

MarketNews

Click on the link below to view updates:

Dairy Market Link



Produce Market Link

Market Report - Eggs



Flour Facts



Weekly Market Review



Oil Market Watch



USDA Weekly Livestock, Poultry & Grain Market Highlights



Market updates from The Plastics Exchange



Daily Market Summary



Rice Production update



Market Summary

Egg Markets

Week of January 23, 2023

TONE: Retail demand mixed. Supplies available. Market soft.

The regional egg markets are as follows:

	Northeast	Midwest	Central	Southeast
Lg	\$3.45	\$3.45	\$3.60	\$3.56
Md	\$2.72	\$2.66	\$2.71	\$2.71

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

January 20, 2023

Wholesale prices for cartoned shell eggs continue to move lower through the week with supplies rising to mostly moderate levels but offerings remaining light to moderate. Demand is mostly moderate and the pace of trading is moderate. Wholesale prices for graded loose eggs are weak but holding as supplies are more available. Offerings are light to moderate but interest is waning, described as light to moderate. Trading is moderate. The volume of trailer load loose egg sales this week rose 66% from the prior week with 31% for future delivery. This is the most active movement since February 2022. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs declined \$0.02 to \$2.31 per dozen with weak undertone. The wholesale price on the New York market for Large cartoned shell eggs delivered to retailers decreased \$0.50 to \$3.36 per dozen with a weak undertone. In the major Midwest production region, the wholesale price for Large, white, shell eggs delivered to warehouses decreased \$0.75 to \$3.87 per dozen with a weak to lower undertone while prices paid to producers for Large cartoned shell eggs declined \$0.58 to \$3.10 with a weak to lower undertone. The California benchmark for Large shell eggs decreased \$0.75 to \$5.97 per dozen with a weak undertone. Delivered prices on the California-compliant wholesale loose egg market decreased \$0.66 per dozen to \$5.02 per dozen with a weak undertone.

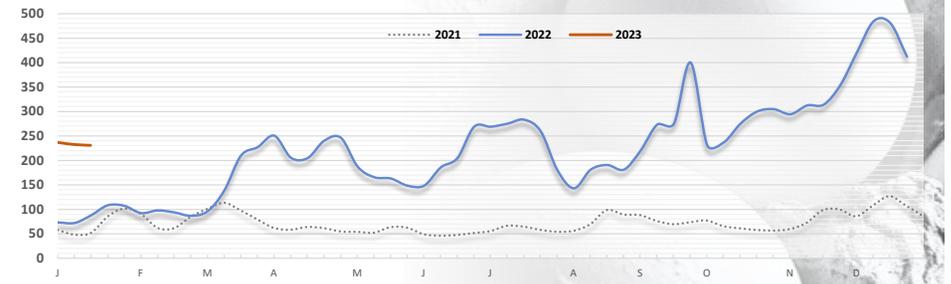
Consumer demand for shell eggs continues decline as newly minted diets fade just as holiday bills are appearing in mailboxes across the country at a time when shell egg prices remain at unappetizing levels in retail outlets relative to other proteins. While demand remains higher than year ago levels, last year demand was trending higher. High consumer prices for shell eggs has caught the attention of the national media, raising consumer awareness and fueling a rising resistance. Demand from egg breakers is starting to rise as they work through their stocks that had grown during the holiday-disrupted period and are increasingly looking to the spot market for opportunities to procure additional stock to maintain peak schedules.

Promotional activity for conventional caged shell eggs in retail outlets remain very limited as wholesale price declines have been slow to make it to the retail level. Promotional activity for specialty shell eggs is also very limited for Large class with organic and nutritionally-enhanced types comprising this week's shell egg ads. No featuring of [UEP-defined cage-free](#) shell eggs is recorded this week.

The overall inventory of shell eggs rose just under one percent, 23% below the level of a year ago, while the nation-wide inventory of Large eggs was unchanged from last week but 20% under the same week in 2022. Stocks of Large eggs in the key Midwest production region decreased about 3.5%. Many producers are taking advantage of the lull between the December and Easter demand periods to rework their flocks to maintain peak efficiency which has kept supplies in check despite declining consumer demand. The inventory share of Large class shell eggs declined a half percent to a 47.5% share of all shell egg stocks on inventory at the start of the week. Stocks of cage-free eggs decreased

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

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



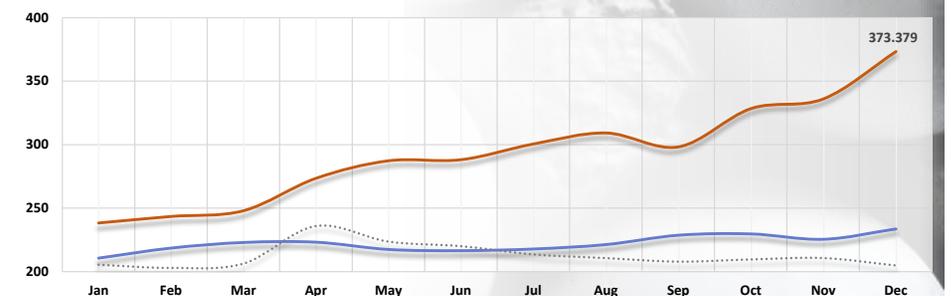
Source: USDA AMS L&P Livestock, Poultry, and Grain Market News

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



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

Consumer Price Monthly Index for Eggs
Bureau of Labor Statistics



Egg Markets Overview

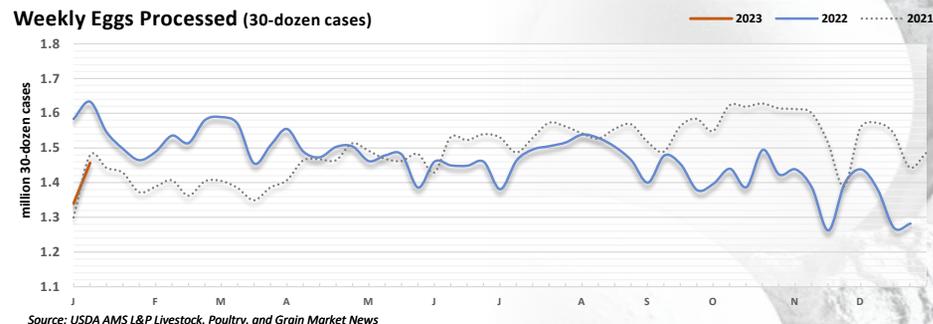
about one percent as these types are competitively priced with their caged counterparts and moving well at retail. The inventory of nutritionally enhanced shell eggs declined 3% while stocks of organic eggs rose 3%. Breaking stock inventories decreased nearly 5% as breaking schedules are now back in full operation as breakers work to build egg products stocks. Total estimated table egg production was unchanged from last week and from last year to a deficit of 7% from last year or about 10.5 million cases. According to the U.S. Bureau of Labor, in December, the Producer Price Index (a measure of average prices received by producers of domestically produced goods and services), for Large shell eggs rose 26%, 288% above the level recorded in December 2021.

Wholesale prices for breaking stock in the Central States declined \$0.06 to \$2.40 per dozen with a weak undertone. Offerings and supplies are light to moderate. Demand is light to moderate and trading is slow to moderate. Schedules are full time. The BLS Producer Price Index for breaker stock in December rose 40% for the month to a level 487% above that of last year. The volume of eggs processed over the past week increased nearly 9%, representing a 30% share of weekly table egg production, a 2% increase for the week. Production of whole egg was up 9% as were component parts with whites up about 8.5% and yolk nearly 10%. The production of dried egg decreased 7% and inedible egg production was up over 16%. Breaking yields without inedible improved by a third of a pound to 41.61 pounds per case broken.

Wholesale prices for liquid egg products are unquoted. The undertone is lower with light to moderate offerings and mixed demand. Prices on frozen whole eggs declined \$0.35 to \$2.45 per pound while those for frozen whites were down \$0.20 to \$2.10 per pound. The undertone is weak to lower for light to moderate offerings and supplies. Demand is moderate to good and trading is moderate to active. Prices for dried whole eggs are down \$0.50 to \$13.25 per pound with whole dried yolk down \$1.60 to \$14.30 per pound. Offerings are light to moderate on very light supplies. Demand is fairly good and trading is moderate to active.

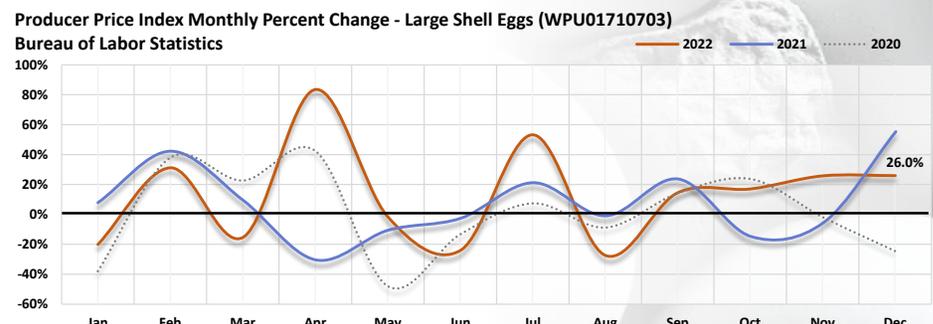
According to NASS, the November monthly volume of frozen eggs in storage decreased 2% from October but was 3% over the year ago level. Stocks of whole frozen egg were up 12% from last month, 1% under last year. The share of whole egg stocks gained 5% to a 41% share of total frozen stocks. Stocks of frozen 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%.

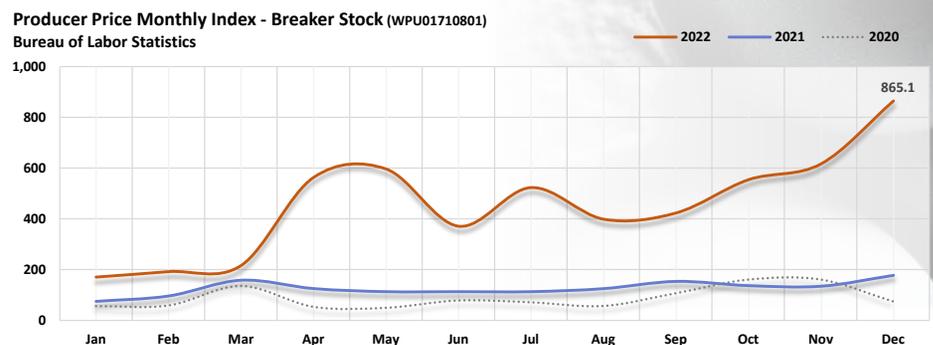


Source: USDA AMS L&P Livestock, Poultry, and Grain Market News

Eggs Processed - Week-to-Week Change						
total	share	whole	whites	yolks	dried	inedible
8.7%	2.5%	9.1%	8.4%	9.7%	-6.9%	16.4%



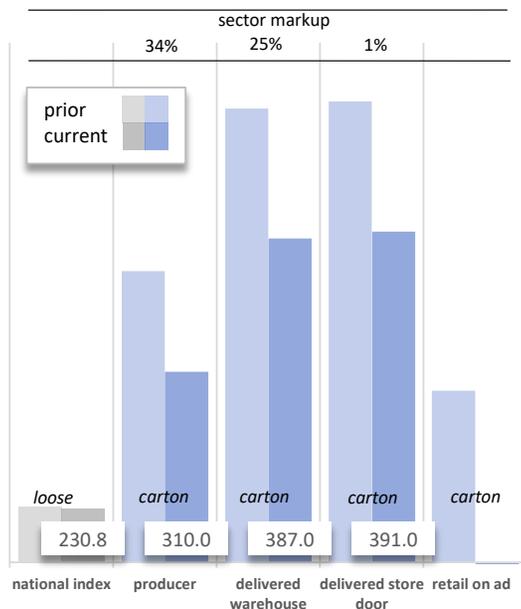
Source: Bureau of Labor Statistics



Shell Eggs Market Price Comparisons

(as of January 20, 2023)

