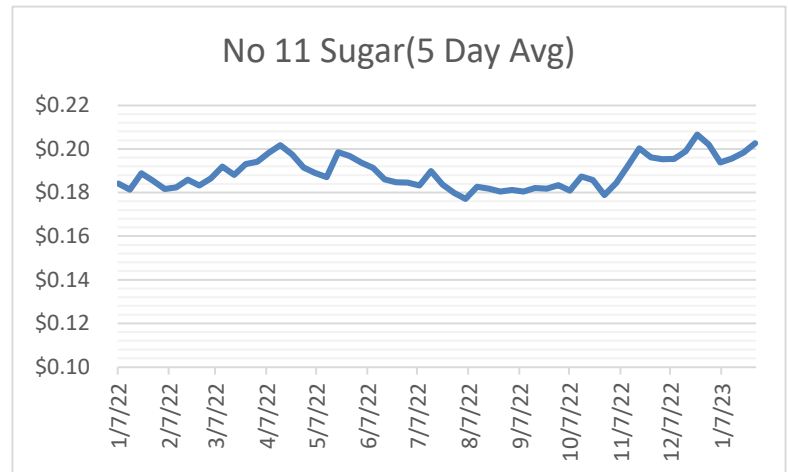


## Sugar

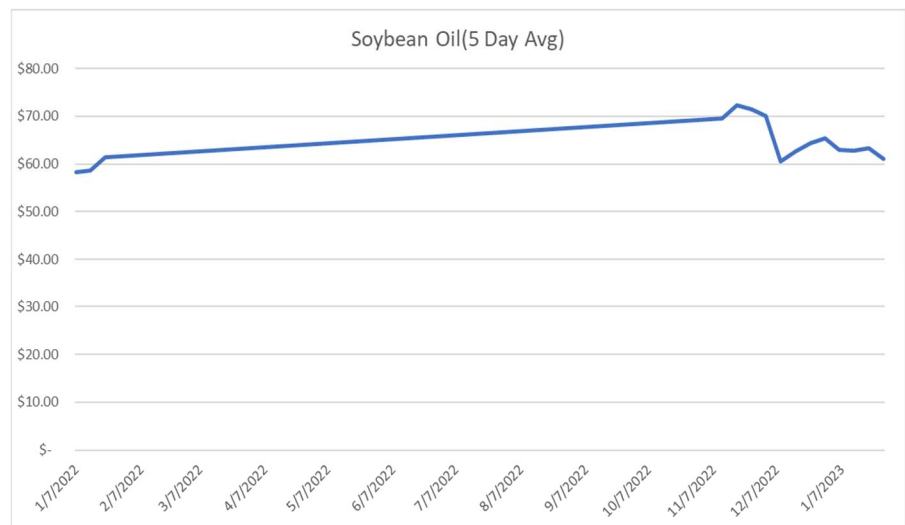
Sugar is trading slightly up at 20-cents (which is a slight decrease from December newsletter) Spot sugar price offers remain scarce from the beet vendors, due to very tight supplies. The USDA increased its 2022/2023 cane and sugar beet production estimates on the January supply/demand report, moving the ending stocks-to-use ratio up to 14.9%, from 13.5% in December. The annual global sugar colloquium will take place in California in late February. This meeting is considered to be the beginning of contracting by most industry participants.



## Soybean Oil

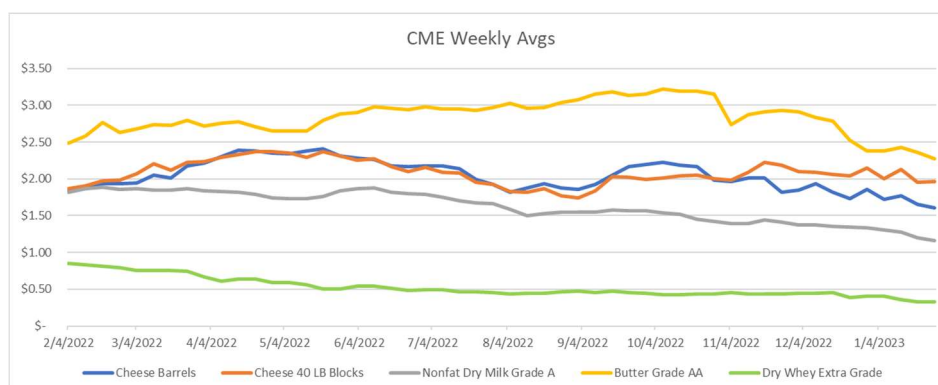
Soybean Oil futures were slightly higher on Wednesday, compared to Wednesday of the prior week (however futures are lower than the YTD average). Reported market drivers:

