Palm markets have continued to work their way higher in advance of the POC meeting starting Monday. Open interest on the Dalian was up +5% on Thursday and continues to grow with Chinese buying picking up just as Indonesian sellers got aggressive. Palm is finishing the week 3.4% higher with a \$30/mt increase in FOB Malaysia prices. Flooding in Malaysia seems to be isolated to the southern part of the peninsula, but markets are still leaning on this story to trend bullish. Stocks in Malaysia declined in February (as is seasonally normal) but are +44% higher than YA. Production concerns will be supporting the palm market in the short term, but longer term remains a demand story. Will the Indonesian government pivot to B40 biodiesel blend if B35 is successful? Will Chinese and Indian demand return to the market soon if stocks remain heavy? Soy oil futures seem a bit directionless at the time which will provide little direction to palm oil.

Have a great weekend!

Feedback

Weekly PRODUCE ALLIANCE Market Report



March 2, 2023

OVERVIEW

In South Florida and Mexico, we are seeing more local volume to complement inbounds from the offshore deal on slicer cucumber. Squash and tomato volume is steady while bell pepper remains light, but quality is outstanding! Corn market will be very short as the freeze is now affecting the crop, causing extremely low yields and unexpected loss. The hot pepper market seems to be staying firm as cold temps and weather damage are causing shortfalls this season, with Serrano and Anaheim the highest priced and shortest available. Honeydew and cantaloupe have become quite a challenge due to cooler weather and will most likely not improve until mid-late March.

MARKET ALERTS



ASPARAGUS – ESCALATED

Cooler weather and high winds are being reported in Caborca and San Luis. Market remains high which is causing retailers to switch to other commodities. Peru has started with air shipments this week and markets continue to be somewhat active, but pricing has declined on smaller sizes. Jumbo and extra-large asparagus remains tight with higher pricing.



BOK CHOY – ESCALATED

Market is extremely active with very light supplies.



CABBAGE (GREEN & RED) – ESCALATED

GREEN: Light supplies will continue for the next 2-3 weeks due to cooler temperatures. Quality is good.

RED: Supplies are improving but market remains very active, pricing is steady. Quality is good.



CARROTS (Jumbo) – ESCALATED

Overall supplies are improving, although shippers continue to struggle with supply on Jumbos as sizing remains small in California.



CAULIFLOWER – ESCALATED

Supplies are expected to be light for at least another week due to cooler than normal temperatures.



CELERY – ESCALATED

Quality is very good; supplies are lighter due to the rain and cooler weather in the Oxnard area.



CILANTRO – ESCALATED

Quality is very good, supplies remain light.



CORN – ESCALATED

Markets remain firm out of Nogales and South Florida; quality is fair as we are now harvesting in younger fields that were affected by last month's freeze. We are seeing heavy losses and mixed quality which will be the expectation through into Late March.



MUSHROOMS – ESCALATED Quality is good despite supply being lighter than expected. We continue to see lack of labor, shortages in component of growing such as peat moss and other inflationary pressures. We expect to see this continue to be a challenge until some of the growing costs can get under control of this particularly labor intensive and cost sensitive item.



MELONS – ESCALATED

Supply slowly improving at all ports and should remain snug through Mid-March until we get caught up. Poor weather patterns in late December-early January negatively affected yields impacting current arrivals. Demand still outpaces supply with no slowdown expected in the short-term.

- **Cantaloupe:** Cantaloupe arrivals are slowly improving however sizing is heavy on 12's. Overall quality remains strong, but we are seeing a greener cast than normal. Internal brix levels of 11-14%.
- **Honeydew:** Demand exceeds supply situation in all areas (Central America and Mexico). Our shippers are restricting volume to cover contract only to get us through this period there is not enough supply to cover everyone. We expect supply to begin to pick up to more consistent levels over the next two weeks. Sizing will peak on 5/6's and advanced ordering is necessary and flexibility on sizes.
- **Watermelon:** Overall quality is very nice, still seeing firm pricing and moderate demand. Nogales and McAllen are the primary shipping points and mini watermelons seem to be easing back in price as store sets change and demand drops. Offshore watermelons are limited but we are shipping a few 4/5ct this week.



GINGER – EXTREME Chinese supply will be very sporadic due to delays in unloading containers and inspecting at the ports. Pricing will be climbing daily.



PARSLEY (CURLY & ITALIAN) - ESCALATED

Quality is very good although supplies continue to be very light due to cooler weather. Market is very active.

GARLIC – EXTREME

Quality is good with moderate supplies.



POTATOES - ESCALATED

Potato demand on cartons has significantly flattened during this past quarter. Q1 generally brings an increase to the market as begin to near the tail end of Norkotah supplies in March. Growers continue to receive record offers from processors (even higher than last season), and reports of further record breaking offers for the Spring continue to roll in. Because of this, the fresh market has a 'safety net' of where pricing will likely not fall beneath. We anticipate we will continue to see this trend to get growers to release product on the fresh side. Other growing regions are echoing the same sentiments as well. We will see Nebraska finish up, and less supply out of Colorado and Wisconsin toward the end of Q1. These should give the overall market a boost as well. National supply reports are showing that there are less potatoes this year than last year – and this is not considering the 6M lbs. plus that have already been sold to processors.



SERRANO & ANAHEIM PEPPER – EXTREME /HOT PEPPER - ESCALATED

In the east, supply was lighter this week out of South Florida (Cubanelle, Long Hots, Poblano, Hungarian Wax, Jalapeno and Shishito). In McAllen, volume is lighter on all varieties: habanero, jalapeno and poblano are all holding at higher-than-normal pricing while the shortest availability is on Serrano and Anaheim due to ongoing supply issues from Coahuila and Chihuahua. Markets will remain firm, but we are starting to see some improvement in crossings out of Nogales. Good supply on tomatillos in all growing regions.



LIMES – ESCALATED The new production cycle has fully transitioned in most operations. Overall quality and shelf life has improved, including higher pack-out yields on U.S. #1-grade fruit. Forecast is for market to be tight throughout March and potentially into the first few weeks of April. Pricing is subject to change on a day-to-day and/or hourly basis without prior notice pending availability. Large fruit will be scarce, with insufficient supply on 110's & 150's. Consider altering your spec to complement crop trends and ensure supply.

GOOD BUYS

Commodity	Expert Tip
Tomatoes (Round, Roma & Grape)	Tomatoes are low in calories and provide nutrients like vitamin C and potassium. Did you know that they are also rich in antioxidants—one called lycopene, responsible for tomatoes' characteristic color, is linked to several benefits.
Brussels Sprouts	Roasting is one of the easiest applications when it comes green beans and brussels sprouts. Both of these items can be tossed in olive oil, a sprinkle of salt and pepper and a garlic clove or two and spread out on a baking sheet and roast for 10-15 minutes. Enjoy!
Green Beans	

TRANSPORTATION & WEATHER











Although diesel rates are near record highs truckload rates continue to decline as consumer spending on durable goods declines reducing demand in the truckload market.

