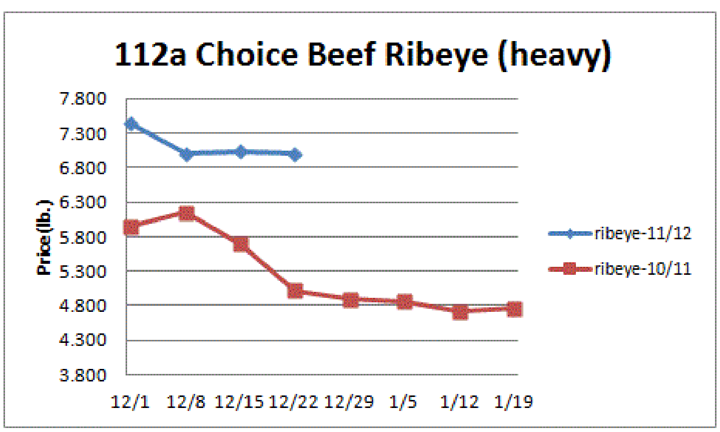
Weekly Market Updates

Volume No. 4 Issue No. 51 Date: December 22, 2011

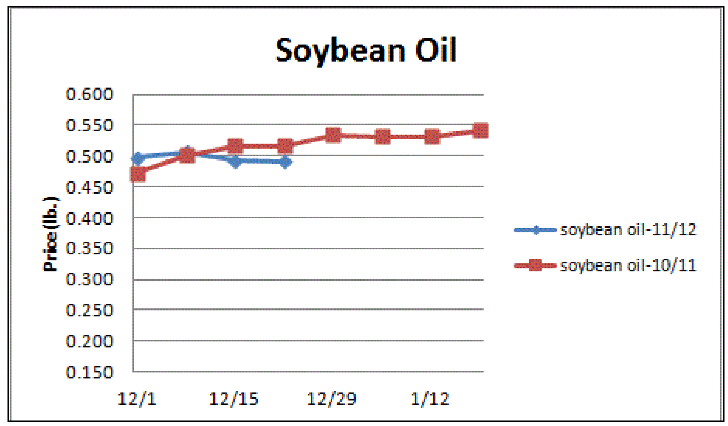
Beef - The Dec 1st US cattle on feed inventory was 4% bigger than last year. Placements into feedlots during Nov were 4.1% more than '10. The Jan 1st near slaughter ready cattle inventory is estimated to be up 8.4% versus the 3 year average. This suggests cattle supplies should be historically adequate 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. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.199	1.209	-.010	1.001
Feeder Cattle Index (CME)	1.433	1.452	-.019	1.193
Ground Beef 81/19	1.792	1.745	+.047	1.499
Ground Chuck	1.865	1.728	+.137	1.600
109e Export Rib (choice)	6.048	6.945	-.897	4.725
109e Export Rib (prime)	9.978	9.956	+.022	8.393
112a Ribeye (choice)	7.004	7.037	-.033	5.015
112a Ribeye (prime)	11.471	11.475	-.004	9.269
116 Chuck (select)	2.254	2.220	+.034	2.019
116 Chuck (choice)	2.294	2.205	+.089	1.956
116b Chuck Tdnr (choice)	2.142	2.142	-	1.938
120 Brisket (choice)	2.172	2.159	+.013	1.809
121c Outside Skirt (ch/sel)	4.080	3.880	+.200	2.874
121d Inside Skirt (ch/sel)	3.097	3.128	-.031	2.657
167a Knckle, Trm. (ch.)	2.241	2.146	+.095	1.899
168 Inside Round (ch.)	2.244	2.081	+.163	1.889
174 Short Loin (ch. 0x1)	4.537	4.531	+.006	3.829
174 Short Loin (prime)	9.086	9.116	-.030	7.569
180 1x1 Strp (choice)	4.171	4.295	-.124	3.589
180 1x1 Strp (prime)	10.490	10.377	+.113	8.856
180 0x1 Strp (choice)	4.860	4.796	+.064	3.908
184 Top Butt, bnls (ch.)	2.782	2.832	-.050	2.416
184 Top Butt, bnls (prime)	3.222	3.221	+.001	2.433
185a Sirloin Flap (choice)	3.153	3.064	+.089	2.652
185c Loin, Tri-Tip (choice)	2.696	2.795	-.099	2.215
189a Tender (select)	7.772	7.847	-.075	7.683.
189a Tender (choice)	9.876	9.889	-.013	8.641
189a Tender (prime)	14.224	14.269	-.045	11.506
193 Flank Steak (choice)	3.274	3.325	-.051	3.105
50% Trimmings	.983	1.004	-.021	.768
65% Trimmings	1.416	1.440	-.024	1.126
75% Trimmings	1.494	1.552	-.058	1.246
85% Trimmings	1.816	1.798	+.018	1.532
90% Trimmings	1.933	1.905	+.028	1.617
90% Imported Beef (frz.)	2.050	2.040	+.010	1.950
95% Imported Beef (frz.)	2.160	2.135	+.025	1.965
Veal Rack (Hotel 7 rib)	6.675	6.675	-	5.100
Veal Top Rnd. (cp. off)	13.450	13.450	-	12.575



