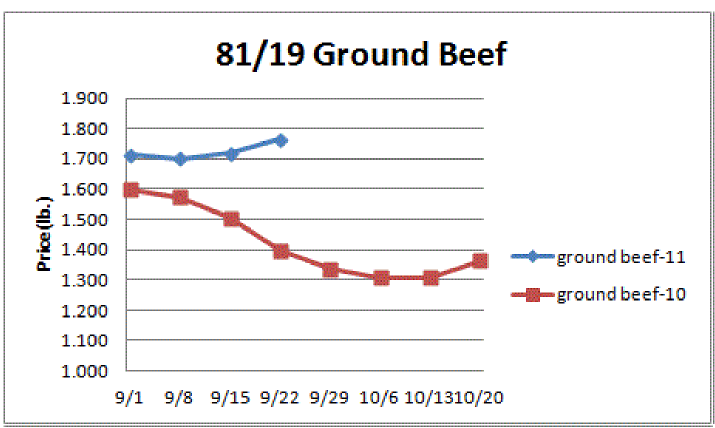
Weekly Market Updates

Volume No. 4 Issue No. 38 Date: September 22, 2011

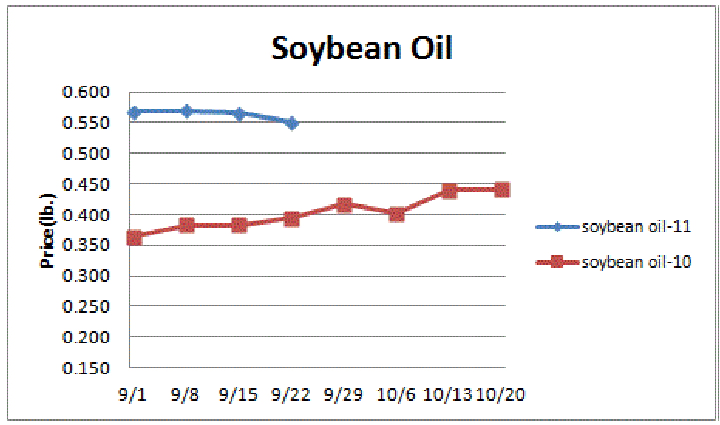
Beef - Beef output last week decreased 4.1% but was .3% larger than the same week a year ago. Beef markets have remained firm counter to the seasonal (lower) trend. Domestic and international demand for beef end cuts and for beef trimmings has been strong. A deflated dollar would continue to support 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. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Cattle	1.161	1.178	-.017	.980
Feeder Cattle Index (CME)	1.324	1.321	+.003	1.120
Ground Beef 81/19	1.763	1.719	+.044	1.398
Ground Chuck	1.740	1.752	-.012	1.448
109e Export Rib (choice)	5.299	5.063	+.236	4.556
109e Export Rib (prime)	8.952	8.915	+.037	7.807
112a Ribeye (choice)	6.058	5.743	+.315	5.322
112a Ribeye (prime)	9.092	9.188	-.096	7.941
116 Chuck (select)	2.444	2.480	-.036	1.873
116 Chuck (choice)	2.670	2.555	+.115	1.889
116b Chuck Tdnr (choice)	2.015	2.024	-.009	1.857
120 Brisket (choice)	1.996	2.011	-.015	1.583
121c Outside Skirt (ch/sel)	3.648	3.600	+.048	3.473
121d Inside Skirt (ch/sel)	3.513	3.491	+.022	2.780
167a Knckle, Trm. (ch.)	2.407	2.343	+.064	1.914
168 Inside Round (ch.)	2.097	2.106	-.009	1.791
174 Short Loin (ch. 0x1)	4.499	4.527	-.028	4.855
174 Short Loin (prime)	8.849	8.609	+.240	7.554
180 1x1 Strp (choice)	4.080	4.084	-.004	4.591
180 1x1 Strp (prime)	9.283	9.343	-.060	8.994
180 0x1 Strp (choice)	4.368	4.593	-.225	5.197
184 Top Butt, bnls (ch.)	3.148	3.178	-.030	2.696
184 Top Butt, bnls (prime)	3.576	3.568	+.008	3.027
185a Sirloin Flap (choice)	3.389	3.521	-.132	2.904
185c Loin, Tri-Tip (choice)	2.729	2.731	-.002	2.442
189a Tender (select)	8.122	8.172	-.050	7.286
189a Tender (choice)	8.984	8.769	+.215	8.444
189a Tender (prime)	11.721	11.782	-.061	10.132
193 Flank Steak (choice)	4.848	4.910	-.062	3.888
50% Trimmings	.922	.974	-.052	.614
65% Trimmings	1.260	1.263	-.003	.877
75% Trimmings	1.389	1.389	-	1.261
85% Trimmings	1.676	1.695	-.019	1.425
90% Trimmings	1.777	1.798	-.021	1.553
90% Imported Beef (frz.)	1.840	1.870	-.030	1.670
95% Imported Beef (frz.)	2.005	2.025	-.020	1.835
Veal Rack (Hotel 7 rib)	5.950	5.950	-	5.025
Veal Top Rnd. (cp. off)	12.920	12.920	-	11.750



