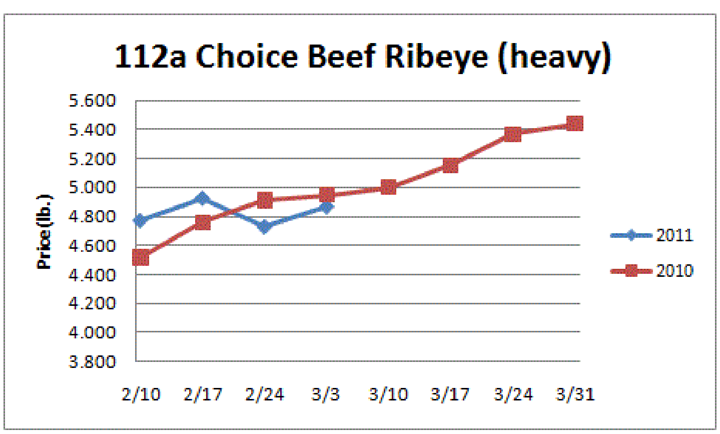
Weekly Market Updates

Volume No. 4 Issue No. 9 Date: March 3, 2011

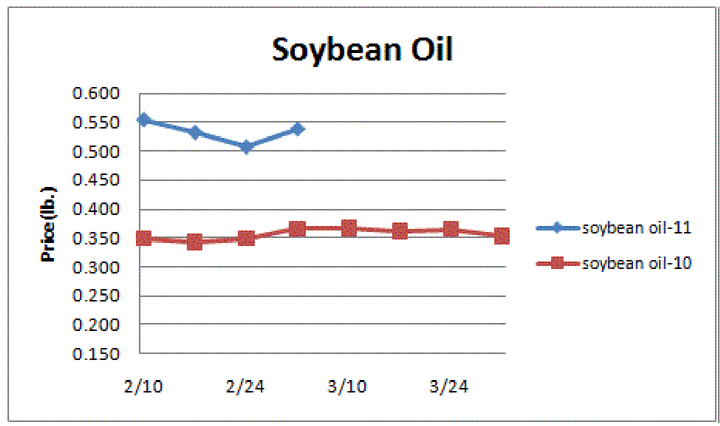
Beef - Beef production last week declined 1.5% but was 2.7% larger than the same week a year ago. History suggests that beef output could trend upward during the next few weeks. Elevated live cattle prices continue to hamper beef packer margins and help inflate the beef markets. Relatively elevated cattle prices could endure into the spring assuming consumers will purchase beef at anticipated record high retail prices. Traditional grill item beef demand is starting to build which could influence the strip, ribeye, short loin and top butt markets higher during the next several weeks. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.123	1.102	+.021	.911
Feeder Cattle Index (CME)	1.287	1.288	-.001	1.013
Ground Beef 81/19	1.812	1.831	-.019	1.439
Ground Chuck	1.762	1.827	-.065	1.462
109e Export Rib (choice)	4.478	4.399	+.079	4.327
109e Export Rib (prime)	8.066	8.191	-.125	6.187
112a Ribeye (choice)	4.867	4.729	+.147	4.947
112a Ribeye (prime)	8.570	9.092	-.522	6.916
116 Chuck (select)	2.410	2.348	+.062	1.845
116 Chuck (choice)	2.450	2.336	+.114	1.863
116b Chuck Tdnr (choice)	2.095	2.111	-.016	1.913
120 Brisket (choice)	1.671	1.683	-.012	1.779
121c Outside Skirt (ch/sel)	4.058	3.815	+.243	3.089
121d Inside Skirt (ch/sel)	2.975	2.901	+.074	2.800
167a Knckle, Trm. (ch.)	2.342	2.257	+.085	1.884
168 Inside Round (ch.)	2.061	1.862	+.199	1.653
174 Short Loin (ch. 0x1)	4.219	4.117	+.102	4.045
174 Short Loin (prime)	7.402	7.403	-.001	5.749
180 1x1 Strp (choice)	4.034	3.746	+.288	3.831
180 1x1 Strp (prime)	8.172	7.621	+.551	6.318
180 0x1 Strp (choice)	4.422	4.360	+.062	4.170
184 Top Butt, bnls (ch.)	2.614	2.523	+.091	2.481
184 Top Butt, bnls (prime)	2.601	2.503	+.098	2.382
185a Sirloin Flap (choice)	3.547	3.399	+.148	3.148
185c Loin, Tri-Tip (choice)	2.607	2.567	+.040	2.684
189a Tender (select)	7.604	7.285	+.319	6.419
189a Tender (choice)	7.954	7.569	+.385	6.546
189a Tender (prime)	11.207	11.252	-.045	9.434
193 Flank Steak (choice)	3.687	3.771	-.084	2.825
50% Trimmings	.765	.753	+.012	.889
65% Trimmings	1.092	1.059	+.033	1.014
75% Trimmings	1.406	1.414	-.008	1.134
85% Trimmings	1.826	1.899	-.073	1.470
90% Trimmings	1.945	2.002	-.057	1.574
90% Imported Beef (frz.)	1.985	1.980	+.005	1.641
95% Imported Beef (frz.)	1.973	2.100	-.127	1.743
Veal Rack (Hotel 7 rib)	5.200	5.125	+.075	4.200
Veal Top Rnd. (cp. Off)	12.625	12.525	+.100	8.950



