

MarketNews

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Egg Markets

Week of December 5, 2022

TONE: Retail demand fairly good to very good. Supplies of extra large & large close to tight. Market full steady.

The regional egg markets are as follows:

	Northeast	Midwest	Central	Southeast
Lg	\$4.46	\$4.46	\$4.61	\$4.57
Md	\$3.38	\$3.32	\$3.42	\$3.37

Source: Esbenshade, Inc.



Egg Markets Overview

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



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

USDA Egg Markets Overview

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

December 02, 2022

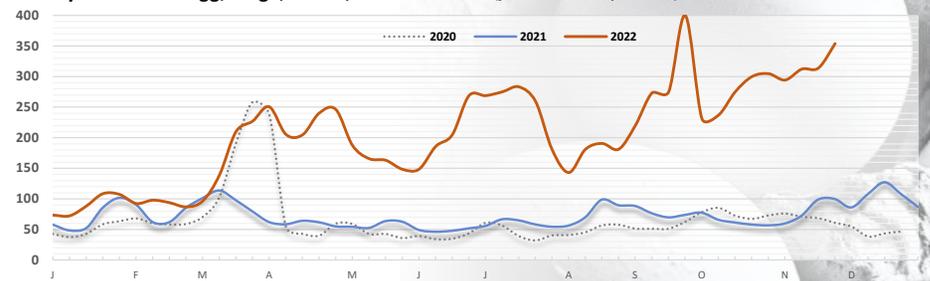
Wholesale prices for cartoned shell eggs continue to move higher in the post-Thanksgiving demand period. Offerings remain light while supplies are light to moderate with moderate to good demand. The pace of trading is moderate and tempered by product availability. Wholesale prices for graded loose eggs are higher with light offerings and light to moderate supplies. Interest is moderate to good and trading moderate to active. The volume of trailer load loose egg sales this week increased 36% from the prior week with 43% for future delivery. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs rose \$0.40 to \$3.540 per dozen with a firm undertone. The wholesale price on the New York market for Large cartoned shell eggs delivered to retailers increased \$0.17 to a record-high \$4.46 per dozen with a firm undertone. The Midwest wholesale price for Large, white, shell eggs delivered to warehouses increased \$0.25 to \$3.97 per dozen with a firm undertone. Prices paid to producers in the Midwest for Large cartoned shell eggs rose \$0.13 to \$4.11 with a firm undertone. The California benchmark for Large shell eggs increased \$0.05 to \$4.61 per dozen with a steady undertone. Delivered prices on the California-compliant wholesale loose egg market increased \$0.26 per dozen to \$4.59 per dozen with a firm undertone.

Consumer demand for shell eggs during Thanksgiving held firm as shoppers, seeing little relief from high prices, moved to cover their last minute holiday needs. Despite demand being down from Thanksgiving 2021 and average retail prices nearly four times higher this season, shell egg disappearance for Thanksgiving is estimated to be up 9% over 2021 at an estimated 11.2 eggs per household. The market is now looking to early December and the start of cookie season, a period of traditionally strong demand. However, recent outbreaks of highly pathogenic avian influenza in commercial table egg flocks continues to increase competition in the spot market for reduced supply availability. This recent outbreak has impacted demand from egg breakers who had been waiting for Thanksgiving carton demand to subside but now find reduced spot market supply availability. Current demand is in a full range, depending on market position, but a firm floor has been placed in the market for now.

Promotional activity for conventional caged shell eggs in retail outlets remains limited and the average ad price declined \$0.17 to \$3.52 per dozen. Promotional activity for specialty shell eggs decreases from last week's pace and is dominated by cage-free types. Feature activity for [UEP-defined cage-free](#) shell eggs remains very limited but accounts for 56% of the reduced activity of all shell egg types on feature. The average ad price decreases \$0.03 to \$3.13 per dozen. The average ad price spread between 12-packs of Large caged eggs and UEP cage-free eggs narrowed by \$0.14 per dozen but remains inverted with caged egg sale priced \$0.39 per dozen over cage-free types.

The overall inventory of shell eggs was unchanged and the nation-wide inventory of Large

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



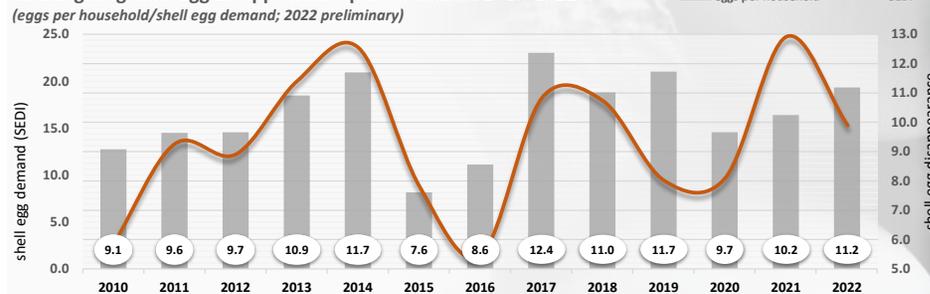
Source: USDA AMS L&P Livestock, Poultry, and Grain Market News

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



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

Thanksgiving Shell Egg Disappearance per Household 2010-2022



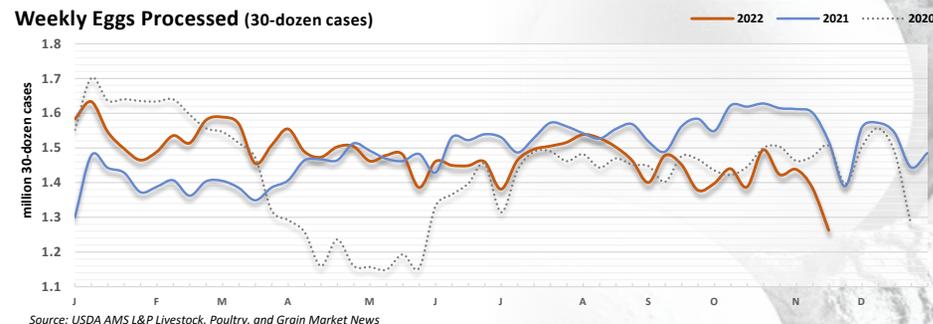
eggs was down 3.5%. Stocks of Large eggs in the key Midwest production region drew down by 14.5% as eggs cleared to support Thanksgiving demand. The inventory share of Large class shell eggs was down 2% to a 49% share of all shell egg stocks on inventory at the start of the week. Stocks of cage-free eggs decreased 2.5% while the inventory of nutritionally-enhanced shell eggs gained a half percent. Stocks of organic eggs gained 6% as retail activity slows. Breaking stock inventories increased 7% as breakers slowed production in to the holiday week and continued to work from owned production to offset limited spot market offerings. Total estimated table egg production was about unchanged from last week but was down 2% to a 6.5% deficit from last year to an estimated deficit of 10.3 million cases.

Wholesale prices for breaking stock in the Central States increased \$0.25 to \$3.00 per dozen with a firm undertone. Offerings are light and supplies are light to moderate on moderate to instances active trading and full to reduced schedules. Interest is in a full range. The volume of eggs processed over the past week decreased 9%, representing a 26% share of weekly table egg production. Production of whole egg was down 10% with whites down 7.5% and yolk down 2%. Production of dried egg increased 20% while inedible egg production was down 3%. Breaking yields without inedible improved nearly a half-pound to 42.06 pounds per case broken.

Wholesale prices for liquid egg white products are higher than the last test. Other types remain untested with a firm undertone. Offerings are very light to light, demand is moderate to good, and trading is mostly moderate. Prices on frozen whole eggs were \$0.25 higher than the last test at \$2.95 per pound and those for frozen whites were steady at \$1.80 per pound. The undertone is firm to higher. Offerings and supplies are mostly light. Demand is moderate to good and trading is moderate to active. Prices for dried whole eggs are steady with the last test at \$13.75 per pound with other types untested. The undertone is steady. Offerings are light, supplies very light to light with moderate to good interest. Trading is moderate to active.

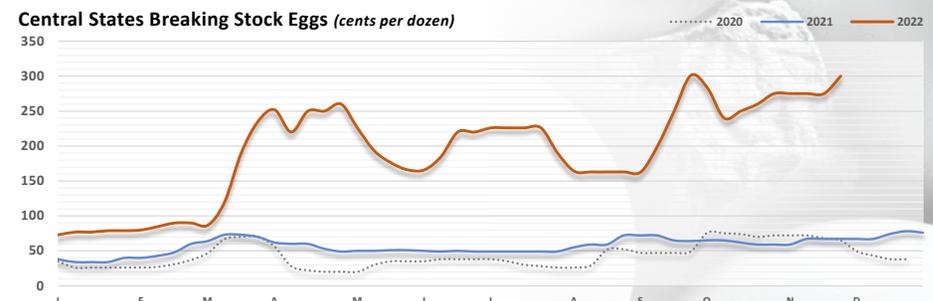
According to NASS, the October monthly volume of frozen eggs in storage decreased 4% from September, 3% under the year ago level. Stocks of whole frozen egg were unchanged from last month and remained 10% under year ago levels. The share of whole egg stocks gained 1% to a 34% share of total frozen stocks. Stocks of frozen yolk decreased 18%, 11% below last year's level. Stocks of frozen egg whites decreased 3% to a level 35% over 2021. Stocks of unclassified eggs declined 5%, 3% under 2021 levels. The share of unclassified frozen stocks decreased 1% to 52% of total frozen stocks.

Cage-free commitments as of November 2022 remain about unchanged, requiring 66.7 billion cage-free eggs per year to meet 100% of needs from an approximate cage-free flock of 221.4 million hens (72% of the U.S. non-organic flock), indicating a shortage of 132.6 million hens from the current non-organic cage-free flock of 89 million hens. The average lay rate for non-organic, barn/aviary cage-free production is currently estimated at 82.1%.

