

# MarketNews

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USDA Weekly Livestock, Poultry & Grain Market Highlights



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# Egg Markets

# Week of December 26, 2022

**TONE:** Retail demand slowing for some. Supplies close to tight. Market steady to at times full steady.

The regional egg markets are as follows:

	Northeast	Midwest	Central	Southeast
Lg	\$5.46	\$5.46	\$5.61	\$5.57
Md	\$4.28	\$4.22	\$4.32	\$4.27

Source: Esbenshade, Inc.



## Egg Markets Overview

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



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



# Egg Markets Overview

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

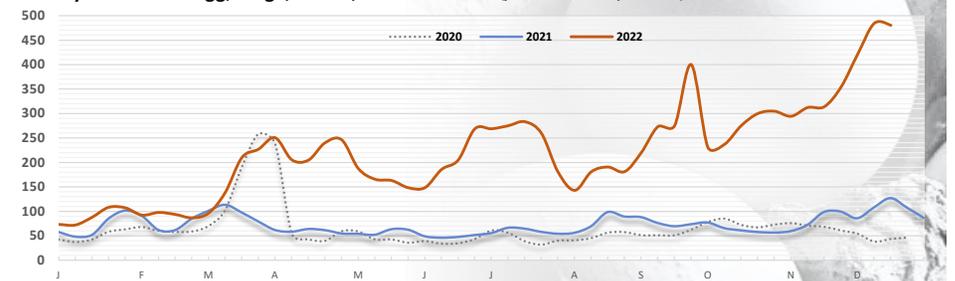
December 23, 2022

Recent increases in wholesale prices for carton shell eggs to record high levels slowed this week as the holidays arrive and demand tempers. Offerings remain light while supplies are light to moderate with moderate to good demand. The pace of trading is moderate to active. Wholesale prices for graded loose eggs halted their rise this week as marketers begin to assess their positions into the post-holiday demand period. Offerings remain light with light to moderate supplies. Interest is moderate to good and trading moderate to active but slowing. The volume of trailer load loose egg sales this week rose 4% from the prior week with 42% for future delivery. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs declined \$0.10 to \$4.746 per dozen with steady undertone. The wholesale price on the New York market for Large carton shell eggs delivered to retailers increased \$0.15 to a record-high \$5.42 per dozen with a firm undertone. The Midwest wholesale price for Large, white, shell eggs delivered to warehouses increased \$0.41 to \$5.07 per dozen with a firm undertone. Prices paid to producers in the Midwest for Large carton shell eggs rose \$0.23 to \$5.11 with a firm undertone. The California benchmark for Large shell eggs increased \$1.00 to \$6.60 per dozen with a firm undertone. Delivered prices on the California-compliant wholesale loose egg market increased \$1.08 per dozen to \$6.97 per dozen with a firm undertone.

Consumer demand for shell eggs heading into the holidays rises as cookie season peaks and shoppers are busy making their final holiday meal preparations. The fact that shell eggs remain at record-high price levels has not deterred consumer appetite as demand has surpassed last season's levels despite carton egg prices three times higher. Simply put, there is no competitively-price substitute for shell eggs and, with baking season in high gear, eggs are indispensable. A major winter storm, Elliot, across much of the U.S. is putting a damper on travel plans and may temporarily slow movement of shell eggs at retail outlets. Outbreaks of highly pathogenic avian influenza continue, creating heightened concerns over consistent supply access. This has led to a virtual halt by grocery retailers in including shell eggs in their weekly circulars. The latest outbreaks have impacted production for carton business at a time of seasonally high demand. Breakers are relying heavily on owned production and reduced schedules due to holiday disruptions.

Promotional activity for conventional caged shell eggs in retail outlets remains stalled as the holiday arrives. Tight supplies have retailers choosing to limit incentivizing shell egg purchasing to better manage their stocks and ensure availability. Promotional activity for specialty shell eggs is also very limited with nutritionally-enhanced and organic types accounting for most of the activity in the category. Feature activity for [UEP-defined cage-free](#) shell eggs remain very limited this cycle with a very small test accounting for 3% of all shell egg types on feature. The average ad price is \$0.67 higher per dozen from the most recent test to an average of \$3.66 per dozen,.

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

Table Egg Layer Replacement - Net Flock Change

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



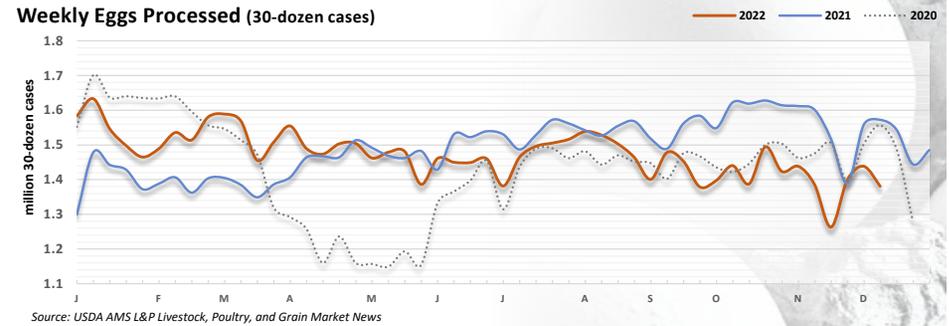
The overall inventory of shell eggs decreased 6% while the nation-wide inventory of Large eggs declined 8%. Stocks of Large eggs in the key Midwest production region decreased 8.5% as shell eggs move into marketing channels to support ongoing demand for the holiday season which is now underway. The inventory share of Large class shell eggs declined 1% to a 50% share of all shell egg stocks on inventory at the start of the week. Stocks of cage-free eggs increased 5% as these types saw little to no retail promotional activity over the past week. The inventory of nutritionally-enhanced shell eggs declined 11% to support retail movement. Stocks of organic eggs were down 5% on modest clearance from recent retail ads. Breaking stock inventories rose slightly as breakers slow production due both to reduced product availability and to holiday scheduling disruptions. Total estimated table egg production was down slightly from last week and down a half percent from last year to an 8% deficit - about 12.6 million cases.

Wholesale prices for breaking stock in the Central States held steady at \$3.75 per dozen. Offerings remain light to very light with light to moderate supplies. Trading is slow to moderate and schedules vary into the holiday week. Interest is mostly light. The volume of eggs processed over the past week decreased 4%, representing a 28.5% share of weekly table egg production. Production of whole egg was down nearly 7% with whites down 3% and yolk production up 1%. Production of dried egg decreased 12% while inedible egg production rose a percentage point. Breaking yields without inedible were down a quarter pound to 41.48 pounds per case broken.

Wholesale prices for liquid egg products are too few to report with a steady to firm undertone. Offerings and supplies are light, demand is moderate to good, and trading is moderate to active. Prices on frozen whole eggs decreased \$0.02 to \$3.15 per pound and those for frozen whites were steady at \$2.25 per pound. The undertone is firm to higher. Offerings and supplies are light, demand is moderate to good, and trading is mostly moderate. Prices for dried whole eggs are untested this week. Offerings are light, supplies very light with moderate to good interest. Trading is moderate.

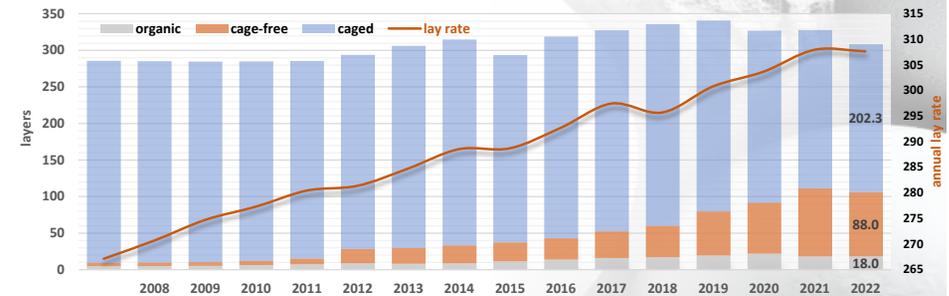
According to NASS, the November monthly volume of frozen eggs in storage decreased 2% from October but was 3% over the year ago level. Stocks of whole frozen egg were up 12% from last month, 1% under last year. The share of whole egg stocks gained 5% to a 41% share of total frozen stocks. Stocks of frozen yolk increased 15% but were 17% below last year's level. Stocks of frozen egg whites increased 3% to a level 85% over 2021. Stocks of unclassified eggs declined 13%, 4% under 2021 levels. October's initial estimated unclassified egg stock level was adjusted down 11% and the share of unclassified frozen stocks decreased 5% to 44% of total frozen stocks.

Cage-free commitments as of December 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 133.4 million hens from the current non-organic cage-free flock of 88 million hens. The average lay rate for non-organic, barn/aviary cage-free production is currently estimated at 82.5%.

