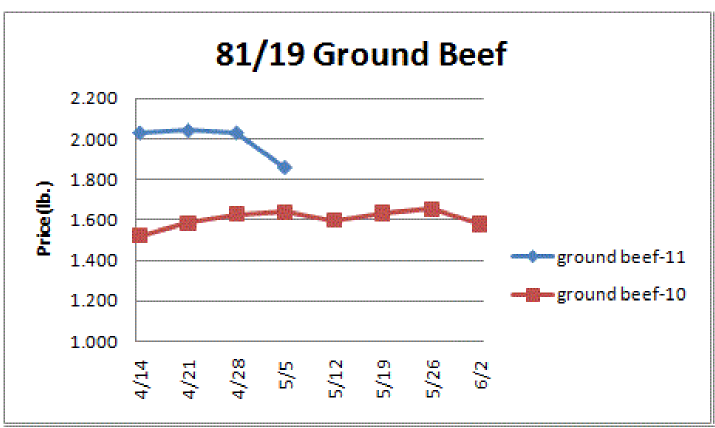
Weekly Market Updates

Volume No. 4 Issue No. 18 Date: May 5, 2011

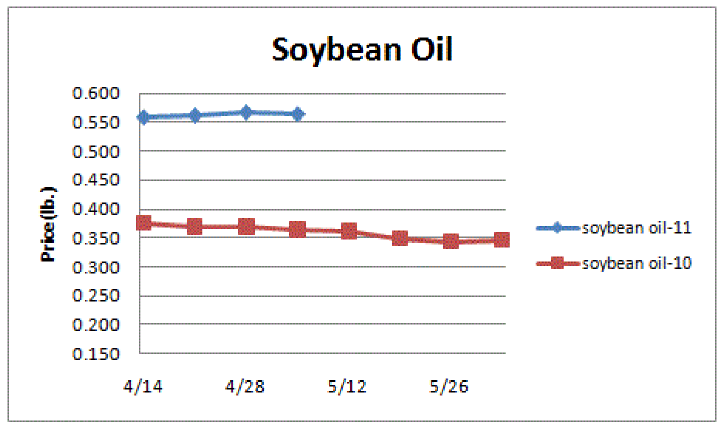
Beef - Most of the beef markets continue to weaken. Both near term and future beef sales have been historically light as buyers restrict purchases. We are also hearing that consumers are trading down this spring grill season from steaks to hamburger due in part to rising fuel prices. Cattle supplies compared to 2010 are projected to improve considerably as the summer nears. We expect modestly lower markets may be impending for most beef products. Some of the exceptions could be the beef trimming, ground beef, chuck and round markets which are typically used for hamburger meat. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.159	1.171	-.012	.988
Feeder Cattle Index (CME)	1.318	1.323	-.005	1.135
Ground Beef 81/19	1.857	2.032	-.175	1.637
Ground Chuck	1.844	1.984	-.140	1.696
109e Export Rib (choice)	5.322	5.463	-.141	4.839
109e Export Rib (prime)	7.647	7.073	+.574	6.726
112a Ribeye (choice)	5.808	5.627	+.181	5.332
112a Ribeye (prime)	7.169	8.159	-.990	7.424
116 Chuck (select)	1.918	1.910	+.008	1.864
116 Chuck (choice)	1.948	1.992	-.044	1.866
116b Chuck Tdnr (choice)	2.022	2.049	-.027	1.665
120 Brisket (choice)	1.695	1.709	-.014	1.531
121c Outside Skirt (ch/sel)	3.806	3.641	+.165	3.445
121d Inside Skirt (ch/sel)	3.310	3.434	-.124	2.770
167a Knckle, Trm. (ch.)	2.191	2.207	-.016	2.033
168 Inside Round (ch.)	1.975	1.977	-.002	1.990
174 Short Loin (ch. 0x1)	5.734	5.733	+.001	5.463
174 Short Loin (prime)	7.247	7.231	+.016	6.703
180 1x1 Strp (choice)	5.213	5.544	-.331	5.061
180 1x1 Strp (prime)	7.135	7.367	-.232	7.960
180 0x1 Strp (choice)	5.769	5.813	-.044	5.848
184 Top Butt, bnls (ch.)	2.646	2.723	-.077	2.924
184 Top Butt, bnls (prime)	2.804	2.865	-.061	2.829
185a Sirloin Flap (choice)	3.515	3.529	-.014	3.114
185c Loin, Tri-Tip (choice)	2.836	2.729	+.107	2.374
189a Tender (select)	7.835	7.907	-.072	8.005
189a Tender (choice)	8.083	8.243	-.160	8.675
189a Tender (prime)	10.322	10.614	-.292	10.152
193 Flank Steak (choice)	3.952	3.871	+.081	3.987
50% Trimmings	.990	1.019	-.029	1.119
65% Trimmings	1.264	1.243	+.021	1.204
75% Trimmings	1.560	1.562	-.002	1.294
85% Trimmings	1.952	1.941	+.011	1.609
90% Trimmings	2.025	2.045	-.020	1.711
90% Imported Beef (frz.)	2.055	2.050	+.005	1.775
95% Imported Beef (frz.)	2.145	2.150	-.005	1.894
Veal Rack (Hotel 7 rib)	5.450	5.450	-	4.325
Veal Top Rnd. (cp. off)	12.400	12.400	-	9.650



