

MarketNews

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Market Report -
Eggs



Flour Facts



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Weekly Market
Review



USDA Livestock, Poultry &
Grain Market Highlights



Market updates
from The Plastics
Exchange



Daily Market
Summary - Plus In-
Depth Analysis

Egg Markets

AJ_PY027

Atlanta, GA Fri. June 30, 2023 USDA Market News

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

New York eggs are unchanged on larger sizes and Medium. California and regional egg prices are steady. Asking prices for next week's deliveries are trending unchanged to lower. The undertone is mostly steady. Demand remains moderate to at times fairly good. Offerings are light to moderate. Supplies are light to mostly moderate. Market activity is moderate. Breaking stock supplies are light to moderate; breaking schedules vary due to the upcoming 4th of July holiday. Light type fowl offerings are moderate to heavy for the light demand.

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: 30-June-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>



Egg Markets Overview

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

June 30, 2023

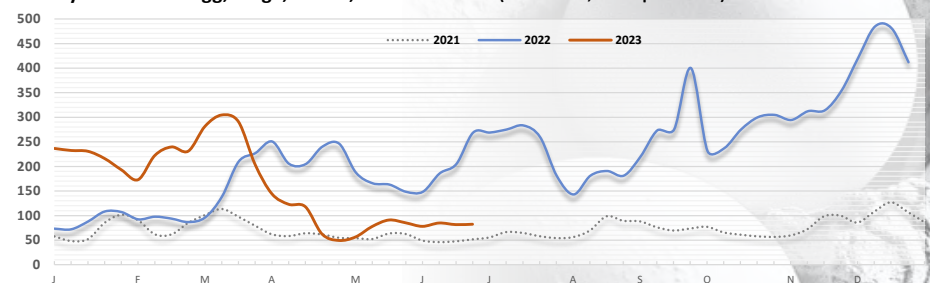
Wholesale prices for cartoned shell eggs held steady through the week on moderate to good demand. Offerings were light to moderate with moderate supplies and trading. Wholesale prices for graded loose eggs were about unchanged with moderate to instances good interest and mostly light to moderate offerings and mostly moderate supplies. Trading is moderate. The volume of trailer load loose egg sales this week declines 26% from last week with 13% for future delivery. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs lost \$0.03 to \$0.82 per dozen with a mostly steady undertone. The wholesale price on the New York market for Large cartoned shell eggs delivered to retailers was unchanged at \$1.25 per dozen with a steady undertone. In the major Midwest production region, the wholesale price for Large, white, shell eggs delivered to warehouses was unchanged at \$1.12 per dozen with a steady undertone while prices paid to producers for Large cartoned shell eggs were steady at \$0.93 per dozen. The California benchmark for Large shell eggs rose \$0.31 to \$2.12 per dozen with a firm undertone. Delivered prices on the California-compliant wholesale loose egg market declined \$0.18 to \$2.03 per dozen with a weak undertone.

Consumer demand for shell eggs slowed over the week following the most active ad cycle for shell eggs for the year to date as retailers shift their promotional focus to outdoor fare for the coming July 4th observation. Wholesale prices have remained stable over the past few weeks – providing an equilibrium in the marketplace that allows marketers to plan more effectively but the average ad price tends to rise as feature active slows. Demand among egg products manufacturers remains light to moderate as they anticipate a holiday-disrupted breaking schedule headed into next week. Most have slowed their breaking lines and are working from owned production and stocks to fill their needs.

Promotional activity for conventional caged shell eggs in retail outlets declines sharply ahead of the start of the July 4th weekend but the average ad price retreats \$0.30 to \$1.58 per dozen. Promotional activity for specialty shell eggs also declines with organic shell eggs commanding ad space. Feature activity for [UEP-defined cage-free](#) shell eggs declines sharply from last week and accounts for 5% of ad activity. The average ad price declines \$0.21 to \$2.82 per dozen and the average ad price spread between 12-packs of Large caged eggs and UEP cage-free eggs widens by \$0.51 per dozen to a spread of \$1.24 per dozen.

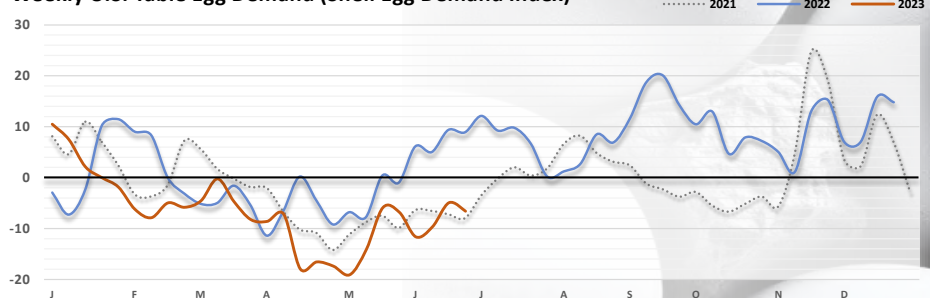
The overall inventory of shell eggs increased 4.5% as did the nation-wide inventory of Large eggs. Stocks of Large eggs in the key Midwest production region rose by nearly 20% as clearance into marketing channels slowed following last week's active movement. The inventory share of Large class shell eggs was unchanged at about a 50% share of all shell egg stocks on inventory at the start of the week. Stocks of cage-free eggs rose 8% while

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

Supermarket Shell Egg Featuring - LG W Shell Egg Ad Price vs. Feature Rate - 2023
Advertised prices to consumers by U.S. supermarkets for conventional caged shell eggs



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

the inventory of nutritionally-enhanced shell eggs saw a 3% gain. Stocks of organic eggs rose by 4% and the inventory of breaking stock as the week opened as up 2% as breakers continue to slow their schedules. Total estimated table egg production was on par with the prior week but was 5% over last year's level amounting to an estimated 6.5 million cases.

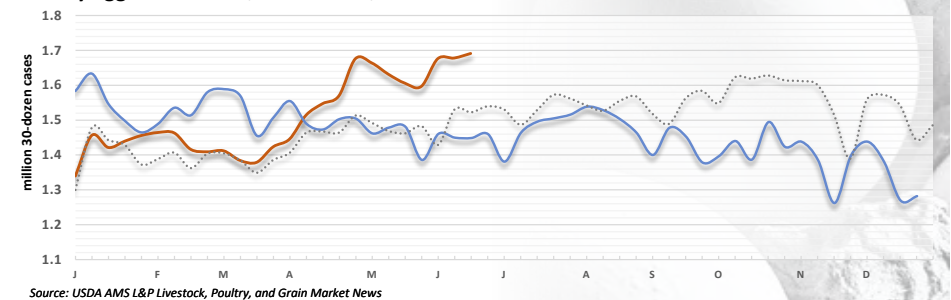
Wholesale prices for breaking stock in the Central States decreased \$0.05 to \$0.87 per dozen with a steady undertone. Demand is light to instances moderate for light offerings. Supplies are light to moderate with schedules varied in preparation for the upcoming Independence Day holiday. Trading is slow to moderate. The volume of eggs processed over the past week was up nearly one percent, representing a 34.6% share of weekly table egg production. Production of whole egg decreased about 1% while production of components increased with whites by 2% and yolks by 1%. The production of dried eggs was off slightly while inedible egg processing increased 8.6%. Breaking yields without inedible were unchanged at 37.92 pounds per case broken.

Wholesale prices for liquid egg products remain too few to report with steady undertone. Demand is light to moderate with mostly light offerings and moderate trading. Prices on frozen liquid whole eggs decreased \$0.22 to \$0.93 per pound while those for frozen liquid whites were down \$0.33 to \$1.15 per pound. The undertone is steady to weak with moderate demand and light to moderate supplies and offerings. Trading is moderate. Prices for dried whole eggs were down \$0.25 to \$8.50 per pound and those for dried yolk were down \$0.15 to \$6.90 per pound. Dried albumen remains untested. The undertone is weak with moderate offerings and mostly light to moderate supplies, instances heavy for yolk. Demand is light to moderate, best for albumen, and trading is slow to moderate.

According to NASS, the May monthly volume of frozen eggs in storage increased 22% from the prior month, 39% over the year ago level. In May 2022, outbreaks of highly pathogenic avian influenza were negatively impacting production of egg products, leading to stock reductions. Stocks of whole frozen egg gained 29% and were 68% over year ago levels. The share of whole egg stocks increased 3% to a 49% share of total frozen stocks. Stocks of frozen yolk increased 49% from last month and were 201% over last year while stocks of frozen egg whites increased 34%, 32% over year ago levels. Stocks of unclassified eggs rose 10% from last month and 12% from last year. The share of unclassified frozen stocks lost 4% to a 38% of total frozen stocks.

Cage-free commitments as of June 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% of the U.S. non-organic flock), indicating a shortage of 118 million hens from the current non-organic cage-free flock of 103.4 million hens. The average lay rate for non-organic, barn/aviary cage-free production is currently estimated at 81.4.

