

## September 2019 Monthly Commodity Report

**Market Headlines:** A warm start to fall with good rains continues to diminish concerns about yields, but there is still ground to be made up. Escalation of tensions in the Middle East and better trade discussions with China are driving the macro market conversation.

**Sugar/Sweeteners:** Beet and cane markets are firming up as processors/refiners are comfortable with their coverage for next year. Cane sugar premium is firm at \$0.02 to \$0.025/lb premium to beet prices. Discussions on 2019/20 corn sweetener pricing is underway with no reported agreements in place yet.

Raw Material (No Freight)	This Week	Two Weeks Ago	Last Month	Last Year	Year-on-Year \$ Change	Year-on-Year % Change
Bulk Refined Beet Sugar ( \$/lb)	\$ 0.3500	\$ 0.3450	\$ 0.3450	\$ 0.3400	\$ 0.0100	2.9%

**Cocoa:** Prices are supported by strong demand and recent increase in currency (British Pound). Ghana & Ivory Coast's Living Income Differential announcement has caused processors to increase their cocoa powder prices for 2020. The Living Income Differential was established to help relieve farmer poverty for the 2020/2021 crop.

Raw Material (No Freight)	This Week	Two Weeks Ago	Last Month	Last Year	Year-on-Year \$ Change	Year-on-Year % Change
10/12 % BF Cocoa (\$/lb)	\$ 0.99	\$ 0.99	\$ 0.99	\$ 0.85	\$ 0.1400	16.5%

**Dairy:** Dry dairy and cheese prices have firmed due to strong demand and lower production. Butter prices have decreased as inventories build counter seasonally due to decreased consumption of domestic butter and increased imports of European butter.

Raw Material (No Freight)	This Week	Two Weeks Ago	Last Month	Last Year	Year-on-Year \$ Change	Year-on-Year % Change
Butter (\$/lb)	\$ 2.19	\$ 2.34	\$ 2.31	\$ 2.22	\$(0.0300)	-1.4%



**Eggs:** Egg prices were stronger due to retail shell egg demand at the beginning of the month. The market is anticipating supply drop offs toward the end of the year to adhere to California Prop 12 space requirements for all egg products going into the state.

Raw Material (No Freight)	This Week	Two Weeks Ago	Last Month	Last Year	Year-on-Year \$ Change	Year-on-Year % Change
Whole Frozen Eggs (\$/lb)	\$ 0.61	\$ 0.56	\$ 0.56	\$ 0.82	\$ (0.2100)	-25.6%

**Wheat/Flour:** Wheat futures have increased due to slow spring wheat harvest and potential protein issues in the Northern Plains. However, domestic stocks continue to grow as the US is still uncompetitive in the international market.

Raw Material (No Freight)	This Week	Two Weeks Ago	Last Month	Last Year	Year-on-Year \$ Change	Year-on-Year % Change
Bulk Cake Flour (\$/lb)	\$ 0.1455	\$ 0.1420	\$ 0.1500	\$ 0.1450	\$ 0.0005	0.3%
Bulk Spring Flour (\$/lb)	\$ 0.1300	\$ 0.1340	\$ 0.1325	\$ 0.1480	\$ (0.0180)	-12.2%

**Corn:** Corn markets have found some stability after the August WASDE, but prices will struggle to move higher as above average temperatures help the recovery from the late planting.

Raw Material (No Freight)	This Week	Two Weeks Ago	Last Month	Last Year	Year-on-Year \$ Change	Year-on-Year % Change
Corn (\$/bu)	\$ 3.58	\$ 3.71	\$ 3.66	\$ 3.51	\$ 0.0700	2.0%

**Oil:** Vegetable oil stocks continue to tighten on strong biodiesel demand. Increased trade with China on soybeans is helping support the soy complex. Markets received a boost with runup in Crude Oil after attacks in Saudi Arabia.

Raw Material (No Freight)	This Week	Two Weeks Ago	Last Month	Last Year	Year-on-Year \$ Change	Year-on-Year % Change
Bulk Refined Soybean Oil (\$/lb)	\$ 0.3000	\$ 0.3050	\$ 0.3075	\$ 0.2900	\$ 0.0100	3.4%
Palm Oil at Ports (\$/lb)	\$ 0.2950	\$ 0.2950	\$ 0.2825	\$ 0.3025	\$ (0.0075)	-2.5%



**Energy:** Crude Oil markets jumped 12% when 2 oil depots in Saudi Arabia were attacked, taking out 5% of the worlds daily production. Recovery efforts are expected to finish by the end of the month. Natural Gas prices have increased due to unseasonably warm weather increasing cooling days.

Raw Material (No Freight)	This Week	Two Weeks Ago	Last Month	Last Year	Year-on-Year \$ Change	Year-on-Year % Change
Diesel	\$ 2.98	\$ 3.01	\$ 3.03	\$ 3.23	\$ (0.2500)	-7.7%

Sources: USDA AMS Dairy Market News, USDA AMS Processed Eggs, U.S. Energy Information Administration, Sosland Publishing Company, Reuters News, Dow Jones Newswires, RJ O'Brien, Bloomberg, Prophet X, NASS



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