

MarketNews

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Market Report - Eggs



Flour Facts



Oil Market Watch



Weekly Market Review



USDA Livestock, Poultry & Grain Market Highlights



Market updates from The Plastics Exchange



Daily Market Summary - Plus In Depth Analysis

Egg Markets

AJ PY027

Atlanta, GA Fri. Dec 22, 2023 USDA Market News

SHELL EGGS: Daily National Egg Market-at-a-Glance

New York egg prices are up 2 cents for larger sizes and unchanged for Medium. Regional and California prices are steady. The undertone is steady to firm. Asking prices for next week's deliveries are trending higher on all sizes. Demand remains moderate to good going into the holiday weekend. Offerings and supplies are light to moderate. Market activity is moderate to instances active. Breaking stock offerings are light for the light demand. Spent fowl supplies are at least sufficient; processing schedules are normal.

SOURCE: USDA Livestock, Poultry & Grain Market News Division
Atlanta, GA 404.562.5850 email: Atlanta.lpgmn@usda.gov
<http://www.ams.usda.gov/market-news/livestock-poultry-grain>

Prepared: 22-Dec-2023 01:00 PM E NBS



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>

<https://www.ams.usda.gov/mnreports/pybshellegg.pdf>

<https://mymarketnews.ams.usda.gov/viewReport/2733>



Egg Markets Overview

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

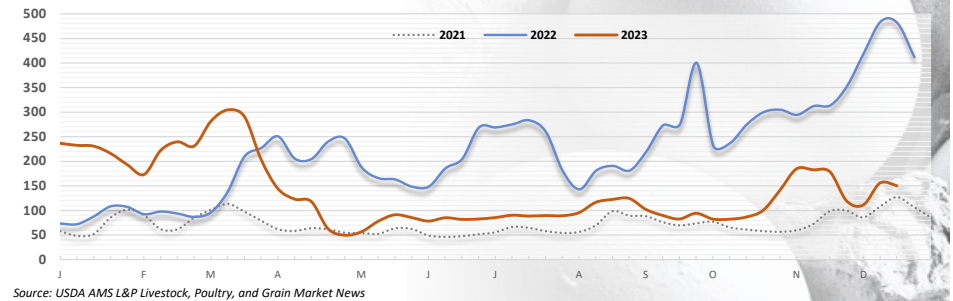
December 22, 2023

Wholesale prices for cartoned shell eggs moved higher through the trading period but the pace of advance slowed by week's end. Offerings remain light to moderate with moderate supplies. Demand is moderate to good and trading is moderate. Wholesale prices for graded loose eggs rose early in the week but trended downward to end the week lower. Demand is in a full range for light to moderate offerings and mostly moderate supplies. Trading is slowing. The volume of trailer load loose egg sales this week continues to decline sharply, down 62% from last week. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs declined \$0.06 to \$1.50 per dozen with a steady undertone. The wholesale price on the New York market for Large cartoned shell eggs delivered to retailers increased \$0.26 to \$2.35 per dozen with a firm undertone. In the major Midwest production region, the wholesale price for Large, white, shell eggs delivered to warehouses increased \$0.20 to \$1.82 per dozen with a higher undertone while prices paid to producers for Large cartoned shell eggs increased \$0.38 to \$2.01 per dozen. The California benchmark for Large shell eggs gained \$0.47 to \$2.94 per dozen with a higher undertone. Delivered prices on the California-compliant wholesale loose egg market increased \$1.00 to \$3.69 per dozen with a firm undertone.

Consumer demand for egg improved over the past week as the market enters the homestretch of the December holiday season and final preparations get underway. Demand typically picks up during this period but the level is somewhat more subdued than in past years – even compared to 2022 when price levels spiked due to market competition for available supplies made worse by the impact of highly pathogenic avian influenza (HPAI). HPAI is back on the minds of marketers this year as recent outbreaks in table egg layer flocks has producers on alert. However, unlike in 2022, the peak supply period is now past and shell eggs for the holidays, purchased during the recent downturn in wholesale prices, are in marketing channels. Grocers are focusing their feature campaigns on specialty shell eggs with an increased focus on specialty cage-free types of all kinds including barn, free-range, pastured, and organic. Demand from egg breakers has remained light to moderate despite significant losses to layer flocks devoted to egg product production as many took advantage of the lull in carton business in the immediate post-Thanksgiving marketing period to build stocks to fuel their lines through the holidays.

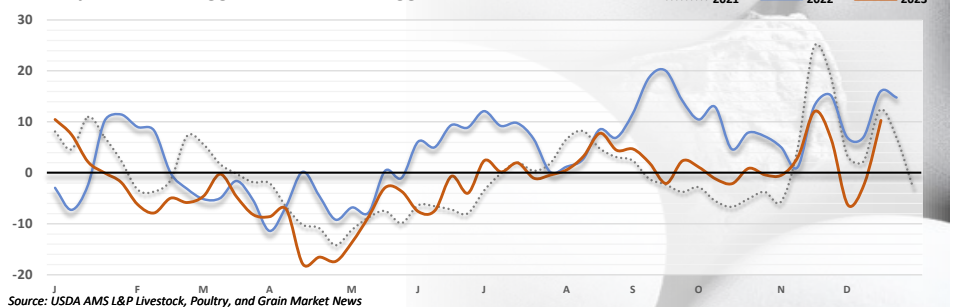
Promotional activity for conventional caged Large shell eggs in retail outlets was very limited in the week leading up to the holiday weekend and the average ad price increased \$0.56 to \$2.19 per dozen on the thin test. Featuring of specialty shell eggs increases as grocers focus their promotions this week on nutritionally enhanced and cage-free types. Feature activity for [UEP-defined cage-free](#) shell eggs doubled its pace this cycle at 36% of all ad activity. The average ad price declined \$0.20 to \$2.78 per dozen and the average ad price spread between 12-packs of Large caged eggs and UEP cage-free eggs closes by \$0.76 per dozen to a spread of \$0.59 per dozen.

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



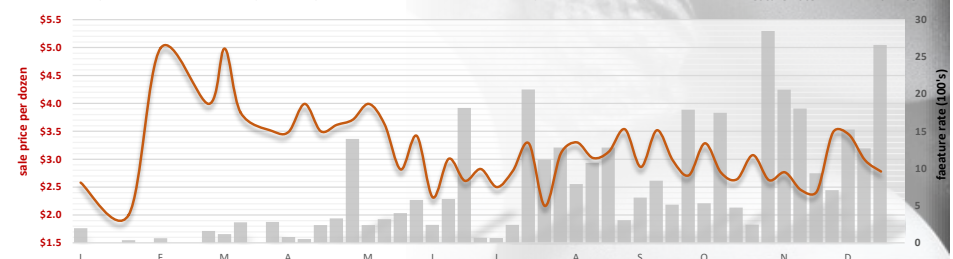
Source: USDA AMS L&P Livestock, Poultry, and Grain Market News

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



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

Retail Cage-Free Shell Egg Featuring - LG Brown Cage-Free Shell Egg Ad Price vs. Feature Rate
Advertised prices to consumers by U.S. supermarkets for UEP-defined cage-free shell eggs



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

The national inventory of shell egg stocks was down just over 11% at the start of the week while the national inventory of Large eggs declined 15%. Stocks of Large shell eggs in the key Midwest production region cleared by nearly 24.5% as eggs moved out of production regions to support last consumer demand in the final week ahead of Christmas. The inventory share of Large class shell eggs declined 2.5% to a 49.5% share of all shell egg stocks on inventory at the start of the week. Stocks of cage-free eggs were down one percent and stocks of nutritionally-enhanced shell eggs decreased 2.5% as eggs cleared in response to active retail featuring in the most recent ad cycle. Stocks of organic shell eggs declined 7%. The inventory of breaking stock increased 3.5% as breakers slowed breaking schedules to offset limited spot market offerings. Total estimated table egg production was about unchanged from last week but gained a half percent over last year to a level 4.5% higher, representing an estimated production level of 6.7 million cases over last year.

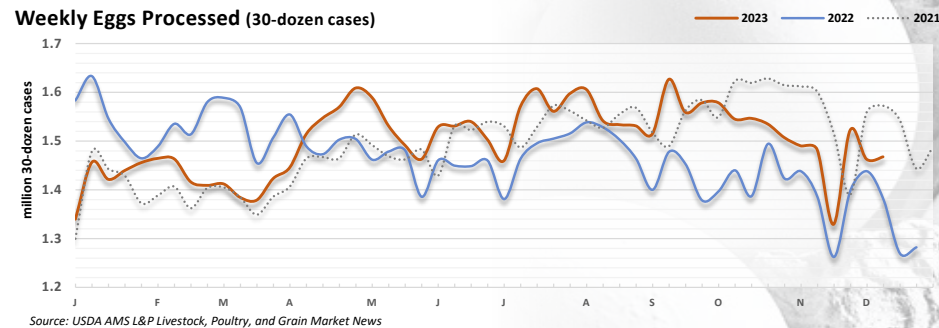
Wholesale prices for breaking stock in the Central States held steady through the week at \$1.13 per dozen with a steady undertone. Offerings and demand are light with moderate supplies. Trading is slow, schedules vary in preparation for the holiday break. The volume of eggs processed over the past week was about unchanged, representing a 28.5% share of weekly table egg production, also unchanged. Production of whole egg declined just over 1.5% while production of whites rose 2.5% and yolks 4%. Dried egg production saw a 12% increase for the week with inedible production up just over 1.7%. Breaking yields without inedible declined slightly to 41.60 pounds per case broken.

Wholesale prices for certified liquid whole eggs are trending steady on a limited test. Demand is light to moderate for light to moderate offerings. Trading is moderate. Prices on frozen liquid whole eggs were unchanged at \$1.09 per pound as were those for frozen liquid whites at \$0.97 per pound. The undertone is steady with light to moderate demand, and light to moderate supplies and offerings. Trading is moderate. Prices for dried whole eggs were steady at \$6.75 per pound and the price for dried yolk was steady at \$5.40 per pound. Prices for dried albumen were too few to report. The undertone is steady. Offerings and supplies are light to moderate while demand is in a full range with moderate trading.

According to NASS, the October monthly volume of frozen eggs in storage increased 3% from the prior month, 29% over the year ago level. Stocks of whole frozen egg gained 4%, 44% over last year's reduced production due to avian influenza. The share of whole egg stocks remained at 40% of total frozen stocks. Stocks of frozen yolk increased 13% from last month, 264% over last year's level while stocks of frozen egg whites increased 27%, 11% below year ago levels. Stocks of unclassified eggs were down 1% from last month, up 22% from last year. The share of unclassified frozen stocks lost 2% to a 47% share of total frozen stocks.

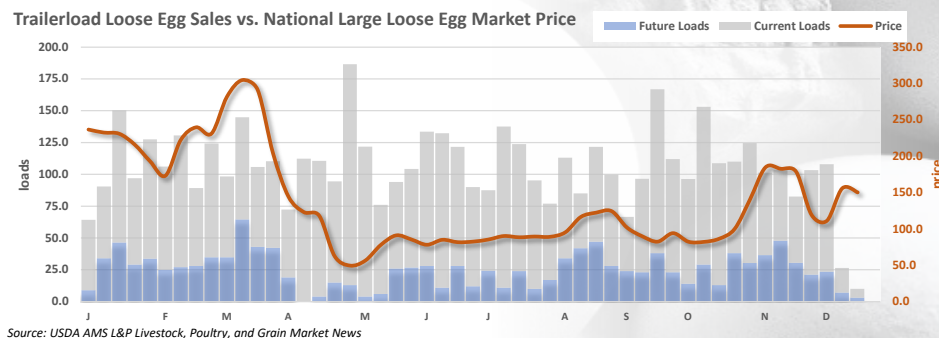
Cage-free commitments as of December 2023 remain about unchanged, requiring 66.7 billion cage-free eggs per year to meet 100% of needs from an approximate cage-free flock of 221.4 million hens (69% of the U.S. non-organic flock), indicating a shortage of 116.0 million hens from the current non-organic cage-free flock of 105.4 million hens. The average lay rate for non-organic, barn/aviary cage-free production is currently estimated at 82.9%.