Oil, Grains, Misc.-Planting progress for corn, soybeans and spring wheat remain behind due to a wet spring in the Midwest. Higher grain prices may result if the weather does not improve. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.507	13.752	-.245	9.635
Crude Soybean Oil, lb.	.564	.567	-.003	.364
Soybean Meal, ton	340.400	344.300	-3.900	295.000
Corn, bushel	6.987	7.443	-.456	3.564
Crude Corn Oil, lb.	.685	.690	-.005	.385
Distillers Grain, Dry	196.000	204.250	-8.250	114.750
Crude Palm Oil, lb. BMD	.519	.516	+.003	.360
HRW Wheat, bushel	8.255	8.725	-.470	4.435
DNS Wheat 14%, bushel	9.870	10.330	-.460	5.605
Canola, lb.	.270	.270	-	.169
Canola Oil, SD, (Tor.), lb.	.651	.647	+.004	.455
Pinto Beans, lb.	.288	.282	+.006	.275
Black Beans, lb.	.325	.325	-	.346
Rice, Long Grain, lb.	.252	.252	-	.243
Coffee, lb. NYBOT	3.051	2.879	+.172	1.386
Sugar, lb. NYBOT	.365	.381	-.016	.287
Honey (Clover), lb.	1.625	1.625	-	1.558



Dairy-The CME spot cheese markets continue to edge upward due in part to strong cheese exports. The international cheese market continues to carry nearly a $.40 premium to the US which should encourage cheese exports and support cheese prices into the summer. Still, we would expect any notable move above $1.70 CME cheese to be short lived. The US butter market continues to firm. US stocks are limited but history suggests that the upside market risk in butter from here may only be modest. Nonfat dry milk prices could be supported by a rising world market. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.640	1.610	+.030	1.375
Cheese Blocks (CME)	1.640	1.605	+.035	1.383
American Cheese	1.953	1.948	+.005	1.728
Cheddar Cheese (40 lb.)	2.115	2.123	-.008	1.800
Mozzarella Cheese	1.948	1.955	-.007	1.728
Provolone Cheese	2.105	2.113	-.008	1.893
Parmesan Cheese	3.180	3.188	-.008	3.258
Butter (CME)	2.095	2.015	+.080	1.580
Nonfat Dry Milk	1.663	1.661	+.002	1.278
Whey, Dry	.494	.493	+.001	.376
Class 1 Base	19.750	19.750	-	13.800
Class II Cream, heavy	2.587	2.550	+.037	2.107
Class III Milk (CME)	17.290	16.270	+1.020	13.600
Class IV Milk (CME)	20.600	20.090	+.510	15.610

