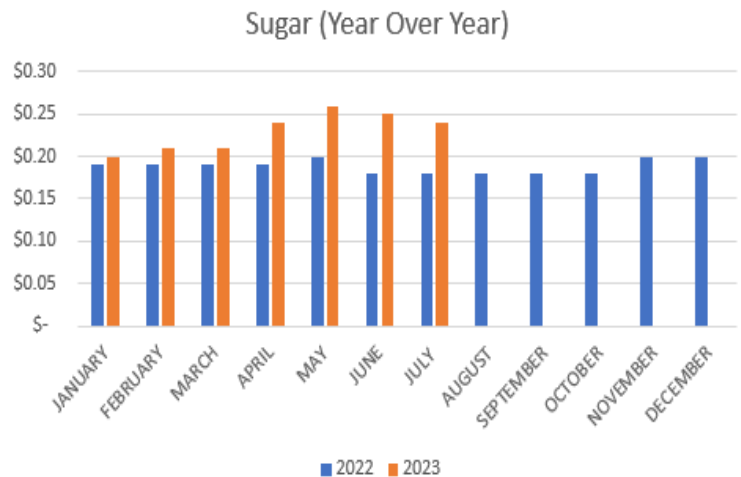


Sugar

Sugar is trading slightly down at 24-cents -- a 1-cent decrease from the June update - though a 5-cent increase over the 2022 average. Current Market Drivers:

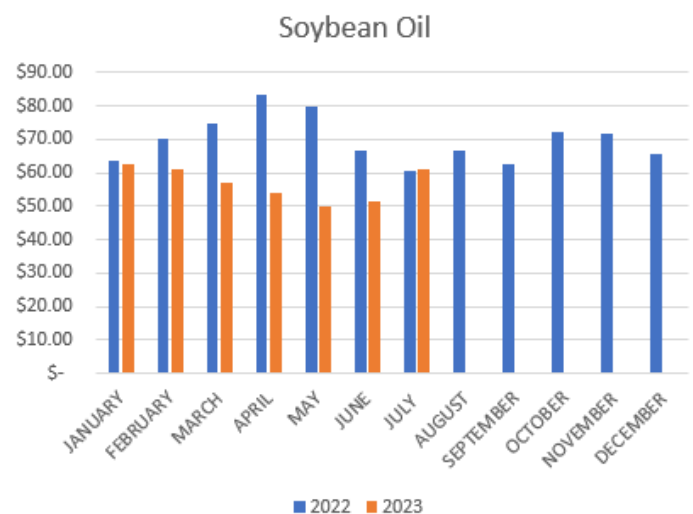
- Spot sugar price offers are available, as some end users are not pulling all of their currently contracted obligations, according to cash dealers
- Sugar beet processors state that current bookings of the 2023/2024 new crop are currently above 85% of expected production.
- The USDA announced an increase of 125,000 tons to the Tariff Rate Quota for the balance of the 2022/2023 crop season, allowing for increased imports, due to tight domestic supplies.
- Updated USDA crop ratings for both the beet and cane sugar crops have fallen from recent highs, as dry weather conditions in the Red River Valley and heavy storms in the Gulf of Mexico, have raised production concerns, according to analysts.



Soybean Oil

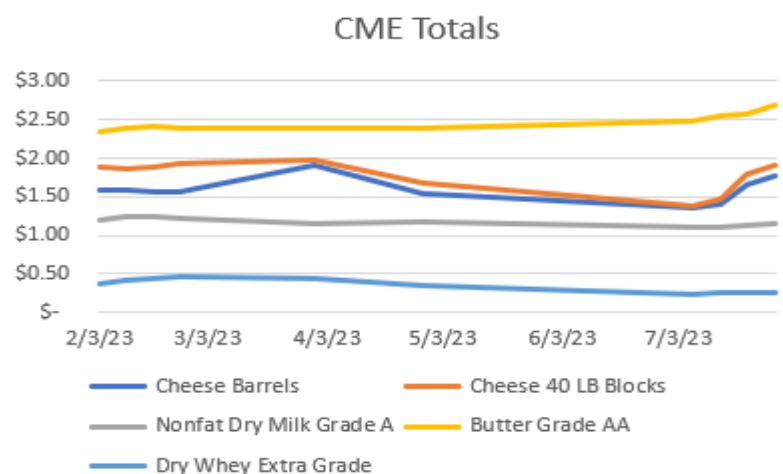
Last month's USDA planted *Acreage* report indicated that U.S. planted soybean acreage in 2023/24 totaled 83.5 million acres, 5 percent lower than last year and down 5 percent from farmers' intended planting in March (figure 1). With the soybean yield forecast at 52 bushels per acre (unchanged from last month), the lower estimate of harvested acreage edges the 2023/24 soybean production forecast down by 210 million bushels this month to 4.3 billion bushels. Additional Market Drivers:

