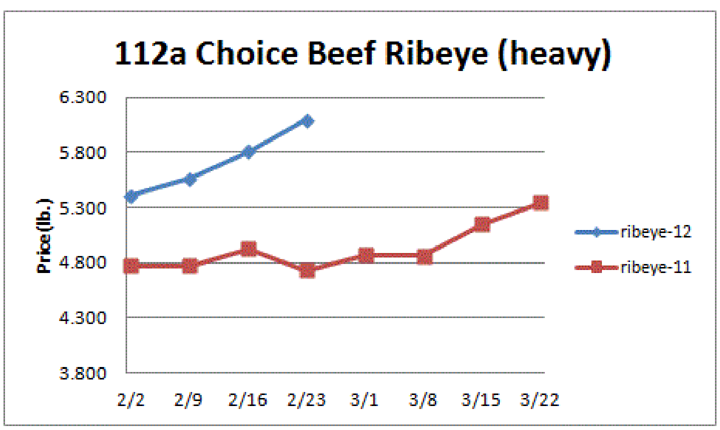
Weekly Market Updates

Volume No. 5 Issue No. 8 Date: February 23, 2012

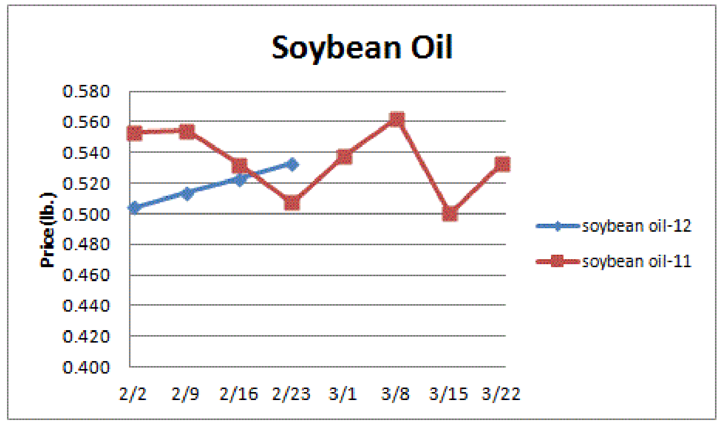
Beef- Beef output last week rose 2.7% but was 4.1% less than '11. Due to the President's Day holiday, weekly beef production is down which is adding support to the beef markets. Beef middle meat prices have risen in anticipation of the spring grilling season. This is taking place earlier than usual this 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. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.283	1.237	+.046	1.102
Feeder Cattle Index (CME)	1.557	1.550	+.007	1.288
Ground Beef 81/19	1.860	1.824	+.036	1.831
Ground Chuck	1.922	1.824	+.098	1.827
109e Export Rib (choice)	5.379	5.032	+.347	4.399
109e Export Rib (prime)	11.638	11.386	+.252	8.191
112a Ribeye (choice)	6.093	5.811	+.282	4.729
112a Ribeye (prime)	11.990	11.739	+.251	9.092
116 Chuck (select)	2.334	2.267	+.067	2.348
116 Chuck (choice)	2.351	2.265	+.086	2.336
116b Chuck Tdnr (choice)	2.349	2.220	+.036	2.111
120 Brisket (choice)	2.145	2.094	+.051	1.683
121c Outside Skirt (ch/sel)	4.780	4.630	+.150	3.815
121d Inside Skirt (ch/sel)	3.468	3.425	+.043	2.901
167a Knckle, Trm. (ch.)	2.515	2.357	+.158	2.257
168 Inside Round (ch.)	2.134	2.089	+.045	1.862
174 Short Loin (ch. 0x1)	5.291	4.989	+.302	4.117
174 Short Loin (prime)	9.688	9.439	+.249	7.403
180 1x1 Strp (choice)	4.989	4.781	+.208	3.746
180 1x1 Strp (prime)	10.905	10.250	+.655	7.621
180 0x1 Strp (choice)	5.687	5.423	+.264	4.360
184 Top Butt, bnls (ch.)	3.339	2.896	+.443	2.523
184 Top Butt, bnls (prime)	3.461	3.314	+.147	2.503
185a Sirloin Flap (choice)	4.163	3.942	+.221	3.399
185c Loin, Tri-Tip (choice)	3.225	3.076	+.149	2.567
189a Tender (select)	8.745	8.575	+.170	7.285
189a Tender (choice)	9.136	8.761	+.375	7.569
189a Tender (prime)	14.741	14.585	+.156	11.252
193 Flank Steak (choice)	4.319	4.104	+.215	3.771
50% Trimmings	.996	1.003	-.007	.753
65% Trimmings	1.384	1.372	+.012	1.059
75% Trimmings	1.630	1.595	+.035	1.414
85% Trimmings	2.006	2.002	+.004	1.899
90% Trimmings	2.175	2.111	+.064	2.002
90% Imported Beef (frz.)	2.135	2.120	+.015	1.980
95% Imported Beef (frz.)	2.230	2.223	+.007	2.100
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.- 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. Prices USDA, FOB.