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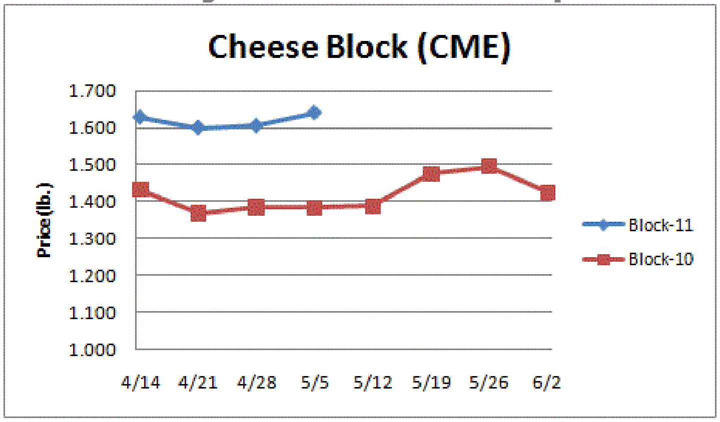
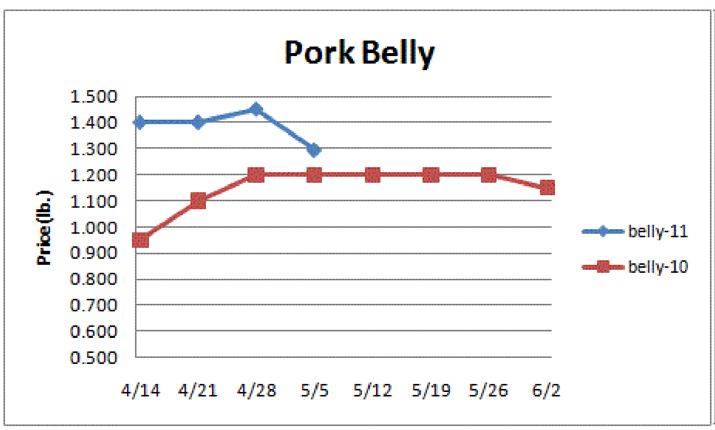


Pork-The March US and Canadian total swine breeding herd was .3% larger than the prior year suggesting pork production expansion in the coming months. Still, the March breeding herd was the 2nd smallest for the month in the last 6 years. Additionally, there are signs that hog and many pork cut prices may have peaked prematurely this year. These factors could temper any pork output growth this summer. Most of the pork markets are weakening due to poor domestic demand. Belly prices could find support soon. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.652	.670	-.018	.626
Belly (bacon)	1.295	1.450	-.155	1.200
Sparerib (4.25 lb. & down)	1.533	1.589	-.056	1.400
Ham (20-23 lb.)	.790	.780	+.010	.800
Ham (23-27 lb.)	.790	.780	+.010	.815
Loin (bone-in)	1.036	1.054	-.018	1.052
Bbybck Rib (1.75 lb. & up)	2.850	2.850	-	2.800
Tenderloin (1.25 lb.)	2.850	2.730	+.120	2.309
Boston Butt, untrmd. (4-8 lb.)	.973	1.006	-.033	.900
Picnic, untrmd.	.691	.679	+.012	.688
SS Picnic, smoker trm. bx.	.900	.900	-	.820
42% Trimmings	.560	.480	+.080	.620
72% Trimmings	.793	.826	-.033	.875



Tomato Products, Canned-Wet weather in the Midwest could delay the tomato crop there. Steady to modestly higher canned tomato prices are likely this summer. Prices per case (6/10) FOB, unless noted from ARA.

