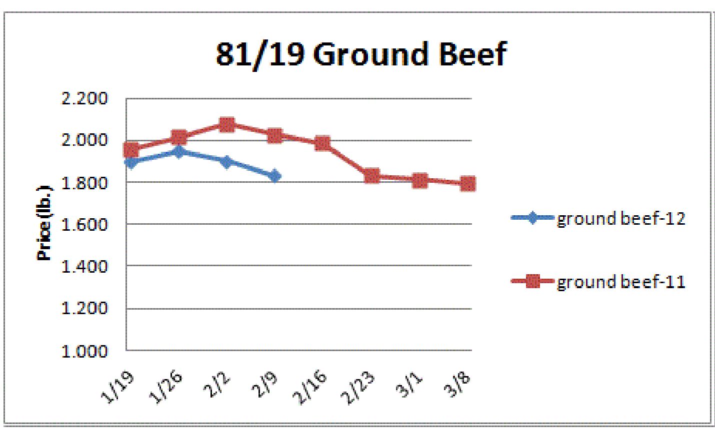
Weekly Market Updates

Volume No. 5 Issue No. 6 Date: February 9, 2012

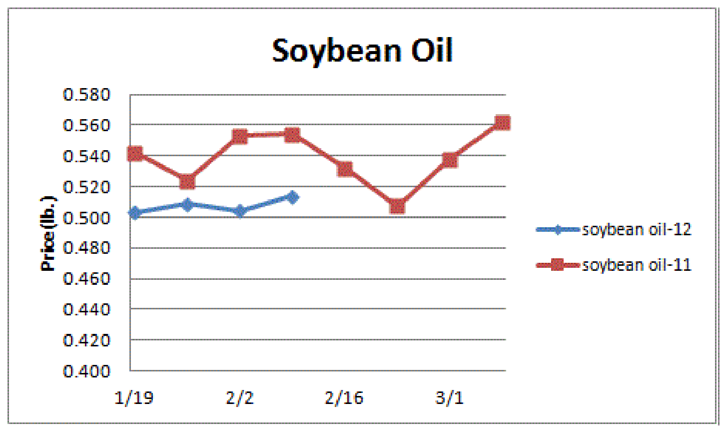
Beef- Beef output last week declined 3.1% and was 5.8% less than last year. Beef packer margins are poor which is causing beef production to be slowed. The beef markets are mostly firm. Compared to the US dollar, the Australian dollar recently hit a new 6 month high and the Japanese yen is historically 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. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.239	1.249	-.010	1.070
Feeder Cattle Index (CME)	1.536	1.539	-.003	1.259
Ground Beef 81/19	1.830	1.901	-.071	2.025
Ground Chuck	1.840	1.878	-.038	2.038
109e Export Rib (choice)	4.907	4.860	+.047	4.383
109e Export Rib (prime)	11.228	11.100	+.128	8.288
112a Ribeye (choice)	5.566	5.406	+.160	4.772
112a Ribeye (prime)	11.555	11.303	+.252	9.038
116 Chuck (select)	2.291	2.229	+.062	2.207
116 Chuck (choice)	2.335	2.272	+.063	2.257
116b Chuck Tdnr (choice)	2.184	2.171	+.013	2.171
120 Brisket (choice)	2.090	2.106	-.016	1.794
121c Outside Skirt (ch/sel)	4.534	4.434	+.100	3.724
121d Inside Skirt (ch/sel)	3.365	3.343	+.022	2.886
167a Knckle, Trm. (ch.)	2.321	2.298	+.023	2.192
168 Inside Round (ch.)	2.079	2.089	-.010	1.873
174 Short Loin (ch. 0x1)	4.601	4.556	+.045	4.059
174 Short Loin (prime)	9.344	9.031	+.313	7.484
180 1x1 Strp (choice)	4.658	4.365	+.293	3.717
180 1x1 Strp (prime)	9.338	9.592	-.254	8.876
180 0x1 Strp (choice)	5.094	4.917	+.177	4.146
184 Top Butt, bnls (ch.)	2.818	2.808	+.010	2.492
184 Top Butt, bnls (prime)	3.317	3.190	+.127	2.556
185a Sirloin Flap (choice)	3.703	3.553	+.150	3.201
185c Loin, Tri-Tip (choice)	3.026	2.865	+.161	2.501
189a Tender (select)	8.396	8.286	+.110	7.343
189a Tender (choice)	8.537	8.281	+.256	7.462
189a Tender (prime)	14.483	14.279	+.204	11.329
193 Flank Steak (choice)	4.038	3.977	+.061	3.808
50% Trimmings	.998	.994	+.004	.771
65% Trimmings	1.357	1.376	-.019	1.048
75% Trimmings	1.566	1.572	-.006	1.343
85% Trimmings	1.953	1.946	+.007	1.866
90% Trimmings	2.072	2.062	+.010	1.964
90% Imported Beef (frz.)	2.113	1.945	+.168	1.978
95% Imported Beef (frz.)	2.200	2.195	+.005	2.095
Veal Rack (Hotel 7 rib)	7.425	7.425	-	5.125
Veal Top Rnd. (cp. off)	13.575	13.575	-	12.525