OXNARD, CA:











Thu 3/2 57° 42°F Sunny	Fri 3/3 57° 43°F Sunny	Sat 3/4 56° 44°F Partly Cloudy	Sun 3/5 55° 44°F Partly Cloudy	Mon 3/6 56° 41°F Partly Cloudy	Tue 3/7 58° 43°F Partly Cloudy	Wed 3/8 58° 42°F Partly Cloudy	Thu 3/9 57° 43°F Mostly Sunny
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JALISCO, MX:

Thu 3/2 79° 48°F  Partly Cloudy	Fri 3/3 78° 45°F  Sunny	Sat 3/4 79° 49°F  Mostly Sunny	Sun 3/5 81° 51°F  Mostly Sunny	Mon 3/6 82° 54°F  Mostly Sunny	Tue 3/7 81° 53°F  Partly Cloudy	Wed 3/8 80° 51°F  Sunny	Thu 3/9 78° 50°F  Partly Cloudy
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CULIACAN, SINALOA

Thu 3/2 84° 44°F  Sunny	Fri 3/3 85° 46°F  Sunny	Sat 3/4 87° 48°F  Sunny	Sun 3/5 92° 51°F  Sunny	Mon 3/6 94° 53°F  Mostly Sunny	Tue 3/7 93° 54°F  Partly Cloudy	Wed 3/8 91° 54°F  Partly Cloudy	Thu 3/9 88° 56°F  Mostly Cloudy
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YUMA, AZ

Thu 3/2 68° 42°F  AM Showers	Fri 3/3 70° 45°F  Mostly Sunny	Sat 3/4 75° 47°F  Mostly Sunny	Sun 3/5 72° 49°F  Partly Cloudy	Mon 3/6 70° 48°F  Mostly Cloudy	Tue 3/7 71° 48°F  Partly Cloudy	Wed 3/8 72° 50°F  Partly Cloudy	Thu 3/9 69° 47°F  Partly Cloudy
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IMMOKALEE, FL

Thu 3/2 93° 66°F  Sunny	Fri 3/3 92° 69°F  Partly Cloudy	Sat 3/4 93° 64°F  Mostly Sunny	Sun 3/5 91° 68°F  Partly Cloudy	Mon 3/6 90° 66°F  PM Rain	Tue 3/7 91° 63°F  Mostly Sunny	Wed 3/8 93° 65°F  Partly Cloudy	Thu 3/9 92° 63°F  Mostly Sunny
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Hogs and Pork

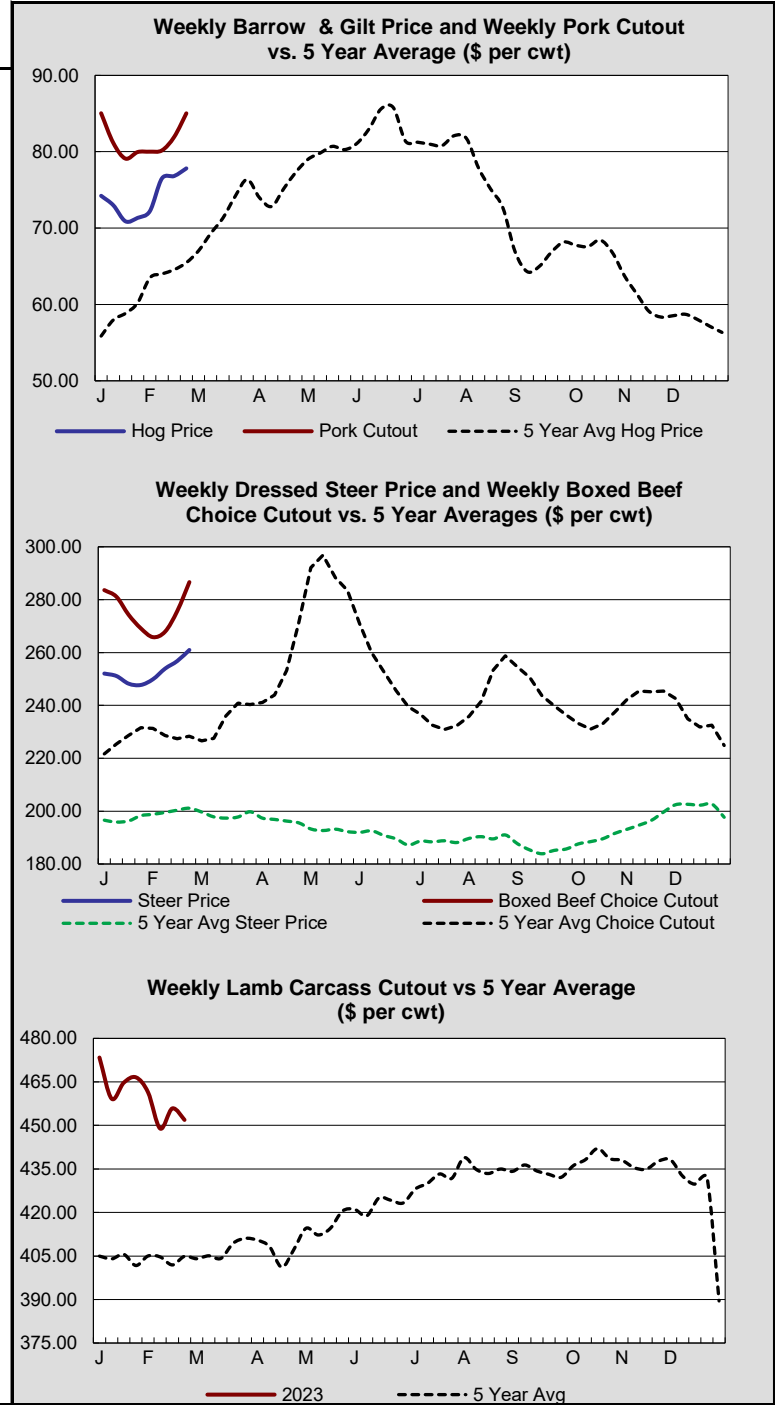
	Current Week	Change From Past Week	Change From Past Year
Nat'l Purchased Carc Wtd Avg Price - Barrows & Gilts (\$/cwt)	77.82	1.3%	-14.1%
Pork Carcass Cutout FOB Plant (\$/cwt)	85.03	3.8%	-23.5%
Segregated Early Weaned (SEW) Feeder Pigs (\$/head)	60.29	-1.5%	-30.0%
Iowa/So. Minn Avg Weight Barrows & Gilts (lbs)	286.0	0.1%	-0.5%
Est. Hog Slaughter	2,375,000	-5.2%	-4.7%
YTD Est. Hog Slaughter	20,068,000	N/A	1.3%
Est. Pork Production (mil lbs)	514.5	-5.4%	-5.3%
YTD Est. Pork Production (mil lbs)	4,363.6	N/A	0.7%

