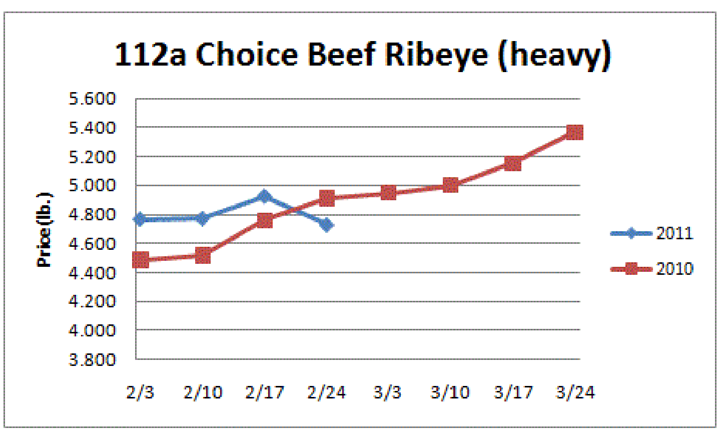
Weekly Market Updates

Volume No. 4 Issue No. 8 Date: February 24, 2011

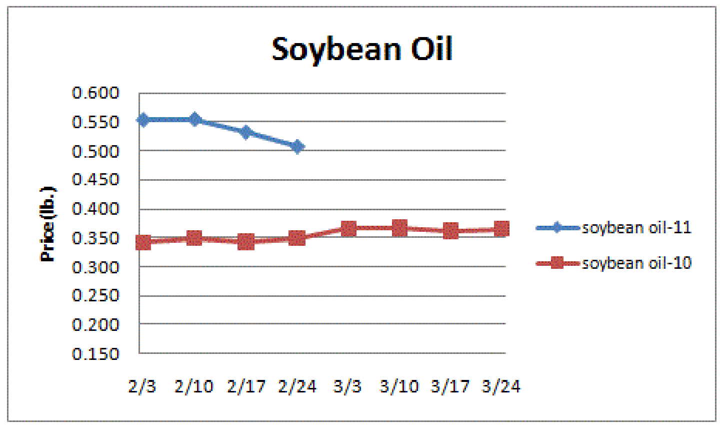
Beef - Beef production last week declined 4.3% and was 1.8% less than the same week a year ago due in a large part to the winter storms. Beef output is picking up this week which has caused some weakness in the beef markets. Domestic beef end cut demand is starting to wane and buyers will look to more 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	1.102	1.069	+.033	.917
Feeder Cattle Index (CME)	1.288	1.271	+.017	1.017
Ground Beef 81/19	1.831	1.985	-.154	1.465
Ground Chuck	1.827	2.018	-.191	1.513
109e Export Rib (choice)	4.399	4.227	+.172	4.402
109e Export Rib (prime)	8.191	7.961	+.230	5.888
112a Ribeye (choice)	4.729	4.924	-.195	4.912
112a Ribeye (prime)	9.092	8.691	+.401	6.798
116 Chuck (select)	2.348	2.256	+.092	1.927
116 Chuck (choice)	2.336	2.274	+.062	1.855
116b Chuck Tdnr (choice)	2.111	2.122	-.011	1.913
120 Brisket (choice)	1.683	1.723	-.040	1.780
121c Outside Skirt (ch/sel)	3.815	3.902	-.087	2.719
121d Inside Skirt (ch/sel)	2.901	2.838	+.063	2.800
167a Knckle, Trm. (ch.)	2.257	2.187	+.070	1.864
168 Inside Round (ch.)	1.862	1.796	+.066	1.704
174 Short Loin (ch. 0x1)	4.117	3.973	+.144	3.931
174 Short Loin (prime)	7.403	6.901	+.502	5.483
180 1x1 Strp (choice)	3.746	3.681	+.065	3.846
180 1x1 Strp (prime)	7.621	7.449	+.172	5.899
180 0x1 Strp (choice)	4.360	4.140	+.220	4.297
184 Top Butt, bnls (ch.)	2.523	2.602	-.079	2.329
184 Top Butt, bnls (prime)	2.503	2.496	+.007	2.256
185a Sirloin Flap (choice)	3.399	3.149	+.250	3.076
185c Loin, Tri-Tip (choice)	2.567	2.545	+.022	2.690
189a Tender (select)	7.285	7.042	+.243	6.487
189a Tender (choice)	7.569	7.366	+.203	6.534
189a Tender (prime)	11.252	11.250	+.002	9.248
193 Flank Steak (choice)	3.771	3.704	+.067	2.906
50% Trimmings	.753	.747	+.006	.875
65% Trimmings	1.059	1.094	-.035	1.013
75% Trimmings	1.414	1.433	-.019	1.116
85% Trimmings	1.899	1.882	+.017	1.454
90% Trimmings	2.002	1.999	+.003	1.609
90% Imported Beef (frz.)	1.980	1.970	+.010	1.598
95% Imported Beef (frz.)	2.100	2.075	+.025	1.693
Veal Rack (Hotel 7 rib)	5.125	5.125	-	4.200
Veal Top Rnd. (cp. Off)	12.525	12.525	-	8.950