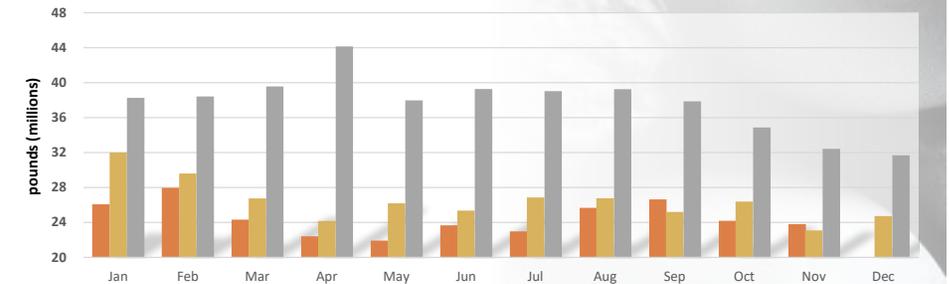


Eggs Processed - Week-to-Week Change						
total	share	whole	whites	yolks	dried	inedible
-4.0%	-1.3%	-6.7%	-3.3%	1.2%	-12.3%	1.2%

U.S. Table Egg Layer Flock by Production System v. Avg Lay Rate (as of December 2022)



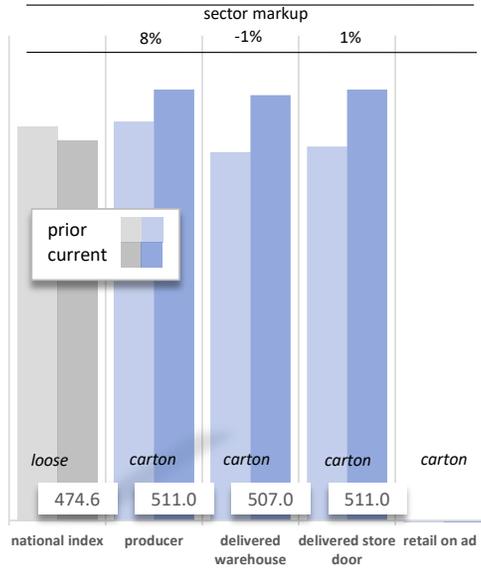
Monthly Frozen Egg in Cold Storage (all types; end of the month)



### Shell Eggs Market Price Comparisons

(as of December 23, 2022)

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



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

### Key Egg Markets Overview

	23-Dec	% Change	Recent History				
			16-Dec	9-Dec	2-Dec	25-Nov	18-Nov
<b>SHELL EGGS (Large, White, conventional in cents per dozen)</b>							
National, Loose, (f.o.b. dock prices)	474.64	-2%	484.38	421.13	354.00	314.00	312.24
New York, Cartonned (price to retailers)	542.00	3%	527.00	486.00	446.00	429.00	414.00
Midwest, Cartonned (price dlvr'd to warehouse)	507.00	9%	466.00	430.00	417.00	397.00	372.00
California, Cartonned, benchmark (cage-free)	660.00	18%	560.00	500.00	481.00	461.00	456.00
<b>National Retail Shell Egg (avg. ad price in dollars per dozen)</b>							
Conventional, Large, White	n/a		n/a	2.26	3.52	3.69	4.12
Cage-Free, Large, Brown	3.66		n/a	2.99	3.13	3.16	3.38
<b>EGG PRODUCTS (f.o.b. dock prices; dollars per pound)</b>							
Central States Breaking Stock (dlvd prices per doz)	375.00	0%	375.00	375.00	300.00	275.00	275.00
Whole Frozen Eggs	315.00	-1%	317.00	300.00	295.00	270.00	270.00
Whole Dried Eggs	n/a		13.75	n/a	13.75	13.75	13.75
Processed Share of Weekly Egg Production	28.5%	-1.3%	29.8%	28.9%	26.0%	28.4%	29.6%
<b>SHELL EGG DEMAND INDICATOR (no units)</b>	15.9	8.9	7.1	7.0	15.3	13.1	1.1

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

### Key Shell Egg Markets Snapshot - 2022

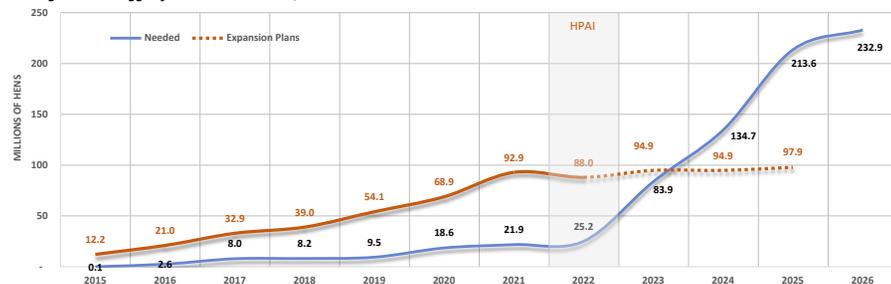
(Large, White, Conventional Shell Eggs in cents per dozen)	23-Dec	Change	16-Dec	2022 High	2022 Low		
National, Loose, (f.o.b. dock prices)	474.6	▲ -2%	484.4	484.6	15-Dec	71.4	12-Jan
New York, Cartonned (price to retailers)	542.0	▲ 3%	527.0	542.0	22-Dec	126.0	13-Jan
Midwest, Cartonned (price dlvr'd to warehouse) <sup>1</sup>	507.0	▲ 9%	466.0	507.0	20-Dec	111.0	18-Jan
California, Cartonned, benchmark	660.0	▲ 18%	560.0	660.0	20-Dec	194.0	07-Mar
Central States Breaking Stock (delivered prices) <sup>1</sup>	375.0	▬ 0%	375.0	375.0	09-Dec	73.0	07-Jan
Whole Frozen Egg Products (f.o.b. dock prices)	315.0	▼ -1%	317.00	320.0	01-Apr	115.0	07-Jan
Whole Dried Egg Products (f.o.b. dock prices)	n/a	▬ 0%	13.75	16.0	01-Apr	4.12	07-Jan
Natl Average Retail Ad Price - Conventional	n/a	▬ 0%	n/a	4.12	18-Nov	0.86	28-Jan
Natl Average Retail Ad Price - Cage-free <sup>2</sup>	3.66	▬ 0%	n/a	3.38	18-Nov	2.11	11-Mar
Shell Egg Demand Indicator	15.9	▲ 8.9	7.1	20.1	21-Sep	-11.4	06-Apr

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

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

Non-Organic Table Egg Layer Flock in millions of hens

updated December 2022



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

### U.S. Table Egg Layer Flock Estimates

As of December 2022	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Total U.S. Caged<sup>1</sup> Flock:</b>	<b>65.6%</b>	<b>66.1%</b>	<b>71.9%</b>	<b>76.6%</b>	<b>82.2%</b>	<b>84.0%</b>	<b>86.6%</b>	<b>87.3%</b>	<b>89.5%</b>	<b>90.3%</b>	<b>90.4%</b>
Layers (millions)	202.3	216.5	235.2	261.0	276.1	275.1	276.1	256.1	281.6	276.4	265.5
<b>Total U.S. Cage-Free Flock:</b>	<b>34.4%</b>	<b>33.9%</b>	<b>28.1%</b>	<b>23.4%</b>	<b>17.8%</b>	<b>16.0%</b>	<b>13.4%</b>	<b>12.7%</b>	<b>10.5%</b>	<b>9.7%</b>	<b>9.6%</b>
Layers (millions)	106.0	111.1	91.7	79.7	59.9	52.4	42.9	37.3	33.2	29.6	28.3
<b>NON-ORGANIC Cage-Free:</b>	<b>28.5%</b>	<b>28.4%</b>	<b>21.4%</b>	<b>17.7%</b>	<b>12.8%</b>	<b>11.1%</b>	<b>9.1%</b>	<b>8.9%</b>	<b>7.8%</b>	<b>7.0%</b>	<b>6.7%</b>
Layers (millions)	88.0	92.9	69.9	60.3	42.9	36.4	29.0	26.0	24.5	21.4	19.8
▪ Barn/Aviary	27.3%	27.2%	19.9%	15.9%	11.6%	10.0%	7.9%	7.7%	6.7%	6.0%	5.7%
Layers (millions)	84.1	89.0	65.1	54.1	39.0	32.9	25.3	22.5	21.0	18.5	16.9
▪ Free-Range	0.8%	0.7%	0.9%	0.8%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.6%
Layers (millions)	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%	0.6%	1.0%	0.7%	0.7%	0.7%	0.7%	0.6%	0.4%	0.4%
Layers (millions)	1.5	1.5	2.1	3.3	2.4	2.2	2.1	2.0	2.0	1.3	1.3
<b>USDA ORGANIC Cage-Free:</b>	<b>5.8%</b>	<b>5.5%</b>	<b>6.7%</b>	<b>5.7%</b>	<b>5.1%</b>	<b>4.9%</b>	<b>4.4%</b>	<b>3.9%</b>	<b>2.8%</b>	<b>2.7%</b>	<b>2.9%</b>
Layers (millions)	18.0	18.2	21.8	19.4	17.0	16.0	13.9	11.4	8.7	8.2	8.5
▪ Organic	3.7%	3.6%	4.6%	4.4%	3.9%	3.7%	3.4%	3.1%	2.2%	2.2%	2.5%
Layers (millions)	11.4	11.7	15.1	14.9	13.1	12.3	11.0	9.0	7.0	6.7	7.3
▪ Organic Free-Range	1.2%	1.2%	1.2%	0.9%	0.8%	0.8%	0.7%	0.6%	0.4%	0.4%	0.3%
Layers (millions)	3.8	3.8	4.0	3.1	2.7	2.6	2.1	1.7	1.2	1.2	1.0
▪ Organic Pastured	0.9%	0.8%	0.8%	0.4%	0.4%	0.4%	0.3%	0.2%	0.1%	0.1%	0.1%
Layers (millions)	2.8	2.7	2.7	1.4	1.2	1.2	0.8	0.7	0.4	0.4	0.3