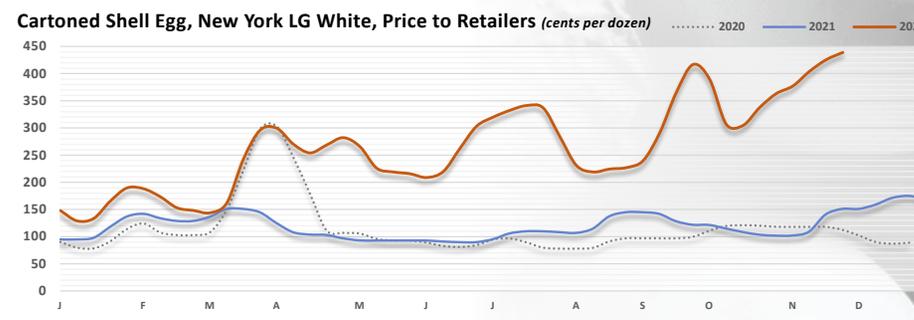


Source: USDA AMS L&P Livestock, Poultry, and Grain Market News

Eggs Processed - Week-to-Week Change						
total	share	whole	whites	yolks	dried	inedible
-8.8%	-2.6%	-9.7%	-7.5%	-2.0%	20.3%	-3.0%



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

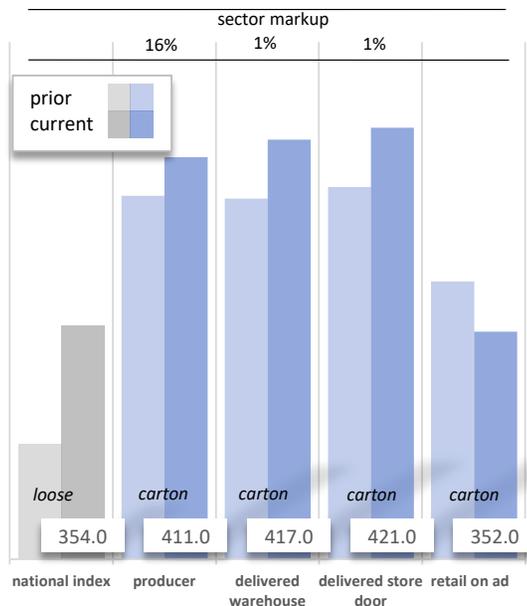


Source: USDA AMS L&P Livestock, Poultry, and Grain Market News

Shell Eggs Market Price Comparisons

(as of December 02, 2022)

(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

	2-Dec	% Change	Recent History				
			25-Nov	18-Nov	11-Nov	4-Nov	28-Oct
SHELL EGGS (Large, White, conventional in cents per dozen)							
National, Loose, (f.o.b. dock prices)	354.00	13%	314.00	312.24	294.38	304.71	299.90
New York, Cartoned (price to retailers)	446.00	4%	429.00	414.00	384.00	369.00	350.00
Midwest, Cartoned (price dlvr'd to warehouse)	417.00	5%	397.00	372.00	349.00	326.00	289.00
California, Cartoned, benchmark (cage-free)	481.00	4%	461.00	456.00	511.00	489.00	389.00
National Retail Shell Egg (avg. ad price in dollars per dozen)							
Conventional, Large, White	3.52	-5%	3.69	4.12	2.44	1.66	3.99
Cage-Free, Large, Brown	3.13	-1%	3.16	3.38	2.81	3.03	2.98
EGG PRODUCTS (f.o.b. dock prices; dollars per pound)							
Central States Breaking Stock (dlvr'd prices per doz)	300.00	9%	275.00	275.00	275.00	275.00	260.00
Whole Frozen Eggs	295.00	9%	270.00	270.00	270.00	265.00	276.00
Whole Dried Eggs	13.75	0%	13.75	13.75	13.75	13.75	13.75
Processed Share of Weekly Egg Production	25.9%	-2.6%	28.4%	29.6%	29.3%	30.7%	28.5%
SHELL EGG DEMAND INDICATOR (no units)	15.3	2.2	13.1	1.1	5.1	7.2	7.9

Source: USDA AMS Livestock, Poultry, and Grain Market News

Key Shell Egg Markets Snapshot - 2022

(Large, White, Conventional Shell Eggs in cents per dozen)	2-Dec	Change	25-Nov	2022 High	2022 Low
National, Loose, (f.o.b. dock prices)	354.0	▲ 13%	314.0	400.0	27-Sep 71.4
New York, Cartoned (price to retailers)	446.0	▲ 4%	429.0	446.0	02-Dec 126.0
Midwest, Cartoned (price dlvr'd to warehouse) ¹	417.0	▲ 5%	397.0	417.0	28-Nov 111.0
California, Cartoned, benchmark	481.0	▲ 4%	461.0	511.0	07-Nov 194.0
Central States Breaking Stock (delivered prices) ¹	300.0	▲ 9%	275.0	301.0	29-Sep 73.0
Whole Frozen Egg Products (f.o.b. dock prices)	295.0	▲ 9%	270.00	320.0	01-Apr 115.0
Whole Dried Egg Products (f.o.b. dock prices)	13.75	■ 0%	13.75	16.00	01-Apr 4.12
Natl Average Retail Ad Price - Conventional	3.52	▼ -5%	3.69	4.12	18-Nov 0.86
Natl Average Retail Ad Price - Cage-free ²	3.13	▼ -1%	3.16	3.38	18-Nov 2.11
Shell Egg Demand Indicator	15.3	▲ 2.2	13.1	20.1	21-Sep -11.4

¹ mostly high; ² non-organic



FLOUR FACTS

Information Provided by General Mills Foodservice
GeneralMillsCF.com



Weekly Market Highlights

DECEMBER 1, 2022

- The House passed legislation to force a tentative labor deal to thwart a national railroad strike. The bill now goes to the Senate.
- There was a slight improvement in winter wheat crop conditions this week with 34% good-excellent compared to 32% last week but still considerably lower than typical years.
- Wheat is down on the week due to fund selling, lessening export demand, and protests around covid restrictions in China.

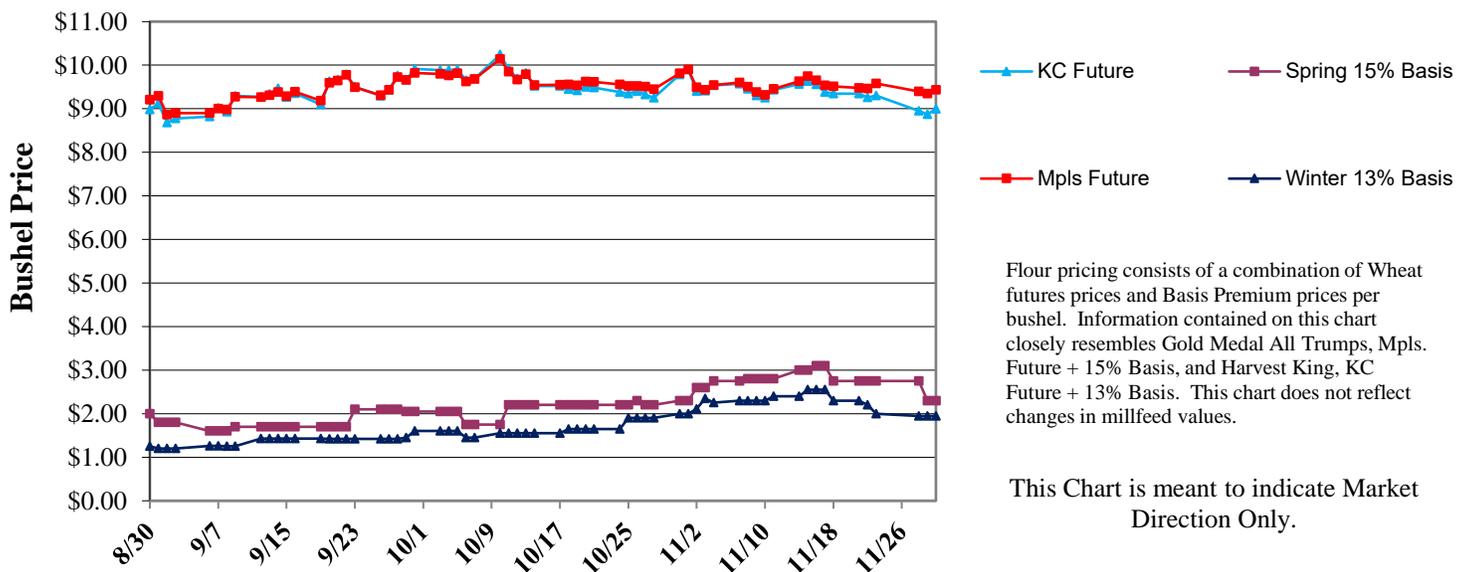
Facts on Flour

Maturing Flour

If bleaching describes the whitening of flour, what is maturing? For hard wheat flour, the term maturing implies the strengthening of dough forming properties, thus improving gas retention of the gluten. These maturing agents affect the physical properties of the dough and don't have any direct effect on the yeast. Two common maturing agents are potassium bromate and ascorbic acid. Breads treated with these agents will generally exhibit increased loaf volume, finer grain and improved external characteristics. Although they produce the effects just stated, they mature at different rates. Ascorbic acid reacts toward the end of mixing and into the dough stage. Bromate works during the proofing and baking stages.



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 • Dec 02, 2022

Smart Brevity® count: 2 mins...514 words

<u>Commodities</u>	This Week	Last Week	Last Year	Yr Change
CBOT Soybean oil (¢/lb) Jan	65.22	71.71	57.22	14%
Soybean oil as % of crush value	43.47%	47.68%	44.38%	-2%
CBOT Soybean meal (\$/ton) Jan	424.10	406.30	358.60	18%
CBOT Soybeans (\$/bu) Jan	14.3850	14.3625	12.6725	14%
CBOT Soybean crush margin (¢/bu)	211.94	246.42	151.09	40%
Canola oil - RBD, West Coast (¢/lb)	101.22	111.52	92.22	10%
Corn oil - RBD, Midwest (¢/lb)	150.00	155.00	97.50	54%
Peanut oil - Crude, Southeast (¢/lb)	110.00	110.00	110.00	0%
Cottonseed oil - PBSY, MS Valley (¢/lb)	115.22	124.52	97.22	19%
CME Butter - AA Grade (\$/lb)	272.75	296.00	200.25	36%
Coconut oil - Crude CIF US Gulf (¢/lb)	58.50	60.25	83.75	-30%
Lard - Edible, Chicago, IL (¢/lb)	90.00	88.00	74.00	22%
Palm oil - RBD, CIF US Gulf(¢/lb)	55.75	57.50	65.00	-14%



CBOT and Soy Factors



This week, the EPA released their highly anticipated Renewable Fuel Standard (RFS) proposal* that covers the next 3 years of biofuel mandates. January CBOT soybean oil futures traded limit down (450 points) on the news as the proposed increases to biofuel mandates were significantly less than the market expected. For the week, futures traded down nearly **11%**. **The USDA's October oilseed crush report showed no** major surprises as both crush and soybean oil stocks came in near expectations. One area of concern that could lend support to the soybean complex are major delays to soybean planting progress in Argentina due to excessive heat and lack of moisture in key planting regions. Reports indicate that Argentine soybean planting is tracking roughly 9% behind average, and with weather forecasts leaning hot & dry, planting progress could continue to struggle. Rumors that China is considering easing COVID restrictions may support the market, though there are no clear signs that lockdowns are going to be lifted.