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

	Price	Last Week	Difference	Price 10
Soybeans, bushel	12.863	13.454	-.591	10.533
Crude Soybean Oil, lb.	.551	.566	-.005	.394
Soybean Meal, ton	333.300	343.500	-10.200	312.500
Corn, bushel	6.643	6.998	-.355	4.445
Crude Corn Oil, lb.	.575	.585	-.010	.430
High Fructose Corn Syrup	.186	.194	-.008	.145
Distillers Grain, Dry	200.000	201.250	-1.250	130.250
Crude Palm Oil, lb. BMD	.448	.463	-.015	.400
HRW Wheat, bushel	7.200	7.480	-.280	6.575
DNS Wheat 14%, bushel	8.820	9.160	-.340	7.220
Durum Wheat, bushel	11.925	11.700	+.225	5.500
Pinto Beans, lb.	.430	.406	+.024	.188
Black Beans, lb.	.466	.468	-.002	.195
Rice, Long Grain, lb.	.295	.286	+.009	.200
Coffee, lb. NYBOT	2.618	2.703	-.085	1.806
Sugar, lb. NYBOT	.403	.410	-.007	.385
Honey (Clover), lb.	1.700	1.700	-	1.545



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

	Price	Last Week	Difference	Price 10
Cheese Barrels (CME)	1.655	1.720	-.065	1.735
Cheese Blocks (CME)	1.713	1.783	-.070	1.750
American Cheese	2.085	2.090	-.005	1.970
Cheddar Cheese (40 lb.)	2.293	2.300	-.007	2.000
Mozzarella Cheese	2.128	2.135	-.007	2.073
Provolone Cheese	2.283	2.229	+.054	2.233
Parmesan Cheese	3.363	3.370	-.007	3.598
Butter (CME)	1.800	1.903	-.103	2.225
Nonfat Dry Milk	1.572	1.577	-.005	1.268
Whey, Dry	.595	.589	+.006	.365
Class 1 Base	21.780	21.780	-	16.580
Class II Cream, heavy	2.447	2.521	-.074	3.412
Class III Milk (CME)	17.760	18.450	-.690	16.400
Class IV Milk (CME)	18.390	18.600	-.210	17.020

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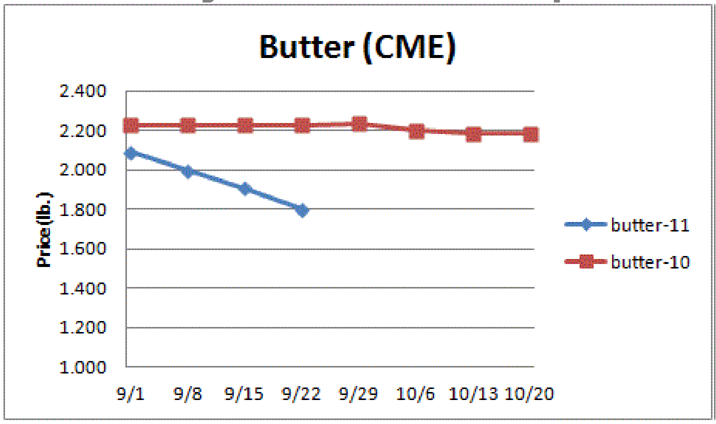
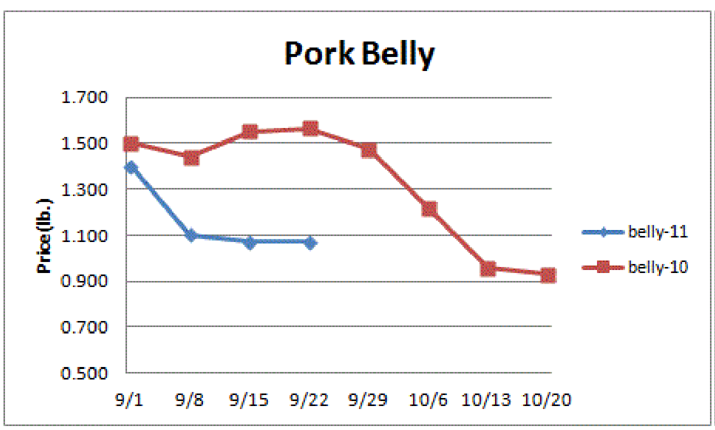