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

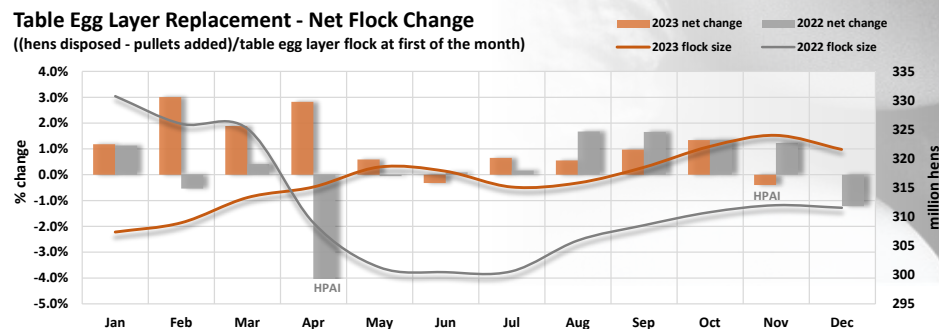


Source: USDA AMS L&P Livestock, Poultry, and Grain Market News

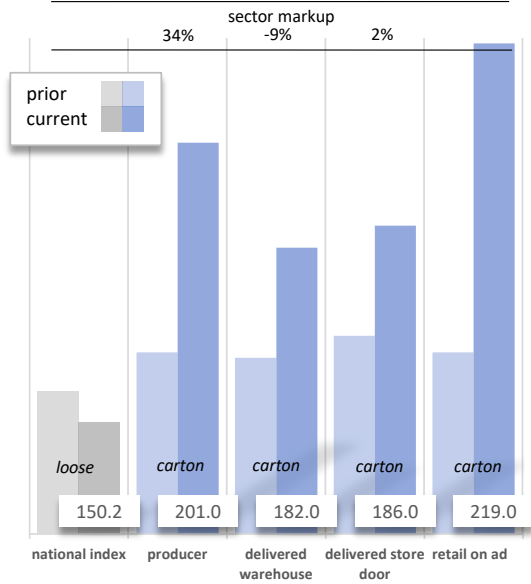
Eggs Processed - Week-to-Week Change						
total	share	whole	whites	yolks	dried	inedible
0.3%	0.0%	-1.7%	2.5%	4.1%	12.1%	1.7%



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



Shell Eggs Market Price Comparisons
(as of December 22, 2023)
(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

	22-Dec	% Change	Recent History				
			15-Dec	8-Dec	1-Dec	24-Nov	17-Nov
SHELL EGGS (Large, White, conventional in cents per dozen)							
National, Loose, (f.o.b. dock prices)	150.23	-4%	155.88	111.25	119.35	148.00	182.64
New York, Cartonned (price to retailers)	235.00	13%	207.00	175.00	202.00	243.00	243.00
Midwest, Cartonned (price dlvr'd to warehouse)	182.00	12%	162.00	198.00	230.00	227.00	198.00
California, Cartonned, benchmark (cage-free)	294.00	19%	247.00	282.00	318.00	318.00	311.00
National Retail Shell Egg (avg. ad price in dollars per dozen)							
Conventional, Large, White	2.19	34%	1.63	1.69	1.36	1.36	1.55
Cage-Free, Large, Brown	2.78	-7%	2.98	3.44	3.49	2.43	2.45
EGG PRODUCTS (f.o.b. dock prices; dollars per pound)							
Central States Breaking Stock (dlvd prices per doz)	113.00	0%	113.00	113.00	113.00	113.00	113.00
Whole Frozen Eggs	109.00	0%	109.00	109.00	120.00	112.00	112.00
Whole Dried Eggs	6.75	0%	6.75	6.75	7.00	7.00	7.00
Processed Share of Weekly Egg Production	28.6%	0.0%	28.6%	29.8%	26.1%	29.2%	29.4%
SHELL EGG DEMAND INDICATOR (no units)	10.3	12.4	-2.1	-6.3	6.5	12.1	3.3

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

Key Shell Egg Markets Snapshot - 2023

(Large, White, Conventional Shell Eggs in cents per dozen)	22-Dec	Change	15-Dec	2023 High	2023 Low		
National, Loose, (f.o.b. dock prices)	150.2	▼ -4%	155.9	304.6	17-Mar	47.1	02-May
New York, Cartonned (price to retailers)	233.0	▲ 13%	207.0	474.0	03-Jan	91.0	02-May
Midwest, Cartonned (price dlvr'd to warehouse) ¹	182.0	▲ 12%	162.0	517.0	03-Jan	78.0	08-May
California, Cartonned, benchmark	294.0	▲ 19%	247.0	737.0	03-Jan	148.0	08-May
Central States Breaking Stock (delivered prices) ¹	113.0	▬ 0%	113.0	367.0	03-Jan	43.0	02-May
Whole Frozen Egg Products (f.o.b. dock prices)	109.0	▬ 0%	109.00	300.0	06-Jan	84.0	09-Jun
Whole Dried Egg Products (f.o.b. dock prices)	6.75	▬ 0%	6.75	14.3	24-Mar	6.75	08-Dec
Natl Average Retail Ad Price - Conventional	2.19	▲ 34%	1.63	4.94	24-Mar	1.02	01-Sep
Natl Average Retail Ad Price - Cage-free ²	2.78	▼ -7%	2.98	4.99	10-Feb	2.00	27-Jan
Shell Egg Demand Indicator	10.3	▲ 12.4	-2.1	12.1	22-Nov	-19.0	10-May

¹ mostly high; ² non-organic

U.S. Table Egg Layer Flock Estimates

As of December 2023	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total U.S. Caged¹ Flock:	61.5%	65.9%	66.4%	72.0%	76.6%	82.2%	84.0%	86.6%	87.3%	89.5%	90.3%	90.4%
Layers (millions)	197.7	205.3	219.4	235.5	261.0	276.1	275.1	276.1	256.1	281.6	276.4	265.5
Total U.S. Cage-Free Flock:	38.5%	34.1%	33.6%	28.0%	23.4%	17.8%	16.0%	13.4%	12.7%	10.5%	9.7%	9.6%
Layers (millions)	123.9	106.2	111.1	91.7	79.7	59.9	52.4	42.9	37.3	33.2	29.6	28.3
NON-ORGANIC Cage-Free:	32.8%	28.2%	28.1%	21.4%	17.7%	12.8%	11.1%	9.1%	8.9%	7.8%	7.0%	6.7%
Layers (millions)	105.4	88.0	92.9	69.9	60.3	42.9	36.4	29.0	26.0	24.5	21.4	19.8
▪ Barn/Aviary	30.2%	27.0%	26.9%	19.9%	15.9%	11.6%	10.0%	7.9%	7.7%	6.7%	6.0%	5.7%
Layers (millions)	97.1	84.1	89.0	65.1	54.1	39.0	32.9	25.3	22.5	21.0	18.5	16.9
▪ Free-Range	1.0%	0.8%	0.7%	0.9%	0.8%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.6%
Layers (millions)	3.1	2.4	2.4	2.8	2.9	1.5	1.3	1.6	1.5	1.5	1.7	1.6
▪ Pastured	1.6%	0.5%	0.5%	0.6%	1.0%	0.7%	0.7%	0.7%	0.7%	0.6%	0.4%	0.4%
Layers (millions)	5.2	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:	5.7%	5.8%	5.5%	6.7%	5.7%	5.1%	4.9%	4.4%	3.9%	2.8%	2.7%	2.9%
Layers (millions)	18.5	18.2	18.2	21.8	19.4	17.0	16.0	13.9	11.4	8.7	8.2	8.5
▪ Organic	3.7%	3.8%	3.5%	4.6%	4.4%	3.9%	3.7%	3.4%	3.1%	2.2%	2.2%	2.5%
Layers (millions)	11.9	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	1.1%	1.2%	1.1%	1.2%	0.9%	0.8%	0.8%	0.7%	0.6%	0.4%	0.4%	0.3%
Layers (millions)	3.6	3.8	3.8	4.0	3.1	2.7	2.6	2.1	1.7	1.2	1.2	1.0
▪ Organic Pastured	0.9%	0.9%	0.8%	0.8%	0.4%	0.4%	0.4%	0.3%	0.2%	0.1%	0.1%	0.1%
Layers (millions)	3.0	2.7	2.7	2.7	1.4	1.2	1.2	0.8	0.7	0.4	0.4	0.3

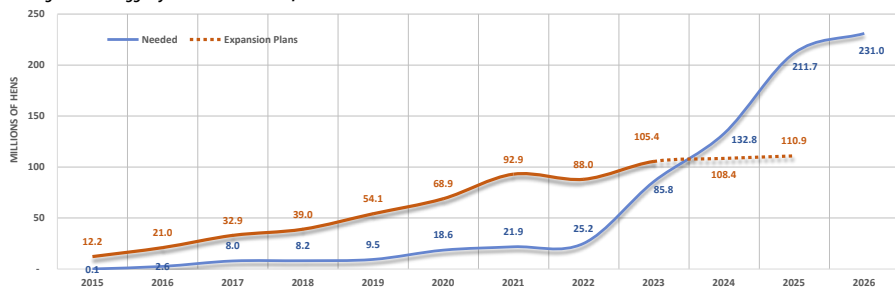
Note: percentage of U.S. table egg layer flock as reported by NASS; past year annual numbers reflect flock as of the end of each year.

1 - battery and enriched systems

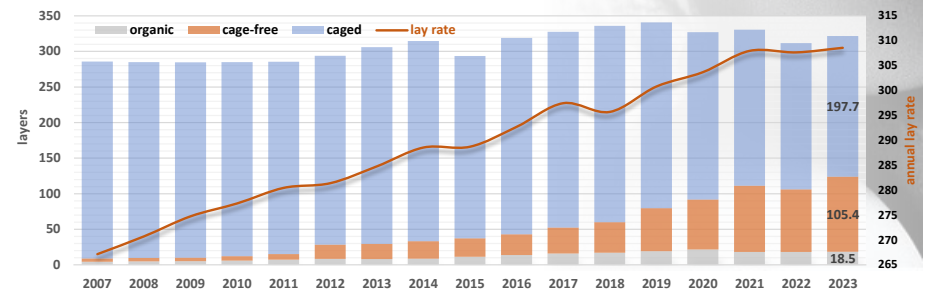
Source: USDA Livestock and Poultry Program, Livestock, Poultry, and Grain Market News Division

Projected Cage-Free Expansion Plans Relative to Commitments + Legislated Needs
Non-Organic Table Egg Layer Flock in millions of hens

updated December 2023



U.S. Table Egg Layer Flock by Production System v. Avg Lay Rate (as of December 2023)



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



FLOUR FACTS

Information Provided by General Mills Foodservice
GeneralMillsCF.com



Weekly Market Highlights

DECEMBER 20, 2023

- Wheat futures have been mixed this week, initially down on a stronger dollar and competitive Russian pricing making U.S. wheat too expensive in the world market.
- Prices found strength yesterday fueled by Egypt’s GASC announcing a tender to buy 480,000 tons of wheat for February delivery coupled with short covering.
- Wheat export inspections were below the previous week’s pace at 10.5 million bushels, which was in the middle of trade expectations.

Flour Facts will be taking a break for the holidays. Please look for our next issue Jan. 4, 2024

Facts on Flour

Got Flour?

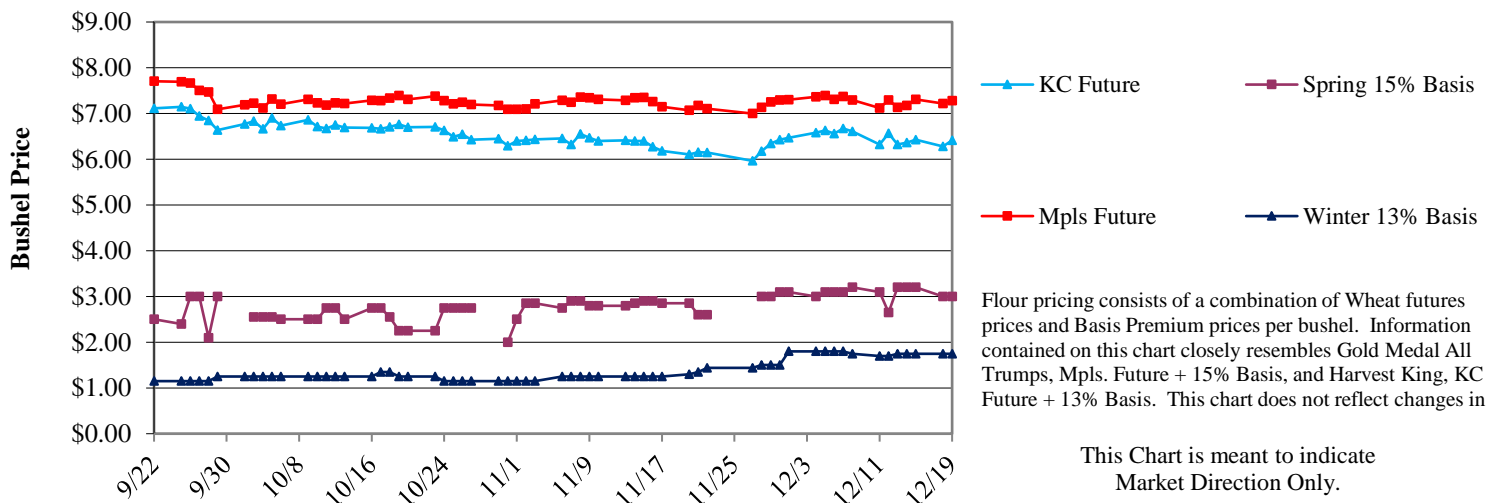
When we talk “flour,” we are talking about wheat flour. Because wheat is the most commonly distributed cereal grain in the world, a reference to flour is generally a reference to wheat flour.

