

# MarketNews

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Flour Facts



Weekly Market Review



Oil Market Watch



USDA Weekly Livestock, Poultry & Grain Market Highlights



Market updates from The Plastics Exchange



Daily Market Summary



Market Summary



Market Summary

# Egg Markets

J\_PY027

Atlanta, GA Fri. May 12, 2023 USDA Market News

SHELL EGGS: Daily National Egg Market-at-a-Glance

Regional and California and prices are steady. New York eggs are steady. Asking prices for next week's deliveries are trending unchanged to at times lower. The undertone is mostly steady. Offerings are moderate. Supplies are mixed, but mostly moderate. Demand into all channels ranges light to fairly good, but best in foodservice. Market activity is slow to moderate. Breaking stock offerings and demand are light to moderate. Light type fowl offerings are moderate to heavy; processing schedules are normal to less than normal.

SOURCE: USDA Livestock, Poultry & Grain Market News Division  
Atlanta, GA 404.562.5850 email: Atlanta.lpgmn@ams.usda.gov  
<http://www.ams.usda.gov/market-news/livestock-poultry-grain>

Prepared: 12-May-2023 01:00 PM E NBS



## 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>

<https://www.ams.usda.gov/mnreports/pybshellegg.pdf>

<https://mymarketnews.ams.usda.gov/viewReport/2733>

# USDA Egg Markets Overview

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

May 12, 2023

Wholesale prices for cartoned shell eggs steadied this week as demand remains light to moderate for moderate offerings. Supplies are moderate to heavy and trading is moderate. Wholesale prices for graded loose eggs steadied with moderate offerings and mostly moderate supplies. Demand is in a full range and trading is slow to moderate. The volume of trailer load loose egg sales this week declined 35% from last week's active pace with only 3% for future delivery, indicating more interest in close-in business. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs increased \$0.07 to \$0.566 per dozen with a steady undertone. The wholesale price on the New York market for Large cartoned shell eggs delivered to retailers was unchanged at \$0.91 per dozen with a steady undertone. In the major Midwest production region, the wholesale price for Large, white, shell eggs delivered to warehouses declined \$0.18 to \$0.78 per dozen with a steady undertone while prices paid to producers for Large cartoned shell eggs were unchanged at \$0.59 with a steady undertone. The California benchmark for Large shell eggs decreased \$0.20 to \$1.48 per dozen with a steady undertone. Delivered prices on the California-compliant wholesale loose egg market were untested this week with a steady undertone.

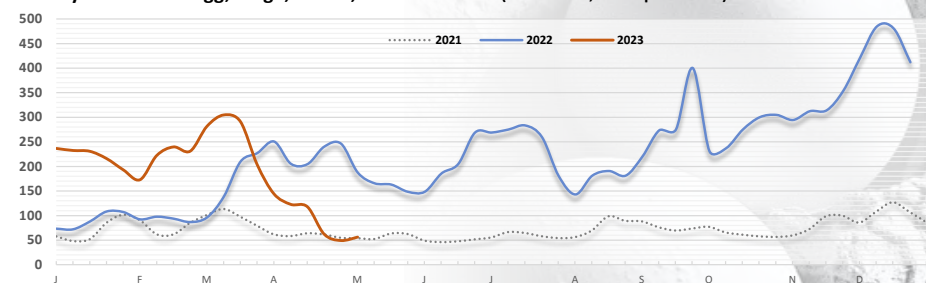
Consumer demand for cartoned shell eggs over the past week remains lackluster and well below average as shoppers are seeing little price incentive at their local grocer to buy beyond their basic needs. With demand at low levels, supplies continue to become more available and the recent sharp declines in wholesale egg prices appears to be finally stimulating a response from retailers, even if their focus is on cage-free offerings over conventional caged fare. If any positive can be seen in the avian influenza outbreaks it is that the price spread between caged and cage-free shell eggs at retail is becoming more acceptable to consumers. The most active movement of shell eggs continues to be from egg products manufacturers who are breaking eggs as a share of total production at levels not seen since early 2016 as the industry was recovering from the last major avian influenza outbreaks. Breakers are finding wholesale spot market prices almost too good to pass up and they have been running schedules at full pace while at the same time increasing their stocks. According to the U.S. Bureau of Labor, in April, the Consumer Price Index for eggs declined 1.5%, 121% over the level of April 2022, to an average price of \$3.27 per dozen, down \$0.18 per dozen from March.

Promotional activity for conventional caged shell eggs in retail outlets continues to improve to its most active pace for the year to date and the average ad price rises \$0.07 to \$1.94 per dozen. Promotional activity for specialty shell eggs hits its most active pace since October 2022 with nutritionally-enhanced offerings dominating ad space. Feature activity for [UEP-defined cage-free](#) shell eggs drops off from last week's pace and accounts for only 8% of ad activity. The average ad price rises \$0.28 to \$3.99 per dozen on the limited test. The average ad price spread between 12-packs of Large caged eggs and UEP cage-free eggs widens by \$0.21 per dozen to a spread of \$2.05 per dozen.

The overall inventory of shell eggs decreased one percent while the nation-wide inventory of Large eggs was up 2%. Stocks of Large eggs in the key Midwest production region

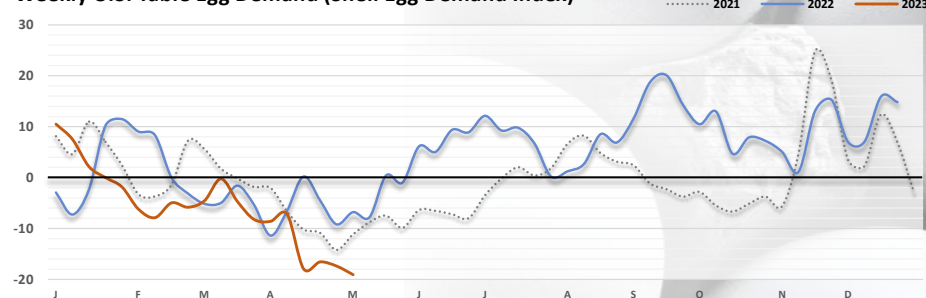
Source: USDA AMS Livestock & Poultry Program, Livestock, Poultry, and Grain Market News Division

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

Consumer Price Index Average Price Data - Large A Shell Eggs per Dozen  
Bureau of Labor Statistics



Egg Markets Overview

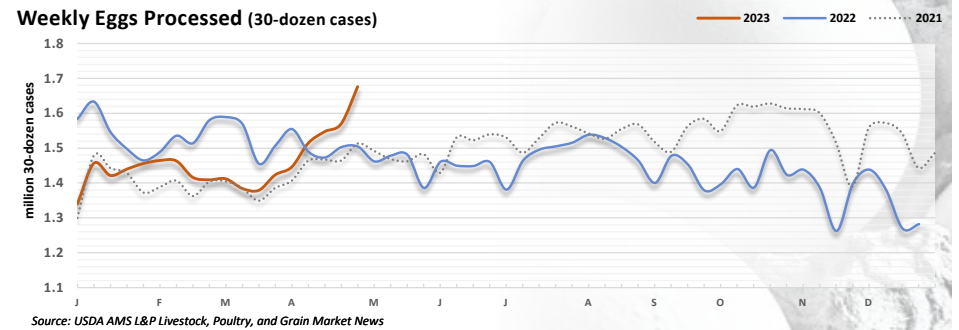
increased 2% as movement of eggs into marketing channels is just off the pace of increase in supply. The inventory share of Large class shell eggs increased 1.5% to a 55.5% share of all shell egg stocks on inventory at the start of the week, its highest level recorded at least over the past 8 years if not an all-time high. Stocks of cage-free eggs increased 4% to support ongoing active retail featuring and the inventory of nutritionally-enhanced shell eggs was down nearly 14% to support breaking features. Stocks of organic eggs were down 3.5% were down 4.5% as breakers are working to keep their stock rotated. Total estimated table egg production was unchanged from last week and from last year at a deficit of 0.5% from last year, about 815 thousand cases. According to the U.S. Bureau of Labor, in April, the Producer Price Index (a measure of average prices received by producers of domestically produced goods and services), for Large shell eggs declined 35.3%, 76% above the level recorded in April 2022.

Wholesale prices for breaking stock in the Central States are holding steady at \$0.43 per dozen. Demand and offerings are light to moderate with moderate to heavy supplies. Schedules are running full-time to extended and trading is slow to moderate. The volume of eggs processed over the past week increased nearly 7%, representing a 35% share of weekly table egg production, the largest share since Spring of 2016. Egg processing is now 11% over year ago levels. Production of whole egg rose 8% while production of egg whites was down 3% and production of yolk decreased 2%. The production of dried eggs increased 11% to its highest weekly level since the pre-pandemic period in March 2022. Inedible egg production increased 4.5%. Breaking yields without inedible declined nearly 1.25 pounds to 40.40 pounds per case broken.

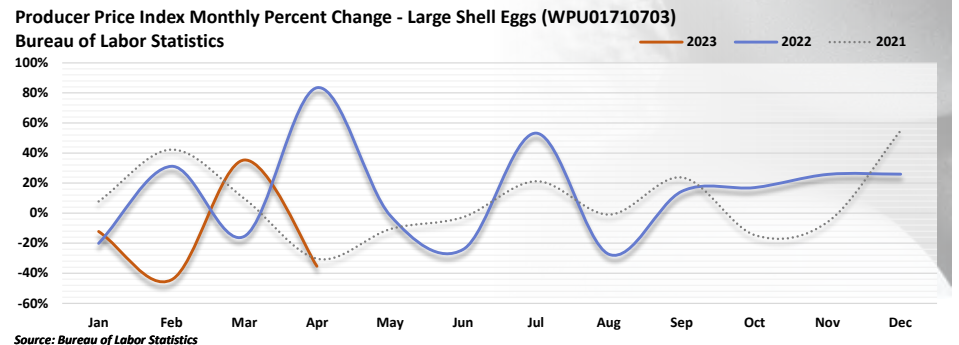
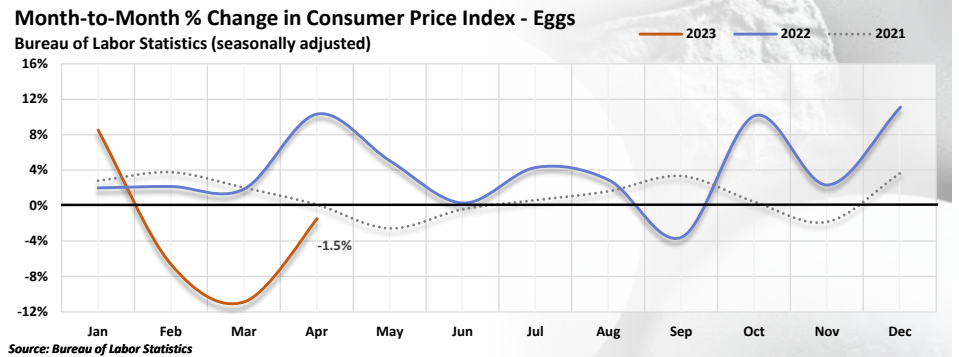
Wholesale prices for liquid egg products are too few to report with a steady to weak undertone. Demand and offerings are mostly light to moderate on tight supplies and slow trading. Prices on frozen liquid whole eggs decreased \$0.05 to \$1.42 per pound while those for frozen liquid whites were down \$0.03 to \$1.69 per pound. The undertone is steady to weak for mostly light demand and offerings and light supplies. Trading is slow. Prices for dried whole eggs were down \$0.25 to \$11.25 per pound and those for whole dried yolk were down \$0.25 to \$9.55 per pound. Dried albumen remains untested. The undertone is steady to weak, offerings are mostly light with light to very light supplies, best for yolk. Demand is light to moderate and cautious as marketers are closely monitoring current market conditions. Trading is slow to moderate.

According to NASS, the March monthly volume of frozen eggs in storage decreased 7% from the prior month, unchanged from the year ago level. Stocks of whole frozen egg rose 2% during the month to a level 18% over last year. The share of whole egg stocks gained 4% to a 47% share of total frozen stocks. Stocks of frozen yolk decreased 7%, 18% over last year while stocks of frozen egg whites decreased 12%, 19% under year ago levels. Stocks of unclassified eggs were down 11% from last month and last year. The share of unclassified frozen stocks was decreased 2% to a 40% of total frozen stocks.

