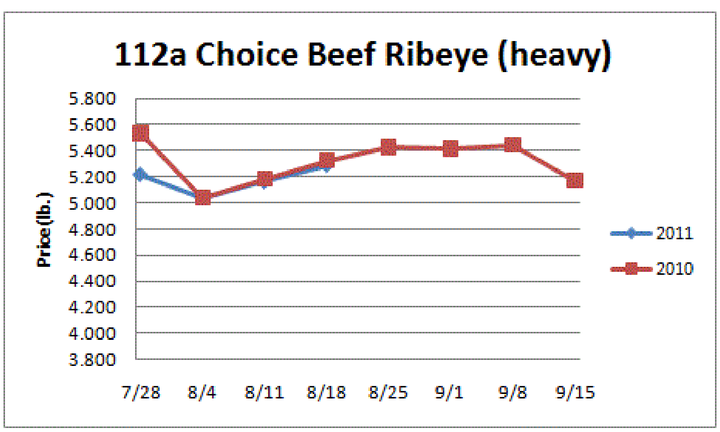
Weekly Market Updates

Volume No. 4 Issue No. 33 Date: August 18, 2011

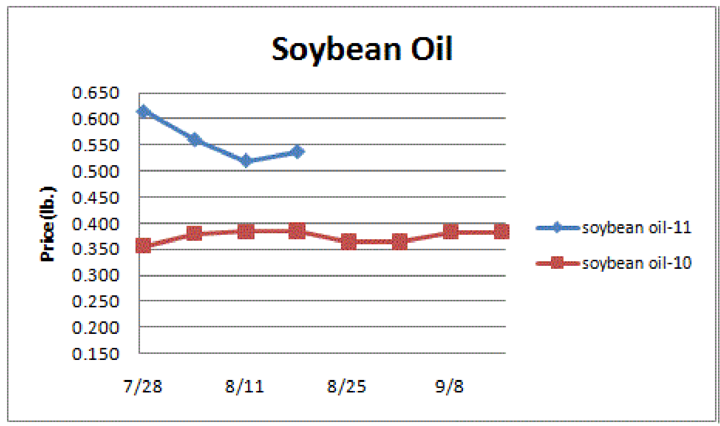
Beef - Beef production last week increased .3% and was 2.1% larger than the same week a year ago. Beef imports in June were down 17% versus June '10 but it was the best import month for the US since August '10. If US beef imports continue to improve, it could bring some price relief to lean boneless beef trimmings. Demand for steak cuts usually firms as the Labor day weekend approaches but tends to wane in September. Plus, seasonal price action for beef during the early fall is typically bearish. However, if the US dollar continues to weaken any seasonal price decline for beef products may be tempered. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.169	1.123	+.046	.942
Feeder Cattle Index (CME)	1.337	1.344	-.007	1.129
Ground Beef 81/19	1.602	1.494	+.108	1.474
Ground Chuck	1.658	1.519	+.139	1.509
109e Export Rib (choice)	4.786	4.659	+.127	4.647
109e Export Rib (prime)	8.357	8.158	+.199	7.496
112a Ribeye (choice)	5.286	5.161	+.125	5.323
112a Ribeye (prime)	8.588	8.668	-.080	8.322
116 Chuck (select)	2.277	2.194	+.083	1.823
116 Chuck (choice)	2.265	2.171	+.094	1.843
116b Chuck Tdnr (choice)	2.110	2.069	+.041	1.832
120 Brisket (choice)	1.938	1.865	+.073	1.537
121c Outside Skirt (ch/sel)	3.864	4.106	-.242	3.657
121d Inside Skirt (ch/sel)	3.380	3.214	+.166	2.587
167a Knckle, Trm. (ch.)	2.300	2.169	+.131	1.928
168 Inside Round (ch.)	2.253	2.032	+.221	1.665
174 Short Loin (ch. 0x1)	4.750	4.769	-.019	5.013
174 Short Loin (prime)	8.452	8.388	+.064	8.013
180 1x1 Strp (choice)	4.414	4.391	+.023	4.760
180 1x1 Strp (prime)	9.801	9.089	+.712	8.553
180 0x1 Strp (choice)	4.825	4.746	+.079	5.233
184 Top Butt, bnls (ch.)	3.215	3.176	+.039	2.619
184 Top Butt, bnls (prime)	3.546	3.445	+.101	2.925
185a Sirloin Flap (choice)	4.045	3.994	+.051	3.273
185c Loin, Tri-Tip (choice)	2.660	2.637	+.023	2.388
189a Tender (select)	8.107	7.795	+.312	6.863
189a Tender (choice)	8.501	8.491	+.010	7.654
189a Tender (prime)	11.511	11.565	-.054	9.590
193 Flank Steak (choice)	4.836	4.792	+.044	3.887
50% Trimmings	1.007	.859	+.148	.730
65% Trimmings	1.252	1.180	+.072	.976
75% Trimmings	1.436	1.438	-.002	1.300
85% Trimmings	1.683	1.664	+.019	1.570
90% Trimmings	1.789	1.782	+.007	1.690
90% Imported Beef (frz.)	1.900	1.910	-.010	1.665
95% Imported Beef (frz.)	2.055	2.060	-.005	1.791
Veal Rack (Hotel 7 rib)	5.900	5.900	-	4.600
Veal Top Rnd. (cp. off)	12.400	12.400	-	11.350



