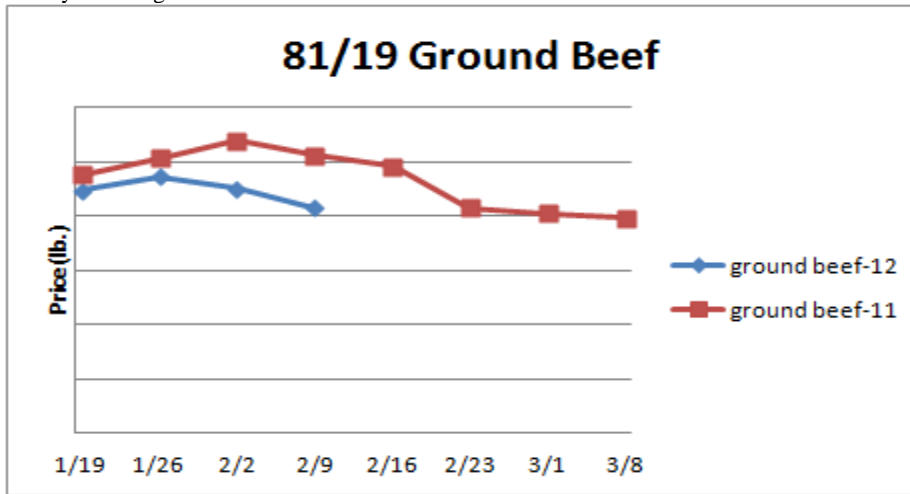


Beef, Veal and Lamb Report

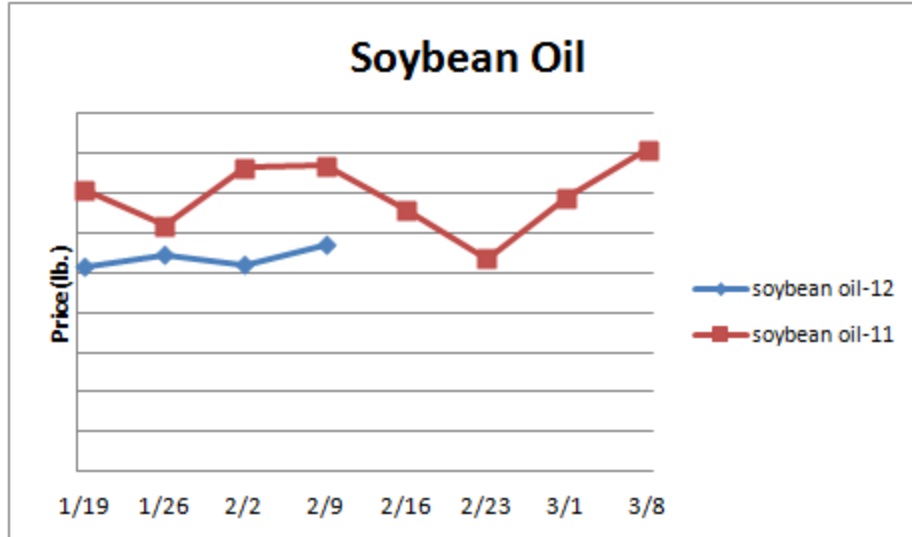
Beef, Veal & Lamb- Beef output last week declined 3.1% and was 5.8% less than last year. Beef packer margins are poor which is causing beef production to be slowed. The beef markets are mostly firm. Compared to the US dollar, the Australian dollar recently hit a new 6 month high and the Japanese yen is historically high as well. This should support US beef exports. Beef consumers will soon turn their attention to grill items such as strips and top butts. Since '09, these beef items have risen an average of 16% and 14% respectively during Mar. 50% beef trimming prices (11%) usually trend higher in Mar as well.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Cattle (Steer)	Decreasing	Good	Higher
Ground Beef 81/19	Decreasing	Good	Lower
Ground Chuck	Decreasing	Good	Lower
109 Export Rib (choice)	Increasing	Good	Higher
109 Export Rib (prime)	Increasing	Good	Higher
112a Ribeye (choice)	Increasing	Good	Higher
112a Ribeye (prime)	Increasing	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)	Increasing	Good	Higher
174 Short Loin (prime 2x3)	Increasing	Good	Higher
180 1x1 Strip (choice)	Increasing	Good	Higher
180 1x1 Strip (prime)	Decreasing	Good	Higher
180 0x1 Strip (choice)	Increasing	Good	Higher
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)	Increasing	Good	Higher
189a Tender (choice, 5 lb & up)	Increasing	Good	Higher
189a Tender (prime, heavy)	Increasing	Good	Higher
193 Flank Steak (choice)	Increasing	Good	Higher
50% Trimmings	Increasing	Good	Higher
65% Trimmings	Decreasing	Good	Higher
75% Trimmings	Decreasing	Good	Higher
85% Trimmings	Increasing	Good	Higher
90% Trimmings	Increasing	Good	Higher
90% Imported Beef (frozen)	Increasing	Good	Higher
Veal Rack (Hotel 7 rib)	Steady	Good	Higher
Veal Top Round (cap off)	Steady	Good	Higher

