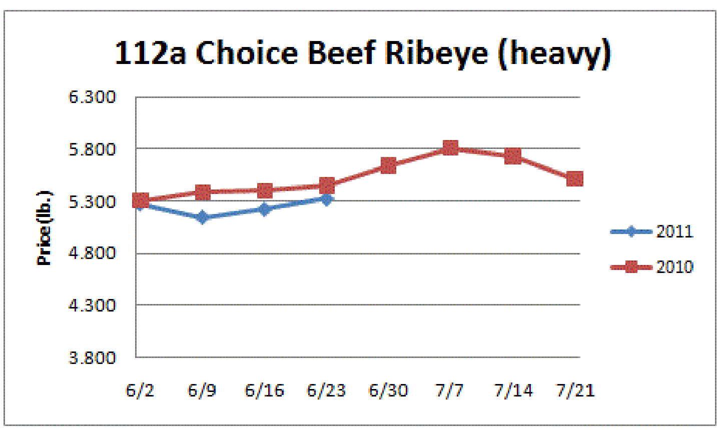
Weekly Market Updates

Volume No. 4 Issue No. 25 Date: June 23, 2011

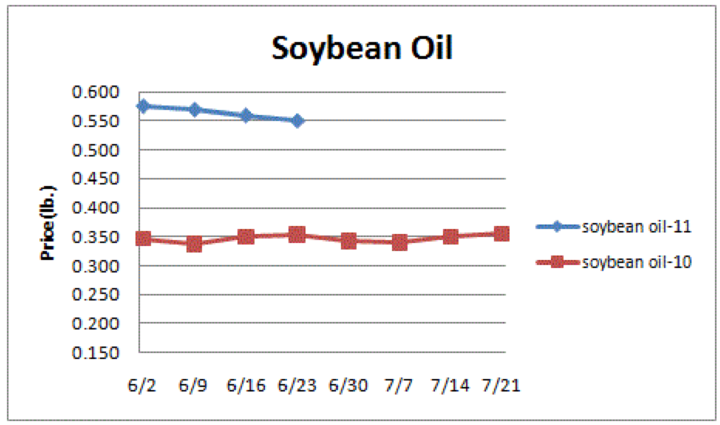
Beef - Beef output last week rose 1.8% and was 2.7% more than the same week a year ago. The June 1st US cattle on feed inventory was 4.1% larger than last year. Cattle placements into feedlots during May were 10.8% less than the prior year. The July 1st near slaughter ready cattle inventory is estimated to be 4% bigger than the 3 year average for the date which suggests solid beef output growth next month compared to 2010. Still, we are concerned about cattle supplies later this year. Strong beef exports are helping pressure many beef markets higher. Solid exports may continue to support beef end cut prices. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.116	1.066	+.050	.918
Feeder Cattle Index (CME)	1.269	1.243	+.026	1.095
Ground Beef 81/19	1.764	1.804	-.040	1.501
Ground Chuck	1.809	1.729	+.080	1.533
109e Export Rib (choice)	4.893	4.738	+.155	4.914
109e Export Rib (prime)	7.456	7.629	-.173	6.524
112a Ribeye (choice)	5.323	5.220	+.103	5.449
112a Ribeye (prime)	7.698	7.709	-.011	7.482
116 Chuck (select)	1.993	1.943	+.050	1.841
116 Chuck (choice)	2.012	1.942	+.070	1.848
116b Chuck Tdnr (choice)	2.072	2.060	+.012	1.655
120 Brisket (choice)	1.699	1.689	+.010	1.537
121c Outside Skirt (ch/sel)	3.385	3.386	-.001	3.211
121d Inside Skirt (ch/sel)	3.034	2.944	+.090	2.322
167a Knckle, Trm. (ch.)	2.175	2.189	-.014	1.650
168 Inside Round (ch.)	1.916	1.868	+.048	1.746
174 Short Loin (ch. 0x1)	5.048	5.154	-.106	4.471
174 Short Loin (prime)	7.534	7.515	+.019	6.855
180 1x1 Strp (choice)	4.704	4.690	+.014	4.092
180 1x1 Strp (prime)	8.398	8.090	+.308	7.939
180 0x1 Strp (choice)	5.069	5.000	+.069	4.573
184 Top Butt, bnls (ch.)	2.382	2.239	+.143	2.082
184 Top Butt, bnls (prime)	2.958	2.910	+.048	2.683
185a Sirloin Flap (choice)	3.945	3.806	+.139	3.148
185c Loin, Tri-Tip (choice)	2.779	2.681	+.098	2.472
189a Tender (select)	7.542	7.447	+.095	6.984
189a Tender (choice)	8.057	7.949	+.108	7.845
189a Tender (prime)	10.353	10.281	+.072	9.706
193 Flank Steak (choice)	4.379	4.286	+.093	4.384
50% Trimmings	.973	.942	+.031	.791
65% Trimmings	1.236	1.247	-.011	.976
75% Trimmings	1.534	1.550	-.016	1.259
85% Trimmings	1.779	1.814	-.035	1.505
90% Trimmings	1.882	1.873	+.009	1.601
90% Imported Beef (frz.)	1.835	1.880	-.045	1.590
95% Imported Beef (frz.)	1.953	1.985	-.032	1.723
Veal Rack (Hotel 7 rib)	5.450	5.450	-	4.600
Veal Top Rnd. (cp. off)	12.400	12.400	-	10.525