Oil, Grains, Misc.-Erratic grain prices continue with corn futures trading at their highest levels in over 2 years this week. Buyers are advised to remain cautious in contracting grains. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.503	12.792	+.711	9.498
Crude Soybean Oil, lb.	.538	.507	+.031	.366
Soybean Meal, ton	349.900	334.000	+15.900	285.500
Corn, bushel	7.083	6.585	+.498	3.507
Crude Corn Oil, lb.	.670	.655	+.015	.380
Distillers Grain, Dry	196.250	196.750	-.500	102.000
Crude Palm Oil, lb. BMD	.542	.558	-.016	.351
HRW Wheat, bushel	8.325	8.030	+.295	4.415
DNS Wheat 14%, bushel	9.940	9.460	+.480	5.570
Canola, lb.	.257	.233	+.024	.165
Canola Oil, SD, (Tor.), lb.	.632	.605	+.027	.463
Pinto Beans, lb.	.271	.266	+.055	.293
Black Beans, lb.	.310	.285	+.025	.348
Rice, Long Grain, lb.	.285	.285	-	.257
Coffee, lb. NYBOT	2.749	2.736	+.013	1.296
Sugar, lb. NYBOT	.399	.395	+.004	.384
Honey (Clover), lb.	1.550	1.550	-	1.470



Dairy-Milk cow slaughter has been historically strong throughout most of the winter which, on the surface, make one think that milk output declines are pending. Still, at the same time, milk farmers have been rapidly building the milk cow herd by adding new heifers. This suggests that milk farmers are replacing poor performing milk cows with new heifers which should help bring a notable boost to milk production. The butter market is moving upward. Additional butter market increases may be pending for the short term. The cheese markets are firm but buyers are cautious. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.963	1.940	+.023	1.283
Cheese Blocks (CME)	2.000	1.985	+.015	1.320
American Cheese	2.170	1.920	+.250	1.690
Cheddar Cheese (40 lb.)	2.150	1.900	+.250	1.898
Mozzarella Cheese	2.230	1.980	+.250	1.713
Provolone Cheese	2.480	2.443	+.037	1.878
Parmesan Cheese	3.783	3.740	+.043	3.243
Butter (CME)	2.115	2.005	+.110	1.430
Nonfat Dry Milk	1.611	1.588	+.023	1.178
Whey, Dry	.476	.448	+.028	.383
Class 1 Base	18.230	18.230	-	14.340
Class II Cream, heavy	2.513	2.425	+.088	1.784
Class III Milk (CME)	18.070	18.700	-.630	13.000
Class IV Milk (CME)	20.200	19.800	+.400	13.060

