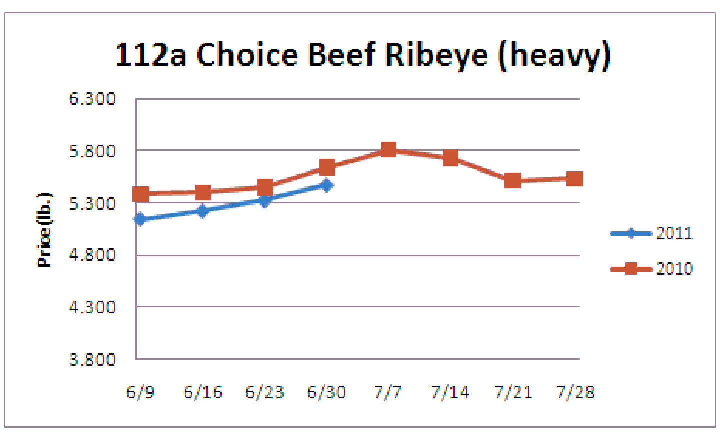
Weekly Market Updates

Volume No. 4 Issue No. 26 Date: June 30, 2011

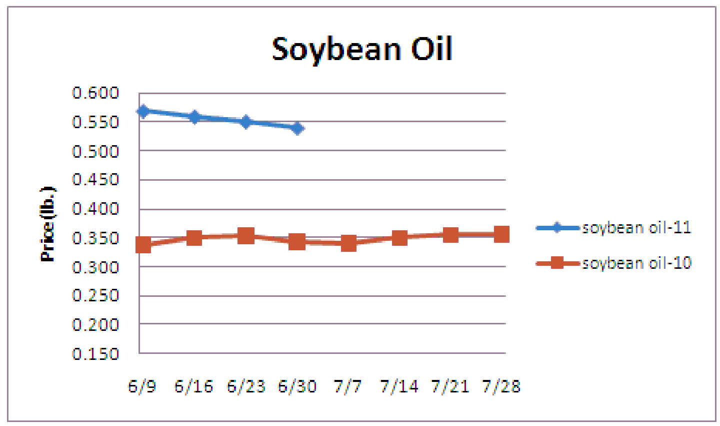
Beef - Beef production last week declined .2% but was 2.1% larger than the same week a year ago. Beef output is anticipated to trend above the previous year this summer. However, we are very concerned about beef production levels later this year and into 2012 as cattle supplies may tighten considerably. Many of the beef markets are moving upward due to better demand for the upcoming 4th of July Holiday weekend and solid exports. We remain skeptical that US consumers can support these beef prices levels for a long period of time given the high unemployment and inflated gasoline prices. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.123	1.116	+.007	.918
Feeder Cattle Index (CME)	1.331	1.269	+.062	1.115
Ground Beef 81/19	1.813	1.764	+.049	1.511
Ground Chuck	1.820	1.809	+.011	1.495
109e Export Rib (choice)	5.077	4.893	+.184	4.816
109e Export Rib (prime)	8.187	7.456	+.731	6.603
112a Ribeye (choice)	5.474	5.323	+.151	5.644
112a Ribeye (prime)	7.874	7.698	+.176	7.641
116 Chuck (select)	2.034	1.993	+.041	1.824
116 Chuck (choice)	2.070	2.012	+.058	1.822
116b Chuck Tdnr (choice)	2.115	2.072	+.043	1.652
120 Brisket (choice)	1.726	1.699	+.027	1.578
121c Outside Skirt (ch/sel)	3.621	3.385	+.236	3.341
121d Inside Skirt (ch/sel)	3.105	3.034	+.071	2.287
167a Knckle, Trm. (ch.)	2.185	2.175	+.010	1.610
168 Inside Round (ch.)	2.010	1.916	+.094	1.717
174 Short Loin (ch. 0x1)	5.451	5.048	+.403	4.596
174 Short Loin (prime)	7.755	7.534	+.221	6.908
180 1x1 Strp (choice)	4.837	4.704	+.133	3.995
180 1x1 Strp (prime)	8.829	8.398	+.431	7.948
180 0x1 Strp (choice)	5.456	5.069	+.387	4.687
184 Top Butt, bnls (ch.)	2.618	2.382	+.236	2.055
184 Top Butt, bnls (prime)	3.115	2.958	+.157	2.759
185a Sirloin Flap (choice)	4.060	3.945	+.115	3.185
185c Loin, Tri-Tip (choice)	2.763	2.779	-.016	2.437
189a Tender (select)	7.596	7.542	+.054	6.970
189a Tender (choice)	8.206	8.057	+.149	7.865
189a Tender (prime)	10.344	10.353	-.009	9.448
193 Flank Steak (choice)	4.535	4.379	+.156	4.397
50% Trimmings	.916	.973	-.057	.750
65% Trimmings	1.158	1.236	-.078	.994
75% Trimmings	1.529	1.534	-.005	1.263
85% Trimmings	1.750	1.779	-.029	1.496
90% Trimmings	1.862	1.882	-.020	1.613
90% Imported Beef (frz.)	1.845	1.835	+.010	1.561
95% Imported Beef (frz.)	1.930	1.953	-.023	1.688
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 grain markets are weakening some due in part to perceived better crop conditions. We continue to be very concerned about the spring and durum wheat crops. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.278	13.347	-.069	9.588
Crude Soybean Oil, lb.	.539	.550	-.011	.343
Soybean Meal, ton	336.500	343.500	-7.000	314.800
Corn, bushel	6.479	6.869	-.390	3.175
Crude Corn Oil, lb.	.665	.665	-	.390
Distillers Grain, Dry	186.500	194.500	-8.000	98.750
Crude Palm Oil, lb. BMD	.458	.485	-.027	.343
HRW Wheat, bushel	7.040	7.660	-.620	4.090
DNS Wheat 14%, bushel	9.020	9.790	-.770	5.260
Canola, lb.	.265	.270	-.005	.243
Canola Oil, SD, (Tor.), lb.	.614	.625	-.011	.434
Pinto Beans, lb.	.296	.292	+.004	.270
Black Beans, lb.	.335	.325	+.010	.350
Rice, Long Grain, lb.	.253	.252	+.001	.227
Coffee, lb. NYBOT	2.502	2.436	+.066	1.663
Sugar, lb. NYBOT	.354	.365	-.011	.340
Honey (Clover), lb.	1.650	1.650	-	1.558