Oil, Grains, Misc.- The coffee market is breaking downward as supplies may be better during the upcoming year than initially thought. Coffee market could settle soon. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.347	13.662	-.315	9.740
Crude Soybean Oil, lb.	.550	.559	-.009	.353
Soybean Meal, ton	343.500	352.200	-8.700	312.200
Corn, bushel	6.869	7.403	-.543	3.348
Crude Corn Oil, lb.	.665	.670	-.005	.395
Distillers Grain, Dry	194.500	200.250	-5.750	100.250
Crude Palm Oil, lb. BMD	.485	.489	-.004	.349
HRW Wheat, bushel	7.660	8.000	-.340	4.190
DNS Wheat 14%, bushel	9.790	10.180	-.390	5.640
Canola, lb.	.270	.275	-.005	.186
Canola Oil, SD, (Tor.), lb.	.625	.633	-.008	.446
Pinto Beans, lb.	.292	.292	-	.270
Black Beans, lb.	.325	.325	-	.350
Rice, Long Grain, lb.	.252	.252	-	.233
Coffee, lb. NYBOT	2.436	2.675	-.239	1.600
Sugar, lb. NYBOT	.365	.356	+.009	.329



Dairy-May US milk production was 1.3% more than last year due to a .9% larger milk cow herd and a .4% increase in milk per cow yields. Milk farmers added a net 13k head to the dairy cow herd during the month which shows that milk production should continue to expand versus the previous year into the summer. The CME cheese markets are relatively steady. With CME cheese carrying a premium to the international market and US demand slowing we anticipate lower cheese prices in the coming weeks. The butter market could remain firm into the summer. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	2.068	2.075	-.007	1.370
Cheese Blocks (CME)	2.130	2.110	+.020	1.398
American Cheese	2.240	2.240	-	1.718
Cheddar Cheese (40 lb.)	2.170	2.170	-	1.830
Mozzarella Cheese	2.240	2.240	-	1.740
Provolone Cheese	2.610	2.610	-	1.903
Parmesan Cheese	3.685	3.685	-	3.268
Butter (CME)	2.140	2.140	-	1.710
Nonfat Dry Milk	1.711	1.701	+.010	1.337
Whey, Dry	.529	.519	+.010	.365
Class 1 Base	20.320	20.320	-	15.280
Class II Cream, heavy	2.859	2.859	-	2.571
Class III Milk (CME)	20.060	19.800	+.260	13.240
Class IV Milk (CME)	20.650	20.650	-	15.550

