

NJBBT Market Report December 1 2023

The **FAO Food Price** was unchanged from its revised October level, as increases in the price indices for vegetable oils, dairy products and sugar counterbalanced decreases in those of cereals and meat. The index stood 14.4 points (10.7 percent) below its corresponding level one year ago.

Wheat: Wheat prices were down 3.0 percent from October and as much as 19.4 percent from its value a year ago. International wheat prices also declined, by 2.4 percent in November, mainly driven by increased seasonal supplies in Argentina and Australia, with the progress in the harvests and the continued strong competition from the Russian Federation. · Wheat futures found strength earlier in the week after the USDA announced sales of Spring Red Wheat to China but have faltered back the last couple of sessions as traders have been taking profits.

Oils: Oil prices were up 3.4 percent from October after declining for three consecutive months. The increase in the price index was driven by higher world palm and sunflower oil prices, more than offsetting lower soy and rapeseed oil quotations. International palm oil prices rebounded by more than 6.0 percent in November, chiefly underpinned by more active purchases by leading importing countries and seasonally lower outputs in major producing countries. World sunflower oil prices also rose moderately, mainly supported by a continued steady pace of import purchases. By contrast, international soybean oil prices dropped slightly on subdued global import demand, outweighing the impact of lower soybean production prospects in Brazil, while lingering abundant world supplies contributed to lower world rapeseed oil prices.

Dairy: Dairy prices were up 2.2 percent from October, marking the second consecutive monthly increase, but still down 16.9 percent from its value one year ago. In November, international price quotations for butter and skim milk powder increased, reflecting high import demand from Northeast Asian buyers, limited inventories, and increased internal demand ahead of winter holidays in Western Europe. The weakening of the United States dollar against the euro also contributed to the increase in world dairy prices. By contrast, world cheese prices continued to trend downward on high exportable availabilities, especially for cheddar cheese, despite seasonally tight milk deliveries in Western Europe.

(This report is based on reporting of the Food and Agriculture Organization of the United Nations, US Wheat Council, General Mills Foodservice, US Wheat Associates as well as other relevant sources)