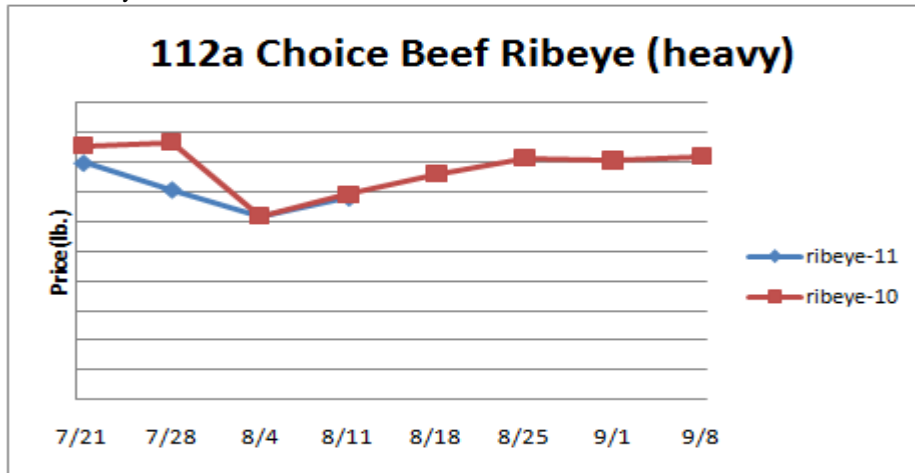


Beef, Veal and Lamb Report

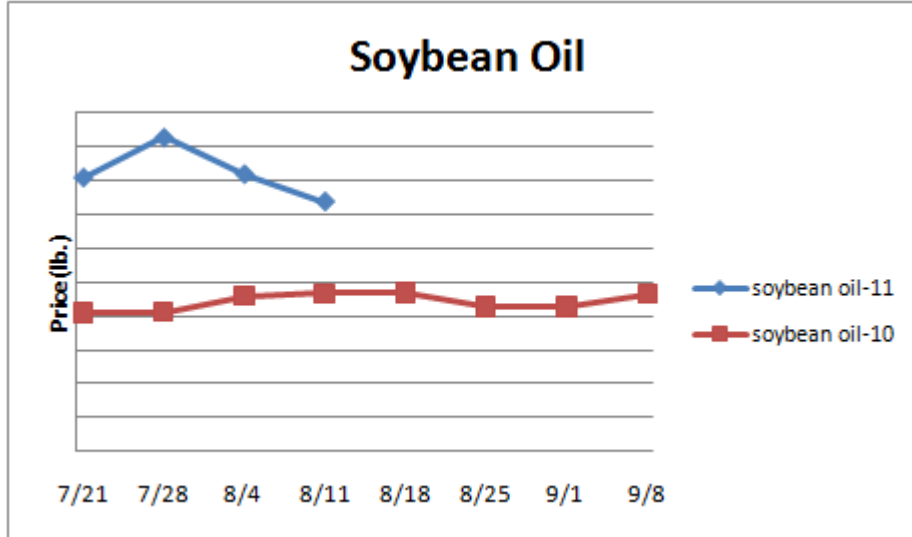
Beef, Veal & Lamb- Beef production last week declined 1.1% but was .1% larger than the same week a year ago. Beef output is anticipated to trend modestly above 2010 levels during the next several weeks. Strong export demand for US beef continues to support many beef markets especially end cut products including chucks, rounds and briskets. With the US dollar value remaining historically low, end cut product prices are anticipated to remain well above 2010 levels this fall. We remain very concerned about beef supplies in 2012 due to the more than 4% decline in beef output forecasted by the USDA.