*The final ruling is planned for June 2023

2. Canola Factors



Canola seed futures put in a strong performance despite a flat move in soybeans and a selloff in soybean oil, gaining more than 5% on the week. As expected, the EPA approved canola oil as a pathway into renewable diesel, though the lower-than-expected increase to the overall biofuel mandate could limit demand potential for canola oil as a feedstock. Statistics Canada lowered their canola production forecast for the 2022/23 crop year to 18.2 million MT; this is up 32% from last year but came in well below the average trade guess of 19.2 million MT. The recent increase in farmer selling may start to fade over the coming weeks, which could support canola seed prices.

3. Palm Factors



Palm oil followed soybean oil this week as that market took a **shellacking following the EPA's announcement showing a pivot from a total focus on renewable fuels alone**. This weakness in the market exists in spite of concerns around Malaysian production where a lack of workers and flooding could cause production to drop -10% vs prior month. **However, it's worth noting that production is still set to be higher than year ago, even with a recent decline so the overall palm S&D remains strong today.** This situation could change should China follow through on loosening COVID restrictions & demand in that region rebounds. The Malaysian Ringgit has strengthened further against the US Dollar in the wake of what appears to be a future slowing of Fed rate hikes and is currently at its highest level since June 2022.

Godrej Industries, a 125-year old Indian conglomerate, is planning to more than double the amount of palm acreage they manage over the next six years. **India is the world's biggest importer of palm oil & currently imports 60% of its needs.** While the target increase in acreage looks small at 1 million hectares compared to the 16 million hectares grown in Indonesia, India is anxious to reduce reliance on palm imports **following this year's disastrous high prices.**

Have a great weekend!

December 1, 2022

OVERVIEW

Florida commodities continue to struggle and are expected to do so for the remainder of the year, although there is some good news as we see improving availability on squash, cucumbers, and green bells. Colored pepper supply continues to remain tight despite ongoing crossings through Otay, but we should see more pepper crossing on Nogales this week. The entire tomato and mixed vegetable category crossing through Otay remains short due to weather impacts and virus. Round tomato production out of Mainland Mexico and Florida continues to be short. In Mexico, a rapid decline to critically low availability is driving prices higher. Weather related pressure as well as virus pressure combined with high demand is pushing markets to extreme levels. Florida continues to deal with the impacts of Hurricane Ian, but we are about 10 days away from newer product which we hope will ease the lack of inventory. At this time, round tomatoes in all growing regions are expected to be extremely short and elevated through the end of the year. The hot pepper markets we are seeing extreme pricing with shortages expected to continue on Serrano and Anahiem peppers due to cold weather impacting the growing regions in Mexico (expect some improvement by Dec 15). In Yuma, the volatile markets are expected to continue through at least mid-December, potentially through the end of the month. With significantly low yields across most commodities, the industry has been reaching early into new fields to cover contract commitments and regular business to satisfy customer needs. Along with being significantly ahead of schedule on all crops, cool weather has slowed crop growth in the fields causing gaps or harvest limitations.

MARKET ALERTS



ARUGULA – ESCALATED

Lighter available supplies, market continue stronger. Expect unstable supply to continue through mid-December due to the cooler weather in the desert



BELL PEPPERS & MINI SWEETS (RED & YELLOW) – ESCALATED

Red Bell Pepper: Markets are holding strong as supply remains limited this week and quality is good. We are still harvesting in the desert and should start seeing more fruit available in Nogales over the next ten days.

Yellow Bell Peppers: Markets are holding strong as supply remains limited this week and do expect to see pro-rates.

Mini Sweet Peppers: Supply is lighter this week and pricing remains firm.



BROCCOLI – ESCALATED

Expect lighter supplies to continue over the next few weeks as the cool weather is slowing growth. Expect pricing to continue very active.



CABBAGE (RED & GREEN) – ESCALATED

Green Cabbage: Lighter supply with good quality. Market continues active out of California with higher pricing.

Red Cabbage: Lighter supply with good quality. Market continues active out of California with higher pricing.



MUSHROOMS – ESCALATED Quality is good despite supply being lighter than expected. We continue to see lack of labor, shortages in component of growing such as peat moss and other inflationary pressures. We expect to see this continue to be a challenge until some of the growing costs can get under control of this particularly labor intensive and cost sensitive item. We will continue to see upward pressure on prices as the Holiday pull is now in full swing and expected to remain that way through New Year's.



PARSLEY – ESCALATED

Curley Parsley supplies are improving but remain lighter. Italian supplies will continue to be light through next week. Look for supplies to improve the week of 12/5.



POTATOES - ESCALATED

Potato demand has flattened this week, in large part due to it being Thanksgiving week. Buyers have finished their purchasing in advance of the holiday logistics challenges, and interruption in shipping schedule. The potato market continues to remain tight, but pricing does appear to have leveled off for the time being. Pricing continues to hold at record levels on just about all sizes/grades for this time of year. 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,



CARROTS (Jumbo) – ESCALATED

Baby peeled, and food service items are in great supply. Current field sizing is small, so supply is extremely limited on Cellos/Jumbos in California. Regionally Colorado, Michigan and MN are in good supply with Cellos and Jumbos.



CAULIFLOWER - EXTREME

Cauliflower supply continues to be limited because of slower growing conditions from the cool weather. Overall quality is good but expect continued uniformity issues. Outlook is for Cauliflower availability to remain extremely light through next week.



CILANTRO – ESCALATED

Cilantro supplies are expected to remain light as Salinas has finished for the season and available supplies are not expected to improve until after the Thanksgiving Holiday.



CELERY – ESCALATED

Supplies are lower than expected from adverse growing conditions due to weather, and diseases that have affected yield. Low to moderate supplies are expected over the coming few weeks with a very strong and firm market.



CORN – ESCALATED

Markets are firming up out of Coachella and South Florida. Quality is very nice.



FRENCH BEANS – EXTREME

French demand exceeds supplies from Mexico and Guatemala; quality is fair to good. Rain has subsided in Guatemala, but cooler weather has slowed down production.



GARLIC – EXTREME

New crop California has started although domestic supply is very tight, and shippers are holding to averages. We expect this volatile market to continue through the summer.



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

Extremely limited supply available out of Florida and South Georgia is done. There are a few beans out west, but markets remain very high and expected to be snug through the Holiday.



GREEN ONIONS - EXTREME

Very light supplies with a steady market are expected over the coming week as the Mexico growing areas continue to deal with weather conditions from earlier in the season.



HOT PEPPER – ESCALATED / EXTREME

In the east, supply improving out of South Florida- Cubanelle, Long Hots, Hungarian Wax, Jalapeno and Shishito. In McAllen, volume is lighter on all varieties and seeing quality issues on the tomatillos. Habanero, Jalapeno and Poblano are all holding at higher-than-normal pricing while the shortest availability is on Serrano and Anahiem. We are seeing pricing upwards of 70 dollars on

the fresh market has a 'safety net' of where pricing will likely not fall beneath. We anticipate we will continue to see this trend as a means to get growers to release product on the fresh side. Other growing regions are echoing the same sentiments as well. National supply reports are showing that there are less potatoes this year than this last year – and this is not taking into account the six million pounds plus that have already been sold to processors. The market is as much about what processors are willing to pay, as it is about demand on the fresh side. In a way, the fresh demand is almost a non-factor this season. Trucks have tightened up some, and rates have increased some. It seems to be as much about weather related challenges, as opposed to heightened levels of Q4 holiday demand.



SPINACH – ESCALATED

Lighter available supplies, market continues stronger. Expect unstable supply through the end of the month due to the cooler weather in the desert.



SUGAR SNAP/SNOW PEAS – ESCALATED

Guatemalan production of snow peas and sugar snaps continues to improve. Due to recent weather in Guatemala, we have started to see quality issues with snow peas. We will see Peruvian Sugar Snaps in Miami beginning this weekend. Demand exceeds supply, very limited out of California. New crop snaps out of Mexico have started in minimal supply.



SPRING MIX – ESCALATED

Lighter available supplies continue, market is stronger. Expect unstable supply through the end of the month due to the cooler weather in the desert.



STRAWBERRIES – EXTREME

Next week Santa Maria, CA, and Oxnard, CA, expect to receive some rain which will likely reduce overall yields. In addition to the rainfall, the growing regions are experiencing cooler temperatures which have slowed fruit maturation. Supply out of Mexico continue to increase steadily. Florida supply remains limited due to the start of the season and cooler temperatures. We expect to see a slow start to the season.



TOMATOES – EXTREME

East Coast

Round Tomatoes: Demand exceeds supply, and we will see the shortest over the next few weeks and quality is fair at best. We continue to see salvage harvesting in the Ruskin/Palmetto region which was hit hardest by Hurricane Ian, they will have very little supply and quality will be well below normal expectations. With force majeure declarations still in place by many regional growers, we will likely see this type of market environment through the end of the year.

