Weekly Market Updates

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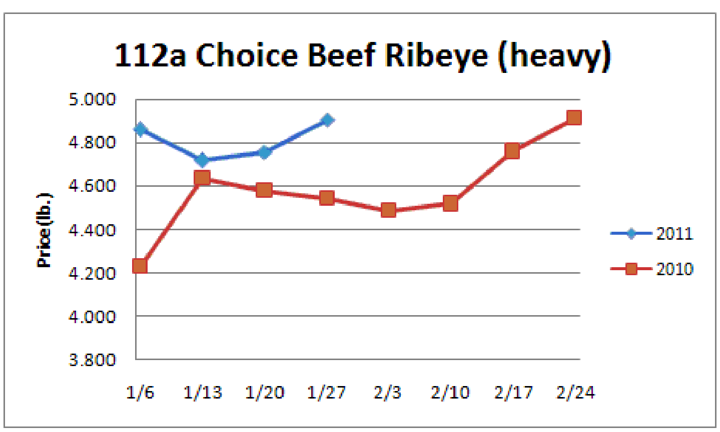
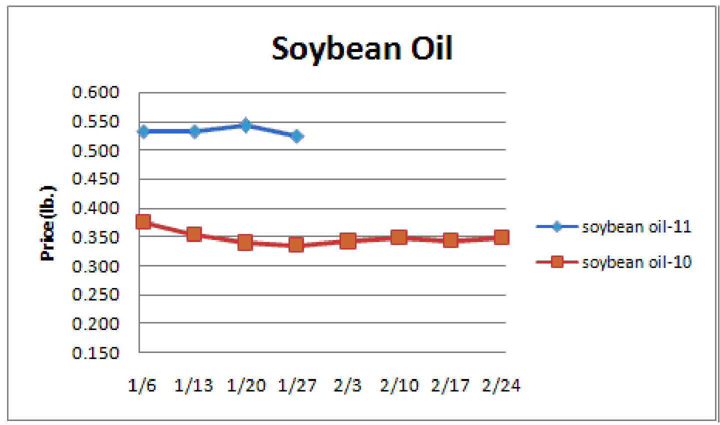
Beef, Veal & Lamb- The January 1st US cattle on feed inventory was 4.6% bigger than last year. Cattle placements into feedlots in December were 16% more than 2009 and the largest for the month since 2005. The February 1st near slaughter ready cattle inventory is estimated to be 3% more than the prior year. Beef output could trend at to modestly above 2010 levels throughout most of the rest of the winter. Beef production last week rose .4% but was 4.4% less than a year ago. There is lots of talk that consumers are turning away from the inflated beef prices. The choice beef cutout index could peak soon. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.053	1.086	-.033	.855
Feeder Cattle Index (CME)	1.276	1.253	+.023	.970
Ground Beef 81/19	2.015	1.955	+.060	1.487
Ground Chuck	2.075	2.045	+.030	1.553
109e Export Rib (choice)	4.476	4.508	-.032	4.165
109e Export Rib (prime)	8.330	8.022	+.308	5.926
112a Ribeye (choice)	4.904	4.756	+.148	4.541
112a Ribeye (prime)	9.065	8.973	+.092	7.162
116 Chuck (select)	2.251	2.225	+.026	1.768
116 Chuck (choice)	2.287	2.267	+.020	1.778
116b Chuck Tdnr (choice)	2.287	2.169	+.118	1.878
120 Brisket (choice)	1.954	1.942	+.012	1.585
121c Outside Skirt (ch/sel)	3.699	3.738	-.039	2.448
121d Inside Skirt (ch/sel)	2.916	2.908	+.008	2.457
121e Cap & Wedge	2.487	2.482	+.005	1.677
167a Knckle, Trm. (ch.)	2.243	2.183	+.060	1.757
168 Inside Round (ch.)	2.041	2.160	-.119	1.500
174 Short Loin (ch. 0x1)	4.044	3.980	+.064	3.618
174 Short Loin (prime)	7.830	7.698	+.132	4.996
180 1x1 Strp (choice)	3.705	3.680	+.025	3.096
180 1x1 Strp (prime)	8.744	8.060	+.684	5.653
180 0x1 Strp (choice)	4.228	4.019	+.209	3.502
184 Top Butt, bnls (ch.)	2.361	2.466	-.105	2.021
184 Top Butt, bnls (prime)	2.564	2.529	+.035	2.103
185a Sirloin Flap (choice)	3.199	3.197	+.002	2.479
185c Loin, Tri-Tip (choice)	2.503	2.478	+.025	2.283
189a Tender (select)	7.428	7.290	+.138	6.461
189a Tender (choice)	7.607	7.298	+.309	7.501
189a Tender (prime)	11.180	10.848	+.332	9.123
193 Flank Steak (choice)	3.569	3.704	-.135	2.754
50% Trimmings	.790	.832	-.042	.714
65% Trimmings	1.120	1.107	+.013	.874
75% Trimmings	1.324	1.257	+.067	1.101
85% Trimmings	1.823	1.691	+.132	1.402
90% Trimmings	1.925	1.833	+.092	1.498
90% Imported Beef (frz.)	2.035	1.990	+.045	1.555
95% Imported Beef (frz.)	2.138	2.080	+.580	1.610
Veal Rack (Hotel 7 rib)	5.125	5.125	-	4.075
Veal Top Rnd. (cp. Off)	12.525	12.525	-	8.875