Cattle and Beef

Live Wtd Avg Steer Price, 5 Area FOB (\$/cwt)	163.72	1.6%	14.3%
Dressed Wtd Avg Steer Price, 5 Area Del (\$/cwt)	260.97	1.6%	14.9%
Boxed Beef Cutout, Choice (\$/cwt)	286.64	4.0%	9.9%
Boxed Beef Cutout, Select (\$/cwt)	273.10	4.7%	5.5%
Boxed Beef, Choice/Select Spread (\$/cwt)	13.54	-1.18	11.60
By-Product Drop Value, Steer (\$/cwt live)	13.17	-0.2%	N/A
CME Feeder Cattle Index (\$/cwt)	182.77	0.1%	14.3%
Est. Cattle Slaughter	618,000	-1.4%	-5.1%
YTD Est. Cattle Slaughter	5,036,000	N/A	-2.3%
Est. Beef Production (mil lbs)	509.8	-1.5%	-6.8%
YTD Est. Beef Production (mil lbs)	4,155.1	N/A	-4.2%

Lamb and Veal

Slaughter Lamb, Negotiated, Live Wtd Avg Price (\$/cwt)	130.00	0.5%	-40.9%
Lamb Carcass Cutout (\$/cwt)	451.90	-0.9%	-25.1%
Est. Sheep Slaughter	34,000	-8.1%	13.3%
YTD Est. Sheep Slaughter	267,000	N/A	8.5%
Est. Lamb Production (mil lbs)	2.2	-8.3%	10.0%
YTD Est. Lamb Production (mil lbs)	17.2	N/A	4.9%
Veal Carcass Wtd Avg Packer & Non-Packer Owned (\$/cwt)	430.72	-0.1%	15.4%





Weekly Livestock, Poultry & Grain Market Highlights
February 27, 2023

Grain

	Current Week	Change From Past Week	Change From Past Year
Central Illinois Avg Corn Price (\$/bu)	6.4000	-4.0%	-0.9%
Central Illinois Avg Soybean Price (\$/bu)	15.1300	0.1%	-3.8%
Central Illinois 48% Soybean Meal, Rail (\$/ton)	503.10	1.6%	9.4%
Hard Red Winter Wheat Truck to Kansas City (\$/bu)	8.9575	-6.7%	-1.3%
Dark Northern Spring Wheat, 14%, MN, Rail (\$/bu)	10.6250	-2.1%	-6.8%
Soft White Wheat Portland (\$/bu)	8.4188	-1.1%	-23.1%
Sorghum, Kansas City, Truck (\$/bu)	6.8550	-0.3%	-0.6%

Broilers

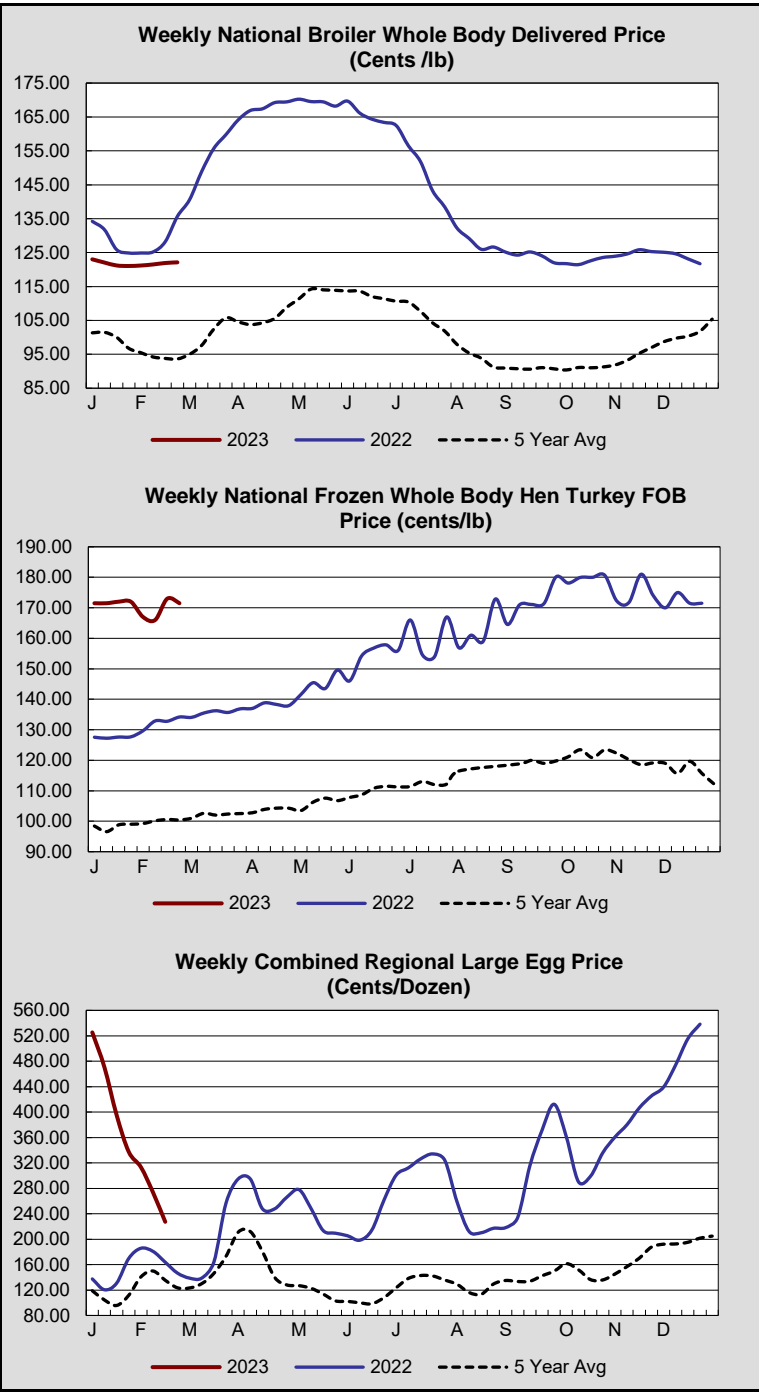
Nat'l Delivered Whole Body Price (cents/lb)	122.12	0.2%	-4.7%
Est. Young Chicken Slaughter - Current Week (000's)	158,033	-3.2%	N/A
Actual Slaughter of Young Chickens (000's)	167,379	-0.8%	0.8%
YTD Actual Slaughter of Young Chickens (000's)	1,163,763	N/A	1.4%
Actual RTC Pounds of Young Chickens (000's)	809,043	-0.3%	-0.6%
YTD RTC Pounds of Young Chickens (000's)	5,645,019	N/A	1.5%

