

MarketNews

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Egg Markets

Week of September 19, 2022

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

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

The regional egg markets are as follows:

	Northeast	Midwest	Central	Southeast
Lg	\$3.11	\$3.04	\$3.22	\$3.15
Md	\$2.37	\$2.32	\$2.44	\$2.37

Source: Esbenshade, Inc.



Egg Markets Overview

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



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

USDA Egg Markets Overview

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

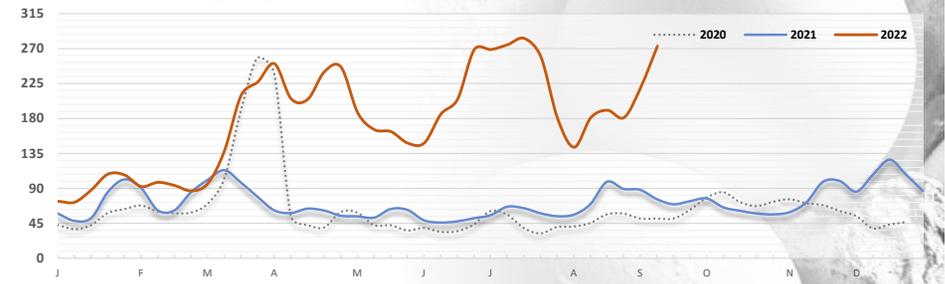
September 16, 2022

Wholesale prices for cartoned shell eggs advanced through the week on a combination of light supplies and offerings. Interest was moderate to good while the pace of trading was moderate to active. Wholesale prices for graded loose eggs posted similar gains on light to moderate supplies and limited and confidently-held offerings. Interest is moderate to good with pervasive concerns over the potential impact of the return of HPAI in commercial table egg flocks. Trading is moderate to active. The volume of trailer load loose egg sales this week increased 37% from the prior week with 23% for future delivery. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs rose \$0.53 to \$2.733 per dozen with a firm to higher undertone. The wholesale price on the New York market for Large cartoned shell eggs delivered to retailers rose \$0.75 to \$3.27 per dozen with a steady undertone. The Midwest wholesale price for Large, white, shell eggs delivered to warehouses increased \$0.17 to \$2.25 per dozen with a firm undertone. Prices paid to producers in the Midwest for Large cartoned shell eggs rose \$0.63 to \$2.69 per dozen with a firm undertone. The California benchmark for Large shell eggs increased \$0.13 to \$3.26 per dozen with a firm undertone. Delivered prices on the California-compliant wholesale loose egg market increased \$0.58 per dozen to \$3.28 per dozen with a firm undertone.

Consumer demand for shell eggs rose sharply into the middle of the month. Shell eggs as a protein source remain a relative bargain in stores across the country, a point some retailers are driving home over the last and current ad cycles as features for conventional caged eggs return to circulars following a period of slow activity over the past few months. Highly pathogenic avian influenza (HPAI) remains a concern in the industry as recent outbreaks in commercial table egg flocks have marketers looking to maintain sufficient stocks to meet the rising demand. Demand from egg products manufacturers has eased and weekly production has moved lower since mid-August to levels below the trend of recent years, down 6% from a year ago this past week. However, eggs for breaking as a percentage of total shell eggs has not changed and much of the decline is due to a 6% decrease in weekly total egg production from a year ago. Egg product pricing has been slowing adjusting down from its HPAI-induced highs from earlier in the year but remains historically high. According to the U.S. Bureau of Labor, in August, the Consumer Price Index for eggs rose 2.9%, 40% over the level of August 2021, to an average price of \$3.12 per dozen.

Promotional activity for conventional caged shell eggs in retail outlets increases again this week and the average ad price moves \$0.12 lower to \$1.24 per dozen. Retail purchases for delivery into this week were estimated to be down 9% from the prior week estimate. Promotional activity for specialty shell eggs is up three-fold this cycle and led by again by organic shell eggs. Feature activity for [UEP-defined cage-free](#) shell eggs continues at a limited pace and accounts for 8% of all shell egg types on feature. The average ad price declines \$0.16 to \$2.74 per dozen. The average ad price spread between 12-packs of Large caged eggs and UEP cage-free eggs narrows by \$0.04 per dozen to a spread of \$1.50 per dozen.

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



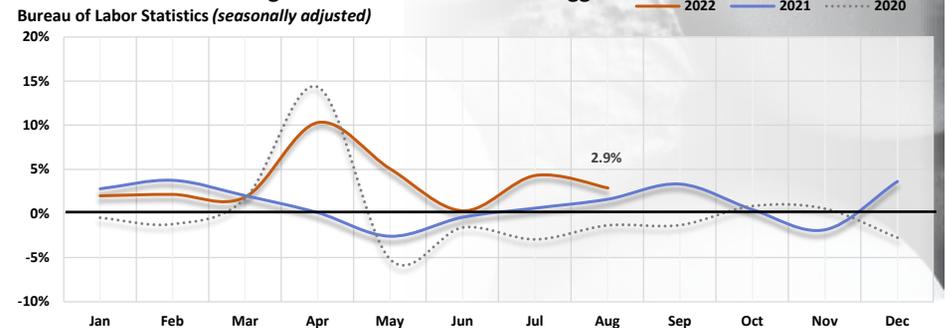
Source: USDA AMS L&P Livestock, Poultry, and Grain Market News

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



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

Month-to-Month % Change in Consumer Price Index - Eggs



The overall inventory of shell eggs declined 4.5% and the nation-wide inventory of Large eggs was down 8%. Stocks of Large eggs in the key Midwest production region decreased 3.5%. Eggs cleared marketing channels over the recent Labor Day period as consumer demand for shell eggs rose despite limited promotional activity at retail outlets. The inventory share of Large class shell eggs declined 1.5% at a 48% share of all shell egg stocks on inventory at the start of the week. Stocks of cage-free eggs declined 8%, signaling movement into retail outlets to support increased featuring. The inventory of nutritionally-enhanced shell eggs gained 18% as eggs were staged to support anticipated increases in retail promotional activity. Organic egg stocks were up a half percent following good clearance last week and ongoing retail features. Breaking stock inventories gained 4.5% as breakers slowed production and worked spot market offerings to maintain their needs. Total estimated table egg production with latest NASS data was unchanged from last week and from last year to an estimated deficit of 9.5 million cases. According to the U.S. Bureau of Labor, in August, the Producer Price Index for eggs fell 27.3 from July, 210% over the level of August 2021.

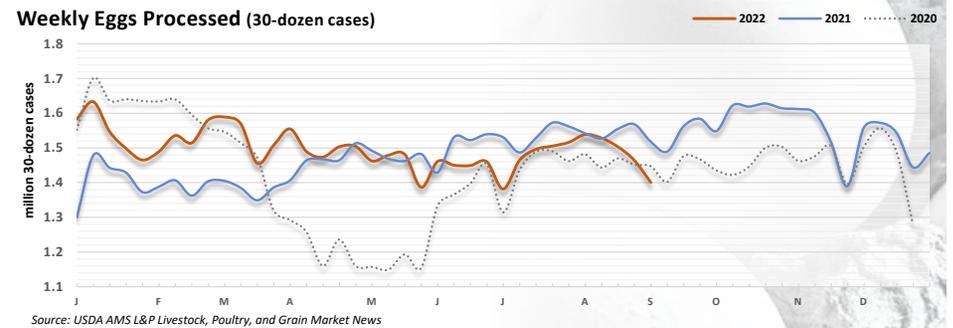
Wholesale prices for breaking stock in the Central States moved sharply higher, up \$0.37 to \$2.00 per dozen with a firm undertone. As carton demand surges, offerings to the breaking market are light. Supplies are moderate but the surplus resulting from the Labor Day break is quickly being used up. Demand varies with most trying to limit their exposure to the spot market. Schedules are normal to reduced and trading is slow to moderate. The volume of eggs processed over the past week declined 4%, representing a 29% share of weekly table egg production. Production of whole egg declined 8.5% while component parts were both up, whites by 2% and yolks by 10%. Dried egg production was about unchanged while inedible production was down 14%. Breaking yields without inedible were down a quarter pound to 41.27 pounds per case broken.

Wholesale prices for liquid yolk are higher with other products untested. Offerings are light, demand is moderate to good, and trading is moderate to active. Prices on frozen whole eggs were unchanged at \$2.00 per pound and those for frozen whites were steady at \$1.45 per pound. The undertone is steady to firm. Offerings are light to moderate while supplies are light to moderate. Demand is moderate to good and trading is moderate to instances active. Prices for dried whole eggs are steady at \$11.50 per pound while prices for dried yolk rose \$1.10 to \$15.00 per pound and albumen prices were untested. The undertone is steady to higher. Offerings and supplies are light to moderate. Interest is moderate to good and trading is moderate to active.