Dairy-The CME butter market has weakened as of late as elevated price levels have mitigated demand and supplies have improved. May 31st butter stocks were still 20% less than the prior year but holdings did rise during May from the previous month marking only the 4th time this has occurred in the last 20 years. We do anticipate that the downside risk in the butter market from here may only be modest for the short term. The CME cheese markets remain elevated. We look for at least a 10% break in CME cheese prices in the coming weeks. Cheese buyers should be cautious. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	2.078	2.068	+.010	1.378
Cheese Blocks (CME)	2.130	2.130	-	1.403
American Cheese	2.433	2.240	+.193	1.718
Cheddar Cheese (40 lb.)	2.470	2.170	+.300	1.830
Mozzarella Cheese	2.455	2.240	+.215	1.740
Provolone Cheese	2.613	2.610	+.003	1.903
Parmesan Cheese	3.688	3.685	+.003	3.268
Butter (CME)	2.020	2.140	-.120	1.720
Nonfat Dry Milk	1.715	1.711	+.004	1.324
Whey, Dry	.537	.529	+.008	.363
Class 1 Base	21.030	20.320	+.710	15.280
Class II Cream, heavy	2.943	2.859	+.084	2.571
Class III Milk (CME)	20.370	20.060	+.310	13.480
Class IV Milk (CME)	20.490	20.650	-.160	15.490