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

1 - battery and enriched systems

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

### Current Estimates of Table Egg Production and Use in States with Cage-Free Legislation - as of November 2022

State	Deadline Date	Layers on Hand (Nov 2022)	Est. Caged Layers	Est. Cage-Free Layers	Est. Annual Egg Production			Est. 2021 Population	Annual Egg Consumption	Self-Sufficiency Rate	
					caged	cage-free	combined			overall	cage-free
California.....	Jan 2022	13,043,000	0	13,043,000	0	3,891,757,193	3,891,757,193	39,237,836	11,241,640,014	35%	35%
Massachusetts*....	Jan 2022	675,000	0	675,000	0	201,405,820	201,405,820	6,984,723	2,001,123,140	10%	10%
Nevada*.....	Jul 2022	5,000	0	5,000	0	1,491,895	1,491,895	3,143,991	900,753,422	0%	0%
Colorado.....	Jan 2023	2,136,000	1,593,000	543,000	439,476,840	162,019,793	601,496,633	5,812,069	1,665,157,769	36%	10%
Washington.....	Jan 2024	6,452,000	4,262,000	2,190,000	1,314,912,240	653,449,992	1,968,362,232	7,738,692	2,217,135,258	89%	29%
Oregon.....	Jan 2024	2,038,000	1,962,000	76,000	575,415,360	22,676,803	598,092,163	4,246,155	1,216,523,408	49%	2%
Arizona*.....	Jan 2025	8,500,000	5,627,000	2,873,000	1,584,113,040	857,242,844	2,441,355,884	7,276,316	2,084,664,534	117%	41%
Michigan.....	Jan 2025	16,827,000	6,204,000	10,623,000	1,848,543,840	3,169,680,032	5,018,223,872	10,050,811	2,879,557,352	174%	110%
Utah.....	Jan 2025	5,572,000	2,967,000	2,605,000	928,552,320	777,277,274	1,705,829,594	3,337,975	956,329,838	178%	81%
Rhode Island*.....	Jan 2026	56,000	43,000	13,000	12,105,360	3,878,927	15,984,287	1,095,610	313,892,265	5%	1%
* = layers on hand estimated.		55,304,000	22,658,000	32,646,000	6,703,119,000	9,740,880,572	16,443,999,572	88,924,178	25,476,776,997	65%	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

DECEMBER 15, 2022

- Wheat rallied hard at the beginning of the week on news that two energy facilities in the port city of Odessa were hit by drone strikes over the weekend, knocking out power to 1.5 million citizens and temporarily halting export operations.
- Prices saw a reversal yesterday as a winter storm gave the Plains much needed moisture. The latest 72-hour cumulative precipitation map from NOAA, shows most areas east of the Mississippi River, along with the upper Midwest and Northern Plains, will gather at least some measurable moisture between Thursday and Sunday. NOAA's new 8-to-14-day outlook predicts a return to seasonally dry weather for the eastern Corn Belt with sharply lower than normal temperatures likely for the central U.S.
- Export inspections for wheat came in at 8 million bushels for last week which was toward the lower end on analyst predictions of 7.3 million to 17.5 million bushels.

Flour Facts will be taking a break for the holidays. Please look for our next issue Jan. 5, 2023.

## Facts on Flour

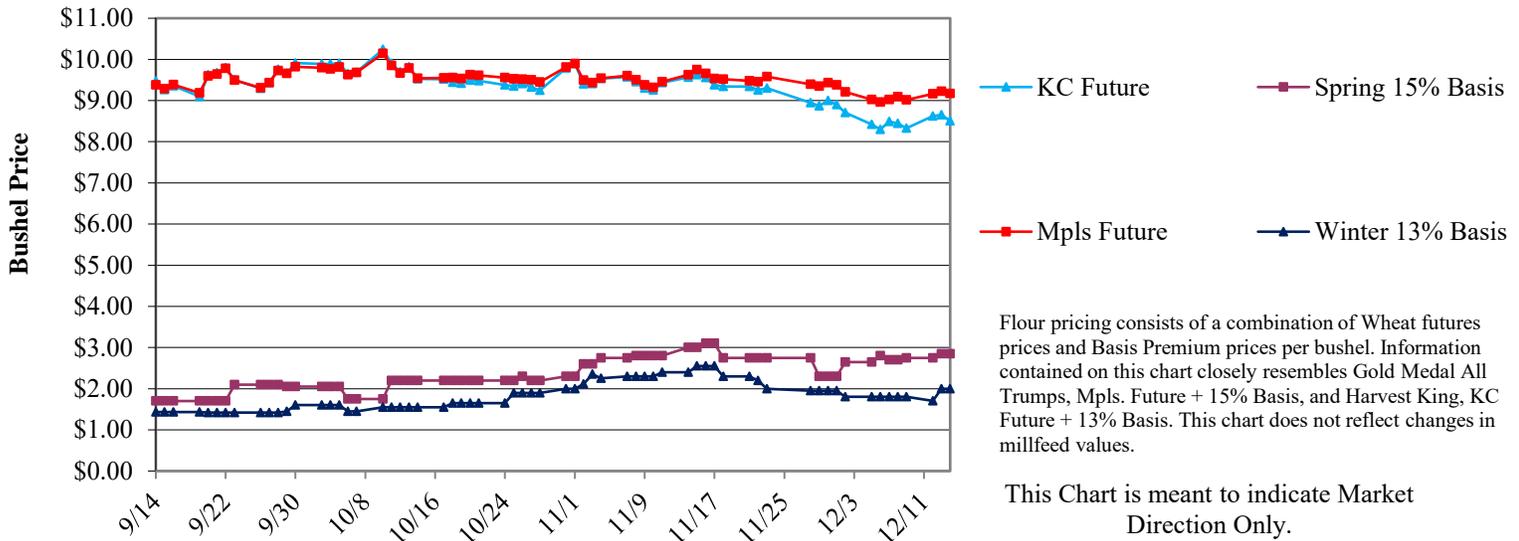
### Enriched Flour

In the 1930s, nutritional surveys conducted by the Department of Agriculture revealed widespread nutritional deficiencies of thiamin, riboflavin and niacin (B vitamins) in the American diet. These findings prompted the fortification of certain staple foods. The Food and Nutrition Board recommended a program for fortifying white flour and white bread with thiamin, riboflavin, niacin, and iron, with calcium and vitamin D as optional.

In May 1941, the flour enrichment standards were issued and finally adopted in 1943. The standards were changed as of January 1, 1998, and enriched flour now also must contain folic acid. The enrichment of flour has no affect on its baking performance or caloric value. Fortification of flour continues to expand globally.



## 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 23, 2022

Smart Brevity® count: 1.5 mins...383 words

<u>Commodities</u>	<u>This Week</u>	<u>Last Week</u>	<u>Last Year</u>	<u>Yr Change</u>
CBOT Soybean oil (¢/lb) Jan	65.93	63.36	53.88	22%
Soybean oil as % of crush value	42.00%	40.63%	41.53%	1%
CBOT Soybean meal (\$/ton) Jan	455.30	463.00	379.30	20%
CBOT Soybeans (\$/bu) Jan	14.7900	14.8000	12.8450	15%
CBOT Soybean crush margin (¢/bu)	247.89	235.56	142.64	74%
Canola oil - RBD, West Coast (¢/lb)	101.93	99.36	88.88	15%
Corn oil - RBD, Midwest (¢/lb)	150.00	150.00	102.00	47%
Peanut oil - Crude, Southeast (¢/lb)	110.00	110.00	110.00	0%
Cottonseed oil - PBSY, MS Valley (¢/lb)	115.93	113.36	90.88	28%
CME Butter - AA Grade (\$/lb)	279.48	284.45	206.98	35%
Coconut oil - Crude CIF US Gulf (¢/lb)	56.50	56.50	86.50	-35%
Lard - Edible, Chicago, IL (¢/lb)	90.00	90.00	74.00	22%
Palm oil - RBD, CIF US Gulf(¢/lb)	54.00	54.25	62.00	-13%



# CBOT and Soy Factors



Dry weather in Argentina and southern Brazil continues to lend support to the soybean complex and helped contribute to a 4% gain in CBOT soybean oil futures this week. While some rain has fallen in Argentina over the last couple of weeks, precipitation forecasts into early January remain mixed which may further erode soybean condition ratings that are already well below the 5-year average. On the demand front, a surge in COVID cases in China could keep demand suppressed entering 2023 as economic activity struggles to bounce back. Choppy, two-sided trade is expected through the holidays. The market will be looking for further **guidance from the USDA's upcoming quarterly stocks report (December 31st) and the January WASDE (January 12th).**

## 2. Canola Factors



Canola seed futures started the week down 2% but clawed back the early losses and posted a gain of 1% on the week. Technical factors have limited upside price risk while slow farmer selling has provided underlying support to prices, keeping the market in a tight rangebound pattern. Canola markets will continue to keep an eye on the soybean complex as continuing deterioration of soybean condition ratings in Argentina could support the broader oilseed market.

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### 3. Palm Factors



With nearly 18% of China's population contracting COVID in the first 20 days of December, any palm oil demand impacts expected from their reopening is sure to be muted over coming weeks. It is becoming more likely that the market will miss the pre-Chinese New Year surge in buying that is typical for this time of year and could keep palm prices within their recent range in the short term. Continued flooding in **Malaysia is creating supply disruptions in the world's 2nd largest palm** producing nation with not only lower palm production but also deteriorating quality. Exports from Malaysia during Dec 1-20 fell -4.5% vs November with aggressive offers out of Indonesia biting into Malaysian business. Malaysian palm stocks look to close out 2022 near 2.2 mil MT, a solid number, while Indonesian stocks will end the year below 3 mil MT which is considered low. Palm oil is likely to continue to be a follower of soy oil and energy prices over the next 30 days.

*There will be no News & Views issued next week.*

*Happy Holidays!*

Feedback



December 22, 2022

OVERVIEW

In Florida and Mexico, we are seeing good volume on green pepper, cucumber, zucchini, yellow squash and improving numbers on hot peppers. Colored pepper supply continues to remain tight despite ongoing crossings through Otay, but we should see more pepper crossing over the next 10 days. Tomato production continues to improve as growers in Florida and Mexico scratch new blocks. Good volume on romas and snacking tomatoes are slowly improving. We are seeing some cooler weather invade Mexico which may slow production a bit but nothing too concerning. We need to watch a cold front that will dip into Florida that might affect crops in Central and Southern Florida. We continue to see very high pricing on Serrano and Anaheim peppers due to cold weather impacting the growing regions in Mexico (expect some improvement after Christmas). In Yuma, the recent cold weather appears to be behind us as temperatures are improving in the desert and California growing regions with only very light traces of ettuice ice being reported and going into next week.