Cage-free commitments as of April 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 (70.5% of the U.S. non-organic flock), indicating a shortage of 118.2 million hens from the current non-organic cage-free flock of 103.2 million hens. The average lay rate for non-organic, barn/aviary cage-free production is currently estimated at 81.4



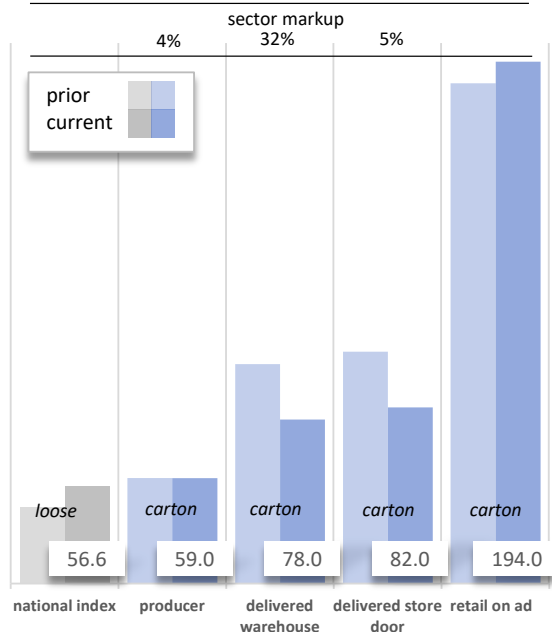
Eggs Processed - Week-to-Week Change						
total	share	whole	whites	yolks	dried	inedible
6.8%	2.3%	7.9%	-3.2%	-2.3%	11.3%	4.5%



## Shell Eggs Market Price Comparisons

(as of May 12, 2023)

(National Index on a loose-egg basis, all other prices for carton 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

	12-May	% Change	Recent History				
			5-May	28-Apr	21-Apr	14-Apr	7-Apr
<b>SHELL EGGS (Large, White, conventional in cents per dozen)</b>							
National, Loose, (f.o.b. dock prices)	56.63	14%	49.63	62.62	118.16	123.13	144.42
New York, Cartonned (price to retailers)	91.00	0%	91.00	99.00	149.00	177.00	236.00
Midwest, Cartonned (price dlvr'd to warehouse)	78.00	-19%	96.00	146.00	168.00	223.00	306.00
California, Cartonned, benchmark (cage-free)	148.00	-12%	168.00	225.00	251.00	306.00	398.00
<b>National Retail Shell Egg (avg. ad price in dollars per dozen)</b>							
Conventional, Large, White	1.94	4%	1.87	2.28	2.50	2.74	3.29
Cage-Free, Large, Brown	3.99	8%	3.71	3.61	3.50	3.99	3.49
<b>EGG PRODUCTS (f.o.b. dock prices; dollars per pound)</b>							
Central States Breaking Stock (dlvr'd prices per doz)	43.00	0%	43.00	58.00	128.00	145.00	200.00
Whole Frozen Eggs	142.00	-3%	147.00	164.00	200.00	250.00	280.00
Whole Dried Eggs	11.25	-2%	11.50	12.00	12.25	12.50	13.50
Processed Share of Weekly Egg Production	35.2%	2.3%	32.9%	32.3%	31.4%	29.8%	29.2%
<b>SHELL EGG DEMAND INDICATOR (no units)</b>	-19.0	-1.7	-17.4	-16.5	-17.9	-7.2	-8.6

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)	12-May	Change	05-May	2023 High	2023 Low
National, Loose, (f.o.b. dock prices)	56.6 ▲	14%	49.6	304.6	47.1
New York, Cartonned (price to retailers)	91.0 ▬	0%	91.0	474.0	91.0
Midwest, Cartonned (price dlvr'd to warehouse) <sup>1</sup>	78.0 ▼	-19%	96.0	517.0	78.0
California, Cartonned, benchmark	148.0 ▼	-12%	168.0	737.0	148.0
Central States Breaking Stock (delivered prices) <sup>1</sup>	43.0 ▬	0%	43.0	367.0	43.0
Whole Frozen Egg Products (f.o.b. dock prices)	142.0 ▼	-3%	147.00	300.0	142.0
Whole Dried Egg Products (f.o.b. dock prices)	11.25 ▼	-2%	11.50	14.3	11.25
Natl Average Retail Ad Price - Conventional	1.94 ▲	4%	1.87	4.94	1.75
Natl Average Retail Ad Price - Cage-free <sup>2</sup>	3.99 ▲	8%	3.71	4.99	2.00
Shell Egg Demand Indicator	-19.0 ▼	-1.7	-17.4	10.5	-19.0

<sup>1</sup> mostly high; <sup>2</sup> non-organic



# FLOUR FACTS

Information Provided by General Mills Foodservice  
GeneralMillsCF.com



## Weekly Market Highlights

MAY 11, 2023

- There has been a lot of volatility in markets this week as news out of the Black Sea continues to change by the day. Russia seems to be playing hardball with the renewal of the Grain Corridor Agreement and vessel inspections had stopped out of the region. However, inspections have resumed, and we are now onto Day 2 of UN negotiations.
- The USDA released its weekly crop condition report Monday which showed winter wheat condition decreased 1% in the good/excellent category, down to 28%. Winter wheat headed is above last year and the five-year average pace, coming in at 38%.
- Spring wheat planted came in at 24%, which is 2% behind last year and 14% behind the five-year average. Emergence is also trailing, reported at 5%.

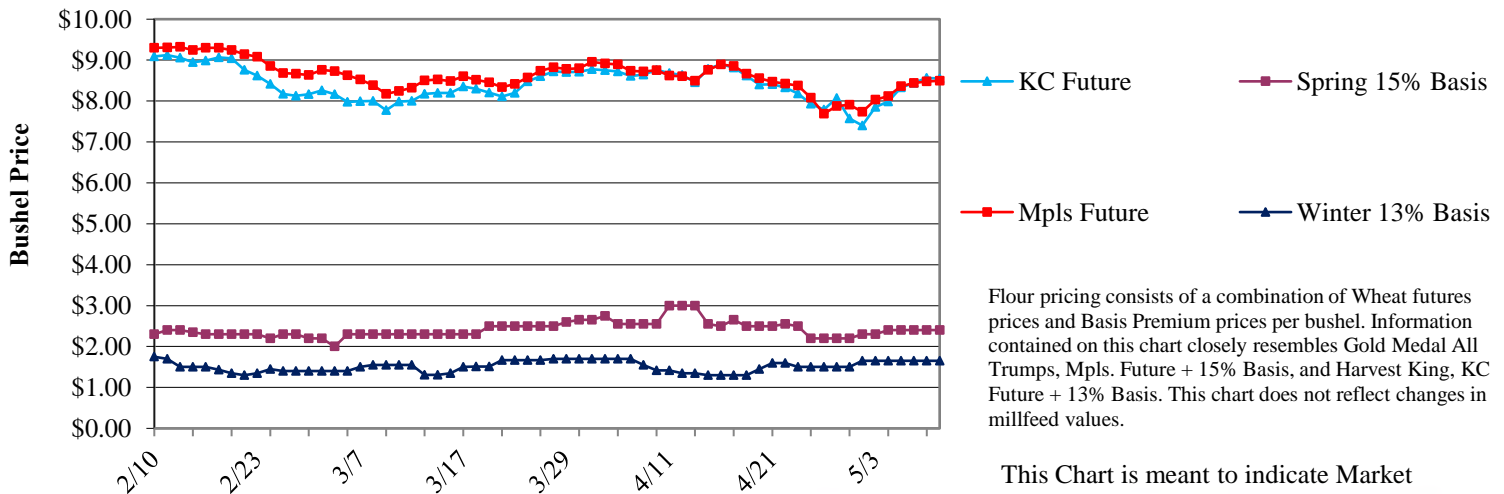
## Facts on Flour

### What's Your Favorite Season?

Growing season is one of the major classification categories for wheat. There are two distinct seasons: winter and spring. Winter wheat is planted and begins growth in the early autumn. As winter rolls in, the growth is halted, and the plant remains dormant until spring when it resumes its growth. This crop is harvested in late spring through early summer. Spring wheat is grown in areas where the winters are too cold for winter wheat to survive. Spring wheat is planted in the spring and harvested in late summer to early fall. Spring wheat will generally have a higher protein content than winter wheat. Winter wheat flours, when compared to spring wheat, tend to have a more "mellow" protein structure.



## Futures & Basis Markets



This Chart is meant to indicate Market Direction Only.

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.



# Weekly PRODUCE ALLIANCE Market Report



May 11, 2023

## OVERVIEW

Lighter supply out of Ruskin/Palmetto this week on tomatoes and supplies are stable on pepper, cucumber, and corn. The hot pepper market continues to improve, but serrano, shishito and anaheim the highest priced and shortest available. Supply is tighter on round, roma and snacking tomatoes crossing through Nogales and McAllen; the sizing curve however shifted a bit leaning towards smaller fruit on rounds, romas are peaking on XL and jumbo. We will see more transition etc. over the next several weeks Otay/Baja, Coachella, Quincy, and Carolinas are up next. Offshore melons are sung while crossing from Nogales are ramping up. the desert will most likely start in 3 weeks. Supplies are slowly improving in the Salinas Valley, but we still look for supplies to continue to be very unstable through the month of May and into June as the Salinas Valley finds itself behind schedule on many major commodities due to the weather-related issues in California from Jan through March. Post Cinco de Mayo, there is a shift as the three weeks prior, 216M pounds of avocados were harvested for Cinco (exceeding Super Bowl by 15M pounds), and now the industry is adjusting out of one of the largest volume periods of the year. Promotional planning has shifted to Mother's Day this upcoming weekend, and Memorial Day is right around the corner. Market pricing is softer than last week, but harvest volumes this week have been very light, and once inventory levels come back down, markets are expected to increase slightly.

## MARKET ALERTS



### ASPARAGUS – ESCALATED

Baja continues with slow production. Guanajuato should start in 10 days and go through the end of August. Peru's volume is still low due to warm weather in the region. Quality has been fair at best. We should start seeing more Peruvian arrivals beginning at the end of next week. Washington production has started, and Michigan should begin in two weeks. Markets remain active due to the weather, transition in Mexico, and Mother's Day demand.



### BOK CHOY – ESCALATED

Market continues active with very light supplies.



### BRUSSELS - SRPOUTS

Supplies will continue to decrease on both bulk pack 25lb and VA category. Yields are dropping and there are still issues with quality. Expect to see short supplies and rising prices for the next 4-6 weeks as we will see a drop in volume.



### CABBAGE (RED) – ESCALATED

Supplies have decreased; market is much stronger due to the lighter supplies.



### CAULIFLOWER – ESCALATED

Supplies have improved and although pricing is still escalated, market is slowly adjusting downward. Quality is good and we look for volume to continue to increase although we still anticipate unstable supplies through the month.



### LETTUCE, ICEBERG – ESCALATED

**ICEBERG:** Current supplies are slowly increasing but normal growing cycles are still off schedule due to storms earlier in the year. Quality is much improved although weights and head size are still a little lower than normal and the market has been active with wide ranges in prices and quality.

**ROMAINE:** The Salinas season is in full swing, but weights are still light to start the season, and there is light cupping on the romaine hearts. Quality is good on both cartons and hearts.

**GREEN LEAF, RED LEAF, BUTTER:** Production in Salinas is steady, and quality has improved with good weights and sizing. Current markets are good, and demand is steady.



### MELONS (CANTALOUPE & HONEYDEW) – ESCALATED

**Cantaloupe:** ESCALATED We are starting to hit the home stretch with offshore melons and anticipate steady supplies through this week before we begin to see seasonal declines the week of 5/15. Good availability on the cantaloupe continues with a nice spread of sizing. There is some Athena Melons available out of Central Florida and improving supply crossing through Nogales.

**Honeydews:** ESCALATED Offshore fruit is rapidly declining while we are seeing some improvement on supply crossing through Nogales. Flexibility of sizing may be required at time of loading.

### MUSHROOMS – ESCALATED

Quality is good despite supply being lighter than



**CELERY – ESCALATED**

Supplies will continue to be light with a very active market for the next few weeks. Disease pressure and seeders are present, so lighter yields. Market is stronger with pricing escalated.



**GARLIC – ESCALATED**

Quality is good with moderate supplies



**GINGER – EXTREME**

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



**GRAPES (ALL COLORS) – EXTREME**

We are starting to see a rapid decline in volume decreasing on offshore grapes and now spot market inventory is becoming difficult to source. Importers are holding onto remaining inventory in order to manage programed business while any additional volume from Chile has been diverted to Europe and Asia due to weak U.S. markets in February and March leaving much less fruit in the U.S. for April. Brazil's second crop is beginning to arrive on the east coast, but those supplies will not be enough to meet overall demand and Mexico will be delayed several weeks. The industry may experience a supply gap in the coming weeks, pushing spot market pricing to extremely elevated levels on all colors. We do not expect supply to be available out of Mexico until the late May. In the coming weeks, substitutions to alternative colors or mixed melons/other fruit may be necessary to keep the supply chain constant.



**GREEN BEANS – EXTREME**

Bean demand exceeds supply in many markets due to lack of supply and quality. Markets in Nogales are extreme as the season starts to wind down, transition to Coachella very soon and South Georgia started this week. We hope to see downward pressure on price as more supply becomes available.



**HOT PEPPER – ESCALATED**

In the east, chilies were still tighter than normal; however, expect to see some improvement in two weeks on Cubanelle, Long Hots, Poblano, Hungarian Wax, Jalapeno and Shishito (very short). In McAllen, volume is gradually improving on all varieties but Yellow Caribe and Serrano. Pricing remains firm but there is downward pressure on most varieties. Tomatillos are stable.



