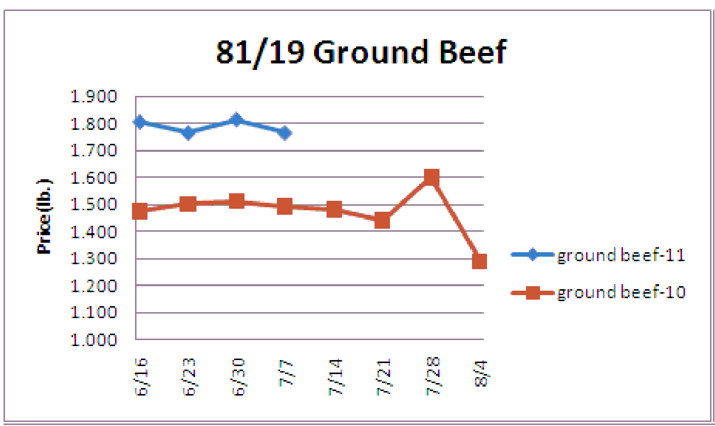
Weekly Market Updates

Volume No. 4 Issue No. 27 Date: July 7, 2011

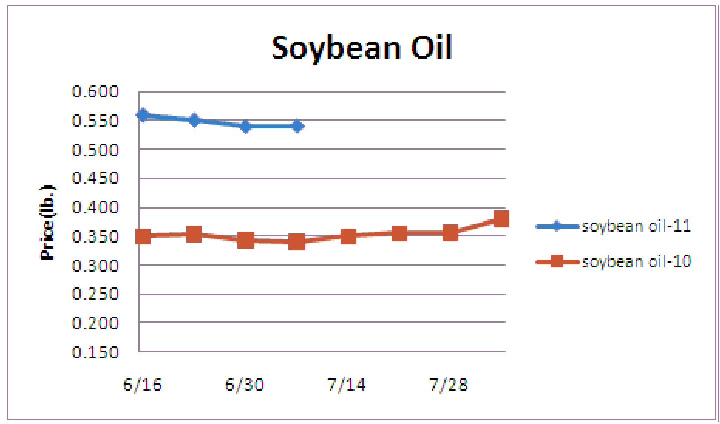
Beef - Beef output last week declined 2.2% but was .8% larger than the same week a year ago. Holiday shortened beef production this week may sustain many recent gains in the beef markets. Near slaughter ready cattle supplies are projected to be more available during the next several weeks which could lead to notable gains in beef output. This factor and a continued challenged US consumer are behind our expectations for modest beef market weakness as July progresses. We still anticipate beef end cut and trimming prices to remain above 2010 throughout most of the summer. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.108	1.123	-.015	.924
Feeder Cattle Index (CME)	1.340	1.331	+.009	1.123
Ground Beef 81/19	1.764	1.813	-.049	1.492
Ground Chuck	1.797	1.820	-.023	1.550
109e Export Rib (choice)	5.143	5.077	+.066	4.946
109e Export Rib (prime)	8.900	8.187	+.713	6.870
112a Ribeye (choice)	5.581	5.474	+.107	5.808
112a Ribeye (prime)	9.260	7.874	+.176	7.707
116 Chuck (select)	2.071	2.034	+.037	1.774
116 Chuck (choice)	2.040	2.070	-.030	1.802
116b Chuck Tdnr (choice)	2.040	2.115	-.075	1.619
120 Brisket (choice)	1.824	1.726	+.098	1.557
121c Outside Skirt (ch/sel)	3.684	3.621	+.063	3.356
121d Inside Skirt (ch/sel)	3.093	3.105	-.012	2.312
167a Knckle, Trm. (ch.)	2.170	2.185	-.015	1.667
168 Inside Round (ch.)	1.972	2.010	-.038	1.575
174 Short Loin (ch. 0x1)	5.346	5.451	-.105	4.658
174 Short Loin (prime)	8.450	7.755	+.695	7.085
180 1x1 Strp (choice)	5.015	4.837	+.178	4.270
180 1x1 Strp (prime)	9.100	8.829	+.271	8.095
180 0x1 Strp (choice)	5.670	5.456	+.214	4.910
184 Top Butt, bnls (ch.)	2.588	2.618	-.030	2.140
184 Top Butt, bnls (prime)	3.307	3.115	+.192	2.840
185a Sirloin Flap (choice)	4.061	4.060	+.001	3.145
185c Loin, Tri-Tip (choice)	2.871	2.763	+.108	2.404
189a Tender (select)	7.724	7.596	+.128	6.698
189a Tender (choice)	8.451	8.206	+.245	7.536
189a Tender (prime)	10.000	10.344	-.344	9.510
193 Flank Steak (choice)	4.586	4.535	+.051	4.393
50% Trimmings	.925	.916	+.009	.765
65% Trimmings	1.243	1.158	+.085	.989
75% Trimmings	1.600	1.529	+.071	1.255
85% Trimmings	1.800	1.750	+.050	1.531
90% Trimmings	1.890	1.862	+.028	1.635
90% Imported Beef (frz.)	1.880	1.845	+.035	1.505
95% Imported Beef (frz.)	1.955	1.930	+.025	1.615
Veal Rack (Hotel 7 rib)	5.650	5.450	+.200	4.625
Veal Top Rnd. (cp. off)	12.400	12.400	-	10.525



