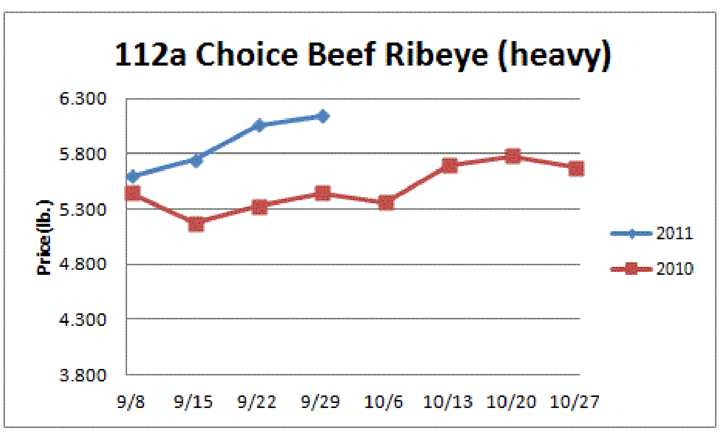
Weekly Market Updates

Volume No. 4 Issue No. 39 Date: September 29, 2011

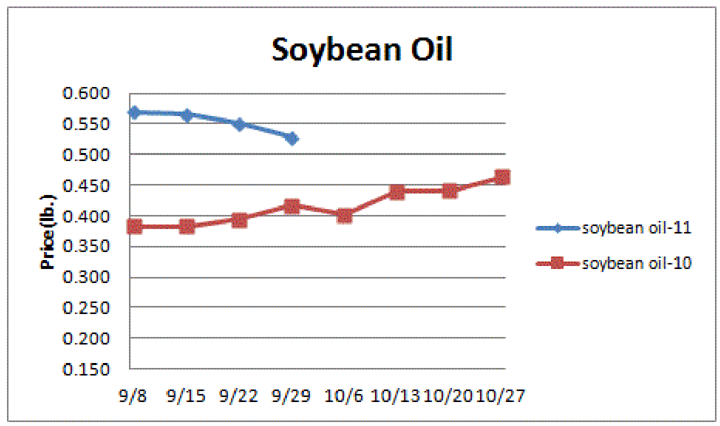
Beef - Beef output last week increased 1.6% but was 1.3% smaller than the same week a year ago. September 1st cattle on feed were up 5.3% compared to last year. Cattle placements into feedlots in August were down .8% versus 2010 at an average weight 3.3% lighter. The October 1st near slaughter ready cattle inventory is estimated to be 1.1% larger than the 3 year average for that date. Beef production could trend near 2010 levels next month. The severe drought in TX & OK remains a concern and will likely cause tighter beef supplies in 2012. Beef ribeyes and tenderloin markets may firm this fall. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.159	1.161	-.002	.963
Feeder Cattle Index (CME)	1.319	1.324	-.005	1.099
Ground Beef 81/19	1.634	1.763	-.129	1.336
Ground Chuck	1.665	1.740	-.075	1.398
109e Export Rib (choice)	5.457	5.299	+.158	4.750
109e Export Rib (prime)	9.180	8.952	+.228	7.768
112a Ribeye (choice)	6.144	6.058	+.086	5.444
112a Ribeye (prime)	9.337	9.092	+.245	8.438
116 Chuck (select)	2.362	2.444	-.082	1.919
116 Chuck (choice)	2.585	2.670	-.085	1.926
116b Chuck Tdnr (choice)	2.067	2.015	+.052	1.861
120 Brisket (choice)	1.923	1.996	-.073	1.563
121c Outside Skirt (ch/sel)	3.821	3.648	+.173	3.269
121d Inside Skirt (ch/sel)	3.431	3.513	-.082	2.773
167a Knckle, Trm. (ch.)	2.405	2.407	-.002	1.942
168 Inside Round (ch.)	1.971	2.097	-.126	1.811
174 Short Loin (ch. 0x1)	4.508	4.499	+.009	4.017
174 Short Loin (prime)	8.883	8.849	+.034	7.923
180 1x1 Strp (choice)	4.049	4.080	-.031	4.271
180 1x1 Strp (prime)	9.510	9.283	+.227	9.087
180 0x1 Strp (choice)	4.460	4.368	+.092	4.782
184 Top Butt, bnls (ch.)	2.842	3.148	-.306	2.603
184 Top Butt, bnls (prime)	3.573	3.576	-.003	2.834
185a Sirloin Flap (choice)	3.115	3.389	-.274	2.813
185c Loin, Tri-Tip (choice)	2.835	2.729	+.106	2.463
189a Tender (select)	8.016	8.122	-.106	7.740
189a Tender (choice)	9.334	8.984	+.350	8.783
189a Tender (prime)	12.074	11.721	+.353	10.088
193 Flank Steak (choice)	4.631	4.848	-.217	3.677
50% Trimmings	.906	.922	-.016	.593
65% Trimmings	1.223	1.260	-.037	.857
75% Trimmings	1.402	1.389	+.013	1.197
85% Trimmings	1.588	1.676	-.088	1.370
90% Trimmings	1.724	1.777	-.053	1.488
90% Imported Beef (frz.)	1.825	1.840	-.015	1.633
95% Imported Beef (frz.)	1.998	2.005	-.007	1.813
Veal Rack (Hotel 7 rib)	6.175	5.950	+.225	5.000
Veal Top Rnd. (cp. off)	13.120	12.920	+.200	12.000