**LIMES – ESCALATED ON LARGE SIZES**

Overall supply and quality have improved, market is lower. We look for supplies to continue to improve through the balance of the month.



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.



**NAPA – ESCALATED**

Effects of the warm weather last week in the desert, along with the weather events in California in March are affecting quality on Napa out of all areas. Market is active.



**PARSLEY (CURLY & ITALIAN) - ESCALATED**

Quality is improving but market is still active as we continue to see some slight yellowing/burn in some of the fields.



**POTATOES - ESCALATED**

Potato demand on cartons has returned to normal levels during Q1. While we have not seen carton pricing take any sharp increase, we are seeing product significantly tighten up. We are beginning to approach the point where growers start to wind down on their Norkotah supplies. Once we get to the middle/end of April, we should see growers shipping Burbanks just about exclusively. 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 as we head into the Spring/Summer. Other growing regions are echoing the same sentiments as well. We have already seen Nebraska finish up, and we are seeing much less supply out of Colorado and Wisconsin as well. Both regions will finish up over Q2, and it could potentially mean a volatile Summer ahead. National supply reports are showing that there are approximately 3% less potato stocks on hand than there were during this time last year. Depending on how product stores, as well as what happens with demand, will really determine where the market will climb to.



**SNOW & SNAP PEAS – ESCALATED**

Production remains the same on Snow peas. Sugar snaps continue to be slow due to the weather. We continue to see quality issues on Sugar snaps.

**GOOD BUYS**

Commodity	Expert Tip
Arcadian Blend	Let's talk about the IDEAL salad! A beautiful base of any delicious green.. in this case, Arcadian Blend, topped with some beautifully sliced heirloom tomatoes, with some fresh diced cucumbers, and green peppers. Next, the best way to mix up any delicious salad, is
New Crop Heirloom Tomatoes - Canada	



Slicer Cucumber
Italian Squash/ Yellow Squash
Green Bell Pepper
Sweet Corn

grilled veggies. Slice summer squash length wise and grill, then grill the corn with the husk still on. After the squash and corn is grilled, shuck the corn and dice the squash. Drizzle the salad with olive oil, a squeeze of lemon juice and a dash of salt and pepper!

## 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.



### SALINAS, CA

Thu 5/11	Fri 5/12	Sat 5/13	Sun 5/14	Mon 5/15	Tue 5/16	Wed 5/17	Thu 5/18
64°   50°F	66°   51°F	72°   55°F	73°   54°F	74°   55°F	76°   55°F	73°   54°F	71°   54°F
AM Clouds/PM	Partly Cloudy	Partly Cloudy	Sunny	Sunny	Sunny	Sunny	Partly Cloudy

### OXNARD, CA:

Thu 5/11	Fri 5/12	Sat 5/13	Sun 5/14	Mon 5/15	Tue 5/16	Wed 5/17	Thu 5/18
64°   52°F	66°   54°F	65°   56°F	70°   57°F	69°   58°F	69°   59°F	70°   58°F	68°   58°F
Partly Cloudy	Mostly Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy

### JALISCO, MX

Thu 5/11	Fri 5/12	Sat 5/13	Sun 5/14	Mon 5/15	Tue 5/16	Wed 5/17	Thu 5/18
87°   57°F	86°   56°F	85°   55°F	85°   57°F	87°   58°F	85°   58°F	83°   58°F	84°   57°F
Sunny	Partly Cloudy	Sunny	Sunny	Mostly Sunny	Partly Cloudy	Mostly Cloudy	Partly Cloudy

### WIMAUMA, FL

Thu 5/11	Fri 5/12	Sat 5/13	Sun 5/14	Mon 5/15	Tue 5/16	Wed 5/17	Thu 5/18
94°   70°F	92°   70°F	91°   67°F	91°   69°F	91°   70°F	91°   71°F	90°   72°F	91°   72°F
PM Thunderstorms	PM Thunderstorms	PM Showers	Partly Cloudy	PM Thunderstorms	Scattered Thunderstorms	Partly Cloudy	Partly Cloudy

### ADEL, GA

Thu 5/11	Fri 5/12	Sat 5/13	Sun 5/14	Mon 5/15	Tue 5/16	Wed 5/17	Thu 5/18
87°   66°F	87°   66°F	86°   67°F	91°   67°F	90°   65°F	86°   66°F	88°   66°F	88°   67°F
PM Thunderstorms	PM Thunderstorms	PM Thunderstorms	Partly Cloudy	PM Thunderstorms	Partly Cloudy	PM Thunderstorms	Scattered Thunderstorms

### COACHELLA, CA

Thu 5/11	Fri 5/12	Sat 5/13	Sun 5/14	Mon 5/15	Tue 5/16	Wed 5/17	Thu 5/18
91°   66°F	101°   72°F	107°   73°F	104°   73°F	101°   76°F	102°   75°F	101°   73°F	98°   72°F
Sunny	Sunny	Sunny	Sunny	Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy



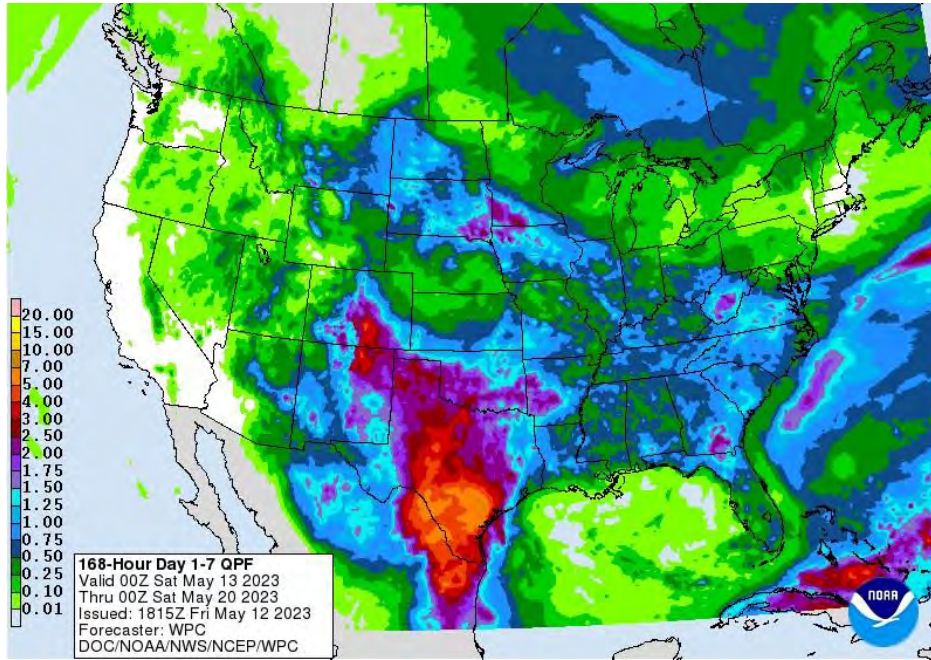
## Stratas Foods Market Watch 5.12.23

### *What to Watch For in the Week Ahead*

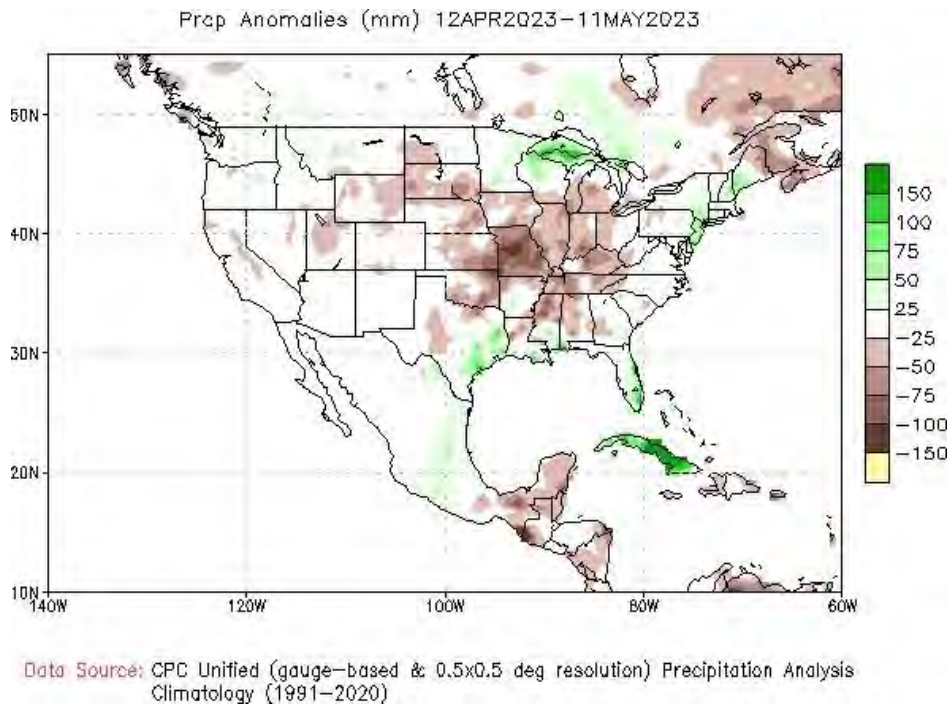
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- **Fundamentals**– CFTC COT, Weekly Export data, Crop Progress Report, WASDE, MPOB
  - **Weather** – Planting progress continues to show that concerns are not wide-spread. Focus will quickly focus on Summer Weather. The El Nino "watch" is as well.
  - **Politics/Macro** – Russian/Ukrainian grain deal seems to be falling apart to close this week. We've seen this set up before, so we will wait and see how it plays out. Energy markets bounced strongly off the lows and Gold markets got sold off to close the week.
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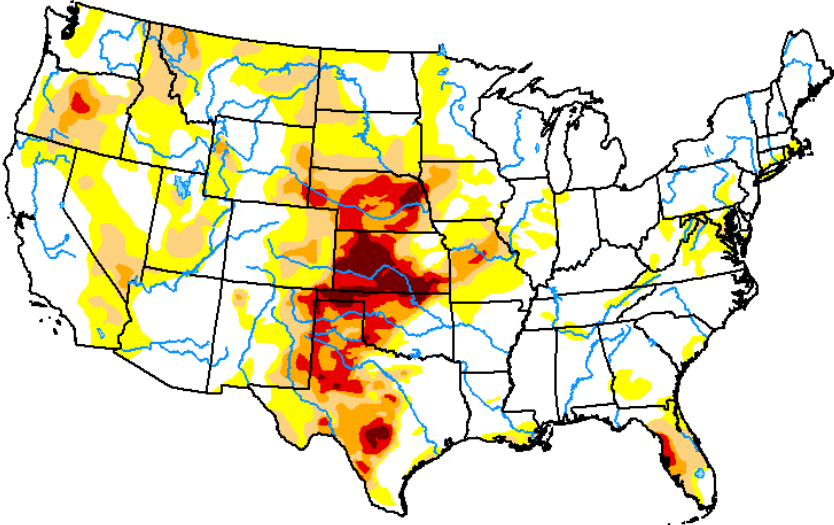
## US 7 Day Precipitation



