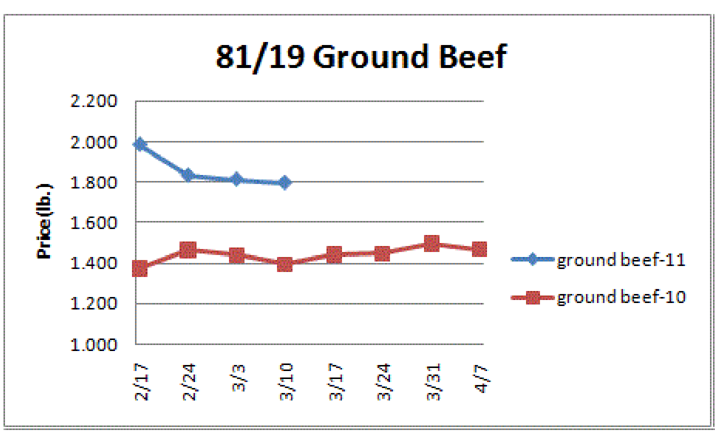
Weekly Market Updates

Volume No. 4 Issue No. 10 Date: March 10, 2011

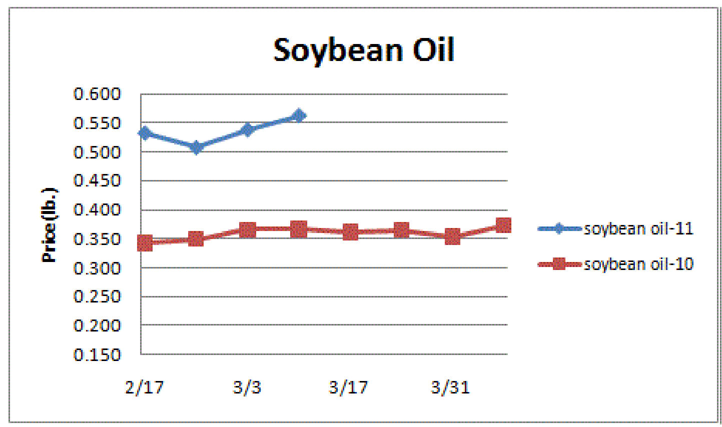
Beef - Beef-Beef output last week declined 1.6% but was 5.1% larger than the same week a year ago. Cattle and cow slaughter has been strong in recent weeks. It appears that cattle are being slaughtered early due to the inflated price levels. Cattle weights are trending historically light. This could limit the cattle supply going forward. The late Easter this year may contribute to delayed beef retail feature activity in the coming weeks. Still, we anticipate beef strips, loins and top butts to move upward this spring. Elevated lean beef trimming prices could help support beef rounds and chucks over the next few months. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.146	1.123	+.023	.908
Feeder Cattle Index (CME)	1.284	1.287	-.003	1.024
Ground Beef 81/19	1.795	1.812	-.017	1.393
Ground Chuck	1.795	1.762	+.033	1.438
109e Export Rib (choice)	4.437	4.478	-.041	4.404
109e Export Rib (prime)	8.218	8.066	+.152	6.249
112a Ribeye (choice)	4.864	4.867	-.003	5.003
112a Ribeye (prime)	9.017	8.570	+.447	7.577
116 Chuck (select)	2.466	2.410	+.056	1.772
116 Chuck (choice)	2.470	2.450	+.020	1.742
116b Chuck Tdnr (choice)	2.140	2.095	+.045	1.712
120 Brisket (choice)	1.641	1.671	-.030	1.789
121c Outside Skirt (ch/sel)	4.207	4.058	+.149	3.032
121d Inside Skirt (ch/sel)	3.068	2.975	+.093	2.879
167a Knckle, Trm. (ch.)	2.334	2.342	-.008	1.867
168 Inside Round (ch.)	2.001	2.061	-.060	1.663
174 Short Loin (ch. 0x1)	4.473	4.219	+.254	4.159
174 Short Loin (prime)	7.487	7.402	+.085	5.825
180 1x1 Strp (choice)	4.159	4.034	+.125	3.872
180 1x1 Strp (prime)	8.376	8.172	+.204	6.271
180 0x1 Strp (choice)	4.686	4.422	+.264	4.215
184 Top Butt, bnls (ch.)	2.600	2.614	-.014	2.394
184 Top Butt, bnls (prime)	2.580	2.601	-.021	2.433
185a Sirloin Flap (choice)	3.645	3.547	+.098	3.342
185c Loin, Tri-Tip (choice)	2.761	2.607	+.154	2.780
189a Tender (select)	7.841	7.604	+.237	6.495
189a Tender (choice)	8.283	7.954	+.329	6.638
189a Tender (prime)	10.950	11.207	-.257	9.475
193 Flank Steak (choice)	4.088	3.687	+.401	2.942
50% Trimmings	.815	.765	+.050	.897
65% Trimmings	1.111	1.092	+.019	1.029
75% Trimmings	1.421	1.406	+.015	1.111
85% Trimmings	1.800	1.826	-.026	1.448
90% Trimmings	1.945	1.945	-	1.561
90% Imported Beef (frz.)	1.970	1.985	-.015	1.655
95% Imported Beef (frz.)	2.110	1.973	+.137	1.778
Veal Rack (Hotel 7 rib)	5.200	5.200	-	4.200
Veal Top Rnd. (cp. Off)	12.625	12.625	-	9.450



