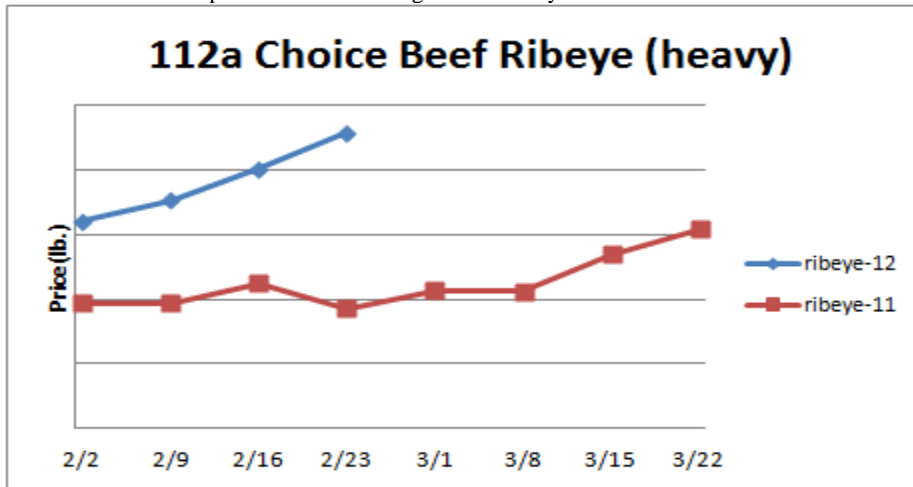


Beef, Veal and Lamb Report

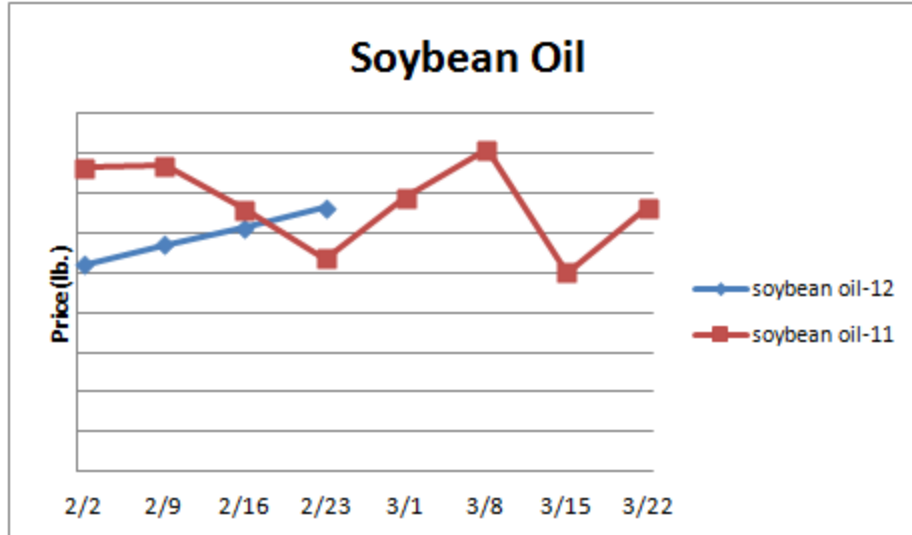
Beef, Veal & Lamb- Beef output last week rose 2.7% but was 4.1% less than '11. Due to the President's Day holiday, weekly beef production is down which is adding support to the beef markets. Beef middle meat prices have risen in anticipation of the spring grilling season. This is taking place earlier than usual this year. Still, a quicker seasonal price decline is likely this year for grill items such as strips and top butts which usually peak in mid-Apr. Since '09, the average price moves during the next 7 weeks are 30% higher for the 1x1strip and 22% higher for top butts. Jan retail beef prices were 10.2% higher than last year and a record.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Cattle (Steer)	Increasing	Good	Higher
Ground Beef 81/19	Increasing	Good	Higher
Ground Chuck	Increasing	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)	Increasing	Good	Higher
116 Chuck (choice)	Increasing	Good	Higher
120 Brisket (choice)	Increasing	Good	Higher
121c Outside Skirt (ch/sel.)	Increasing	Good	Higher
167a Knuckle, Trimmed (choice)	Increasing	Good	Higher
168 Inside Round (choice)	Increasing	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)	Increasing	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	Decreasing	Good	Higher
65% Trimmings	Increasing	Good	Higher
75% Trimmings	Increasing	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

