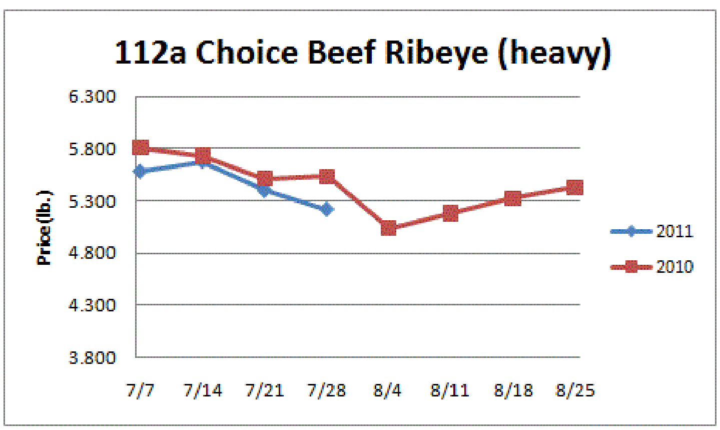
Weekly Market Updates

Volume No. 4 Issue No. 30 Date: July 28, 2011

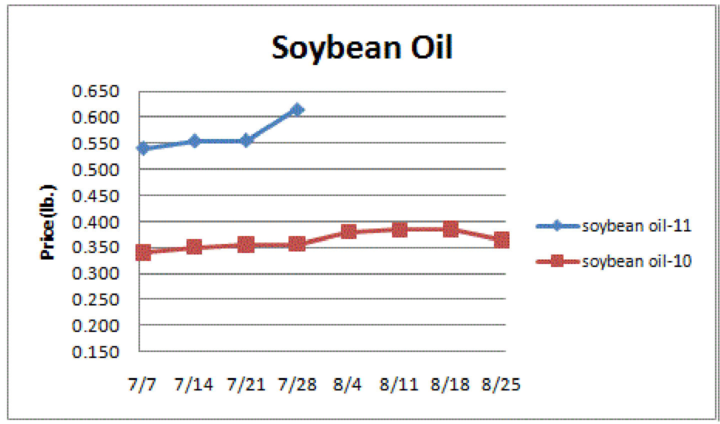
Beef - Beef output last week declined 1.8% and was 2% less than the same week last year. Beef production is anticipated to trend modestly above 2010 during the next few months. The July 1st US cattle on feed inventory (3.8%) and June cattle placements into feedlots (4.2%) were both larger than a year ago. The August near slaughter ready cattle inventory is estimated to be 1.5% bigger than the 3 year average for the date. Poor US pasture conditions could push more cattle to slaughter this fall but could temper cattle supplies in 2012. Many steak cut markets are weakening but may find support in August. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.104	1.082	+.022	.951
Feeder Cattle Index (CME)	1.359	1.394	-.035	1.126
Ground Beef 81/19	1.548	1.517	+.031	1.600
Ground Chuck	1.557	1.647	-.090	1.402
109e Export Rib (choice)	4.902	5.036	-.134	4.785
109e Export Rib (prime)	8.370	9.020	-.650	7.217
112a Ribeye (choice)	5.215	5.399	-.185	5.535
112a Ribeye (prime)	8.226	9.37	-1.144	7.703
116 Chuck (select)	2.063	2.036	+.027	1.855
116 Chuck (choice)	2.062	2.057	+.005	1.858
116b Chuck Tdnr (choice)	2.148	2.143	+.005	1.642
120 Brisket (choice)	1.847	1.834	+.013	1.525
121c Outside Skirt (ch/sel)	3.987	4.027	-.040	3.443
121d Inside Skirt (ch/sel)	3.238	3.196	+.042	2.312
167a Knckle, Trm. (ch.)	2.046	2.126	-.080	1.838
168 Inside Round (ch.)	2.013	1.952	+.061	1.602
174 Short Loin (ch. 0x1)	5.521	5.414	+.107	4.741
174 Short Loin (prime)	8.508	8.620	-.112	7.393
180 1x1 Strp (choice)	4.741	5.325	-.584	4.386
180 1x1 Strp (prime)	9.291	9.950	-.659	8.788
180 0x1 Strp (choice)	5.185	5.790	-.605	4.917
184 Top Butt, bnls (ch.)	3.147	3.036	+.111	2.222
184 Top Butt, bnls (prime)	3.372	3.550	-.178	2.806
185a Sirloin Flap (choice)	4.232	4.289	-.057	3.278
185c Loin, Tri-Tip (choice)	2.602	2.636	-.034	2.306
189a Tender (select)	7.848	7.959	-.111	6.631
189a Tender (choice)	8.634	8.890	-.256	7.546
189a Tender (prime)	11.283	12.620	-1.337	9.492
193 Flank Steak (choice)	4.768	4.719	+.049	3.945
50% Trimmings	.779	.805	-.026	772
65% Trimmings	1.129	1.132	-.003	.990
75% Trimmings	1.458	1.469	-.011	1.290
85% Trimmings	1.734	1.734	-	1.540
90% Trimmings	1.826	1.849	-.023	1.684
90% Imported Beef (frz.)	1.888	1.888	-	1.601
95% Imported Beef (frz.)	2.006	1.988	+.018	1.704
Veal Rack (Hotel 7 rib)	5.750	5.650	+.100	4.625
Veal Top Rnd. (cp. off)	12.400	12.400	-	11.025



