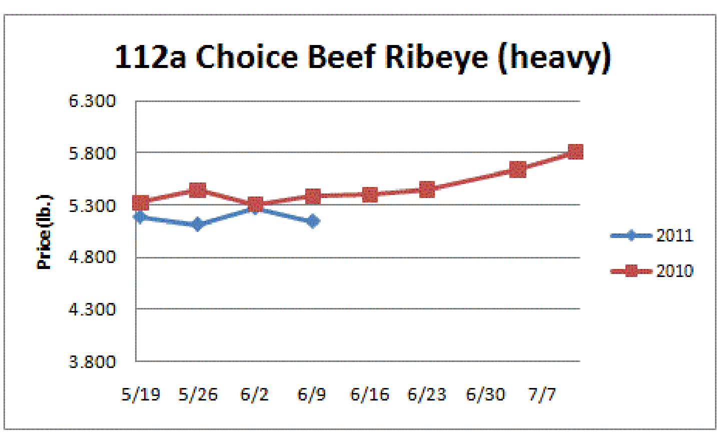
Weekly Market Updates

Volume No. 4 Issue No. 23 Date: June 9, 2011

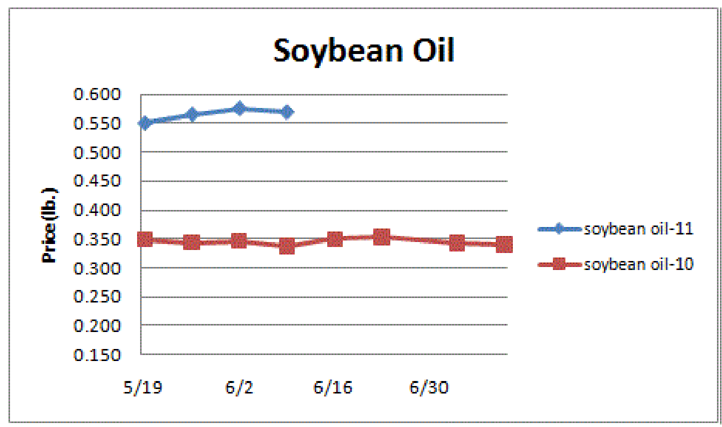
Beef - Beef output last week was 2% smaller than 2010. Strong beef packer margins could support beef production for the near term. Forecasts are for beef output to trend above the prior year during the next few months. This could be bearish for several beef markets including beef steak cuts. The beef steak cut markets continue to trend close to year ago levels due to only slowly improving US demand. With gasoline prices remaining inflated and unemployment high with no end in sight we suspect that beef steak cut prices could be historically attractive to buyers in the coming months. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.069	1.114	-.045	0.948
Feeder Cattle Index (CME)	1.243	1.227	+.016	1.100
Ground Beef 81/19	1.745	1.939	-.194	1.482
Ground Chuck	1.834	1.844	-.010	1.541
109e Export Rib (choice)	4.831	4.814	+.017	4.573
109e Export Rib (prime)	7.391	6.954	+.437	6.431
112a Ribeye (choice)	5.143	5.272	-.129	5.385
112a Ribeye (prime)	7.695	7.736	-.041	7.199
116 Chuck (select)	1.998	2.071	-.073	1.852
116 Chuck (choice)	2.023	2.098	-.075	1.975
116b Chuck Tdnr (choice)	2.047	2.069	-.022	1.694
120 Brisket (choice)	1.719	1.720	-.001	1.549
121c Outside Skirt (ch/sel)	3.552	3.339	+.213	3.357
121d Inside Skirt (ch/sel)	3.071	3.065	+.006	2.411
167a Knckle, Trm. (ch.)	2.271	2.279	-.008	1.737
168 Inside Round (ch.)	2.045	1.939	+.106	1.755
174 Short Loin (ch. 0x1)	5.132	5.050	+.082	4.638
174 Short Loin (prime)	7.705	7.152	+.553	6.899
180 1x1 Strp (choice)	4.448	4.314	+.134	4.384
180 1x1 Strp (prime)	8.524	7.213	+1.311	8.083
180 0x1 Strp (choice)	4.820	4.862	-.042	4.712
184 Top Butt, bnls (ch.)	2.262	2.280	-.018	2.289
184 Top Butt, bnls (prime)	2.813	2.870	-.057	2.842
185a Sirloin Flap (choice)	3.768	3.776	-.008	2.922
185c Loin, Tri-Tip (choice)	2.542	2.623	-.081	2.463
189a Tender (select)	7.394	7.365	+.029	7.110
189a Tender (choice)	7.907	7.724	+.183	8.069
189a Tender (prime)	10.240	10.229	.011	9.762
193 Flank Steak (choice)	4.265	4.117	+.148	4.350
50% Trimmings	1.087	1.161	-.074	0.806
65% Trimmings	1.239	1.317	-.078	1.114
75% Trimmings	1.538	1.546	-.008	1.269
85% Trimmings	1.833	1.858	-.025	1.507
90% Trimmings	1.936	1.971	-.035	1.619
90% Imported Beef (frz.)	1.925	1.940	-.015	1.643
95% Imported Beef (frz.)	2.005	2.038	-.033	1.760
Veal Rack (Hotel 7 rib)	5.450	5.450	-	4.450
Veal Top Rnd. (cp. off)	12.400	12.400	-	10.500