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



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

Key Egg Markets Overview

	20-Jan	% Change	Recent History				
			13-Jan	6-Jan	30-Dec	23-Dec	16-Dec
SHELL EGGS (Large, White, conventional in cents per dozen)							
National, Loose, (f.o.b. dock prices)	230.81	-1%	232.43	236.57	411.67	474.64	484.38
New York, Cartoned (price to retailers)	336.00	-13%	386.00	459.00	519.00	542.00	527.00
Midwest, Cartoned (price dlvr'd to warehouse)	387.00	-16%	462.00	517.00	530.00	507.00	466.00
California, Cartoned, benchmark (cage-free)	597.00	-11%	672.00	737.00	750.00	660.00	560.00
National Retail Shell Egg (avg. ad price in dollars per dozen)							
Conventional, Large, White	n/a		2.99	n/a	n/a	n/a	n/a
Cage-Free, Large, Brown	n/a		n/a	2.58	3.66	3.66	n/a
EGG PRODUCTS (f.o.b. dock prices; dollars per pound)							
Central States Breaking Stock (dlvd prices per doz)	240.00	-2%	246.00	347.00	367.00	375.00	375.00
Whole Frozen Eggs	245.00	-13%	280.00	300.00	315.00	315.00	317.00
Whole Dried Eggs	13.25	-4%	13.75	13.75	n/a	n/a	13.75
Processed Share of Weekly Egg Production	30.4%	2.5%	27.9%	26.6%	26.2%	28.5%	29.8%
SHELL EGG DEMAND INDICATOR (no units)							
	2.1	-5.4	7.5	10.5	14.8	15.9	7.1

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

Key Shell Egg Markets Snapshot - 2023

(Large, White, Conventional Shell Eggs in cents per dozen)	20-Jan	Change	13-Jan	2023 High	2023 Low
National, Loose, (f.o.b. dock prices)	230.8	▼ -1%	232.4	237.5	03-Jan 230.8
New York, Cartoned (price to retailers)	336.0	▼ -13%	386.0	474.0	03-Jan 336.0
Midwest, Cartoned (price dlvr'd to warehouse) ¹	387.0	▼ -16%	462.0	517.0	03-Jan 387.0
California, Cartoned, benchmark	597.0	▼ -11%	672.0	737.0	03-Jan 597.0
Central States Breaking Stock (delivered prices) ¹	240.0	▼ -2%	246.0	367.0	03-Jan 240.0
Whole Frozen Egg Products (f.o.b. dock prices)	245.0	▼ -13%	280.00	300.0	06-Jan 245.0
Whole Dried Egg Products (f.o.b. dock prices)	13.25	▼ -4%	13.75	13.8	06-Jan 13.25
Natl Average Retail Ad Price - Conventional	n/a	▬ 0%	2.99	2.99	13-Jan 2.99
Natl Average Retail Ad Price - Cage-free ²	n/a	▬ 0%	n/a	2.58	06-Jan 2.58
Shell Egg Demand Indicator	2.1	▼ -5.4	7.5	10.5	04-Jan 2.1

¹ mostly high; ² non-organic



FLOUR FACTS

Information Provided by General Mills Foodservice
GeneralMillsCF.com



Weekly Market Highlights

JANUARY 19, 2023

- Wheat saw some strength early Tuesday as Russia announced its intent to limit exports in order to preserve domestic reserves; however, prices have ultimately edged their way lower this week as the grain areas continue to see precipitation and export demand is wavering.
- Per the USDA's monthly WASDE report released last Thursday, U.S. wheat ending stocks came in at 571 million bushels on the report, a 4 mbu drop from December and 13 mbu less than the trade estimate of 580 mbu. World stocks increased slightly.
- Winter wheat planted for this crop year improved to 36.95 million acres against a trade estimate of 34.5 ma and a 2022 final of 33.3 ma.

Facts on Flour

Protein Quality

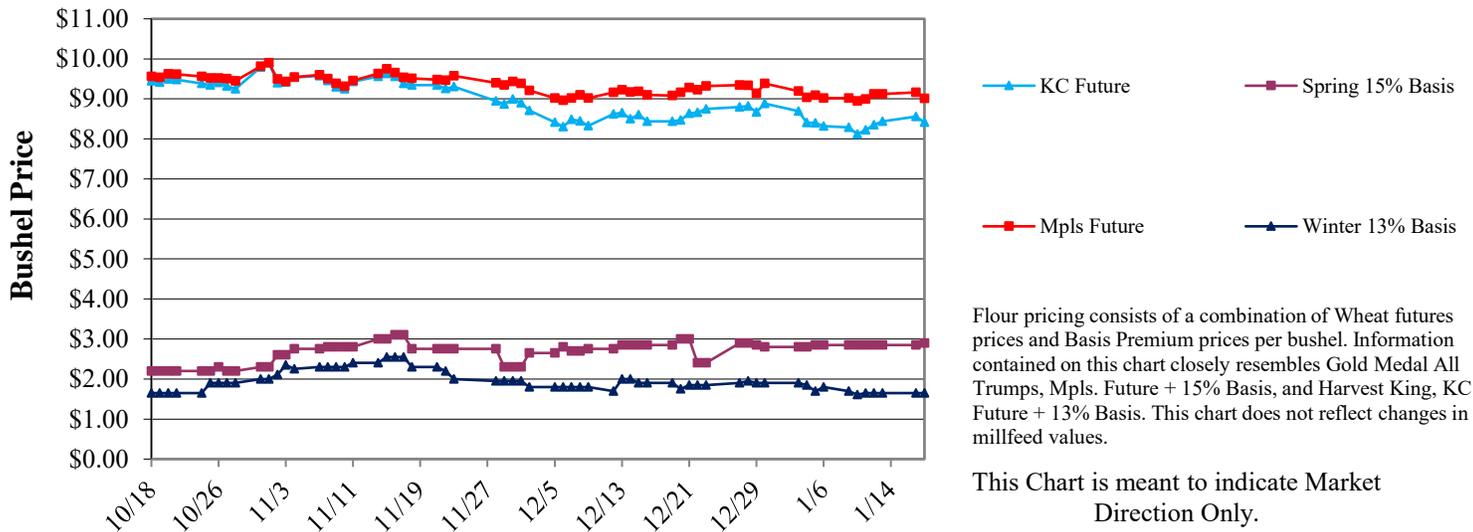
Last week we discussed the characteristic of wheat flour protein to form gluten. So, if we buy flour with a higher protein content (quantity), can we back a better (quality) product? This is not always the case. High quality, low quantity protein flour will outperform a high quantity, low quality flour in producing acceptable baked goods.

Whole wheat is a great example – it can have a protein quantity between 13.5 and 15 percent. This is a higher protein range than high gluten flour (13.5 to 14.5 percent). Will the whole wheat flour outperform the high gluten? No. The bran and the germ are rich in non-gluten forming protein, which will contribute to the overall protein quantity, not quality.

In relative terms, protein quantity can be used as a predictor of the suitability of flour in specific baking applications. But the protein content of a flour can be affected by many agronomic factors, such as amount of rainfall, fertilizer usage, temperature stressed, etc. A quality miller is going to balance protein quantity with the appropriate quality testing to prepare the best flours available for specific baking needs. So how do we measure protein quality? Just wait until next week!



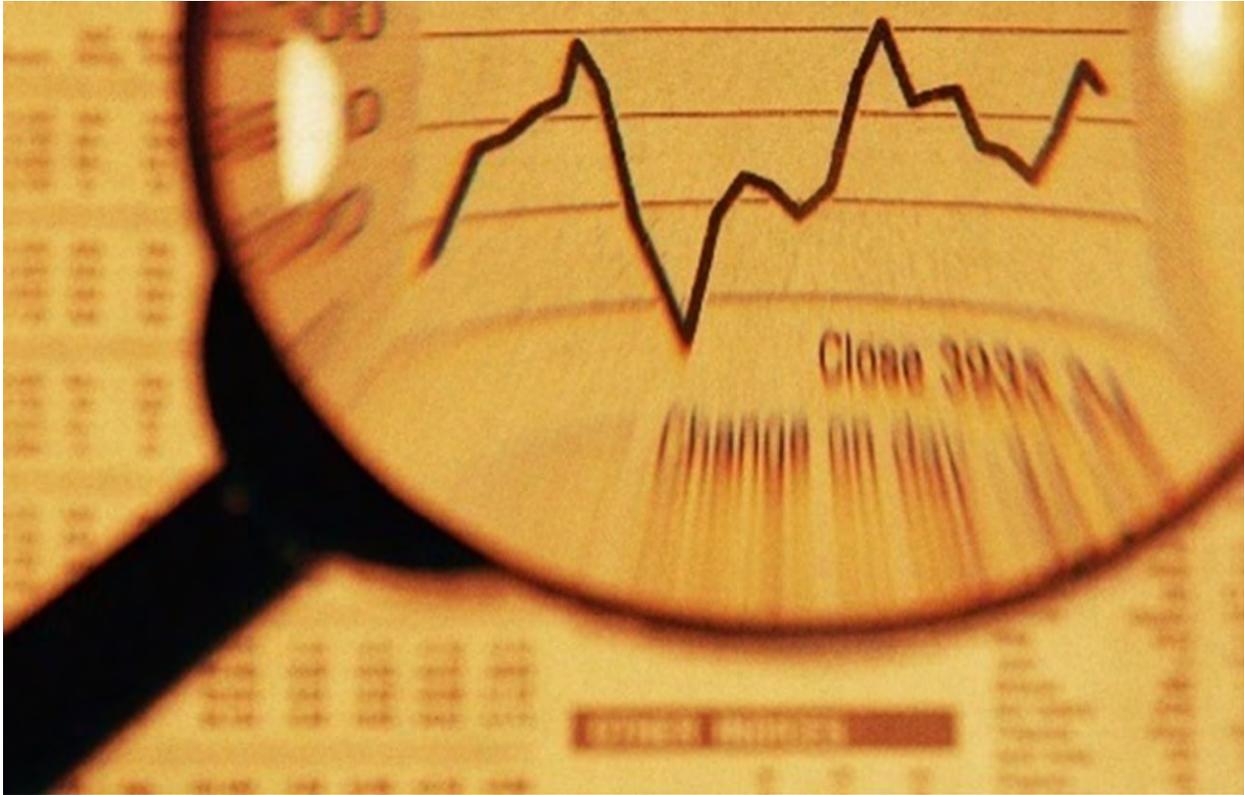
Futures & Basis Markets



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.





Stratas Foods Market Watch 1.20.23

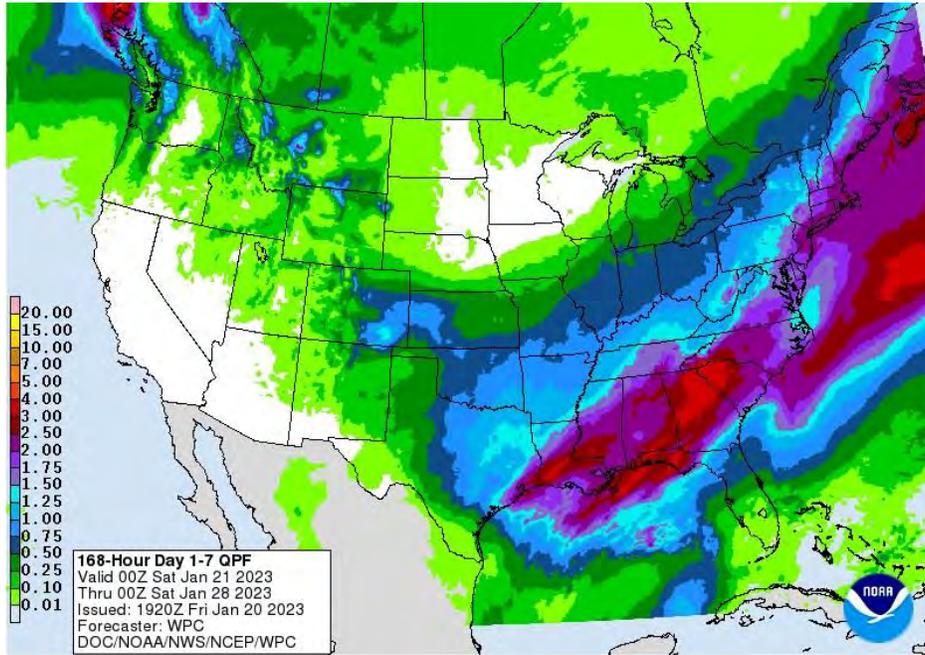
What to Watch For in the Week Ahead

• **Fundamentals**– CFTC COT, Weekly Export data

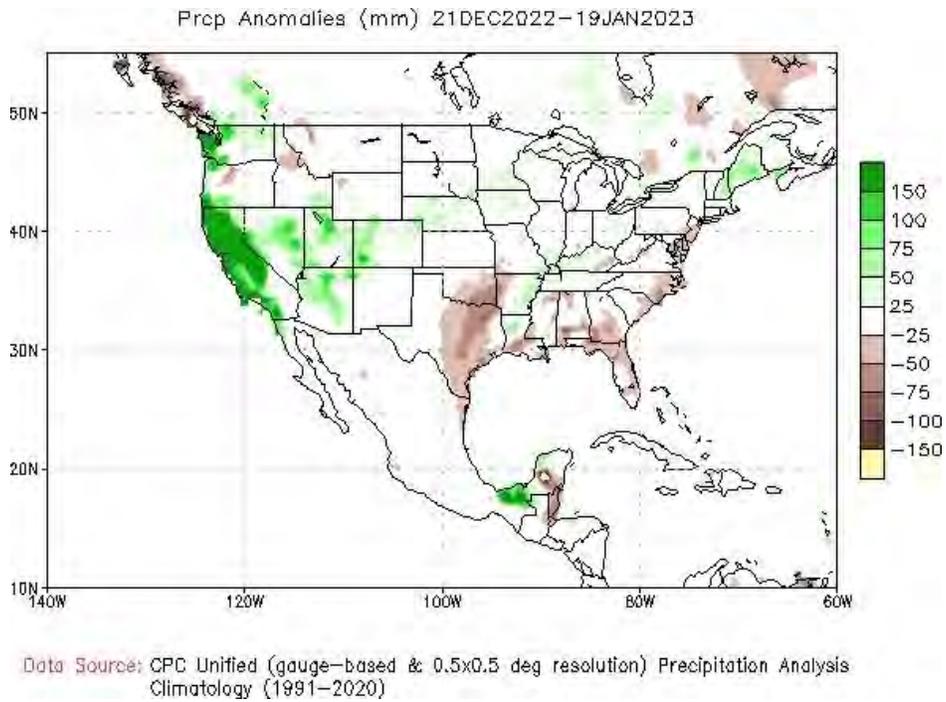
• **Weather** – Argentina is hot and dry, BUT rain is in the forecast. Southern Brazil is Dry, the rest is looking good.