Oil, Grains, Misc.- The grain crops have been stressed in recent weeks by high temperatures. There is still a lot of time left for these crops to recover some. Volatile prices may persist. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.900	13.924	-.024	10.024
Crude Soybean Oil, lb.	.615	.555	+.096	.356
Soybean Meal, ton	353.000	350.800	+2.200	319.000
Corn, bushel	7.200	7.222	-.022	3.240
Crude Corn Oil, lb.	.615	.615	-	.395
Distillers Grain, Dry	192.250	195.750	-3.500	101.750
Crude Palm Oil, lb. BMD	.476	.470	+.006	.362
HRW Wheat, bushel	7.610	7.410	+.200	5.060
DNS Wheat 14%, bushel	8.990	8.820	+.170	6.000
Durum Wheat, bushel	12.750	13.250	-.500	3.930
Canola Oil, SD, (Tor.), lb.	.626	.634	-.008	.453
Pinto Beans, lb.	.365	.322	+.043	.260
Black Beans, lb.	.350	.335	+.015	.300
Rice, Long Grain, lb.	.254	.253	+.001	.220
Coffee, lb. NYBOT	2.429	2.482	-.053	1.656
Sugar, lb. NYBOT	.400	.368	+.032	.353
Honey (Clover), lb.	1.650	1.650	-	1.605



Dairy- June milk production was 1.1% more than last year due to a .2% rise in milk per cow yields and a .9% larger milk cow herd. Milk farmers added a net 10,000 head to the herd during June suggesting milk output expansion will persist. The CME cheese markets remain elevated with decent demand supporting prices. As the class III milk price is now carrying a premium to class IV this should encourage cheese production during the next few months. Still, cheese processors may not want to build inventories here with prices expected to decline. The butter market is firm. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	2.130	2.115	+.015	1.558
Cheese Blocks (CME)	2.155	2.140	+.015	1.603
American Cheese	2.478	2.463	+.015	1.840
Cheddar Cheese (40 lb.)	2.590	2.470	+.120	1.850
Mozzarella Cheese	2.485	2.458	+.027	1.880
Provolone Cheese	2.643	2.615	+.028	2.095
Parmesan Cheese	3.723	3.695	+.028	3.460
Butter (CME)	2.080	2.030	+.050	1.800
Nonfat Dry Milk	1.687	1.699	-.012	1.266
Whey, Dry	.557	.557	-	.361
Class 1 Base	21.430	21.030	+.400	15.660
Class II Cream, heavy	2.870	2.790	+.080	2.919
Class III Milk (CME)	21.340	20.560	+.780	14.860
Class IV Milk (CME)	20.000	19.800	+.200	15.450