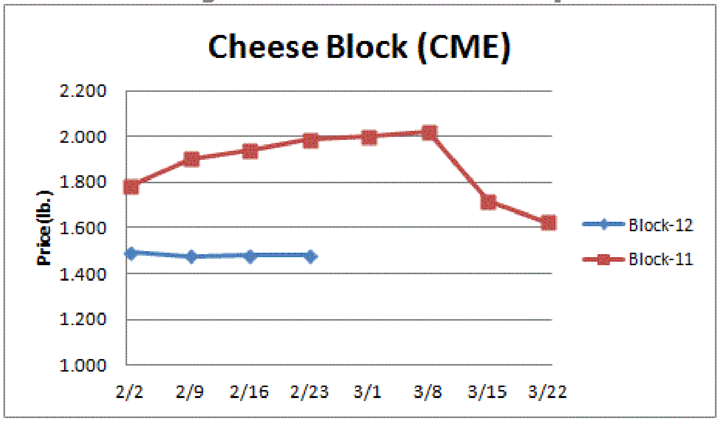
	Price	Last Week	Difference	Price 11
Soybeans, bushel	12.709	12.547	+.162	12.792
Crude Soybean Oil, lb.	.533	.523	+.010	.507
Soybean Meal, ton	329.700	330.100	-.400	334.000
Corn, bushel	6.364	6.399	-.035	6.585
Crude Corn Oil, lb.	.575	.560	+.015	.655
High Fructose Corn Syrup	.181	.182	-.001	.187
Distillers Grain, Dry	198.250	195.000	+3.250	196.750
Crude Palm Oil, lb. BMD	.482	.471	+.011	.558
HRW Wheat, bushel	6.530	6.520	+.010	8.030
DNS Wheat 14%, bushel	8.660	8.620	+.040	9.460
Durum Wheat, bushel	8.163	8.100	+.063	9.610
Pinto Beans, lb.	.494	.494	-	.266
Black Beans, lb.	.450	.450	-	.285
Rice, Long Grain, lb.	.265	.262	+.003	.285
Coffee, lb. NYBOT	2.014	1.997	+.017	2.736
Sugar, lb. NYBOT	.328	.335	-.007	.395
Honey (Clover), lb.	1.680	1.680	-	1.550



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

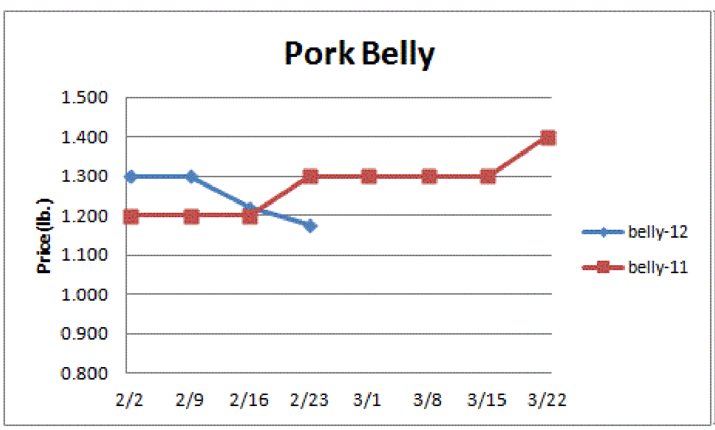
	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.475	1.480	-.005	1.940
Cheese Blocks (CME)	1.480	1.480	-	1.985
American Cheese	1.838	1.848	-.010	1.920
Cheddar Cheese (40 lb.)	1.988	1.983	+.005	1.900
Mozzarella Cheese	1.834	1.823	+.011	1.980
Provolone Cheese	2.068	2.063	-.005	2.443
Parmesan Cheese	3.148	3.143	+.005	3.740
Butter (CME)	1.415	1.398	+.017	2.005
Nonfat Dry Milk	1.411	1.429	-.018	1.588
Whey, Dry	.648	.696	-.048	.448
Class 1 Base	17.030	17.030	-	18.230
Class II Cream, heavy	1.681	1.695	-.014	2.425
Class III Milk (CME)	15.370	15.770	-.400	18.700
Class IV Milk (CME)	15.640	15.750	-.110	19.800