Oil, Grains, Misc.- 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. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	11.271	11.380	-.109	12.987
Crude Soybean Oil, lb.	.491	.493	-.002	.517
Soybean Meal, ton	282.000	272.400	+9.600	352.500
Corn, bushel	5.996	5.940	+.056	5.818
Crude Corn Oil, lb.	.530	.530	-	.545
High Fructose Corn Syrup	.183	.183	-	.170
Distillers Grain, Dry	182.500	192.666	-10.166	162.500
Crude Palm Oil, lb. BMD	.430	.433	-.003	.521
HRW Wheat, bushel	6.340	6.310	+.030	7.435
DNS Wheat 14%, bushel	8.770	8.850	-.080	8.690
Durum Wheat, bushel	7.975	9.275	-1.300	7.340
Pinto Beans, lb.	.443	.443	-	.198
Black Beans, lb.	.470	.470	-	.260
Rice, Long Grain, lb.	.287	.288	-.001	.300
Coffee, lb. NYBOT	2.229	2.156	-.073	2.247
Sugar, lb. NYBOT	.360	.355	-.005	.380
Honey (Clover), lb.	1.675	1.675	-	1.563



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. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.545	1.540	+.005	1.395
Cheese Blocks (CME)	1.563	1.588	-.025	1.323
American Cheese	1.973	1.973	-	1.748
Cheddar Cheese (40 lb.)	2.193	2.193	-	1.978
Mozzarella Cheese	2.038	2.038	-	1.793
Provolone Cheese	2.183	2.183	-	1.953
Parmesan Cheese	3.263	3.263	-	3.250
Butter (CME)	1.595	1.590	+.005	1.650
Nonfat Dry Milk	1.484	1.483	+.001	1.285
Whey, Dry	.657	.653	+.004	.385
Class 1 Base	18.470	18.470	-	16.960
Class II Cream, heavy	2.138	2.138	-	2.025
Class III Milk (CME)	17.280	16.640	+.640	13.170
Class IV Milk (CME)	16.910	16.900	+.010	15.250

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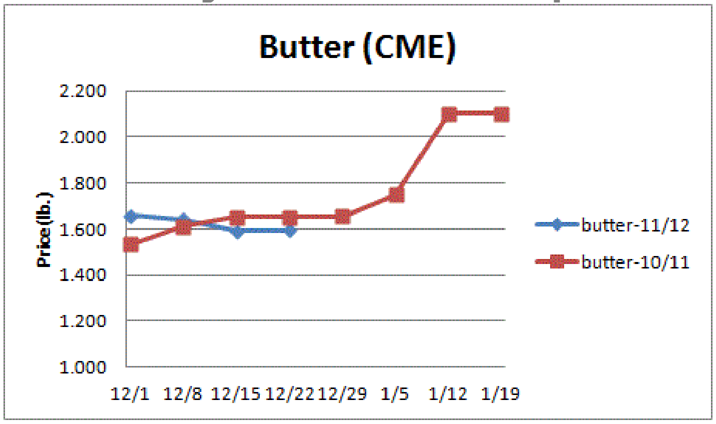
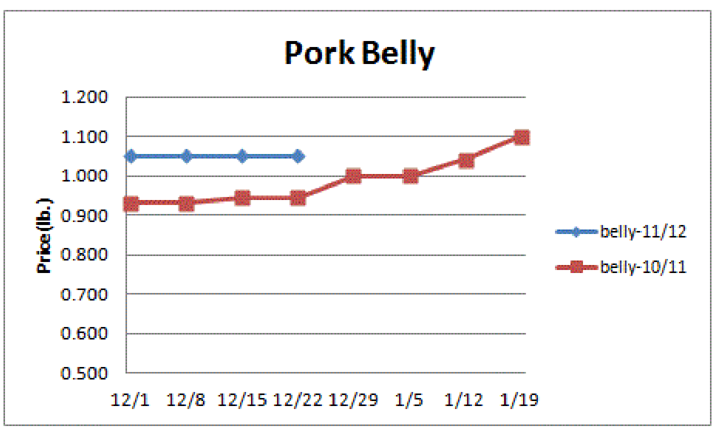