And just as flour is not “just flour,” wheat is not “just wheat.” Wheat can be classified by three major categories: growing season (winter, spring), kernel hardness (hard, soft) and bran color (red, white). These categories have a significant impact on the functionality of the finished flour.

Over the next few weeks, we will be discussing each of these categories more in depth.



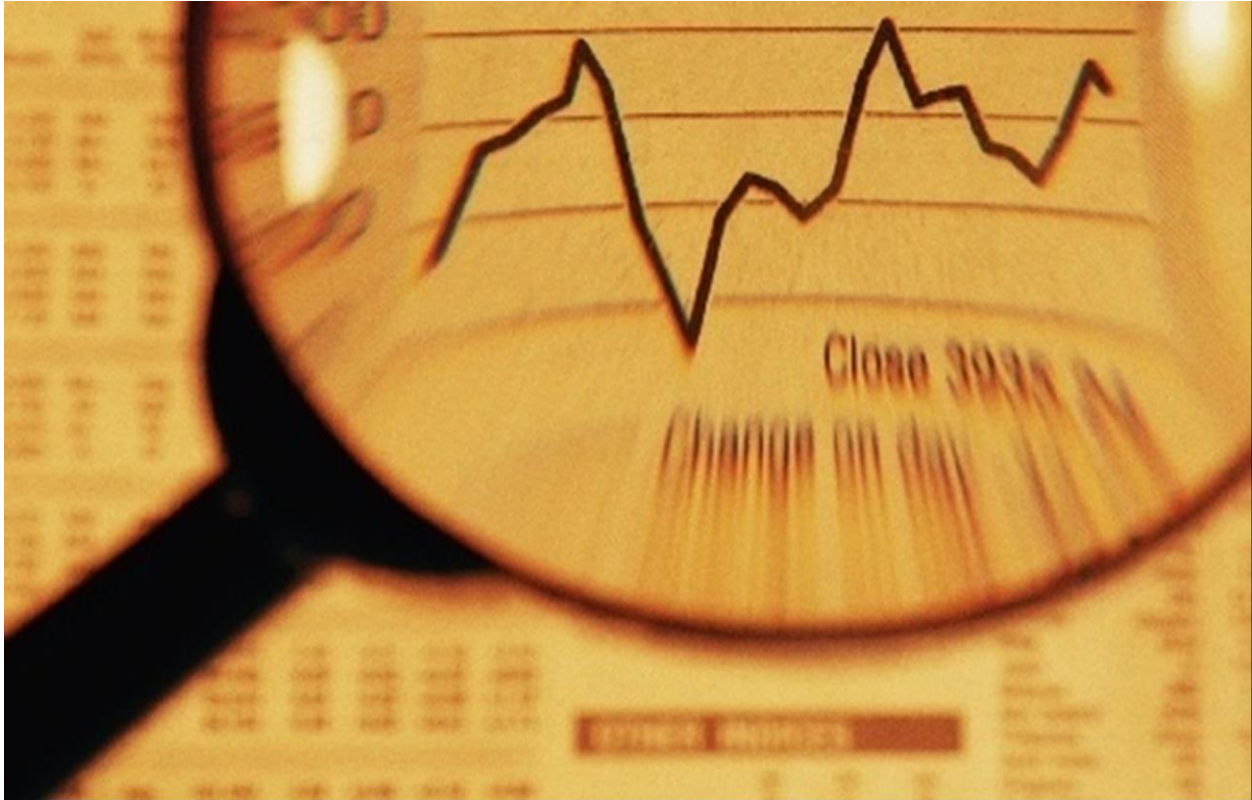
Futures & Basis Markets



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 12.22.23

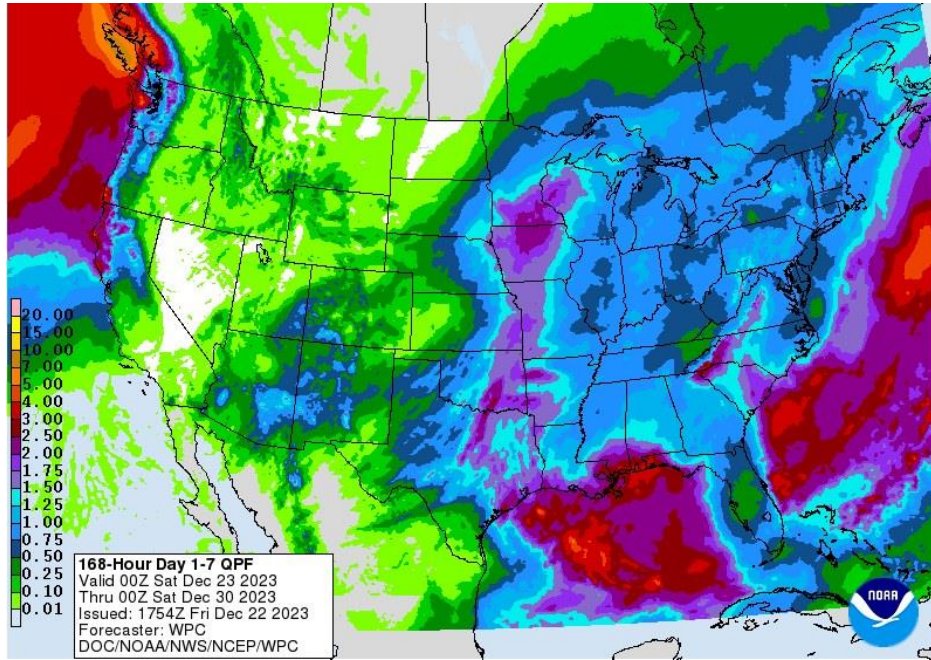
What to Watch For in the Week Ahead

•**Fundamentals**– CFTC, Export Sales & Inspections

•**Weather** – Water coming to the Midwest, but unlikely in the form of snow. This should be positive for growing conditions this Spring. South America continues to be good enough and rains are hitting Brazil.

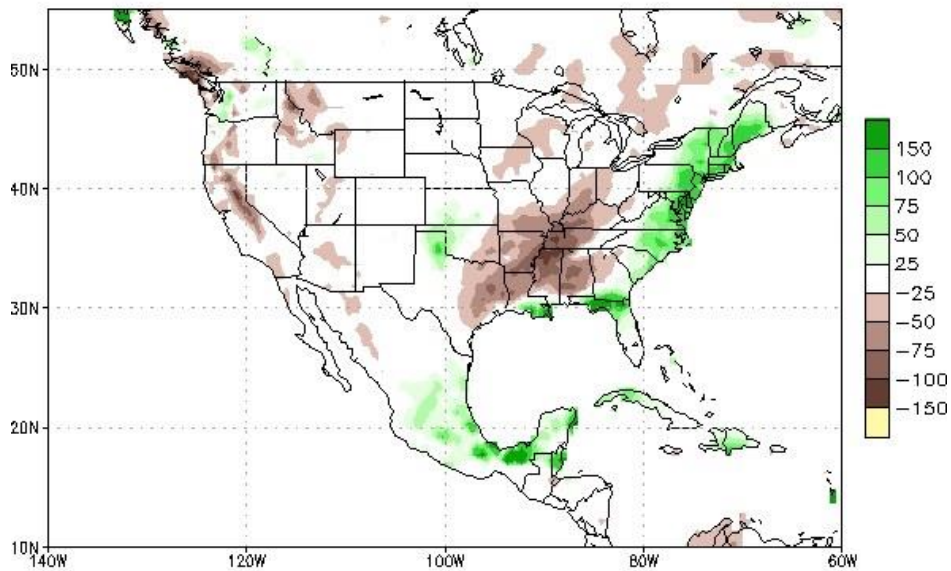
•**Politics/Macro** – A few global hotspots, but potentially the biggest risk is the lack of something or someone trying to get a surprise over on the West during the Christmas holidays season

US 7 Day Precipitation



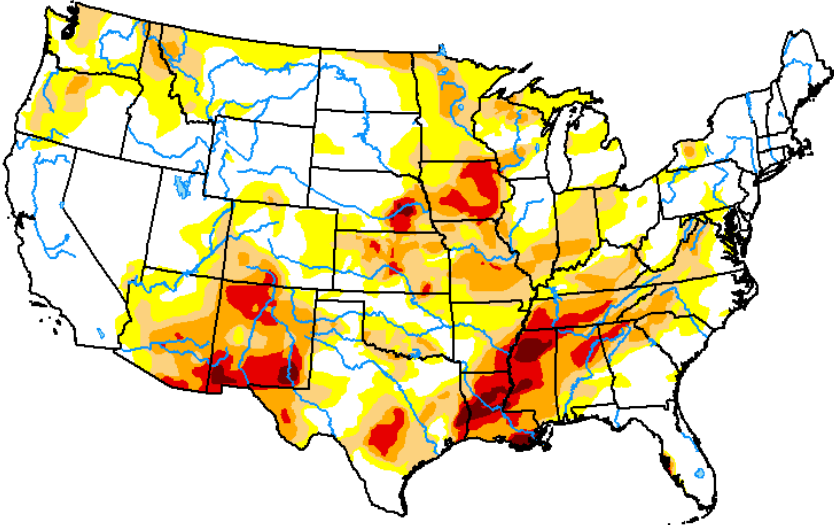
US 30 Day Anomalies

Prp Anomalies (mm) 22NOV2023-21DEC2023



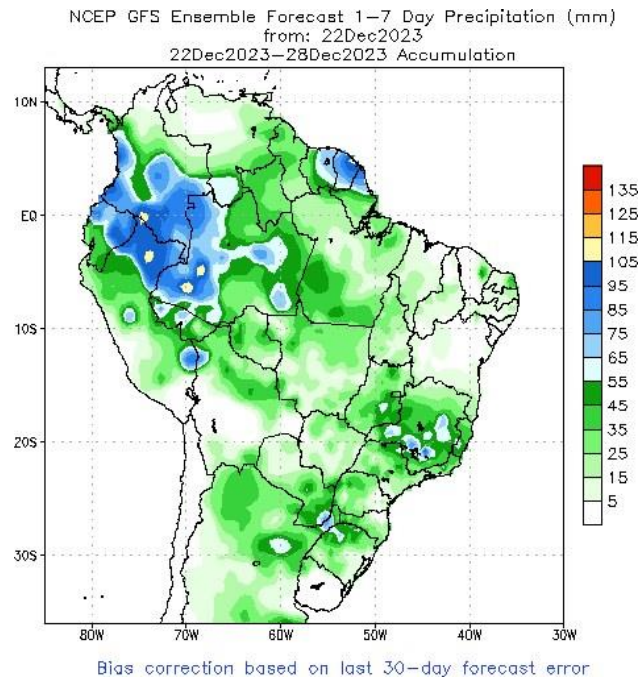
Data Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1991-2020)

