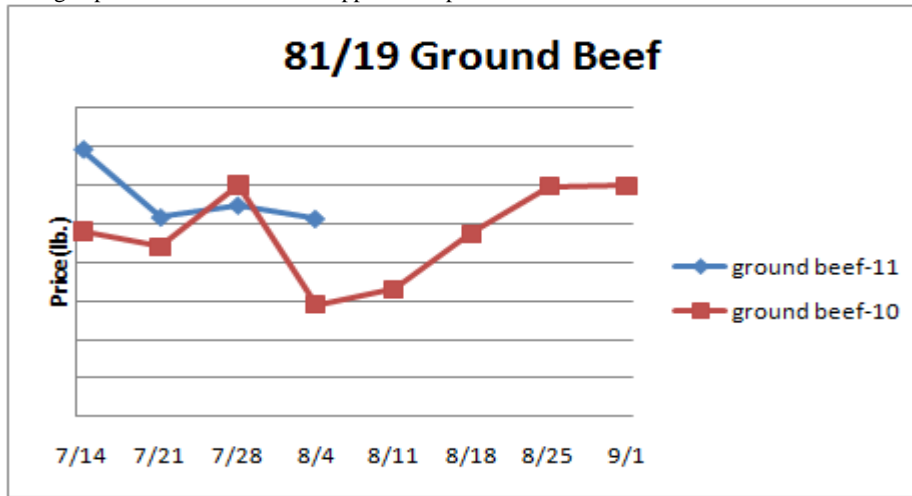


Beef, Veal and Lamb Report

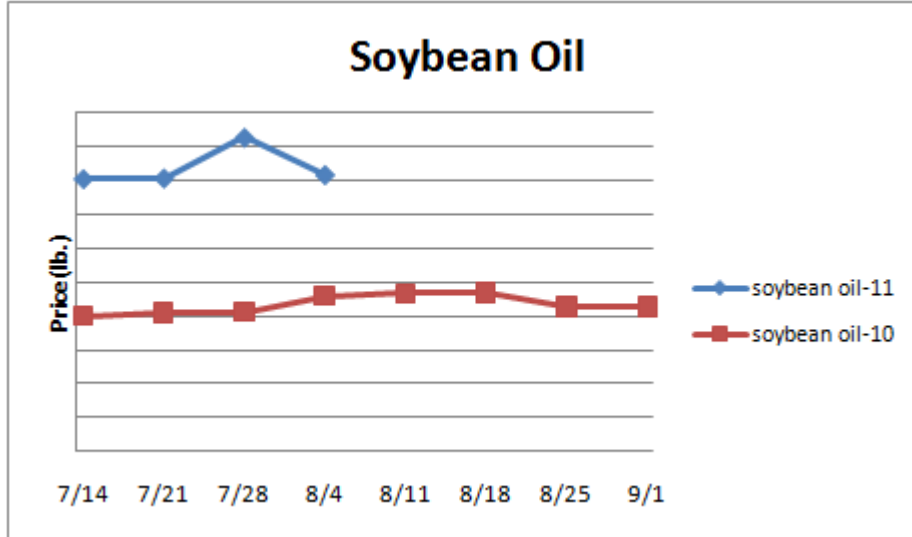
Beef, Veal & Lamb- Beef output last week rose 2.3% and was 2.2% larger than the same week a year ago. Pasture conditions in the US continue to struggle with the warm summer weather which is propelling cattle producers to send their cattle to feedlots early. This is anticipated to bring a modest boost to cattle supplies this fall however it will have the opposite impact in 2012. The USDA is forecasting beef production during the first half of next year to trend 5.2% below this year. If realized this could be especially bullish for beef prices. Still, a deflated dollar and strong exports will be needed to support beef prices at these levels.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Cattle (Steer)	Decreasing	Good	Higher
Ground Beef 81/19	Decreasing	Good	Higher
Ground Chuck	Decreasing	Good	Higher
109 Export Rib (choice)	Decreasing	Good	Higher
109 Export Rib (prime)	Decreasing	Good	Higher
112a Ribeye (choice)	Decreasing	Good	Higher
112a Ribeye (prime)	Increasing	Good	Higher
116 Chuck (choice)	Increasing	Good	Higher
120 Brisket (choice)	Decreasing	Good	Higher
121c Outside Skirt (ch/sel.)	Decreasing	Good	Higher
167a Knuckle, Trimmed (choice)	Increasing	Good	Higher
168 Inside Round (choice)	Decreasing	Good	Higher
174 Short Loin (choice 0x1)	Decreasing	Good	Higher
174 Short Loin (prime 2x3)	Increasing	Good	Higher
180 1x1 Strip (choice)	Decreasing	Good	Lower
180 1x1 Strip (prime)	Decreasing	Good	Higher
180 0x1 Strip (choice)	Decreasing	Good	Higher
184 Top Butt, boneless (choice)	Increasing	Good	Higher
184 Top Butt, boneless (prime)	Increasing	Good	Higher
185a Sirloin Flap (choice)	Decreasing	Good	Higher
185c Loin, Tri-Tip (choice)	Decreasing	Good	Higher
189a Tender (select, 5 lb & up)	Increasing	Good	Higher
189a Tender (choice, 5 lb & up)	Decreasing	Good	Higher
189a Tender (prime, heavy)	Decreasing	Good	Higher
193 Flank Steak (choice)	Increasing	Good	Higher
50% Trimmings	Increasing	Good	Higher
65% Trimmings	Increasing	Good	Higher
75% Trimmings	Decreasing	Good	Higher
85% Trimmings	Decreasing	Good	Higher
90% Trimmings	Decreasing	Good	Higher
90% Imported Beef (frozen)	Increasing	Good	Higher
Veal Rack (Hotel 7 rib)	Steady	Good	Higher
Veal Top Round (cap off)	Steady	Good	Higher

