

| CATEGORY | NEAR-TERM MARKET PRICING TREND | SUPPLY vs. DEMAND | DSR MARKET INSIGHTS COMMENTARY |
|---|---------------------------------------|---|--|
| Beef (Commodity) | Steady | Available - Steady | <i>It is too soon for the nation's beef packers to gage holiday beef clearance at retail. Packers have done a good job of reducing the cattle harvest 3-weeks consecutively, setting up the marketplace to be prone to product shortages, create panic buying, raise prices and improve packer margins. Expect higher prices and tight supply.</i> |
| Butter | Decreasing | Available - Steady | <i>Butter pricing ended 2022 at lows for the year following moderate demand to close out the year. As we look forward, the expectation is for pricing to consolidate to a level in-line with historical ranges, and plenty of supply available.</i> |
| Fluid Dairy | Class I - Steady Class II - Higher | Class I Available - Steady Class II Short - Strong | <i>January Milk (Class I) pricing is steady. Cultured (Class II) pricing is higher. Cream production is extremely short, especially UHT. 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> |
| Cheese | Stable | Available - Strong | <i>Cheese started 2023 with some nice moderate pricing in both barrels and blocks. It's off the recent highs experienced in the back half of 2022. The inversion of barrels and block pricing has settled itself with blocks again trading a more-normal premium to barrels.</i> |
| Oils/Shortening/Margarine | Stable | Available - Steady | <i>We have seen no major swings in pricing on commodity oil or margarine products in the past several weeks. There are no major indicators of any expected changes in the near-term. Expect pricing levels on commodity and value added products to remain at similar levels as we move through the first weeks of the new year. Margarine product availability may be limited in some markets due to operational constraints, but pricing should not be impacted.</i> |
| Canned Vegetables (Tomatoes-West Coast) | Increasing | Short - Strong | <i>California tomato processors final tonnage figures are one of the lowest in recent history due to weather related challenges during the season. Availability and supply challenges will likely be present until new pack 2023.</i> |

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| Canned Fruits(Peaches, Pears, Mixed Fruits) | Increasing | Short - Strong | <i>Northwest and West coast processing tonnage for domestic pears and peaches came in under budget. Being the primary ingredients for fruit cocktail and fruit mixtures, availability and product allocations challenges may soon be present for these noted products until 2023 new pack.</i> |
| Canned Pudding & Cheese Sauces | Stable | Short - Strong | <i>Industry wide shortages of modified food starch (used extensively in the production of puddings and cheese sauces) has limited availability and caused temporary out of stock situations. While starch supplies are now starting to improve, reestablishing production and inventories to a manageable level will take time. Availability challenges will be present into early 2023.</i> |
| Pork (Commodity) | Increasing | Short - Weak | <i>Two back-to-back holidays is reducing the availability of pork, prices temporarily will increase for all products - butts, ribs, and picnics.</i> |
| Pork (Value-Added) | Stable | Available – Steady | <i>Belly availability during the holiday season is high with secondary processors stepping out of bacon production until the holidays are over, bacon prices should remain low and stable for the next few weeks. Prices for sausage and pizza toppings should also remain stable. Hams are at their peak now as they are the focus for the holidays, expect declining prices and increased availability for hams once 2023 arrives.</i> |
| Poultry (Chicken) | Stable | Available – Steady | <i>Boneless breast meat prices have remained stable this week. Spot availability is showing on all sizes. Wing prices have remained steady on all sizes. Tenders have also stabilized in price with availability showing. Demand on whole chickens and WOGS remains steady with little spot availability showing. Demand for the back half of the bird has declined with spot availability showing on all parts.</i> |
| Poultry (Turkey) | Stable | Short – Strong | <i>Fresh Breast meat prices remain at record highs, as do the rest of the parts of the bird. Availability on whole toms and hens is scarce with prices remaining at record highs. This trend is expected to continue through the end of the year. HPAI is beginning to become more widespread again which is going to significantly affect supply well into 2023.</i> |

