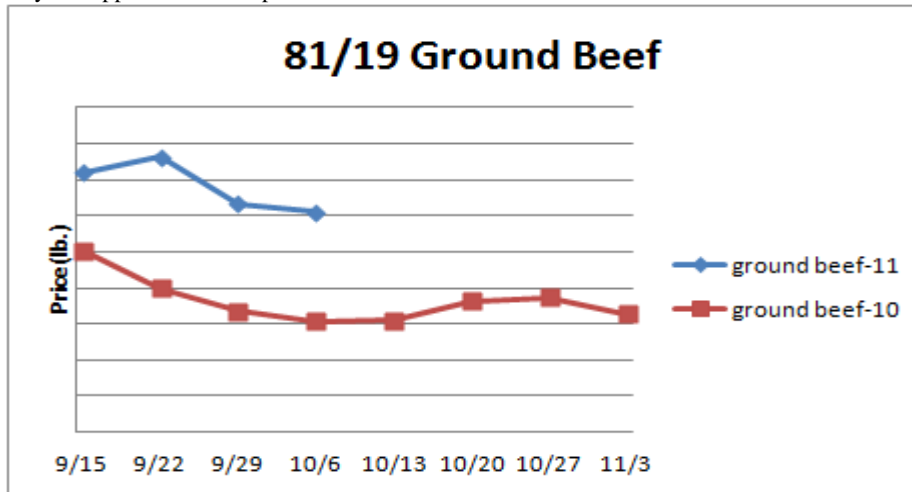


Beef, Veal and Lamb Report

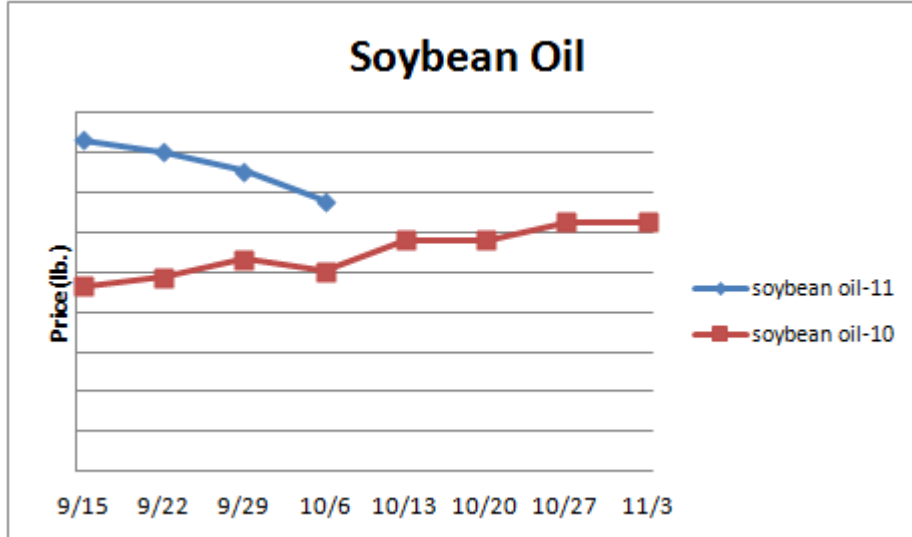
Beef, Veal & Lamb- Beef output last week increased 2.1% and was 1.8% larger than the same week a year ago. US beef exports have been firm even with the US dollar strengthening against the Brazilian Real and the Australian dollar in recent weeks. Brazil and Australia are two major beef producing countries. If this currency trend continues expect US beef exports to be challenged. This could bring some relief to beef trimmings and beef end cut prices. Rising cattle prices are pinching beef packer margins which could lead to a short term slowdown in beef output and may be supportive of beef prices.



| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|---------------------------------|---------------------|-----------------|----------------------------|
| Live Cattle (Steer) | Increasing | Good | Higher |
| Ground Beef 81/19 | Decreasing | Good | Higher |
| Ground Chuck | Increasing | Good | Higher |
| 109 Export Rib (choice) | Increasing | Good | Higher |
| 109 Export Rib (prime) | Increasing | Good | Higher |
| 112a Ribeye (choice) | Increasing | Good | Higher |
| 112a Ribeye (prime) | Increasing | Good | Higher |
| 116 Chuck (choice) | Increasing | Good | Higher |
| 120 Brisket (choice) | Increasing | Good | Higher |
| 121c Outside Skirt (ch/sel.) | Decreasing | Good | Higher |
| 167a Knuckle, Trimmed (choice) | Increasing | Good | Higher |
| 168 Inside Round (choice) | Increasing | Good | Higher |
| 174 Short Loin (choice 0x1) | Increasing | Good | Higher |
| 174 Short Loin (prime 2x3) | Increasing | Good | Higher |
| 180 1x1 Strip (choice) | Decreasing | Good | Lower |
| 180 1x1 Strip (prime) | Increasing | Good | Higher |
| 180 0x1 Strip (choice) | Decreasing | Good | Lower |
| 184 Top Butt, boneless (choice) | Decreasing | Good | Higher |
| 184 Top Butt, boneless (prime) | Increasing | Good | Higher |
| 185a Sirloin Flap (choice) | Increasing | Good | Higher |
| 185c Loin, Tri-Tip (choice) | Decreasing | Good | Higher |
| 189a Tender (select, 5 lb & up) | Increasing | Good | Higher |
| 189a Tender (choice, 5 lb & up) | Increasing | Good | Higher |
| 189a Tender (prime, heavy) | Increasing | Good | Higher |
| 193 Flank Steak (choice) | Decreasing | Good | Higher |
| 50% Trimmings | Decreasing | Good | Higher |
| 65% Trimmings | Increasing | Good | Higher |
| 75% Trimmings | Increasing | Good | Higher |
| 85% Trimmings | Decreasing | Good | Higher |
| 90% Trimmings | Decreasing | Good | Higher |
| 90% Imported Beef (frozen) | Decreasing | Good | Higher |
| Veal Rack (Hotel 7 rib) | Steady | Good | Higher |
| Veal Top Round (cap off) | Steady | Good | Higher |

Oil and Grains Report

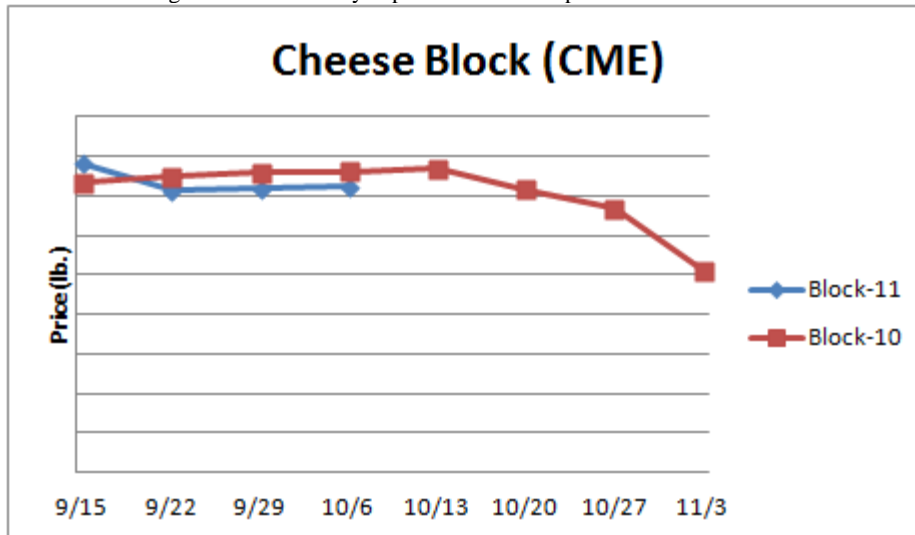
Oil & Grains- Corn, soybean and wheat markets have fallen significantly due to weaker stock markets and a strengthening US dollar. Grain prices may find support soon.



| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|-----------------------------------|---------------------|-----------------|----------------------------|
| Soybeans | Decreasing | Good | Higher |
| Crude Soybean Oil | Decreasing | Good | Higher |
| Soymeal | Decreasing | Good | Lower |
| Corn | Decreasing | Good | Higher |
| Crude Corn Oil | Decreasing | Good | Higher |
| Distillers Grain, Dry | Increasing | Good | Higher |
| Crude Palm Oil | Decreasing | Good | Higher |
| Hard Red Winter Wheat | Decreasing | Good | Higher |
| Dark Northern Spring Wheat | Decreasing | Good | Higher |
| High Fructose Corn Syrup | Decreasing | Good | Higher |
| Durum Wheat | Increasing | Good | Higher |

Dairy Report

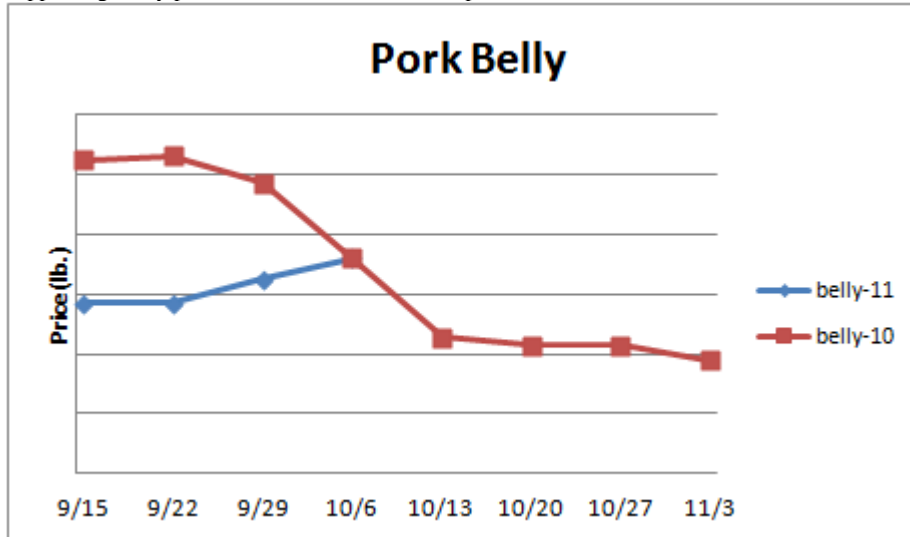
Dairy- US butter production in August was up 31% from last year marking year to date output 16% ahead of 2010. Better US supplies, improving world stocks and a rising US dollar are all bearish for US butter prices. Modest butter price declines may be pending. Global cheese and butter prices are now at a premiums to domestic markets which wasn't the case this summer. This usually encourages US dairy exports. Still, the US dollar value is trending higher which could mitigate future US dairy export trade. CME spot cheese blocks fell 15% last October.



| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|-------------------------------------|---------------------|-----------------|----------------------------|
| Cheese Barrels- CME | Increasing | Good | Lower |
| Cheese 40 lb Blocks- CME | Increasing | Good | Lower |
| American Cheese | Decreasing | Good | Higher |
| Cheddar Cheese | Decreasing | Good | Higher |
| Mozzarella Cheese | Decreasing | Good | Lower |
| Provolone Cheese | Decreasing | Good | Lower |
| Parmesan Cheese | Decreasing | Good | Lower |
| Butter- One lb Solids | Decreasing | Good | Lower |
| Nonfat Dry Milk | Decreasing | Good | Higher |
| Whey, Dry | Increasing | Good | Higher |
| Class I Milk Base | Steady | Good | Higher |
| Class II Cream (Heavy Cream) | Decreasing | Good | Lower |
| Class III Milk- CME | Decreasing | Good | Higher |
| Class IV Milk- CME | Decreasing | Good | Higher |