Oil and Grains Report

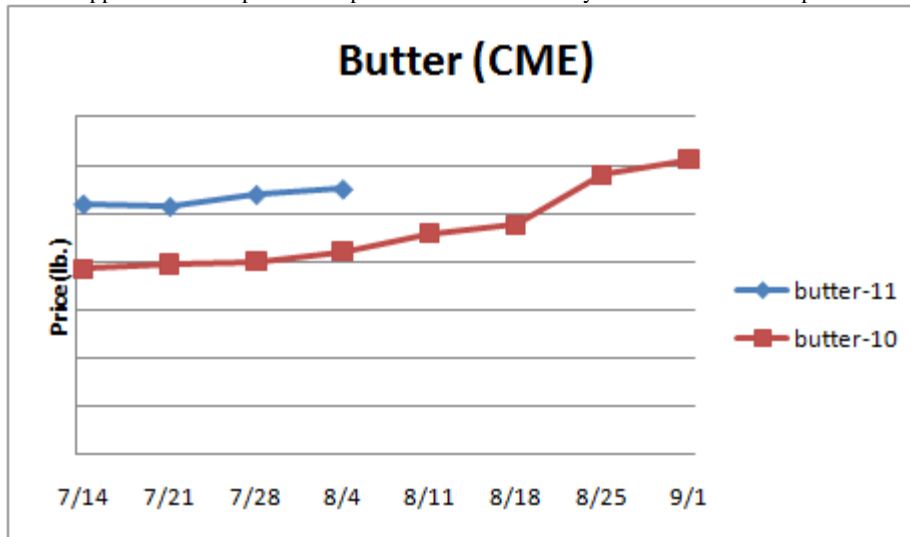
Oil & Grains- Iowa, the largest corn producing state, experienced its warmest July in 55 years. Corn yields have been impacted. Higher corn prices may be impending.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Soybeans	Decreasing	Good	Higher
Crude Soybean Oil	Decreasing	Good	Higher
Soymeal	Decreasing	Good	Higher
Corn	Increasing	Good	Higher
Crude Corn Oil	Decreasing	Good	Higher
Distillers Grain, Dry	Increasing	Good	Higher
Crude Palm Oil	Increasing	Good	Higher
Hard Red Winter Wheat	Increasing	Good	Higher
Dark Northern Spring Wheat	Decreasing	Good	Higher
Canola Seed	Decreasing	Good	Higher
Canola Oil	Increasing	Good	Higher