• **Politics/Macro** – What is the fall out from Brazil? What is the Chinese New Year going to bring? Energy markets firming to close Friday's trade, is there weekend risk?

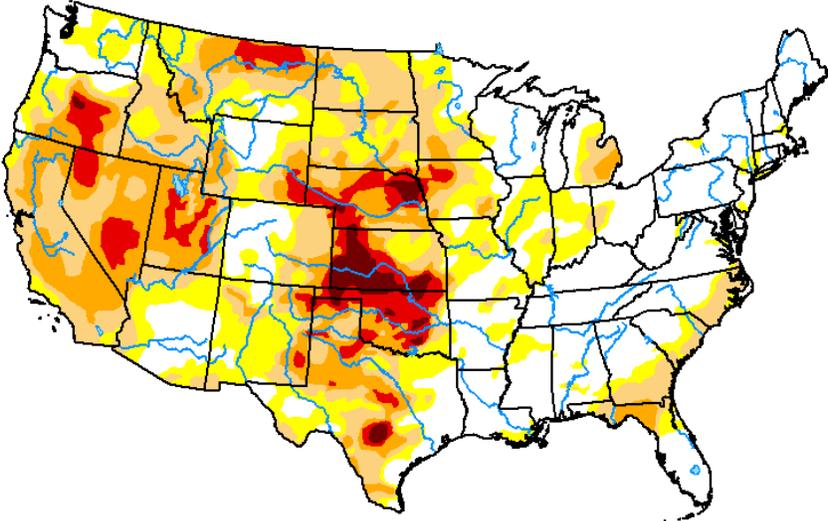
US 7 Day Precipitation



US 30 Day Anomalies

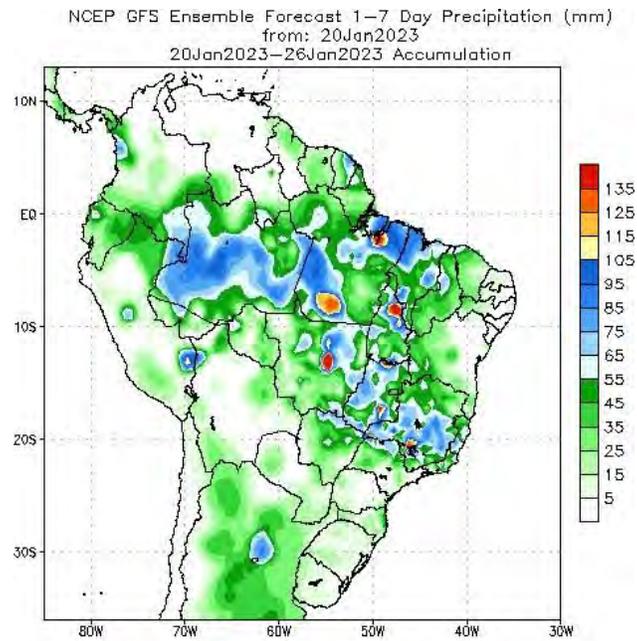


US Drought Monitor



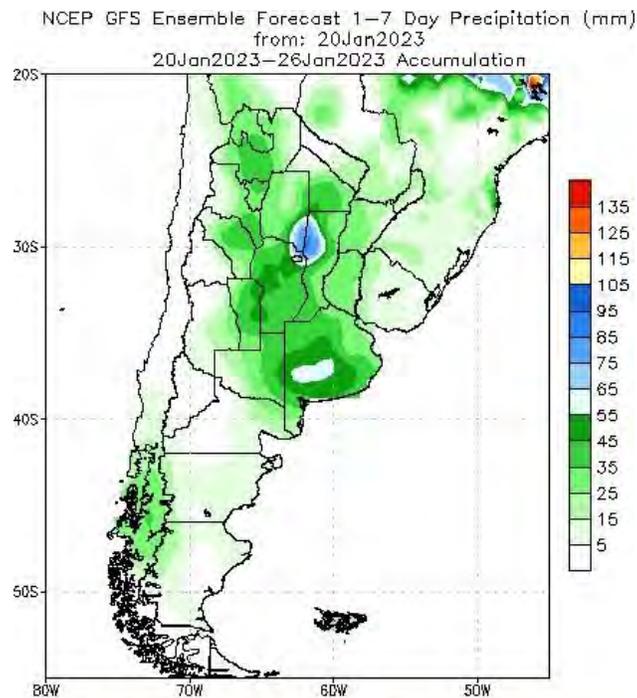
7 Day Precipitation

Brazil



Bias correction based on last 30-day forecast error

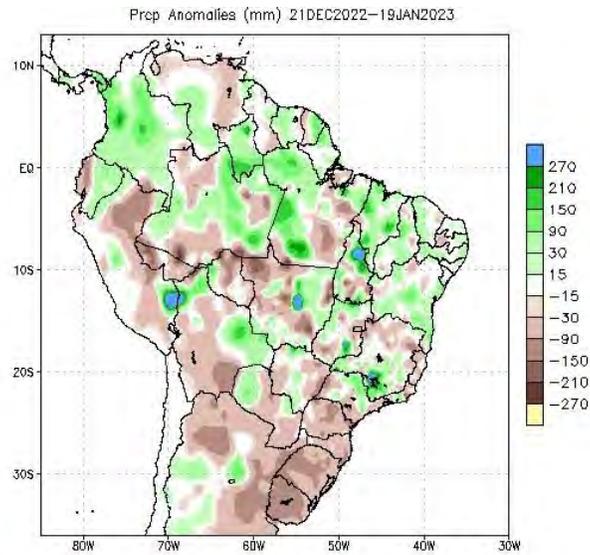
Argentina



Bias correction based on last 30-day forecast error

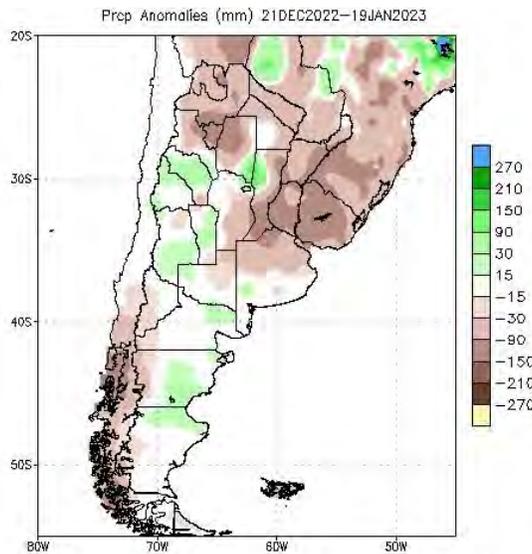
30 Day Anomalies

Brazil



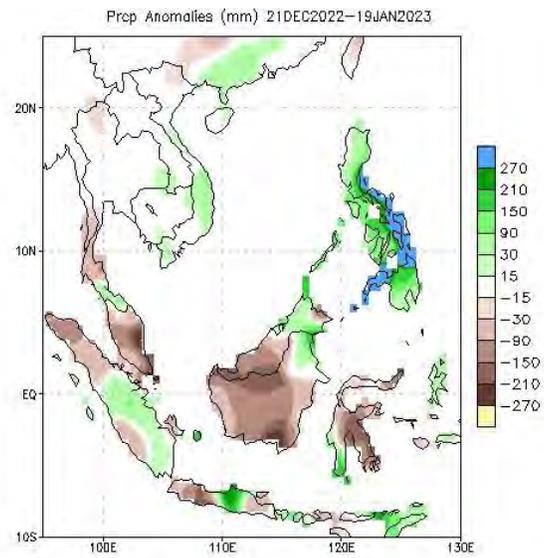
Data Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1991-2020)

Argentina



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

Southeast Asia

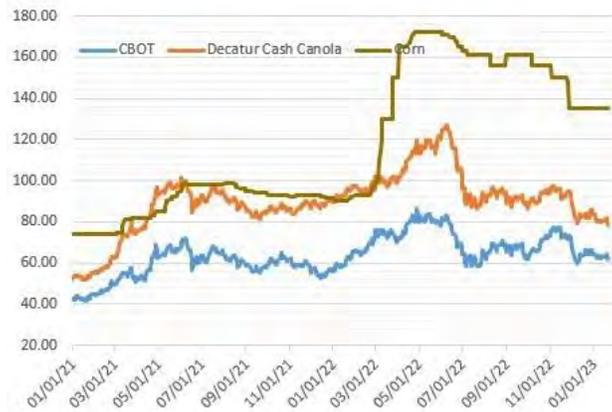


Data Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1991-2020)

Tropical Oils



North American Oils



Moving Averages

	CBOT	Canola	Palm Olein	Coconut
1/20 Price	61.97	78.47	66.00	75.50
9-day MA	73.83	95.16	67.17	83.06
20-day MA	70.67	93.12	66.65	84.18
50-day MA	67.97	91.53	72.62	85.36
200-day MA	71.03	100.54	90.36	101.08

Soybean Oil

Flash Summary

January WASDE

- US Production for 2022 was reduced to 4276 M bu (49.5 bu/ac) from 4346.
 - US Soybean carryout for 2022/2023 was cut to 210 Mbu from 220.
 - World Soybean carryout was projected to rise to 103.5 MMT at the end of this crop year.
 - Soybean oil export sales were cut 300M lbs while Food Feed and Industrial Use was increased 300M lbs.
 - Soybean oil carryout was left unchanged
-

Soybean Oil

- *Soybean oil once again treaded water for the week but did the actual moving on Friday as we finished down 118 points on Friday and down 109 points for the week.*
 - *Oilshare edged over 40% but the ranges have narrowed.*
 - *Soybean meal has been the hot topic in managed money and continues that way. Big drivers for soybean complex are energy and managed money.*
 - *Weather in South America is having an oversized effect as the American crop is still months away. Brazilian weather looks good and the crop is on the way to the bins. Argentina is seeing some promising forecasts for rain in the next week.*
 - ***Expected CBOT Range 60.00 - 65.00***
-

Canola/Rapeseed Oil



Fundamental Updates

- *Stats Canada reported 19.5 MMT production for 2022*
- *US November Canola crush was 180,750 tons in November vs 208,459 tons in October and Nov'21 was 160,197*

- *Canola oil production increased as well: 145M lbs in Nov'22. This was down 15% vs October but up 3% vs November 2021.*
 - *Canola Pathway has been approved by the EPA*
-

Flash Summary

- *Canola seed futures had a seller's mentality to close the week. Pressure was largely from Germany's backing off of Renewable fuel mandates.*
 - *Margins were firmer on the week, but lower oil share kept them within the recent ranges.*
 - *Looking out to Q2, major canola suppliers have their downtime during this time frame and can cause values to tighten quickly*
 - *Canola looks to be priced competitively with soy through the remainder of the 2022-23 marketing year.*
-

Tropical Oils



Fundamental Updates

MPOB:

- *December MPOB production estimated at 1.63mm mt*
 - *December Shipment Data estimated at 1.49mm mt*
 - *December MPOB stocks estimated at 2.19mm mt*
 - *Indonesian policy is changing the domestic sale proportion for to be 1/7th vs 1/9th (6:1 from 8:1) to help preserve food domestically*
 - *Seasonal production declines expected to continue into January*
 - *Port stocks in China and India are higher YoY creating concern for nearby export demand and the potential for stocks to build in January (vs the expected drawdown)*
 - *Palm futures exchanges closures for Chinese New Year: BMD closed until 1/25; DCE closed until 1/30*
-

Weekly PRODUCE ALLIANCE Market Report



January 19, 2023

OVERVIEW

In South Florida, as well as Mexico, we continue to see lighter supply and firmer markets on green pepper, zucchini, and yellow squash. Cucumbers remain very limited and do not expect improvement for several weeks and the color pepper supply is excellent! Tomato production continues to improve in Florida, but we are far from normal for this time of year due to several weather impacts over the past three months. We expect lower production, higher than normal market prices but nothing too concerning. The hot pepper market seems to be staying firm as cold temps and weather damage are rally causing shortfalls this season, with serrano and anaheim the highest priced and shortest available. Honeydew and cantaloupe have become quite a challenge due to cooler weather and should improve over the next 10-14 days and it is critical to be flexible on size during these times where we are short and managing very limited inventory. In Yuma, supplies continue to increase on most items and markets are stabilize.