Turkeys

Nat'l FOB Frozen 8-16 lb. Hens, Wtd Avg Prices, cents/lb	171.50	-0.9%	29.2%
Actual Slaughter of Turkeys (000's)	3,640	-12.2%	-10.7%
YTD Actual Slaughter of Turkeys (000's)	25,560	N/A	0.2%
Actual RTC Pounds of Turkeys (000's)	92,265	-14.1%	-12.7%
YTD RTC Pounds of Turkeys (000's)	665,381	N/A	-3.0%

Eggs

Combined Regional Large Eggs (cents/dozen)	234.33	3.1%	43.1%
National Shell Egg Inventory (30 doz. Cases/000,s)	1342.2	2.0%	N/A
Shell Egg Demand Indicator (SEDI)	-5.00	-0.37	-5.00
Central States Breaking Stock Av. Price (cents/dozen)	193.00	2.1%	120.6%
National Breaking Stock Inventory (30 doz. Cases/000's)	297.3	-2.2%	N/A
Eggs Broken Under Federal Inspection (30 doz cases)	1,463,184	-0.1%	-4.7%
YTD Eggs Broken Under Federal Inspection (30 doz cases)	10,040,571	N/A	-6.6%



Source: [USDA AMS Livestock, Poultry & Grain Market News Portal](https://www.ams.usda.gov/market-news-portal)
[LSWLPGMrktHighlight](#)



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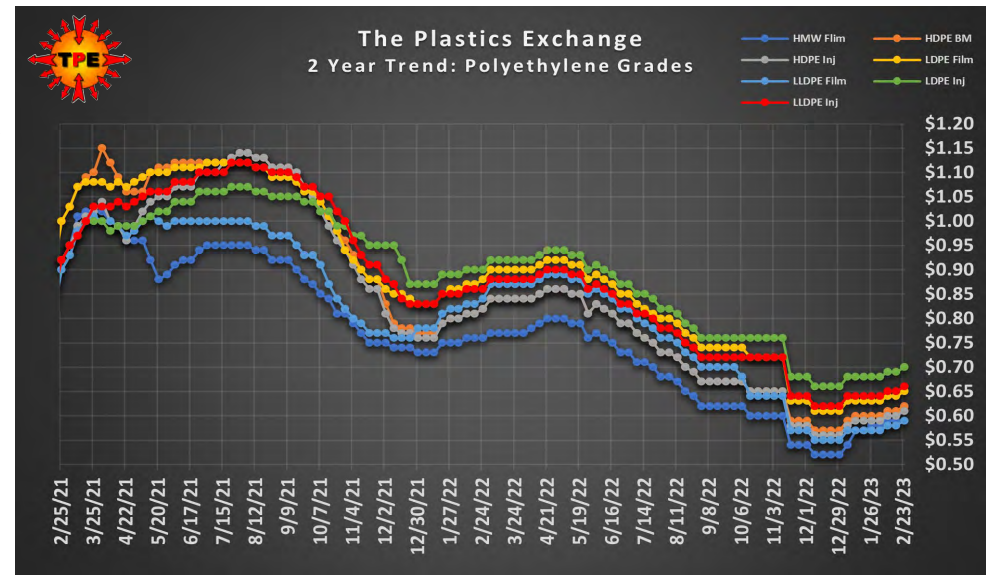
bringing the market to you

Market Update — February 24th, 2023

The spot resin markets remained fairly busy compared to the past couple of months, but still slow based on our historic standards. Most grades of Polyethylene and Polypropylene gained another cent on the back of upward monomer cost pressure and limited spot resin supplies. One standout was for HDPE HMW, which jumped \$.03/lb as Formosa declared Force Majeure on these materials. If you are keeping count, that is three producers with FMs declared for PE and two for PP, not including product allocations that are also in place. With fractional melt HDPE production disruptions accumulating, it came as no surprise that this commodity sector, including Blow Mold resins, were the most actively traded grades in our marketplace this past week. Prime Polypropylene was also sought as spot PGP for Mar jumped a nickel, snugging up to heightened Feb levels. This was a strong indication that tight monomer supplies will persist at least through March and probably beyond, quashing some processors' hopes that they could hold out longer than elevated PP prices would. Still, overall resin demand was generally considered lethargic as high inflation and interest rates have been sapping consumer demand, shaking sentiment, and encouraging many processors to maintain minimal levels of resin stocks and finished goods.

Resin contract negotiations are coming to a head, PE producers nominated an average of \$.06/lb for Feb, but have generally relaxed the initiative back to \$.03/lb in addition to the \$.03/lb already implemented in January. To add some pressure, another round of fresh increases have been nominated for March, which range from \$.03 - .05/lb, though it is still uncertain whether the modified Feb increase will even take hold. PP producers have not come out with a formal increase for Mar but they continue to pursue \$.06/lb Feb margin increases in addition to the change in PGP contracts, which is on track for a \$.07-.09/lb jump. Although PE and PP resin production was significantly throttled back from Sep-Dec to better balance supply / demand dynamics, stronger production levels returned in Jan while demand remained slack, so upstream inventories grew. This has dampened producers' hard freight efforts of late 2022 and could very well compromise their ability to achieve price increases / margin expansion for Feb.

Resin for Sale 12,996,792		Spot Range		TPE Market	
Resin	Total lbs	Low	High	Bid	Ask
PP Homo - Inj	2,139,036	\$ 0.550	\$ 0.690	\$ 0.600	\$ 0.670
HDPE - Inj	1,856,876	\$ 0.560	\$ 0.650	\$ 0.560	\$ 0.610
LLDPE - Film	1,775,472	\$ 0.520	\$ 0.630	\$ 0.540	\$ 0.590
PP Copo - Inj	1,707,220	\$ 0.590	\$ 0.740	\$ 0.650	\$ 0.720
LDPE - Film	1,676,024	\$ 0.600	\$ 0.660	\$ 0.600	\$ 0.650
HDPE - Blow	1,449,668	\$ 0.550	\$ 0.650	\$ 0.570	\$ 0.620
LLDPE - Inj	1,154,656	\$ 0.600	\$ 0.695	\$ 0.610	\$ 0.660
HMWPE - Film	661,380	\$ 0.580	\$ 0.680	\$ 0.570	\$ 0.620
LDPE - Inj	576,460	\$ 0.630	\$ 0.720	\$ 0.650	\$ 0.700



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www.ThePlasticsExchange.com MARKET UPDATE

Michael Greenberg
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ThePlasticsExchange

bringing the market to you

Market Update — February 24th, 2023

Polyethylene trading activities continued to improve, but completed volumes again fell short of exciting. We saw typical processor purchase orders as a normal course of business, though demand was not overly robust as higher interest rates and carrying costs are now more considered. There was however, quite a run for HDPE HMW late in the week in light of Formosa's new Force Majeure at its Biomodal plant in Point Comfort, TX. CP Chem and Ineos still have FMs in place and HDPE availability has been the most impacted material. By Friday, HMW tacked on \$.03/lb, while the rest of the PE commodity grades rode up just a cent. As we have seen since the beginning of 2023, producer prime railcar offers were very limited, though they could be forecasted into production with lead time. Offgrade railcar availability was also sporadic, but actually ample given lackluster demand. Limited quantities of all prime commodity grades were available for prompt shipment from resellers' supplies and our market-making inventories, though some grades were getting quite thin. Spot material was also generally available for export as Asian demand did not return in Feb with the vigor seen in Dec and the first half of Jan. Producers definitely have a better grip on the market and some pricing power, but it might not be enough to push through the Feb price increase, but they are not giving up yet.