Dairy Report

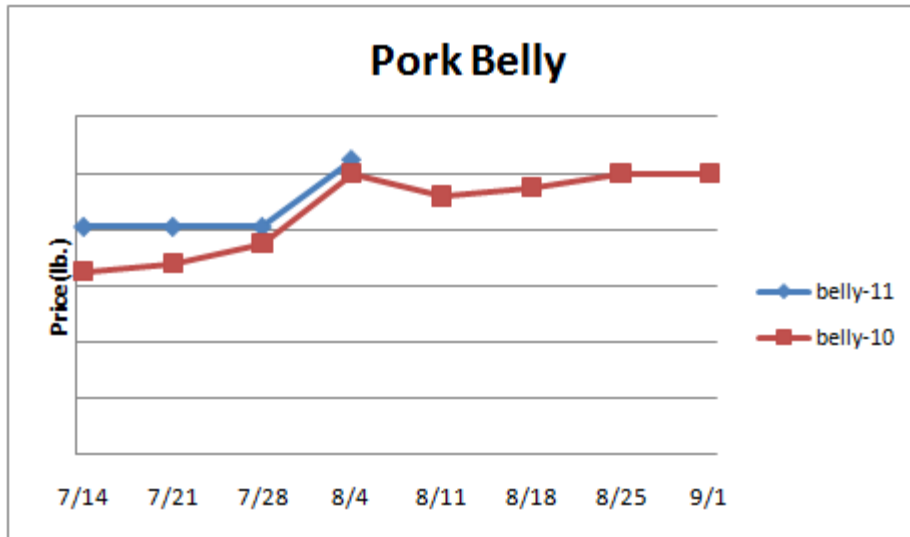
Dairy- The CME cheese and butter markets remain well supported as buyers continue to source product even at these historically expensive levels. Tighter cheese supplies are being blamed in part on the warm temperatures this summer impacting milk production. Demand has been unusually strong which suggests that buyers who have been waiting for lower prices can't delay purchases any longer. Still, we look for lower cheese prices in the next several months. World butter supplies are anticipated to improve this fall which may be bearish for butter prices.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Cheese Barrels- CME	Steady	Good	Higher
Cheese 40 lb Blocks- CME	Decreasing	Good	Higher
American Cheese	Increasing	Good	Higher
Cheddar Cheese	Steady	Good	Higher
Mozzarella Cheese	Increasing	Good	Higher
Provolone Cheese	Increasing	Good	Higher
Parmesan Cheese	Increasing	Good	Higher
Butter- One lb Solids	Increasing	Good	Higher
Nonfat Dry Milk	Decreasing	Good	Higher
Whey, Dry	Increasing	Good	Higher
Class I Milk Base	Steady	Good	Higher
Class II Cream (Heavy Cream)	Increasing	Good	Higher
Class III Milk- CME	Decreasing	Good	Higher
Class IV Milk- CME	Decreasing	Good	Higher

Pork Report

Pork- Pork production last week declined 1% from the previous week but was 3.2% larger than last year. Pork output should seasonally increase in the coming weeks but the extreme heat and lighter hog weights could temper the increase. Most of the pork markets continue to soar due in a large part to strong export demand from countries including China. This is believed to be somewhat temporary but will almost certainly delay any seasonal pork price declines that usually occur in the late summer.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Hogs	Increasing	Good	Higher
Belly (bacon)	Increasing	Good	Higher
Spare Rib (4.25 & down)	Decreasing	Good	Higher
Ham (23-27 lb)	Increasing	Good	Higher
Loin (bone-in)	Increasing	Good	Higher
Baby Back Rib (1.75 & up)	Increasing	Good	Higher
Tenderloin (1.25 lb)	Increasing	Good	Higher
Boston Butt, untrimmed 4-8 lb.	Increasing	Good	Higher
Picnic, untrimmed	Increasing	Good	Higher
SS Picnic, smoker trim boxed	Steady	Good	Higher
42% Trimmings	Increasing	Good	Higher
72% Trimmings	Increasing	Good	Higher