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 (RED & YELLOW)– ESCALATED

Red Bell Pepper: Markets are holding strong as supply slowly improves 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 week.

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



BROCCOLI – ESCALATED

Lighter supplies will continue going into next week, overall quality is good. Expect pricing to continue very active.



CABBAGE (RED & GREEN) – ESCALATED

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

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



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 is still limited as cooler weather has continued to slow growth. Overall quality is good, market remains very active.



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

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



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, 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



### 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.



### CILANTRO – ESCALATED

Cilantro supply is improving but continues to be below normal going into next week. Overall quality is good, market remains very active



### CORN – ESCALATED

Markets continue to firm up out of Nogales and South Florida and quality is very nice.



### FENNEL – EXTREME

Available supply remains light, especially on large size and the market remains active.



### FRENCH BEANS – ESCALATED

French bean demand exceeds supplies out of Mexico, and the quality is fair to good. Labor issues will continue to limit harvesting and packing out of Mexico. We have started to see improvement in quality and production out of Guatemala.



### 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 ONIONS - ESCALATED

Supply continues to slowly improve, but still well below normal volume and quality is improving.



### HOT PEPPER – ESCALATED

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 Anaheim due to ongoing supply issues from Coahuila and Chihuahua. Markets will remain firm, but we are starting to see some improvement in crossings out of Nogales. Good supply on tomatillos in all growing regions.



### LETTUCE (ICEBERG) – ESCALATED

Lettuce supplies are slightly better than the past few weeks. The frame size and weights have improved, and yields are slightly higher. The past few weeks we have had deep freezes with lots of ice so there is frost damage showing and growers are doing all they can to clean it up. Market is slightly weaker but will continue to have a wide range depending on holiday demand.

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 supply continue but warmer weather in the forecast for next week should help increase supplies. market is steady.



### SUGAR SNAP/SNOW PEAS – ESCALATED

Lighter supply continue but warmer weather in the forecast for next week should help increase supplies. market is steady.



### SPRING MIX – ESCALATED

Lighter supply continue but warmer weather in the forecast for next week should help increase supplies. market is steady.

### TOMATOES – ESCALATED

#### East Coast



- **Grape and Cherry Tomatoes:** We are seeing improved production out of areas least impacted by lan and markets are retreating. We expect to see markets continue to improve through the remainder of the year.

#### Mexico

- **Grape Tomatoes and Cherry Tomatoes:** We are starting to turn the corner and see more volume crossing at all border locations as growers scratch new blocks of snacking tomatoes. Pricing is still high but there is certainly downward pressure on the markets. Quality is improving daily.



**YUMA, AZ**

Wed 12/21 72°   44°F  Sunny	Thu 12/22 73°   46°F  Mostly Sunny	Fri 12/23 73°   50°F  Sunny	Sat 12/24 75°   51°F  Sunny	Sun 12/25 77°   52°F  Sunny	Mon 12/26 78°   51°F  Mostly Sunny	Tue 12/27 76°   55°F  Partly Cloudy	Wed 12/28 75°   53°F  Partly Cloudy	Thu 12/29 74°   54°F  Partly Cloudy
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**IMMOKALEE, FL**

Wed 12/21 76°   62°F  Partly Cloudy	Thu 12/22 80°   66°F  PM Thunderstorms	Fri 12/23 78°   38°F  Partly Cloudy	Sat 12/24 55°   38°F  Partly Cloudy	Sun 12/25 55°   41°F  Mostly Cloudy	Mon 12/26 63°   46°F  Partly Cloudy	Tue 12/27 71°   50°F  Partly Cloudy	Wed 12/28 73°   52°F  Sunny	Thu 12/29 79°   61°F  Mostly Sunny
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**Hogs and Pork**

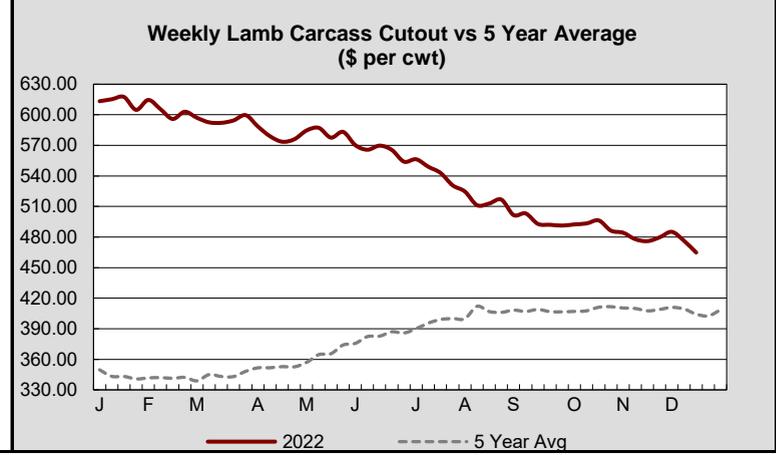
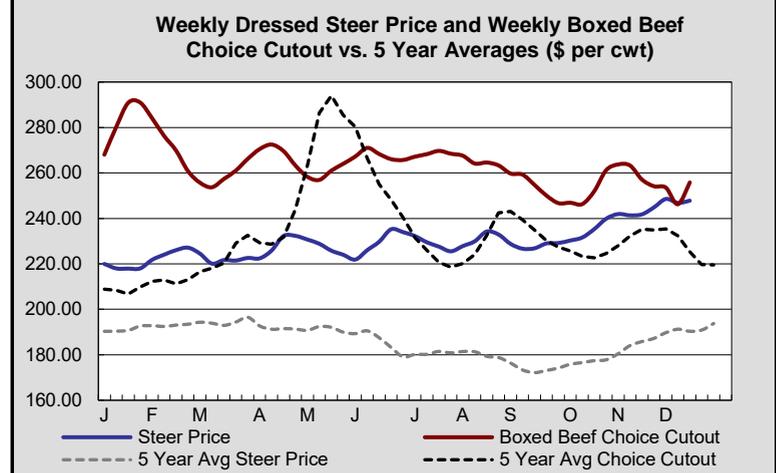
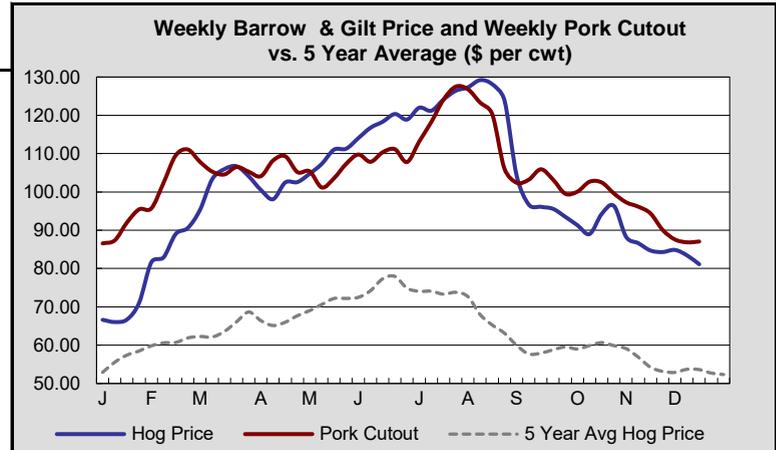
	Current Week	Change From Past Week	Change From Past Year
Nat'l Purchased Carc Wtd Avg Price - Barrows & Gilts (\$/cwt)	81.12	-2.8%	35.3%
Pork Carcass Cutout FOB Plant (\$/cwt)	87.06	0.2%	-0.5%
Segregated Early Weaned (SEW) Feeder Pigs (\$/head)	54.24	5.8%	-7.1%
Iowa/So. Minn Avg Weight Barrows & Gilts (lbs)	285.5	-0.3%	-1.8%
Est. Hog Slaughter	2,596,000	1.0%	-2.2%
YTD Est. Hog Slaughter	120,711,000	N/A	-2.8%
Est. Pork Production (mil lbs)	560.6	1.3%	-2.7%
YTD Est. Pork Production (mil lbs)	26,003.7	N/A	-2.4%

**Cattle and Beef**

Live Wtd Avg Steer Price, 5 Area FOB (\$/cwt)	155.69	-0.1%	13.5%
Dressed Wtd Avg Steer Price, 5 Area Del (\$/cwt)	247.80	0.4%	13.5%
Boxed Beef Cutout, Choice (\$/cwt)	255.83	3.9%	-2.4%
Boxed Beef Cutout, Select (\$/cwt)	228.36	3.6%	-8.4%
Boxed Beef, Choice/Select Spread (\$/cwt)	27.47	1.61	14.70
By-Product Drop Value, Steer (\$/cwt live)	14.32	-1.6%	N/A
CME Feeder Cattle Index (\$/cwt)	179.51	0.2%	11.5%
Est. Cattle Slaughter	629,000	-3.5%	-4.4%
YTD Est. Cattle Slaughter	32,581,000	N/A	1.3%
Est. Beef Production (mil lbs)	526.4	-3.6%	-4.4%
YTD Est. Beef Production (mil lbs)	26,935.7	N/A	1.2%

**Lamb and Veal**

Slaughter Lamb, Comprehensive, Carc. Wtd Avg Price (\$/cwt)	129.91	3.9%	-43.1%
Lamb Carcass Cutout (\$/cwt)	464.78	-2.4%	-24.1%
Est. Sheep Slaughter	35,000	0.0%	-10.3%
YTD Est. Sheep Slaughter	1,681,000	N/A	-9.5%
Est. Lamb Production (mil lbs)	2.2	0.0%	-12.0%
YTD Est. Lamb Production (mil lbs)	111.5	N/A	-5.5%
Veal Carcass Wtd Avg Packer & Non-Packer Owned (\$/cwt)	437.78	-0.5%	18.7%



