

CATEGORY	NEAR-TERM MARKET PRICING TREND	SUPPLY vs. DEMAND	MARKET INSIGHTS COMMENTARY
Butter	Stable	Available - Steady	<i>Cream volumes have begun to tighten in the East and Central regions amid strengthening demand from cream cheese and ice cream makers. Cream is available in the West, while demand remains steady to light in the region. Some butter makers in the East say they are operating seven-day production schedules, despite tightening regional cream availability. In the West, some butter makers say production is steady to strong, while others say downtime for plant maintenance is negatively affecting butter output. Demand for butter varies from region to region: in the Central region, contacts note strengthening demand ahead of spring holidays, particularly to retail customers. In the East, food service demand is steady, though current retail prices are contributing to lighter purchases from consumers. Western contacts report light retail sales and steady to lighter bulk butter demand. Bulk butter overages range from 0 to 10 cents above the market, across all regions.</i>
Cheese	Stable	Available - Steady	<i>Milk supplies are readily available across the country, and contacts in the Midwest continue to report spot loads of milk being traded for \$10 or more under Class III. Cheese makers in the West say they are using available milk supplies to operate strong production schedules. Some plant managers in the Northeast say they have been manufacturing more cheese than expected due to strong regional milk output. In the Midwest, some cheesemakers who process cheddar and Italian style cheese are, reportedly, concerned their production capacity is not enough to build inventories for summer and fall. Cheese sales are hearty in the Midwest, and stakeholders in the Northeast note steady demand for cheese from retail and food service customers. In the West, cheese barrel sales are active, though block demand is lighter. Contacts in the West relay mixed demand from export purchasers. Spot cheese inventories are available in the West and growing in the Northeast.</i>
Fluid Dairy	Class I - Lower Class II - Steady	Class I Available - Steady Class II Short - Strong	<i>March milk (Class I) and Cultured (Class II) costs to the dairies are lower. Should see that reflected in Class I. However, Class II typically lags the market. UHT Cream remains demand exceeds supply. May have to offer fresh cream as an alternative. Fluid dairy shortage worst in the northeast and has expanded across the southeast and north central areas. Five 5 major plants closed in 2022. FL, SC, AL, MS & IL.</i>
Shell Eggs	Stable	Available - Strong	<i>Consumer demand in the near-term declines as marketers are looking ahead to the approaching Easter and anticipated demand it traditionally brings. Wholesale prices for cartooned eggs continue to rise but the advances are slowing. Offerings are light and supplies are light to moderate. Demand is moderate to good and trading is moderate to active but slowing. Prices on the loose egg market are holding as offerings remain light and supplies light to moderate. Demand is moderate to good and trading is slowing. Wholesale breaking stock prices are higher as offerings remain limited and supplies light to moderate. Interest is mixed and trading is moderate to at times active.</i>



Market Insights

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March 27th, 2023

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Beef (Commodity)	Stable	Available - Steady	<i>The nation's beef packers continue to take on and improve their weekly forward sold position going into Memorial weekend. Seasonal middle meats price increases will be in full swing by the 3rd week of April. Plan ahead.</i>
Pork (Commodity)	Increasing	Available - Increasing	<i>As Memorial Day approaches, all commodities - demand and prices for butts, spareribs, St. Louis Spareribs, Backribs, and Loins are on the rise.</i>
Pork (Value-Added)	Stable	Available – Steady	<i>With the price of bellies increasing from here through August, expect the price of bacon to increase as well. Increased prices of pork trim will also lead to higher prices for sausage, franks, and pizza toppings.</i>
Poultry (Chicken)	Increasing	Available – Steady	<i>Boneless breast meat prices remained stable this week. Medium and small wings have remained steady this week, while jumbo took a slight decline. Tenders have started to tighten in supply which is causing an increase in price. Demand on whole chickens and WOGS remains steady and in tight supply across the board. Demand for the back half of the bird remains steady and limited supply available.</i>
Poultry (Turkey)	Decreasing	Short – High	<i>Fresh Breast meat prices have continued to soften. Availability on whole toms and hens is scarce with prices remaining at record highs. Turkey availability is expected to remain tight due to continued impacts of HPAI.</i>
Bulk Sugar	Increasing	Mixed/Steady	<i>Sugar supply is not as ample as preferred to cover foodservice markets. This is based on a less than desirable crop harvest in fall of 2022. Some suppliers are in extremely tight supply. This is causing limited availability in some markets and may impact pricing as we move through summer. Prices have remained relatively steady thus far in 2023, but the long term forecast is largely unknown at this time.</i>
Seafood	Crab meat Steady	Crab meat Available - Steady	<i>Blue swimming crab meat has started to increase in price on colossal, jumbo lump and claw, while the remaining sizes remain steady. Red Swimming crab meat prices have also started to increase on colossal and jumbo lump, while special took a decrease.</i>
Wheat (Flour Based Products)	Stable	Available – Steady	<i>Bulk commodity flour prices have not changed dramatically so far this year. As we close out the first quarter of the year, it is still largely unknown what the price levels will look like for the second and third quarters. Speculators are still watching world wheat prices, and still have some concerns regarding the Russia/Ukraine conflict. Pricing has not made any dramatic changes in recent weeks and we are not expecting any major fluctuations in the near-term. Wheat based finished-goods are still maintaining higher than historic prices. Those prices are not expected to change much as we move through spring.</i>



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Oils, Shortening, Margarine	Stable	Available -Steady	<i>The price of commodity frying oils is highly dependent on fluctuations with in the stock market. If overall commodities are trading up or down, soybeans typically can follow those trends. Palm, canola, cotton, sunflower, etc. typically follow the pattern of soybean, when it comes to oil prices. The stock market has been a major contributor to the higher pricing on all oils within the past couple of years. Supply and demand has also had some impact. However, supply is solid in recent months and has not had much impact on oil pricing. All eyes will be watching the erratic stock market over the next few weeks to see if there will be any major impact on soybeans. Prices are slightly lower than they were at the beginning of the year, but it is still largely unknown if this trend will continue longer term. Near term pricing will likely not reflect much change.</i>
Canned Vegetables	Stable	Short - Strong	<i>Availability and supply challenges may likely be present coming into new pack 2023 for select items within canned categories such as Peas, Wax Beans, Beets, Carrots, Potatoes, and Mixed Vegetables.</i>
Canned Tomatoes-West Coast	Stable	Short - Strong	<i>As a result of a historic 2022 low tonnage tomato harvest, select items such as puree, sauces, and whole peeled products from California processors are being allocated and could run short coming into new pack.</i>
Canned Fruits (Peaches, Pears, Mixed Fruits)	Stable	Short - Strong	<i>While supply of Extra Light Syrup Northwest and West Coast fruits is currently present, Juice packed Pears, Peaches, and Mixed Fruits are running tight and may run out in advance of new pack.</i>
Canned Pudding & Cheese Sauces	Stable	Available - Strong	<i>Industry wide shortages of modified food starch (used extensively in the production of puddings and cheese sauces) has started to correct itself so product availability is improving and should soon be back to normal.</i>