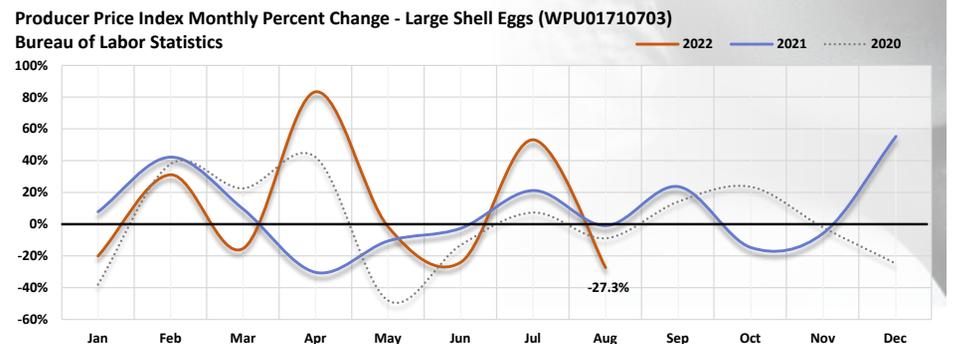
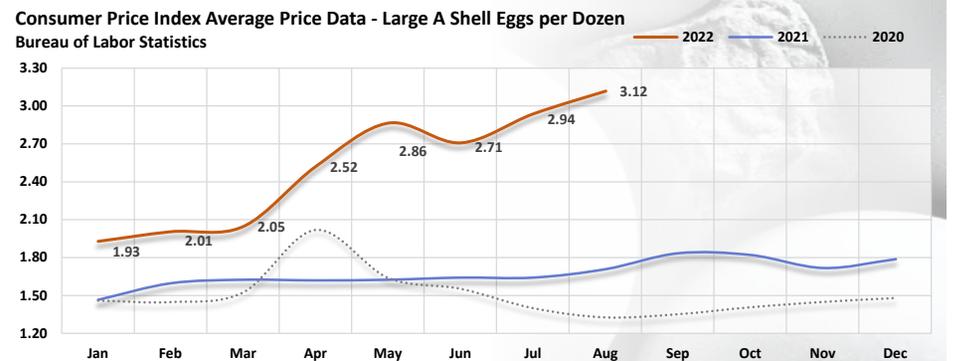
According to NASS, the July monthly volume of frozen eggs in storage decreased 3% from June, 14% below the year ago level. Stocks of whole frozen egg gained 4% from last month and were 25% under year ago levels. The share of whole egg stocks rose 2% to a 36% share of total frozen stocks. Stocks of frozen yolk decreased 20%, 21% below last year's level. Stocks of frozen egg whites increased 10%, 5% over 2021 levels. Stocks of unclassified eggs decreased 9%, 8% under 2021 levels. The share of unclassified frozen stocks decreased 3% to 49% of total frozen stocks.

Cage-free commitments as of August 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 (73% of the U.S. non-organic flock), indicating a shortage of 133.5 million hens from the current non-organic cage-free flock of 87 million hens. The average lay rate for non-organic, barn/aviary cage-free production is currently estimated at 82.5%.

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



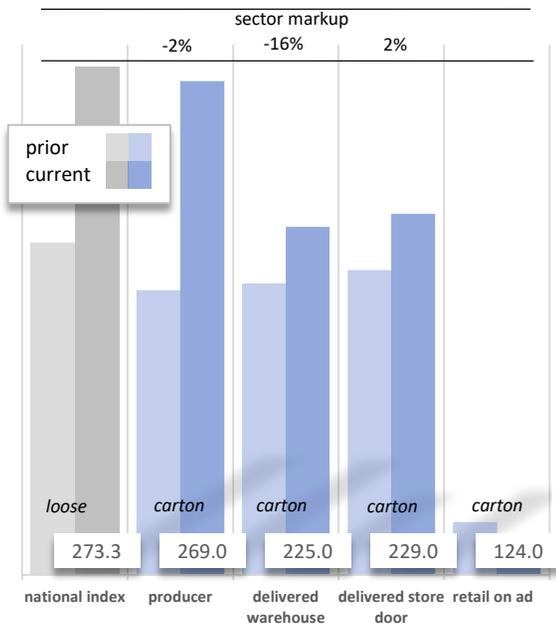
Eggs Processed - Week-to-Week Change						
total	share	whole	whites	yolks	dried	inedible
-4.3%	-1.4%	-8.5%	1.8%	10.2%	0.2%	-14.1%



Shell Eggs Market Price Comparisons

(as of September 16, 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

	16-Sep	% Change	Recent History				
			9-Sep	2-Sep	26-Aug	19-Aug	12-Aug
SHELL EGGS (Large, White, conventional in cents per dozen)							
National, Loose, (f.o.b. dock prices)	273.30	24%	220.14	181.29	190.67	181.11	143.06
New York, Cartonned (price to retailers)	327.00	30%	252.00	227.00	227.00	219.00	219.00
Midwest, Cartonned (price dlvr'd to warehouse)	225.00	8%	208.00	207.00	200.00	202.00	249.00
California, Cartonned, benchmark (cage-free)	326.00	4%	313.00	312.00	288.00	260.00	297.00
National Retail Shell Egg (avg. ad price in dollars per dozen)							
Conventional, Large, White	1.24	-9%	1.36	1.61	2.92	2.50	2.14
Cage-Free, Large, Brown	2.74	-6%	2.90	2.99	2.61	2.94	2.49
EGG PRODUCTS (f.o.b. dock prices; dollars per pound)							
Central States Breaking Stock (dlvd prices per doz)	200.00	23%	163.00	163.00	163.00	163.00	164.00
Whole Frozen Eggs	200.00	0%	200.00	220.00	230.00	230.00	225.00
Whole Dried Eggs	11.50	0%	11.50	12.00	12.25	12.25	12.75
Processed Share of Weekly Egg Production	29.0%	-1.4%	30.4%	31.3%	31.9%	32.1%	31.7%
SHELL EGG DEMAND INDICATOR (no units)							
	18.7	7.2	11.6	6.9	8.5	2.7	1.2

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

Key Shell Egg Markets Snapshot - 2022

(Large, White, Conventional Shell Eggs in cents per dozen)	16-Sep	Change	09-Sep	2022 High	2022 Low		
National, Loose, (f.o.b. dock prices)	273.3	▲ 24%	220.1	283.4	71.4	25-Jul	12-Jan
New York, Cartonned (price to retailers)	327.0	▲ 30%	252.0	343.0	126.0	21-Jul	13-Jan
Midwest, Cartonned (price dlvr'd to warehouse) ¹	225.0	▲ 8%	208.0	324.0	111.0	25-Jul	18-Jan
California, Cartonned, benchmark	326.0	▲ 4%	313.0	370.0	194.0	25-Jul	07-Mar
Central States Breaking Stock (delivered prices) ¹	200.0	▲ 23%	163.0	260.0	73.0	05-Apr	07-Jan
Whole Frozen Egg Products (f.o.b. dock prices)	200.0	▬ 0%	200.00	320.0	115.0	01-Apr	07-Jan
Whole Dried Egg Products (f.o.b. dock prices)	11.50	▬ 0%	11.50	16.00	4.12	01-Apr	07-Jan
Natl Average Retail Ad Price - Conventional	1.24	▼ -9%	1.36	2.92	0.86	26-Aug	28-Jan
Natl Average Retail Ad Price - Cage-free ²	2.74	▼ -6%	2.90	3.02	2.11	22-Jul	11-Mar
Shell Egg Demand Indicator	18.7	▲ 7.2	11.6	18.7	-11.4	14-Sep	06-Apr

¹ mostly high; ² non-organic



FLOUR FACTS

Information Provided by General Mills Foodservice
GeneralMillsCF.com



Weekly Market Highlights

SEPTEMBER 15, 2022

- Monday was the USDA WASDE report where the USDA lowered harvested acreage on corn by 1 million acres in addition to the lower yield, and lowered harvested acreage on beans by 600,000 acres, with a lower yield. The wheat produced no changes from last month domestically, but the world numbers increased Ukraine 1 million tons, and Russia by 3 million tons. This report caused corn and beans to rally and drag wheat along with it.
- Per the Crop Progress report, spring wheat harvest improved to 85% complete, a 14% gain from last week. South Dakota is 100% complete with Montana closely behind at 99%. Washington is 92%; followed by Idaho at 86%; North Dakota 79%; and Minnesota 75%.
- A tentative deal has been struck between the railroad unions and the railroads, preventing a strike that would have started on Friday. The threat of a strike is not completely gone, as the deal is still subject to ratification of the union members.