MARKET ALERTS



BELL PEPPERS (GREEN) – ESCALATED

Supply out of Florida remains light due to the freeze last month and expected to remain as such over the next week. With this lighter supply in the east its driving demand west to Nogales and McAllen where we are seeing very active markets and mixed quality due to weather. We hope to see more volume out of the west over the next ten days.



CABBAGE (RED) – ESCALATED

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



CARROTS (Jumbo) – ESCALATED

Heavy rain in California continues to affect available supplies as shippers are not able to get all product needed out of the fields. Rain is forecast to continue through mid-week next week before we see fields starting to dry out. Shippers continue to struggle with supply on Jumbos as sizing remains small.



CELERY – ESCALATED

Pricing remains very active although market has come down slightly and supply and quality continue to improve.



CILANTRO – ESCALATED

Pricing is still escalated but supplies are improving. Quality is very good.



CORN – ESCALATED

Markets remain firm out of Nogales and South Florida and quality is very nice, however it's still too soon to truly assess any freeze impacts in Florida.



CUCUMBER – ESCALATED

Short supply out of Florida, mostly an impact of last month's freeze while Honduran imports are slow to start and are very inconsistent in quality. In the



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



MELONS – ESCALATED

Hami and Dino Melons now available in Pompano! The colder temperatures that hit the growing regions and have caused a disruption in the market. There have been so many weather patterns affecting the growing regions that have had an impact on yields and quality. Cold temperatures and some moisture immediately after Christmas affected harvests for almost two weeks. The past ten days have seen a significant and unexpected drop in arrivals on the east coast but expect some return to normalcy by next week. The west coast on the other hand will continue to feel the effects of this disruption of supply until late next week with limited arrivals this week.

- **Cantaloupe:** Cantaloupe arrivals for the end of the week will see a shift more to smaller sizes (9/12/15s) which is also an after effect of the cooler temps. Quality has remained strong with good color for this time of year and internal brix levels of 11-14%.
- **Honeydew:** Honeydews remains in a demand exceeds supply situation in all areas (Central America and Mexico) and there is not enough supply to cover the needs of everyone. Our shippers are restricting volume to cover contract only to get us through this period. We do expect supply to begin to pick up to more consistent levels by next week in Florida, but we are anticipating a shift in sizing to 6/8s as fruit did not size up during the cold snap. Advanced ordering and size flexibility may be necessary until supply increases.

west, we see lighter crossings through Texas and Nogales continue to put upward pressure on pricing. We are seeing some hit and miss quality on cucumbers across the spectrum, mainly pitting, virus pressure, shorter than normal shelf life and yellow belly. We expect active and short markets for the next two to three weeks.



GARLIC – ESCALATED

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 – ESCALATED

Despite the post-Christmas drop in demand, the market remains firm due to the freeze in Florida driving demand to Nogales and McAllen where prices are extremely high and supply limited due to cooler weather. Mixed quality reported.



GREEN ONIONS - EXTREME

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



SERRANO & ANAHEIM PEPPER - EXTREME

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

- **Watermelon:** Overall quality is very nice, still seeing firm pricing and moderate demand. Nogales and McAllen are the primary shipping points and mini watermelons seem to be easing back in price as store sets change and demand drops. Offshore watermelons are limited but we are shipping a few 4/5ct this week.



POTATOES - ESCALATED

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



LIMES – ESCALATED

Not much change from last week with steady pricing as post-holiday demand has decreased. Some new areas are getting started with a slight increase in supplies crossing from Mexico, but we still anticipate lighter volume to continue with demand increasing demand coming into Superbowl. Market remains very unstable as pricing is expected to increase again towards the end of January/early February.



SUGAR SNAP/SNOW PEAS – ESCALATED

Excellent supply of sugar snaps from MX, light out of California due to rain. A good supply of snow peas from MX, light out of California. Guatemalan production of snow peas is steady, but sugar snaps have slowed down due to quality caused by market conditions.

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
Pineapples	Roasted veggies are the best, but why not mix it up with a fruit too! Dice red bell peppers, red onions, and pineapples, and then toss them in olive oil and spread them on a large baking sheet. Sweet juicy pineapple is a perfect compliment to the peppers & onions!
Red Bell Pepper - Mexico	

TRANSPORTATION & WEATHER



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



OXNARD, CA:

Thu 1/19 58° 42°F Mostly Sunny	Fri 1/20 60° 44°F Sunny	Sat 1/21 63° 43°F Sunny	Sun 1/22 61° 47°F Mostly Sunny	Mon 1/23 63° 45°F Sunny	Tue 1/24 63° 46°F Sunny	Wed 1/25 65° 49°F Mostly Sunny	Thu 1/26 65° 48°F Mostly Sunny
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JALISCO, MX:

Thu 1/19 70° 47°F Mostly Cloudy	Fri 1/20 73° 48°F Partly Cloudy	Sat 1/21 73° 47°F Sunny	Sun 1/22 71° 46°F Mostly Sunny	Mon 1/23 71° 45°F Mostly Sunny	Tue 1/24 75° 46°F Partly Cloudy	Wed 1/25 76° 48°F Mostly Sunny	Thu 1/26 77° 50°F Partly Cloudy
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CULIACÁN, SINALOA

Thu 1/19 80° 51°F Mostly Cloudy	Fri 1/20 85° 46°F Partly Cloudy	Sat 1/21 86° 45°F Sunny	Sun 1/22 82° 44°F Sunny	Mon 1/23 82° 44°F Partly Cloudy	Tue 1/24 84° 45°F Mostly Sunny	Wed 1/25 84° 50°F Partly Cloudy	Thu 1/26 84° 53°F Cloudy
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YUMA, AZ

Thu 1/19 65° 45°F Sunny	Fri 1/20 64° 43°F Sunny	Sat 1/21 64° 38°F Sunny	Sun 1/22 67° 46°F Sunny	Mon 1/23 64° 41°F Sunny	Tue 1/24 65° 42°F Sunny	Wed 1/25 67° 44°F Mostly Sunny	Thu 1/26 68° 45°F Mostly Sunny
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IMMOKALEE, FL

Thu 1/19 87° 60°F Mostly Sunny	Fri 1/20 84° 60°F Partly Cloudy	Sat 1/21 86° 62°F Mostly Cloudy	Sun 1/22 86° 63°F Partly Cloudy	Mon 1/23 86° 61°F Partly Cloudy	Tue 1/24 88° 63°F Partly Cloudy	Wed 1/25 82° 49°F Isolated	Thu 1/26 75° 47°F Mostly Sunny
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Hogs and Pork

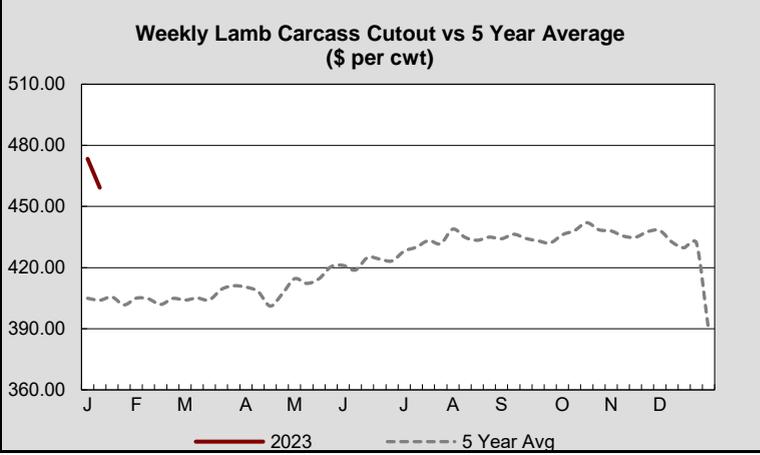
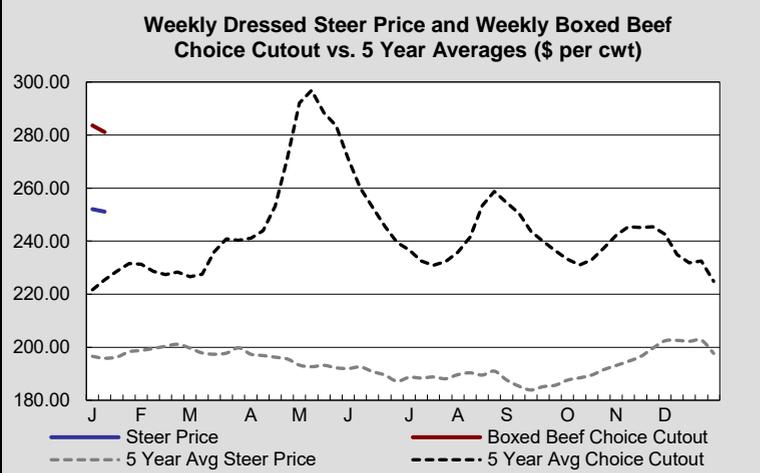
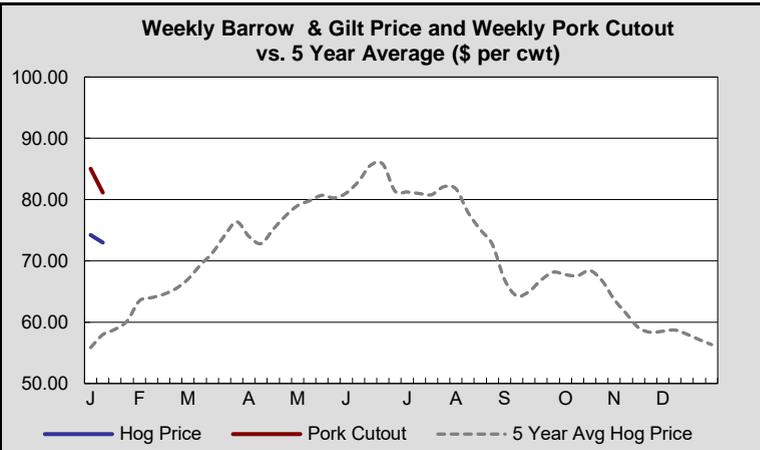
	Current Week	Change From Past Week	Change From Past Year
Nat'l Purchased Carc Wtd Avg Price - Barrows & Gilts (\$/cwt)	72.99	-1.7%	10.5%
Pork Carcass Cutout FOB Plant (\$/cwt)	81.15	-4.6%	-7.1%
Segregated Early Weaned (SEW) Feeder Pigs (\$/head)	68.30	8.1%	1.9%
Iowa/So. Minn Avg Weight Barrows & Gilts (lbs)	291.7	0.6%	-0.2%
Est. Hog Slaughter	2,688,000	17.1%	13.6%
YTD Est. Hog Slaughter	4,786,000	N/A	-2.7%
Est. Pork Production (mil lbs)	581.8	17.3%	12.2%
YTD Est. Pork Production (mil lbs)	1,077.7	N/A	-0.1%

Cattle and Beef

Live Wtd Avg Steer Price, 5 Area FOB (\$/cwt)	156.78	-0.6%	14.8%
Dressed Wtd Avg Steer Price, 5 Area Del (\$/cwt)	251.11	-0.4%	15.2%
Boxed Beef Cutout, Choice (\$/cwt)	281.10	-0.9%	0.3%
Boxed Beef Cutout, Select (\$/cwt)	257.99	0.5%	-4.6%
Boxed Beef, Choice/Select Spread (\$/cwt)	23.11	-3.68	13.41
By-Product Drop Value, Steer (\$/cwt live)	13.86	-2.3%	N/A
CME Feeder Cattle Index (\$/cwt)	181.05	0.3%	11.9%
Est. Cattle Slaughter	661,000	17.4%	7.0%
YTD Est. Cattle Slaughter	1,189,000	N/A	-4.0%
Est. Beef Production (mil lbs)	548.4	17.1%	6.0%
YTD Est. Beef Production (mil lbs)	1,016.7	N/A	-2.1%

