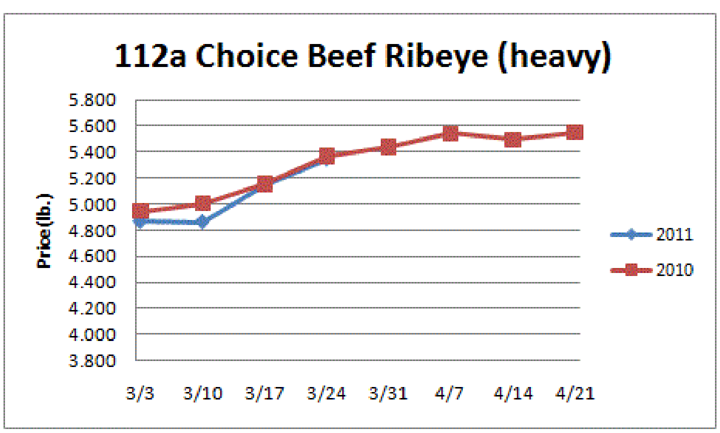
Weekly Market Updates

Volume No. 4 Issue No. 12 Date: March 24, 2011

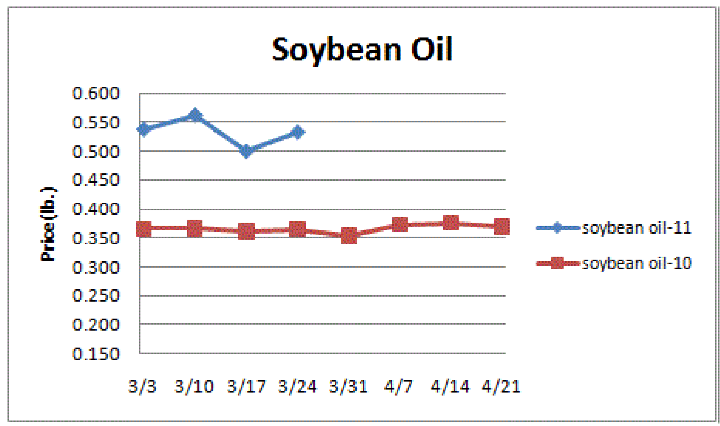
Beef - Beef output last week declined 3.4% but was 1% bigger than the prior year. The March 1st US cattle on feed inventory was 5% larger than a year ago. Cattle placements into feedlots during February were .6% less than 2010 at mostly lighter weights. The April 1st near slaughter ready cattle inventory is estimated to be 1% larger than the 3 year average for the date. Beef production may continue to trend close to above 2010 next month. February retail beef prices were 11% more than last year and a record high. Inflated retail prices could slow domestic demand and limit the upside risk in beef middle meat prices. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.136	1.157	-.021	.969
Feeder Cattle Index (CME)	1.294	1.296	-.002	1.046
Ground Beef 81/19	1.962	1.938	+.024	1.448
Ground Chuck	1.942	1.935	+.007	1.517
109e Export Rib (choice)	4.961	4.851	+.110	4.838
109e Export Rib (prime)	8.145	8.139	+.006	6.395
112a Ribeye (choice)	5.345	5.148	+.197	5.367
112a Ribeye (prime)	7.615	8.448	-.833	7.383
116 Chuck (select)	2.500	2.552	-.052	1.915
116 Chuck (choice)	2.548	2.574	-.026	1.910
116b Chuck Tdnr (choice)	2.262	2.275	-.013	1.664
120 Brisket (choice)	1.737	1.716	+.021	1.853
121c Outside Skirt (ch/sel)	4.382	4.344	+.038	3.276
121d Inside Skirt (ch/sel)	3.347	3.409	-.062	2.926
167a Knckle, Trm. (ch.)	2.328	2.358	-.030	2.028
168 Inside Round (ch.)	2.167	2.152	+.015	1.811
174 Short Loin (ch. 0x1)	5.091	4.868	+.223	5.095
174 Short Loin (prime)	7.523	7.274	+.249	5.975
180 1x1 Strp (choice)	4.670	4.705	-.035	4.906
180 1x1 Strp (prime)	8.775	8.542	+.233	6.487
180 0x1 Strp (choice)	5.344	5.092	+.252	5.238
184 Top Butt, bnls (ch.)	2.753	2.730	+.023	2.767
184 Top Butt, bnls (prime)	2.711	2.662	+.049	2.583
185a Sirloin Flap (choice)	3.990	3.962	+.028	3.658
185c Loin, Tri-Tip (choice)	2.928	2.858	+.070	2.915
189a Tender (select)	8.235	8.177	+.058	7.357
189a Tender (choice)	8.788	8.676	+.112	7.783
189a Tender (prime)	11.316	11.058	+.258	9.701
193 Flank Steak (choice)	4.055	4.136	-.081	3.322
50% Trimmings	1.100	1.030	+.070	.899
65% Trimmings	1.336	1.261	+.075	1.064
75% Trimmings	1.449	1.449	-	1.134
85% Trimmings	1.873	1.862	+.011	1.426
90% Trimmings	1.994	1.990	+.004	1.565
90% Imported Beef (frz.)	2.010	1.990	+.020	1.644
95% Imported Beef (frz.)	2.133	2.123	+.010	1.770
Veal Rack (Hotel 7 rib)	5.300	5.300	-	4.200
Veal Top Rnd. (cp. Off)	12.625	12.625	-	9.450