US Drought Monitor

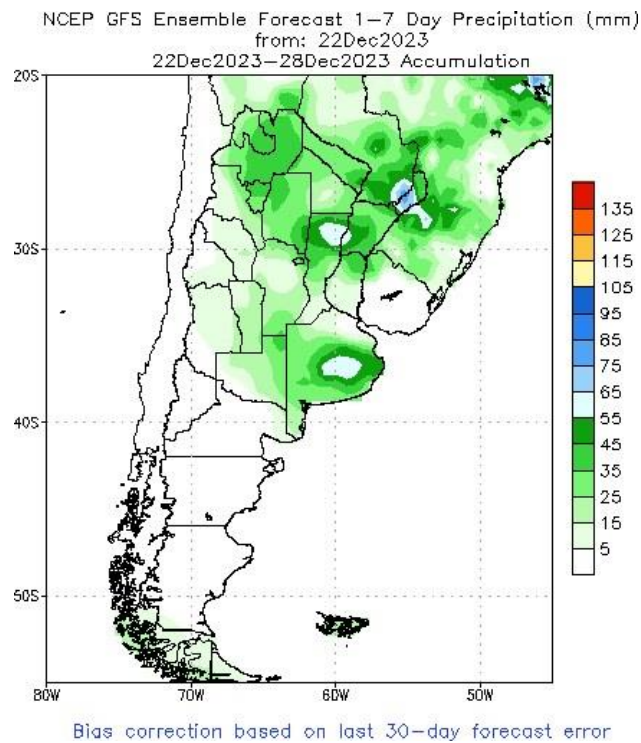


7 Day Precipitation

Brazil

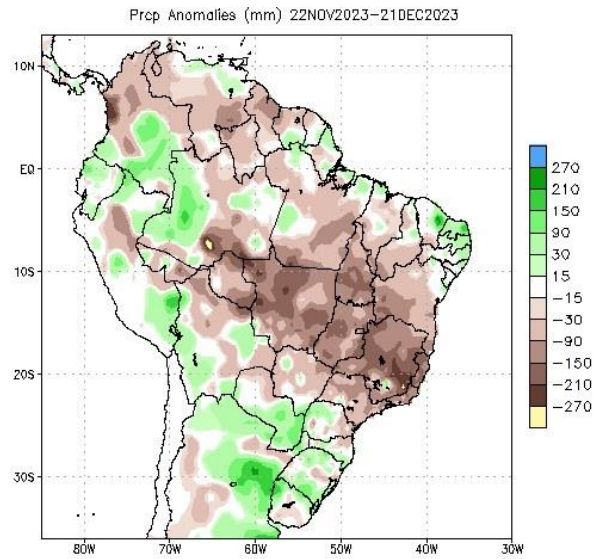


Argentina



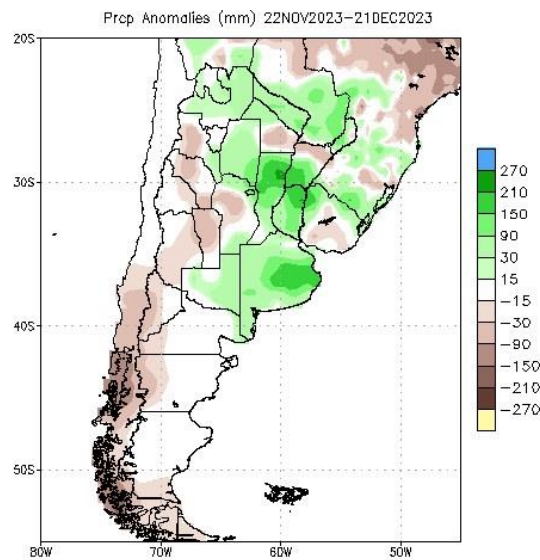
30 Day Anomalies

Brazil



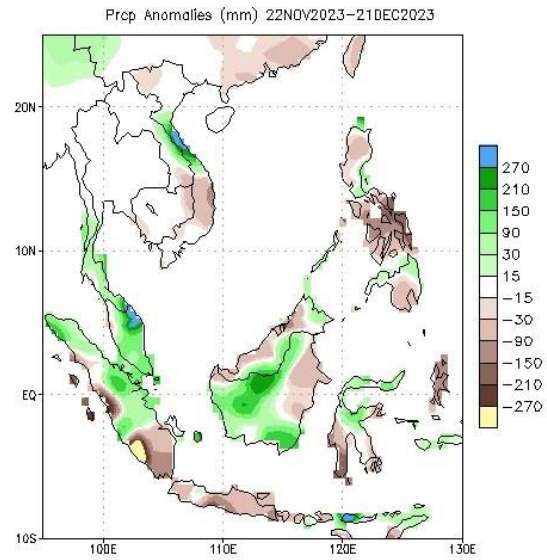
Data Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1991-2020)

Argentina



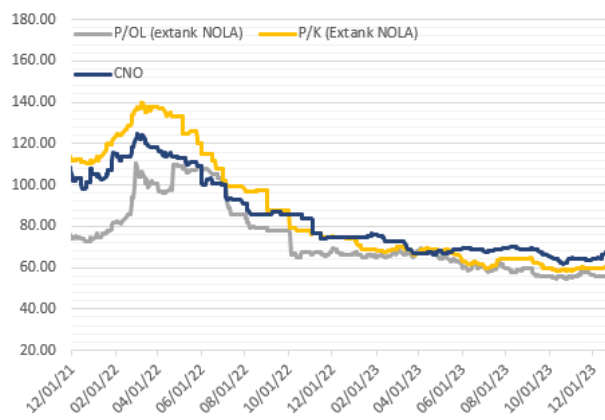
Data Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1991-2020)

Southeast Asia

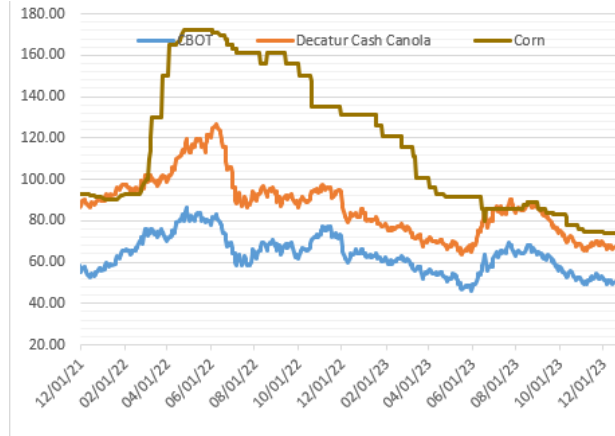


Data Source: CPC Unified (gauge-based & 0.5x0.5 deg resolution) Precipitation Analysis Climatology (1991-2020)

Tropical Oils



North American Oils



Moving Averages

	CBOT	Canola	Palm Olein	Coconut
12/22 Price	48.53	65.28	56.50	67.50
9-day MA	49.92	66.67	56.06	66.59
20-day MA	50.69	67.49	56.13	65.24
50-day MA	51.59	68.18	56.16	64.19
200-day MA	56.42	74.65	59.83	67.03

Soybean Oil

November NOPA

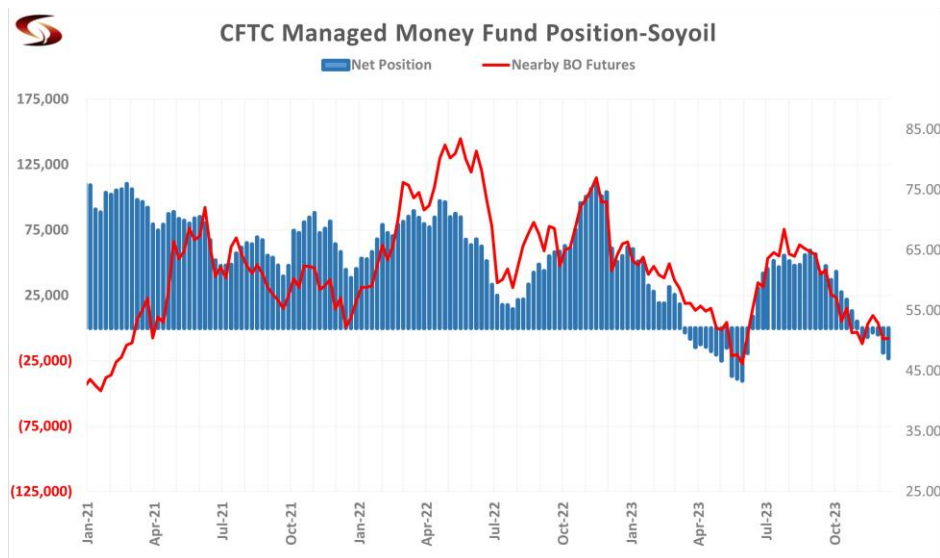
- *Crush came at the heavier end of expectations with 189 million bushels crushed with estimates ranging from 183.5-190 million bushels.*
 - *Soybean oil stocks higher than estimates with 1.21 billion pounds versus estimates of 1.08-1.2 billion pounds.*
 - *Oil yield dropped to 11.67 lbs of oil per bushel of beans.*
-

CFTC COT

-
- *Fund longs 44,589 cts (-3,514 on the week) as of 12/19*
 - *Fund shorts 76,524 (+5,838 on the week)*
 - ***Net Fund position: -31,935 (-8,836 on the week)***
-

Soybean Oil Outlook

- *Jan futures plumbed the Q4 lows as options expired today. The F/H spread went off at -49 and oil tightness seems to be a forgotten situation for the time being.*
 - *Oilshare finishes the week slightly up to 38.5% based March futures.*
 - *Crude oil stayed in the lower 70s for the week as the American production is back to pre-COVID levels.*
 - *January WASDE will be final US production numbers and bears seem to have the control of the market until then.*
 - ***Expected CBOT Range 47.00-52.00***
-



Canola/Rapeseed Oil



Fundamental Updates

- *Stats Canada reported 22.1M Acres for 2023 (+0.5 from March estimates); revised production estimates as of Dec 2023 are at 18.3mmt.*
 - *US October 2023 Canola crush was 208,071 vs 217,153 tons in September; Oct'22 was 208,459 tons.*
 - *Canola oil production was at 174 mln lbs in October '23. This was up 18% vs September and up 8% vs Oct 2022.*
-

Flash Summary

- *A tight range left Canola Seed effectively flat on the week.*
 - *Crush margins were down to levels not seen since October, as the largely flat seed prices gave no room for the product losses.*
 - *Statas Canada reported November crush at 908kmt, up 3.5% from last year, with Aug-Nov crush up 13.9% YoY at 3.63mmt*
 - *Biofuel interest in Canola is expected to grow in 2024. Basis for Q1-Q3 should be considered given the smaller well to draw from vs soybean oil. Once it starts to trade, it could move higher quickly.*
-

Tropical Oils



Fundamental Updates

MPOB November Actuals:

- *Nov Production: **1.79 MMT** vs Oct 1.98 MMT*
- *Nov Exports: **1.39 MMT** vs Oct 1.47 MMT*
- *Nov Ending Stocks: **2.42 MMT** vs Oct 2.45 MMT*
- *BMD Futures were up .73% on the week to end at 3738, staying within the 3650-3800 range.*
- *SPPOMA for Dec 1-20 is estimated down -9.5%; some divergence in export estimates with AmSpec down 2% and ITAS down 8%.*
- *Stocks are expected to continue their seasonal tightening into December as production trends down, though concern over exports has the initial forecasted drawdown as minimal.*
- *Indonesia Stocks declined 15% in October vs September and 7% lower than last year as domestic demand for biodiesel was stronger.*

- *El Nino concerns remain on the horizon with potential production impacts in 2024 as the warming Southern Pacific has forecasters calling for a 75% chance of conditions to remain through May 2024. Despite the forecast, recent conditions have been improving, with rainfall totals in November taking both Indonesia and Malaysia back to average for the year (after recent dryness).*
-

Weekly PRODUCE ALLIANCE Market Report



December 21, 2023

OVERVIEW

We continue to see very short markets on mixed vegetables, those items included but are not limited to the following: Beans, Corn, Tomatoes (all Varieties), Squash, Bell Pepper (Red and Green), Hot Pepper, Cucumber and Eggplant. Tomatoes out of Florida and Mexico remain extreme this week, and we are even seeing some shippers declare act of God. The weather has been unseasonably cool in South Florida and Mexico this fall which has created delays, as well as impacted quality of crops post-harvest and volume. All of this is a result of the change we have seen in the weather pattern as El Nino takes hold on the Southern Hemisphere impacting start/completion dates, as well as transition schedules on several crops. We expect to see higher markets through the end of the year and potentially into 2024. Additionally, availability will be abbreviated during the Christmas week pull as well as pro-rates, shorts, issues with quality and outside purchasing possible to maintain service level. Avocado field pricing increased this week vs. last, as there was strong demand in the field to get ahead of modified holiday schedules, reduced carrier capacities, and additional promotional volumes. While there may be an incident or two of 'holiday lag' in two weeks ahead, they will be short-lived as industry promotional activity is just beginning. Christmas & holiday promotions are flourishing, then January's 'Healthy Eating' will ensue, and then the big wintertime finale - Super Bowl. These back-to-back promotions align with the peak of Mexico's normal crop, and avocados will remain front & center for the next eight weeks. In Yuma, rain is in the forecast starting Thurs 12/21 through early 12/23, with an estimated rainfall amount of 1-3 inches. This amount of rain is not enough to do serious damage to the crops, but is enough to slow down harvesting as excessive mud will make it hard for trucks and tractors to get through fields.

