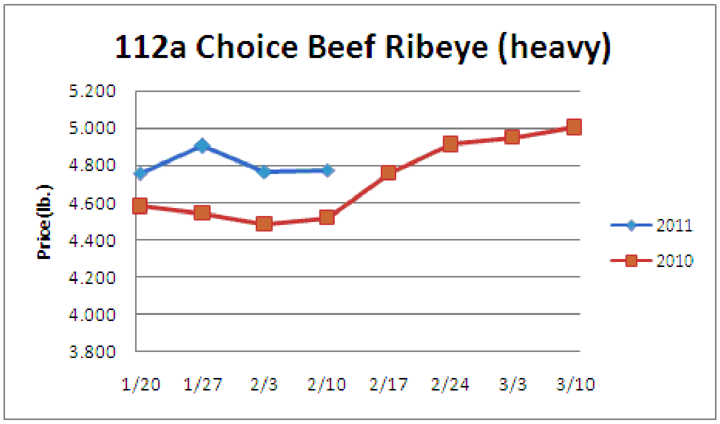
Weekly Market Updates

Volume No. 4 Issue No. 6 Date: February 10, 2011

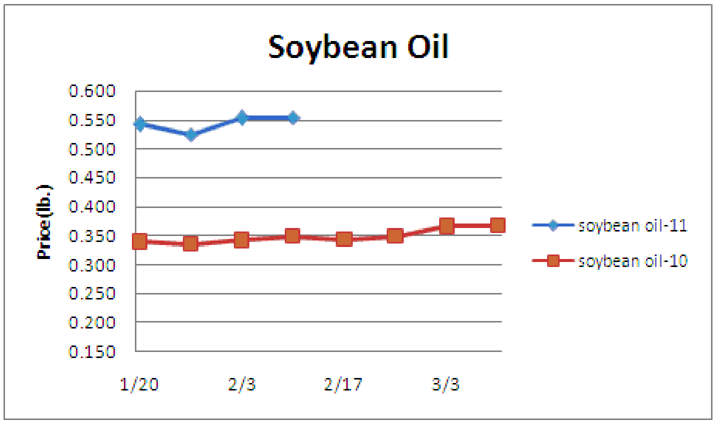
Beef, Veal & Lamb- Beef production last week declined 4.3% and was 1.8% less than the same week a year ago due in a large part to the winter storms. Beef output is picking up this week which has caused some weakness in the beef markets. Domestic beef end cut demand is starting to wane and buyers will look to more grill items in the coming weeks. In response, usually beef grill items including strips and top butts jump notably higher during March. 50% beef trimming prices usually move upward in the coming weeks as well. Reduced cow slaughter may lead to near record 50% beef trim prices this spring. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.070	1.052	+.018	.864
Feeder Cattle Index (CME)	1.259	1.256	+.003	.987
Ground Beef 81/19	2.025	2.078	-.053	1.316
Ground Chuck	2.038	2.073	-.035	1.358
109e Export Rib (choice)	4.383	4.386	-.003	4.178
109e Export Rib (prime)	8.288	8.433	-.145	5.967
112a Ribeye (choice)	4.772	4.768	+.004	4.518
112a Ribeye (prime)	9.038	9.121	-.083	6.788
116 Chuck (select)	2.207	2.225	-.018	1.767
116 Chuck (choice)	2.257	2.265	-.008	1.774
116b Chuck Tdnr (choice)	2.171	2.203	-.032	1.882
120 Brisket (choice)	1.794	1.912	-.118	1.638
121c Outside Skirt (ch/sel)	3.724	3.775	-.051	2.631
121d Inside Skirt (ch/sel)	2.886	2.847	+.039	2.599
167a Knckle, Trm. (ch.)	2.192	2.200	-.008	1.724
168 Inside Round (ch.)	1.873	1.973	-.100	1.526
174 Short Loin (ch. 0x1)	4.059	3.936	+.123	3.754
174 Short Loin (prime)	7.484	7.542	-.058	5.141
180 1x1 Strp (choice)	3.717	3.738	-.021	3.406
180 1x1 Strp (prime)	8.876	7.685	+1.191	5.173
180 0x1 Strp (choice)	4.146	4.221	-.075	3.817
184 Top Butt, bnls (ch.)	2.492	2.538	-.046	2.227
184 Top Butt, bnls (prime)	2.556	2.547	+.009	2.125
185a Sirloin Flap (choice)	3.201	3.256	-.055	2.536
185c Loin, Tri-Tip (choice)	2.501	2.524	-.023	2.531
189a Tender (select)	7.343	7.742	-.399	6.657
189a Tender (choice)	7.462	7.561	-.099	6.781
189a Tender (prime)	11.329	11.271	+.058	9.239
193 Flank Steak (choice)	3.808	3.809	-.001	2.751
50% Trimmings	.771	.799	-.028	.654
65% Trimmings	1.048	1.027	+.021	.899
75% Trimmings	1.343	1.352	-.009	1.099
85% Trimmings	1.866	1.838	+.028	1.340
90% Trimmings	1.964	1.926	+.038	1.508
90% Imported Beef (frz.)	1.978	2.020	-.042	1.503
95% Imported Beef (frz.)	2.095	2.425	-.330	1.590
Veal Rack (Hotel 7 rib)	5.125	5.125	-	4.075
Veal Top Rnd. (cp. Off)	12.525	12.525	-	8.950
Lamb Rack	7.739	7.856	-.117	4.900
Lamb Leg	3.760	3.715	+.045	2.690



