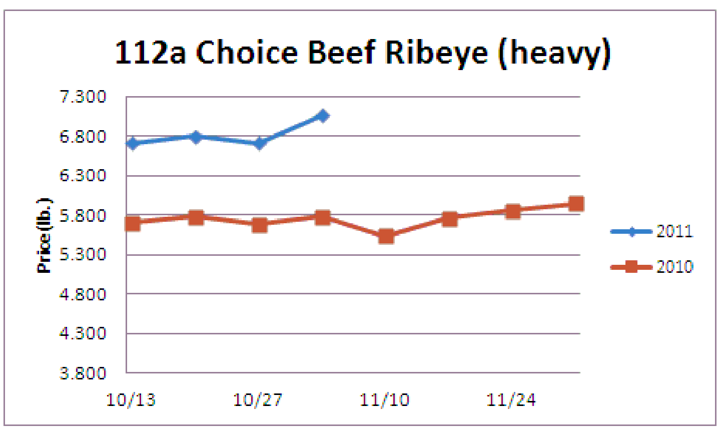
Weekly Market Updates

Volume No. 4 Issue No. 44 Date: November 3, 2011

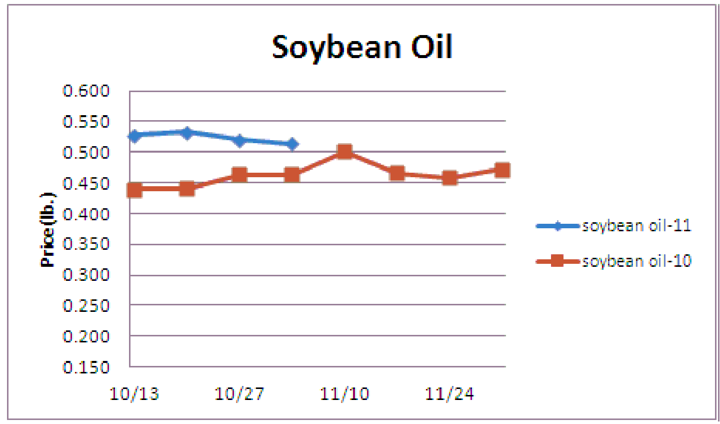
Beef - Beef output last week rose 3.5% and was .2% better than the previous year. US beef exports to Japan may rise as Japan is considering easing beef import restrictions for US beef. This could be supportive of beef end cut and beef trimming prices in 2012. However, Japan recently took steps to devalue their yen which would make US beef prices more expensive. If the US dollar continues to firm versus other beef producing countries such as Australia and Brazil, US beef exports could be tempered. The beef strip markets tend to weaken during the fall but usually find support post the holiday season. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.219	1.211	+.008	.988
Feeder Cattle Index (CME)	1.403	1.397	+.006	1.118
Ground Beef 81/19	1.673	1.638	+.035	1.329
Ground Chuck	1.637	1.622	+.015	1.354
109e Export Rib (choice)	6.176	5.984	+.192	5.442
109e Export Rib (prime)	9.914	9.607	+.307	8.018
112a Ribeye (choice)	7.062	6.707	+.355	5.780
112a Ribeye (prime)	9.783	9.542	+.241	8.556
116 Chuck (select)	2.325	2.419	-.094	2.189
116 Chuck (choice)	2.444	2.531	-.087	2.241
116b Chuck Tdnr (choice)	2.271	2.251	+.020	1.788
120 Brisket (choice)	1.938	1.910	+.028	1.550
121c Outside Skirt (ch/sel)	3.641	3.694	-.053	2.858
121d Inside Skirt (ch/sel)	2.967	3.026	-.059	2.605
167a Knckle, Trm. (ch.)	2.405	2.430	-.025	2.014
168 Inside Round (ch.)	2.008	2.021	-.013	1.738
174 Short Loin (ch. 0x1)	4.519	4.517	+.002	3.772
174 Short Loin (prime)	8.944	9.060	-.116	7.598
180 1x1 Strp (choice)	4.128	4.157	-.029	3.853
180 1x1 Strp (prime)	9.719	9.832	-.113	9.058
180 0x1 Strp (choice)	4.733	4.708	+.025	3.975
184 Top Butt, bnls (ch.)	2.608	2.640	-.032	2.223
184 Top Butt, bnls (prime)	3.370	3.449	-.079	2.472
185a Sirloin Flap (choice)	3.077	2.987	+.090	2.641
185c Loin, Tri-Tip (choice)	2.872	2.886	-.014	2.183
189a Tender (select)	7.826	7.866	-.040	8.624
189a Tender (choice)	9.750	9.634	+.116	9.545
189a Tender (prime)	13.277	13.128	+.149	11.042
193 Flank Steak (choice)	3.661	3.737	-.076	3.154
50% Trimmings	1.133	1.067	+.066	.813
65% Trimmings	1.262	1.225	+.037	1.003
75% Trimmings	1.449	1.425	+.024	1.221
85% Trimmings	1.659	1.639	+.020	1.395
90% Trimmings	1.855	1.831	+.024	1.475
90% Imported Beef (frz.)	1.930	1.900	+.030	1.675
95% Imported Beef (frz.)	2.060	2.010	+.050	1.800
Veal Rack (Hotel 7 rib)	6.450	6.450	-	5.075
Veal Top Rnd. (cp. off)	13.375	13.375	-	12.500