Roma Tomatoes: We are still facing escalated markets. We are seeing a shift in demand from rounds to the roma category which is now driving those prices higher with escalations expected through December

Grape and Cherry Tomatoes: We are seeing demand exceeds supply conditions on all the snacking varieties

Serrano and mid 40's on Anaheim. We are seeing quality issues and low production from Coahuila, Chihuahua, and California is about done for the season. Markets will remain firm until we start seeing crossings in Nogales over the next several weeks that will hopefully bring off some pressure on McAllen.

LETTUCE – EXTREME



Iceberg: It has been very cool in the desert and the lettuce crop is not growing as we've had almost two straight weeks of lettuce ice in Yuma. We are seeing uneven fields with light weights, small frames, and it is very leafy and solidity is very soft at this point. The market continues to be extremely active and is forecasted to stay the same through mid-December.

Romaine, Romaine Hearts: The quality and condition of the crop are good. Some seeder pressure remains in the early crop. Weights are light and size is medium to small. Heart packs will continue to be challenged due to seeder pressure, but the market is adjusting to some better supply in industry.

Green Leaf & Green Leaf: Supply remain short as cool weather is slowing growth although we expect to see supply slowly increase over the next 10 days. Sizing remains on the small side, but quality is good.

Butter: Quality is looking good, and demand remains strong. We are experiencing smaller heads and lighter weights, and sizing and weights will improve as the season progresses. Cooler weather is impacting harvest time.

MELONS – CANTALOUPE, HONEYDEW & WATERMELON – ESCALATED



Cantaloupe and Honeydew: We will begin to see increases in arrivals by the end of this week pushing us past a two-week transition gap of lower arrivals. We expect consistent volumes moving forward. We are seeing a very nice mix of cantaloupe sizing with the volume being mostly 9/12s but also decent percentages of jumbos. 15s remain mostly limited with a sprinkling of a few pallets here and there. Quality has been good with a solid external appearance. Brix levels took a slight dip recently into the 11-13% range but we are moving past those fields and expect to see internal quality improve by a couple percentage points next week. Honeydew production is also increasing starting with the end of the week arrivals. Sizing has been mostly 5/5Js followed by 6s. The Guatemalan dews typically show a much more consistent pack and cleaner external quality than what has been produced the past two months. Brix levels have been mostly in the 12-13% range. With all ports working by next week it completes the transition from domestic to offshore and we look forward to a successful season which will run through most of May.

due to the impacts of Hurricane Ian. Growers are declaring Force Majeure as we expect type of market environment through the end of the year. We ask to keep flexible on varieties and size to help navigate through this trying time so we can do our best to keep the supply chain consistent.

Organic Tomatoes: Extremely limited supply available.

Mexico

Round Tomatoes: Mainland Mexico and Baja have been impacted by several weather events over the past two months that have either damaged crops or have delayed them. We are also dealing with increased virus pressure on plantings that are older, which are more susceptible to disease, and we are seeing large yield losses in several key growing regions. Between these conditions, a normal downturn in regional production and the strong market pressure from the east coast, we expect to volatile markets through the end of the year as we transition to Sinaloa on the mainland around Mid to late December and from Central Baja to Southern Baja over the next 2-3 weeks. We ask to keep flexible on varieties and size to help navigate through this trying time so we can do our best to keep the supply chain consistent.

Roma Tomatoes: While supply is better on roma than the rounds; we are still facing escalated markets. We are seeing a shift in demand from rounds to the roma category which is now driving those prices higher with escalations expected through December when we will see new crop volume out of Sonora and Sinaloa.

Grape Tomatoes and Cherry Tomatoes: Baja should be our main supplier for the fall and unfortunately that crop was decimated by Hurricane Kay. We are doing everything we can keep supply moving but are seeing significant pro-rates and shorts. Growers are declaring Force Majeure and expect volatile conditions through December. We ask to keep flexible on varieties and size to help navigate through this trying time so we can do our best to keep the supply chain consistent.

Watermelon: Overall quality is very nice, strong demand and light volume are keeping markets firm this week. We are starting to see more limits on loading options as the season winds down; Nogales and McAllen are the primary shipping points. Mini watermelons seem to be easing back in price as store sets change and demand drops.

GOODBUY

Each week, our team spotlights commodities based on how favorable prices, quality, and supply are in the market. Stay ahead of the trends and look to these good buys for their stellar performance in the fields! Please see each individual product for more information below and reach out to your PA representative for more information on adding this to your order guide.

Commodity	Expert Tip
Avocados	There are seven varieties of avocados grown commercially in California, but the Hass variety is the most popular, accounting for approximately 95 percent of the total crop volume. California Avocados act as a nutrient booster by helping increase the absorption of fat-soluble nutrients like vitamins A, D, K and E.
Pineapples	Pineapple is an awesome ingredient to include in your next skewer/kabob recipe. Combine, shrimp or chicken with peppers, red onions, mushrooms, and a nice piece of pineapple for a touch of sweetness to each bite!

TRANSPORTATION & WEATHER



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



OXNARD, CA:

Fri 12/2	Sat 12/3	Sun 12/4	Mon 12/5	Tue 12/6	Wed 12/7	Thu 12/8
61° 53°F	61° 54°F	61° 47°F	61° 43°F	61° 44°F	61° 44°F	61° 45°F
AM Showers	Showers	Showers	Mostly Sunny	Sunny	Sunny	Mostly Sunny

JALISCO, MX:

Fri 12/2	Sat 12/3	Sun 12/4	Mon 12/5	Tue 12/6	Wed 12/7	Thu 12/8
82° 58°F	84° 59°F	85° 58°F	82° 56°F	82° 54°F	80° 55°F	80° 54°F
Sunny	Sunny	Sunny	Mostly Sunny	Sunny	Mostly Sunny	Sunny

CULIACÁN, SINALOA

Fri 12/2	Sat 12/3	Sun 12/4	Mon 12/5	Tue 12/6	Wed 12/7	Thu 12/8
93° 60°F	95° 61°F	93° 61°F	93° 62°F	93° 62°F	91° 61°F	89° 57°F
Mostly Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy	Mostly Sunny	Sunny	Sunny

YUMA, AZ

Fri 12/2	Sat 12/3	Sun 12/4	Mon 12/5	Tue 12/6	Wed 12/7	Thu 12/8
71° 50°F	72° 52°F	72° 53°F	71° 47°F	69° 44°F	67° 43°F	65° 42°F
Partly Cloudy	Cloudy	Mostly Cloudy	Sunny	Mostly Sunny	Sunny	Sunny

COACHELLA, CA

Fri 12/2	Sat 12/3	Sun 12/4	Mon 12/5	Tue 12/6	Wed 12/7	Thu 12/8
70° 44°F	73° 47°F	73° 45°F	70° 40°F	68° 38°F	68° 37°F	67° 37°F
Mostly Cloudy	Mostly Cloudy	Partly Cloudy	Partly Cloudy	Sunny	Sunny	Sunny

IMMOKALEE, FL

Fri 12/2 84° 61°F  Partly Cloudy	Sat 12/3 84° 62°F  Mostly Sunny	Sun 12/4 84° 60°F  Partly Cloudy	Mon 12/5 85° 62°F  Mostly Sunny	Tue 12/6 88° 65°F  Sunny	Wed 12/7 89° 65°F  Sunny	Thu 12/8 88° 65°F  Sunny
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Hogs and Pork

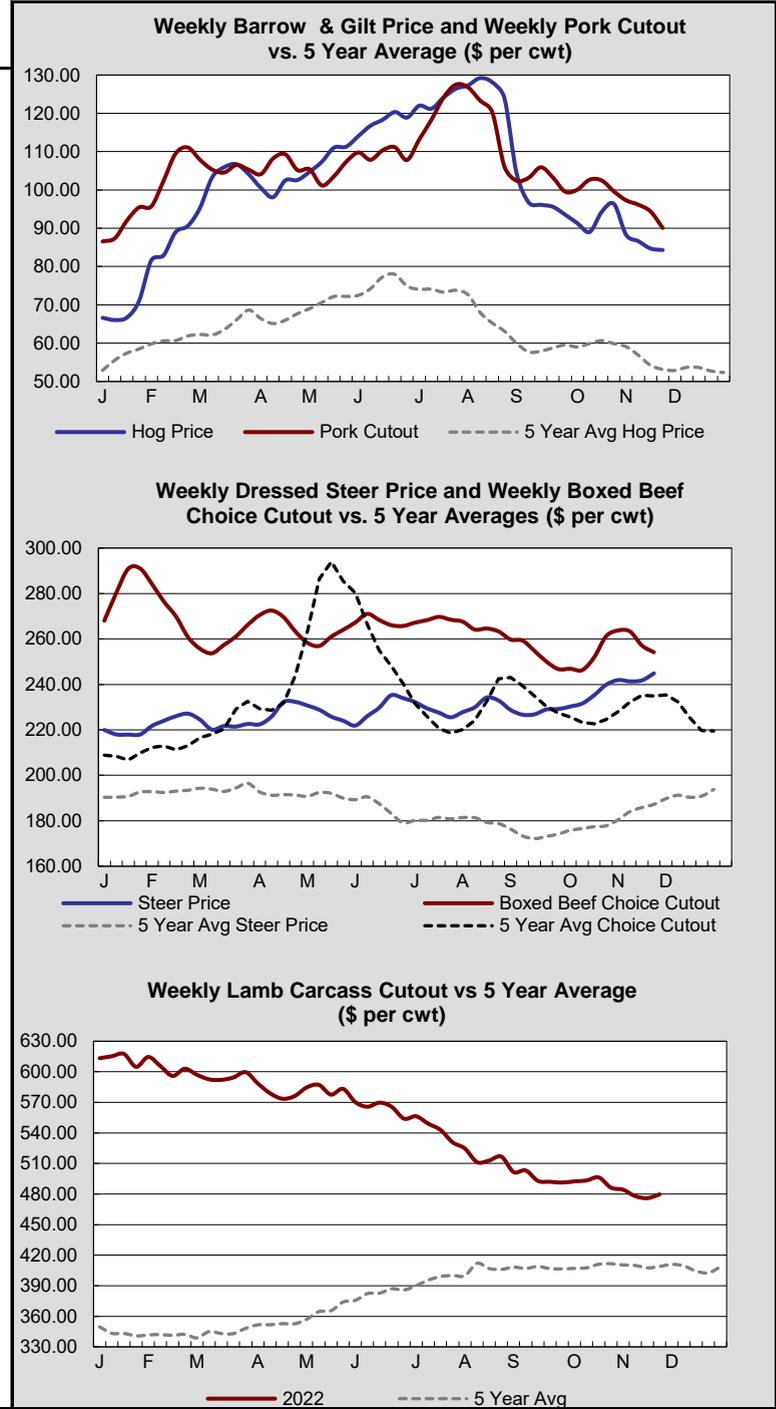
	Current Week	Change From Past Week	Change From Past Year
Nat'l Purchased Carc Wtd Avg Price - Barrows & Gilts (\$/cwt)	84.31	-0.5%	52.4%
Pork Carcass Cutout FOB Plant (\$/cwt)	90.07	-4.6%	5.9%
Segregated Early Weaned (SEW) Feeder Pigs (\$/head)	43.39	3.6%	-20.8%
Iowa/So. Minn Avg Weight Barrows & Gilts (lbs)	284.4	0.2%	-2.1%
Est. Hog Slaughter	2,223,000	-14.5%	-1.4%
YTD Est. Hog Slaughter	112,977,000	N/A	-2.9%
Est. Pork Production (mil lbs)	478.1	-14.4%	-2.2%
YTD Est. Pork Production (mil lbs)	24,329.9	N/A	-2.4%