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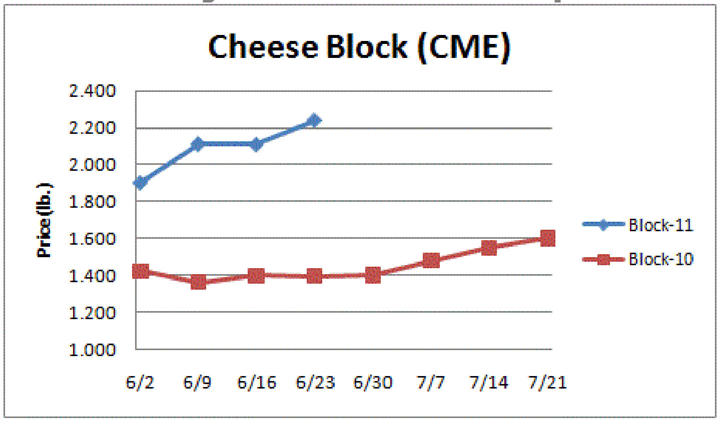
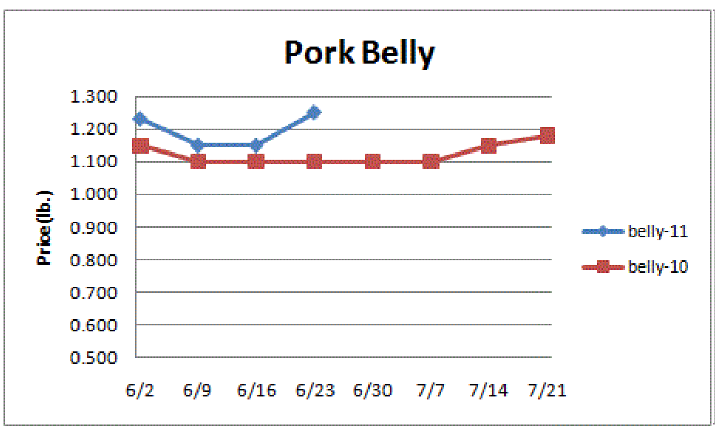


Pork- Pork production last week declined 1.5% and was basically even with the previous year. We look for pork output to seasonally decline in the coming weeks which is usually supportive of pork prices. Pork demand both on the export and domestic sides is reporting to be picking up. Belly prices are higher this week and we would not be surprised to see further market increases in the not so distant future. Belly prices could test the record high price levels in the mid $1.50's this summer. The ham markets are firming. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.700	.660	+.040	.577
Belly (bacon)	1.250	1.150	+.100	1.100
Sparerib (4.25 lb. & down)	1.721	1.694	+.027	1.450
Ham (20-23 lb.)	.790	.760	+.030	.780
Ham (23-27 lb.)	.800	.770	+.030	.800
Loin (bone-in)	1.170	1.088	+.082	.944
Bbybck Rib (1.75 lb. & up)	3.050	3.027	+.023	2.890
Tenderloin (1.25 lb.)	3.032	3.075	-.043	2.790
Boston Butt, untrmd. (4-8 lb.)	1.073	1.036	+.037	.855
Picnic, untrmd.	.684	.668	+.016	.626
SS Picnic, smoker trm. bx.	.920	.949	-.029	.815
42% Trimmings	.700	.562	+.138	.550
72% Trimmings	.920	.888	+.032	.860



Tomato Products, Canned- The California tomato for canning harvest will get underway in the next few weeks. The markets are steady to firm. Prices per case (6/10) FOB, unless noted from ARA.