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

Oil and Grains Report

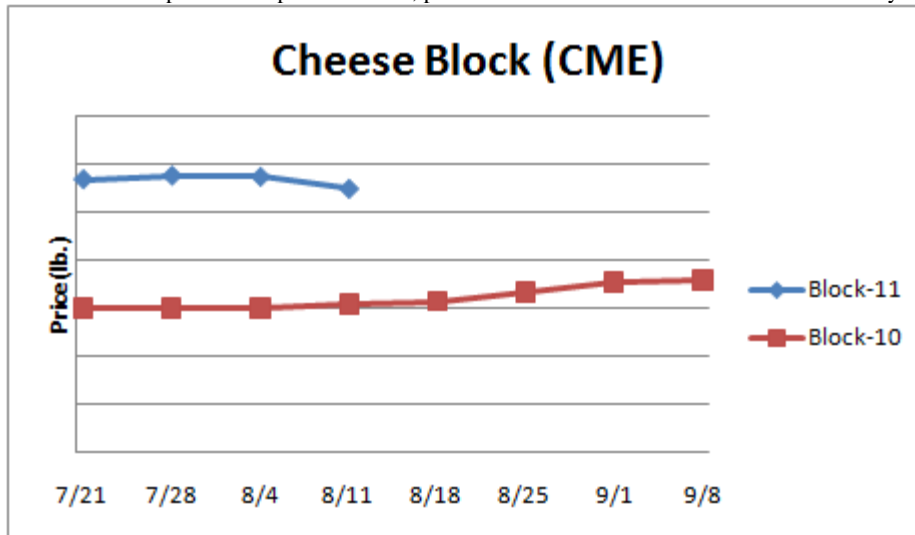
Oil & Grains- 2011 corn crop forecasts are coming in well below expectations from earlier this year. If this scenario plays out, corn prices could move higher.



	<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	Lower
Corn	Decreasing	Good	Higher
Crude Corn Oil	Decreasing	Good	Higher
Distillers Grain, Dry	Increasing	Good	Higher
Crude Palm Oil	Increasing	Good	Higher
Hard Red Winter Wheat	Decreasing	Good	Higher
Dark Northern Spring Wheat	Decreasing	Good	Higher
Durum Wheat	Decreasing	Good	Higher
High Fructose Corn Syrup	Decreasing	Good	Higher

Dairy Report

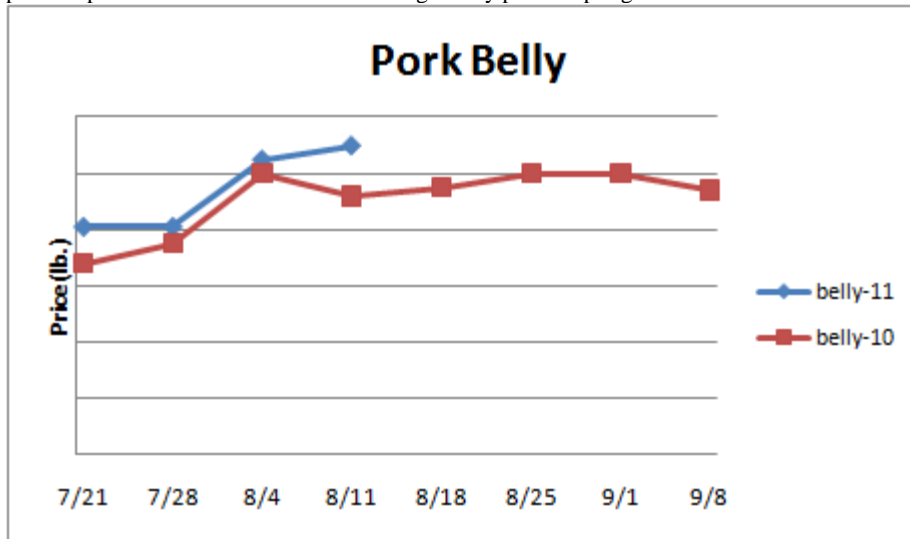
Dairy- The CME butter market has weakened some during the past week. As New Zealand, the largest dairy exporting country in the world, seasonally ramps up their dairy output in the coming months we anticipate world dairy supplies to improve which could influence the US butter market lower. The CME cheese markets are mixed but with a general weaker undertone. Once the school milk pipelines are filled for the start of the school year we anticipate cheese and milk prices to depreciate. Still, persistent inflated feed costs could limit US dairy supplies in 2012.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Cheese Barrels- CME	Increasing	Good	Higher
Cheese 40 lb Blocks- CME	Decreasing	Good	Higher
American Cheese	Increasing	Good	Higher
Cheddar Cheese	Steady	Good	Higher
Mozzarella Cheese	Decreasing	Good	Higher
Provolone Cheese	Decreasing	Good	Higher
Parmesan Cheese	Decreasing	Good	Higher
Butter- One lb Solids	Decreasing	Good	Higher
Nonfat Dry Milk	Decreasing	Good	Higher
Whey, Dry	Decreasing	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	Steady	Good	Higher

Pork Report

Pork- Pork output last week declined 2.2% but was .2% larger than the same week a year ago. Pork production should seasonally climb over the next several weeks which usually influences most pork markets downward. Export demand, especially from China, could mitigate any pending market declines for pork. Sow prices in the US have risen to their highest levels in the last 7 years which suggests that hog farmers are attempting to build the hog herd and thus pork output. Inflated feed costs could mitigate any pork output gains in 2012.