## US 30 Day Anomalies

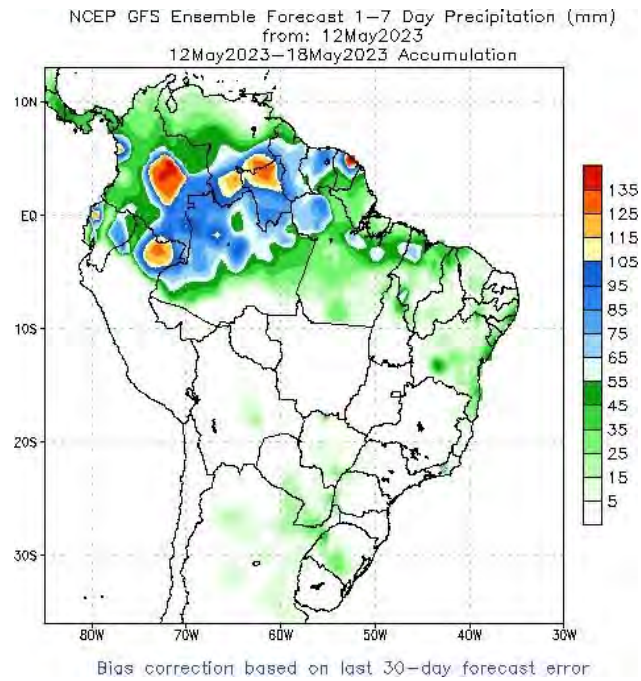


# US Drought Monitor

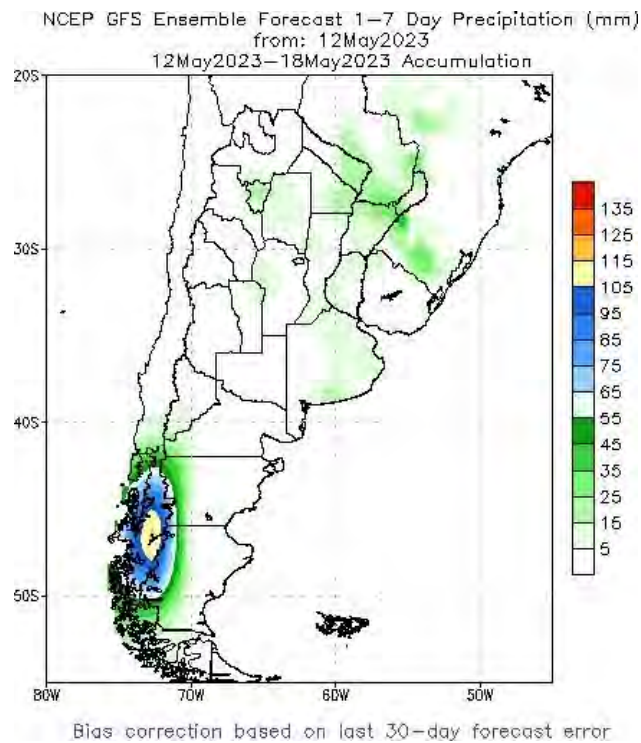


## 7 Day Precipitation

### Brazil

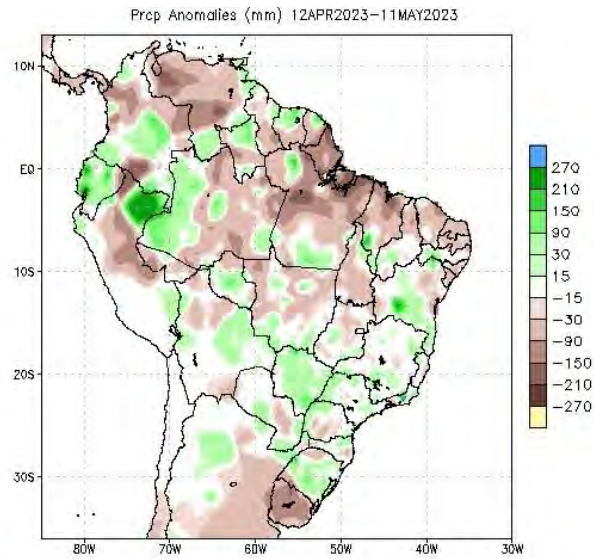


### Argentina



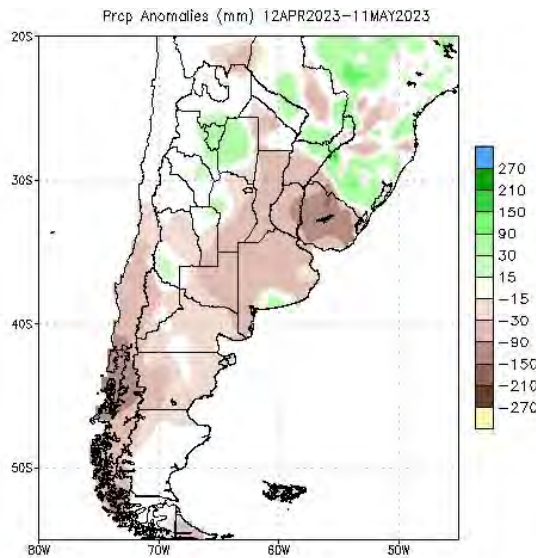
# 30 Day Anomalies

## Brazil



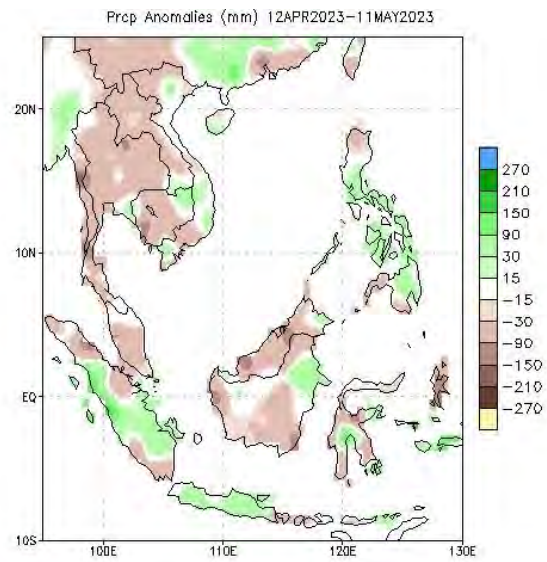
Data Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1991-2020)

## Argentina



Data Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1991-2020)

## Southeast Asia

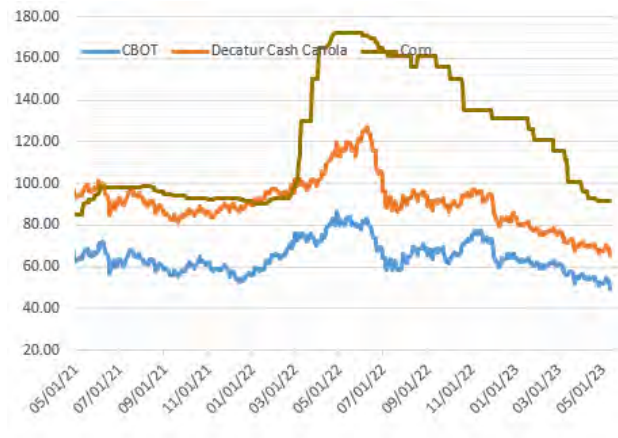


Data Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1991-2020)

## Tropical Oils



## North American Oils



## Moving Averages

	CBOT	Canola	Palm Olein	Coconut
5/12 Price	49.52	65.52	64.00	67.50
9-day MA	52.29	68.29	64.67	67.22
20-day MA	52.76	68.53	66.05	67.30
50-day MA	54.54	70.05	66.78	68.09
200-day MA	63.31	82.64	69.01	76.49

## Soybean Oil

### May WASDE

- Soybean ending stocks increased 120 million bushels from 215mb in April to 335 mb in May.
- Yield per acre increased from 49.5 bushels per acre in April to 52 bushels per acre in May.
- Bean oil ending stocks decreased from April as we moved from 1,936 million pounds to 1,831 million pounds.
  - Bean crushings increased from 2,220 million to 2,310 million bushels in May.
- (A possible prelude to EPA finalization in June) Biofuel line item increased from 11,600 million pounds in April to 12,500 million pounds in May.

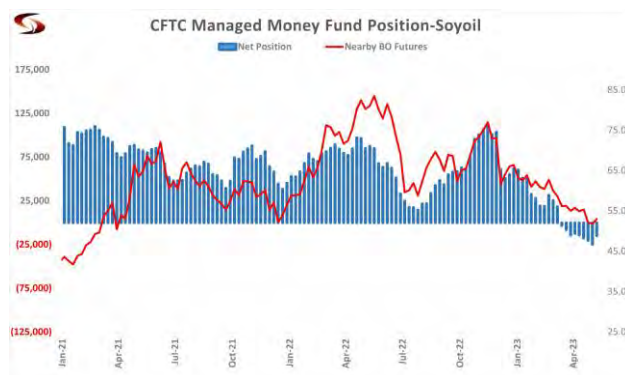


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## Soybean Oil Outlook

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- A straight week of moving down in bean oil as Friday was our fifth consecutive move lower.
- The trade collapsed after the close on Friday moving an additional 50 points beneath settlement. We now have the lows on the year and have broken through the 50.50 resistance level we saw in the July contracts.
- Surprising in the May WASDE that Argentina was not revised down yet again like the trade had expected. Pre-WASDE the conversation was whether the crop could maybe even break beneath 20 million metric tons. We stayed at 27mmt.
  - Oilshare gapped lower on Friday closing beneath 37%.
- Managed money slightly reduced short positioning for the week. From 24k contracts short to 15k short.
- **Expected CBOT Range 48.00 - 58.00**



## Canola/Rapeseed Oil



### Fundamental Updates

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- *Stats Canada reported 21.6M Acres for 2023 (+0.9% YoY)*
  - *US March 2023 Canola crush was 191,291 tons vs 171,529 tons in February and Mar'22 was 163,923.*
  - *Canola oil production increased as well: 155M lbs in Feb'23. This was up 9% vs February and up 1% vs March 2022.*
  - *Canola Seed Stock at the end of March was 5.9mmt, up 800kmt vs last year but below market estimates*
- 

### Flash Summary

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- *Canola seed futures were down close to 3% on the week, following Beans lower after the Friday May WASDE release*
- *Oil share values were down considerably on the week with current cop at 36.39% and new crop at 38.16%*
  - *Crush margins moved lower with the Oil losses outpacing the seed weakness*

- Q2 brings key downtime windows into focus for Canola oil and is going to have to be closely watched.
- 

## Tropical Oils



## Fundamental Updates

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### **MPOB:**

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- April Production Estimate: 1.196MMT (-7.13%)
  - April Export Estimate: 1.074MMT (-27.78%)
  - April Stock Estimate: 1.497MMT (-10.54%)
- Palm Futures were up 1.3% on the week, trading higher early then retracing later
- April MPOB data showed stocks tightening more than expected but the market shook of the news as Indonesian stocks are growing and production is expected to rebound
  - SPPOMA Production May 1-10 is +30% vs April
  - AmSpec Exports May 1-10 is +1.7% vs April

- *Indian demand for Palm continues to be slower than normal given cheaper soft oils taking import share*
-

**Hogs and Pork**

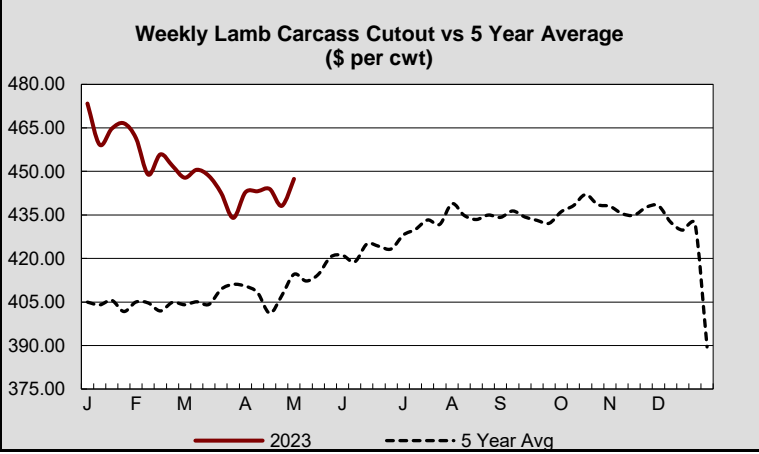
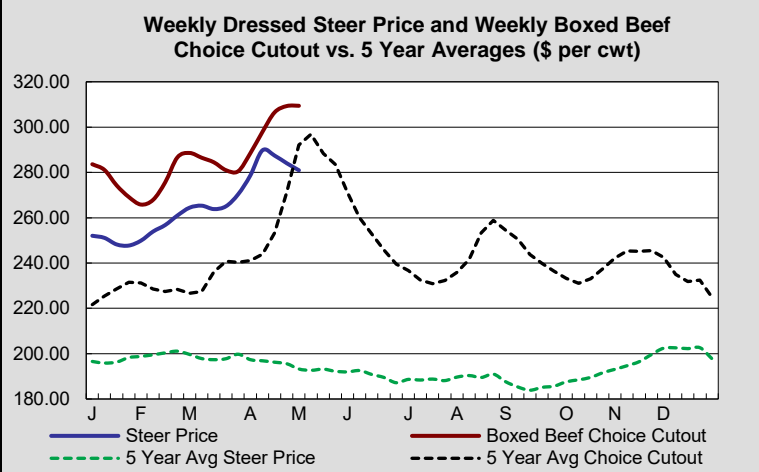
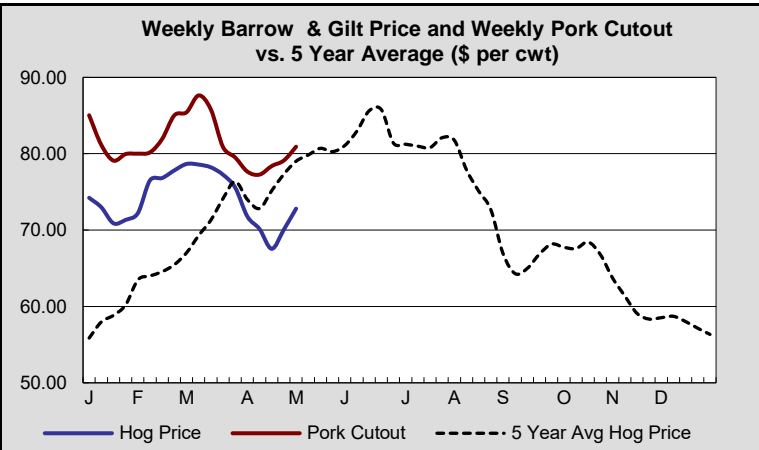
	Current Week	Change From Past Week	Change From Past Year
Nat'l Purchased Carc Wtd Avg Price - Barrows & Gilts (\$/cwt)	72.81	3.9%	-30.5%
Pork Carcass Cutout FOB Plant (\$/cwt)	80.92	2.3%	-23.2%
Segregated Early Weaned (SEW) Feeder Pigs (\$/head)	13.86	5.9%	-70.6%
Iowa/So. Minn Avg Weight Barrows & Gilts (lbs)	285.9	-0.3%	-0.9%
Est. Hog Slaughter	2,447,000	2.5%	1.7%
YTD Est. Hog Slaughter	44,602,000	N/A	1.6%
Est. Pork Production (mil lbs)	531.2	2.5%	1.0%
YTD Est. Pork Production (mil lbs)	9,686.8	N/A	1.0%