- The soybean oil futures market has started to recover from the decline that occurred between November 29 and December 12, after the announcement on forward biofuel mandates from the EPA.
- The Brazilian soybean crop is off to a solid start, but the crop in Argentina continues to be affected by ongoing drought conditions.
- U.S. soybean oil basis offers were slightly lower this week, while soybean board crush margins remain historically high through the first half of 2023.
- WTI crude oil futures were lower this week, contributing to the weakness in the vegetable oil markets



## CME Butter & Cheese

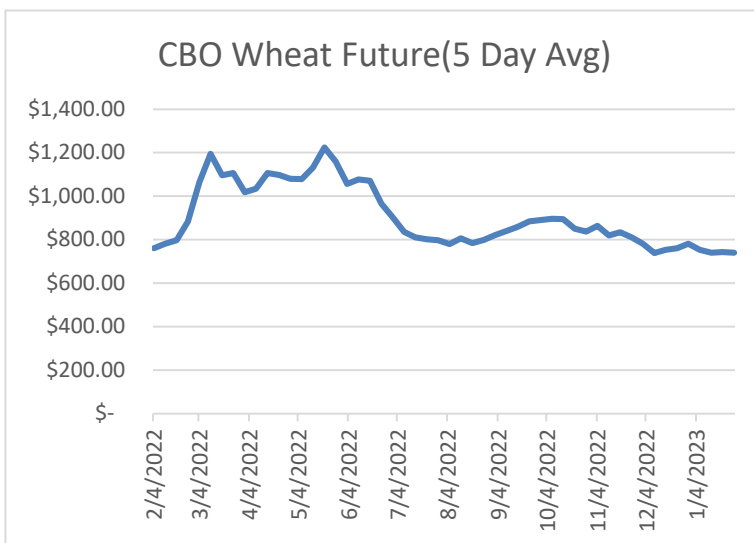
Butter prices continue to move lower. The USDA's Dairy Products Report showed that butter output in November rose to 8.9% above 2021 levels, as churns took advantage of improved cream availability and cheaper prices. Churn rates have continued to see solid improvement during the past month, due to more milk coming to market, according to analysts. The updated Cold Storage Report from the USDA showed that butter stocks declined at a much slower than normal pace in November, with stocks now only 5% below year-ago levels. The CME block and barrel markets were both relatively unchanged this week. Overall production and inventory levels remain strong, and demand is in line with expectations. According to analysts, domestic milk supplies have increased, as cold temperatures promote increased yield per animal. Cream availability continues to improve, but many plants are still struggling with labor and supply chain issues.



## Wheat

The wheat markets were lower through Wednesday of this week vs. the prior week. Current Market Drivers:

- The March Kansas City wheat futures contract has continued to trade in the same range that it has been in since late December.
- Over the past week, there has finally been decent moisture in the drought-stricken U.S. Southern Plains region, according to the National Oceanic and Atmospheric Administration.
- U.S. winter wheat stocks remain at 15-year lows, per the USDA's January supply/demand report.
- U.S. wheat exports continue to be slow, despite the recent weakness in the U.S. dollar, according to updated USDA data.