	<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)	Increasing	Good	Higher
Ham (23-27 lb)	Steady	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.	Decreasing	Good	Higher
Picnic, untrimmed	Increasing	Good	Higher
SS Picnic, smoker trim boxed	Increasing	Good	Higher
42% Trimmings	Increasing	Good	Higher
72% Trimmings	Increasing	Good	Higher

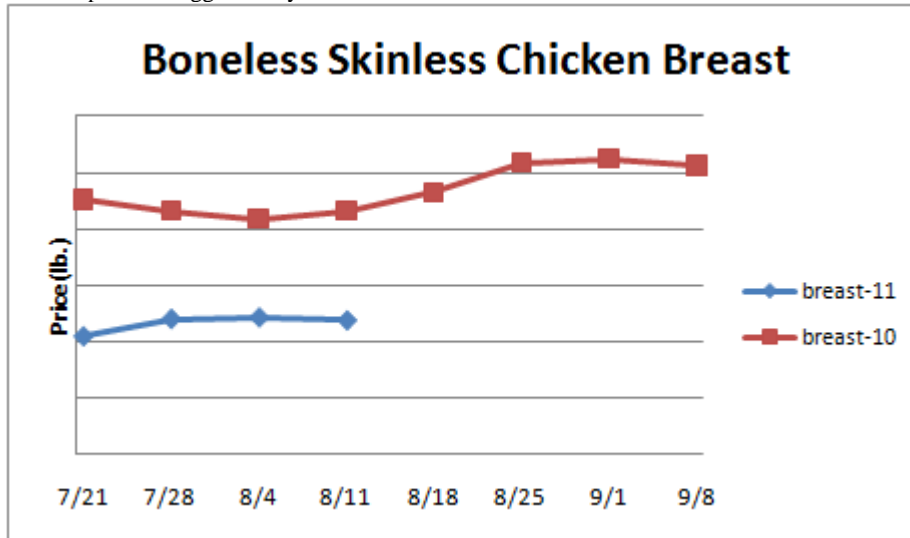
Canned Tomato Report

Tomato Products, Canned- The tomato harvest in California is slow with just 2.8 million tons anticipated to be landed by the end of this week. The markets are firm.

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

Poultry Report

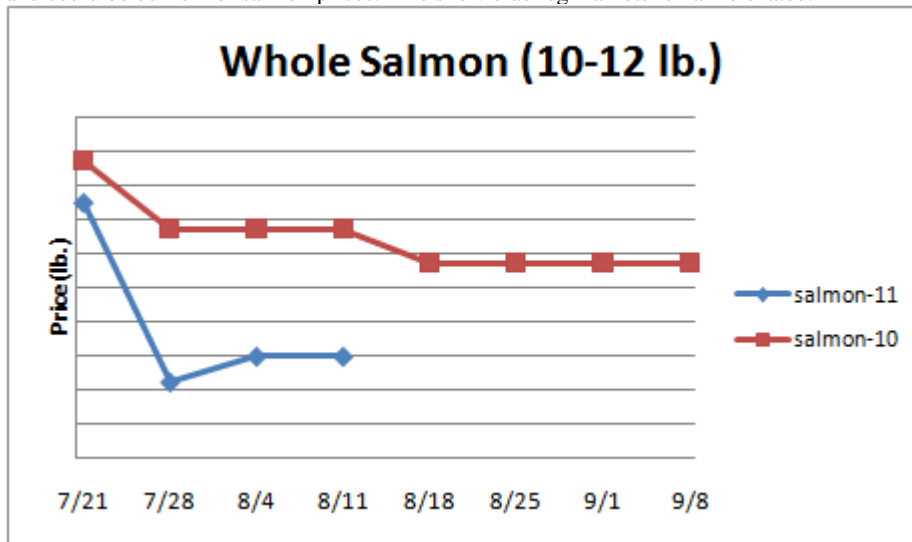
Poultry- Chicken production cutbacks continue to be realized. In fact, the 6 week moving average for broiler- type egg sets is currently running 5.5% below last year's level. Chicken wing demand is expected to increase which is typical as we near the fall season. However, chicken breast demand usually wanes. This year however, we don't expect chicken breast prices to notably depreciate due in part to the recent slide in chicken production. As for wings, any seasonal price increases this year may be stronger than average. Projected corn yields have been revised lower. If in fact a lower corn yield does materialize, inflated feed costs would likely persist. This may propel chicken producers to slow output more aggressively.