- According to the weekly USDA crop conditions report, 54% of the soybean crop is in good to excellent condition, down from 55% the prior week, and down from 59% at this time last year. The National Oceanic and Atmospheric Administration is forecasting warm and dry weather for the short term, as the crop is now in the critical "pod setting" phase, according to analysts.
- Soybean oil's spot share of product value continues to trade in a range between 43 and 45%, as export demand for soybean meal has increased, according to analysts.
- U.S. crude and refined soybean oil basis offers have moved steadily higher over the last three months, on crusher expectations for increased seasonal demand for both food and fuel, as well as the anticipated seasonal decline in soybean oil stocks through fall, according to analysts.



CME Butter & Cheese

In the East and Central regions cream availability is tightening. Contacts in the West report cream is more available than in other regions, but say temperatures are increasing in the northern parts of the West and are contributing to a reduction in excess cream volumes. Butter production is mixed in the West, as some manufacturers note light production schedules, while others say they are steadily churning. East region butter makers are running active production schedules, while some butter makers in the Central region report scheduled down time at plants this week. Butter inventories are tightening in the Central region amid

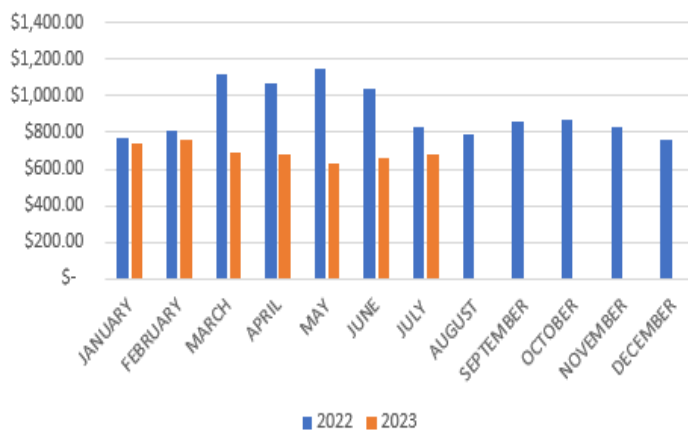


strong demand from retail and food service customers. In the East, increased market activity is starting to chip away at butter stocks, but contacts note inventories remain ample. Demand for butter is steady from retail and food service customers in the East. Some contacts in the West say they are building inventories ahead of the baking season. Export demand for butter is light in the West, while retail sales are steady, and food service demand is strong. Bulk butter overages range from 0 to 12.5 cents over market value. Cheesemakers in the Northeast say production has plateaued, as milk output is declining in the region. In the Midwest, cheesemakers are operating strong production schedules, though some have reported downtime at plants this week. This downtime has contributed to some milk availability, while overall milk production is declining in the region. Spot milk prices in the Midwest range from \$5 to \$3 under Class III. In the West cheesemakers note declining milk availability but say supplies are available for strong to steady cheese production. In the East and Midwest, contacts report strong cheese demand. Export sales of cheese are mixed in the West, as contacts report steady interest from purchasers in Mexico but note some hesitation in Asian markets. Cold storage space has become more available in the Northeast in recent weeks, and contacts in the Midwest say loads are moving quickly. Spot loads of cheese are available in the West.

