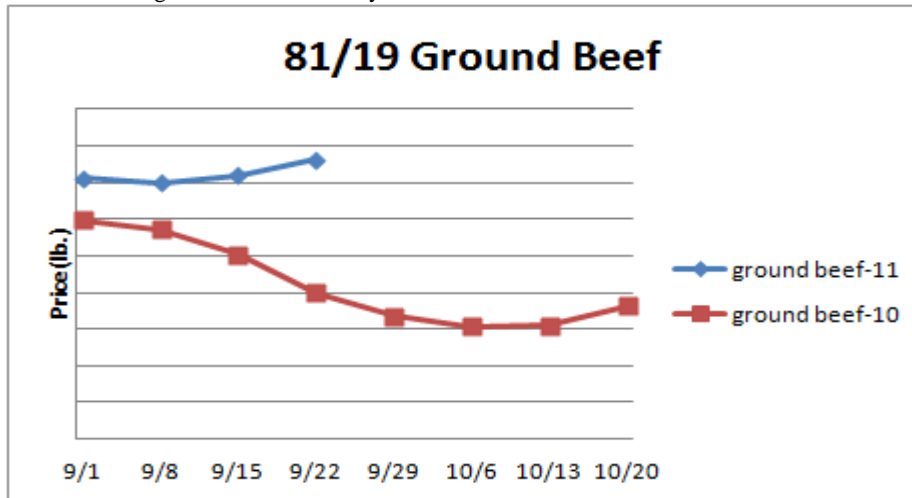


Beef, Veal and Lamb Report

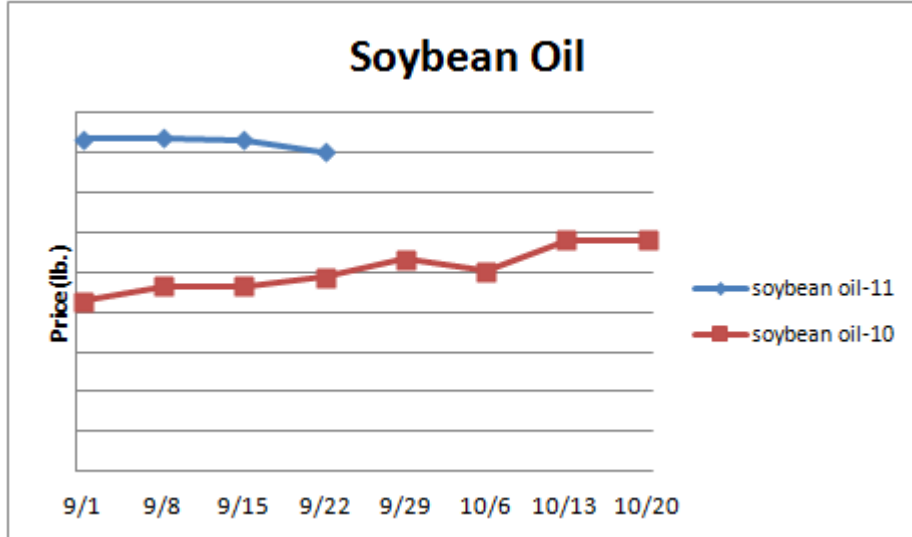
Beef, Veal & Lamb- Beef output last week decreased 4.1% but was .3% larger than the same week a year ago. Beef markets have remained firm counter to the seasonal (lower) trend. Domestic and international demand for beef end cuts and for beef trimmings has been strong. A deflated dollar would continue to support these markets. Pasture conditions remain in poor shape in the Southwest US. Plus, alfalfa hay and feed grain costs are expensive. This is bearish for beef output for 2012 as cattle supplies will be limited. The USDA is forecasting beef production to be down 4% during the first half of next year.