Oil and Grains Report

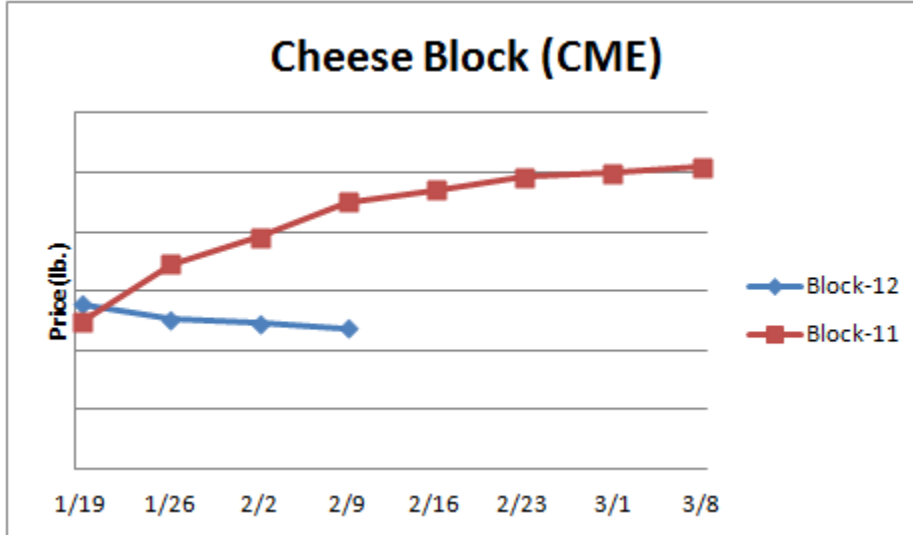
Oil & Grains- Global weather challenges have impacted international grain crops providing support to the US grain markets. Still, the upside price risk from here may be nominal.



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

Dairy Report

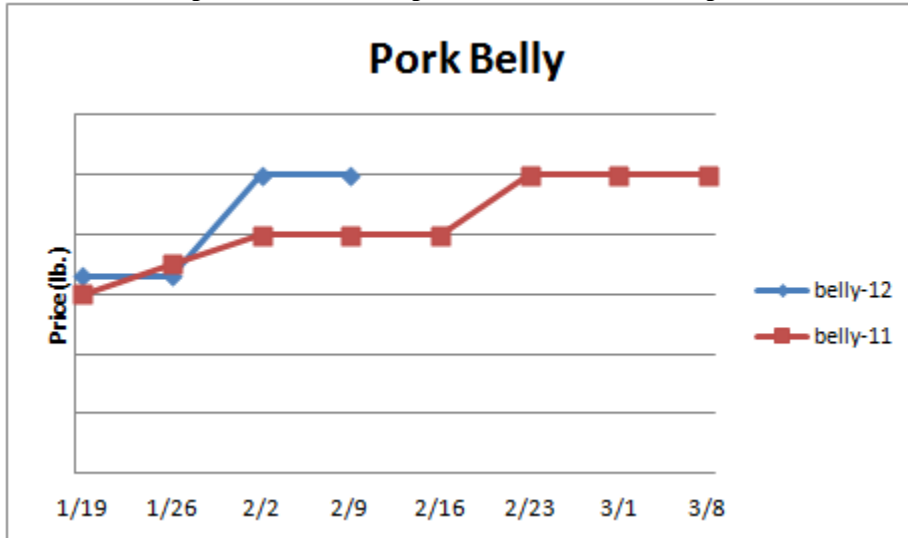
Dairy- The CME cheese markets continue to trend lower due to excess US milk supplies. CME spot cheese prices are at their lowest levels in 13 months and may soften further in the near term. Still, history tells us that the cheese markets usually form a bottom in the 1st quarter and eventually trek upward in the coming months. The butter market remains weak. The CME spot butter market is at price levels not seen since Mar '10. The international cheese and butter markets are priced at hefty premiums to their US counterparts. This is bullish for US cheese and US butter exports.



