

MarketNews

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Dairy Market Link



Produce Weekly
Link

Market Report -
Eggs



Flour Facts



Produce Market
Update



Oil Market Watch



USDA Weekly Livestock,
Poultry & Grain Market
Highlights



Market updates
from The Plastics
Exchange



Daily Market
Summary



Market Report

Egg Markets

Week of April 4, 2022

TONE: Retail demand improved for some. Extra large & large fully adequate. Market attempting to test.

TONE: Retail demand good. Supplies short. Market firm.

The regional egg markets are as follows:

	Northeast	Midwest	Central	Southeast
Lg	\$3.04	\$3.01	\$3.16	\$3.15
Md	\$2.57	\$2.52	\$2.61	\$2.59

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

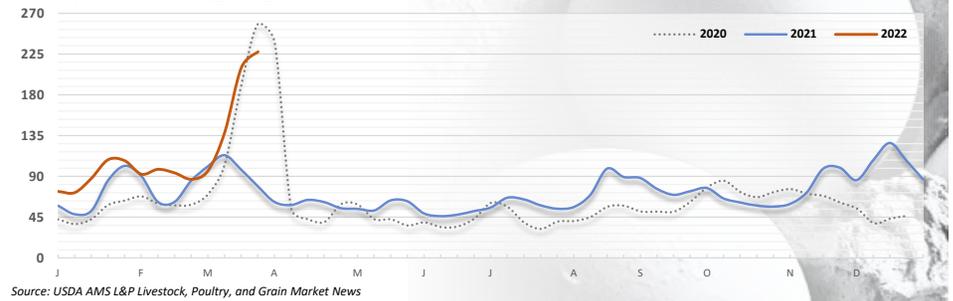
April 01, 2022

Wholesale prices for cartoned shell eggs continue rise this week but the pace has slowed. Offerings are light while supplies are moderate for needs. Interest is moderate to fairly good and trading is mostly moderate. Wholesale prices for graded loose eggs continued to rise this week but the rate has slowed considerably. Offerings remain tight and supplies are balanced. Interest is moderate to good and trading is slowing. Concerns over potential supply disruptions stemming from recent outbreaks of highly pathogenic avian influenza in commercial flocks is keen on marketer's minds as the Easter marketing season has arrived. The volume of trailer load sales this week decreased 15% into next week as the market is already looking past Easter. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs rose \$0.17 to \$2.271 per dozen with a steady undertone. The wholesale price on the New York market for Large cartoned shell eggs delivered to retailers rose \$0.23 to \$3.00 per dozen with a fully steady undertone. The Midwest wholesale price for Large, white, shell eggs delivered to warehouses increased \$0.93 to \$2.47 per dozen with a firm to higher undertone. Prices paid to producers in the Midwest for Large cartoned shell eggs rose \$0.38 to \$2.66 per dozen with a firm undertone. The California benchmark for Large shell eggs increased \$0.93 to \$3.32 per dozen with a higher undertone. Delivered prices on the California-compliant wholesale loose egg market increased \$0.40 to \$3.170 per dozen with a steady undertone.

Consumer demand for shell eggs weakened over the past week as retail promotional activity was very limited and offered little incentive for shoppers to buy beyond immediate needs. Demand among marketers has begun to moderate as the calendar enters the Easter marketing period with most needs in place. Ongoing outbreaks of highly pathogenic avian influenza in layer flocks in the Upper Midwest production region has placed a damper on the marketplace as offerings remain tight on reduced production and sharp price increases have many buyers rethinking their market position. Typically, the Easter marketing period would be reaching its zenith 10-14 days ahead of the holiday as retail promotions gear up to give shoppers time to cover their weekend needs. This year, due to sharply elevated wholesale prices, grocers appear to be shifting their feature focus to cage-free offerings that currently have a competitive price point and better margins.

Promotional activity for conventional shell eggs in retail outlets increases from last week's dismal level and the average ad price declines \$0.05 to \$1.54 per dozen. Retail purchases for delivery into this week were estimated to be down 1% from the prior week. Promotional activity for specialty shell eggs increases with cage-free offerings leading the category. Feature activity for [UEP-defined cage-free](#) shell eggs nearly doubles and accounts for 51% of all shell egg types on feature. The average ad price declines \$0.39 to \$2.47 per dozen. The average ad price spread between 12-packs of Large caged eggs and UEP cage-free eggs narrowed by \$0.27 per dozen to a spread of \$1.00 per dozen. As wholesale prices for caged eggs remain strong, retailers are shifting their attention to promoting cage-free types with a more competitive price point.

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



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

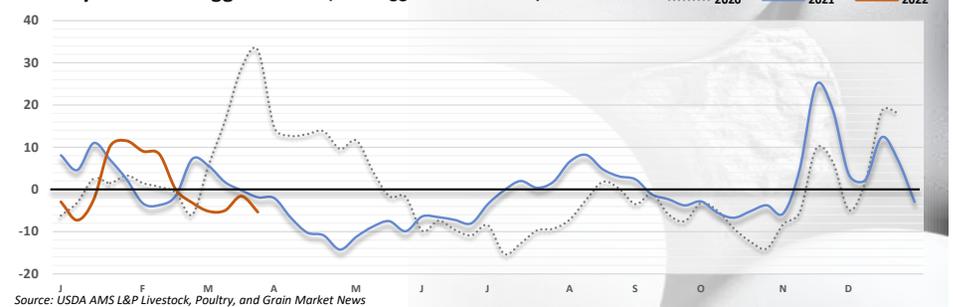
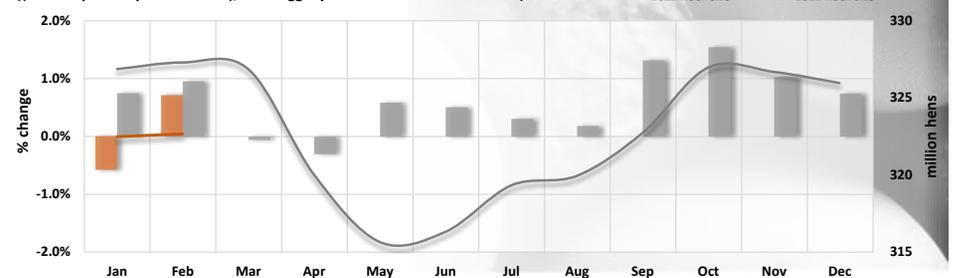


Table Egg Layer Replacement - Net Flock Change
(hens disposed - pullets added)/table egg layer flock at first of the month



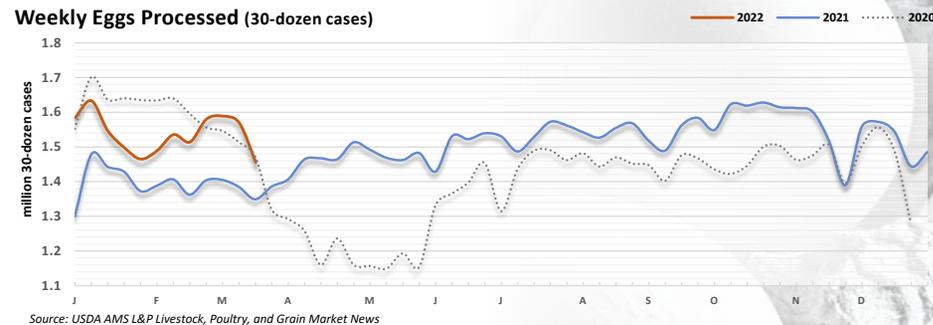
The overall inventory of shell eggs was up about one percent and the nation-wide inventory of Large eggs gained 2%. The inventory of Large eggs in the key Midwest production region increased 3% as marketing needs are filled and retail business slows. The inventory share of Large class shell eggs rose to a 50% share of all shell egg stocks on inventory at the start of the week. Stocks of cage-free eggs increased 3% at the start of the week as supplies staged to support retail promotions. The inventory of nutritionally-enhanced shell eggs rose 3% and supplies of organic eggs rose 2% on increased retail activity. Breaking stock inventories were down slightly as breakers slowed production to minimize exposure to a very strong spot market. Total estimated table egg production gained 1% from last week but was down 3% from last year at an estimated 4.8 million cases under last year's level.

Wholesale prices for breaking stock in the Central States increased \$0.45 to \$2.35 with a firm undertone; the highest level since 2015. Offerings are light while supplies are light to moderate. Demand is moderate to good and trading is moderate to active. Schedules are reduced to full-time. The volume of eggs processed over the past week decreased 7%, representing a 30% share of weekly table egg production. Production of whole egg was up a half percent as was the production of whites. Yolk production was about unchanged. Dried egg production was down 18% and inedible production declined 16%. Breaking yields without inedible improved slightly to 41.36 pounds per case broken,

Wholesale prices for whole certified liquid whole eggs are too few to report with a higher undertone. Offerings are light to short, demand is good, and trading is active. The wholesale price for frozen whole egg products rose sharply, up \$1.17 to \$3.20 per pound and the price for liquid whites increased sharply by \$1.08 to \$2.50 per pound. The undertone is higher. Offerings and supplies are light for good to very good demand and the pace of trading is active. Wholesale prices for dried egg products are up sharply across the board. Prices for whole dried egg rose \$6.70 to \$16.00 per pound, prices for dried yolk gained \$5.00 to \$13.00 per pound, and prices for dried albumen were up \$6.75 to \$20.00 per pound. The undertone is higher. Offerings are light and held with confidence with light to very light supplies and very good demand. Trading is active.

According to NASS, the February monthly volume of frozen eggs in storage increased 7% from January, 5% below the 2021 level. Stocks of whole frozen egg increased 3% from last month and were 12% above year ago levels. The share of whole egg stocks declined 2% to 44% of total frozen stocks. Stocks of frozen yolk declined 7%, 20% over last year's level while stocks of frozen egg whites were down 8%, 11% under last year. Stocks of unclassified eggs gained 19%, 19% below 2021 levels. The share of unclassified frozen stocks grew by 4% to 41%.

Cage-free commitments as of March 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 million hens (68% of the U.S. non-organic flock), indicating a shortage of 130 million hens from the current non-organic cage-free flock of 90.5 million hens. These numbers reflect recent flock losses due to highly pathogenic avian influenza. The average lay rate for non-organic cage-free production is currently estimated at 81.7%.