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



**Weekly Livestock, Poultry & Grain Market Highlights**  
**December 19, 2022**

**Grain**

	<b>Current Week</b>	<b>Change From Past Week</b>	<b>Change From Past Year</b>
Central Illinois Avg Corn Price (\$/bu)	6.4300	1.4%	10.5%
Central Illinois Avg Soybean Price (\$/bu)	14.6300	-0.3%	14.8%
Central Illinois 48% Soybean Meal, Rail (\$/ton)	468.00	-2.4%	19.3%
Hard Red Winter Wheat Truck to Kansas City (\$/bu)	6.5800	-25.9%	N/A
Dark Northern Spring Wheat, 14%, MN, Rail (\$/bu)	11.4950	3.7%	-1.5%
Soft White Wheat Portland (\$/bu)	8.5857	-0.5%	-19.9%
Sorghum, Kansas City, Truck (\$/bu)	6.5850	4.1%	5.3%

**Broilers**

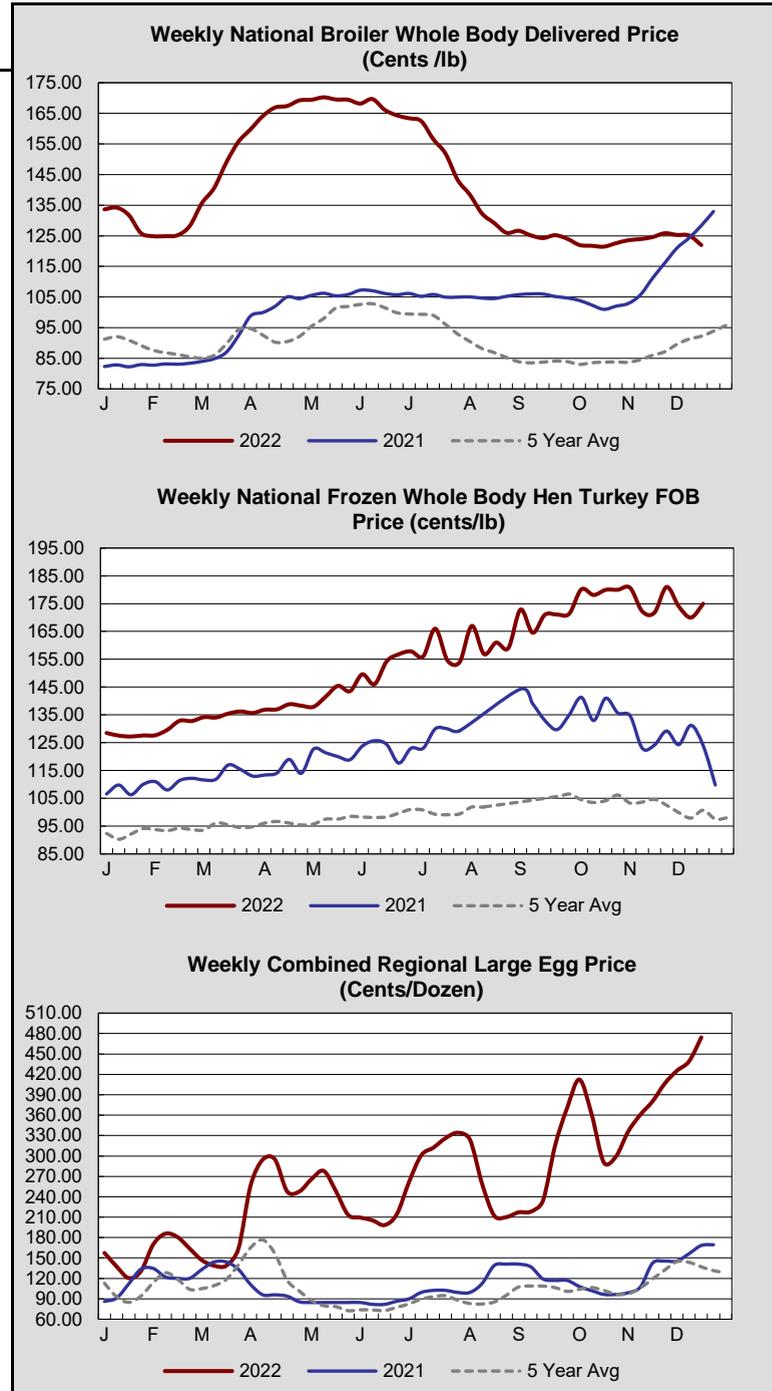
Nat'l Delivered Whole Body Price (cents/lb)	121.97	-2.5%	-1.9%
Est. Young Chicken Slaughter - Current Week (000's)	163,369	-1.2%	N/A
Actual Slaughter of Young Chickens (000's)	172,213	0.0%	3.7%
YTD Actual Slaughter of Young Chickens (000's)	8,310,061	N/A	2.5%
Actual RTC Pounds of Young Chickens (000's)	854,659	1.6%	5.7%
YTD RTC Pounds of Young Chickens (000's)	40,411,360	N/A	3.0%

**Turkeys**

Nat'l FOB Frozen 8-16 lb. Hens, Wtd Avg Prices, cents/lb	175.00	2.9%	33.3%
Actual Slaughter of Turkeys (000's)	4,109	1.0%	6.0%
YTD Actual Slaughter of Turkeys (000's)	186,959	N/A	-1.8%
Actual RTC Pounds of Turkeys (000's)	102,638	-1.1%	0.8%
YTD RTC Pounds of Turkeys (000's)	4,677,100	N/A	-4.0%

**Eggs**

Combined Regional Large Eggs (cents/dozen)	474.34	8.0%	203.2%
National Shell Egg Inventory (30 doz. Cases/000,s)	1176.5	-6.3%	N/A
Shell Egg Demand Indicator (SEDI)	7.10	0.01	4.90
Central States Breaking Stock Av. Price (cents/dozen)	371.00	9.9%	408.2%
National Breaking Stock Inventory (30 doz. Cases/000's)	296.8	0.3%	N/A
Eggs Broken Under Federal Inspection (30 doz cases)	1,438,288	2.8%	-8.5%
YTD Eggs Broken Under Federal Inspection (30 doz cases)	72,285,613	N/A	-1.5%



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



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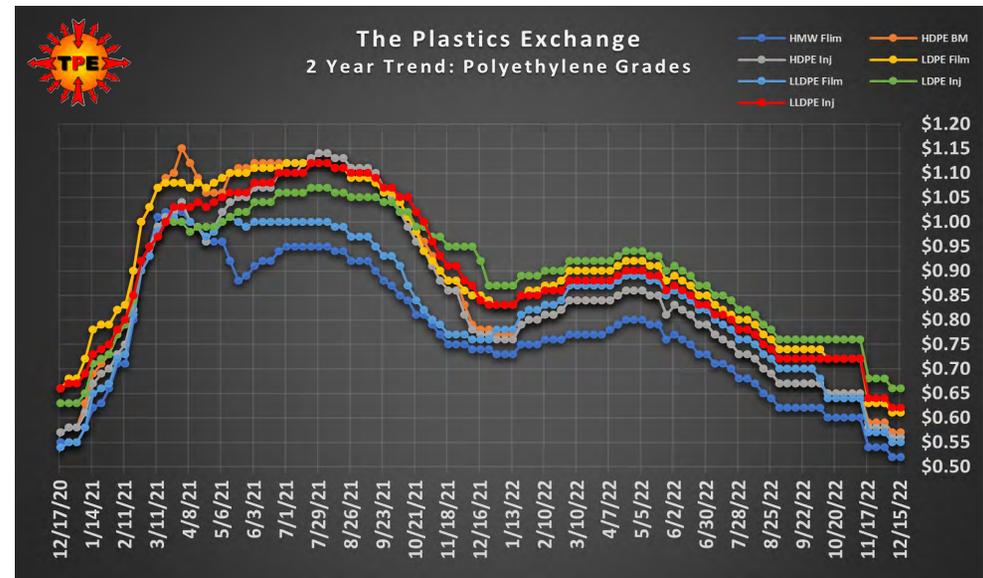
## Market Update — December 16<sup>th</sup>, 2022

The resin market continued to transact at a slower pace, which can be seen as a typical mid-Dec holiday slowdown. There was relatively little participant interest, though a handful of Polypropylene railcars and groups of Polyethylene truckloads and railcars that still transacted across our marketplace. Our prime resin pricing held steady, following the 2-cent drop seen just a week earlier, which priced in additional discounts which have become more widespread. Producers have tightened up supplies for both PE and PP by throttling back operating rates and reducing stockpiles via discounting and aggressive export sales. Still, upstream inventories for most grades remain adequate as producers continue to work through the glut of supply in the face of limited physical railcars, high warehouse storage costs and the approaching year-end inventory tax. However, Shell's new PE plant in Pennsylvania and ExxonMobil's expanded PP plant in Louisiana continue to ramp up, bringing added supply into the resin market.

Meanwhile, all eyes are on the Texas power grid as a bone-chilling winter blast is forecast to pass through the state. It was nearly two years ago, in February 2021, when Winter Storm Uri shut down the Texas power grid as well as refining, petrochemical / plastics production, and logistics systems, and sent resin prices to record highs. Ercot, the state's power grid operator, has been making improvements to the grid over the past 18 months and expects to meet forecasted demand, still we would expect to see some producers proactively shut down certain plants as a cautionary step ahead of the polar system.

Polyethylene trading took a back seat to Polypropylene this past week as activity and volumes fell short of our pace in late Nov/early Dec. The lighter activity was not just from slack demand, but also from sellers lack of offers, which can be attributed in part to lower producer operating rates and also from resellers that had already liquidated substantial portions of their unallocated inventory ahead of year-end.