Oil, Grains, Misc.-Trade is anxiously awaiting the March 31st USDA prospective plantings report for the upcoming crops. The grain markets may be lackluster until then. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.398	12.409	+.989	9.650
Crude Soybean Oil, lb.	.533	.500	+.033	.365
Soybean Meal, ton	351.400	329.300	+22.100	280.400
Corn, bushel	6.597	6.000	+.597	3.380
Crude Corn Oil, lb.	.680	.665	+.015	.385
Distillers Grain, Dry	181.250	198.250	-17.000	95.000
Crude Palm Oil, lb. BMD	.503	.493	+.010	.361
HRW Wheat, bushel	7.665	6.975	+.690	4.175
DNS Wheat 14%, bushel	9.210	8.620	+.590	5.450
Canola, lb.	.257	.226	+.031	.163
Canola Oil, SD, (Tor.), lb.	.624	.619	+.005	.456
Pinto Beans, lb.	.276	.273	+.003	.291
Black Beans, lb.	.325	.310	+.015	.346
Rice, Long Grain, lb.	.266	.267	-.001	.252
Coffee, lb. NYBOT	2.770	2.733	+.037	1.330
Sugar, lb. NYBOT	.394	.401	-.007	.348



Dairy-US milk production during February was 2% more than last year due to a 1.3% gain in milk per cow yields and a .8% larger milk cow herd compared to 2010. The milk cow herd size during February was unchanged from the previous month although we suspect that herd growth is occurring in March. Milk output should seasonally increase in the coming months which should put some pressure on the dairy markets. Existing butter supplies remain short. The butter market may remain fairly inflated. The cheese markets could find some temporary support soon. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.685	1.740	-.055	1.273
Cheese Blocks (CME)	1.625	1.715	-.090	1.280
American Cheese	2.140	2.170	+.030	1.623
Cheddar Cheese (40 lb.)	2.150	2.150	-	1.798
Mozzarella Cheese	2.103	2.230	-.127	1.613
Provolone Cheese	2.260	2.515	-.255	1.778
Parmesan Cheese	3.335	3.590	-.255	3.143
Butter (CME)	2.060	2.118	-.058	1.480
Nonfat Dry Milk	1.636	1.630	+.006	1.151
Whey, Dry	.462	.462	-	.342
Class 1 Base	19.430	18.230	+1.200	13.220
Class II Cream, heavy	2.710	2.788	-.078	1.910
Class III Milk (CME)	16.330	16.400	-.070	12.570
Class IV Milk (CME)	20.050	20.000	+.050	13.400

