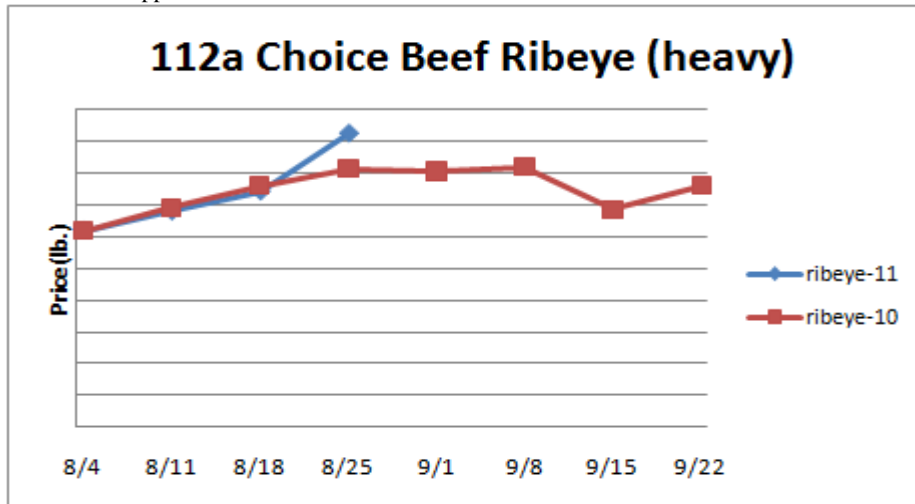


Beef, Veal and Lamb Report

Beef, Veal & Lamb- Beef production last week decreased .6% and was 2.3% smaller than 2010. On August 1st, cattle on feed were up 7.6% versus last year. Plus cattle placements into feedlots were up 22.5% in July versus July '10. The drought in the Southwest has forced cattle producers to send their herd to feedlots earlier than scheduled. This is bullish beef production this fall, but bearish beef production in 2012. Beef steak cuts continue to be supported by Labor Day holiday demand, but we look for seasonal price weakness next month. Solid exports are likely to continue to support the beef end cut markets.



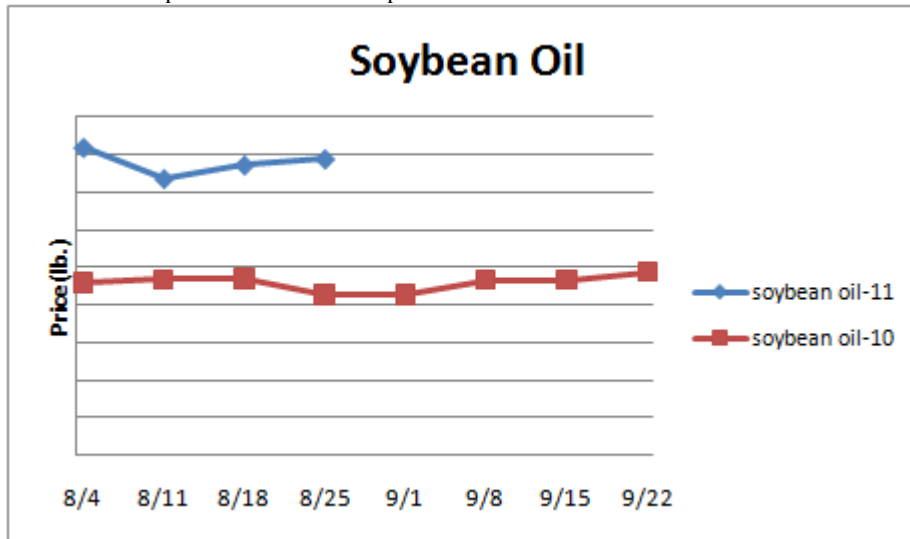
	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Cattle (Steer)	Decreasing	Good	Higher
Ground Beef 81/19	Increasing	Good	Higher
Ground Chuck	Increasing	Good	Lower
109 Export Rib (choice)	Increasing	Good	Lower
109 Export Rib (prime)	Increasing	Good	Higher
112a Ribeye (choice)	Increasing	Good	Higher
112a Ribeye (prime)	Decreasing	Good	Higher
116 Chuck (choice)	Increasing	Good	Higher
120 Brisket (choice)	Decreasing	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)	Increasing	Good	Higher
180 1x1 Strip (choice)	Increasing	Good	Lower
180 1x1 Strip (prime)	Decreasing	Good	Higher
180 0x1 Strip (choice)	Increasing	Good	Lower
184 Top Butt, boneless (choice)	Increasing	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)	Increasing	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	Increasing	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)	Increasing	Good	Higher