MARKET ALERTS



AVOCADOS – ESCALATED

Last week's harvest came in at 50.2M pounds down 3% from the previous week. This week and next is remaining for harvest in 2023 and the year will close out nice and steady. USDA pricing is unchanged from last week, but the same cannot be said for field pricing. We are expecting the USDA to report higher price points in the late week. The size curve coming off the trees is still peaking on the 60s but showing signs of sizing up as 40s & larger become more available.



ASPARAGUS – EXTREME

Asparagus production continues to decrease in all growing regions in Mexico due to cooler temperatures. Peruvian production continues to be low due to field transitions from the southern to the northern growing regions. Larger sizes are still extremely limited in all regions. Markets are extremely active with less production from all regions. Improved supply and lower markets are not expected until mid-January at best.



BASIL – ESCALATED

Basil is starting to come back just in time for the holidays.



BLUEBERRIES – EXTREME

Quality is fair to good out of Peru, but there have been some reports of soft fruit. Production is winding down, and we will soon be transitioning to Chilean production. We expect increasing supplies of Chilean fruit in late December and early January 2024. January- February will be a great time to promote blueberries with ample supplies and



LIMES – ESCALATED

Quality is very good, supply crossing the border has decreased as we head into the holiday and market is stronger.



HOT PEPPER – EXTREME

In the east, the hot pepper market is hit or miss. Out of South Georgia on the mainland of Mexico, we are seeing very light volume continue with Serrano, Poblano, and Habanero the shortest. There is some volume out of Baja which seems to be improving and California production remains hit or miss currently. Tomatillos are very short and will firm up and quality will be fair at best on all varieties.



SNOW & SNAP PEAS – ESCALATED

Guatemalan quality and production of both peas continue to improve, and markets continue to decline as supply increases. Domestic supplies continue to gap. Mexico has started with limited quantities, which you can expect this to continue for the next couple of weeks.



POTATOES – ESCALATED

The market continues to feel stable on all sizes and grades for the moment, with the exception of 40ct potatoes. While potatoes as a whole should remain plentiful, we do anticipate 40ct commanding a premium more often than not until the end of the crop. They have continued to be available for mixers, but we are not seeing very much straight load availability, or even availability in heavy volume. There will be some lots that are better than others throughout the season, but this does appear to be a theme moving forward. Because of this, we do anticipate that we may see a pretty big gap between 40ct/50ct and the rest of the sizes. The good

good quality. There's been rain in recent forecasts that has decreased Mexican production temporarily. We expect steady production volume and good quality into the new year.



BROCCOLINI – EXTREME

Expect to see a large supply gap of Broccoli in growing regions transition. This gap is expected to last at least through week until we see supplies from Mexico improve. This supply shortage is caused by two things; lower than expected production as the Salinas growing region finishes for the season and the transition to the Mexico growing region, we are expecting low yields due to weather. Prorates and limited supplies are expected.



CAULIFLOWER – ESCALATED

Supplies next week will continue to drop as mild temps slow down growth on the cauliflower.



CARROTS (JUMBOS, MEDIUMS and CELLOS) – EXTREME

Very limited supply on Jumbo and Medium Carrots in California and growers are in a demand exceeds supply situation. Fields in the Salinas and Bakersfield region are not sizing up. Expect Jumbo carrots to remain in light supply, well into Q1, 2024.



MUSHROOMS – ESCALATED

Quality is good, and supply is volatile as growers scaled back some of their production due to lack of demand in recent weeks. We are seeing very short markets on white and cremini mushrooms. We expect the seasonal volatility through December.



TABLE GRAPES – ESCALATED

Offshore table grapes are now in full production, markets will be firm the month of December and should start to ease back mid-January. Overall quality is good

news is that food service sized cartons in the middle size range (60/70/80) appear to be plentiful. Unfortunately, at their current return levels on 90s/10s/2s and retail bags, growers are losing quite a bit of money. The rest of Q1 will be a combination of both Burbanks and Norkotahs being shipped, and during the beginning of Q2 (in April), we will see Norkotahs wind down and will be shipping exclusively Burbanks until new crop in The Fall. In general, there are no major headwinds expected in the potato market during the first half of the year.



PEPPERS (RED BELL) – ESCALATED

Lighter supply available out of Nogales and Florida as our growers are into newer blocks. We expect to see some pro-rates over the next 3 weeks and hope to see improvements as volume increases.



TOMATOES – EXTREME

East Coast

- **Round Tomatoes, Roma Tomatoes, Grape, and Cherry Tomatoes:** We expect to see very short crops, escalated pricing, and potential for pro-rates. It has been unseasonably cool in South Florida over this fall, impacting all tomato crops. We expect to see higher markets through the end of the year and potentially into 2024, with availability abbreviated during the Christmas week pull.

Mexico

- **Round Tomatoes, Roma Tomatoes, Grape, and Cherry Tomatoes:** We expect to see a very short crop condition continue with escalated pricing and potential for pro-rates imminent. We are late starting into the new season in Culiacan and seeing supply GAPS as the late fall Central crops out of Central Mexico finish. Most of this interruption in supply is due to recent rain events throughout Mexico and damage sustained from Hurricane Norma earlier this fall. Markets are expected to be short through the first week of January.
- **Medley Grape Tomatoes:** Lighter volume this week with fair quality.
- **Tomato on the Vine:** Lighter supply and higher prices this week and quality is good.










**WEATHER:
YUMA, AZ**

Wed 12/20	Thu 12/21	Fri 12/22	Sat 12/23	Sun 12/24	Mon 12/25	Tue 12/26	Wed 12/27	Thu 12/28
77° 55°F	74° 57°F	62° 53°F	67° 50°F	67° 46°F	65° 44°F	66° 42°F	67° 45°F	69° 46°F
Sunny	Partly Cloudy	Thunderstorms	Partly Cloudy	Partly Cloudy	Mostly Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy










OXNARD, CA

Wed 12/20	Thu 12/21	Fri 12/22	Sat 12/23	Sun 12/24	Mon 12/25	Tue 12/26	Wed 12/27	Thu 12/28
63° 59°F	64° 57°F	65° 51°F	63° 49°F	63° 46°F	65° 48°F	65° 50°F	66° 52°F	66° 51°F
PM Thunderstorms	Rain	AM Showers	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Mostly Cloudy	Mostly Cloudy










CULIACAN, SIN

Wed 12/20 85° 65°F  Cloudy	Thu 12/21 91° 65°F  Cloudy	Fri 12/22 88° 63°F  Cloudy	Sat 12/23 87° 58°F  Partly Cloudy	Sun 12/24 84° 57°F  Cloudy	Mon 12/25 81° 53°F  Mostly Cloudy	Tue 12/26 83° 51°F  Sunny	Wed 12/27 85° 51°F  Sunny	Thu 12/28 85° 51°F  Mostly Sunny
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JALISCO, NAYARIT

Wed 12/20 80° 56°F  Partly Cloudy	Thu 12/21 77° 60°F  Cloudy	Fri 12/22 75° 60°F  Cloudy	Sat 12/23 77° 56°F  Partly Cloudy	Sun 12/24 75° 56°F  Mostly Cloudy	Mon 12/25 68° 54°F  PM Showers	Tue 12/26 70° 50°F  AM Clouds/PM	Wed 12/27 72° 49°F  Mostly Sunny	Thu 12/28 75° 50°F  Sunny
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VIZCAINO, BAJA SUR

Wed 12/20 77° 56°F  Cloudy	Thu 12/21 81° 59°F  Partly Cloudy	Fri 12/22 74° 52°F  PM Thunderstorms	Sat 12/23 72° 53°F  Mostly Sunny	Sun 12/24 73° 48°F  AM Clouds/PM Sun	Mon 12/25 75° 46°F  Sunny	Tue 12/26 77° 47°F  Sunny	Wed 12/27 79° 49°F  Mostly Sunny	Thu 12/28 77° 50°F  Mostly Sunny
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IMMOKALEE, FL

Wed 12/20 70° 57°F  Cloudy	Thu 12/21 74° 56°F  Partly Cloudy	Fri 12/22 75° 57°F  Mostly Cloudy	Sat 12/23 77° 61°F  Mostly Cloudy	Sun 12/24 78° 63°F  Cloudy	Mon 12/25 79° 65°F  Isolated Thunderstorms	Tue 12/26 81° 65°F  Mostly Cloudy	Wed 12/27 76° 61°F  AM Showers	Thu 12/28 68° 54°F  Showers
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Market Alert: Oranges 2023-2024 Season

UPDATE

December 18, 2023

We are well into Navel season in California and small fruit continues to be extremely challenging as we face the repercussions from the 25 inches of rain received in the Central Valley during the winter and spring of 2023. In addition to the information listed below, in the Market Alert sent on November 13, California is thankful for the replenishment of ground water, but we continue to get reports of some of the other effects it had on the soil. Ground water depleted a lot of salts and solubles within the soil that previously halted the rapid uptake of nutrients. Now that the tree root system has a clearer path for the nutrients, we are already seeing size structures shift and fruit grow quickly. Most growers are anticipating that small fruit will begin to get tight in early January and continue through the Navel season with some shippers reporting small fruit being tight into the Valencia season next summer.

As we move through the season, flexibility on sizing will be very important to get orders filled. We will continue to monitor projections and availability as we continue through this navel season.

November 13, 2023

The 2023-2024 navel season started with well below anticipated volume. Rain the last week of October slowed harvesting in the fields due to excessive wet ground and growers were only able to pack limited volume.

As we head through the Navel season, most shippers are reporting that we are going to see well below normal volume for various reasons, primarily all weather related in the growing areas of California and Florida.

- Excessive rain in the California growing areas through the winter months of 2023.
- Hurricane Hilary that passed through the growing areas of Central California in early summer.
- Decreased quality like thrip will be a huge concern this season on orange varieties- navels, Cara Caras and Blood Oranges in California. The 25 inches of rain in 2023 created a better living environment for thrip as the moisture in the air helped them thrive and spread. In addition, growers spray and then it will rain, again and again, decreasing the effectiveness of the spray as most of the damage occurred while there were still flowers on the tree. Thrip is a very small and hit the fruit while it is roughly the size of a pea. The healed scars continue to spread and grow as the fruit matures creating a larger affected area.
- Hurricane Nicole went through Florida in Nov of 2022, followed by a winter freeze in January with both of these weather events having a significant effect on the Florida Orange crop.
- Florida continues to deal with re-greening that continues to hamper the Florida crop.

All of these events combined will reduce the overall availability on Oranges. In addition, there are fewer pieces of fruit on the trees in California from the conditions listed above. Growers are expecting to see sizing running heavier to the larger sizes, especially towards the end of the California Navel season. With less fruit on the trees, the trees concentrate more energy on what is on the tree, increasing sizing. **Flexibility on sizing will provide better coverage overall.**

Thank you for your patience and we will keep everyone updated as we get more information.