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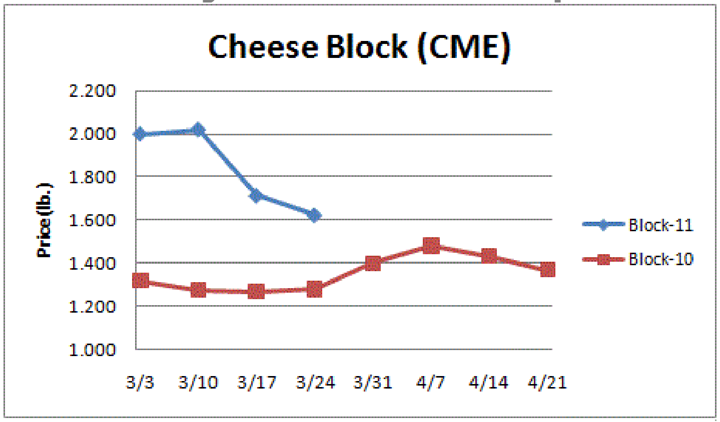
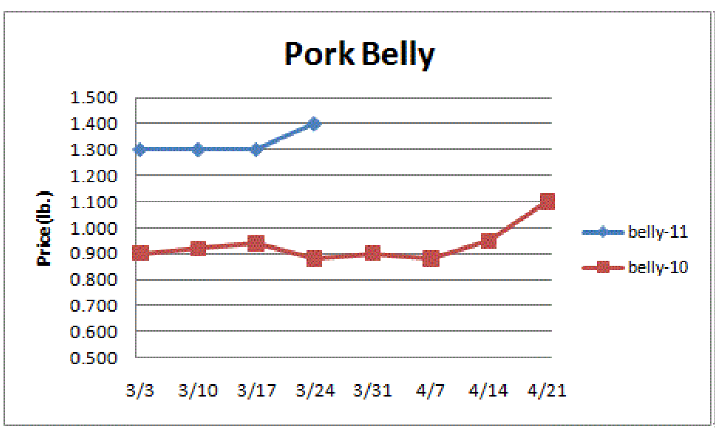


Pork-Pork production last week declined .7% but was .8% bigger than the same week a year ago. Pork output is anticipated to seasonally decline during the spring. Retail pork prices during February were 9% higher than the prior year and the 3rd highest on record for any month. Look for new retail pork price record highs to be set in the coming months which could lessen demand. Still, consumers may trade down to pork from beef which may be bullish for pork grill items like ribs. February rib stocks were 1% less than 2010. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.600	.591	+.009	.502
Belly (bacon)	1.400	1.300	+.100	.880
Sparerib (4.25 lb. & down)	1.528	1.519	+.009	1.325
Ham (20-23 lb.)	.820	.780	+.040	.690
Ham (23-27 lb.)	.800	.780	+.020	.670
Loin (bone-in)	.998	.985	+.013	.851
Bbybck Rib (1.75 lb. & up)	2.585	2.558	+.027	2.376
Tenderloin (1.25 lb.)	2.620	2.587	+.033	2.188
Boston Butt, untrmd. (4-8 lb.)	1.000	1.014	-.014	.772
Picnic, untrmd.	.701	.703	-.002	.519
SS Picnic, smoker trm. bx.	.920	.960	-.040	.620
42% Trimmings	.500	.500	-	.440
72% Trimmings	.900	.800	+.100	.712



Tomato Products, Canned-The markets are relatively steady. Higher raw product prices should lead to higher canned tomato prices later this year. Prices per case (6/10) FOB, unless noted from ARA.