Weekly Market Updates



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. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.621	.604	+.017	.595
Belly (bacon)	1.175	1.220	-.045	1.300
Sparerib (4.25 lb. & down)	1.599	1.595	+.004	1.469
Ham (20-23 lb.)	.760	.760	-	.790
Ham (23-27 lb.)	.720	.740	-.020	.800
Loin (bone-in)	.981	.964	+.017	.980
Bbybck Rib (1.75 lb. & up)	2.845	2.775	+.070	2.536
Tenderloin (1.25 lb.)	2.612	2.598	+.014	2.560
Boston Butt, untrmd. (4-8 lb.)	.964	.968	-.004	1.093
Picnic, untrmd.	.558	.590	-.032	.738
SS Picnic, smoker trm. bx.	.750	.750	-	1.040
42% Trimmings	.420	.420	-	.440
72% Trimmings	.730	.720	+.010	.595



Tomato Products, Canned- The canned tomato markets are firm. Inventory levels are adequate. Steady to higher canned tomato prices are likely this summer. Prices per case (6/10) FOB, unless noted from ARA.

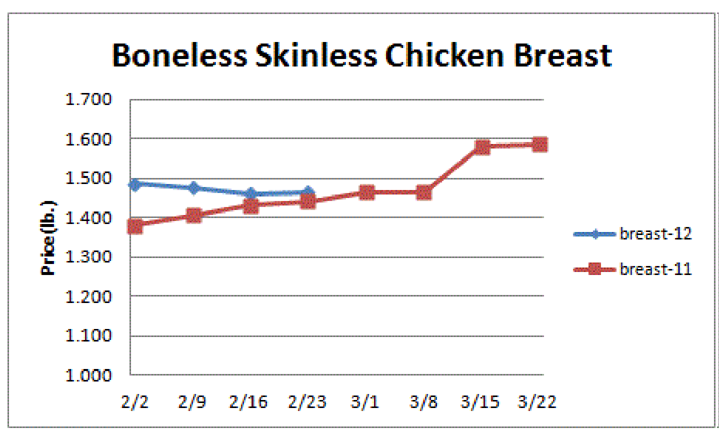
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.370

Processed Vegetables- 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. 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- 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. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.915	.913	+.002	.855
Whole Birds (LA)	1.000	1.000	-	.940
Wings (whole)	1.840	1.840	-	1.015
Wings (jumbo, cut)	1.790	1.870	-.080	1.008
Breast, Bone In	.910	.915	-.005	.795
Breast, Bnless Skinless	1.465	1.460	+.005	1.440
Tenderloin (random)	1.310	1.320	-.010	1.000
Tenderloin (sized)	1.920	1.780	+.140	1.850
Legs (whole)	.736	.785	-.049	.602
Leg Quarters	.540	.535	+.005	.405
Thighs, bone in	.803	.814	-.011	.526
Thighs, boneless	1.265	1.253	+.012	1.053
Eggs and Others				
Large (dozen)	.977	.977	-	1.062
Medium (dozen)	.762	.812	-.050	.922
Whole Eggs- Liquid	.437	.402	+.035	.415
Egg Whites- Liquid	.426	.417	+.009	.424
Egg Yolks- Liquid	.686	.844	-.158	.683
Whole Turkeys (8-16 lb.)	1.010	1.000	+.010	.910
Turkey Breast, Bnls/Sknls	2.035	2.090	-.055	2.200