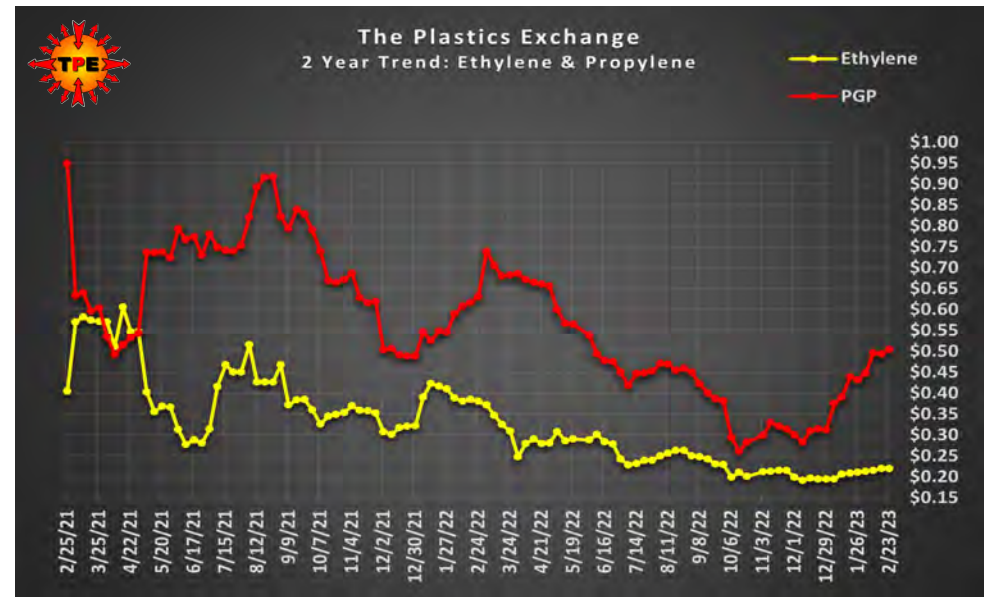
The Polypropylene market had strong spurts of demand, though our order flow lacked the consistency that we generally see. CoPP was the more active resin to change hands, while HoPP business was more limited. There are still difficulties, even more so now, in finding those well-priced grades sought by processors amid ongoing prime railcar restrictions while offgrade railcars continue to flow. Much of the buying activity that did happen was deemed urgent as processors have drawn down their inventories and without a buffer, have become more susceptible to railcar delays. Many buyers have opted to buy only as needed as they try to wait out the elevated pricing seen so far during 2023, which was driven by rapidly rising monomer costs; however, PGP supplies remain very tight and the cost-push increases continue to endure. While some thought the PGP and PP market would break in Feb, we did not think so and all indications show that elevated monomer costs will now last at least through Mar and likely Apr.

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MARKET UPDATE

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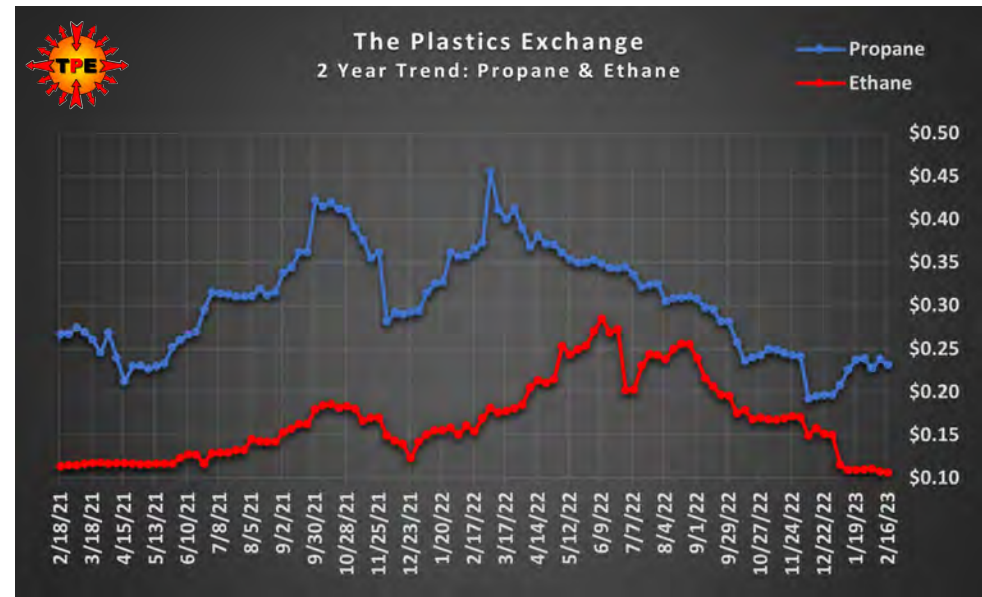
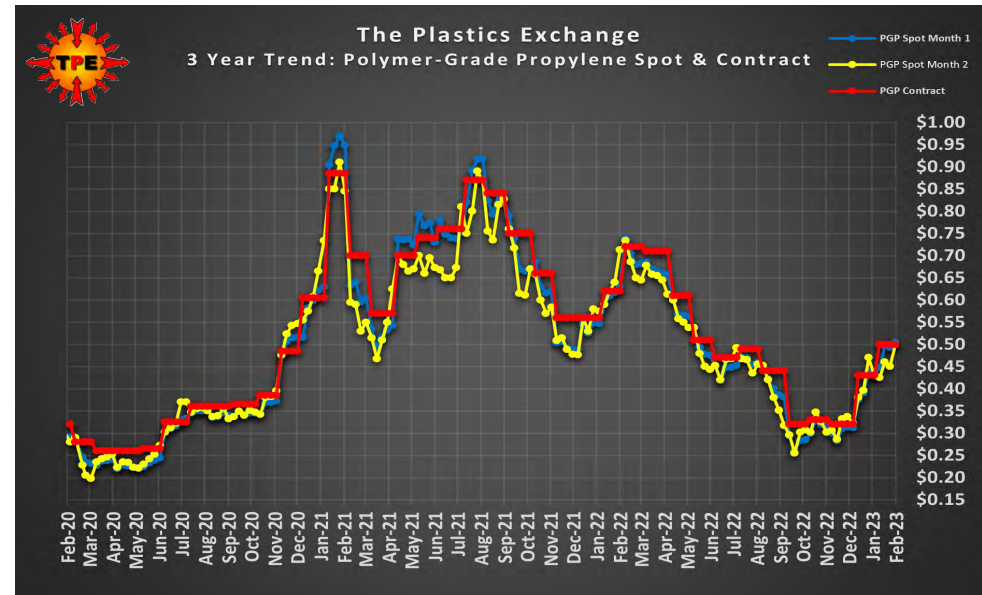
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MARKET UPDATE