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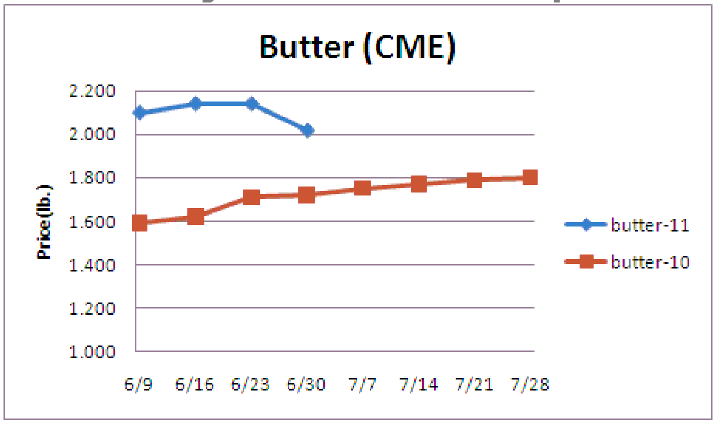
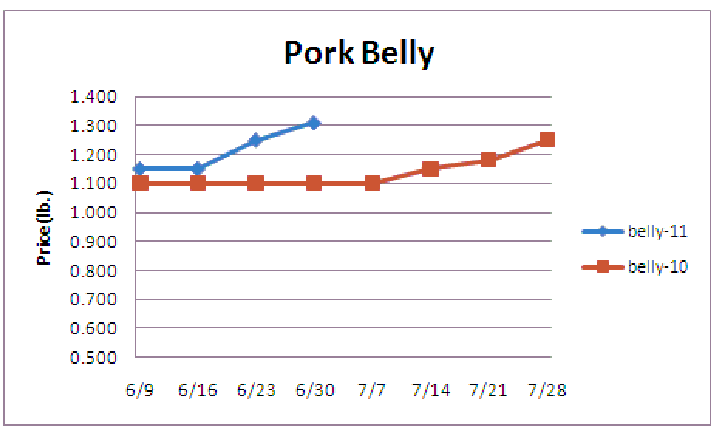


Pork- Pork output last week declined 2.2% but was 1.2% larger than the same week a year ago. The June 1st US hog and pig (.5%) and swine breeding (.3%) herds were both larger than the prior year which suggests some slight pork production expansion in the future. Still, the herd gains were so tame and we have doubts that pork output will notably expand until feed costs decline further. Many of the pork markets are marching higher due in part to July 4th Holiday weekend demand. Rib and loin prices could weaken soon. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.725	.700	+.025	.574
Belly (bacon)	1.310	1.250	+.060	1.100
Sparerib (4.25 lb. & down)	1.800	1.721	+.079	1.500
Ham (20-23 lb.)	.800	.790	+.010	.790
Ham (23-27 lb.)	.800	.800	-	.790
Loin (bone-in)	1.243	1.170	+.073	.918
Bbybck Rib (1.75 lb. & up)	3.000	3.050	-.050	2.800
Tenderloin (1.25 lb.)	3.100	3.032	+.068	2.750
Boston Butt, untrmd. (4-8 lb.)	1.056	1.073	-.017	.851
Picnic, untrmd.	.703	.684	+.019	.631
SS Picnic, smoker trm. bx.	.920	.920	-	.840
42% Trimmings	.700	.700	-	.520
72% Trimmings	.916	.920	-.004	.827



Tomato Products, Canned- According to the CLFP, the June 1st tomato for canning inventory was 8% more than 2010. The canned tomato markets are firm. Prices per case (6/10) FOB, unless noted from ARA.