Oil, Grains, Misc.- Larger than anticipated corn acreage and stock estimates from the USDA last Thursday have pressured corn lower. Grain markets may remain volatile. Prices USDA, FOB.

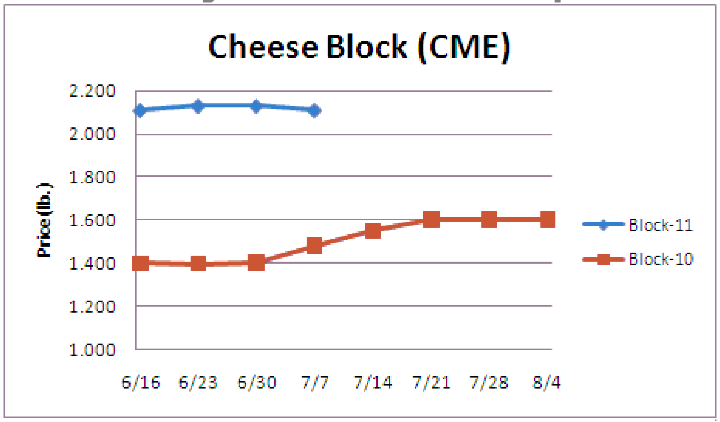
	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.240	13.278	-.038	9.993
Crude Soybean Oil, lb.	.540	.539	+.002	.340
Soybean Meal, ton	337.000	336.500	+.500	327.900
Corn, bushel	6.414	6.479	-.065	3.556
Crude Corn Oil, lb.	.635	.665	-.030	.385
Distillers Grain, Dry	190.500	186.500	+4.000	104.667
Crude Palm Oil, lb. BMD	.461	.458	+.003	.345
HRW Wheat, bushel	6.960	7.040	-.080	4.845
DNS Wheat 14%, bushel	9.330	9.020	+.310	5.690
Canola, lb.	.265	.265	-	.182
Canola Oil, SD, (Tor.), lb.	.617	.614	+.003	.425
Pinto Beans, lb.	.303	.296	+.007	.270
Black Beans, lb.	.335	.335	-	.300
Rice, Long Grain, lb.	.253	.253	-	.228
Coffee, lb. NYBOT	2.635	2.502	+.133	1.577
Sugar, lb. NYBOT	.354	.354	-	.340
Honey (Clover), lb.	1.650	1.650	-	1.558



Dairy-The CME cheese markets continue to trade at inflated levels. The CME block market is trading at roughly a $.10 premium to the international market. Furthermore, we are hearing that spot cheese demand is fading. We expect cheese prices to move lower from here. The butter market is firming once again. Historically light butter supplies for this time of the year are expected to continue to support butter prices deep into this summer. Better feed supplies could lead to further expansion in milk production which eventually could be bearish for dairy. Prices per pound, except Class I Cream (hundred weight), from USDA.