Oil, Grains, Misc.-Corn and soybean supplies are at some of their tightest levels compared to demand in the last 15 years. The grain markets are firm. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	14.147	14.055	+.092	9.154
Crude Soybean Oil, lb.	.554	.553	+.001	.349
Soybean Meal, ton	371.200	374.500	-3.300	291.600
Corn, bushel	6.527	6.448	+.079	3.314
Crude Corn Oil, lb.	.615	.590	+.025	0.331
Distillers Grain, Dry	186.000	183.250	+2.750	103.750
Crude Palm Oil, lb. BMD	.587	.569	+.018	.337
HRW Wheat, bushel	9.020	8.515	+.505	4.275
DNS Wheat 14%, bushel	10.390	10.110	+.280	5.450
Canola, lb.	.265	.261	+.004	.159
Canola Oil, SD, (Tor.), lb.	.649	.644	+.005	.445
Pinto Beans, lb.	.252	.239	+.013	.297
Black Beans, lb.	.288	.284	+.004	.348
Rice, Long Grain, lb.	.285	.286	-.001	.258
Coffee, lb. NYBOT	2.500	2.448	+.052	1.307



Dairy-The CME cheese markets continue to trek higher due to limited fresh cheese supplies and strong export demand. Existing CME cheese prices are at their highest levels in over 2 years. CME cheese prices appear destined to test $2 in the coming weeks. Still, history tells us that cheese markets at these levels are not sustainable which eventually could lead to a sharp downward correction in cheese prices. The butter market remains elevated but nearby butter futures markets suggest that lower butter prices are likely in the coming months. Nonfat dry milk prices are firm. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.833	1.725	+.108	1.478
Cheese Blocks (CME)	1.900	1.783	+.117	1.500
American Cheese	1.920	1.920	-	1.835
Cheddar Cheese (40 lb.)	1.900	1.900	-	1.980
Mozzarella Cheese	1.980	1.980	-	1.843
Provolone Cheese	2.278	2.173	+.105	2.008
Parmesan Cheese	3.575	3.470	+.105	3.373
Butter (CME)	2.100	2.100	-	1.350
Nonfat Dry Milk	1.473	1.415	+.058	1.248
Whey, Dry	.406	.406	-	.388
Class 1 Base	15.890	15.890	-	14.840
Class II Cream, heavy	2.583	2.651	-.068	1.650
Class III Milk (CME)	18.480	17.970	+.510	14.150
Class IV Milk (CME)	19.500	19.600	-.100	13.110