Oil, Grains, Misc.- The grain markets are being influenced by volatile equity markets as the trade anticipates the November 9th USDA grain reports. Erratic grain prices could persist. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	11.738	12.063	-.325	12.018
Crude Soybean Oil, lb.	.514	.520	-.006	.463
Soybean Meal, ton	300.700	310.200	-9.500	338.200
Corn, bushel	6.424	6.377	+.047	5.448
Crude Corn Oil, lb.	.538	.537	+.001	.505
High Fructose Corn Syrup	.183	.182	+.001	.164
Distillers Grain, Dry	209.250	203.250	+6.000	150.750
Crude Palm Oil, lb. BMD	.431	.428	+.003	.453
HRW Wheat, bushel	6.990	7.140	-.150	6.690
DNS Wheat 14%, bushel	9.370	9.050	+.320	7.470
Durum Wheat, bushel	12.000	12.063	-.063	6.750
Pinto Beans, lb.	.445	.445	-	.197
Black Beans, lb.	.470	.470	-	.225
Rice, Long Grain, lb.	.293	.291	+.002	.269
Coffee, lb. NYBOT	2.259	2.354	-.095	1.977
Sugar, lb. NYBOT	.389	.392	-.003	.396
Honey (Clover), lb.	1.675	1.675	-	1.518



Dairy- The CME cheese block market has risen an average of 5% in Nov over the last 5 years due in part to increasing holiday season demand. Still, cheese prices tend to decline once holiday buying ends. Fonterra's latest dairy auction showed international cheese prices for Jan falling 8.5% from their prior auction. This is bearish for the domestic cheese markets. The feed price ratio for milk producers is declining suggesting poorer farmer profitability. This may limit future US milk, cheese and butter output. The butter market is firm but usually peaks in the coming weeks. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.820	1.740	+.080	1.540
Cheese Blocks (CME)	1.793	1.720	+.073	1.510
American Cheese	2.100	2.065	+.035	2.035
Cheddar Cheese (40 lb.)	2.235	2.228	+.007	2.180
Mozzarella Cheese	2.070	2.063	+.007	1.998
Provolone Cheese	2.225	2.218	+.007	2.158
Parmesan Cheese	3.305	3.298	+.007	3.455
Butter (CME)	1.878	1.870	+.008	2.150
Nonfat Dry Milk	1.508	1.528	-.020	1.281
Whey, Dry	.614	.617	-.003	.373
Class 1 Base	18.450	18.450	-	17.240
Class II Cream, heavy	2.406	2.490	-.084	2.884
Class III Milk (CME)	17.720	17.880	-.160	14.130
Class IV Milk (CME)	17.380	18.200	-.820	15.640