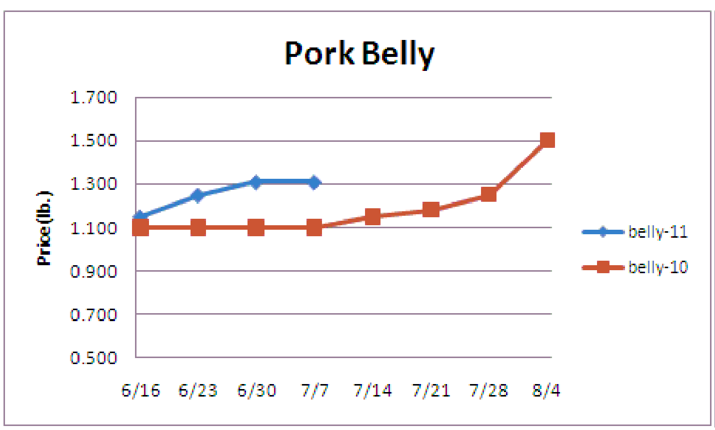
	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	2.100	2.078	+.022	1.463
Cheese Blocks (CME)	2.110	2.130	-.020	1.480
American Cheese	2.430	2.433	-.003	1.750
Cheddar Cheese (40 lb.)	2.470	2.470	-	1.850
Mozzarella Cheese	2.473	2.455	+.018	1.768
Provolone Cheese	2.630	2.613	+.017	1.920
Parmesan Cheese	3.710	3.688	+.022	3.285
Butter (CME)	2.040	2.020	+.020	1.750
Nonfat Dry Milk	1.714	1.715	-.001	1.294
Whey, Dry	.499	.537	-.038	.363
Class 1 Base	21.030	21.030	-	15.660
Class II Cream, heavy	2.878	2.943	-.065	2.607
Class III Milk (CME)	19.080	20.370	-1.290	14.630
Class IV Milk (CME)	19.850	20.490	-.640	15.220

Weekly Market Updates



Pork- Pork production last week rose .2% and was .9% larger than the same week a year ago. Holiday shortened output this week could help support many pork markets. However, as we get into next week we anticipate many pork markets to weaken including the loin and rib markets. History suggests that the pork belly market could remain well supported into August as production reaches a seasonal lull. Strong sow slaughter as of late suggests that hog producers may be curbing any pending hog herd growth. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.704	.725	-.021	1.100
Belly (bacon)	1.310	1.310	-	1.286
Sparerib (4.25 lb. & down)	1.625	1.800	-.175	.790
Ham (20-23 lb.)	.800	.800	-	.820
Ham (23-27 lb.)	.820	.800	+.020	.895
Loin (bone-in)	1.096	1.040	+.056	2.685
Bbybck Rib (1.75 lb. & up)	3.000	3.000	-	2.763
Tenderloin (1.25 lb.)	3.200	3.100	+.100	.801
Boston Butt, untrmd. (4-8 lb.)	1.038	1.056	-.018	.669
Picnic, untrmd.	.735	.703	+.032	.900
SS Picnic, smoker trm. bx.	.910	.920	-.010	.550
42% Trimmings	.700	.700	-	.893
72% Trimmings	.913	.916	-.003	1.100



Tomato Products, Canned- The tomato for canning harvest is getting started in California but the Midwest crop remains behind. The canned tomato markets are firm. Prices per case (6/10) FOB, unless noted from ARA.

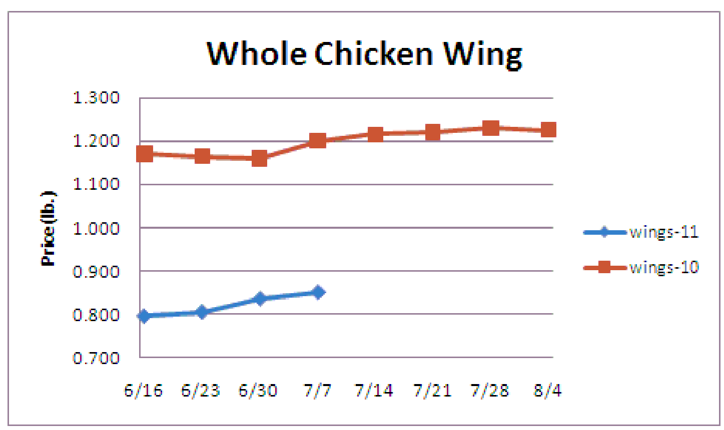
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	11.750	11.750	-	12.250
Diced, Fancy	12.250	12.250	-	12.750
Ketchup, 33%	13.000	13.000	-	13.500
Tomato Paste- Industrial (lb.)	.390	.390	-	.380