Pork- Pork output last week increased 4.2% and was .4% larger than the same week in 2010. Pork output tends to rise in the coming weeks and lower pork prices usually follow. Inflated feed costs for hogs are expected to remain in place which could mitigate feed use by hog farmers. If so, lighter hog weights 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. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 10
Live Hogs	.640	.624	+.016	.601
Belly (bacon)	1.070	1.070	-	1.565
Sparerib (4.25 lb. & down)	1.402	1.381	+.021	1.215
Ham (20-23 lb.)	.880	.930	-.050	.857
Ham (23-27 lb.)	.884	.940	-.056	.844
Loin (bone-in)	1.131	1.110	+.021	.931
Bbybck Rib (1.75 lb. & up)	2.954	3.067	-.113	2.410
Tenderloin (1.25 lb.)	3.150	3.210	-.060	2.400
Boston Butt, untrmd. (4-8 lb.)	1.021	.994	+.027	.789
Picnic, untrmd.	.813	.811	+.002	.675
SS Picnic, smoker trm. bx.	1.080	1.080	-	.730
42% Trimmings	.580	.690	-.110	.580
72% Trimmings	1.050	.905	+.145	.808



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. Prices per case (6/10) FOB, unless noted from ARA.

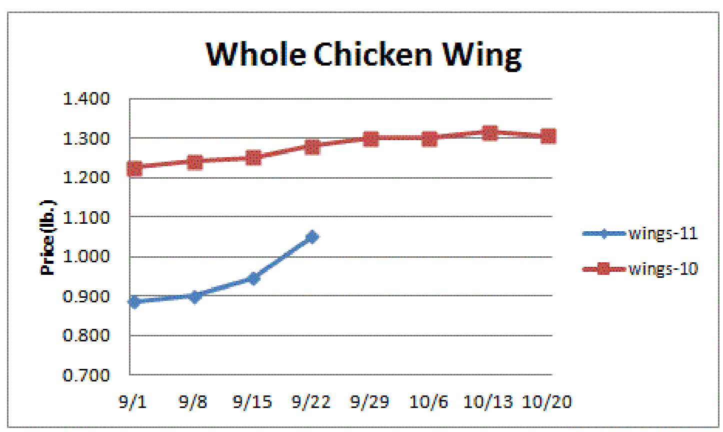
	Price	Last Week	Difference	Price 10
Whole Peeled, Standard	12.000	12.000	-	12.250
Diced, Fancy	12.500	12.500	-	12.750
Ketchup, 33%	13.188	13.188	-	13.500
Tomato Paste- Industrial (lb.)	.395	.395	-	.380

Processed Vegetables- Harvest for crops designated for processed vegetables remain behind and supplies may be tight in 2012. Expect processed vegetable markets to remain 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 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. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 10
Whole Birds (2.5-3 lb.-GA)	.890	.890	-	.875
Whole Birds (LA)	.980	.980	-	.970
Wings (whole)	1.050	.945	+.105	1.280
Wings (jumbo, cut)	1.098	1.102	-.004	1.302
Breast, Bone In	.855	.860	-.005	1.075
Breast, Bnless Skinless	1.505	1.550	-.045	1.915
Tenderloin (random)	1.180	1.180	-	1.800
Tenderloin (sized)	1.780	1.780	-	2.000
Legs (whole)	.706	.697	+.009	.565
Leg Quarters	.530	.530	-	.410
Thighs, bone in	.770	.780	-.010	.558
Thighs, boneless	1.343	1.341	+.002	1.024
Eggs and Others				
Large (dozen)	1.028	1.217	-.189	.835
Medium (dozen)	.845	.855	-.001	.532
Whole Eggs- Liquid	.577	.592	-.015	.353
Egg Whites- Liquid	.506	.506	-	.442
Egg Yolks- Liquid	.781	.791	-.010	.776
Whole Turkeys (8-16 lb.)	1.090	1.085	+.005	1.040
Turkey Breast, Bnls/Sknls	2.670	2.670	-	2.634



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.