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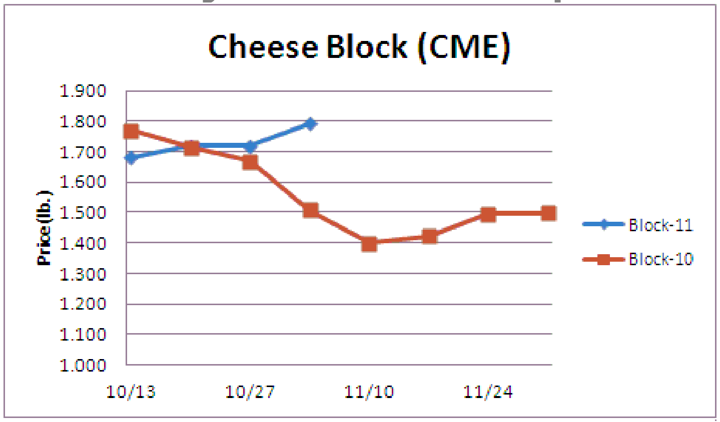
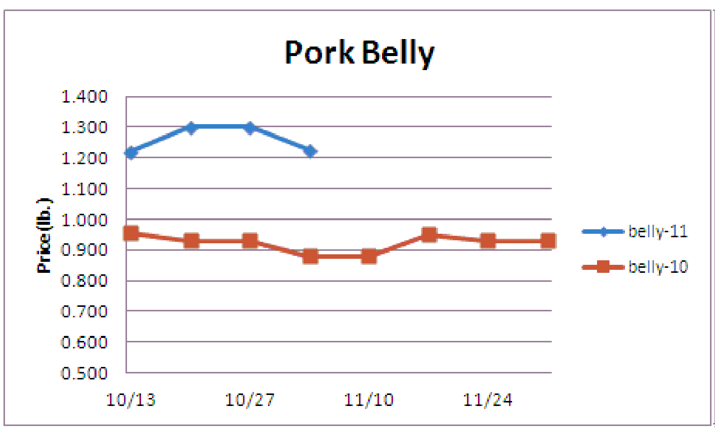


Pork- Pork production last week decreased .4% and was 1.7% smaller than last year. The hog feed price ratio improved in Oct matching its best month in a year suggesting better margins for hog producers. This could motivate US hog farmers to expand the herd. The USDA expects pork output to rise 1% in the 1st quarter of '12 compared to '11. Pork exports to China in Oct were strong but are projected to fall notably in Nov. This is good news for seasonal price weakness for pork. Pork trimming prices have a tendency to decline in November. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.642	.659	-.017	.422
Belly (bacon)	1.225	1.300	-.075	.880
Sparerib (4.25 lb. & down)	1.590	1.552	+.038	1.380
Ham (20-23 lb.)	.900	.950	-.050	.830
Ham (23-27 lb.)	.860	.910	-.050	.790
Loin (bone-in)	1.027	1.048	-.021	.832
Bbybck Rib (1.75 lb. & up)	2.733	2.763	-.030	2.386
Tenderloin (1.25 lb.)	2.650	2.617	+.033	2.280
Boston Butt, untrmd. (4-8 lb.)	.989	1.002	-.013	.799
Picnic, untrmd.	.791	.769	+.022	.661
SS Picnic, smoker trm. bx.	1.065	1.050	+.015	.881
42% Trimmings	.550	.520	+.030	.350
72% Trimmings	.846	.880	-.034	.670



Tomato Products, Canned- Recent rainfall in California may have hindered the season ending tomato harvest for canned tomatoes. Prices are anticipated to be firm. Prices per case (6/10) FOB, unless noted from ARA.