Oil, Grains, Misc.- Winter wheat planting in the Southern plains is behind by a third due to dry soil conditions. Tight high-protein wheat supplies may be pending for 2012. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	12.142	12.863	-.721	10.829
Crude Soybean Oil, lb.	.528	.551	-.023	.417
Soybean Meal, ton	314.600	333.300	-18.700	308.500
Corn, bushel	6.280	6.643	-.363	4.489
Crude Corn Oil, lb.	.570	.575	-.005	.450
High Fructose Corn Syrup	.180	.186	-.008	.145
Distillers Grain, Dry	193.25	200.000	-6.750	133.250
Crude Palm Oil, lb. BMD	.426	.448	-.021	.405
HRW Wheat, bushel	7.080	7.200	-.120	6.235
DNS Wheat 14%, bushel	9.090	8.820	+.270	6.890
Durum Wheat, bushel	11.950	11.925	+.025	6.500
Pinto Beans, lb.	.443	.430	+.013	.188
Black Beans, lb.	.466	.466	-	.192
Rice, Long Grain, lb.	.290	.295	-.005	.212
Coffee, lb. NYBOT	2.344	2.618	-.274	1.823
Sugar, lb. NYBOT	.385	.403	-.018	.399
Honey (Clover), lb.	1.700	1.700	-	1.545



Dairy- Butter inventories were down 25% in August compared to the five year average but were 7% higher than last year. The butter markets have declined significantly in recent weeks due in part to a strong US dollar limiting butter exports. In August, cheese inventories declined 1% from July marking the smallest stock drawdown for any August since 1992. This is due in a large part to discounted international cheese markets this past summer. Cheese exports could be challenged this fall. Modest price weakness is anticipated for the dairy markets in the coming weeks. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.645	1.655	-.010	1.735
Cheese Blocks (CME)	1.718	1.713	+.005	1.760
American Cheese	2.038	2.085	-.047	1.970
Cheddar Cheese (40 lb.)	2.235	2.293	-.058	2.000
Mozzarella Cheese	2.070	2.128	-.058	2.080
Provolone Cheese	2.225	2.283	-.058	2.245
Parmesan Cheese	3.301	3.363	-.062	3.610
Butter (CME)	1.760	1.800	-.040	2.235
Nonfat Dry Milk	1.572	1.572	-	1.268
Whey, Dry	.598	.595	+.003	.363
Class 1 Base	19.560	21.780	-2.220	16.580
Class II Cream, heavy	2.287	2.447	-.160	3.060
Class III Milk (CME)	17.210	17.760	-.550	16.550
Class IV Milk (CME)	18.250	18.390	-.210	17.020