Wheat

Changes this month to the 2023/24 U.S. wheat outlook increase supplies and domestic use, leave exports unchanged, and increase ending stocks. Supplies are raised on larger production, which is up 74 million bushels to 1,739 million, on higher harvested area and yields. The first 2023/24 survey-based production forecast for other spring and Durum indicates a decrease from last year. Conversely, winter wheat production is forecast higher on larger harvested area and higher yields. Gains for all wheat production are partly offset by smaller beginning stocks, which are lowered 18 million bushels to 580 million as indicated in the Grain Stocks report, issued June 30. The 2023/24 ending stocks are forecast at 592 million bushels, 30 million higher than last month. Current Market Drivers:

Wheat Futures

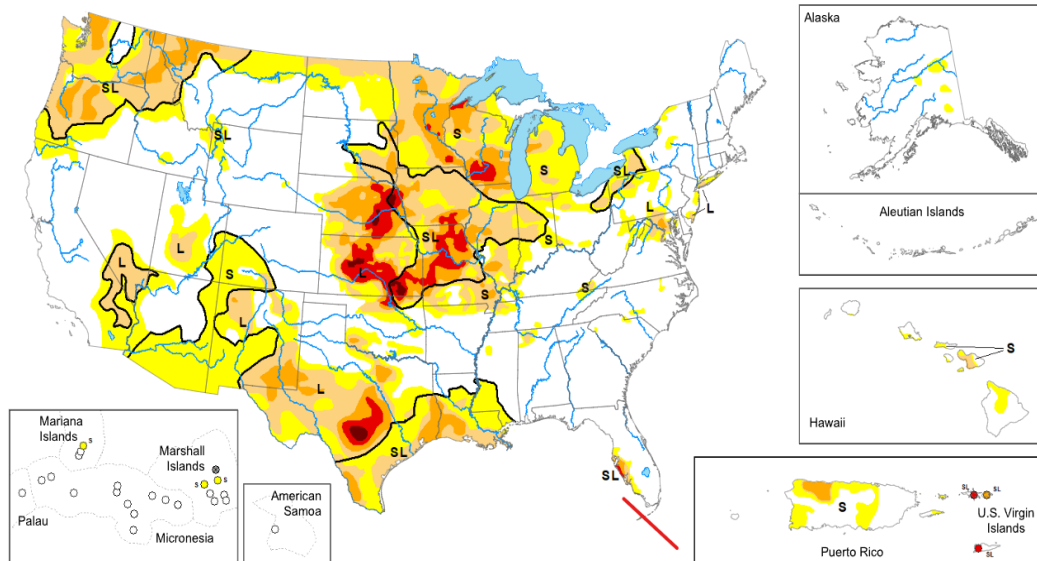


- Two of the three largest wheat classes grown in the United States — hard red winter and hard red spring — face moisture challenges that may limit yields and production in 2023, tightening stocks and heightening the risk of above-average flour prices into 2024.
- Russian air strikes on Ukrainian grain facilities on the Danube this week threaten a vital river route for exports.
- The spot Kansas City wheat futures have rallied 18% since the beginning of July.
- The USDA reports that the winter wheat crop is currently 68% harvested, well below the five-year average of 77% at this time of year.

Map released: July 27, 2023

Data valid: July 25, 2023

View grayscale version of the map



Corn & Soybean Meal:

Soybeans are down by 1.7% to 2.3% in early Monday trading. The products are \$6.40 weaker, with 2 cent losses in soy oil. The soy market faded on Friday as beans went into the weekend with 12 3/4 to 20 1/2 cent losses. The August contract was pushed the hardest before the delivery period. November closed the week as a net 19 1/4 cent loss. Soybean futures were 2% lower on Friday with \$9.30 to \$9.40/ton losses. Soybean Oil tried trading higher early in the session but faded to end the day mixed within 20 points. August BO was a penny lower at the close.

Corn futures sank to the \$5.1 per bushel mark, declining sharply from the one-month high of \$5.6 touched on July 24th as favorable weather in the US lifted the supply outlook for the world's top producer.

