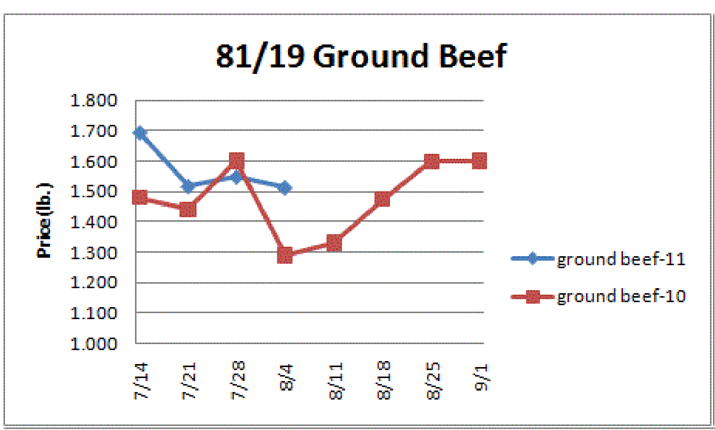
Weekly Market Updates

Volume No. 4 Issue No. 31 Date: August 4, 2011

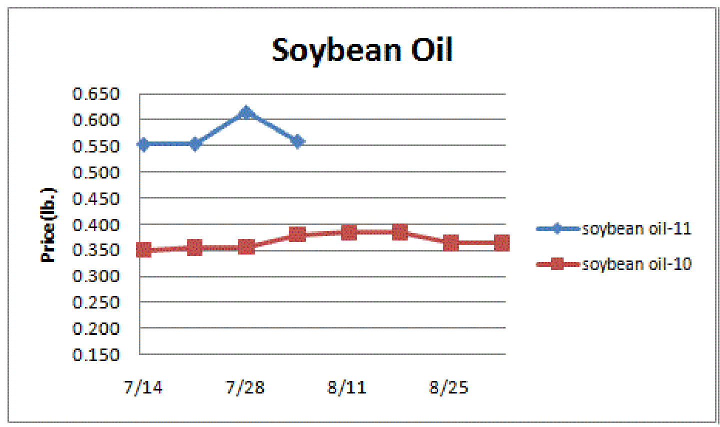
Beef - Beef output last week rose 2.3% and was 2.2% larger than the same week a year ago. Pasture conditions in the US continue to struggle with the warm summer weather which is propelling cattle producers to send their cattle to feedlots early. This is anticipated to bring a modest boost to cattle supplies 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. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.098	1.104	-.006	.934
Feeder Cattle Index (CME)	1.353	1.359	-.006	1.133
Ground Beef 81/19	1.513	1.548	-.035	1.290
Ground Chuck	1.462	1.557	-.095	1.358
109e Export Rib (choice)	4.696	4.902	-.206	4.306
109e Export Rib (prime)	8.184	8.370	-.186	7.363
112a Ribeye (choice)	5.040	5.215	-.175	5.039
112a Ribeye (prime)	8.532	8.226	+.306	8.024
116 Chuck (select)	2.058	2.063	-.005	1.766
116 Chuck (choice)	2.075	2.062	+.013	1.785
116b Chuck Tdnr (choice)	2.083	2.148	-.065	1.649
120 Brisket (choice)	1.817	1.847	-.030	1.469
121c Outside Skrt (ch/sel)	3.904	3.987	-.083	3.416
121d Inside Skirt (ch/sel)	3.202	3.238	-.036	2.355
167a Knckle, Trm. (ch.)	2.050	2.046	+.004	1.859
168 Inside Round (ch.)	1.915	2.013	-.098	1.563
174 Short Loin (ch. 0x1)	4.748	5.521	-.773	4.068
174 Short Loin (prime)	8.602	8.508	+.094	7.566
180 1x1 Strp (choice)	4.483	4.741	-.258	4.530
180 1x1 Strp (prime)	9.276	9.291	-.015	8.698
180 0x1 Strp (choice)	4.901	5.185	-.284	4.530
184 Top Butt, bnls (ch.)	3.201	3.147	+.054	2.301
184 Top Butt, bnls (prime)	3.442	3.372	+.070	2.810
185a Sirloin Flap (choice)	3.811	4.232	-.421	3.299
185c Loin, Tri-Tip (choice)	2.483	2.602	-.119	2.390
189a Tender (select)	8.095	7.848	+.247	6.676
189a Tender (choice)	8.584	8.634	-.050	7.290
189a Tender (prime)	11.050	11.283	-.233	9.399
193 Flank Steak (choice)	4.806	4.768	+.038	4.078
50% Trimmings	.788	.779	+.009	.718
65% Trimmings	1.168	1.129	+.039	.957
75% Trimmings	1.438	1.458	-.020	1.301
85% Trimmings	1.718	1.734	-.016	1.533
90% Trimmings	1.793	1.826	-.033	1.682
90% Imported Beef (frz.)	1.895	1.888	+.007	1.613
95% Imported Beef (frz.)	2.035	2.006	+.029	1.728
Veal Rack (Hotel 7 rib)	5.750	5.750	-	4.625
Veal Top Rnd. (cp. off)	12.400	12.400	-	11.025