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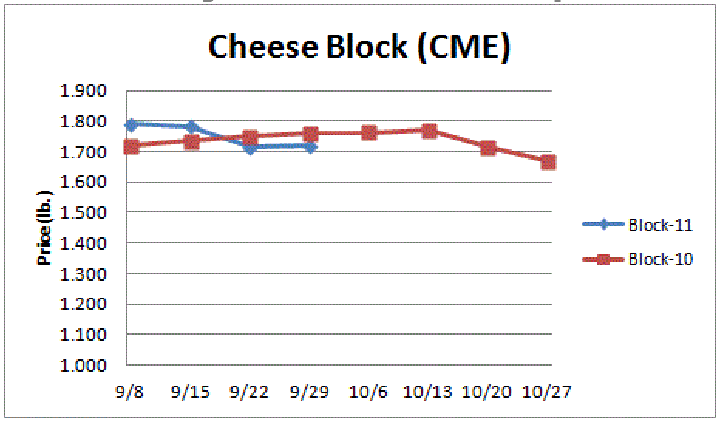
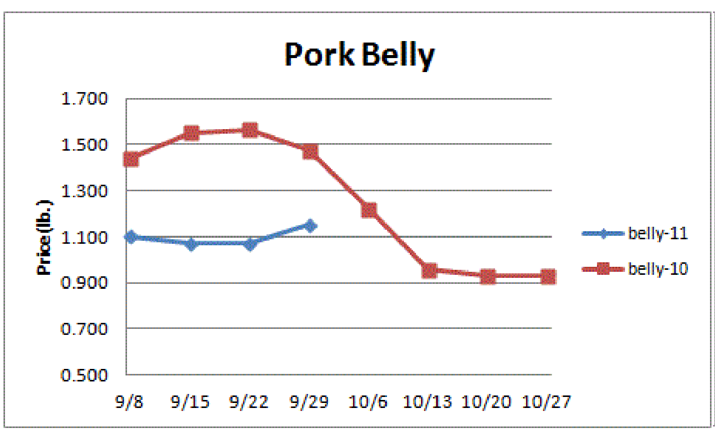


Pork- Pork output last week increased .5% and was 2.8% larger than the same week in 2010. Cold storage inventories on August 31st were larger than last year for hams (5%), bellies (11%), ribs (9.6%) and trimmings (19%). This may be signal that pork demand is being impacted by the record prices this summer. Feed costs are expected to remain inflated for 2012 and may mitigate future pork production, which if realized, could be supportive of the pork markets. Last year the ham markets declined 25% during October. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.640	.640	-	.591
Belly (bacon)	1.150	1.070	+.080	1.473
Sparerib (4.25 lb. & down)	1.389	1.402	-.013	1.247
Ham (20-23 lb.)	.930	.880	+.050	.850
Ham (23-27 lb.)	.898	.884	+.014	.800
Loin (bone-in)	1.128	1.131	-.003	.935
Bbybck Rib (1.75 lb. & up)	2.858	2.954	-.096	2.404
Tenderloin (1.25 lb.)	3.060	3.150	-.090	2.400
Boston Butt, untrmd. (4-8 lb.)	1.002	1.021	-.019	.812
Picnic, untrmd.	.834	.813	+.021	.622
SS Picnic, smoker trm. bx.	1.080	1.080	-	.640
42% Trimmings	.650	.580	+.070	.640
72% Trimmings	1.040	1.050	-.010	.840



Tomato Products, Canned- The tomato harvest for canned tomatoes is progressing at its slowest pace since '06. Higher canned tomato prices may be pending. Prices per case (6/10) FOB, unless noted from ARA.