Resin for Sale 13,655,872 lbs		Spot Range		TPE Market	
Resin	Total lbs	Low	High	Bid	Ask
LLDPE - Film	2,596,140	\$ 0.450	\$ 0.590	\$ 50.000	\$ 0.550
PP Homo - Inj	2,142,668	\$ 0.470	\$ 0.630	\$ 0.490	\$ 0.560
HDPE - Inj	1,920,024	\$ 0.460	\$ 0.610	\$ 0.510	\$ 0.560
PP Copo - Inj	1,752,392	\$ 0.500	\$ 0.660	\$ 0.540	\$ 0.610
HDPE - Blow	1,478,208	\$ 0.480	\$ 0.590	\$ 0.520	\$ 0.570
LLDPE - Inj	1,358,208	\$ 0.570	\$ 0.660	\$ 0.570	\$ 0.620
LDPE - Film	1,234,576	\$ 0.550	\$ 0.670	\$ 0.560	\$ 0.610
HMWPE - Film	732,736	\$ 0.460	\$ 0.540	\$ 0.470	\$ 0.520
LDPE - Inj	440,920	\$ 0.590	\$ 0.690	\$ 0.610	\$ 0.660



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www.ThePlasticsExchange.com MARKET UPDATE

Michael Greenberg  
312.202.0002



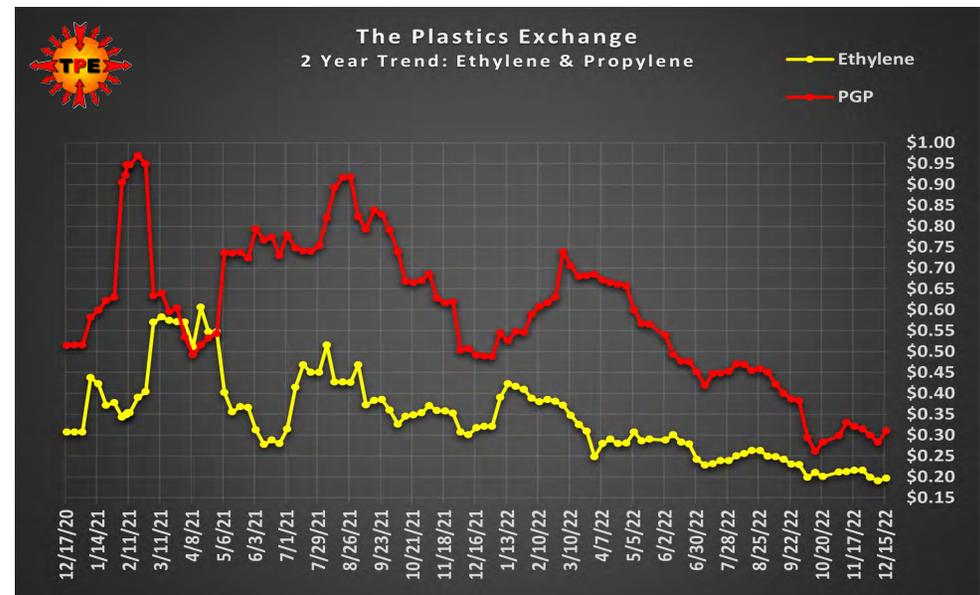
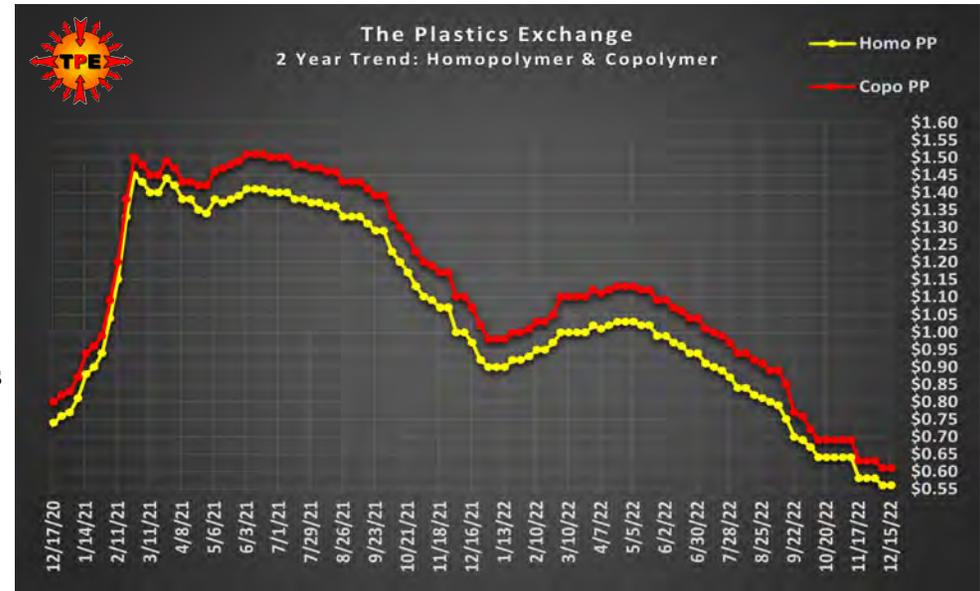
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## Market Update — December 16<sup>th</sup>, 2022

Despite the limited business, trading remained well spread across PE commodity grades, which transacted through a combination of railcars and truckloads. In the meantime, PE producers still have December nickel increases on the table in case any major disruptions were to occur, especially as below-freezing temperatures move across the Gulf Coast. Nonetheless, we expect another rollover in December, though producers plan to come out strong in 2023 with increases of \$.06-.08/lb on the table for January.

Polypropylene was the more dominant resin changing hands this past week, as buyers that had been waiting for another wave of lower prices, instead paid up to secure material. Activity picked up significantly in the back half of the week, and completed volumes finished strong, fueled by PGP's rally of nearly 3 cents. Volume was heavily skewed towards fresh railcars as larger players stepped in and made some sharp purchases, thinking that higher prices will come along with the New Year. We added more prime CoPP to our market making inventories while our customer volume was predominately done in Prime HoPP. There were last minute truckload needs as well as railcar delays persisted. PP prices have come down a long way already, and some buyers are starting to rebuild their inventories at these levels to; however, overall demand has still been lethargic. Producers have already seen their wide margins erode due to oversupply and have taken aggressive action to rebalance the situation by reducing production, which is starting to have an impact. With PGP monomer rallying back and inventories falling off substantially high levels, we would not be surprised to see price increases emerge for January. However, there is also still plenty of geopolitical and economic uncertainty at hand while the Fed continues to force the economy to slow through higher interest rates and by tightening the money supply. Still, we are cautiously optimistic for a Q1 recovery in PP prices.



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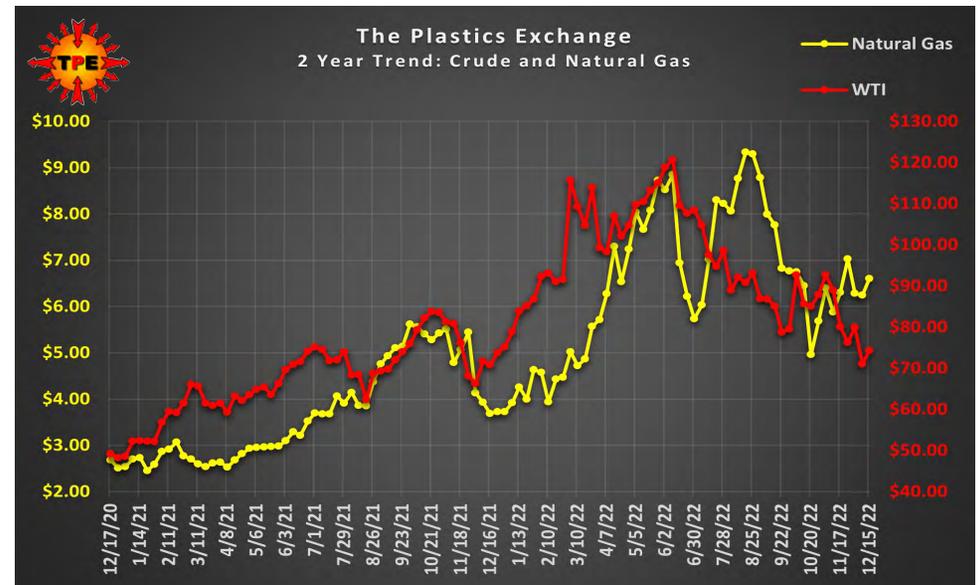
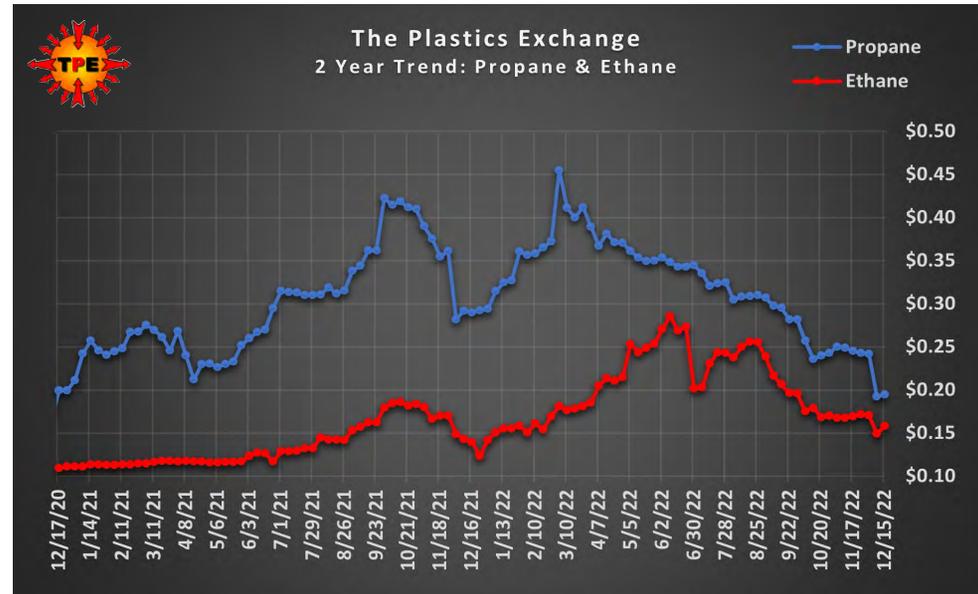
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## Market Update — December 16<sup>th</sup>, 2022

Monomer markets saw an abundance of participation, and although Ethylene saw daily completed trades, overall volume was slightly below average as prices rallied. Ethylene started the week flat and traders in Louisiana were able to put a couple deals together for spot material at \$.18/lb, a penny lower than bids seen for Texas. One final trade for Jan Ethylene in TX was noted at \$.20/lb before the market came to a rest. After advancing nearly 9.5% through Thursday spot Dec Ethylene gave back over half of the week's gains on Friday and finished just shy of \$.20/lb, up a net \$.0075/lb. Though remaining in a normalized contango, the curve is mostly flat with peak March Ethylene resting just north of \$.204/lb, back month contracts saw weekly losses helping to narrow the curve.