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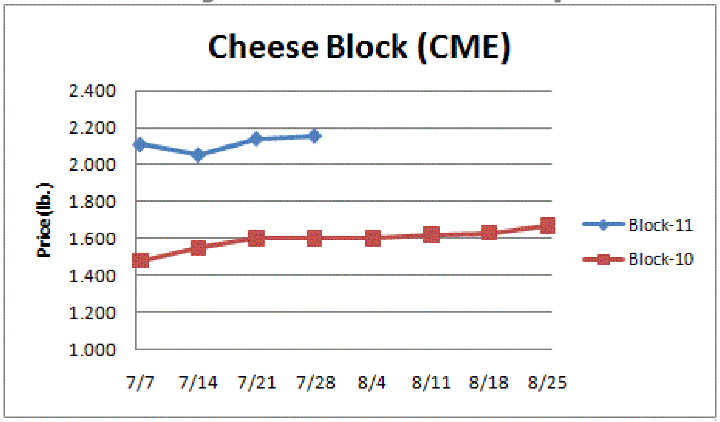
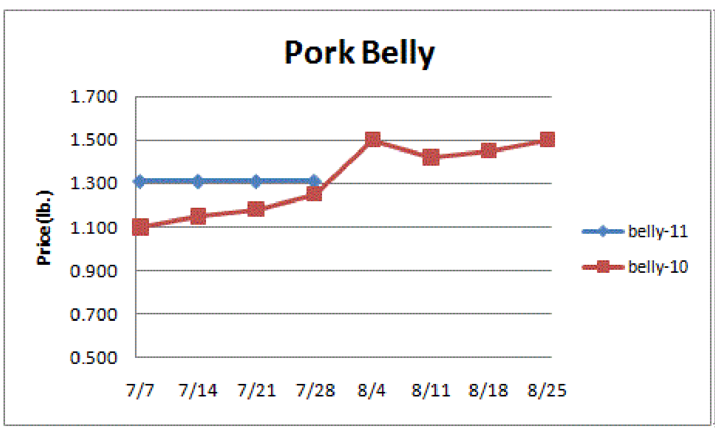


Pork- Pork production last week declined .5% but was 3.4% more than the same week a year ago. Pork output usually trends upward during the next few months which can put downward pressure on many of the pork markets. Last year, however, the USDA pork cutout rose roughly 4% during August due in part to solid export demand. There are reports that China may once again be dealing with disease issues with their swine herd which could be bullish for US pork exports. June 30th US pork stocks were 20% more than 2010. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.724	.677	+.047	.592
Belly (bacon)	1.310	1.310	-	1.250
Sparerib (4.25 lb. & down)	1.638	1.640	-.002	1.308
Ham (20-23 lb.)	.890	.830	+.060	.850
Ham (23-27 lb.)	.890	.830	+.060	.840
Loin (bone-in)	1.208	1.199	+.009	.925
Bbybck Rib (1.75 lb. & up)	3.175	3.150	+.025	2.547
Tenderloin (1.25 lb.)	3.359	3.400	-.041	2.550
Boston Butt, untrmd. (4-8 lb.)	1.021	1.070	-.049	.829
Picnic, untrmd.	.741	.766	-.025	.664
SS Picnic, smoker trm. bx.	.960	.960	-	.860
42% Trimmings	.800	.800	-	.633
72% Trimmings	.880	1.000	-.012	.900



Tomato Products, Canned- The California tomato harvest is underway but at its slowest pace in 10 years. Higher canned tomato prices may be pending. Prices per case (6/10) FOB, unless noted from ARA.

