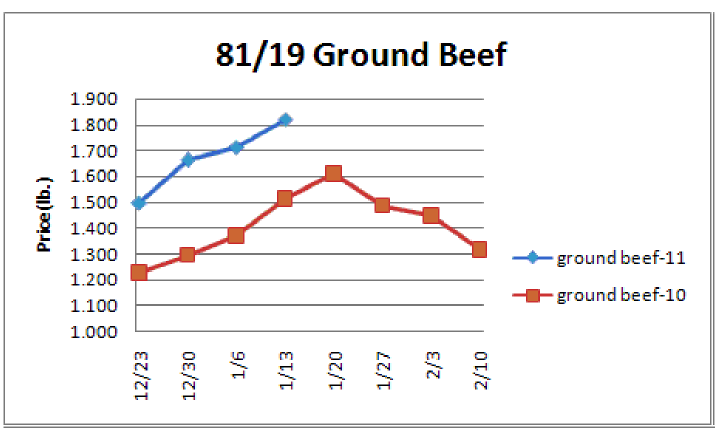
Weekly Market Updates

Volume No. 4 Issue No. 2 Date: January 13, 2011

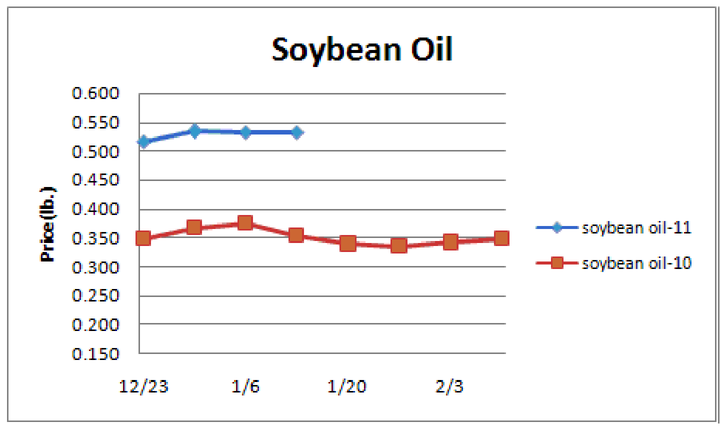
Beef, Veal & Lamb- Beef output last week was .5% less than a year ago. Cattle prices remain inflated and beef packer margins are poor which could limit beef production during the next few weeks. Due to the floods in Australia, beef exports from the country have been restricted which is causing other countries to look to the US for product helping support various beef markets. Further, Australian beef exports to the US have been challenged which is supporting beef trimming prices here. Slowed beef output, rising exports and tempered imports may support beef prices through the end of the month. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.052	1.064	-.012	.857
Feeder Cattle Index (CME)	1.239	1.235	+.004	.949
Ground Beef 81/19	1.822	1.714	+.108	1.514
Ground Chuck	1.806	1.725	+.081	1.682
109e Export Rib (choice)	4.283	4.512	-.229	3.997
109e Export Rib (prime)	8.260	8.356	-.096	5.726
112a Ribeye (choice)	4.718	4.859	-.141	4.636
112a Ribeye (prime)	8.614	8.700	-.086	6.585
116 Chuck (select)	2.129	2.081	+.048	1.935
116 Chuck (choice)	2.160	2.140	+.020	1.977
116b Chuck Tdnr (choice)	2.091	2.050	+.041	1.838
120 Brisket (choice)	1.942	1.946	-.004	1.583
121c Outside Skirt (ch/sel)	3.386	3.237	+.149	2.307
121d Inside Skirt (ch/sel)	2.835	2.831	+.004	2.267
121e Cap & Wedge	2.482	2.469	+.013	1.684
167a Knckle, Trm. (ch.)	2.100	2.084	+.016	1.801
168 Inside Round (ch.)	2.058	2.044	+.014	1.673
174 Short Loin (ch. 0x1)	3.905	3.946	-.041	3.818
174 Short Loin (prime)	7.512	7.234	+.278	4.786
180 1x1 Strp (choice)	3.684	3.520	+.164	3.576
180 1x1 Strp (prime)	7.927	8.245	-.318	5.620
180 0x1 Strp (choice)	4.007	4.016	-.009	3.967
184 Top Butt, bnls (ch.)	2.490	2.480	+.010	1.997
184 Top Butt, bnls (prime)	2.519	2.442	+.077	2.005
185a Sirloin Flap (choice)	3.099	2.921	+.178	2.563
185c Loin, Tri-Tip (choice)	2.417	2.392	+.025	2.172
189a Tender (select)	7.075	7.243	-.168	6.609
189a Tender (choice)	7.857	7.981	-.124	7.925
189a Tender (prime)	10.969	11.062	-.093	8.980
193 Flank Steak (choice)	3.225	3.162	+.063	2.642
50% Trimmings	.849	.844	+.005	.780
65% Trimmings	1.097	1.082	+.015	.883
75% Trimmings	1.267	1.228	+.039	1.100
85% Trimmings	1.682	1.601	+.081	1.419
90% Trimmings	1.787	1.735	+.052	1.494
90% Imported Beef (frz.)	1.935	1.880	+.055	1.424
95% Imported Beef (frz.)	2.013	1.959	+.054	1.498
Veal Rack (Hotel 7 rib)	5.125	5.125	-	4.000
Veal Top Rnd. (cp. Off)	12.525	12.525	-	8.875