Lamb and Veal

Slaughter Lamb, Negotiated, Live Wtd Avg Price (\$/cwt)	131.59	0.8%	-44.4%
Lamb Carcass Cutout (\$/cwt)	459.23	-3.0%	-25.4%
Est. Sheep Slaughter	34,000	30.8%	3.0%
YTD Est. Sheep Slaughter	68,000	N/A	4.6%
Est. Lamb Production (mil lbs)	2.1	31.3%	-4.5%
YTD Est. Lamb Production (mil lbs)	3.7	N/A	-15.9%
Veal Carcass Wtd Avg Packer & Non-Packer Owned (\$/cwt)	435.97	-0.3%	18.3%



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
January 17, 2023

Grain

	Current Week	Change From Past Week	Change From Past Year
Central Illinois Avg Corn Price (\$/bu)	6.6600	4.1%	14.2%
Central Illinois Avg Soybean Price (\$/bu)	15.0500	2.2%	12.1%
Central Illinois 48% Soybean Meal, Rail (\$/ton)	481.30	-4.7%	11.6%
Hard Red Winter Wheat Truck to Kansas City (\$/bu)	9.1575	2.7%	19.5%
Dark Northern Spring Wheat, 14%, MN, Rail (\$/bu)	11.1350	3.9%	4.2%
Soft White Wheat Portland (\$/bu)	8.2600	-2.2%	-23.2%
Sorghum, Kansas City, Truck (\$/bu)	6.6000	-2.3%	7.1%

Broilers

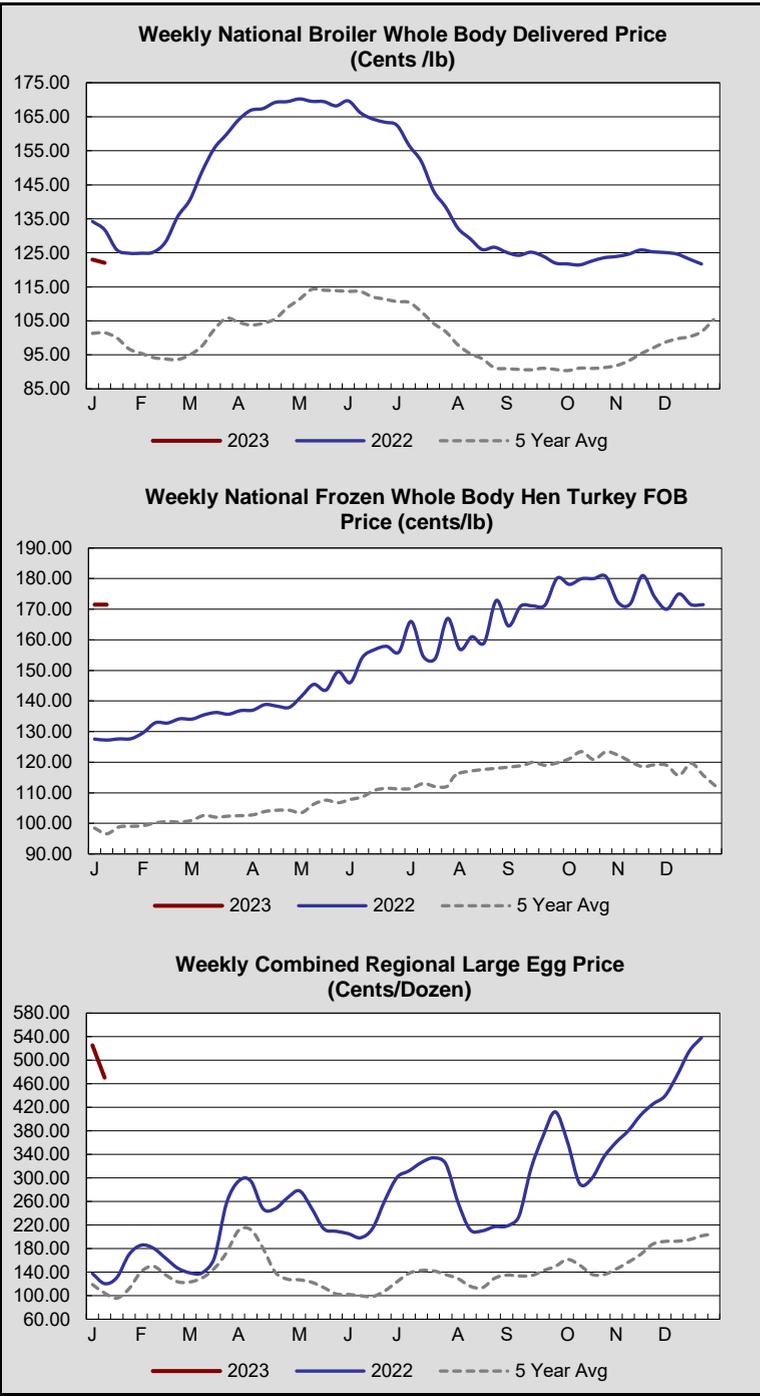
Nat'l Delivered Whole Body Price (cents/lb)	122.06	-0.8%	-9.1%
Est. Young Chicken Slaughter - Current Week (000's)	163,523	6.4%	N/A
Actual Slaughter of Young Chickens (000's)	162,123	15.7%	-0.7%
YTD Actual Slaughter of Young Chickens (000's)	162,123	N/A	-0.7%
Actual RTC Pounds of Young Chickens (000's)	799,655	17.3%	1.2%
YTD RTC Pounds of Young Chickens (000's)	799,655	N/A	1.2%

Turkeys

Nat'l FOB Frozen 8-16 lb. Hens, Wtd Avg Prices, cents/lb	171.50	0.0%	34.5%
Actual Slaughter of Turkeys (000's)	3,138	35.0%	-8.4%
YTD Actual Slaughter of Turkeys (000's)	3,138	N/A	-8.4%
Actual RTC Pounds of Turkeys (000's)	80,319	34.1%	-13.7%
YTD RTC Pounds of Turkeys (000's)	80,319	N/A	-13.7%

Eggs

Combined Regional Large Eggs (cents/dozen)	470.34	-10.5%	242.2%
National Shell Egg Inventory (30 doz. Cases/000,s)	1260.0	0.8%	N/A
Shell Egg Demand Indicator (SEDI)	7.50	-0.29	14.80
Central States Breaking Stock Av. Price (cents/dozen)	214.00	-19.1%	189.2%
National Breaking Stock Inventory (30 doz. Cases/000's)	321.3	-4.6%	N/A
Eggs Broken Under Federal Inspection (30 doz cases)	1,339,790	4.5%	-15.4%
YTD Eggs Broken Under Federal Inspection (30 doz cases)	1,339,790	N/A	-15.4%



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



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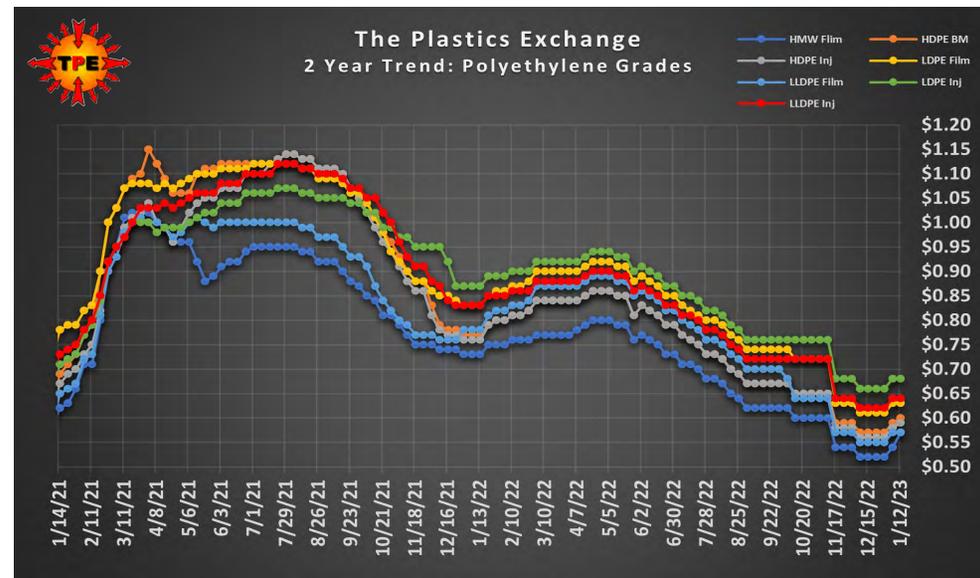
Market Update — January 13th, 2023

The spot resin markets were a bit slower than expected this past week, as demand did not follow through from the aggressive start to 2023. Still, spot resin prices moved another \$.01-.03/lb higher as spot monomer continued to rally. Polypropylene was still busy, but there was a lack of buyer enthusiasm for Polyethylene which had sapped some of the burgeoning upward pricing momentum. While there was a steady flow of buyer inquiries, some deals that seemed likely simply did not find completion. The flow of resin offers also was light, prime domestic railcars mostly remained absent from the spot market, though several groups of offgrade PE and PP were made available late in the week at higher prices. The significantly reduced resin production rates, which has been in place since September, has brought about a very noticeable lack of supply. This issue would be even more apparent if demand was not lackluster.

Aside from the more energetic Polypropylene buying, another bright spot was in the export market, which saw substantial buying interest coming from China as their borders re-opened, welcoming tourists and business again. Latin American demand for US resin has also increased due to minimal offers, and at higher prices, from Asian suppliers, supported by rising Asian feedstock costs and local demand. Exports were also aided by the falling value of the US Dollar. Much of the startup and transitional resin coming from Gulf area reactors that were impacted by Winter Storm Elliott in late Dec found happy homes offshore to the delight of producers, keeping the material off of the domestic spot market. Increased export demand at rising prices has raised the floor for good offgrade and prime resin in Houston too, providing suppliers with options other than low-ball domestic bids, encouraging seller's more passive stance which first became notable about 6 weeks ago. We expect to see a lull in demand from Asia the next couple of weeks, just ahead of and during Chinese New Year.

Spot Polyethylene trading this past week left something to be desired; while exports have turned even hotter, our domestic trading activity was lighter than it might have been considering two Force Majeure declarations, which mostly affect HDPE resins, particularly low-flow blow molding and extrusion grade materials.

Resin for Sale 12,324,146 lbs		Spot Range		TPE Market	
Resin	Total lbs	Low	High	Bid	Ask
PP Homo - Inj	2,161,440	\$ 0.520	\$ 0.660	\$ 0.550	\$ 0.620
PP Copo - Inj	1,616,550	\$ 0.550	\$ 0.720	\$ 0.600	\$ 0.670
LLDPE - Film	1,934,760	\$ 0.470	\$ 0.570	\$ 0.520	\$ 0.570
HDPE - Blow	1,426,932	\$ 0.570	\$ 0.650	\$ 0.550	\$ 0.600
LDPE - Film	1,596,760	\$ 0.530	\$ 0.645	\$ 0.580	\$ 0.630
LLDPE - Inj	1,173,656	\$ 0.600	\$ 0.690	\$ 0.590	\$ 0.640
HDPE - Inj	1,278,668	\$ 0.500	\$ 0.580	\$ 0.540	\$ 0.590
HMWPE - Film	724,920	\$ 0.510	\$ 0.555	\$ 0.520	\$ 0.570
LDPE - Inj	410,460	\$ 0.590	\$ 0.700	\$ 0.630	\$ 0.680



