

October 3, 2011

- BUTTER:** This week's Chicago Mercantile Exchange spot-cash butter market moved down \$.0100/Lb. The butter market has now dropped over \$.35/Lb. from its summer high. The Thanksgiving-to-Christmas holiday season is the most significant period of the year for butter consumption. Holiday buying ought to enable CME spot butter prices to hold at-or-near its present level for the next 30-to-45 days while the marketplace figures out its needs.
- CHEESE:** There's a great deal of uncertainty in the cheese markets which is being reflected in daily spot-cash cheese market trading. Spot-cash cheese prices are now down over \$.50/Lb. from this summer's highs. We can probably expect that the spot-cash cheese markets will continue to bounce around for the next several weeks but continue to drift lower, probably bottoming in the area of \$1.65/Lb. until the holiday demand is filled.
- EGGS:** Foodservice demand is meeting seasonal expectations thus far. Export opportunity is present, especially for smaller sizes. Supplies of jumbos are adequate. Extra large and large are in a good balance. Mediums are mixed between well balanced and close. Smalls are close. Brown eggs are close and still wanted.
- SOYBEAN OIL:** Soybean oil closed down 219 points on the week at \$50.21 continuing to slump on fears of a weak global economic outlook and slow U.S demand. Soybean pricing comparison: LY=\$0.3907/Lb; LW=\$0.5592/Lb; TW=\$0.5522/Lb; YR CHNG= **+41.3%**
- BEEF:** : Cutout values were steady for the week with moderate demand and offerings. Cutout values stabilized with impressive trade volume late in the week , particularly Choice strip loins. Forward business was moderately active with significant bookings of Choice ball tips and Select top butts consistent with spot pricing. Beef trimmings and fed cattle grinds were steady to weak on light/moderate demand and offerings. After several weeks of counter-seasonal widening, the Choice/Select spread stabilized this session. A lower carcass grading percentage, a slowdown in Select middles to export, and overall sluggish retail demand have all contributed to the current spread. By contrast Choice ribeyes and tenderloins, both popular foodservice items, continue to appreciate. For

the week: ribs steady to barely higher; chucks barely higher; rounds steady to barely lower; loins steady to lower; trimmings steady; Fed and blended cattle grinds lower.

✚ **PORK:** Steady trading levels for retail cuts prevailed throughout the week as demand and offerings offset each other. Heavier hog weights led heavy ham prices at a steady to firm market. Lighter weight ham price levels firmed. Belly pricing had no trading this week as bacon slicing, along with an influx of frozen inventories, have consumed all the surplus. Lean trimmings began the week with light offerings which pushed prices higher and this trend held for the balance of the week. Fat trim appreciated the most this week with good demand late week. Fresh loins generally steady; butts mostly steady to slightly lower; light spareribs slightly higher, light hams higher; heavy hams lower; bellies steady; 42% trimmings much higher; 72% trim higher.

✚ **CHICKEN:** The last week of the month can't end soon enough for most producers. Producers are hopeful for an uptick in business early next week but expectations are guarded at best. Wogs and whole birds continue to stumble along. Wings are the best items out there and have steadily improved pricing this week. The tone for wings is full steady and trending stronger. Dark meat is holding at market quotes. Movement has improved a bit for boneless and tenders and availability remains adequate for most spot needs.

✚ **TURKEY:** The end of the month finds the turkey market in a well situated position. Historical and market fundamentals are indicating stronger prices. Parts are no more than adequate to short of full needs. Asked prices on whole birds are ranging higher for October and November ship here too availability is scarce. The call for thigh meat is excellent and the market prices are fully supported.

✚ **RICE:** For the most part, market conditions are basically unchanged. The most notable exception is the futures market which made a correction during the past few sessions. Futures contracts are down for the week about \$.90/cwt on average. The average price of 100 Lbs. of bulk #1 rice, FOB the mill is currently \$29.00/Cwt. Futures pricing comparison for 100 Lbs. of rough rice: LY=\$12.37/Cwt LW=\$16.485/Cwt, TW=\$15.95/Cwt, YR CHNG= **+31.73%**

✚ **FLOUR FACTS:** We are experiencing a wildly unpredictable market, and are not anticipating that will change in the near future. Futures pricing for a bushel of hard, spring wheat are: LY=\$7.21/Bu, LW=\$8.51/Bu, TW=\$8.9225/Bu, YR CHNG= **+23.75%.**

✚ **CANE SUGAR:** Domestic Refiners are sold for the 11/12 marketing year. Sugar sales have been very brisk for 11/12 with three beet refiners saying they are practically sold out. Pricing remains firm. Futures pricing comparison: LY=\$39.30/Cwt, LW=\$39.85/Cwt, TW=\$37.05/Cwt, YR CHNG=-**5.73%**

✚ **SEAFOOD MARKET REPORT:**

- **Tilapia:** Tilapia prices have seen some upward movement in the last few weeks. Exporter are reporting supply issues with larger (5-7 and 7-9) fillets. Typically summer time is when the prices of Tilapia are at its lowest. October is when the temperatures start to decrease and growth rates slow down and less fish are available. Expect prices to increase over the next couple months.
- **Mahi Mahi:** Mahi is still a very ugly market with no relief in sight.
- **Halibut:** The Alaskan season continues to be slow and prices remain at record highs. Frozen processors have to pay high prices in order to get product for their customers. Loin cut steaks are going for \$20.00 per pound and will remain high at least until the 2012 season starts. The 2011 fresh season is scheduled to end on November 15 Th.
- **Shrimp:** The Mexican wild bay season has started with small landings of U-15's and smaller. So far things look good for production and expect to see stable prices and good inventory. Farmed production is in full swing with good supplies coming into the US.

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