Cattle and Beef

Live Wtd Avg Steer Price, 5 Area FOB (\$/cwt)	156.07	2.1%	13.0%
Dressed Wtd Avg Steer Price, 5 Area Del (\$/cwt)	244.86	1.3%	13.4%
Boxed Beef Cutout, Choice (\$/cwt)	254.15	-1.1%	-9.0%
Boxed Beef Cutout, Select (\$/cwt)	233.78	0.7%	-11.1%
Boxed Beef, Choice/Select Spread (\$/cwt)	20.37	-4.53	4.16
By-Product Drop Value, Steer (\$/cwt live)	14.67	-1.1%	N/A
CME Feeder Cattle Index (\$/cwt)	173.63	-0.6%	10.3%
Est. Cattle Slaughter	581,000	-13.8%	2.3%
YTD Est. Cattle Slaughter	30,633,000	N/A	1.6%
Est. Beef Production (mil lbs)	484.6	-13.7%	1.5%
YTD Est. Beef Production (mil lbs)	25,301.5	N/A	1.4%

Lamb and Veal

Slaughter Lamb, Comprehensive, Carc. Wtd Avg Price (\$/cwt)	127.63	2.2%	-45.4%
Lamb Carcass Cutout (\$/cwt)	479.73	0.8%	-22.4%
Est. Sheep Slaughter	29,000	-23.7%	-14.7%
YTD Est. Sheep Slaughter	1,575,000	N/A	-9.4%
Est. Lamb Production (mil lbs)	1.8	-25.0%	-14.3%
YTD Est. Lamb Production (mil lbs)	104.6	N/A	-5.3%
Veal Carcass Wtd Avg Packer & Non-Packer Owned (\$/cwt)	438.19	0.0%	18.8%





Weekly Livestock, Poultry & Grain Market Highlights
November 28, 2022

Grain

	Current Week	Change From Past Week	Change From Past Year
Central Illinois Avg Corn Price (\$/bu)	6.5300	0.8%	13.8%
Central Illinois Avg Soybean Price (\$/bu)	14.2100	1.3%	15.2%
Central Illinois 48% Soybean Meal, Rail (\$/ton)	433.80	-0.4%	17.4%
Hard Red Winter Wheat Truck to Kansas City (\$/bu)	9.8525	-0.4%	N/A
Dark Northern Spring Wheat, 14%, MN, Rail (\$/bu)	11.7275	-2.4%	N/A
Soft White Wheat Portland (\$/bu)	8.9125	-0.7%	N/A
Sorghum, Kansas City, Truck (\$/bu)	6.6175	-1.6%	8.8%

Broilers

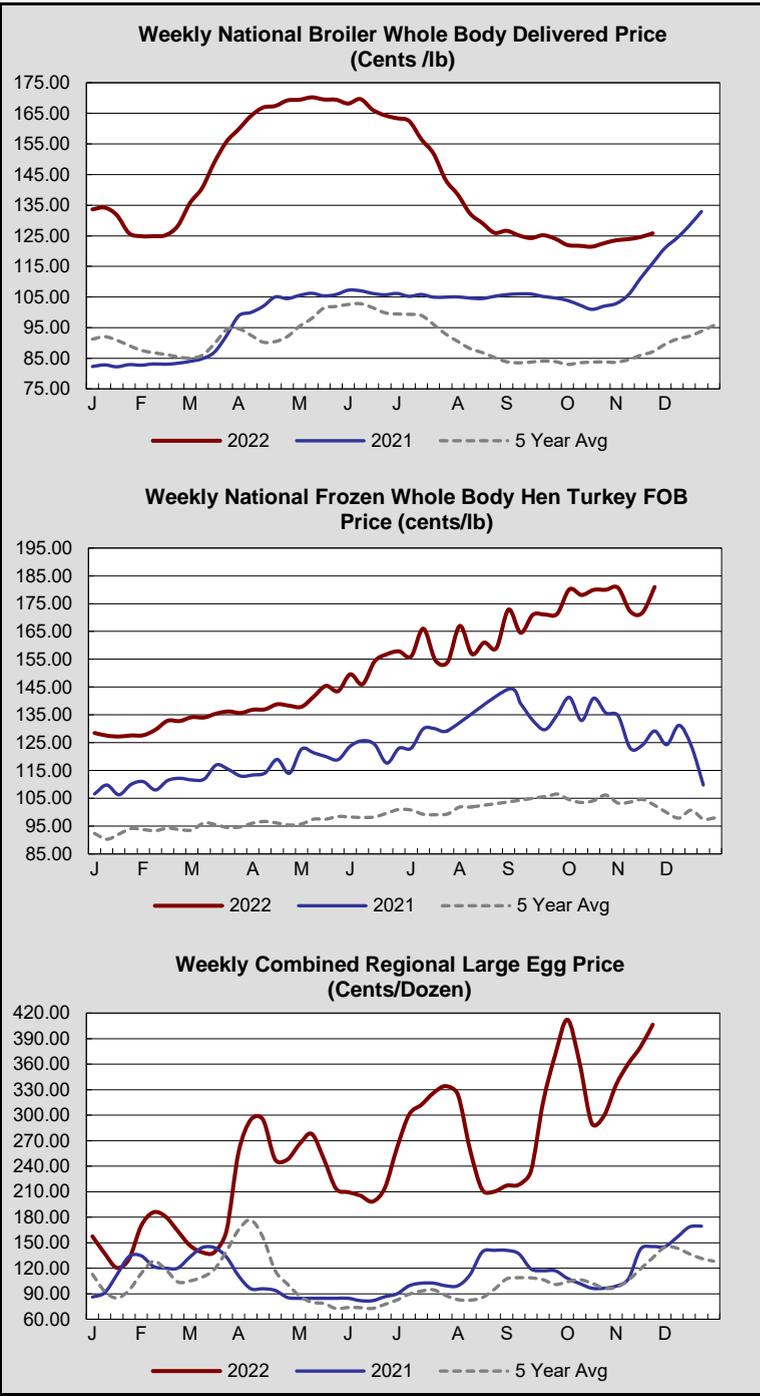
Nat'l Delivered Whole Body Price (cents/lb)	125.83	1.0%	13.2%
Est. Young Chicken Slaughter - Current Week (000's)	123,635	-26.1%	N/A
Actual Slaughter of Young Chickens (000's)	174,130	-1.3%	6.5%
YTD Actual Slaughter of Young Chickens (000's)	7,838,317	N/A	2.5%
Actual RTC Pounds of Young Chickens (000's)	857,555	-1.5%	9.4%
YTD RTC Pounds of Young Chickens (000's)	38,094,888	N/A	2.9%

Turkeys

Nat'l FOB Frozen 8-16 lb. Hens, Wtd Avg Prices, cents/lb	181.00	5.4%	45.8%
Actual Slaughter of Turkeys (000's)	4,012	-12.9%	1.5%
YTD Actual Slaughter of Turkeys (000's)	176,836	N/A	-2.0%
Actual RTC Pounds of Turkeys (000's)	100,270	-6.2%	2.2%
YTD RTC Pounds of Turkeys (000's)	4,419,536	N/A	-4.2%

Eggs

Combined Regional Large Eggs (cents/dozen)	406.48	6.9%	185.4%
National Shell Egg Inventory (30 doz. Cases/000,s)	1247.5	0.0%	N/A
Shell Egg Demand Indicator (SEDI)	13.10	10.91	-11.70
Central States Breaking Stock Av. Price (cents/dozen)	269.50	0.0%	345.5%
National Breaking Stock Inventory (30 doz. Cases/000's)	321.8	6.8%	N/A
Eggs Broken Under Federal Inspection (30 doz cases)	1,385,272	-3.7%	-8.7%
YTD Eggs Broken Under Federal Inspection (30 doz cases)	68,185,380	N/A	-1.0%



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



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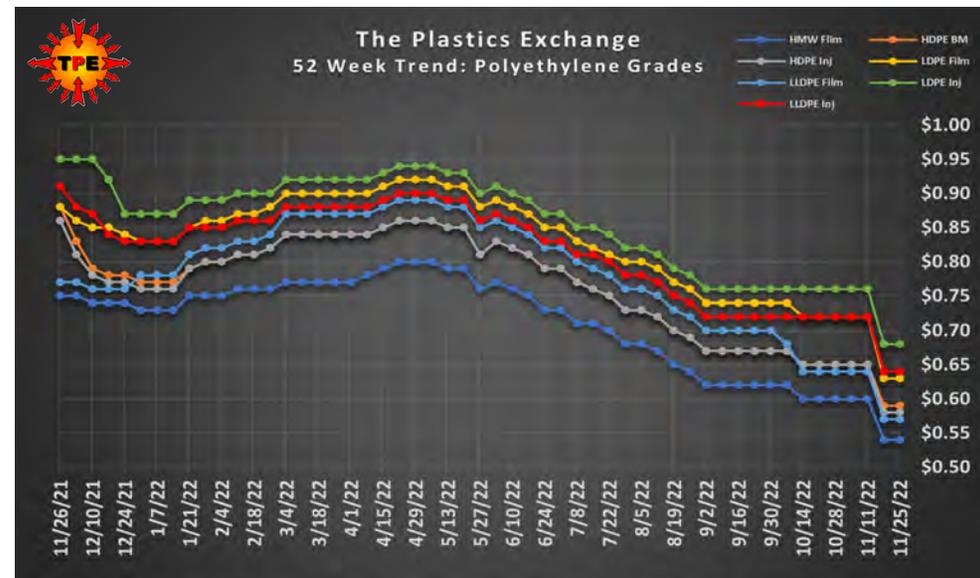
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Market Update — November 25th, 2022