Oil, Grains, Misc.-The grain markets have turned sharply lower this week due in part to economic concerns. Volatile grain prices are likely to persist. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	12.792	13.475	-.683	9.476
Crude Soybean Oil, lb.	.507	.532	-.025	.349
Soybean Meal, ton	334.000	353.600	-19.600	299.100
Corn, bushel	6.585	6.692	-.107	3.438
Crude Corn Oil, lb.	.655	.635	+.020	.375
Distillers Grain, Dry	196.750	193.750	+3.000	102.000
Crude Palm Oil, lb. BMD	.558	.590	-.032	.354
HRW Wheat, bushel	8.030	8.740	-.710	4.355
DNS Wheat 14%, bushel	9.460	10.150	-.690	5.560
Canola, lb.	.233	.247	-.014	.163
Canola Oil, SD, (Tor.), lb.	.605	.642	-.037	.453
Pinto Beans, lb.	.266	.265	+.001	.293
Black Beans, lb.	.285	.285	-	.348
Rice, Long Grain, lb.	.285	.285	-	.259
Coffee, lb. NYBOT	2.736	2.587	+.149	1.299
Sugar, lb. NYBOT	.395	.398	-.003	.409
Honey (Clover), lb.	1.550	1.550	-	1.470



Dairy-January US milk production was 2.3% more than last year due to a 1.5% gain in milk per cow yields and a .7% larger milk cow herd. Dairy farmers added a net 16k head to the milk cow herd during the month matching the largest monthly increase in 3 years. Milk output should expand and trend well above 2010 levels in the coming months which is likely to be bearish for the dairy markets. The CME cheese markets continue to edge higher but a top is likely near. Lower cheese prices may be forthcoming. The butter market may continue to move modestly lower. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.940	1.903	+.037	1.328
Cheese Blocks (CME)	1.985	1.940	+.045	1.375
American Cheese	1.920	1.920	-	1.763
Cheddar Cheese (40 lb.)	1.900	1.900	-	1.930
Mozzarella Cheese	1.980	1.980	-	1.785
Provolone Cheese	2.443	2.385	+.058	1.950
Parmesan Cheese	3.740	3.683	+.057	3.315
Butter (CME)	2.005	2.055	-.050	1.405
Nonfat Dry Milk	1.588	1.546	+.042	1.193
Whey, Dry	.448	.426	+.022	.386
Class 1 Base	18.230	15.890	+2.340	14.340
Class II Cream, heavy	2.425	2.465	-.040	1.750
Class III Milk (CME)	18.700	18.920	-.220	13.240
Class IV Milk (CME)	19.800	19.800	-	13.110