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

	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.723	13.900	-.177	10.579
Crude Soybean Oil, lb.	.560	.615	-.055	.380
Soybean Meal, ton	350.200	353.000	-2.800	332.300
Corn, bushel	7.278	7.200	+.078	3.503
Crude Corn Oil, lb.	.600	.615	-.015	.410
Distillers Grain, Dry	193.000	192.250	+.750	102.250
Crude Palm Oil, lb. BMD	.485	.476	+.009	.379
HRW Wheat, bushel	7.880	7.610	+.270	5.700
DNS Wheat 14%, bushel	8.740	8.990	-.250	6.620
Durum Wheat, bushel	11.630	12.750	-1.120	4.100
Canola Oil, SD, (Tor.), lb.	.627	.626	+.001	.471
Pinto Beans, lb.	.374	.365	+.009	.256
Black Beans, lb.	.350	.350	-	.300
Rice, Long Grain, lb.	.262	.254	+.008	.216
Coffee, lb. NYBOT	2.413	2.429	-.016	1.725
Sugar, lb. NYBOT	.400	.400	-	.353



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. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	2.130	2.130	-	1.560
Cheese Blocks (CME)	2.150	2.155	-.005	1.603
American Cheese	2.488	2.478	+.010	1.840
Cheddar Cheese (40 lb.)	2.590	2.590	-	1.850
Mozzarella Cheese	2.500	2.485	+.015	1.880
Provolone Cheese	2.658	2.643	+.015	2.100
Parmesan Cheese	3.738	3.723	+.015	3.465
Butter (CME)	2.103	2.080	+.023	1.843
Nonfat Dry Milk	1.665	1.687	-.022	1.273
Whey, Dry	.568	.557	+.011	.360
Class 1 Base	21.430	21.430	-	15.660
Class II Cream, heavy	2.988	2.870	+.118	2.959
Class III Milk (CME)	20.250	21.340	-1.090	15.120
Class IV Milk (CME)	19.450	20.000	-.550	15.550

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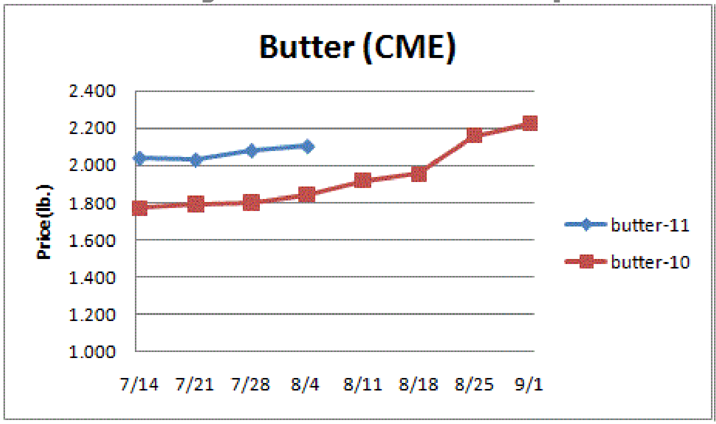
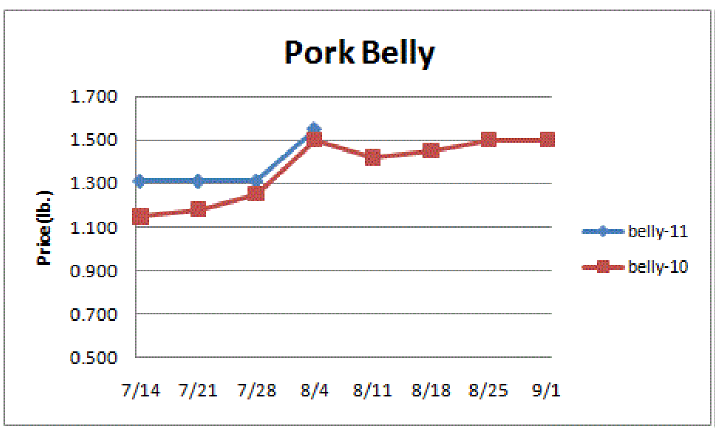