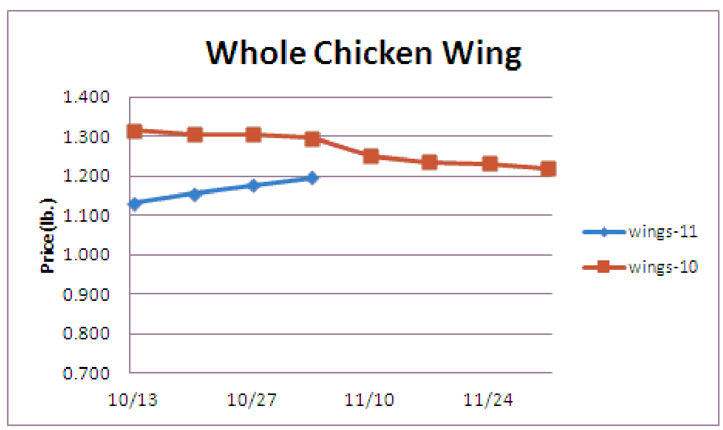
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	12.250	12.250	-	12.250
Diced, Fancy	12.750	12.750	-	12.750
Ketchup, 33%	13.438	13.438	-	13.500
Tomato Paste- Industrial (lb.)	.398	.398	-	.380

Processed Vegetables- The major harvest season for vegetables is culminating. Processed vegetable supplies could be limited in 2012. The processed vegetable markets are firm. 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	-	14.250
Green Beans Cut- froz 12/2#	12.900	12.900	-	12.900
Green Peas- froz 12/2.5#	20.250	20.250	-	20.250
Potatoes, FF Fncy- froz 6/5#	13.000	13.000	-	13.000

Poultry- Chicken producers continue to aggressively cut future chicken output due to elevated feed costs and poor profitability. The 6 week moving average for broiler-type egg sets is trending 7.6% lower than last year. Plus, the feed price ratio for chicken producers in Oct was the worst for that month in 18 years. Next year, US chicken supplies are projected to fall 1% compared to '11 according to the USDA. These fundamental developments are expected to support chicken prices in 2012. Chicken wing prices are at their highest level since Dec '10 and further appreciation is likely in the coming months. The chicken breast markets may be starting to firm but any price increases this fall may be limited. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.890	.890	-	.860
Whole Birds (LA)	.980	.980	-	.950
Wings (whole)	1.195	1.175	+.020	1.295
Wings (jumbo, cut)	1.233	1.164	+.069	1.373
Breast, Bone In	.780	.780	-	.775
Breast, Bnless Skinless	1.410	1.435	-.025	1.550
Tenderloin (random)	1.180	1.180	-	1.800
Tenderloin (sized)	1.780	1.780	-	2.000
Legs (whole)	.682	.777	-.095	.551
Leg Quarters	.530	.535	-.005	.415
Thighs, bone in	.739	.751	-.012	.574
Thighs, boneless	1.331	1.333	-.002	1.005
Eggs and Others				
Large (dozen)	1.198	1.187	+.011	1.085
Medium (dozen)	1.048	1.048	-	.812
Whole Eggs- Liquid	.653	.667	-.014	.535
Egg Whites- Liquid	.597	.580	+.017	.526
Egg Yolks- Liquid	.831	.823	+.008	.763
Whole Turkeys (8-16 lb.)	1.140	1.125	+.015	1.070
Turkey Breast, Bnls/Sknls	2.680	2.670	+.010	2.750



Seafood- Thailand, the world's largest shrimp exporting country, is experiencing major flood problems which could impact their shrimp export business. This could be supportive of shrimp prices during the next few months. The Canadian snow crab landings value this year was the highest since '04 due in a large part to inflated snow crab prices. Some price moderation for the snow crab leg markets is anticipated in 2012.