**Cattle and Beef**

Live Wtd Avg Steer Price, 5 Area FOB (\$/cwt)	173.93	-1.8%	21.3%
Dressed Wtd Avg Steer Price, 5 Area Del (\$/cwt)	280.94	-1.1%	21.8%
Boxed Beef Cutout, Choice (\$/cwt)	309.41	0.0%	19.8%
Boxed Beef Cutout, Select (\$/cwt)	288.49	0.1%	16.9%
Boxed Beef, Choice/Select Spread (\$/cwt)	20.92	-0.04	9.46
By-Product Drop Value, Steer (\$/cwt live)	13.08	0.5%	N/A
CME Feeder Cattle Index (\$/cwt)	199.46	-1.8%	28.3%
Est. Cattle Slaughter	623,000	-0.2%	-5.7%
YTD Est. Cattle Slaughter	11,276,000	N/A	-3.3%
Est. Beef Production (mil lbs)	508.5	-0.5%	-6.5%
YTD Est. Beef Production (mil lbs)	9,264.1	N/A	-4.9%

**Lamb and Veal**

Slaughter Lamb, Negotiated, Live Wtd Avg Price (\$/cwt)	153.15	-1.7%	-29.3%
Lamb Carcass Cutout (\$/cwt)	447.42	2.1%	-23.5%
Est. Sheep Slaughter	35,000	2.9%	12.9%
YTD Est. Sheep Slaughter	655,000	N/A	6.5%
Est. Lamb Production (mil lbs)	2.1	0.0%	-4.5%
YTD Est. Lamb Production (mil lbs)	41.9	N/A	1.9%
Veal Carcass Wtd Avg Packer & Non-Packer Owned (\$/cwt)	425.17	0.0%	5.3%



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



**Weekly Livestock, Poultry & Grain Market Highlights**  
**May 08, 2023**

**Grain**

	<b>Current Week</b>	<b>Change From Past Week</b>	<b>Change From Past Year</b>
Central Illinois Avg Corn Price (\$/bu)	6.1500	1.5%	-21.0%
Central Illinois Avg Soybean Price (\$/bu)	14.4500	1.4%	-11.2%
Central Illinois 48% Soybean Meal, Rail (\$/ton)	432.10	-2.5%	-0.6%
Hard Red Winter Wheat Truck to Kansas City (\$/bu)	8.9800	6.7%	-23.6%
Dark Northern Spring Wheat, 14%, MN, Rail (\$/bu)	10.1850	6.8%	-26.7%
Soft White Wheat Portland (\$/bu)	7.2143	-35.2%	-32.9%
Sorghum, Kansas City, Truck (\$/bu)	6.3000	-4.2%	-19.5%

**Broilers**

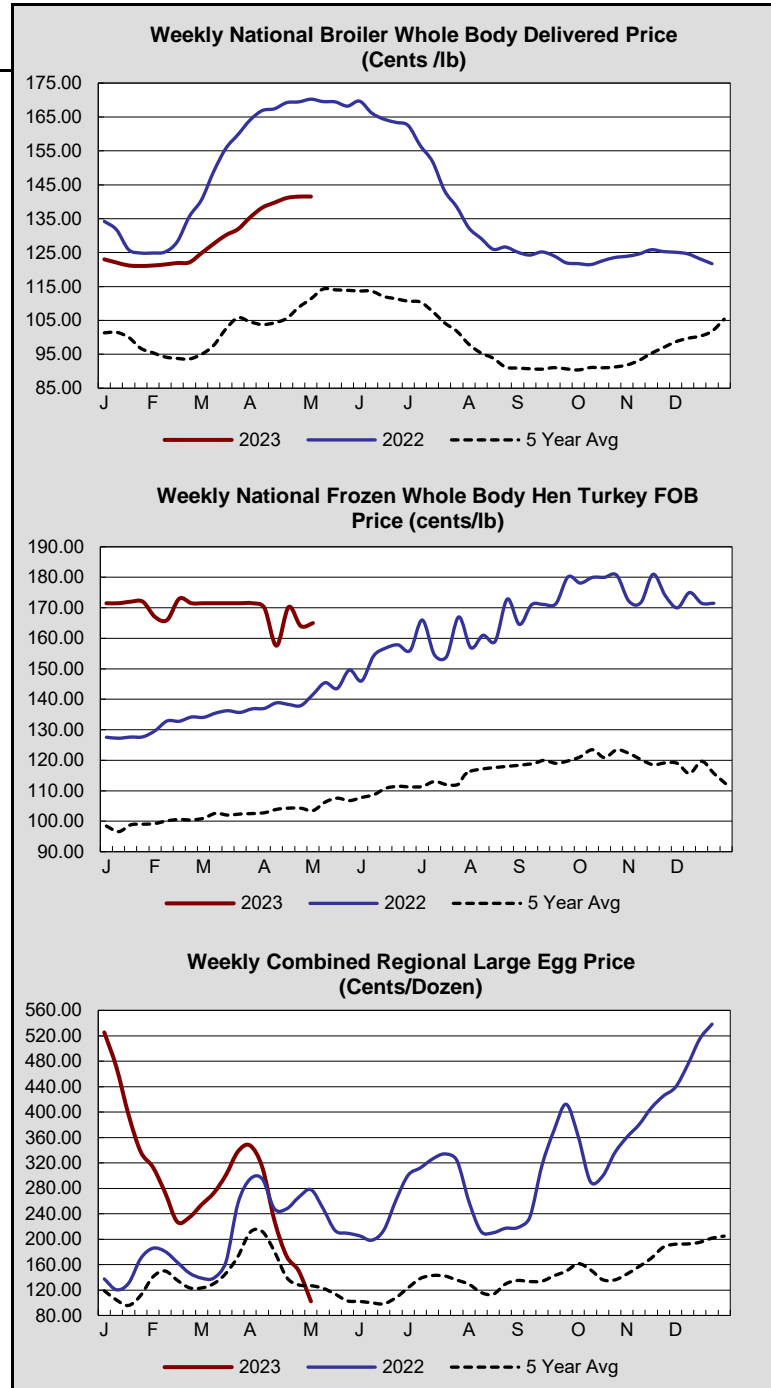
Nat'l Delivered Whole Body Price (cents/lb)	141.52	0.0%	-16.5%
Est. Young Chicken Slaughter - Current Week (000's)	156,472	-0.8%	N/A
Actual Slaughter of Young Chickens (000's)	165,811	-0.1%	0.1%
YTD Actual Slaughter of Young Chickens (000's)	2,818,644	N/A	1.0%
Actual RTC Pounds of Young Chickens (000's)	806,505	1.5%	3.3%
YTD RTC Pounds of Young Chickens (000's)	13,611,553	N/A	1.5%

**Turkeys**

Nat'l FOB Frozen 8-16 lb. Hens, Wtd Avg Prices, cents/lb	165.00	0.6%	19.6%
Actual Slaughter of Turkeys (000's)	4,158	7.9%	20.0%
YTD Actual Slaughter of Turkeys (000's)	63,487	N/A	-0.3%
Actual RTC Pounds of Turkeys (000's)	105,080	8.4%	22.1%
YTD RTC Pounds of Turkeys (000's)	1,631,768	N/A	-2.5%

**Eggs**

Combined Regional Large Eggs (cents/dozen)	102.18	-31.8%	-61.6%
National Shell Egg Inventory (30 doz. Cases/000,s)	1514.1	-0.9%	N/A
Shell Egg Demand Indicator (SEDI)	-17.40	0.05	-8.20
Central States Breaking Stock Av. Price (cents/dozen)	40.00	-20.8%	-84.3%
National Breaking Stock Inventory (30 doz. Cases/000's)	369.2	-4.5%	N/A
Eggs Broken Under Federal Inspection (30 doz cases)	1,569,500	1.5%	4.4%
YTD Eggs Broken Under Federal Inspection (30 doz cases)	24,539,851	N/A	-5.6%



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



# ThePlasticsExchange

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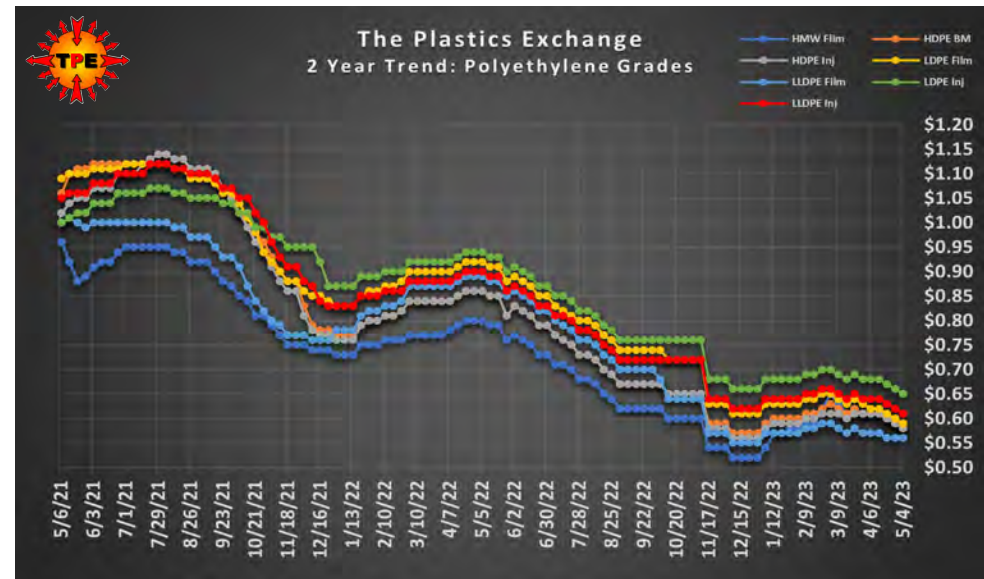
Market Update — May 5th, 2023

Spot resin trading remained moderate, which seems to have become the new normal. Though May began with a decent amount of material changing hands, which was every bit of the average volume seen so far in 2023, it was still significantly below our traditional turnover. We normally see a nice surge of business in the first quarter from general restocking and seasonal demand, but it did not happen this year, and while we were hopeful that better buying would just be pushed off to the second quarter, it has simply not developed. Still, our deal flow was slightly improved this past week, and transactions were a bit easier to put together as some sellers acquiesced to reasonable buyer bids, while other processors were willing to pay up to cover urgent spot truckload needs.

Our Prime Polyethylene prices were mostly a penny lower for a second straight week as producers offered a good flow of railcars into the spot market. There was a varying quality of material made available ranging from Generic Prime, as suppliers sought to book some early month volume, down to a steady stream of offgrade material including transitional cars as production challenged resin plants have been coming back online. Polypropylene prices also gave back another penny alongside a continued decline in feedstock monomer costs and growing upstream inventories. Though resellers have been destocking, and their readily available packaged inventories have become thin, The Plastics Exchange maintains spot liquidity on all Prime commodity grade PE and PP resins though our market-making inventories, which we keep on hand, packaged ready for immediate shipment. We have seen a run on certain grades, like CoPP No Break resins and HDPE HLMI for pipe, so some less liquid fringe commodity resins have been more challenging to source / restock.

The Polyethylene market kept its fairly active trading pace supported by a small step up in demand. There were relatively heavy offerings of widespec railcars, while prime material was made available from resellers looking to dish off a portion of their forecasted commitments. Most PE grades dropped another penny with the exception of LLDPE Film, which managed to hold flat on the week. LLDPE Film was our biggest mover on the week, further indicative of more robust demand. LDPE Film trading followed in a close second and HDPE for blow mold, the most traded grade just a week earlier, rounded out our top three while there was little interest in injection grades.