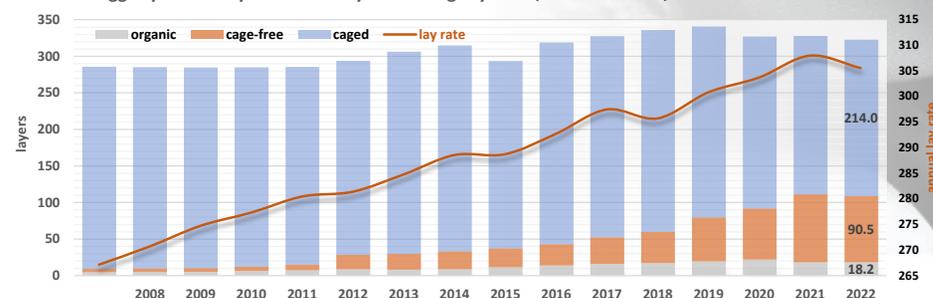
Eggs Processed Week-to-Week Change						
total	share	whole	whites	yolks	dried	inedible
▼ -7.3%	▼ -4.3%	▲ 0.5%	▲ 0.6%	▼ -0.2%	▼ -17.7%	▼ -15.9%

Confirmed Cases of H5N1 Highly Pathogenic Avian Influenza in Commercial Production

No.	State	County	Date Confirmed Positive	Number of Poultry	Type of Commercial Operation
1	DE	New Castle	02/22/22	1,146,937	Table Egg
2	MD	Cecil	03/04/22	496,272	Table Egg
3	DE	New Castle	03/09/22	265,000	Table Egg
4	IA	Taylor	03/11/22	915,925	Table Egg
5	WI	Jefferson	03/14/22	2,757,768	Table Egg
6	IA	Buena Vista	03/19/22	5,347,511	Table Egg
7	SD	Kingsbury	03/23/22	124,000	Table Egg
8	IA	Guthrie	03/28/22	1,460,030	Table Egg
				12,513,443	

Table Egg Flock on March 1 (USDA NASS) 322,622,000
Share lost 3.9%

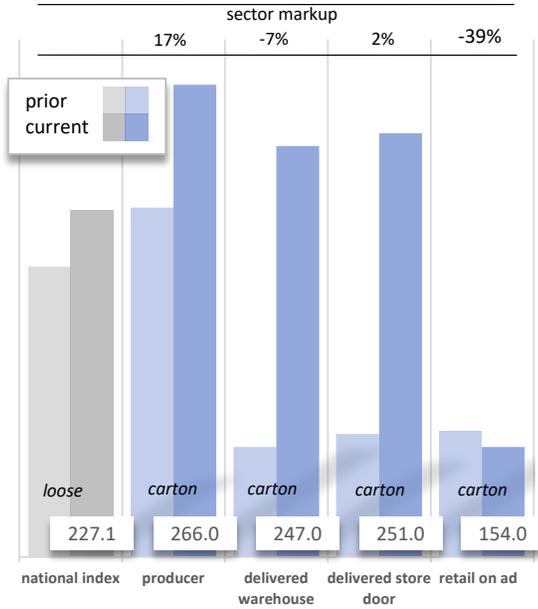
U.S. Table Egg Layer Flock by Production System v. Avg Lay Rate (as of March 2022)



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

Shell Eggs Market Price Comparisons (as of April 01, 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

	1-Apr	% Change	Recent History				
			25-Mar	18-Mar	11-Mar	4-Mar	25-Feb
SHELL EGGS (Large, White, conventional in cents per dozen)							
National, Loose, (f.o.b. dock prices)	227.11	8%	209.89	138.59	96.43	86.88	93.83
New York, Cartonned (price to retailers)	300.00	8%	277.00	189.00	144.00	144.00	152.00
Midwest, Cartonned (price dlvr'd to warehouse)	247.00	60%	154.00	129.00	129.00	137.00	154.00
California, Cartonned, benchmark (cage-free)	332.00	39%	239.00	203.00	194.00	216.00	235.00
National Retail Shell Egg (avg. ad price in dollars per dozen)							
Conventional, Large, White	1.54	-3%	1.59	1.03	1.49	1.52	1.33
Cage-Free, Large, Brown	2.47	-14%	2.86	2.73	2.11	2.22	2.18
EGG PRODUCTS (f.o.b. dock prices; dollars per pound)							
Central States Breaking Stock (dlvd prices per doz)	235.00	24%	190.00	135.00	87.00	90.00	90.00
Whole Frozen Eggs	320.00	58%	203.00	130.00	125.00	122.00	119.00
Whole Dried Eggs	16.00	72%	9.30	4.60	4.50	4.25	4.15
Processed Share of Weekly Egg Production	29.7%	-1.3%	31.1%	31.5%	31.4%	30.1%	30.6%
SHELL EGG DEMAND INDICATOR (no units)							
	-5.3	-3.8	-1.6	-5.0	-5.2	-3.1	0.0

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

Key Shell Egg Markets Snapshot - 2022

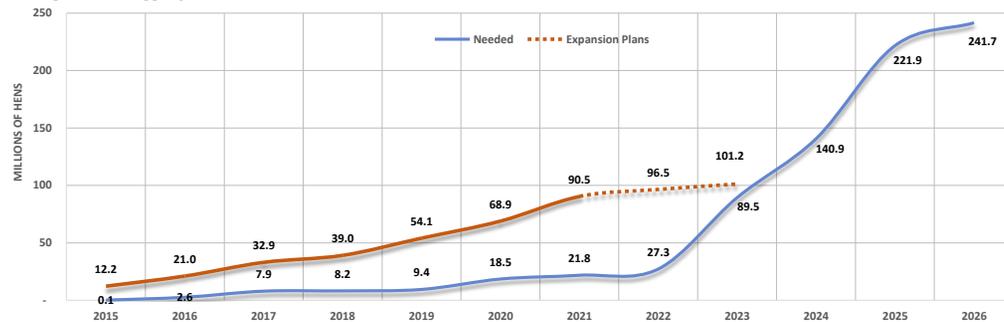
(Large, White, Conventional Shell Eggs in cents per dozen)	1-Apr	Change	25-Mar	2022 High	2022 Low
National, Loose, (f.o.b. dock prices)	227.1 ▲	8%	209.9	227.1	01-Apr 71.4
New York, Cartonned (price to retailers)	300.0 ▲	8%	277.0	300.0	31-Mar 126.0
Midwest, Cartonned (price dlvr'd to warehouse) ¹	247.0 ▲	60%	154.0	247.0	28-Mar 111.0
California, Cartonned, benchmark	332.0 ▲	39%	239.0	332.0	28-Mar 194.0
Central States Breaking Stock (delivered prices) ¹	235.0 ▲	24%	190.0	235.0	31-Mar 73.0
Whole Frozen Egg Products (f.o.b. dock prices)	320.0 ▲	58%	203.0	320.0	01-Apr 115.0
Whole Dried Egg Products (f.o.b. dock prices)	16.00 ▲	72%	9.30	16.00	01-Apr 4.12
Natl Average Retail Ad Price - Conventional	1.54 ▼	-3%	1.59	1.59	25-Mar 0.86
Natl Average Retail Ad Price - Cage-free ²	2.47 ▼	-14%	2.86	2.86	25-Mar 2.11
Shell Egg Demand Indicator	-5.3 ▼	-3.8	-1.6	11.5	02-Feb -7.3

¹ mostly high; ² non-organic

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

Non-Organic Table Egg Layer Flock in millions of hens

updated March 2022



U.S. Table Egg Layer Flock Estimates

As of March 2022	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total U.S. Caged¹ Flock:	66.3%	66.1%	71.9%	76.6%	82.2%	84.0%	86.6%	87.3%	89.5%	90.3%	90.4%
Layers (millions)	214.0	216.5	235.2	261.0	276.1	275.1	276.1	256.1	281.6	276.4	265.5
Total U.S. Cage-Free Flock:	33.7%	33.9%	28.1%	23.4%	17.8%	16.0%	13.4%	12.7%	10.5%	9.7%	9.6%
Layers (millions)	108.7	111.1	91.7	79.7	59.9	52.4	42.9	37.3	33.2	29.6	28.3
NON-ORGANIC Cage-Free:	28.1%	28.4%	21.4%	17.7%	12.8%	11.1%	9.1%	8.9%	7.8%	7.0%	6.7%
Layers (millions)	90.5	92.9	69.9	60.3	42.9	36.4	29.0	26.0	24.5	21.4	19.8
▪ Barn/Aviary	26.8%	27.2%	19.9%	15.9%	11.6%	10.0%	7.9%	7.7%	6.7%	6.0%	5.7%
Layers (millions)	86.6	89.0	65.1	54.1	39.0	32.9	25.3	22.5	21.0	18.5	16.9
▪ Free-Range	0.7%	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
USDA ORGANIC Cage-Free:	5.6%	5.5%	6.7%	5.7%	5.1%	4.9%	4.4%	3.9%	2.8%	2.7%	2.9%
Layers (millions)	18.2	18.2	21.8	19.4	17.0	16.0	13.9	11.4	8.7	8.2	8.5
▪ Organic	3.6%	3.6%	4.6%	4.4%	3.9%	3.7%	3.4%	3.1%	2.2%	2.2%	2.5%
Layers (millions)	11.7	11.7	15.1	14.9	13.1	12.3	11.0	9.0	7.0	6.7	7.3
▪ Organic Free-Range	1.2%	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	0.8%	0.8%	0.8%	0.4%	0.4%	0.4%	0.3%	0.2%	0.1%	0.1%	0.1%
Layers (millions)	2.7	2.7	2.7	1.4	1.2	1.2	0.8	0.7	0.4	0.4	0.3

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

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 February 2022

State	Deadline Date	Layers on Hand (Feb 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	12,425,000	1,497,000	10,928,000	395,208,000	3,260,685,624	3,655,893,624	39,237,836	11,241,640,014	33%	29%
Massachusetts*....	Jan 2022	675,000	71,000	604,000	18,616,200	180,220,911	198,837,111	6,984,723	2,001,123,140	10%	9%
Nevada*.....	Jul 2022	5,000	0	5,000	0	1,491,895	1,491,895	3,143,991	900,753,422	0.2%	0.2%
Colorado.....	Jan 2023	4,434,000	3,891,000	543,000	1,068,779,880	162,019,793	1,230,799,673	5,812,069	1,665,157,769	74%	10%
Washington.....	Jan 2024	6,232,000	4,042,000	2,190,000	1,149,544,800	653,449,992	1,802,994,792	7,738,692	2,217,135,258	81%	29%
Oregon.....	Jan 2024	1,888,000	1,812,000	76,000	512,288,640	22,676,803	534,965,443	4,246,155	1,216,523,408	44%	2%
Michigan.....	Jan 2025	16,504,000	5,850,000	10,654,000	1,611,090,000	3,178,929,781	4,790,019,781	10,050,811	2,879,557,352	166%	110%
Utah.....	Jan 2025	6,506,000	3,901,000	2,605,000	1,040,162,640	777,277,274	1,817,439,914	3,337,975	956,329,838	190%	81%
Rhode Island*.....	Jan 2026	56,000	43,000	13,000	11,274,600	3,878,927	15,153,527	1,095,610	313,892,265	5%	1%
* = layers on hand estimated.		48,725,000	21,107,000	27,618,000	5,806,964,760	8,240,631,001	14,047,595,761	81,647,862	23,392,112,463	60%	35%

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

MARCH 31, 2022

- USDA March planting report came out today: Corn came in at 90.6 million acres, all wheat at 47.35, and soybeans at a record 91 million acres. With the high price of soybeans and fertilizer this year, a lot of corn acres were lost to beans.
- U.S. quarterly stocks as of March 1: Wheat at 1.025 billion bushels, corn at 7.85 billion bushels, and soybeans at 1.931 billion bushels.
- Talks of the Russian/Ukrainian cease fire gave the market some optimism that Ukraine could still get corn and wheat planted this year.