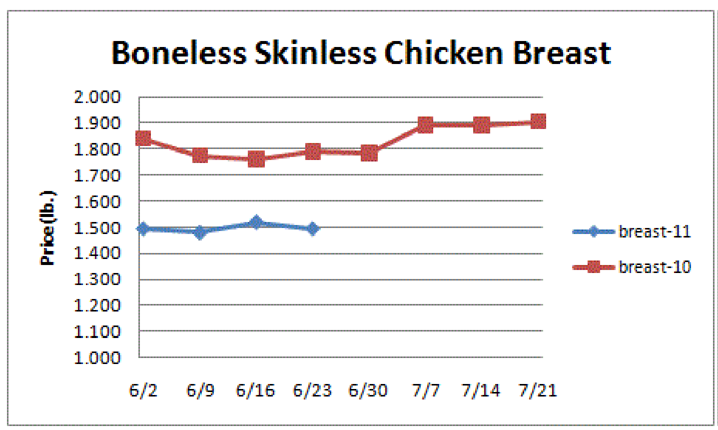
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	11.750	11.750	-	12.250
Diced, Fancy	12.250	12.250	-	12.750
Ketchup, 33%	13.000	13.000	-	13.500
Tomato Paste- Industrial (lb.)	.390	.390	-	.380

Processed Vegetables- The vegetable for processing crops in the Midwest and East remain behind. 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	18.406	17.406	+1.000	16.906
Green Beans Fcy- can 6/10	18.000	17.000	+1.000	16.563
Green Peas, Fcy- can 6/10	18.750	17.750	+1.000	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 chicken markets are mostly soft as demand appears to be struggling. What's probably most concerning for the chicken producers is the lack of seasonal strength in the chicken breast markets although they have to be disappointed with the weakness this week in some of the dark meat chicken markets. Its well documented that chicken producer margins are poor and that chicken output should trend below 2010 levels in the coming weeks. The chicken markets response to the chicken output cutbacks will have a lot to do with the intensity of the production slowdown. We do look for higher chicken breast and wing prices this summer. The dark meat chicken markets are likely to firm some as well. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.870	.870	-	.873
Whole Birds (LA)	.960	.960	-	.960
Wings (whole)	.805	.795	+.010	1.165
Wings (jumbo, cut)	.937	.974	-.037	1.140
Breast, Bone In	.880	.885	-.005	1.045
Breast, Bnless Skinless	1.495	1.520	-.025	1.790
Tenderloin (random)	1.150	1.150	-	1.500
Tenderloin (sized)	2.010	2.010	-	2.020
Legs (whole)	.649	.706	-.057	.466
Leg Quarters	.475	.490	-.015	.385
Thighs, bone in	.760	.775	-.015	.516
Thighs, boneless	1.368	1.365	+.003	.935
Eggs and Others				
Large (dozen)	.917	.900	+.017	.703
Medium (dozen)	.737	.805	-.068	.512
Whole Eggs- Liquid	.474	.467	+.007	.408
Egg Whites- Liquid	.446	.448	-.002	.383
Egg Yolks- Liquid	.669	.610	+.059	.659
Whole Turkeys (8-16 lb.)	1.055	1.055	-	.930
Turkey Breast, Bnls/Sknls	2.491	2.506	-.015	2.303



Seafood- US Gulf of Mexico shrimp landings during May were 111% more than the depleted level last year. 2011 US Gulf of Mexico shrimp landings through May were the largest for the time period in 5 years which is surprising given the inflated fuel prices for fishermen. Still, shrimp output challenges in Thailand, the largest shrimp exporting country in the world, may inflated shrimp prices throughout the summer.

