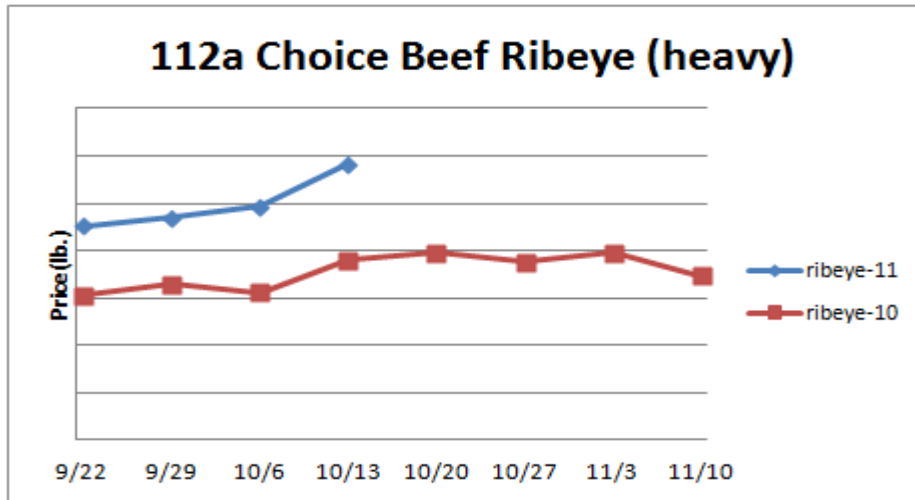


# Beef, Veal and Lamb Report

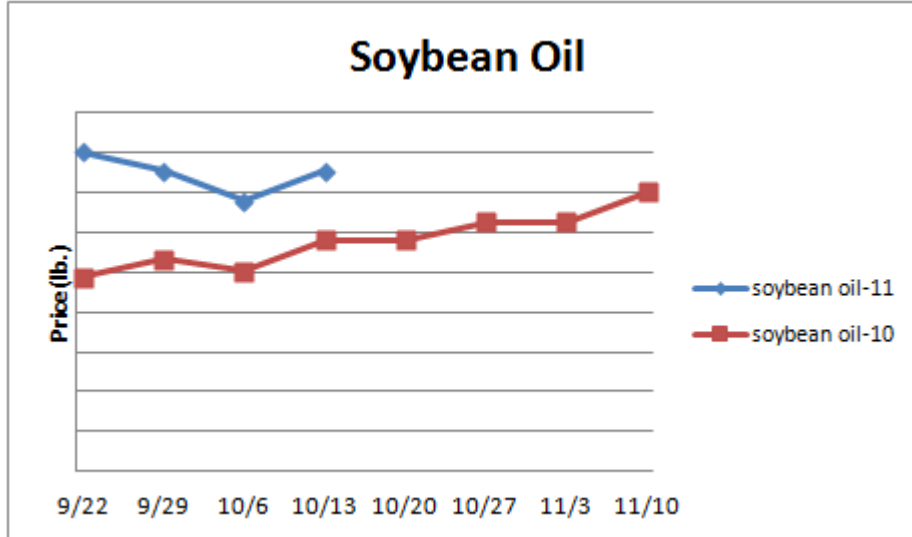
**Beef, Veal & Lamb-** Beef output last week decreased 1.7% and was 1.6% smaller than the same week in 2010. Negative margins have been a problem for beef packers. Beef production may slow in the short term and could support beef markets if margins don't improve. Assuming beef output is curtailed spot cattle prices are anticipated to be influenced lower. The Southern Plains received well needed rainfall but pastures remain in very poor shape. Cattle supplies are anticipated to be tight next year in reaction. The USDA is forecasting beef output to be down 3.8% during the first half of '12.