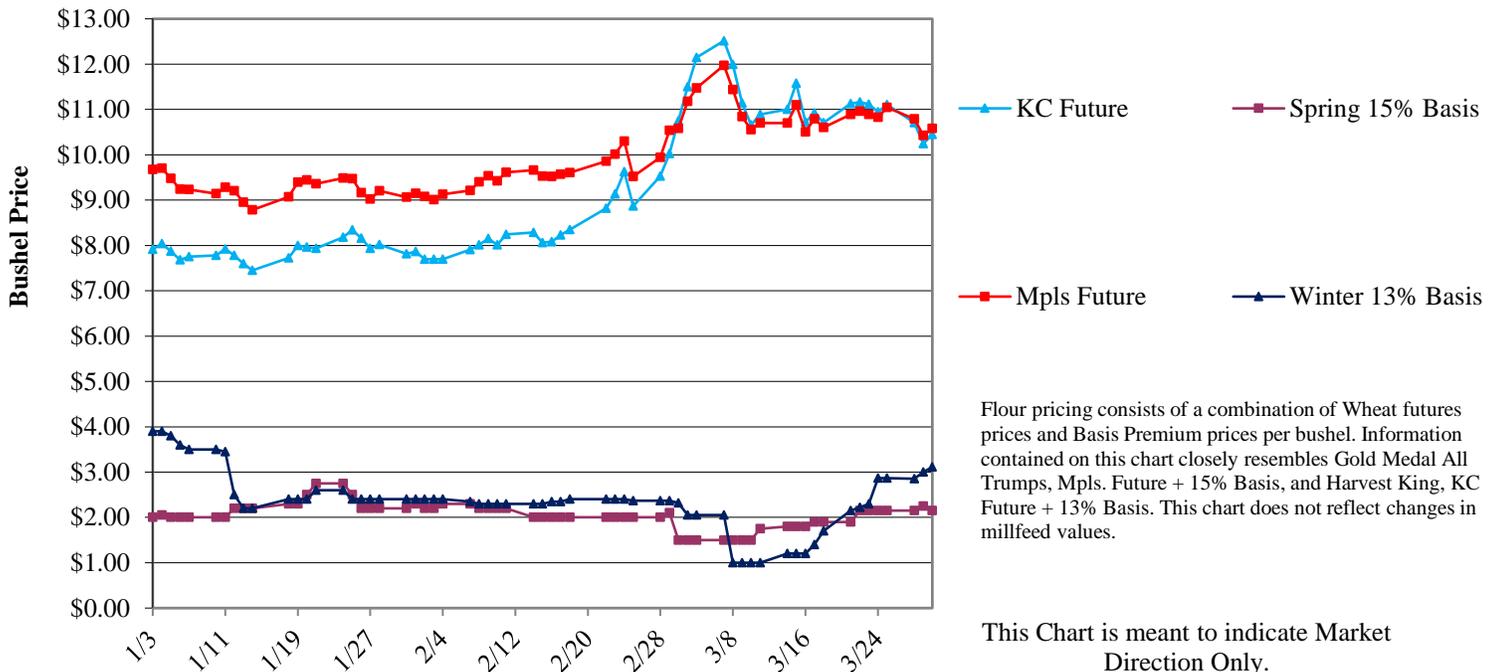
Facts on Flour

Soft White Wheat

Soft White Wheat is primarily grown in the Pacific Northwest. It is also grown in areas scattered throughout Montana. Soft wheat flour is used in cakes, crackers, cookies, pastries, quick breads, muffins and snack foods. The bulk of this wheat class is exported for use in flat breads, noodles and sponge cake.

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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.





Weekly Market Update



Produce Market Update

For the week of: April 3rd, 2022

"Produce from the Ground Up"

Brussels Sprouts with Mango and Bacon



Instructions

Place chopped bacon in large non-stick skillet on medium heat. Cook until crisp and fat renders, 8 to 10 minutes. Remove bacon with slotted spoon and transfer to paper-towel lined plate; set aside. Remove all but 1 tablespoon bacon fat from skillet and increase heat to medium-high. Add Brussels sprouts, mango, brown sugar, salt and pepper. Cook until Brussels sprouts and mango are beginning to brown and become tender; about 6 minutes, stirring occasionally. Remove from heat and toss with reserved bacon.

Ingredients

6 slices bacon, chopped 1 pound Brussels sprouts, halved 2 large mangos (about 2 pounds), peeled, pitted, and diced 1tablespoon brown sugar ¼teaspoon salt ¼teaspoon pepper -

Source: *Thank you to William Watson and Mango.org for the above recipe.*

WEATHER - Temperatures will be lower in both the desert and Salinas this week

ARUGULA -- Very Good quality and supply.

ASPARAGUS -- is showing good volume coming out of Mexico. Demand is light on a steady market. The weather has been very favorable for growth. Prices are attractive now but may rise as we get closer to Easter ad promotions.

AVOCADO -- Alert prices jumped to the highest in more than two decades amid tightening supplies in Mexico, the world's biggest exporter of the fruit, signaling pricier guacamole. Lower availability and supply-side inflationary pressures are the main suspects. Mexican avocado output is seen dropping by 8 per cent in the 2021-22 crop year from a record high the previous season, according to the U.S. Agriculture Department. American importers of the fruit are still catching up from a temporary ban on shipments from Michoacan last month stemming from threats against U.S. inspectors. U.S. per capita consumption of avocados has more than doubled since 2010 to over nine pounds. More supply relief may come by mid-year when the Mexican state of Jalisco begins to send fruit to the American market.

BOK CHOY -- volume is slowly picking back up with more supply in Santa Maria.

BROCOLLI -- Alert markets are tightening up and after a few weeks of low prices, moving cost up. Broccoli prices are up 50 percent over the previous week and are expected to climb further. Mexico's and Arizona's broccoli output has decreased sharply over the past three weeks, and California's production has yet to blossom into all its springtime glory. As a result, expect prices to remain elevated until domestic production in California gets going in mid-April.

BRUSELL SPROUTS -- The sprout category will continue to be well supplied for the week. The market tone is essentially steady to slightly better demand. Quality is very good. The sprouts are clean with good color and density. Sprouts are clean with good color and density. Sprouts are an excellent choice for Easter promotion for both VA and bulk packs.

CABBAGE -- Steady availability continues out of Florida and Texas. In the west, weights are improving because of crop movement although we are seeing cone shape heads for this week.

CARROTS -- Alert Carrot yields are lower due to an unusually wet winter. Prices for Mexican jumbo carrots crossing Texas are high. Sweet-corn prices are nearing last year's record-high prices. In late January, areas as far south as Belle Glade, FL, endured freezing temperatures and frost. Farmers reported a good amount of damage to cornfields, reducing winter yields. Mexican supply is also light.

CAULIFLOWER -- Volumes are steady with some wind damage. Quality, texture, color, and sizing of this item are in a category all on its own.

CELERY -- Lighter supplies for us and the industry. Quality is good and the market is slightly lower in Oxnard. We are harvesting in Mexico and Oxnard. Business is steady.

CILANTRO -- supplies are expected to be on the lighter side again this week.

GREEN ONIONS -- Supplies are fair. There are no ice delays.

KALE -- supplies are expected to be on budget this week. The quality is reported as good, by Mr. Tucker, however demand is soft.

LETTUCE -- Here is a tentative timeline for transition.

First Day Shipping Salinas

April 18th Taylor and Church

April 4th Mann

Supplies are improving and the market is starting to adjust. Demand has been very good and overall sales are above average. Quality has been medium. There are a few defects out there and we have also had some very warm weather. The market forecast is for wide ranges in prices and quality.

LEAF & ROMAINE -- Photo of the week



Quality in the desert is good and slightly lighter in color and appearance on leaf. There is heavy bug and insect presence as the desert season is quickly winding down. Experiencing some irregular sizing, but weights are good. Markets and demand are good. Romaine production supplies are right at budget. We are experiencing some quality issues at the field level ultimately reducing yields a little bit with light blister and peel. Quality is improving daily. Plants that are healthy are exhibiting good color and texture. We will continue to be subject to occasional fringe burn and lighter weights for a couple more weeks. Overall demand is steady.

NAPPA -- Volume is expected to be plentiful for the next few weeks as we are growing in two regions: Yuma and Santa Maria. Now is a great opportunity for promotion.

ONIONS -- markets are starting to lower with moderate demand. New crops are starting up out of Texas soon as well as the Vidalia sweet onions from Georgia.

PARSLEY -- Both quality and demand are good. Supplies are expected to be on budget this week.

PEPPERS/CUCUMBERS/ /SQUASH --

Pepper: Pepper supplies are probably going to be a bit more than last year. Peppers are one of the strongest veg commodities and out of Sinaloa, our grower is going to be good until about the end of May and then we switch over to Central Mexico.

Cucumber: Volume continues to have to be a challenge in Mexico; winter crops in Sinaloa and Sonora are coming to an end, and spring crops won't start with volume for another 15 days or so. The offshore Honduran program in the East is quickly coming to an end; however, Florida production is set to start this week. The short-term outlook has cucumber supplies compromised for the next 2 weeks; there won't be promotional volume available until after April 10th, so expect active markets and retail sizes to continue to be short.

Squash: Inconsistent production continues to hamper Florida growers and has driven prices higher this week. We are seeing a lot of quality issues in the fields due to last week's rain and wind events. We hope to see a few new fields breaks next week which should bring some relief. Projections call for hit and miss volume over the next several weeks barring any additional weather-related events. Domestic quality is poor, seeing a lot of heavy scarring from the wind. In Mexico, we are seeing lighter numbers due to cooler weather as well as transition. Shifting demand from the east is putting pressure on supply and price, but we hope to see some improvement over the next two weeks as weather conditions improve, and growers break new fields. Yellow squash is much higher this week due to lower yield and poor quality.

POTATOES -- The potato market has stabilized on all sizes. Overall, the market has remained relatively 'flat' in terms of pricing this month. We are seeing smaller size profiles on potatoes than we previously had, which is helping to lower the FOBs on those items. Non-size A potatoes, and #2s are more plentiful than they have been in recent months as well. Processor demand remains heightened and continues to put pressure on the fresh crop as they are offering record prices for bulk product. Growers in all regions are preparing for a very strong April, where product is expected to significantly tighten up and remain snug until new crop in August.

SPINACH -- Good supply for current demand. Overall good quality, size, and texture.

SPRING MIX -- Supplies and quality are both good this week.

SWEET POTATOES: New crop cured is in full swing with heavy shipments over the holidays. Growing conditions were optimal for this year's crop out of North Carolina and Mississippi. Expect good supply with a wide size variety.

TOMATOES --

Cherry -- crossing through Nogales, AZ are very short. They are getting high FOB and that product is mainly staying west of the Rockies. Cherries crossing in Texas and in Florida are a lot cheaper. The demand has been low this spring, so they have not really been able to push markets up on this item yet.

Grape -- are in a gap in Florida. There is some supply but not a lot. Mexico is filling the gap. The market has gone up, but not to a degree to make things crazy. They pushed the market too fast and too high anticipating demand to be better. But, because they didn't show any restraint, the market is trying to find the right level and that meant they had to back off the higher prices they were trying to get.

Roma -- Florida is in a gap in supply this week from a bloom drop earlier in the crop development. They have some supplies but very limited. Mexico, last week they were a little shorter in supplies and behind in picking because of a holiday. They really pushed the market, especially the shipper's crossing product through McAllen. However, the FOBs they were trying to push, didn't work. This week the market out of Mexico has leveled off at lower prices, still a decent market, just not what they tried to manipulate and push at. Most of the size coming up from Mexico is XLG and Jumbos which indicates new fields. There should be plenty of volume coming but demand is also expected to pick up in the next few weeks with better weather in the United States.