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MARKET UPDATE

Michael Greenberg
312.202.0002



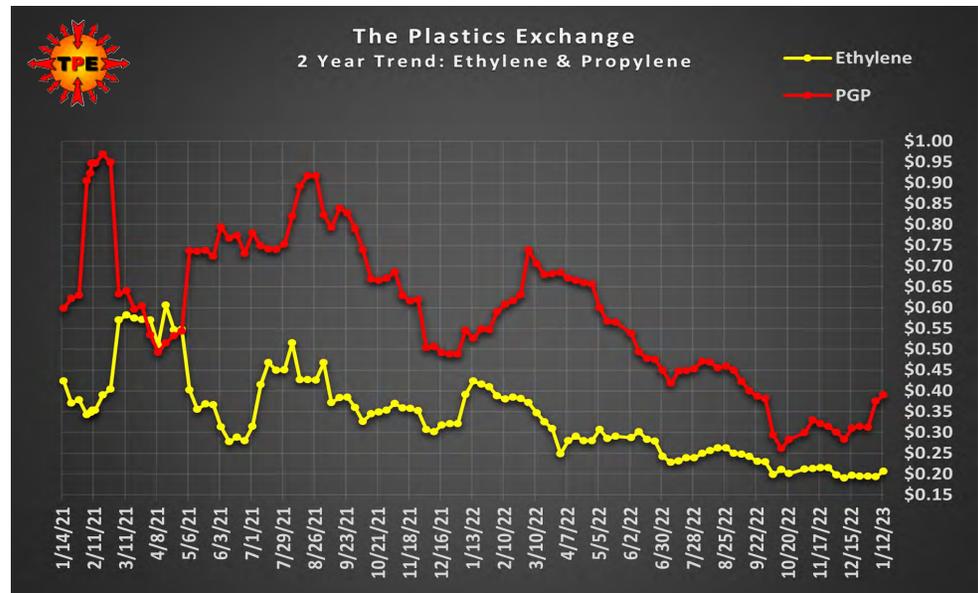
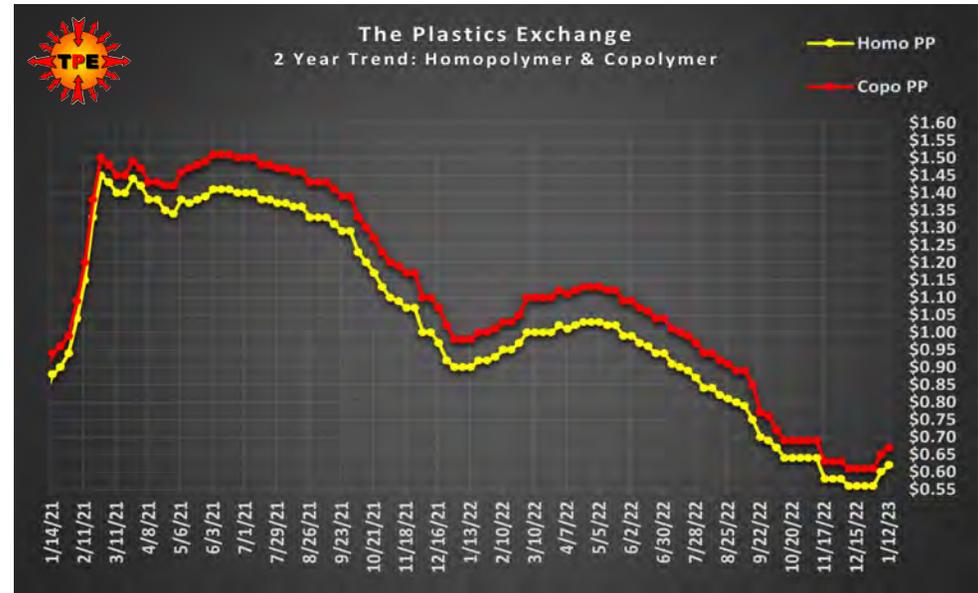
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Market Update — January 13th, 2023

So at a minimum spot Polyethylene prices held their recent gains, while HDPE prices jumped as much as \$.03/lb this past week. Some market participants were still returning from holidays, which could excuse some lax demand, and it was late in the week before offgrade PE railcars offers began to flow in more volume which were priced \$.02-.03/lb higher compared to several weeks ago. With another month of reduced resin reactor rates under producers' belts and another huge corresponding inventory drawdown in Dec, solid export demand providing producers with incremental options for spot supply, and as much as an \$.08/lb price increase nominated for Jan, it's really no surprise that prime railcars remained mostly elusive in the spot market. Limited volumes of domestic Prime PE cars were made available from distributors forecasts, but firmly priced up the Jan increase, at least for now.

While all Polyethylene data has yet to be released by the American Chemistry Council, and we encourage those that desire actual figures to subscribe directly with the ACC, the preliminary Dec data currently available shows another month of significantly reduced Polyethylene production, massive exports which could prove to be a new record and another huge drawdown in producer inventories. For HDPE, production was the lightest in 15 months, exports were the highest since May 2020, and while domestic buyers procured their least amount since May 2020, it still generated the largest inventory drawdown since the Houston freeze of Feb 2021, which at the time sent HDPE prices soaring to all-time highs. After 5 months of sharp inventory drawdowns, Jan 2023 began with producers' collective inventories at the lowest level since May 2021, just as producers were rebuilding post-freeze inventories. Although HDPE supply / demand dynamics are now categorically tight, we do not expect similar runaway pricing to ensue as there is plenty of capacity that can return online by producers. However, it does seem that after 3 months of domestic HDPE sales running an average of 10% below the previous 12-month average, downstream inventories at the processor level are quite low, the supply/demand dynamic has turned outright bullish and the tipping point has been reached, at least for HDPE, so after a very long down leg of the pricing cycle, pricing power is likely returning back into the hands of producers.



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MARKET UPDATE

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Market Update — January 13th, 2023

The spot Polypropylene market saw good activity, but not stellar considering significantly production including 2 outstanding Force Majeure declarations, shrinking spot supplies and rapidly rising monomer costs. According to preliminary data released by the ACC, and again please subscribe to the ACC directly for actual figures, Polypropylene production remained curtailed through the end of 2022; reactors only ran around two-thirds of capacity in Dec, and it was the 4th consecutive month running below three-quarters capacity. However, domestic PP sales continued to lag in December, it was the lowest since Feb 2014, and sales these past 4 months averaged more than 10% below the previous 12-month average. Rarely have we ever seen such poor domestic sales extend for 4 straight months. Some of the slack demand can be attributed to slow throughput due to poor consumer demand, though much of reduced purchases were also due to processors efforts to drawdown both their finished goods and on-hand resin inventories. Export sales remained strong throughout 4Q, they tallied roughly twice the trailing 12-month average and averaged around 5% of total PP sales, all told, producers' collective Polypropylene inventories were reduced by more than 20% during 4Q, but technically still remain ample compared to domestic demand.

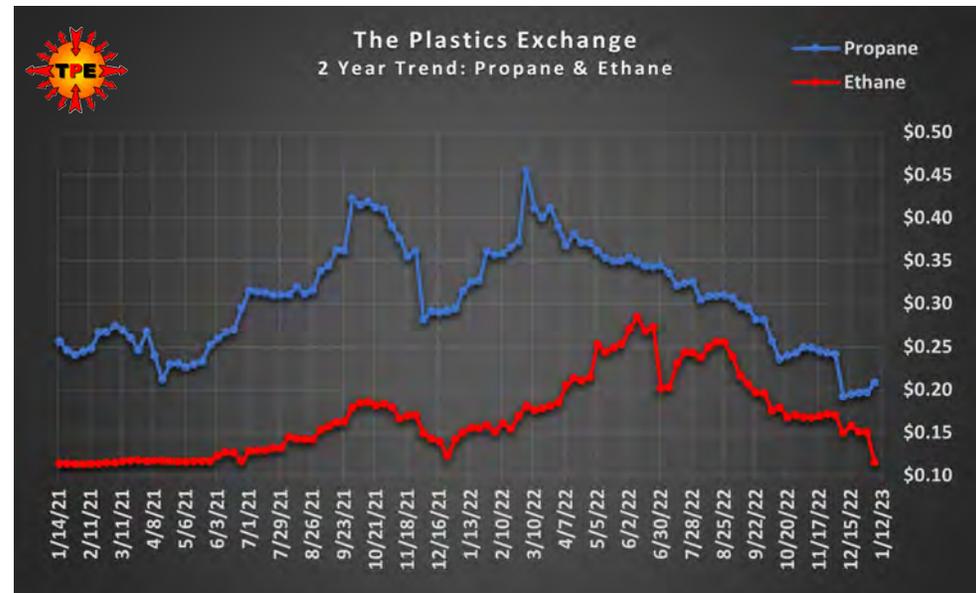
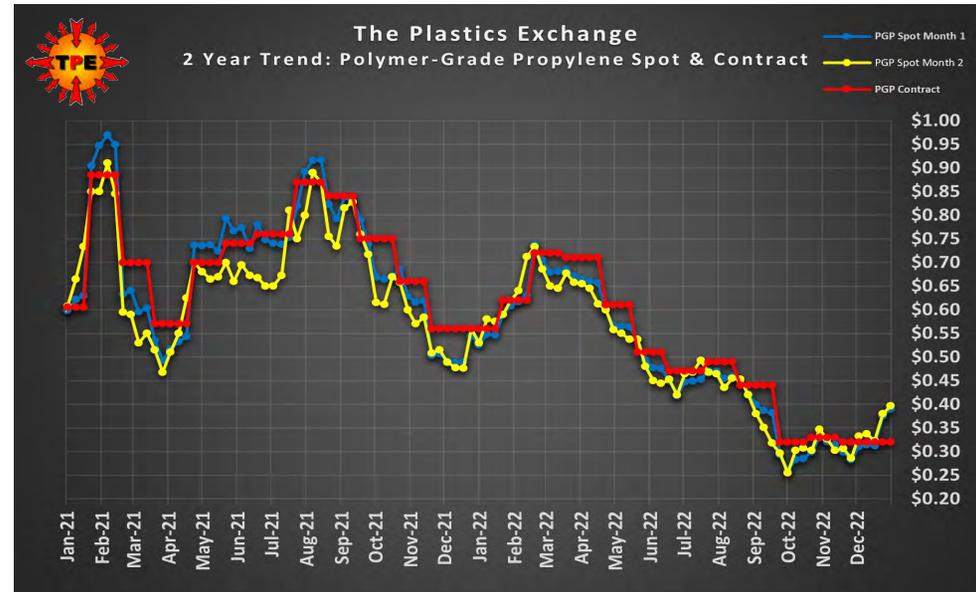
As we entered 2023, it seemed that domestic processors might have been caught short due to lack of purchases and would need to return to the market to replenish their resin stocks. However, as the calendar turned to Jan, spot PGP costs took off to the upside, finishing this past week at \$.395/lb, which point to an imminently sharp contract increase in the vicinity of \$.10/lb. With PGP prices rapidly rising and no telling whether they would accelerate further in Jan, contract buyers face a quandary, there is a need to buy, but midway through the month, their ultimate Jan contract price was really unknown and the currently projected cost-push dime alone was already a tough pill to swallow. The forward PGP curve shows that supplies related to PDH production disruptions would last though Feb and into Mar, and delays are always possible. Some PP buyers will try to wait out this run-up in price, in hopes that it will subside before their silos are empty, while some savvy buyers have already rushed to the spot market to scoop up the well-priced resin that remains.

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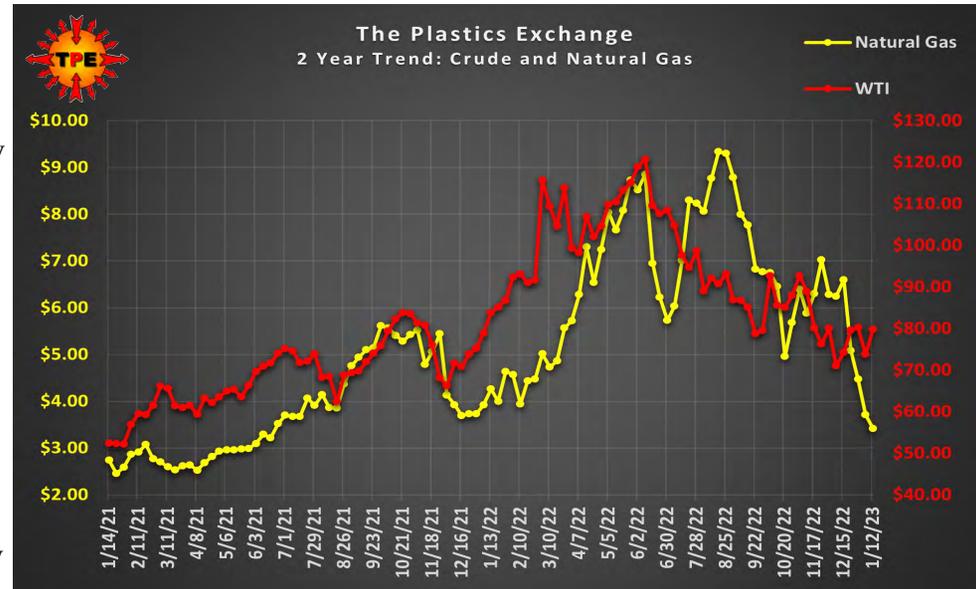


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Market Update — January 13th, 2023

While spot PP sales have indeed improved, there is still relatively sharp priced resin available as suppliers eager for orders have been willing to deal, though their cheaper costs supplies have been dwindling and replacement costs have clearly been rising. If the pending Jan cost-push price increase were only a few cents, the pain would be easier to accept, and we would expect a huge month for contract orders, but a dime could be too much too fast, so ultimate contract demand might remain off stride again in Jan, and domestic demand would pent up further. In addition to the pending cost-push price increase, PP producers have nominated a \$.03/lb margin expansion which could offset or negate the \$.03/lb margin decrease buyers sought in Dec. It all gets a little murky amid a non-market price adjustment some major indices are currently putting forth. It is still very early in the new year, but 2023 is already starting out quite interesting. As the Jan PP price increase, which is currently gravitating towards a dime, becomes more real, we expect a surge of spot Polypropylene demand. Give us a call, click or send an email as our trading desk is waiting to serve you with prime and good offgrade truckloads and railcars at a known and confirmed price.