Oil, Grains, Misc.-The condition of the US winter wheat crop, in general, is below average which is not what the markets need. Buyers should remain cautious. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.720	13.503	+.217	9.366
Crude Soybean Oil, lb.	.562	.538	+.024	.367
Soybean Meal, ton	349.900	349.900	-	271.700
Corn, bushel	6.875	7.083	-.208	3.488
Crude Corn Oil, lb.	.670	.670	-	.385
Distillers Grain, Dry	202.000	196.250	+5.750	101.500
Crude Palm Oil, lb. BMD	.562	.542	+.020	.364
HRW Wheat, bushel	8.195	8.325	-.130	4.305
DNS Wheat 14%, bushel	9.980	9.940	+.040	5.510
Canola, lb.	.264	.257	+.007	.165
Canola Oil, SD, (Tor.), lb.	.656	.632	+.024	.468
Pinto Beans, lb.	.271	.271	-	.294
Black Beans, lb.	.310	.310	-	.345
Rice, Long Grain, lb.	.278	.285	-.007	.256
Coffee, lb. NYBOT	2.810	2.749	+.061	1.311
Sugar, lb. NYBOT	.396	.399	-.003	.380



Dairy-The butter market is trending higher due mostly to solid export demand. The New Zealand butter market is carrying only about a $.08 premium to the US. This could limit US butter exports going forward unless the New Zealand market rises. US butter supplies are historically limited which should cause fairly inflated butter prices to persist into the spring. The cheese markets continue to edge higher. Still, cheese exports could wane in the pending weeks which may lead to modest cheese price declines. The nonfat dry milk and whey markets may remain elevated. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.980	1.963	+.017	1.250
Cheese Blocks (CME)	2.020	2.000	+.020	1.275
American Cheese	2.170	2.170	-	1.633
Cheddar Cheese (40 lb.)	2.150	2.150	-	1.850
Mozzarella Cheese	2.230	2.230	-	1.665
Provolone Cheese	2.480	2.480	-	1.830
Parmesan Cheese	3.783	3.783	-	3.195
Butter (CME)	2.120	2.115	+.005	1.485
Nonfat Dry Milk	1.638	1.611	+.027	1.135
Whey, Dry	.462	.476	-.014	.381
Class 1 Base	18.230	18.230	-	14.340
Class II Cream, heavy	2.513	2.513	-	1.864
Class III Milk (CME)	18.370	18.070	+.300	12.660
Class IV Milk (CME)	20.590	20.200	+.390	13.480

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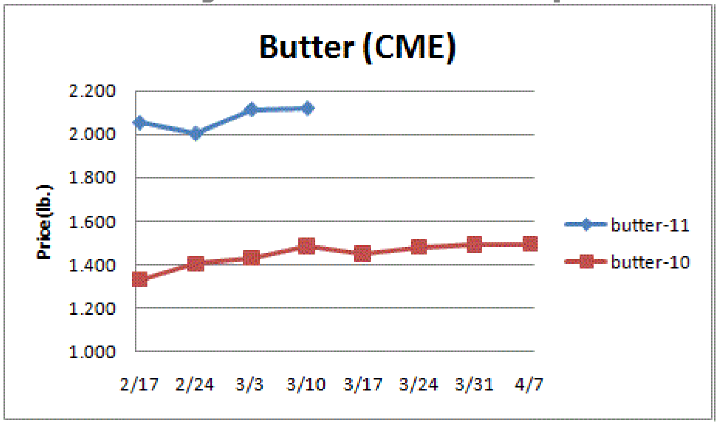
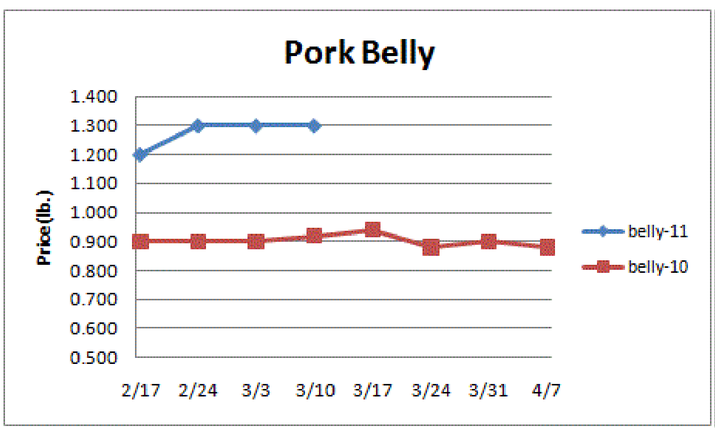