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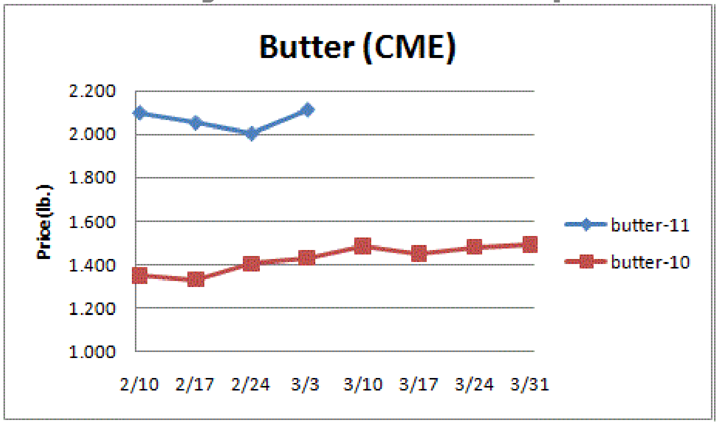
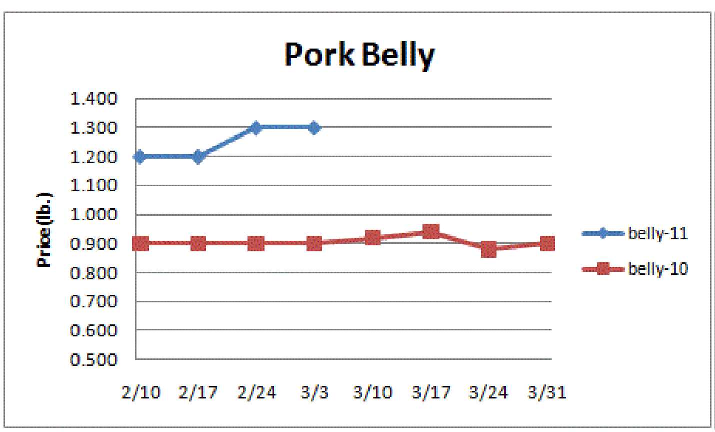


Pork-Pork output last week rose .9% and was basically even with the same week a year ago. Pork production should seasonally trend lower from now into the summer which could pressure some pork markets higher. Domestic retail demand for pork is reported to be soft which is influencing some pork markets downward. Still, any further pork market depreciation may only be temporary. Sow slaughter in recent weeks has declined which suggests that hog farmers are starting to build the hog herd. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.592	.595	-.003	.516
Belly (bacon)	1.300	1.300	-	.900
Sparerib (4.25 lb. & down)	1.448	1.469	-.021	1.268
Ham (20-23 lb.)	.830	.790	+.040	.750
Ham (23-27 lb.)	.830	.800	+.030	.760
Loin (bone-in)	.988	.980	+.008	.859
Bbybck Rib (1.75 lb. & up)	2.546	2.536	+.010	2.400
Tenderloin (1.25 lb.)	2.593	2.560	+.033	2.158
Boston Butt, untrmd. (4-8 lb.)	1.045	1.093	-.048	.685
Picnic, untrmd.	.726	.738	-.012	.539
SS Picnic, smoker trm. bx.	1.030	1.040	-.010	.667
42% Trimmings	.524	.440	+.084	.500
72% Trimmings	.809	.800	+.009	.780



Tomato Products, Canned-The canned tomato markets are firm. Inventory levels are adequate. However, higher canned tomato prices are likely this summer. Prices per case (6/10) FOB, unless noted from ARA.

