Weekly Market Updates

Volume No. 4 Issue No. 34 Date: August 26, 2011

Beef - 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. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.142	1.169	-.027	.998
Feeder Cattle Index (CME)	1.346	1.337	+.009	1.139
Ground Beef 81/19	1.744	1.602	+.142	1.598
Ground Chuck	1.731	1.658	+.073	1.942
109e Export Rib (choice)	4.821	4.786	+.035	4.849
109e Export Rib (prime)	8.584	8.357	+.227	7.567
112a Ribeye (choice)	5.650	5.286	+.364	5.429
112a Ribeye (prime)	8.534	8.588	-.054	8.433
116 Chuck (select)	2.444	2.277	+.167	1.893
116 Chuck (choice)	2.391	2.265	+.126	1.950
116b Chuck Tdnr (choice)	2.117	2.110	+.007	1.945
120 Brisket (choice)	1.918	1.938	-.020	1.614
121c Outside Skirt (ch/sel)	4.033	3.864	+.169	3.633
121d Inside Skirt (ch/sel)	3.453	3.380	+.073	2.673
167a Knckle, Trm. (ch.)	2.354	2.300	+.054	2.019
168 Inside Round (ch.)	2.257	2.253	+.004	1.809
174 Short Loin (ch. 0x1)	4.882	4.750	+.132	5.111
174 Short Loin (prime)	8.528	8.452	+.076	7.549
180 1x1 Strp (choice)	4.515	4.414	+.101	4.851
180 1x1 Strp (prime)	9.449	9.801	-.352	9.086
180 0x1 Strp (choice)	4.928	4.825	+.103	5.532
184 Top Butt, bnls (ch.)	3.260	3.215	+.045	2.733
184 Top Butt, bnls (prime)	3.556	3.546	+.010	2.958
185a Sirloin Flap (choice)	4.111	4.045	+.066	3.337
185c Loin, Tri-Tip (choice)	2.699	2.660	+.039	2.626
189a Tender (select)	7.916	8.107	-.191	7.456
189a Tender (choice)	8.545	8.501	+.044	7.924
189a Tender (prime)	11.446	11.511	-.065	9.894
193 Flank Steak (choice)	4.995	4.836	+.159	4.032
50% Trimmings	1.094	1.007	+.087	.711
65% Trimmings	1.357	1.252	+.105	.986
75% Trimmings	1.431	1.436	-.005	1.330
85% Trimmings	1.702	1.683	+.019	1.564
90% Trimmings	1.784	1.789	-.005	1.683
90% Imported Beef (frz.)	1.913	1.900	+.013	1.675
95% Imported Beef (frz.)	2.030	2.055	-.025	1.813
Veal Rack (Hotel 7 rib)	5.950	5.900	-	4.650
Veal Top Rnd. (cp. off)	12.525	12.400	+.125	11.500

Oil, Grains, Misc.- 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. Prices USDA, FOB.

	Price	Last Week	Difference	Price 10
Soybeans, bushel	13.617	13.437	+.180	10.120
Crude Soybean Oil, lb.	.545	.537	+.008	.364
Soybean Meal, ton	354.700	344.000	+10.700	323.400
Corn, bushel	7.209	7.109	+.100	3.633
Crude Corn Oil, lb.	.590	.595	-.005	.418
High Fructose Corn Syrup	.199	.197	+.002	107.250
Distillers Grain, Dry	190.5	191.0	-.500	.381
Crude Palm Oil, lb. BMD	.476	.476	-	6.110
HRW Wheat, bushel	7.920	7.810	+.110	6.750
DNS Wheat 14%, bushel	9.530	8.970	+.560	4.600
Durum Wheat, bushel	11.100	10.675	+.425	.460
Pinto Beans, lb.	.387	.381	+.006	.230
Black Beans, lb.	.380	.380	-	.290
Rice, Long Grain, lb.	.273	.268	+.005	.211
Coffee, lb. NYBOT	2.681	2.464	+.271	1.669
Sugar, lb. NYBOT	.406	.392	+.014	.355
Honey (Clover), lb.	1.700	1.700	-	1.613