Pork-Pork production last week rose 1.6% and was 1.3% larger than the previous year. Domestic pork demand is reported to be waning due to the existing elevated price levels. We are also hearing that South Korea demand, brought on by the swine disease challenges there, is saturated. Many pork markets have modestly weakened but we believe this is likely to only be temporary. Pork belly supplies are extremely limited which continues to support the belly market. Elevated belly prices could persist through the summer. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.599	.592	+.007	.539
Belly (bacon)	1.300	1.300	-	.920
Sparerib (4.25 lb. & down)	1.487	1.448	+.039	1.269
Ham (20-23 lb.)	.800	.830	-.030	.765
Ham (23-27 lb.)	.800	.830	-.030	.750
Loin (bone-in)	.938	.988	-.050	.868
Bbybck Rib (1.75 lb. & up)	2.550	2.546	+.004	2.396
Tenderloin (1.25 lb.)	2.590	2.593	-.003	2.169
Boston Butt, untrmd. (4-8 lb.)	.999	1.045	-.046	.688
Picnic, untrmd.	.707	.726	-.019	.546
SS Picnic, smoker trm. bx.	1.030	1.030	-	.648
42% Trimmings	.580	.524	+.056	.550
72% Trimmings	.840	.809	+.031	.800



Tomato Products, Canned-The canned tomato markets remain steady to firm. Raw product prices for canners are expected to rise 15% with the next harvest. Prices per case (6/10) FOB, unless noted from ARA.

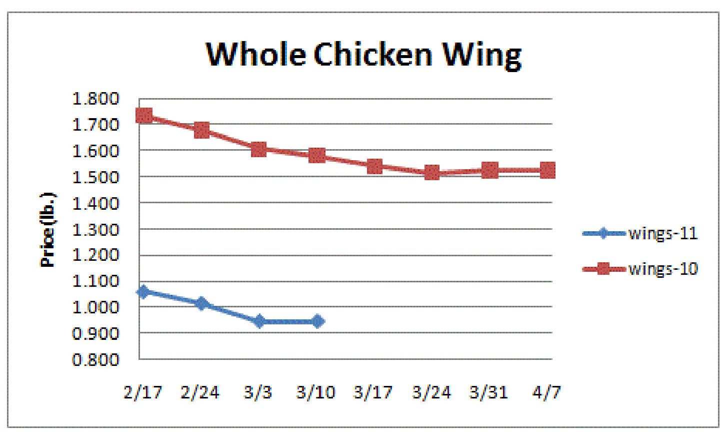
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	11.750	11.750	-	12.750
Diced, Fancy	12.250	12.250	-	13.250
Ketchup, 33%	13.000	13.000	-	14.125
Tomato Paste- Industrial (lb.)	.390	.390	-	.400