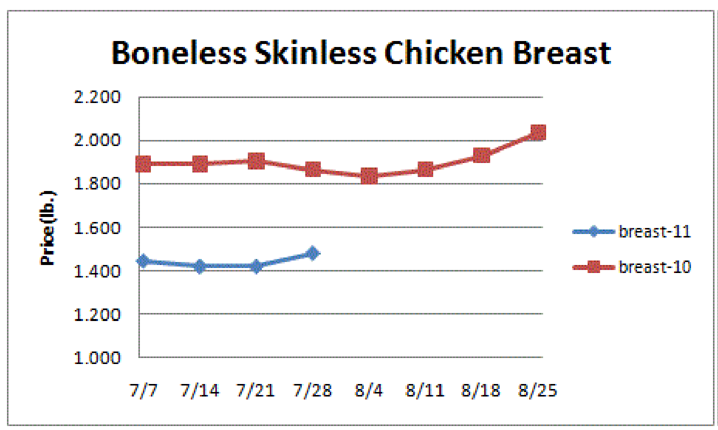
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	11.750	11.750	-	12.250
Diced, Fancy	12.250	12.250	-	12.750
Ketchup, 33%	13.000	13.000	-	13.500
Tomato Paste- Industrial (lb.)	.390	.390	-	.380

Processed Vegetables- June 30th frozen green bean (12%), cut corn (27%) and green pea (22%) stocks were all less than last year. The markets remain 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- Chicken slaughter levels appear to be trending downward but heavier bird weights are tempering the impact on the chicken meat supply. Additional chicken production cutbacks are anticipated in the coming weeks. The June broiler type chick hatch was 2% less than last year adding fuel to the curbed chicken production fire. Further, pullet placements into the broiler hatchery flock were down versus 2010 for the 2nd consecutive month in June suggesting a longer term chicken output slowdown program is developing. This does appear to be helping chicken breast and wing prices firm. The ARA daily chicken breast index has risen 6% in the last week alone. Further upward pressure is anticipated on breast and wing prices. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.875	.873	+.002	.875
Whole Birds (LA)	.970	.960	+.010	.970
Wings (whole)	.865	.855	+.010	1.230
Wings (jumbo, cut)	.993	.950	+.043	1.196
Breast, Bone In	.830	.835	-.005	1.055
Breast, Bnless Skinless	1.480	1.420	+.060	1.865
Tenderloin (random)	1.110	1.050	+.060	1.620
Tenderloin (sized)	1.790	1.810	-.020	2.150
Legs (whole)	.601	.612	-.011	.489
Leg Quarters	.455	.460	-.005	.400
Thighs, bone in	.723	.759	-.036	.505
Thighs, boneless	1.203	1.208	-.005	.932
Eggs and Others				
Large (dozen)	.970	.970	-	.803
Medium (dozen)	.705	.705	-	.575
Whole Eggs- Liquid	.534	.512	+.022	.426
Egg Whites- Liquid	.452	.459	-.007	.363
Egg Yolks- Liquid	.690	.669	+.021	.708
Whole Turkeys (8-16 lb.)	1.055	1.055	-	.950
Turkey Breast, Bnls/Sknls	2.500	2.500	-	2.456



Seafood- June US Gulf of Mexico shrimp landings were 16% larger than last year and the 2nd most for the month in the last 5 years. The western US Gulf shrimp harvest this year is forecasted to rise substantially from a year ago but trend about 6% below the historical norm. The shrimp markets usually drift lower in the coming months but any pending weakness may only be modest. The snow crab leg markets are inflated.