Round -- Markets are on the rise as Florida is seeing the full effect of the bloom drop from the freezing temps earlier this year. Quality has not really been affected, but quantity has. Field managers are saying this should be the worst of it for diminished production. As the production has slowly ramped down, it will turn around and slowly ramp back up. It will not be instant.

It is expected to take a few weeks to get back to “normal” production for this time of year. Mexico has increased markets as well as Florida’s supply has weakened. Quality from both areas is good currently. Demand seems to be steady.

APPLES -- Prices are unchanged. Washington MFC Fuji, Gala, Golden Delicious, Granny Smith, and Red Delicious Apples are on the market; 88- to 113-count sizes dominate storage stocks. Quality is excellent: sugar levels range from 12 to 14 Brix.

BLACKBERRIES -- Growers are in a transition period, and volumes out of Mexico remains light. Volume is expected to improve in the next 5-7 days and each week until peak volumes in mid-April. Favorable temperatures are expected in California, which can lead to a slight spike in supply.

BLUEBERRIES -- Central Mexico production is past its spring peak, and volumes will slowly decrease over the next few months. Baja production continues to increase, and South American production is finished for the season, while Florida production continues to ramp up.

CITRUS --

Oranges: This season’s supplies of navel oranges out of California is limited. Last season, the weather and growing conditions for California navel oranges resulted in a longer season, taking us through most of August. Any time we have a long season, it is usually followed by a shorter season due to the trees being “tired” and not having the energy to produce a normal bloom in the corresponding Spring. So, this season, the California crop is expected to wrap up around mid-June

Lemons: Supplies of lemons are steady with good quality fruit coming from California. At the same time demand is very good for lemons. This week particularly so given the popularity of lemons in the run up to Easter and throughout Lent.

Limes: Limes are at historic pricing right now. We’re selling limes for very high prices, which I’ve seen in the past, but not stay up as long as it has. That’s because of a weather issue in Mexico.

GRAPES -- Chilean grapes are timely for promoting. Higher volumes of red grapes are cost-friendly while the green market is slightly higher. There probably will be a big draw on grapes for the Easter holiday. There are decent supplies of green seedless and this market will remain firm for the duration of the season.

KIWI -- California and Imported kiwi are available. California sizes mostly 36 and smaller, larger sizes are limited. Fruit is firm with some soft in box.

MELONS --

Cantaloupe: production is currently peaking from Guatemala. With springtime promotions continuing as temperatures warm, we anticipate this stronger demand to continue. Sizing has started to shift to premium sizing 9/12 counts compared to being heavier in the 12/15 count range. We are beginning to see quality reach optimum levels with improved external color and a higher range of brix results. This trend should continue until the import season finishes in late May.

Honey Dews: supply remains in a very limited overall position. We are seeing a big shift in sizing from strong volumes of 6/8cts to more 5cts and 5 jumbos. This will cause the smaller sizes to fetch premium once arrivals begin hitting eventually. Honeydew quality is improved from what was received earlier in the season. External quality has been clean besides the occasional scarring, and internal quality has shown a higher range of brix levels as we continue to experience days with longer sunlight hours.

Watermelons: Supplies on seedless and minis are tight. Southern Mexico is starting to wind down shipping from Arizona and Texas. Florida has limited supplies of offshore melons. Domestic Florida will start this week with light volume, and it will stay local. Supplies will pick up in April. Our Yucatan, Mexico crop is going with better volume out of Pelham, Georgia. Supplies will be tight in March on seedless and minis. Northern Mexico will start around the third week in March with better supplies in April.

RASPBERRIES -- Growers are in the middle of one of the biggest transition periods of the year. Over the next 7-10 days, volume will remain lower than previously anticipated. Fortunately, we should see an increase at the beginning of April, and volume should continue to increase week over week towards the spring peak. Mexico will continue to be the main contributor for the next 5 weeks.

STRAWBERRIES -- Over the next several weeks, volumes will see reductions primarily driven by decreased supply out of Florida and Central Mexico. Florida has received unfavorable weather resulting in some growers ending production earlier than expected. Mexico continues its downtrend as growers focus on packing the highest quality fruit. California supply will continue to increase weekly, barring any weather-related issues.



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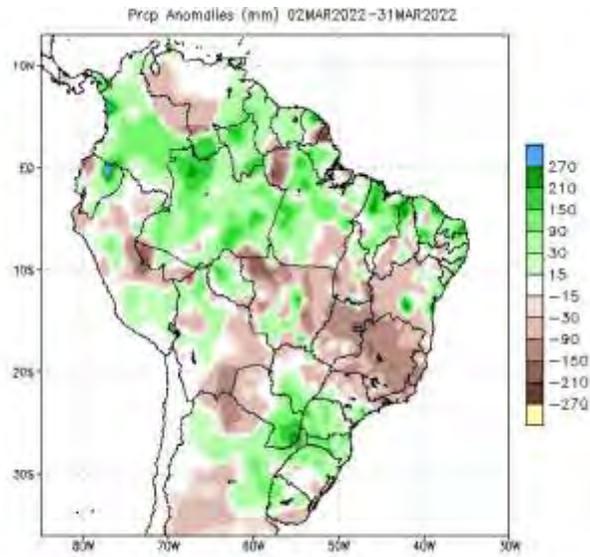
Stratas Foods Market Watch 04.01.22

What to Watch For in the Week Ahead

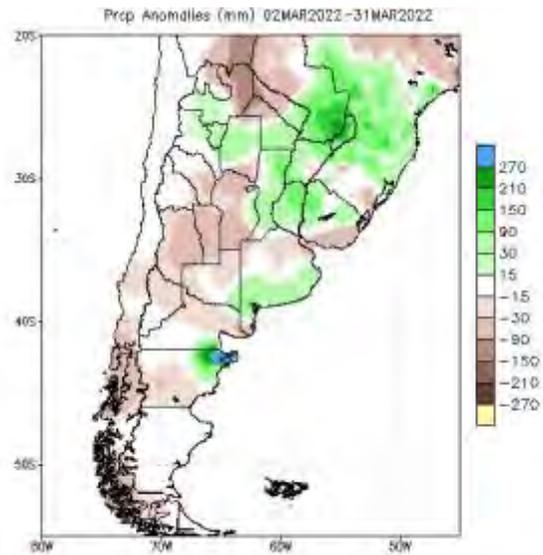
•**Fundamentals**—WASDE, CFTC COT, Weekly Export data

•**Weather** – North American farmers (at least in the Southern US) are cleared to begin field work for the 2022 season. Each week, more and more counties will be "allowed" to begin planting. Acres will be closely scrutinized given the surprise from Washington this week

•**Politics/Macro** – US President Biden releasing more of the Strategic Petroleum Reserve amid a growing global conflict in order to combat rising gas prices. What will it cost to refill those tanks? What will the response be from non-Russian energy providers seeing their global prices falling? Ukraine/Russia is the main event but what other side shows.

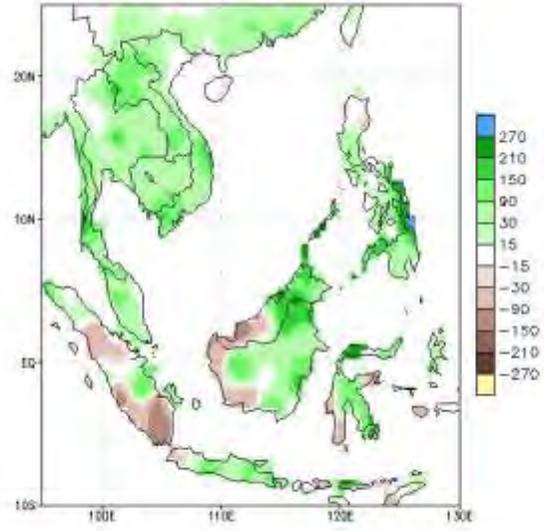


Data Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1991-2020)



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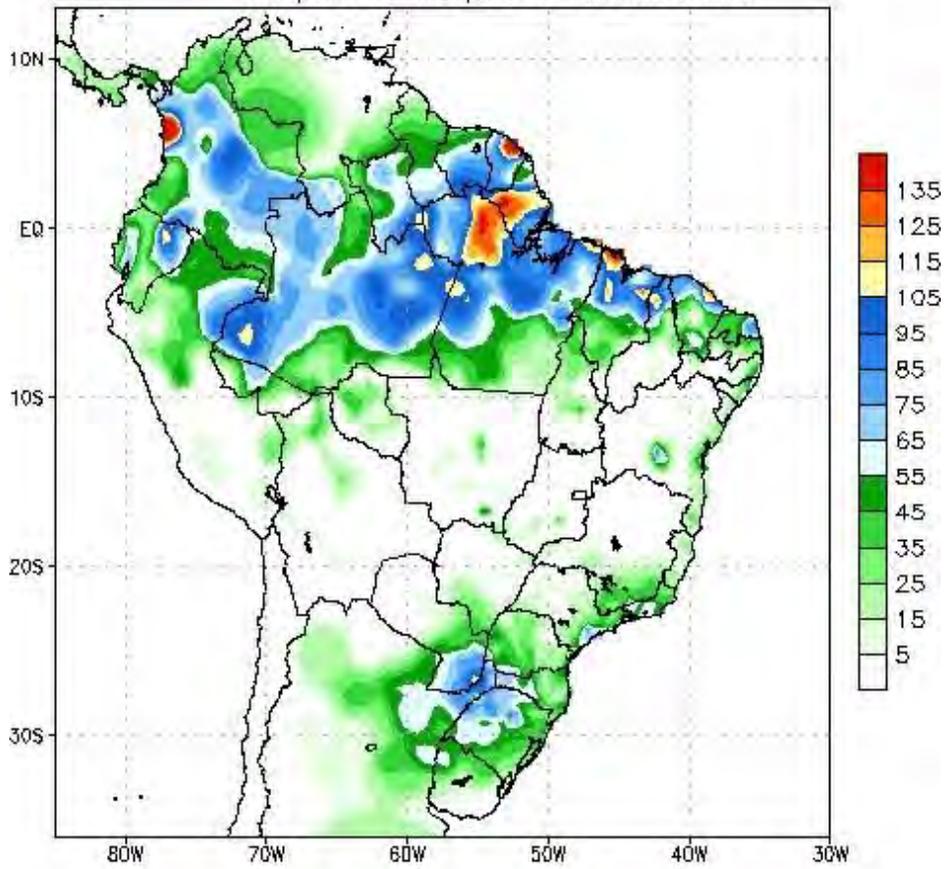
Prp Anomalies (mm) 02MAR2022-31MAR2022



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

Brazil 7 Day Forecast

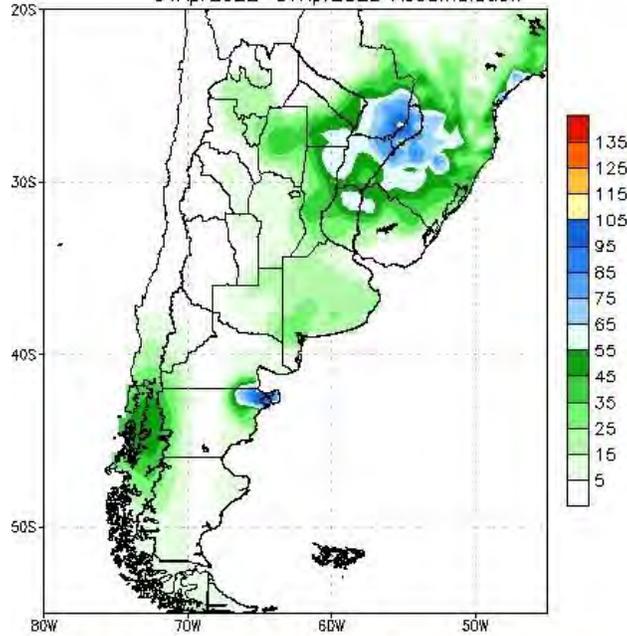
NCEP GFS Ensemble Forecast 1-7 Day Precipitation (mm)
from: 01Apr2022
01Apr2022-07Apr2022 Accumulation