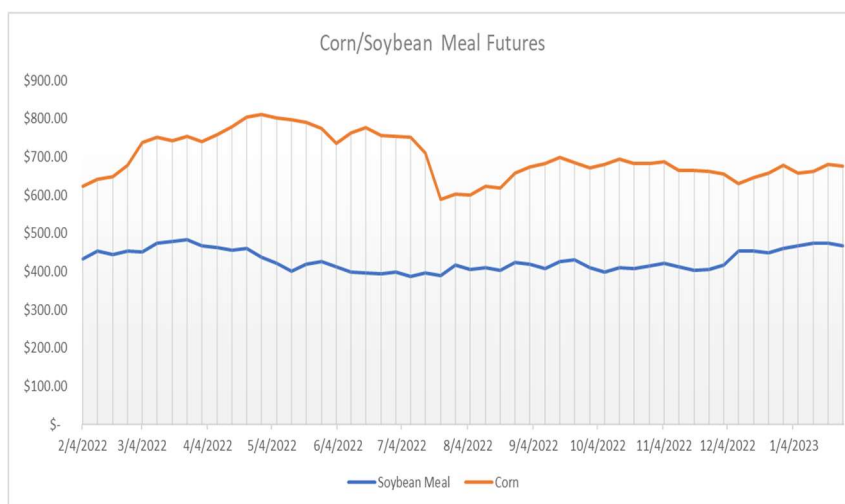


## Corn:

The USDA, Foreign Agricultural Service (FAS) reported total U.S. corn export commitments (shipments plus outstanding sales of December 1, 2022) at 19.0 million metric tons (down 48 percent from last year and 32 percent below the 5-year average). Sales are slow (relative to last year) due to high export prices, driven by limited exportable supplies and difficult inland logistics, resulting from historically low water levels on the Mississippi River—a critical channel that moves corn from the Midwest to export terminals in the Louisiana Gulf.

## Soybean Meal:

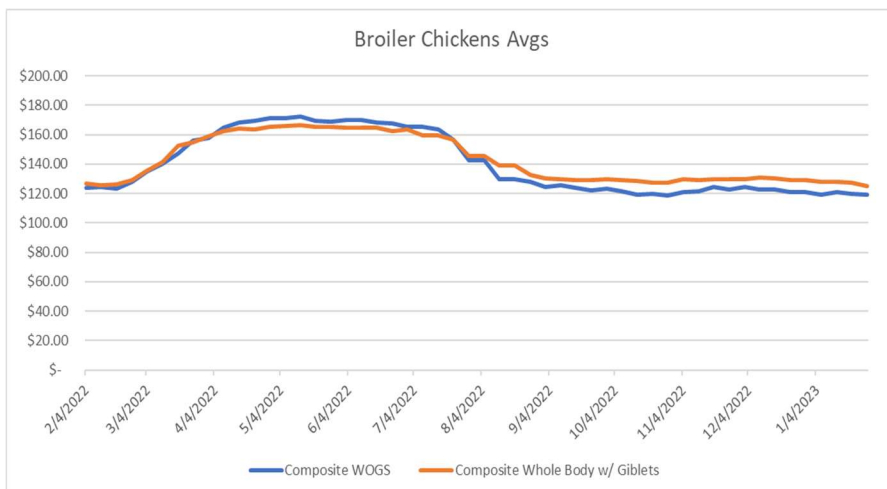
No changes are made to the 2022/23 U.S. soybean balance sheet this month. Export volumes and total commitments indicate the United States is on pace to reach the current forecast that sits at just more than 2 billion bushels. Through October, processors have crushed nearly 365 million bushels of soybeans. With capacity expansions set to materialize later in the marketing year, the United States is expected to crush 2.25 billion pounds of soybeans in 2022/23. Domestic and foreign demand for soybean meal remains strong and steady, providing support for current forecasts that remain unchanged from last month. The soybean meal price forecast for 2022/23 is revised up \$10.00 per short ton to \$410.00.