Oil, Grains, Misc.- Corn, soybean and spring wheat plantings are progressing but challenges remain with these crops. Inflated grain prices are anticipated to endure. Prices USDA, FOB.

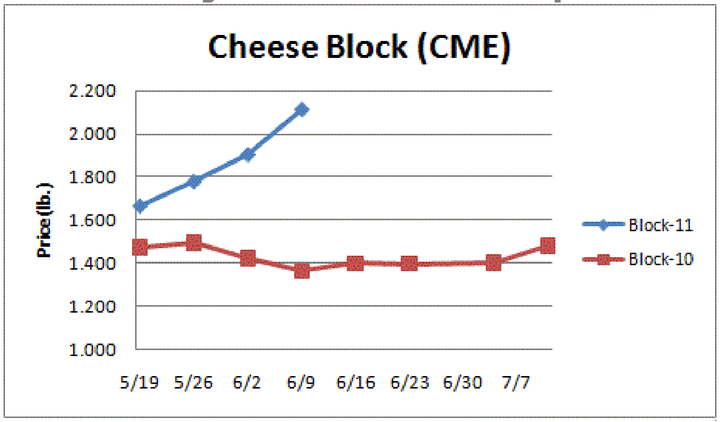
	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.932	13.756	+.176	9.412
Crude Soybean Oil, lb.	.569	.575	-.006	0.337
Soybean Meal, ton	358.000	345.300	+12.700	297.800
Corn, bushel	7.185	7.332	-.147	3.214
Crude Corn Oil, lb.	.675	.675	-	0.390
Distillers Grain, Dry	192.000	197.750	-5.750	105.750
Crude Palm Oil, lb. BMD	.509	.517	-.008	0.345
HRW Wheat, bushel	8.050	8.405	-.355	3.920
DNS Wheat 14%, bushel	10.500	10.670	-.170	5.190
Canola, lb.	.274	.276	-.002	0.165
Canola Oil, SD, (Tor.), lb.	.645	.650	-.005	0.432
Pinto Beans, lb.	.291	.290	+.001	0.272
Black Beans, lb.	.325	.325	-	0.350
Rice, Long Grain, lb.	.252	.252	-	0.226
Coffee, lb. NYBOT	2.605	2.646	-.041	1.331
Sugar, lb. NYBOT	.350	.350	-	0.320
Honey (Clover), lb.	1.600	1.600	-	1.600



Dairy-The CME spot cheese markets continue to move upward influenced in a large part by a voluntary cheese recall by a sizeable cheese producer. It is estimated that the recall accounts for roughly 5% of monthly cheddar cheese production. We expect the impact of this recall on the markets to be relatively temporary. Both domestic and international demand for US cheese is slowing. We anticipate that the cheese markets could top soon. The CME butter market is softening. The downside risk in butter from here may only be modest for the short term. Prices per pound, except Class I Cream (hundred weight), from USDA.