Spot resin activity slowed due to the shortened Thanksgiving week, though overall trading and interest was still solid and our completed volumes did not disappoint given the 3-day work week. Once again, our railcar trading outpaced our truckload orders, as some processors have been slowly rebuilding resin stocks at these advantageous prices. The flow of offers dropped to a snail's pace, as producer's efforts to rebalance supply / demand through reduced production and heavy exports has been making a noticeable impact on spot resin availability. We held our levels for Prime Polyethylene and Polypropylene steady after recording a sizable decline a week earlier as one-off discounting became more recognized industry wide. We do not expect to see a big change in Nov contracts, Polyethylene will most likely roll flat again as it did in Oct; PGP contracts should nudge a cent or two higher this month, but the cost decrease should at a minimum be offset by another contraction in Polypropylene margins, leaving net PP contracts flat to perhaps a tad lower. Oct PP contracts settled late (finally in mid-Nov) with most contracts decreasing a huge \$.15/lb.

The threat of a major railworker strike remains a possibility, and the supply chain and economic damages would be so massive, that we anticipate an 11th hour agreement coming together to keep the trains rolling. Still, in preparation, at least one producer notified customers that it will be able to ship until December 5, with the exception of hazardous and time-sensitive material and expects service to slow down 72 hours before a potential strike. The producer also indicated it would stop shipping those products last week, which will impact ethylene oxide, allyl oxide, ethylene and styrene. Railroads could also implement embargos on these types of shipments a week before a possible strike. Railroads have been dealing with container congestion for much of the year and this is expected to last in some areas into January. Union Pacific said its container congestion at its Chicago and Dallas yards will not clear until the end of the year.

Resin for Sale 14,875,644 lbs		Spot Range		TPE Market	
Resin	Total lbs	Low	High	Bid	Ask
HDPE - Blow	2,584,600	\$ 0.490	\$ 0.620	\$ 0.540	\$ 0.590
PP Homo - Inj	2,122,668	\$ 0.490	\$ 0.630	\$ 0.510	\$ 0.580
LDPE - Film	1,994,576	\$ 0.560	\$ 0.670	\$ 0.580	\$ 0.630
LLDPE - Inj	1,977,748	\$ 0.550	\$ 0.690	\$ 0.590	\$ 0.640
HDPE - Inj	1,851,864	\$ 0.490	\$ 0.610	\$ 0.530	\$ 0.580
LLDPE - Film	1,532,760	\$ 0.490	\$ 0.600	\$ 0.520	\$ 0.570
PP Copo - Inj	1,444,576	\$ 0.530	\$ 0.720	\$ 0.560	\$ 0.630
HMWPE - Film	970,024	\$ 0.480	\$ 0.585	\$ 0.490	\$ 0.540
LDPE - Inj	396,828	\$ 0.580	\$ 0.700	\$ 0.630	\$ 0.680



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Market Update — November 25th, 2022

To help alleviate the bottleneck, producers have also announced a stricter position on demurrage which includes accelerated fees for long hold times; major warehouses have also taken this position to encourage quicker turnover by penalizing long-term storage.

There was a good amount of Polyethylene activity seen this week, building on recent momentum and seemingly only slowing due to the holiday. A sizable chunk of volume transacted across our platform, an indication that spot demand is healthy, at least in some market segments. Trading was well spread over commodity grades with HDPE Blow Mold and LLDPE film and injection standing out, while LDPE activity was more limited. PE producers have maintained dramatically reduced production levels, which are expected to run at least through the remainder of the year, as they work down inventory levels to the lowest levels since last December. Still, overall availability remains relatively good, albeit thinning and producers have been less aggressive with the outpouring of competitive offers than we had seen during the summer months. We have paid up a couple / few cents to secure offgrade railcars amid these tightening conditions. The more balanced supply /demand dynamic factored into the rollover for October contracts and we expect the same for November, even as new capacity is still hitting the market.

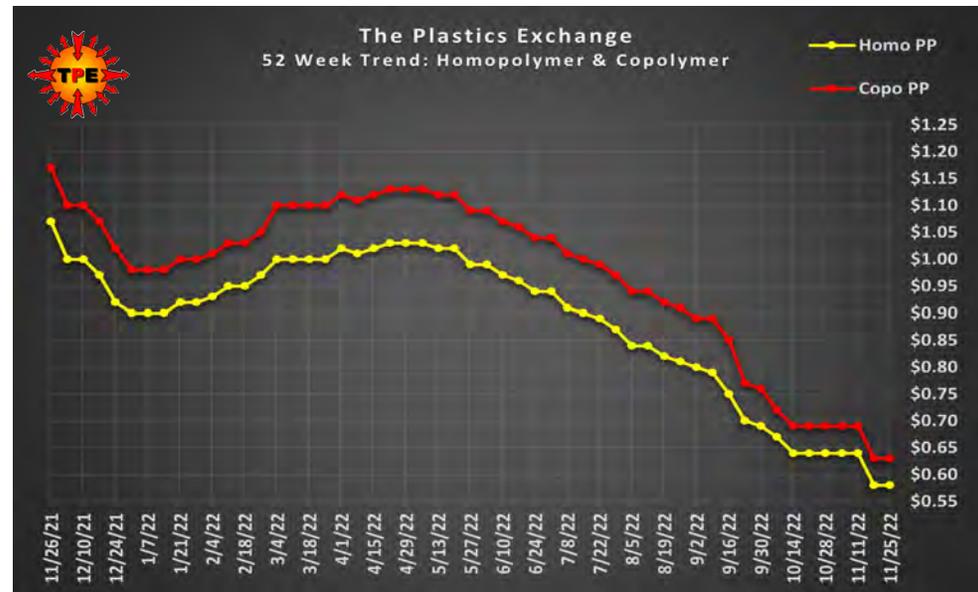
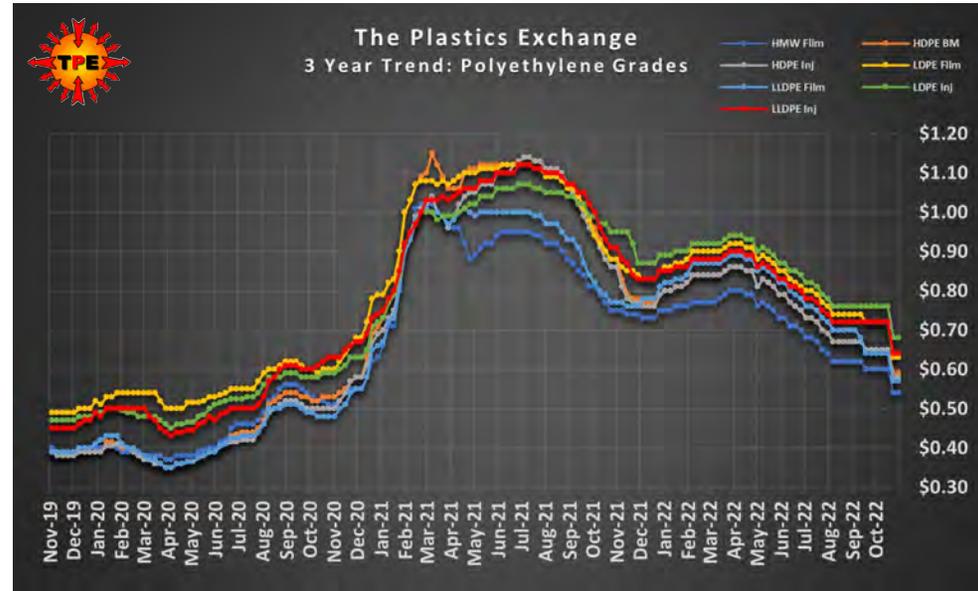
Polypropylene trading activity was somewhat unenthusiastic in the holiday-shortened week. Although our completed volumes were good, much of it was concentrated in a handful of CoPP and HoPP railcar transactions, while the typical truckload demand was a bit sparse. Still some Prime HoPP truckloads sold at seller's asking prices. CoPP truckload supplies remain challenged, and when available, asking prices were quite elevated. The flow of offgrade railcar offers slowed, it took real effort to uncover supply to complete our dealings, and we had to pay up to get them.