Polymer Grade Propylene saw solid inquiries throughout the week, but traders did not match up on deals until Thursday. Price gains were seen three out of the five trading days, fueled by PDH outages that limited PGP availability. A deal for 2H '23 PGP deliveries was inked Thursday at \$.3475/lb, followed by transactions for 2Q PGP at \$.34/lb and then a completion for 2H PGP deliveries at \$.3475/lb. No further deals were seen finalized. Spot Dec PGP rallied 9.5% during the week and finished with strength, holding gains into Friday's close instead of scaling back alongside Ethylene. Dec PGP settled just above \$.31/lb for a gain of \$.027/lb and for the second week in a row, deferred contract price increases outpaced spot and the forward curve widened. The Dec PGP contract settlement has yet to be announced, but there were rumblings of a \$.01/lb decrease, which would put the price at \$.32/lb. Jan PGP settled Friday at \$.3325/lb, already providing support for a small gain for the New Year.

The Energy complex rebounded as WTI and Brent crude oil contracts gained ground midweek following stronger demand forecasts from OPEC and IEA.



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Market Update — December 16<sup>th</sup>, 2022

Nat Gas rose ahead of an arctic blast expected to move across the US, which also led to cautionary production curtailments. Jan WTI established a low of \$70.25/bbl on Monday and firmed \$7.52/bbl through Thursday to a high of \$77.77/bbl. The following day Jan WTI came back down to settle at 74.20/bbl, gaining a net \$3.27/bbl on the week. Feb Brent futures followed a similar path and set a low of \$75.26/bbl on Monday before regaining \$7.93/bbl to hit a high of \$83.19/bbl on Thursday. The market eased back down under \$80/bbl and settled Friday at \$79.04/bbl, up nearly \$3/bbl for the week. Jan Nat Gas trended up to a high of \$7.11/mmBtu on Tuesday before breaking down some \$.89/mmBtu by Friday to make the week's low of \$6.22/mmBtu. At Friday's closing bell, Jan Nat Gas settled at \$6.60/mmBtu, up a net \$.355/mmBtu. NGLs also rose with Ethane up a couple cents to \$.374/gal (\$.158/lb) and Propane up nearly a penny to \$.687/gal (\$.194/lb). Prices began to tick higher, and on Tuesday, another transaction for Dec delivery was noted in LA at \$.1875/lb. On Wednesday, traders swapped 2H deliveries between TX and LA with a penny premium attached to TX material. Thursday brought a few more brokered transactions, spot Dec Ethylene exchanged hands at \$.2075/lb in TX, spot ownership swapped at \$.195/lb in LA, while a deal flipping Dec and Jan deliveries in TX was filled twice.

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12/23/2022

**Dairy Market**

BLOCK: Up .0500 @ \$ 2.1225 1 Sales  
 BARRELS: Up .0350 @ \$ 1.7950 9 Sales  
 BUTTER: Down .0800 @ \$ 2.3950 1 Sales  
 NFDM Grade A: Unchanged @ \$ 1.3300 0 Sales  
 CME Dry Whey Unchanged @ \$ .3850 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>
12/19/2022	2.0000	Up .0225	0	1.7350	Down .0050	2	0.2650
12/20/2022	2.0000	Unchanged	2	1.6550	Down .0800	1	0.3450
12/21/2022	2.0275	Up .0275	1	1.7000	Up .0450	2	0.3275
12/22/2022	2.0725	Up .0450	0	1.7600	Up .0600	2	0.3125
12/23/2022	2.1225	Up .0500	1	1.7950	Up .0350	9	0.3275
<b>Average Market:</b>	2.0445		<b>4</b>	1.7290		<b>16</b>	

<u>Date</u>	<u>Butter</u>	<u>Butter Change</u>	<u>Butter Sales</u>	<u>Grd A</u>	<u>Grd A Change</u>	<u>Grd A Sales</u>
12/19/2022	2.7000	Down .1550	3	1.3600	Up .0100	2
12/20/2022	2.6000	Down .1000	3	1.3600	Unchanged	0
12/21/2022	2.4750	Down .1250	1	1.3350	Down .0250	2
12/22/2022	2.4750	Unchanged	0	1.3300	Down .0050	1
12/23/2022	2.3950	Down .0800	1	1.3300	Unchanged	0
<b>Average Market:</b>	2.5290		<b>8</b>	1.3430		<b>5</b>

<u>Date</u>	<u>Dry Whey</u>	<u>Dry Whey Change</u>	<u>Dry Whey Sales</u>
12/19/2022	0.4100	Down .0450	10
12/20/2022	0.3725	Down .0375	5
12/21/2022	0.3650	Down .0075	4
12/22/2022	0.3850	Up .0200	0
12/23/2022	0.3850	Unchanged	0
<b>Average Market:</b>	0.3835		<b>19</b>

--Year Ago--

<u>Date</u>	<u>Blocks</u>	<u>Barrels</u>	<u>Butter</u>	<u>NFDM Grade A</u>	<u>Dry Whey</u>
12/21/2021	1.8600	1.6250	2.1425	1.6625	0.7250
12/22/2021	1.8725	1.6500	2.1900	1.6700	0.7350
12/23/2021	1.8725	1.6500	2.2500	1.6700	0.7500



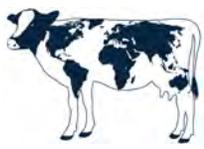
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In-Depth Analysis

  
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IN  
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WITH

  
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# Udder Intelligence



December 21, 2022

Understand · Simplify · Succeed

## What you need to know

- GDT was down more than expected, -3.8%
- Nov. New Zealand exports were much weaker than forecast, down 7.2% YoY
- Nov. Chinese imports were close to forecast, down 13.7% from last year, Dec. imports could be down 25-30%
- Nov. U.S. milk production was slightly stronger than forecast, up 1.3% YoY

## Dairy Prices (USD)

Cheese	Last (lb.)	Chg.	Last (MT)	WMP	Last (lb.)	Chg.	Last (MT)
CME Blocks (Wk Avg)	\$2.00	-\$0.06	\$4,413	US	\$2.40	\$0.00	\$5,291
CME Barrels (Wk Avg)	\$1.70	-\$0.11	\$3,757	Dutch	\$1.95	-\$0.02	\$4,297
EU Gouda	\$1.83	-\$0.02	\$4,032	GDT (Avg)	\$1.47	-\$0.07	\$3,246
GDT Cheddar (Avg)	\$2.18	-\$0.01	\$4,801				

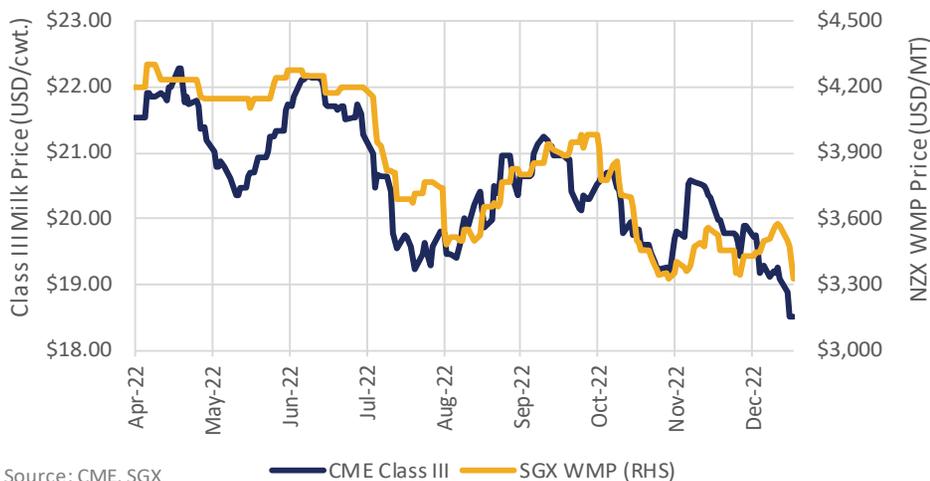
Butter	Last (lb.)	Chg.	Last (MT)	Dry Whey	Last (lb.)	Chg.	Last (MT)
CME Spot (Wk Avg)	\$2.57	-\$0.22	\$5,668	Central US	\$0.41	-\$0.01	\$893
EEX Index	\$2.67	\$0.06	\$5,878	EEX Index	\$0.40	\$0.00	\$891
GDT (Avg)	\$2.09	-\$0.06	\$4,602	US WPC34	\$1.74	-\$0.01	\$3,836
				US Lactose	\$0.47	\$0.00	\$1,042

SMP/NFDM	Last (lb.)	Chg.	Last (MT)	Rennet Casein	Last (lb.)	Chg.	Last (MT)
CME Spot (Wk Avg)	\$1.35	-\$0.01	\$2,965	US	\$5.97	\$0.00	\$13,162
EEX Index	\$1.37	-\$0.02	\$3,022				
GDT (Avg)	\$1.34	-\$0.06	\$2,965				