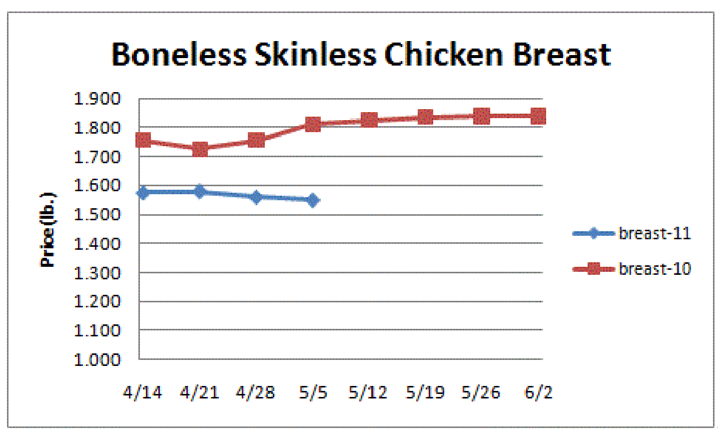
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	11.750	11.750	-	12.250
Diced, Fancy	12.250	12.250	-	12.750
Ketchup, 33%	13.000	13.000	-	13.500
Tomato Paste- Industrial (lb.)	.390	.390	-	.380

Processed Vegetables-Total green bean, corn and green pea for processing acreage is the smallest this year since at least 1995. The processed vegetable markets are firming. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 10
Corn, Fcy whl kern- can 6/10	17.406	17.406	-	16.906
Green Beans Fcy- can 6/10	17.000	17.000	-	16.563
Green Peas, Fcy- can 6/10	17.750	17.750	-	17.750
Corn, Cob- froz 96 ct.	14.500	14.500	-	14.000
Corn, Kernel- froz 12/2.5#	14.250	14.250	-	17.625
Green Beans Cut- froz 12/2#	12.900	12.900	-	15.300
Green Peas- froz 12/2.5#	20.250	20.250	-	17.625
Potatoes, FF Fncy- froz 6/5#	13.000	13.000	-	12.750

Poultry-The broiler- feed price ratio for April was the lowest for the month in the last 18 years suggesting poor margins for chicken producers. Elevated feed prices are one of the major factors behind chicken producers' poor margins. Furthermore, the boneless skinless chicken breast market is not seasonally rallying as expected tempering producer profits. Chicken breast and wing prices at these levels with the current feed cost structure is not sustainable. We expect chicken output to be slowed soon which would likely pressure all chicken markets higher unless feed prices decline for chicken prices rally. The chicken wing markets may be especially vulnerable to price increases with any output slowdown. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.865	.865	-	.860
Whole Birds (LA)	.960	.960	-	.950
Wings (whole)	.780	.805	-.025	1.285
Wings (jumbo, cut)	.924	1.136	-.212	1.185
Breast, Bone In	.920	.920	-	1.020
Breast, Bnless Skinless	1.550	1.560	-.010	1.810
Tenderloin (random)	1.400	1.400	-	1.530
Tenderloin (sized)	2.150	2.150	-	2.120
Legs (whole)	.659	.651	+.008	.548
Leg Quarters	.470	.470	-	.415
Thighs, bone in	.717	.710	+.007	.521
Thighs, boneless	1.307	1.305	+.002	.937
Eggs and Others				
Large (dozen)	1.107	1.117	-.010	.641
Medium (dozen)	.913	.978	-.065	.589
Whole Eggs- Liquid	.479	.499	-.020	.361
Egg Whites- Liquid	.495	.477	+.018	.397
Egg Yolks- Liquid	.697	.697	-	.622
Whole Turkeys (8-16 lb.)	1.005	.995	+.010	.813
Turkey Breast, Bnls/Sknls	2.500	2.500	-	1.814



Seafood-US catfish continues to trade at historically inflated levels due to extremely restricted supplies. US catfish production during March was 37% less than the same month a year ago due in a large part to smaller pond acreage. Fairly elevated catfish prices could persist into the summer. The Newfoundland snow crab harvest is progressing with 21% of the quota landed to date. The snow crab leg markets remain expensive.