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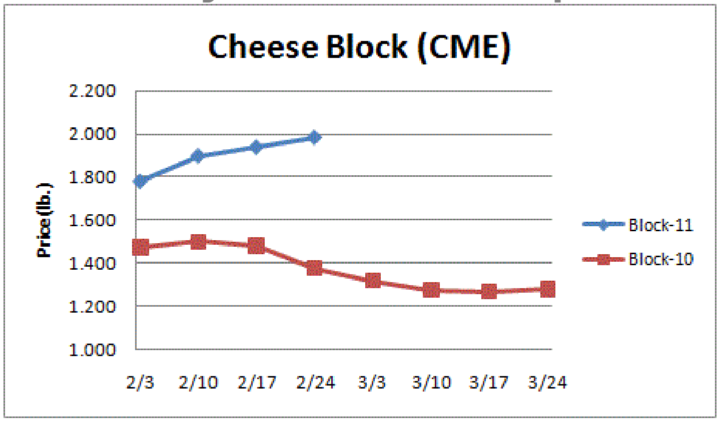
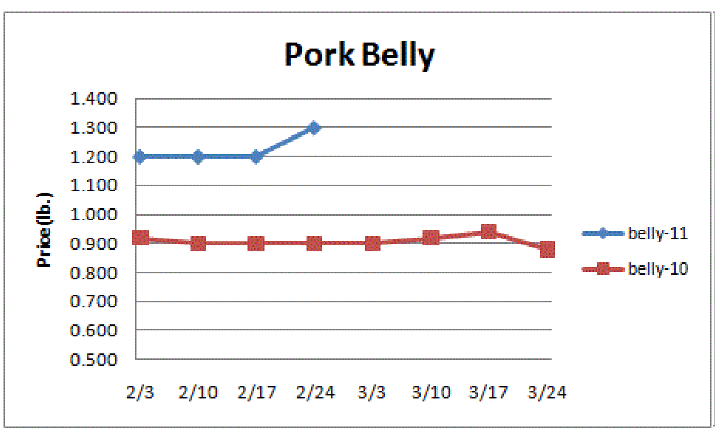


Pork-Pork production last week declined 3.3% and was .6% less than the same week a year ago. Curbed output this week due in part to the President's Day holiday could be supportive of pork prices. January retail pork prices were 9.9% higher than the same month last year and the 4th highest for any month on record. Retail pork prices could set new records this year which may cause domestic demand to slow. January 31st pork belly stocks were 4% less than 2010's depleted level. Higher belly prices may be pending. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.595	.597	-.002	.489
Belly (bacon)	1.300	1.200	+.100	.900
Sparerib (4.25 lb. & down)	1.469	1.541	-.072	1.302
Ham (20-23 lb.)	.790	.750	+.040	.720
Ham (23-27 lb.)	.800	.780	+.020	.720
Loin (bone-in)	.980	.960	+.020	.852
Bbybck Rib (1.75 lb. & up)	2.536	2.533	+.003	2.400
Tenderloin (1.25 lb.)	2.560	2.582	-.022	2.250
Boston Butt, untrmd. (4-8 lb.)	1.093	1.067	+.026	.672
Picnic, untrmd.	.738	.781	-.043	.519
SS Picnic, smoker trm. bx.	1.040	1.100	-.060	.650
42% Trimmings	.440	.450	-.010	.440
72% Trimmings	.800	.840	-.040	.700



Tomato Products, Canned-The canned tomato markets are firm. Steady to higher canned tomato prices are expected during the next several months. Prices per case (6/10) FOB, unless noted from ARA.