Hogs and Pork

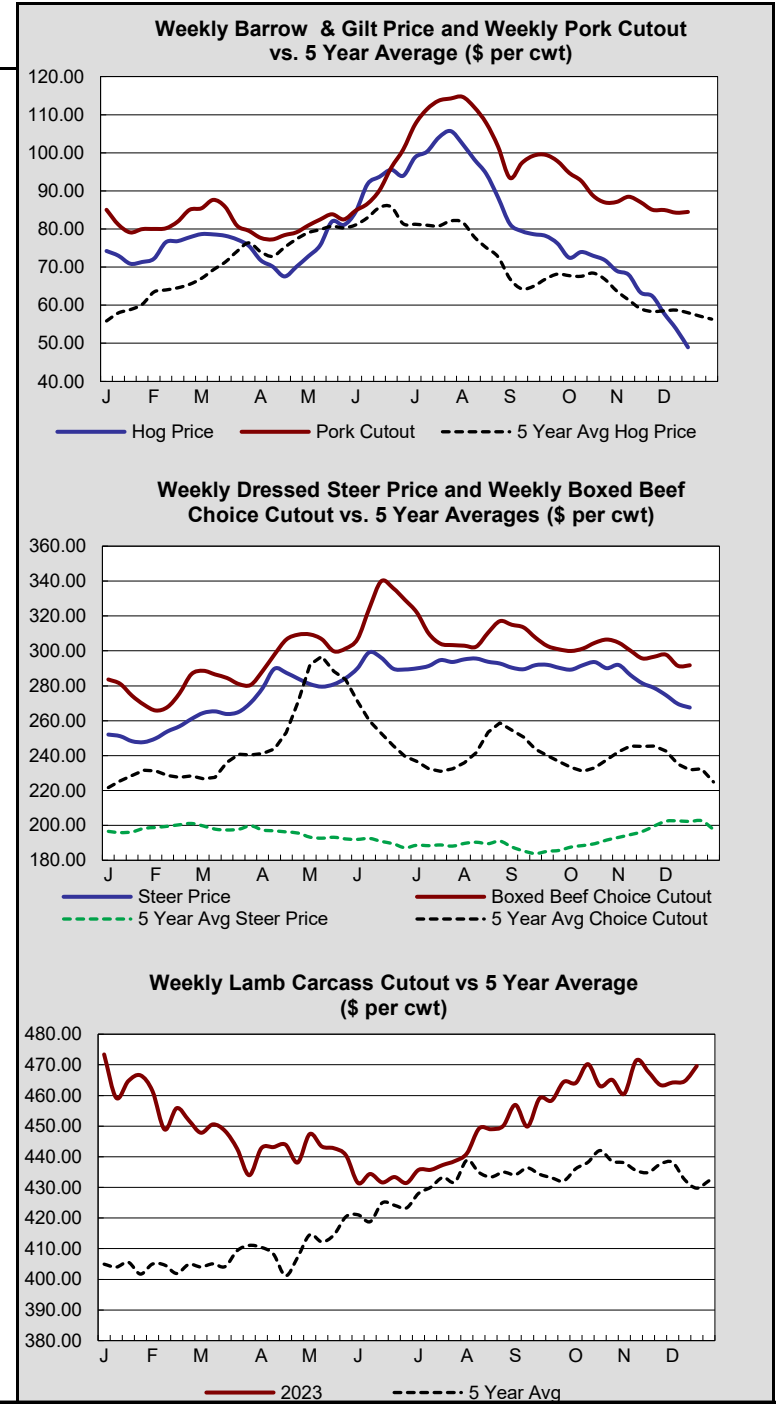
	<u>Current Week</u>	<u>Change From Past Week</u>	<u>Change From Past Year</u>
Nat'l Purchased Carc Wtd Avg Price - Barrows & Gilts (\$/cwt)	48.95	-9.0%	-39.7%
Pork Carcass Cutout FOB Plant (\$/cwt)	84.48	0.2%	-3.0%
Segregated Early Weaned (SEW) Feeder Pigs (\$/head)	32.47	0.7%	-40.1%
Iowa/So. Minn Avg Weight Barrows & Gilts (lbs)	290.6	0.0%	1.8%
Est. Hog Slaughter	2,689,000	0.6%	4.2%
YTD Est. Hog Slaughter	122,688,000	N/A	1.6%
Est. Pork Production (mil lbs)	579.3	1.1%	3.7%
YTD Est. Pork Production (mil lbs)	26,163.8	N/A	0.6%

Cattle and Beef

Live Wtd Avg Steer Price, 5 Area FOB (\$/cwt)	168.71	-0.7%	8.4%
Dressed Wtd Avg Steer Price, 5 Area Del (\$/cwt)	267.53	-0.8%	8.0%
Boxed Beef Cutout, Choice (\$/cwt)	291.76	0.1%	14.0%
Boxed Beef Cutout, Select (\$/cwt)	259.30	-0.2%	13.5%
Boxed Beef, Choice/Select Spread (\$/cwt)	32.46	0.75	4.99
By-Product Drop Value, Steer (\$/cwt live)	11.89	-1.1%	N/A
CME Feeder Cattle Index (\$/cwt)	219.07	0.3%	22.0%
Est. Cattle Slaughter	649,000	2.2%	4.3%
YTD Est. Cattle Slaughter	31,113,00	N/A	4.3%
Est. Beef Production (mil lbs)	546.6	2.6%	5.7%
YTD Est. Beef Production (mil lbs)	25,591.2	N/A	-5.0%

Lamb and Veal

Slaughter Lamb, Negotiated, Live Wtd Avg Price (\$/cwt)	188.07	4.5%	44.8%
Lamb Carcass Cutout (\$/cwt)	469.63	1.1%	1.0%
Est. Sheep Slaughter	38,000	0.0%	2.7%
YTD Est. Sheep Slaughter	1,758,000	N/A	4.4%
Est. Lamb Production (mil lbs)	2.3	4.5%	0.0%
YTD Est. Lamb Production (mil lbs)	109.5	N/A	-2.1%
Veal Carcass Wtd Avg Packer & Non-Packer Owned (\$/cwt)	444.02	0.2%	1.4%





Weekly Livestock, Poultry & Grain Market Highlights
December 18, 2023

Grain

	Current Week	Change From Past Week	Change From Past Year
Central Illinois Avg Corn Price (\$/bu)	4.4400	-0.7%	-30.9%
Central Illinois Avg Soybean Price (\$/bu)	12.7700	1.0%	-12.7%
Central Illinois 48% Soybean Meal, Rail (\$/ton)	440.60	0.3%	-5.9%
Hard Red Winter Wheat Truck to Kansas City (\$/bu)	6.7775	-2.6%	-24.6%
Dark Northern Spring Wheat, 14%, MN, Rail (\$/bu)	9.5075	-0.4%	-17.3%
Soft White Wheat Portland (\$/bu)	6.9056	-0.2%	-19.6%
Sorghum, Kansas City, Truck (\$/bu)	5.1525	-1.0%	-21.8%

Broilers

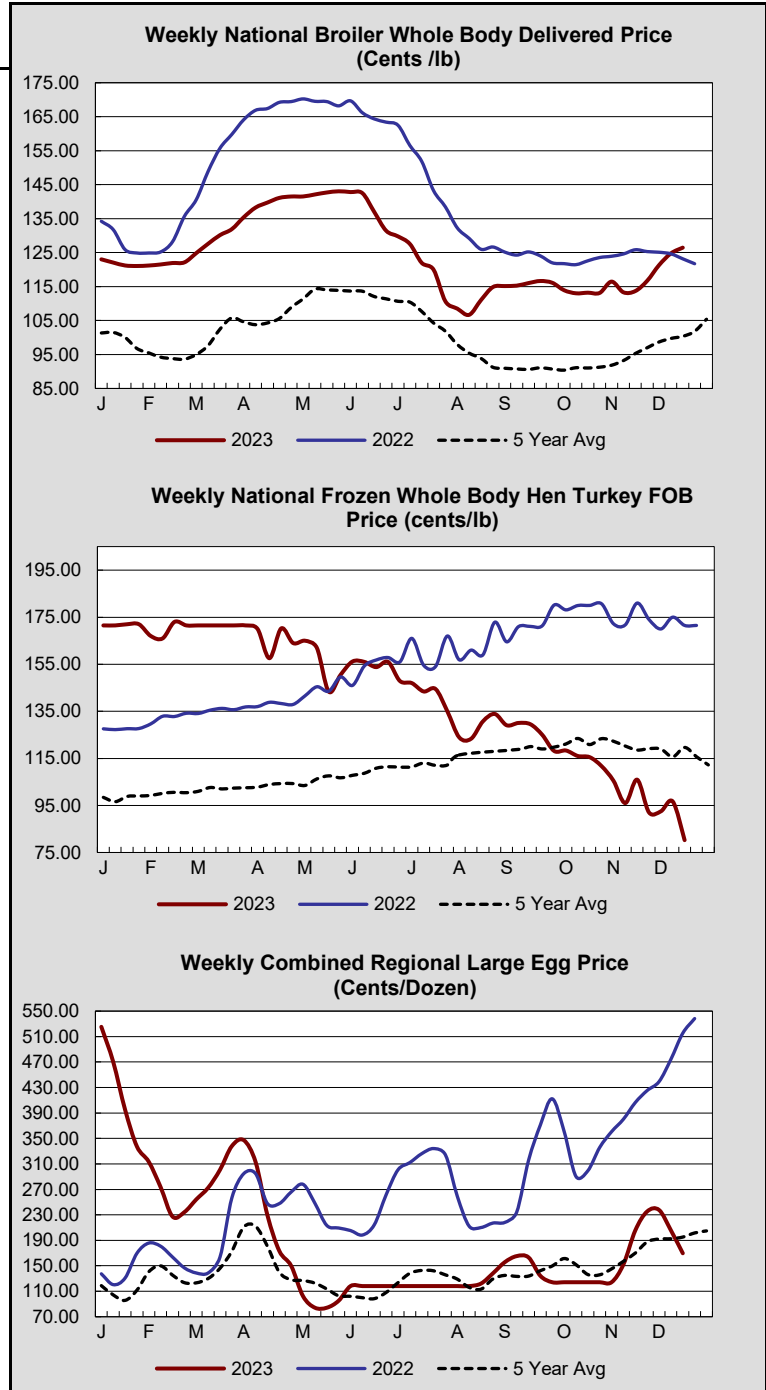
Nat'l Delivered Whole Body Price (cents/lb)	126.45	1.4%	1.5%
Est. Young Chicken Slaughter - Current Week (000's)	157,683	-1.3%	N/A
Actual Slaughter of Young Chickens (000's)	170,069	2.3%	-1.2%
YTD Actual Slaughter of Young Chickens (000's)	8,137,805	N/A	-0.3%
Actual RTC Pounds of Young Chickens (000's)	840,141	2.4%	-1.7%
YTD RTC Pounds of Young Chickens (000's)	39,546,786	N/A	-0.4%

Turkeys

Nat'l FOB Frozen 8-16 lb. Hens, Wtd Avg Prices, cents/lb	80.24	-17.0%	-54.1%
Actual Slaughter of Turkeys (000's)	3,948	-1.9%	-3.9%
YTD Actual Slaughter of Turkeys (000's)	191,112	N/A	3.7%
Actual RTC Pounds of Turkeys (000's)	99,141	-2.7%	-3.4%
YTD RTC Pounds of Turkeys (000's)	4,784,769	N/A	3.8%

Eggs

Combined Regional Large Eggs (cents/dozen)	169.69	-17.5%	-64.2%
National Shell Egg Inventory (30 doz. Cases/000,s)	1376.6	-11.3%	N/A
Shell Egg Demand Indicator (SEDI)	-2.10	-0.67	-9.2
Central States Breaking Stock Av. Price (cents/dozen)	111.50	0.0%	-69.9%
National Breaking Stock Inventory (30 doz. Cases/000's)	366.7	3.5%	N/A
Eggs Broken Under Federal Inspection (30 doz cases)	1,462,725	-3.9%	1.7%
YTD Eggs Broken Under Federal Inspection (30 doz cases)	73,607,202	N/A	1.8%



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



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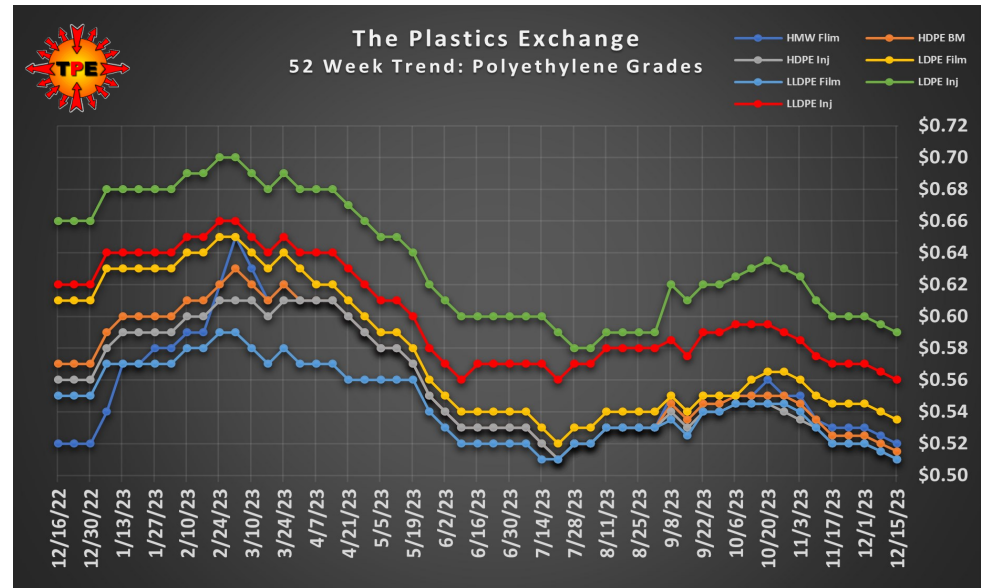
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Market Update — December 15th, 2023

The commodity resin markets continued to transact at a rapid rate, and at mid-month, December has moved into position as our second best of 2023, only trailing October. Export interest remained good, with the best buying coming from Mexico. Domestic demand was strong, and deeply discounted Polyethylene deals began to dry up, though some remained at week's end. Rising PGP costs fueled by ongoing monomer production disruptions, dashed Polypropylene processors' hopes for Dec relief, and instead sent buyers to the market to secure resin, lifting levels. Prime resin prices took divergent paths across our marketplace, a reflection of the differing market conditions, which saw Polyethylene slice off a half-cent and Polypropylene tack on another penny. Our forward prices for first quarter PE and PP resins both rose an additional penny, placing Jan prices \$.02/lb above Dec. Polyethylene contracts could easily see a decrease in Dec, perhaps peeling off the last \$.03/lb implemented in Sept, as producers have already rolled their current nomination into Jan and transactional prices are well below levels reflecting the \$.09/lb of increase that the major indices have recorded so far in 2023. Polypropylene contracts are now tracking more towards a rollover rather than a decrease, as monomer costs have firmed back up

Polyethylene trading slowed compared to the buying frenzy we saw just a week earlier, but our transaction flow was still good as prices eased. Commodity supplies were still quite abundant and sellers remained aggressive with discounts to move material prior to year-end and as we saw in the previous week, the larger the volume the better the price. By Friday, many of the sharply priced railcars had sold, but some offers will carry over into next week and be available until gone. Trading was well spread across all PE grades, with HDPE Blow Mold and LLDPE Film seeing the bulk of completed business. With two weeks left before the end of the year, we expect additional buying opportunities available in the Houston market as dealers look to unload more packaged material to avoid year-end inventory taxes. Meanwhile, this decline in domestic and export pricing makes a Dec contract increase even more unlikely and perhaps \$.03/lb will come out instead. A decrease would be justified and if so, perhaps only temporary relief as producers have already nominated a nickel for Jan.