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

Pork Report

Pork- Pork output last week fell 1.4% but was 4.4% higher than the prior year. Pork production may be slowing due to challenged profitability for pork producers. This could support the various pork markets in the near term. Still, hog numbers and weights are in good shape due to a mild winter which may lead to better pork supplies later this month. Since '09, the average market moves during the next 4 weeks are 3.3% higher for hams and 6% higher for pork bellies.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Hogs	Increasing	Good	Higher
Belly (bacon)	Steady	Good	Higher
Spare Rib (4.25 & down)	Increasing	Good	Lower
Ham (23-27 lb)	Decreasing	Good	Lower
Loin (bone-in)	Increasing	Good	Higher
Baby Back Rib (1.75 & up)	Increasing	Good	Higher
Tenderloin (1.25 lb)	Increasing	Good	Higher
Boston Butt, untrimmed 4-8 lb.	Increasing	Good	Lower
Picnic, untrimmed	Decreasing	Good	Lower
SS Picnic, smoker trim boxed	Decreasing	Good	Lower
42% Trimmings	Increasing	Good	Lower
72% Trimmings	Steady	Good	Lower

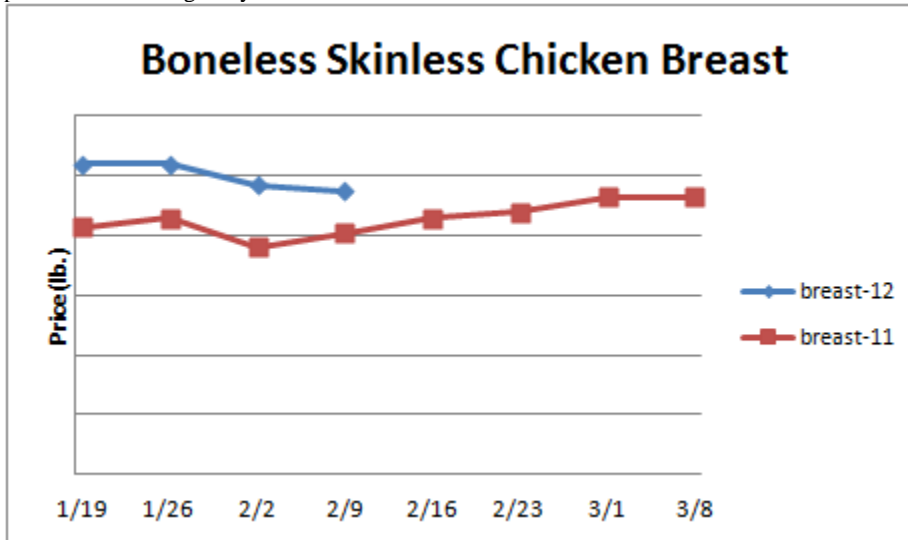
Canned Tomato Report

Tomato Products, Canned- In '11, US tomato product exports increased from the prior year due to growing global demand. Canned tomato prices are steady.