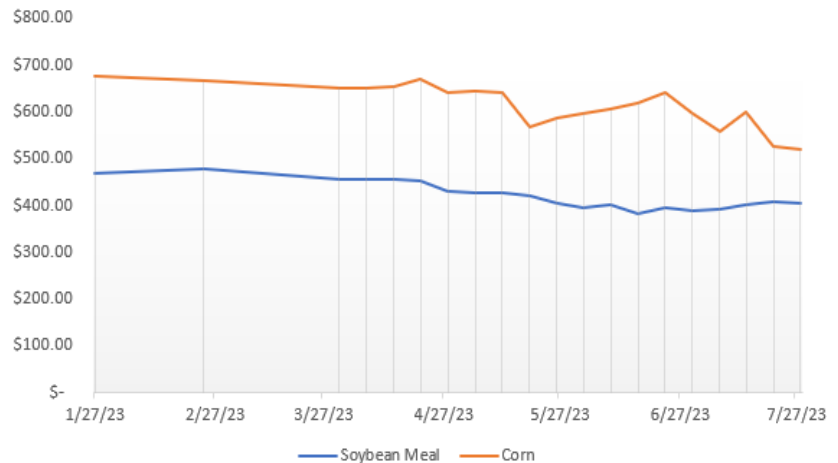
Forecasts of cooling temperatures in key growing regions of the Midwest erased earlier concerns that excess heat would hamper the incoming crop, spurring bets of stronger yields in the harvest due late summer and at the start of the autumn. Besides erasing concerns of low domestic production, the developments were enough to offset recent surges in grain markets worldwide after Russia refrained from extending the deal backing seaborne Ukrainian exports, shortly before striking grain silos and port facilities in the Black Sea and the Danube River.

Chicken

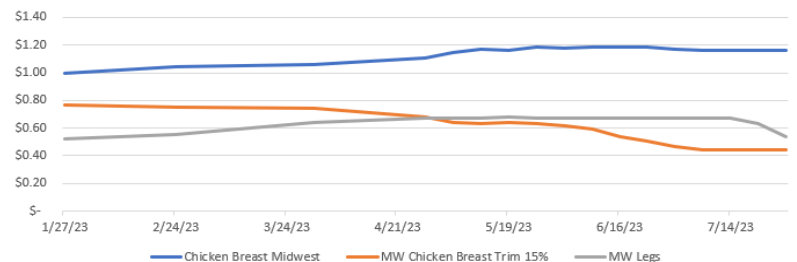
Broiler production totaled 4.037 billion pounds in May, an increase of 6.8 percent from May of last year and the largest month so far this year. This increase was a result of 5.0 percent higher slaughter and 1.6 percent higher average weights. With an additional slaughter day compared to last May, per day slaughter was slightly higher, most of the increase in production on a per day basis is attributable to higher average slaughter weights. Preliminary weekly data from USDA, Agricultural Marketing Service (AMS) suggest June production was also above average. Based on recent data, the second-quarter production estimate is revised up to 11.5 billion pounds. The forecasts for the outlying quarters of 2023 and 2024 are unchanged. This brings the 2023 annual projected total to 47.099 billion pounds, an increase of 1.9 percent over 2022. The 2024 production projection is unchanged at 47.820 billion pounds. This would represent 1.5-percent growth from projected 2023 production.

Chicken legs and thighs are ideal chicken parts for grilling. Wholesale prices for both parts were elevated more than usual—and for longer than usual—in the weeks leading up to the Independence Day holiday in 2022. In 2023, the price of thighs fell below the 3-year average just before Memorial Day and held steady at around 62 cents per pound through the week of Independence Day. At 62.12 cents per pound, the thigh price in the week ending July 7th was down 26.5 percent year over year. Wholesale chicken leg prices were close to average leading up to Memorial Day in 2022, but climbed in the weeks after, averaging 86.4 cents per pound in the week of Independence Day. In the week of the Fourth in 2023, chicken leg prices were 22.9 percent lower, averaging 66.62 cents per pound.