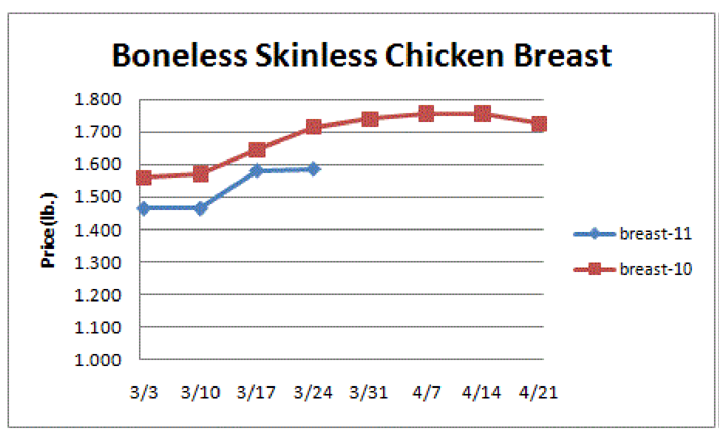
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	11.750	11.750	-	12.750
Diced, Fancy	12.250	12.250	-	13.250
Ketchup, 33%	13.000	13.000	-	14.125
Tomato Paste- Industrial (lb.)	.390	.390	-	.400

Processed Vegetables-February 28th frozen green bean (13%), corn (5%) and green pea (12%) stocks were all less than last year. The markets are steady to firm. 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 February broiler type chick hatch was 1% larger than the prior year suggesting that chicken production should continue to trend above 2010 levels next month. Pullet placements for the broiler hatchery flock during February were 2% more than a year ago indicating a building chicken supply. The broiler breeding flock is projected to average 3% plus above 2010 for the next several months which is bullish for chicken production. Chicken demand is improving helping influence many markets higher. Given the inflated beef and pork prices, chicken is a tremendous value which should encourage chicken demand. Thus, higher chicken prices may be forthcoming. Higher egg prices may be pending later this year. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.863	.863	-	.848
Whole Birds (LA)	.950	.950	-	.930
Wings (whole)	.950	.945	+.005	1.515
Wings (jumbo, cut)	1.136	1.136	-	1.465
Breast, Bone In	.900	.895	+.005	.920
Breast, Bnless Skinless	1.585	1.580	+.005	1.715
Tenderloin (random)	1.450	1.360	+.090	1.450
Tenderloin (sized)	2.300	2.250	+.050	2.150
Legs (whole)	.653	.628	+.025	.472
Leg Quarters	.460	.450	+.010	.375
Thighs, bone in	.655	.656	-.001	.466
Thighs, boneless	1.190	1.106	+.084	.931
Eggs and Others				
Large (dozen)	.877	.880	-.003	1.320
Medium (dozen)	.778	.778	-	1.078
Whole Eggs- Liquid	.484	.462	+.022	.611
Egg Whites- Liquid	.473	.453	+.020	.438
Egg Yolks- Liquid	.673	.664	+.009	.695
Whole Turkeys (8-16 lb.)	.925	.925	-	.795
Turkey Breast, Bnls/Sknls	2.252	2.203	+.049	1.615



Seafood-The catastrophe in Japan has significantly disrupted the seafood industry. Japan is one of the largest seafood importers in the world and demand has slowed. Further, Japan also processes a notable volume of Alaskan seafood which is slowing as well. The impact on the seafood markets could be bearish for the next few months. Jan and Feb total Gulf of Mexico shrimp landings were 8.6% larger than the previous year.