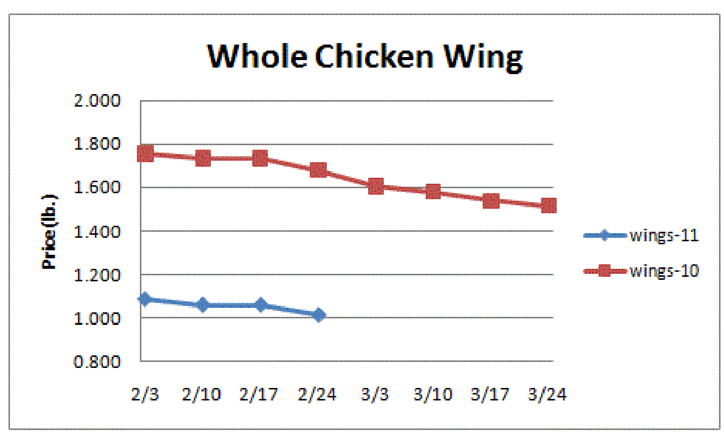
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	11.750	11.750	-	12.750
Diced, Fancy	12.250	12.250	-	13.250
Ketchup, 33%	13.000	13.000	-	14.125
Tomato Paste- Industrial (lb.)	.370	.370	-	.400

Processed Vegetables-The markets are steady to firm. Jan 31st frozen green bean (12%), cut corn (7%), cob corn (3%) and green pea (9%) stocks were all less than last 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 been trending much closer to year ago levels than earlier this winter. This is due in a large part to producers slowing output growth. Chicken producer margins remain historically poor which may mitigate any chicken production growth this spring. January retail chicken prices were 1.1% higher than last year but at much more engaging levels than pork and beef. Chicken retail feature activity could expand in the coming months which eventually, along with managed output, could be bullish for the chicken markets. The chicken wing markets remain fairly depressed. The downside risk in the chicken wing markets from here may be nominal. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.855	.853	+.002	.833
Whole Birds (LA)	.940	.940	-	.920
Wings (whole)	1.015	1.060	-.045	1.680
Wings (jumbo, cut)	1.008	1.008	-	1.604
Breast, Bone In	.795	.790	+.005	.845
Breast, Bnless Skinless	1.440	1.430	+.010	1.560
Tenderloin (random)	1.000	1.000	-	1.230
Tenderloin (sized)	1.850	1.850	-	1.950
Legs (whole)	.602	.565	+.037	.472
Leg Quarters	.405	.400	+.005	.380
Thighs, bone in	.526	.532	-.006	.531
Thighs, boneless	1.053	1.030	+.023	.968
Eggs and Others				
Large (dozen)	1.062	1.060	+.002	1.037
Medium (dozen)	.922	.938	-.016	.892
Whole Eggs- Liquid	.415	.393	+.022	.439
Egg Whites- Liquid	.424	.471	-.047	.397
Egg Yolks- Liquid	.683	.671	+.012	.624
Whole Turkeys (8-16 lb.)	.910	.895	+.015	.785
Turkey Breast, Bnls/Sknls	2.200	2.243	-.043	1.450



Seafood-The snow crab markets remain elevated due to limited world supplies and improved demand. The Alaskan snow crab catch is progressing with roughly 71% of the quota landed to date. With the Newfoundland snow crab season still months from getting underway relatively inflated snow crab prices could persevere. The salmon markets continue to trade at historically high levels due in part to better demand.