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

	Price	Last Week	Difference	Price 11
Soybeans, bushel	12.329	11.910	+.419	14.147
Crude Soybean Oil, lb.	.514	.504	+.010	.554
Soybean Meal, ton	325.400	317.800	+7.600	371.200
Corn, bushel	6.480	6.451	+.029	6.527
Crude Corn Oil, lb.	.550	.550	-	.615
High Fructose Corn Syrup	.184	.184	-	.184
Distillers Grain, Dry	188.750	185.750	+3.000	186.000
Crude Palm Oil, lb. BMD	.469	.459	+.010	.587
HRW Wheat, bushel	6.870	6.910	-.040	9.020
DNS Wheat 14%, bushel	9.030	8.920	+.110	10.390
Durum Wheat, bushel	7.913	6.975	+.938	10.390
Pinto Beans, lb.	.492	.480	+.012	.252
Black Beans, lb.	.450	.450	-	.288
Rice, Long Grain, lb.	.263	.271	-.008	.285
Coffee, lb. NYBOT	2.209	2.140	+.069	2.500
Sugar, lb. NYBOT	.335	.345	-.010	.394
Honey (Clover), lb.	1.675	1.675	-	1.600



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

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.475	1.490	-.015	1.833
Cheese Blocks (CME)	1.475	1.493	-.018	1.900
American Cheese	1.853	1.848	+.005	1.920
Cheddar Cheese (40 lb.)	2.003	2.013	-.010	1.900
Mozzarella Cheese	1.848	1.858	-.010	1.980
Provolone Cheese	2.083	2.093	-.010	2.278
Parmesan Cheese	3.163	3.173	-.010	3.575
Butter (CME)	1.440	1.495	-.055	2.100
Nonfat Dry Milk	1.428	1.443	-.015	1.473
Whey, Dry	.701	.733	-.032	.406
Class 1 Base	17.030	17.030	-	15.890
Class II Cream, heavy	1.700	1.792	-.092	2.583
Class III Milk (CME)	15.490	16.230	-.740	18.480
Class IV Milk (CME)	15.840	16.350	-.510	19.500

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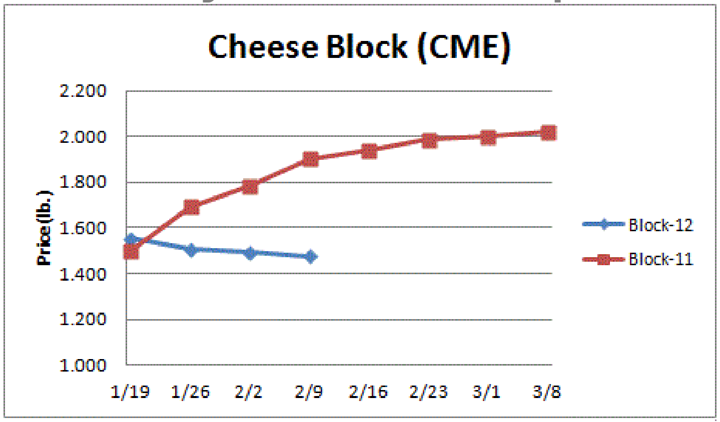
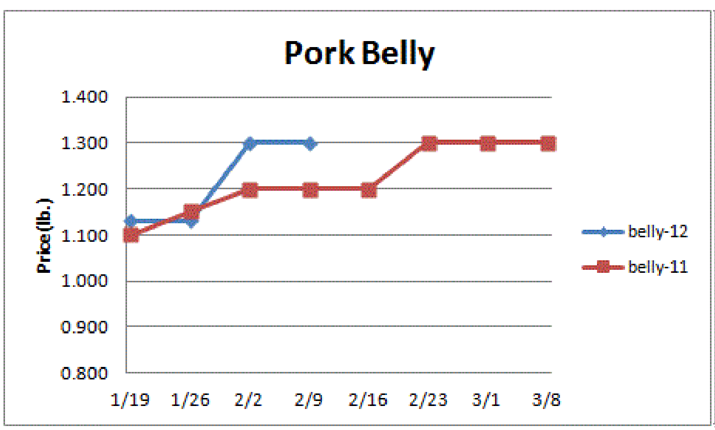


