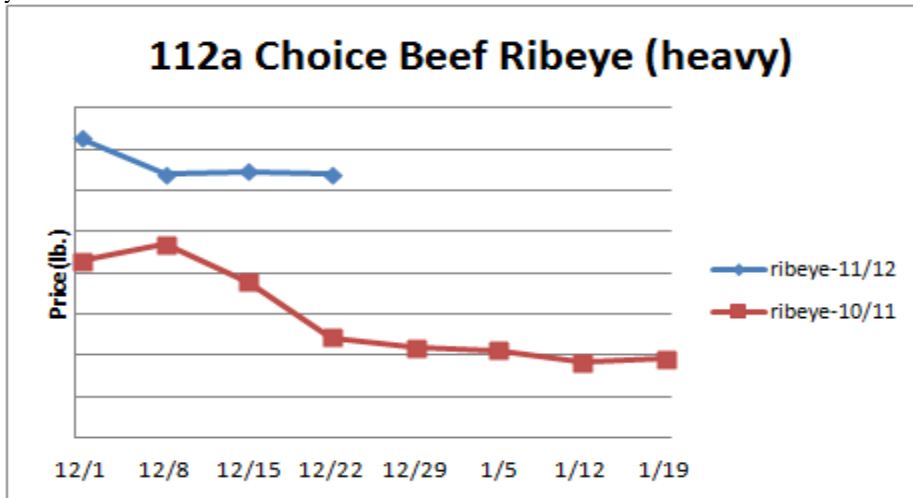


Beef, Veal and Lamb Report

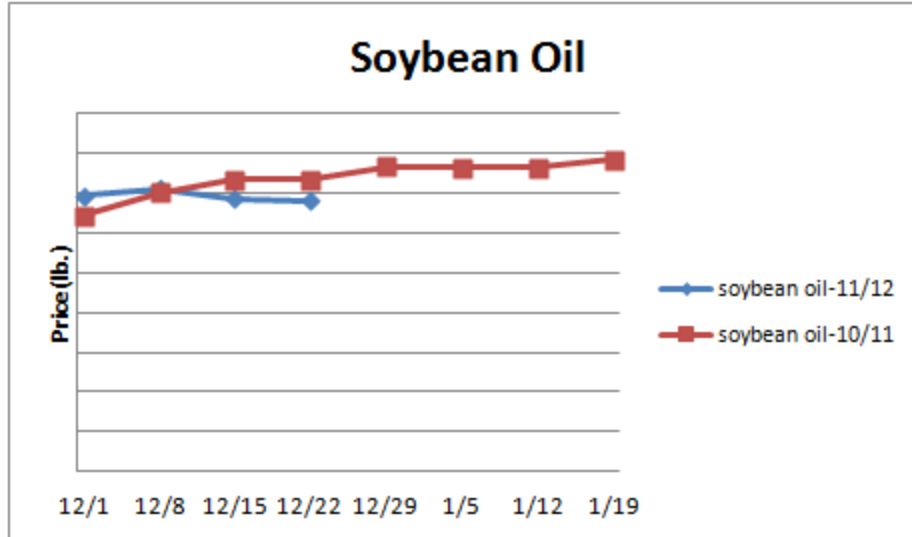
Beef, Veal & Lamb- The Dec 1st US cattle on feed inventory was 4% bigger than last year. Placements into feedlots during Nov were 4.1% more than '10. The Jan 1st near slaughter ready cattle inventory is estimated to be up 8.4% versus the 3 year average. This suggests cattle supplies should be historically adequate this winter although beef output will be tempered by lighter cattle weights. Ribeye and tenderloin prices are weakening due to easing holiday demand. Buyers will now turn their attention to the end cut markets. Nov retail beef prices were 9.8% higher than last year and a record.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Cattle (Steer)	Decreasing	Good	Higher
Ground Beef 81/19	Increasing	Good	Higher
Ground Chuck	Increasing	Good	Higher
109 Export Rib (choice)	Decreasing	Good	Higher
109 Export Rib (prime)	Increasing	Good	Higher
112a Ribeye (choice)	Decreasing	Good	Higher
112a Ribeye (prime)	Decreasing	Good	Higher
116 Chuck (choice)	Increasing	Good	Higher
120 Brisket (choice)	Increasing	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)	Increasing	Good	Higher
174 Short Loin (prime 2x3)	Decreasing	Good	Higher
180 1x1 Strip (choice)	Decreasing	Good	Higher
180 1x1 Strip (prime)	Increasing	Good	Higher
180 0x1 Strip (choice)	Increasing	Good	Higher
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)	Decreasing	Good	Higher
189a Tender (choice, 5 lb & up)	Decreasing	Good	Higher
189a Tender (prime, heavy)	Decreasing	Good	Higher
193 Flank Steak (choice)	Decreasing	Good	Higher
50% Trimmings	Decreasing	Good	Higher
65% Trimmings	Decreasing	Good	Higher
75% Trimmings	Decreasing	Good	Higher
85% Trimmings	Increasing	Good	Higher
90% Trimmings	Increasing	Good	Higher
90% Imported Beef (frozen)	Increasing	Good	Higher
Veal Rack (Hotel 7 rib)	Steady	Good	Higher
Veal Top Round (cap off)	Steady	Good	Higher