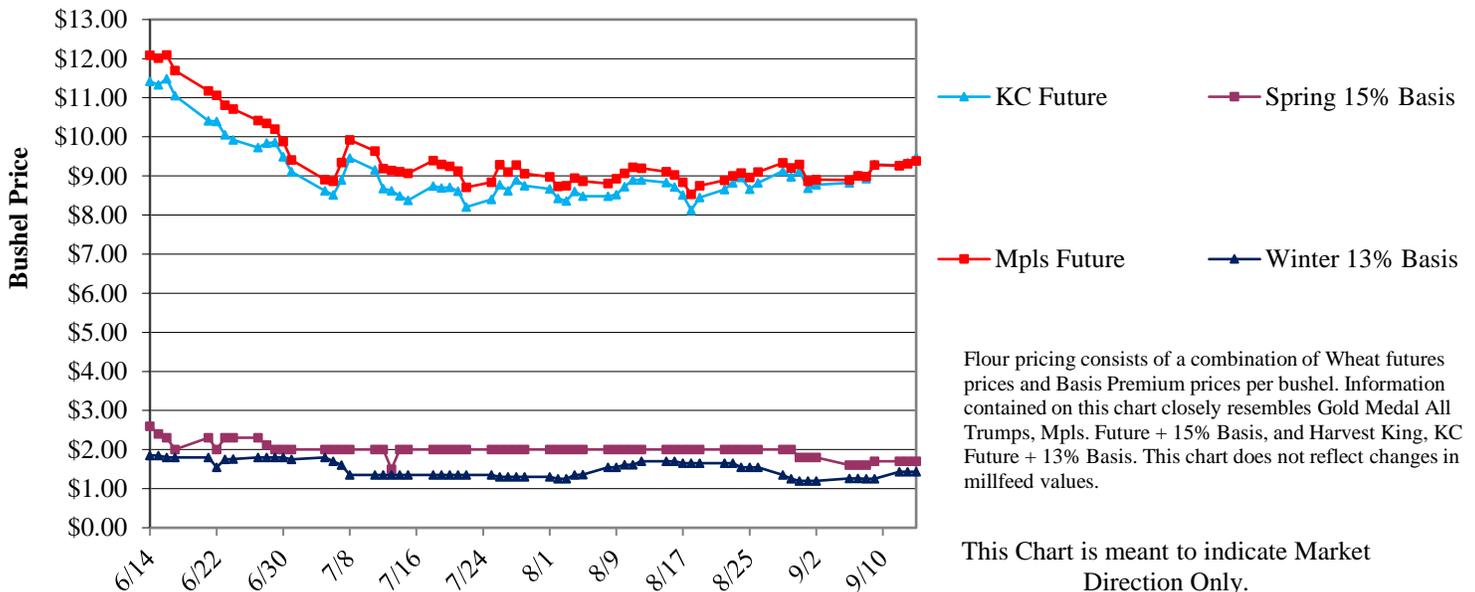
Facts on Flour

Hard and Soft

Another major classification category for wheat is kernel hardness. The wheat kernel, often called a berry, will either be of a hard or soft variety. The terms are very self-descriptive. Hard wheat has hard kernels and soft wheat has soft kernels. Although it sounds simplistic, this difference is critically important to the functionality of the finished flour. Hard wheat flours have the correct protein structure for yeast-raised goods: breads, bagels, pizza crust, etc. Soft wheat flour protein will not support yeast fermentation but is ideal for products using baking powder for the rising action. In future publications, we will discuss the difference between soft and hard wheat proteins.

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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.





Stratas Foods Market Watch 09.16.22

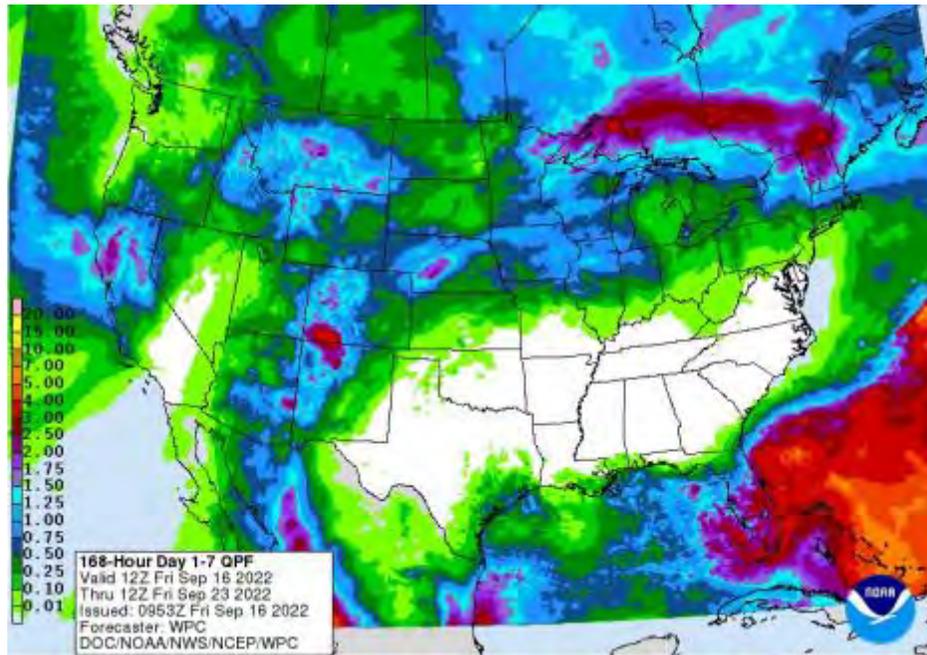
What to Watch For in the Week Ahead

•**Fundamentals**—CFTC COT, Weekly Export data, Crop Progress

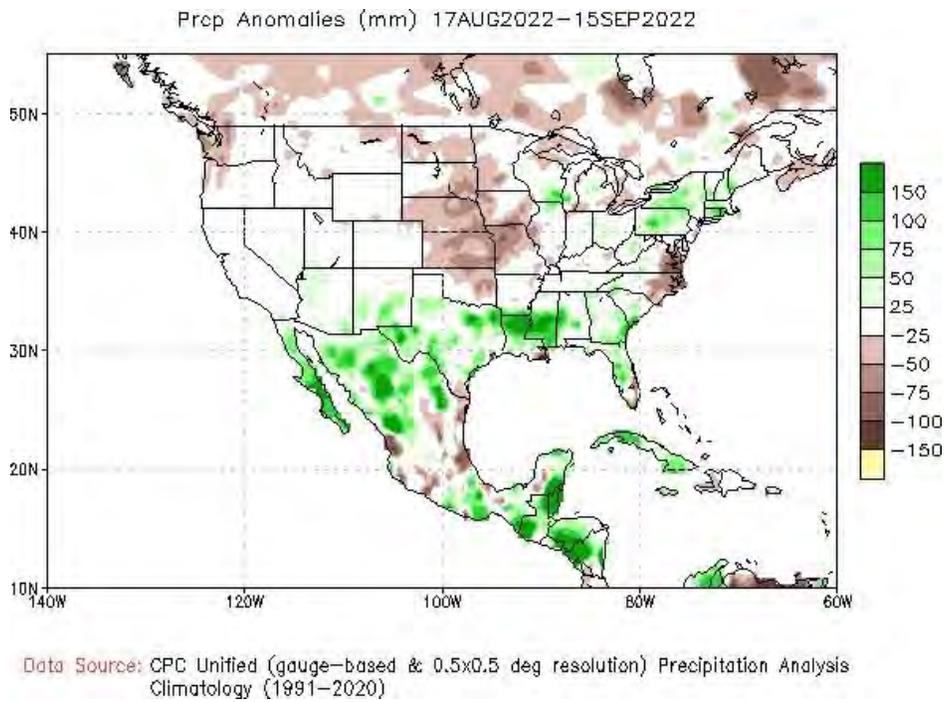
•**Weather** – Rain will have limited additive effects as the farmers look toward harvest. Too much rain could delay it and that would be bullish. In the meantime, things look good. Trade is quickly going to look to South American planting as N Brazil looks to get their first crop in.

•**Politics/Macro**—We've avoided a work stoppage on the rail lines for now, but what's next? Mid-Term elections will continue to bring issues to the forefront.