	<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	Steady	Good	Lower
Chicken Wings, Jumbo Cut	Steady	Good	Lower
Chicken Breast, Bone-In	Increasing	Good	Lower
Chicken Breast, Bnless Sknless	Decreasing	Good	Lower
Chicken Tender (random)	Steady	Good	Lower
Chicken Tender (sized)	Steady	Good	Lower
Chicken Legs (whole)	Increasing	Good	Higher
Chicken Leg Quarters	Increasing	Good	Higher
Chicken Thighs, bone in	Increasing	Good	Higher
Chicken Thighs, boneless	Increasing	Good	Higher
Large Eggs	Increasing	Good	Higher
Medium Eggs	Decreasing	Good	Higher
Whole Eggs- Liq	Increasing	Good	Higher
Egg Whites- Liq	Increasing	Good	Higher
Egg Yolks- Liq	Steady	Good	Higher
Whole Turkey (8-16 lb)	Increasing	Good	Higher
Turkey Breast- Bnls/Sknls	Steady	Good	Higher

Seafood Report

Seafood- The salmon markets have remained historically inflated this summer with some depreciation in the whole Atlantic market. Salmon prices going forward will be influenced significantly by the health of various countries' economies and the value of the US dollar. If the US dollar continues to depreciate it will likely limit salmon imports and could be bullish for salmon prices. The snow crab leg markets remain elevated.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Salmon, Whole (10-12 lb)	Steady	Good	Lower
Catfish, Filets	Steady	Good	Higher
Trout, Drn. (8-14 oz)	Steady	Good	Higher
Shrimp (16-20 count)	Increasing	Good	Higher
Shrimp (61-70 count)	Decreasing	Good	Higher
Shrimp, Tiger (26-30 count)	Decreasing	Good	Lower
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.	Decreasing	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	Increasing	Good	Higher
Rice, Long Grain	Increasing	Good	Higher
Coffee Beans	Decreasing	Good	Higher
Sugar	Decreasing	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	Lower
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	Steady	Good	Higher
PE-LLD-can liners, film, bags	Steady	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

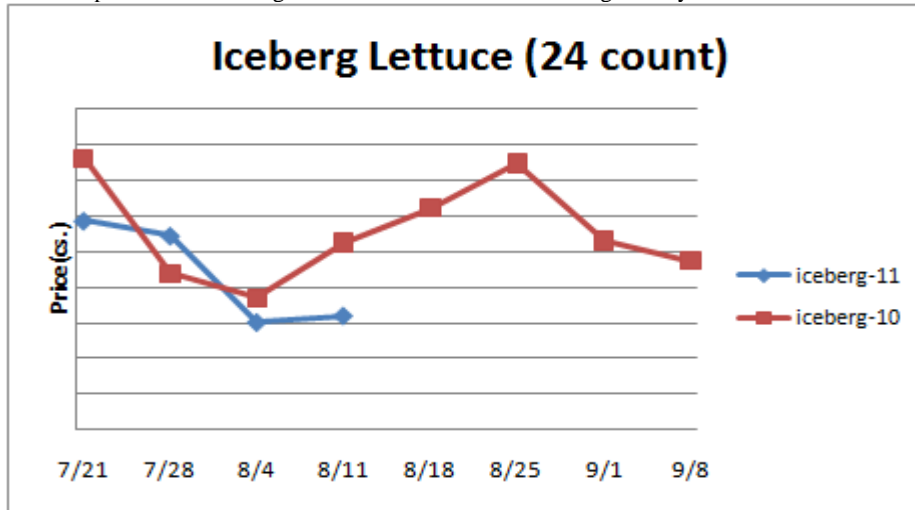
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- US vegetable for processing crops remain challenged due in part to the heat last month. The markets could firm 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 Idaho potato harvest is underway which is easing the typical supply constraint for this time of the year. The Idaho potato markets are steady to weak and history suggests that some significant price decreases may be forthcoming. Last year the Idaho potato markets declined 25% plus during September. The lettuce markets continue to trade at relatively engaging levels for buyers. Lettuce supplies are adequate. Steady to modestly higher lettuce prices are anticipated in the coming weeks. The tomato markets are generally softer than earlier this summer.



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

Produce Report (continued)

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