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

# Oil and Grains Report

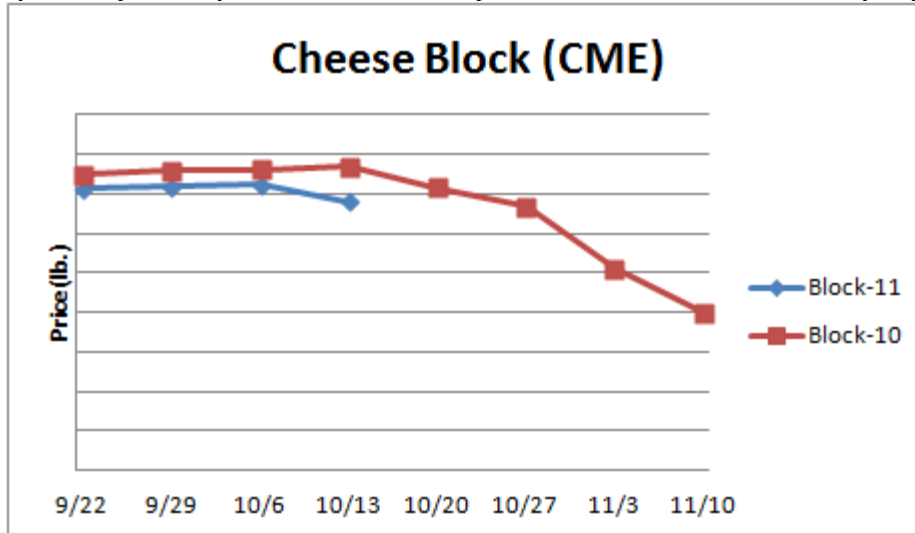
**Oil & Grains-** US soybean supplies are projected by the USDA to be historically limited during the next 12 months. This could be supportive of soybean product prices.



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

# Dairy Report

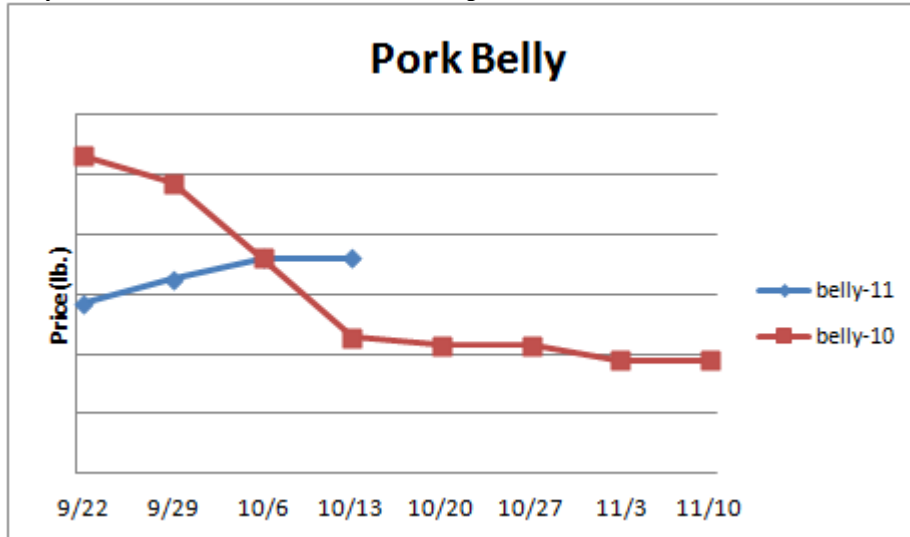
**Dairy-** CME cheese block and barrel markets have displayed healthy trade volumes since last week. This could be a sign that cheese buyers and sellers are establishing a new price area where supply and demand is in balance. This comes after near record high cheese prices experienced this summer. Still, global cheese markets are weakening which could be bearish for US cheese prices. History suggests that the butter market could be supported in the coming weeks by a rise in pre-holiday demand. However, the upside market risk in butter from here may only be modest.



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

# Pork Report

**Pork**- Pork output last week increased 4.6% and was 2.8% larger than the same week in 2010. Pork production seasonally rises in the fall and most pork markets tend to move lower. The pork cutout price is currently running 45% above the five year average and has been supported in recent weeks by strong export demand. If the US dollar continues strengthen it could temper pending export sales and influence many pork markets downward. Ham prices last year declined 14% from mid October through December.