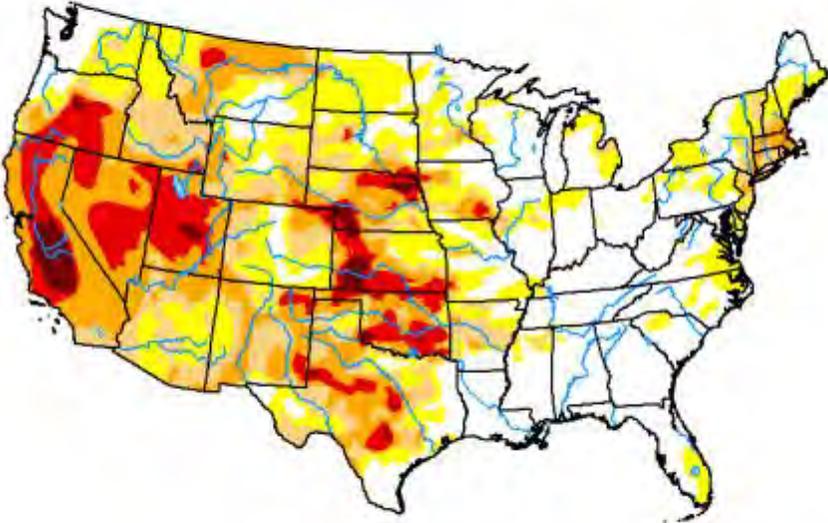
US 7 Day Precipitation



US 30 Day Anomalies

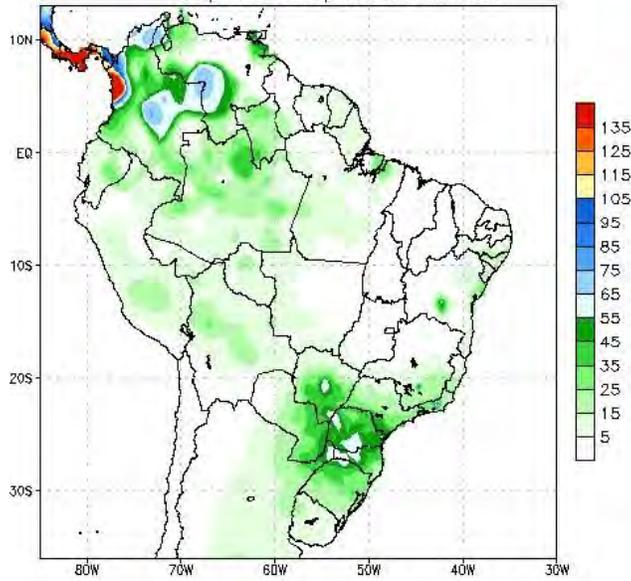


US Drought Monitor



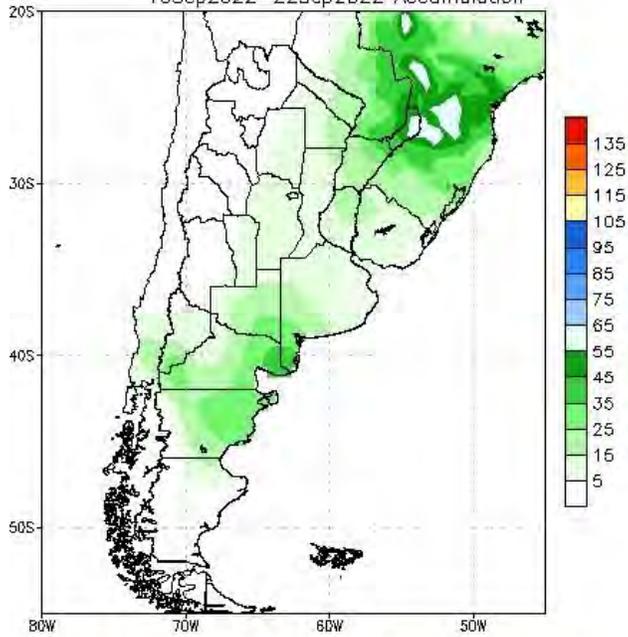
Brazil & Argentina 7 Day Precipitation

NCEP GFS Ensemble Forecast 1-7 Day Precipitation (mm)
from: 16Sep2022
16Sep2022-22Sep2022 Accumulation



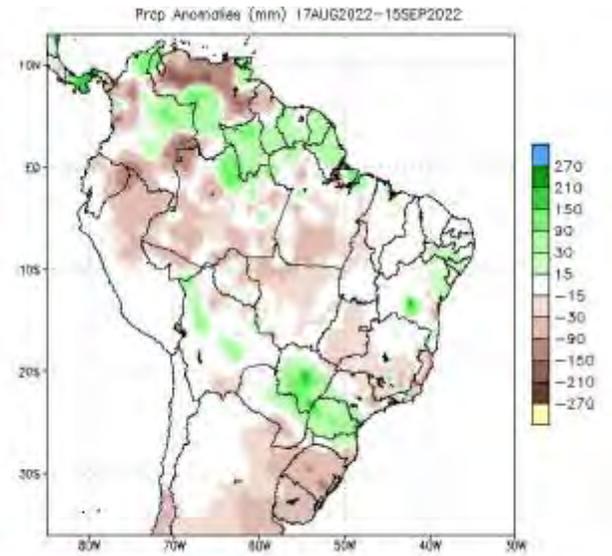
Bias correction based on last 30-day forecast error

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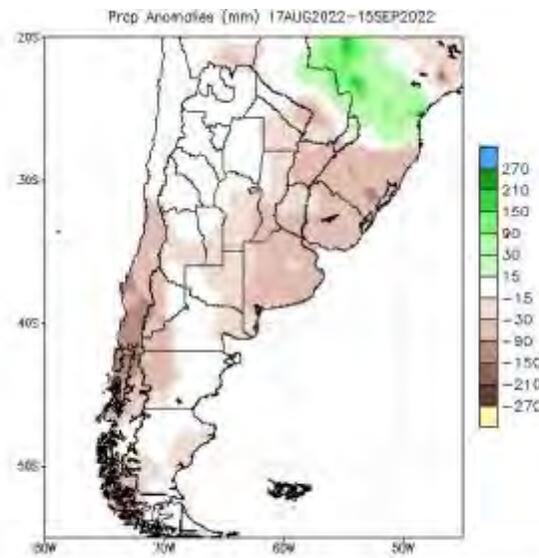


Bias correction based on last 30-day forecast error

Brazil & Argentina 30 Day Anomalies

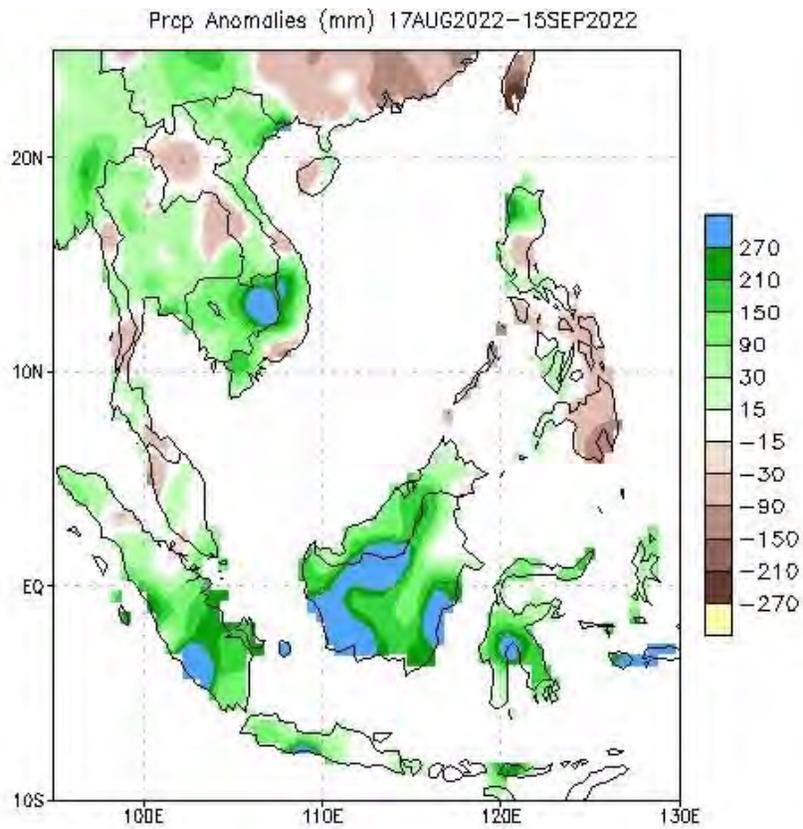


Data Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1991-2020)



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

SE Asia 30 Day Anomalies

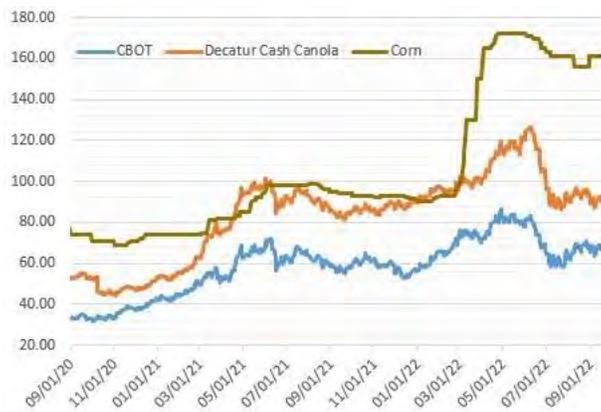


Data Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1991-2020)

Tropical Oils



North American Oils



Moving Averages

	CBOT	Canola	Palm Olein	Coconut
9/16 Price	68.66	92.16	78.00	87.00
9-day MA	66.68	90.18	78.00	86.72
20-day MA	67.63	91.93	78.60	86.33
50-day MA	65.10	91.63	81.58	88.52
200-day MA	69.10	100.39	91.22	104.35

Soybean Oil

WASDE

- *Soybean ending stocks reduced from 245 million bushels in August report to 200 million bushels in September.*
 - *Yield per acre reduced from 51.9 bushels per acre in August to 50.5 bushels per acre in September.*
 - *Soybean oil ending stocks increased from 1,811 million pounds in August to 1,826 in September.*
-

NOPA

- *Crush fell at low end of the estimates. August crush at 165.5 where the trade range was 162.5-171.5.*
 - *Oil stocks fell beneath the trade estimates. Oil stocks at 1.565 billion lbs versus the trade expectation of 1.575-1.8 billion lbs.*
 - *Oil yield stayed high for the month as 11.98 pounds of oil were extracted per bushel.*
-