Oil, Grains, Misc.-Various countries are taking protective measures to secure stockpiles of wheat. The wheat markets are firm and may continue higher. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.465	13.810	-.345	9.319
Crude Soybean Oil, lb.	.524	.542	-.018	.335
Soybean Meal, ton	360.100	375.400	-15.300	307.900
Corn, bushel	6.193	6.352	-.159	3.307
Crude Corn Oil, lb.	.580	.580	-	.395
Distillers Grain, Dry	180.250	180.500	-.250	100.750
Crude Palm Oil, lb. BMD	.561	.553	+.008	.322
HRW Wheat, bushel	8.430	8.020	+.410	4.335
DNS Wheat 14%, bushel	9.860	9.360	+.500	5.400
Canola, lb.	.247	.254	-.007	.154
Canola Oil, SD, (Tor.), lb.	.637	.641	-.004	.430
Pinto Beans, lb.	.220	.215	+.005	.298
Black Beans, lb.	.271	.269	+.002	.340
Rice, Long Grain, lb.	.286	.295	-.009	.253
Coffee, lb. NYBOT	2.373	2.354	+.019	1.385
Sugar, lb. NYBOT	.379	.387	-.008	.423



Dairy-December US milk production was 2.5% more than the prior year due to a 1.8% gain in milk per cow yields and a .6% larger milk cow herd. Milk farmers added a net 16,000 head to the milk cow herd during December marking the largest monthly increase in nearly 3 years. This suggests that milk farmers could expand milk output in the coming months. Given the recent surge in cheese and milk prices we believe that notable milk production gains are likely pending. The butter market is relatively firm. The CME cheese price average may be on its way to $1.75. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.643	1.470	+.173	1.505
Cheese Blocks (CME)	1.693	1.500	+.193	1.515
American Cheese	1.845	1.793	+.052	1.853
Cheddar Cheese (40 lb.)	1.900	1.900	-	1.980
Mozzarella Cheese	1.855	1.813	+.042	1.810
Provolone Cheese	2.013	1.970	+.043	1.975
Parmesan Cheese	3.310	3.268	+.042	3.340
Butter (CME)	2.100	2.100	-	1.380
Nonfat Dry Milk	1.387	1.330	+.057	1.380
Whey, Dry	.405	.400	+.005	.391
Class 1 Base	15.890	15.200	+.690	14.840
Class II Cream, heavy	2.520	2.520	+.342	1.833
Class III Milk (CME)	16.490	14.880	+1.610	14.160
Class IV Milk (CME)	18.200	17.200	+1.000	13.500

