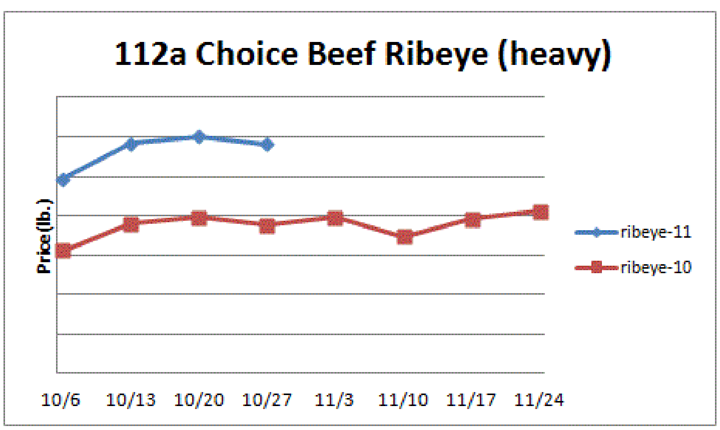
Weekly Market Updates

Volume No. 4 Issue No. 43 Date: October 27, 2011

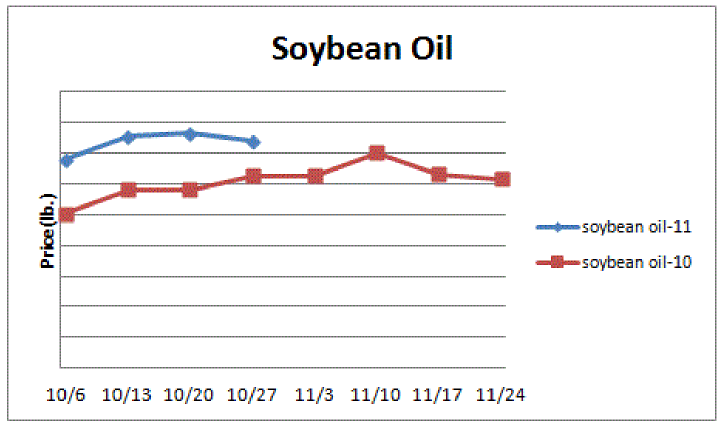
Beef - Beef output last week rose .5% but was 3.9% less than last year. The Oct 1st cattle on feed inventory (4.9%) and Sep cattle placements into feedlots (.2%) were both larger than a year ago. The Nov 1st near slaughter ready cattle herd is estimated to be 5.2% above the 3 year average for the date. Beef output may trend modestly above 2010 at times this fall but lower production is forecasted for 2012. September retail beef prices were 10.1% above last year. Persistent elevated retail prices could mitigate domestic beef demand. Tenderloin prices have risen in 5 of the last 6 Novembers. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.211	1.192	+.019	1.014
Feeder Cattle Index (CME)	1.397	1.376	+.021	1.104
Ground Beef 81/19	1.638	1.561	+.077	1.375
Ground Chuck	1.622	1.525	+.097	1.361
109e Export Rib (choice)	5.984	5.941	+.043	5.632
109e Export Rib (prime)	9.607	9.494	+.113	8.160
112a Ribeye (choice)	6.707	6.801	-.094	5.675
112a Ribeye (prime)	9.542	9.433	+.109	8.886
116 Chuck (select)	2.419	2.415	+.004	2.237
116 Chuck (choice)	2.531	2.660	-.129	2.224
116b Chuck Tdnr (choice)	2.251	2.188	+.063	1.802
120 Brisket (choice)	1.910	1.886	+.024	1.568
121c Outside Skirt (ch/sel)	3.694	3.619	+.075	2.904
121d Inside Skirt (ch/sel)	3.026	3.000	+.026	2.797
167a Knckle, Trm. (ch.)	2.430	2.468	-.038	2.005
168 Inside Round (ch.)	2.021	2.068	-.047	1.787
174 Short Loin (ch. 0x1)	4.517	4.416	+.101	4.292
174 Short Loin (prime)	9.060	9.160	-.100	7.877
180 1x1 Strp (choice)	4.157	4.044	+.113	3.827
180 1x1 Strp (prime)	9.832	10.459	-.627	9.040
180 0x1 Strp (choice)	4.708	4.558	+.150	4.086
184 Top Butt, bnls (ch.)	2.640	2.612	+.028	2.187
184 Top Butt, bnls (prime)	3.449	3.502	+.053	2.412
185a Sirloin Flap (choice)	2.987	2.895	+.092	2.720
185c Loin, Tri-Tip (choice)	2.886	2.862	+.024	2.262
189a Tender (select)	7.866	8.139	-.273	8.396
189a Tender (choice)	9.634	9.935	-.301	9.413
189a Tender (prime)	13.128	12.854	+.274	10.776
193 Flank Steak (choice)	3.737	4.059	-.322	3.085
50% Trimmings	1.067	.953	+.114	.803
65% Trimmings	1.225	1.154	+.071	.976
75% Trimmings	1.425	1.421	+.004	1.214
85% Trimmings	1.639	1.603	+.036	1.372
90% Trimmings	1.831	1.706	+.125	1.473
90% Imported Beef (frz.)	1.900	1.868	+.032	1.673
95% Imported Beef (frz.)	2.010	1.985	+.025	1.775
Veal Rack (Hotel 7 rib)	6.450	6.450	-	5.000
Veal Top Rnd. (cp. off)	13.375	13.120	+.255	12.000