Oil, Grains, Misc.- Last week's USDA Supply & Demand grain report showed anticipated future supplies for grains to be tighter than originally anticipated. Grain prices will likely remain supported. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.437	12.953	+.484	10.483
Crude Soybean Oil, lb.	.537	.519	+.018	.385
Soybean Meal, ton	344.000	331.400	+12.600	334.000
Corn, bushel	7.109	6.878	+.231	3.750
Crude Corn Oil, lb.	.595	.595	-	.415
High Fructose Corn Syrup	.197	.193	+.004	.131
Distillers Grain, Dry	191.0	193.5	-2.500	108.250
Crude Palm Oil, lb. BMD	.476	.466	-.010	.397
HRW Wheat, bushel	7.810	7.330	+.480	5.670
DNS Wheat 14%, bushel	8.970	8.410	+.560	6.430
Durum Wheat, bushel	10.675	10.760	-.085	4.610
Pinto Beans, lb.	.381	.381	-	.226
Black Beans, lb.	.380	.380	-	.290
Rice, Long Grain, lb.	.268	.265	+.003	.211
Coffee, lb. NYBOT	2.464	2.348	+.116	1.787
Sugar, lb. NYBOT	.392	.365	+.027	.351
Honey (Clover), lb.	1.700	1.650	+.050	1.613



Dairy- The dairy markets came under pressure last week. In fact, the nearby milk futures contract declined to a 3 week low. Still, these markets have since firmed. Milk output in the US is recovering following cooler temperatures in the Midwest. New Zealand dairy production is excepted to increase soon. The school season is upon us bringing a boost to milk demand, but once the pipeline is filled demand should ease. These factors may cause cheese and milk prices to fade, especially if global dairy prices remain at a discount. Butter market may fade as well. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	2.093	2.135	-.042	1.595
Cheese Blocks (CME)	2.040	2.100	-.060	1.630
American Cheese	2.490	2.490	-	1.943
Cheddar Cheese (40 lb.)	2.590	2.590	-	2.000
Mozzarella Cheese	2.488	2.488	-	1.963
Provolone Cheese	2.645	2.645	-	2.115
Parmesan Cheese	3.725	3.725	-	3.480
Butter (CME)	2.090	2.068	+.022	1.953
Nonfat Dry Milk	1.619	1.627	-.008	1.223
Whey, Dry	.570	.567	+.003	.361
Class 1 Base	21.430	21.430	-	15.660
Class II Cream, heavy	3.132	3.132	-	3.238
Class III Milk (CME)	19.610	19.840	-.230	15.380
Class IV Milk (CME)	19.100	19.450	-.350	15.810

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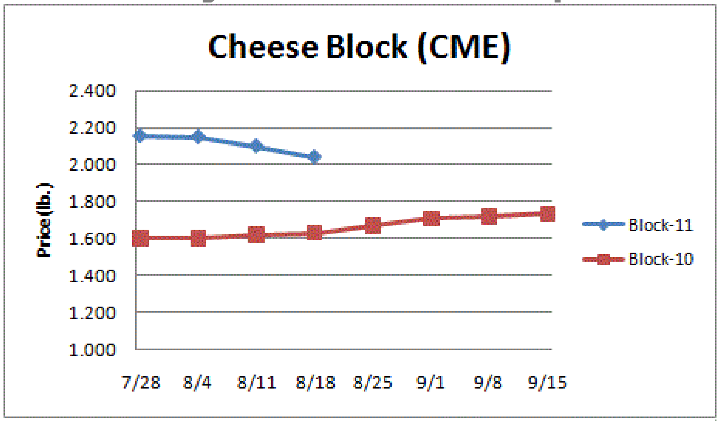
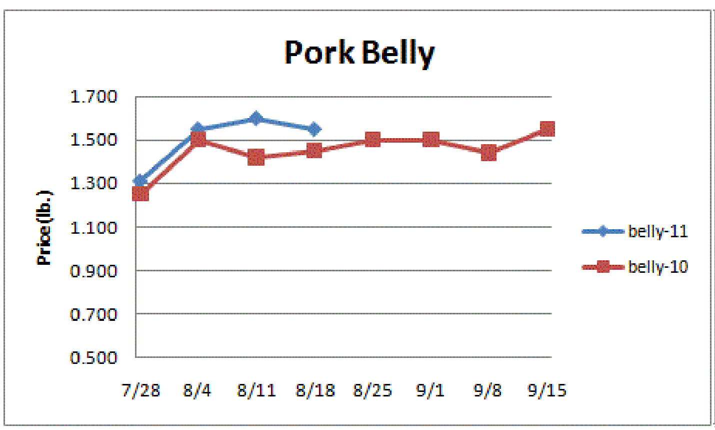