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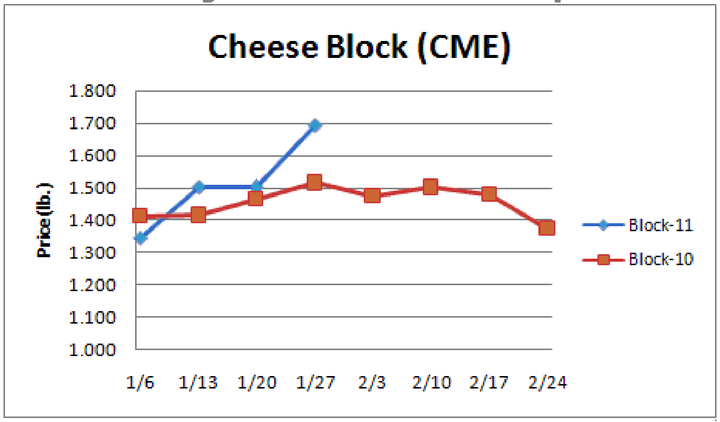
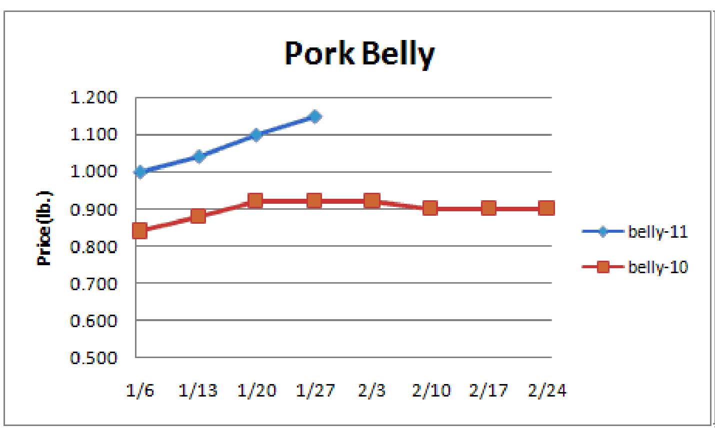


Pork-Pork production last week rose 1.8% and was 1.5% larger than the same week a year ago. South Korea, the 4th largest pork importer in the world, is battling hoof and mouth disease within its hog herd. In an effort to secure additional pork supplies they have reduced import tariffs. This could be bullish for US pork exports over the next several months. December 31st pork belly stocks were 10% smaller than the prior year's depleted level. The belly market could continue to firm. December 31st ham supplies were 34% more than 2009. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.555	.542	+.013	.488
Belly (bacon)	1.150	1.100	+.050	.920
Sparerib (4.25 lb. & down)	1.567	1.530	+.037	1.303
Ham (20-23 lb.)	.720	.700	+.020	.673
Ham (23-27 lb.)	.720	.680	+.040	.639
Loin (bone-in)	.980	.999	-.019	.893
Bbybck Rib (1.75 lb. & up)	2.434	2.457	-.023	2.333
Tenderloin (1.25 lb.)	2.383	2.327	+.056	2.280
Boston Butt, untrmd. (4-8 lb.)	.938	.943	+.005	.606
Picnic, untrmd.	.669	.645	+.024	.521
SS Picnic, smoker trm. bx.	.750	.780	-.030	.667
42% Trimmings	.520	.490	+.030	.450
72% Trimmings	.850	.800	+.050	.813



Tomato Products, Canned-The December 1st canned tomato supply is estimated to be 1% larger than last year's record. The canned tomato markets are stable. Prices per case (6/10) FOB, unless noted from ARA.