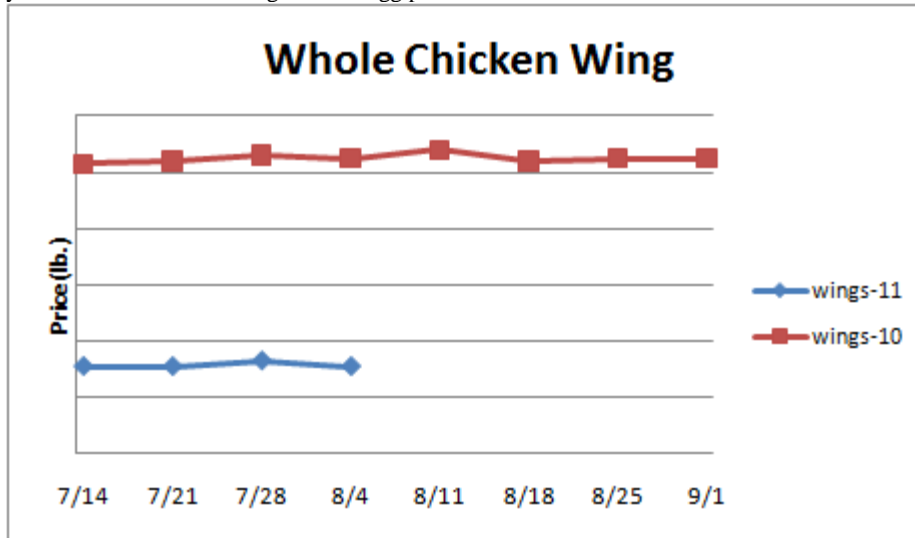
Canned Tomato Report

Tomato Products, Canned- The California tomato harvest remains behind. The harvest may need to persist deep into October. The markets are firm.

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Whole Peeled Standard	Increasing	Good	Lower
Diced, Fancy	Increasing	Good	Lower
Ketchup, 33%	Increasing	Good	Lower
Tomato Paste- Ind.	Increasing	Good	Higher

Poultry Report

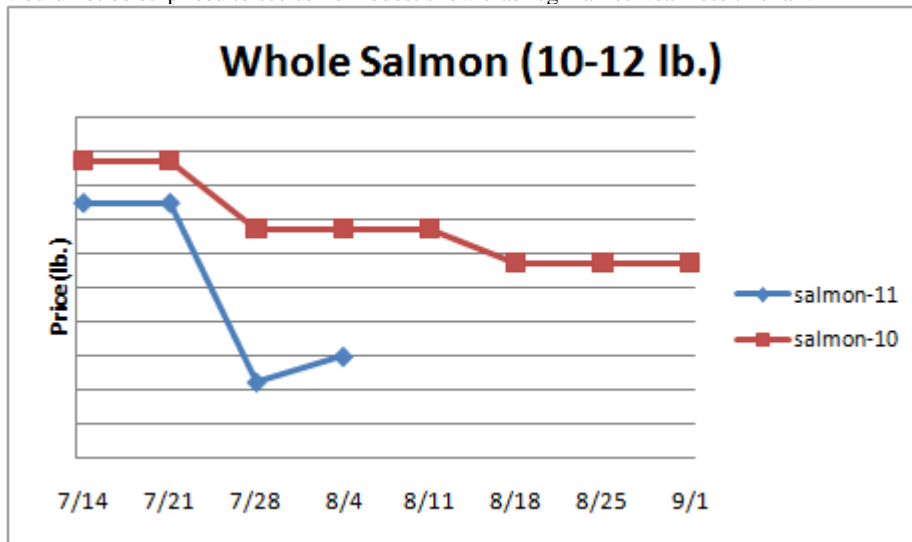
Poultry- The chicken markets are finally starting to show some signs of life after a long period of relatively depressed chicken wing and breast prices. This is due to modest chicken production cutbacks. An even bigger slowdown in chicken output is likely forthcoming. The 6 week moving average for broiler egg sets is now trending 5.3% lower than last year and at its smallest level for this time of the year since at least 2002. Thus, we expect additional appreciation for the chicken markets in the coming months. We also anticipate that the chicken production slowdown could persist deep into 2012 which is bullish for chicken prices. Egg producer margins have been poor this year which could lead to higher table egg prices.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Whole Chicken (2.5-3 lb-GA)	Increasing	Good	Higher
Whole Chicken (LA)	Steady	Good	Same
Chicken Wings, Whole	Decreasing	Good	Lower
Chicken Wings, Jumbo Cut	Increasing	Good	Lower
Chicken Breast, Bone-In	Increasing	Good	Lower
Chicken Breast, Bnless Sknless	Increasing	Good	Lower
Chicken Tender (random)	Increasing	Good	Lower
Chicken Tender (sized)	Decreasing	Good	Lower
Chicken Legs (whole)	Increasing	Good	Higher
Chicken Leg Quarters	Increasing	Good	Higher
Chicken Thighs, bone in	Decreasing	Good	Higher
Chicken Thighs, boneless	Increasing	Good	Higher
Large Eggs	Steady	Good	Higher
Medium Eggs	Steady	Good	Higher
Whole Eggs- Liq	Increasing	Good	Higher
Egg Whites- Liq	Steady	Good	Higher
Egg Yolks- Liq	Increasing	Good	Higher
Whole Turkey (8-16 lb)	Steady	Good	Higher
Turkey Breast- Bnls/Sknls	Steady	Good	Higher