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| Produce | Lower - Iceberg & Romaine Steady - Avocados & Onions Higher - Strawberries, Broccoli, Apples, Tomatoes & Idaho Potatoes | Improving/Steady - Iceberg, Romaine & Onions Good/Strong - Avocados Short/Strong - Apples, Strawberries, Broccoli, Tomatoes & Idaho Russet Potatoes | <i>Iceberg & Romaine, AZ Lettuces weights and yields are improving. Lettuce pricing is trending lower. Tomatoes, demand exceeds supply on rounds, however pricing is easing. Expect high prices through Dec. Strawberries, pricing firmed up due to recent freeze. Apples, short harvest resulted in low supplies & higher markets. Avocados, MX good supplies & quality. Broccoli, cold in AZ limited supplies. Quality issues. Pricing easing. Onions, ID/OR supplies ample, quality excellent. Col & Supers tight Idaho Russet Potatoes, quality is good. #2's limited. Prices remain very elevated due to a short fall harvest. No relief until August '23.</i> |
| Shell Eggs | Decreasing | Available - Strong | <i>Egg pricing has swiftly retreated from recent highs as supply concerns abate, despite 2022 ending with a few outbreaks of Highly Pathogenic Avian Influenza (HPAI). We're not out of the woods yet with additional outbreaks being highly probable - it's a question of when, not if. For now we'll take the relief.</i> |
| Seafood | Shrimp Stable | Shrimp Available - Steady | <i>Pangasius/swai continues to unexpectedly decline. Supply continues to outweigh demand.</i> |
| Bulk Sugar | Stable | Available - Steady | <i>Supply is tighter in some markets than originally predicted due to a smaller beet crop than predicted. Pricing is expected to remain within similar ranges as we move through the late winter months. Supply should be adequate in most markets to cover historic needs.</i> |
| Wheat (Flour Based Products) | Stable | Available - Steady | <i>Wheat flour and flour based products continue to hold similar pricing levels to those of fall months. Product is currently still shipping from the Black Sea Region (albeit not in historic quantities) which is helping world wide supply maintenance. We expect this trend to continue in the coming weeks</i> |
| Can Liners | Steady | Available - Steady | <i>We are seeing major vendors begin to roll back price gains achieved over the past 12 months in plastics. First to move, as NY, NJ foam bans reduce demand, styrene based foam products, are the first to take double digit downward "adjustments" in several regions across America.</i> |

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| Beef (Commodity) | Steady | Available - Steady | <i>Seasonal price corrections are taking place now. Ribs & Tenderloins will decline in value. Chucks, Rounds, Thin Meats and Ground Beef will appreciate. Packers are unhappy profits. Margins are too low. Packers will reduce harvest levels to create product shortages. Buyers will begin to chase inventory, creating artificial demand and higher prices. Packers will achieve margin objectives.</i> |
| Butter | Decreasing | Available - Strong | <i>CME spot butter prices this past week slipped lower again. Butter is off recent highs. We are starting to see the relief in pricing that had been expected.</i> |
| Fluid Dairy | Class I - Lower Class II - Higher | Class I Available - Steady Class II Short - Strong | <i>December Milk (Class I) & Cultured (Class II) product pricings are higher. Cream production is extremely short, especially UHT. 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> |
| Cheese | Stable | Available - Strong | <i>The cheese markets have slid into "holiday mode" when fewer purchases are made (less data) and a reading on near-term markets is a bit more difficult. There is nothing dramatic happening and expect the lull to continue until the new year when purchasing picks-up again. At that time we'll have a clearer picture of demand, supply, and subsequent pricing.</i> |
| Oils/Shortening/Margarine | Increasing | Available/Steady | <i>The Commodity oil market continues to maintain similar pricing levels in line with recent weeks. It is not likely that pricing levels will see any significant changes in the coming weeks. Premium shortening products are maintaining steady pricing as they have the past months with no major changes expected anytime soon. All products are in healthy supply with the exception of High Oleic products. Margarine prices also remain steady with plenty of supply available in bulk pack sizes.</i> |
| Canned Vegetables (Tomatoes-West Coast) | Increasing | Short - Strong | <i>California tomato processors final tonnage figures are one of the lowest in recent history due to weather related challenges during the season. Availability and supply challenges will likely be present until new pack 2023.</i> |