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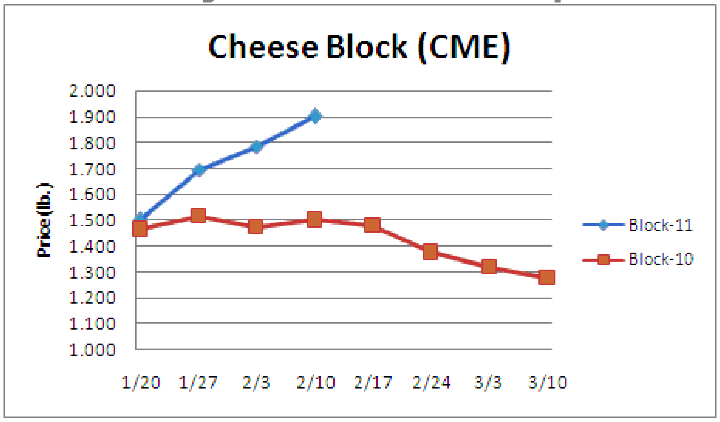
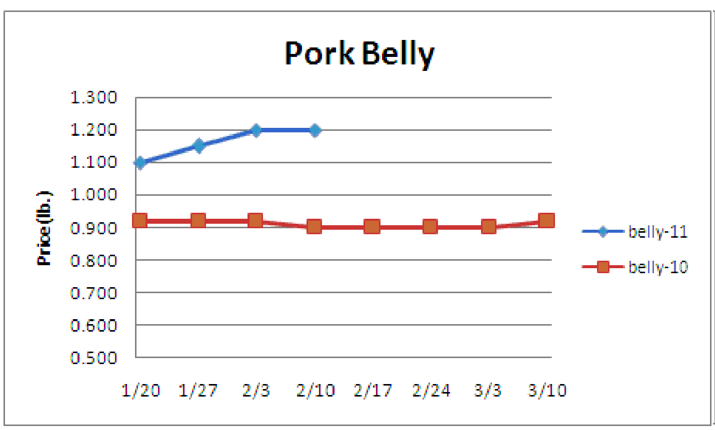


Pork-Pork production last week declined 5.4% and was .8% less than 2010 due in part to inclement weather slowing hog shipments. Pork production is expanding this week however which is starting to have a negative impact on pork prices. Some modest weakness could occur for many pork markets during the next week. South Korea, due to hoof and mouth disease issues within their own hog herd, has been importing notable volumes of US pork inflating the Boston butt markets. We are hearing that butt prices could top soon. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.612	.596	+.016	.900
Belly (bacon)	1.200	1.200	-	1.340
Sparerib (4.25 lb. & down)	1.600	1.590	+.010	.650
Ham (20-23 lb.)	.780	.750	+.030	.667
Ham (23-27 lb.)	.751	.780	-.029	.771
Loin (bone-in)	.934	.970	-.036	2.398
Bbybck Rib (1.75 lb. & up)	2.485	2.494	-.009	2.213
Tenderloin (1.25 lb.)	2.569	2.453	+.116	.676
Boston Butt, untrmd. (4-8 lb.)	1.043	1.015	+.028	.481
Picnic, untrmd.	.753	.696	+.057	.627
SS Picnic, smoker trm. bx.	.994	.860	+.134	.360
42% Trimmings	.450	.450	-	.618
72% Trimmings	.890	.850	+.040	.900



Tomato Products, Canned-Existing processed tomato supplies are historically ample. However, higher canned tomato markets are expected this summer. Prices per case (6/10) FOB, unless noted from ARA.