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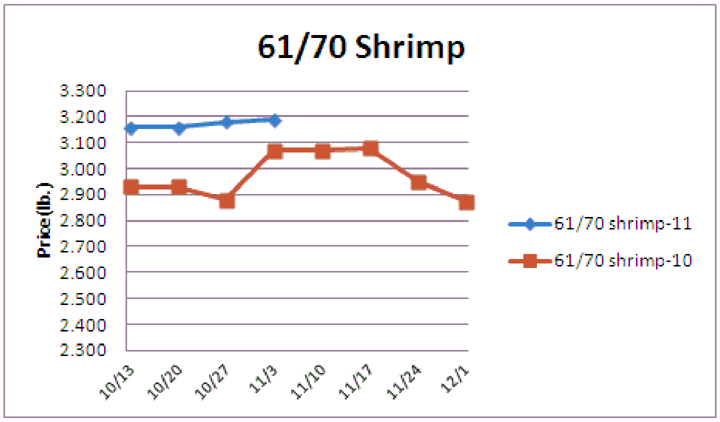
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	2.750	2.750	-	3.550
Catfish Filets	5.250	5.250	-	3.500
Trout (drn. 8-14 oz.)	3.500	3.500	-	3.100
Shrimp (16/20), Frz	6.425	6.316	+.109	7.179
Shrimp (61/70), Frz.	3.190	3.180	+.010	3.070
Shrimp, Tiger (26/30), Frz.	5.025	4.933	+.092	4.500
Snow Crab, Legs 5-8 oz, Frz	5.775	5.775	-	5.400
Snow Crab, Legs 8 oz/ up, Fz	6.363	6.250	+.113	5.775
Cod Tails, 3-7 oz., Frz.	3.280	3.280	-	3.088
Cod Loins, 3-12 oz., Frz	3.680	3.680	-	3.731
Salmon Portions, 4-8 oz, Frz	6.438	6.396	+.042	5.975
Pollock, Alaska, Deep Skin	1.800	1.800	-	2.075



Energy & Currency-Currency US dollar is worth.

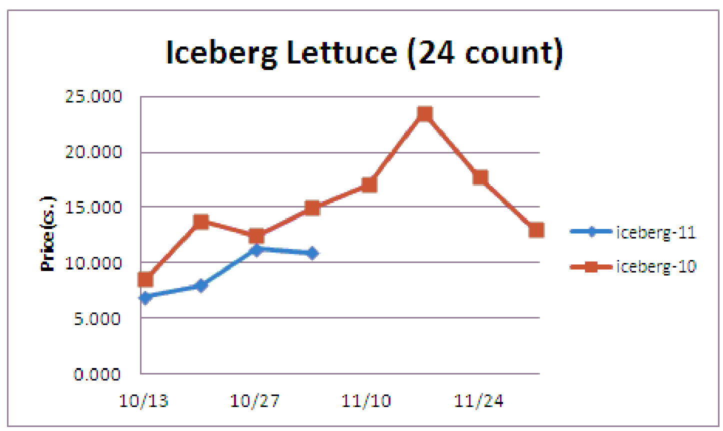
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	92.190	93.170	-.980	83.900
Natural Gas, mbtu- nymex	3.781	3.658	+.123	3.870
Heating Oil, gal- nymex	3.038	3.050	-.012	2.294
Electricity, mwht- nymex	55.510	41.910	+13.600	41.980
Gasoline, gal- nymex	2.624	2.700	-.076	2.110
Diesel Fuel, gal- eia	3.892	3.825	+.067	3.067
Ethanol, gal- usda	2.715	2.705	+.010	2.325
Canadian $	1.017	1.001	+.016	1.011
Japanese Yen	78.212	76.146	+2.066	80.739
Mexican Peso	13.713	13.340	+.373	12.300
Euro	.734	.718	+.016	.713
Brazilian Real	1.757	1.742	+.015	1.703
Chinese Yuan	6.356	6.361	-.005	6.667

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)	950.000	950.470	-.470	972.330
WP; 42 lb. Linerboard (corr.)	762.785	784.571	-21.786	825.908
Res; PS-CHH (cup, cont.)	1.160-1.200	1.160-1.200	-	.880-.92
Res; PP-HIGP (hvy utensil)	1.020-1.040	1.160-1.180	-.140	.900-.940
Res; PE-LLD (cn liner, film)	.850-.880	.880-.910	-.030	.800-.840