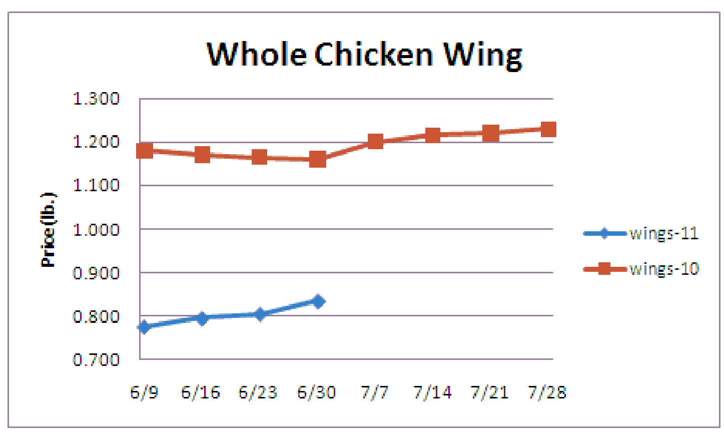
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	11.750	11.750	-	12.250
Diced, Fancy	12.250	12.250	-	12.750
Ketchup, 33%	13.000	13.000	-	13.500
Tomato Paste- Industrial (lb.)	.390	.390	-	.380

Processed Vegetables- May 31st frozen green bean (9%), cut corn (19%) and green pea (16%) stocks were all less than last year. The processed vegetable markets are firm. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 10
Corn, Fcy whl kern- can 6/10	18.406	18.406	-	16.906
Green Beans Fcy- can 6/10	18.000	18.000	-	16.563
Green Peas, Fcy- can 6/10	18.750	18.750	-	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- Broiler chick placements during May were estimated to be 1% more than last year which suggests that chicken production gains could persist in early July. Still, the weekly broiler egg set numbers continue to trend well below 2010 which indicates that chicken production should begin to track below a year ago soon after. During May, pullet placements into the broiler hatchery flock were 8% less than the previous year. This is a sign that chicken producers are making more of a systemic slowdown in chicken output. Although this was expected, one month does not make a trend. The chicken markets are mixed but we anticipate the breast and wing markets to firm some in the coming months due to slower output. 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)	.835	.805	+.030	1.160
Wings (jumbo, cut)	.935	.937	-.002	1.144
Breast, Bone In	.860	.880	-.020	1.040
Breast, Bnless Skinless	1.475	1.495	-.020	1.785
Tenderloin (random)	1.150	1.150	-	1.620
Tenderloin (sized)	2.010	2.010	-	2.080
Legs (whole)	.628	.649	-.021	.486
Leg Quarters	.470	.475	-.005	.380
Thighs, bone in	.778	.760	+.018	.498
Thighs, boneless	1.359	1.368	-.009	.971
Eggs and Others				
Large (dozen)	.943	.917	+.026	.643
Medium (dozen)	.737	.737	-	.512
Whole Eggs- Liquid	.492	.474	+.018	.410
Egg Whites- Liquid	.458	.446	+.012	.372
Egg Yolks- Liquid	.677	.669	+.008	.642
Whole Turkeys (8-16 lb.)	1.055	1.055	-	.950
Turkey Breast, Bnls/Sknls	2.490	2.491	+.001	2.375



Seafood- The Newfoundland snow crab season is progressing but US snow crab supplies remain limited. We are hopeful that snow crab leg prices will depreciate in the coming months. However, cyclical charts suggest that relatively inflated snow crab leg prices could persevere. Concerns about pending shrimp supplies out of the largest exporting country Thailand may help support shrimp prices throughout the summer.