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| Canned Fruits(Peaches, Pears, Mixed Fruits) | Increasing | Short - Strong | <i>Northwest and West coast processing tonnage for domestic pears and peaches came in under budget. Being the primary ingredients for fruit cocktail and fruit mixtures, availability and product allocations challenges may soon be present for these noted products until 2023 new pack.</i> |
| Canned Pudding & Cheese Sauces | Stable | Short - Strong | <i>Industry wide shortages of modified food starch (used extensively in the production of puddings and cheese sauces) has limited availability and caused temporary out of stock situations. While starch supplies are now starting to improve, reestablishing production and inventories to a manageable level will take time. Availability challenges will be present into early 2023.</i> |
| Pork (Commodity) | Increasing | Short - Weak | <i>Two back-to-back holidays is reducing the availability of pork, prices temporarily will increase for all products - butts, ribs, and picnics.</i> |
| Pork (Value-Added) | Stable | Available – Steady | <i>Belly availability during the holiday season is high with secondary processors stepping out of bacon production until the holidays are over, bacon prices should remain low and stable for the next few weeks. Prices for sausage and pizza toppings should also remain stable. Hams are at their peak now as they are the focus for the holidays, expect declining prices and increased availability for hams once 2023 arrives.</i> |
| Poultry (Chicken) | Stable | Available – Steady | <i>Boneless breast meat prices have remained stable this week. Spot availability is showing on all sizes. Wing prices have remained steady on all sizes. Tenders have also stabilized in price with availability showing. Demand on whole chickens and WOGS remains steady with little spot availability showing. Demand for the back half of the bird has declined with spot availability showing on all parts.</i> |
| Poultry (Turkey) | Stable | Short – Strong | <i>Fresh Breast meat prices remain at record highs, as do the rest of the parts of the bird. Availability on whole toms and hens is scarce with prices remaining at record highs. This trend is expected to continue through the end of the year. HPAI is beginning to become more widespread again which is going to significantly affect supply well into 2023.</i> |

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| Produce | Lower - Broccoli, Iceberg, Romaine, Strawberries & Onions Steady - Avocados Higher - Apples, Tomatoes, Idaho Potatoes | Improving/Steady - Onions Good/Strong - Avocados Short/Strong - Apples, Strawberries, Broccoli, Iceberg, Romaine, Tomatoes & Idaho Russet Potatoes | <i>Iceberg & Romaine, AZ Lettuces are light weight and low-yielding. Pricing still very elevated but trending lower from historical highs. Tomatoes, demand exceeds supply on rounds, however pricing is easing. Expect high prices through Dec. Strawberries, market lower due to light demand & new growing areas. Apples, short harvest resulted in low supplies & higher markets. Avocados, MX good supplies & quality. Broccoli, cold in AZ limited supplies. Quality issues. Pricing easing. Onions, ID/OR supplies ample, quality excellent. Col & Supers tight. Idaho Russet Potatoes, quality is good. #2's limited. Prices remain very elevated due to a short fall harvest. No relief until August '23.</i> |
| Seafood | Shrimp Stable | Shrimp Available - Steady | <i>Pangasius/swai continues to unexpectedly decline. Supply continues to outweigh demand.</i> |
| Sugar | Stable | Available/Steady | <i>Commodity Flour products are still selling at higher than historic price levels and are expected to continue such into spring months. The world wheat market is being closely monitored as it will have an impact on long-term pricing. Finished Goods that contain flour as a major ingredient also reflect stronger pricing levels. Availability should allow coverage for historic operator needs.</i> |
| Wheat (Flour Based Products) | Stable | Available/Steady | <i>Bulk Flour products are still in decent position to supply foodservice demand. Pricing levels are holding steady at recent levels with no indicators for major changes in the near term. World events could still trigger availability concerns or price fluctuations either way and are being watched steadily.</i> |
| Polystyrene | Decreasing | Steady | <i>We are seeing major vendors begin to roll back price gains achieved over the past 12 months in plastics. First to move, as NY, NJ foam bans reduce demand, styrene based foam products, are the first to take double digit downward "adjustments" in several regions across America.</i> |

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| Beef (Commodity) | Mixed | Available - Steady | <i>Prices for beef trim, including the chuck, for grinds is on the rise, so too will ground beef with steady week on week increases through February. Brisket, striploins and rounds are also back in favor so will increase in price through January. Top butts pricing is relatively stable through January. Ribeyes and tenderloin prices will be sharply lower through the rest of December.</i> |
| Butter | Declining | Available - Strong | <i>CME spot butter prices this past week slipped lower again. Butter is off recent highs. We are starting to see the relief in pricing that had been expected.</i> |
| Fluid Dairy | Class I - Declining Class II - Increasing | Class I Available - Steady Class II Short - Strong | <i>December Milk (Class I) & Cultured (Class II) product pricings are higher. Cream production is extremely short, especially UHT. 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> |
| Cheese | Increasing | Available - Strong | <i>The cheese markets have slid into "holiday mode" when fewer purchases are made (less data) and a reading on near-term markets is a bit more difficult. There is nothing dramatic happening and expect the lull to continue until the new year when purchasing picks-up again. At that time we'll have a clearer picture of demand, supply, and subsequent pricing.</i> |
| Oils/Shortening/Margarine | Stable | Available/Steady | <i>Despite major fluctuations in the stock market on varios commodities, the soybean oil market has maintained pricing levels within the same range for several weeks. It is not likely that pricing levels will see any significant changes in the coming weeks. Canola and all other oilseed products normally follow the same market patterns as soybean. Thus, no major price changes are expected on any other oil products. All products are in solid supply with the exception of High Oleic products. These will be in extremely tight supply through the Summer of 2023.</i> |
| Canned Vegetables (Tomatoes-West Coast) | Increasing | Short - Strong | <i>California tomato processors final tonnage figures are one of the lowest in recent history due to weather related challenges during the season. Availability and supply challenges will likely be present until new pack 2023.</i> |
| Canned Fruits(Peaches, Pears, Mixed Fruits) | Increasing | Short - Strong | <i>Northwest and West coast processing tonnage for domestic pears and peaches came in under budget. Being the primary ingredients for fruit cocktail and fruit mixtures, availability and product allocations challenges may soon be present for these noted products until 2023 new pack.</i> |