Pork- Pork production last week declined 1% from the previous week but was 3.2% larger than last year. Pork output should seasonally increase in the coming weeks but the extreme heat and lighter hog weights could temper the increase. Most of the pork markets continue to soar due in a large part to strong 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. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.756	.724	+.032	.619
Belly (bacon)	1.550	1.310	+.240	1.500
Sparerib (4.25 lb. & down)	1.547	1.638	-.091	1.329
Ham (20-23 lb.)	.950	.890	+.060	.900
Ham (23-27 lb.)	.950	.890	+.060	.900
Loin (bone-in)	1.238	1.208	+.030	.956
Bbybck Rib (1.75 lb. & up)	3.210	3.175	+.035	2.550
Tenderloin (1.25 lb.)	3.428	3.359	+.069	2.520
Boston Butt, untrmd. (4-8 lb.)	1.052	1.021	+.031	.832
Picnic, untrmd.	.752	.741	+.011	.622
SS Picnic, smoker trm. bx.	.960	.960	-	.790
42% Trimmings	.870	.800	+.070	.680
72% Trimmings	.888	.880	+.008	.869



Tomato Products, Canned- The California tomato harvest remains behind. The harvest may need to persist deep into October. The markets are firm. Prices per case (6/10) FOB, unless noted from ARA.

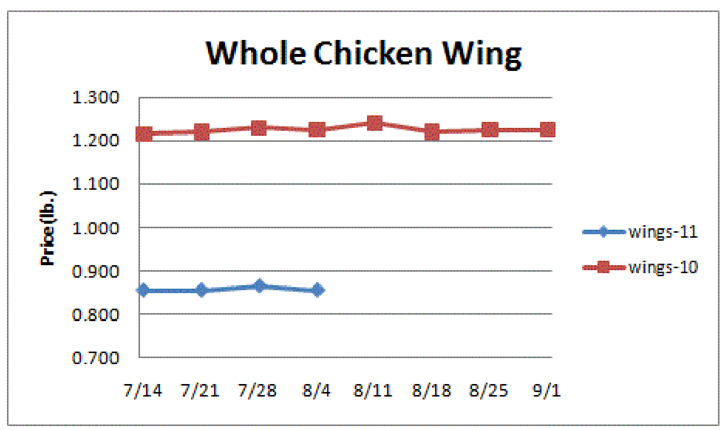
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	12.000	11.750	+.250	12.250
Diced, Fancy	12.500	12.250	+.250	12.750
Ketchup, 33%	13.188	13.000	+.188	13.500
Tomato Paste- Industrial (lb.)	.395	.390	+.005	.380

Processed Vegetables- The green bean and corn for processing harvests are behind. The processed vegetable markets could appreciate this fall. 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 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. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.878	.875	+.003	.875
Whole Birds (LA)	.970	.970	-	.970
Wings (whole)	.855	.865	-.010	1.225
Wings (jumbo, cut)	1.046	.993	+.053	1.239
Breast, Bone In	.835	.830	+.005	1.050
Breast, Bnless Skinless	1.485	1.480	+.005	1.835
Tenderloin (random)	1.180	1.110	+.070	1.530
Tenderloin (sized)	1.780	1.790	-.010	2.020
Legs (whole)	.624	.601	+.023	.509
Leg Quarters	.470	.455	+.015	.400
Thighs, bone in	.633	.723	-.090	.496
Thighs, boneless	1.227	1.203	+.024	.935
Eggs and Others				
Large (dozen)	.970	.970	-	.803
Medium (dozen)	.705	.705	-	.576
Whole Eggs- Liquid	.578	.534	+.044	.420
Egg Whites- Liquid	.452	.452	-	.359
Egg Yolks- Liquid	.724	.690	+.034	.700
Whole Turkeys (8-16 lb.)	1.055	1.055	-	.960
Turkey Breast, Bnls/Sknls	2.500	2.500	-	2.466



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.