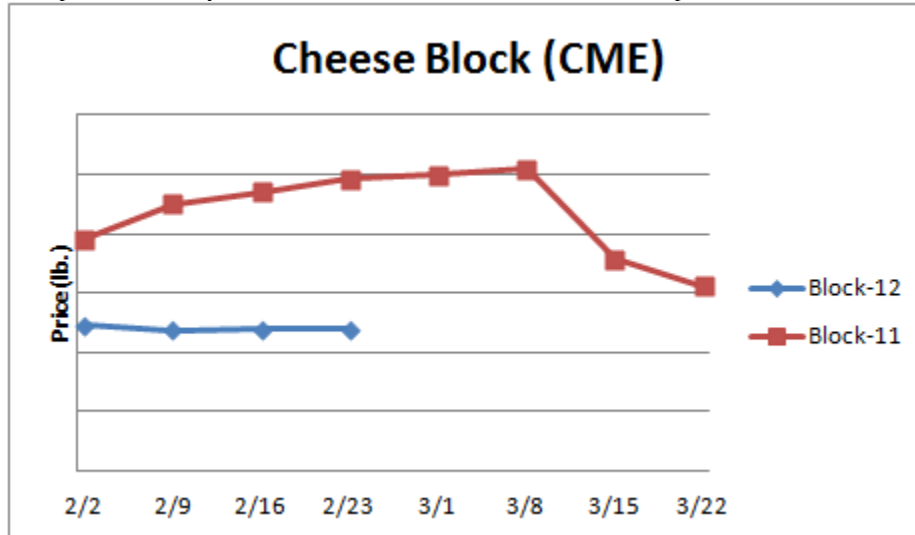
Oil & Grains- The soybean product markets have moved higher in recent weeks due in part to crop challenges in South America. Soybean products upward price risk may be limited from here.



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

Dairy Report

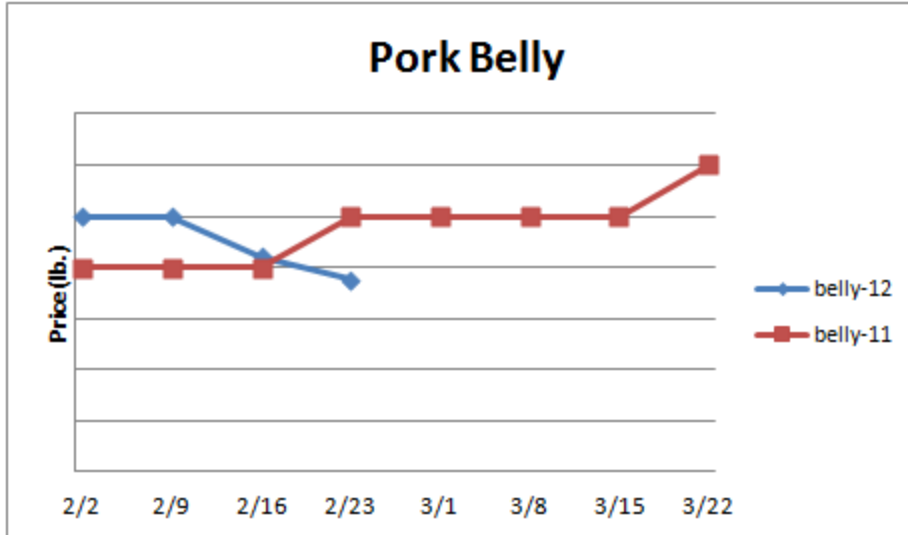
Dairy- January US milk production was 3.4% more than last year due to a 2.5% gain in milk per cow yields and a .8% larger milk cow herd. Dairy farmers added a net 13k head to the milk cow herd during the month making it the largest US milk cow herd since May '09. Milk output gains this spring from the winter may be only moderate however. The CME cheese markets are fairly steady and a near term price bottom may be developing. Higher cheese prices are anticipated later this year. The butter market is stable. The downside price risk in butter is likely modest.