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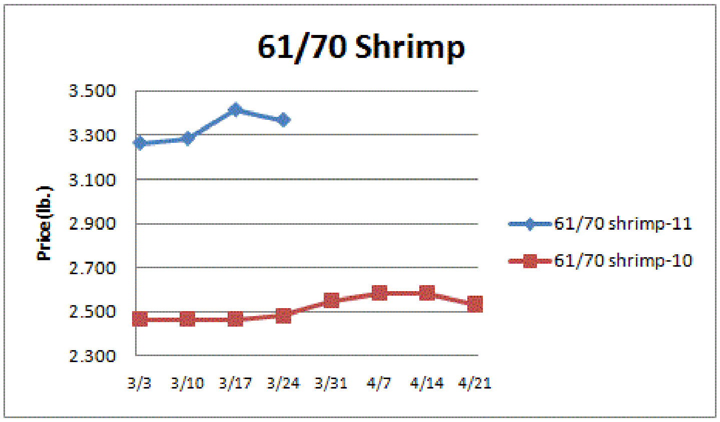
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	4.700	4.700	-	3.750
Catfish Filets	4.700	4.700	-	3.500
Trout (drn. 8-14 oz.)	3.100	3.100	-	3.000
Shrimp (16/20), Frz	7.408	7.367	+.041	4.996
Shrimp (61/70), Frz.	3.367	3.413	-.046	2.483
Shrimp, Tiger (26/30), Frz.	4.600	4.600	-	4.216
Snow Crab, Legs 5-8 oz, Frz	5.800	5.800	-	3.825
Snow Crab, Legs 8 oz/ up, Fz	6.050	6.050	-	4.275
Cod Tails, 3-7 oz., Frz.	3.125	3.163	-.038	2.950
Cod Loins, 3-12 oz., Frz	3.819	3.819	-	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.

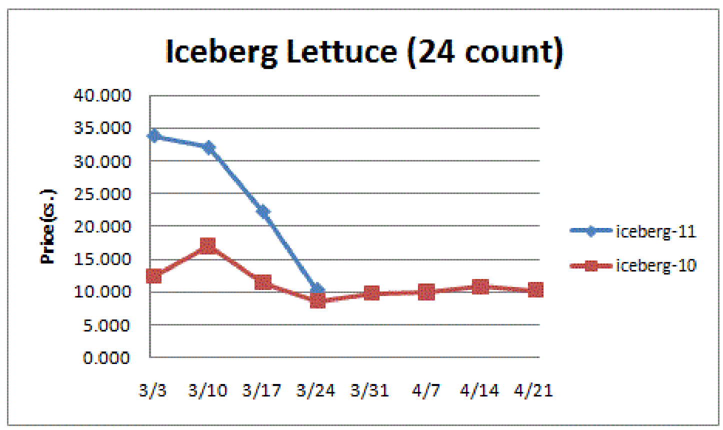
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	104.00	97.180	+6.820	81.910
Natural Gas, mbtu- nymex	4.254	3.941	+.313	4.130
Heating Oil, gal- nymex	3.076	2.954	+.122	2.102
Electricity, mwht- nymex	50.050	43.240	+6.810	42.080
Gasoline, gal- nymex	3.005	2.803	+.202	2.263
Diesel Fuel, gal- eia	3.907	3.908	-.001	2.946
Ethanol, gal- usda	2.355	2.495	-.140	1.460
Canadian $	.979	.992	-.013	1.019
Japanese Yen	81.029	80.949	+.080	90.362
Mexican Peso	11.977	12.074	-.097	12.518
Euro	.704	.720	-.016	.740
Brazilian Real	1.665	1.675	-.010	1.781
Chinese Yuan	6.547	6.573	-.056	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)	984.360	986.130	-1.770	902.330
WP; 42 lb. Linerboard (corr.)	849.963	833.952	+16.011	603.421
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	-	1.0501.070
Res; PE-LLD (cn liner, film)	.860-.890	.860-.890	-	.880-.910