When PDH units are running smoothly, PGP production is great, but once they come offline for either planned or unexpected outages, like two of them have this year, getting them fully back on track is usually a big challenge. To date, uninspired resin demand has not fully supported spot PP pricing which has not kept pace with the rise in monomer. In fact, our PP prices are so far only up \$.03/lb in Feb, including a penny this week, while PGP has been up \$.07 - .09/lb. Our PP prices are up \$.11/lb since the start of the year while PGP has jumped \$.18-.20/lb, so the margin compression is very apparent. We feel that processors are becoming more acclimated to elevated pricing and as the duration of the monomer rally endures, resin prices will continue to rise, and at times could even play a little catch-up to monomer. In the meantime, producers continue to push for another sizable margin-enhancing increase of \$.06/lb for Feb PP contracts in addition to the change in PGP contracts, which is trending towards \$.07 - .09/lb.

Participation in the monomer markets was again robust and completed transactions were plentiful. Polymer Grade Propylene retook the spotlight and an immediate deal for spot Feb was recorded Tuesday morning up a penny to \$.505/lb, though it was said to have been finalized Monday during the Holiday. Later that morning, a second transaction for spot PGP was inked at \$.505/lb followed by three separate deals for 2Q PGP deliveries done at \$.43/lb. On Wednesday, two deals for 2H '23 deliveries were cemented at \$.43/lb and the market continued to inch higher. Spot Propylene supplies remained very tight and availability concerns extended into March PGP, which was bid up 2 cents to \$.475/lb. March PGP then added a penny on Thursday when a couple of trades were completed at \$.485/lb. Although Invista's PDH unit finally restarted, sustaining PGP production was questionable. On Friday, Mar PGP jumped another \$.015/lb and changed hands at \$.50/lb, while Feb was bid at \$.505/lb against no offers. By Friday's close, spot Feb PGP had risen a penny for the week to settle just below \$.505/lb and remain peak pricing. Mar PGP leapt a huge nickel to catch up to Feb as the front month prepares to roll next week. Deferred contracts rallied lifting all prices above \$.44/lb as the forward curve's backwardation narrowed.

bring-



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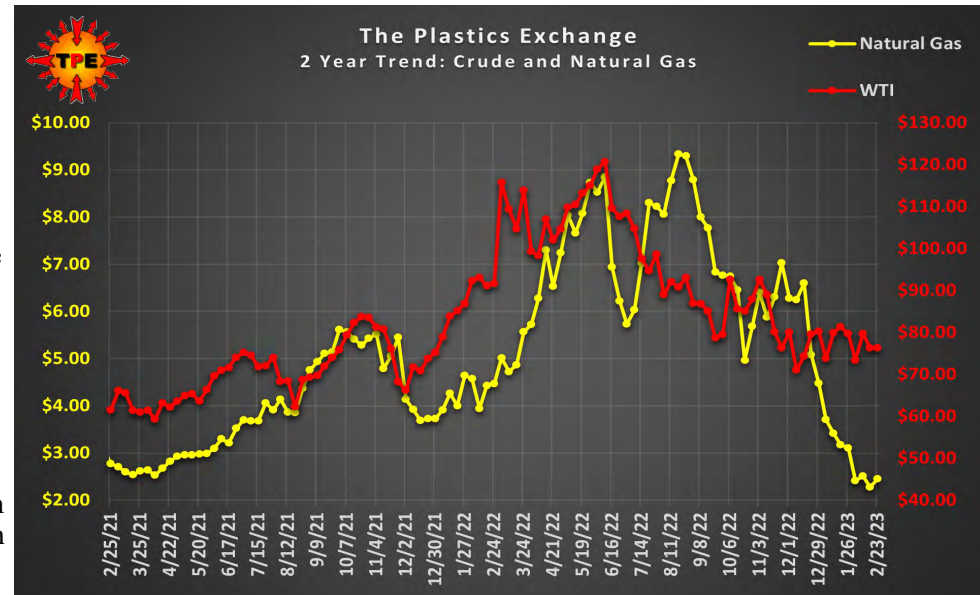
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bringing the market to you

Market Update — February 24th, 2023

At current spot levels we expect Feb PGP to see a contract increase of \$.07 - .09/lb and to settle somewhere between \$.50 -.52/lb. In our viewpoint ongoing PDH issues will continue to support PGP pricing and that this rally is not yet over.

Ethylene started the week off on a negative tone and prices dipped on Tuesday before recovering later in the week. Spot Feb Ethylene in TX changed hands twice at \$.2175/lb, which was down \$.0075/lb from the previous Friday. Mar Ethylene then traded at \$.20625/lb, 4Q Ethylene deliveries were completed twice at \$.20/lb, and a deal flipping Feb/Mar delivery timeframes was also noted. Mar Ethylene in TX snapped back midweek and it sold at \$.2125/lb, while over in LA spot Feb Ethylene transacted at \$.1875/lb, down fractionally for the week. Sentiments improved Thursday morning, bids for Feb Ethylene materialized at \$.215/lb and was then seen brokered at \$.225/lb Thursday afternoon. Numerous bids and offers peppered the market on Friday, but voluminous dealings were elusive and the week ended with spot Feb Ethylene at \$.225/lb, unchanged from last Friday. The forward curve remains inverted through the end of 2023 but deferred contracts rallied slightly and helped to narrow the backwardation.



