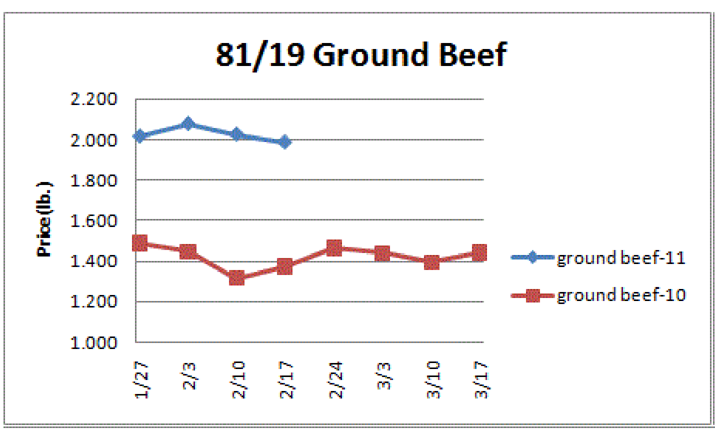
Weekly Market Updates

Volume No. 4 Issue No. 7 Date: February 17, 2011

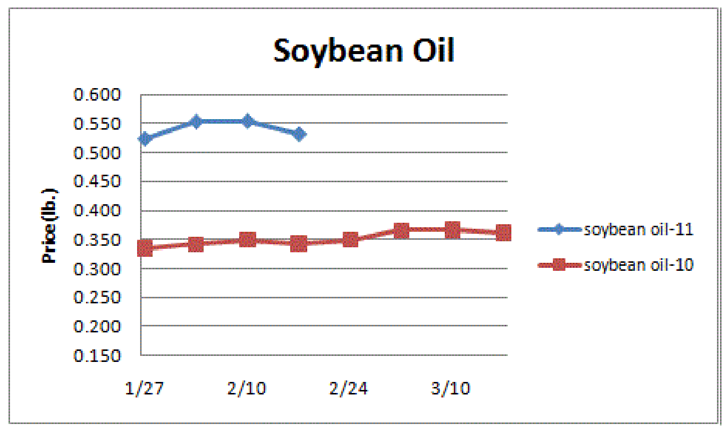
Beef - Beef production last week declined 4.3% and was 1.8% less than the same week a year ago due in a large part to the winter storms. Beef output is picking up this week which has caused some weakness in the beef markets. Domestic beef end cut demand is starting to wane and buyers will look to more 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	1.069	1.070	-.001	.883
Feeder Cattle Index (CME)	1.271	1.259	+.012	.995
Ground Beef 81/19	1.985	2.025	-.040	1.375
Ground Chuck	2.018	2.038	-.020	1.454
109e Export Rib (choice)	4.227	4.383	-.156	4.265
109e Export Rib (prime)	7.961	8.288	-.327	6.003
112a Ribeye (choice)	4.924	4.772	+.152	4.760
112a Ribeye (prime)	8.691	9.038	-.347	7.302
116 Chuck (select)	2.256	2.207	+.049	1.867
116 Chuck (choice)	2.274	2.257	+.017	1.868
116b Chuck Tdnr (choice)	2.122	2.171	-.049	1.913
120 Brisket (choice)	1.723	1.794	-.071	1.733
121c Outside Skrt (ch/sel)	3.902	3.724	+.178	2.762
121d Inside Skirt (ch/sel)	2.838	2.886	-.048	2.800
167a Knckle, Trm. (ch.)	2.187	2.192	-.005	1.786
168 Inside Round (ch.)	1.796	1.873	-.077	1.588
174 Short Loin (ch. 0x1)	3.973	4.059	-.086	3.835
174 Short Loin (prime)	6.901	7.484	-.583	5.356
180 1x1 Strp (choice)	3.681	3.717	-.036	3.495
180 1x1 Strp (prime)	7.449	8.876	-1.427	5.912
180 0x1 Strp (choice)	4.140	4.146	-.006	3.946
184 Top Butt, bnls (ch.)	2.602	2.492	+.110	2.290
184 Top Butt, bnls (prime)	2.496	2.556	-.060	2.179
185a Sirloin Flap (choice)	3.149	3.201	-.052	2.618
185c Loin, Tri-Tip (choice)	2.545	2.501	+.044	2.617
189a Tender (select)	7.042	7.343	-.301	6.290
189a Tender (choice)	7.366	7.462	-.096	6.600
189a Tender (prime)	11.250	11.329	-.079	9.116
193 Flank Steak (choice)	3.704	3.808	-.104	2.708
50% Trimmings	.747	.771	-.024	.726
65% Trimmings	1.094	1.048	+.046	.892
75% Trimmings	1.433	1.343	+.090	1.100
85% Trimmings	1.882	1.866	+.016	1.365
90% Trimmings	1.999	1.964	+.035	1.559
90% Imported Beef (frz.)	1.970	1.978	-.008	1.538
95% Imported Beef (frz.)	2.075	2.095	-.020	1.653
Veal Rack (Hotel 7 rib)	5.125	5.125	-	4.075
Veal Top Rnd. (cp. Off)	12.525	12.525	-	8.950