Pork- Pork output last week fell 1.4% but was 4.4% higher than the prior year. Pork production may be slowing due to challenged profitability for pork producers. This could support the various pork markets in the near term. Still, hog numbers and weights are in good shape due to a mild winter which may 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. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.625	.609	+.016	.612
Belly (bacon)	1.300	1.300	-	1.200
Sparerib (4.25 lb. & down)	1.597	1.595	+.002	1.600
Ham (20-23 lb.)	.760	.760	-	.780
Ham (23-27 lb.)	.720	.740	-.020	.751
Loin (bone-in)	.941	.936	+.005	.934
Bbybck Rib (1.75 lb. & up)	2.703	2.655	+.048	2.485
Tenderloin (1.25 lb.)	2.613	2.546	+.067	2.569
Boston Butt, untrmd. (4-8 lb.)	.938	.937	+.001	1.043
Picnic, untrmd.	.589	.593	-.004	.753
SS Picnic, smoker trm. bx.	.770	.860	-.090	.994
42% Trimmings	.395	.393	+.002	.450
72% Trimmings	.645	.645	-	.890



Tomato Products, Canned- In '11, US tomato product exports increased from the prior year due to growing global demand. Canned tomato prices are steady. Prices per case (6/10) FOB, unless noted from ARA.

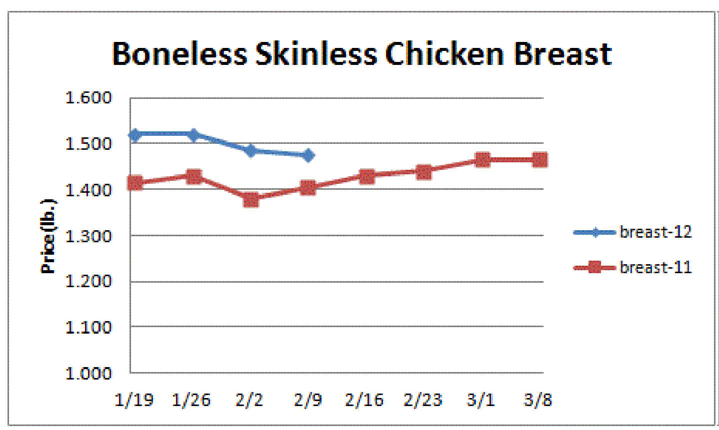
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.370

Processed Vegetables- Acreage for processed vegetables could be limited this year if competing grain prices remain strong. Canned vegetables prices could firm later in '12. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 11
Corn, Fcy whl kern- can 6/10	18.651	18.651	-	16.906
Green Beans Fcy- can 6/10	18.250	18.250	-	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	-	14.250
Green Beans Cut- froz 12/2#	12.900	12.900	-	12.900
Green Peas- froz 12/2.5#	20.250	20.250	-	20.250
Potatoes, FF Fncy- froz 6/5#	14.000	14.000	-	13.000

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. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.910	.908	+.002	.853
Whole Birds (LA)	1.000	1.000	-	0.94
Wings (whole)	1.845	1.845	-	1.06
Wings (jumbo, cut)	1.960	1.910	+.050	1.25
Breast, Bone In	.910	.885	+.025	.785
Breast, Bnless Skinless	1.475	1.485	-.010	1.405
Tenderloin (random)	1.320	1.430	-.110	1.000
Tenderloin (sized)	1.780	2.030	-.250	1.85
Legs (whole)	.726	.704	+.022	.584
Leg Quarters	.535	.535	-	.395
Thighs, bone in	.805	.754	+.051	.523
Thighs, boneless	1.264	1.252	+.012	.911
Eggs and Others				
Large (dozen)	.977	.977	-	1.06
Medium (dozen)	.812	.812	-	.938
Whole Eggs- Liquid	.403	.384	+.019	.398
Egg Whites- Liquid	.440	.414	+.026	.394
Egg Yolks- Liquid	.652	.655	-.003	.596
Whole Turkeys (8-16 lb.)	.995	1.000	-.005	.885
Turkey Breast, Bnls/Sknls	2.093	2.178	-.085	2.247