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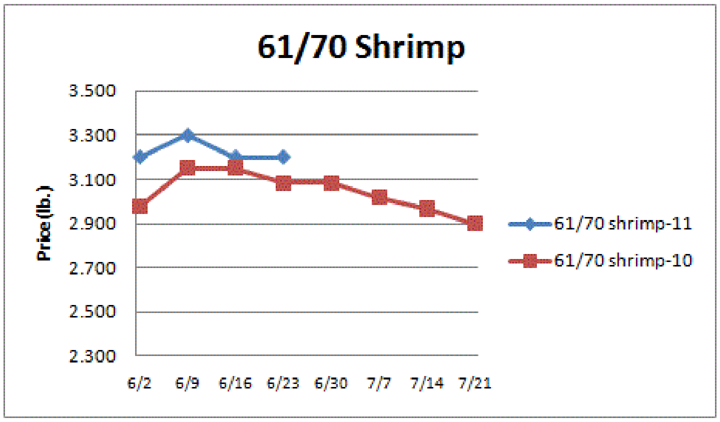
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	4.000	5.150	-1.150	4.250
Catfish Filets	4.900	4.900	-	3.500
Trout (drn. 8-14 oz.)	3.500	3.300	+.200	3.000
Shrimp (16/20), Frz	7.071	7.259	-.188	6.475
Shrimp (61/70), Frz.	3.200	3.200	-	3.084
Shrimp, Tiger (26/30), Frz.	4.950	4.950	-	4.817
Snow Crab, Legs 5-8 oz, Frz	5.925	5.875	+.050	4.025
Snow Crab, Legs 8 oz/ up, Fz	6.475	6.475	-	4.675
Cod Tails, 3-7 oz., Frz.	3.200	3.188	+.012	3.063
Cod Loins, 3-12 oz., Frz	3.831	3.831	-	3.663
Salmon Portions, 4-8 oz, Frz	6.471	6.626	-.155	5.379
Pollock, Alaska, Deep Skin	1.850	1.925	-	2.075



Energy & Currency-Currency US dollar is worth.

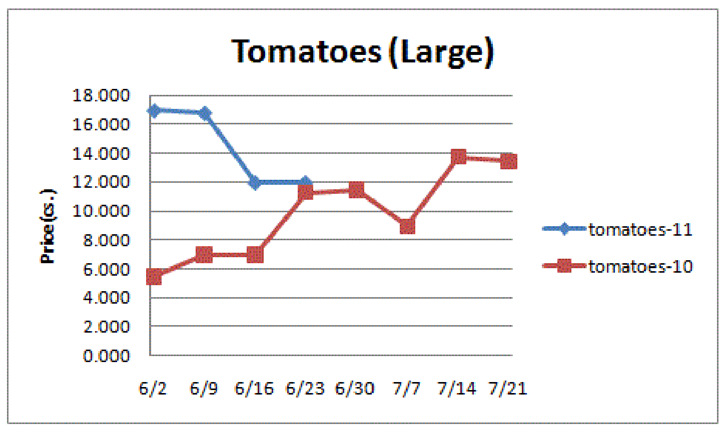
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	93.260	99.370	-6.110	77.850
Natural Gas, mbtu- nymex	4.317	4.581	-.264	4.820
Heating Oil, gal- nymex	2.932	3.125	-.193	2.069
Electricity, mwht- nymex	56.580	66.360	-9.780	50.710
Gasoline, gal- nymex	2.912	3.065	-.153	2.140
Diesel Fuel, gal- eia	3.950	3.954	-.004	2.961
Ethanol, gal- usda	2.640	2.595	+.045	1.535
Canadian $	.984	.974	+.010	1.002
Japanese Yen	80.253	80.226	+.027	90.627
Mexican Peso	11.936	11.837	+.099	12.560
Euro	.702	.692	+.010	.816
Brazilian Real	1.606	1.583	+.023	1.774
Chinese Yuan	6.478	6.479	-.001	6.814