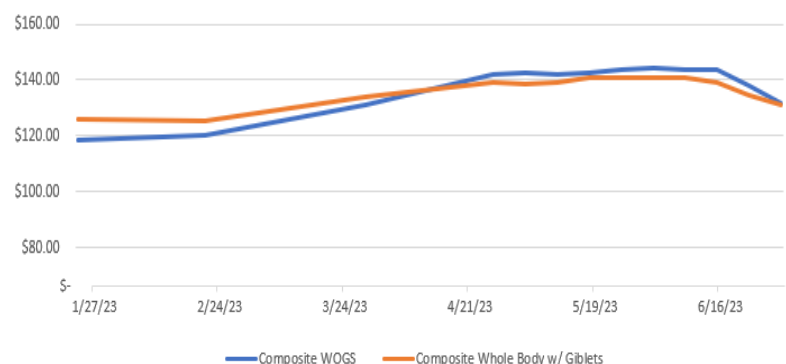
Corn/Soybean Meal Futures



Chicken Breasts & Legs

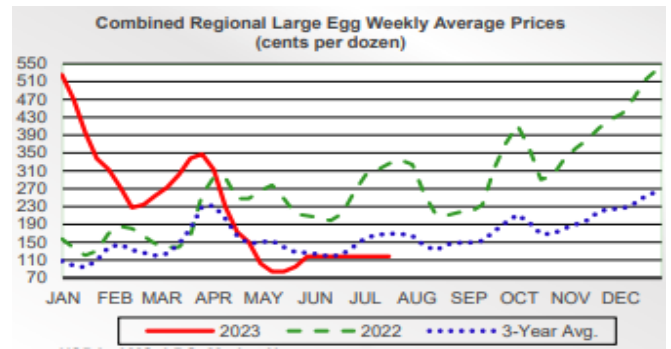


Broiler Averages



Eggs

The average wholesale unit revenue values for Midwest Extra-large, Large and Medium sizes were unchanged this past week but represented a lower than seasonal early summer value. The plateau over six weeks signifies a prolonged market pause, terminating the precipitous decline over the preceding six weeks. This past week shell egg inventory was up 3.9 percent, reversing the fall of 4.1 percent last week and representing an 8.0 percent swing over two weeks with an evident two-week cycle in inventory level. The rise in inventory is consistent with presumably lower demand despite a fall in shelf prices for generics but also the effect of retail restocking.



Over the coming month the volume of retail purchases will be influenced by seasonal summer demand. As chains reduce margins consistent with wholesale prices, higher demand should be anticipated. Eggs are now highly competitive in price against the comparable costs for other protein foods despite unrealistic retail margins imposed by some chains.