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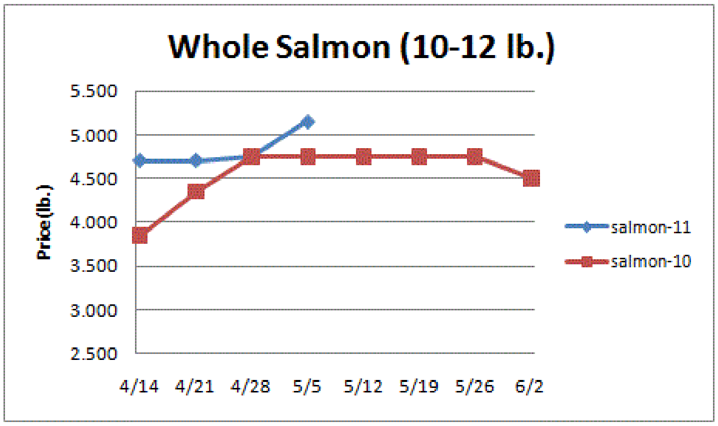
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	5.150	4.750	+.400	4.750
Catfish Filets	4.900	4.900	-	3.500
Trout (drn. 8-14 oz.)	3.300	3.300	-	3.000
Shrimp (16/20), Frz	7.246	7.350	-.104	5.317
Shrimp (61/70), Frz.	3.337	3.388	-.051	2.650
Shrimp, Tiger (26/30), Frz.	4.750	4.700	+.050	4.500
Snow Crab, Legs 5-8 oz, Frz	6.100	6.175	-.075	4.125
Snow Crab, Legs 8 oz/ up, Fz	6.450	6.475	-.025	4.325
Cod Tails, 3-7 oz., Frz.	3.163	3.125	+.038	2.992
Cod Loins, 3-12 oz., Frz	3.831	3.825	+.006	3.517
Salmon Portions, 4-8 oz, Frz	6.713	6.675	+.038	5.461
Pollock, Alaska, Deep Skin	1.925	1.925	-	2.075



Energy & Currency-Currency US dollar is worth.

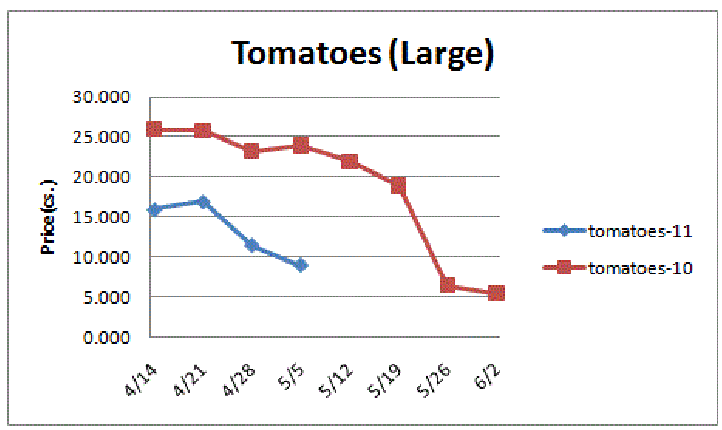
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	111.050	112.210	-1.160	86.190
Natural Gas, mbtu- nymex	4.670	4.387	+.283	3.990
Heating Oil, gal- nymex	3.191	3.211	-.020	2.345
Electricity, mwht- nymex	48.990	52.580	-3.590	45.820
Gasoline, gal- nymex	3.329	3.357	-.038	2.392
Diesel Fuel, gal- eia	4.124	4.098	+.026	3.122
Ethanol, gal- usda	2.590	2.580	+.010	1.465
Canadian $	.954	.953	+.001	1.014
Japanese Yen	80.758	81.706	-.948	94.387
Mexican Peso	11.576	11.598	-.022	12.288
Euro	.677	.684	-.007	.755
Brazilian Real	1.592	1.565	+.027	1.733
Chinese Yuan	6.497	6.529	-.032	6.825

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)	1016.210	1013.360	+2.850	952.310
WP; 42 lb. Linerboard (corr.)	878.328	867.162	+11.166	616.376
Res; PS-CHH (cup, cont.)	1.030-1.070	1.030-1.070	-	.940-.980
Res; PP-HIGP (hvy utensil)	1.250-1.270	1.100-1.120	+.150	1.1201.140
Res; PE-LLD (cn liner, film)	.940-.970	.880-.910	+.060	.880-.910