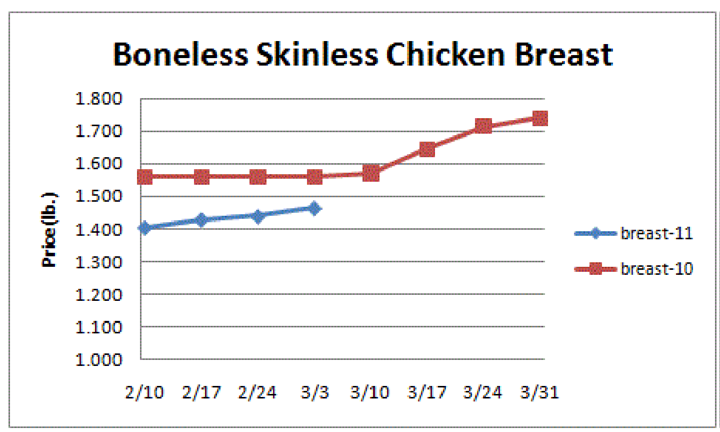
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	11.750	11.750	-	12.750
Diced, Fancy	12.250	12.250	-	13.250
Ketchup, 33%	13.000	13.000	-	14.125
Tomato Paste- Industrial (lb.)	.390	.370	+.020	.400

Processed Vegetables-Many of the processed vegetable markets are firming due to modestly limited stocks and expectations of higher raw product prices with the next harvest. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 10
Corn, Fcy whl kern- can 6/10	17.406	16.906	+.500	17.406
Green Beans Fcy- can 6/10	17.000	16.563	+.437	17.056
Green Peas, Fcy- can 6/10	17.750	17.750	-	18.250
Corn, Cob- froz 96 ct.	14.500	14.000	+.500	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-The January broiler type chick hatch was 1% larger than the previous year. Pullet placements into the broiler breeding flock was 3.2% less than 2010. However, the breeding flock is projected to remain 3% plus above year ago levels through August. These statistics point toward solid chicken output growth compared to 2010 in the coming months. Still, the February broiler- feed price ratio was the lowest on record indicating poor margins for chicken producers. Chicken output growth is likely to be slowed which eventually should be bullish for the chicken complex. The chicken leg quarter market continues to firm which suggests strong chicken exports. This is good news for chicken breast buyers. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.858	.855	+.003	.833
Whole Birds (LA)	.950	.940	+.010	.920
Wings (whole)	.945	1.015	-.070	1.605
Wings (jumbo, cut)	1.136	1.008	+.128	1.513
Breast, Bone In	.810	.795	+.015	.840
Breast, Bnless Skinless	1.465	1.440	+.025	1.560
Tenderloin (random)	1.000	1.000	-	1.230
Tenderloin (sized)	1.850	1.850	-	1.870
Legs (whole)	.572	.602	-.030	.486
Leg Quarters	.420	.405	+.015	.375
Thighs, bone in	.532	.526	+.006	.474
Thighs, boneless	1.097	1.053	+.044	.942
Eggs and Others				
Large (dozen)	1.065	1.062	+.003	1.017
Medium (dozen)	.922	.922	-	.892
Whole Eggs- Liquid	.425	.415	+.010	.460
Egg Whites- Liquid	.456	.424	+.032	.372
Egg Yolks- Liquid	.593	.683	-.090	.640
Whole Turkeys (8-16 lb.)	.983	.910	+.073	.785
Turkey Breast, Bnls/Sknls	2.199	2.200	-.001	1.460



Seafood-Disease challenges and quota reductions have had a dampening impact on seafood supplies in general during the past year. The recent rise in fuel prices could further mitigate seafood output due to the rise in costs for farms and fishermen. The salmon markets continue to trade at historically expensive levels. Inflated salmon markets are forecasted to persist at least into the spring. The snow crab leg markets are very firm.