Pork- Pork output last week increased 3.5% but was .4% smaller than the same week a year ago. Pork output has improved due in part to the extreme heat finally exiting the Midwest. More hogs are available and at heavier weights. Pork production is expected to climb modestly over the next several weeks which is typical for this time of year. Lower prices for pork may be on the horizon. That said, any price corrections for pork in the coming months will probably be tempered as export sales are expected to remain solid. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.766	.767	-.001	.591
Belly (bacon)	1.550	1.600	-.050	1.450
Sparerib (4.25 lb. & down)	1.723	1.659	+.064	1.528
Ham (20-23 lb.)	.910	.950	-.040	.810
Ham (23-27 lb.)	.920	.950	-.030	.806
Loin (bone-in)	1.305	1.289	+.016	1.154
Bbybck Rib (1.75 lb. & up)	3.320	3.275	+.045	2.541
Tenderloin (1.25 lb.)	3.450	3.465	-.015	2.510
Boston Butt, untrmd. (4-8 lb.)	1.032	1.019	+.013	.849
Picnic, untrmd.	.785	.785	-	.565
SS Picnic, smoker trm. bx.	1.040	1.040	-	.710
42% Trimmings	.880	.880	-	.512
72% Trimmings	.960	.960	-	.735



Tomato Products, Canned- The tomato harvest in California is still lagging. Canned tomato prices should stay steady to firm in the coming months. Prices per case (6/10) FOB, unless noted from ARA.

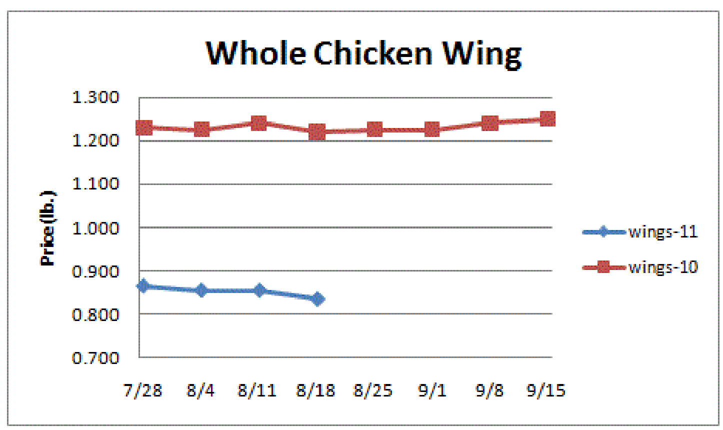
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	12.000	12.000	-	12.250
Diced, Fancy	12.500	12.500	-	12.750
Ketchup, 33%	13.188	13.188	-	13.500
Tomato Paste- Industrial (lb.)	.395	.395	-	.380

Processed Vegetables- Heat stressed vegetable crops are present this year and may keep vegetable stocks tight in the upcoming months. The markets are 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 production cutbacks are materializing and could intensify if feed costs continue to rise. This is bullish chicken. General demand for chicken, especially for chicken wings, tends to improve up until Labor day. This year, we wouldn't be surprised to see chicken prices firm beyond the average seasonal time period. Why? First, chicken breast and wing prices remain a tremendous value compared to other proteins. Second, production cutbacks haven't been this aggressive since '08. The chicken wing markets may have the most upside risk. Until producers become profitable again, you can expect further production cutbacks to occur. June US chicken exports were 14.3% less than a year ago. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.880	.880	+.002	.880
Whole Birds (LA)	.970	.970	-	.970
Wings (whole)	.835	.855	-.020	1.220
Wings (jumbo, cut)	1.060	1.046	+.014	1.273
Breast, Bone In	.835	.845	-.010	1.065
Breast, Bnless Skinless	1.505	1.475	+.030	1.930
Tenderloin (random)	1.180	1.180	-	1.640
Tenderloin (sized)	1.780	1.780	-	2.020
Legs (whole)	.668	.722	-.054	.556
Leg Quarters	.495	.480	+.015	.400
Thighs, bone in	.714	.695	+.019	.579
Thighs, boneless	1.302	1.250	+.052	.993
Eggs and Others				
Large (dozen)	1.093	.990	+.103	.803
Medium (dozen)	.715	.695	+.020	.575
Whole Eggs- Liquid	.642	.623	+.019	.458
Egg Whites- Liquid	.468	.467	+.001	.356
Egg Yolks- Liquid	.789	.724	+.065	.691
Whole Turkeys (8-16 lb.)	1.070	1.065	+.005	.975
Turkey Breast, Bnls/Sknls	2.520	2.500	+.020	2.500