Activity in the monomer markets was robust, volume was heavy and prices moved higher. Ethylene took the leadership role this week over its sister monomer PGP. Strength was seen Monday afternoon when Jan Ethylene exchanged hands at \$.205/lb, a penny higher than its previous settlement. On Tuesday morning two more deals were struck for Jan Ethylene at \$.205/lb, the market then ticked higher again and Jan ownership swapped hands three times at \$.21/lb, a deal for Feb delivery was also noted at \$.205/lb. Over in Louisiana, Jan Ethylene deals were finalized twice at \$.185/lb and then twice more at \$.19/lb, before returning to \$.185/lb again on Wednesday. A deal swapping delivery locations between TX and LA for Jan Ethylene was also seen Wednesday with a \$.025/lb premium attached to TX material. Participants then focused mainly on deliveries in TX, Jan Ethylene was again inked twice around \$.21/lb, a deal for Feb Ethylene was completed at \$.2075/lb and a transaction for 2Q deliveries was finalized at \$.20/lb. Friday brought several more deals, 2Q Ethylene deliveries were solidified twice at \$.1975/lb, Jan was bartered at \$.2125/lb, and a deal flipping Jan/Feb delivery timeframes was brokered with a half-cent premium attached to Jan. Spot Jan Ethylene moved up nearly \$.0175/lb during the week to finish at \$.21125/lb, a gain of more than 8%. Deferred contract months saw initial strength but the rally faltered by week's end, and the forward curve dipped into a backwardation as prices for Jun '23 and beyond were left hovering around \$.195/lb.

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After more than a nickel gain to begin the year, Polymer Grade Propylene started this week with more offers than bids. By Tuesday afternoon, traders were able to match up on prices, spot Jan PGP exchanged hands at \$.3775/lb, up a quarter-cent; a deal for 4Q deliveries was noted at \$.37/lb. Activity ramped up on Wednesday, March PGP was executed at \$.37/lb, Jan PGP was finalized several times at \$.385/lb, while 4Q PGP transacted twice at \$.37/lb. Jan PGP jumped again on Friday morning and it traded at \$.3975/lb, lifting this month's weighted average to \$.39/lb, up \$.015/lb for the week. Feb PGP was also done at \$.395/lb. The weekly gains seen in both Jan and Feb outpaced the forwards and helped to flip the curve into a backwardation though June, as the deferred months through Dec lost nearly a cent. The continual recent price increases seen in PGP may be partially explained by the unplanned PDH unit shutdowns that took place in late 2022 by both Flint Hills in Houston, TX and Enterprise in Mont Belvieu, TX which produce 658,000 MT/year and 750,000 MT/year of Propylene respectively. Both are expected to remain inoperable for around the next 30 days. Though sufficient time remains for prices to be influenced, current spot levels indicate a significant rise for upcoming Jan PGP contracts, now approaching \$.10/lb.

The Energy complex was mixed during the week as WTI and Brent Crude Oil shrugged off a surprise build of 19 million bbls and rebounded amid a weakening dollar and growing demand out of China, while warmer weather drove Nat Gas lower. Feb WTI dropped to a low of \$73.47/bbl on Monday and rose \$6.64/bbl over the week to a high of \$80.11/bbl by Friday. At the final bell, Feb WTI had dropped a bit under \$80/bbl to close at \$79.86/bbl for a weekly net gain of \$6.09/bbl (+8.3%). Mar Brent futures followed the same path and set a low of \$78.34/bbl on Monday, before driving back up \$7.15/bbl to a high of \$85.49/bbl on Friday. Mar Brent finished the week at \$85.28/bbl, up \$6.71/bbl (+8.5%). Feb Nat Gas took the opposite approach and set a high of \$4.128/mmBtu on Monday before giving back \$.774/mmBtu to hit a low of \$3.384/mmBtu by Friday. Feb Nat Gas closed out the week at \$3.429/mmBtu for a net loss of nearly \$.30/mmBtu (-7.8%). NGLs were mixed for the second week of the year with Ethane extending its decline, losing nearly \$.015/lb to \$.259/gal (\$.109/lb), while Propane continued to climb, adding another \$.064/lb to \$.797/gal (\$.225/lb).

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

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01/20/2023

Dairy Market

BLOCK: Down .0950 @ \$ 1.8350 1 Sales
 BARRELS: Down .0550 @ \$ 1.5800 5 Sales
 BUTTER: Unchanged @ \$ 2.3225 0 Sales
 NFDM Grade A: Down .0050 @ \$ 1.1750 5 Sales
 CME Dry Whey Down .0050 @ \$.3250 2 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>
01/17/2023	2.0275	Up .0275	0	1.7175	Up .0100	4	0.3100
01/18/2023	2.0350	Up .0075	1	1.7000	Down .0175	1	0.3350
01/19/2023	1.9300	Down .1050	3	1.6350	Down .0650	2	0.2950
01/20/2023	1.8350	Down .0950	1	1.5800	Down .0550	5	0.2550
Average Market:	1.9569		5	1.6581		12	

<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>
01/17/2023	2.4175	Down .0075	0	1.2425	Down .0125	3
01/18/2023	2.3700	Down .0475	1	1.2100	Down .0325	7
01/19/2023	2.3225	Down .0475	0	1.1800	Down .0300	5
01/20/2023	2.3225	Unchanged	0	1.1750	Down .0050	5
Average Market:	2.3581		1	1.2019		20

<u>Date</u>	<u>Dry Whey</u>	<u>Dry Whey Change</u>	<u>Dry Whey Sales</u>
01/17/2023	0.3350	Up .0025	10
01/18/2023	0.3300	Down .0050	2
01/19/2023	0.3300	Unchanged	2
01/20/2023	0.3250	Down .0050	2
Average Market:	0.3300		16

--Year Ago--

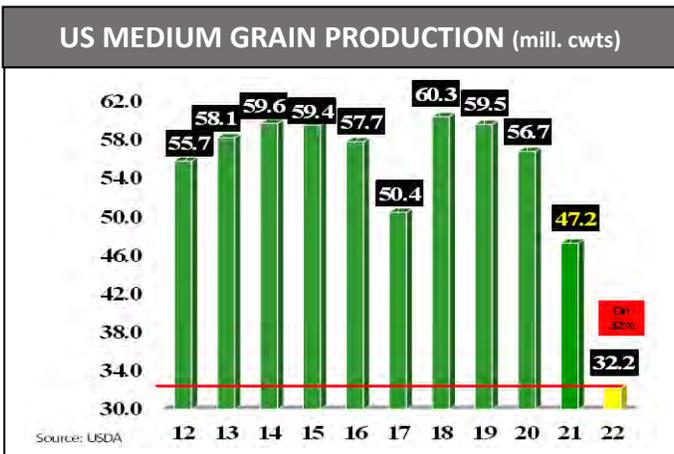
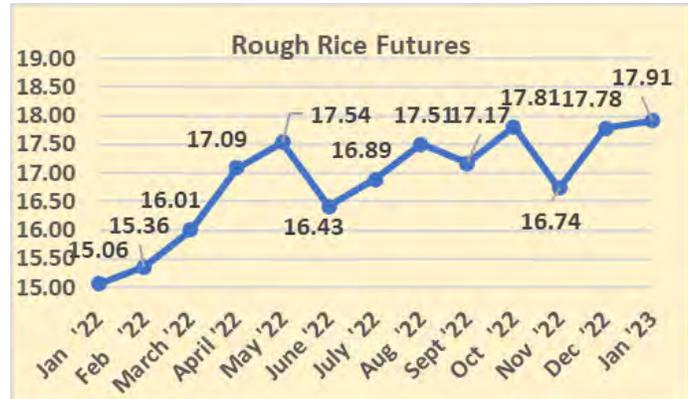
<u>Date</u>	<u>Blocks</u>	<u>Barrels</u>	<u>Butter</u>	<u>NFDM Grade A</u>	<u>Dry Whey</u>
01/18/2022	1.8800	1.9550	2.7800	1.8500	0.7800
01/19/2022	1.8450	1.9050	2.8825	1.8500	0.7800
01/20/2022	1.8450	1.8175	2.9000	1.8100	0.8000
01/21/2022	1.8075	1.8125	2.9350	1.8150	0.8000

To: Producers Rice Mill Customers
From: Gary Reifeiss, Producers Rice Mill, Inc
Re: Rice Market Update: January 2023

General: This time of year, traditionally slows as many domestic customers prepare for year-end inventory. In the summary section of last month's report, we mentioned the US rice industry was hopeful for another long grain milled rice order from Iraq. Iraq did place an 80,000 metric ton order this month. This brings needed volume for many mills for first quarter 2023. This order not only adds to this year's export numbers, but also adds pressure to the CBOT futures prices along with this month's adjusted USDA supply/demand numbers reported below. Additionally, January is a month USDA reports remaining "Rice Stocks," which is a snapshot of the unsold rice remaining in inventories through-out the rice industry. Rough rice makes up 95% of the total inventory. This year's remaining rough rice inventory, which must last until new crop, is 17% less than last year's. Last year's crop size was 15% down from the year before.

Long grain statistics: In summary, changes in January's USDA supply/usage report from the December report projected a still smaller US rice crop size, increased domestic rice sales, and reduced rice exports. The relevant net effect of all of this is a whopping 20% reduction of carryover long grain inventories needed to transition into next year's crop. As rice prices are impacted by supply/demand factors and the January report reduced the long grain supply, USDA simultaneously raised the expected average rough rice return to the farmer.

Medium grain statistics: As a reminder, California grows almost all medium grain rice and accounts for most of the nation's medium grain production. Current California bulk and milled medium grain rice inventories are 75% of the total nation's inventory of medium grain. Recall from past reports, due to the severe droughts in past years, the California medium grain rice crop is down over 30% from last year. This, in turn, impacts all medium grain prices. To put this



in perspective, this year's medium grain crop is only 65% of the average size crop from the past 10 years. Medium grain prices from California have almost doubled this year pulling southern medium grain up with them. If any good can come from the horrendous rainstorms plaguing California, it is reservoirs and lakes are filling, and more water should be available for this year's planting.

Summary. The scale of this year's long and medium grain crops continue to impact pricing. The new white rice orders from Iraq are welcomed sales for the first quarter of this year and will keep the industry busy while continuing to support long grain prices. Domestic demand is strong, particularly for parboiled white and brown rice.



REMA FOODS

Market Update- January 18th 2023



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

Seafood

Tuna



Skipjack

Skipjack tuna prices have been trending upward since Q4 2022. Pricing for whole round skipjack in Bangkok is currently at USD1700 to 1750/MT, an 8-10% increase from where it was in October following the end of the FAD ban period. Poor fish catches in both the Western Pacific and Indian Oceans are reportedly to blame for the sudden increase in fish price. It is expected that fish prices will remain steady at current levels.

Yellowfin

Yellowfin tuna caught in the Western Pacific Ocean is also trending upwards following the rise of skipjack. The catch ratio for yellowfin vs. skipjack has been below 5% for the last several months. With steady demand coming from the Japanese and European markets, yellowfin prices are expected to remain firm in the coming weeks.

Tongol

Tongol supply from Thailand remains stable, while other supplying countries such as Vietnam and Indonesia are still struggling with fish supply as of the start of Q4 of this year.

Albacore

Albacore tuna has been relatively steady lately, trading at USD 3400-3600/MT. Post-holiday season, it is anticipated that white tuna prices will remain steady.

Anchovies



Anchovy catch reports from main supplying countries Peru, Morocco and Spain have remained poor all year long. The La Niña atmospheric phenomenon that affects the temperature of the main fishing areas in the South Pacific is to blame for the poor fish catches this year.