Resin for Sale 16,862,426 lbs		Spot Range		TPE Market	
Resin	Total lbs	Low	High	Bid	Ask
PP Homo - Inj	2,565,420	\$ 0.510	\$ 0.620	\$ 0.540	\$ 0.600
HDPE - Inj	2,325,884	\$ 0.440	\$ 0.525	\$ 0.460	\$ 0.510
LLDPE - Film	2,248,520	\$ 0.440	\$ 0.530	\$ 0.460	\$ 0.510
PP Copo - Inj	2,125,864	\$ 0.580	\$ 0.685	\$ 0.610	\$ 0.660
HDPE - Blow	2,045,870	\$ 0.445	\$ 0.530	\$ 0.465	\$ 0.515
LDPE - Film	1,954,780	\$ 0.470	\$ 0.550	\$ 0.485	\$ 0.535
LLDPE - Inj	1,685,932	\$ 0.490	\$ 0.580	\$ 0.510	\$ 0.560
HMWPE - Film	1,325,420	\$ 0.460	\$ 0.540	\$ 0.470	\$ 0.520
LDPE - Inj	584,736	\$ 0.510	\$ 0.610	\$ 0.540	\$ 0.590



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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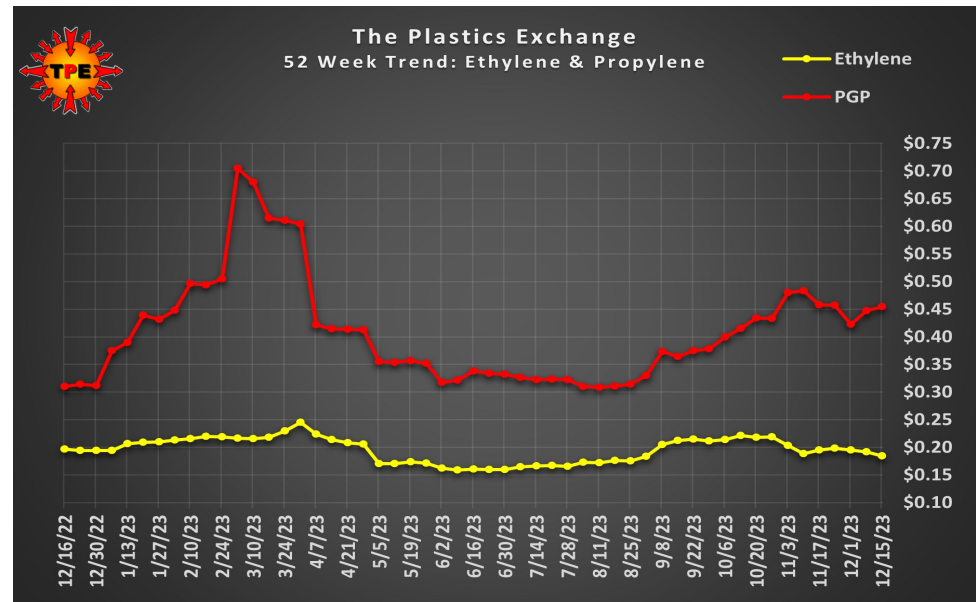
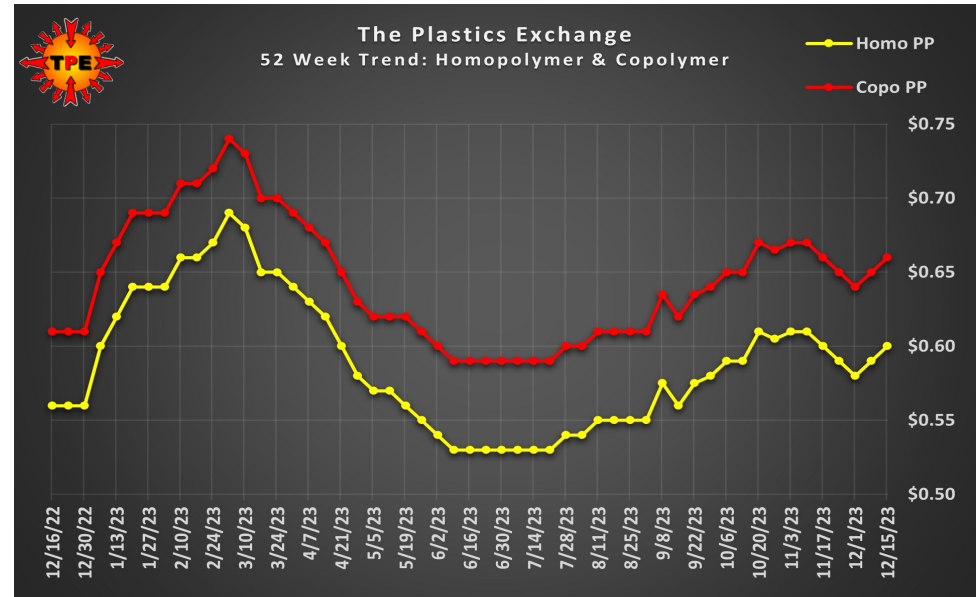
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Market Update — December 15th, 2023

The market got its first look at November supply/demand results from the American Chemistry Council, which showed that Polyethylene production was almost identical to October, as reactors again ran just shy of 85% capacity. PE exports were above 2 billion pounds for the 7th straight month and comprised nearly 47% of total PE sales. Domestic sales slipped to 97% of the trailing 12-month average and when the dust settled, there was a moderate 2.5% inventory build, bringing producers' collective stocks back up to the highest level since July, which helps to explain where all of the Dec PE deals are coming from.

Spot Polypropylene trading was active and turnover was strong, it was amongst our highest weekly tallies of 2023. The heavy buying came from processors that had de-stocked expecting stellar December pricing that never came, instead upward cost pressures have kept PP prices elevated. In fact spot prices rose another penny this week and are again nearing the interim highs of this rally, which were set a month ago. Producers had plenty of railcars to sell though and they were fairly liberal on price in exchange for volume, but for those buyers without time to wait, a pretty premium was paid for prompt PP ready to ship. On the contract front, expectations of moderate relief from the past three months of PGP-led increases totalling \$.135/lb have fallen by the wayside as monomer production struggles. December PP contracts are currently heading towards a rollover unless something comes to influence the market prior to negotiations completing. Preliminary results released by the ACC showed that Polypropylene producers ran their reactors a tad harder in November, at around 80%. Exports were a bit stronger, but at 6.6% of total sales, PP exports are not a massive influence on the market. Domestic processors were turned off by the steep cost-push price increase last month and slowed their purchases to only 96.5% of the trailing 12 month average. Total production outstripped the weak sales and consequently, upstream inventories built for the second straight month back to levels not seen since April. We encourage to subscribe directly to the ACC for actual supply / demand data.



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MARKET UPDATE

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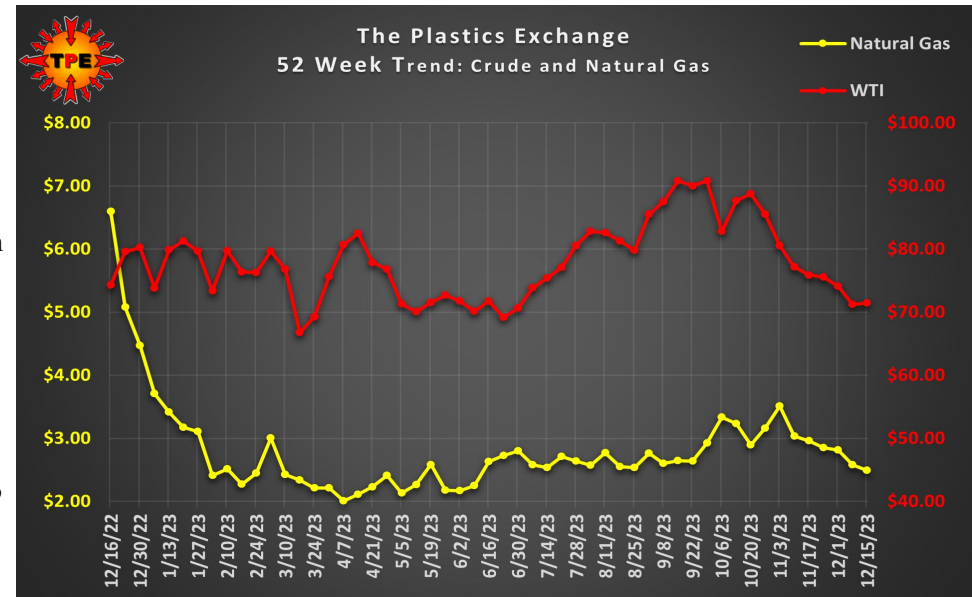
bringing the market to you

Market Update — December 15th, 2023

Monomer market activity ramped up, volume was above average, and prices moved in opposite directions. Ethylene leapt right out of the gates Monday morning and prices were pressured; traders in Louisiana sold Dec material first at \$.17/lb and then at \$.1675/lb before turning to Texas where a couple of deals were done at \$.185/lb, down a half-cent from Friday. Later that afternoon a transaction for 3Q'24 Ethylene deliveries was completed a hair over \$.19/lb and participants flipped 2Q/3Q deliveries a couple of times. Prices continued to drop on Tuesday and another execution for prompt delivery in TX was secured at \$.18/lb, participants also switched Dec/Jan deliveries. The bleeding stopped on Wednesday and Dec Ethylene was again brokered at \$.18/lb. Prices remained flat on Thursday and Dec Ethylene was inked again at \$.18/lb, another deal exchanging Dec/Jan was also noted. Bids and offers continued through Friday but further transactions did not materialize. Spot Dec Ethylene shed a bit more than a penny to settle a shade below \$.18/lb, a weekly loss of 5.5%. Back-month contracts also saw losses and the forward curve remained in a normalized contango.

Prompt Propylene saw very good demand as PDH production issues persisted; transactions were recorded daily and a high volume of PGP changed hands. Monday began just where it left off on Friday, with Dec PGP switching ownership at \$.45/lb. The market then began to creep higher and on Tuesday afternoon another prompt PGP deal was done up a cent to \$.46/lb. Jan PGP was inked Wednesday at \$.455/lb, the slowest day of the week. The market stepped higher on Thursday as Dec PGP was first done at \$.465/lb, then twice at \$.4675/lb and once more at \$.47/lb; three calendar strips for deliveries during 2024 were also completed. On Friday, Dec PGP was contracted at \$.47/lb, Jan delivery was agreed at \$.4675/lb and four separate calendar strip deals for all of 2024 were finalized at \$.425/lb. By Friday afternoon the market had slipped a bit, Dec PGP was offered at \$.4625/lb, while the spot Dec PGP weighted average had added \$.00725/lb on the week and rested just above \$.454/lb. Deferred contracts through April also moved higher but the further back months saw losses and the forward curve's backwardation widened into 2025. With the continued challenge to fully restart the Enterprise PDH Unit #2 and the upcoming planned PDH / refinery turnarounds in early 2024, spot Propylene remains tight and prices elevated. We are only halfway through the month and the market remains vulnerable to additional supply disruptions. At current levels, Dec has recouped the discount that it had held to Nov contracts, so upcoming PGP contracts are now guiding towards a rollover at \$.48/lb, with still time for additional developments.

