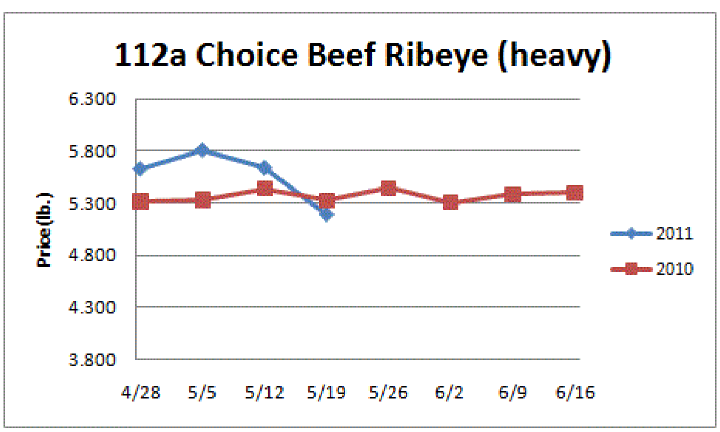
Weekly Market Updates

Volume No. 4 Issue No. 20 Date: May 19, 2011

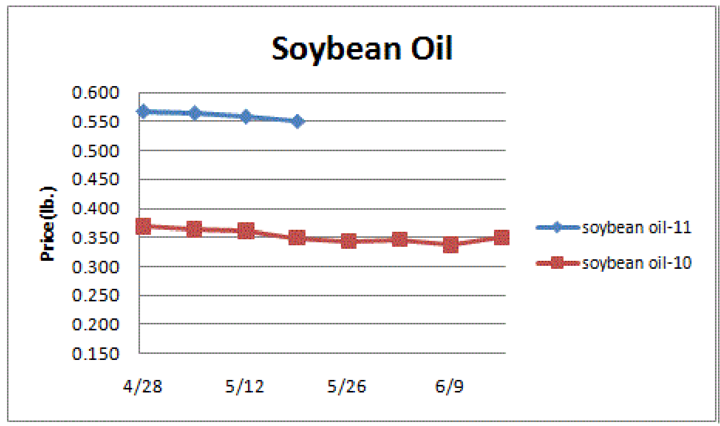
Beef - Beef output last week rose .8% but was 2.9% less than the same week a year ago. Cattle supplies are projected to improve versus 2010 in the coming months which should be somewhat bullish for beef output. April beef retail prices were 10.4% higher than last year and a record for any month. Domestic beef demand this spring has been spotty at best due to the elevated retail prices and a wet spring in the east. Domestic beef demand could be inconsistent through the summer. Beef middle meat prices have suffered the most from poor domestic sales but we look for a modest demand bounce for Father's Day. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.131	1.147	-.016	.989
Feeder Cattle Index (CME)	1.294	1.294	-	1.123
Ground Beef 81/19	1.930	1.865	+.065	1.632
Ground Chuck	1.939	1.896	+.043	1.645
109e Export Rib (choice)	5.032	5.208	-.176	4.484
109e Export Rib (prime)	6.417	7.228	-.811	6.304
112a Ribeye (choice)	5.185	5.637	-.452	5.327
112a Ribeye (prime)	7.328	7.505	-.177	7.243
116 Chuck (select)	1.963	1.882	+.081	2.002
116 Chuck (choice)	1.989	1.902	+.087	1.988
116b Chuck Tdnr (choice)	2.020	1.976	+.044	1.801
120 Brisket (choice)	1.698	1.657	+.041	1.536
121c Outside Skirt (ch/sel)	3.358	3.376	-.018	3.298
121d Inside Skirt (ch/sel)	3.070	3.150	-.080	2.628
167a Knckle, Trm. (ch.)	2.223	2.151	+.072	2.017
168 Inside Round (ch.)	2.080	1.940	+.140	1.884
174 Short Loin (ch. 0x1)	5.367	5.529	-.162	5.470
174 Short Loin (prime)	6.926	7.476	-.550	6.797
180 1x1 Strp (choice)	4.567	4.876	-.309	5.172
180 1x1 Strp (prime)	7.649	6.855	+.794	7.781
180 0x1 Strp (choice)	4.921	5.487	-.566	5.541
184 Top Butt, bnls (ch.)	2.344	2.646	-.302	2.867
184 Top Butt, bnls (prime)	2.810	2.845	-.035	3.115
185a Sirloin Flap (choice)	3.623	3.397	+.226	3.195
185c Loin, Tri-Tip (choice)	2.694	2.721	-.027	2.353
189a Tender (select)	7.359	7.354	+.005	7.967
189a Tender (choice)	7.584	7.749	-.165	8.666
189a Tender (prime)	10.007	10.268	-.261	9.966
193 Flank Steak (choice)	3.972	3.940	+.032	4.188
50% Trimmings	1.099	.998	+.101	1.049
65% Trimmings	1.296	1.257	+.039	1.258
75% Trimmings	1.565	1.541	+.024	1.355
85% Trimmings	1.850	1.886	-.036	1.607
90% Trimmings	1.973	2.008	-.035	1.703
90% Imported Beef (frz.)	2.020	2.045	-.025	1.743
95% Imported Beef (frz.)	2.100	2.123	-.023	1.850
Veal Rack (Hotel 7 rib)	5.450	5.450	-	4.350
Veal Top Rnd. (cp. off)	12.400	12.450	-.050	9.700