Oil and Grains Report

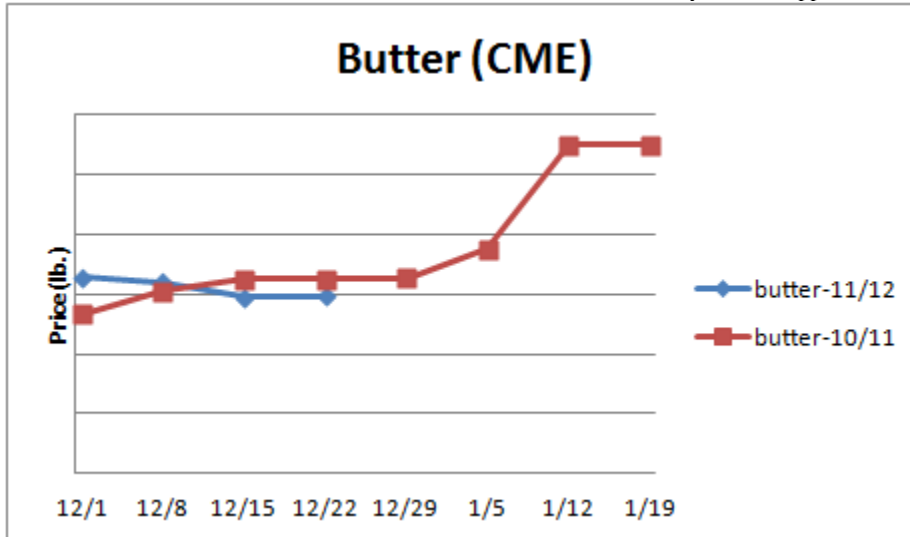
Oil & Grains- US corn and soybean supplies are historically tight. The grain markets may be near a bottom but adverse economic conditions and the US dollar may dictate pending grain prices.



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

Dairy Report

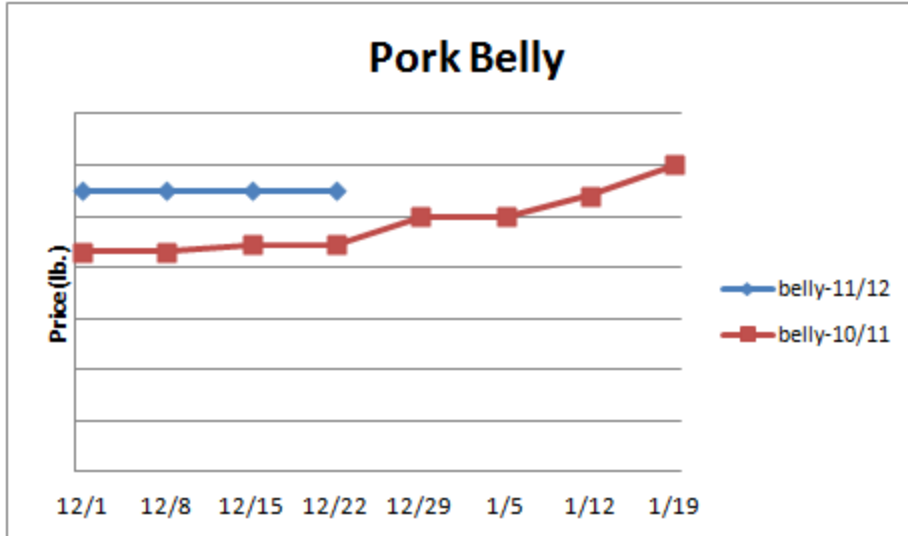
Dairy- Nov US milk output was 1.8% more than last year due to a 1% larger milk cow herd and a .8% increase in the milk per cow yield versus '10. Milk farmers decreased the herd in Nov by a net 1,000 head versus Oct marking the first monthly decline since Sept '10. Next year's dairy cow herd is anticipated to decline leading to only modest milk output growth. The CME cheese block and barrel markets have declined in recent weeks. However, history suggests that the US cheese markets could bottom soon. The CME butter market is likely to find support as well.