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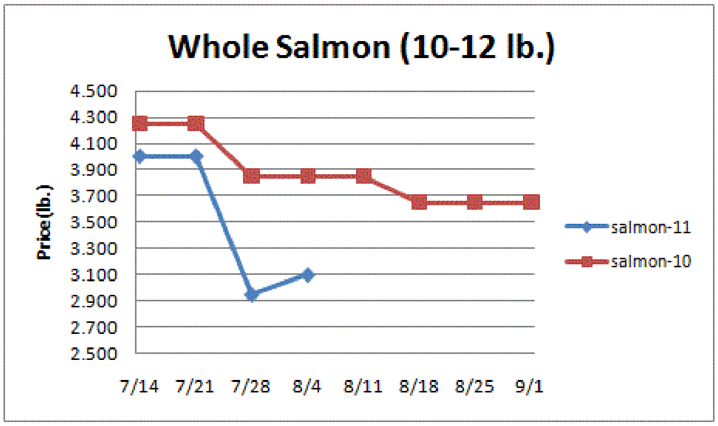
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	3.100	2.950	+.150	3.850
Catfish Filets	5.250	5.250	-	3.500
Trout (drn. 8-14 oz.)	3.500	3.400	+.100	3.000
Shrimp (16/20), Frz	6.827	7.053	-.226	6.517
Shrimp (61/70), Frz.	3.250	3.250	-	2.788
Shrimp, Tiger (26/30), Frz.	4.975	4.950	+.025	4.834
Snow Crab, Legs 5-8 oz, Frz	5.850	5.850	-	4.800
Snow Crab, Legs 8 oz/ up, Fz	6.475	6.475	-	5.225
Cod Tails, 3-7 oz., Frz.	3.200	3.200	-	3.088
Cod Loins, 3-12 oz., Frz	3.684	3.684	-	3.713
Salmon Portions, 4-8 oz, Frz	6.505	6.505	-	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	93.790	99.590	-5.800	82.550
Natural Gas, mbtu- nymex	4.155	4.370	-.215	4.639
Heating Oil, gal- nymex	3.092	3.113	-.021	2.200
Electricity, mwht- nymex	58.590	83.330	-24.740	67.950
Gasoline, gal- nymex	3.037	3.154	-.117	2.194
Diesel Fuel, gal- eia	3.937	3.949	-.012	2.928
Ethanol, gal- usda	2.940	2.820	+.120	1.540
Canadian $	.961	.941	+.020	1.024
Japanese Yen	77.354	78.101	-.747	85.856
Mexican Peso	11.801	11.614	+.187	12.590
Euro	.706	.691	+.015	.756
Brazilian Real	1.573	1.535	+.038	1.753
Chinese Yuan	6.438	6.443	-.005	6.773

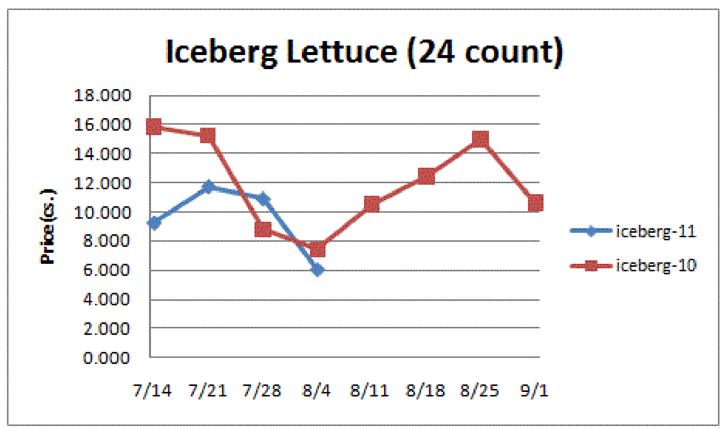
Paper/Plastic-Provided by; resin- www.plasticsnews.com, pulp- www.paperage.com.