Oil, Grains, Misc.-Crop challenges continue for wheat, corn and soybeans. The grain markets could move upward unless conditions improve soon. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.395	13.292	+.103	9.264
Crude Soybean Oil, lb.	.550	.558	-.008	.349
Soybean Meal, ton	338.400	338.300	+.100	279.900
Corn, bushel	7.016	6.847	+.169	3.363
Crude Corn Oil, lb.	.685	.685	-	.385
Distillers Grain, Dry	190.000	201.000	-11.000	116.750
Crude Palm Oil, lb. BMD	.504	.531	-.027	.348
HRW Wheat, bushel	8.250	8.565	-.315	4.200
DNS Wheat 14%, bushel	9.910	10.140	-.230	5.360
Canola, lb.	.262	.269	-.007	.160
Canola Oil, SD, (Tor.), lb.	.625	.628	-.003	.436
Pinto Beans, lb.	.288	.288	-	.275
Black Beans, lb.	.320	.325	-.005	.348
Rice, Long Grain, lb.	.252	.252	-	.240
Coffee, lb. NYBOT	2.651	2.874	-.223	1.326
Sugar, lb. NYBOT	.359	.351	+.008	.303
Honey (Clover), lb.	1.600	1.625	-.025	1.600



Dairy-According to the USDA, April US milk output was 1.5% more than 2010 due to a .9% larger milk cow herd and a .6% gain in milk per cow yields. The relatively anemic gain in milk per cow yields is likely due in part to a relatively cool spring in a majority of the country. Milk farmers did add a net 8K head to the dairy cow herd during April which is bullish for pending milk output. Still, we would not be surprised to see milk cow herd growth slow in the coming months. The butter market is firming again but could steady soon. The cheese markets are firming as well. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.663	1.653	+.010	1.430
Cheese Blocks (CME)	1.668	1.620	+.048	1.475
American Cheese	1.998	1.998	-	1.735
Cheddar Cheese (40 lb.)	2.150	2.150	-	1.830
Mozzarella Cheese	1.983	1.983	-	1.728
Provolone Cheese	2.133	2.140	-.007	1.893
Parmesan Cheese	3.208	3.215	-.007	3.258
Butter (CME)	2.070	1.983	+.087	1.583
Nonfat Dry Milk	1.672	1.661	+.011	1.502
Whey, Dry	.506	.512	-.006	.367
Class 1 Base	19.750	19.750	-	13.800
Class II Cream, heavy	2.567	2.675	-.108	2.159
Class III Milk (CME)	17.400	16.730	+.670	13.590
Class IV Milk (CME)	20.190	20.330	-.140	15.550