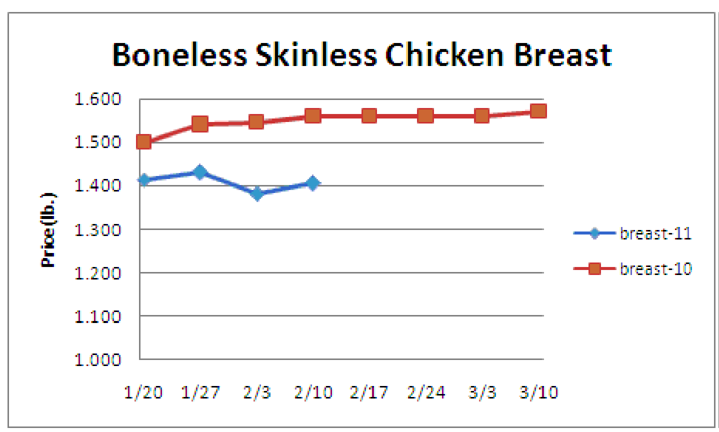
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	11.750	11.750	-	12.750
Diced, Fancy	12.250	12.250	-	13.250
Ketchup, 33%	13.000	13.000	-	14.125
Tomato Paste- Industrial (lb.)	.370	.370	-	.400

Processed Vegetables-The processed vegetable markets remain steady to firm. Higher processed vegetable prices are anticipated later this year. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 10
Corn, Fcy whl kern- can 6/10	16.906	16.906	-	17.406
Green Beans Fcy- can 6/10	16.563	16.563	-	17.056
Green Peas, Fcy- can 6/10	17.750	17.750	-	18.250
Corn, Cob- froz 96 ct.	14.000	14.000	-	14.500
Corn, Kernel- froz 12/2.5#	14.250	14.250	-	18.750
Green Beans Cut- froz 12/2#	12.900	12.900	-	18.000
Green Peas- froz 12/2.5#	20.250	20.250	-	17.513
Potatoes, FF Fncy- froz 6/5#	13.000	13.000	-	18.875

Poultry-Chicken production in recent weeks has trended more than 5% above year ago levels which has helped keep a lid on chicken prices. Broiler egg sets as of late suggest that chicken output should continue to trend above 2010 levels into the spring. The 6 week moving average for broiler egg sets is .9% more than a year ago. The chicken breast markets have shown signs of strength during the past week but continue to trend well below the prior year levels. Chicken breast retail and food service feature activity could pick in the coming months which should influence breast prices higher. However, any price appreciation could be tempered unless chicken producers slow output. The chicken wing markets remain low. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.853	.850	+.003	.833
Whole Birds (LA)	.940	.940	-	.920
Wings (whole)	1.060	1.085	-.025	1.735
Wings (jumbo, cut)	1.250	1.250	-	1.683
Breast, Bone In	.785	.780	+.005	.840
Breast, Bnless Skinless	1.405	1.380	+.025	1.560
Tenderloin (random)	1.000	1.000	-	1.290
Tenderloin (sized)	1.850	1.850	-	1.860
Legs (whole)	.584	.499	+.085	.465
Leg Quarters	.395	.385	+.010	.380
Thighs, bone in	.523	.529	-.006	.525
Thighs, boneless	.911	.999	-.088	.944
Eggs and Others				
Large (dozen)	1.060	1.017	+.043	1.313
Medium (dozen)	.938	.888	+.050	.995
Whole Eggs- Liquid	.398	.379	+.019	.480
Egg Whites- Liquid	.394	.394	-	.410
Egg Yolks- Liquid	.596	.641	-.045	.664
Whole Turkeys (8-16 lb.)	.885	.900	-.015	.745
Turkey Breast, Bnls/Sknls	2.247	2.279	-.032	1.452



Seafood-Snow crab leg supplies are limited and the snow crab leg markets remain inflated. The Alaskan Bearing Sea snow crab season is progressing with roughly 43% of the quota landed to date. Alaska snow crab landings should increase in the coming weeks but we anticipate that elevated snow crab prices will persist. US Gulf of Mexico seafood landings are improving with good quality and declining price levels.