Processed Vegetables- The processed vegetable markets remain firm. The green pea harvest is underway but output may be the smallest in the last 10 years. 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- The chicken breast and wing markets continue to struggle due to lackluster demand and over production. Chicken output in recent weeks has been trending 3% above the previous year. However, production will slow versus 2010 in the coming weeks. Broiler egg sets for the week ending June 25th were the smallest for any week since November. The 6 week moving average for broiler egg sets is now running 3.3% below the previous year. As chicken output wanes we anticipate the chicken breast and wing markets to firm. Historically, the chicken wing markets usually move higher in the coming weeks. Last year the jumbo cut chicken wing market rose 15% during the next 12 weeks. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.873	.870	+.003	.873
Whole Birds (LA)	.960	.960	-	.960
Wings (whole)	.850	.835	+.015	1.200
Wings (jumbo, cut)	.933	.935	-.002	1.144
Breast, Bone In	.845	.860	-.015	1.060
Breast, Bnless Skinless	1.445	1.475	-.030	1.890
Tenderloin (random)	1.150	1.150	-	1.550
Tenderloin (sized)	2.010	2.010	-	2.070
Legs (whole)	.608	.628	-.020	.486
Leg Quarters	.470	.470	-	.400
Thighs, bone in	.720	.778	-.058	.506
Thighs, boneless	1.327	1.359	-.032	.940
Eggs and Others				
Large (dozen)	.983	.943	+.040	.763
Medium (dozen)	.750	.737	+.013	.575
Whole Eggs- Liquid	.492	.492	-	.410
Egg Whites- Liquid	.458	.458	-	.358
Egg Yolks- Liquid	.677	.677	-	.642
Whole Turkeys (8-16 lb.)	1.055	1.055	-	.941
Turkey Breast, Bnls/Sknls	2.500	2.490	+.010	2.450

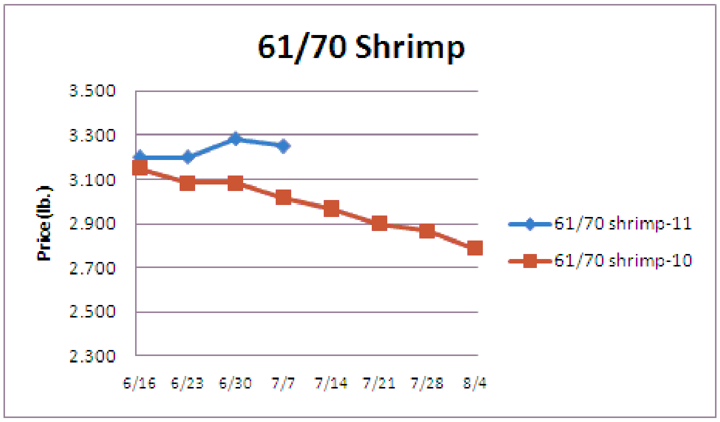


Seafood- The 2011 western US Gulf of Mexico shrimp harvest is projected by the National Marine Fisheries Service at 53.4 million pounds, well above last year due to last year's oil spill in the Gulf, but roughly 6% below the historical average. The shrimp markets could remain fairly inflated throughout the summer due to a deflated US dollar and output concerns in Thailand. The snow crab leg markets are elevated.

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.)	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	7.148	7.154	-.006	6.544
Shrimp (61/70), Frz.	3.250	3.284	-.034	3.017
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	6.804	-	5.379
Pollock, Alaska, Deep Skin	1.850	1.850	-	2.075



Energy & Currency-Currency US dollar is worth.

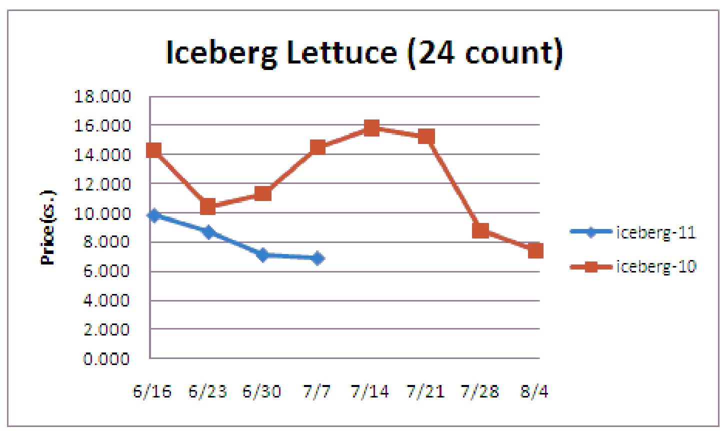
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	96.890	90.610	+6.280	75.440
Natural Gas, mbtu- nymex	4.363	4.256	+.107	4.399
Heating Oil, gal- nymex	2.957	2.765	+.192	2.005
Electricity, mwht- nymex	63.560	50.880	+12.680	82.370
Gasoline, gal- nymex	2.977	2.808	+.169	2.051
Diesel Fuel, gal- eia	3.850	3.888	-.038	2.924
Ethanol, gal- usda	2.630	2.610	+.020	1.510
Canadian $	.963	.990	-.027	1.044
Japanese Yen	81.066	80.774	+.292	88.065
Mexican Peso	11.617	11.915	-.298	12.848
Euro	.692	.704	-.012	.790
Brazilian Real	1.561	1.602	-.041	1.761
Chinese Yuan	6.468	6.479	-.011	6.776