Pork Report

Pork- Pork output last week decreased 1.4% but was 3.1% larger than the same week in 2010. The total hog inventory on September 1st was 1% higher than last year and was up 3% since June 1st. The breeding herd inventory rose 1% from 2010 and the average pigs saved per litter was a record high this past quarter. Aforementioned statistics suggest that pork output expansion is forthcoming which could be bearish for pork prices. Strong exports are currently supporting many pork markets but the seasonal price tendencies are lower.



| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|---------------------------------------|---------------------|-----------------|----------------------------|
| Live Hogs | Increasing | Good | Higher |
| Belly (bacon) | Increasing | Good | Same |
| Spare Rib (4.25 & down) | Increasing | Good | Higher |
| Ham (23-27 lb) | Decreasing | Good | Lower |
| Loin (bone-in) | Decreasing | Good | Higher |
| Baby Back Rib (1.75 & up) | Decreasing | Good | Higher |
| Tenderloin (1.25 lb) | Decreasing | Good | Higher |
| Boston Butt, untrimmed 4-8 lb. | Decreasing | Good | Higher |
| Picnic, untrimmed | Increasing | Good | Higher |
| SS Picnic, smoker trim boxed | Steady | Good | Higher |
| 42% Trimmings | Increasing | Good | Higher |
| 72% Trimmings | Increasing | Good | Higher |

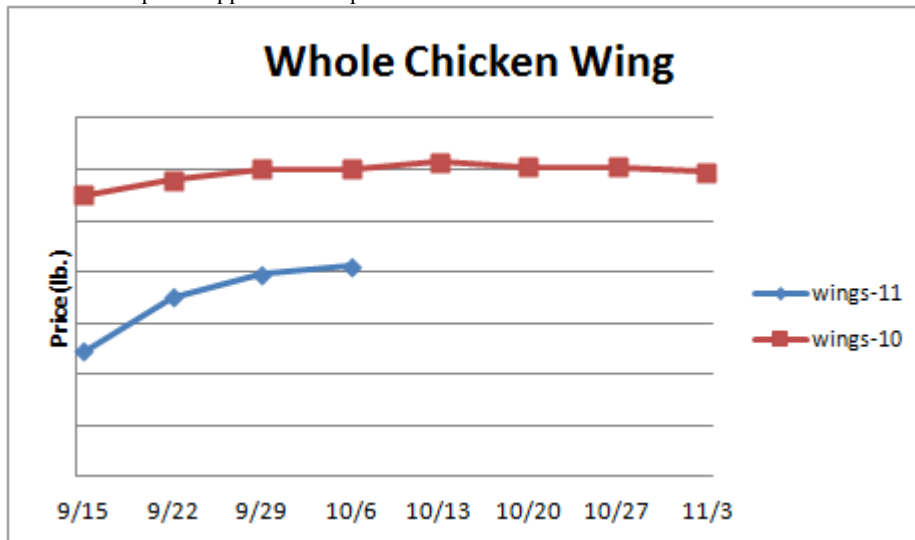
Canned Tomato Report

Tomato Products, Canned- Canned tomato supplies are seasonally improving. Canned tomato prices may still rise due in part to the slow harvest pace this year.

| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|------------------------------|---------------------|-----------------|----------------------------|
| Whole Peeled Standard | Steady | Good | Lower |
| Diced, Fancy | Steady | Good | Lower |
| Ketchup, 33% | Steady | Good | Lower |
| Tomato Paste- Ind. | Steady | Good | Higher |