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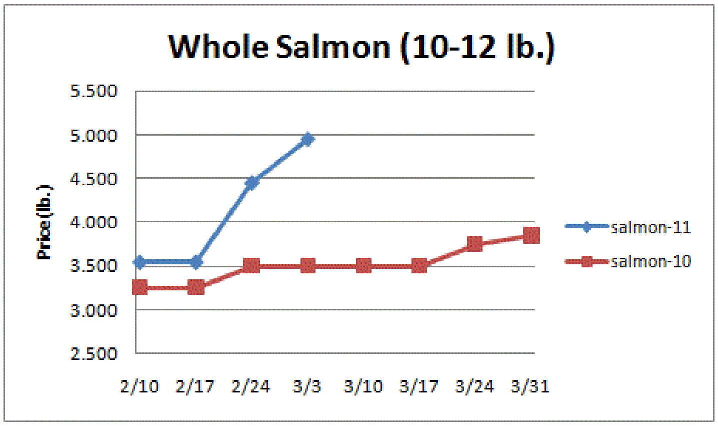
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	4.950	4.450	+.500	3.500
Catfish Filets	4.500	4.250	+.250	3.500
Trout (drn. 8-14 oz.)	3.300	4.250	-.950	3.000
Shrimp (16/20), Frz	7.253	7.320	-.067	4.818
Shrimp (61/70), Frz.	3.263	3.213	+.050	2.466
Shrimp, Tiger (26/30), Frz.	4.538	4.525	+.013	4.166
Snow Crab, Legs 5-8 oz, Frz	5.800	5.800	-	3.675
Snow Crab, Legs 8 oz/ up, Fz	6.050	6.050	-	4.175
Cod Tails, 3-7 oz., Frz.	3.013	3.050	-.037	2.950
Cod Loins, 3-12 oz., Frz	3.725	3.725	-	3.525
Salmon Portions, 4-8 oz, Frz	6.283	6.113	+.170	5.461
Pollock, Alaska, Deep Skin	1.925	1.925	-	2.075



Energy & Currency-Currency US dollar is worth.

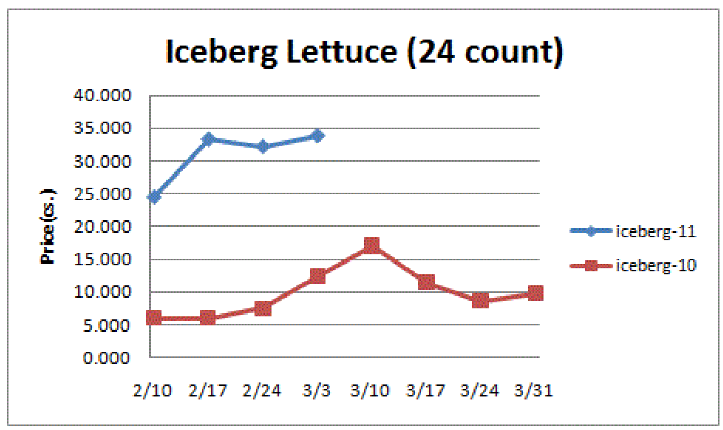
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	99.630	93.570	+6.060	79.680
Natural Gas, mbtu- nymex	3.873	3.867	+.006	4.708
Heating Oil, gal- nymex	3.024	2.792	+.232	2.056
Electricity, mwht- nymex	42.520	45.470	-2.950	45.400
Gasoline, gal- nymex	2.983	2.602	+.381	2.167
Diesel Fuel, gal- eia	3.716	3.573	+.143	2.861
Ethanol, gal- usda	2.365	2.350	+.015	1.615
Canadian $	.970	.987	-.017	1.036
Japanese Yen	82.018	83.142	-1.124	89.076
Mexican Peso	12.092	12.116	-.024	12.703
Euro	.723	.732	-.009	.738
Brazilian Real	1.663	1.669	-.006	1.790
Chinese Yuan	6.569	6.580	-.011	6.826