The energy complex was mixed as Crude Oil finally finished higher for a change, snapping a seven-week losing streak on the back of higher global demand forecasts and a weaker dollar. Nat Gas continued its descent as mild weather conditions have kept demand at bay. Jan WTI traded within a \$4.75/bbl band and hit its weekly high of \$72.46/bbl on Thursday, just a day after it established a low of \$67.71/bbl. When the final bell rang on Friday, Jan WTI stood at \$71.43/bbl for a weekly net gain of 20 cents. Feb Brent traded within a \$5.05/bbl range, from a Wednesday low of \$72.30/bbl to a Thursday high of \$77.35/bbl before closing Friday at \$76.55/bbl for weekly gain of 71 cents. Jan Nat Gas futures moved within a nearly 31-cent band, going from a Wednesday low of \$2.235/mmBtu to a Friday high of \$2.544/mmBtu. Nat Gas went into the weekend at \$2.491/mmBtu, a net loss of 9 cents. NGLs were mixed as Dec Ethane gained 0.7 cents to \$.192/gal (\$.081/lb) and Dec Propane fell nearly 3 cents to \$.665/gal (\$.188/lb).



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.

12/22/2023
Dairy Market

BLOCK:	Down .0050	@ \$ 1.3900	5 Sales
BARRELS:	Up .0025	@ \$ 1.3925	9 Sales
BUTTER:	Down .0600	@ \$ 2.5400	2 Sales
NFDM Grade A:	Up .0050	@ \$ 1.1600	1 Sales
CME Dry Whey	Up .0075	@ \$.3800	0 Sales

<u>Date</u>	<u>Blocks</u>	<u>Block Change</u>	<u>Block Sales</u>	<u>Barrels</u>	<u>Barrel Change</u>	<u>Barrel Sale</u>	<u>Spread</u>
12/18/2023	1.4525	Down .0675	6	1.4050	Down .0450	13	0.0475
12/19/2023	1.4550	Up .0025	4	1.4100	Up .0050	11	0.0450
12/20/2023	1.4475	Down .0075	5	1.3925	Down .0175	11	0.0550
12/21/2023	1.3950	Down .0525	10	1.3900	Down .0025	18	0.0050
12/22/2023	1.3900	Down .0050	5	1.3925	Up .0025	9	-0.0025
Average Market:	1.428		30	1.398		62	

<u>Date</u>	<u>Butter</u>	<u>Butter Change</u>	<u>Butter Sales</u>	<u>Grd A</u>	<u>Grd A Change</u>	<u>Grd A Sales</u>
12/18/2023	2.5475	Up .0575	2	1.1700	Up .0100	0
12/19/2023	2.6050	Up .0575	5	1.1600	Down .0100	7
12/20/2023	2.6050	Unchanged	0	1.1575	Down .0025	1
12/21/2023	2.6000	Down .0050	4	1.1550	Down .0025	1
12/22/2023	2.5400	Down .0600	2	1.1600	Up .0050	1
Average Market:	2.5795		13	1.1605		10

<u>Date</u>	<u>Dry Whey</u>	<u>Dry Whey Change</u>	<u>Dry Whey Sales</u>
12/18/2023	0.3950	Unchanged	0
12/19/2023	0.3900	Down .0050	0
12/20/2023	0.3800	Down .0100	5
12/21/2023	0.3725	Down .0075	6
12/22/2023	0.3800	Up .0075	0
Average Market:	0.3835		11

--Year Ago--

<u>Date</u>	<u>Blocks</u>	<u>Barrels</u>	<u>Butter</u>	<u>NFDM Grade A</u>	<u>Dry Whey</u>
12/20/2022	2.0000	1.6550	2.6000	1.3600	0.3725
12/21/2022	2.0275	1.7000	2.4750	1.3350	0.3650
12/22/2022	2.0725	1.7600	2.4750	1.3300	0.3850
12/23/2022	2.1225	1.7950	2.3950	1.3300	0.3850



UDDER INTELLIGENCE

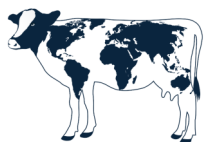
In-Depth Analysis




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Udder Intelligence



December 21, 2023

Understand · Simplify · Succeed

What you need to know

- GDT was stronger than I expected, up 2.3%, weaker than the futures expected
- Nov. U.S. headline milk production was weaker than forecast, down 0.6% YoY, but component adjusted production was up 0.8%
- Nov. NZ exports were much stronger than expected, up 23.7% YoY with strong shipments to Southeast Asia and Middle East (other than Algeria)

Dairy Prices (USD)

Cheese	Last (lb.)	Chg.	Last (MT)	WMP	Last (lb.)	Chg.	Last (MT)
CME Blocks (Wk Avg)	\$1.44	-\$0.13	\$3,175	US	\$2.03	\$0.02	\$4,464
CME Barrels (Wk Avg)	\$1.40	-\$0.10	\$3,085	Dutch	\$1.83	\$0.02	\$4,033
EU Gouda	\$2.04	\$0.03	\$4,493	GDT (Avg)	\$1.45	\$0.05	\$3,207
GDT Cheddar (Avg)	\$1.93	\$0.13	\$4,265				

Butter	Last (lb.)	Chg.	Last (MT)	Dry Whey	Last (lb.)	Chg.	Last (MT)
CME Spot (Wk Avg)	\$2.58	\$0.08	\$5,691	Central US	\$0.40	\$0.00	\$876
EEX Index	\$2.72	\$0.01	\$6,000	EEX Index	\$0.40	\$0.00	\$875
GDT (Avg)	\$2.48	\$0.24	\$5,458	US WPC34	\$0.95	\$0.01	\$2,094
				US Lactose	\$0.28	\$0.01	\$606

SMP/NFDM	Last (lb.)	Chg.	Last (MT)	Rennet Casein	Last (lb.)	Chg.	Last (MT)
CME Spot (Wk Avg)	\$1.16	\$0.00	\$2,558	US	\$3.60	\$0.05	\$7,937
EEX Index	\$1.29	\$0.00	\$2,852				
GDT (Avg)	\$1.19	-\$0.02	\$2,620				

Sources: CME, USDA, EEX, GlobalDairyTrade, Dutch Dairy Board, Trigona, FRED USD/euro rate used: 1.096, +0.011

CME Class III and SGX WMP Futures Prices
(January 2024 Contracts)



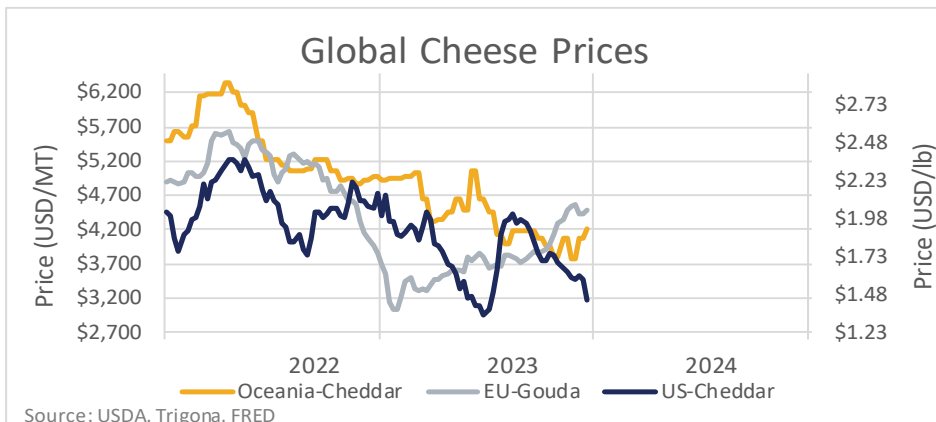
Source: CME, SGX

Market Summary

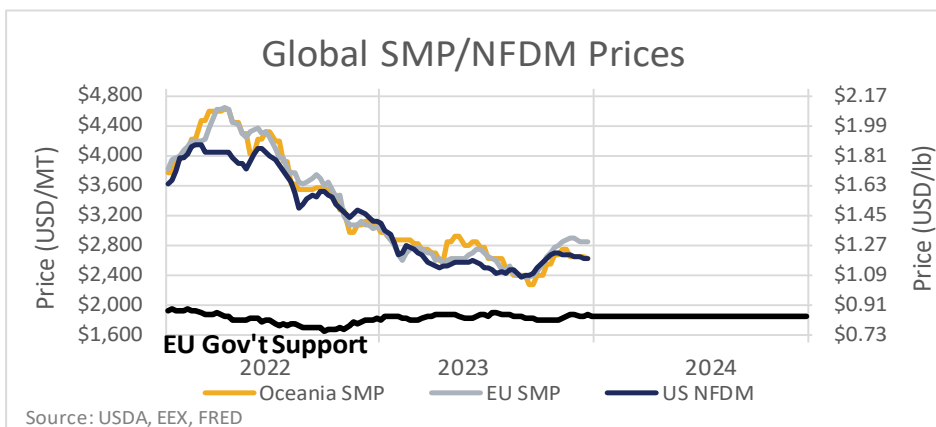
*** No report next week *** GDT butter (and SGX butter futures) broke out to the upside while CME spot cheese prices broke down to new lows. Powder prices continued to bounce around in the recent range. The data this week was mostly bullish with U.S. and Argentina milk production lower than forecast and no sign of a fast rebound in EU production. The pasture growth index for NZ continues to run a little below average. Exports out of NZ during November were much stronger than expected which suggests underlying demand might be doing a little better. Retail demand in the EU looks like it had a strong year-end, although the U.S. might be soft. Overall, the weak production remains supportive for the market and demand will determine how prices evolve in Q1.



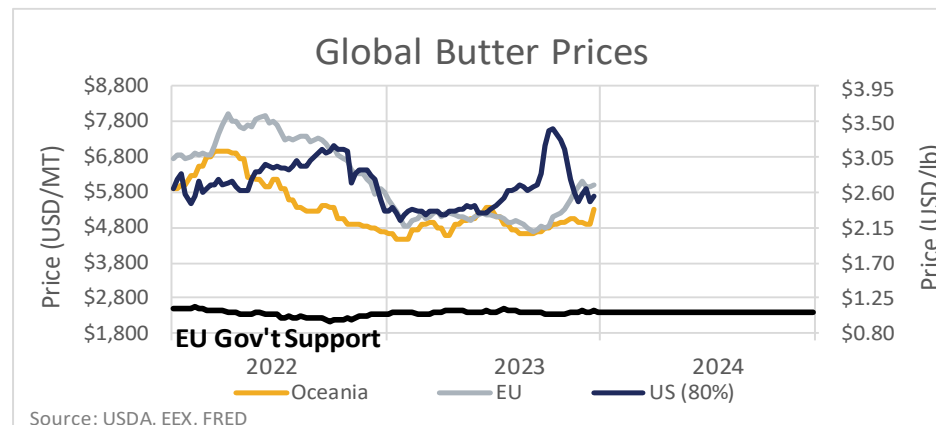
Product Markets



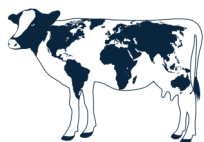
Butter: CME spot butter bounced a little higher after falling last week. The higher prices must be driven by demand, maybe end users found the sub-\$2.50 (\$5,500) price last week attractive. The supply side seems to be loosening with cream available and multiples falling. GDT butter spiked \$0.24/lb. (\$530), closing some of the gap to EU prices. EU prices were a little stronger on continued good domestic demand.



Cheese: CME spot cheese prices were pounded lower to a very cheap \$1.40 on Thursday (\$3,100). With milk production weak, we have to blame this on demand, year-end balancing or maybe new processing capacity. GDT Cheddar was up and EU cheese prices mostly firmed a little this week too. U.S. prices are by far the cheapest in the world and should start to draw some export interest (if there is any out there). Unless we get a really bearish surprise in the Cold Storage report Friday, I'm bullish on CME spot cheese prices.



Powders: NFDM/SMP prices were steady to a little weaker across all the major exporters. NZ SMP exports in November were strong with good shipments into Southeast Asia which is an encouraging sign, but it might be supplanting EU/U.S. volumes. Dry whey prices lost a little ground in the US and EU. The high protein market remains strong, but there are concerns about ASF holding back Chinese demand for low protein/carbohydrate products.



Udder Intelligence



December 21, 2023

Understand · Simplify · Succeed

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