## Chicken

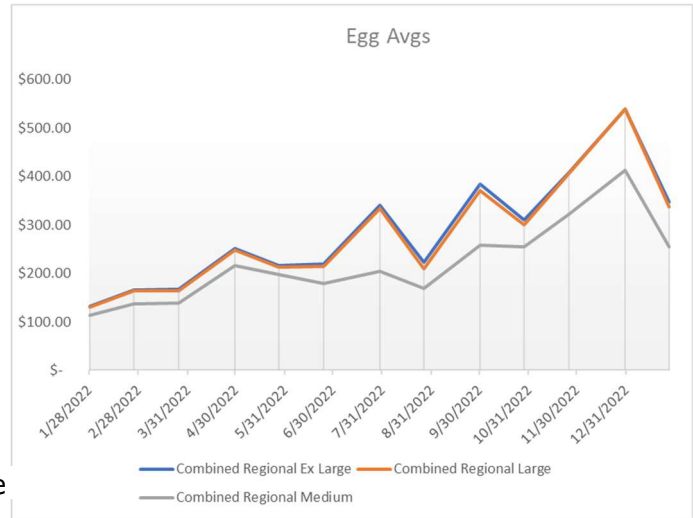
This week, analysts reported that the jumbo breast meat market increased, while the medium and small breast meat markets were stable. Small bone-in and boneless products are still under supply pressure, as some processors have increased bird size, according to industry analysts. Analysts forecast price increases for all jumbo boneless meat in the near term. They also report that egg sets and placements continue to increase. Bird weights and headcounts have increased. Pricing for all sizes of wings increased this week, according to analysts. Jumbo wings appear to be well supported, they said. Foodservice and Further Processors' demand appears to be strong.

Analysts predict that due to medium bird processors taking their bird weights up to a jumbo size, the market will continue to see pressure in terms of consistent fresh medium wing availability. Spot load offerings of fresh and frozen jumbo wings have receded, as Further Processors ramp up inventory



## Eggs

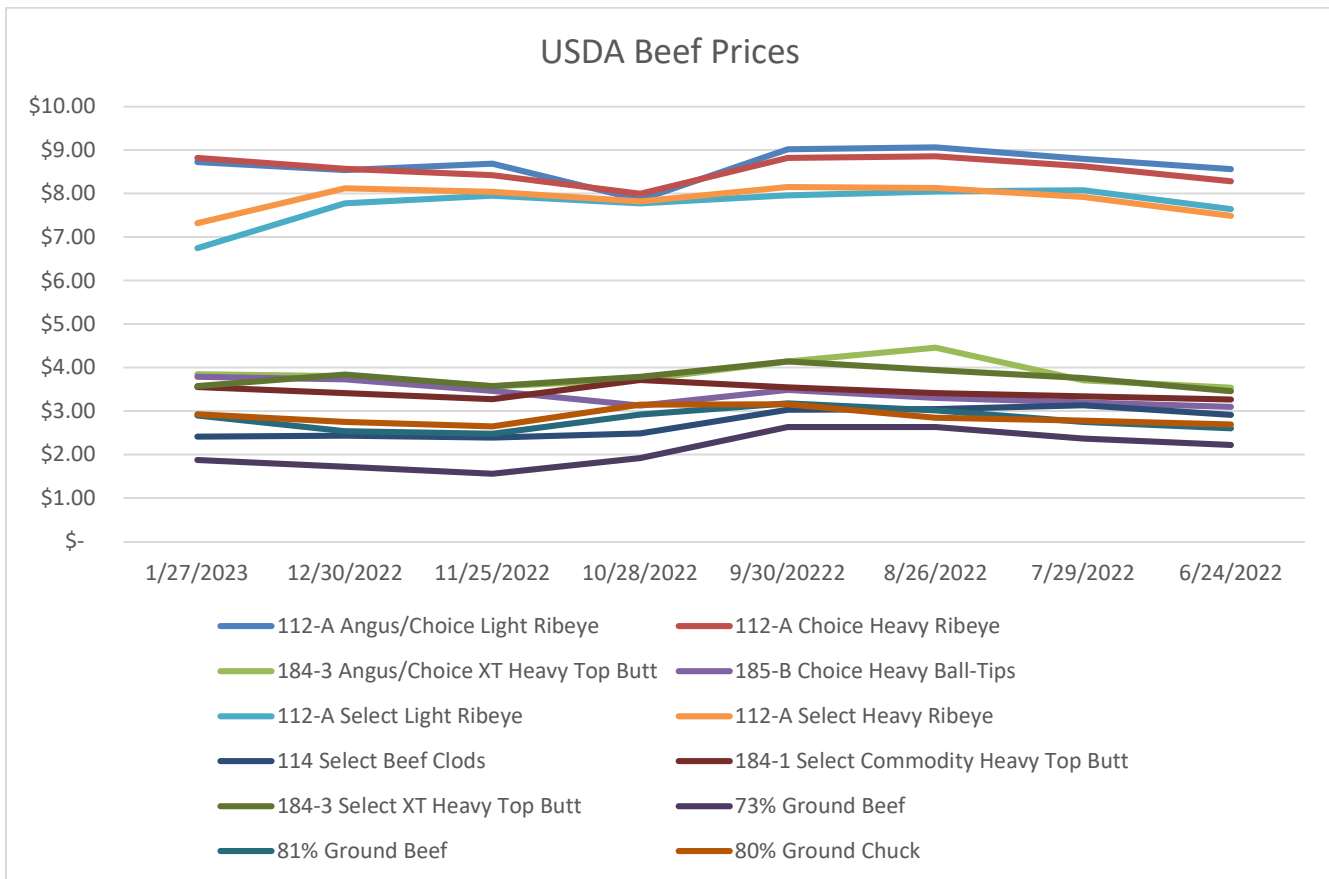
Urner Barry reported that egg prices fell for the fourth straight week, although not as sharply as in the previous three weeks, due to lower seasonal demand. Supply remains limited, due to the ongoing impact and threat of what is now the country's deadliest outbreak of avian influenza in history, according to U.S. Department of Agriculture data, as reported by Reuters.