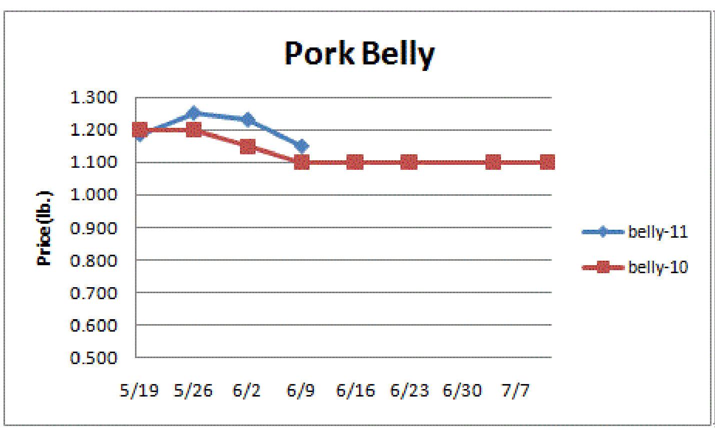
	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	2.068	1.873	+.195	1.328
Cheese Blocks (CME)	2.113	1.905	+.208	1.363
American Cheese	2.240	2.123	+.117	1.735
Cheddar Cheese (40 lb.)	2.170	2.170	-	1.830
Mozzarella Cheese	2.240	2.108	+.132	1.763
Provolone Cheese	2.443	2.265	+.178	1.925
Parmesan Cheese	3.518	3.340	+.178	3.290
Butter (CME)	2.100	2.163	-.063	1.593
Nonfat Dry Milk	1.702	1.690	+.012	1.346
Whey, Dry	.513	.513	-	0.367
Class 1 Base	20.320	20.320	-	15.280
Class II Cream, heavy	2.848	2.787	+.061	2.207
Class III Milk (CME)	19.830	20.000	-.170	13.250
Class IV Milk (CME)	20.690	20.560	+.130	15.150

Weekly Market Updates



Pork- Pork production last week was 1.3% less than the same week a year ago. Pork packer margins have deteriorated with the downturn in pork prices which could lead to a slowdown in output. Further, we are starting to hear that export demand is picking up. Thus, we may be nearing the bottom for the next few months for several of these markets. Existing ham markets are trading below a year ago but seasonal charts suggest that ham price increases are likely pending. Last year the ham markets rose 15% during the next 7 weeks. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.638	.649	-.011	0.549
Belly (bacon)	1.150	1.230	-.080	1.100
Sparerib (4.25 lb. & down)	1.533	1.493	+.040	1.237
Ham (20-23 lb.)	.740	.750	-.010	0.750
Ham (23-27 lb.)	.740	.744	-.004	0.750
Loin (bone-in)	1.061	1.060	+.001	0.963
Bbybck Rib (1.75 lb. & up)	3.010	2.850	+.160	2.889
Tenderloin (1.25 lb.)	3.050	2.926	+.124	2.790
Boston Butt, untrmd. (4-8 lb.)	.949	.973	-.024	0.908
Picnic, untrmd.	.637	.651	-.014	0.628
SS Picnic, smoker trm. bx.	.949	.970	-.021	0.820
42% Trimmings	.490	.500	-.010	0.520
72% Trimmings	.800	.840	-.040	0.889



Tomato Products, Canned- The California tomato harvest will get underway early next month. Steady to modestly higher canned tomato prices are expected. Prices per case (6/10) FOB, unless noted from ARA.