	<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	Decreasing	Good	Higher
109 Export Rib (choice)	Increasing	Good	Higher
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)	Decreasing	Good	Higher
174 Short Loin (choice 0x1)	Decreasing	Good	Lower
174 Short Loin (prime 2x3)	Increasing	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)	Decreasing	Good	Higher
185c Loin, Tri-Tip (choice)	Decreasing	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)	Decreasing	Good	Higher
50% Trimmings	Decreasing	Good	Higher
65% Trimmings	Decreasing	Good	Higher
75% Trimmings	Steady	Good	Higher
85% Trimmings	Decreasing	Good	Higher
90% Trimmings	Decreasing	Good	Higher
90% Imported Beef (frozen)	Decreasing	Good	Higher
Veal Rack (Hotel 7 rib)	Steady	Good	Higher
Veal Top Round (cap off)	Steady	Good	Higher

Oil and Grains Report

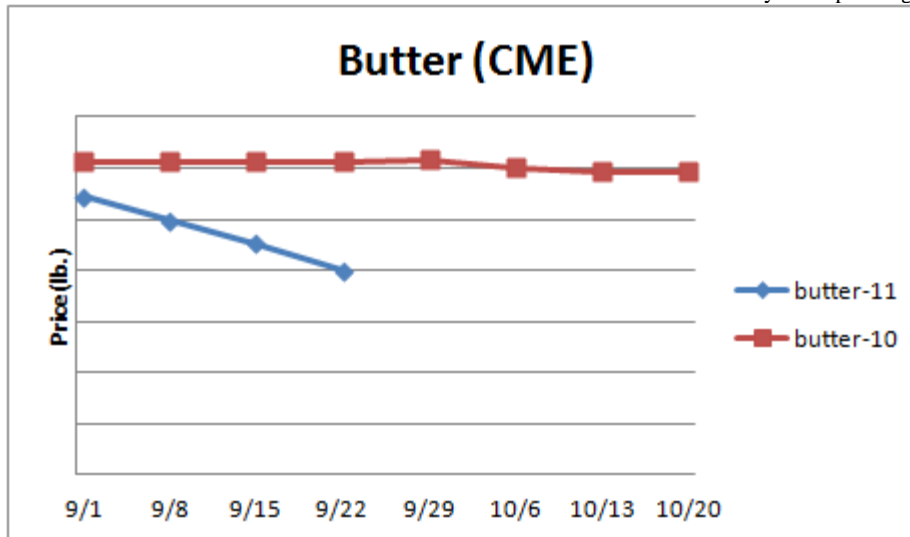
Oil & Grains- The 2011 corn harvest is underway. Pending grain supplies still look tight, especially for corn. The downside market risk in grains from here could only be modest.



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

Dairy Report

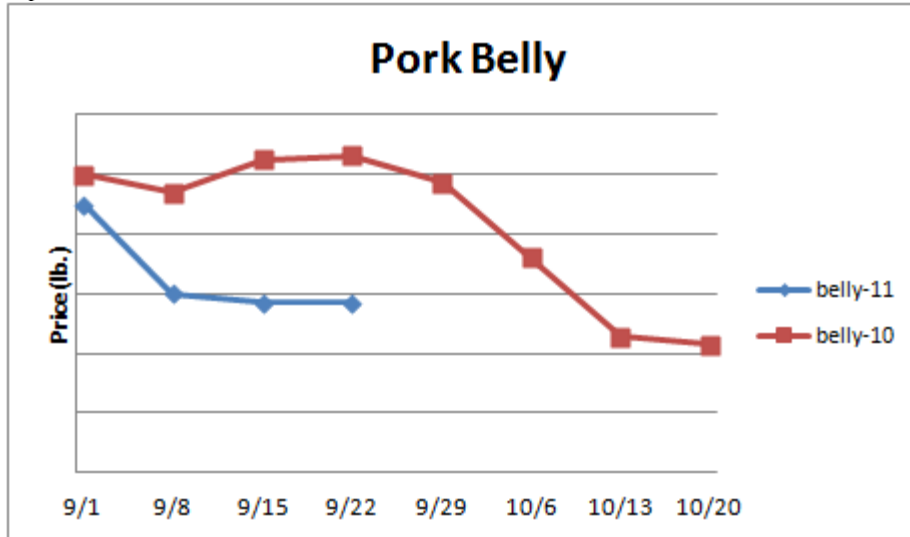
Dairy- August milk production was 2.2% more than last year due to a 1% rise in milk per cow yields and a 1.1% larger milk cow herd. The milk cow herd rose in August as attractive milk prices motivated dairy farmers to increase their herd. International cheese prices were up slightly in the recent global dairy trade auction but are still 6.5% below their July high. Further cheese market weakness is anticipated but it may only be modest. Global and domestic butter markets have weakened in recent weeks. Additional butter market declines may be impending.