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

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.693	2.093	-.400	1.640
Cheese Blocks (CME)	1.730	2.040	-.310	1.670
American Cheese	2.340	2.490	-.150	1.955
Cheddar Cheese (40 lb.)	2.495	2.590	-.095	2.000
Mozzarella Cheese	2.328	2.488	-.160	1.975
Provolone Cheese	2.485	2.645	-.160	2.128
Parmesan Cheese	3.565	3.725	-.160	3.493
Butter (CME)	2.093	2.090	+.003	2.160
Nonfat Dry Milk	1.615	1.619	-.004	1.224
Whey, Dry	.574	.570	.004	.363
Class 1 Base	21.780	21.430	+.350	15.500
Class II Cream, heavy	2.797	3.132	-.335	3.256
Class III Milk (CME)	17.760	19.610	-1.850	15.680
Class IV Milk (CME)	19.350	19.100	+.250	16.450

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. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.722	.766	-.044	.589
Belly (bacon)	1.400	1.550	-.150	1.500
Sparerib (4.25 lb. & down)	1.598	1.723	-.125	1.553
Ham (20-23 lb.)	.850	.910	-.060	.820
Ham (23-27 lb.)	.850	.920	-.070	.820
Loin (bone-in)	1.258	1.305	-.047	1.185
Bbybck Rib (1.75 lb. & up)	3.300	3.320	-.020	2.550
Tenderloin (1.25 lb.)	3.300	3.450	-.150	2.520
Boston Butt, untrmd. (4-8 lb.)	1.072	1.032	+.040	.854
Picnic, untrmd.	.869	.785	+.084	.575
SS Picnic, smoker trm. bx.	1.040	1.040	-	.718
42% Trimmings	.930	.880	+.050	.540
72% Trimmings	1.130	.960	+.170	.850

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. 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- 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. 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

Weekly Market Updates

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 breading 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 breading 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. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.885	.880	+.005	.880
Whole Birds (LA)	.970	.970	-	.970
Wings (whole)	.885	.835	+.050	1.225
Wings (jumbo, cut)	1.050	1.060	-.010	1.341
Breast, Bone In	.850	.835	+.015	1.090
Breast, Bnless Skinless	1.555	1.505	+.050	2.035
Tenderloin (random)	1.180	1.180	-	1.780
Tenderloin (sized)	1.780	1.780	-	2.250
Legs (whole)	.705	.668	+.037	.553
Leg Quarters	.525	.495	+.030	.400
Thighs, bone in	.777	.714	+.063	.549
Thighs, boneless	1.298	1.302	-.004	.986
Eggs and Others				
Large (dozen)	1.273	1.093	+.180	.850
Medium (dozen)	.835	.715	+.120	.588
Whole Eggs- Liquid	.656	.642	+.014	.448
Egg Whites- Liquid	.472	.468	+.004	.382
Egg Yolks- Liquid	.826	.789	+.037	.740
Whole Turkeys (8-16 lb.)	1.075	1.070	+.005	.975
Turkey Breast, Bnls/Sknls	2.544	2.520	+.024	2.490

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. 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	6.780	-	6.540
Shrimp (61/70), Frz.	3.200	3.200	-	2.588
Shrimp, Tiger (26/30), Frz.	4.950	4.950	-	4.700
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	3.575	3.684	-.109	3.713
Salmon Portions, 4-8 oz, Frz	6.545	6.471	+.074	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	85.440	87.880	-2.440	71.630
Natural Gas, mbtu- nymex	3.993	4.024	-.031	4.039
Heating Oil, gal- nymex	2.943	2.944	-.001	1.936
Electricity, mwht- nymex	49.040	49.940	-	52.000
Gasoline, gal- nymex	2.877	2.875	+.002	1.849
Diesel Fuel, gal- eia	3.810	3.835	-.025	2.957
Ethanol, gal- usda	2.760	2.940	-.180	1.775
Canadian $	.986	.986	-	1.063
Japanese Yen	76.560	76.784	-.224	84.204
Mexican Peso	12.292	12.256	+.036	12.991
Euro	.691	.699	-.008	.793
Brazilian Real	1.600	1.606	-.006	1.779
Chinese Yuan	6.397	6.390	+.007	6.797