Bias correction based on last 30-day forecast error

Argentina 7 Day Forecast

NCEP GFS Ensemble Forecast 1-7 Day Precipitation (mm)
from: 01Apr2022
01Apr2022-07Apr2022 Accumulation



Bias correction based on last 30-day forecast error



Ukraine: Corn Production



USDA Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

Source: State Statistics Service of Ukraine (Rosstat for Crimea Oblast)
Average Corn Production: 2016-2020

Ukraine: Wheat Production



USDA Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

Source: State Statistics Service of Ukraine (Rosstat for Crimea Oblast)
Average Wheat Production: 2016-2020

Soybean Oil

Planting Intentions Highlights:

-
- Soybean acres (90.9 million acres) surpass corn acres (89.5 million acres)
 - Soybean acres well above trade guess going into report (88.7 million acres)
-

Oil Seed Crushing Report:

- Soybean oil stocks continue to build (highest level since April 2017)
 - Crush down but shortened month. Daily crush at highest level for any February (6.2 million bushels per day)
-

Flash Summary

- Futures were down 355 points this week in May on the back of energy markets retreating and bearish soybean numbers from the USDA.
 - Technical picture: Nearby Moving Averages pointing to bearish momentum (Friday closed below the 9-day which closed below the 20-day). Support was seen at the 50-day MA.
 - Soybean acreage would be a record if the estimate is realized. Farmers uncertain about fertilizer costs for Corn and/or availability of what has already been bought is shifting acreage to beans. This weighed heavily on the soybean prices for new crop to close the week down 90 cents.
 - Oil share values traded firm to close the week for the highest print since early March. Weakness in the soybean meal and buying in the oil were the major drivers.
 - Crushing Data for February showed strong production numbers with building oil stocks. March might see a sharp change in direction on the stocks given the way that the March Futures contract expired north of 80 cents with strong deliveries.
- **Expected CBOT Range 69.00 - 75.00**
-

Canola/Rapeseed Oil



Fundamental Updates

- *USDA estimates that Canola Acres for 2022 are more or less unchanged at 2.158M Acres*
 - *US Canola crush for February was 130,398 T vs 136,632 T last month and 162,675 T last year. Crude canola oil production was 97.1M lbs - down 29% vs last year.*
-

Flash Summary

- *Canola seed futures for new crop set new contract highs for settlement on Friday. The oilseed is fighting for every square inch of Canadian prairie at this point.*
- *Canola is a high fertilizer input crop. How much is needed from Russia vs how much will be received? Will Canadian farmers favor wheat over Canola like US farmers favored soy over corn?*
 - *Canola crush margins ended the week poorly with another down week.*
- *Long term, if oilseeds are grown for their oil (and not the protein meal), can Canola win farmers' hearts and minds? There is roughly 50% more oil per acre of Canola vs Soy. How about Wheat prices? Will canola lose acres to the grain trade?*
- *How will the world trade in the next 3 months? 9 months? 2 years? Is the US Navy going to continue to insure free seas or will there be new trade flows? Canola and Rapeseed is grown in most areas with export for at least part of their harvest. China is the major importer.*

- *Three major producers are going to have limited production runs in Q2 which is keeping the industry tight. The Q3 oil availability will be largely focused on how Q2 downtimes go.*
-

Tropical Oils



Fundamental Updates

MPOB:

- *Production: 1.137 MMT (1.19 average guess)*
 - *Exports: 1.097 (1.25 avg guess)*
 - *Stocks: 1.518 (1.375)*
- *Palm values were weaker on the week following Chicago lower and continued concern on Chinese forward demand.*
- *Ukraine officials state that they are not going to plant sunflowers for 2022 to focus on Wheat. How will this affect global vegoil demand? This will likely keep Indian buyers bidding for palm, even if it is at lower levels.*
- *Chinese lockdowns have forward demand somewhat in question, however, the Black Sea conflict could have the market firm for edible oils well into the summer*

- *What will next week bring? If China/Taiwan goes hot, then Palm oil will be more closely affected than Ukraine/Russia. Black Sea Sun Oil is a competitor with Palm, but it's not a competitor on volume. If the South China Sea sees naval battles, the export markets could look very different very fast.*
-

Hogs and Pork

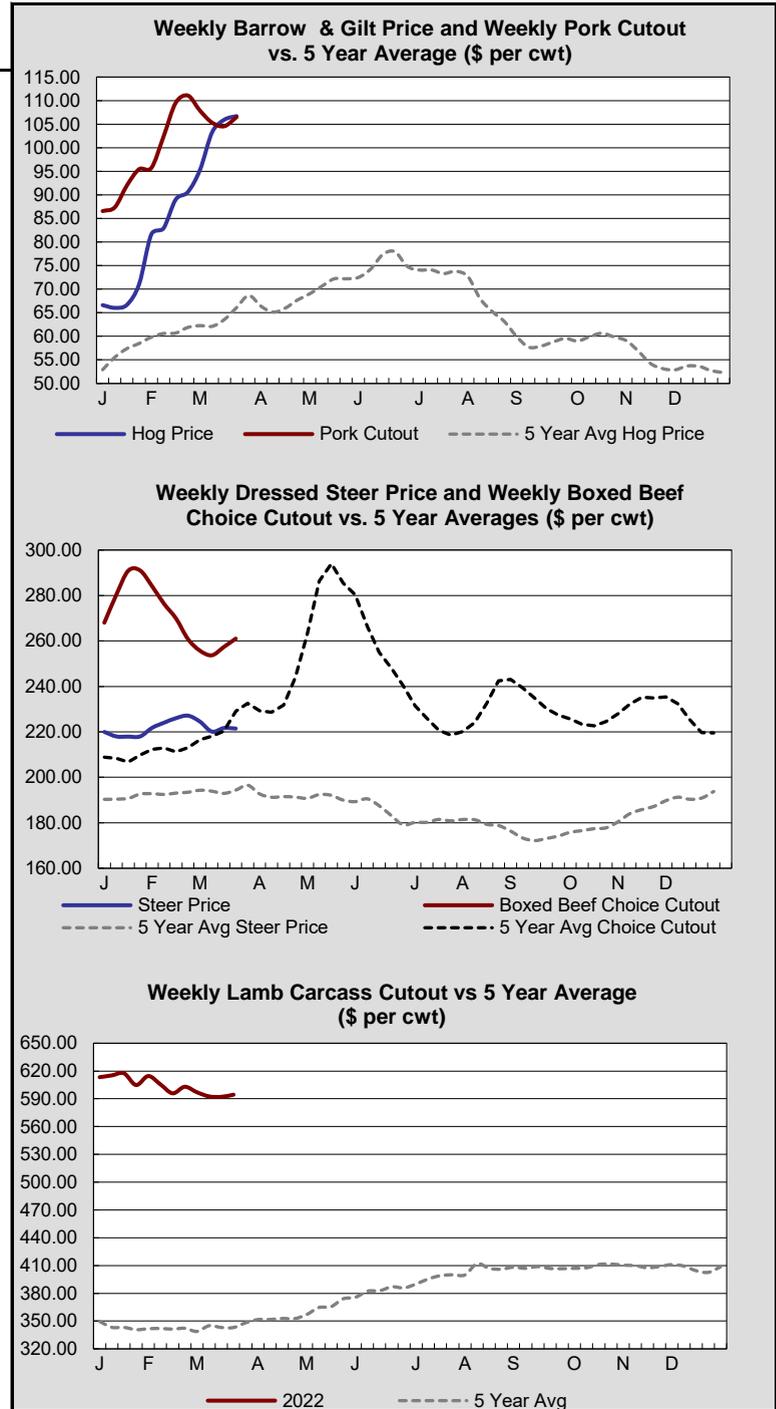
	Current Week	Change From Past Week	Change From Past Year
Nat'l Purchased Carc Wtd Avg Price - Barrows & Gilts (\$/cwt)	106.71	0.7%	15.1%
Pork Carcass Cutout FOB Plant (\$/cwt)	106.52	1.9%	-0.7%
Segregated Early Weaned (SEW) Feeder Pigs (\$/head)	71.71	-10.4%	33.9%
Iowa/So. Minn Avg Weight Barrows & Gilts (lbs)	288.2	0.0%	0.3%
Est. Hog Slaughter	2,419,000	-0.5%	-5.0%
YTD Est. Hog Slaughter	29,548,000	N/A	-7.0%
Est. Pork Production (mil lbs)	527.6	-0.4%	-4.6%
YTD Est. Pork Production (mil lbs)	6,451.4	N/A	-7.0%

Cattle and Beef

Live Wtd Avg Steer Price, 5 Area FOB (\$/cwt)	138.95	-0.1%	20.2%
Dressed Wtd Avg Steer Price, 5 Area Del (\$/cwt)	221.46	-0.1%	19.8%
Boxed Beef Cutout, Choice (\$/cwt)	261.02	1.4%	11.2%
Boxed Beef Cutout, Select (\$/cwt)	252.47	1.0%	12.1%
Boxed Beef, Choice/Select Spread (\$/cwt)	8.55	1.29	-0.95
By-Product Drop Value, Steer (\$/cwt live)	13.24	-0.6%	27.4%
CME Feeder Cattle Index (\$/cwt)	154.82	0.4%	13.2%
Est. Cattle Slaughter	659,000	2.3%	1.5%
YTD Est. Cattle Slaughter	7,756,000	N/A	0.0%
Est. Beef Production (mil lbs)	552.8	2.2%	3.1%
YTD Est. Beef Production (mil lbs)	6,508.4	N/A	0.3%

Lamb and Veal

Slaughter Lamb, Comprehensive, Carc. Wtd Avg Price (\$/cwt)	214.68	1.2%	22.5%
Lamb Carcass Cutout (\$/cwt)	594.47	0.4%	41.0%
Est. Sheep Slaughter	36,000	12.5%	-16.3%
YTD Est. Sheep Slaughter	379,000	N/A	-14.6%
Est. Lamb Production (mil lbs)	2.4	14.3%	-17.2%
YTD Est. Lamb Production (mil lbs)	25.3	N/A	-16.2%
Veal Carcass Wtd Avg Packer & Non-Packer Owned (\$/cwt)	379.11	0.4%	27.6%





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

Grain

	Current Week	Change From Past Week	Change From Past Year
Central Illinois Avg Corn Price (\$/bu)	7.3300	1.2%	34.0%
Central Illinois Avg Soybean Price (\$/bu)	16.8200	2.4%	21.0%
Central Illinois 48% Soybean Meal, Rail (\$/ton)	510.40	2.8%	28.1%
Hard Red Winter Wheat Truck to Kansas City (\$/bu)	11.0200	5.4%	84.2%
Dark Northern Spring Wheat, 14%, MN, Rail (\$/bu)	12.6225	7.2%	73.1%
Soft White Wheat Portland (\$/bu)	11.5417	0.7%	57.0%
Sorghum, Kansas City, Truck (\$/bu)	7.1975	0.9%	11.4%