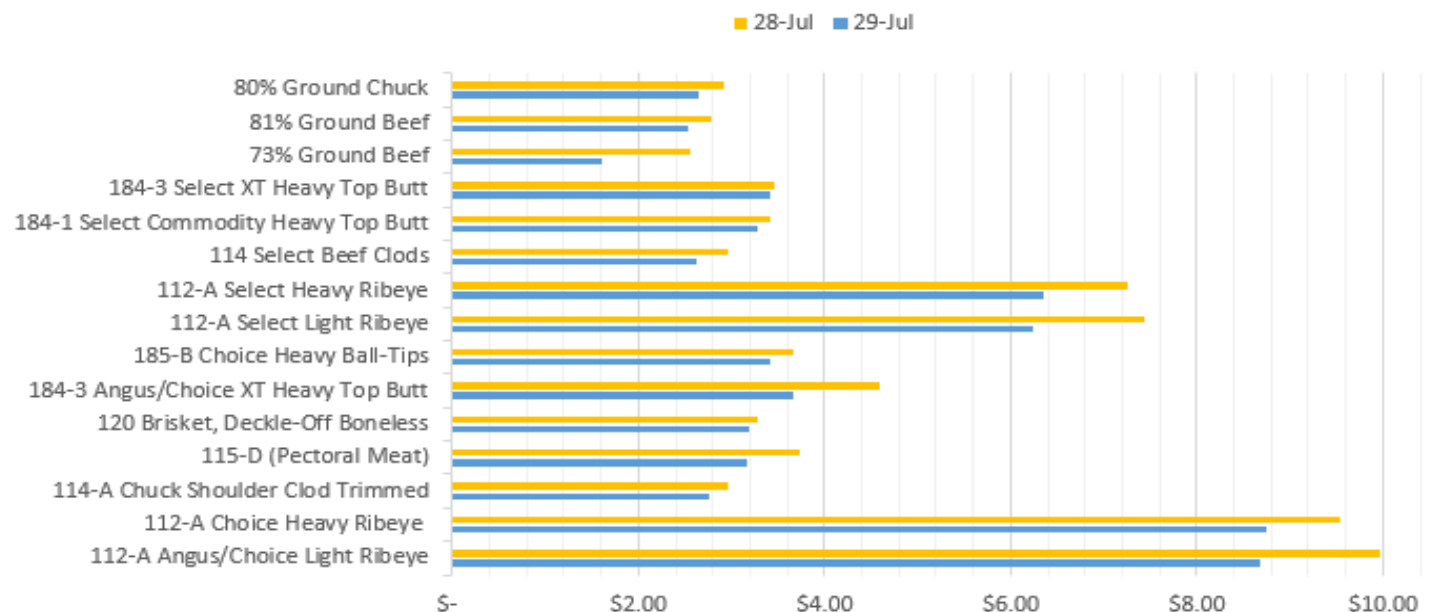
Beef

The semiannual *Cattle* report will be released on July 21, giving an indication of producers' intent to retain females in their herds. Beef production in 2023 is raised with higher expected cattle slaughter, which more than offsets a decline in expected weights in the third quarter. For 2024, the beef production forecast is lowered as expected fed cattle marketings are shifted into late 2023 rather than early 2024. Cattle price forecasts in 2023 are raised from last month on firm demand and the expectation of relatively tighter supplies, carried into 2024. Beef imports for 2023 are raised on recent trade data. Exports for the year are reduced slightly; but no change is made to the export forecast for 2024.

The total inventory of all cattle and calves was 95.9 million head, down 2.7 percent year over year. The total inventory of heifers was down 3.8 percent from last year with decreases of 2.4 and 2.7 percent for beef and dairy replacement heifers, along with a 5.2 percent decline in the inventory of other heifers. The inventory of steers over 500 pounds was down 3.5 percent year over year and the inventory of calves under 500 pounds was down 2.6 percent from one year ago. The bull inventory was down 5.0 percent year over year. Total cattle in feedlots on July 1 was 13.1 million head, down 2.2 percent year over year. The calculated supply of feeder cattle (other heifers + steers + calves – cattle on feed) based on this report is 34.4 million head, 3.6 percent smaller than last year. The report pegged the 2023 calf crop at 33.8 million head, down 1.9 percent year over year. The dairy cow inventory, at 9.4 million head, was unchanged from last year and was the only inventory category in the report not showing a year-over-year decrease.

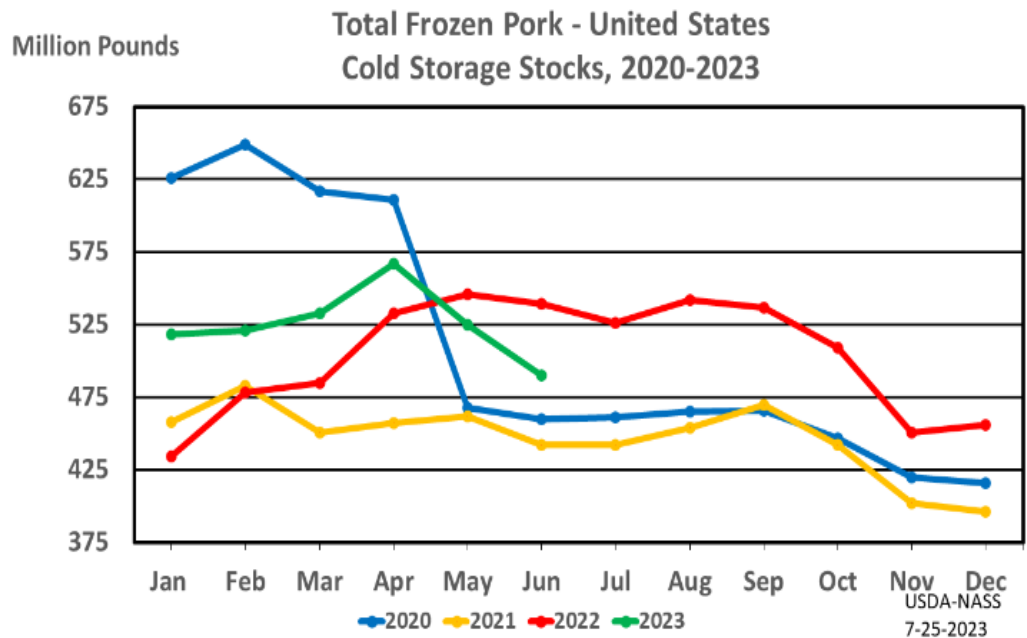
As far as pricing across the various cuts this week- prices remain about 14% higher than the same period last year.