Oil, Grains, Misc.-2011 winter wheat plantings are forecasted by the USDA to rise 10% from last year. Still, corn and soybean supplies remain short. The grain markets are erratic. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.297	13.428	-.131	9.663
Crude Soybean Oil, lb.	.532	.532	-	.353
Soybean Meal, ton	358.900	367.300	-8.400	306.300
Corn, bushel	5.850	5.867	-.017	3.529
Crude Corn Oil, lb.	.575	.570	+.005	.405
Distillers Grain, Dry	171.500	175.000	-3.500	102.500
Crude Palm Oil, lb. BMD	.549	.577	-.028	.342
HRW Wheat, bushel	7.630	7.740	-.110	4.675
DNS Wheat 14%, bushel	8.950	9.060	-.110	5.700
Canola, lb.	.251	.249	+.002	.159
Canola Oil, SD, (Tor.), lb.	.632	.642	-.010	.461
Pinto Beans, lb.	.204	.200	+.004	.302
Black Beans, lb.	.268	.260	+.008	.300
Rice, Long Grain, lb.	.297	.295	+.002	.258
Coffee, lb. NYBOT	2.313	2.405	-.092	1.437
Sugar, lb. NYBOT	.385	.390	-.005	.369



Dairy-The butter, cheese and milk markets have jumped higher during the past week led by butter. International dairy product concerns are growing due to New Zealand's milk production being challenged by weather. New Zealand is the largest dairy exporting country in the world. Add to this poor milk producer margins in the US and the likelihood of slowed milk output and a very bullish scenario is developing for the dairy markets. Still, the futures markets are suggesting that the butter market may be near a top. Cheese prices may be nearing a short term top as well. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.448	1.340	+.108	1.440
Cheese Blocks (CME)	1.503	1.345	+.158	1.415
American Cheese	1.700	1.695	+.005	1.795
Cheddar Cheese (40 lb.)	1.878	1.855	+.023	1.955
Mozzarella Cheese	1.693	1.670	+.023	1.770
Provolone Cheese	1.850	1.830	+.020	1.938
Parmesan Cheese	3.148	3.128	+.020	3.303
Butter (CME)	2.100	1.750	+.350	1.370
Nonfat Dry Milk	1.295	1.292	+.003	1.410
Whey, Dry	.388	.385	+.003	.387
Class 1 Base	15.200	15.200	-	15.030
Class II Cream, heavy	2.178	1.931	+.247	1.646
Class III Milk (CME)	14.870	13.780	+1.090	13.900
Class IV Milk (CME)	17.000	15.800	+1.200	14.510