Market Report provided by American Restaurant Association-

www.AmericanRestaurantAssociation.com 888-423-4411

Oil and Grains Report

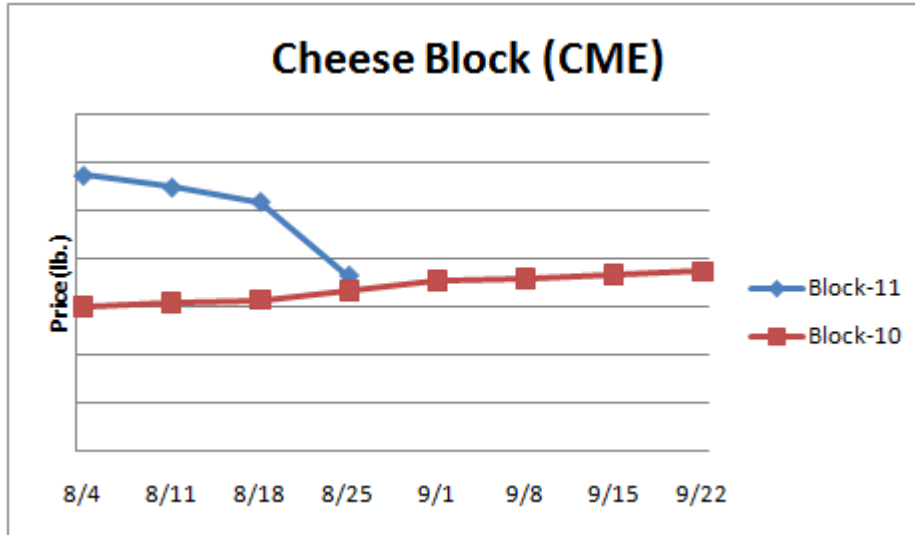
Oil & Grains- Grain crops are still behind schedule. Diminishing corn yield estimates have added support to the corn market. Expectations are for corn prices to remain elevated.



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

Dairy Report

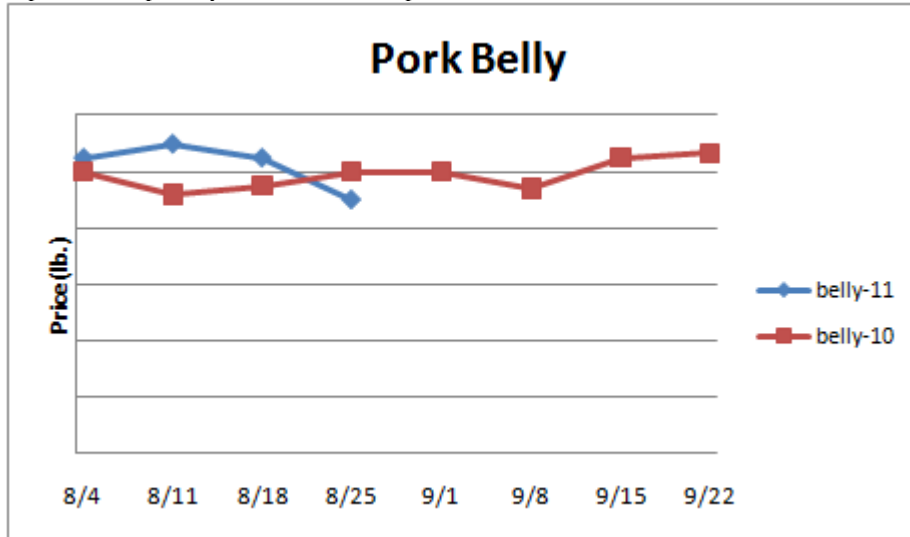
Dairy- July US milk production was .7% more than last year due to a .9% larger milk cow herd and a .1% decline in milk per cow yields. The heat this summer impacted milk production but farmers were still able to add 7,000 head to the herd in July. The CME spot cheese markets finally weakened this past week. CME blocks and barrels lost 15.2% and 19.1% respectively. July US cheese stocks posted the biggest one month gain in 7 years. Although the butter market is steady, the dairy complex looks bearish short-term. Still, elevated feed costs could lead to curbed output in 2012.