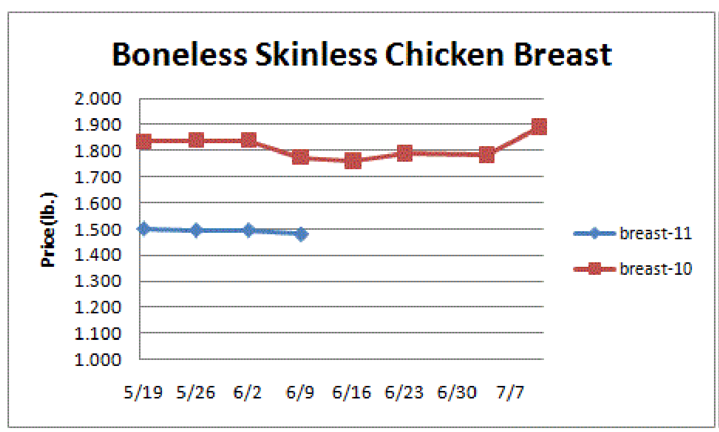
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	11.750	11.750	-	12.250
Diced, Fancy	12.250	12.250	-	12.750
Ketchup, 33%	13.000	13.000	-	13.500
Tomato Paste- Industrial (lb.)	.390	.390	-	.380

Processed Vegetables- The markets are steady to firm. Higher canned and frozen vegetable prices are anticipated with the new harvest later this year. 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 should slow versus 2010 in the coming weeks. Broiler egg sets during the last 4 weeks have averaged 2% below a year ago. This is justified given the challenged margins for chicken producers. As the production slowdown comes to fruition it is likely to be supportive of the chicken markets. This could be bullish for the chicken breast markets during the next 6 weeks or so. History tells us that the chicken breast markets could still move seasonally lower in August despite slowed output but that the downside may be less than normal. Wing market appreciation is likely coming but it may be late August before any notable market gains occur. The thigh and leg quarter markets should remain elevated. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.870	.868	+.002	0.870
Whole Birds (LA)	.960	.960	-	0.960
Wings (whole)	.775	.770	+.005	1.180
Wings (jumbo, cut)	.894	.838	+.056	1.216
Breast, Bone In	.885	.885	-	1.030
Breast, Bnless Skinless	1.480	1.495	-.015	1.775
Tenderloin (random)	1.070	1.070	-	1.570
Tenderloin (sized)	1.890	1.890	-	2.040
Legs (whole)	.670	.692	-.022	0.515
Leg Quarters	.500	.495	+.005	0.400
Thighs, bone in	.745	.760	-.015	0.487
Thighs, boneless	1.347	1.374	-.027	0.945
Eggs and Others				
Large (dozen)	.900	.873	+.027	0.837
Medium (dozen)	.805	.842	-.037	0.605
Whole Eggs- Liquid	.465	.470	-.005	0.410
Egg Whites- Liquid	.447	.446	+.001	0.402
Egg Yolks- Liquid	.658	.656	+.002	0.667
Whole Turkeys (8-16 lb.)	1.090	1.040	+.050	0.885
Turkey Breast, Bnls/Sknls	2.500	2.503	-.003	2.178