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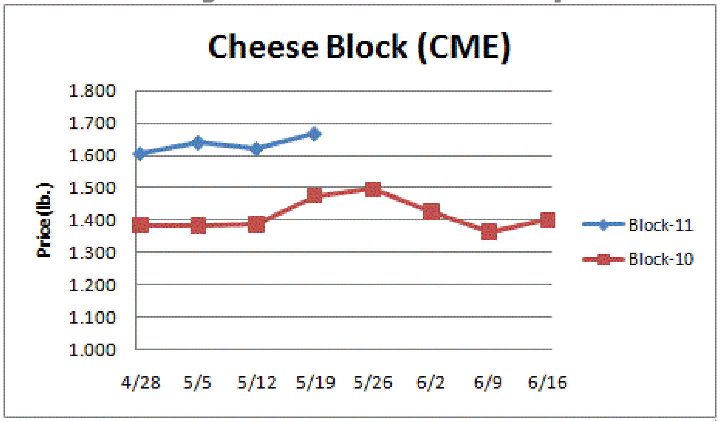
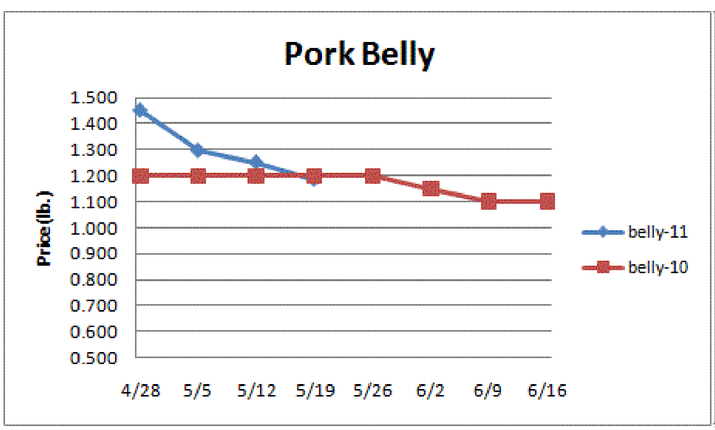


Pork-Pork output last week declined .6% but was still 2.9% more than the same week a year ago. Pork production should seasonally trend downward in the coming months. April retail pork prices were 5% higher than the previous year and the 2nd highest on record. Still, domestic demand for pork grill items has picked up as of late helping pressure the loin and rib markets upward. Once Memorial Day holiday demand subsides the rib and loin markets could move lower. Last year the pork loin market declined 15% during June. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.674	.650	+.024	.640
Belly (bacon)	1.185	1.250	-.065	1.200
Sparerib (4.25 lb. & down)	1.709	1.544	+.165	1.498
Ham (20-23 lb.)	.840	.790	+.050	.790
Ham (23-27 lb.)	.820	.800	+.020	.800
Loin (bone-in)	1.166	1.050	+.116	1.111
Bbybck Rib (1.75 lb. & up)	2.880	2.850	+.030	2.940
Tenderloin (1.25 lb.)	2.944	2.900	+.044	2.577
Boston Butt, untrmd. (4-8 lb.)	1.077	.982	+.095	.916
Picnic, untrmd.	.739	.699	+.040	.623
SS Picnic, smoker trm. bx.	.970	.900	+.070	.813
42% Trimmings	.630	.600	+.030	.440
72% Trimmings	.880	.850	+.030	.740



Tomato Products, Canned-The markets remain relatively steady. Midwestern tomato crops are likely behind which could influence canned prices higher. Prices per case (6/10) FOB, unless noted from ARA.