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MARKET UPDATE

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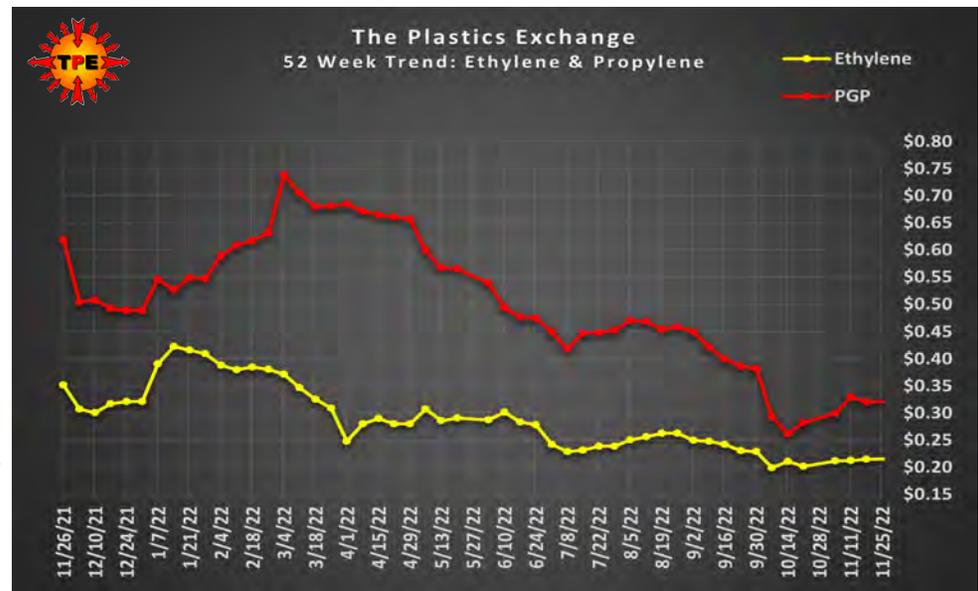
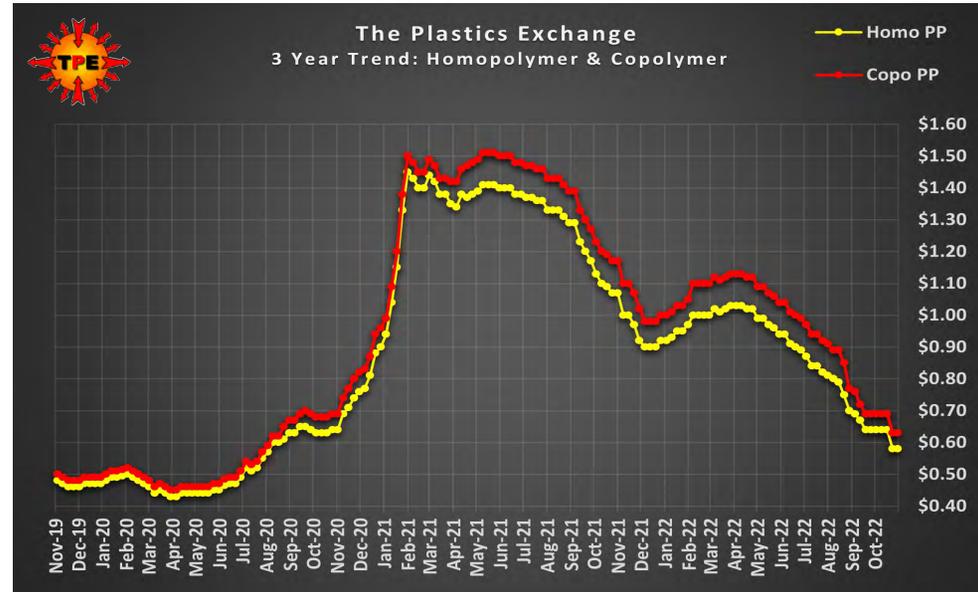
Market Update — November 25th, 2022

Several trading firms sought prime CoPP railcars to bolster their inventories, but we were unable to find properly priced material to fill the orders. A couple producers that had aggressively offered material in Oct and early Nov seemed to already line out their Nov / Dec production and did not want to participate at levels seen weeks ago. PP producers have restricted production since September to help reduce the supply overhang, but lax Domestic demand has offset the effect. It could take some downstream sentiment change for processors to come back and rebuild inventories, and while some have, we have yet to see that practice in mass. PP contracts got pummeled in Oct, dropping \$.15/lb, we expect a much more modest change in Nov, perhaps steady to a couple cents lower as production margin has room to shrink and catch up (or rather down) to spot levels.

Spot monomer trading scaled back during the shortened week and visible volumes were low as prices diverged. Ethylene led the way posting the majority of inquiries and solidifying most of the completed volume. The week opened Monday morning with several bids for prompt and future Ethylene deliveries but offers were scarce. Traders were unable to match up on material for delivery in the US, but a deal for Dec Euro Ethylene was completed early that afternoon. On Tuesday, transactions for spot Nov and Dec Ethylene were agreed in Louisiana, each at \$.21125/lb. Over in Texas, three trades for Nov Ethylene were done with back-dated pricing of \$.225/lb, and three more for 2Q '23 ethylene deliveries were executed at \$.22375/lb. The market came to rest and by Friday afternoon spot Nov Ethylene had inched up a half-cent to finish at \$.225/lb. The forward curve remains flat with Jan and Feb Ethylene just above \$.225/lb.

Polymer Grade Propylene was relatively quiet taking a back seat to Ethylene. On Monday a deal for 3Q '23 PGP was finalized at \$.35/lb, this was the only deal that came to fruition during the short week.

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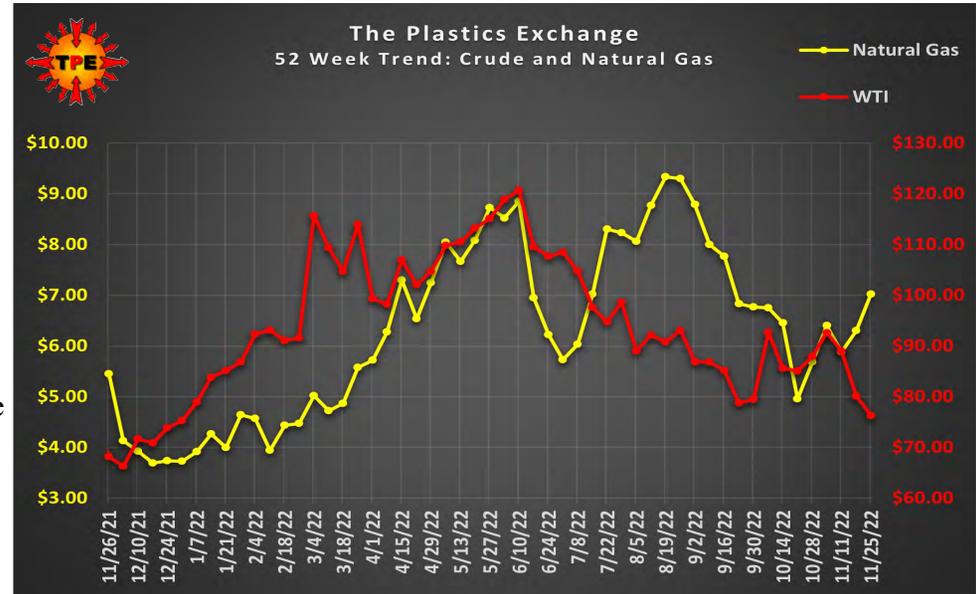
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Market Update — November 25th, 2022

Tuesday and Wednesday brought price drops to the market and a few bids/offers were presented, but ultimately opposing price ideas were too far apart to conduct further business. By Friday afternoon, spot Nov PGP had nipped off a little more than a half-cent settling just below \$.315/lb. Many deferred contract months saw larger losses, some nearly 10%; May '24 and beyond hacked off almost \$.04/lb and now rest at \$.355/lb. Nov PGP contracts have yet to be settled, but we still expect pricing to remain fairly flat to perhaps a penny higher from the Oct contract settlement of \$.32/lb.

The Energy complex was mixed ahead of the holiday with Crude Oil futures dropping on the back of a higher-than-expected build in gasoline stockpiles and continued demand concerns driven by a surge in Covid cases in China. EIA data showed US gasoline stocks up by 3.1 million bbl, way more than 383,000 bbl build that was forecast. Nat Gas rose for a third consecutive week as winter weather across the US and colder temperature forecasts kept demand strong. Jan WTI dropped to a low of \$75.27/bbl on Monday only to rebound \$7.09/bbl to a high of \$82.36/bbl the following day. By Friday, Jan WTI had fallen back to settle at \$76.28/bbl, a weekly net loss of \$3.83/bbl. Jan Brent futures followed suit and closed the week at \$83.63/bbl, down almost \$4/bbl. Dec Nat Gas futures made its low on Monday at \$6.15/mmBtu, then soared \$1.45/mmBtu through Wednesday to a high of \$7.60/mmBtu. Dec Nat Gas finished Friday at \$7.02/mmBtu, up a strong \$0.72/mmBtu on the week. NGLs were mildly mixed with Ethane fractionally higher to \$.406/gal (\$.17/lb) and Propane down less than a cent to \$.856/gal (\$.242/lb).



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MARKET UPDATE

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12/02/2022

Dairy Market

BLOCK: Unchanged @ \$ 2.1000 0 Sales
 BARRELS: Unchanged @ \$ 1.8975 0 Sales
 BUTTER: Up .0200 @ \$ 2.9000 1 Sales
 NFDM Grade A: Up .0125 @ \$ 1.3600 4 Sales
 CME Dry Whey Unchanged @ \$.4500 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>
11/28/2022	2.1250	Down .0250	2	1.8175	Unchanged	0	0.3075
11/29/2022	2.0900	Down .0350	0	1.8000	Down .0175	2	0.2900
11/30/2022	2.0650	Down .0250	0	1.8175	Up .0175	0	0.2475
12/01/2022	2.1000	Up .0350	5	1.8975	Up .0800	7	0.2025
12/02/2022	2.1000	Unchanged	0	1.8975	Unchanged	0	0.2025
Average Market:	2.0960		7	1.8460		9	

<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>
11/28/2022	2.9300	Down .0175	1	1.3900	Down .0075	0
11/29/2022	2.9300	Unchanged	2	1.3875	Down .0025	0
11/30/2022	2.9250	Down .0050	0	1.3600	Down .0275	2
12/01/2022	2.8800	Down .0450	2	1.3475	Down .0125	4
12/02/2022	2.9000	Up .0200	1	1.3600	Up .0125	4
Average Market:	2.9130		6	1.3690		10

<u>Date</u>	<u>Dry Whey</u>	<u>Dry Whey Change</u>	<u>Dry Whey Sales</u>
11/28/2022	0.4400	Unchanged	0
11/29/2022	0.4500	Up .0100	1
11/30/2022	0.4500	Unchanged	1
12/01/2022	0.4500	Unchanged	0
12/02/2022	0.4500	Unchanged	0
Average Market:	0.4480		2

--Year Ago--

<u>Date</u>	<u>Blocks</u>	<u>Barrels</u>	<u>Butter</u>	<u>NFDM Grade A</u>	<u>Dry Whey</u>
11/30/2021	1.8575	1.6000	1.9700	1.5550	0.6875
12/01/2021	1.8575	1.6000	1.9800	1.5475	0.6800
12/02/2021	1.8575	1.6025	1.9825	1.5625	0.6850
12/03/2021	1.8575	1.6025	2.0025	1.5625	0.6975