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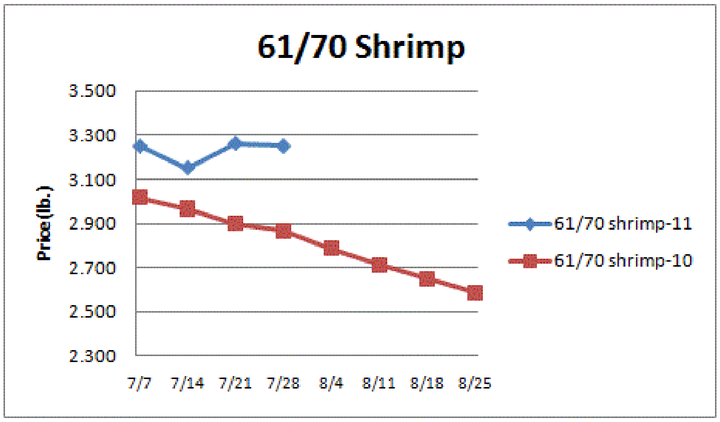
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	2.950	4.000	-1.050	3.850
Catfish Filets	5.250	4.900	+.350	3.500
Trout (drn. 8-14 oz.)	3.400	3.500	-.100	3.000
Shrimp (16/20), Frz	7.053	7.107	-.054	6.288
Shrimp (61/70), Frz.	3.250	3.263	-.013	2.867
Shrimp, Tiger (26/30), Frz.	4.950	4.950	-	4.800
Snow Crab, Legs 5-8 oz, Frz	5.850	5.850	-	4.750
Snow Crab, Legs 8 oz/ up, Fz	6.475	6.475	-	5.125
Cod Tails, 3-7 oz., Frz.	3.200	3.200	-	3.088
Cod Loins, 3-12 oz., Frz	3.684	3.825	-.141	3.663
Salmon Portions, 4-8 oz, Frz	6.505	6.471	+.034	5.379
Pollock, Alaska, Deep Skin	1.850	1.850	-	2.075



Energy & Currency-Currency US dollar is worth.

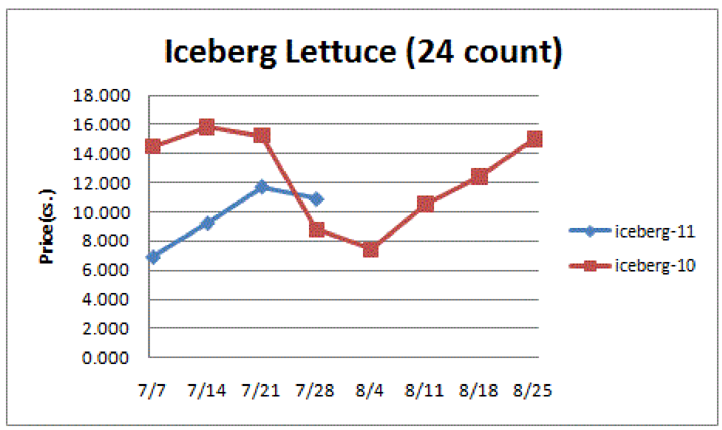
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	99.590	95.930	+3.66	77.500
Natural Gas, mbtu- nymex	4.370	4.524	-.154	4.675
Heating Oil, gal- nymex	3.113	3.077	+.036	1.999
Electricity, mwht- nymex	83.330	93.220	-9.89	66.000
Gasoline, gal- nymex	3.154	3.097	+.057	2.063
Diesel Fuel, gal- eia	3.949	3.923	+.026	2.919
Ethanol, gal- usda	2.820	2.765	+.055	1.530
Canadian $	.941	.959	-.018	1.027
Japanese Yen	78.101	79.103	-1.002	87.309
Mexican Peso	11.614	11.780	-.166	12.617
Euro	.691	.712	-.021	.767
Brazilian Real	1.535	1.581	-.046	1.759
Chinese Yuan	6.443	6.779	-.336	6.779

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)	1023.790	1023.790	-	1020.000
WP; 42 lb. Linerboard (corr.)	822.437	822.437	-	680.592
Res; PS-CHH (cup, cont.)	1.120-1.160	1.120-1.160	-	.900-.940
Res; PP-HIGP (hvy utensil)	1.200-1.220	1.200-1.220	-	.920-.940
Res; PE-LLD (cn liner, film)	.910-.940	.910-.940	-	.740-.770