Oil, Grains, Misc.- The corn and soybean harvests are progressing on schedule. Still, feed grain supplies in '12 should be the tightest in the last 10 years. Elevated grain prices may endure. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	12.063	12.325	-.262	11.772
Crude Soybean Oil, lb.	.520	.533	-.013	.463
Soybean Meal, ton	310.200	308.300	+1.900	335.000
Corn, bushel	6.377	6.337	+.040	5.289
Crude Corn Oil, lb.	.537	.538	-.001	.495
High Fructose Corn Syrup	.182	.181	+.001	.161
Distillers Grain, Dry	203.25	200.25	+3.000	151.250
Crude Palm Oil, lb. BMD	.428	.417	+.011	.447
HRW Wheat, bushel	7.140	6.820	+.320	6.540
DNS Wheat 14%, bushel	9.050	8.980	+.070	7.200
Durum Wheat, bushel	12.063	12.063	-	6.330
Pinto Beans, lb.	.445	.445	-	.197
Black Beans, lb.	.470	.470	-	.215
Rice, Long Grain, lb.	.291	.293	-.002	.263
Coffee, lb. NYBOT	2.354	2.370	-.016	2.005
Sugar, lb. NYBOT	.392	.390	+.002	.392
Honey (Clover), lb.	1.675	1.675	-	1.518



Dairy- September milk production was 1.7% more than 2010 due to a .7% climb in milk per cow yields and a 1% larger milk cow herd. The monthly net change in the milk cow herd during September was zero suggesting milk output expansion may be slowing. The CME cheese markets remain erratic due in part to weakening global cheese prices. The butter inventory withdrawal rate in Sept was the smallest for that month in 10 years. Still, butter stocks remain below the 5 year inventory average. Seasonal holiday orders for butter have been firm but prices usually peak in Nov. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.740	1.720	+.020	1.680
Cheese Blocks (CME)	1.720	1.720	-	1.668
American Cheese	2.065	2.080	-.015	2.063
Cheddar Cheese (40 lb.)	2.228	2.213	+.015	2.180
Mozzarella Cheese	2.063	2.048	+.015	2.043
Provolone Cheese	2.218	2.203	+.015	2.203
Parmesan Cheese	3.298	3.283	+.015	3.568
Butter (CME)	1.870	1.860	+.010	2.185
Nonfat Dry Milk	1.528	1.545	-.017	1.283
Whey, Dry	.617	.617	-	.371
Class 1 Base	18.450	19.560	-1.110	17.240
Class II Cream, heavy	2.490	2.347	+.143	2.884
Class III Milk (CME)	17.880	17.390	+.490	15.840
Class IV Milk (CME)	18.200	18.200	-	16.250