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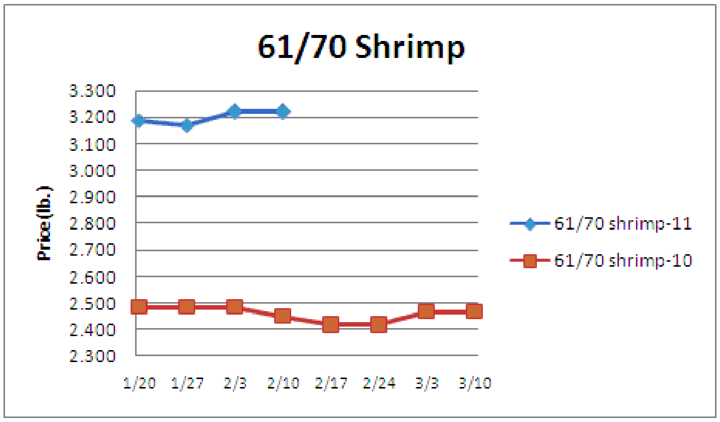
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	3.550	3.550	-	3.250
Catfish Filets	3.500	3.500	-	3.500
Trout (drn. 8-14 oz.)	3.100	3.100	-	3.000
Shrimp (16/20), Frz	7.367	7.307	+.060	4.761
Shrimp (61/70), Frz.	3.220	3.220	-	2.450
Shrimp, Tiger (26/30), Frz.	4.517	4.563	-.046	4.000
Snow Crab, Legs 5-8 oz, Frz	5.800	5.800	-	3.625
Snow Crab, Legs 8 oz/ up, Fz	5.875	5.875	-	4.075
Cod Tails, 3-7 oz., Frz.	3.088	3.088	-	2.983
Cod Loins, 3-12 oz., Frz	3.794	3.794	-	3.525
Salmon Portions, 4-8 oz, Frz	6.113	6.113	-	5.378
Pollock, Alaska, Deep Skin	2.075	2.075	-	2.075



Energy & Currency-Currency US dollar is worth.

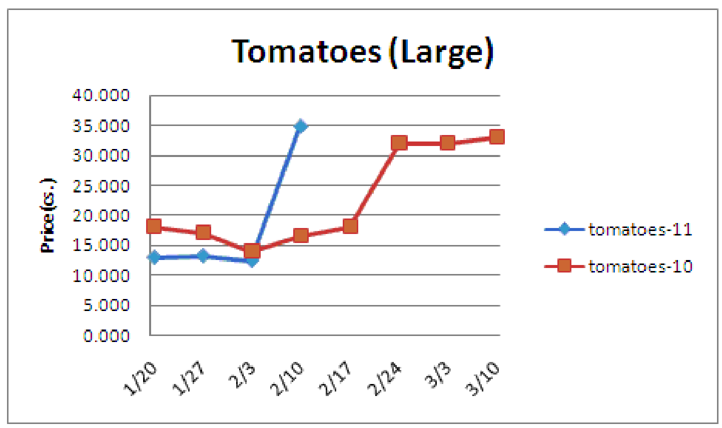
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	86.940	90.770	-3.830	73.750
Natural Gas, mbtu- nymex	4.040	4.347	-.307	5.290
Heating Oil, gal- nymex	2.732	2.757	-.025	1.937
Electricity, mwht- nymex	48.730	48.140	+.590	56.000
Gasoline, gal- nymex	2.494	2.519	-.025	1.929
Diesel Fuel, gal- eia	3.513	3.438	+.075	2.769
Ethanol, gal- usda	2.245	2.205	+.040	1.720
Canadian $	.991	.992	-.001	1.067
Japanese Yen	81.936	81.461	+.475	89.680
Mexican Peso	11.983	12.008	-.025	13.128
Euro	.731	.725	+.006	.727
Brazilian Real	1.667	1.662	+.005	1.857
Chinese Yuan	6.556	6.597	-.041	6.827

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)	959.510	959.510	-	870.360
WP; 42 lb. Linerboard (corr.)	832.254	832.254	-	595.027
Res; PS-CHH (cup, cont.)	.950-.990	.950-.990	-	.840-.880
Res; PP-HIGP (hvy utensil)	1.150-1.170	1.150-1.170	-	.930-.950
Res; PE-LLD (cn liner, film)	.830-.860	.830-.860	-	.740-.770