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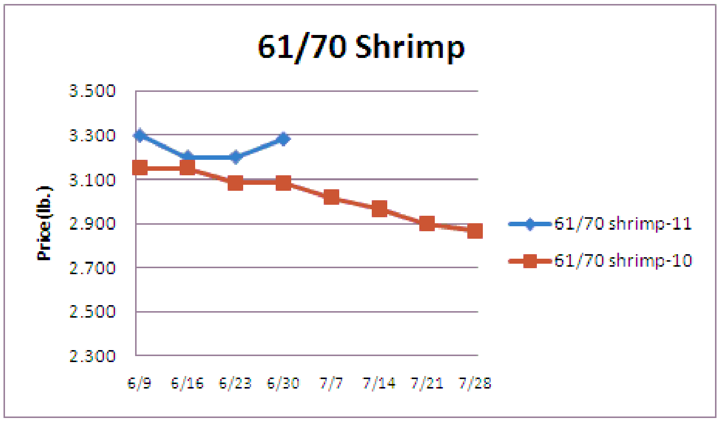
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	4.000	4.000	-	4.250
Catfish Filets	4.900	4.900	-	3.500
Trout (drn. 8-14 oz.)	3.500	3.500	-	3.000
Shrimp (16/20), Frz	7.154	7.071	+.083	6.513
Shrimp (61/70), Frz.	3.284	3.200	+.084	3.084
Shrimp, Tiger (26/30), Frz.	4.950	4.950	-	4.817
Snow Crab, Legs 5-8 oz, Frz	5.925	5.925	-	4.200
Snow Crab, Legs 8 oz/ up, Fz	6.475	6.475	-	4.825
Cod Tails, 3-7 oz., Frz.	3.200	3.200	-	3.063
Cod Loins, 3-12 oz., Frz	3.831	3.831	-	3.663
Salmon Portions, 4-8 oz, Frz	6.804	6.471	+.333	5.379
Pollock, Alaska, Deep Skin	1.850	1.850	-	2.075



Energy & Currency-Currency US dollar is worth.

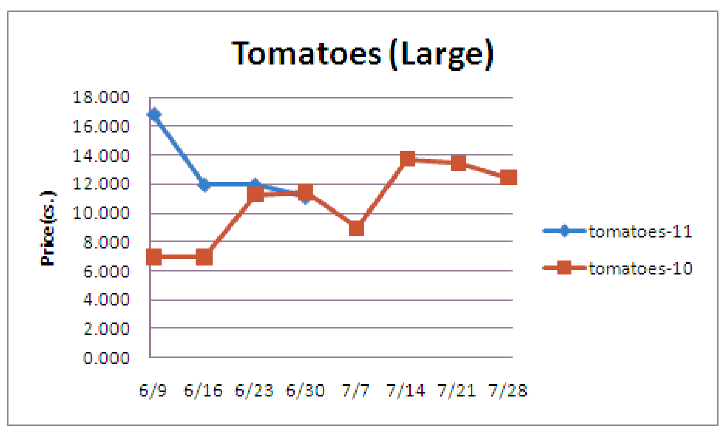
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	90.610	93.260	-2.650	78.250
Natural Gas, mbtu- nymex	4.256	4.317	-.061	4.717
Heating Oil, gal- nymex	2.765	2.932	-.167	2.093
Electricity, mwht- nymex	50.880	56.580	-5.700	55.310
Gasoline, gal- nymex	2.808	2.912	-.104	2.138
Diesel Fuel, gal- eia	3.888	3.950	-.062	2.956
Ethanol, gal- usda	2.610	2.640	-.030	1.510
Canadian $	.990	.984	+.006	1.034
Japanese Yen	80.774	80.253	+.521	89.351
Mexican Peso	11.915	11.936	-.021	12.645
Euro	.704	.702	+.002	.810
Brazilian Real	1.602	1.606	-.004	1.777
Chinese Yuan	6.479	6.478	+.001	6.797

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	1035.000	-	1012.610
WP; 42 lb. Linerboard (corr.)	833.122	834.930	-1.808	623.362
Res; PS-CHH (cup, cont.)	1.050-1.090	1.050-1.090	-	.940-.980
Res; PP-HIGP (hvy utensil)	1.200-1.220	1.350-1.370	-.150	1.0001.020
Res; PE-LLD (cn liner, film)	.940-.970	.940-.970	-	.820-.850