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

	Price	Last Week	Difference	Price 11
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	3.550
Catfish Filets	5.400	5.400	-	3.500

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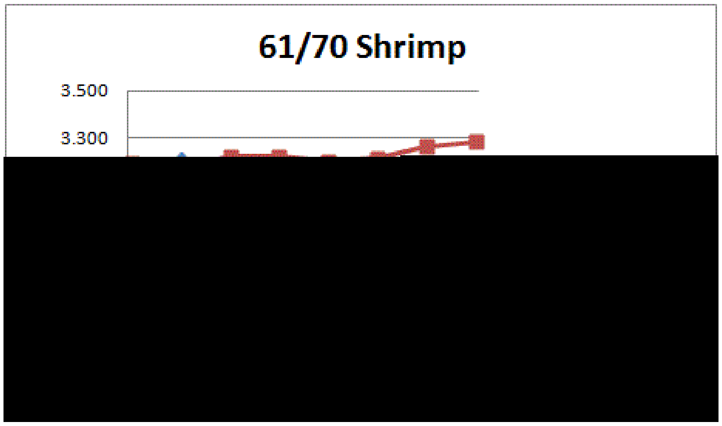
Trout (drn. 8-14 oz.)	3.500	3.500	-	3.100
Shrimp (16/20), Frz	6.075	6.386	-.311	7.367
Shrimp (61/70), Frz.	3.060	3.208	-.148	3.220
Shrimp, Tiger (26/30), Frz.	4.975	4.983	-.008	4.517
Snow Crab, Legs 5-8 oz, Frz	5.225	5.138	+.087	5.800
Snow Crab, Legs 8 oz/ up, Fz	5.850	5.825	+.025	5.875
Cod Tails, 3-7 oz., Frz.	3.475	3.475	-	3.088
Cod Loins, 3-12 oz., Frz	3.600	3.600	-	3.794
Salmon Portions, 4-8 oz, Frz	6.067	6.067	-	6.113
Pollock, Alaska, Deep Skin	1.800	1.800	-	2.075



Energy & Currency-Currency US dollar is worth.

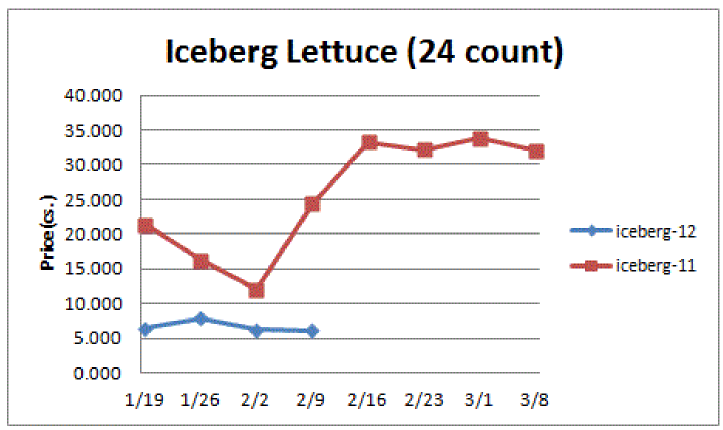
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	98.410	98.480	-.070	86.940
Natural Gas, mbtu- nymex	2.472	2.503	-.031	4.040
Heating Oil, gal- nymex	3.191	3.063	+.128	2.732
Electricity, mwht- nymex	36.070	27.050	+9.020	48.730
Gasoline, gal- nymex	2.928	2.887	+.041	2.494
Diesel Fuel, gal- eia	3.856	3.850	+.006	3.513
Ethanol, gal- usda	2.065	2.105	-.040	2.245
Canadian $	.998	.997	+.001	.991
Japanese Yen	76.771	76.374	+.397	81.936
Mexican Peso	12.705	12.920	-.215	11.983
Euro	.763	.759	+.004	.731
Brazilian Real	1.726	1.737	-.011	1.667
Chinese Yuan	6.312	6.308	+.004	6.556

Paper/Plastic-Provided by; resin- www.plasticsnews.com, pulp- www.paperage.com.