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

Pork Report

Pork- Pork output last week rose .5% and was .2% larger than '10. Pork production usually declines in late Dec due to the holidays. The USDA pork cutout tends to move lower this time of year. Still, expect the USDA pork cutout to begin to track upward in late Jan into next summer following a seasonal trend. Nov retail pork prices were up 7% versus '10 and were the 3rd highest on record. Elevated retail prices could slow domestic pork demand growth in '12.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Hogs	Decreasing	Good	Higher
Belly (bacon)	Steady	Good	Higher
Spare Rib (4.25 & down)	Increasing	Good	Higher
Ham (23-27 lb)	Decreasing	Good	Higher
Loin (bone-in)	Increasing	Good	Higher
Baby Back Rib (1.75 & up)	Increasing	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	Increasing	Good	Higher
42% Trimmings	Steady	Good	Higher
72% Trimmings	Decreasing	Good	Higher

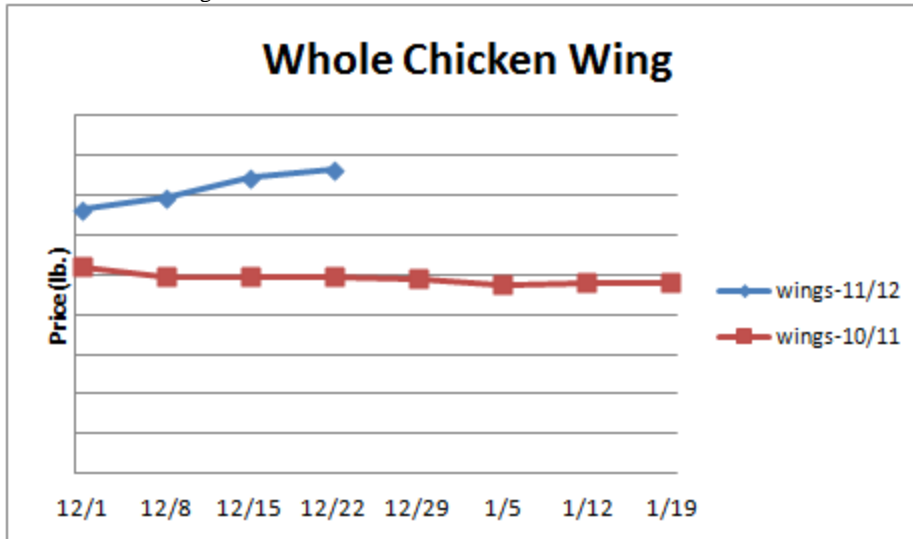
Canned Tomato Report

Tomato Products, Canned- The canned tomato markets are steady to firm. Raw product costs are likely to be flat for tomato canners in '12.

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

Poultry Report

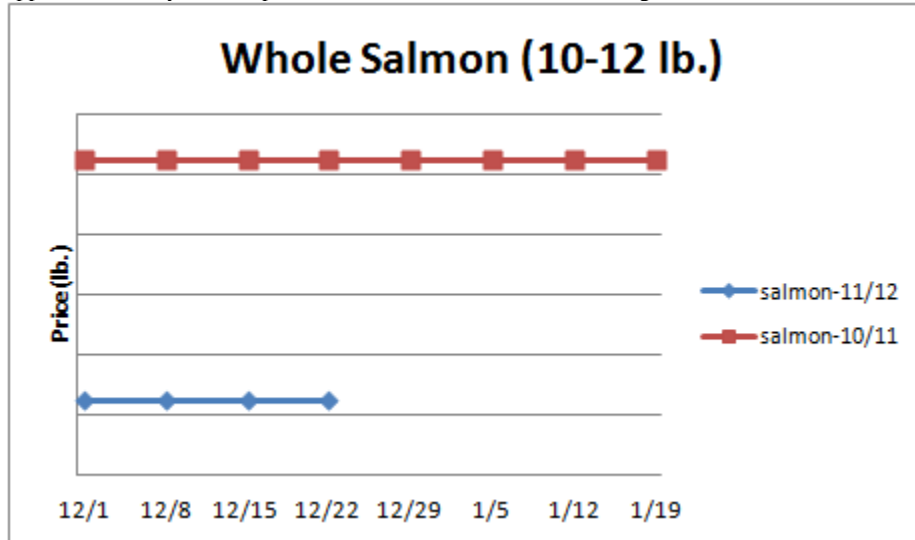
Poultry- Spot chicken producer profitability last week improved to its best level since Nov '10 due to a modest decrease in feed costs and a rise in most chicken markets. That being said, last week was still the 2nd worst producer profitability for that week in 7 years. Chicken producers may continue to reduce future chicken output as a result. The ARA chicken wing index has risen 84% since April and history suggests further price appreciation is still likely to occur through Jan. However, chicken wing prices tend to fade in late winter. Last year, the chicken wing market fell 7% in the month of Feb. Any chicken wing depreciation this coming winter could be limited. Chicken retail prices in Nov were the 2nd highest on record.