The Energy complex was mixed this week; in a rare occurrence, WTI and Brent Crude Oil took different directions, while Nat Gas rebounded as a winter storm moved across the US. Apr WTI Crude Oil came out strong on Tuesday and rose to a high of \$77.74/bbl before dropping nearly \$4/bbl midweek, to establish the week's low of \$73.80/bbl, following a 7.6 million bbl build in domestic stockpiles. By Friday, Apr WTI had bounced back to settle at \$76.32/bbl for a net loss of 23 cents. Apr Brent also came out strong on Tuesday, supported by a potential drop in Russian exports, and hit a high of \$84.29/bbl, before coming down almost \$4.00/bbl to Thursday's floor of \$80.34/bbl. After staging a little comeback, Apr Brent ended the week at \$83.16/bbl, for a slight net gain of 16 cents. Mar Nat Gas futures swung in a massive 27% range and even plunged below the \$2/bbl threshold for the first time since Aug 2020, before sharply reversing to end the week at \$2.45/mmBtu for a net gain of almost 18 cents. NGL prices were also mixed with Ethane down fractionally at \$.250/gal (\$.106/lb) and Propane up fractionally at \$.817/gal (\$.231/lb).

Visit our website or contact our trading desk for your spot resin needs.

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MARKET UPDATE

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03/03/2023
Dairy Market

BLOCK:	Up .0400	@ \$ 1.9500	2 Sales
BARRELS:	Up .0450	@ \$ 1.5750	20 Sales
BUTTER:	Unchanged	@ \$ 2.3450	0 Sales
NFDM Grade A:	Down .0025	@ \$ 1.1775	1 Sales
CME Dry Whey	Up .0100	@ \$.4450	6 Sales

<u>Date</u>	<u>Blocks</u>	<u>Block Change</u>	<u>Block Sales</u>	<u>Barrels</u>	<u>Barrel Change</u>	<u>Barrel Sale</u>	<u>Spread</u>
02/27/2023	1.9100	Up .0300	2	1.5900	Up .0500	0	0.3200
02/28/2023	1.9100	Unchanged	0	1.5900	Unchanged	0	0.3200
03/01/2023	1.9000	Down .0100	1	1.5525	Down .0375	2	0.3475
03/02/2023	1.9100	Up .0100	4	1.5300	Down .0225	3	0.3800
03/03/2023	1.9500	Up .0400	2	1.5750	Up .0450	20	0.3750
Average Market:	1.916		9	1.5675		25	

<u>Date</u>	<u>Butter</u>	<u>Butter Change</u>	<u>Butter Sales</u>	<u>Grd A</u>	<u>Grd A Change</u>	<u>Grd A Sales</u>
02/27/2023	2.4500	Up .0200	1	1.2000	Down .0150	1
02/28/2023	2.4500	Unchanged	1	1.1800	Down .0200	2
03/01/2023	2.3800	Down .0700	2	1.1775	Down .0025	1
03/02/2023	2.3450	Down .0350	2	1.1800	Up .0025	3
03/03/2023	2.3450	Unchanged	0	1.1775	Down .0025	1
Average Market:	2.394		6	1.183		8

<u>Date</u>	<u>Dry Whey</u>	<u>Dry Whey Change</u>	<u>Dry Whey Sales</u>
02/27/2023	0.4650	Unchanged	0
02/28/2023	0.4575	Down .0075	1
03/01/2023	0.4475	Down .0100	1
03/02/2023	0.4350	Down .0125	1
03/03/2023	0.4450	Up .0100	6
Average Market:	0.45		9

--Year Ago--

<u>Date</u>	<u>Blocks</u>	<u>Barrels</u>	<u>Butter</u>	<u>NFDM Grade A</u>	<u>Dry Whey</u>
03/01/2022	2.0300	1.9350	2.6925	1.8600	0.7525
03/02/2022	2.0550	1.9200	2.6775	1.8750	0.7400
03/03/2022	2.1025	1.9700	2.7000	1.8750	0.7550
03/04/2022	2.1500	1.9700	2.6850	1.8725	0.7575



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March 3, 2023

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What you need to know

- SGX futures are pricing in a 2.4% increase for GDT next week, which is counter to the 0.9% decline for Pulse this week
- U.S. butter stocks in January were much higher than forecast, domestic demand is down, the price forecast has been lowered
- U.S. cheese stocks at the end of January were a little lower than expected and down 0.3% YoY

Dairy Prices (USD)

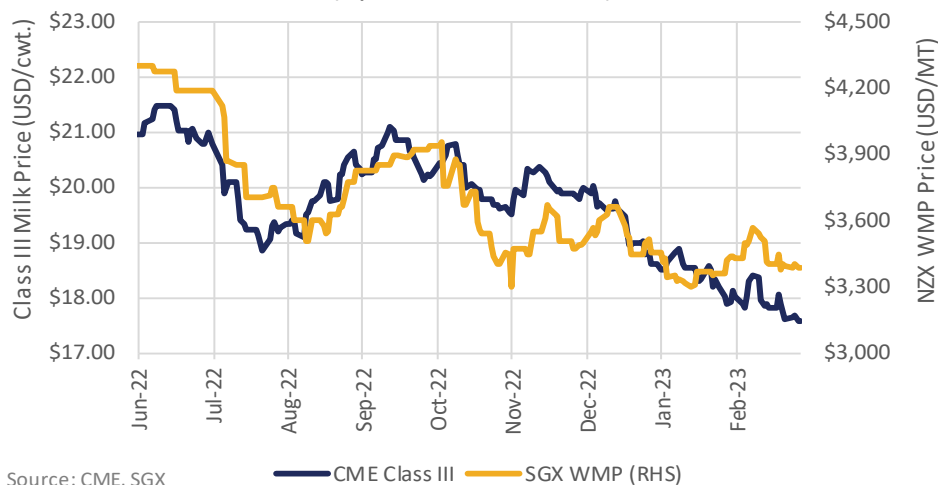
Cheese	Last (lb.)	Chg.	Last (MT)	WMP	Last (lb.)	Chg.	Last (MT)
CME Blocks (Wk Avg)	\$1.90	-\$0.04	\$4,193	US	\$2.18	-\$0.02	\$4,806
CME Barrels (Wk Avg)	\$1.56	-\$0.01	\$3,445	Dutch	\$1.63	-\$0.01	\$3,598
EU Gouda	\$1.52	-\$0.07	\$3,344	GDT (Avg)	\$1.48	\$0.00	\$3,264
GDT Cheddar (Avg)	\$2.31	\$0.00	\$5,086				

Butter	Last (lb.)	Chg.	Last (MT)	Dry Whey	Last (lb.)	Chg.	Last (MT)
CME Spot (Wk Avg)	\$2.39	\$0.00	\$5,278	Central US	\$0.42	\$0.01	\$915
EEX Index	\$2.37	\$0.08	\$5,225	EEX Index	\$0.34	\$0.00	\$743
GDT (Avg)	\$2.23	\$0.00	\$4,922	US WPC34	\$1.40	-\$0.06	\$3,086
				US Lactose	\$0.39	-\$0.02	\$860