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	-	875.230
WP; 42 lb. Linerboard (corr.)	827.263	825.794	+1.469	594.422
Res; PS-CHH (cup, cont.)	1.030-1.070	1.030-1.070	-	.940-.980
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-In general, the produce markets continue to trade at relatively inflated price levels. Lettuce supplies are historically limited due to the adverse weather earlier this winter. Iceberg lettuce shipments last week were 17% less than the same week a year ago. This problem may not be rectified for several weeks which could cause elevated lettuce prices to persevere. Tomato supplies are restricted as well. Volumes of Mexican tomatoes are reported to be decreasing which could add some modest upward pressure to the tomato markets. Fairly elevated produce prices may endure. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	55.000	58.000	-3.000	19.000
Lemons (95 ct.)	11.640	11.640	-	17.540
Lemons (200 ct.)	13.140	12.640	+.500	23.040
Honeydew (6 ct.)	13.733	12.844	+.889	11.500
Cantaloupe (15 ct.)	10.225	9.133	+1.092	15.250
Blueberries (12 count)	15.000	15.000	-	17.100
Strwbrries (12 pnts.)	15.500	15.000	+.500	19.000
Avocds (Hass 48 ct.)	45.750	39.250	+6.500	23.250
Bananas (40 lb.)- Term.	17.254	19.657	-2.403	16.469
Pineapple (7 ct.)- Term.	12.448	12.792	-.344	11.792
Idaho Potato (60 ct., 50 lb.)	21.000	20.500	+.500	5.188
Idaho Potato (70 ct., 50 lb.)	19.750	19.500	+.250	5.063
Idaho Potato (70 ct.)-Term.	24.033	22.308	+1.725	9.541
Idaho Potato (90 ct., 50 lb.)	12.000	11.625	+.375	4.500
Idaho Pot. # 2 (6 oz., 100 lb.)	12.750	12.000	+.750	5.750
Processing Potato (cwt.)	9.000	7.750	+1.250	4.500
Yellow Onions (50 lb.)	8.400	8.600	-.200	17.750
Yell Onions (50 lb.)-Term.	11.063	11.906	-.843	20.188
Red Onions (25 lb.)- Term.	9.250	9.167	+.083	10.958
White Onions (50 lb.)- Term.	13.771	16.729	-2.958	56.000
Tomatoes (large- case)	30.450	30.950	-.500	31.950
Tomatoes (5x6-25 lb.)-Term	26.417	30.500	-4.083	37.083
Tomatoes (4x5 vine ripe)	17.950	8.450	+9.500	26.950
Roma Tomatoes (large- case)	16.617	10.225	+6.392	17.725
Roma Tomatoes (xlarge-cs)	16.617	10.438	+6.179	17.725
Green Peppers (large- case)	27.400	24.900	+2.500	31.750
Red Peppers (large 15lb. cs.)	14.950	13.950	+1.000	16.950
Iceberg Lettuce (24 count)	33.815	32.153	+1.662	12.388
Iceberg Lettuce (24)-Term.	42.333	40.750	+1.583	13.917
Leaf Lettuce (24 count)	17.783	16.218	+1.565	8.275
Romaine Lettuce (24 cnt.)	39.702	30.310	+9.392	8.441
Mesculin Mix (3 lb.)-Term.	11.208	9.417	+1.791	6.313
Broccoli (14 ct.)	11.700	9.254	+2.446	7.816
Squash (1/2 bushel)	25.350	21.850	+3.500	14.950
Zucchini (1/2 bushel)	28.850	27.850	+1.000	11.425
Green Beans (bushel)	11.950	17.400	-5.450	40.950
Spinach, Flat 24's	19.750	19.475	+.275	8.300
Mushrms (10 lb, lg.)-Term.	13.313	13.521	-.208	11.312
Cucumbers (bushel)	22.713	15.260	-4.082	28.250
Pickles (200-300 ct.)- Term.	45.425	41.417	+4.008	26.716
Asparagus (small)	15.500	16.000	-.500	13.250
Freight (Truck; CA-Cty Av.)	4314.280	4282.143	-11.607	3815.000



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