Broilers

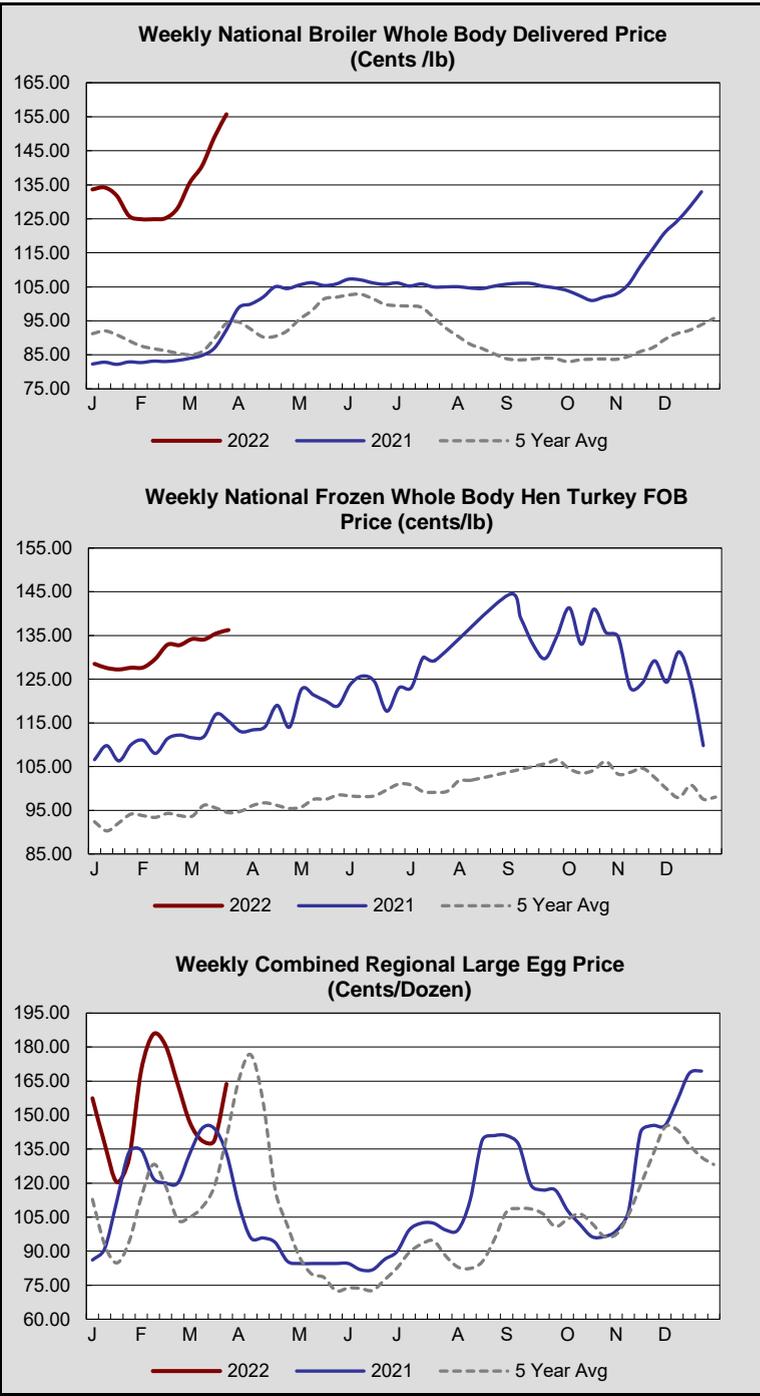
Nat'l Delivered Whole Body Price (cents/lb)	155.73	4.6%	79.1%
Est. Young Chicken Slaughter - Current Week (000's)	154,065	-2.5%	N/A
Actual Slaughter of Young Chickens (000's)	163,622	-0.5%	-1.7%
YTD Actual Slaughter of Young Chickens (000's)	1,952,521	N/A	1.6%
Actual RTC Pounds of Young Chickens (000's)	785,909	0.7%	-1.4%
YTD RTC Pounds of Young Chickens (000's)	9,432,103	N/A	1.7%

Turkeys

Nat'l FOB Frozen 8-16 lb. Hens, Wtd Avg Prices, cents/lb	136.24	0.6%	16.4%
Actual Slaughter of Turkeys (000's)	4,041	-3.5%	-2.8%
YTD Actual Slaughter of Turkeys (000's)	43,986	N/A	-1.0%
Actual RTC Pounds of Turkeys (000's)	107,010	-3.8%	0.3%
YTD RTC Pounds of Turkeys (000's)	1,175,541	N/A	-1.7%

Eggs

Combined Regional Large Eggs (cents/dozen)	163.74	18.0%	13.6%
National Shell Egg Inventory (30 doz. Cases/000,s)	1611.3	0.8%	N/A
Shell Egg Demand Indicator (SEDI)	-1.60	-0.68	-1.40
Central States Breaking Stock Av. Price (cents/dozen)	185.00	64.4%	180.3%
National Breaking Stock Inventory (30 doz. Cases/000's)	308.7	-0.3%	N/A
Eggs Broken Under Federal Inspection (30 doz cases)	1,568,993	-1.2%	16.3%
YTD Eggs Broken Under Federal Inspection (30 doz cases)	17,001,141	N/A	10.2%



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



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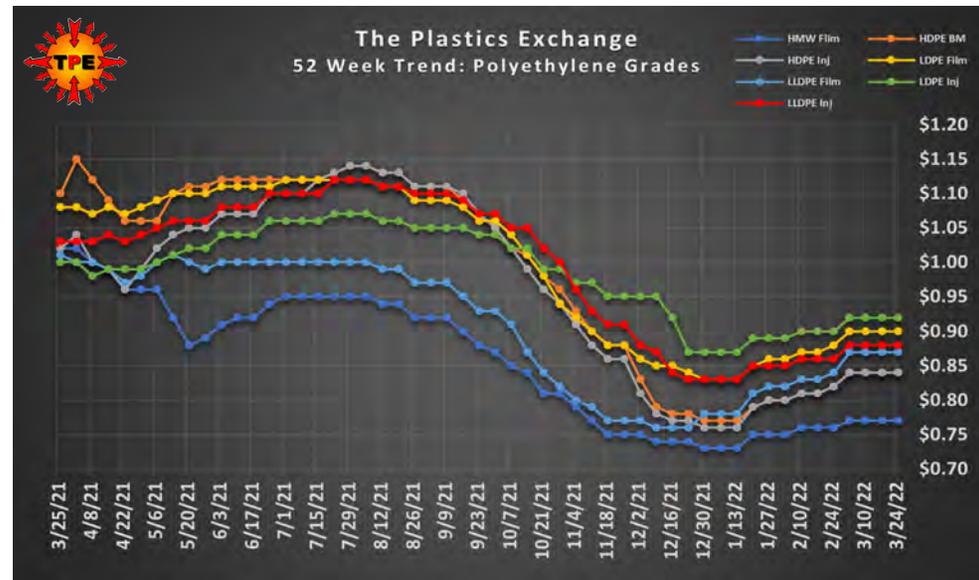
Market Update — March 25th, 2022

The spot resin market remained busy and trading was robust this past week with a healthy volume of material changing hands as strong demand continued amid strained availability for the commodity grades. Our Prime Polyethylene and Polypropylene prices were unchanged for a third week, as spot levels had already advanced ahead of the current contract price increases which are being implemented this month. Polyethylene producers are finally sealing their \$.04/lb increase in March, on its third attempt this year. There is another PE increase on the table for April, which averages \$.06/lb. Polypropylene contracts are following PGP contracts higher, estimated at an \$.08-.10/lb increase and a margin enhancing increase of \$.04/lb has also been nominated for April. There is strong underlying export demand for US resin, but ocean freight constraints have limited offshore sales, leaving Mexico as the best viable outlet for incremental export PE and PP resin.

Energy complex futures were up across the board as Crude Oil futures rebounded roughly 11-12% on the week, while Nat Gas extended gains by almost 15%. The resurgence in Crude Oil came following reports of a missile attack on an oil facility in Saudi Arabia, jolting global supply concerns further alongside sanctions already in place limiting imports of Russian Crude. The Crude complex established the weekly lows early Monday with May WTI trading as low as \$102.47/lb, and May Brent bottomed out at \$107.09/bbl. By Thursday, the newly minted front month May WTI contract had risen over \$14/bbl to the week's high of \$116.64/bbl, while May Brent increased nearly \$17/bbl to reach \$123.71/bbl. By Friday, May WTI ended at \$113.90/bbl for a weekly net gain of \$10.81/bbl (+10.5%) from the previous week's May close, while May Brent closed at \$120.65/bbl for a weekly increase of \$12.72/bbl (+11.8%).

In Nat Gas, severe winter weather and storms in parts of the country sent May futures to settle higher every day of the week, vaulting well above the \$5/mmBtu level along the way. May Nat Gas rose from a Monday low of \$4.748/mmBtu and gained about \$.83/mmBtu to a high of \$5.577/mmBtu on Friday, before ending at \$5.571/mmBtu, up just under \$.71/mmBtu (+14.6%). NGL prices followed upward direction with Ethane up fractionally to \$.429/gal (\$.181/lb) and Propane up just over \$.04/mmBtu to \$1.45/gal (\$.410/lb).

Resin for Sale 15,534,980 lbs		Spot Range		TPE Market	
Resin	Total lbs	Low	High	Bid	Ask
HDPE - Blow	2,657,796	\$ 0.770	\$ 0.900	\$ 0.790	\$ 0.840
LDPE - Film	2,437,404	\$ 0.830	\$ 0.930	\$ 0.850	\$ 0.900
PP Copo - Inj	2,290,944	\$ 0.950	\$ 1.120	\$ 1.000	\$ 1.100
PP Homo - Inj	2,060,876	\$ 0.880	\$ 1.090	\$ 0.900	\$ 1.000
HDPE - Inj	1,952,784	\$ 0.760	\$ 0.900	\$ 0.790	\$ 0.840
LLDPE - Film	1,404,668	\$ 0.800	\$ 0.930	\$ 0.820	\$ 0.870
HMWPE - Film	1,394,116	\$ 0.700	\$ 0.780	\$ 0.720	\$ 0.770
LLDPE - Inj	925,932	\$ 0.850	\$ 0.920	\$ 0.830	\$ 0.880
LDPE - Inj	410,460	\$ 0.840	\$ 0.940	\$ 0.870	\$ 0.920