Weekly Eggs Processed (30-dozen cases)

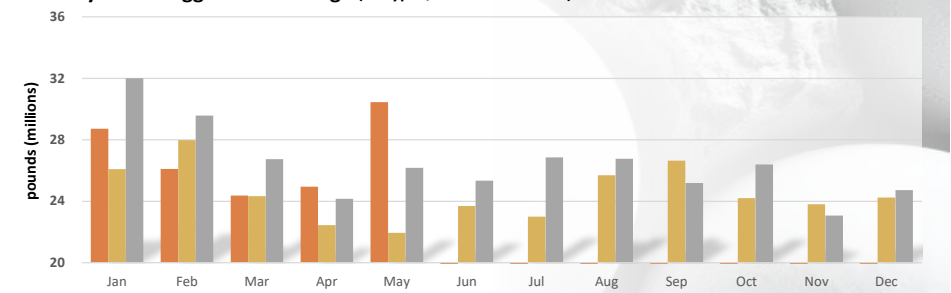


Source: USDA AMS L&P Livestock, Poultry, and Grain Market News

Eggs Processed - Week-to-Week Change

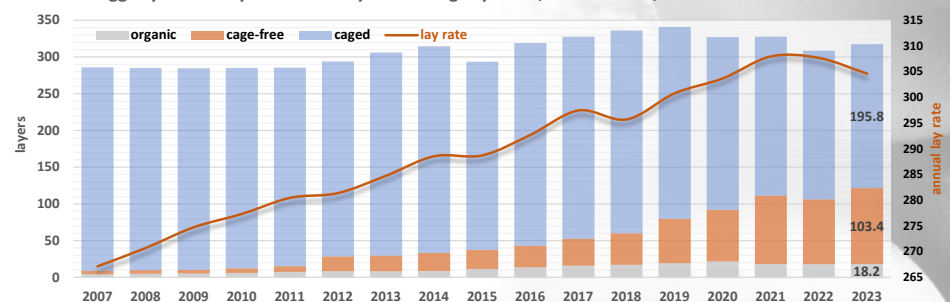
total	share	whole	whites	yolks	dried	inedible
0.8%	0.0%	-0.8%	2.3%	1.1%	-0.2%	8.6%

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



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

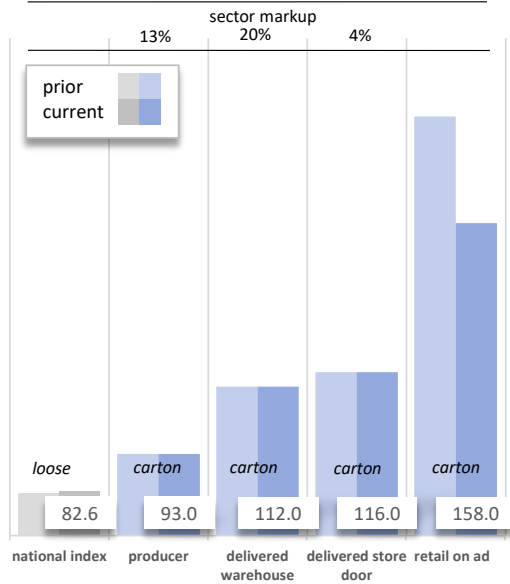
U.S. Table Egg Layer Flock by Production System v. Avg Lay Rate (as of June 2023)



Shell Eggs Market Price Comparisons

(as of June 30, 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

Key Egg Markets Overview	Recent History						
	30-Jun	% Change	23-Jun	16-Jun	9-Jun	2-Jun	26-May
SHELL EGGS (Large, White, conventional in cents per dozen)							
National, Loose, (f.o.b. dock prices)	82.59	1%	81.79	85.07	78.26	85.45	91.15
New York, Cartoned (price to retailers)	125.00	0%	125.00	125.00	125.00	125.00	125.00
Midwest, Cartoned (price dlvr'd to warehouse)	112.00	0%	112.00	112.00	112.00	112.00	89.00
California, Cartoned, benchmark (cage-free)	278.00	31%	212.00	181.00	178.00	178.00	159.00
National Retail Shell Egg (avg. ad price in dollars per dozen)							
Conventional, Large, White	1.58	-16%	1.88	1.53	1.70	1.18	1.02
Cage-Free, Large, Brown	2.82	8%	2.61	3.01	2.31	3.42	2.82
EGG PRODUCTS (f.o.b. dock prices; dollars per pound)							
Central States Breaking Stock (dlvr'd prices per doz)	87.00	-5%	92.00	90.00	68.00	60.00	65.00
Whole Frozen Eggs	93.00	-19%	115.00	86.00	84.00	92.00	115.00
Whole Dried Eggs	8.50	-3%	8.75	8.75	8.75	9.00	9.00
Processed Share of Weekly Egg Production	34.6%	0.0%	34.6%	34.6%	33.0%	33.3%	33.7%
SHELL EGG DEMAND INDICATOR (no units)	-6.6	-1.7	-4.9	-9.6	-11.6	-6.8	-5.9

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)	30-Jun	Change	23-Jun	2023 High		2023 Low	
National, Loose, (f.o.b. dock prices)	82.6	▲ 1%	81.8	304.6	17-Mar	47.1	02-May
New York, Cartoned (price to retailers)	125.0	▮ 0%	125.0	474.0	03-Jan	91.0	02-May
Midwest, Cartoned (price dlvr'd to warehouse) ¹	112.0	▮ 0%	112.0	517.0	03-Jan	78.0	08-May
California, Cartoned, benchmark	278.0	▲ 31%	212.0	737.0	03-Jan	148.0	08-May
Central States Breaking Stock (delivered prices) ¹	87.0	▼ -5%	92.0	367.0	03-Jan	43.0	02-May
Whole Frozen Egg Products (f.o.b. dock prices)	93.0	▼ -19%	115.00	300.0	06-Jan	84.0	09-Jun
Whole Dried Egg Products (f.o.b. dock prices)	8.50	▼ -3%	8.75	14.3	24-Mar	8.50	30-Jun
Natl Average Retail Ad Price - Conventional	1.58	▼ -16%	1.88	4.94	24-Mar	1.08	19-May
Natl Average Retail Ad Price - Cage-free ²	2.82	▲ 8%	2.61	4.99	10-Feb	2.00	27-Jan
Shell Egg Demand Indicator	-6.6	▼ -1.7	-4.9	10.5	04-Jan	-19.0	10-May

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 June 2023

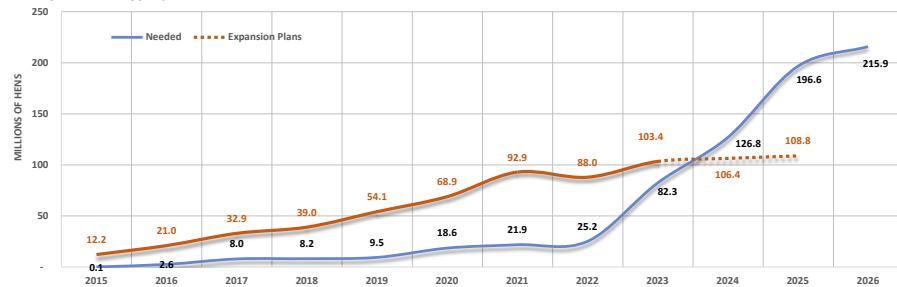
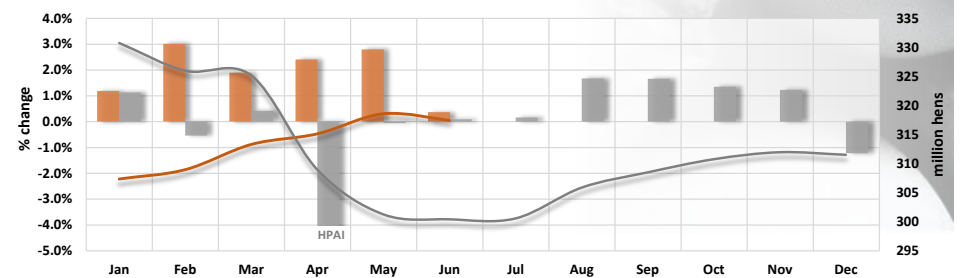


Table Egg Layer Replacement - Net Flock Change

((hens disposed - pullets added)/table egg layer flock at first of the month)



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

Egg Markets Overview

U.S. Table Egg Layer Flock Estimates

As of June 2023	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total U.S. Caged¹ Flock:	61.7%	65.9%	66.4%	72.0%	76.6%	82.2%	84.0%	86.6%	87.3%	89.5%	90.3%	90.4%
Layers (millions)	195.8	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:	38.3%	34.1%	33.6%	28.0%	23.4%	17.8%	16.0%	13.4%	12.7%	10.5%	9.7%	9.6%
Layers (millions)	121.6	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:	32.6%	28.2%	28.1%	21.4%	17.7%	12.8%	11.1%	9.1%	8.9%	7.8%	7.0%	6.7%
Layers (millions)	103.4	88.0	92.9	69.9	60.3	42.9	36.4	29.0	26.0	24.5	21.4	19.8
▪ Barn/Aviary	31.1%	27.0%	26.9%	19.9%	15.9%	11.6%	10.0%	7.9%	7.7%	6.7%	6.0%	5.7%
Layers (millions)	98.8	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)	3.1	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)	1.5	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:	5.7%	5.8%	5.5%	6.7%	5.7%	5.1%	4.9%	4.4%	3.9%	2.8%	2.7%	2.9%
Layers (millions)	18.2	18.2	18.2	21.8	19.4	17.0	16.0	13.9	11.4	8.7	8.2	8.5
▪ Organic	3.9%	3.8%	3.5%	4.6%	4.4%	3.9%	3.7%	3.4%	3.1%	2.2%	2.2%	2.5%
Layers (millions)	12.3	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)	3.6	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.

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

State	Deadline Date	Layers on Hand (May 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	11,705,000	0	11,705,000	0	3,495,192,688	3,495,192,688	39,029,342	11,181,906,483	31%	31%
Massachusetts*.....	Jan 2022	675,000	0	675,000	0	201,559,595	201,559,595	6,981,974	2,000,335,551	10%	10%
Nevada*.....	Jul 2022	5,000	0	5,000	0	1,493,034	1,493,034	3,177,772	910,431,678	0%	0%
Washington.....	Jan 2024	5,594,000	1,898,000	3,696,000	580,560,240	1,103,650,762	1,684,211,002	7,785,786	2,230,627,689	76%	49%
Oregon.....	Jan 2024	2,188,000	2,041,000	147,000	644,874,360	43,895,201	688,769,561	4,240,137	1,214,799,251	57%	4%
Arizona*.....	Jan 2025	8,500,000	5,840,000	2,660,000	1,693,132,800	794,294,109	2,487,426,909	7,359,197	2,108,409,941	118%	38%
Colorado.....	Jan 2025	2,296,000	1,924,000	372,000	599,364,480	111,081,733	710,446,213	5,839,926	1,673,138,799	42%	7%
Michigan.....	Jan 2025	16,662,000	6,039,000	10,623,000	1,874,747,160	3,172,100,122	5,046,847,282	10,034,113	2,874,773,375	176%	110%
Utah.....	Jan 2025	5,874,000	3,031,000	2,843,000	939,852,480	848,939,155	1,788,791,635	3,380,800	968,599,200	185%	88%
Rhode Island*.....	Jan 2026	56,000	43,000	13,000	12,466,560	3,881,889	16,348,449	1,093,734	313,354,791	5%	1%
* = layers on hand estimated.		53,555,000	20,816,000	32,739,000	6,344,998,080	9,776,088,288	16,121,086,368	88,922,781	25,476,376,757	63%	38%

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

JUNE 29, 2023

- Wheat futures initially found strength on news of the Wagner Group's attempted mutiny against the Russian government over the weekend yet has ultimately softened since rainfall in the northern and central plains, harvest pressure and chart selling ahead of Thursday's USDA acreage and stocks reports coupled with first notice on Friday.
- Per the USDA's weekly crop progress and condition report, winter wheat conditions improved to 40% good-excellent, compared to 38% last week and expectations of 38% this week. Harvest is 24% complete for winter wheat compared to expectations of 29% and vs. 39% complete last year.
- Spring wheat conditions worsened to 50% good-excellent compared to 51% last week and expectations of 51% this week.