Pork- Pork output last week rose .5% and was .2% larger than '10. Pork production usually declines in late Dec due to the holidays. The USDA pork cutout tends to move lower this time of year. Still, expect the USDA pork cutout to begin to track upward in late Jan into next summer following a seasonal 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. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.595	.608	-.013	.485
Belly (bacon)	1.050	1.050	-	.945
Sparerib (4.25 lb. & down)	1.575	1.528	+.047	1.390
Ham (20-23 lb.)	.855	.863	-.008	.700
Ham (23-27 lb.)	.800	.840	-.040	.680
Loin (bone-in)	.998	.982	+.016	.896
Bbybck Rib (1.75 lb. & up)	2.620	2.587	+.033	2.420
Tenderloin (1.25 lb.)	2.424	2.436	-.012	2.220
Boston Butt, untrmd. (4-8 lb.)	.991	1.007	-.016	.837
Picnic, untrmd.	.768	.707	+.061	.638
SS Picnic, smoker trm. bx.	1.090	1.040	+.050	.930
42% Trimmings	.470	.470	-	.250
72% Trimmings	.713	.750	-.037	.690



Tomato Products, Canned- The canned tomato markets are steady to firm. Raw product costs are likely to be flat for tomato canners in '12. Prices per case (6/10) FOB, unless noted from ARA.

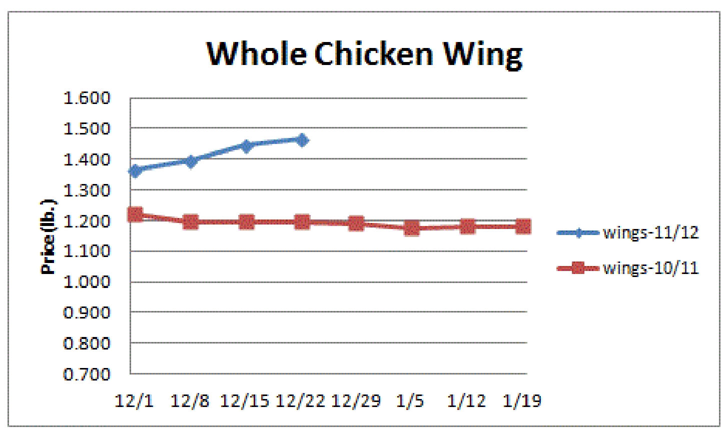
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.370

Processed Vegetables- Frozen vegetable supplies mostly remain below year ago levels. Steady to firm processed vegetable prices are anticipated this winter. 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#	14.000	14.000	-	13.000

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. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.898	.898	-	.853
Whole Birds (LA)	.990	.990	-	.940
Wings (whole)	1.465	1.445	+.020	1.195
Wings (jumbo, cut)	1.464	1.434	+.030	1.290
Breast, Bone In	.840	.830	+.010	.770
Breast, Bnless Skinless	1.475	1.460	+.015	1.430
Tenderloin (random)	1.280	1.280	-	1.500
Tenderloin (sized)	1.880	1.880	-	1.700
Legs (whole)	.702	.677	+.025	.500
Leg Quarters	.530	.530	-	.400
Thighs, bone in	.713	.726	-.013	.534
Thighs, boneless	1.283	1.267	+.016	.998
Eggs and Others				
Large (dozen)	1.307	1.257	+.050	1.277
Medium (dozen)	1.028	1.028	-	.888
Whole Eggs- Liquid	.455	.580	-.125	.325
Egg Whites- Liquid	.545	.550	-.005	.387
Egg Yolks- Liquid	.732	.732	-	.743
Whole Turkeys (8-16 lb.)	1.080	1.085	-.005	.930
Turkey Breast, Bnls/Sknls	2.536	2.690	-.154	2.743