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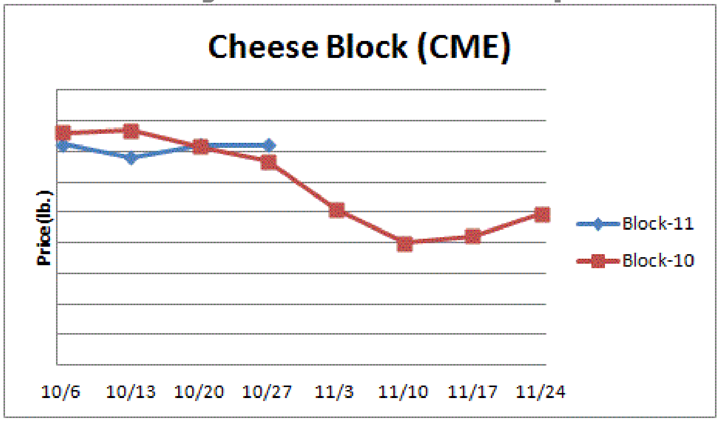
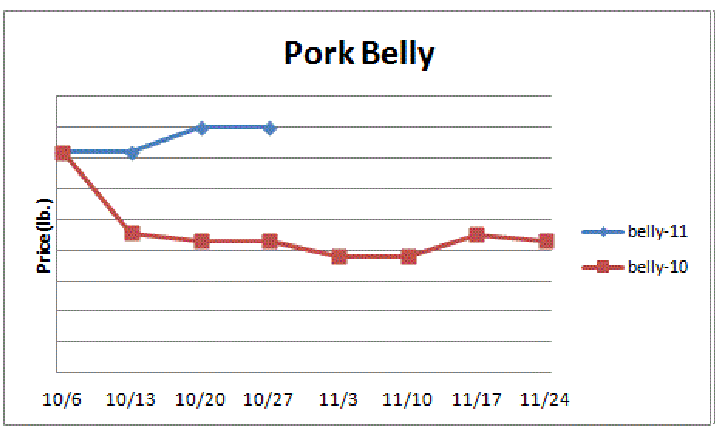


Pork- Pork production last week increased .5% but was 2.3% more than the same week a year ago. Cold storage inventories on September 30th were larger than last year for hams (1%), bellies (92%), ribs (9%) and trimmings (30%). This could be a sign that record high retail prices in the US are curbing domestic pork demand. Pork export demand remains solid which is helping to support pork prices. Seasonal prices weakness for pork is still anticipated this fall. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.659	.674	-.015	.460
Belly (bacon)	1.300	1.300	-	.930
Sparerib (4.25 lb. & down)	1.552	1.498	+.054	1.357
Ham (20-23 lb.)	.950	1.000	-.050	.785
Ham (23-27 lb.)	.910	.900	+.010	.720
Loin (bone-in)	1.048	1.102	-.054	.854
Bbybck Rib (1.75 lb. & up)	2.763	2.770	-.007	2.404
Tenderloin (1.25 lb.)	2.617	2.813	-.196	2.312
Boston Butt, untrmd. (4-8 lb.)	1.002	1.023	-.021	.803
Picnic, untrmd.	.769	.765	+.004	.524
SS Picnic, smoker trm. bx.	1.050	.973	+.077	.730
42% Trimmings	.520	.530	-.010	.307
72% Trimmings	.880	.814	+.066	.670



Tomato Products, Canned- The California tomato harvest is almost complete. Higher canned tomato prices may be forthcoming in 2012. Prices per case (6/10) FOB, unless noted from ARA.