Facts on Flour

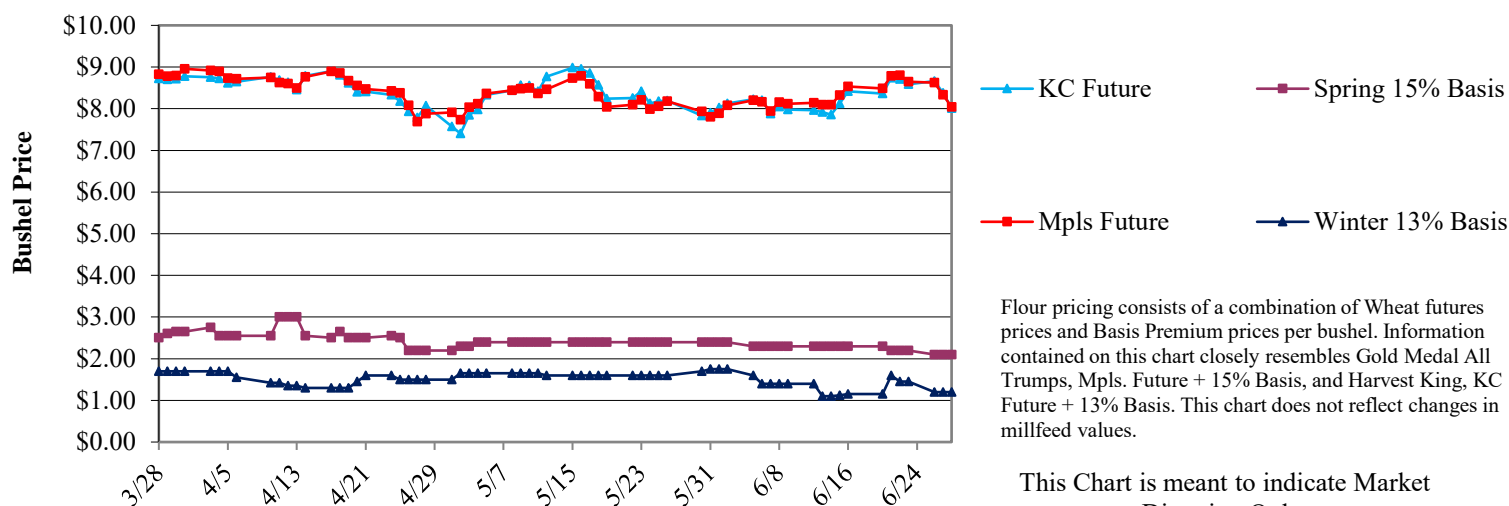
Durum Wheat

Most of the durum wheat grown in the U.S. is produced in the northern Plains, with 70 to 80 percent grown in North Dakota and Montana. Durum wheat is milled into a granular product called semolina, which is used primarily for pasta products in the U.S. Other uses of semolina include couscous and bread products.

Pasta products from durum are superior because of the desirable golden color and nutty flavor, and because they hold their shape and firm texture when cooked. A by-product of semolina production is durum flour, which is used in breads and pre-cooked pasta products.



Futures & Basis Markets



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.

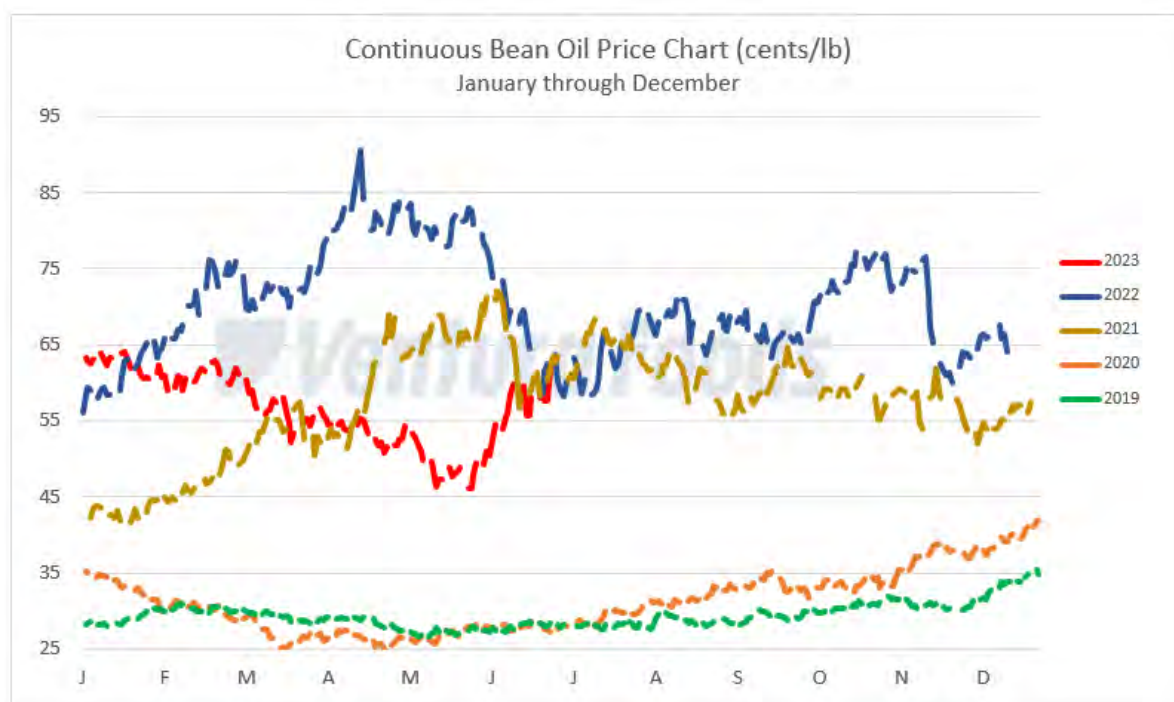


Ventura News & Views

By Ventura Foods Oil Trading Team • Jun 30, 2023

Smart Brevity® count: 3 mins...742 words

Commodities	This Week	Last Week	Last Year	Yr Change
CBOT Soybean oil (¢/lb) Aug	61.70	56.57	64.43	-4%
Soybean oil as % of crush value	42.70%	41.36%	43.29%	-1%
CBOT Soybean meal (\$/ton) Aug	413.90	410.70	422.10	-2%
CBOT Soybeans (\$/bu) Aug	14.4200	14.9450	15.0975	-4%
CBOT Soybean crush margin (¢/bu)	147.28	46.38	127.60	15%
Canola oil - RBD, West Coast (¢/lb)	91.70	87.94	105.43	-13%
Corn oil - RBD, Midwest (¢/lb)	90.00	105.00	180.00	-50%
Peanut oil - Crude, Southeast (¢/lb)	105.00	105.00	110.00	-5%
Cottonseed oil - PBSY, MS Valley (¢/lb)	91.70	87.94	104.43	-12%
CME Butter - AA Grade (\$/lb) Spot	244.95	244.95	295.23	-17%
Coconut oil - Crude CIF US Gulf (¢/lb)	54.50	54.00	93.25	-42%
Lard - Edible, Chicago, IL (¢/lb)	80.00	80.00	82.00	-2%
Palm oil - RBD, CIF US Gulf(¢/lb)	51.75	50.50	72.00	-28%



CBOT and Soy Factors



Friday certainly brought early 4th of July fireworks as month end and quarter end overlapped with the USDA stocks and acreage report for June and EIA biofuel feedstock data for April. Both reports provided surprises but in opposite directions with the bullish USDA report easily winning out. CBOT soybean oil futures for August almost immediately locked limit up following the release of the June stocks and acreage report; the sharp move higher helped futures end the week up more than 9%. While soybean stocks came in well within market expectations, planted acreage was slashed by 4 million acres from the March report to 83.5 million, far below the 87 million acres that was on the bottom end of the market range of estimates. The acreage revision from March to June was one of the biggest adjustments in more than 30 years. If the lower acreage is realized, all else held equal, it could take as many as 200 million bushels out of US soybean production this year (~4-5% of annual production). The EIA reported less-than-expected soybean oil use into biofuel for April. Soybean oil made up only 40.9% of the total feedstocks used, lagging the prior 12-month average of **nearly 44%. It's not necessarily a bearish number, but it could be an** indication of soybean oil losing some of its competitiveness into the biofuel landscape if the trend continues.

With the sharp move lower in soybean planted acreage, it becomes critical that current yield estimates materialize. The recent downward trend to condition ratings will have to reverse in order for yields to remain at their 52 bu/acre forecast. Soybean crop condition ratings fell again this week on worsening drought conditions throughout much of

the growing region. Good/Excellent conditions were off 3% vs. last week **to 54% which is well below last year's 65% rating. Weather forecasts for** the first half of July are showing increased likelihood of precipitation; however, the rains will have to transpire before weather risk premium scales back. Despite the strength in futures, expectations call for soybean oil basis to remain firm especially if soybean yields show any signs of eroding.

2. Canola Factors



Canola seed futures put in a strong performance to close out the week with nearly all of the 5% weekly gain coming on Thurs/Fri as weather forecasts and a bullish USDA report helped push prices higher. After favorable weather during planting and the start of the growing season, forecasts are calling for hot and dry weather to hit a large portion of the Canadian Prairies over the next 2-3 weeks that could impact canola seed yield potential. StatsCan reported Canadian planted acreage this week showing acreage gained 0.6 million acres vs. prior year, which was slightly higher than the market expected. Assuming a 5-year average yield, total production is pegged at 18.8MMT, a 3.4% gain over last year. Reports of strong biofuel demand for Q4 canola oil are keeping basis levels firm.