Produce- The Idaho potato markets continue to soar due to limited supplies. June 1 US potato stocks were the smallest for the date in at least the last 10 years. Trade is anticipating higher potato prices in the coming weeks. The avocado market remains elevated as supplies wane from Mexico and the California harvest is insufficient. History suggests that the avocado market could appreciate another 10 to 12% during the next several weeks before topping in the late summer. Usually avocado prices decline sharply in the fall. Tomato supplies could be sporadic in the east later in July. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	13.000	12.000	+1.000	10.000
Lemons (95 ct.)	17.140	16.915	+.225	21.040
Lemons (200 ct.)	18.390	17.640	+.750	22.540
Honeydew (6 ct.)	5.125	4.863	+.262	4.750
Cantaloupe (15 ct.)	7.950	6.225	+1.725	4.750
Blueberries (12 count)	13.500	16.459	-2.959	12.863
Strwbrries (12 pnts.)	10.250	10.500	-.025	9.500
Avocds (Hass 48 ct.)	54.250	54.000	+.025	28.500
Bananas (40 lb.)- Term.	16.409	16.538	+.129	18.011
Pineapple (7 ct.)- Term.	9.740	10.750	-1.010	10.219
Idaho Potato (60 ct., 50 lb.)	22.000	19.000	+3.000	10.750
Idaho Potato (70 ct., 50 lb.)	20.750	18.000	+2.750	10.750
Idaho Potato (70 ct.)-Term.	19.719	22.700	-2.981	15.606
Idaho Potato (90 ct., 50 lb.)	16.500	14.000	+2.500	5.625
Idaho Pot. # 2 (6 oz., 100 lb.)	21.500	19.500	+2.000	6.250
Processing Potato (cwt.)	12.750	12.000	+.750	8.000
Yellow Onions (50 lb.)	7.750	8.667	-.917	16.250
Yell Onions (50 lb.)-Term.	16.221	14.017	+2.204	20.334
Red Onions (25 lb.)- Term.	8.688	8.927	-.239	19.000
White Onions (50 lb.)- Term.	18.500	20.938	-2.438	17.625
Tomatoes (large- case)	11.117	11.950	-.833	11.450
Tomatoes (5x6-25 lb.)-Term	13.051	16.761	-3.710	10.271
Tomatoes (4x5 vine ripe)	9.450	8.455	+.995	6.450
Roma Tomatoes (large- case)	9.967	9.290	+.677	6.665
Roma Tomatoes (xlarge-cs)	9.623	9.459	+.164	7.165
Green Peppers (large- case)	13.633	16.669	-3.036	12.850
Red Peppers (large 15lb. cs.)	19.950	15.950	+4.000	16.950
Iceberg Lettuce (24 count)	7.150	8.713	-.980	11.300
Iceberg Lettuce (24)-Term.	17.167	17.750	-.583	19.667
Leaf Lettuce (24 count)	7.113	6.588	+.525	5.800
Romaine Lettuce (24 cnt.)	8.713	6.338	+2.375	5.975
Mesculin Mix (3 lb.)-Term.	6.792	6.917	-.125	6.625
Broccoli (14 ct.)	7.775	10.530	-2.755	8.888
Squash (1/2 bushel)	9.950	11.600	-1.650	10.425
Zucchini (1/2 bushel)	12.513	12.600	-.087	8.425
Green Beans (bushel)	25.000	25.000	-	14.850
Spinach, Flat 24's	7.375	7.475	-.100	7.050
Mushrms (10 lb, lg.)-Term.	11.084	11.084	-	12.599
Cucumbers (bushel)	16.742	18.242	-1.500	18.747
Pickles (200-300 ct.)- Term.	27.250	27.667	-.417	22.000
Asparagus (small)	13.750	13.750	-	13.500
Freight (Truck; CA-Cty Av.)	6668.750	6625.000	+43.75	5655.000



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