Flash Summary

- *WASDE and NOPA crush both disappointed compared to the trade estimates.*
- *Moving averages closing gap between each other as the trade range has been firmly set in the past two months.*
 - *Oilshare well off the highs but still historically strong at 44%.*
- *Harvest is weeks away and the Brazilian/Argentinian crops enter planting today. Weather service giving 91% chance of 3rd consecutive La Niña.*

- *Movement in soybean oil markets will continue to float with energies. The next shoe to drop on bio/renewable is canola getting cleared for use.*

- *Expected CBOT Range 60.00 - 70.00*
-

Canola/Rapeseed Oil



Fundamental Updates

- *Stats Canada reported 19.5 MMT production for 2022*
-

Flash Summary

- *Canola seed futures rallied Friday and put in a higher week after Monday's rally set the .*
- *Canola crush margins softened this week with stronger seed pricing and moderately lower oil share values (despite Friday's O/S Rally).*
- *Canola crop looks good and now it's going to be more about bringing it in and counting it than hoping we get enough to refill the stocks.*
- *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?*

- *RFS pathway for canola oil seems like a matter of "when" more than "if" at this point. However, the crowd is moving towards 2023 expectations rather than Q3/Q4 of this year.*
-

Tropical Oils



Fundamental Updates

MPOB

- *Production - 1.773 MMT +10% MoM (highest total of 2022, 20k MT more than 2021)*
 - *Exports - 1.300 MMT -2% (3rd highest month of 2022)*
 - *End Stocks - 2.094 MMT +18% (highest in 2022, most since May 2020)*
- *Palm oil continues to deepen its discount to Soy in the futures markets. There are very different pictures for Malaysian Palm and US Soy.*
- *Palm oil's cheapness is pressuring Argentina's soybean oil export market and causing the Argentina basis to trade at absurd levels*
- *Indonesian stocks burdensome due to the murky outlook on export licenses/permits.*

- *The US landed palm market is in the last stages of bridging the gap from Indonesia shutting off exports and is ramping up for Q4 production needs.*
 - *Palm will likely lead soy lower and follow it higher in the nearby, but both will be subject to the whims of the funds.*
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Hogs and Pork

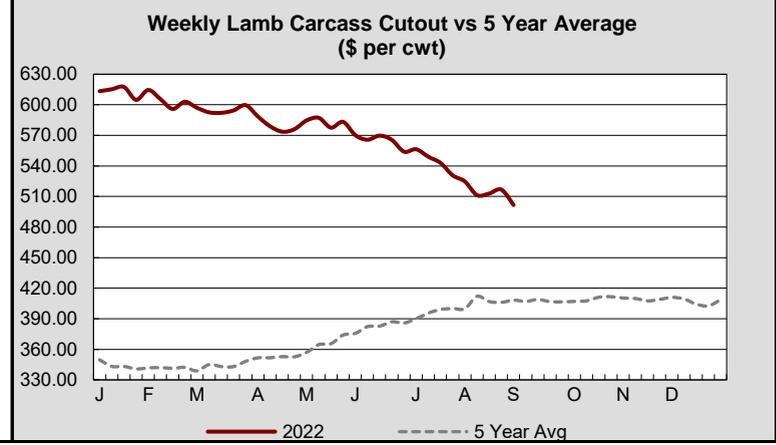
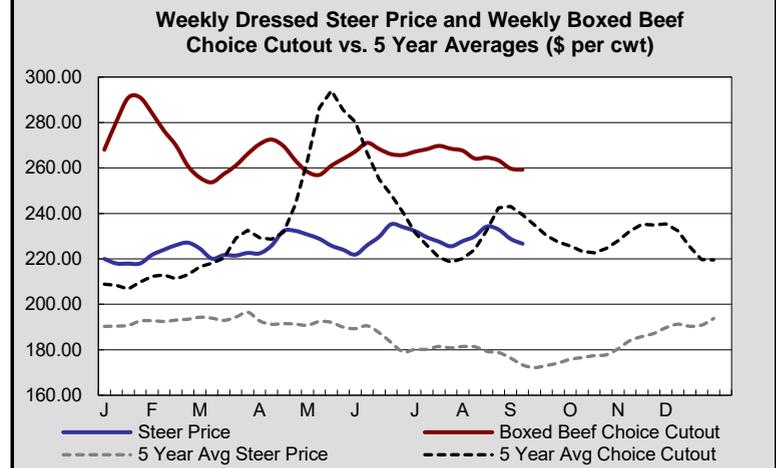
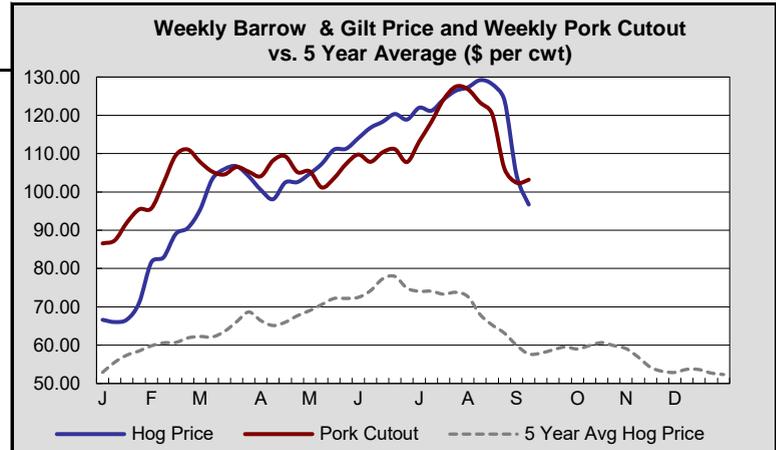
	Current Week	Change From Past Week	Change From Past Year
Nat'l Purchased Carc Wtd Avg Price - Barrows & Gilts (\$/cwt)	96.71	-7.3%	9.7%
Pork Carcass Cutout FOB Plant (\$/cwt)	103.20	0.8%	-4.0%
Segregated Early Weaned (SEW) Feeder Pigs (\$/head)	38.25	-3.8%	-17.1%
Iowa/So. Minn Avg Weight Barrows & Gilts (lbs)	277.7	0.3%	-0.4%
Est. Hog Slaughter	2,243,000	-4.8%	-0.2%
YTD Est. Hog Slaughter	85,272,000	N/A	-3.3%
Est. Pork Production (mil lbs)	470.5	-4.9%	-0.5%
YTD Est. Pork Production (mil lbs)	18,395.4	N/A	-2.7%

Cattle and Beef

Live Wtd Avg Steer Price, 5 Area FOB (\$/cwt)	142.48	-0.3%	14.2%
Dressed Wtd Avg Steer Price, 5 Area Del (\$/cwt)	226.68	-0.9%	12.9%
Boxed Beef Cutout, Choice (\$/cwt)	259.27	-0.2%	-22.0%
Boxed Beef Cutout, Select (\$/cwt)	236.90	-0.9%	-20.4%
Boxed Beef, Choice/Select Spread (\$/cwt)	22.37	1.71	-12.62
By-Product Drop Value, Steer (\$/cwt live)	13.90	0.7%	-9.2%
CME Feeder Cattle Index (\$/cwt)	181.24	0.9%	16.9%
Est. Cattle Slaughter	604,000	-5.3%	4.3%
YTD Est. Cattle Slaughter	23,349,000	N/A	1.3%
Est. Beef Production (mil lbs)	494.1	-5.0%	3.0%
YTD Est. Beef Production (mil lbs)	19,234.2	N/A	1.1%

Lamb and Veal

Slaughter Lamb, Comprehensive, Carc. Wtd Avg Price (\$/cwt)	117.57	-1.2%	-53.0%
Lamb Carcass Cutout (\$/cwt)	503.14	0.3%	-20.1%
Est. Sheep Slaughter	28,000	-12.5%	-9.7%
YTD Est. Sheep Slaughter	1,194,000	N/A	-9.6%
Est. Lamb Production (mil lbs)	1.9	-9.5%	5.6%
YTD Est. Lamb Production (mil lbs)	80.3	N/A	-5.0%
Veal Carcass Wtd Avg Packer & Non-Packer Owned (\$/cwt)	437.88	0.2%	24.8%





Grain

	Current Week	Change From Past Week	Change From Past Year
Central Illinois Avg Corn Price (\$/bu)	6.8100	1.8%	31.0%
Central Illinois Avg Soybean Price (\$/bu)	15.0400	-0.5%	19.8%
Central Illinois 48% Soybean Meal, Rail (\$/ton)	470.90	-0.7%	38.2%
Hard Red Winter Wheat Truck to Kansas City (\$/bu)	10.0925	5.4%	42.4%
Dark Northern Spring Wheat, 14%, MN, Rail (\$/bu)	10.4750	0.7%	7.0%
Soft White Wheat Portland (\$/bu)	9.2813	2.5%	-15.0%
Sorghum, Kansas City, Truck (\$/bu)	7.1100	-0.2%	N/A