3. Palm Factors



Palm futures closely tracked SBO futures through the week ending **Friday's session up modestly**. However, following the explosive movement within CBOT soybean oil futures post-USDA report, domestic cash palm prices ratcheted \$20/mt higher to maintain current spread to soybean oil. According to ITS and AmSpec, palm exports were down -7% in June which correlates with the story we continue to hear about poor overall demand. Malaysia production data is due to be released within the next week and market expectations are for unchanged production vs previous report. Rumors are that the labor situation is improving which could increase July production vs June. This will help build stocks prior to an expected production downturn into 2024 as a result of the El Nino weather cycle. Indonesian production has been strong but decent domestic consumption there is helping to keep their balance sheet in check. Chinese palm oil stocks are estimated to have dropped -44% from February to June, but the market does not believe they will be rebuilding those stocks anytime soon due to poor demand and high prices.

Palm Kernel Oil (PKO) prices are at a slight discount to RPO prices in the US spot market but prices are beginning to firm up. There is talk of falling production in the coconut oil space but prices have not yet begun to reflect that dynamic. The expectation is for the coconut oil premium over PKO to grow into the second half of 2023.

Weekly PRODUCE ALLIANCE Market Report



June 29, 2023

OVERVIEW

Showers and severe weather in the southeast have harmed a lot of the crops in South Georgia. We are seeing some shorts and prices on a few categories due to delays etc., with the most severe being corn. Markets on bell pepper, cucumber and squash are moderate in general. We are in the middle of another transition as South Georgia wraps up to North Carolina and Tennessee. Hot pepper market is very active this week as Sinaloa wraps up and Baja is late to start, and this is driving prices higher with strong demand on the Mexican national market keeping a majority of the Mexican crop in Mexico. Tomatoes in the east are short as Florida and South Carolina wrap up for the season and transition is underway to Tennessee and North Carolina. Melons in the desert will wrap up this week in the desert and we should start the transition to the Central Valley next week. Honeydew remains very snug. Supply continues to improve in the Salinas Valley and markets continue to settle and we will still see some growers continue to have unstable supplies as we navigate through June, but we are not anticipating any major shortages over the next few weeks. Celery supplies are slowly improving although the market is still very active. Salinas will be starting in a light way with improved volume by the end of the month. Despite Mexico's new avocado crop (Loca) opening this week, limited volume remains available. Mexico's rainy season is delayed, and many orchards are not ready to harvest. The dry matter has to reach a minimum of 22% for import into the U.S. Weekly volumes from Mexico are expected to remain around 30M pounds per week, which is low enough to keep overall price points higher than we've become accustomed to. Considerable supply is not expected until mid-August.

MARKET ALERTS



AVOCADOS – EXTREME

Last week total volumes closed at 46 Mil lbs. for the U.S., which doesn't seem too low of a number for the market escalation that took place. However, weeks 1-24, the U.S. averaged 60M pounds per week, with Mexico accounting for 90% of the volume (55M pounds). With Mexico reduced to only 25M pounds last week, demand had to be reduced and shifted to other COOs. Mexico did pull through and approved the release of the Loca crop early, and growers are on track to come in close to the estimated 33M pounds this week out of Mexico. California harvest is hitting its peak, and with high price points, growers are motivated to keep going. The Gems harvest is winding down while Lamb Hass is increasing. In the next few weeks, California will continue to bring in extra volume to make up for a slow start to their season. Volumes from Peru are still low YTD, and only 6.4M pounds were imported last week. The biggest unknown is how much volume was put on-the-water last week; we were expecting a wave of Peru to hit at some point.



ASPARAGUS – ESCALATED

Drought conditions in Baja/Guanajuato Mexico have affected production and the crowns are not responding. El Niño conditions are currently present. This has affected Peru's volume and will be in effect for at least the next 2 months. Sizing and quality may be affected. Michigan and Canadian production have finished due to seasonality. Markets are extremely short and



LETTUCE - ESCALATED

Lettuce supplies are down, and the market is up as cool weather has slowed production. In addition, many fields are showing tip burn and mildew which are not able to be packed which is contributing to the lighter supplies. Anticipate lighter weights and smaller head size. Market is active and will continue that way through next week although 4th of July may slow demand slightly towards the end of next week.



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.



ONIONS - ESCALATED

Onions are tightening back up in California as the Imperial Valley region winds down, and the San Joaquin Valley is slow to ramp up. We continue to see the size profile heavy to big onions, with very few medium yellows to speak of. This is reflected in the USDA market report as well, as Mediums are close to the same price as Jumbos, and Colossal/Super Colossal are no longer several dollars apart. Mexican onions are crossing through South Texas again primarily on yellows and whites. These are from later regions and seem to be exhibiting better quality than the Mexican onions we saw about three weeks ago. Their challenge is that they do not have red onions to ride with their yellows. This should be a short-lived supply source and will likely dry up in another week or so. Luckily, New Mexico growers are just now hitting their stride on volume this week to make up for the shortfall in California. Size profiles are healthy with a good mix across the board. Similar to



active. Expect prorate for the next couple of weeks.

BOK CHOY – ESCALATED

Market continues active with very light supplies.



BRUSSELS SPROUTS – ESCALATED

Supply on sprouts continue to be light, and the market will remain very active with some shippers prorating due to light supplies out of Mexico. Quality is generally good although elongated seed stem/core and soft texture will be more prevalent.



BROCCOLI – ESCALATED

Quality is good, but we are starting to see lighter supplies on Broccoli due to some planting gaps along with cooler than normal temps in the Salinas Valley. Market is much stronger.



CARROTS (Jumbo) – ESCALATED

Overall supplies are good but, Jumbos are still slow getting ramped up. Quality is good.



CELERY – ESCALATED

There were some missed or delayed plantings in the Salinas Valley during the floods. The missed plantings were not replanted, and the delayed planting have been slow to materialize due to continued lower than average evening and daytime temperatures. Shippers have been reaching ahead in their fields over the last three weeks to cover demand. They are now slowing down to avoid cutting themselves 100% out of celery for weeks. This causes weekly acreage to drop. Once again, the cool weather has not helped in bringing any acreage forward. We expect supplies to continue light though mid-July with volume expected to increase around the week of the 24th, possibly sooner if the weather warms up.



CORN – EXTREME

Season is done out of Coachella and very little supply elsewhere in the desert. We are essentially seeing a supply GAP between the desert and Brentwood. Markets in the east are extreme as weather has impacted South Georgia this week with more than 5 inches of rain since the weekend. Quality and production will be down through July 4th. We recommend considering subs to frozen cobs or other alternates over the next two weeks such as squash, broccoli, or cauliflower.



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.



GREEN BEANS – EXTREME

Heavy rain and harvest delays will escalate prices this week and decrease volume due to delays. Green beans are still available out of the Imperial Valley. Depending on origins, quality will be hit

California, we are seeing more plentiful big onions than we have been on the small sizes. Like California, this is causing mediums to be priced much closer to the jumbo price than we typically see for this time of year. We do anticipate this profile will become more balanced in both California and New Mexico in the coming weeks. Pricing relief is beginning to arrive, and it certainly feels that overall supply – between both NM and CA – is improving. However, there is still believed to be a gap upcoming around early July as a result of the heavy rain that took place during growing. The truck market continues to settle out at much 'healthier' rates than they had been during the Spring.



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 continues to remain flat for the time being. We have now seen the market stabilize for approximately the last month. The long-term outlook has not changed here, and we still anticipate a very challenging Summer overall. Availability seems to be flipping some with all sized cartons being readily available, and retail bags and small sizes tightening up some. Norkotah supply continues to wind down, and most of the state is packing Burbanks from here on out until new crop. The processors are still chomping at the bit for more product, but so long as the fresh market outpaces the processor offers (which it currently is) then the fresh will not lose any supply to processors. The biggest wakeup call on this Summer's supply challenges is that sheds are already beginning to talk about finishing up. Sheds in Washington are not much better off than Idaho. Once the Summer demand picks up, all these orders that were being packed by sheds that have dropped out, are going to have to go somewhere. Once that happens, we are likely to see the market take a big increase and will likely continue to increase as time progresses until new crop. The market has the potential to make last year's supply situation look 'cheap' if things continue at their current pace. Next year's Idaho crop continues to be behind schedule. Growers were going to struggle to make their existing supplies last into August to begin with. Now that we know with certainty that there will not be early Idaho potatoes to harvest, a gap between old crop and new crop is almost a certainty. Our primary growers are targeting finishing around August 4th now. Based on the 120 days the crop typically takes to harvest, we likely will not see new crop Idaho potatoes until sometime around August 24th or 28th. During this time, we will likely have to supplement with some of the earlier non-Idaho options (Washington and Nebraska).



SNOW & SNAP PEAS – ESCALATED

Guatemala production on both peas continues to be affected by weather. We will see Peruvian peas again at the end of this week.



TOMATOES (EAST COAST) – ESCALATED

Round and Roma Tomatoes: Markets are snug this week as we are set to transition to North Carolina and



and miss; in the west we will see good quality and in the east mixed due to the rain.

HOT PEPPER – ESCALATED

In the east, chilies are still tighter than normal but availability on the following varieties: Cubanelle, jalapeno, long hot, poblano. Shortest industry wide are red fresno, serrano, shishito, red jalapeno. In the west, we are seeing lighter volume crossing from Mexico this week and Sinaloa is done and Baja is late to start causing very high demand on the Mexican National Market. Markets are escalated on all varieties. We expect active markets for upwards of two weeks until we can get some steady volume out of the growing regions in Mexico.



MELONS – ESCALATED

Honeydew: We have finally started to see some much-needed relief with the honeydew situation since the end of last week as Mexican crossings through Nogales have provided some additional inventory to work with. Supply should remain steady over the next 7-10 days which is welcomed. Domestic dewes from the desert remain inconsistent with mostly jumbo fruit being harvested. Once we move into California, we also expect honeydews to be delayed probably 2-3 days after the cantaloupe begin so we are looking at a July 12-15 start.