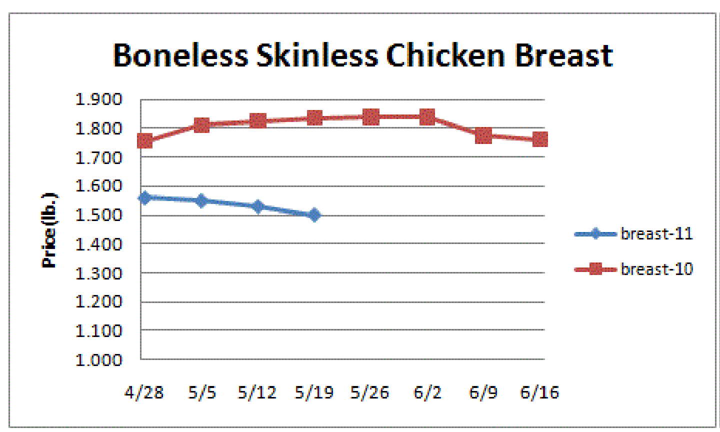
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	11.750	11.750	-	12.250
Diced, Fancy	12.250	12.250	-	12.750
Ketchup, 33%	13.000	13.000	-	13.500
Tomato Paste- Industrial (lb.)	.390	.390	-	.380

Processed Vegetables-Delays continue for vegetable planting in the eastern growing areas. This could be bullish for processed vegetable prices this summer. 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-Chicken production in recent weeks has been trending about 1.5% below a year ago. Still, the chicken breast and wing markets have been unable to rally even in conjunction with record wholesale beef and pork prices. Not a good sign for domestic chicken demand. Broiler egg set numbers suggest that chicken output should trend 1 to 2% above a year ago during the next few months. However, we would not be surprised to see chicken production be less than that. In general, we believe chicken breast and wings remain a tremendous value and we look for higher prices in the not so distant future. Export demand for chicken leg quarters remains solid. Elevated chicken leg quarter prices may persist. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.865	.865	-	.861
Whole Birds (LA)	.960	.960	-	.960
Wings (whole)	.765	.770	-.005	1.220
Wings (jumbo, cut)	.930	.924	+.006	1.224
Breast, Bone In	.905	.920	-.015	1.035
Breast, Bnless Skinless	1.500	1.530	-.030	1.835
Tenderloin (random)	1.400	1.330	+.070	1.570
Tenderloin (sized)	2.150	2.050	+.100	2.030
Legs (whole)	.669	.663	+.006	.503
Leg Quarters	.490	.490	-	.410
Thighs, bone in	.726	.730	-.004	.533
Thighs, boneless	1.341	1.353	-.012	.958
Eggs and Others				
Large (dozen)	.956	1.077	-.121	.653
Medium (dozen)	.848	.860	-.012	.603
Whole Eggs- Liquid	.474	.477	-.003	.381
Egg Whites- Liquid	.482	.501	-.019	.404
Egg Yolks- Liquid	.650	.697	-.047	.576
Whole Turkeys (8-16 lb.)	1.030	1.005	+.025	.815
Turkey Breast, Bnls/Sknls	2.500	2.500	-	1.976



Seafood-The Newfoundland snow crab fishing season is progressing with roughly 47% of the quota landed to date. The 2011 Newfoundland snow crab quota at 55.6 thousand metric tons is 1% less than a year ago. Snow crab supplies could improve in the US in the coming months which could lead to modestly lower price levels. Still, snow crab prices may remain above comparable 2010 levels. Salmon prices remain elevated.