Seafood Report

Seafood- The Newfoundland snow crab fishing season is winding down. As of early this week roughly 95% of the Newfoundland snow crab quota had been landed. Still, US snow crab prices remain inflated. The seasonal trend for snow crab prices in the US from now through the end of the year is usually steady to modestly higher. However, we would not be surprised to see some modest snow crab leg market weakness this fall.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Salmon, Whole (10-12 lb)	Increasing	Good	Lower
Catfish, Filets	Steady	Good	Higher
Trout, Drn. (8-14 oz)	Increasing	Good	Higher
Shrimp (16-20 count)	Decreasing	Good	Higher
Shrimp (61-70 count)	Steady	Good	Higher
Shrimp, Tiger (26-30 count)	Increasing	Good	Higher
Snow Crab Legs (5-8 oz)	Steady	Good	Higher
Snow Crab Legs (8 oz up)	Steady	Good	Higher
Cod Tails, 3-7 oz. Frz.	Steady	Good	Higher
Cod Loins, 3-12 oz. Frz.	Steady	Good	Lower
Salmon Portions, 4-8 oz. Frz.	Steady	Good	Higher

Bean, Rice, Coffee and Sugar Report

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Pinto Beans	Increasing	Good	Higher
Black Beans	Steady	Good	Higher
Rice, Long Grain	Increasing	Good	Higher
Coffee Beans	Decreasing	Good	Higher
Sugar	Steady	Good	Higher
Honey	Steady	Good	Higher

Paper Product Report

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Wood Pulp (paper)			
NBSK- Paper napkin	Decreasing	Good	Higher
42 lb. Linerboard-corrugated box	Increasing	Good	Higher
Plastic Resins (plastic, foam)			
PS-CHH-utensils, cups, to-go cont.	Steady	Good	Higher
PP-HIGP-heavy grade utensils	Decreasing	Good	Higher
PE-LLD-can liners, film, bags	Decreasing	Good	Higher

Retail Price Change from Prior Month

	<u>Jun-11</u>	<u>May-11</u>	<u>Apr-11</u>
Beef and Veal	Decreasing	Increasing	Increasing
Dairy	Increasing	Increasing	Increasing
Pork	Increasing	Increasing	Decreasing
Chicken	Increasing	Increasing	Increasing
Fresh Fish and Seafood	Decreasing	Increasing	Increasing
Fresh Fruits and Vegetables	Decreasing	Decreasing	Decreasing

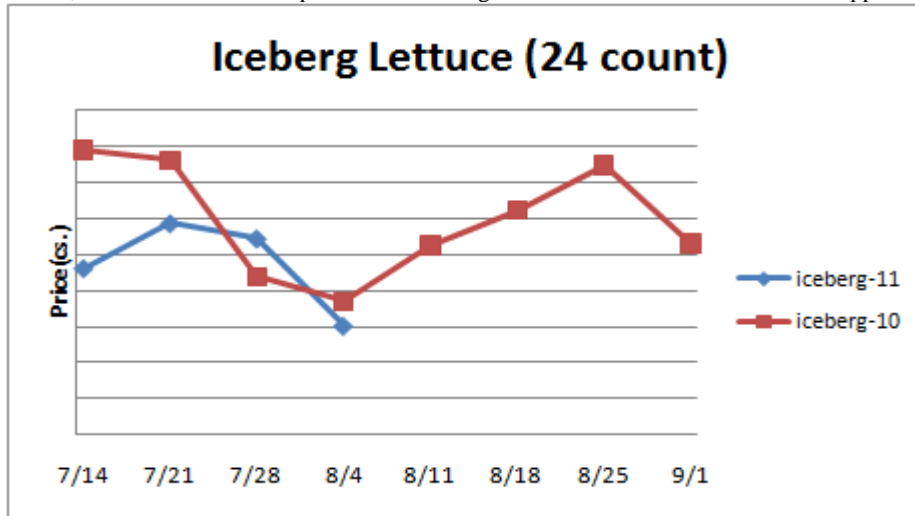
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- The green bean and corn for processing harvests are behind. The processed vegetable markets could appreciate this fall.