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)	1034.360	1035.000	-.640	1012.610
WP; 42 lb. Linerboard (corr.)	835.825	833.122	+2.703	623.362
Res; PS-CHH (cup, cont.)	1.120-1.160	1.050-1.090	+.070	.940-.980
Res; PP-HIGP (hvy utensil)	1.200-1.220	1.200-1.220	-	1.0001.020
Res; PE-LLD (cn liner, film)	.910-.940	.940-.970	-.030	.820-.850

Produce- The lettuce markets remain fairly steady as supplies have been adequate driven by improving weather. Lettuce shipments are anticipated to remain sufficient into next week although we believe the downside risk in the lettuce markets from here to only be modest. Tomato supplies are improving in the west. As the main tomato harvest area in the east shifts north later this month we are concerned that shipments may wane due to a delayed crop and smaller acreage. The potato markets continue to track upward and additional potato market increases are expected throughout July. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	15.000	13.000	+2.000	6.500
Lemons (95 ct.)	17.140	17.140	-	21.040
Lemons (200 ct.)	18.390	18.390	-	22.540
Honeydew (6 ct.)	7.250	5.125	+2.125	6.000
Cantaloupe (15 ct.)	9.000	7.950	+1.050	6.400
Blueberries (12 count)	16.250	13.500	+2.750	13.840
Strwbrries (12 pnts.)	10.250	10.250	-	9.500
Avocds (Hass 48 ct.)	54.250	54.250	-	29.770
Bananas (40 lb.)- Term.	16.285	16.409	-.124	16.433
Pineapple (7 ct.)- Term.	10.292	9.740	+.552	9.625
Idaho Potato (60 ct., 50 lb.)	24.000	22.000	+2.000	11.250
Idaho Potato (70 ct., 50 lb.)	22.500	20.750	+1.750	11.250
Idaho Potato (70 ct.)-Term.	26.438	19.719	+6.719	15.869
Idaho Potato (90 ct., 50 lb.)	17.000	16.500	+.500	6.000
Idaho Pot. # 2 (6 oz., 100 lb.)	23.000	21.500	+1.500	7.000
Processing Potato (cwt.)	13.000	12.750	+.250	8.000
Yellow Onions (50 lb.)	8.750	7.750	+1.000	16.834
Yell Onions (50 lb.)-Term.	15.667	16.221	+.446	23.875
Red Onions (25 lb.)- Term.	10.032	8.688	+1.344	15.365
White Onions (50 lb.)- Term.	19.042	18.500	+.542	20.438
Tomatoes (large- case)	9.950	11.117	-1.167	8.950
Tomatoes (5x6-25 lb.)-Term	16.317	13.051	+.3266	13.938
Tomatoes (4x5 vine ripe)	10.450	9.450	+1.000	10.950
Roma Tomatoes (large- case)	10.300	9.967	+.333	12.438
Roma Tomatoes (xlarge-cs)	10.467	9.623	+.844	12.700
Green Peppers (large- case)	10.434	13.633	-3.199	14.267
Red Peppers (large 15lb. cs.)	15.450	19.950	-4.500	16.950
Iceberg Lettuce (24 count)	6.928	7.150	-.222	14.478
Iceberg Lettuce (24)-Term.	14.500	17.167	-2.667	13.876
Leaf Lettuce (24 count)	6.390	7.113	-.723	6.278
Romaine Lettuce (24 cnt.)	7.828	8.713	-.885	6.475
Mesculin Mix (3 lb.)-Term.	7.084	6.792	+.292	5.094
Broccoli (14 ct.)	6.518	7.775	-1.257	7.588
Squash (1/2 bushel)	8.513	9.950	-1.437	8.259
Zucchini (1/2 bushel)	9.675	12.513	-2.838	7.625
Green Beans (bushel)	32.000	25.000	+7.000	14.850
Spinach, Flat 24's	7.250	7.375	-.125	7.850
Mushrms (10 lb, lg.)-Term.	10.282	11.084	-.802	11.500
Cucumbers (bushel)	16.992	16.742	+.250	16.140
Pickles (200-300 ct.)- Term.	30.723	27.250	+3.473	18.917
Asparagus (small)	12.750	13.750	-1.000	14.500
Freight (Truck; CA-Cty Av.)	6300.000	6668.750	-368.750	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