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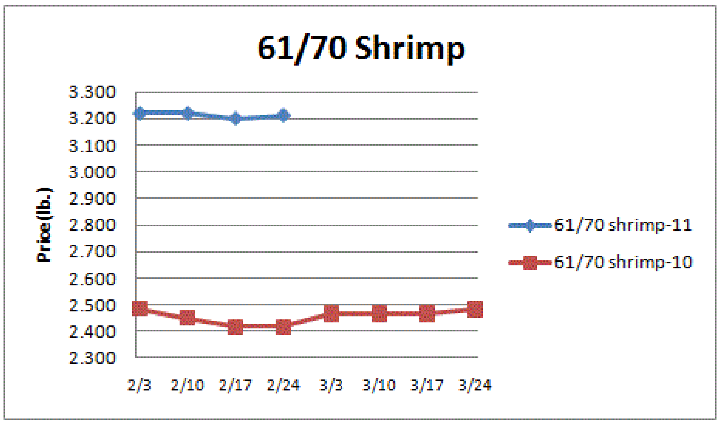
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	4.450	3.550	+.900	3.500
Catfish Filets	4.250	3.500	+.750	3.500
Trout (drn. 8-14 oz.)	4.250	3.100	+1.150	3.000
Shrimp (16/20), Frz	7.320	7.446	-.126	4.835
Shrimp (61/70), Frz.	3.213	3.200	-.077	2.416
Shrimp, Tiger (26/30), Frz.	4.525	4.538	-.013	4.166
Snow Crab, Legs 5-8 oz, Frz	5.800	5.800	-	3.625
Snow Crab, Legs 8 oz/ up, Fz	6.050	6.050	-	4.075
Cod Tails, 3-7 oz., Frz.	3.050	3.013	+.037	2.950
Cod Loins, 3-12 oz., Frz	3.725	3.725	-	3.525
Salmon Portions, 4-8 oz, Frz	6.113	6.113	-	5.461
Pollock, Alaska, Deep Skin	1.925	1.925	-	2.075



Energy & Currency-Currency US dollar is worth.

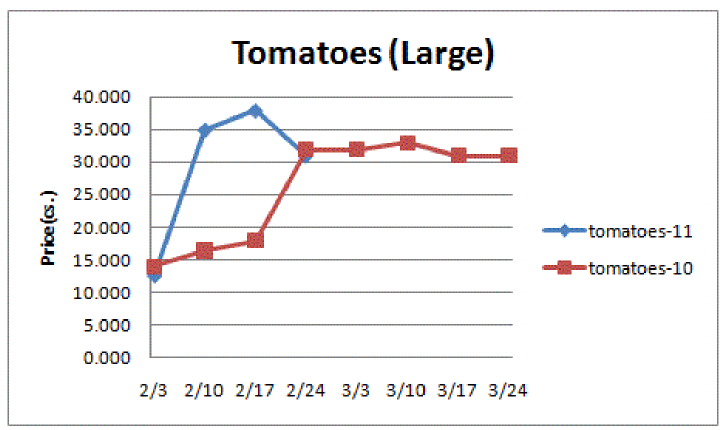
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	93.570	84.320	+9.250	78.860
Natural Gas, mbtu- nymex	3.867	3.976	-.109	4.778
Heating Oil, gal- nymex	2.792	2.729	+.063	2.032
Electricity, mwht- nymex	45.470	41.970	+3.500	47.000
Gasoline, gal- nymex	2.602	2.489	+.113	2.066
Diesel Fuel, gal- eia	3.573	3.534	+.039	2.832
Ethanol, gal- usda	2.350	2.305	+.045	1.635
Canadian $	.987	.986	+.001	1.044
Japanese Yen	83.142	83.797	-.655	90.734
Mexican Peso	12.116	12.037	+.079	12.830
Euro	.732	.740	-.008	.737
Brazilian Real	1.669	1.667	-	1.819
Chinese Yuan	6.580	6.589	-.009	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)	960.000	960.000	-	874.130
WP; 42 lb. Linerboard (corr.)	825.794	814.597	+11.197	594.824
Res; PS-CHH (cup, cont.)	1.030-1.070	1.030-1.070	-	.840-.880
Res; PP-HIGP (hvy utensil)	1.150-1.170	1.150-1.170	-	1.0001.020
Res; PE-LLD (cn liner, film)	.830-.860	.830-.860	-	.820-.850