## Beef

Based on slaughter data through December, a slower-than-expected pace of fed cattle slaughter and lighter carcass weights more than offset higher reported cow slaughter. As a result, expected fourth-quarter 2022 production has been lowered by 115 million pounds. A temporal shift in fed cattle marketings and an outlook for higher cow slaughter raised projected beef production in 2023 by 170 million to 26.3 billion pounds. Fed cattle and feeder steer prices in 2023 are raised on firm demand.

Based on the most recent U.S. Drought Monitor data, the impact of drought continues to be a theme into the new year even as rains bring relief to beef cattle producers in parts of the West. However, pasture and forage availability in the Central and Southern Plains likely remain tight as drought continues there. The impact can be seen in the hay stocks estimate released in the USDA, National Agricultural Statistics Service (NASS) report. Hay stocks on December 1, 2022, were 72 million tons, 9 percent below a year ago and the lowest for this period since 1954. This likely supports higher-than-expected cow slaughter in December, suggesting producers are still hampered by limited forage and higher associated costs. For the week ending January 10, the U.S. Drought Monitor reported that over 69 percent of the United States is experiencing some level of drought, about 4 percent less than a year ago. According to the USDA World Agricultural Outlook Board, approximately 58 percent of the U.S. cattle herd is located in drought-stricken areas. This is an increase of 8 percentage points from a year ago. As far as pricing across cuts- markets were mixed. Modest decreases in choice ribeyes (but increases across both select ribeye cuts). Some softening across grinds, and increases in heavy top butts, and pectoral meat.