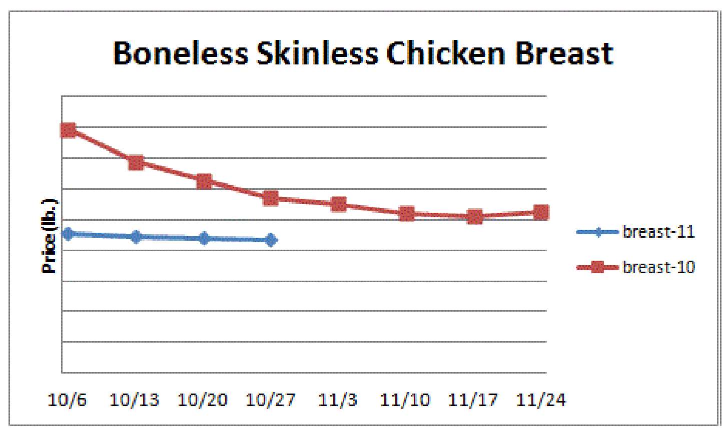
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	12.250	12.000	+.250	12.250
Diced, Fancy	12.750	12.500	+.250	12.750
Ketchup, 33%	13.438	13.188	+.250	13.500
Tomato Paste- Industrial (lb.)	.398	.395	+.003	.380

Processed Vegetables- September 30th frozen green pea (10.4%), cut corn (19.3%) and green bean (.2%) stocks were all less than '10. Higher processed vegetables prices are likely. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 10
Corn, Fcy whl kern- can 6/10	18.651	18.651	-	16.906
Green Beans Fcy- can 6/10	18.250	18.250	-	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- The September broiler type chick hatch was 5% less than last year showing that curbed chicken production should continue to materialize. Further, pullet placements into the broiler hatchery flock were down 7% compared to last year suggesting a more systemic supply cutback may be in the works. Chicken production is expected to decline in 2012 which would be only the 2nd time since 1975 that a year over year output increase wasn't achieved. This should be supportive for chicken prices in the coming months. The ARA daily chicken breast index has fallen in recent weeks but history suggests further depreciation is probably limited. Chicken wing markets are anticipated to remain firm into the winter. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.890	.890	-	.863
Whole Birds (LA)	.980	.980	-	.960
Wings (whole)	1.175	1.155	+.020	1.305
Wings (jumbo, cut)	1.164	1.182	-.018	1.384
Breast, Bone In	.780	.795	-.015	.790
Breast, Bnless Skinless	1.435	1.440	-.005	1.570
Tenderloin (random)	1.180	1.180	-	1.800
Tenderloin (sized)	1.780	1.780	-	2.000
Legs (whole)	.777	.695	+.082	.539
Leg Quarters	.535	.530	+.005	.410
Thighs, bone in	.751	.752	-.001	.547
Thighs, boneless	1.333	1.331	+.002	1.007
Eggs and Others				
Large (dozen)	1.187	1.187	-	.860
Medium (dozen)	1.048	1.048	-	.652
Whole Eggs- Liquid	.667	.664	+.003	.417
Egg Whites- Liquid	.580	.564	+.016	.437
Egg Yolks- Liquid	.823	.808	+.015	.763
Whole Turkeys (8-16 lb.)	1.125	1.115	+.010	1.050
Turkey Breast, Bnls/Sknls	2.670	2.670	-	2.741



Seafood- US Gulf of Mexico shrimp landings during September were .9% less than last year. 2011 US Gulf of Mexico shrimp landings through September were 53% above '10 due to the repercussions from the BP oil spill, but were still 9% behind '09. Shrimp output problems such as flooding and disease exists in major shrimp exporting countries including Thailand, China and Vietnam which may limit shrimp supplies in 2012. Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	2.750	3.100	-.350	3.550