Produce-The damage to produce crops from freezing temperatures earlier this winter in the Southwestern US and Mexico continues to be assessed. Tomato supplies from the area have improved as of late but this may only be temporary as growers salvage crops. Fairly inflated tomato prices are anticipated this spring. The lettuce markets are likely to remain elevated. Avocado shipments are declining due to the freeze which is pressuring avocado prices higher. The potato markets are trending higher due to historically light inventory levels. Higher potato prices may be pending. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	58.000	58.000	-	20.000
Lemons (95 ct.)	11.640	12.140	-.500	17.540
Lemons (200 ct.)	12.640	12.140	+.500	23.040
Honeydew (6 ct.)	12.844	11.956	+.888	8.000
Cantaloupe (15 ct.)	9.133	10.042	-.909	14.500
Blueberries (12 count)	15.000	15.000	-	18.900
Strwbrries (12 pnts.)	15.000	20.000	-5.000	19.000
Avocds (Hass 48 ct.)	39.250	35.250	+4.000	25.000
Bananas (40 lb.)- Term.	19.657	19.453	+.204	16.469
Pineapple (7 ct.)- Term.	12.792	10.219	+2.573	10.833
Idaho Potato (60 ct., 50 lb.)	20.500	20.500	-	4.750
Idaho Potato (70 ct., 50 lb.)	19.500	19.125	+.375	4.625
Idaho Potato (70 ct.)-Term.	22.308	21.208	+1.100	9.476
Idaho Potato (90 ct., 50 lb.)	11.625	11.625	-	4.438
Idaho Pot. # 2 (6 oz., 100 lb.)	12.000	12.000	-	5.750
Processing Potato (cwt.)	7.750	7.750	-	4.500
Yellow Onions (50 lb.)	8.600	9.100	-.500	12.750
Yell Onions (50 lb.)-Term.	11.906	12.031	-.125	15.021
Red Onions (25 lb.)- Term.	9.167	9.375	-.208	7.733
White Onions (50 lb.)- Term.	16.729	17.052	-.323	52.778
Tomatoes (large- case)	30.950	37.950	-7.000	31.950
Tomatoes (5x6-25 lb.)-Term	30.500	33.750	-3.250	25.292
Tomatoes (4x5 vine ripe)	8.450	21.950	-13.500	20.950
Roma Tomatoes (large- case)	10.225	24.370	14.145	14.700
Roma Tomatoes (xlarge-cs)	10.438	24.570	-14.132	14.700
Green Peppers (large- case)	24.900	33.400	-8.500	26.275
Red Peppers (large 15lb. cs.)	13.950	19.950	-6.000	16.950
Iceberg Lettuce (24 count)	32.153	33.285	-1.132	7.537
Iceberg Lettuce (24)-Term.	40.750	46.500	-5.750	12.167
Leaf Lettuce (24 count)	16.218	19.275	-3.057	6.241
Romaine Lettuce (24 cnt.)	30.310	30.627	-.317	6.125
Mesculin Mix (3 lb.)-Term.	9.417	7.604	+1.813	6.208
Broccoli (14 ct.)	9.254	13.187	-3.933	6.191
Squash (1/2 bushel)	21.850	19.100	+2.750	19.950
Zucchini (1/2 bushel)	27.850	24.100	+3.750	7.600
Green Beans (bushel)	17.400	21.350	-3.950	39.950
Spinach, Flat 24's	19.475	17.475	+2.000	7.925
Mushrms (10 lb, lg.)-Term.	13.521	13.485	+.036	11.380
Cucumbers (bushel)	15.260	19.342	-4.082	19.970
Pickles (200-300 ct.)- Term.	41.417	43.500	-2.083	27.563
Asparagus (small)	16.000	16.500	-.500	14.000
Freight (Truck; CA-Cty Av.)	4282.143	4293.750	-11.607	3880.000



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

	Jan-11	Dec-10	Nov-10	Oct-10
Beef and Veal	+2.259	-.595	+.168	+.955
Dairy	+.145	+.372	-.006	+1.130
Pork	+1.538	-2.092	-1.875	+1.111
Chicken	-.981	-.773	+.357	+1.111
Fresh Fish and Seafood	+1.516	+.251	+2.026	+1.203
Fresh Fruits and Veg.	+3.253	+3.090	+.698	+1.030