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)	992.810	992.750	+.060	999.780
WP; 42 lb. Linerboard (corr.)	832.820	828.850	+3.970	676.214
Res; PS-CHH (cup, cont.)	1.120-1.160	1.120-1.160	-	.880-.920
Res; PP-HIGP (hvy utensil)	1.160-1.180	1.160-1.180	-	.940-.960
Res; PE-LLD (cn liner, film)	.880-.910	.880-.910	-	.740-.770

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. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	19.000	16.000	+3.000	8.500
Lemons (95 ct.)	25.640	24.640	+1.000	23.540
Lemons (200 ct.)	21.140	21.140	-	24.040
Honeydew (6 ct.)	6.250	7.000	-.750	4.500
Cantaloupe (15 ct.)	2.875	3.500	-.625	5.250
Blueberries (12 count)	19.250	14.500	+4.750	23.150
Strwbrries (12 pnts.)	11.500	10.500	+1.000	11.500
Avocds (Hass 48 ct.)	55.250	54.750	+.500	31.250
Bananas (40 lb.)- Term.	15.167	14.875	+.292	15.725
Pineapple (7 ct.)- Term.	24.021	24.945	-.924	17.594
Idaho Potato (60 ct., 50 lb.)	22.500	20.000	+2.500	15.000
Idaho Potato (70 ct., 50 lb.)	21.500	20.000	+1.500	15.000
Idaho Potato (70 ct.)-Term.	26.771	26.884	-.113	18.203
Idaho Potato (90 ct., 50 lb.)	18.000	16.000	+2.000	10.500
Idaho Pot. # 2 (6 oz., 100 lb.)	31.000	24.000	+7.000	19.000
Processing Potato (cwt.)	13.000	13.000	-	8.300
Yellow Onions (50 lb.)	7.917	8.313	-.396	8.500
Yell Onions (50 lb.)-Term.	13.079	12.598	+.481	15.177
Red Onions (25 lb.)- Term.	8.928	8.875	+.053	12.188
White Onions (50 lb.)- Term.	16.375	16.500	-.125	18.219
Tomatoes (large- case)	8.950	6.450	+2.500	8.450
Tomatoes (5x6-25 lb.)-Term	11.016	11.250	-.234	14.344
Tomatoes (4x5 vine ripe)	7.470	8.950	-1.480	11.313
Roma Tomatoes (large- case)	7.792	6.795	+.997	10.850
Roma Tomatoes (xlarge-cs)	8.650	7.195	+1.455	11.255
Green Peppers (large- case)	8.925	9.625	-.700	8.432
Red Peppers (large 15lb. cs.)	10.950	9.450	+1.500	15.950
Iceberg Lettuce (24 count)	7.085	6.710	+.375	14.975
Iceberg Lettuce (24)-Term.	14.750	14.417	+.333	18.800
Leaf Lettuce (24 count)	6.363	7.000	-.637	9.600
Romaine Lettuce (24 cnt.)	7.016	6.525	+.491	9.703
Mesculin Mix (3 lb.)-Term.	7.000	6.938	+.062	6.750
Broccoli (14 ct.)	8.163	7.743	+.420	5.388
Squash (1/2 bushel)	10.713	12.425	-1.712	10.750
Zucchini (1/2 bushel)	12.484	12.425	+.059	8.538
Green Beans (bushel)	25.784	30.000	-4.216	11.000
Spinach, Flat 24's	12.000	13.750	-1.750	11.800
Mushrms (10 lb, lg.)-Term.	11.084	11.049	+.035	12.313
Cucumbers (bushel)	16.070	17.221	-1.151	11.745
Pickles (200-300 ct.)- Term.	28.250	25.303	+2.947	19.833
Asparagus (small)	17.500	15.500	+2.000	17.000
Freight (Truck; CA-Cty Av.)	5931.250	5893.75	+37.500	5518.750

Retail Prices-CPI, Percent compared to prior month from BLS.

	Jul-11	Jun-11	May-11	Apr-11
Beef and Veal	+.900	-.700	+1.020	+1.164
Dairy	+1.200	+.500	+.773	+1.720
Pork	+.500	+.600	+2.569	-.285
Chicken	+.100	+.100	+.625	+.848
Fresh Fish and Seafood	+.300	-.100	+1.832	+.753
Fresh Fruits and Veg.	-.126	-.170	-1.503	-1.517