<u>Canned 6/10</u>	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Corn, Fancy Whole Kernel	Steady	Good	Higher
Green Beans, Fancy 4 sv	Steady	Good	Higher
Green Peas, Fancy 4 sv/blend	Steady	Good	Higher
<u>Frozen</u>			
Corn, Cob 96 count	Steady	Good	Higher
Corn, Kernel 12/2.5 lb.	Steady	Good	Lower
Green Beans, Cut 12/2 lb.	Steady	Good	Lower
Green Peas, 12/2.5 lb.	Steady	Good	Higher
Potatoes, FF Fancy, 6/5 lb.	Steady	Good	Higher

Produce Report

Produce- The lettuce markets are depreciating due to ample US supplies. Iceberg lettuce shipments last week rose 4%. We still expect that the downside potential in the lettuce markets from here is nominal. Fall US Idaho potato acreage is estimated to be 6% higher than last year and the largest since 2007. This should help potato prices decline in the coming months. The avocado market continues to trade at inflated levels due to limited supplies. So far this season, California avocado shipments are trending 35% below 2010. Better avocado supplies are likely this fall.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Limes (150 count)	Decreasing	Good	Higher
Lemons (95 count)	Increasing	Good	Higher
Lemons (200 count)	Increasing	Good	Lower
Honeydew (6 ct.)	Decreasing	Good	Higher
Cantaloupe (15 count)	Decreasing	Good	Higher
Blueberries (12 count)	Steady	Good	Lower
Strawberries (12 pints)	Steady	Good	Higher
Avocados, Hass (48 count)	Increasing	Good	Higher
Bananas (40 lb)-Term.	Increasing	Good	Lower
Pineapple (7 ct.)- Term.	Increasing	Good	Higher
Idaho Potato (60 count)	Decreasing	Good	Higher
Idaho Potato (70 count)	Decreasing	Good	Higher
Idaho Potato (70 count)-Term.	Decreasing	Good	Higher
Idaho Potato (90 count)	Decreasing	Good	Higher
Idaho Potato #2 (6 oz. min.)	Steady	Good	Higher
Processing Potato (100 lb)	Steady	Good	Higher
Yellow Onions (50 lb)	Increasing	Good	Lower
Yellow Onions (50 lb)-Term.	Decreasing	Good	Lower
Red Onions (25 lb)-Term.	Decreasing	Good	Lower
White Onions (50 lb)-Term.	Decreasing	Good	Lower
Tomatoes, (large- case)	Decreasing	Good	Higher
Tomatoes, (5x6, 25 lb.)-Term.	Decreasing	Good	Higher
Tomatoes, Vine Ripe, (4x5)	Steady	Good	Higher
Roma Tomatoes (large- case)	Decreasing	Good	Lower
Roma Tomatoes (xlarge- case)	Decreasing	Good	Lower
Green Peppers (large- case)	Increasing	Good	Higher
Red Peppers (large- 15 lb. cs.)	Decreasing	Good	Lower
Iceberg Lettuce (24 count)	Decreasing	Good	Lower
Iceberg Lettuce (24 cnt)-Term.	Decreasing	Good	Higher

Produce Report (continued)

Leaf Lettuce (24 count)	Decreasing	Good	Lower
Romaine Lettuce (24 count)	Decreasing	Good	Lower
Mesculin Mix (3 lb)-Term.	Steady	Good	Higher
Broccoli (14 cnt.)	Increasing	Good	Higher
Squash (case)	Increasing	Good	Higher
Zucchini (case)	Increasing	Good	Higher
Green Beans (bushel)	Increasing	Good	Higher
Spinach, Flat 24's	Decreasing	Good	Lower
Mushrooms (large), Term.	Decreasing	Good	Lower
Cucumbers, Bushel	Increasing	Good	Higher
Pickles (200-300 ct.)-Term.	Increasing	Good	Higher
Asparagus (small)	Decreasing	Good	Lower
Freight (CA to City Avg.)	Decreasing	Good	Higher