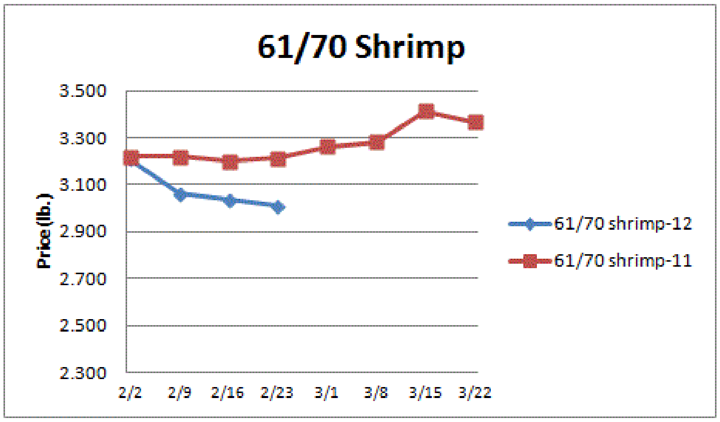


Seafood- US Gulf of Mexico shrimp landings in Jan were up 19% from '11 and were the largest for any Jan since '07. Yet, the recent rise in fuel costs is most likely troubling for shrimpers who may decide to curb future fishing schedules. This could equal more expensive US shrimp prices soon. Still, the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

Weekly Market Updates

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	-	4.450
Catfish Filets	5.400	5.400	-	4.250
Trout (drn. 8-14 oz.)	3.500	3.500	-	4.250
Shrimp (16/20), Frz	5.969	6.165	-.196	7.320
Shrimp (61/70), Frz.	3.010	3.034	-.024	3.213
Shrimp, Tiger (26/30), Frz.	4.913	4.963	-.050	4.525
Snow Crab, Legs 5-8 oz, Frz	5.225	5.225	-	5.800
Snow Crab, Legs 8 oz/ up, Fz	5.913	5.850	+.063	6.050
Cod Tails, 3-7 oz., Frz.	3.488	3.488	-	3.050
Cod Loins, 3-12 oz., Frz	3.600	3.600	-	3.725
Salmon Portions, 4-8 oz, Frz	6.067	6.067	-	6.113
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.925



Energy & Currency-Currency US dollar is worth.

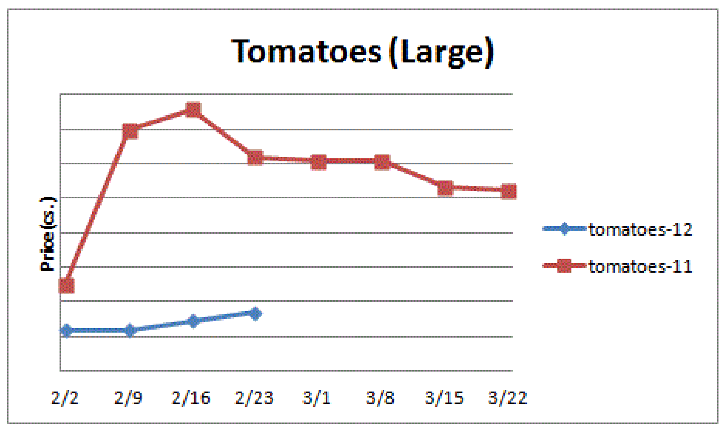
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	105.840	100.740	+5.100	93.570
Natural Gas, mbtu- nymex	2.626	2.532	+.094	3.867
Heating Oil, gal- nymex	3.239	3.165	+.074	2.792
Electricity, mwht- nymex	33.580	32.140	+1.440	45.470
Gasoline, gal- nymex	3.070	2.983	+.087	2.602
Diesel Fuel, gal- eia	3.960	3.943	+.017	3.573
Ethanol, gal- usda	2.090	2.085	+.005	2.350
Canadian $	.996	.999	-.003	0.987
Japanese Yen	79.701	78.100	+1.601	83.142
Mexican Peso	12.728	12.740	-.012	12.116
Euro	.756	.759	-.003	.732
Brazilian Real	1.715	1.719	-.004	1.669
Chinese Yuan	6.297	6.295	+.002	6.580