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. 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	5.400	5.400	-	3.500

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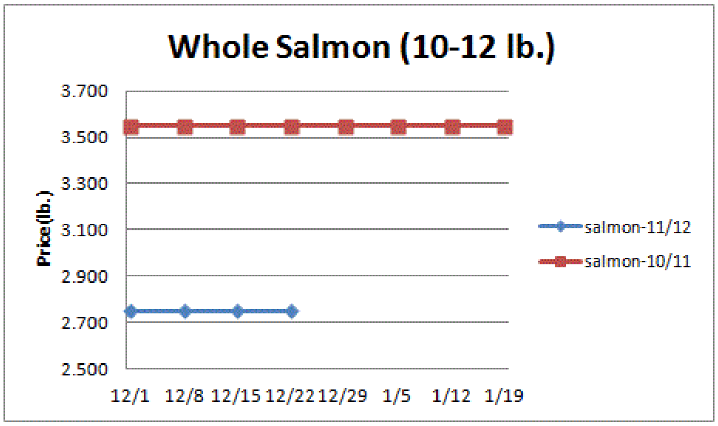
Trout (drn. 8-14 oz.)	3.500	3.500	-	3.100
Shrimp (16/20), Frz	6.275	6.225	+.050	7.488
Shrimp (61/70), Frz.	3.170	3.187	-.017	3.088
Shrimp, Tiger (26/30), Frz.	4.880	4.880	-	4.563
Snow Crab, Legs 5-8 oz, Frz	4.975	5.350	-.375	5.600
Snow Crab, Legs 8 oz/ up, Fz	5.850	6.100	-.250	5.725
Cod Tails, 3-7 oz., Frz.	3.280	3.280	-	3.088
Cod Loins, 3-12 oz., Frz	3.680	3.680	-	3.794
Salmon Portions, 4-8 oz, Frz	6.354	6.354	-	6.092
Pollock, Alaska, Deep Skin	1.800	1.800	-	2.075



Energy & Currency-Currency US dollar is worth.

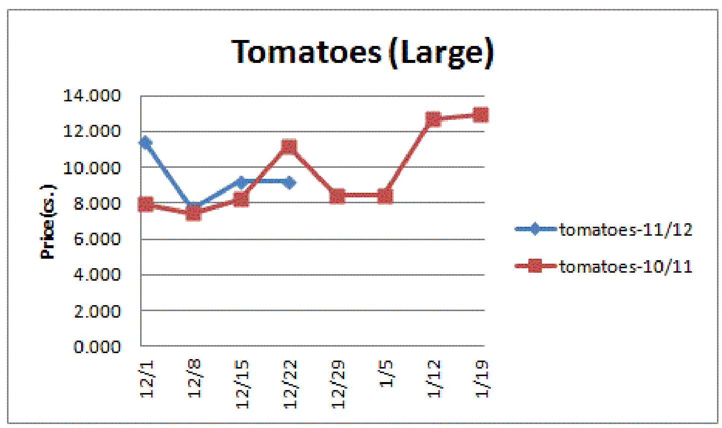
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	98.220	94.960	+3.260	88.810
Natural Gas, mbtu- nymex	3.096	3.279	-.183	4.237
Heating Oil, gal- nymex	2.780	2.929	-.149	2.490
Electricity, mwht- nymex	35.780	36.320	-.540	66.560
Gasoline, gal- nymex	2.489	2.625	-.136	2.378
Diesel Fuel, gal- eia	3.828	3.894	-.066	3.248
Ethanol, gal- usda	2.155	2.225	-.070	2.080
Canadian $	1.037	1.026	+.011	1.013
Japanese Yen	77.859	77.840	+.019	83.745
Mexican Peso	13.864	13.781	+.083	12.407
Euro	.767	.759	+.008	.761
Brazilian Real	1.861	1.843	+.018	1.709
Chinese Yuan	6.332	6.363	-.031	6.675