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| Canned Pudding & Cheese Sauces | Stable | Short - Strong | <i>Industry wide shortages of modified food starch (used extensively in the production of puddings and cheese sauces) has limited availability and caused temporary out of stock situations. While starch supplies are now starting to improve, reestablishing production and inventories to a manageable level will take time. Availability challenges will be present into early 2023.</i> |
| Pork (Commodity) | Stable | Available - Weak | <i>With retailers focused on hams and turkeys for the holidays, supplies of butts and ribs are plentiful, but production is down due to the holidays. Expect pricing for butts, backribs, spare ribs and St. Louis Spare ribs to remain stable for the balance of 2022.</i> |
| Pork (Value-Added) | Stable | Available - Weak | <i>Supplies of bellies are plentiful along with weak demand for bacon, resulting in steady prices for at least the rest of 2022. Demand and prices for pork trim are down so prices of pork sausage and pizza toppings should remain stable for the rest of 2022.</i> |
| Poultry (Chicken) | Stable | Available – Steady | <i>Boneless breast meat prices have remained stable this week. Spot availability is showing on all sizes. Wing prices have remained steady on all sizes. Tenders have also stabilized in price with availability showing. Demand on whole chickens and WOGS remains steady with little spot availability showing. Demand for the back half of the bird has declined with spot availability showing on all parts.</i> |
| Poultry (Turkey) | Stable | Short – High | <i>Fresh Breast meat prices remain at record highs, as do the rest of the parts of the bird. Availability on whole toms and hens is scarce with prices remaining at record highs. This trend is expected to continue through the end of the year. HPAI is beginning to become more widespread again which is going to significantly affect supply well into 2023.</i> |
| Produce | Decreasing - Broccoli, Iceberg, Romaine, Strawberries & Onions Steady - Avocados Increasing - Apples, Tomatoes, Idaho Potatoes | Improving/Steady - Onions Good/Strong - Avocados Short/Strong - Apples, Strawberries, Broccoli, Iceberg, Romaine, Tomatoes & Idaho Russet Potatoes | <i>Iceberg & Romaine, AZ Lettuces are light weight and low-yielding. Pricing still very elevated but trending lower from historical highs. Tomatoes, demand exceeds supply on rounds, however pricing is easing. Expect high prices through Dec. Strawberries, market lower due to light demand & new growing areas. Apples, short harvest resulted in low supplies & higher markets. Avocados, MX good supplies & quality. Broccoli, cold in AZ limited supplies. Quality issues. Pricing easing. Onions, ID/OR supplies ample, quality excellent. Col & Supers tight. Idaho Russet Potatoes, quality is good. #2's limited. Prices remain very elevated due to a short fall harvest. No relief until August '23.</i> |

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| Seafood | Swai Decreasing | Swai Available - Steady | <i>Pangasius/swai continues to unexpectedly decline. Supply continues to outweigh demand.</i> |
| Sugar | Stable | Mixed/Steady | <i>Sugar supplies remain tight in some market area due to a weaker than expected Sugar Beet yield. This has put pressure on all producers to cover the product gap. Pricing levels remain near the same as they have in recent weeks with no expectation of significant changes anytime soon. Elevated Sugar prices to continue to impact finished goods in which Sugar is a major ingredient.</i> |
| Wheat (Flour Based Products) | Stable | Available/Steady | <i>Commodity Flour products are still selling at higher than historic price levels and are expected to continue such into spring months. The world wheat market is being closely monitored as it will have an impact on long-term pricing. Finished Goods that contain flour as a major ingredient also reflect stronger pricing levels. Availability should allow coverage for historic operator needs.</i> |
| SBS Board | Increasing | Steady - Short | <i>SBS board (Solid Bleached Sulfate) has increased 22% from January through December 2022. SBS board is used to make the non-corrugated pizza box and cake box. It continues to be in short supply with continued upward price pressure through Q1 2023.</i> |
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