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Whole Peeled Standard	Steady	Good	Higher
Diced, Fancy	Steady	Good	Higher
Ketchup, 33%	Steady	Good	Higher
Tomato Paste- Ind.	Steady	Good	Higher

Poultry Report

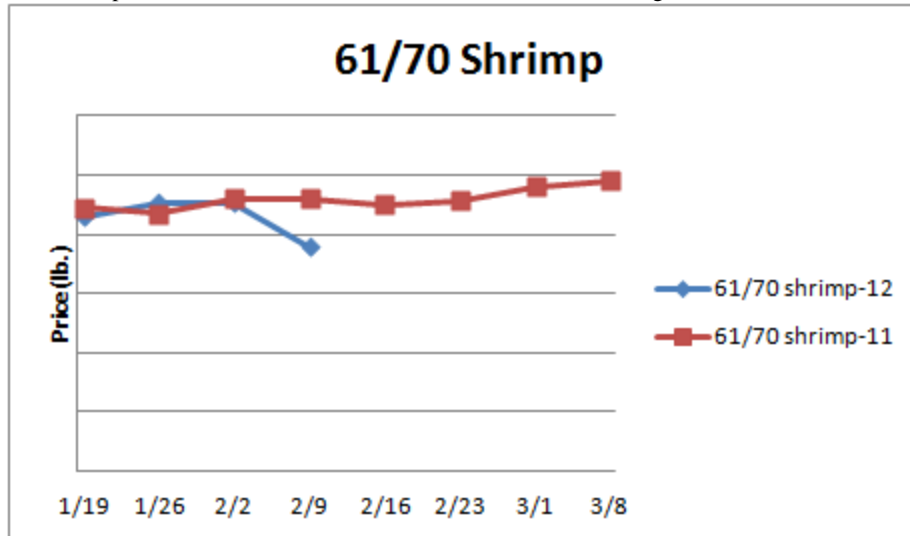
Poultry- Chicken production in recent weeks has trended roughly 5% below year ago levels. Yet, chicken breast prices have fallen almost 8% from their high set in mid-Jan. This suggests chicken supply cutbacks may not have been aggressive enough during last month. Chicken output is expected to trend below '11 levels into the Spring. Chicken breast retail and food service feature activity may rise especially with elevated retail beef prices in place. This would probably influence the chicken breast markets higher especially if it takes place simultaneously with more systemic production cutbacks. The chicken wing markets are currently at record high levels. But, history suggests that some price relief for wings may occur later this month.



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

Seafood Report

Seafood- Severe winter weather and sea ice in the Bering Sea is hampering snow crab fishing. Reports are suggesting it's the worst year for Bering Sea ice in 30 years. The Alaskan Bearing Sea snow crab total catch is behind schedule with only 28% of the quota landed to date. Alaska snow crab landings may still lag in the near term until the weather improves. The snow crab markets could remain firm throughout Feb.



	<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	Lower
Shrimp, Tiger (26-30 count)	Decreasing	Good	Higher
Snow Crab Legs (5-8 oz)	Increasing	Good	Lower
Snow Crab Legs (8 oz up)	Increasing	Good	Lower
Cod Tails, 3-7 oz. Frz.	Steady	Good	Higher
Cod Loins, 3-12 oz. Frz.	Steady	Good	Lower
Salmon Portions, 4-8 oz. Frz.	Steady	Good	Lower

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	Decreasing	Good	Lower
Coffee Beans	Increasing	Good	Lower
Sugar	Decreasing	Good	Lower
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	Decreasing	Good	Lower
42 lb. Linerboard-corrugated box	Increasing	Good	Lower
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>Dec-11</u>	<u>Nov-11</u>	<u>Oct-11</u>
Beef and Veal	Increasing	Increasing	Increasing
Dairy	Decreasing	Decreasing	Increasing
Pork	Decreasing	Decreasing	Decreasing
Chicken	Increasing	Decreasing	Increasing
Fresh Fish and Seafood	Increasing	Increasing	Decreasing
Fresh Fruits and Vegetables	Increasing	Decreasing	Decreasing