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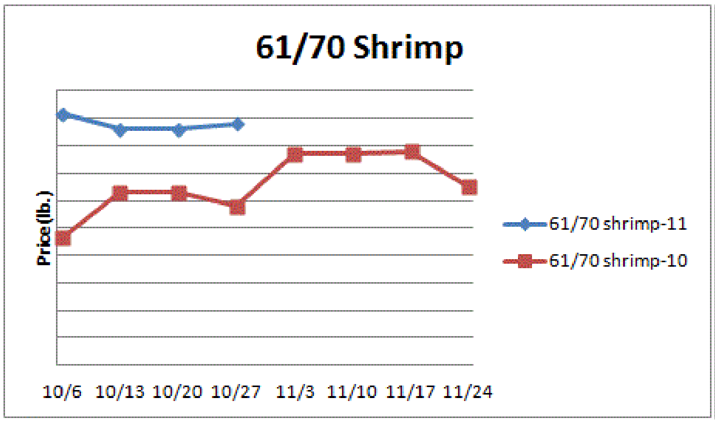
Catfish Filets	5.250	5.250	-	3.500
Trout (drn. 8-14 oz.)	3.500	3.500	-	3.100
Shrimp (16/20), Frz	6.316	6.400	-.084	7.457
Shrimp (61/70), Frz.	3.180	3.160	+.020	2.880
Shrimp, Tiger (26/30), Frz.	4.933	4.817	+.116	4.525
Snow Crab, Legs 5-8 oz, Frz	5.775	5.775	-.050	5.225
Snow Crab, Legs 8 oz/ up, Fz	6.250	6.250	-.175	5.775
Cod Tails, 3-7 oz., Frz.	3.280	3.280	-	3.088
Cod Loins, 3-12 oz., Frz	3.680	3.680	-	3.713
Salmon Portions, 4-8 oz, Frz	6.396	6.437	-.041	5.975
Pollock, Alaska, Deep Skin	1.800	1.800	-	2.075



Energy & Currency-Currency US dollar is worth.

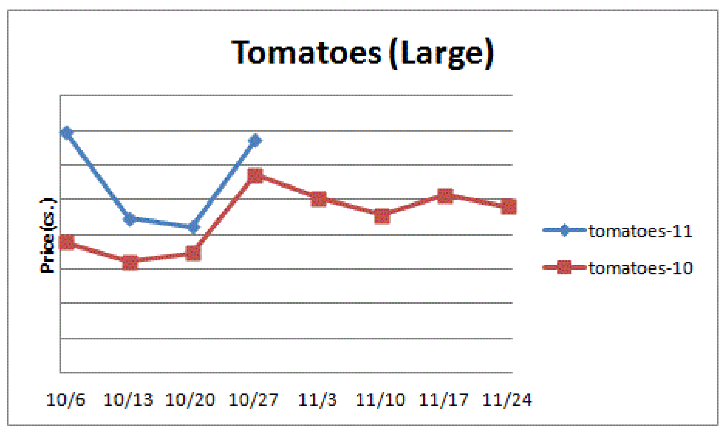
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	93.170	88.340	+4.830	82.550
Natural Gas, mbtu- nymex	3.658	3.553	+.105	3.354
Heating Oil, gal- nymex	3.050	3.028	+.022	2.250
Electricity, mwht- nymex	41.910	42.380	-.470	40.880
Gasoline, gal- nymex	2.700	2.747	-.047	2.094
Diesel Fuel, gal- eia	3.825	3.801	+.024	3.067
Ethanol, gal- usda	2.705	2.590	+.115	2.270
Canadian $	1.001	1.025	-.024	1.023
Japanese Yen	76.146	76.755	-.609	81.304
Mexican Peso	13.340	13.541	-.201	12.397
Euro	.718	.731	-.013	.719
Brazilian Real	1.742	1.779	-.037	1.702
Chinese Yuan	6.361	6.381	-.020	6.662

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)	950.470	951.900	-1.430	974.780
WP; 42 lb. Linerboard (corr.)	784.571	771.870	+12.701	814.137
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	-	.900-.940