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

Pork Report

Pork- Pork output last week increased 4.2% and was .4% larger than the same week in 2010. Pork output tends to rise in the coming weeks and lower pork prices usually follow. Inflated feed costs for hogs are expected to remain in place which could mitigate feed use by hog farmers. If so, lighter hog weights may be the result which could temper pork output. The US dollar has strengthened versus other currencies as of late. If this persists, it could dampen pork exports.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Hogs	Increasing	Good	Higher
Belly (bacon)	Steady	Good	Lower
Spare Rib (4.25 & down)	Increasing	Good	Higher
Ham (23-27 lb)	Decreasing	Good	Higher
Loin (bone-in)	Increasing	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	Decreasing	Good	Same
72% Trimmings	Increasing	Good	Higher

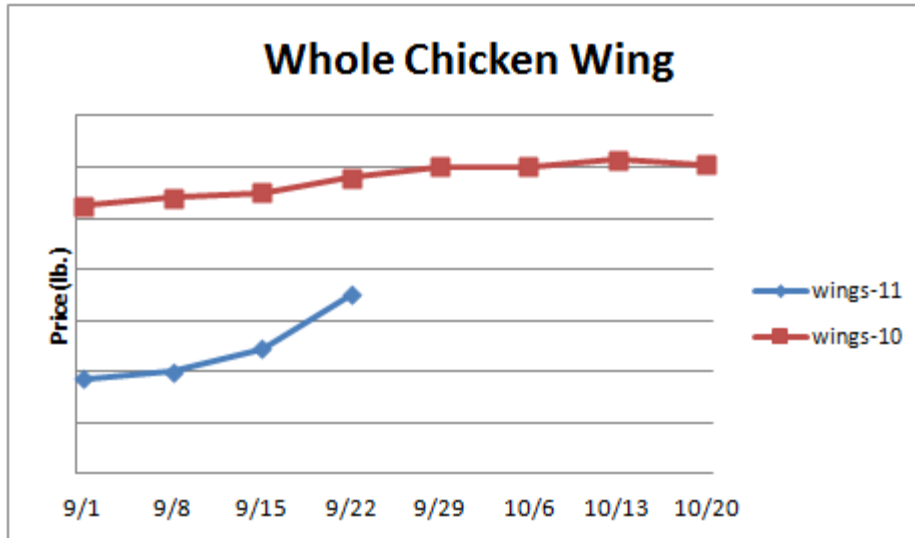
Canned Tomato Report

Tomato Products, Canned- The US tomato for canning harvest continues to progress at its slowest pace in over a decade. Canned tomato prices may 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