Peru, which accounts for 40% of total production has recently reported a 75% drop in fish catch from last year's 6.000 tons down to 1.500 tons. It has been reported that three of the main packing facilities for anchovies in Peru have been forced to shut down citing lack of raw material to process. Political turmoil in Peru is additional stress.

Morocco with 30% of world production, has reported a 65% drop in catches from last year's 6.000 tons down to 2.100 tons. Other sources, such as Spain, are reporting similar poor catch levels.

Poor fish catch combined with higher cost of energy and edible oils for packing anchovies -- have pushed prices up by 40% over the prior two quarters.

Fruits and Vegetables

Mandarins



In China, the season started in early November and runs through the end of December. Early deliveries were reported to be slower than usual, prompting some factories to temporarily stop operations.

China suffered very hot weather for more than 67 days straight this past summer, the worst drought since 1961, with temperatures exceeding 104 degrees F, which has led to severe water depletion in the Yangzi River. All the growing mandarin regions were affected with Hubei which accounts for 35% being the worst. Continuous high temperatures caused the mandarin oranges to burn or be very small in size and not suitable for canning. This year's mandarin raw material yield has been reduced 30%.

Raw material cost is this year from RMB 2.00-2.40/kg last season to RMB 4.00/kg currently. Aside from higher raw material costs, labor costs have increased as China continues to deal with opening its COVID-19 policy. As a result, finished product costs are expected to be 15% - 20% higher this year. Much, if not all, of this increase has been negated by reduced ocean freight rates from China this season.

In Spain, the season started in mid-November, a few days later than

usual. Supply was initially forecasted to be about 10% lower; however, the recent unfavorable weather caused supply to drop by 10-20%. Raw material costs are higher than last year due to increased transportation, tin plate (up by 47% y/y), sugar (up by 90% y/y), and energy costs (up by 100% y/y). With these increased costs and last year's poor crop with no carry-over inventory, prices are expected to be 20% higher than last year.

Pineapple



Winter crop in Thailand started at the end of October, it was forecasted to be a normal crop with the expectation that the total harvest will reach about 1.3 million tons for the year. However, supply seems to have dwindled in recent weeks forcing raw material costs up to 8.0 THB/kg. The revised forecast is now 1.1 million tons for the year, about 8% lower than a normal crop.

Indonesian and Philippines pineapple regions are experiencing good weather with plenty of rain. Supply is sufficient. However, with Thailand being the leading producer, world pricing is following Thailand's lead. Products costs are expected to remain steady at current levels but lower ocean freights may translate to lower landed costs compared to 2022.

Peaches



The Chinese peach season finished in August. Raw material costs reached more than 50% higher than the previous year. There was also a strong demand from their domestic market. This pushed finished product pricing to about 15% higher than last year. Ocean freight savings are negating much of this increase.

Peach season out of Greece has likewise finished. The crop was reported to be 30% short with very high costs. Greek packers focused on retail-size cans for the European market. Prices were about 35% higher than the Chinese as packers were faced with tinplate and energy cost increases.

The upcoming South African crop is starting now, and early crop indications are good. There was favorable weather during the critical stage of the crop. However, South African suppliers are struggling with increasing energy, fertilizer, and labor costs. In Spain, packers reported a crop failure as fruits were damaged by heavy rains and hailstorms in May.

Grapefruit



The season in Turkey started in December and initial reports show white grapefruit 30% short compared to a normal year while red grapefruit is expected to be normal. Packers are citing that the increased costs of energy, labor, and general inflation will result in the product costing about 15% higher than last year. In Swaziland, the grapefruit crop starts at the end of May. Currently, it is too early to make predictions.

Kernel and Baby Corn



Traditionally, corn season in Thailand runs all year round, with the North having a low season from November to February. However, this year's season has been complicated by flooding and heavy rains causing damage to both baby corn and kernel corn crops in a wide planting area. Some factories temporarily stopped production of baby corn and kernel corn due to insufficient availability of raw material. The supply situation is not expected to improve until end February 2023.

Mediterranean Products

Olives



In Spain, the harvest has been completed. The lack of rain has adversely affected the crop resulting in a 25% shortfall vs normal and 36% lower than last year. The hojiblanca variety, which is used primarily for black olive and olive oil production, has the largest shortfall of 29% versus the average crop and 41% less than last year. There was a significant percentage of unripe olives at the end of the harvest season, especially on trees with low moisture levels. These unripe olives were not collected for table olives because they were waiting for rainfall to increase their size, which never happened. Instead, they were used to make olive oil.

The queen variety supply is down by 23% vs an average crop and down 29% vs last year. Queen olives are normally harvested first; therefore, fruits were saved from further withering due to the lack of rain. The quality is reported to be good but there is a high percentage of small non-commercial calibers.

Manzanilla, the least affected variety, has experienced a 10% decrease vs. an average crop and 11% vs. last year. The Manzanilla variety has been fully harvested and focused on irrigated plots with enough water and non-

irrigated plots that received some rainfall during the harvest season. Lower quality olives, such as those that have been burned by the heat, are being used for olive oil instead of table olives. As a result, the production of Manzanilla olives is lower this year, at 158,000 tons, which is 9.1% less than the average harvest.

Aside from smaller crops, packers are also faced with rising costs of glass jars and empty tins. Pricing is about 25% higher than last year.

In Morocco, most of the olive production is made up of the Beldi variety. Even though the total area of olive farms in Morocco continues to grow, the current crop olive production has been much lower than last year, at less than 1 million tons, due to bad weather conditions during the flowering season. This resulted in lower yields and smaller olives. There will be almost no carryover table olives or olive oil for next season because stocks are so low.

In Egypt, the harvest took place from August to mid-November. The main varieties grown are Manzanilla, Azizi, Pekwel, and Kalamata. After last year's crop failure, this year's crops is much better but still about 50% lower than the average crop.

In Greece, the Halkidiki olive production is expected to be higher (at least 50%) than last year, but due to a lack of labor, the harvest will take 4-5 weeks instead of 2-3 weeks. Additionally, it is expected that 20% of the collected fruits will not be used for table olives but will be used to make olive oil instead. Kalamata olive harvest began in early November and is also expected to have a larger production than last year, by 25%.

In Argentina, the harvest season is expected to begin in February and favorable weather conditions during the flowering season suggest a good harvest. In California, the crop is reported to be much smaller than last year's, with an estimate of 20,000 tons. This is far less than the normal crop size of 120,000 tons. The decrease is due to an early freeze that damaged the developing buds on olive trees. The significantly lower table olive crop has

pushed prices higher than last year. California olive growers have faced several challenges over the past two decades, including the olive fruit fly, lack of labor for harvesting, and competition from imports. More recently, they have also faced issues with water availability and labor costs. As a result, many have switched to growing other more profitable crops, leading to a decrease in table olive acreage.

Mushrooms



Production costs for mushroom growing continue to rise with energy and fertilizer costs being the main inputs. As such, 2023 costs are expected to increase by 15-20% over 2022.

Specifically for retail mushrooms which are currently undergoing an Anti-dumping review, the preliminary anti-dumping duty rates were published in November ranging from 0% to 360%. The final rates are expected to be published in March 2023.

Tomatoes



In Italy, the 2022 processing season ended with 5.5 million tons of processed raw material, a 10% drop compared to the record results of 2021. The record drought situation has affected the overall output. Additionally, higher input costs, including gas/energy, water, and labor have pushed prices costs materially. This year's pricing is up substantially compared to last year, but it is hoped that better ocean freight availability later in the year will help offset some of the increase.

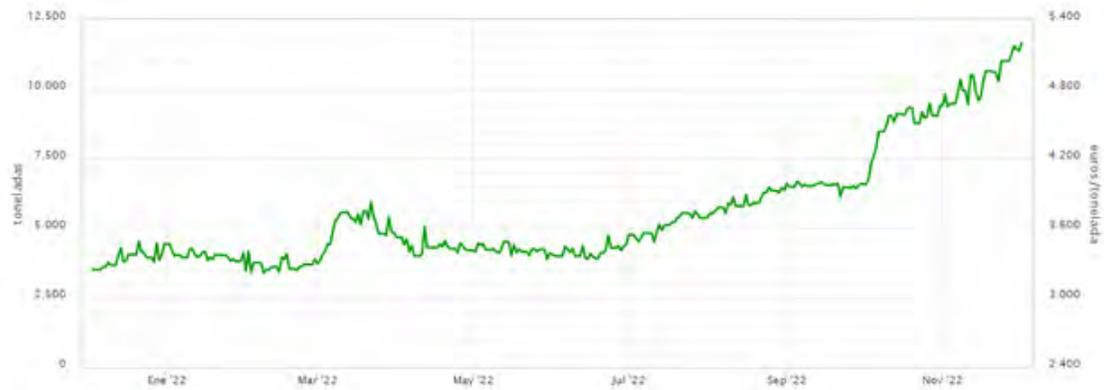
Specialty and Oils

Olive Oil

Hot and dry weather across Europe has impacted the 2022/2023 harvest. Current estimates out of Spain indicate their volumes will be 770,000 tons, resulting in 50% less oil coming from Spain, the world's biggest producer. Costs saw a big jump after the latest figures were released and are now at higher levels than in March when the Russia/Ukraine conflict began.

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Soybean Oil

Soybean oil costs had been firming since early 4th quarter with prices approaching those in March when the war caused concerns of a global edible oil shortage.

Market seems to have been impacted by renewed questions about global sunflower oil supply after Russia pulled out and later rejoined the United Nation's brokered grain export agreement. There has been some softening as of late due to possibly lower than expected biofuel requirements.



Palm/Coconut Oil

Coconut oil costs had been declining in tandem with palm oil. After hitting highs for the year in March, palm oil costs have begun to firm amongst global supply concerns of edible oil. Coconut oil costs are expected to follow suit which potentially could impact prices for all coconut products. There could be some softening however due to the recent decline of soy oil pricing.

Balsamic Vinegar

Supply and quality of grape must, a key ingredient in balsamic vinegar production, is good this year. Better raw material availability is generally offsetting rising costs of energy and packaging, especially glass, resulting in a relatively stable market.

Mustard



After last season's crop failure, mustard seed supply has been improving and the situation is expected to be much better for 2023. Canada's Agriculture and Agri-Food (AAFC) October outlook report projects supply to increase by 46% over the current year mainly due to an increase in the seeded area. The increased supply, while extremely helpful, won't be enough to fully normalize the extreme supply/demand imbalance in the market from last season. While availability will improve markedly this season, pricing is running about 15% higher than last year.

Rice



Basmati

Total rice production in India for the 2022-23 crop is down about 6% y/y to 122 million tons. The harvest of the popular 1121 variety is complete; the total yield is down 22% vs last year. The decline in yield was mainly due to excessive rain in some Northern parts of India, causing crop damage. Lack of carry-over stock and pent-up demand resulting in higher new crop opening levels. Pakistan's crop was also severely damaged by flooding; up to 15% of their rice crop has been lost. This loss is expected to add pressure to the global rice market.

Jasmine

US imports of jasmine rice have increased 50% compared to the previous year, now accounting for almost half of all rice imports. Thailand's harvested area has grown 150,000 hectares, with a 2% increase in yield, producing 20 million tons. In 2022, the cost of raw jasmine rice was \$663 per metric ton and Hom Mali rice cost over \$870 per metric ton. However, raw material costs have risen 4-8% in early 2023, but are not expected to affect landed costs as lower freight rates will negate these increases.

Arborio

Italy has been facing one of the worst droughts of the last 70 years, grossly affecting the irrigation of rice, which requires a great deal of water. New arborio planting acreage is 10% less than last year; a loss of 140,000 tons of rice. Approximately 25% of rice farmers in Italy have switched to growing soybeans for a higher return while requiring less water. The arborio crop yields for the 2022-23 harvest are down 30% vs last year. The raw material cost of arborio rice is up over +100% at € 2,545/ton now compared to € 1227/ton last season.

Durum Wheat/Pasta



Dry conditions pushed durum wheat production in the EU down by 9% to 2 million tons. Costs for Italian durum wheat however have not increased due to the good crop in Canada which has pushed down world pricing. Italian costs are at € 765/ton, down from € 805/ton in early 2022; however, still up over 80% from the cost in mid-2021 of € 426/MT. Turkey is experiencing a similar crop to last season.



Currency



After experiencing great strength last year vs other currencies, the US dollar has retreated recently. USD is trading at 1.08 vs the euro after having briefly reached parity last year. Meanwhile, the Japanese yen has weakened by about 20% against the USD year, while the Chinese RMB has weakened by around 10%.

Freight



The volume of imported container cargo at major US ports has declined, especially in the Asia/US trade lane, pushing spot freight rates from Asia to pre-Covid levels. Ocean freight from other regions such as Europe and South America has been slower to ease.

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