Tennessee. Still a few tomatoes left in South Georgia and Florida we are relying primarily on South Carolina. We should be scratching in North Carolina and Tennessee late next week. Arkansas and Alabama tomatoes are also available. Market and quality will be mixed over the next two to three weeks.

Grape and Cherry Tomatoes: Markets are firming up as supply remains slim. Mixed quality available on all sizes.

GOOD BUYS

Commodity	Expert Tip
Table Grapes-Red	Red table grapes have many health benefits! They are full of nutrients and antioxidants and have high sources of Vitamins E and C. Red table grapes are easy to throw on a summer salad to give them a sweet flavor and crunchy bite! Red grapes complement a fruit and spinach salad perfectly! Throw spinach, mandarin oranges, feta cheese, walnuts, oil and vinegar in a bowl and top with halved red table grapes for a delicious summer dish!

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 6/29	Fri 6/30	Sat 7/1	Sun 7/2	Mon 7/3	Tue 7/4	Wed 7/5	Thu 7/6
68° 54°F	73° 56°F	75° 57°F	76° 57°F	72° 55°F	70° 56°F	70° 56°F	69° 56°F
Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Mostly Sunny
0 6 PM	0 in	0 in	0 in	0 in	0 in	0 in	0 in









OXNARD, CA:

Thu 6/29	Fri 6/30	Sat 7/1	Sun 7/2	Mon 7/3	Tue 7/4	Wed 7/5	Thu 7/6
67° 58°F	70° 59°F	69° 59°F	72° 59°F	70° 57°F	68° 58°F	70° 57°F	70° 57°F
AM Clouds/PM Sun	Mostly Sunny	Partly Cloudy	Partly Cloudy	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy









JALISCO, MX

Thu 6/29	Fri 6/30	Sat 7/1	Sun 7/2	Mon 7/3	Tue 7/4	Wed 7/5	Thu 7/6
85° 67°F	79° 68°F	83° 67°F	77° 67°F	77° 67°F	79° 67°F	81° 67°F	81° 68°F
							
PM Thunderstorms	Thunderstorms	Thunderstorms	Thunderstorms	Thunderstorms	Thunderstorms	Thunderstorms	Thunderstorms
0.9 in	0.96 in	1.03 in	1.1 AM ¹	0.49 in	0.45 in	0.37 in	0.3 in









VIZCAINO, BAJA SUR

Thu 6/29	Fri 6/30	Sat 7/1	Sun 7/2	Mon 7/3	Tue 7/4	Wed 7/5	Thu 7/6
92° 58°F	96° 62°F	100° 64°F	99° 62°F	98° 65°F	98° 66°F	97° 65°F	95° 64°F
							
Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny
0 in	0 in	0 in	1 PM	0 in	0 in	0 in	0 in









COACHELLA, CA

Thu 6/29	Fri 6/30	Sat 7/1	Sun 7/2	Mon 7/3	Tue 7/4	Wed 7/5	Thu 7/6
108° 79°F	113° 78°F	117° 84°F	118° 85°F	114° 80°F	110° 79°F	108° 79°F	108° 78°F
							
Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny
0 in	0 in	0 in	0 in	0 in	0 in	0 in	0 in

SELMA, CA

Thu 6/29	Fri 6/30	Sat 7/1	Sun 7/2	Mon 7/3	Tue 7/4	Wed 7/5	Thu 7/6
98° 66°F	106° 69°F	110° 72°F	109° 70°F	105° 66°F	102° 66°F	101° 64°F	99° 63°F
							
Sunny	Sunny	Sunny	Mostly Sunny	Sunny	Sunny	Sunny	Sunny
0 in	0 in	0 in	0 in	0 in	0 in	0 in	0 in

HENDERSONVILLE, NC

Thu 6/29	Fri 6/30	Sat 7/1	Sun 7/2	Mon 7/3	Tue 7/4	Wed 7/5	Thu 7/6
86° 66°F	86° 67°F	86° 69°F	89° 69°F	88° 67°F	85° 66°F	83° 67°F	85° 67°F
							
Mostly Sunny	PM Thunderstorms	PM Thunderstorms	PM Thunderstorms	PM Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms

Hogs and Pork

	Current Week	Change From Past Week	Change From Past Year
Nat'l Purchased Carc Wtd Avg Price - Barrows & Gilts (\$/cwt)	95.54	2.0%	-20.6%
Pork Carcass Cutout FOB Plant (\$/cwt)	96.12	6.6%	-13.5%
Segregated Early Weaned (SEW) Feeder Pigs (\$/head)	10.92	-8.2%	-72.2%
Iowa/So. Minn Avg Weight Barrows & Gilts (lbs)	278.5	-0.5%	-1.8%
Est. Hog Slaughter	2,372,000	1.8%	2.6%
YTD Est. Hog Slaughter	60,805,000	N/A	1.2%
Est. Pork Production (mil lbs)	505.7	1.5%	2.7%
YTD Est. Pork Production (mil lbs)	13,147.1	N/A	0.4%

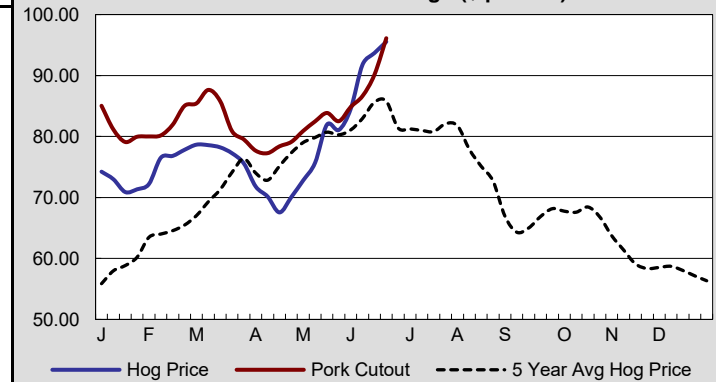
Cattle and Beef

Live Wtd Avg Steer Price, 5 Area FOB (\$/cwt)	182.57	-1.3%	26.3%
Dressed Wtd Avg Steer Price, 5 Area Del (\$/cwt)	289.81	-2.1%	23.2%
Boxed Beef Cutout, Choice (\$/cwt)	335.96	-1.2%	26.3%
Boxed Beef Cutout, Select (\$/cwt)	305.34	-1.5%	24.2%
Boxed Beef, Choice/Select Spread (\$/cwt)	30.62	0.59	10.37
By-Product Drop Value, Steer (\$/cwt live)	12.87	0.2%	N/A
CME Feeder Cattle Index (\$/cwt)	221.00	-1.2%	35.0%
Est. Cattle Slaughter	649,000	2.4%	-2.4%
YTD Est. Cattle Slaughter	15,654,000	N/A	-3.6%
Est. Beef Production (mil lbs)	526.6	2.1%	-2.1%
YTD Est. Beef Production (mil lbs)	12,818.6	N/A	-4.7%

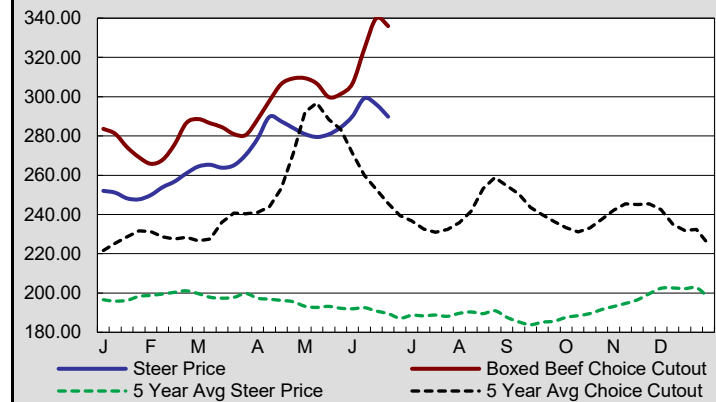
Lamb and Veal

Slaughter Lamb, Negotiated, Live Wtd Avg Price (\$/cwt)	174.97	2.1%	-11.5%
Lamb Carcass Cutout (\$/cwt)	433.39	0.4%	-23.4%
Est. Sheep Slaughter	34,000	0.0%	3.0%
YTD Est. Sheep Slaughter	887,000	N/A	5.7%
Est. Lamb Production (mil lbs)	2.1	0.0%	-8.7%
YTD Est. Lamb Production (mil lbs)	57.0	N/A	0.7%
Veal Carcass Wtd Avg Packer & Non-Packer Owned (\$/cwt)	418.99	0.3%	0.7%

Weekly Barrow & Gilt Price and Weekly Pork Cutout vs. 5 Year Average (\$ per cwt)



Weekly Dressed Steer Price and Weekly Boxed Beef Choice Cutout vs. 5 Year Averages (\$ per cwt)



Weekly Lamb Carcass Cutout vs 5 Year Average (\$ per cwt)





Weekly Livestock, Poultry & Grain Market Highlights

June 26, 2023

Grain

	Current Week	Change From Past Week	Change From Past Year
Central Illinois Avg Corn Price (\$/bu)	6.3700	-0.6%	-15.9%
Central Illinois Avg Soybean Price (\$/bu)	14.6400	0.3%	-11.1%
Central Illinois 48% Soybean Meal, Rail (\$/ton)	415.70	-1.4%	-7.9%
Hard Red Winter Wheat Truck to Kansas City (\$/bu)	9.2175	1.6%	-11.6%
Dark Northern Spring Wheat, 14%, MN, Rail (\$/bu)	10.5475	2.6%	-11.8%
Soft White Wheat Portland (\$/bu)	7.5429	-0.3%	-31.3%
Sorghum, Kansas City, Truck (\$/bu)	6.2800	-4.5%	-9.2%

Broilers

Nat'l Delivered Whole Body Price (cents/lb)	131.44	-4.0%	-20.0%
Est. Young Chicken Slaughter - Current Week (000's)	160,745	1.6%	N/A
Actual Slaughter of Young Chickens (000's)	167,015	0.4%	2.1%
YTD Actual Slaughter of Young Chickens (000's)	3,979,299	N/A	1.1%
Actual RTC Pounds of Young Chickens (000's)	814,900	0.5%	2.6%
YTD RTC Pounds of Young Chickens (000's)	19,223,383	N/A	1.5%