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

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MARKET UPDATE

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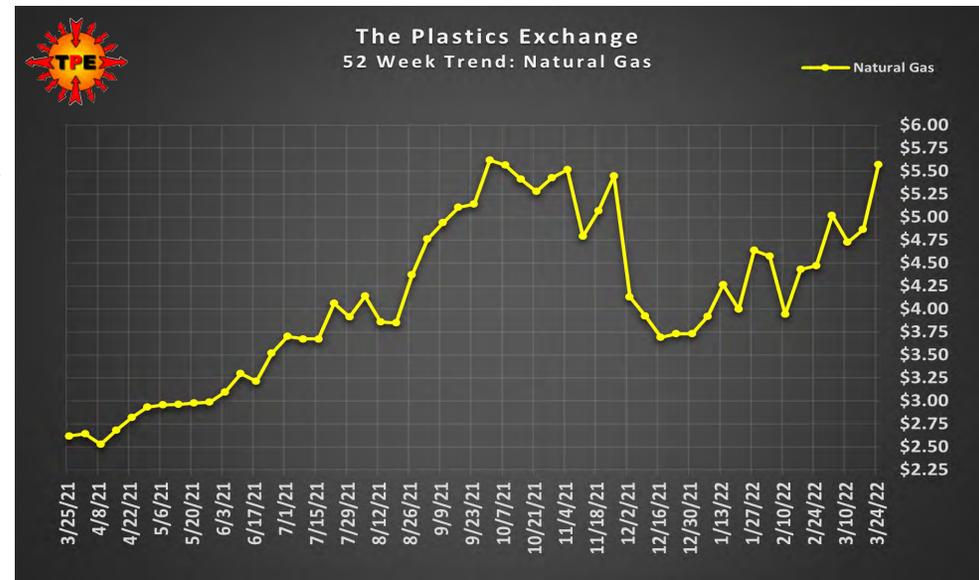
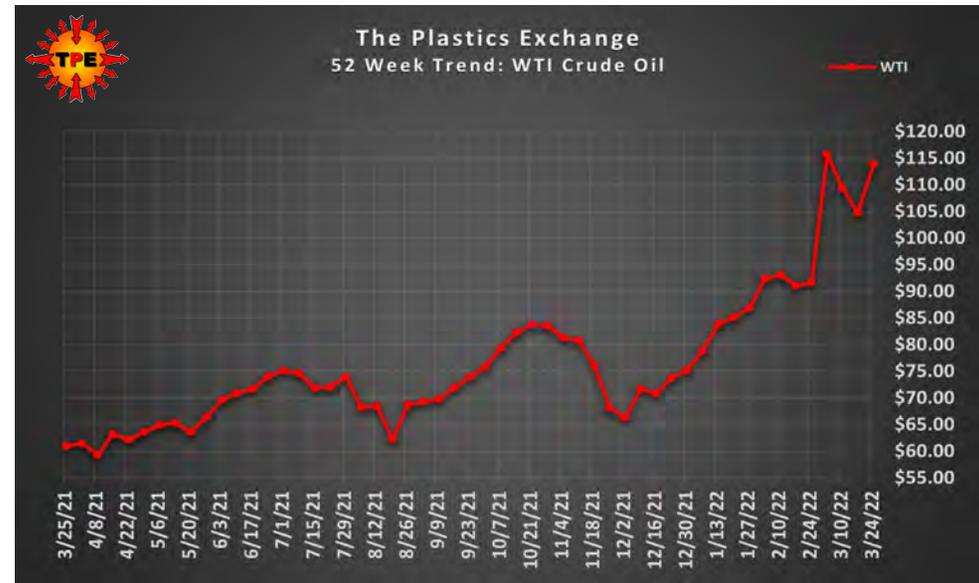
bringing the market to you

Market Update — March 25th, 2022

Spot monomer prices were mixed as Ethylene was slammed to the downside for the third straight week and Polymer Grade Propylene (PGP) rebounded slightly as both markets continued to see active participation. Ethylene saw daily losses with offers outpacing bids. Prompt March Ethylene trading was thin leaving the TX weighted average to settle above \$.24/lb on Friday, down almost \$.06/lb on the week, which was also a massive 20% decline from the previous Friday. Second Half March trading was more active though, starting with business confirmed at \$.28/lb on Tuesday and a couple of times at \$.2725/lb the following day. Further out, 2Q Ethylene traded at \$.2975/lb on Monday and lower at \$.285/lb on Tuesday. Ethylene for 3Q changed hands on Monday at \$.29375/lb. Deferred contracts months endured losses as well and were backwarddated into the lower \$.20s/lb through December.

March PGP prices held up in the midst of the Ethylene collapse, although few deals were completed, bids outnumbered offers and volumes were slightly higher than average. Prompt March PGP trading was thin and closed Friday at \$.682/lb with a fractional weekly gain. Later March trading was more active with Second Half PGP transacting twice at \$.67/lb on Tuesday. Further out, April settled at \$.645/lb, down a half-cent on the week. PGP for 2Q traded a trio of times at \$.64/lb and once at \$.635/lb on Thursday, followed by a 3Q deal at \$.635/lb. The forward PGP curve also moved lower and remained in backwardation into the lower \$.60s/lb through year end. Meanwhile, March PGP contract negotiations kicked off with some early indications of a settlement as high as \$.10/lb, which is above expectations of around an \$.08/lb increase, although further confirmation is pending from additional participants. As a reminder Feb PGP settled up \$.06/lb to \$.62/lb.

Polyethylene trading and volumes improved on the week, as sustained demand kept pricing stable at its highest levels of the year. LDPE and LLDPE film grades were again the primary movers, followed by relatively limited activity in HDPE for Blow Molding and Injection. Prompt availability of LDPE and LLDPE injection grades have not improved much and very few fresh cars have been seen. The logistics picture is much the same, with packed warehouses and little shipping space to be had for export.



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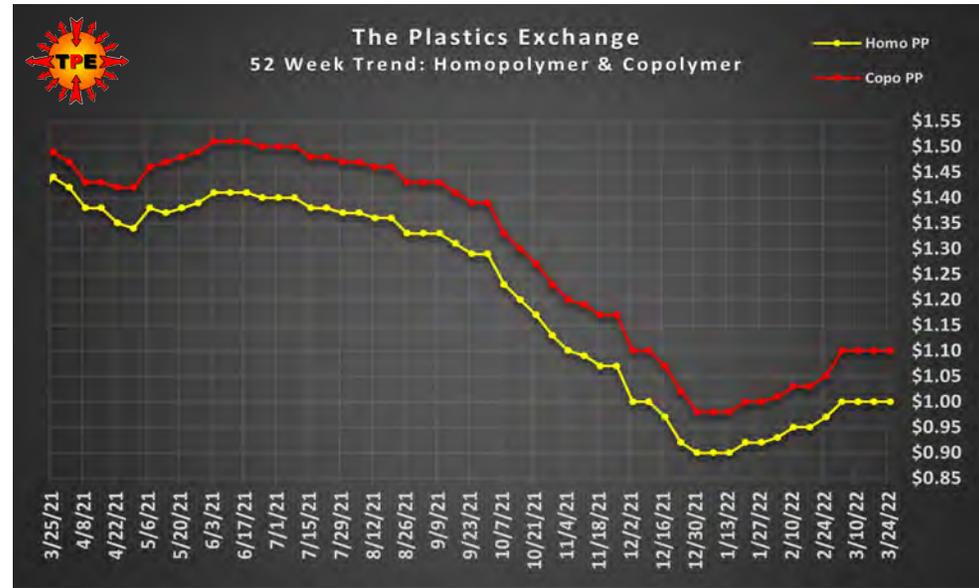
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Market Update — March 25th, 2022

Meanwhile producers have limited incremental offerings, perhaps in fear that cheaper resin destined for export will instead make its way into the domestic market. In the meantime, production and upstream resin inventory are well above levels compared to a year earlier in the aftermath of the Texas freeze that took a majority of resin units in the region offline. North American Polyethylene producers maintain a significant cost advantage compared to their international counterparts and appear content to build up stockpiles rather than flood the market with excess supply and compromise the moderate upward pressure on resin pricing. But with more capacity planned to come online during the year producers will have to find a way to move surplus at some point. Until then producers are undaunted in their collective push for an increase of \$.04/lb in March, which is expected to finally implement, and will soon begin postering for their next proposed increase for April, which averages \$.06/lb and is as high as \$.07/lb.

Polypropylene trading remained good as market participants continued sparring over price expectations driven by uncertainty in energy and feedstock costs, and the overall balance between supply and demand. Transactional volume was consistent throughout the week, with Prime dominating activity in the first half, while widespec deals were more notable Thursday and Friday. Low melt HoPP was our volume leader, while high flow CoPP demand was not completely satisfied due to the lack of well-priced supplies. High quality offgrade railcars were bid up leaving dribs and drabs of imported resin already here in The States as a competitive supply alternative. Overall PP availability is still fairly tight, so when good opportunities are presented, buyers need to act quickly to secure material before its gone. The strained supply availability and firming spot prices, which have risen some \$.12/lb since the start of 2022, prompted one major resin producer to announce a margin enhancing increase of \$.04/lb in addition to any change in US PGP pricing between March and April. The margin enhancing increase comes alongside stronger PGP prices as well, which have firmed \$.20/lb since the start of the year. Contract PGP prices have increased \$.06/lb through Feb and with another \$.08-.10/lb ready to confirm for March, they will be up a net \$.14-.16/lb during the first quarter.



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MARKET UPDATE

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04/01/2022

Dairy Market

BLOCK: Up .0450 @ \$ 2.2950 1 Sales
 BARRELS: Up .0500 @ \$ 2.2525 7 Sales
 BUTTER: Up .0100 @ \$ 2.7100 2 Sales
 NFDM Grade A: Up .0050 @ \$ 1.8500 8 Sales
 CME Dry Whey Down .0525 @ \$.6100 6 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>
03/28/2022	2.2600	Down .0150	1	2.2500	Unchanged	4	0.0100
03/29/2022	2.1700	Down .0900	1	2.1900	Down .0600	4	-0.0200
03/30/2022	2.1800	Up .0100	2	2.1600	Down .0300	3	0.0200
03/31/2022	2.2500	Up .0700	2	2.2025	Up .0425	12	0.0475
04/01/2022	2.2950	Up .0450	1	2.2525	Up .0500	7	0.0425
Average Market:	2.2310		7	2.2110		30	

<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>
03/28/2022	2.7375	Down .0575	8	1.8475	Down .0050	6
03/29/2022	2.7175	Down .0200	4	1.8300	Down .0175	2
03/30/2022	2.7125	Down .0050	4	1.8350	Up .0050	5
03/31/2022	2.7000	Down .0125	9	1.8450	Up .0100	1
04/01/2022	2.7100	Up .0100	2	1.8500	Up .0050	8
Average Market:	2.7155		27	1.8415		22

<u>Date</u>	<u>Dry Whey</u>	<u>Dry Whey Change</u>	<u>Dry Whey Sales</u>
03/28/2022	0.7175	Down .0025	0
03/29/2022	0.6900	Down .0275	4
03/30/2022	0.6775	Down .0125	4
03/31/2022	0.6625	Down .0150	1
04/01/2022	0.6100	Down .0525	6
Average Market:	0.6715		15

--Year Ago--

<u>Date</u>	<u>Blocks</u>	<u>Barrels</u>	<u>Butter</u>	<u>NFDM Grade A</u>	<u>Dry Whey</u>
03/30/2021	1.7475	1.4800	1.8225	1.1800	0.6300
03/31/2021	1.7375	1.4825	1.8175	1.1850	0.6600
04/01/2021	1.7750	1.5125	1.8450	1.1900	0.6600



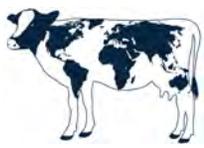
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Udder Intelligence