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

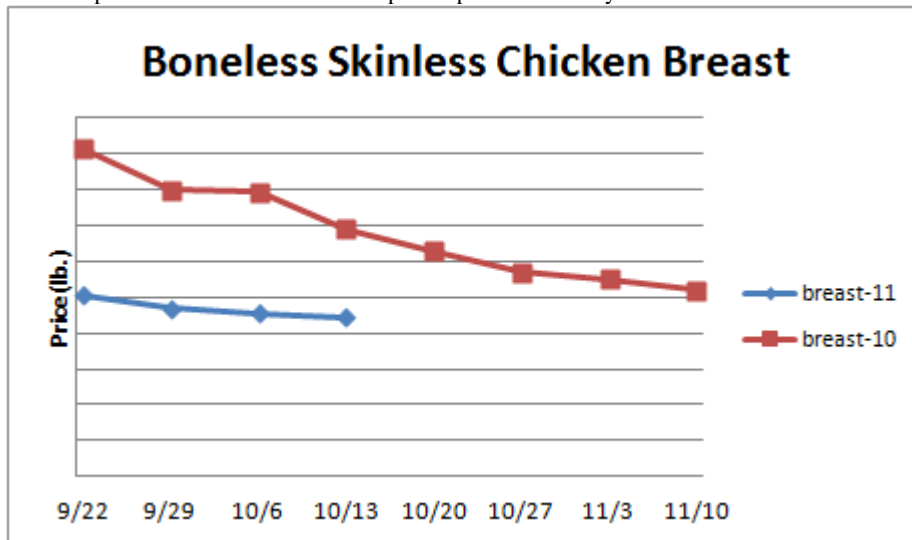
# Canned Tomato Report

**Tomato Products, Canned-** The tomato for canning harvest is seasonally slowing. Steady to higher canned tomato prices are anticipated in the coming months.

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

# Poultry Report

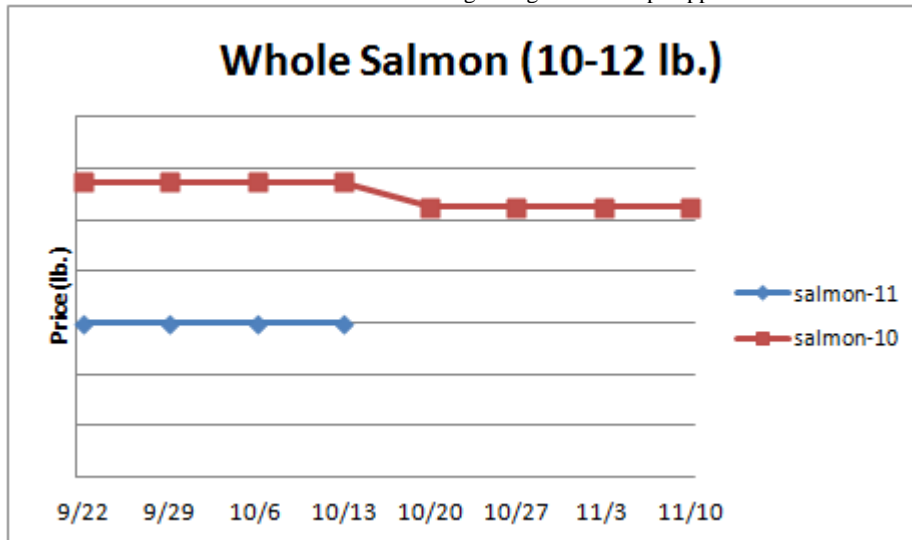
**Poultry** - Spot feed costs last week for chicken producers were the lowest in a year but were still 29% higher than the 5 year average for that week. Feed supplies are still expected to be tight in '12 and may still challenge producer margins. Broiler-type egg set numbers continue to decline near the fastest pace in 9 years with the existing 6 week moving average 8% below 2010. Chicken production should trend below prior year levels into 2012. The chicken breast markets have steadied in recent days suggesting any pending downside price risk may be nominal. Chicken wing markets remain firm but may temporarily soften soon following a seasonal trend. Yet, higher chicken wing prices are anticipated later this fall as demand picks up for the holidays.



	<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	Decreasing	Good	Lower
Chicken Breast, Bone-In	Increasing	Good	Lower
Chicken Breast, Bnless Sknless	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	Decreasing	Good	Higher
Chicken Thighs, boneless	Decreasing	Good	Higher
Large Eggs	Increasing	Good	Higher
Medium Eggs	Increasing	Good	Higher
Whole Eggs- Liq	Decreasing	Good	Higher
Egg Whites- Liq	Increasing	Good	Higher
Egg Yolks- Liq	Decreasing	Good	Higher
Whole Turkey (8-16 lb)	Steady	Good	Higher
Turkey Breast- Bnls/Sknls	Decreasing	Good	Lower

# Seafood Report

**Seafood-** Farm salmon supplies in Chile have been slowed by ISA disease in recent years. At one point Chilean salmon production was trending 60% less than the prior year. Chile is the second largest salmon exporter in the world. Chilean salmon output is slowly recovering. This factor and a rising US dollar could lead to lower salmon prices. Adverse weather in Thailand could be a challenge for global shrimp supplies.