Wood Pulp/ Plastic Resin	Price	Last Week	Difference	Price 10
WP; NBSK (napkin, towel)	1022.210	1023.790	-1.580	1019.410
WP; 42 lb. Linerboard (corr.)	824.510	822.437	+2.073	696.006
Res; PS-CHH (cup, cont.)	1.120-1.160	1.120-1.160	-	.900-.940
Res; PP-HIGP (hvy utensil)	1.160-1.180	1.200-1.220	-.040	.920-.940
Res; PE-LLD (cn liner, film)	.880-.910	.910-.940	-.030	.740-.770

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.

Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	8.500	9.000	-5.000	7.500
Lemons (95 ct.)	24.640	22.700	+1.940	21.040
Lemons (200 ct.)	21.140	20.700	+.440	22.540
Honeydew (6 ct.)	8.750	9.000	-.250	6.250
Cantaloupe (15 ct.)	5.725	9.700	-3.975	5.700
Blueberries (12 count)	13.500	15.500	-	19.000
Strwbrries (12 pnts.)	11.500	11.500	-	10.500
Avocds (Hass 48 ct.)	51.750	50.250	+1.500	25.750
Bananas (40 lb.)- Term.	16.282	13.792	+2.490	16.811
Pineapple (7 ct.)- Term.	22.459	21.094	+1.365	15.641
Idaho Potato (60 ct., 50 lb.)	21.500	24.000	-2.500	13.500
Idaho Potato (70 ct., 50 lb.)	21.000	21.500	-.500	13.500
Idaho Potato (70 ct.)-Term.	29.792	30.579	-.787	17.813
Idaho Potato (90 ct., 50 lb.)	17.000	17.500	-.500	9.500
Idaho Pot. # 2 (6 oz., 100 lb.)	24.000	24.000	-	15.000
Processing Potato (cwt.)	13.000	13.000	-	8.300
Yellow Onions (50 lb.)	9.334	8.800	+.534	11.334
Yell Onions (50 lb.)-Term.	12.584	13.251	-.667	18.375
Red Onions (25 lb.)- Term.	9.428	9.834	-.406	13.421
White Onions (50 lb.)- Term.	16.500	17.500	-1.000	21.531
Tomatoes (large- case)	11.950	13.950	-2.000	11.188
Tomatoes (5x6-25 lb.)-Term	13.042	14.032	-.990	12.594
Tomatoes (4x5 vine ripe)	12.950	12.950	-	11.698
Roma Tomatoes (large- case)	8.117	8.500	-.383	11.188
Roma Tomatoes (xlarge-cs)	8.784	9.900	-1.116	12.175
Green Peppers (large- case)	11.713	10.000	+1.713	8.338
Red Peppers (large 15lb. cs.)	10.950	12.950	-2.000	13.200
Iceberg Lettuce (24 count)	6.025	10.900	-4.875	7.420
Iceberg Lettuce (24)-Term.	16.167	19.834	-3.667	15.000
Leaf Lettuce (24 count)	6.088	6.400	-.312	6.900
Romaine Lettuce (24 cnt.)	6.725	7.500	-.775	8.650
Mesculin Mix (3 lb.)-Term.	6.938	6.938	-	6.625
Broccoli (14 ct.)	7.888	6.900	+.988	5.363
Squash (1/2 bushel)	10.850	9.450	+1.400	9.213
Zucchini (1/2 bushel)	11.763	10.425	+1.338	9.417
Green Beans (bushel)	18.450	14.500	+3.950	16.000
Spinach, Flat 24's	10.975	11.000	-.025	11.345
Mushrms (10 lb, lg.)-Term.	11.084	11.238	-.154	12.277
Cucumbers (bushel)	17.063	15.900	+1.163	13.795
Pickles (200-300 ct.)- Term.	31.688	31.334	+.354	21.695
Asparagus (small)	9.750	12.500	-2.750	29.000
Freight (Truck; CA-Cty Av.)	5950.000	6012.500	-62.500	5916.667



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