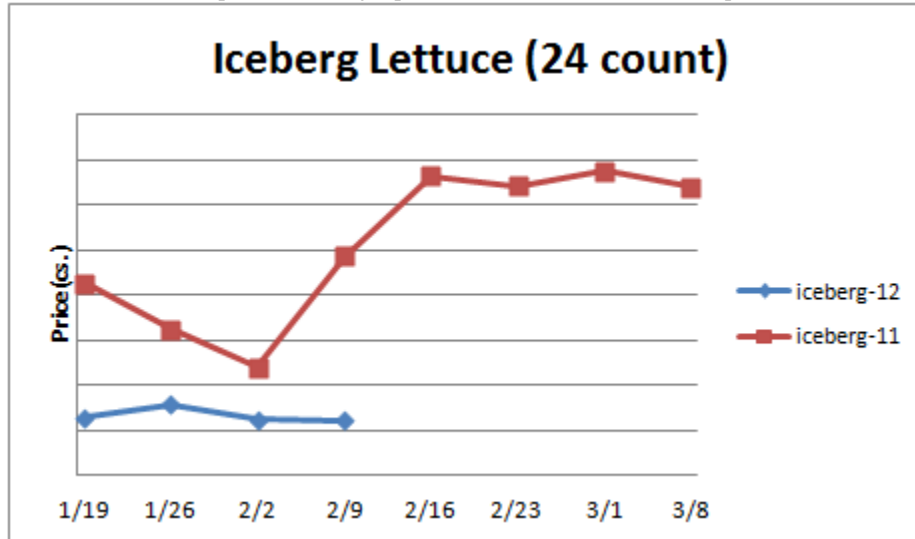
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- Acreage for processed vegetables could be limited this year if competing grain prices remain strong. Canned vegetables prices could firm later in '12.

<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	Same
Green Beans, Cut 12/2 lb.	Steady	Good	Same
Green Peas, 12/2.5 lb.	Steady	Good	Same
Potatoes, FF Fancy, 6/5 lb.	Steady	Good	Higher

Produce Report

Produce- Produce crops in the US have benefitted this winter from mild weather. Lettuce supplies are in good shape and lettuce prices remain historically low. Lettuce demand may be finally picking up. Lettuce shipments last week were up 8%. The tomato markets did manage to rise slightly this week. Yet, there's been reports that a tomato glut has developed in the US due in a large part to building Mexican tomato supplies entering the US landscape in recent weeks. At this point, most major produce markets remain weak but prices should eventually firm.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Limes (150 count)	Increasing	Good	Lower
Lemons (95 count)	Decreasing	Good	Higher
Lemons (200 count)	Decreasing	Good	Higher
Honeydew (6 ct.)	Increasing	Good	Higher
Cantaloupe (15 count)	Increasing	Good	Higher
Blueberries (12 count)	Increasing	Good	Lower
Strawberries (12 pints)	Steady	Good	Lower
Avocados, Hass (48 count)	Increasing	Good	Lower
Bananas (40 lb)-Term.	Increasing	Good	Lower
Pineapple (7 ct.)- Term.	Decreasing	Good	Higher
Idaho Potato (60 count)	Decreasing	Good	Lower
Idaho Potato (70 count)	Steady	Good	Lower
Idaho Potato (70 count)-Term.	Decreasing	Good	Lower
Idaho Potato (90 count)	Increasing	Good	Lower
Idaho Potato #2 (6 oz. min.)	Decreasing	Good	Higher
Processing Potato (100 lb)	Increasing	Good	Higher
Yellow Onions (50 lb)	Decreasing	Good	Lower
Yellow Onions (50 lb)-Term.	Decreasing	Good	Lower
Red Onions (25 lb)-Term.	Increasing	Good	Lower
White Onions (50 lb)-Term.	Increasing	Good	Higher
Tomatoes, (large- case)	Increasing	Good	Lower
Tomatoes, (5x6, 25 lb.)-Term.	Decreasing	Good	Lower
Tomatoes, Vine Ripe, (4x5)	Increasing	Good	Lower
Roma Tomatoes (large- case)	Increasing	Good	Lower
Roma Tomatoes (xlarge- case)	Decreasing	Good	Lower
Green Peppers (large- case)	Increasing	Good	Lower
Red Peppers (large- 15 lb. cs.)	Increasing	Good	Lower
Iceberg Lettuce (24 count)	Decreasing	Good	Lower

Iceberg Lettuce (24 cnt)-Term.	Increasing	Good	Lower
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Produce Report (continued)

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