Resin for Sale 16,300,224		Spot Range		TPE Market	
Resin	Total lbs	Low	High	Bid	Ask
PP Homo - Inj	3,016,048	\$ 0.470	\$ 0.600	\$ 0.500	\$ 0.570
PP Copo - Inj	2,679,404	\$ 0.510	\$ 0.660	\$ 0.550	\$ 0.620
LDPE - Film	2,230,944	\$ 0.530	\$ 0.620	\$ 0.540	\$ 0.590
HDPE - Inj	2,082,760	\$ 0.470	\$ 0.580	\$ 0.530	\$ 0.580
HDPE - Blow	1,945,484	\$ 0.510	\$ 0.600	\$ 0.530	\$ 0.580
LLDPE - Film	1,875,484	\$ 0.480	\$ 0.570	\$ 0.510	\$ 0.560
LLDPE - Inj	1,394,116	\$ 0.550	\$ 0.600	\$ 0.530	\$ 0.580
HMWPE - Film	690,544	\$ 0.520	\$ 0.590	\$ 0.530	\$ 0.580
LDPE - Inj	385,440	\$ 0.550	\$ 0.620	\$ 0.600	\$ 0.650



Disclaimer: The information and data in this report is gathered from daily exchange observations, actual transactions, and commercial interactions with producers, distributors, brokers and processors. These are all considered reliable, but the accuracy and completeness of this information is not guaranteed. Any decision to purchase or sell as a result of the opinions expressed in this report will be the full responsibility of the person authorizing such a transaction. Our market updates are compiled with integrity and we hope that you find them of value. Chart values reflect our asking prices of generic prime resin bagged in Houston, TX.

www.ThePlasticsExchange.com MARKET UPDATE

Michael Greenberg  
312.202.0002



# ThePlasticsExchange

bringing the market to you

## Market Update — May 5th, 2023

While there are technically four Force Majeure declarations still active, reactors have been coming back online, though producers have kept some allocations in place as they rebuild inventories of affected grades. Still, supplies have improved and we expect some FMs to be lifted sometime during May. This all comes as producers compete for international market share with the Middle East and Asia, where demand is also somewhat dull and production capacity is growing. April PE contract rolled steady from March and producers will take another shot at implementing the nickel in May, before heading into hurricane season at the start of June.

The Polypropylene market was still generally soft the first week of May; there was a full range of material accessible as shippable railcars and prices slid another cent. We have, however, seen better buying for packaged PP, CoPP more so than HoPP, as buyers opt for lower quantities feeling that prices will ease further. The market has already come off significantly after the sharp and steep cost-push Q1 rally, which topped out in mid-March. The spot PP market lagged during the run-up, which was a result of weak demand, attributed to downstream destocking of both resin and finished goods, along with holdouts as processors tried to withstand buying near peak pricing and we did see some heavier volume buying in April as the price relief set in. PP contracts dropped an average of \$.11/lb in April and are setting up for another sizable decrease this month based on the continued decline in PGP costs. Producers will look to regain some margin by dropping PP contracts by something less than the upcoming cost savings that they will receive this month.

The calendar flipped to May and the monomer markets saw solid participation with high volume and lower prices. While it did not seem to impact the market, it was announced late on Friday that Shell's Deer Park facility had caught fire in the olefins unit while routine maintenance was being performed. The refinery has a Crude Oil capacity of 340,000 bbl/day and the site produces almost 2B lbs of Ethylene and about 1.1B lbs of Propylene per year.

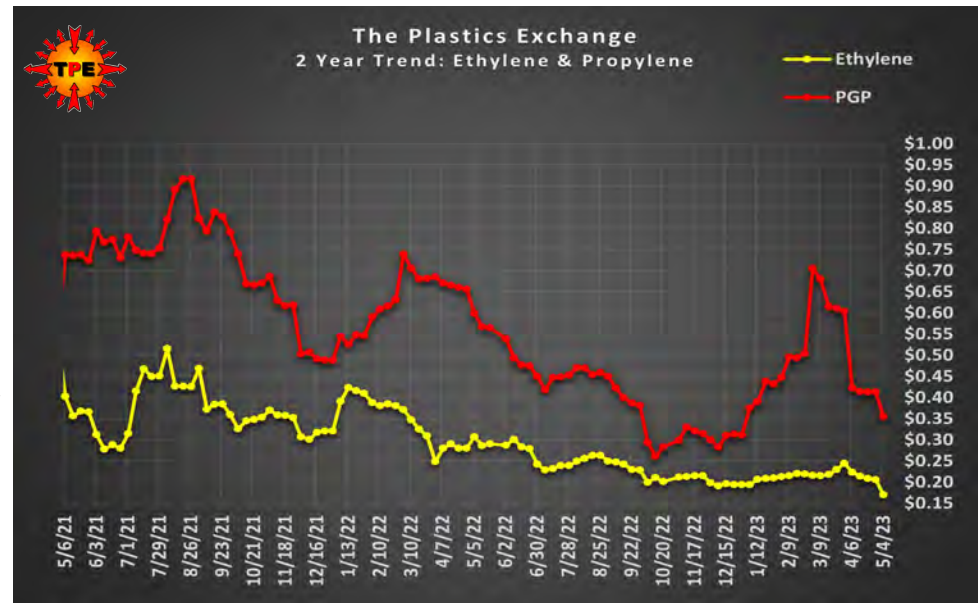
The week began with May Ethylene transacting in Louisiana at \$.16/lb. On Tuesday, spot Ethylene in TX sold at \$.1775/lb and the geographic spread widened with LA pounds were inked at \$.15/lb.

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MARKET UPDATE

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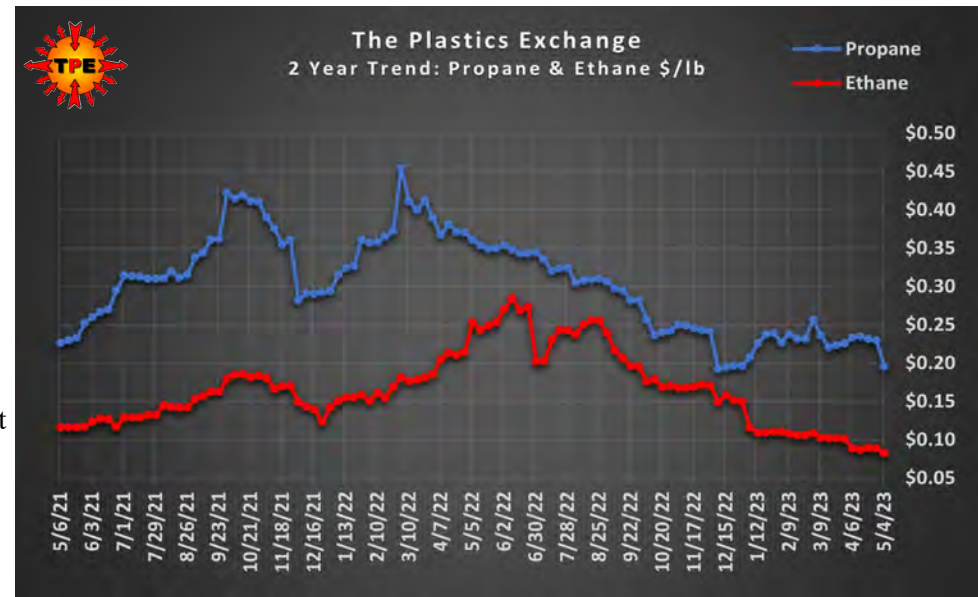
Market Update — May 5<sup>th</sup>, 2023

Several more deals involving calendar spreads were also finalized and 3Q material for TX was completed at \$.18/lb, while 4Q changed hands for a quarter-cent more. A flurry of transactions were seen midweek as the market leaked lower, May Ethylene exchanged hands at \$.17125/lb, \$.17/lb, and then \$.16875/lb, 3Q Ethylene was done twice at \$.1775/lb and again at \$.175/lb, Cal '24 Ethylene deliveries were marked at \$.20/lb, and the delivery spread between TX and LA widened to 2 cents. Spot May flipped ownership twice at \$.17/lb on Thursday and before the market rested for the weekend, spot May Ethylene peeled off almost a penny and a half, settling a shade below \$.17/lb and the forward curve flipped to a contango.

Polymer Grade Propylene continued to take a back seat to Ethylene but still saw good interest and a series of deals were put together during the week. On Monday, traders finalized two transactions for May and June deliveries at \$.375/lb and a deal for 3Q PGP was also seen. Participants stayed focused on future deliveries and several completions were seen for 3Q, 4Q and even for deliveries into Q1'24.

The following afternoon 4Q PGP was executed three separate times at \$.375/lb. A few more deals were brokered on Thursday, when prompt May delivery sold lower at \$.35/lb and then up at \$.355/lb, June through August deliveries were finished at \$.36/lb. Plenty of more bids and offers were presented and by Friday afternoon, the weighted spot May PGP average had hacked off \$.0575/lb to rest around \$.355/lb, a large weekly loss of 14%. Deferred months saw smaller losses and all contracts from June '24 forward were priced just shy of \$.40/lb. April PGP contracts recently settled \$.11/lb lower to \$.47/lb, and although ample time remains for price movements to influence the market, current levels point to another large contract decrease looming for May.

The Energy Complex was down across the board in volatile trading as economic woes and another rate hike continued to drag on WTI and Brent Crude Oil prices, while weak demand and growing inventories weighed down Natural Gas futures. June WTI hit a high of \$76.69/bbl on Monday before dropping \$8.74/bbl to establish a low of \$67.95/bbl on Wednesday, which was its lowest level since March 24th. By Friday, June WTI recovered some ground and settled at \$71.34/bbl for a net weekly loss of \$5.44/bbl. In Brent Oil, the market took a similar trend to WTI and the July contract hit a high of \$80.19/bbl on Monday before falling nearly \$12/bbl to a low of \$68.20/bbl. The week ended with July Brent at \$75.30/bbl, down just over \$5/bbl on the week. June Nat Gas also took a similar price trajectory. Monday hit a weekly ceiling of \$2.41/mmBtu and dropped about 38 cents through Friday to a low of \$2.031/mmBtu. At Friday's final bell, June WTI closed at \$2.137/mmBtu, having lost just over 27 cents on the week. NGLs finished lower; Ethane was down about \$.015/gal to \$.195/gal (\$.082/lb) from last week's May price and Propane dropped about a nickel to \$.69/gal (\$.195/lb) from last Friday's May settlement.



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

**312.202.0002**

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05/12/2020

**Dairy Market**

BLOCK: Up .1050 @ \$ 1.4925 1 Sales  
 BARRELS: Up .1100 @ \$ 1.4100 7 Sales  
 BUTTER: Unchanged @ \$ 1.3525 0 Sales  
 NFDM Grade A: Up .0025 @ \$ .8600 4 Sales  
 CME Dry Whey Unchanged @ \$ .4025 0 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>
05/11/2020	1.3875	Up .0825	1	1.3000	Up .0300	3	0.0875
05/12/2020	1.4925	Up .1050	1	1.4100	Up .1100	7	0.0825
<b>Average Market:</b>	1.4400		<b>2</b>	1.3550		<b>10</b>	

<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>
05/11/2020	1.3525	Up .0625	5	0.8575	Up .0325	18
05/12/2020	1.3525	Unchanged	0	0.8600	Up .0025	4
<b>Average Market:</b>	1.3525		<b>5</b>	0.8588		<b>22</b>

<u>Date</u>	<u>Dry Whey</u>	<u>Dry Whey Change</u>	<u>Dry Whey Sales</u>
05/11/2020	0.4025	Up .0050	3
05/12/2020	0.4025	Unchanged	0
<b>Average Market:</b>	0.4025		<b>3</b>

**--Year Ago--**

<u>Date</u>	<u>Blocks</u>	<u>Barrels</u>	<u>Butter</u>	<u>NFDM Grade A</u>	<u>Dry Whey</u>
05/10/2019	1.6800	1.7100	2.3400	1.0675	0.3475
05/13/2019	1.6675	1.6375	2.3600	1.0600	0.3400
05/14/2019	1.6600	1.6000	2.3500	1.0575	0.3400



# UDDER INTELLIGENCE

In-Depth Analysis

  
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IN  
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WITH

  
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# Udder Intelligence



May 11, 2023

Understand · Simplify · Succeed

## What you need to know

- SGX futures are pointing toward an increase for the GDT Event next week, but Pulse was down this week
- EU-27+UK milk production looks like it will be on the weak side for March
- EU27 retail sales volumes are running well below year ago while food service is still positive, but closing in on year-ago levels

## Dairy Prices (USD)

Cheese	Last (lb.)	Chg.	Last (MT)	WMP	Last (lb.)	Chg.	Last (MT)
CME Blocks (Wk Avg)	\$1.63	-\$0.03	\$3,590	US	\$2.10	\$0.00	\$4,630
CME Barrels (Wk Avg)	\$1.51	-\$0.04	\$3,337	Dutch	\$1.64	\$0.01	\$3,606
EU Gouda	\$1.64	\$0.00	\$3,617	GDT (Avg)	\$1.47	\$0.00	\$3,230
GDT Cheddar (Avg)	\$2.07	\$0.00	\$4,561				