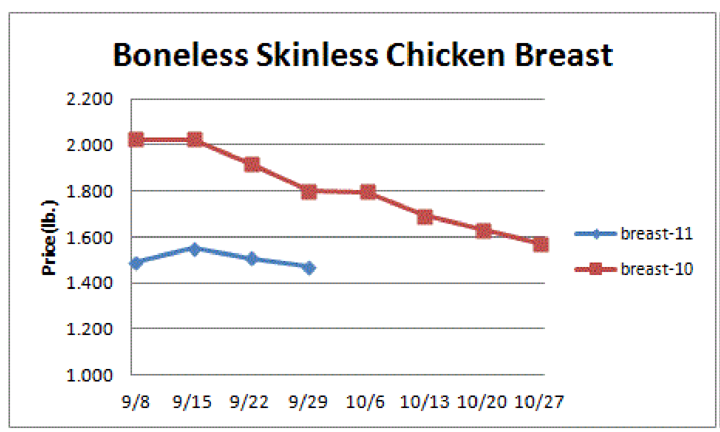
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	12.000	12.000	-	12.250
Diced, Fancy	12.500	12.500	-	12.750
Ketchup, 33%	13.188	13.188	-	13.500
Tomato Paste- Industrial (lb.)	.395	.395	-	.380

Processed Vegetables- August 31st frozen green pea (8%), cut corn (38%) and cob corn (10%) stocks were all less than last year. Processed vegetable prices could rise. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 10
Corn, Fcy whl kern- can 6/10	18.406	18.406	-	16.906
Green Beans Fcy- can 6/10	18.000	18.000	-	16.563
Green Peas, Fcy- can 6/10	18.750	18.750	-	17.750
Corn, Cob- froz 96 ct.	14.500	14.500	-	14.000
Corn, Kernel- froz 12/2.5#	14.250	14.250	-	17.625
Green Beans Cut- froz 12/2#	12.900	12.900	-	15.300
Green Peas- froz 12/2.5#	20.250	20.250	-	17.625
Potatoes, FF Fncy- froz 6/5#	13.000	13.000	-	12.750

Poultry- Future chicken production continues to be curbed with signs of the slowdown becoming more systemic. Chicken pullet placements for the broiler hatchery flock in August were 3% lower than last year. Plus, broiler-type chicks hatched during August were down 5% versus the prior year. The daily ARA Chicken Wing Index has reached price levels not seen since December '10. Chicken wing prices may continue to firm in October. Chicken breast markets have declined in recent weeks following a seasonal trend. Usually, further chicken breast price declines follow, but any depreciation this fall may be tempered by reduced chicken output. Chicken leg quarter prices are steady. If the US dollar firms leg quarter export demand may slow. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.890	.890	-	.873
Whole Birds (LA)	.980	.980	-	.970
Wings (whole)	1.095	1.050	+.045	1.300
Wings (jumbo, cut)	1.161	1.098	+.063	1.355
Breast, Bone In	.830	.855	-.025	1.030
Breast, Bnless Skinless	1.470	1.505	-.035	1.800
Tenderloin (random)	1.180	1.180	-	1.800
Tenderloin (sized)	1.780	1.780	-	2.000
Legs (whole)	.717	.706	+.011	.551
Leg Quarters	.536	.530	+.006	.410
Thighs, bone in	.715	.770	-.055	.553
Thighs, boneless	1.305	1.343	-.038	1.009
Eggs and Others				
Large (dozen)	1.030	1.028	+.002	.622
Medium (dozen)	.858	.845	+.013	.475
Whole Eggs- Liquid	.598	.577	+.021	.351
Egg Whites- Liquid	.529	.506	+.023	.395
Egg Yolks- Liquid	.806	.781	+.025	.703
Whole Turkeys (8-16 lb.)	1.095	1.090	+.005	1.045
Turkey Breast, Bnls/Sknls	2.670	2.670	-	2.643



Seafood- US shrimp inventories are reported to be historically low but demand for shrimp has been sluggish. Recently, economic concerns in the US and abroad have intensified due to various reasons including the EU debt situation. This could be bearish for seafood consumption and seafood prices during the next several weeks. History, suggests that the cod loin and cod tail markets could rise modestly during the 4th quarter.