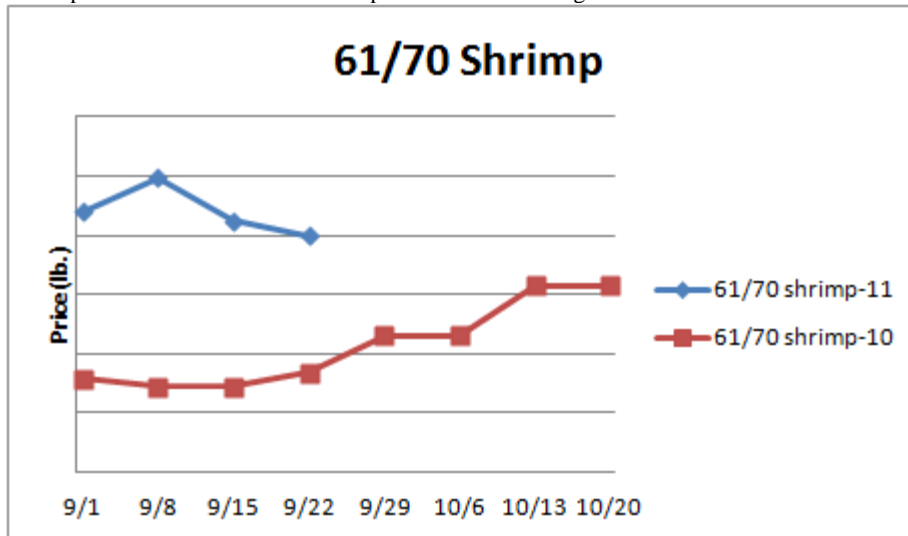
Poultry- Chicken producers continue to aggressively reduce future chicken production. Broiler-type eggs sets last week were down 7% from the same week in '10 and were the smallest for any week since October '02. This remains supportive for the chicken markets. High feed costs are expected to persist. Chicken producer margins have improved recently but are still historically poor. Seasonal demand for chicken wings is healthy. The ARA daily chicken wing index has risen 13.3% in four weeks and further price gains for wings are probable. The chicken breast markets have come under pressure which is usually the case in September. Expect chicken breast prices to move lower in the coming weeks.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Whole Chicken (2.5-3 lb-GA)	Steady	Good	Higher
Whole Chicken (LA)	Steady	Good	Higher
Chicken Wings, Whole	Increasing	Good	Lower
Chicken Wings, Jumbo Cut	Decreasing	Good	Lower
Chicken Breast, Bone-In	Decreasing	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	Steady	Good	Higher
Chicken Thighs, bone in	Decreasing	Good	Higher
Chicken Thighs, boneless	Increasing	Good	Higher
Large Eggs	Decreasing	Good	Higher
Medium Eggs	Decreasing	Good	Higher
Whole Eggs- Liq	Decreasing	Good	Higher
Egg Whites- Liq	Steady	Good	Higher
Egg Yolks- Liq	Decreasing	Good	Higher
Whole Turkey (8-16 lb)	Increasing	Good	Higher
Turkey Breast- Bnls/Sknls	Steady	Good	Higher

Seafood Report

Seafood- In August, fresh seafood retail prices were up 10% compared to last year and were a record high for any previous August. These inflated retail prices for seafood have caused consumer demand to slow. If high seafood retail prices persist it would be bearish for overall wholesale seafood markets. Gulf of Mexico shrimp landings in August were up 21% versus 2010. The shrimp markets are trending downward.



	<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)	Decreasing	Good	Lower
Shrimp (61-70 count)	Decreasing	Good	Higher
Shrimp, Tiger (26-30 count)	Decreasing	Good	Higher
Snow Crab Legs (5-8 oz)	Decreasing	Good	Higher
Snow Crab Legs (8 oz up)	Decreasing	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	Decreasing	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	Increasing	Good	Lower
42 lb. Linerboard-corrugated box	Decreasing	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>Aug-11</u>	<u>Jul-11</u>	<u>Jun-11</u>
Beef and Veal	Increasing	Increasing	Decreasing
Dairy	Increasing	Increasing	Increasing
Pork	Increasing	Increasing	Increasing
Chicken	Decreasing	Increasing	Increasing
Fresh Fish and Seafood	Decreasing	Increasing	Decreasing
Fresh Fruits and Vegetables	Increasing	Decreasing	Decreasing