Poultry Report

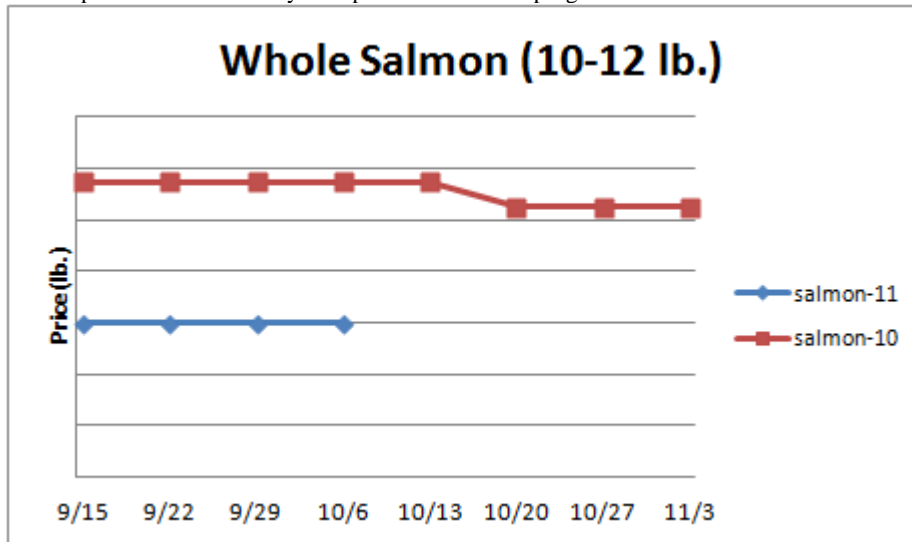
Poultry- Chicken producer spot feed costs are at their lowest levels since December '10. However, with chicken breast prices depreciating, chicken producer margins have continued to struggle. In fact, last week's spot profitability was the lowest for the comparable week in 6 years. Deeper chicken production cutbacks are expected which should continue to support chicken prices. Plus, if chicken production reductions run deep into 2012, chicken wing prices could be especially bolstered. The last time the chicken markets experienced an annual decline in chicken production was 2009 with the result being record high chicken wing prices. Seasonal weakness for chicken breast markets continues but price support is anticipated soon.



| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|-----------------------------------|---------------------|-----------------|----------------------------|
| Whole Chicken (2.5-3 lb-GA) | Steady | Good | Higher |
| Whole Chicken (LA) | Steady | Good | Higher |
| Chicken Wings, Whole | Increasing | Good | Lower |
| Chicken Wings, Jumbo Cut | Increasing | Good | Lower |
| Chicken Breast, Bone-In | Decreasing | Good | Lower |
| Chicken Breast, Boneless Skinless | Decreasing | Good | Lower |
| Chicken Tender (random) | Steady | Good | Lower |
| Chicken Tender (sized) | Steady | Good | Lower |
| Chicken Legs (whole) | Decreasing | Good | Higher |
| Chicken Leg Quarters | Decreasing | Good | Higher |
| Chicken Thighs, bone in | Increasing | Good | Higher |
| Chicken Thighs, boneless | Increasing | Good | Higher |
| Large Eggs | Increasing | Good | Higher |
| Medium Eggs | Increasing | Good | Higher |
| Whole Eggs- Liq | Increasing | Good | Higher |
| Egg Whites- Liq | Increasing | Good | Higher |
| Egg Yolks- Liq | Increasing | Good | Higher |
| Whole Turkey (8-16 lb) | Increasing | Good | Higher |
| Turkey Breast- Boneless/Skinless | Increasing | Good | Higher |

Seafood Report

Seafood- The US dollar has risen against the Euro in recent weeks climbing to its highest level since January. The appreciation in the US dollar is making the US a more attractive destination for seafood exporters. Seafood supplies could improve for the US in the coming months which may bring some moderate price relief to seafood prices. Whole salmon prices have a tendency to depreciate as the fall progresses.



| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|--------------------------------------|---------------------|-----------------|----------------------------|
| Salmon, Whole (10-12 lb) | Steady | Good | Lower |
| Catfish, Filets | Steady | Good | Higher |
| Trout, Drn. (8-14 oz) | Steady | Good | Higher |
| Shrimp (16-20 count) | Decreasing | Good | Lower |
| Shrimp (61-70 count) | Increasing | Good | Higher |
| Shrimp, Tiger (26-30 count) | Decreasing | Good | Higher |
| Snow Crab Legs (5-8 oz) | Steady | Good | Higher |
| Snow Crab Legs (8 oz up) | Steady | Good | Higher |
| Cod Tails, 3-7 oz. Frz. | Decreasing | Good | Higher |
| Cod Loins, 3-12 oz. Frz. | Increasing | Good | Lower |
| Salmon Portions, 4-8 oz. Frz. | Decreasing | Good | Higher |