	<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	Higher
Chicken Wings, Jumbo Cut	Increasing	Good	Higher
Chicken Breast, Bone-In	Increasing	Good	Higher
Chicken Breast, Bnless Skinless	Increasing	Good	Higher
Chicken Tender (random)	Steady	Good	Lower
Chicken Tender (sized)	Steady	Good	Higher
Chicken Legs (whole)	Increasing	Good	Higher
Chicken Leg Quarters	Steady	Good	Higher
Chicken Thighs, bone in	Decreasing	Good	Higher
Chicken Thighs, boneless	Increasing	Good	Higher
Large Eggs	Increasing	Good	Higher
Medium Eggs	Steady	Good	Higher
Whole Eggs- Liq	Decreasing	Good	Higher
Egg Whites- Liq	Decreasing	Good	Higher
Egg Yolks- Liq	Steady	Good	Lower
Whole Turkey (8-16 lb)	Decreasing	Good	Higher
Turkey Breast- Bnls/Sknl	Decreasing	Good	Lower

Seafood Report

Seafood- US Nov retail fresh fish and seafood prices were up 5.1% compared to a year ago but were the lowest since April. Historically high retail prices in Nov most likely dampened seafood demand in the US. Some seafood wholesale markets such as crab legs (9%) and shrimp (2%) have weakened over the last 4 weeks. If the US dollar appreciates next year as expected the seafood markets could average below 2011 levels.



	<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	Lower
Snow Crab Legs (8 oz up)	Steady	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>
Pinto Beans	Steady	Good	Higher
Black Beans	Steady	Good	Higher
Rice, Long Grain	Decreasing	Good	Lower
Coffee Beans	Decreasing	Good	Lower
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	Steady	Good	Lower
42 lb. Linerboard-corrugated box	Decreasing	Good	Lower
Plastic Resins (plastic, foam)			
PS-CHH-utensils, cups, to-go cont.	Decreasing	Good	Higher
PP-HIGP-heavy grade utensils	Steady	Good	Higher
PE-LLD-can liners, film, bags	Steady	Good	Same

Retail Price Change from Prior Month

	<u>Nov-11</u>	<u>Oct-11</u>	<u>Sep-11</u>
Beef and Veal	Increasing	Increasing	Increasing
Dairy	Decreasing	Increasing	Increasing
Pork	Decreasing	Decreasing	Increasing
Chicken	Decreasing	Increasing	Increasing
Fresh Fish and Seafood	Increasing	Decreasing	Increasing
Fresh Fruits and Vegetables	Decreasing	Decreasing	Increasing

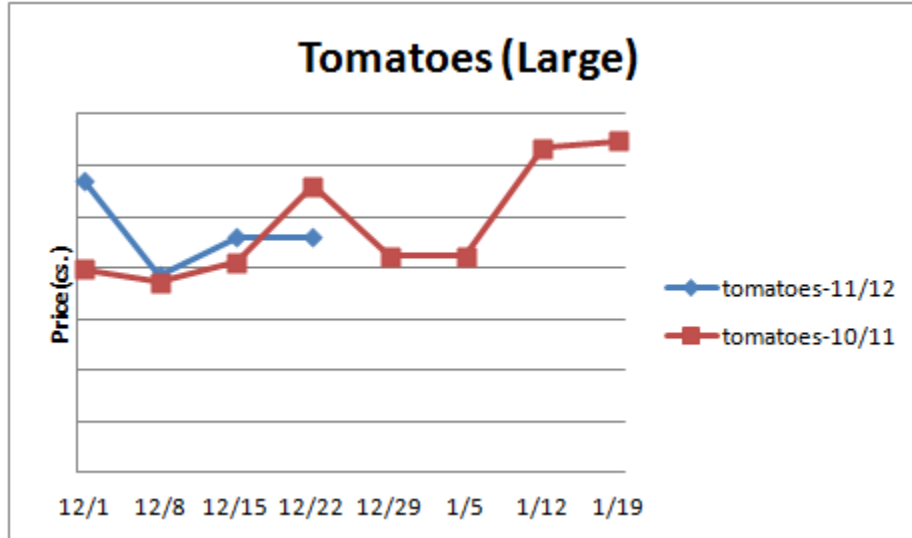
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- Frozen vegetable supplies mostly remain below year ago levels. Steady to firm processed vegetable prices are anticipated this winter.

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

Produce Report

Produce- The 2011 fall US potato harvest was 6% bigger than last year. US potato inventories as of Dec 1st were up 4% versus a year ago and the 2nd highest since '07. Idaho russet potato stocks on Dec 1 were 6.4% greater than the previous year. Better US potato supplies in '12 should keep potato prices lower versus '11. The Florida tomato harvest area is the primary supply source for the US tomato consumer right now. Barring any major weather event tomato supplies are anticipated to be adequate this winter. The downside risk for the lettuce market may be nominal from here.



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

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

Produce Report (continued)

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