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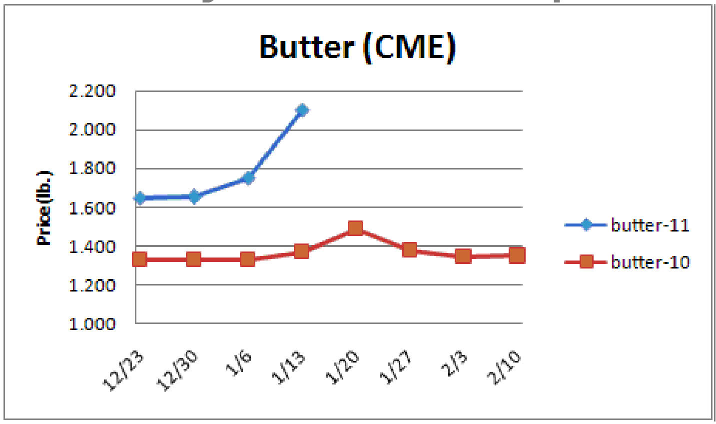
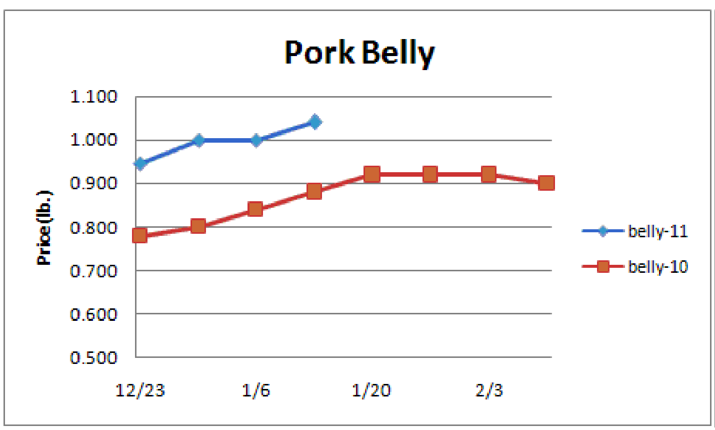


Pork-Pork production last week was 6.2% greater than the same week a year ago. Pork output is being slowed some this week due in part to challenging weather. Both export demand and retail pork demand are reported to be improving. There are negotiations underway that could cause the Mexican tariff on imports of US pork to be lifted in the coming months which may further encourage exports. Higher ham prices may be forthcoming. Usually the ham markets rise roughly 10% during the next 4 weeks. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.524	.514	+.010	.481
Belly (bacon)	1.040	1.000	+.040	.880
Sparerib (4.25 lb. & down)	1.453	1.399	+.054	1.277
Ham (20-23 lb.)	.700	.700	-	.700
Ham (23-27 lb.)	.680	.686	-.006	.700
Loin (bone-in)	.951	.867	+.084	.891
Bbybck Rib (1.75 lb. & up)	2.446	2.416	+.030	2.345
Tenderloin (1.25 lb.)	2.141	2.126	+.015	2.300
Boston Butt, untrmd. (4-8 lb.)	.924	.814	+.110	.607
Picnic, untrmd.	.624	.610	+.014	.495
SS Picnic, smoker trm. bx.	.780	.780	-	.650
42% Trimmings	.400	.320	+.080	.450
72% Trimmings	.734	.710	+.024	.650



Tomato Products, Canned-The canned tomato markets are steady but could head higher this summer. 2011 tomato for canning acreage is projected to decline 10%. Prices per case (6/10) FOB, unless noted from ARA.

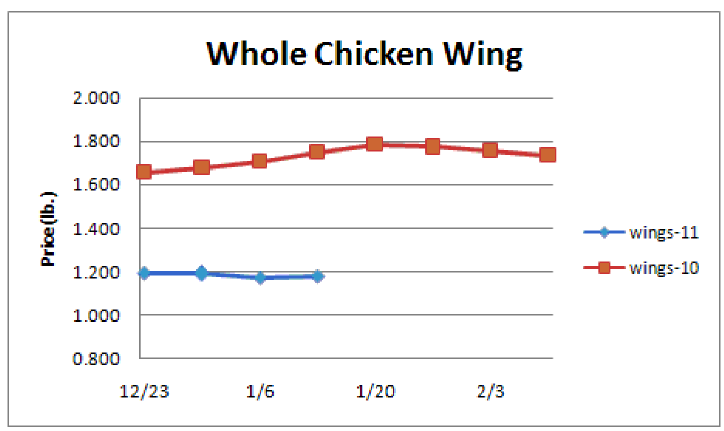
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	11.750	11.750	-	12.750
Diced, Fancy	12.250	12.250	-	13.250
Ketchup, 33%	13.000	13.000	-	14.125
Tomato Paste- Industrial (lb.)	.370	.370	-	.400