Broilers

Nat'l Delivered Whole Body Price (cents/lb)	125.14	-1.2%	18.3%
Est. Young Chicken Slaughter - Current Week (000's)	147,837	-12.8%	N/A
Actual Slaughter of Young Chickens (000's)	177,476	3.9%	10.0%
YTD Actual Slaughter of Young Chickens (000's)	5,938,787	N/A	1.8%
Actual RTC Pounds of Young Chickens (000's)	863,243	3.2%	10.9%
YTD RTC Pounds of Young Chickens (000's)	28,634,513	N/A	1.7%

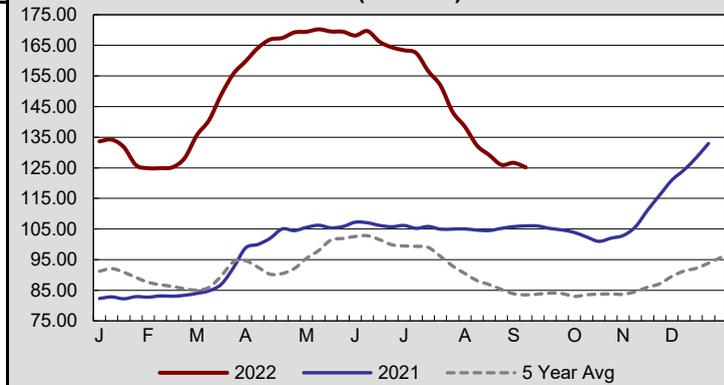
Turkeys

Nat'l FOB Frozen 8-16 lb. Hens, Wtd Avg Prices, cents/lb	164.53	-4.8%	N/A
Actual Slaughter of Turkeys (000's)	3,707	-5.1%	-1.3%
YTD Actual Slaughter of Turkeys (000's)	131,101	N/A	-2.6%
Actual RTC Pounds of Turkeys (000's)	86,717	-9.4%	-5.4%
YTD RTC Pounds of Turkeys (000's)	3,324,362	N/A	-4.5%

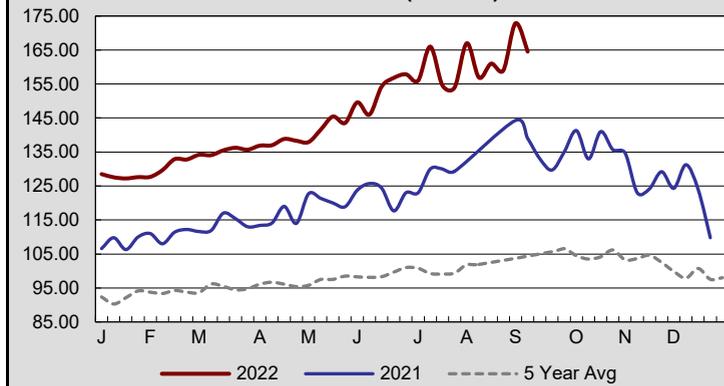
Eggs

Combined Regional Large Eggs (cents/dozen)	218.14	0.5%	54.7%
National Shell Egg Inventory (30 doz. Cases/000,s)	1264.9	-4.6%	N/A
Shell Egg Demand Indicator (SEDI)	11.60	0.59	9.20
Central States Breaking Stock Av. Price (cents/dozen)	162.00	0.0%	131.4%
National Breaking Stock Inventory (30 doz. Cases/000's)	352.1	4.5%	N/A
Eggs Broken Under Federal Inspection (30 doz cases)	1,463,839	-2.6%	-3.6%
YTD Eggs Broken Under Federal Inspection (30 doz cases)	52,509,819	N/A	2.1%

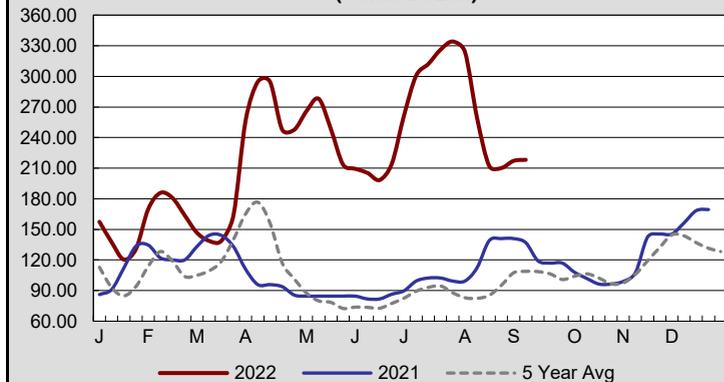
Weekly National Broiler Whole Body Delivered Price (Cents /lb)



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



Weekly Combined Regional Large Egg Price (Cents/Dozen)





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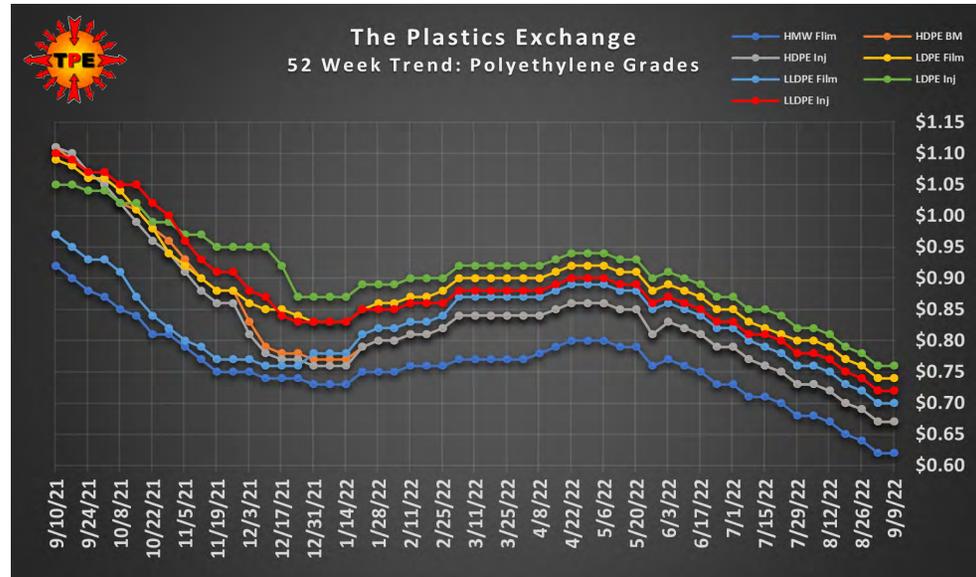
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Market Update — September 9th, 2022

The spot resin markets returned to a more familiar and active pace following the long 3-day Labor Day holiday weekend. Buyers began poking around for material on Tuesday, but nary a fresh prime railcar was seen from producers, though some offgrade cars flowed and there was ample warehoused material to provide liquidity to our marketplace. Suppliers remained a bit coy throughout the week, seemingly no longer willing to chase low-ball bids as sentiment has moved away from outright bearish towards neutral as prices have already come off plenty and a bottom might already be in place. While some processors only checked in with our trading desk to seek quotes and gauge market tone, this more passive stance by sellers encouraged other buyers actually in need of resin to pay prevailing asking prices for material. This is a change from the past several months which saw very aggressive discounting amid mass inventory liquidations while buyers only picked away with small orders as they flexed their pricing power.

As Polyethylene and Polypropylene prices eroded over the past four months, the range of transactional prices expanded greatly, and much of this had to do with prices in the different major market segments declining to varying degrees. Branded Prime contracts which comprise the largest volume component of North American commodity resin sales has seen the smallest relief, while spot prices, including both domestic Generic Prime and offgrade, fell much more, creating very compelling buying opportunities for those processors that can participate in these grades. The decline in export prices has been somewhere in between, as they never reached the dizzying heights seen for domestic spot, and then really plummeted as producers dumped resin into offshore markets. The past few weeks saw significant price consolidation in the spot market as the very low end of the market began to clean up, while the top end of the pricing spectrum has come off as discounted price levels make their way through the industry.