Oil, Grains, Misc.-The South American soybean harvest is underway which is dampening demand for US soybeans. Soybean product prices could find support soon. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.475	14.147	-.672	9.135
Crude Soybean Oil, lb.	.532	.554	-.022	.343
Soybean Meal, ton	353.600	371.200	-17.600	301.000
Corn, bushel	6.692	6.527	+.165	3.355
Crude Corn Oil, lb.	.635	.615	+.020	.373
Distillers Grain, Dry	193.750	186.000	+7.750	102.000
Crude Palm Oil, lb. BMD	.590	.587	+.003	.342
HRW Wheat, bushel	8.740	9.020	-.280	4.325
DNS Wheat 14%, bushel	10.150	10.390	-.240	5.490
Canola, lb.	.247	.265	-.018	.159
Canola Oil, SD, (Tor.), lb.	.642	.649	-.007	.443
Pinto Beans, lb.	.265	.252	+.013	.297
Black Beans, lb.	.285	.288	-.003	.348
Rice, Long Grain, lb.	.285	.285	-	.258
Coffee, lb. NYBOT	2.587	2.500	+.087	1.328
Sugar, lb. NYBOT	.398	.394	+.004	.400
Honey (Clover), lb.	1.550	1.600	-.050	1.440



Dairy-The CME spot butter market has weakened during the past week as there have been plenty of sellers but no buyers. Futures markets suggest that the butter market may have another $.10 decline in it before buyers will step in. December US butter exports were 3% more than the previous year but well off the peak levels last summer. The CME cheese markets continue to edge higher but the upward momentum appears to be lessening. The CME cheese markets are anticipated to top relatively soon. December US cheese exports were 63% more than 2009 and a record. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.903	1.833	+.070	1.425
Cheese Blocks (CME)	1.940	1.900	+.040	1.480
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	2.385	2.278	+.107	2.008
Parmesan Cheese	3.683	3.575	+.108	3.373
Butter (CME)	2.055	2.100	-.045	1.330
Nonfat Dry Milk	1.546	1.473	+.073	1.351
Whey, Dry	.426	.406	+.020	.384
Class 1 Base	15.890	15.890	-	14.840
Class II Cream, heavy	2.465	2.583	-.113	1.650
Class III Milk (CME)	18.920	18.480	+.440	13.500
Class IV Milk (CME)	19.800	19.500	+.300	13.110

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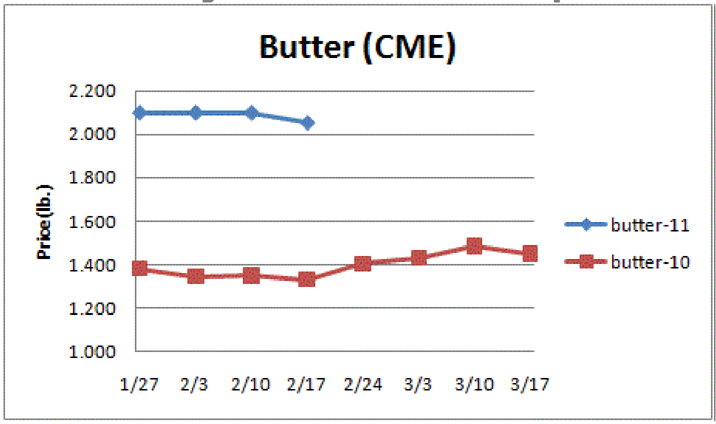
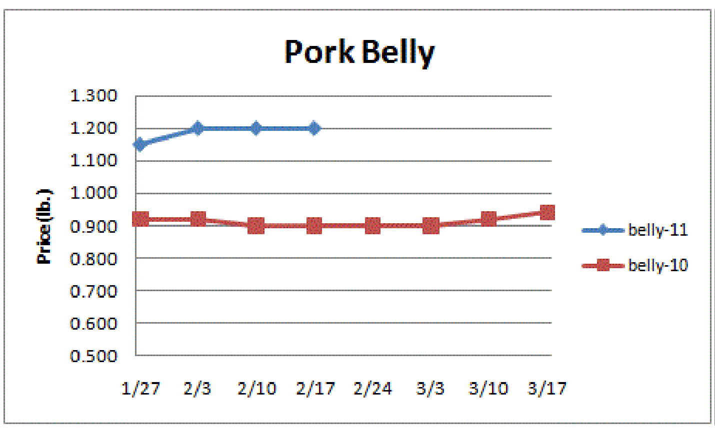