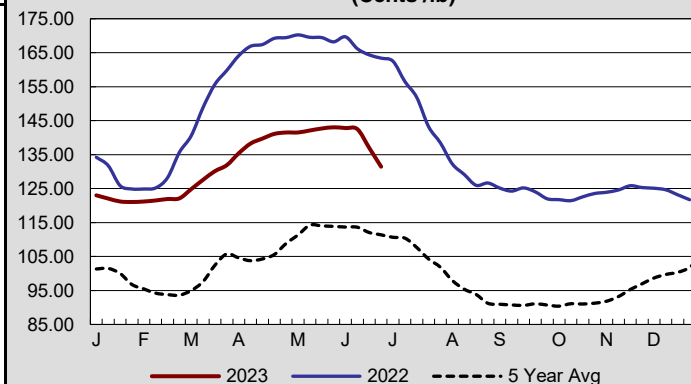
Turkeys

Nat'l FOB Frozen 8-16 lb. Hens, Wtd Avg Prices, cents/lb	156.00	1.4%	-0.5%
Actual Slaughter of Turkeys (000's)	4,079	0.6%	10.8%
YTD Actual Slaughter of Turkeys (000's)	91,244	N/A	3.3%
Actual RTC Pounds of Turkeys (000's)	100,191	-4.4%	11.0%
YTD RTC Pounds of Turkeys (000's)	2,328,684	N/A	2.0%

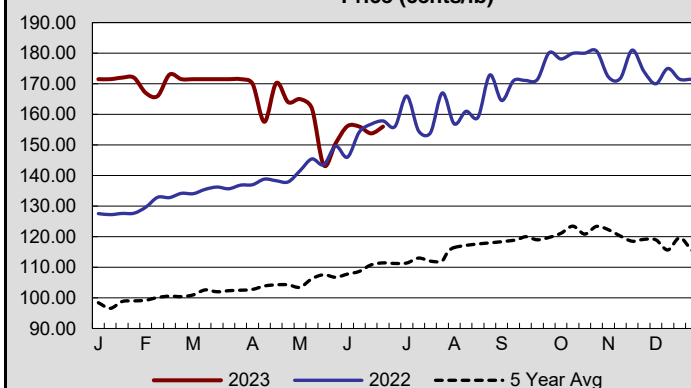
Eggs

Combined Regional Large Eggs (cents/dozen)	118.17	0.0%	-44.9%
National Shell Egg Inventory (30 doz. Cases/000's)	1457.8	4.5%	N/A
Shell Egg Demand Indicator (SEDI)	-4.90	-0.58	-14.30
Central States Breaking Stock Av. Price (cents/dozen)	89.00	7.9%	-55.9%
National Breaking Stock Inventory (30 doz. Cases/000's)	300.3	1.9%	N/A
Eggs Broken Under Federal Inspection (30 doz cases)	1,677,838	0.1%	15.7%
YTD Eggs Broken Under Federal Inspection (30 doz cases)	36,066,684	N/A	-0.4%

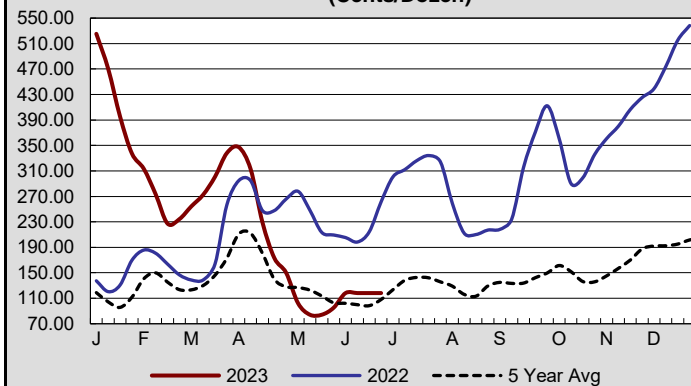
Weekly National Broiler Whole Body Delivered Price (Cents /lb)



Weekly National Frozen Whole Body Hen Turkey FOB Price (cents/lb)



Weekly Combined Regional Large Egg Price (Cents/Dozen)





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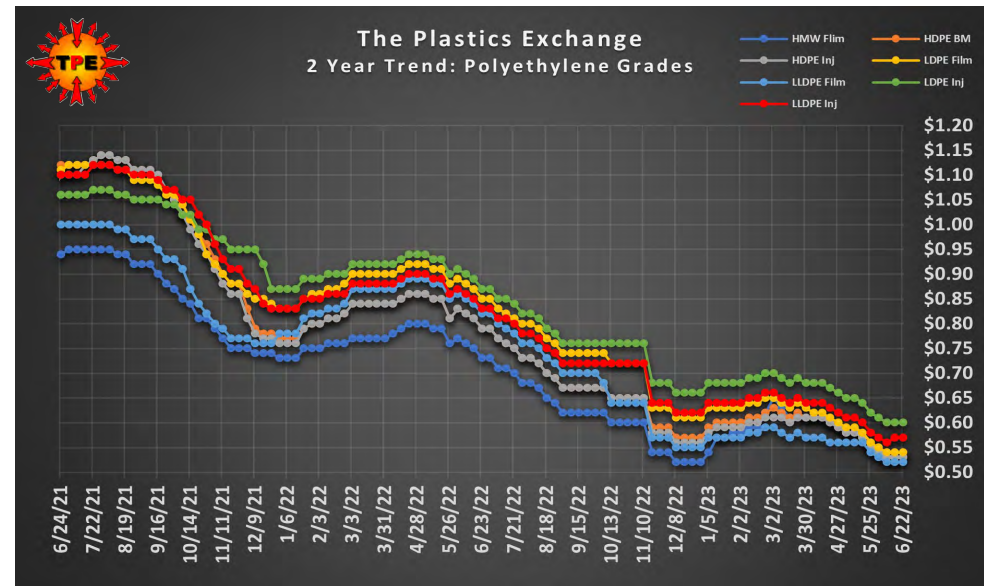
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Market Update — June 23rd, 2023

Following what was perhaps our busiest week of the year, resin trading slowed as processors again pushed for another round of spot discounts, but producers were generally less flexible on pricing and numerous opportunities went unfilled. Still, there were some good groups of Polypropylene railcars that came available, including CoPP high flow which had been scarce in the spot market. Though several producers said they were done selling spot for the month, there was still a wide variety of Polyethylene railcars shown at sharp levels. Our packaged truckload sales remained relatively strong as buyers required shipments to fill in for late railcars while others continued to buy limited volumes and only as needed. There has been a relatively wide range of pricing in the market, while PE contracts held stubbornly firm in May, discounts for generic prime and offgrade resins grew, so it is very possible to see some price consolidation ahead as June PE contracts should finally confirm a \$.03/lb decrease, while the deep spot discounts could disappear after the quarter end inventory purge ceases. The PGP recovery rally lost its momentum, so we expect a several cent decrease to come through for June Polypropylene contracts. Export inquiries spilled in with aggressively low bids citing competitive offers from Asia, but Houston availability already started to dry up ahead of fresh July offers which will soon emerge.

Polyethylene trading pulled back after a week of heavy turnover, the stop and go sporadic activity with a lack of follow through has been typical during the first half of 2023. Although we have not seen a significant hurricane threat to production yet, we did get a reminder of how delicate the Gulf Coast can be after 3 PE units shut down at CP Chem's Pasadena facility in Texas due to a severe thunderstorm on Wednesday. Power was restored, but it was not immediately clear whether the units have since restarted. Though the impact of CP Chem's unit shutdowns is still to be determined, it will likely be minimal and material remains widely available. Our Polyethylene prices held steady again this past week after mostly sliding a cent in early June, but spot had already given back all of its first quarter gains and more by the end of May.

Resin for Sale 16,875,832 lbs		Spot Range		TPE Market	
Resin	Total lbs	Low	High	Bid	Ask
PP Homo - Inj	2,585,324	\$ 0.430	\$ 0.570	\$ 0.460	\$ 0.530
PP Copo - Inj	2,454,388	\$ 0.480	\$ 0.620	\$ 0.520	\$ 0.590
HDPE - Inj	2,262,324	\$ 0.470	\$ 0.560	\$ 0.480	\$ 0.530
HDPE - Blow	2,231,956	\$ 0.480	\$ 0.560	\$ 0.480	\$ 0.530
LDPE - Film	2,168,642	\$ 0.480	\$ 0.570	\$ 0.490	\$ 0.540
LLDPE - Film	2,022,650	\$ 0.460	\$ 0.540	\$ 0.470	\$ 0.520
LLDPE - Inj	1,492,852	\$ 0.510	\$ 0.600	\$ 0.520	\$ 0.570
HMWPE - Film	1,014,116	\$ 0.470	\$ 0.540	\$ 0.480	\$ 0.530
LDPE - Inj	643,580	\$ 0.520	\$ 0.610	\$ 0.550	\$ 0.600