Produce-The tomato markets remain inflated. Tomato supplies could remain limited into early April before significantly improving. Modestly lower tomato prices are anticipated later next month. The lettuce markets have weakened considerably during the past week as the harvest improves in the Yuma/Imperial Valley region and product has become available from Huron. The lettuce markets could find support fairly soon. February retail produce prices were 6% higher than last year and a new record. Lower retail prices may be needed to improve domestic produce demand. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	46.000	49.000	-3.000	43.000
Lemons (95 ct.)	12.640	11.640	+1.000	17.540
Lemons (200 ct.)	15.640	14.140	+1.500	19.040
Honeydew (6 ct.)	12.750	13.638	-.888	15.738
Cantaloupe (15 ct.)	13.450	12.088	+1.362	14.750
Blueberries (12 count)	16.000	14.000	+2.000	15.000
Strwbrries (12 pnts.)	13.500	13.500	-	12.500
Avocds (Hass 48 ct.)	47.750	48.500	-.750	26.500
Bananas (40 lb.)- Term.	16.450	18.425	-1.975	16.813
Pineapple (7 ct.)- Term.	12.042	11.667	+.375	14.306
Idaho Potato (60 ct., 50 lb.)	23.750	23.500	+.250	6.125
Idaho Potato (70 ct., 50 lb.)	22.750	22.500	+.250	6.125
Idaho Potato (70 ct.)-Term.	27.354	26.175	+1.179	10.034
Idaho Potato (90 ct., 50 lb.)	13.750	13.500	+.250	4.375
Idaho Pot. # 2 (6 oz., 100 lb.)	16.500	15.500	+1.000	5.750
Processing Potato (cwt.)	9.000	9.000	-	7.300
Yellow Onions (50 lb.)	7.625	8.375	-.750	25.625
Yell Onions (50 lb.)-Term.	10.813	10.396	+.417	25.938
Red Onions (25 lb.)- Term.	8.063	8.031	+.032	16.448
White Onions (50 lb.)- Term.	9.938	10.729	-.791	75.667
Tomatoes (large- case)	26.117	26.617	-.500	30.950
Tomatoes (5x6-25 lb.)-Term	29.063	26.417	+2.646	35.667
Tomatoes (4x5 vine ripe)	23.963	22.950	+1.013	26.950
Roma Tomatoes (large- case)	26.625	23.792	+2.833	21.475
Roma Tomatoes (xlarge-cs)	26.625	23.792	+2.833	22.317
Green Peppers (large- case)	22.400	29.400	-7.000	48.275
Red Peppers (large 15lb. cs.)	23.950	24.950	-1.000	21.950
Iceberg Lettuce (24 count)	10.270	22.243	-11.973	8.653
Iceberg Lettuce (24)-Term.	18.000	34.917	-16.917	15.583
Leaf Lettuce (24 count)	7.442	9.793	-2.351	7.012
Romaine Lettuce (24 cnt.)	9.118	22.213	-13.095	6.459
Mesculin Mix (3 lb.)-Term.	7.426	7.552	-.126	6.438
Broccoli (14 ct.)	8.454	8.876	-.422	12.933
Squash (1/2 bushel)	9.850	9.350	+.500	15.425
Zucchini (1/2 bushel)	11.850	27.850	-16.000	10.188
Green Beans (bushel)	13.100	12.350	+.750	32.188
Spinach, Flat 24's	11.100	11.600	-.500	16.725
Mushrms (10 lb, lg.)-Term.	13.313	13.313	-	11.359
Cucumbers (bushel)	37.475	32.713	+4.762	18.950
Pickles (200-300 ct.)- Term.	55.750	54.667	+1.083	32.875
Asparagus (small)	13.000	14.500	-1.500	36.750
Freight (Truck; CA-Cty Av.)	4356.250	4356.250	-	4010.000



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

	Feb-11	Jan-11	Dec-10	Nov-10
Beef and Veal	+1.910	+2.259	-.595	+.168
Dairy	+.574	+.145	+.372	-.006
Pork	+.959	+1.538	-2.092	-1.875
Chicken	+.460	-.981	-.773	+.357
Fresh Fish and Seafood	+.420	+1.516	+.251	+2.026
Fresh Fruits and Veg.	+.486	+3.253	+3.090	+.698