Beef Prices (July 2022 vs. July 2023)



Pork

U.S. pork exports in May were 618 million pounds, more than 12 percent higher than a year ago. More than half (56 percent) of May exports were shipped to Western Hemisphere nations, anchored by Mexico. Mexico alone accounted alone for 37 percent of May exports, while Central and South American countries accounted for 9 percent and Caribbean nations and Canada accounted for 4 percent and 7 percent, respectively. About 37 percent of May exports were shipped to Asia, with the highest share going to Japan, followed by South Korea. China\Hong Kong had a 9-percent share of May exports.



The belly markets were up sharply again. Increasing demand seems to have pushed the belly markets higher over the past couple of months, according to analysts. Historically, the belly markets find strength through early August.

The backrib market moved up slightly, while all varieties of spareribs moved down. Supply is still fair, and demand is decreasing, according to analysts. Historically, the rib markets begin to falter after the Fourth of July

Shrimp

BLACK TIGERS AND WHITES: Urner Barry reports that Whites are holding stable this week; however, Tigers are starting to show some weakness, as they are unable to maintain such a large premium to White shrimp.

Snow Crab

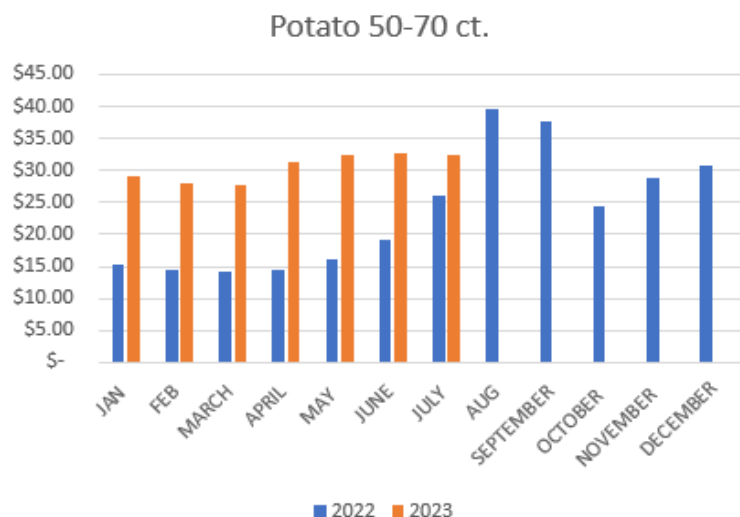
Alaskan: Currently, there are no offers. The Alaska Fisheries Team has announced there will not be a quota for the 2022/2023 season. **Canadian:** Urner Barry continues to report price firming in the near term, as the season nears its end.

Pangasius

Urner Barry reports stable pricing for next week.