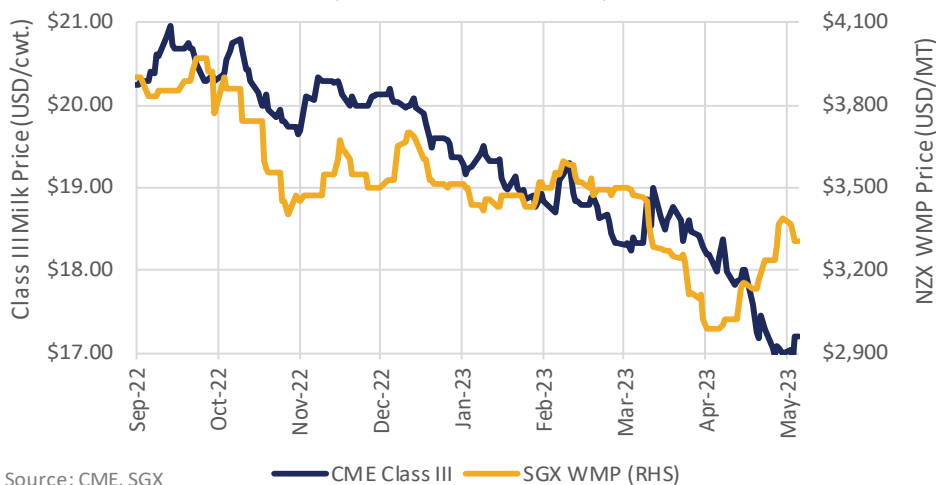
Butter	Last (lb.)	Chg.	Last (MT)	Dry Whey	Last (lb.)	Chg.	Last (MT)
CME Spot (Wk Avg)	\$2.41	-\$0.02	\$5,303	Central US	\$0.38	-\$0.02	\$832
EEX Index	\$2.31	-\$0.01	\$5,088	EEX Index	\$0.32	\$0.00	\$699
GDT (Avg)	\$2.24	\$0.00	\$4,947	US WPC34	\$1.14	-\$0.02	\$2,513
				US Lactose	\$0.26	-\$0.02	\$562

SMP/NFDM	Last (lb.)	Chg.	Last (MT)	Rennet Casein	Last (lb.)	Chg.	Last (MT)
CME Spot (Wk Avg)	\$1.18	-\$0.01	\$2,600	US	\$4.75	-\$0.48	\$10,472
EEX Index	\$1.19	\$0.00	\$2,616				
GDT (Avg)	\$1.26	\$0.00	\$2,787				

Sources: CME, USDA, EEX, GlobalDairyTrade, Dutch Dairy Board, Trigona, FRED USD/euro rate used: 1.096, -0.005

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



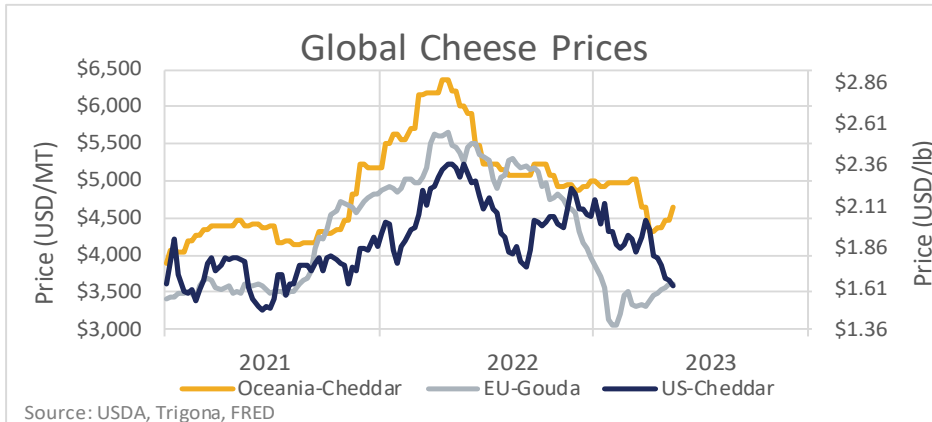
Source: CME, SGX

## Market Summary

The biggest thing I saw in the data this week is that EU27+UK milk production is turning out weak for March and our Q2 forecast has been pulled lower. Of the 12 countries reporting March data, 7 of them show production below year ago. There are another 2 that I'm sure will be negative (France and Spain) when we get their official numbers. Strong production in Germany, the Netherlands and a few other countries will likely keep total production positive. We should still see stronger YoY gains for Q2 as we lap over weak comparables. Prices were mixed depending on the region and products this week. GDT Pulse moving lower killed the strength we were seeing in Oceania over the past month. Supply might be a little tighter than expected, but there are still a lot of uncertainty around demand.

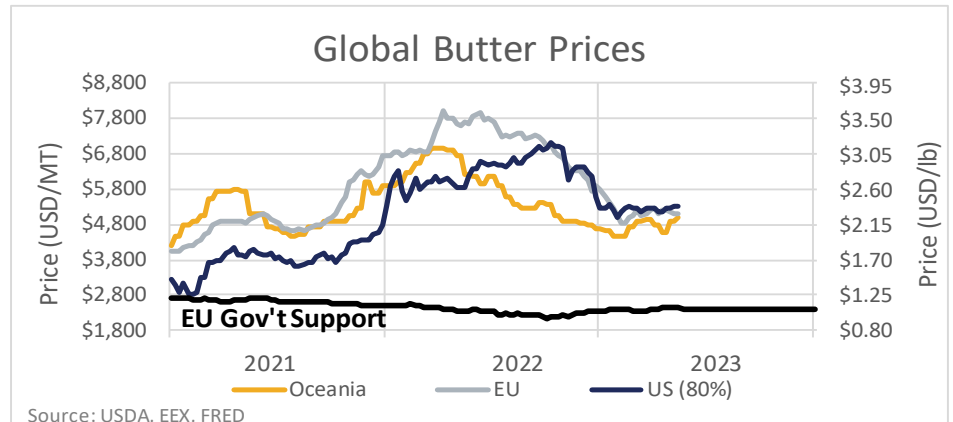
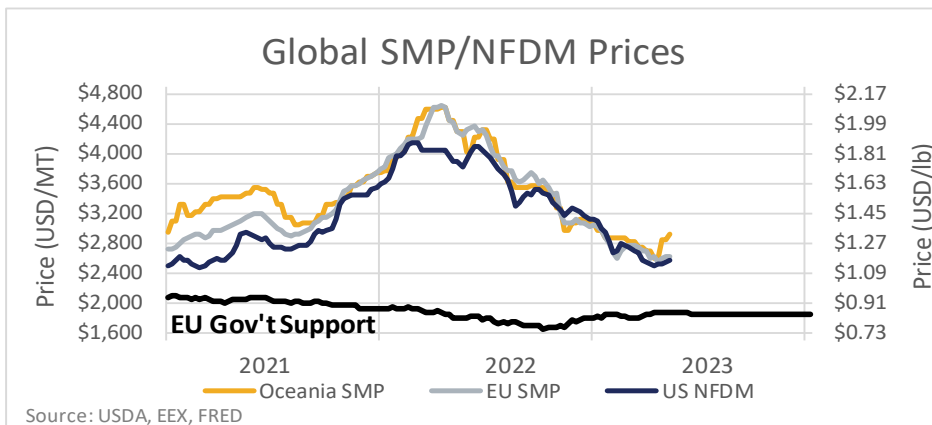


## Product Markets



**Butter:** CME spot butter pulled back a little this week, but was bid higher on Thursday. The U.S. retail butter price was weaker than expected for April at \$4.45/lb, down 21 cents from March, but up 30 cents from last year. That might still be picking up Easter related promotions, but if it continues to drop, maybe retail sales will remain good. EU butter and cream prices moved higher this week, although there still seems to be plenty available.

**Cheese:** CME spot cheese prices were steady Monday/Tuesday, popped higher Wednesday, then fell back again on Thursday. There is plenty of cheese around. Demand seems decent, although maybe a little weaker on the export side. EU cheese prices were steady to a little higher in euro terms, but anecdotally there still seems to be plenty of cheese available.



**Powders:** U.S. NFDM drifted a little lower with product still available, although maybe a little more balanced than it recently was. EU SMP prices firmed a little despite supplies there also being available. GDT Pulse was down, which pulled SGX WMP futures lower too, but SGX futures are still pointing toward an increase for the GDT Event next week. There are anecdotal comments that production from the current NZ season has been mostly sold, limiting spot availability. By my calculations, inventories inside NZ are still up from last year.



May 11, 2023

# Udder Intelligence



Understand · Simplify · Succeed

This report is an abbreviated version of our weekly Udder Intelligence report that has been exclusively produced for Schreiber Foods customers. The StoneX Dairy Market Insight team is spread across the US, Europe and Asia. We produce daily, weekly and monthly reports covering the supply, demand prices of dairy products around the world. We work hard to help you understand, simplify and succeed.

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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.

You can sign-up for a free trial of our market intelligence service here: <https://www.stonex.com/Commodities/Dairy/Capabilities/dairy-market-intelligence-packages/>

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# MARKET UPDATE

Bringing The World's Finest Flavors To Your Table



## 2022 Imports: Cause & Effect

From raw materials, to glass, plastic, lids and cardboard for packaging - supply chain shortages created a challenging year for imports in 2022. Port congestion, prolonged shipping times, container shortages, and trucking shortages led to record high shipping costs. East Coast shipments from Asian ports were up to 8 times as high as previous years and shipments from Europe tripled in cost.

## Expectations & Forecast of 2023

Although inflation continues to affect 2023 sales, imported commodity products should see a price reduction if current freight rates remain stagnant.



### 2022 European Drought

Drought throughout Europe in 2022 affected all major imported crops, including olives, olive oil, grains, vinegars, peppers and tomatoes. Spain, the worlds largest producer of olive oil, saw about a 30% price increase for EVOO.



Mandarins, peaches, pears, apples, and other products out of Asia will be better priced on a landed cost. Price increases and a higher Euro will continue to keep a lot of products out of Europe, offset by some reduction in freight.

### Ocean Current Changes

Changes in ocean currents have cause anchovies to be difficult to find, with little to no production out of South America at this time.



Recovery in shipping times, port congestion and truck shortages will aid importers in planing better and normalizing inventories.



### Russo-Ukrainian War

The war in Ukraine has affected sunflower oil, wheat and other commodities. Artichoke pricing was up in 2022 and continues into 2023.

### International Container Prices & Inventory

Containers out of Asia started seeing price reductions in August, allowing major retailers in the US to replenish inventories. A drop in sales caused inventory surpluses, leading to even less orders in November.



SFI is hopeful for the year ahead and is looking forward to steady prices, consistent supply and maintaining the service levels that we pride ourselves on!

As prices out of Asia return to pre-Covid rates, most importers are dealing with an overstock of high valued inventory. Shipping out of Europe has reduced, but continues to be about double pre-covid.

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# REMA FOODS

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Market Update- May 10th 2023



**Rema Foods** is a leading global food importer and supplier focused on providing unique specialty items as well as broader commodity-based products. Privately held and family owned, Rema Foods, founded in 1964, has been a leading supplier to some of the largest restaurant, foodservice, retail and manufacturing companies throughout the United States and around the world.

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## Seafood

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### Tuna



#### **SKIPJACK:**

Prices rose from \$1680-1700/mt in January to \$2000/mt in April, a 15% increase from the year's beginning average price of \$1700/mt. Poor fish catches in the Western Pacific Ocean and high operational costs are to blame for the high prices. Unless there is a short-term improvement, the \$2000 - \$2100/MT price level is expected to persist throughout June.

#### **YELLOWFIN:**

Following skipjack, yellowfin tuna prices are also rising due to the poor yellowfin-to-skipjack ratio and high demand from Japanese and European markets. Improvement in the fish catch situation is needed for the situation to change.

#### **TONGOL:**

This is the off-season for Tongol, so fish from Thailand, Vietnam, and Indonesia caused 5-8% increase in foodservice pack cost during February -March. Next catch season in Thailand starts in April, and buyers are hoping for better prices/availability.

#### **ALBACORE:**

Prices have increased by 6%, from \$3200/mt to \$3400/mt, with demand picking up in March. Buyers are eagerly awaiting the Japanese albacore season in April-May to see how things will turn out.

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## Anchovies



Peru's anchovy fishing season for the north-central zone traditionally begins after Easter break. However, it has since been pushed back to June. Fishing companies hope for a better season after only catching 60% of the total allowable catch in the previous season. There are obstacles to face, such as juvenile fish mixed with adult fish making it difficult to catch, the possibility of increased rain and wind, fluctuating sea temperatures, and salinity.

Morocco is reporting that supply remains very low, and most canneries have reduced production outputs or have stopped altogether.

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## Fruits and Vegetables

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### Mandarins



The mandarin season in China ended in January, just before Chinese New Year. However, the production season was challenging in 2022 as the total volume fell short by 30% compared to a typical crop. The reason for this was a drought and sustained high temperatures, which led to the mandarin oranges being small and burnt, making them unsuitable for canning. Consequently, the finished goods cost increased by 15-18%. Canned products in foodservice and retail formats are currently available in limited quantities.

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## Pineapple



Thai pineapple raw material production was below normal levels in February due to dry weather, with packers operating for only 6 hours a day. Volume is expected to remain low in March and April, but the peak of the summer crop in May and June is expected to improve volume. The off-season period is predicted to last longer this year, with factories potentially shutting down for over two months in August and September. The raw material price increased to 8.5 baht/kg and is expected to remain at this level for the next two months and may climb to 9.0 baht/kg, these levels are the same as last year's pricing, dashing expectations for lower pricing this season. Indonesia and the Philippines are both reporting normal crop situations.