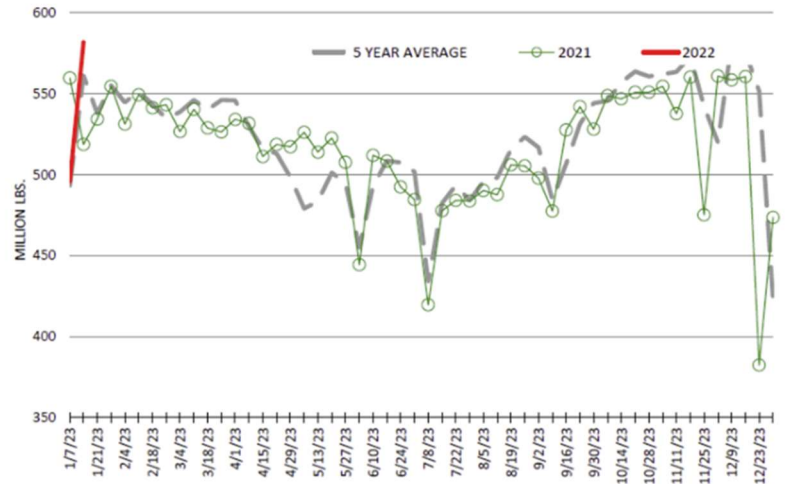


## Pork

For the U.S. pork industry and pork consumers, the information reported the Quarterly Hogs and Pigs report issued by USDA on December 23, 2022, is more of a mixed bag than usual, largely due to a number of exogenous risk factors. Major among them are persistent swine disease, volatile national and international macroeconomic conditions, and the expected ruling in National Pork Producers Council vs Ross6 by the Supreme Court in the late spring, each with the potential to impact producer decisions. Backribs and all varieties of spareribs traded either sideways or lower. Supply is beginning to decrease on a seasonal basis. Meanwhile, forward demand is picking up, but current demand is still relatively mild. The pork belly composite was up. Supply is beginning to decrease, while strong seasonal demand should begin to ramp up soon, according to analysts. The USDA reports that there are healthy stocks of bellies in cold storage.

### ESTIMATED WEEKLY FI PORK PRODUCTION

Source: USDA, Mil. Pounds



## Shrimp

Urner Barry reported lower pricing on large shell-on product, and vendors report heavy inventory positions. Vendors report that a reduction in fishing, due to higher fuel costs, could result in higher pricing and shortages in the near future for smaller PUDs (70/90 and smaller). Vendors are reporting a lack of inventory on 130/150 and 150/200 PUDs.

## Snow Crab

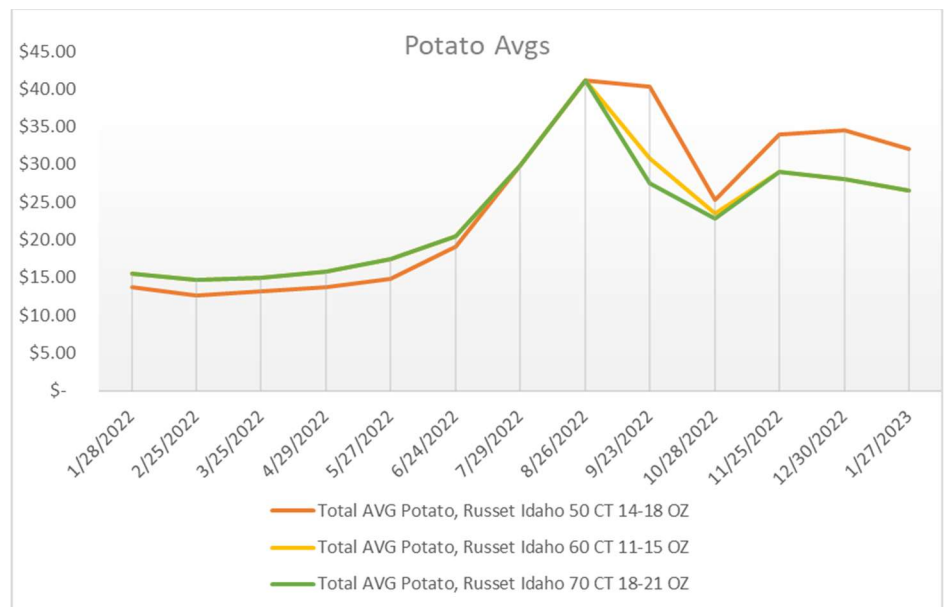
Alaskan: Currently, there are no offers. The Alaska Fisheries Team has announced there will not be a quota for the 2022/2023 season. Canadian: Urner Barry is reporting steady pricing. Vendors report that 8-ups could get tight.

## Lobster

Urner Barry reports: North American Lobster: Pricing has turned to a steady tone, as reported by Urner Barry. Lobster Tails- Warmer Water: Urner Barry is reporting steady pricing.