Pork-Pork production last week rose 4.9% and was 3.4% larger than the same week a year ago. Pork output is being slowed this week which is helping support pork prices. Still, this should lead to lower hog prices and potentially better pork supplies in the next few weeks. December US pork exports were 13% more than the previous year and the 2nd most for any month since July 2008. December US ham exports were 43% more than 2009 and a record. Solid ham exports could influence ham prices upward. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.597	.612	-.015	.478
Belly (bacon)	1.200	1.200	-	.900
Sparerib (4.25 lb. & down)	1.541	1.600	-.059	1.265
Ham (20-23 lb.)	.750	.780	-.030	.680
Ham (23-27 lb.)	.780	.751	+.029	.670
Loin (bone-in)	.960	.934	+.026	.780
Bbybck Rib (1.75 lb. & up)	2.533	2.485	+.048	2.397
Tenderloin (1.25 lb.)	2.582	2.569	+.013	2.244
Boston Butt, untrmd. (4-8 lb.)	1.067	1.043	+.024	.654
Picnic, untrmd.	.781	.753	+.028	.481
SS Picnic, smoker trm. bx.	1.100	.994	+.106	.650
42% Trimmings	.450	.450	-	.340
72% Trimmings	.840	.890	-.050	.645



Tomato Products, Canned-The canned tomato markets remain fairly steady to firm. Supplies are adequate but higher prices are anticipated this summer. Prices per case (6/10) FOB, unless noted from ARA.

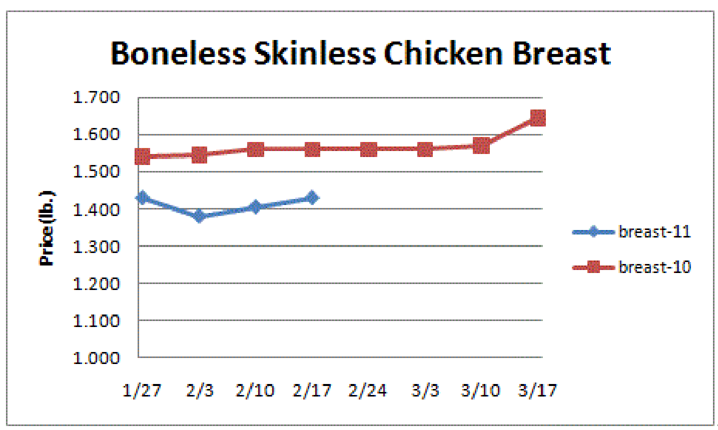
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	11.750	11.750	-	12.750
Diced, Fancy	12.250	12.250	-	13.250
Ketchup, 33%	13.000	13.000	-	14.125
Tomato Paste- Industrial (lb.)	.370	.370	-	.400

Processed Vegetables-Potato supplies are limited. 2011 potato contract prices are currently in negotiation. Higher French fry prices may be impending. 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-December US chicken exports were 8% more than the previous year. Chicken exports to Russia, a major importer of US chicken, during December were 63% larger than 2009 but the smallest since September. Chicken exports could be challenged in the coming months due to various trade restrictions which could limited the upside risk in the dark meat chicken markets. The boneless skinless chicken breast market is modestly firming as demand improves. We believe that chicken breasts could experience a gain in retail and food service feature activity this spring which may lead to higher breast prices. Still, the chicken breast markets may remain below 2010 unless output is slowed. The chicken wing markets remain depressed. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.853	.853	-	.833
Whole Birds (LA)	.940	.940	-	.920
Wings (whole)	1.060	1.060	-	1.735
Wings (jumbo, cut)	1.008	1.250	-.242	1.704
Breast, Bone In	.790	.785	+.005	.845
Breast, Bnless Skinless	1.430	1.405	+.025	1.560
Tenderloin (random)	1.000	1.000	-	1.290
Tenderloin (sized)	1.850	1.850	-	1.860
Legs (whole)	.565	.584	-.019	.535
Leg Quarters	.400	.395	+.005	.380
Thighs, bone in	.532	.523	+.009	.509
Thighs, boneless	1.030	.911	+.119	.953
Eggs and Others				
Large (dozen)	1.060	1.060	-	1.177
Medium (dozen)	.938	.938	-	.992
Whole Eggs- Liquid	.393	.398	-.005	.465
Egg Whites- Liquid	.471	.394	+.077	.345
Egg Yolks- Liquid	.671	.596	+.075	.664
Whole Turkeys (8-16 lb.)	.895	.885	+.010	.745
Turkey Breast, Bnls/Sknls	2.243	2.247	-.004	1.435