Seafood- In June, total US shrimp imports decreased by 3.6% from June '10. Shell-on shrimp imports for June were down 17.4% versus June '10. The deflated US dollar along with challenges to shrimp production in Thailand, may be two catalysts that limit shrimp imports in the coming months. The seasonal tendency for shrimp prices is downward during the late summer. Salmon imports in June were 3.7% less than the prior year.

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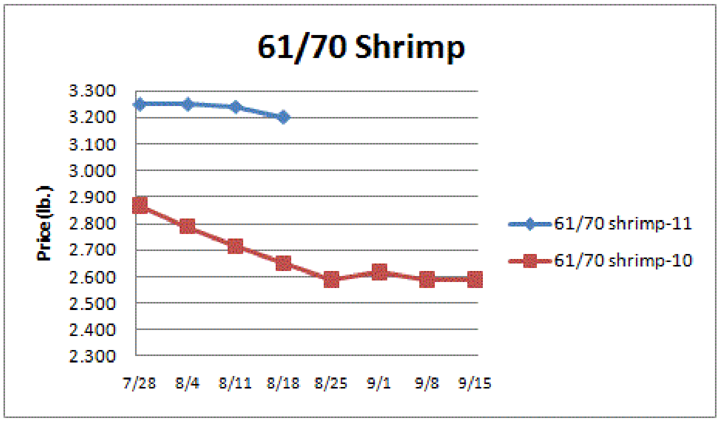
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	3.100	3.100	-	3.650
Catfish Filets	5.250	5.250	-	3.400
Trout (drn. 8-14 oz.)	3.500	3.500	-	3.000
Shrimp (16/20), Frz	6.780	6.923	-.143	6.559
Shrimp (61/70), Frz.	3.200	3.240	-.040	2.650
Shrimp, Tiger (26/30), Frz.	4.950	4.800	+.150	4.800
Snow Crab, Legs 5-8 oz, Frz	5.850	5.850	-	5.150
Snow Crab, Legs 8 oz/ up, Fz	6.475	6.475	-	5.550
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	6.471	6.471	-	5.379
Pollock, Alaska, Deep Skin	1.800	1.800	-	2.075



Energy & Currency-Currency US dollar is worth.

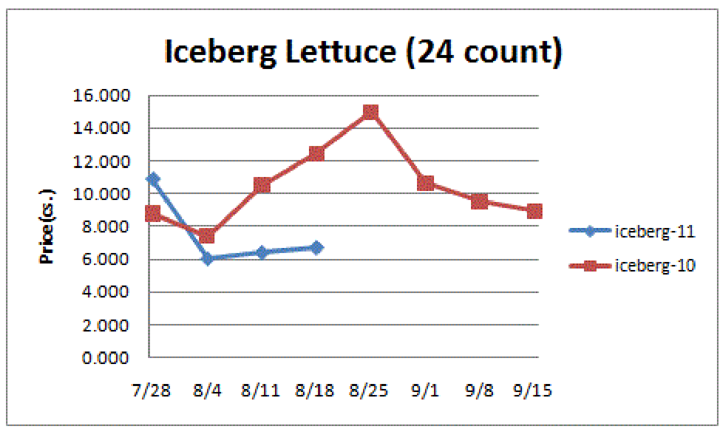
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	87.880	79.300	+8.580	75.770
Natural Gas, mbtu- nymex	4.024	3.994	+.030	4.267
Heating Oil, gal- nymex	2.944	2.765	+.179	2.026
Electricity, mwht- nymex	49.940	54.550	-4.610	62.560
Gasoline, gal- nymex	2.875	2.668	+.207	1.953
Diesel Fuel, gal- eia	3.835	3.897	-.062	2.979
Ethanol, gal- usda	2.940	2.930	+.010	1.680
Canadian $	.986	.991	-.005	1.037
Japanese Yen	76.784	77.269	-.485	85.272
Mexican Peso	12.256	12.433	-.177	12.617
Euro	.699	.701	-.002	.778
Brazilian Real	1.606	1.622	-.016	1.750
Chinese Yuan	6.390	6.431	-.041	6.792