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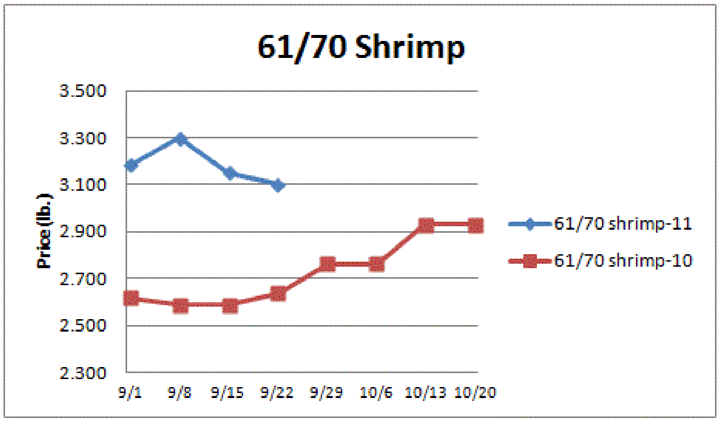
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 10
Salmon (wh. Atl., 10-12 lb.)	3.100	3.100	-	3.650
Catfish Filets	5.250	5.250	-	3.500
Trout (drn. 8-14 oz.)	3.500	3.500	-	3.000
Shrimp (16/20), Frz	6.280	6.485	-.205	6.519
Shrimp (61/70), Frz.	3.100	3.150	-.050	2.638
Shrimp, Tiger (26/30), Frz.	4.975	5.025	-.050	4.650
Snow Crab, Legs 5-8 oz, Frz	5.725	5.850	-.125	5.325
Snow Crab, Legs 8 oz/ up, Fz	6.300	6.450	-.150	5.675
Cod Tails, 3-7 oz., Frz.	3.280	3.280	-	3.088
Cod Loins, 3-12 oz., Frz	3.575	3.575	-	3.713
Salmon Portions, 4-8 oz, Frz	6.569	6.621	-.052	6.008
Pollock, Alaska, Deep Skin	1.800	1.800	-	2.075



Energy & Currency-Currency US dollar is worth.

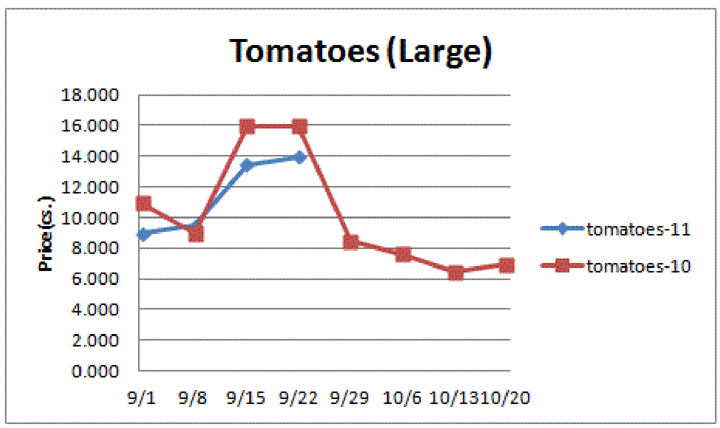
	Price	Last Week	Difference	Price 10
Crude Oil, barrel- nymex	86.890	90.210	-3.320	73.520
Natural Gas, mbtu- nymex	3.798	4.048	-.250	3.919
Heating Oil, gal- nymex	2.962	2.945	+.017	2.120
Electricity, mwht- nymex	43.070	53.900	-10.830	51.340
Gasoline, gal- nymex	2.701	2.727	-.026	1.920
Diesel Fuel, gal- eia	3.833	3.862	-.029	2.960
Ethanol, gal- usda	2.725	2.810	-.085	2.100
Canadian $	.991	.993	-.002	1.032
Japanese Yen	76.528	76.959	-.431	85.404
Mexican Peso	13.072	12.838	+.234	12.760
Euro	.729	.733	-.004	.763
Brazilian Real	1.779	1.713	+.066	1.731
Chinese Yuan	6.384	6.399	-.015	6.708