Produce-Cold temperatures last week in the Southwestern US and Mexico are reported to have caused some significant damage to winter vegetable crops. Damage will continue to be assessed. There is concern that spring vegetable plants may be impacted as well. The lettuce and tomato markets, amongst others, are jumping higher on supply concerns for the next few months. Contracts are also being revisited or abandoned. At this point, it appears that historically inflated tomato prices could persist through the winter. Lettuce supplies could remain below normal as well. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	57.000	55.000	+2.000	21.000
Lemons (95 ct.)	12.140	11.640	+.500	17.040
Lemons (200 ct.)	12.140	12.140	-	22.280
Honeydew (6 ct.)	9.888	9.069	+.819	9.750
Cantaloupe (15 ct.)	9.450	10.283	-.833	13.000
Blueberries (12 count)	22.667	14.000	+8.667	20.667
Strwbrries (12 pnts.)	20.000	21.000	-1.000	22.500
Avocds (Hass 48 ct.)	32.250	33.750	-1.500	24.000
Bananas (40 lb.)- Term.	19.547	19.396	+.151	16.281
Pineapple (7 ct.)- Term.	12.781	12.750	+.031	12.667
Idaho Potato (60 ct., 50 lb.)	18.625	18.000	+.625	4.750
Idaho Potato (70 ct., 50 lb.)	17.750	16.500	+1.250	4.750
Idaho Potato (70 ct.)-Term.	21.846	20.208	+1.638	9.966
Idaho Potato (90 ct., 50 lb.)	11.000	10.625	+.375	4.750
Idaho Pot. # 2 (6 oz., 100 lb.)	12.000	14.750	-2.750	6.000
Processing Potato (cwt.)	7.750	7.750	-	4.500
Yellow Onions (50 lb.)	9.500	9.458	+.042	7.875
Yell Onions (50 lb.)-Term.	12.250	14.938	-2.688	11.584
Red Onions (25 lb.)- Term.	9.833	10.146	-.313	8.813
White Onions (50 lb.)- Term.	16.958	17.656	-.698	28.875
Tomatoes (large- case)	34.950	12.450	+22.500	16.450
Tomatoes (5x6-25 lb.)-Term	26.222	16.467	+9.755	15.667
Tomatoes (4x5 vine ripe)	22.950	7.450	+15.500	7.450
Roma Tomatoes (large- case)	26.775	7.625	+19.150	8.260
Roma Tomatoes (xlarge-cs)	25.950	7.792	+18.158	8.594
Green Peppers (large- case)	33.900	8.775	+25.125	18.775
Red Peppers (large 15lb. cs.)	18.950	13.950	+5.000	12.950
Iceberg Lettuce (24 count)	24.395	12.020	+12.375	6.053
Iceberg Lettuce (24)-Term.	25.583	20.167	+5.416	11.333
Leaf Lettuce (24 count)	13.367	8.052	+5.315	5.960
Romaine Lettuce (24 cnt.)	23.782	18.053	+5.729	5.852
Mesculin Mix (3 lb.)-Term.	8.917	6.854	+2.063	6.344
Broccoli (14 ct.)	9.533	8.956	+.577	5.575
Squash (1/2 bushel)	28.600	16.600	+12.000	27.600
Zucchini (1/2 bushel)	28.600	8.850	+19.750	10.425
Green Beans (bushel)	30.917	27.150	+3.767	30.950
Spinach, Flat 24's	18.000	16.600	+1.400	8.050
Mushrms (10 lb, lg.)-Term.	12.000	13.313	-1.313	12.360
Cucumbers (bushel)	29.206	5.694	+23.512	13.170
Pickles (200-300 ct.)- Term.	34.625	21.125	+13.500	22.875
Asparagus (small)	16.000	14.500	+1.500	14.500
Freight (Truck; CA-Cty Av.)	4168.750	4300.000	-131.250	3925.000



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

	Dec-10	Nov-10	Oct-10	Sep-10
Beef and Veal	-.595	+.168	+.955	+.331
Dairy	+.372	-.006	+1.130	+.166
Pork	-2.092	-1.875	+1.111	+1.503
Chicken	-.773	+.357	+1.111	+.870
Fresh Fish and Seafood	+.251	+2.026	+1.203	-.061
Fresh Fruits and Veg.	+3.090	+.698	+1.030	+1.530