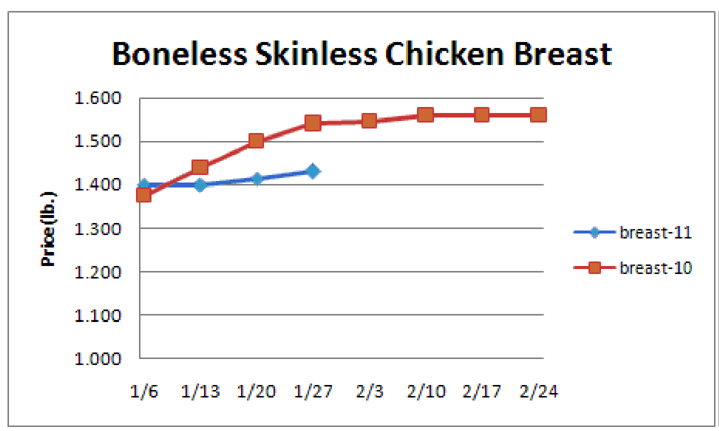
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	11.750	11.750	-	12.750
Diced, Fancy	12.250	12.250	-	13.250
Ketchup, 33%	13.000	13.000	-	14.125
Tomato Paste- Industrial (lb.)	.370	.370	-	.400

Processed Vegetables-December 31st frozen green bean (7%), cut corn (2%) and cob corn (1%) stocks were all less than 2009. The frozen vegetable markets are steady to firm. 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 December broiler (chicken marked for the chicken meat supply) type chick hatch was 1% larger than last year which suggests that chicken output should trend 1 to 3% above the prior year levels in the coming weeks. Pullet placements into the broiler breeding flock were 2% less than the previous year and the smallest for any month since October 2009. Usually a decline in pullet placements is a sign that chicken producers are curbing the future chicken supply. However, given the large increases in pullet placements in prior months we remain skeptical that pending chicken output will be slowed. The chicken markets remain fairly steady. The downside risk in the chicken breast markets from here is likely nominal. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.850	.850	-	.833
Whole Birds (LA)	.940	.940	-	.920
Wings (whole)	1.175	1.180	-.005	1.775
Wings (jumbo, cut)	1.250	1.264	-.014	1.840
Breast, Bone In	.785	.790	-.005	.835
Breast, Bnless Skinless	1.430	1.415	+.015	1.540
Tenderloin (random)	1.000	1.500	-.500	1.290
Tenderloin (sized)	1.850	1.700	+.150	1.980
Legs (whole)	.482	.471	+.011	.488
Leg Quarters	.395	.385	+.010	.385
Thighs, bone in	.521	.527	-.006	.537
Thighs, boneless	.956	1.015	-.059	.989
Eggs and Others				
Large (dozen)	.967	.998	-.031	1.177
Medium (dozen)	.837	.837	-	.848
Whole Eggs- Liquid	.333	.305	+.028	.434
Egg Whites- Liquid	.327	.327	-	.454
Egg Yolks- Liquid	.641	.603	+.038	.664
Whole Turkeys (8-16 lb.)	.900	.900	-	.778
Turkey Breast, Bnls/Sknls	2.370	2.466	-.096	1.446



Seafood-December US Gulf of Mexico shrimp landings were 58% larger than last year due to a surge in landings from Louisiana. This is a positive sign for US shrimp fishing for 2011 however one has to remember that nearly 90% of the shrimp consumed in the US is imported. Thus, the value of the US dollar and shrimp import levels may influence shrimp prices more. Inflated shrimp prices could persist through the winter. 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