Resin for Sale 13,803,284 lbs		Spot Range		TPE Market	
Resin	Total lbs	Low	High	Bid	Ask
HDPE - Blow	2,066,048	\$ 0.640	\$ 0.740	\$ 0.630	\$ 0.680
HDPE - Inj	1,984,140	\$ 0.630	\$ 0.730	\$ 0.630	\$ 0.680
PP Homo - Inj	1,874,480	\$ 0.640	\$ 0.830	\$ 0.700	\$ 0.800
PP Copo - Inj	1,785,760	\$ 0.740	\$ 0.920	\$ 0.800	\$ 0.900
LDPE - Film	1,587,312	\$ 0.670	\$ 0.790	\$ 0.700	\$ 0.750
LLDPE - Film	1,534,852	\$ 0.580	\$ 0.710	\$ 0.680	\$ 0.710
LLDPE - Inj	1,146,392	\$ 0.660	\$ 0.760	\$ 0.680	\$ 0.730
HMWPE - Film	1,105,656	\$ 0.580	\$ 0.660	\$ 0.580	\$ 0.630
LDPE - Inj	718,644	\$ 0.680	\$ 0.800	\$ 0.720	\$ 0.770



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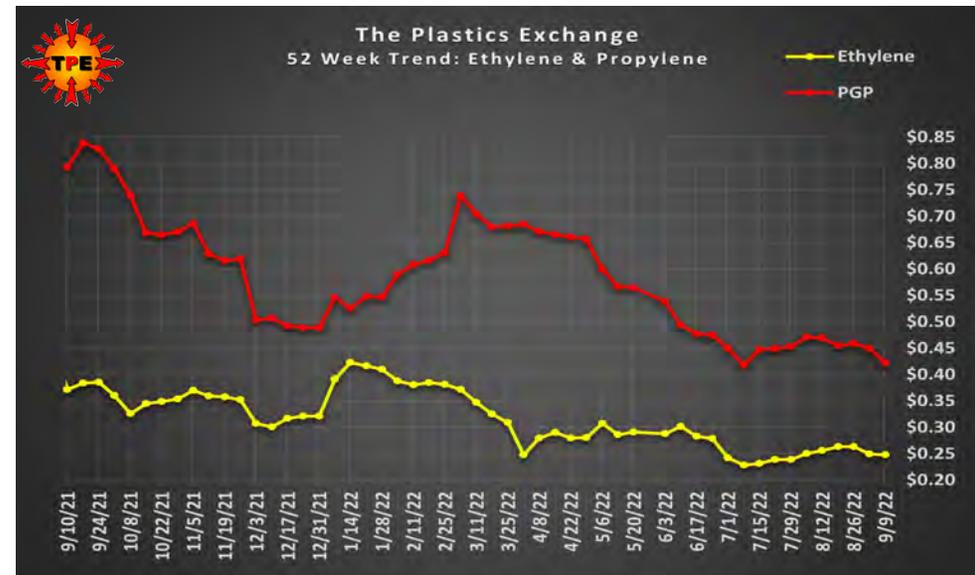
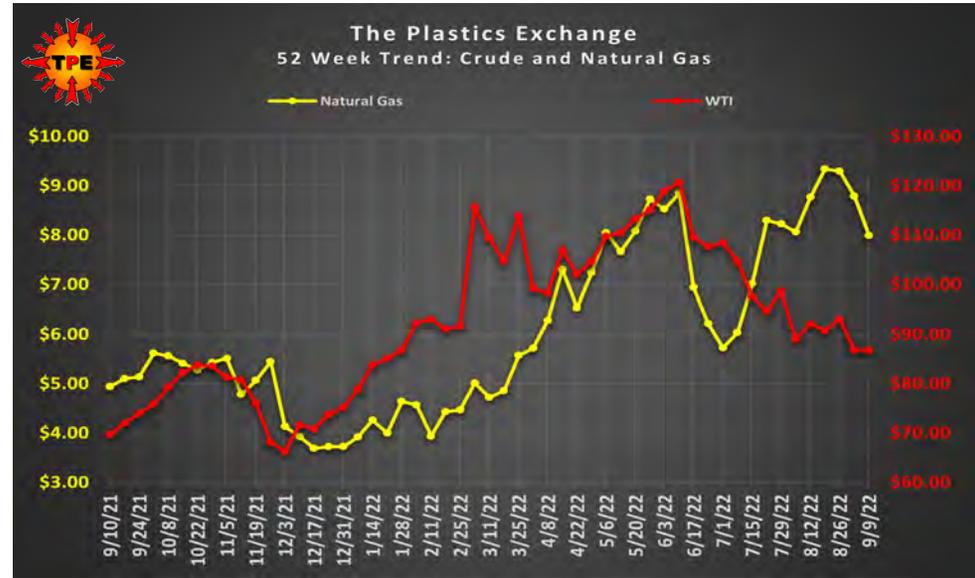
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Market Update — September 9th, 2022

August PE contracts decreased \$.05/lb on average and PP contracts dropped \$.01/lb, which included \$.03/lb of margin contraction. There is a \$.05/lb PE increase on the table for Sept, which would only be relevant if this year's benign hurricane season instead brings a large storm through the gulf to impact petrochemical production. In the meantime, spot prices remain well discounted to contracts so further consolidation could lie ahead, which might potentially include further contract decreases even if the bottom for spot pricing is in place and the low end of the market continues to firm up. There are no increases currently nominated for PP contracts, so direction will be dictated by PGP monomer costs, which have softened a tad, and whether producers could hold onto their relatively wide margins, which is a function of supply / demand balance - and it still feels heavy.

On the logistics front, all eyes are once again on potential issues within the rail industry as unions and rail carriers have not come to a new labor agreement. Late Friday, US freight railroads began notifying customers of service cuts to take place ahead of a potential rail worker strike on September 17. Rail congestion had improved somewhat after BNSF lifted its permit embargo in California in late August. Rail carriers were also pulling additional cars out of storage to better serve demand. A railroad work stoppage could cost the US economy \$2 billion a day in output and require 467,000 long-haul trucks daily to manage shipments diverted from rail - exceeding supply, according to the Association of American Railroads.

Energy futures continued to come down across the board and Crude Oil touched its lowest levels since January, which came on the back of ongoing global economic and demand concerns. Nat Gas, meanwhile, dropped amid more mild weather forecasts across the US and better production rates. At the start of the week, Oct WTI shot up to a high of \$90.39/bbl on Tuesday before dropping \$9.19/bbl to a low of \$81.20/bbl on Thursday.



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MARKET UPDATE

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Market Update — September 9th, 2022

By Friday, WTI rebounded some and closed at \$86.79/bbl, down a small \$.09/bbl for the week. Nov Brent followed the same path and ended the week at \$92.84/bbl for a weekly net loss of just \$.18/bbl. Oct Nat Gas futures began the trading week on Tuesday and took a wild ride, starting strong and reaching a high of to \$9.13/mmBtu before crashing down \$1.38/mmBtu to set a low of \$7.75/mmBtu on Thursday. By the closing bell on Friday, Oct Nat Gas recovered some to close out at \$8.00/mmBtu, having dropped almost \$.80/mmBtu from the previous week. NGLs followed the downtrend as Ethane peeled off just over a nickel to \$.512/gal (\$.216/lb), and Propane finished down several cents to \$1.049/gal (\$.296/lb).

Monomer participation was ample during the shortened week holiday week alongside heavy volume and lower prices. Ethylene maintained its leadership role and traders entered the market ready to transact with a flurry of activity. Tuesday morning brought a deal for spot delivery at \$.25/lb and a deal for 2Q deliveries was solidified at \$.24125/lb. On Tuesday, an agreement for 2H'23 deliveries at \$.2375/lb was also inked. Midweek, spot Sept Ethylene exchanged hands at \$.25/lb and a few times at \$.2525/lb. On Wednesday, traders eyed material in Louisiana with spot material finalized at \$.2475/lb. A transaction for 2H'23 at \$.235/lb was also seen. Early Thursday morning another transaction swapping spot Ethylene in LA and TX was noted and pricing remained a tad more favorable to TX material. Noting backdated pricing, Sept Ethylene switched ownership twice at \$.255/lb and once at \$.25/lb. A Sept deal for LA delivery was also confirmed at \$.2425/lb Thursday. Bids and offers were presented through Friday but no further completions were noted. On Friday afternoon, spot Sept Ethylene settled just above \$.246/lb, losing a net quarter-cent on the week. The forward curve moved alongside spot and remained in backwardation.