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	869.940	+.060	960.000
WP; 42 lb. Linerboard (corr.)	680.802	673.544	+7.258	825.794
Res; PS-CHH (cup, cont.)	1.100-1.140	1.100-1.140	-	1.0301.070
Res; PP-HIGP (hvy utensil)	1.110-1.130	.940-.960	+.170	1.1501.170
Res; PE-LLD (cn liner, film)	.880-.910	.880-.910	-	.830-.860

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

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	16.000	16.000	-	58.000
Lemons (95 ct.)	17.740	17.740	-	11.640
Lemons (200 ct.)	16.740	16.740	-	12.640
Honeydew (6 ct.)	19.500	19.950	-.450	12.844
Cantaloupe (15 ct.)	15.450	16.450	-1.000	9.133
Blueberries (12 count)	15.750	24.000	-8.250	15.000
Strawberries (12 pnts.)	16.000	16.000	-	15.000
Avocados (Hass 48 ct.)	28.750	27.250	+1.500	39.250
Bananas (40 lb.)- Term.	18.928	17.653	+1.275	19.657
Pineapple (7 ct.)- Term.	10.646	11.282	-.636	12.792
Idaho Potato (60 ct., 50 lb.)	8.813	8.625	+.188	20.500
Idaho Potato (70 ct., 50 lb.)	8.813	8.625	+.188	19.500
Idaho Potato (70 ct.)-Term.	14.813	10.850	+3.963	22.308
Idaho Potato (90 ct., 50 lb.)	8.813	8.688	+.125	11.625
Idaho Pot. # 2 (6 oz., 100 lb.)	12.750	12.500	+.250	12.000
Processing Potato (cwt.)	8.500	8.500	-	7.750
Yellow Onions (50 lb.)	4.375	4.625	-.250	8.600
Yell Onions (50 lb.)-Term.	8.438	9.613	-1.175	11.906
Red Onions (25 lb.)- Term.	7.680	7.625	+.055	9.167
White Onions (50 lb.)- Term.	23.613	17.719	+5.894	16.729
Tomatoes (large- case)	8.450	7.200	+1.250	30.950
Tomatoes (5x6-25 lb.)-Term	10.758	9.895	+.863	30.500
Tomatoes (4x5 vine ripe)	5.185	5.180	+.005	8.450
Roma Tomatoes (large- case)	6.310	6.582	-.272	10.225
Roma Tomatoes (xlarge-cs)	6.530	6.722	-.192	10.438
Green Peppers (large- case)	7.334	7.917	-.583	24.900
Red Peppers (large 15lb. cs.)	13.950	13.950	-	13.950
Iceberg Lettuce (24 count)	6.083	6.700	-.617	32.153
Iceberg Lettuce (24)-Term.	17.334	13.334	+4.000	40.750
Leaf Lettuce (24 count)	6.150	6.532	-.382	16.218
Romaine Lettuce (24 cnt.)	6.125	6.325	-.200	30.310
Mesculin Mix (3 lb.)-Term.	7.000	7.000	-	9.417
Broccoli (14 ct.)	5.549	5.767	-.218	9.254
Squash (1/2 bushel)	8.600	10.600	-2.000	21.850
Zucchini (1/2 bushel)	8.600	10.350	-1.750	27.850
Green Beans (bushel)	19.550	25.134	-5.584	17.400
Spinach, Flat 24's	9.460	9.460	-	19.475
Mushrms (10 lb, lg.)-Term.	15.146	16.375	-1.229	13.521
Cucumbers (bushel)	7.9670	10.250	-2.283	15.260
Pickles (200-300 ct.)- Term.	28.825	27.563	+1.262	41.417
Asparagus (small)	13.500	12.500	+1.000	16.000
Freight (Truck; CA-Cty Av.)	4450.000	4500.000	-50.000	4282.143



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

	Jan-12	Dec-11	Nov-11	Oct-11
Beef and Veal	+1.136	+.885	+.353	+.514
Dairy	+.931	-.141	-.331	+.051
Pork	-.176	-1.030	-.906	-.421
Chicken	+.148	+.897	-.038	+.994
Fresh Fish and Seafood	+.639	+.449	+.356	-1.107
Fresh Fruits and Veg.	+.555	+.252	-.399	-1.473