Seafood-December US total shrimp imports were 7.5% more than the prior year with shell on shrimp imports 12.5% greater than 2009. Shrimp prices continue to trend well above year ago levels which should encourage solid shrimp imports in the coming months. Still, fairly inflated shrimp prices could persist. December US salmon filet/steak imports were 7% less than 2009. Elevated salmon prices may continue.

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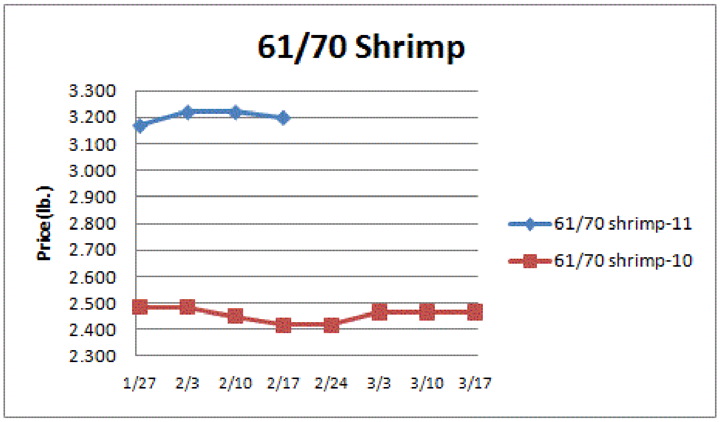
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	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	7.446	7.367	+.079	4.772
Shrimp (61/70), Frz.	3.200	3.220	-.020	2.417
Shrimp, Tiger (26/30), Frz.	4.538	4.517	+.021	4.150
Snow Crab, Legs 5-8 oz, Frz	5.800	5.800	-	3.625
Snow Crab, Legs 8 oz/ up, Fz	6.050	5.875	+.175	4.075
Cod Tails, 3-7 oz., Frz.	3.013	3.088	-.075	2.983
Cod Loins, 3-12 oz., Frz	3.725	3.794	-.069	3.525
Salmon Portions, 4-8 oz, Frz	6.113	6.113	-	5.378
Pollock, Alaska, Deep Skin	1.925	2.075	-.150	2.075



Energy & Currency-Currency US dollar is worth.

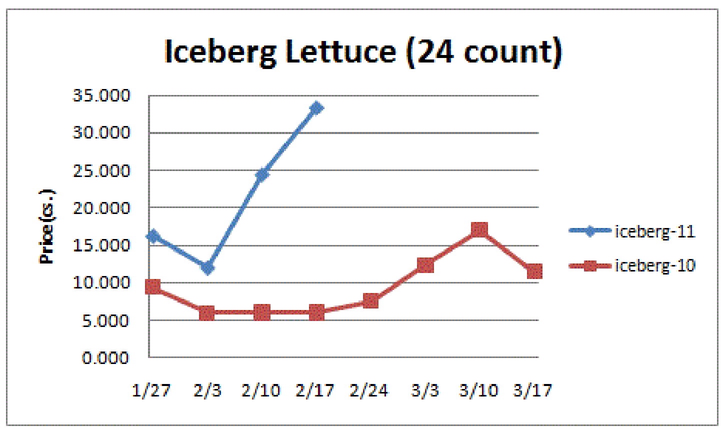
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	84.320	86.940	-2.620	74.130
Natural Gas, mbtu- nymex	3.976	4.040	-.064	5.468
Heating Oil, gal- nymex	2.729	2.732	-.003	1.919
Electricity, mwht- nymex	41.970	48.730	-6.760	53.500
Gasoline, gal- nymex	2.489	2.494	-.005	1.930
Diesel Fuel, gal- eia	3.534	3.513	+.021	2.655
Ethanol, gal- usda	2.305	2.245	+.060	1.695
Canadian $	.986	.991	-.005	1.051
Japanese Yen	83.797	81.936	+1.861	90.134
Mexican Peso	12.037	11.983	+.054	13.010
Euro	.740	.731	+.009	.737
Brazilian Real	1.667	1.667	-	1.863
Chinese Yuan	6.589	6.556	+.033	6.833