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)	1035.000	1032.380	+2.620	1012.090
WP; 42 lb. Linerboard (corr.)	834.930	842.675	-7.745	625.402
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- The tomato markets remain fairly steady as tomato supplies begin to improve. Tomato shipments from the East coast last week rose 29%. Tomato supplies are anticipated to expand during the next few weeks which could influence tomato prices lower. However, as July progresses and the East coast tomato harvest shifts north some supply gaps could occur with tomatoes which may influence the tomato markets upward. Idaho potato stocks are historically limited and the potato markets are trending higher. Further potato market increases are likely. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	12.000	12.000	-	11.000
Lemons (95 ct.)	16.915	15.640	+1.275	20.040
Lemons (200 ct.)	17.640	17.640	-	22.040
Honeydew (6 ct.)	4.863	5.237	-.374	3.625
Cantaloupe (15 ct.)	6.225	5.250	+.975	4.500
Blueberries (12 count)	16.459	17.843	-1.384	12.738
Strwbrries (12 pnts.)	10.500	10.500	-	8.500
Avocds (Hass 48 ct.)	54.000	52.000	+2.000	29.250
Bananas (40 lb.)- Term.	16.538	16.691	-.153	16.703
Pineapple (7 ct.)- Term.	10.750	10.479	+.271	9.313
Idaho Potato (60 ct., 50 lb.)	19.000	17.500	+1.500	10.500
Idaho Potato (70 ct., 50 lb.)	18.000	16.500	+1.500	10.500
Idaho Potato (70 ct.)-Term.	22.700	22.438	+.262	15.794
Idaho Potato (90 ct., 50 lb.)	14.000	12.750	+1.250	5.250
Idaho Pot. # 2 (6 oz., 100 lb.)	19.500	17.500	+2.000	5.500
Processing Potato (cwt.)	12.000	12.000	-	8.000
Yellow Onions (50 lb.)	8.667	9.000	-.333	14.500
Yell Onions (50 lb.)-Term.	14.017	14.661	-.644	20.500
Red Onions (25 lb.)- Term.	8.927	8.109	+.818	18.675
White Onions (50 lb.)- Term.	20.938	15.750	+5.188	18.625
Tomatoes (large- case)	11.950	11.950	-	11.284
Tomatoes (5x6-25 lb.)-Term	16.761	17.285	-.524	8.330
Tomatoes (4x5 vine ripe)	8.455	8.450	+.005	5.560
Roma Tomatoes (large- case)	9.290	8.616	+.674	5.905
Roma Tomatoes (xlarge-cs)	9.459	9.208	+.251	5.905
Green Peppers (large- case)	16.669	13.775	+2.894	11.850
Red Peppers (large 15lb. cs.)	15.950	10.950	+5.000	14.200
Iceberg Lettuce (24 count)	8.713	9.850	-1.137	10.415
Iceberg Lettuce (24)-Term.	17.750	17.500	+.250	18.833
Leaf Lettuce (24 count)	6.588	6.425	+.163	6.238
Romaine Lettuce (24 cnt.)	6.338	6.487	-.149	6.115
Mesculin Mix (3 lb.)-Term.	6.917	9.472	-2.555	6.688
Broccoli (14 ct.)	10.530	16.662	-6.132	7.138
Squash (1/2 bushel)	11.600	9.800	+1.800	9.000
Zucchini (1/2 bushel)	12.600	8.758	+3.842	9.000
Green Beans (bushel)	25.000	14.800	+10.200	14.350
Spinach, Flat 24's	7.475	8.100	-.625	6.800
Mushrms (10 lb, lg.)-Term.	11.084	7.104	+3.980	12.308
Cucumbers (bushel)	18.242	11.953	+6.289	19.525
Pickles (200-300 ct.)- Term.	27.667	26.375	+1.292	23.584
Asparagus (small)	13.750	14.000	-.250	9.000
Freight (Truck; CA-Cty Av.)	6625.000	6077.778	+547.222	5755.000



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

	May-11	Apr-11	Mar-11	Feb-11
Beef and Veal	+1.020	+1.164	+2.330	+1.910
Dairy	+.773	+1.720	+1.303	+.574
Pork	+2.569	-.285	+2.280	+.959
Chicken	+.625	+.848	-.114	+.460
Fresh Fish and Seafood	+1.832	+.753	+2.012	+.420
Fresh Fruits and Veg.	-1.503	-1.517	+1.498	+.486