Bean, Rice, Coffee and Sugar Report

| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|-------------------------|---------------------|-----------------|----------------------------|
| Pinto Beans | Increasing | Good | Higher |
| Black Beans | Increasing | Good | Higher |
| Rice, Long Grain | Increasing | Good | Higher |
| Coffee Beans | Decreasing | Good | Higher |
| Sugar | Decreasing | Good | Lower |
| Honey | Steady | Good | Higher |

Paper Product Report

| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|---|---------------------|-----------------|----------------------------|
| Wood Pulp (paper) | | | |
| NBSK- Paper napkin | Decreasing | Good | Lower |
| 42 lb. Linerboard-corrugated box | Decreasing | Good | Lower |
| Plastic Resins (plastic, foam) | | | |
| PS-CHH-utensils, cups, to-go cont. | Steady | Good | Higher |
| PP-HIGP-heavy grade utensils | Steady | Good | Higher |
| PE-LLD-can liners, film, bags | Steady | Good | Higher |

Retail Price Change from Prior Month

| | <u>Aug-11</u> | <u>Jul-11</u> | <u>Jun-11</u> |
|------------------------------------|---------------|---------------|---------------|
| Beef and Veal | Increasing | Increasing | Decreasing |
| Dairy | Increasing | Increasing | Increasing |
| Pork | Increasing | Increasing | Increasing |
| Chicken | Decreasing | Increasing | Increasing |
| Fresh Fish and Seafood | Decreasing | Increasing | Decreasing |
| Fresh Fruits and Vegetables | Increasing | Decreasing | Decreasing |

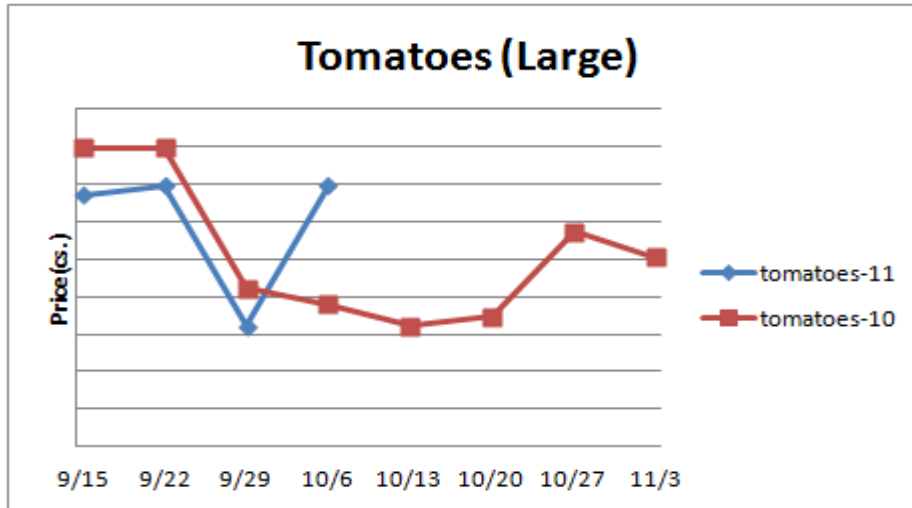
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- Vegetable harvests are winding down but are still behind schedule. Processed vegetable prices could remain firm.

| <u>Canned 6/10</u> | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|-------------------------------------|---------------------|-----------------|----------------------------|
| Corn, Fancy Whole Kernel | Increasing | Good | Higher |
| Green Beans, Fancy 4 sv | Increasing | Good | Higher |
| Green Peas, Fancy 4 sv/blend | Steady | Good | Higher |
| <u>Frozen</u> | | | |
| Corn, Cob 96 count | Steady | Good | Higher |
| Corn, Kernel 12/2.5 lb. | Steady | Good | Lower |
| Green Beans, Cut 12/2 lb. | Steady | Good | Lower |
| Green Peas, 12/2.5 lb. | Steady | Good | Higher |
| Potatoes, FF Fancy, 6/5 lb. | Steady | Good | Higher |