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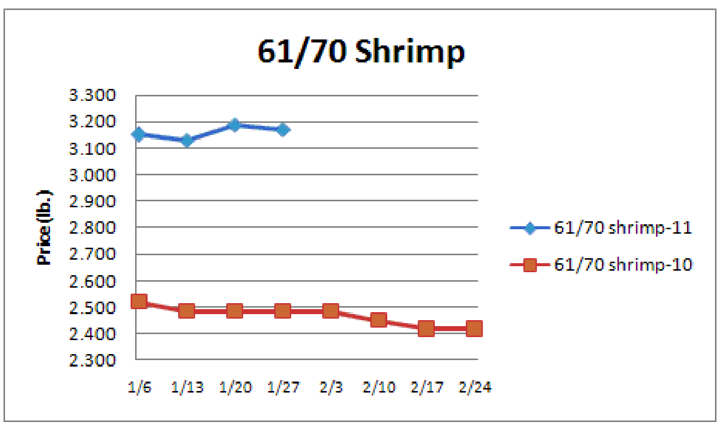
Catfish Filets	3.500	3.500	-	3.500
Trout (drn. 8-14 oz.)	3.100	3.100	-	3.000
Shrimp (16/20), Frz	7.455	7.414	+.041	4.554
Shrimp (61/70), Frz.	3.170	3.190	-.020	2.484
Shrimp, Tiger (26/30), Frz.	4.950	4.533	+.417	4.100
Snow Crab, Legs 5-8 oz, Frz	5.800	5.600	+.200	3.550
Snow Crab, Legs 8 oz/ up, Fz	5.875	5.725	+.150	4.050
Cod Tails, 3-7 oz., Frz.	3.088	3.088	-	2.983
Cod Loins, 3-12 oz., Frz	3.794	3.769	+.025	3.542
Salmon Portions, 4-8 oz, Frz	6.113	6.113	-	5.378
Pollock, Alaska, Deep Skin	2.075	2.075	-	2.075

Energy & Currency-Currency US dollar is worth.

	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	86.190	91.380	-5.190	74.710
Natural Gas, mbtu- nymex	4.473	4.425	+.048	5.485
Heating Oil, gal- nymex	2.593	2.646	-.053	1.951
Electricity, mwht- nymex	58.880	61.470	-2.590	52.750
Gasoline, gal- nymex	2.343	2.479	-.136	1.967
Diesel Fuel, gal- eia	3.430	3.407	+.023	2.833
Ethanol, gal- usda	2.250	2.300	-.050	1.750
Canadian $	.999	.991	+.008	1.062
Japanese Yen	82.325	82.661	+.664	89.677
Mexican Peso	12.085	12.047	+.038	12.913
Euro	.733	.746	-.013	.710
Brazilian Real	1.671	1.672	-.001	1.835
Chinese Yuan	6.583	6.581	+.002	6.827

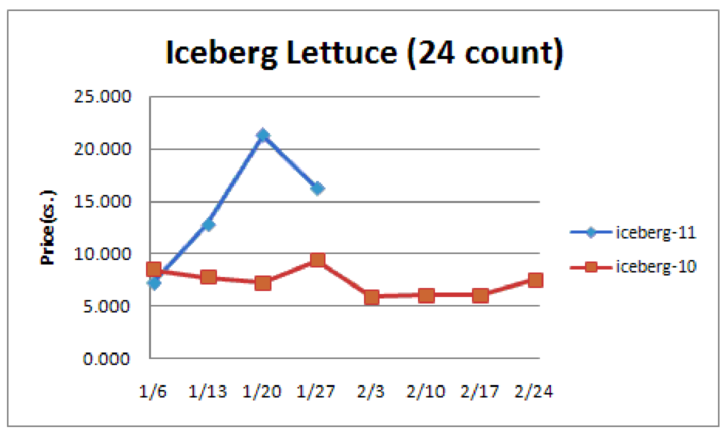


Paper/Plastic-Provided by; resin- www.plasticsnews.com, pulp- www.paperage.com.

Wood Pulp/ Plastic Resin	Price	Last Week	Difference	Price 10
WP; NBSK (napkin, towel)	960.370	961.330	-.960	842.090
WP; 42 lb. Linerboard (corr.)	823.253	809.456	+13.797	604.221
Res; PS-CHH (cup, cont.)	.950-.990	.950-.990	-	.840-.880
Res; PP-HIGP (hvy utensil)	1.150-1.170	.980-1.000	+.170	.900-.920
Res; PE-LLD (cn liner, film)	.830-.860	.830-.860	-	.700-.730