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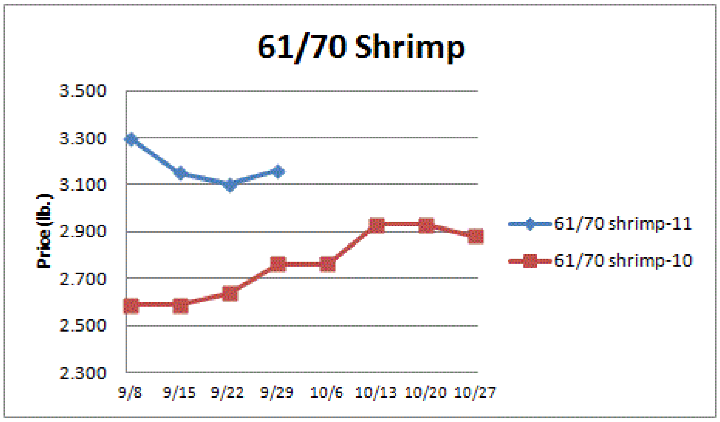
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	3.100	3.100	-	3.650
Catfish Filets	5.250	5.250	-	3.500
Trout (drn. 8-14 oz.)	3.500	3.500	-	3.000
Shrimp (16/20), Frz	6.208	6.280	-.072	7.055
Shrimp (61/70), Frz.	3.160	3.100	+.060	2.763
Shrimp, Tiger (26/30), Frz.	4.950	4.975	-.025	4.550
Snow Crab, Legs 5-8 oz, Frz	5.825	5.725	+.100	5.375
Snow Crab, Legs 8 oz/ up, Fz	6.325	6.300	+.025	5.750
Cod Tails, 3-7 oz., Frz.	3.400	3.280	+.120	3.088
Cod Loins, 3-12 oz., Frz	3.525	3.575	-.050	3.713
Salmon Portions, 4-8 oz, Frz	6.521	6.569	-.048	6.008
Pollock, Alaska, Deep Skin	1.800	1.800	-	2.075



Energy & Currency-Currency US dollar is worth.

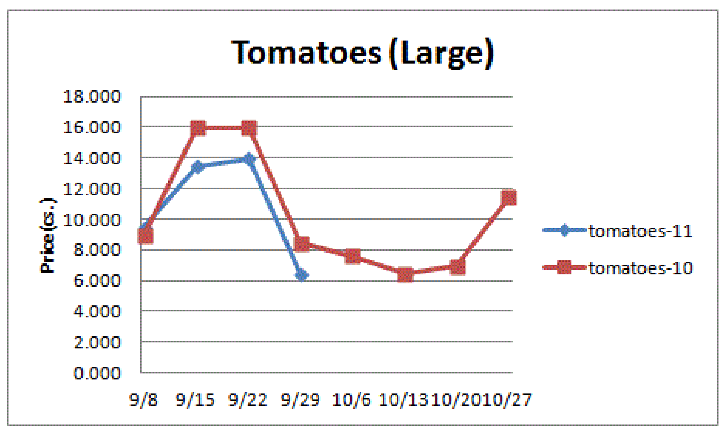
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	84.450	86.890	-2.440	76.180
Natural Gas, mbtu- nymex	3.827	3.798	+.029	3.837
Heating Oil, gal- nymex	2.877	2.962	-.085	2.125
Electricity, mwht- nymex	42.920	43.070	-.150	45.810
Gasoline, gal- nymex	2.696	2.701	-.005	1.948
Diesel Fuel, gal- eia	3.786	3.833	-.047	2.951
Ethanol, gal- usda	2.635	2.725	-.090	2.175
Canadian $	1.019	.991	+.028	1.032
Japanese Yen	76.464	76.528	-.064	84.116
Mexican Peso	13.349	13.072	+.277	12.544
Euro	.736	.729	+.007	.743
Brazilian Real	1.805	1.779	+.026	1.712
Chinese Yuan	6.398	6.384	+.014	6.691

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)	970.930	971.540	-.610	990.490
WP; 42 lb. Linerboard (corr.)	771.520	778.600	-7.080	753.013
Res; PS-CHH (cup, cont.)	1.160-1.200	1.160-1.200	-	.880-.92
Res; PP-HIGP (hvy utensil)	1.160-1.180	1.160-1.180	-	.970-.990
Res; PE-LLD (cn liner, film)	.880-.910	.880-.910	-	.800-.840