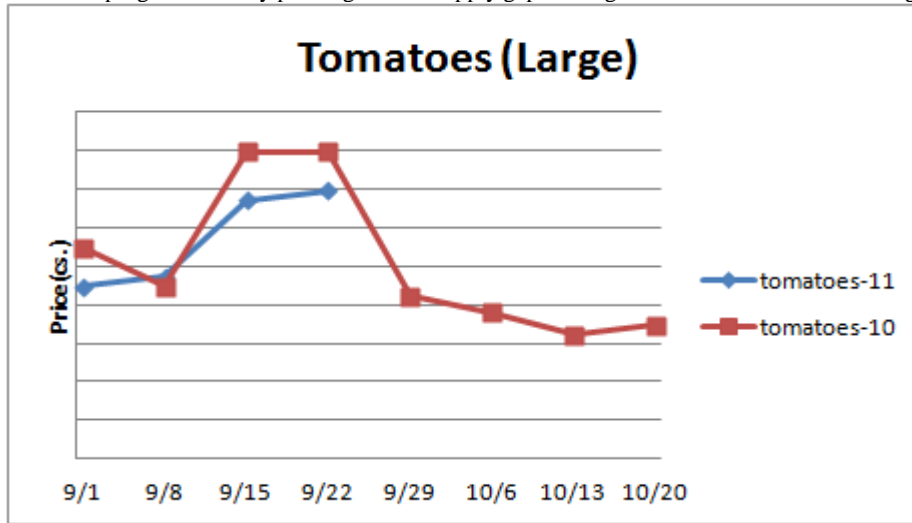
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- Harvest for crops designated for processed vegetables remain behind and supplies may be tight in 2012. Expect processed vegetable markets to remain firm.

<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 harvest continues to progress in many regions of the US. As a result potato supplies are improving although product is reported to be smaller sized. Potato prices have begun their seasonal decline and further downside price pressure is likely to occur. Yellow onion supplies are adequate especially for jumbo and medium sized product. Onion prices are usually steady during the fall. The chief tomato harvest areas in the US will transition south as the fall progresses. Any pending tomato supply gaps during the transition could lead to higher tomato prices.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Limes (150 count)	Decreasing	Good	Higher
Lemons (95 count)	Decreasing	Good	Higher
Lemons (200 count)	Decreasing	Good	Lower
Honeydew (6 ct.)	Increasing	Good	Higher
Cantaloupe (15 count)	Increasing	Good	Lower
Blueberries (12 count)	Increasing	Good	Lower
Strawberries (12 pints)	Decreasing	Good	Higher
Avocados, Hass (48 count)	Decreasing	Good	Higher
Bananas (40 lb)-Term.	Increasing	Good	Higher
Pineapple (7 ct.)- Term.	Decreasing	Good	Lower
Idaho Potato (60 count)	Decreasing	Good	Lower
Idaho Potato (70 count)	Decreasing	Good	Lower
Idaho Potato (70 count)-Term.	Decreasing	Good	Higher
Idaho Potato (90 count)	Decreasing	Good	Lower
Idaho Potato #2 (6 oz. min.)	Decreasing	Good	Lower
Processing Potato (100 lb)	Steady	Good	Higher
Yellow Onions (50 lb)	Increasing	Good	Higher
Yellow Onions (50 lb)-Term.	Decreasing	Good	Lower
Red Onions (25 lb)-Term.	Decreasing	Good	Lower
White Onions (50 lb)-Term.	Decreasing	Good	Lower
Tomatoes, (large- case)	Increasing	Good	Lower
Tomatoes, (5x6, 25 lb.)-Term.	Increasing	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)	Increasing	Good	Lower
Red Peppers (large- 15 lb. cs.)	Increasing	Good	Higher
Iceberg Lettuce (24 count)	Decreasing	Good	Lower
Iceberg Lettuce (24 cnt)-Term.	Decreasing	Good	Lower

Produce Report (continued)

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