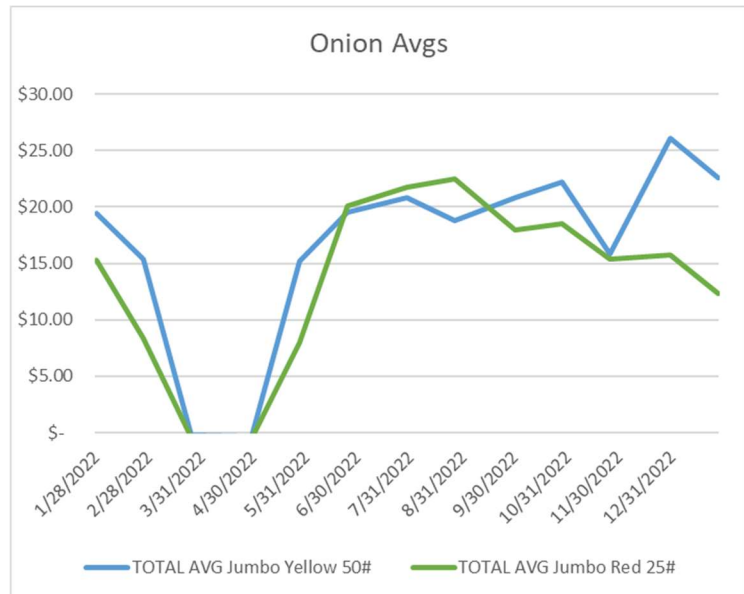
## Potatoes

The russet potato market is mixed this week. Out of Oregon and Washington, 70 ct. Norkotahs are flat and 90 ct. Norkotahs are up. Out of Idaho, 70 ct. and 90 ct. Norkotahs are down. Moderate supply and demand is reported for all regions.



## Onions

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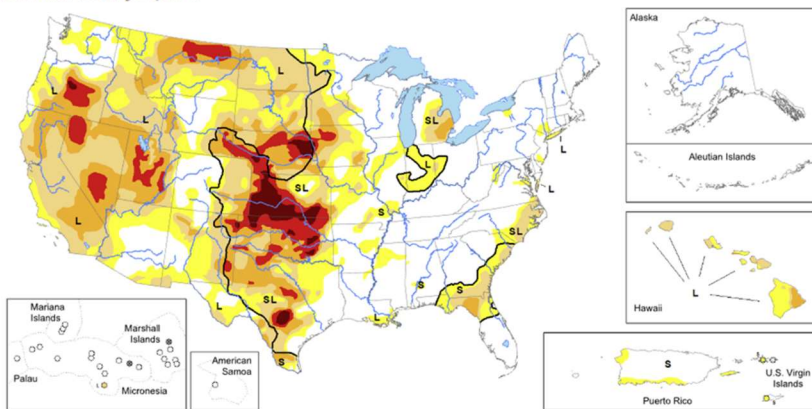


## Additional Produce Notes

In South Florida, as well as Mexico, we continue to see very light supply on cucumbers and do not expect improvement for several weeks. Squash and bell peppers seem to be easing and the color pepper supply is excellent! Tomato production is lighter this week in Florida and remains far from normal in a production perspective for this time of year due to several weather impacts over the past three months. We expect lower production and higher than normal market prices, but nothing too concerning. The corn market will be very short as the fallout from last month's freeze is now affecting the crop, causing extremely low yields and more loss than expected. The hot pepper market seems to be staying firm as cold temps and weather damage are causing shortfalls this season, with Serrano and Anaheim the highest priced and shortest available. Honeydew and cantaloupe have become quite a challenge due to cooler weather and will most likely not improve until Mid-February. In Yuma, the weather has cooled with frost showing in the fields each morning, which is affecting a few of the markets. Forecast is for this to continue into next week but is not expected to get extremely cold.

Map released: January 26, 2023

Data valid: January 24, 2023



*In drought news- Over the past few weeks, a series of atmospheric rivers brought significant amounts of rain and snow across parts of the West leading to improvements in soil moisture, streamflow, reservoirs levels and snowpack. This above-normal precipitation led to abnormal dryness and drought improvements in California, the Pacific Northwest, Great Basin and the central Rockies. Despite these improvements, long-term drought persists across much of the West.*

*In the eastern United States, winter storms brought cooler temperatures and above-normal precipitation from the Mississippi Valley to the East Coast, leading to abnormal dryness and drought improvements in the Midwest, Northeast and Southeast. Meanwhile, persistent dryness led to the expansion of drought in the southern Plains and northern Rockies, while much of the Southern and High Plains regions remain largely unchanged.*