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)	971.540	971.430	+.110	990.490
WP; 42 lb. Linerboard (corr.)	778.600	784.340	-5.740	727.851
Res; PS-CHH (cup, cont.)	1.160-1.200	1.160-1.200	-	.880-.92
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 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. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 10
Limes (150 ct.)	16.000	18.000	-2.000	15.000
Lemons (95 ct.)	24.640	25.140	-.500	23.790
Lemons (200 ct.)	16.140	17.140	-1.000	23.790
Honeydew (6 ct.)	5.250	4.750	+.500	3.250
Cantaloupe (15 ct.)	6.225	6.175	+.050	6.250
Blueberries (12 count)	19.500	17.500	+2.000	24.450
Strawberries (12 pnts.)	12.500	13.500	-1.000	10.500
Avocados (Hass 48 ct.)	36.250	42.750	-6.500	31.250
Bananas (40 lb.)- Term.	15.250	14.200	+1.050	14.309
Pineapple (7 ct.)- Term.	12.500	13.339	-.839	15.146
Idaho Potato (60 ct., 50 lb.)	14.500	19.500	-5.000	17.750
Idaho Potato (70 ct., 50 lb.)	14.500	19.000	-4.500	17.750
Idaho Potato (70 ct.)-Term.	25.125	27.750	-2.625	22.000
Idaho Potato (90 ct., 50 lb.)	10.500	15.000	-4.500	11.000
Idaho Pot. # 2 (6 oz., 100 lb.)	19.000	24.000	-5.000	21.000
Processing Potato (cwt.)	13.000	13.000	-	7.600
Yellow Onions (50 lb.)	8.334	7.000	+1.334	6.878
Yell Onions (50 lb.)-Term.	11.950	12.084	-.134	12.104
Red Onions (25 lb.)- Term.	9.375	9.625	-.250	10.771
White Onions (50 lb.)- Term.	11.555	16.563	-5.008	14.938
Tomatoes (large- case)	13.950	13.450	+.500	15.950
Tomatoes (5x6-25 lb.)-Term	15.938	12.475	+3.463	17.656
Tomatoes (4x5 vine ripe)	10.950	14.713	-3.763	15.713
Roma Tomatoes (large- case)	9.200	7.585	+1.615	13.832
Roma Tomatoes (xlarge-cs)	9.582	9.275	+.307	14.332
Green Peppers (large- case)	11.438	11.300	+.138	13.782
Red Peppers (large 15lb. cs.)	15.700	10.950	+4.750	11.950
Iceberg Lettuce (24 count)	7.313	7.595	-.282	7.578
Iceberg Lettuce (24)-Term.	14.250	14.334	-.084	16.500
Leaf Lettuce (24 count)	8.000	7.938	+.062	11.150
Romaine Lettuce (24 cnt.)	12.113	12.200	-.087	10.100
Mesculin Mix (3 lb.)-Term.	7.000	7.000	-	6.563
Broccoli (14 ct.)	8.000	6.888	+1.112	7.500
Squash (1/2 bushel)	18.175	13.425	+4.750	5.850
Zucchini (1/2 bushel)	16.063	13.534	+2.529	6.338
Green Beans (bushel)	23.000	17.117	+5.883	12.500
Spinach, Flat 24's	11.110	9.735	+1.375	11.100
Mushrms (10 lb, lg.)-Term.	10.994	11.084	-.090	12.375
Cucumbers (bushel)	18.817	14.815	+4.002	11.228
Pickles (200-300 ct.)- Term.	33.463	35.639	-2.176	35.583
Asparagus (small)	16.750	17.250	-.500	18.000
Freight (Truck; CA-Cty Av.)	5866.670	5865.000	+1.670	5331.250



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

	Aug-11	Jul-11	Jun-11	May-11
Beef and Veal	+.405	+.900	-.700	+1.020
Dairy	+.903	+1.200	+.500	+.773
Pork	+.674	+.500	+.600	+2.569
Chicken	-.251	+.100	+.100	+.625
Fresh Fish and Seafood	-.072	+.300	-.100	+1.832
Fresh Fruits and Veg.	+.394	-.126	-.170	-1.503