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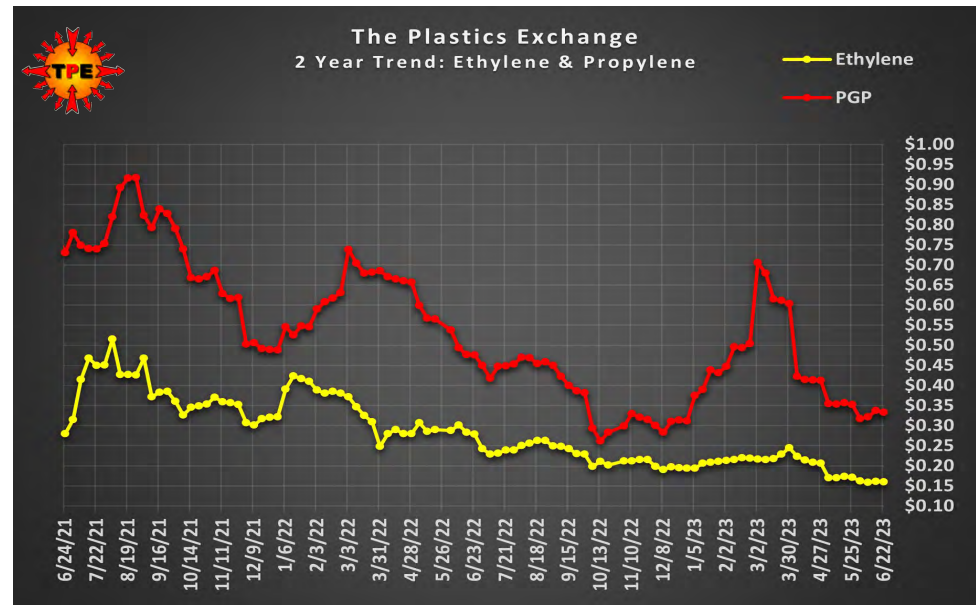
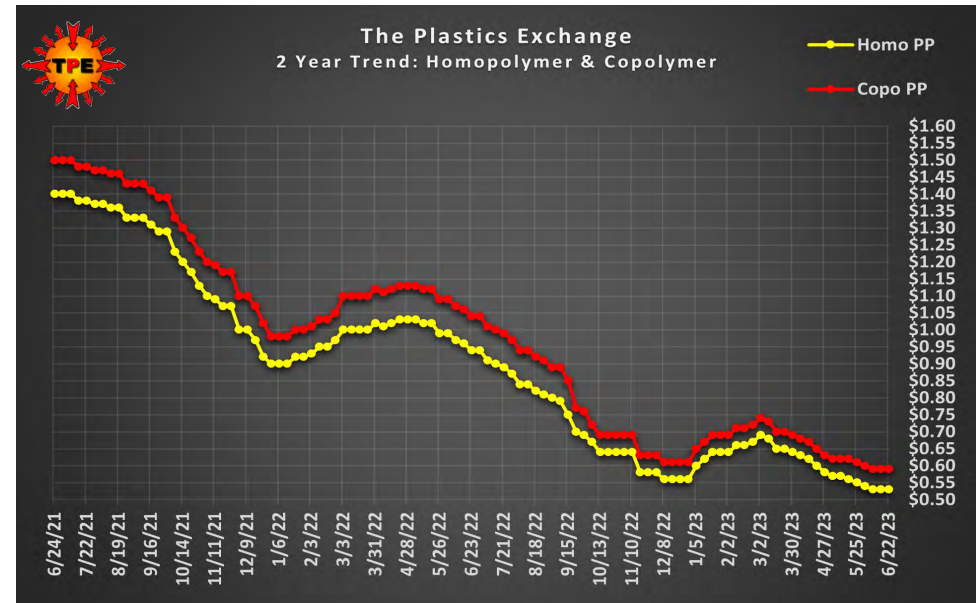
Market Update — June 23rd, 2023

On the other hand, PE contracts had held firm bucking the second quarter downturn; producers often manage to hold on to contract pricing a month or two longer than spot. So June contracts remain under considerable downward pressure due to a combination of high domestic inventories, weak global demand, deep spot discounts and low feedstock monomer costs. A \$.03/lb decrease in June, will leave contracts up \$.03/lb for the year.

The surge in spot Polypropylene trading activity subsided, demand was reduced as buyers seemed to have gotten their fill of railcars but continued to buy truckloads to smooth out supply gaps. Prices for HoPP and CoPP held flat for the second week in a row. The little recovery in spot monomer costs helped shore up the low end of the pricing spectrum, while producers still opted to offer prime spot cars at monomer plus levels given cost volatility and uncertainty in upcoming June contract monomer prices. After drawing down our PP market making inventories amid stronger demand the past several weeks, we did some selective replenishing. Phillips 66 remains on a turnaround at its Bayway refinery in New Jersey, which has strained some PP supply. However, even with operational issues at Bayway and the recent decline seen in domestic stockpiles last month, availability remained quite good. The expected return of Heartland's PP unit in Canada next week should also bring more product back into the market. Polypropylene contracts rose \$.26/lb in the first quarter, have already given back \$.19/lb in Apr/May, and we anticipate that a few more cents will come off in June, a reflection of the weak market conditions and low monomer costs.

Overall monomer market activity was somewhat slow, though overall volume was good and prices dropped. While some bids and offers were presented, Ethylene transactions were elusive until Wednesday when June material changed hands in TX at \$.1575/lb, several calendar swaps were also completed, and deals for 1Q '24 Ethylene deliveries were noted. On Thursday prompt Ethylene in Texas was again inked at \$.1575/lb, while over in Louisiana, prompt Ethylene sold at \$.1375/lb, maintaining the 2-cent geographic spread.

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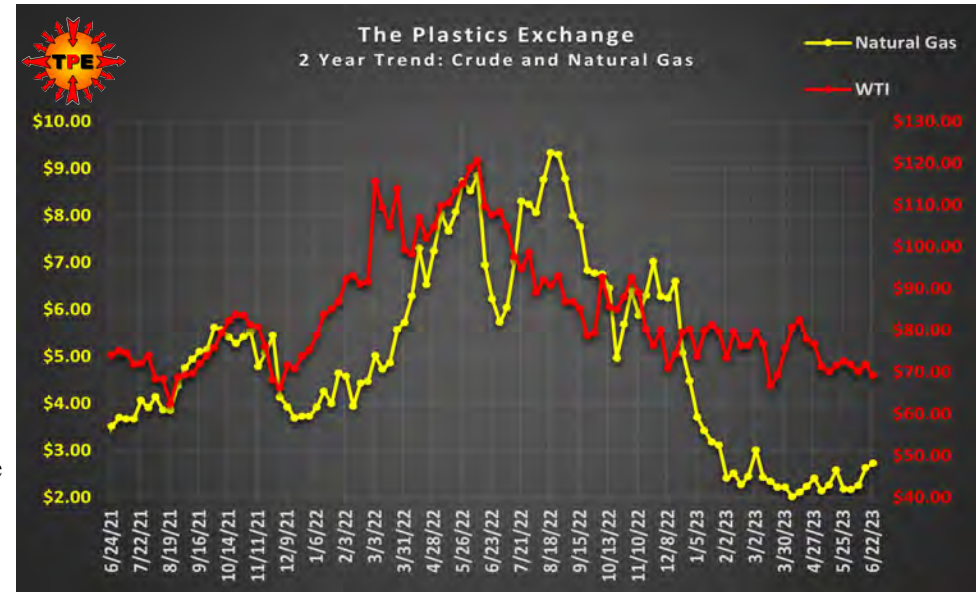
bringing the market to you

Market Update — June 23rd, 2023

On Friday, July Ethylene was completed twice at \$.1625/lb, Jun and Aug Ethylene deliveries transacted at undisclosed pricing. Spot June Ethylene settled a shade lower to around \$.16/lb, while all deferred contract months inched higher to slightly widen the normalized contango shape of the forward curve.

Spot Propylene continued to recover its early month losses, but the rally then fizzled out. June PGP transacted Tuesday afternoon at \$.36/lb, up about a cent from Friday. On Wednesday, two deals for 4Q deliveries were finalized at \$.37/lb and then the market started to soften. On Thursday, June PGP was offered lower and 3Q PGP deliveries were brokered at \$.3525/lb. Spot June PGP next traded Friday at \$.335/lb, July was done at \$.34/lb and 4Q PGP deliveries were cemented at \$.34/lb. Although the Propylene market began the week with continued strength, it later gave up its gains and then some. When the dust settled, the spot June PGP weighted average was dragged down nearly half a cent to end the week around \$.335/lb. Back-month options saw steeper losses and all contracts dipped back below \$.40/lb as the contango narrowed. The spot weakness is leading right into the heart of Propylene contract negotiations, and based on the month's activity and current levels, we now expect June PGP to decrease \$.03-.04/lb, from the May price of \$.39/lb, which itself was down \$.08/lb from April.

The Energy complex was widely mixed as WTI and Brent Crude Oil both eased on demand concerns and expectations of another rate hike from the Fed, while the nationwide summer heatwave continue to lift Nat Gas prices up further. WTI Oil began trading on Tuesday, after the bank holiday, and poked into positive territory midweek to a high of \$72.72/bbl, before falling \$5.37/bbl to a low of \$67.35/bbl on Friday. The Aug WTI contract bounced back a bit before the final bell and ended the week at \$69.16/bbl, with a net loss of \$2.77/bbl. August Brent Oil traded in tandem and went into the weekend at \$73.85/bbl, down \$2.76/bbl from the previous Friday. Nat Gas activity was opposite, as the week's low of \$2.448/mmBtu was made on Wednesday before the July futures contract climbed nearly 30 cents to end the week at \$2.729/mmBtu, up about a dime for the week. NGLs changed little. Ethane rose a half-cent to \$.212/gal (\$.089/lb), Propane saw a fractional loss to \$.579/gal (\$.163/lb).



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

312.202.0002

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MARKET UPDATE

Michael Greenberg
312.202.0002

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06/30/2023
Dairy Market

BLOCK:	Up .0050	@ \$ 1.3350	10 Sales
BARRELS:	Down .0050	@ \$ 1.3450	10 Sales
BUTTER:	Unchanged	@ \$ 2.4400	0 Sales
NFDM Grade A:	Down .0025	@ \$ 1.1175	3 Sales
CME Dry Whey	Up .0075	@ \$.2400	10 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>
06/26/2023	1.3625	Down .0425	9	1.4500	Down .0500	9	-0.0875
06/27/2023	1.3100	Down .0525	13	1.3900	Down .0600	10	-0.0800
06/28/2023	1.3300	Up .0200	8	1.3825	Down .0075	12	-0.0525
06/29/2023	1.3300	Unchanged	9	1.3500	Down .0325	15	-0.0200
06/30/2023	1.3350	Up .0050	10	1.3450	Down .0050	10	-0.0100
Average Market:	1.3335		49	1.3835		56	

<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>
06/26/2023	2.3600	Down .0600	1	1.1250	Down .0075	4
06/27/2023	2.4000	Up .0400	1	1.1175	Down .0075	4
06/28/2023	2.4400	Up .0400	3	1.1175	Unchanged	0
06/29/2023	2.4400	Unchanged	4	1.1200	Up .0025	6
06/30/2023	2.4400	Unchanged	0	1.1175	Down .0025	3
Average Market:	2.416		9	1.1195		17