Produce- The Huron lettuce crop has been challenged by earlier inclement weather leading to lighter lettuce head weights and erratic quality. The iceberg lettuce market has firmed in recent weeks as a result. The chief lettuce harvest area will shift to the Yuma- Imperial Valley soon but iceberg lettuce supplies may not return to normal levels until late this month. Tomato crops in Florida are expected to become the main US supply source in the coming weeks. Tomato prices can be volatile this time of year. Adequate onion supplies are causing some onion markets to trend below 2010. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	6.000	6.500	-.500	5.500
Lemons (95 ct.)	19.190	19.190	-	25.640
Lemons (200 ct.)	13.690	13.690	-	19.140
Honeydew (6 ct.)	5.750	7.375	-1.625	5.125
Cantaloupe (15 ct.)	7.350	10.850	-3.500	9.500
Blueberries (12 count)	21.000	24.667	-3.667	17.500
Strawberries (12 pnts.)	10.500	10.500	-	21.000
Avocados (Hass 48 ct.)	26.750	26.750	-	25.250
Bananas (40 lb.)- Term.	14.988	15.884	-.896	15.906
Pineapple (7 ct.)- Term.	13.042	13.292	-.250	12.072
Idaho Potato (60 ct., 50 lb.)	9.000	9.000	-	14.500
Idaho Potato (70 ct., 50 lb.)	8.875	8.875	-	13.375
Idaho Potato (70 ct.)-Term.	14.938	15.138	-.200	17.417
Idaho Potato (90 ct., 50 lb.)	8.375	8.000	+.375	9.000
Idaho Pot. # 2 (6 oz., 100 lb.)	13.750	13.250	+.500	15.750
Processing Potato (cwt.)	6.500	5.750	+.750	7.000
Yellow Onions (50 lb.)	6.350	7.000	-.650	8.917
Yell Onions (50 lb.)-Term.	11.408	11.261	+.147	13.438
Red Onions (25 lb.)- Term.	8.667	11.417	-2.750	9.321
White Onions (50 lb.)- Term.	16.875	19.917	-3.042	15.994
Tomatoes (large- case)	12.700	13.450	-.750	10.117
Tomatoes (5x6-25 lb.)-Term	13.094	12.980	+.114	11.250
Tomatoes (4x5 vine ripe)	8.450	9.450	-1.000	10.950
Roma Tomatoes (large- case)	6.450	7.450	-1.000	12.235
Roma Tomatoes (xlarge-cs)	6.450	7.950	-1.500	12.723
Green Peppers (large- case)	12.925	14.950	-2.025	9.167
Red Peppers (large 15lb. cs.)	14.950	14.950	-	12.950
Iceberg Lettuce (24 count)	10.937	11.285	-.348	14.945
Iceberg Lettuce (24)-Term.	19.000	13.834	+5.166	21.250
Leaf Lettuce (24 count)	6.882	6.594	+.288	7.933
Romaine Lettuce (24 cnt.)	9.000	9.450	-.450	13.213
Mesculin Mix (3 lb.)-Term.	7.021	7.021	-	6.656
Broccoli (14 ct.)	6.788	7.213	-.425	8.363
Squash (1/2 bushel)	9.388	14.350	-4.962	3.850
Zucchini (1/2 bushel)	6.388	8.675	-2.287	3.650
Green Beans (bushel)	17.744	16.675	+1.069	15.775
Spinach, Flat 24's	12.500	13.750	-1.250	10.100
Mushrms (10 lb, lg.)-Term.	11.001	11.084	-.083	12.467
Cucumbers (bushel)	17.210	17.800	-.590	8.405
Pickles (200-300 ct.)- Term.	30.980	28.751	+2.229	21.594
Asparagus (small)	13.750	15.500	-1.750	14.500
Freight (Truck; CA-Cty Av.)	5721.429	5531.250	+190.179	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