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

Pork Report

Pork- Pork production last week rose .8% and was 2.7% larger than '11. Pork output is slower this week due in part to the President's Day holiday. This is providing support to some pork markets. In Jan, retail pork prices were 6.3% higher than the same month last year but were the lowest since July '11. Although retail pork prices are still historically inflated, pork may garner more retail feature activity before long due to inflated beef prices. Higher wholesale pork product prices are anticipated this spring.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Hogs	Increasing	Good	Higher
Belly (bacon)	Decreasing	Good	Lower
Spare Rib (4.25 & down)	Increasing	Good	Higher
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.	Decreasing	Good	Lower
Picnic, untrimmed	Decreasing	Good	Lower
SS Picnic, smoker trim boxed	Steady	Good	Lower
42% Trimmings	Steady	Good	Higher
72% Trimmings	Increasing	Good	Higher

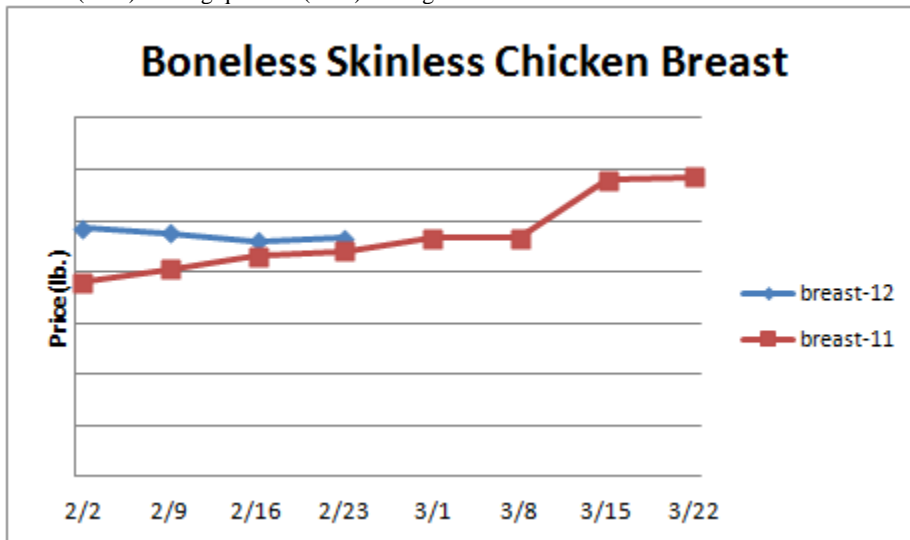
Canned Tomato Report

Tomato Products, Canned- The canned tomato markets are firm. Inventory levels are adequate. Steady to higher canned tomato prices are likely this summer.

	<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

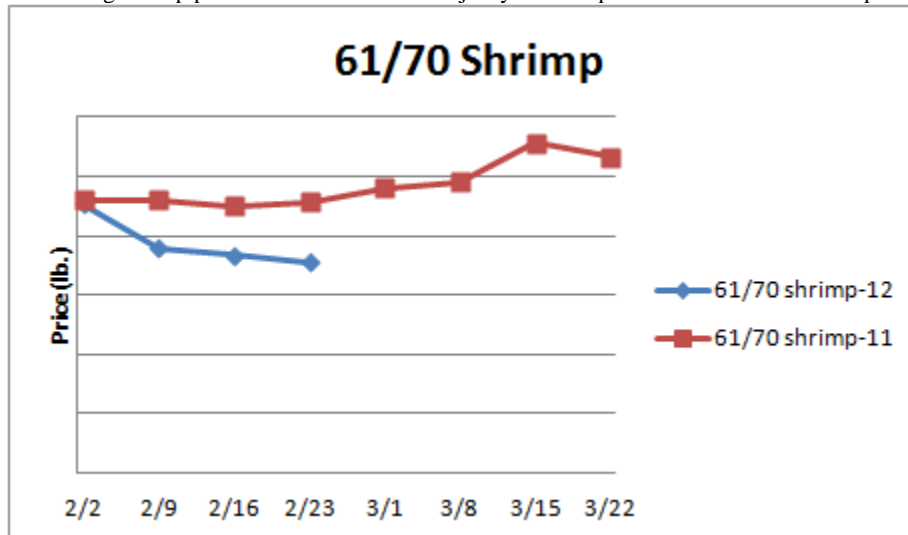
Poultry- In Jan, chicken retail prices were 4% higher compared to the previous year and were a record. Elevated retail chicken prices may be in place for a while due in large part to chicken presenting a value to the US consumer in comparison to beef and pork. Expect chicken retail feature activity to expand in the coming months. Chicken wing prices have now declined 8.1% from their record high level set earlier this month. The chicken breast and chicken leg quarter markets have moved lower in recent weeks as well. Still, history suggests that the upside price risk for chicken breasts and chicken leg quarters from here is notable. Since '07, the average price moves through June for chicken breasts (10%) and leg quarters (20%) are higher.