March 31, 2022

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What you need to know

- EU dairy prices continue to move sharply higher
- Feb. AU milk production was down 6.1%, which was a little weaker than forecast
- SGX futures point toward higher powder prices at the GDT auction next week, but record covid cases in China and new lockdowns could limit demand

Dairy Prices (USD)

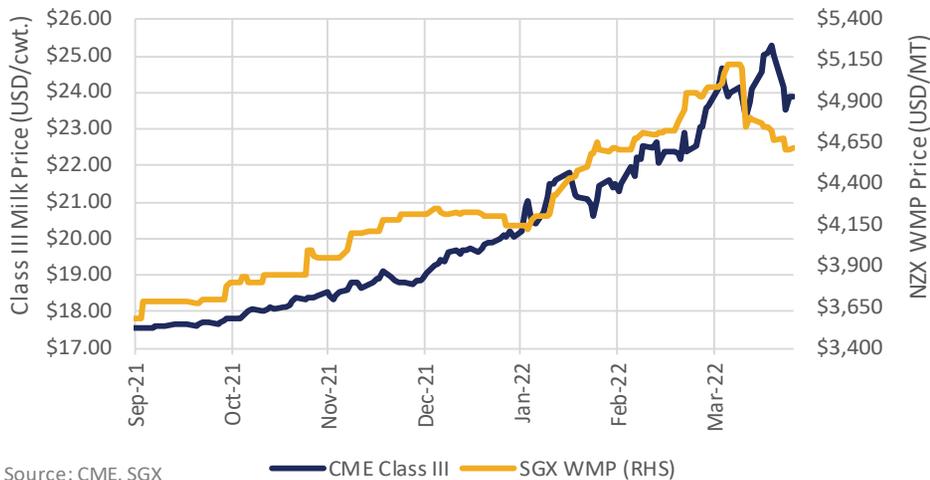
Cheese	Last (lb.)	Chg.	Last (MT)	WMP	Last (lb.)	Chg.	Last (MT)
CME Blocks (Wk Avg)	\$2.22	\$0.00	\$4,899	US	\$2.26	\$0.00	\$4,982
CME Barrels (Wk Avg)	\$2.20	\$0.03	\$4,856	Dutch	\$2.60	\$0.02	\$5,722
EU Gouda	\$2.55	\$0.06	\$5,628	GDT (Avg)	\$2.08	\$0.00	\$4,596
GDT Cheddar (Avg)	\$2.91	\$0.00	\$6,412				

Butter	Last (lb.)	Chg.	Last (MT)	Dry Whey	Last (lb.)	Chg.	Last (MT)
CME Spot (Wk Avg)	\$2.72	-\$0.08	\$5,987	Central US	\$0.72	-\$0.03	\$1,576
EEX Index	\$3.49	\$0.11	\$7,698	EEX Index	\$0.72	\$0.02	\$1,594
GDT (Avg)	\$3.16	\$0.00	\$6,958	US WPC34	\$1.74	\$0.01	\$3,831
				US Lactose	\$0.42	\$0.00	\$915

SMP/NFDM	Last (lb.)	Chg.	Last (MT)	Rennet Casein	Last (lb.)	Chg.	Last (MT)
CME Spot (Wk Avg)	\$1.85	-\$0.02	\$4,069	US	\$5.16	\$0.01	\$11,376
EEX Index	\$2.10	\$0.05	\$4,624				
GDT (Avg)	\$2.06	\$0.00	\$4,545				

Sources: CME, USDA, EEX, GlobalDairyTrade, Dutch Dairy Board, Trigona, FRED USD/euro rate used: 1.109, +0.008

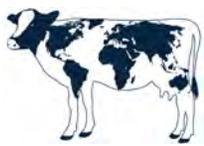
CME Class III and SGX WMP Futures Prices
(May 2022 Contracts)



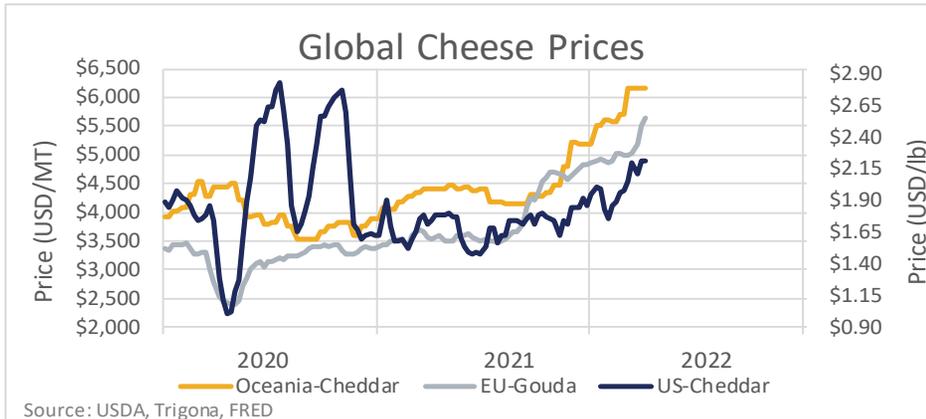
Source: CME, SGX

Market Summary

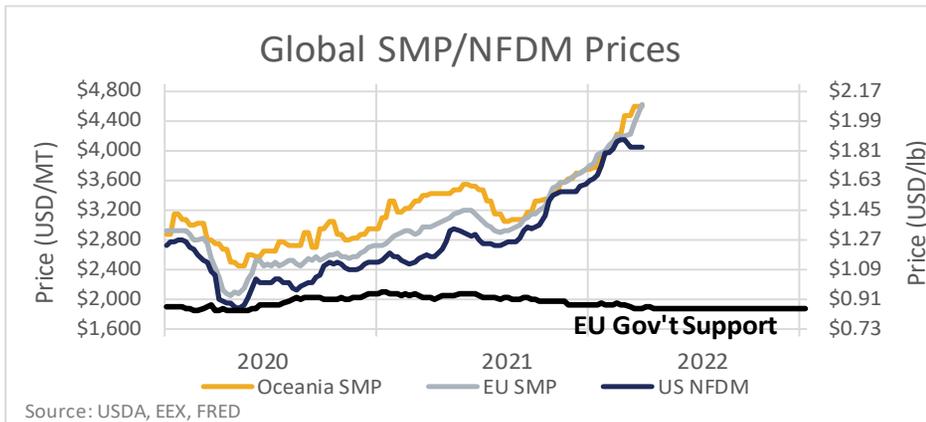
I feel like giving up. I've adjusted the U.S. and global price forecasts four or five times this week trying to get numbers I can believe. The problem is that price forecasts high enough to believe also push the milk production forecast higher and that pulls the price forecast lower again. I saw two different presentations this week that argued global milk production is restrained no matter how high the milk price/margin rises. I don't believe it, but anything is possible. At this point, if you're hoping for lower prices, your best bet is spontaneous world peace and perfect weather for the crops, or a global recession that shifts demand lower. The first scenario would be preferential to the second, but I know some end users/risk managers who would take either scenario right now.



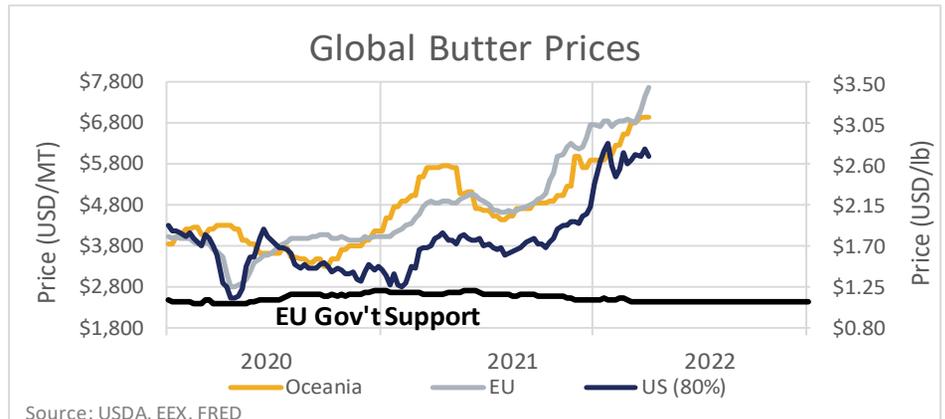
Product Markets



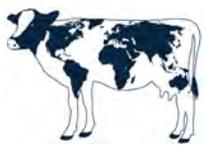
Butter: Butter prices in Europe continued to surge higher and are approaching (or exceeding) record highs. Demand is reportedly good as some buyers stock up, fearing supply availability and higher prices later this year. CME butter prices were mixed. There seems to be some butter available, but cream is tighter this week with seasonal ice cream production ramping up. I think CME spot butter is headed for \$2.80 (\$6,175) in the next two weeks.



Cheese: CME spot prices bounced around, caught between a very bullish world market and a decent supply of cheese available domestically. Oceania prices were reportedly steady while everyone waits for GDT next week. EU prices were sharply higher with Cheddar at \$2.79 (\$6,150). It seems like there is an adequate amount of cheese available in the U.S., but with spot and forward quotes very competitive, how long will it take for export orders to absorb available supplies? Or will production expand fast enough to meet the new demand?



Powders: It's hard to explain why U.S. NFDM prices are so weak relative to EU/Oceania SMP. Mexico has been pushing back at current price levels, and maybe export logistics play into it too, but if EU/Oceania prices hold at these levels we'll likely see the U.S. move higher too. Dry whey prices have dropped in the U.S., but remain firm in Europe. U.S. dry whey prices have gone from a premium to a discount to Europe. I don't think we need to see much more downside for U.S. dry whey short-term.



Udder Intelligence



March 31, 2022

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Clemens Food Group

- Pork Market Commentary Sunday, March 27.
- There was 480 million pounds of frozen pork in US cold storage at the end of February, the lowest level for the month of February in 18 years.
- February frozen pork inventory did show a modest build from January, up more than 10%, a strong gain when the average build is 7% for the same one-month period.
- Efforts to build frozen pork inventory levels will continue through March and April, but are not likely to add significant quantities. Frozen pork inventories are expected to travel through 2022 at disadvantaged levels that will keep price on the high side of risk.

Hams:

- Hams were supported and choppy last week, with Mexico likely being a heavy buyer as it bans some US poultry product.
- Processing of freshly harvested hams for Easter is near over, as the queue is full now, bringing a few extra hams to market through April and keeping price from moving continuously higher.

Bellies:

- Belly prices chopped around all last week, trying to show signs of a short-term top, but buying continues to keep them supported.
- Bellies showed 50 million pounds in storage at the end of February, an increase over last year of 33.5% and a build of 12% from January.

Butts:

- Butts found additional bids again last week, averaging above \$130, and still seasonally risk upward for now.
- Cold storage programs are utilized for butts, though not to the same degree as for bellies, hams, and ribs, with average frozen inventory stocks now in place for butts.
- Butts are seasonally risk upward through May, but could show softness in April.

Ribs:

- Spareribs are showing signs of buyer exhaustion and a near-term top, which could potentially soften prices through April if cold storage programs slow.
- Storage programs will not be building in May, which could bring some additional fresh product to market.

Trim:

- Pork 72s tried to show strength last week, but presented chop over the last two weeks, now 30% below last year's price.
- The typical price action in April is sideways-to-lower, and the healthy levels now in cold storage (54 million pounds), 31% over last year, could allow that.
- Unless the supply of hogs surprises to the low side of expectations, product availability in June and July should prove healthier, given frozen inventory levels.