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

Pork Report

Pork- Pork output last week decreased .1% and was 1.8% smaller than the same week a year ago. Hog supplies have been more abundant as of late, plus hog weights have increased. Pork output typically improves during the next few weeks and a seasonal price decline for pork products usually follows. Last year the pork belly (40%), ham (15%) and 72% trim (16%) markets declined during October. Any price corrections in pork this year may be tempered by strong export sales especially if the US dollar depreciates.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Hogs	Decreasing	Good	Higher
Belly (bacon)	Decreasing	Good	Lower
Spare Rib (4.25 & down)	Decreasing	Good	Higher
Ham (23-27 lb)	Decreasing	Good	Higher
Loin (bone-in)	Decreasing	Good	Higher
Baby Back Rib (1.75 & up)	Decreasing	Good	Higher
Tenderloin (1.25 lb)	Decreasing	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

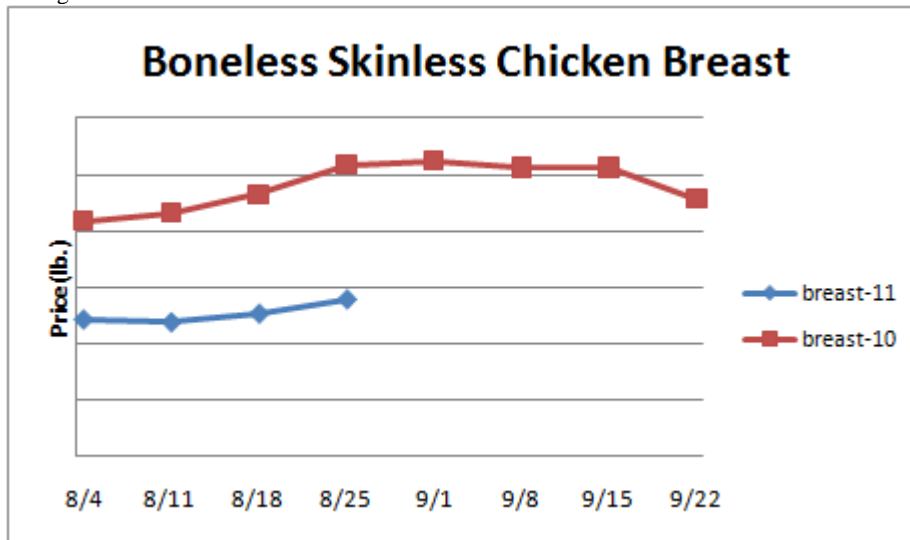
Canned Tomato Report

Tomato Products, Canned- The tomato crop has progressed but still is behind schedule. The harvest peak usually occurs this time of year. 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

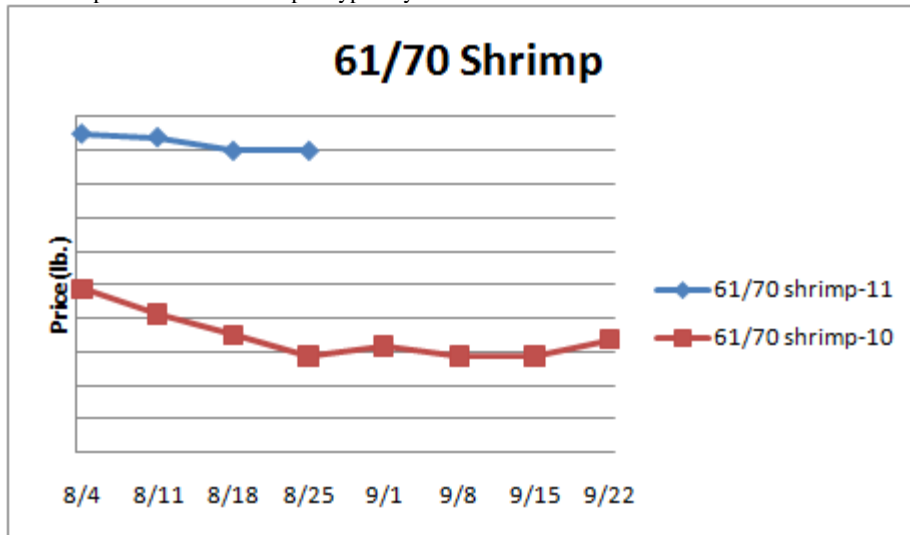
Poultry- Future chicken supplies continue to be limited by producers. The broiler type chick hatch in the month of July was down 4% compared to July '10. Plus, pullet placements, which measure new hens added to the breeding flock, were down 3% in July versus July '10. This could be a sign that producers are making a more systemic cut in future production. But, the existing breeding flock is still well above last year's level. Elevated feed costs remain a challenge for chicken producers which could limit chicken output next year. Seasonal demand for breasts usually fade in September but demand for wings typically stays strong through the fall. Higher chicken wing prices are anticipated during the next few months.