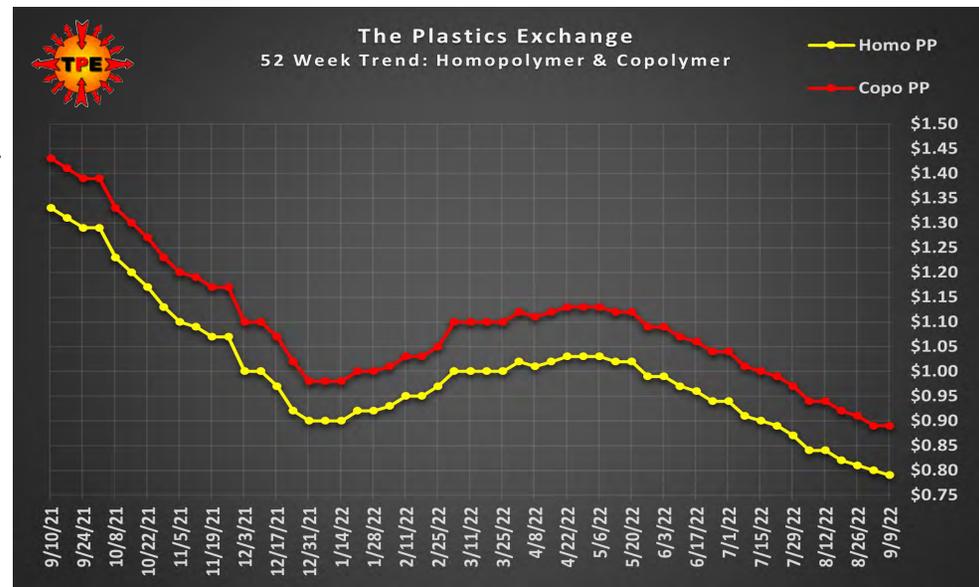
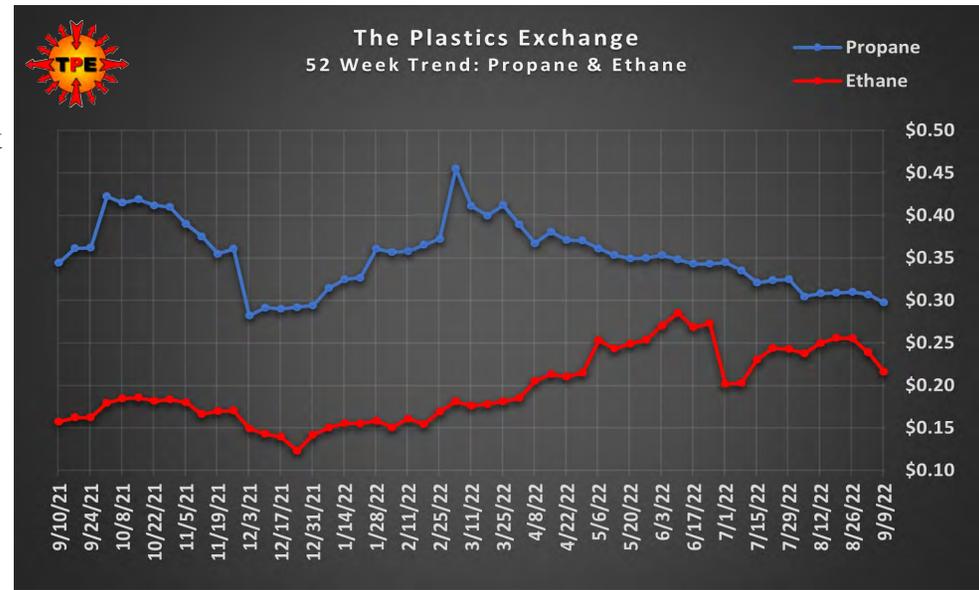
Polymer Grade Propylene saw more action than in previous weeks but still lacked the enthusiasm seen for Ethylene.

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MARKET UPDATE

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Market Update — September 9th, 2022

After a few pokes through Wednesday morning, deals finally came to fruition as spot Sept and Oct PGP each found new homes at \$.42/lb. PGP participation ramped up the following day, but traders could only cement a sole deal for 1Q'23 deliveries at \$.435/lb that morning. By Friday, PGP offers began to disappear, yet a few sales were still completed. An agreement for Cal'23 deliveries was inked at \$.44/lb and two transactions for 2Q'23 deliveries were concluded at \$.435/lb before the market rested. Spot Sept PGP knocked off \$.0275/lb on the week to settle at \$.4225/lb. The forward curve remained in contango and widened by about a penny. As Aug PGP contracts settled two cents higher, current spot pricing would call for a contract decrease of roughly \$.03/lb, erasing the previous month's gains and then some; however, ample time remains for prices to readjust.

Polyethylene was the dominant resin changing hands as traders returned in full force after the holiday. PE buyers came looking for material on Tuesday, and while some deeply discounted offers remained, most sellers took a step back, no longer willing to chase low-ball bids after producers made it known they would be reducing operating rates to shore up the oversupply that has been weighing on the market. We saw noticeable consolidation in prices, the bottom of the market began to rise, while the top end of the market lopped of several cents as price discovery became more prominent. Our completed business was mostly spread across HDPE Blow Mold, LLDPE Film, and LLDPE Injection grades. LDPE sales were limited, but we were buyers for our market-making account. Railcars offers only trickled in as it seemed that a couple producers still had some material to move, while most other sellers were silent unless called upon. With uncertainty looming ahead of a potential railworker strike, the need for ready-to-ship truckloads, which is still in short order, has definitely increased.

Overall PE availability is still deemed very good, and we will need some time to see if the heavy export sales and reduced production has begun to truly make an impact or if there is another proverbial shoe to eventually fall.

Spot Polypropylene trading did not excite as much as PE. There was a noticeable lack of prime offers though offgrade railcars continued to pelt the market, albeit there was an uptick in pricing. While the previous week's busy activity was spurred by lightening sharp deals and a small increase in demand, this week did not have follow-through momentum as buyers continued to wait on the sidelines and only procure what they need to run in the near/mid-term. As such, we continued to see ongoing demand for spot truckloads, and much to the dismay of processors in need, premiums for packaged resin remained relatively large compared to prevailing bulk offgrade deals. Although overall supply was good, select grades were still difficult to source, such as HoPP and CoPP high flow, and CoPP low flow No Break resins. With monomer coming off a few cents, buyers are expecting some commensurate cost relief, and it will need to be determined if moderating production rates will be enough to shore up the domestic PP market or if additional margin compression will be seen. In the meantime, the peak of hurricane season will pass without much ado, though a late season storm could still come to shock the market like in recent years.

Be sure to follow us on Twitter and LinkedIn for daily news updates!

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

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09/16/2022

Dairy Market

BLOCK: Unchanged @ \$ 2.0600 0 Sales
 BARRELS: Up .0300 @ \$ 2.0900 0 Sales
 BUTTER: Down .0400 @ \$ 3.1325 1 Sales
 NFDM Grade A: Down .0100 @ \$ 1.5700 0 Sales
 CME Dry Whey Down .0175 @ \$.4600 0 Sales

<u>Date</u>	<u>Blocks</u>	<u>Block Change</u>	<u>Block Sales</u>	<u>Barrels</u>	<u>Barrel Change</u>	<u>Barrel Sale</u>	<u>Spread</u>
09/12/2022	1.9525	Up .0350	2	1.9850	Up .0525	3	-0.0325
09/13/2022	2.0000	Up .0475	1	2.0600	Up .0750	4	-0.0600
09/14/2022	2.0600	Up .0600	0	2.0600	Unchanged	2	0.0000
09/15/2022	2.0600	Unchanged	0	2.0600	Unchanged	0	0.0000
09/16/2022	2.0600	Unchanged	0	2.0900	Up .0300	0	-0.0300
Average Market:	2.0265		3	2.0510		9	

<u>Date</u>	<u>Butter</u>	<u>Butter Change</u>	<u>Butter Sales</u>	<u>Grd A</u>	<u>Grd A Change</u>	<u>Grd A Sales</u>
09/12/2022	3.1700	Unchanged	1	1.5875	Up .0125	4
09/13/2022	3.2400	Up .0700	9	1.5750	Down .0125	2
09/14/2022	3.2075	Down .0325	2	1.5500	Down .0250	4
09/15/2022	3.1725	Down .0350	1	1.5800	Up .0300	15
09/16/2022	3.1325	Down .0400	1	1.5700	Down .0100	0
Average Market:	3.1845		14	1.5725		25

<u>Date</u>	<u>Dry Whey</u>	<u>Dry Whey Change</u>	<u>Dry Whey Sales</u>
09/12/2022	0.4575	Unchanged	1
09/13/2022	0.4975	Up .0400	2
09/14/2022	0.4875	Down .0100	0
09/15/2022	0.4775	Down .0100	0
09/16/2022	0.4600	Down .0175	0
Average Market:	0.4760		3

--Year Ago--

<u>Date</u>	<u>Blocks</u>	<u>Barrels</u>	<u>Butter</u>	<u>NFDM Grade A</u>	<u>Dry Whey</u>
09/14/2021	1.8000	1.4875	1.8275	1.3325	0.5250
09/15/2021	1.7950	1.4925	1.8275	1.3300	0.5250
09/16/2021	1.7950	1.4925	1.7900	1.3300	0.5350
09/17/2021	1.7925	1.5100	1.7900	1.3500	0.5350

REMA FOODS

September 14, 2022

**Update On Retail Pack Size Imported Mushroom Antidumping Action.
Initial Rates Announced**



The Department of Commerce published its initial affirmative preliminary determination in the antidumping investigation concerning retail preserved mushrooms.

Because the two major **French** plants failed to participate in the investigation, Commerce set for them a preliminary antidumping duty rate of 360.88%, which the government began collecting from importers beginning September 13, 2022.

It's important to note that the antidumping duty applies only to retail pack sizes (not more than 12 ounces drained weight). Because plants in other countries are cooperating with the investigation, it is expected that other origins will face lower antidumping duty rates than those imposed on France.

As a reminder, the initial petition filed on March 31, 2022 alleged that preserved mushrooms from France, the Netherlands, Poland, and Spain, when packed in retail sized containers, are being sold at less than fair value in the U.S. market.

Besides the French margin which has now been preliminarily set and published, the remaining origins face "alleged" dumping margins of 126.05%-152.36% for the Netherlands, 21.82%-31.9% percent for Poland, and 6.38%-139.83% percent for Spain.

The Dept of Commerce will announce their preliminary antidumping duty findings against Spain, the Netherlands and Poland around October 27, 2022, with collections from importers starting soon thereafter.