Potatoes

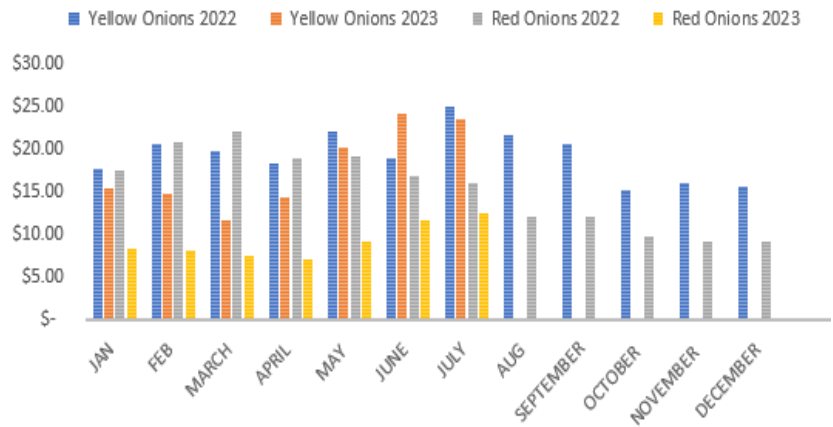
US potato production declined for the fourth consecutive year and this season's crop is the smallest since 2010. Potato prices surged to their highest levels, accordingly. Strong demand for frozen potatoes also contributed to the high price environment. Strong open market prices and strong demand for frozen potatoes are typically sufficient reasons to raise contract prices, particularly since heightened demand for processing potatoes has gone unmet for two years running and fryers were able to pass on costs to consumers without a loss in sales. Competitive open market and higher contract potato prices, an improved water outlook, and crop rotation pressures are expected to increase potato planted area by 2% YOY and lead to a 7% drop in price in the 2023/24 marketing year.



Onions

The San Joaquin Valley has experienced extremely high temperatures in recent weeks, with more hot days in the forecast. Onion quality is holding well despite the heat. Yellow onion supplies are plentiful; markets have eased. Red onion demand is strong and pricing is firm while stocks are sufficient. Many Idaho and Washington growers will begin production the week of August 7 and supplies will ramp up the week of August 14. Healthy onion crops and strong yields are expected this upcoming storage season.

ONIONS



Additional Produce Notes:

Overview

Cucumbers are snug despite good volume in the east and crossing through Texas. Due to the cool weather in June, we are seeing very light volume crossing through Otago, but we hope this improves over the next two weeks. The hot pepper market remains very active with Sinaloa completed and Baja late to start. This is driving prices higher with strong demand on the Mexican national market keeping a majority of the Mexican crop in Mexico. California volume continues to ramp up on hot peppers. Tomatoes remain tight this week crossing from Mexico; the east volume seems to be getting better in Alabama, Tennessee, and North Carolina, and California has slowed down due to the heat in the valley. Cantaloupe and honeydew production is now in full swing out of Firebaugh and Patterson. We are seeing tight supply on Pineapples and expect this to continue through October. 48s and larger from Mexico will be very limited through August. We recommend sizing down where possible; the less demand for 48s and larger, the more likely overall market price points will come down. Pricing has begun to slowly increase on 60 counts.

Market Alert

- Avocados – **EXTREME**
- Asparagus – **EXTREME**
- Bok Choy – **ESCALATED**
- Brussels Sprouts – **ESCALATED**
- Carrots – **ESCALATED**
- Cucumber- **ESCALATED**
- Celery – **ESCALATED**
- Garlic – **ESCALATED**
- Ginger – **EXTREME**
- Hot Pepper (All Varieties) – **EXTREME**
- Lettuce, Iceberg – **ESCALATED**
- Limes – **ESCALATED**
- Napa – **ESCALATED**
- Onions – **ESCALATED**
- Parsley (Curley & Italian) – **ESCALATED**
- Pineapple-**ESCALATED**
- Potatoes – **ESCALATED**
- Snow & Sugar Snap Peas – **ESCALATED**
- Tomatoes - **ESCALATED**

Watch List

- Blackberries
- Cauliflower
- Lemons
- Strawberries
- Raspberries
- Tomatoes (California)
- French Beans

Transportation

Although diesel rates are near record highs, truckload rates continue to decline as consumer spending on durable goods declines, reducing demand in the truckload market.