	<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	Decreasing	Good	Higher
Chicken Breast, Bone-In	Decreasing	Good	Higher
Chicken Breast, Bnless Skinless	Increasing	Good	Higher
Chicken Tender (random)	Decreasing	Good	Higher
Chicken Tender (sized)	Increasing	Good	Higher
Chicken Legs (whole)	Decreasing	Good	Higher
Chicken Leg Quarters	Increasing	Good	Higher
Chicken Thighs, bone in	Decreasing	Good	Higher
Chicken Thighs, boneless	Increasing	Good	Higher
Large Eggs	Steady	Good	Lower
Medium Eggs	Decreasing	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)	Increasing	Good	Higher
Turkey Breast- Bnls/Sknls	Decreasing	Good	Lower

Seafood Report

Seafood- US Gulf of Mexico shrimp landings in Jan were up 19% from '11 and were the largest for any Jan since '07. Yet, the recent rise in fuel costs is most likely troubling for shrimpers who may decide to curb future fishing schedules. This could equal more expensive US shrimp prices soon. Still, the US dollar will play a big role in influencing shrimp prices as well due to the majority of shrimp consumed in the US is imported.



	<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	Lower
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)	Steady	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	Steady	Good	Higher
Black Beans	Steady	Good	Higher
Rice, Long Grain	Increasing	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	Increasing	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	Increasing	Good	Higher
PE-LLD-can liners, film, bags	Steady	Good	Higher

Retail Price Change from Prior Month

	<u>Jan-12</u>	<u>Dec-11</u>	<u>Nov-11</u>
Beef and Veal	Increasing	Increasing	Increasing
Dairy	Increasing	Decreasing	Decreasing
Pork	Decreasing	Decreasing	Decreasing
Chicken	Increasing	Increasing	Decreasing
Fresh Fish and Seafood	Increasing	Increasing	Increasing
Fresh Fruits and Vegetables	Increasing	Increasing	Decreasing

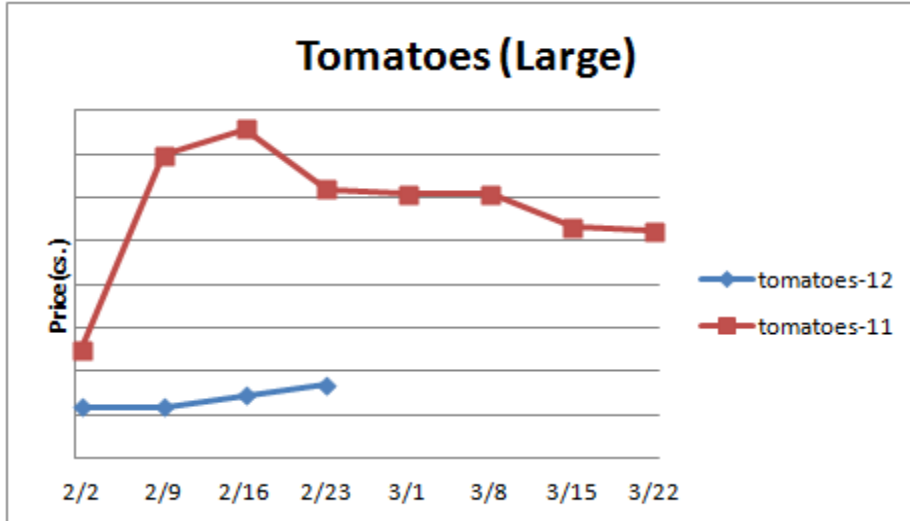
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- Many of the processed vegetable markets remain firm and some are priced above year ago levels. Raw product costs may be higher with the next harvest.

<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- In general, the produce markets continue to trade at historically low price levels. In fact, lettuce (63%), tomatoes (70%), yellow onions (59%) and potatoes (27%) are all currently priced well below their 3 year respective price averages. So, downside price risk from current price levels for these produce markets is probably nominal. The US tomato buyer has turned their attention to the Mexican tomato harvest in the recent week. The Florida tomato harvest has been modestly reduced and US tomato prices have firmed. The iceberg lettuce market is steady to weak.



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

Red Peppers (large- 15 lb. cs.)	Steady	Good	Same
Iceberg Lettuce (24 count)	Decreasing	Good	Lower
Iceberg Lettuce (24 cnt)-Term.	Increasing	Good	Lower

Produce Report (continued)

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