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

Seafood Report

Seafood- In July, shrimp landings from the Gulf of Mexico were up 144% versus July '10, but were down 6% from July '09. The BP oil spill last year was the reason why shrimp production was so poor in July 2010. Domestic shrimp supplies are more available this fall, but a deflated US dollar could temper any significant price decline this year. The seasonal price trend for shrimp is typically lower as we exit the summer.



	<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)	Steady	Good	Higher
Shrimp (61-70 count)	Steady	Good	Higher
Shrimp, Tiger (26-30 count)	Steady	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.	Decreasing	Good	Lower
Salmon Portions, 4-8 oz. Frz.	Increasing	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	Increasing	Good	Higher
Sugar	Increasing	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	Increasing	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>Jul-11</u>	<u>Jun-11</u>	<u>May-11</u>
Beef and Veal	Increasing	Decreasing	Increasing
Dairy	Increasing	Increasing	Increasing
Pork	Increasing	Increasing	Increasing
Chicken	Increasing	Increasing	Increasing
Fresh Fish and Seafood	Increasing	Decreasing	Increasing
Fresh Fruits and Vegetables	Decreasing	Decreasing	Decreasing

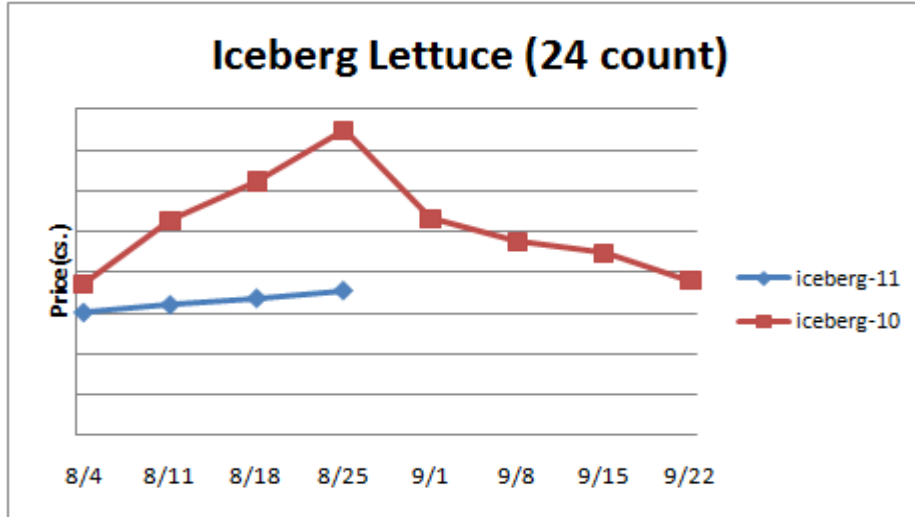
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- Cold storage vegetables such as green beans and cut corn are behind 2010 inventory levels. The processed vegetable markets could firm in the coming weeks.

<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 potato markets are rebounding some this week but this action is likely temporary. As the Northwest potato harvest builds potato prices usually move lower in the late summer. Thus, there is more downside risk to potato prices compared to upside. California weather has been favorable for lettuce crops. Lettuce supplies are healthy with strong weights reported. Engaging lettuce prices could persist into next week. The tomato markets continue to trade at relatively engaging levels as well. The avocado market is elevated but we anticipate price relief this fall.



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

Red Peppers (large- 15 lb. cs.)	Increasing	Good	Lower
Iceberg Lettuce (24 count)	Increasing	Good	Lower
Iceberg Lettuce (24 cnt)-Term.	Increasing	Good	Lower

Produce Report (continued)

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