Processed Vegetables-French fry processors are almost certainly facing a notable increase in raw product costs with the next crop. This may firm the French fry markets. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 10
Corn, Fcy whl kern- can 6/10	17.406	17.406	-	17.406
Green Beans Fcy- can 6/10	17.000	17.000	-	17.056
Green Peas, Fcy- can 6/10	17.750	17.750	-	18.250
Corn, Cob- froz 96 ct.	14.500	14.500	-	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 chicken markets are mixed. Chicken production in recent weeks has been trending 3% to 4% above 2010 levels which has dampened seasonal price increases for chicken breasts this winter. The 6 week moving average for broiler egg sets is currently just .3% larger than last year, however, heavier bird weights will likely cause chicken output to remain closer to 3% above the prior year this spring unless further production cutbacks are taken. Recently, a top 10 US chicken producer announced that they were cutting their bird numbers by 10% due to poor margins. It's likely that other producers will follow. Thus, we expect that the chicken wing markets could make a bottom in the not so distant future. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.858	.858	-	.835
Whole Birds (LA)	.950	.950	-	.920
Wings (whole)	.945	.945	-	1.580
Wings (jumbo, cut)	1.136	1.136	-	1.416
Breast, Bone In	.810	.810	-	.845
Breast, Bnless Skinless	1.465	1.465	-	1.570
Tenderloin (random)	1.200	1.000	+.200	1.250
Tenderloin (sized)	2.050	1.850	+.200	1.910
Legs (whole)	.577	.572	+.005	.515
Leg Quarters	.420	.420	-	.375
Thighs, bone in	.599	.532	+.067	.474
Thighs, boneless	1.140	1.097	+.043	.896
Eggs and Others				
Large (dozen)	.980	1.065	-.085	1.050
Medium (dozen)	.838	.922	-.084	.915
Whole Eggs- Liquid	.420	.425	-.005	.530
Egg Whites- Liquid	.408	.456	-.048	.376
Egg Yolks- Liquid	.659	.593	+.066	.666
Whole Turkeys (8-16 lb.)	.920	.983	-.063	.785
Turkey Breast, Bnls/Sknls	2.202	2.199	+.003	1.484



Seafood-The relatively deflated US dollar continues to help support seafood prices. Despite the Alaskan snow crab harvest progressing, Japanese demand for Alaskan crab has been unusually strong due to the favorable currency conversion for Japan. We still anticipate that the snow crab leg markets may move lower once the Newfoundland season commences. The Alaska salmon catch is projected to rise 25% this year.

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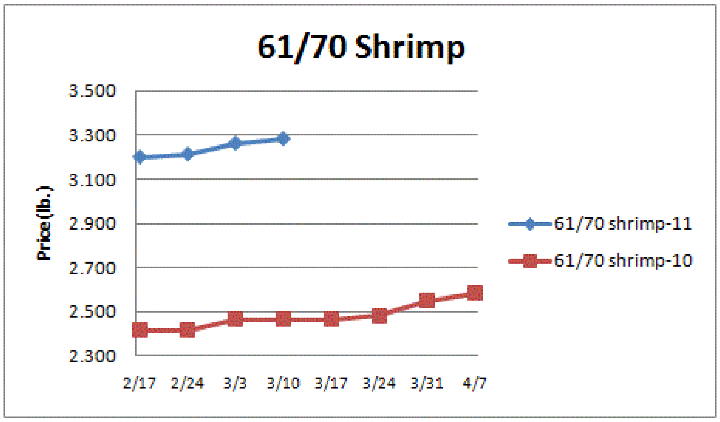
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	4.950	4.950	-	3.500
Catfish Filets	4.500	4.500	-	3.500
Trout (drn. 8-14 oz.)	3.300	3.300	-	3.000
Shrimp (16/20), Frz	7.238	7.253	-.015	4.850
Shrimp (61/70), Frz.	3.283	3.263	+.020	2.466
Shrimp, Tiger (26/30), Frz.	4.563	4.538	+.025	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	3.013	-	2.950
Cod Loins, 3-12 oz., Frz	3.725	3.725	-	3.525
Salmon Portions, 4-8 oz, Frz	6.283	6.283	-	5.461
Pollock, Alaska, Deep Skin	1.925	1.925	-	2.075



Energy & Currency-Currency US dollar is worth.

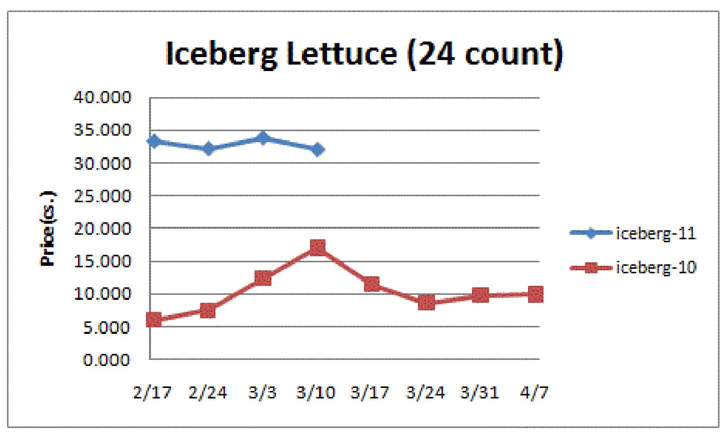
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	105.440	99.630	+5.810	81.490
Natural Gas, mbtu- nymex	3.927	3.873	+.054	4.516
Heating Oil, gal- nymex	3.066	3.024	+.042	2.090
Electricity, mwht- nymex	44.260	42.520	+1.740	42.750
Gasoline, gal- nymex	3.004	2.983	+.021	2.260
Diesel Fuel, gal- eia	3.871	3.716	+.155	2.904
Ethanol, gal- usda	2.490	2.365	+.125	1.560
Canadian $	.971	.970	+.001	1.030
Japanese Yen	82.086	82.018	+.068	89.784
Mexican Peso	11.998	12.092	-.094	12.693
Euro	.713	.723	-.010	.738
Brazilian Real	1.655	1.663	-.008	1.796
Chinese Yuan	6.557	6.569	-.012	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	827.263	-	596.275
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)	.860-.890	.830-.860	+.030	.820-.850