Produce- The lettuce markets continue to trade at relatively engaging levels due in a large part to sufficient supplies. Fairly favorable weather is forecasted during the next 10 days for the Salinas area of California which could cause appealing lettuce prices to persevere. That being said, the downside potential in lettuce from here is likely nominal. The Idaho potato markets have turned lower despite the existing tight supplies. Some of the Idaho crop is progressing ahead of schedule which could put some downward harvest pressure on potato prices in the coming weeks.
Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	9.000	14.000	-5.000	6.000
Lemons (95 ct.)	22.700	19.640	+3.060	21.040
Lemons (200 ct.)	20.700	19.640	+1.060	22.540
Honeydew (6 ct.)	9.000	8.975	+.025	6.250
Cantaloupe (15 ct.)	9.700	7.700	+2.000	6.500
Blueberries (12 count)	15.500	17.500	-2.000	12.500
Strwbrries (12 pnts.)	11.500	10.500	+1.000	10.500
Avocds (Hass 48 ct.)	50.250	51.250	-1.000	29.250
Bananas (40 lb.)- Term.	13.792	16.308	-2.516	16.474
Pineapple (7 ct.)- Term.	21.094	16.584	+4.510	14.281
Idaho Potato (60 ct., 50 lb.)	24.000	26.000	-2.000	13.250
Idaho Potato (70 ct., 50 lb.)	21.500	24.000	-2.500	13.250
Idaho Potato (70 ct.)-Term.	30.579	30.245	+.334	17.406
Idaho Potato (90 ct., 50 lb.)	17.500	17.500	-	9.500
Idaho Pot. # 2 (6 oz., 100 lb.)	24.000	24.000	-	14.500
Processing Potato (cwt.)	13.000	13.000	-	8.200
Yellow Onions (50 lb.)	8.800	9.000	-.200	12.750
Yell Onions (50 lb.)-Term.	13.251	13.907	-.656	20.792
Red Onions (25 lb.)- Term.	9.834	9.490	+.344	14.125
White Onions (50 lb.)- Term.	17.500	12.960	+4.540	22.297
Tomatoes (large- case)	13.950	8.459	+5.491	12.450
Tomatoes (5x6-25 lb.)-Term	14.032	16.391	-2.359	12.396
Tomatoes (4x5 vine ripe)	12.950	12.950	-	10.463
Roma Tomatoes (large- case)	8.500	8.459	+.041	8.209
Roma Tomatoes (xlarge-cs)	9.900	9.832	+.068	10.655
Green Peppers (large- case)	10.000	10.500	-.500	10.000
Red Peppers (large 15lb. cs.)	12.950	15.450	-2.500	14.950
Iceberg Lettuce (24 count)	10.900	11.743	-.843	8.778
Iceberg Lettuce (24)-Term.	19.834	18.750	+1.084	20.250
Leaf Lettuce (24 count)	6.400	6.525	-.125	5.785
Romaine Lettuce (24 cnt.)	7.500	7.700	-.200	6.350
Mesculin Mix (3 lb.)-Term.	6.938	6.938	-	6.625
Broccoli (14 ct.)	6.900	6.093	+.807	5.235
Squash (1/2 bushel)	9.450	6.713	+2.737	8.213
Zucchini (1/2 bushel)	10.425	8.213	+2.212	9.250
Green Beans (bushel)	14.500	14.750	-.250	13.250
Spinach, Flat 24's	11.000	8.125	+2.875	7.170
Mushrms (10 lb, lg.)-Term.	11.238	11.049	+.189	12.375
Cucumbers (bushel)	15.900	15.388	+.512	10.570
Pickles (200-300 ct.)- Term.	31.334	36.459	-5.125	21.875
Asparagus (small)	12.500	9.500	+3.000	26.500
Freight (Truck; CA-Cty Av.)	6012.500	6031.125	-18.625	5775.000



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

	Jun-11	May-11	Apr-11	Mar-11
Beef and Veal	-.007	+1.020	+1.164	+2.330
Dairy	+.005	+.773	+1.720	+1.303
Pork	+.006	+2.569	-.285	+2.280
Chicken	+.001	+.625	+.848	-.114
Fresh Fish and Seafood	-.001	+1.832	+.753	+2.012
Fresh Fruits and Veg.	-.017	-1.503	-1.517	+1.498