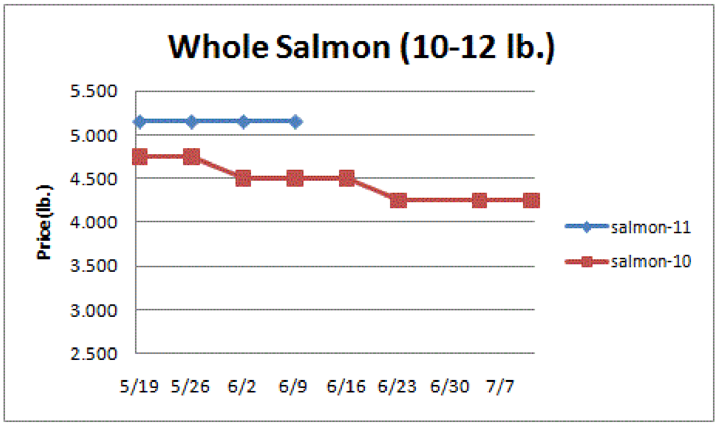


Seafood- The Alaskan wild salmon fishing season is projected to be the 5th largest in the state's history which should bode decently well for wild salmon buyers. However, salmon imports could remain challenged due to production restrictions in Chile and an ongoing deflated US dollar. Relatively inflated whole and filet salmon prices are anticipated to persist through the summer. Starting to see some snow crab market weakness.

Weekly Market Updates

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	-	4.500
Catfish Filets	4.900	4.900	-	3.500
Trout (drn. 8-14 oz.)	3.300	3.300	-	3.000
Shrimp (16/20), Frz	7.140	7.331	-.191	6.360
Shrimp (61/70), Frz.	3.300	3.200	+.100	3.150
Shrimp, Tiger (26/30), Frz.	4.800	4.950	-.150	4.500
Snow Crab, Legs 5-8 oz, Frz	5.875	5.950	-.075	4.000
Snow Crab, Legs 8 oz/ up, Fz	6.475	6.475	-	4.550
Cod Tails, 3-7 oz., Frz.	3.188	3.188	-	3.063
Cod Loins, 3-12 oz., Frz	3.831	3.831	-	3.700
Salmon Portions, 4-8 oz, Frz	6.626	6.584	+.042	5.379
Pollock, Alaska, Deep Skin	1.925	1.925	-	2.075



Energy & Currency-Currency US dollar is worth.

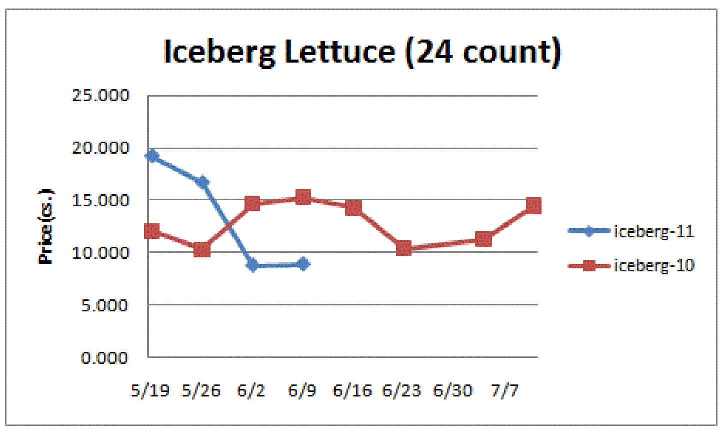
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	99.090	102.700	-3.610	71.990
Natural Gas, mbtu- nymex	4.831	4.666	+.165	4.808
Heating Oil, gal- nymex	3.077	3.056	+.021	1.965
Electricity, mwht- nymex	61.000	87.750	-26.750	50.020
Gasoline, gal- nymex	2.992	3.150	-.158	1.989
Diesel Fuel, gal- eia	3.940	3.948	-.008	2.946
Ethanol, gal- usda	2.570	2.565	+.005	1.540
Canadian $	.976	.972	+.004	1.053
Japanese Yen	80.228	81.488	-1.260	91.543
Mexican Peso	11.714	11.576	+.138	12.910
Euro	.683	.695	-.012	0.837
Brazilian Real	1.578	1.582	-.004	1.865
Chinese Yuan	6.481	6.479	+.002	6.830

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)	1028.290	1019.790	+8.500	1009.190
WP; 42 lb. Linerboard (corr.)	858.053	845.367	+12.686	582.559
Res; PS-CHH (cup, cont.)	1.050-1.090	1.050-1.090	-	.940-.980
Res; PP-HIGP (hvy utensil)	1.350-1.370	1.350-1.370	-	1.0001.020
Res; PE-LLD (cn liner, film)	.940-.970	.940-.970	-	.820-.850