Produce-The potato markets continue to trade at record high price levels for this time of the year due to historically restricted stocks and improving demand. Usually, the potato markets are fairly steady during the spring but we suspect that additional potato market increases may be forthcoming. The potato markets have not traded at these levels since the summer of 2008 and all time record high prices could occur later this year. Lettuce shipments modestly improved last week but still were relatively limited. The lettuce markets could remain elevated during the next few weeks. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	49.000	55.000	-6.000	21.000
Lemons (95 ct.)	11.640	11.640	-	17.540
Lemons (200 ct.)	13.640	13.140	+.500	20.040
Honeydew (6 ct.)	13.733	13.733	-	9.000
Cantaloupe (15 ct.)	11.588	10.225	+1.363	15.500
Blueberries (12 count)	15.000	15.000	-	17.200
Strwbrries (12 pnts.)	14.000	15.500	-1.500	19.000
Avocds (Hass 48 ct.)	46.750	45.750	+1.000	25.250
Bananas (40 lb.)- Term.	17.204	17.254	-.050	16.063
Pineapple (7 ct.)- Term.	12.688	12.448	+.240	11.531
Idaho Potato (60 ct., 50 lb.)	22.500	21.000	+1.500	5.500
Idaho Potato (70 ct., 50 lb.)	21.500	19.750	+1.750	5.375
Idaho Potato (70 ct.)-Term.	24.213	24.033	+.180	9.734
Idaho Potato (90 ct., 50 lb.)	12.750	12.000	+.750	5.000
Idaho Pot. # 2 (6 oz., 100 lb.)	14.500	12.750	+1.750	5.750
Processing Potato (cwt.)	9.000	9.000	-	7.300
Yellow Onions (50 lb.)	8.250	8.400	-.150	22.667
Yell Onions (50 lb.)-Term.	8.263	11.063	-2.800	24.083
Red Onions (25 lb.)- Term.	8.688	9.250	-.562	12.802
White Onions (50 lb.)- Term.	12.250	13.771	-1.521	66.385
Tomatoes (large- case)	30.450	30.450	-	32.950
Tomatoes (5x6-25 lb.)-Term	28.000	26.417	+1.583	40.458
Tomatoes (4x5 vine ripe)	17.950	17.950	-	22.950
Roma Tomatoes (large- case)	19.450	16.617	+2.833	12.640
Roma Tomatoes (xlarge-cs)	19.450	16.617	+2.833	13.290
Green Peppers (large- case)	25.850	27.400	-1.550	34.275
Red Peppers (large 15lb. cs.)	12.950	14.950	-2.000	17.950
Iceberg Lettuce (24 count)	32.015	33.815	-1.800	17.043
Iceberg Lettuce (24)-Term.	35.875	42.333	-6.458	21.333
Leaf Lettuce (24 count)	17.313	17.783	-.470	10.880
Romaine Lettuce (24 cnt.)	40.617	39.702	+.915	10.218
Mesculin Mix (3 lb.)-Term.	9.000	11.208	-2.208	6.344
Broccoli (14 ct.)	13.000	11.700	+1.300	10.905
Squash (1/2 bushel)	15.850	25.350	-9.500	15.950
Zucchini (1/2 bushel)	27.850	28.850	-1.000	10.425
Green Beans (bushel)	13.850	11.950	+1.900	41.438
Spinach, Flat 24's	17.700	19.750	-2.050	10.900
Mushrms (10 lb, lg.)-Term.	13.521	13.313	+.208	11.379
Cucumbers (bushel)	19.142	22.713	-3.571	18.300
Pickles (200-300 ct.)- Term.	49.500	45.425	+4.075	28.750
Asparagus (small)	15.500	15.500	-	27.750
Freight (Truck; CA-Cty Av.)	4314.280	4314.280	-	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