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)	960.000	959.510	+.490	870.360
WP; 42 lb. Linerboard (corr.)	814.597	832.254	-17.657	595.027
Res; PS-CHH (cup, cont.)	1.030-1.070	.950-.990	+.080	.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-As details from the freeze in Mexico continue to be learned the news for produce buyers get worse. The freeze in Mexico a few weeks ago is being described as the worst since 1957. The US typically imports notable volumes of Mexican produce items during the winter months. We anticipate inflated tomato, bell pepper and avocado prices could persist deep into the spring. The lettuce markets are elevated as well due to weather challenges in the southwest US. Pricey lettuce markets could also endure. February 1st US potato stocks were the smallest for the date in 10 years. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	58.000	57.000	+1.000	21.000
Lemons (95 ct.)	12.140	12.140	-	17.040
Lemons (200 ct.)	12.140	12.140	-	23.040
Honeydew (6 ct.)	11.956	9.888	+2.068	9.125
Cantaloupe (15 ct.)	10.042	9.450	+.592	12.500
Blueberries (12 count)	15.000	22.667	-7.667	21.000
Strwbrries (12 pnts.)	20.000	20.000	-	22.500
Avocds (Hass 48 ct.)	35.250	32.250	+3.000	24.250
Bananas (40 lb.)- Term.	19.453	19.547	-.094	16.375
Pineapple (7 ct.)- Term.	10.219	12.781	-2.562	12.646
Idaho Potato (60 ct., 50 lb.)	20.500	18.625	+1.875	4.750
Idaho Potato (70 ct., 50 lb.)	19.125	17.750	+1.375	4.750
Idaho Potato (70 ct.)-Term.	21.208	21.846	-.638	9.997
Idaho Potato (90 ct., 50 lb.)	11.625	11.000	+.625	4.750
Idaho Pot. # 2 (6 oz., 100 lb.)	12.000	12.000	-	6.000
Processing Potato (cwt.)	7.750	7.750	-	4.500
Yellow Onions (50 lb.)	9.100	9.500	-.400	8.188
Yell Onions (50 lb.)-Term.	12.031	12.250	-.219	11.297
Red Onions (25 lb.)- Term.	9.375	9.833	-.458	9.315
White Onions (50 lb.)- Term.	17.052	16.958	+.094	35.688
Tomatoes (large- case)	37.950	34.950	+3.000	17.950
Tomatoes (5x6-25 lb.)-Term	33.750	26.222	+7.528	17.600
Tomatoes (4x5 vine ripe)	21.950	22.950	-1.000	7.950
Roma Tomatoes (large- case)	24.370	26.775	-2.405	7.943
Roma Tomatoes (xlarge-cs)	24.570	25.950	-1.380	8.276
Green Peppers (large- case)	33.400	33.900	-.500	18.950
Red Peppers (large 15lb. cs.)	19.950	18.950	+1.000	14.950
Iceberg Lettuce (24 count)	33.285	24.395	+8.890	6.015
Iceberg Lettuce (24)-Term.	46.500	25.583	+20.917	11.500
Leaf Lettuce (24 count)	19.275	13.367	+5.908	5.975
Romaine Lettuce (24 cnt.)	30.627	23.782	+6.845	5.718
Mesculin Mix (3 lb.)-Term.	7.604	8.917	-1.313	6.344
Broccoli (14 ct.)	13.187	9.533	+3.654	5.751
Squash (1/2 bushel)	19.100	28.600	-9.500	25.775
Zucchini (1/2 bushel)	24.100	28.600	-4.500	11.428
Green Beans (bushel)	21.350	30.917	-9.567	29.950
Spinach, Flat 24's	17.475	18.000	-.525	8.075
Mushrms (10 lb, lg.)-Term.	13.485	12.000	+1.485	11.380
Cucumbers (bushel)	19.342	29.206	-9.864	14.170
Pickles (200-300 ct.)- Term.	43.500	34.625	+8.875	23.375
Asparagus (small)	16.500	16.000	+.500	14.000
Freight (Truck; CA-Cty Av.)	4293.750	4168.750	+125.000	3880.000



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