Produce- Lettuce shipments declined last week due in a large part to the Memorial Day holiday. Lettuce supplies and quality have been good and shipments are anticipated to be sufficient during the next week. However, lettuce prices are nearing levels that can lead to slowed output which suggests that the downside market risk in lettuce from here is modest. The chief eastern tomato harvest area is shifting to northern Florida and southeastern states. Overall tomato supplies are anticipated to improve as June ends and the California harvests expands. The potato markets may be bottoming. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	13.000	13.000	-	43.000
Lemons (95 ct.)	14.640	13.640	+1.000	20.040
Lemons (200 ct.)	17.140	17.140	-	22.040
Honeydew (6 ct.)	5.725	6.125	-.400	5.563
Cantaloupe (15 ct.)	7.225	7.225	-	10.950
Blueberries (12 count)	19.000	12.715	+6.285	16.984
Strwbrries (12 pnts.)	10.500	10.000	+.500	9.500
Avocds (Hass 48 ct.)	48.500	46.000	+2.500	29.250
Bananas (40 lb.)- Term.	17.449	16.023	+1.426	16.269
Pineapple (7 ct.)- Term.	10.979	11.027	-.048	10.981
Idaho Potato (60 ct., 50 lb.)	16.500	16.500	-	10.750
Idaho Potato (70 ct., 50 lb.)	15.500	15.500	-	10.750
Idaho Potato (70 ct.)-Term.	23.179	24.000	-.821	15.344
Idaho Potato (90 ct., 50 lb.)	12.500	12.500	-	7.500
Idaho Pot. # 2 (6 oz., 100 lb.)	16.000	15.500	+.500	6.875
Processing Potato (cwt.)	9.000	9.000	-	8.000
Yellow Onions (50 lb.)	10.000	8.333	+1.667	14.667
Yell Onions (50 lb.)-Term.	13.641	13.625	+.016	24.454
Red Onions (25 lb.)- Term.	7.792	7.854	-.062	22.871
White Onions (50 lb.)- Term.	15.667	14.395	+1.272	19.730
Tomatoes (large- case)	16.783	16.950	-.167	6.950
Tomatoes (5x6-25 lb.)-Term	18.550	16.250	+2.300	9.000
Tomatoes (4x5 vine ripe)	11.950	8.950	+3.000	6.950
Roma Tomatoes (large- case)	8.580	7.125	+1.455	6.928
Roma Tomatoes (xlarge-cs)	9.080	7.318	+1.762	7.178
Green Peppers (large- case)	14.775	13.275	+1.500	12.950
Red Peppers (large 15lb. cs.)	9.950	11.950	-2.000	8.950
Iceberg Lettuce (24 count)	8.902	8.777	+.125	15.280
Iceberg Lettuce (24)-Term.	12.125	13.875	-1.750	26.833
Leaf Lettuce (24 count)	6.187	6.441	-.254	10.877
Romaine Lettuce (24 cnt.)	6.566	6.725	-.159	7.709
Mesculin Mix (3 lb.)-Term.	6.792	6.792	-	6.500
Broccoli (14 ct.)	17.747	11.512	+6.235	6.823
Squash (1/2 bushel)	8.300	7.650	+.650	4.675
Zucchini (1/2 bushel)	7.306	7.162	+.144	9.000
Green Beans (bushel)	16.425	26.350	-.9.925	9.638
Spinach, Flat 24's	8.070	7.475	+.595	8.050
Mushrms (10 lb, lg.)-Term.	8.310	8.433	-.123	12.891
Cucumbers (bushel)	9.595	8.175	+1.420	13.434
Pickles (200-300 ct.)- Term.	24.844	27.875	-3.031	21.313
Asparagus (small)	14.500	13.500	+1.000	9.500
Freight (Truck; CA-Cty Av.)	5932.500	5932.500	-	5380.000



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