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

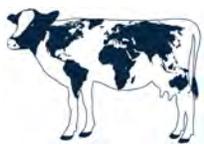
CME Class III and SGX WMP Futures Prices  
(February 2023 Contracts)



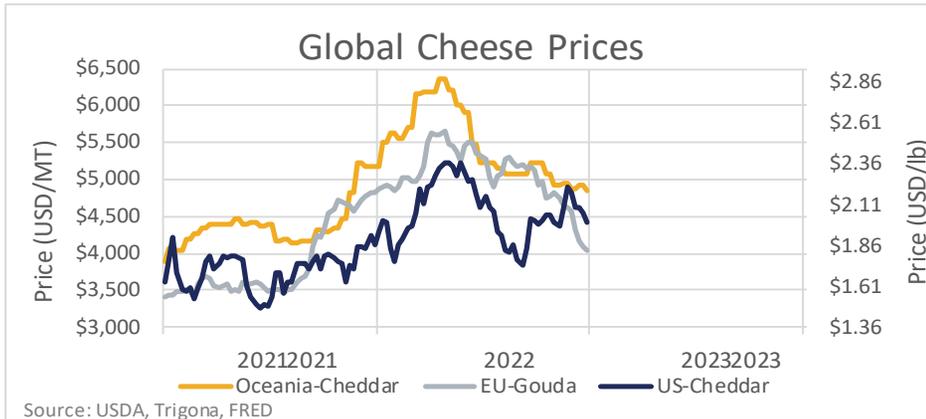
Source: CME, SGX

## Market Summary

\*\*\* No report next week \*\*\* After almost no new data last week, this week had a ton and it was nearly all bearish. Milk production in the U.S./EU is solidly into expansion and the weather in NZ has improved which should put their January production back above previous year. That is coming against a backdrop off continued weak demand from China. The current covid tsunami in China is hitting hard, but could peak in late January. For the good of the world economy, hopefully the reopening surge develops quickly. But growing milk production inside of China might limit their demand for imports even as consumption recovers. Higher dairy prices will be dependent on improved demand in other parts of the world, but purchases outside of North Asia fell at the GDT Event this week...

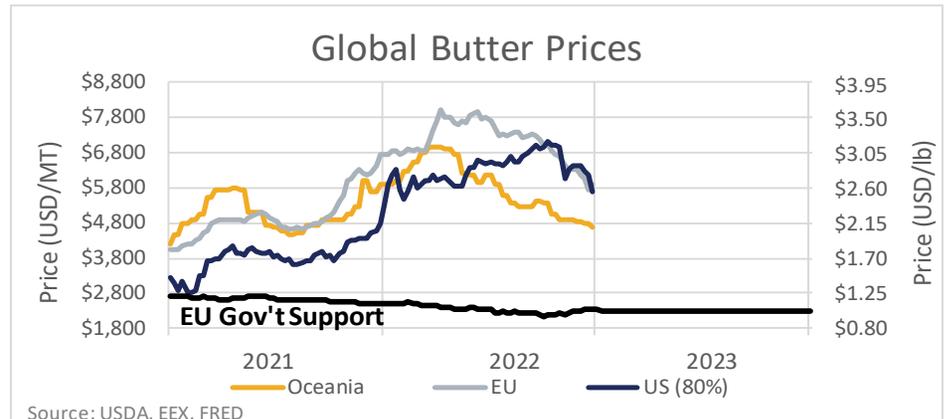
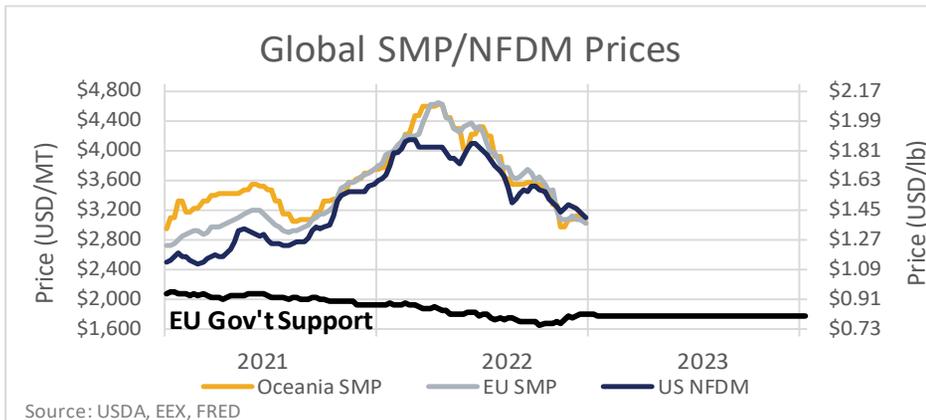


## Product Markets

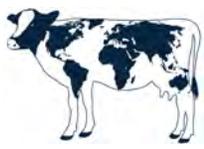


**Butter:** Butter prices continued to fall across all the major exporters this week (maybe we can call EU steady?). Production and inventories are seasonally increasing in the Northern Hemisphere while Oceania prices remain well below US/EU and continue to win what little export demand there is. I'm still forecasting US butter stocks below year ago in Q1, which could limit the downside. EU stocks might be back above year ago by February.

**Cheese:** Anecdotally, cheese prices in Europe continued to fall this week. Production is strong and year-end sales might have been a little disappointing with little hope that consumers will be more willing to spend in January. EU cheese prices are already very competitive in the export market, which is going to put further downward pressure on U.S. and Oceania prices in the new year. CME blocks remain stronger than expected, but barrels have been weaker than forecast. GDT Cheddar was down, but is still high relative to other products.



**Powders:** NFDM/SMP prices continued to fall across all the major exporters. There is probably some more downside for prices in Q1. The longer-run outlook has also turned a little more bearish with concerns around Chinese demand later in the year. Even if demand rebounds after the massive covid wave, growing domestic milk production might limit import growth. U.S. dry whey prices were pushed lower this week.



# Udder Intelligence



December 21, 2022

Understand · Simplify · Succeed

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

**Understand** – Global supply and demand drive dairy prices. Working across the globe, our team tracks, models and forecasts supply, demand and prices across all of the major dairy exporting regions, as well as dozens of importing countries. This provides you with critical insights into the important drivers behind dairy prices.

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

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

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

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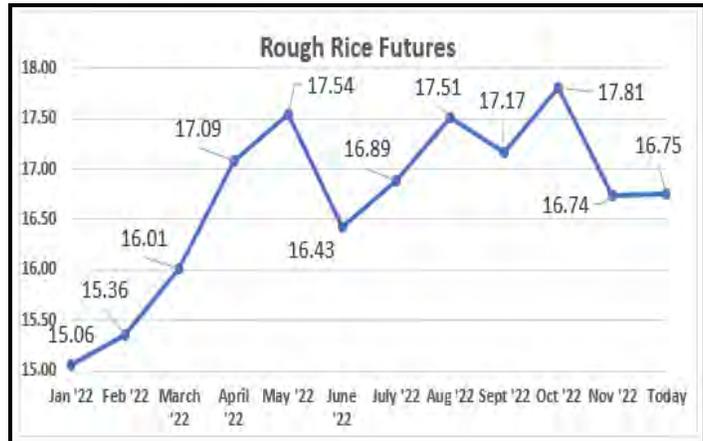


To: Producers Rice Mill Customers  
From: Gary Reifeiss, Producers Rice Mill, Inc  
Re: Rice Market Update: December 2022

**General:** First, we would like to wish everyone a very Merry Christmas and Happy Holiday season. Recent months, since our last report, have been both hectic and calm at the same time. To clarify, while there is no shortage of rice there has been an industry-wide production shortage of parboiled rice, mainly packaged in 25 & 50 lb. sizes. The source was an unfortunate facility issue with another rice supplier. If you are not involved with these sizes of parboiled rice, it has been business as usual for you. We expect conditions to improve as we near the end of January.

**Long grain statistics:** The long grain carry-over inventory from last year to this year was down 17%. With production down 9% the total supply of US long grain is down 10%. To balance out the loss in supply, USDA is expecting less sales into both domestic and export markets. While we're not seeing a decline in the domestic market, exports are soft with South America penetrating some traditional US markets such as Mexico. South America's "below the equator" growing cycle differs from the US and soon they should be out of the market temporarily creating an opening for additional US export sales. The summer and fall drought caused low water conditions in the Mississippi river hampering barge freight to southern ports. Recent rains are improving conditions.

**Medium grain statistics:** Medium grain is in short supply. With the California crop down 31% from last year, California rice prices have significantly climbed pulling southern medium grain prices up. California medium grain, or "Calrose," is used in sushi, rice bowls and many Asian applications. We have advised for years that a southern medium grain can be used for similar dishes and now we are seeing some shift in that direction. Unfortunately, the reduced southern medium grain crop can't sustain the traditional volume and take on new volume at the same time.



**Summary:** Rice futures have been up and down recently. Futures rose at the beginning of the crop year based on a much smaller crop size and have fallen some lately, likely due to a soft export market. The fact is the rice crop is smaller this year and total sales must decline to compensate. The export market is the logical place for this decline and was forecasted by USDA. Domestic business is still strong and expected to remain so. The first of the year brings renewed opportunity for rough rice exports as the South America crop dwindles and a hopeful new order from Iraq on milled rice. If these two events occur, futures will react accordingly. Early reports indicate continued high planting & growing costs could hamper expectations of a much larger crop for 2023.



**Corporate Office/Mill** P.O. Box 1248 ■ Stuttgart, AR 72160 ■ 870-673-4444  
**Marketing/Sales Office** 523 Louisiana, Suite M200 ■ Little Rock, AR 72201 ■ 501-374-9100 ■ Fax: 501-374-8758  
www.producersrice.com