Processed Vegetables-Existing canned vegetable supplies are adequate. Processors are starting to visit acreage for the upcoming year. Plantings are likely to be lower. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 10
Corn, Fcy whl kern- can 6/10	16.906	16.906	-	17.406
Green Beans Fcy- can 6/10	16.563	16.563	-	17.056
Green Peas, Fcy- can 6/10	17.750	17.750	-	18.250
Corn, Cob- froz 96 ct.	14.000	14.000	-	14.500
Corn, Kernel- froz 12/2.5#	14.250	14.250	-	18.750
Green Beans Cut- froz 12/2#	12.900	12.900	-	18.000
Green Peas- froz 12/2.5#	20.250	20.250	-	17.513
Potatoes, FF Fncy- froz 6/5#	13.000	13.000	-	18.875

Poultry-The chicken markets remain fairly steady to weak. Usually, most of the chicken markets are trending higher during January. The 5 year average January trends for the chicken breast and wing markets are both 10% increases. For the same time period, the leg quarter market usually rises roughly 4%. We have yet to see any such move in these markets. Feed costs continue to rise for chicken producers and margins are deteriorating. Thus, we are expecting chicken production to be slowed in the coming months which eventually should be bullish for the chicken markets. Some modest chicken price increases may be pending but breast and wing prices are likely to track below 2010 levels until chicken output is curbed. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.850	.850	-	.830
Whole Birds (LA)	.940	.940	-	.920
Wings (whole)	1.180	1.175	+.005	1.750
Wings (jumbo, cut)	1.282	1.287	-.005	1.779
Breast, Bone In	.775	.755	+.020	.805
Breast, Bnless Skinless	1.400	1.400	-	1.440
Tenderloin (random)	1.500	1.500	-	1.330
Tenderloin (sized)	1.700	1.700	-	1.980
Legs (whole)	.584	.484	+.100	.556
Leg Quarters	.390	.390	-	.385
Thighs, bone in	.547	.561	-.014	.532
Thighs, boneless	1.006	.997	+.009	.958
Eggs and Others				
Large (dozen)	1.357	1.283	+.074	1.107
Medium (dozen)	.875	.875	-	.852
Whole Eggs- Liquid	.313	.293	+.020	.506
Egg Whites- Liquid	.352	.371	-.019	.416
Egg Yolks- Liquid	.597	.597	-	.696
Whole Turkeys (8-16 lb.)	.870	.885	-.015	.778
Turkey Breast, Bnls/Sknls	2.449	2.520	-.071	1.637



Seafood-The Alaskan Bering Sea snow crab fishing season has been slowed by inclement weather. Alaskan snow crab landings should pick up as the winter progresses. This season's Alaskan snow crab quota is 13% larger than the previous season. Snow crab supplies are limited and prices remain inflated. Snow crab prices are anticipated to remain elevated into the spring due in part to better domestic demand in the US.