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)	890.000	890.000	-	969.520
WP; 42 lb. Linerboard (corr.)	705.198	715.095	-9.897	811.048
Res; PS-CHH (cup, cont.)	1.070-1.110	1.100-1.140	-.030	.950-.990
Res; PP-HIGP (hvy utensil)	.960-.980	.960-.980	-	.950-.970
Res; PE-LLD (cn liner, film)	.830-.860	.830-.860	-	.830-.860

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. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	13.000	8.000	+.5000	39.000
Lemons (95 ct.)	16.740	15.740	+1.000	13.640
Lemons (200 ct.)	18.740	18.240	+.500	11.640
Honeydew (6 ct.)	9.975	10.050	-.075	6.875
Cantaloupe (15 ct.)	12.450	11.200	+1.250	9.350
Blueberries (12 count)	17.000	18.000	-1.000	18.000
Strawberries (12 pnts.)	23.000	23.000	-	25.900
Avocados (Hass 48 ct.)	24.250	24.250	-	26.250
Bananas (40 lb.)- Term.	15.062	14.598	+.464	16.757
Pineapple (7 ct.)- Term.	10.625	9.791	+.834	9.719
Idaho Potato (60 ct., 50 lb.)	8.250	8.750	-.500	14.500
Idaho Potato (70 ct., 50 lb.)	8.250	8.625	-.375	13.500
Idaho Potato (70 ct.)-Term.	15.037	15.037	-	18.169
Idaho Potato (90 ct., 50 lb.)	8.625	8.625	-	9.250
Idaho Pot. # 2 (6 oz., 100 lb.)	14.000	14.250	-.250	15.750
Processing Potato (cwt.)	7.500	7.500	-	7.750
Yellow Onions (50 lb.)	5.535	6.250	-.715	9.000
Yell Onions (50 lb.)-Term.	11.083	10.787	+.296	13.875
Red Onions (25 lb.)- Term.	7.906	8.671	-.765	10.110
White Onions (50 lb.)- Term.	19.041	17.508	+1.533	17.094
Tomatoes (large- case)	9.200	9.200	-	11.200
Tomatoes (5x6-25 lb.)-Term	11.312	10.968	+.344	13.229
Tomatoes (4x5 vine ripe)	12.950	10.000	+2.950	13.675
Roma Tomatoes (large- case)	12.825	11.950	+.875	11.713
Roma Tomatoes (xlarge-cs)	13.325	12.325	+1.000	11.956
Green Peppers (large- case)	8.000	8.166	-.166	11.900
Red Peppers (large 15lb. cs.)	18.950	18.950	-	18.950
Iceberg Lettuce (24 count)	7.640	11.690	-4.050	7.050
Iceberg Lettuce (24)-Term.	16.000	15.166	+.834	13.250
Leaf Lettuce (24 count)	10.051	10.933	-.882	9.792
Romaine Lettuce (24 cnt.)	8.650	10.008	-1.358	9.542
Mesculin Mix (3 lb.)-Term.	7.125	6.968	+.157	9.000
Broccoli (14 ct.)	17.175	19.646	-2.471	11.102
Squash (1/2 bushel)	4.175	5.350	-1.175	20.850
Zucchini (1/2 bushel)	8.175	8.175	-	19.500
Green Beans (bushel)	12.750	14.550	-1.800	37.150
Spinach, Flat 24’s	13.400	12.550	+.850	12.210
Mushrms (10 lb, lg.)-Term.	15.145	15.145	-	11.532
Cucumbers (bushel)	10.160	10.946	-.786	18.950
Pickles (200-300 ct.)- Term.	22.406	22.906	-.500	23.844
Asparagus (small)	22.375	19.500	+2.875	31.000
Freight (Truck; CA-Cty Av.)	5193.750	5325.000	-131.250	4400.000



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

	Nov-11	Oct-11	Sep-11	Aug-11
Beef and Veal	+.353	+.514	+.025	+.405
Dairy	-.331	+.051	+1.228	+.903
Pork	-.906	-.421	+1.478	+.674
Chicken	-.038	+.994	+.341	-.251
Fresh Fish and Seafood	+.356	-1.107	+.512	-.072
Fresh Fruits and Veg.	-.399	-1.473	+1.592	+.394