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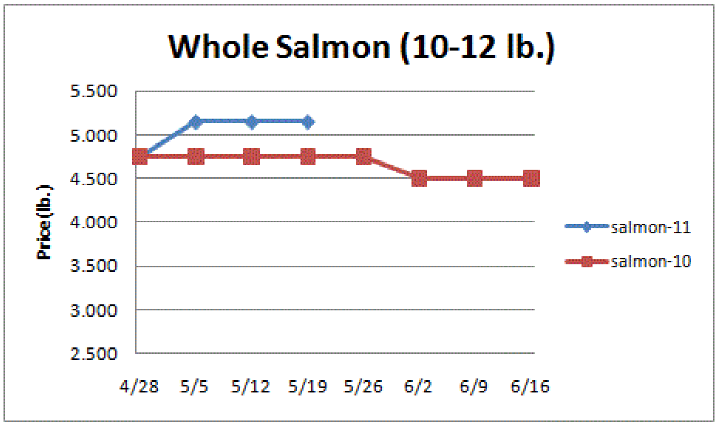
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	5.150	5.150	-	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	7.365	7.109	+.256	5.809
Shrimp (61/70), Frz.	3.483	3.337	+.146	2.734
Shrimp, Tiger (26/30), Frz.	4.800	4.875	-.075	4.500
Snow Crab, Legs 5-8 oz, Frz	6.100	6.100	-	4.075
Snow Crab, Legs 8 oz/ up, Fz	6.450	6.450	-	4.325
Cod Tails, 3-7 oz., Frz.	3.163	3.163	-	2.992
Cod Loins, 3-12 oz., Frz	3.831	3.831	-	3.517
Salmon Portions, 4-8 oz, Frz	6.713	6.713	-	5.425
Pollock, Alaska, Deep Skin	1.925	1.925	-	2.075



Energy & Currency-Currency US dollar is worth.

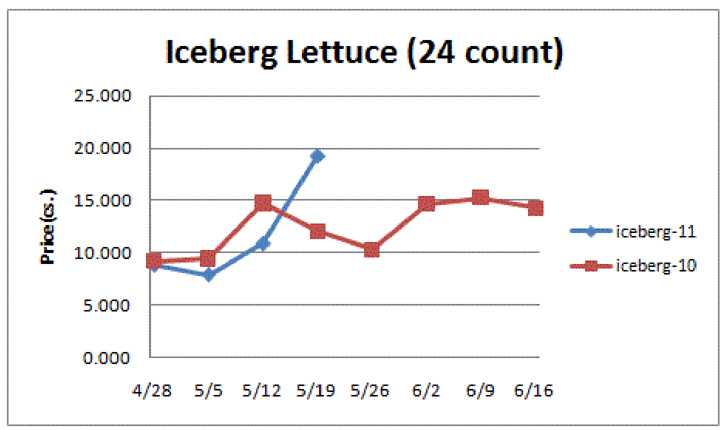
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	96.910	103.880	-6.790	70.080
Natural Gas, mbtu- nymex	4.182	4.246	-.064	4.398
Heating Oil, gal- nymex	2.845	3.001	-.156	1.985
Electricity, mwht- nymex	52.360	48.380	+8.980	46.110
Gasoline, gal- nymex	2.919	3.380	-.461	2.431
Diesel Fuel, gal- eia	4.061	4.104	-.043	3.094
Ethanol, gal- usda	2.480	2.590	-.110	1.520
Canadian $	.975	.960	+.015	1.036
Japanese Yen	81.639	80.596	+1.043	92.453
Mexican Peso	11.753	11.599	+.154	12.678
Euro	.706	.696	+.010	.810
Brazilian Real	1.632	1.612	+.020	1.807
Chinese Yuan	6.506	6.492	+.014	6.828

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)	1019.790	1019.140	+.650	983.720
WP; 42 lb. Linerboard (corr.)	837.139	849.075	-11.936	598.212
Res; PS-CHH (cup, cont.)	1.050-1.090	1.050-1.090	-	.940-.980
Res; PP-HIGP (hvy utensil)	1.250-1.270	1.250-1.270	-	1.1201.140
Res; PE-LLD (cn liner, film)	.940-.970	.940-.970	-	.880-.910