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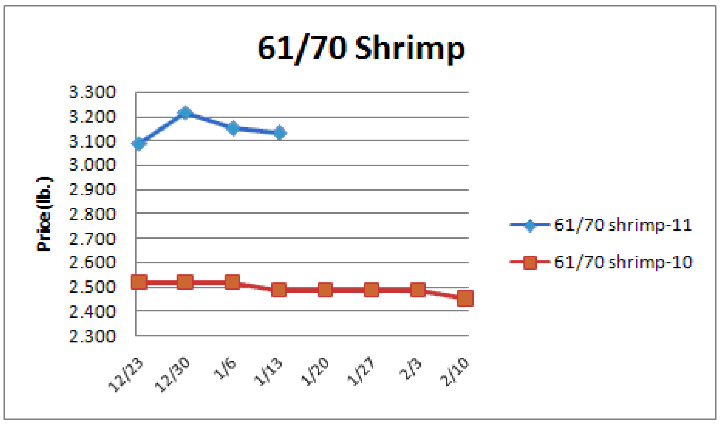
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	3.550	3.550	-	3.250
Catfish Filets	3.500	3.500	-	3.500
Trout (drn. 8-14 oz.)	3.100	3.100	-	3.000
Shrimp (16/20), Frz	7.470	7.478	-.008	4.425
Shrimp (61/70), Frz.	3.130	3.150	-002	2.484
Shrimp, Tiger (26/30), Frz.	4.550	4.563	-.013	4.163
Snow Crab, Legs 5-8 oz, Frz	5.600	5.600	-	3.550
Snow Crab, Legs 8 oz/ up, Fz	5.725	5.725	-	4.000
Cod Tails, 3-7 oz., Frz.	3.088	3.088	-	3.192
Cod Loins, 3-12 oz., Frz	3.769	3.794	-.025	3.542
Salmon Portions, 4-8 oz, Frz	6.113	6.092	+.021	5.378
Pollock, Alaska, Deep Skin	2.075	2.075	-	N/A



Energy & Currency-Currency US dollar is worth.

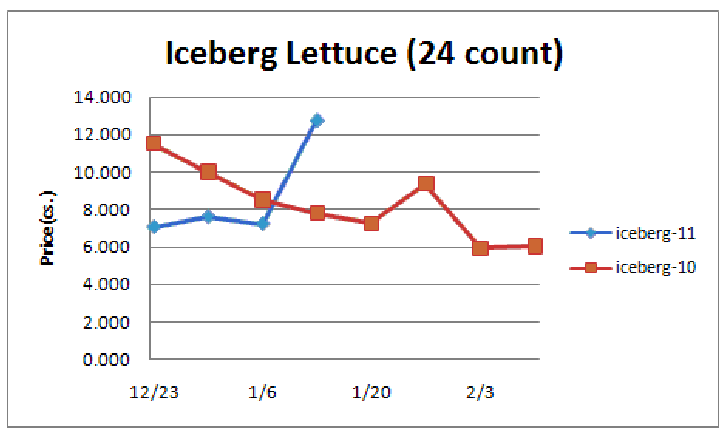
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	91.110	89.380	+1.730	80.790
Natural Gas, mbtu- nymex	4.481	4.669	-.188	5.591
Heating Oil, gal- nymex	2.609	2.507	+.102	2.132
Electricity, mwht- nymex	64.820	66.060	-1.240	51.540
Gasoline, gal- nymex	2.478	2.414	+.064	2.098
Diesel Fuel, gal- eia	3.333	3.331	+.002	2.879
Ethanol, gal- usda	2.280	2.275	+.005	1.875
Canadian $	.990	.997	-.007	1.033
Japanese Yen	83.359	81.987	+1.372	91.437
Mexican Peso	12.179	12.256	-.077	12.775
Euro	.771	.752	+.019	.691
Brazilian Real	1.690	1.669	+.021	1.748
Chinese Yuan	6.620	6.609	+.011	6.827

Paper/Plastic-Provided by; resin- www.plasticsnews.com, pulp- www.paperage.com.

Wood Pulp/ Plastic Resin	Price	Last Week	Difference	Price 10
WP; NBSK (napkin, towel)	962.050	967.110	-5.060	840.000
WP; 42 lb. Linerboard (corr.)	783.126	803.109	-19.983	608.068
Res; PS-CHH (cup, cont.)	.950-.990	.950-.990	-	.840-.880
Res; PP-HIGP (hvy utensil)	.950-.970	.950-.970	-	.900-.920
Res; PE-LLD (cn liner, film)	.830-.860	.830-.860	-	.700-.730