Produce-The principal lettuce production area transition to the Salinas and Santa Maria regions of California will culminate shortly. Lettuce supplies out of the above areas are expected to improve during the next few weeks. Fairly engaging lettuce prices are anticipated this month barring any weather surprises. The tomato markets are trending lower with the intensity of the price declines surprising. Fairly limited shipments out of the west are expected to persist this month which could limit any further downward move in tomato prices. The potato markets may steady soon. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	15.000	17.000	-2.000	45.000
Lemons (95 ct.)	13.640	13.640	-	20.040
Lemons (200 ct.)	17.140	17.140	-	22.040
Honeydew (6 ct.)	7.343	8.975	-1.632	10.850
Cantaloupe (15 ct.)	8.212	9.783	-1.571	13.488
Blueberries (12 count)	20.425	15.425	+5.000	27.000
Strwbrries (12 pnts.)	11.000	11.125	-.125	11.833
Avocds (Hass 48 ct.)	46.750	47.500	-.750	29.000
Bananas (40 lb.)- Term.	18.440	17.948	+.492	15.469
Pineapple (7 ct.)- Term.	11.333	11.677	-.344	11.005
Idaho Potato (60 ct., 50 lb.)	21.000	22.500	-1.500	10.750
Idaho Potato (70 ct., 50 lb.)	19.500	20.500	-1.000	10.750
Idaho Potato (70 ct.)-Term.	27.438	26.317	+1.121	13.188
Idaho Potato (90 ct., 50 lb.)	13.250	13.500	-.250	5.250
Idaho Pot. # 2 (6 oz., 100 lb.)	16.500	16.500	-	5.750
Processing Potato (cwt.)	9.000	9.000	-	7.800
Yellow Onions (50 lb.)	6.333	7.166	-.833	24.333
Yell Onions (50 lb.)-Term.	10.335	9.198	+1.137	30.875
Red Onions (25 lb.)- Term.	7.521	7.330	+.191	27.281
White Onions (50 lb.)- Term.	13.333	10.432	+2.901	34.667
Tomatoes (large- case)	8.950	11.450	-2.500	23.950
Tomatoes (5x6-25 lb.)-Term	13.400	21.844	-8.444	24.000
Tomatoes (4x5 vine ripe)	10.950	13.950	-3.000	18.950
Roma Tomatoes (large- case)	9.875	19.948	-10.073	12.444
Roma Tomatoes (xlarge-cs)	10.131	19.948	-9.817	12.944
Green Peppers (large- case)	12.250	13.400	-1.150	17.275
Red Peppers (large 15lb. cs.)	18.950	18.850	+.100	15.950
Iceberg Lettuce (24 count)	7.912	8.821	-.909	9.440
Iceberg Lettuce (24)-Term.	15.167	16.250	-1.083	14.438
Leaf Lettuce (24 count)	13.066	18.535	-5.469	13.918
Romaine Lettuce (24 cnt.)	9.691	14.490	-4.799	7.833
Mesculin Mix (3 lb.)-Term.	7.042	7.042	-	6.750
Broccoli (14 ct.)	6.458	5.612	+.846	6.793
Squash (1/2 bushel)	6.925	9.850	-2.925	7.513
Zucchini (1/2 bushel)	4.175	4.350	-.175	8.275
Green Beans (bushel)	13.900	15.550	-1.650	18.125
Spinach, Flat 24's	7.600	12.200	-4.600	10.000
Mushrms (10 lb, lg.)-Term.	13.287	13.313	-.026	14.042
Cucumbers (bushel)	6.992	6.231	+.761	10.275
Pickles (200-300 ct.)- Term.	17.750	17.667	+.083	26.417
Asparagus (small)	16.500	17.500	-1.000	26.500
Freight (Truck; CA-Cty Av.)	5527.778	5505.556	+22.222	4880.000



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

	Mar-11	Feb-11	Jan-11	Dec-10
Beef and Veal	+2.330	+1.910	+2.259	-.595
Dairy	+1.303	+.574	+.145	+.372
Pork	+2.280	+.959	+1.538	-2.092
Chicken	-.114	+.460	-.981	-.773
Fresh Fish and Seafood	+2.012	+.420	+1.516	+.251
Fresh Fruits and Veg.	+1.498	+.486	+3.253	+3.090