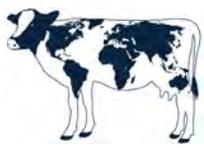
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December 1, 2022

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What you need to know

- GDT Pulse was down 0.8% from last week, but SGX futures are implying an increase for the GDT Event next week
- Dairy prices in Europe continue to trend lower and the sentiment remains bearish
- Covid cases in China hit a new record high, policies are shifting a little, but probably won't impact dairy demand much short-term

Dairy Prices (USD)

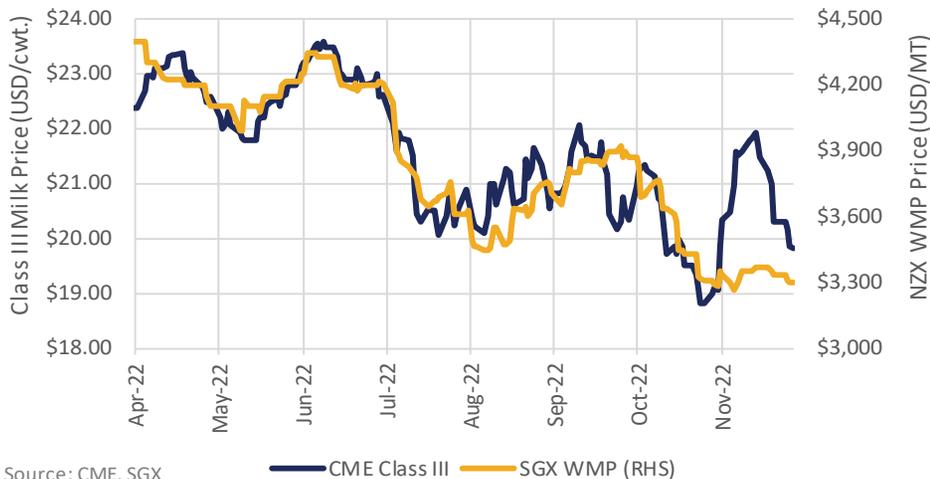
Cheese	Last (lb.)	Chg.	Last (MT)	WMP	Last (lb.)	Chg.	Last (MT)
CME Blocks (Wk Avg)	\$2.09	-\$0.10	\$4,599	US	\$2.45	\$0.00	\$5,401
CME Barrels (Wk Avg)	\$1.84	\$0.02	\$4,062	Dutch	\$1.96	-\$0.01	\$4,311
EU Gouda	\$1.96	-\$0.11	\$4,311	GDT (Avg)	\$1.54	\$0.00	\$3,397
GDT Cheddar (Avg)	\$2.15	\$0.00	\$4,746				

Butter	Last (lb.)	Chg.	Last (MT)	Dry Whey	Last (lb.)	Chg.	Last (MT)
CME Spot (Wk Avg)	\$2.90	-\$0.03	\$6,391	Central US	\$0.44	-\$0.01	\$959
EEX Index	\$2.79	-\$0.06	\$6,156	EEX Index	\$0.42	-\$0.01	\$917
GDT (Avg)	\$2.19	\$0.00	\$4,829	US WPC34	\$1.78	-\$0.03	\$3,930
				US Lactose	\$0.49	\$0.00	\$1,069

SMP/NFDM	Last (lb.)	Chg.	Last (MT)	Rennet Casein	Last (lb.)	Chg.	Last (MT)
CME Spot (Wk Avg)	\$1.37	-\$0.05	\$3,013	US	\$5.97	\$0.00	\$13,162
EEX Index	\$1.41	\$0.02	\$3,118				
GDT (Avg)	\$1.39	\$0.00	\$3,057				

Sources: CME, USDA, EEX, GlobalDairyTrade, Dutch Dairy Board, Trigona, FRED USD/euro rate used: 1.039, +0.01

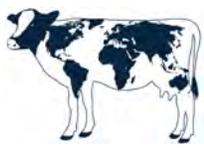
CME Class III and SGX WMP Futures Prices
(December 2022 Contracts)



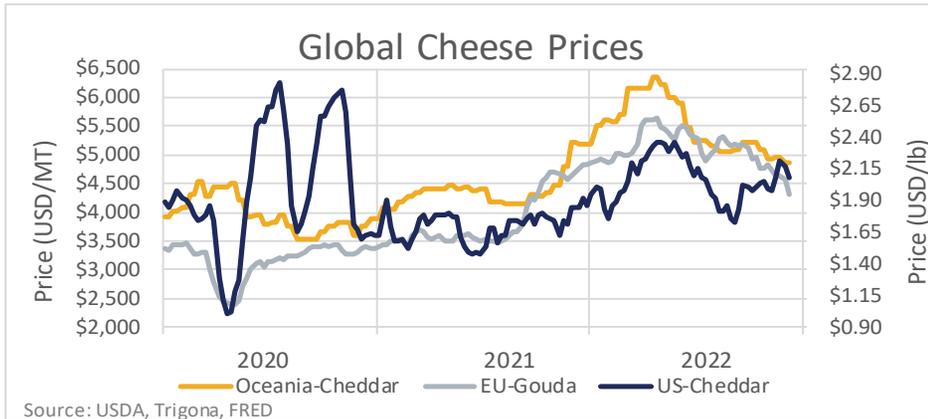
Source: CME, SGX

Market Summary

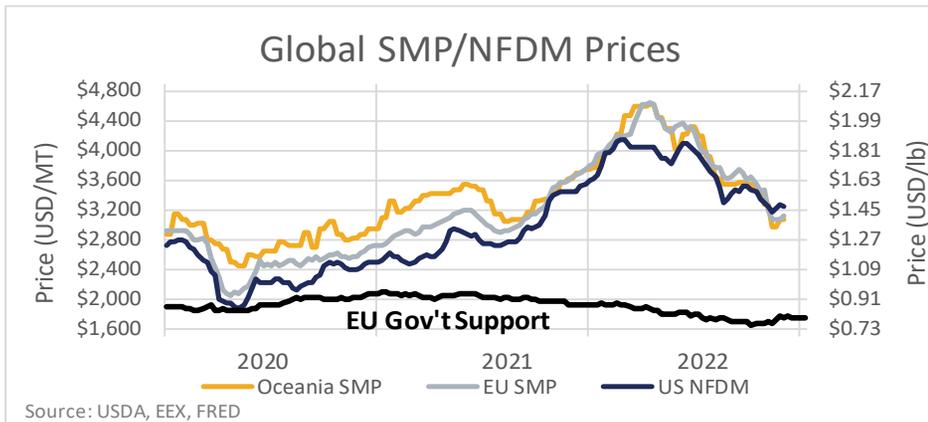
Last week I said the short-term outlook has turned more bearish, and it still looks bearish. Milk production continues to recover in Europe while demand there continues to suffer. There was some positive news with Eurozone inflation cooling a little and the Fed suggesting maybe rate increases will slow. But it will be hard to sustain a rally for dairy without Chinese demand stabilizing and I don't think we've reached that point yet. It looks like China is adjusting/loosening their zero-Covid policies, but covid cases are still spiking and Shanghai tightened restrictions this week. A research note from the investment bank Nomura probably sums it up best, "the path to 'living with Covid' might still be slow, costly and bumpy".



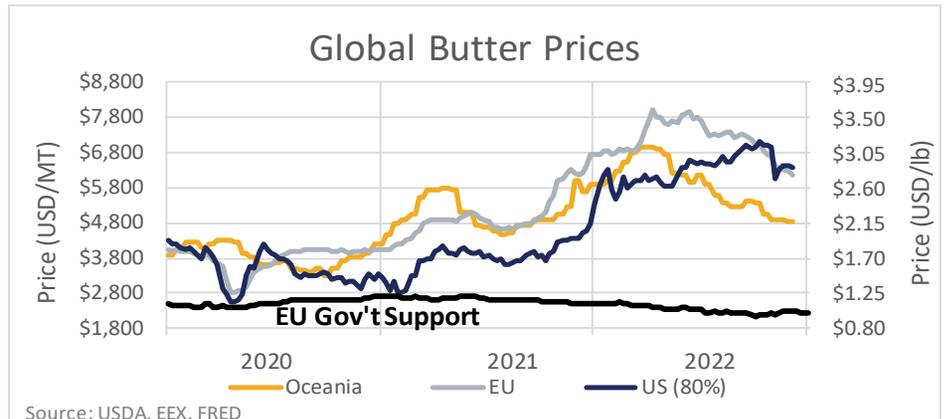
Product Markets



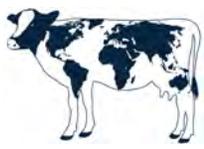
Butter: The CME spot butter price slipped a little lower this week, but has generally held up better than expected. The outlook is still bearish with EU and Oceania butter prices now below the U.S. European fat markets continue to face downward pressure. Our Head of Asia Dairy, YiFan Li, is in China for the first time in more than 3 years and said he noticed Chinese made butter on the shelf at grocery stores, which he hasn't seen before.



Cheese: Anecdotally, cheese demand in the U.S. is still strong, particularly for mozzarella. CME spot cheese fell this week, but rallied a bit on Thursday. Cheese prices in Europe have collapsed over the past two weeks. Cheddar is still holding together relatively well around \$5,200 (\$2.36) but Gouda has dropped to \$4,300 (\$1.96) and mozzarella is down around \$4,230 (\$1.92). With the sentiment in Europe still very bearish, prices are still expected to fall further. That should pressure U.S. prices in Q1.



Powders: NFDM/SMP prices continue to fall in Europe and the U.S. There is plenty of product available. Importers show sporadic interest, then disappear. More and more people are talking about prices likely dropping into the \$1.20 range (\$2,800). I don't think we need to drop much lower than that, but the sentiment is bearish with no clear bullish driver on the horizon until Chinese demand improves. Dry whey prices in Europe were down while the U.S. was steady this week.



Udder Intelligence



December 1, 2022

Understand · Simplify · Succeed

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