Wood Pulp/ Plastic Resin	Price	Last Week	Difference	Price 11
WP; NBSK (napkin, towel)	870.000	871.860	-1.860	959.510
WP; 42 lb. Linerboard (corr.)	683.452	682.346	+1.106	832.254
Res; PS-CHH (cup, cont.)	1.100-1.140	1.100-1.140	-	.950-.990
Res; PP-HIGP (hvy utensil)	.940-.960	.940-.960	-	1.1501.170
Res; PE-LLD (cn liner, film)	.880-.910	.880-.910	-	.830-.860

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

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	16.000	12.000	+4.000	57.000
Lemons (95 ct.)	17.740	18.740	-1.000	12.140
Lemons (200 ct.)	16.740	19.240	-2.500	12.140
Honeydew (6 ct.)	19.450	13.450	+6.000	9.888
Cantaloupe (15 ct.)	14.963	14.950	+.013	9.450
Blueberries (12 count)	13.000	12.333	+.667	22.667
Strawberries (12 pnts.)	16.000	16.000	-	20.000
Avocados (Hass 48 ct.)	29.745	26.750	+2.995	32.250
Bananas (40 lb.)- Term.	16.845	16.625	+.220	19.547
Pineapple (7 ct.)- Term.	13.145	14.703	-1.558	12.781
Idaho Potato (60 ct., 50 lb.)	8.625	8.687	-.062	18.625
Idaho Potato (70 ct., 50 lb.)	8.687	8.687	-	17.750
Idaho Potato (70 ct.)-Term.	10.852	10.884	-.032	21.846
Idaho Potato (90 ct., 50 lb.)	8.688	8.625	+.063	11.000
Idaho Pot. # 2 (6 oz., 100 lb.)	13.000	13.125	-.125	12.000
Processing Potato (cwt.)	8.500	7.500	1.000	7.750
Yellow Onions (50 lb.)	4.250	4.900	-.650	9.500
Yell Onions (50 lb.)-Term.	9.475	10.729	-1.254	12.250
Red Onions (25 lb.)- Term.	7.708	7.640	+.068	9.833
White Onions (50 lb.)- Term.	17.750	16.651	+1.099	16.958
Tomatoes (large- case)	5.950	5.880	+.070	34.950
Tomatoes (5x6-25 lb.)-Term	9.194	9.472	-.278	26.222
Tomatoes (4x5 vine ripe)	5.350	5.225	+.125	22.950
Roma Tomatoes (large- case)	6.212	6.203	+.009	26.775
Roma Tomatoes (xlarge-cs)	6.424	6.536	-.112	25.950
Green Peppers (large- case)	6.417	6.333	+.084	33.900
Red Peppers (large 15lb. cs.)	14.450	10.950	+.350	18.950
Iceberg Lettuce (24 count)	6.078	6.165	-.087	24.395
Iceberg Lettuce (24)-Term.	16.500	12.500	+4.000	25.583
Leaf Lettuce (24 count)	7.635	11.291	-3.656	13.367
Romaine Lettuce (24 cnt.)	6.834	8.016	-1.182	23.782
Mesculin Mix (3 lb.)-Term.	7.050	7.062	-.012	8.917
Broccoli (14 ct.)	5.684	5.881	-.197	9.533
Squash (1/2 bushel)	8.600	8.600	-	28.600
Zucchini (1/2 bushel)	6.850	8.600	-1.750	28.600
Green Beans (bushel)	25.300	20.300	+5.000	30.917
Spinach, Flat 24's	10.460	11.100	-.640	18.000
Mushrms (10 lb, lg.)-Term.	14.958	15.145	-.187	12.000
Cucumbers (bushel)	9.384	8.470	+.914	29.206
Pickles (200-300 ct.)- Term.	26.375	27.625	-1.250	34.625
Asparagus (small)	11.000	12.500	-1.500	16.000
Freight (Truck; CA-Cty Av.)	4618.750	4806.250	-187.500	4168.750



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

	Dec-11	Nov-11	Oct-11	Sep-11
Beef and Veal	+.885	+.353	+.514	+.025
Dairy	-.141	-.331	+.051	+1.228
Pork	-1.030	-.906	-.421	+1.478
Chicken	+.897	-.038	+.994	+.341
Fresh Fish and Seafood	+.449	+.356	-1.107	+.512
Fresh Fruits and Veg.	+.252	-.399	-1.473	+1.592