Produce-Lettuce supplies have tightened considerably due in part to poor yields out of the Salinas California region. Lettuce shipments last week declined 19% from the previous week. Lettuce prices are on the rise. It may take a few weeks for lettuce supplies to notably improve thus relatively inflated lettuce prices could persist. Tomato supplies have tightened some as well due to modest supply interruptions in both the East and the West. We do not anticipate notable tomato market appreciation from here. May 1 US potato stocks were 27% less than last year and the smallest in 10 years. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	12.000	13.000	-1.000	43.000
Lemons (95 ct.)	13.640	13.640	-	20.040
Lemons (200 ct.)	17.140	17.140	-	22.040
Honeydew (6 ct.)	6.118	5.875	+.243	8.925
Cantaloupe (15 ct.)	7.566	6.112	+1.454	13.950
Blueberries (12 count)	15.312	14.625	+.687	14.900
Strwbrries (12 pnts.)	11.666	11.666	-	11.000
Avocds (Hass 48 ct.)	44.750	45.750	-1.000	26.750
Bananas (40 lb.)- Term.	16.672	18.301	-1.629	17.063
Pineapple (7 ct.)- Term.	11.229	11.614	-.385	10.063
Idaho Potato (60 ct., 50 lb.)	17.000	19.000	-2.000	11.250
Idaho Potato (70 ct., 50 lb.)	16.500	18.000	-1.500	11.250
Idaho Potato (70 ct.)-Term.	24.621	26.828	-2.207	14.313
Idaho Potato (90 ct., 50 lb.)	13.000	13.000	-	5.250
Idaho Pot. # 2 (6 oz., 100 lb.)	15.500	16.500	-1.000	5.750
Processing Potato (cwt.)	9.000	9.000	-	7.800
Yellow Onions (50 lb.)	7.625	6.437	+1.188	19.500
Yell Onions (50 lb.)-Term.	11.844	10.470	+1.374	24.250
Red Onions (25 lb.)- Term.	7.290	7.375	-.085	25.959
White Onions (50 lb.)- Term.	12.104	12.989	-.885	23.334
Tomatoes (large- case)	15.000	15.200	-	18.950
Tomatoes (5x6-25 lb.)-Term	17.075	14.333	+2.742	15.031
Tomatoes (4x5 vine ripe)	13.962	10.950	+3.012	9.950
Roma Tomatoes (large- case)	10.205	12.715	-2.510	7.458
Roma Tomatoes (xlarge-cs)	10.830	13.781	-2.951	7.459
Green Peppers (large- case)	14.400	11.916	+2.484	9.775
Red Peppers (large 15lb. cs.)	18.950	18.950	-	15.950
Iceberg Lettuce (24 count)	19.250	10.872	+8.378	12.088
Iceberg Lettuce (24)-Term.	20.833	14.000	+6.833	22.500
Leaf Lettuce (24 count)	11.612	12.070	-.458	14.510
Romaine Lettuce (24 cnt.)	9.441	9.666	-.225	7.269
Mesculin Mix (3 lb.)-Term.	6.823	6.823	-	6.750
Broccoli (14 ct.)	11.225	8.962	+2.263	10.175
Squash (1/2 bushel)	8.475	7.925	+.550	5.100
Zucchini (1/2 bushel)	9.662	8.175	+1.487	8.600
Green Beans (bushel)	16.950	18.850	-1.900	9.850
Spinach, Flat 24's	9.100	8.100	+1.000	8.350
Mushrms (10 lb, lg.)-Term.	11.083	11.083	-	11.209
Cucumbers (bushel)	8.310	9.270	-.960	9.550
Pickles (200-300 ct.)- Term.	24.438	19.525	+4.913	23.042
Asparagus (small)	10.500	14.250	-3.750	26.750
Freight (Truck; CA-Cty Av.)	5588.889	5533.333	+55.556	4975.000



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

	Apr-11	Mar-11	Feb-11	Jan-11
Beef and Veal	+1.164	+2.330	+1.910	+2.259
Dairy	+1.720	+1.303	+.574	+.145
Pork	-.285	+2.280	+.959	+1.538
Chicken	+.848	-.114	+.460	-.981
Fresh Fish and Seafood	+.753	+2.012	+.420	+1.516
Fresh Fruits and Veg.	-1.517	+1.498	+.486	+3.253