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)	992.750	993.990	-1.240	999.780
WP; 42 lb. Linerboard (corr.)	828.850	827.560	+1.290	687.053
Res; PS-CHH (cup, cont.)	1.120-1.160	1.120-1.160	-	.900-.940
Res; PP-HIGP (hvy utensil)	1.160-1.180	1.160-1.180	-	.920-.940
Res; PE-LLD (cn liner, film)	.880-.910	.880-.910	-	.740-.770

Produce- The potato market is transitioning to new crop supplies. Old crop potatoes are still being offered, but the quality is being reported as just fair. With the building new crop potato supplies prices are softening. Additional potato market declines are anticipated in September. Lettuce supplies have been reported as healthy over the past several weeks with weights coming in above average. Lettuce prices have declined substantially this summer but we would not be surprised to see modestly higher prices this fall. The avocado market remains inflated but could peak soon. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	16.000	13.000	+3.000	5.500
Lemons (95 ct.)	24.640	24.640	-	23.540
Lemons (200 ct.)	21.140	21.140	-	24.040
Honeydew (6 ct.)	7.000	8.500	-1.500	4.250
Cantaloupe (15 ct.)	3.500	4.925	-1.425	4.000
Blueberries (12 count)	14.500	19.250	-4.750	17.984
Strwbrries (12 pnts.)	10.500	10.500	-	12.500
Avocds (Hass 48 ct.)	54.750	52.750	+2.000	26.750
Bananas (40 lb.)- Term.	14.875	15.240	-.365	16.349
Pineapple (7 ct.)- Term.	24.945	25.188	-.243	18.250
Idaho Potato (60 ct., 50 lb.)	20.000	20.000	-	14.625
Idaho Potato (70 ct., 50 lb.)	20.000	20.000	-	14.625
Idaho Potato (70 ct.)-Term.	26.884	29.167	-2.283	18.203
Idaho Potato (90 ct., 50 lb.)	16.000	16.000	-	10.250
Idaho Pot. # 2 (6 oz., 100 lb.)	24.000	24.000	-	18.250
Processing Potato (cwt.)	13.000	13.000	-	8.300
Yellow Onions (50 lb.)	8.313	8.625	-.312	8.375
Yell Onions (50 lb.)-Term.	12.598	12.928	-.330	16.396
Red Onions (25 lb.)- Term.	8.875	9.490	-.615	13.759
White Onions (50 lb.)- Term.	16.500	16.000	+.500	18.792
Tomatoes (large- case)	6.450	6.963	-.513	13.450
Tomatoes (5x6-25 lb.)-Term	11.250	12.626	-1.376	12.459
Tomatoes (4x5 vine ripe)	8.950	12.950	-4.000	10.970
Roma Tomatoes (large- case)	6.795	7.332	-.537	12.000
Roma Tomatoes (xlarge-cs)	7.195	9.844	-2.649	13.354
Green Peppers (large- case)	9.625	11.184	-1.559	8.344
Red Peppers (large 15lb. cs.)	9.450	8.450	+1.000	16.950
Iceberg Lettuce (24 count)	6.710	6.398	+.312	12.453
Iceberg Lettuce (24)-Term.	14.417	15.000	-.583	18.178
Leaf Lettuce (24 count)	7.000	6.738	+.262	10.188
Romaine Lettuce (24 cnt.)	6.525	6.663	-.138	12.738
Mesculin Mix (3 lb.)-Term.	6.938	6.938	-	6.750
Broccoli (14 ct.)	7.743	7.750	-.007	5.375
Squash (1/2 bushel)	12.425	12.425	-	10.538
Zucchini (1/2 bushel)	12.425	12.800	-.375	8.538
Green Beans (bushel)	30.000	23.759	+6.241	11.500
Spinach, Flat 24's	13.750	12.050	+1.700	12.850
Mushrms (10 lb, lg.)-Term.	11.049	11.077	-.028	13.370
Cucumbers (bushel)	17.221	15.072	+2.149	15.161
Pickles (200-300 ct.)- Term.	25.303	23.438	+1.865	19.250
Asparagus (small)	15.500	11.750	+3.750	31.000
Freight (Truck; CA-Cty Av.)	5893.75	5968.750	-75.000	5766.667



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