<u>Date</u>	<u>Dry Whey</u>	<u>Dry Whey Change</u>	<u>Dry Whey Sales</u>
06/26/2023	0.2625	Down .0025	13
06/27/2023	0.2550	Down .0075	17
06/28/2023	0.2425	Down .0125	10
06/29/2023	0.2325	Down .0100	12
06/30/2023	0.2400	Up .0075	10
Average Market:	0.2465		62

--Year Ago--

<u>Date</u>	<u>Blocks</u>	<u>Barrels</u>	<u>Butter</u>	<u>NFDM Grade A</u>	<u>Dry Whey</u>
06/28/2022	2.1425	2.1600	2.9675	1.7650	0.4825
06/29/2022	2.1950	2.1950	2.9950	1.8000	0.4825
06/30/2022	2.1950	2.1950	2.9950	1.8075	0.4875
07/01/2022	2.1725	2.2050	3.0100	1.8025	0.5000



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June 22, 2023

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What you need to know

- May U.S. milk production was up 0.6%, a little better than the +0.3% forecast
- May NZ milk solids production was up 8.4%, a little better than the +7.2% forecast
- May AU milk production was up 1.6%, you guessed it, a little stronger than forecast
- May AR milk production...wait for it...was actually weaker than forecast and down 2.4%

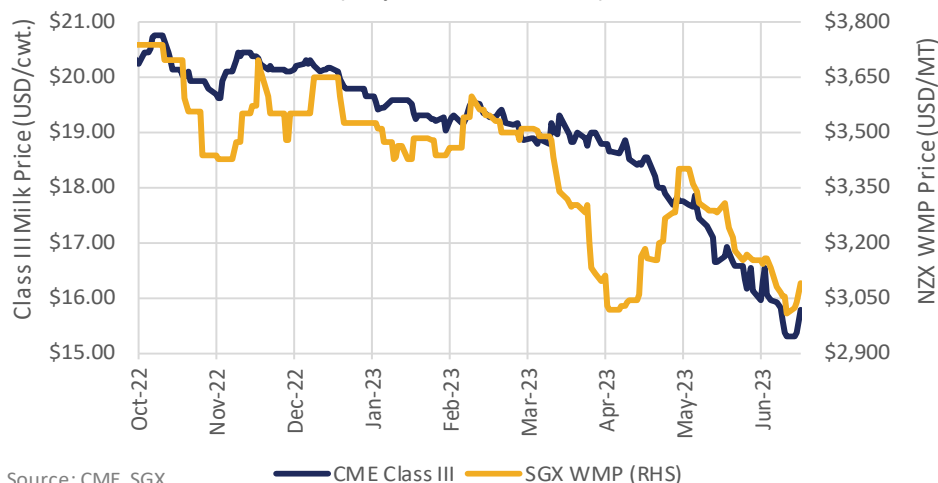
Dairy Prices (USD)

Cheese	Last (lb.)	Chg.	Last (MT)	WMP	Last (lb.)	Chg.	Last (MT)
CME Blocks (Wk Avg)	\$1.41	\$0.01	\$3,107	US	\$1.98	\$0.00	\$4,354
CME Barrels (Wk Avg)	\$1.51	-\$0.03	\$3,328	Dutch	\$1.74	\$0.00	\$3,839
EU Gouda	\$1.75	\$0.03	\$3,855	GDT (Avg)	\$1.44	\$0.00	\$3,172
GDT Cheddar (Avg)	\$2.06	-\$0.06	\$4,533				
Butter				Dry Whey			
CME Spot (Wk Avg)	\$2.37	\$0.00	\$5,218	Central US	\$0.29	-\$0.01	\$634
EEX Index	\$2.36	-\$0.01	\$5,192	EEX Index	\$0.31	-\$0.01	\$680
GDT (Avg)	\$2.44	\$0.13	\$5,379	US WPC34	\$0.94	-\$0.01	\$2,067
SMP/NFDM				US Lactose	\$0.23	\$0.00	\$496
CME Spot (Wk Avg)	\$1.15	-\$0.01	\$2,530	Rennet Casein			
EEX Index	\$1.24	\$0.00	\$2,743	US	\$4.50	\$0.00	\$9,921
GDT (Avg)	\$1.21	-\$0.04	\$2,667				

Sources: CME, USDA, EEX, GlobalDairyTrade, Dutch Dairy Board, Trigona, FRED

USD/euro rate used: 1.094, +0.009

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

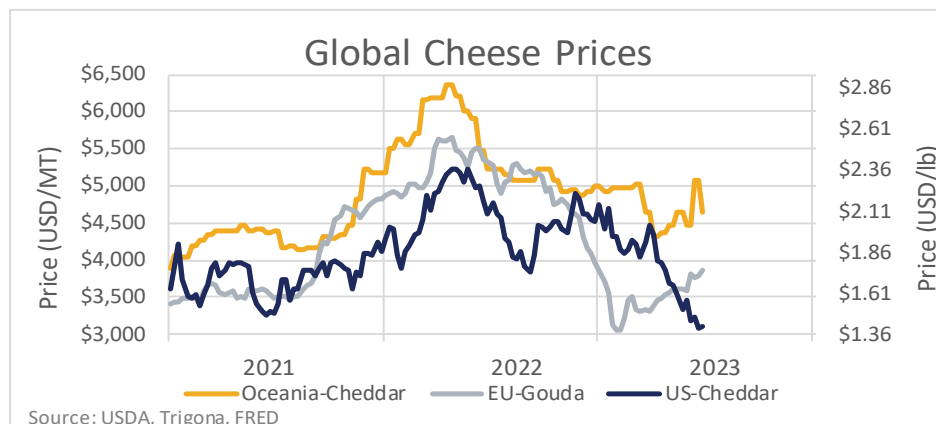


Market Summary

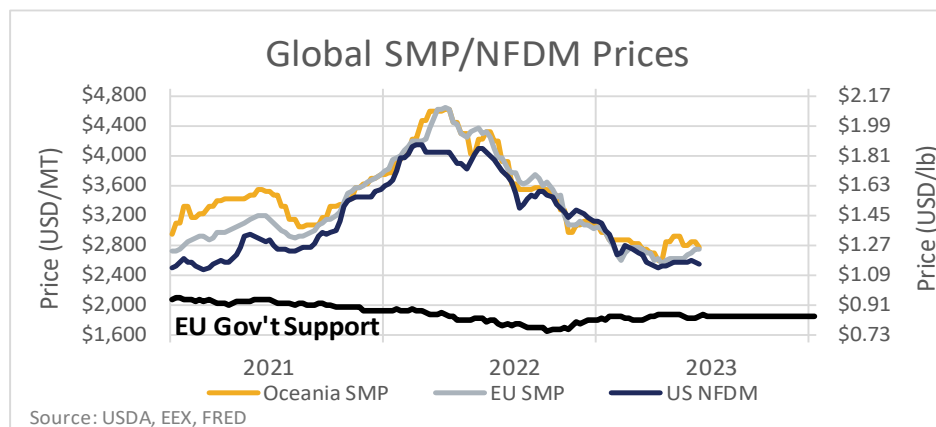
While May milk production data has been coming in a little stronger than expected, the weakness in the market continues to look demand related. GDT prices were generally better than expected thanks to some strong buying by Southeast Asia, MENA (butter) and North America (AMF), but purchases by North Asia (China) were very weak. Chinese imports for May were slightly stronger than expected, up 11% YoY (lapping -29%) and our early estimate for June is +13%. But continued anecdotal comments about an oversupply in China, falling milk prices in the country and the poor showing at GDT make me nervous about imports for the second half of the year. Combine that with weak domestic demand in U.S./EU and hand-to-mouth buying by other importers and it is hard to get bullish on demand.



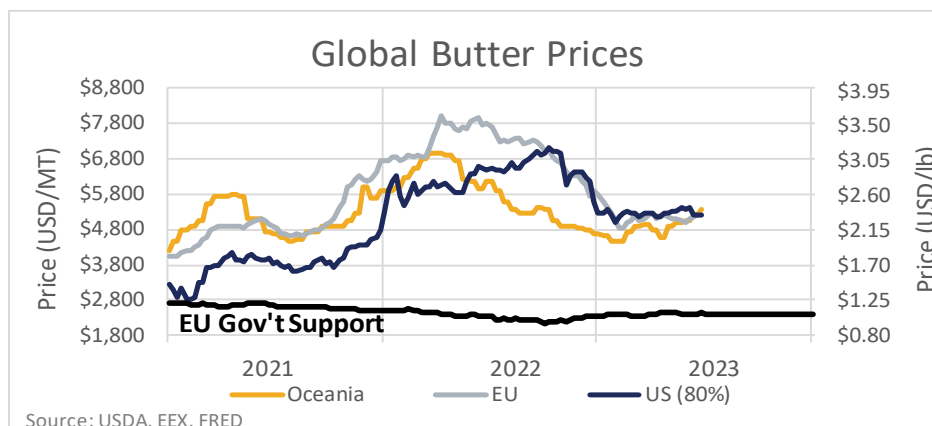
Product Markets



Butter: The CME spot butter price was flat this week while EU prices slipped a little lower and GDT butter shot higher. Cream supplies are starting to seasonally tighten in the U.S./EU, but there still seems to be enough around. Demand is reported as steady to a little weaker. GDT butter was surprisingly strong while AMF was weak. MENA's share of butter volume shot higher and it feels like a few months ago when they got aggressive on SMP at an auction, then the price pulled back.



Cheese: CME spot blocks moved slightly higher this week while barrels were effectively flat. Cheese prices in Europe were a little higher in euro and USD terms while GDT Cheddar was down. Spot cheese prices in the U.S. are cheap compared to the other major exporters, but forward offers are cheaper out of Europe. Based on spot pricing my U.S. export model is expecting a big increase in U.S. exports by Q4 which really helps to tighten the U.S. market, but I'm not sure if the exports will materialize given the uncompetitive forward offers.



Powders: NFDM/SMP prices drifted lower. I don't think supply is massively heavy, it's just that demand is terrible. End users aren't going to stay short forever and we could get a pop higher if we get a headline that causes everyone to hop back in the market at the same time, but without improved demand we could see the market slip another 5-10% in the short/medium term. Dry whey prices were steady to lower in the U.S. while they were weaker in Europe. Lower prices are helping to boost demand, but there is still plenty available.



June 22, 2023

Udder Intelligence



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