Produce- The Hass avocado market is seasonally trending lower falling 46% during the last 6 weeks. Further avocado price weakness may be pending. The 3 year average avocado price decline over the next four weeks is 15.5%. Potato prices continue to slide at a rapid rate due in part to the building harvest. Potato prices currently are at levels not witnessed since April '10. The downside risk in potato prices from here may only be modest though. Tomato supplies are erratic in the East due to earlier storm disruptions. Expect Southeast tomato supplies to increase in the coming weeks. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	12.000	16.000	-4.000	14.000
Lemons (95 ct.)	24.640	24.640	-	23.790
Lemons (200 ct.)	16.140	16.140	-	22.040
Honeydew (6 ct.)	5.750	5.250	+.500	3.500
Cantaloupe (15 ct.)	5.250	6.225	-.975	4.750
Blueberries (12 count)	21.667	19.500	+2.167	26.200
Strawberries (12 pnts.)	11.000	12.500	-1.500	10.500
Avocados (Hass 48 ct.)	29.750	36.250	-6.500	29.250
Bananas (40 lb.)- Term.	15.426	15.250	+.176	13.951
Pineapple (7 ct.)- Term.	11.792	12.500	-.708	12.542
Idaho Potato (60 ct., 50 lb.)	10.500	14.500	-4.000	16.750
Idaho Potato (70 ct., 50 lb.)	10.500	14.500	-4.000	16.500
Idaho Potato (70 ct.)-Term.	22.063	25.125	-3.062	21.275
Idaho Potato (90 ct., 50 lb.)	8.000	10.500	-2.500	10.250
Idaho Pot. # 2 (6 oz., 100 lb.)	14.250	19.000	-4.750	18.500
Processing Potato (cwt.)	9.000	13.000	-4.000	7.000
Yellow Onions (50 lb.)	6.417	8.334	-1.917	7.000
Yell Onions (50 lb.)-Term.	12.144	11.950	+.194	12.529
Red Onions (25 lb.)- Term.	9.605	9.375	+.230	12.402
White Onions (50 lb.)- Term.	17.323	11.555	+5.768	16.292
Tomatoes (large- case)	6.450	13.950	-7.500	8.450
Tomatoes (5x6-25 lb.)-Term	13.636	15.938	-2.302	14.406
Tomatoes (4x5 vine ripe)	9.450	10.950	-1.500	11.213
Roma Tomatoes (large- case)	9.125	9.200	-.075	12.440
Roma Tomatoes (xlarge-cs)	9.625	9.582	+.043	13.338
Green Peppers (large- case)	10.698	11.438	-.740	9.225
Red Peppers (large 15lb. cs.)	13.850	15.700	-1.850	9.950
Iceberg Lettuce (24 count)	8.050	7.313	+.737	7.213
Iceberg Lettuce (24)-Term.	15.250	14.250	+1.000	14.750
Leaf Lettuce (24 count)	7.503	8.000	-.497	8.353
Romaine Lettuce (24 cnt.)	11.630	12.113	-.483	8.763
Mesculin Mix (3 lb.)-Term.	7.021	7.000	+.021	6.563
Broccoli (14 ct.)	8.125	8.000	-.125	7.013
Squash (1/2 bushel)	20.175	18.175	+2.000	4.850
Zucchini (1/2 bushel)	16.063	16.063	-	5.588
Green Beans (bushel)	26.000	23.000	+3.000	14.000
Spinach, Flat 24's	12.950	11.110	+1.840	10.975
Mushrms (10 lb, lg.)-Term.	13.313	10.994	+2.319	12.313
Cucumbers (bushel)	15.510	18.817	-3.307	9.610
Pickles (200-300 ct.)- Term.	37.667	33.463	+4.204	27.417
Asparagus (small)	17.500	16.750	+.750	14.000
Freight (Truck; CA-Cty Av.)	6011.111	5866.670	+144.441	5281.250



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

	Aug-11	Jul-11	Jun-11	May-11
Beef and Veal	+.405	+.900	-.700	+1.020
Dairy	+.903	+1.200	+.500	+.773
Pork	+.674	+.500	+.600	+2.569
Chicken	-.251	+.100	+.100	+.625
Fresh Fish and Seafood	-.072	+.300	-.100	+1.832
Fresh Fruits and Veg.	+.394	-.126	-.170	-1.503