Produce-The lettuce harvest has been limited with shipments last week declining 25% from the prior week. This is due to the previous freeze and some other crop challenges. Favorable weather during the next 10 days should encourage crop development. The lettuce markets are suggesting that a top may be forming. Modestly lower lettuce prices could be forthcoming. Potato supplies are historically tight which is inflating the potato markets. We would not be surprised to see record high potato prices this summer. The onion markets could weaken during the next few weeks. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	52.000	53.000	-1.000	13.000
Lemons (95 ct.)	13.640	14.640	-1.000	17.040
Lemons (200 ct.)	12.140	12.640	-.500	22.280
Honeydew (6 ct.)	9.319	10.550	-1.231	9.250
Cantaloupe (15 ct.)	10.213	14.088	-3.875	11.125
Blueberries (12 count)	14.000	13.167	+.833	17.500
Strwbrries (12 pnts.)	21.000	25.900	-4.900	27.000
Avocds (Hass 48 ct.)	32.250	33.250	-1.000	23.750
Bananas (40 lb.)- Term.	18.662	17.441	+1.221	13.031
Pineapple (7 ct.)- Term.	12.063	11.125	+.938	15.823
Idaho Potato (60 ct., 50 lb.)	17.125	16.375	+.750	4.875
Idaho Potato (70 ct., 50 lb.)	15.875	15.250	+.625	4.875
Idaho Potato (70 ct.)-Term.	19.825	18.413	+1.412	10.198
Idaho Potato (90 ct., 50 lb.)	10.000	9.875	+.125	4.750
Idaho Pot. # 2 (6 oz., 100 lb.)	14.250	15.500	-1.250	6.500
Processing Potato (cwt.)	7.750	7.750	-	4.500
Yellow Onions (50 lb.)	10.417	10.521	-.104	10.292
Yell Onions (50 lb.)-Term.	12.688	13.063	-.375	12.771
Red Onions (25 lb.)- Term.	10.333	10.063	+.270	8.875
White Onions (50 lb.)- Term.	17.667	17.646	+.021	36.792
Tomatoes (large- case)	13.200	12.950	+.250	16.950
Tomatoes (5x6-25 lb.)-Term	17.417	17.056	+.361	18.250
Tomatoes (4x5 vine ripe)	8.950	10.950	-2.000	6.055
Roma Tomatoes (large- case)	9.894	10.292	-.398	6.752
Roma Tomatoes (xlarge-cs)	9.894	10.292	-.398	6.795
Green Peppers (large- case)	9.150	11.150	-2.000	10.275
Red Peppers (large 15lb. cs.)	14.950	17.450	-2.500	7.950
Iceberg Lettuce (24 count)	16.243	21.328	-5.085	9.363
Iceberg Lettuce (24)-Term.	22.167	24.333	-2.166	14.750
Leaf Lettuce (24 count)	8.942	9.968	-1.026	8.160
Romaine Lettuce (24 cnt.)	20.725	20.650	+.075	8.194
Mesculin Mix (3 lb.)-Term.	6.854	7.031	-.177	6.438
Broccoli (14 ct.)	11.650	19.817	-8.167	6.139
Squash (1/2 bushel)	12.100	10.850	+1.250	22.950
Zucchini (1/2 bushel)	8.600	8.350	+.250	4.450
Green Beans (bushel)	39.650	36.950	+2.700	32.950
Spinach, Flat 24's	18.200	18.610	-.410	12.450
Mushrms (10 lb, lg.)-Term.	13.313	13.141	+.172	11.355
Cucumbers (bushel)	7.319	10.950	-3.631	10.470
Pickles (200-300 ct.)- Term.	19.813	21.500	-1.687	24.688
Asparagus (small)	13.000	14.500	-1.500	12.500
Freight (Truck; CA-Cty Av.)	4300.000	4618.750	-318.750	4085.000



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

	Dec-10	Nov-10	Oct-10	Sep-10
Beef and Veal	-.595	+.168	+.955	+.331
Dairy	+.372	-.006	+1.130	+.166
Pork	-2.092	-1.875	+1.111	+1.503
Chicken	-.773	+.357	+1.111	+.870
Fresh Fish and Seafood	+.251	+2.026	+1.203	-.061
Fresh Fruits and Veg.	+3.090	+.698	+1.030	+1.530