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## Peaches



The peach season in China is set to begin in July. Early indications suggest the crop will be normal, but there are reportedly no carry-over inventories. Earlier this year, there was a surge in demand for canned peaches and pears in the domestic Chinese market, as many believed they could help alleviate the effects of Covid.

In Greece, the peach season starts in July as well, but it is too early to predict whether the crop will be normal. Prices were higher than those in China last season due to increased tin plate and energy costs.

Meanwhile, South Africa's peach season began in January and yielded a good crop. However, South African suppliers faced rising costs, including high energy costs, frequent blackouts that required them to use generators, higher fertilizer costs, and labor costs. As a result, prices for South African peaches were significantly higher than those in China.

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## Tropical Fruit



The shortage of yellow papaya, a key ingredient in tropical fruit salad, has pushed the price of papaya steadily upward. The price has risen from 12.50/baht kg to 15.00/baht kg in March. However, lower pineapple pricing has limited the overall cost increase. Packers expect the supply to improve by September and anticipate a decrease in papaya price.

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## Baby Corn



From November to February, baby corn experienced a low season. Heavy rains that flooded a large planting area caused damage to crops, leading to limited product availability, and pushing costs up by 18-20%. Thai packers are beginning to see some relief, and orders are starting to ship. However, smaller size corn for the 150+ count remains very short.

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## Pears



The Chinese crop season ended in December, and due to a drought, the crop was poor, leading to a significant shortage of fruits. As a result, FOB prices for the fruits surged more than 40% higher than last year, and there are now limited quantities available due to the poor crop and panic buying.

Suppliers also faced increasing production costs and challenges related to Covid policies. However, with the lifting of Covid policies, it is expected that prices will come down.



## Mediterranean Products

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### Olives



#### **KALAMATA:**

The Greek Kalamata crop yielded 120,000 tons, which is about 10% to 15% higher than the previous year, and the quality of the crop was also good. However, the cost of other inputs like cartons, kegs, and labels has increased by about 15% to 20%, along with rising energy costs. Nonetheless, the costs are still lower than last year. A similar situation has been reported out of Turkey for Kalamata-style olives.

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## Mushrooms



Poland and the Netherlands are reporting lower yields by about 10% due to weaker compost. Additionally, while energy costs have dropped, rates are still higher than pre-pandemic levels. However, demand is a bit slow resulting in stable prices. Lower freight rates are also contributing to lower landed costs compared to last year.

For supermarket pack sizes, the market remains disrupted by the antidumping duties recently imposed.

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## Artichokes



The Spanish artichoke crop for the 2022/23 season is likely to be around 200,000 tons, which is 9% lower than the initial estimates. This reduction in yield is attributed to unfavorable weather conditions in the Murcia region. The harvesting season began in late December 2022 and lasted until May 2023. Costs are about 10-15% higher than last year.

In Egypt, the crop started in January and lasted until March. The overall crop is reported to be favorable. The finished goods cost is about 5% higher than last year.

In Peru, planting has started, and the total acreage is about the same as last year. Unusually rainy weather may affect some of the farms, but it is still too early to tell. Harvest is expected around July/August.

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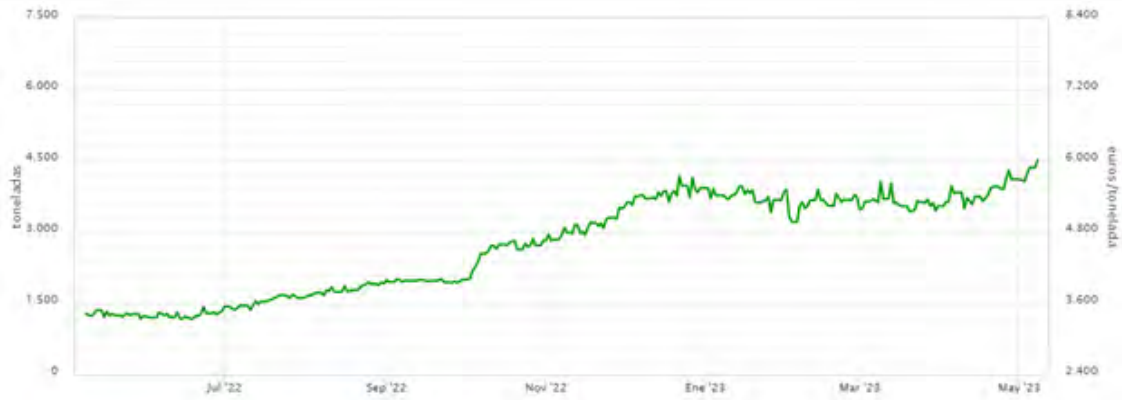
## Specialty and Oils

### Olive Oil



Extra Virgin olive oil pricing has reached levels not seen in 26 years. This increase is mainly due to a prolonged drought in Spain, which is the largest producer and exporter of olive oil. The lack of adequate rainfall and unfavorable weather conditions resulted in 50% reduction in the previous season's olive harvest, leading to a total yield of only 2.5 million tons, the lowest since the 2016/2017 season. This reduced global supply has put pressure on prices, causing them to rise significantly.

The demand for olive oil has been strong in recent years, which, coupled with the sunflower oil shortage, has further strained the supply chain. Changing consumer habits, such as switching to vegetable or seed oils, could ease some pressure, but a base demand for olive oil as a healthy and natural product will remain. The high prices could continue for some time, reaching historically elevated levels. Prices are expected to remain elevated, at close to 6,000 euros per MT until there is an increase in rainfall.



## Coconut



The coconut market is firming, with lower production expected in the Philippines for April and increasing demand. Some mills have already sold out for May and June and might sell out for July as well. Indonesian plants will be shut down for about two weeks in April due to the Eid holiday, leading to less output for the month. Like the Philippines, some mills in Indonesia have already sold out until June.

## Mustard



The Canadian mustard seed crop is expected to improve this year with the area harvested and yield both improving over the 2021-2022 crop. The average price is estimated to fall but remains historically high for all types of mustard seed due to increased demand.

The seeded area for the 2023-2024 crop is expected to be slightly bigger than 2022-2023. Yield is also forecast to be better than the previous year.

	2021-2022	2022-2023 <sup>f</sup>	2023-2024 <sup>f</sup>
Area seeded (thousand hectares)	117	225	230
Area harvested (thousand hectares)	110	219	222
Yield (tonnes per hectare)	0.55	0.74	0.86
Production (thousand tonnes)	61	162	190
Imports (thousand tonnes) <sup>b</sup>	9	9	7
Total supply (thousand tonnes)	130	177	237
Exports (thousand tonnes) <sup>b</sup>	106	115	120
Total Domestic Use (thousand tonnes) <sup>c</sup>	18	22	22
Carry-out Stocks (thousand tonnes)	6	40	95
Stocks-to-Use Ratio	5%	29%	67%
Average Price (\$/tonne) <sup>d</sup>	2,885	2,365	1,870

**SOURCE: Agriculture and Agri-Food Canada (AAFC)**

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## Rice



### **BASMATI:**

India's crop yield decreased by 6% in 2022-23 due to the dry weather conditions in the rice growing regions. Pakistan also experienced losses due to flooding during the harvest, with around 15% of its crop failing. This has put extra pressure on the Indian market, and basmati rice prices are expected to increase by 7-10% in Q2 2023. Raw material pricing for basmati rice from India was \$1425/MT in February 2023, a 35% increase since July 2022. Over 85% of rice paddies available for sale have been sold, raising concerns about a shortage of raw materials after July. The next crop is expected to be harvested in Q4 2023.

### **JASMINE:**

Jasmine rice prices in Thailand stabilized in Q1 2023. Hom Mali prices started at \$870/MT and rose 8% in January before decreasing in February. The current price for Hom Mali is \$868/MT as of the last week of March. Thai jasmine rice prices show a similar trend, with a raw material price of \$658/MT last week. Delivered pricing in the US has been decreasing due to lower freight costs. Overall, the jasmine rice market is expected to remain stable until the next crop in Q4 2023.

### **ARBORIO:**

Italian rice crops were severely impacted by droughts last year, leading to a 30% reduction in the arborio crop yield for the 2022 harvest. Raw material prices have remained high at €2495/MT in March 2023 compared to €1300/MT for the previous season, and the next crop is expected to be 45% lower due to farmers shifting away from rice to other crops that offer higher returns on investment.

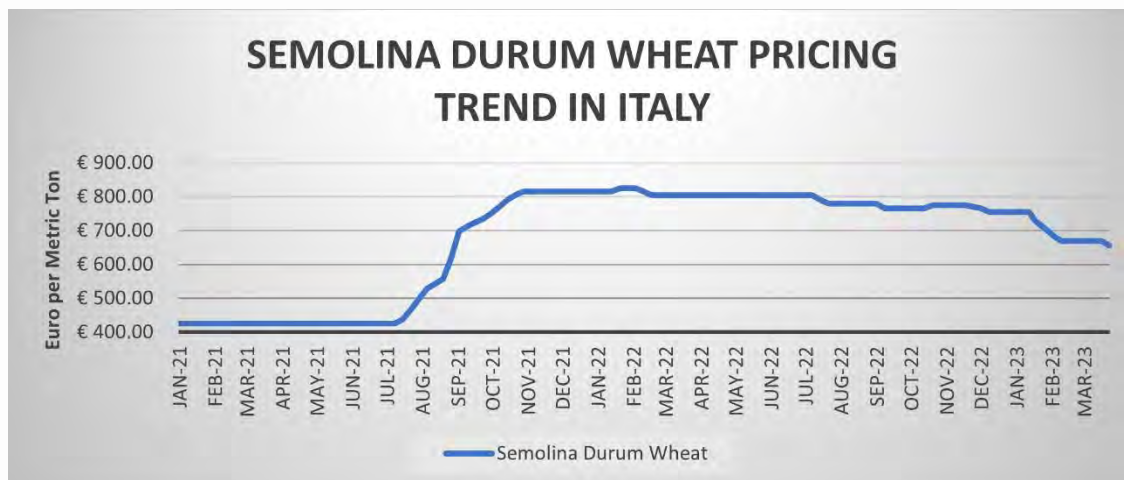
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## Durum Wheat/Pasta



### ITALY:

The durum wheat market globally has recovered significantly due to the successful 2022 Canadian crop. This has resulted in a decrease of about 13% in raw material prices from Italy since the end of 2022, with current market prices at €655/MT. Additionally, there have been reductions in freight from Italy through Q1, leading to lower costs of pasta to the US. While it's still early, the initial forecasts suggest that the world durum crop production is expected to increase in 2023.





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## Quinoa



Quinoa prices have risen by approximately 4% in Q1 due to raw material scarcity during the off-season. The beginning of 2023 saw significant political unrest and protests in Peru, resulting in supply disruptions for local farmers and making transportation of raw materials more challenging. However, current forecasts suggest that pricing will stabilize with the next campaign in May.

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## Currency



The US Dollar has weakened slightly against the euro since the beginning of the year from around 1.05 in January to now about 1.10. The USD has been stable against other major currencies at around 6.90 vs the Chinese yuan, around 34.00 vs the Thai Baht and around 131.00 vs the Japanese yen.

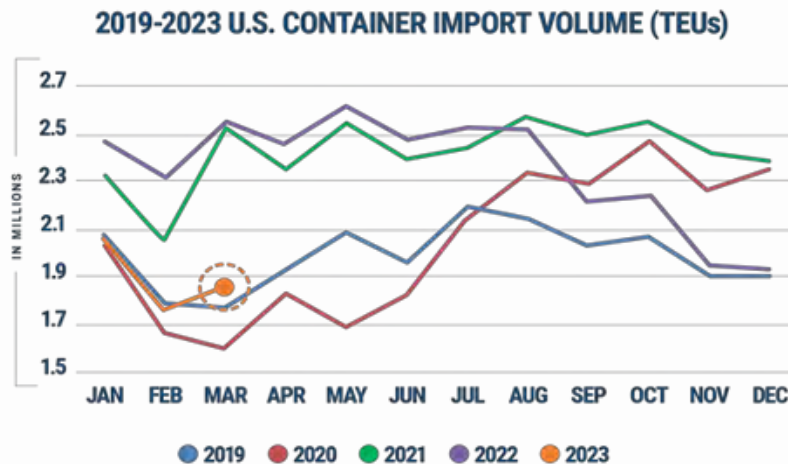
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## Freight



During the pandemic, high logistics costs contributed to inflation, but since about the middle of 2022, ocean freight prices have been slowly dropping close to pre-pandemic levels. Volumes of imported containers to the US have fallen close to the 2019 level. Falling logistics costs are partly due to a decrease in consumer spending.

These falling freight rates are expected to be climbing soon as shipping lines are trying to implement a general rate increase (GRI) by May 1<sup>st</sup>.



**SOURCE: Descartes**

For more information and additional inquiries, visit our New website.