	<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)	Increasing	Good	Lower
Shrimp (61-70 count)	Decreasing	Good	Higher
Shrimp, Tiger (26-30 count)	Steady	Good	Higher
Snow Crab Legs (5-8 oz)	Steady	Good	Higher
Snow Crab Legs (8 oz up)	Increasing	Good	Higher
Cod Tails, 3-7 oz. Frz.	Steady	Good	Higher
Cod Loins, 3-12 oz. Frz.	Steady	Good	Lower
Salmon Portions, 4-8 oz. Frz.	Steady	Good	Higher

## Bean, Rice, Coffee and Sugar Report

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

## Paper Product Report

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

## Retail Price Change from Prior Month

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



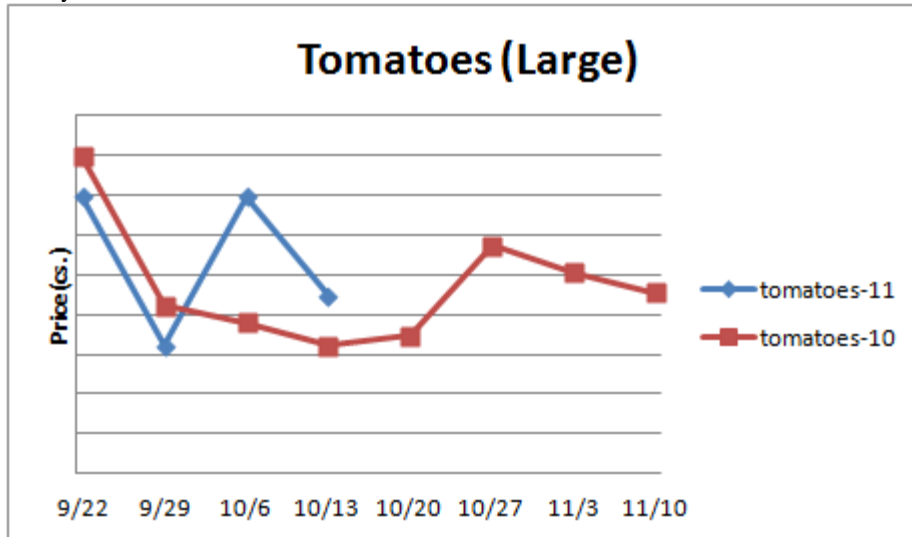
# Processed Fruits and Vegetables Report

**Processed Fruits and Vegetables-** This year's harvest of vegetables for processing is the smallest in the last 10 years. Processed green bean, cut corn and green pea prices could appreciate.

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

# Produce Report

**Produce-** Heavy rainfall in California impacted tomato crops last week. Despite an improvement in weather, there is concern that western tomato supplies may be reduced during the next few weeks. Tomato crops in the east are transitioning to Florida as the fall progresses. Expect central Florida supplies to be ready later this month which may help fill any supply gaps. Some Salinas lettuce crops were also affected by the poor weather but the chief harvest area will be transitioning to Huron soon. Potato supplies are seasonally abundant but the potato markets may find support shortly.



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

<b>Roma Tomatoes (xlarge- case)</b>	<b>Decreasing</b>	<b>Good</b>	<b>Lower</b>
<b>Green Peppers (large- case)</b>	<b>Decreasing</b>	<b>Good</b>	<b>Lower</b>
<b>Red Peppers (large- 15 lb. cs.)</b>	<b>Increasing</b>	<b>Good</b>	<b>Higher</b>
<b>Iceberg Lettuce (24 count)</b>	<b>Increasing</b>	<b>Good</b>	<b>Lower</b>
<b>Iceberg Lettuce (24 cnt)-Term.</b>	<b>Decreasing</b>	<b>Good</b>	<b>Lower</b>

## Produce Report (continued)

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