Produce-The unseasonably cold weather experienced in the southwestern growing areas during the last few weeks has caused some modest damage to the lettuce crops. The lettuce markets are trending higher and could remain fairly inflated during the next few weeks. US winter lettuce acreage is projected by the USDA to be 3% more than the prior year. Cold weather is once again descending on Florida which may slow the tomato harvest. Tomato prices may continue to edge upward this month. 2011 spring onion acreage is forecasted to rise 14% from last year. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	50.000	40.000	+10.000	25.000
Lemons (95 ct.)	14.640	13.640	+1.000	17.040
Lemons (200 ct.)	12.640	11.640	+1.000	21.540
Honeydew (6 ct.)	11.433	10.017	+1.416	7.500
Cantaloupe (15 ct.)	14.950	11.450	+3.500	11.975
Blueberries (12 count)	13.333	13.333	-	17.000
Strwbrries (12 pnts.)	25.900	25.900	-	27.000
Avocds (Hass 48 ct.)	32.750	29.750	+3.000	24.250
Bananas (40 lb.)- Term.	16.703	16.447	+.256	14.938
Pineapple (7 ct.)- Term.	11.167	13.603	-2.436	12.438
Idaho Potato (60 ct., 50 lb.)	15.750	15.000	+.750	5.375
Idaho Potato (70 ct., 50 lb.)	14.750	13.875	+.875	5.250
Idaho Potato (70 ct.)-Term.	18.417	18.242	+.175	10.344
Idaho Potato (90 ct., 50 lb.)	9.750	9.375	+.375	5.125
Idaho Pot. # 2 (6 oz., 100 lb.)	15.500	15.750	-.250	7.750
Processing Potato (cwt.)	7.750	7.750	-	4.500
Yellow Onions (50 lb.)	10.625	10.521	+.104	6.708
Yell Onions (50 lb.)-Term.	12.958	12.583	+.375	10.052
Red Onions (25 lb.)- Term.	10.250	9.979	+.271	8.183
White Onions (50 lb.)- Term.	13.058	17.904	-4.846	19.500
Tomatoes (large- case)	12.700	8.450	+4.250	23.950
Tomatoes (5x6-25 lb.)-Term	10.167	12.667	-2.500	18.875
Tomatoes (4x5 vine ripe)	11.963	8.960	+3.003	16.950
Roma Tomatoes (large- case)	13.575	11.958	+1.617	13.467
Roma Tomatoes (xlarge-cs)	14.363	11.958	+2.405	14.134
Green Peppers (large- case)	13.650	7.650	+6.000	19.950
Red Peppers (large 15lb. cs.)	11.950	18.950	-7.000	11.950
Iceberg Lettuce (24 count)	12.788	7.213	+5.575	7.790
Iceberg Lettuce (24)-Term.	17.633	13.083	+4.550	15.750
Leaf Lettuce (24 count)	8.360	7.863	+.497	7.335
Romaine Lettuce (24 cnt.)	14.253	7.723	+6.530	7.260
Mesculin Mix (3 lb.)-Term.	6.688	6.969	-.281	6.688
Broccoli (14 ct.)	16.978	8.208	+8.770	5.685
Squash (1/2 bushel)	13.350	10.350	+3.000	21.950
Zucchini (1/2 bushel)	7.850	6.850	+1.000	14.950
Green Beans (bushel)	29.950	41.850	-11.900	31.950
Spinach, Flat 24's	13.600	9.975	+3.625	13.925
Mushrms (10 lb, lg.)-Term.	13.306	13.120	+.186	15.131
Cucumbers (bushel)	13.425	13.600	-.175	19.570
Pickles (200-300 ct.)- Term.	21.688	21.375	+.313	29.198
Asparagus (small)	15.000	23.000	-8.000	18.000
Freight (Truck; CA-Cty Av.)	4937.500	4668.750	+268.750	3895.000



Retail Prices-CPI, Percent compared to prior month from BLS.

	Nov-10	Oct-10	Sep-10	Aug-10
Beef and Veal	+.168	+.955	+.331	-.599
Dairy	-.006	+1.130	+.166	-.140
Pork	-1.875	+1.111	+1.503	+.462
Chicken	+.357	+1.111	+.870	-.913
Fresh Fish and Seafood	+2.026	+1.203	-.061	-.781
Fresh Fruits and Veg.	+.698	+1.030	+1.530	-.176