Produce- The lettuce markets are mixed as the chief lettuce supply area has transitioned to Huron, CA. Lettuce weights from Huron have been unusually light. Lettuces prices could firm as the lettuce crops move again next month to the Yuma-Imperial Valley region. In Idaho, 95% of the potato harvest is now complete. Potato supplies are seasonally adequate and downside price risk may be nominal. Central California continues to supply the US with tomatoes. As November progresses the Florida tomato harvest should improve and could influence tomato prices lower. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	6.500	8.000	-1.500	6.000
Lemons (95 ct.)	19.190	19.690	-.500	25.240
Lemons (200 ct.)	13.690	13.690	-	19.040
Honeydew (6 ct.)	7.375	7.213	+.162	5.500
Cantaloupe (15 ct.)	10.850	8.000	+2.850	6.250
Blueberries (12 count)	24.667	33.000	-8.333	20.000
Strawberries (12 pnts.)	10.500	10.500	-	12.000
Avocados (Hass 48 ct.)	26.750	26.750	-	25.250
Bananas (40 lb.)- Term.	15.884	14.488	+1.396	15.656
Pineapple (7 ct.)- Term.	13.292	12.250	+1.042	11.906
Idaho Potato (60 ct., 50 lb.)	9.000	9.125	-.125	14.500
Idaho Potato (70 ct., 50 lb.)	8.875	8.875	-	14.000
Idaho Potato (70 ct.)-Term.	15.138	15.100	+.038	17.542
Idaho Potato (90 ct., 50 lb.)	8.000	8.000	-	9.000
Idaho Pot. # 2 (6 oz., 100 lb.)	13.250	13.250	-	15.750
Processing Potato (cwt.)	5.750	8.900	-3.150	7.000
Yellow Onions (50 lb.)	7.000	5.813	+1.187	8.000
Yell Onions (50 lb.)-Term.	11.261	11.798	-.537	11.396
Red Onions (25 lb.)- Term.	11.417	8.750	+2.667	10.496
White Onions (50 lb.)- Term.	19.917	18.188	+1.729	15.552
Tomatoes (large- case)	13.450	8.450	+5.000	11.450
Tomatoes (5x6-25 lb.)-Term	12.980	13.459	-.479	10.438
Tomatoes (4x5 vine ripe)	9.450	10.950	-1.500	10.950
Roma Tomatoes (large- case)	7.450	8.450	-1.000	15.080
Roma Tomatoes (xlarge-cs)	7.950	9.284	-1.334	15.208
Green Peppers (large- case)	14.950	13.900	+1.050	7.850
Red Peppers (large 15lb. cs.)	14.950	12.950	+2.000	12.950
Iceberg Lettuce (24 count)	11.285	7.977	+3.308	12.432
Iceberg Lettuce (24)-Term.	13.834	14.500	-.666	15.750
Leaf Lettuce (24 count)	6.594	7.575	-.981	7.313
Romaine Lettuce (24 cnt.)	9.450	10.144	-.694	12.293
Mesculin Mix (3 lb.)-Term.	7.021	7.021	-	6.656
Broccoli (14 ct.)	7.213	7.800	-.587	7.288
Squash (1/2 bushel)	14.350	11.350	+3.000	4.600
Zucchini (1/2 bushel)	8.675	6.675	+2.000	4.913
Green Beans (bushel)	16.675	17.350	-.675	17.800
Spinach, Flat 24's	13.750	13.500	+.250	9.275
Mushrms (10 lb, lg.)-Term.	11.084	11.049	+.035	12.485
Cucumbers (bushel)	17.800	16.925	+.875	11.613
Pickles (200-300 ct.)- Term.	28.751	28.542	+.209	20.833
Asparagus (small)	15.500	13.500	+2.000	15.500
Freight (Truck; CA-Cty Av.)	5531.250	5500.000	+31.250	5068.750



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

	Sep-11	Aug-11	Jul-11	Jun-11
Beef and Veal	+.025	+.405	+.900	-.700
Dairy	+1.228	+.903	+1.200	+.500
Pork	+1.478	+.674	+.500	+.600
Chicken	+.341	-.251	+.100	+.100
Fresh Fish and Seafood	+.512	-.072	+.300	-.100
Fresh Fruits and Veg.	+1.592	+.394	-.126	-.170