Produce Report

Produce- 2011 total fall vegetable planted acres are 5.7% higher than the previous year. Yet, plantings for fall lettuce and tomatoes were down 3.7% and 1.6% versus 2010 respectively. This may be supportive for the lettuce and tomato markets in the coming weeks, especially if the crops experience adverse weather. Limited tomato supplies are influencing tomato markets higher. Eastern tomato supplies may not return to normal levels until later this month. 2011 summer storage onion production was .8% lower than last year. Onion prices are usually fairly stable during the fall.



| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|-------------------------------|---------------------|-----------------|----------------------------|
| Limes (150 count) | Decreasing | Good | Lower |
| Lemons (95 count) | Decreasing | Good | Lower |
| Lemons (200 count) | Steady | Good | Lower |
| Honeydew (6 ct.) | Increasing | Good | Higher |
| Cantaloupe (15 count) | Decreasing | Good | Lower |
| Blueberries (12 count) | Increasing | Good | Lower |
| Strawberries (12 pints) | Decreasing | Good | Same |
| Avocados, Hass (48 count) | Decreasing | Good | Lower |
| Bananas (40 lb)-Term. | Decreasing | Good | Lower |
| Pineapple (7 ct.)- Term. | Increasing | Good | Higher |
| Idaho Potato (60 count) | Decreasing | Good | Lower |
| Idaho Potato (70 count) | Decreasing | Good | Lower |
| Idaho Potato (70 count)-Term. | Decreasing | Good | Lower |
| Idaho Potato (90 count) | Decreasing | Good | Lower |
| Idaho Potato #2 (6 oz. min.) | Decreasing | Good | Lower |
| Processing Potato (100 lb) | Decreasing | Good | Higher |
| Yellow Onions (50 lb) | Decreasing | Good | Lower |
| Yellow Onions (50 lb)-Term. | Increasing | Good | Higher |
| Red Onions (25 lb)-Term. | Decreasing | Good | Higher |
| White Onions (50 lb)-Term. | Decreasing | Good | Higher |
| Tomatoes, (large- case) | Increasing | Good | Higher |
| Tomatoes, (5x6, 25 lb.)-Term. | Increasing | Good | Higher |
| Tomatoes, Vine Ripe, (4x5) | Increasing | Good | Higher |
| Roma Tomatoes (large- case) | Increasing | Good | Lower |
| Roma Tomatoes (xlarge- case) | Increasing | Good | Lower |

| | | | |
|--|-------------------|-------------|---------------|
| Green Peppers (large- case) | Decreasing | Good | Higher |
| Red Peppers (large- 15 lb. cs.) | Decreasing | Good | Higher |
| Iceberg Lettuce (24 count) | Decreasing | Good | Lower |
| Iceberg Lettuce (24 cnt)-Term. | Decreasing | Good | Higher |

Produce Report (continued)

| | | | |
|------------------------------------|-------------------|-------------|---------------|
| Leaf Lettuce (24 count) | Decreasing | Good | Higher |
| Romaine Lettuce (24 count) | Decreasing | Good | Higher |
| Mesculin Mix (3 lb)-Term. | Decreasing | Good | Higher |
| Broccoli (14 cnt.) | Decreasing | Good | Higher |
| Squash (case) | Decreasing | Good | Higher |
| Zucchini (case) | Decreasing | Good | Higher |
| Green Beans (bushel) | Decreasing | Good | Higher |
| Spinach, Flat 24's | Decreasing | Good | Higher |
| Mushrooms (large), Term. | Decreasing | Good | Lower |
| Cucumbers, Bushel | Decreasing | Good | Higher |
| Pickles (200-300 ct.)-Term. | Decreasing | Good | Higher |
| Asparagus (small) | Decreasing | Good | Higher |
| Freight (CA to City Avg.) | Decreasing | Good | Higher |