SMP/NFDM	Last (lb.)	Chg.	Last (MT)	Rennet Casein	Last (lb.)	Chg.	Last (MT)
CME Spot (Wk Avg)	\$1.18	-\$0.03	\$2,605	US	\$5.87	\$0.00	\$12,941
EEX Index	\$1.26	\$0.02	\$2,770				
GDT (Avg)	\$1.26	\$0.00	\$2,769				

Sources: CME, USDA, EEX, GlobalDairyTrade, Dutch Dairy Board, Trigona, FRED USD/euro rate used: 1.061, +0.001

CME Class III and SGX WMP Futures Prices
(April 2023 Contracts)



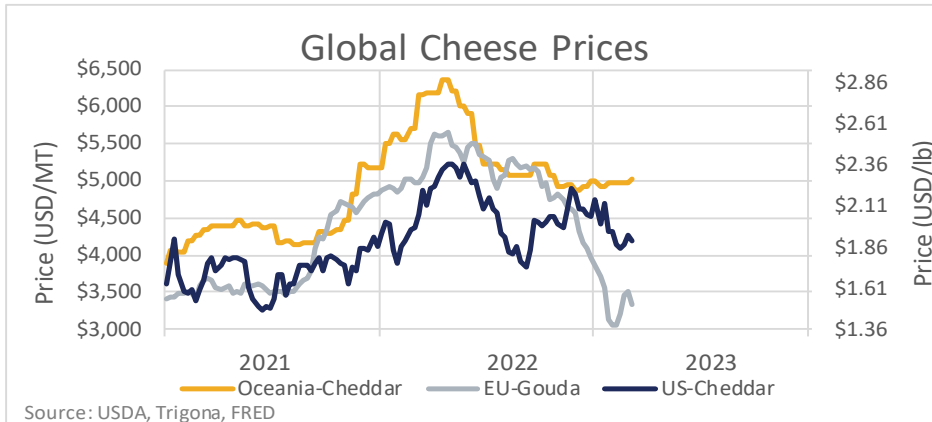
Source: CME, SGX

Market Summary

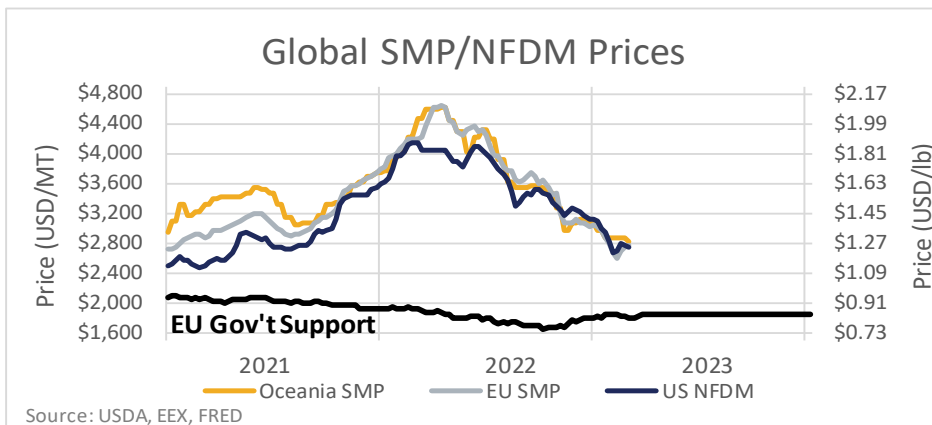
We held our Agricultural and Dairy Market Outlook conference in Las Vegas this week. I presented a relatively bullish outlook with dairy prices generally bottoming out in March and then moving higher. We have seen global demand improving at these lower price levels, which is supportive for prices, but I have to say that the sentiment among the attendees was bearish. Milk production is still good in the U.S. and across the major exporters. Chinese import demand seems slightly better, but still not strong. Domestic demand is a little soft. After getting the January Cold Storage data last Friday, I do agree that the U.S. butter market is looking bearish. But if Chinese imports have at least steadied out, then we are probably approaching the bottom for dairy prices.



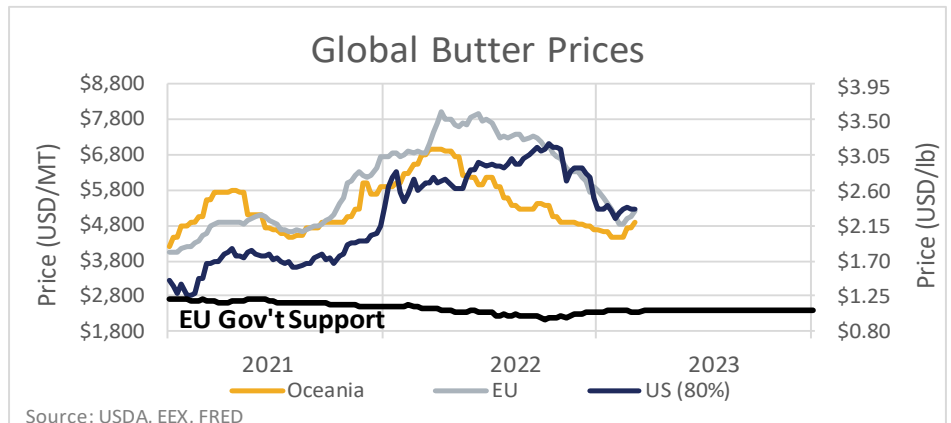
Product Markets



Butter: CME spot butter fell this week. U.S. butter stocks at the end of December were much larger than expected, up nearly 20% YoY. Domestic demand is very weak and it looks like inventories are going to be on the heavy side. The stocks/use model would argue for a Q2 price around \$1.95 (\$4,300), but I'm not sure the market will drop that far. After a big spike higher last week, EEX butter futures pulled back this week.



Cheese: CME spot barrels fell to \$1.53 on Thursday (\$3,375), which is the lowest level since late 2021. I think the downward pressure is primarily coming from the supply side with milk shifting out of other cheeses, but maybe the demand side has weakened as well. Anecdotally, the cheese market in Europe is more balanced after the big collapse in prices during January, but prices still fell a little this week. EU Cheddar pricing is still relatively firm, but that could change as production ramps up seasonally.



Powders: Powders prices were a little softer this week. GDT Pulse set the tone, down 0.9% from last week. NFDM/SMP was a little weaker in the U.S. and EU as production remains good and stocks are available, although the demand side has shown some improvement. The whey complex is a mixed bag. Dry whey in the U.S. and EU rallied in February, which was a surprise, but EU prices have flattened out and U.S. has pulled back a little. The WPC/WPI markets are still weak, but the sharply lower prices have brought some buyers off the sidelines.



Udder Intelligence



March 3, 2023

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Simplify – Data overload is a real problem in today’s market analysis. While we track millions of data points, we distill of this information down to indicators, commentary and forecasts that are clear and easy to understand.

Succeed – The more you understand the underlying drivers in the market, the easier it becomes to make better, more informed decisions.

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