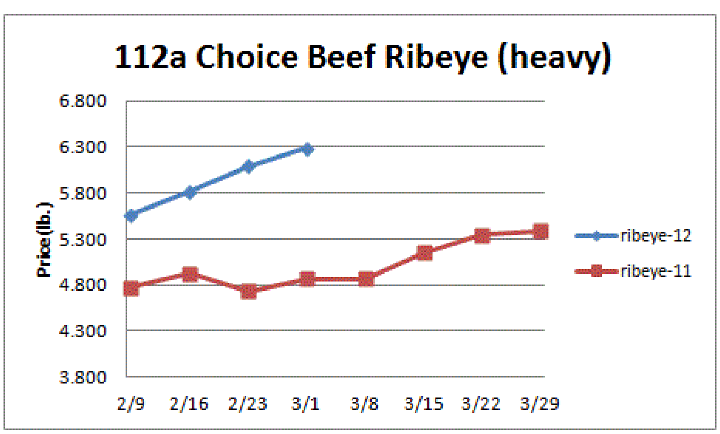
Weekly Market Updates

Volume No. 5 Issue No. 9 Date: March 1, 2012

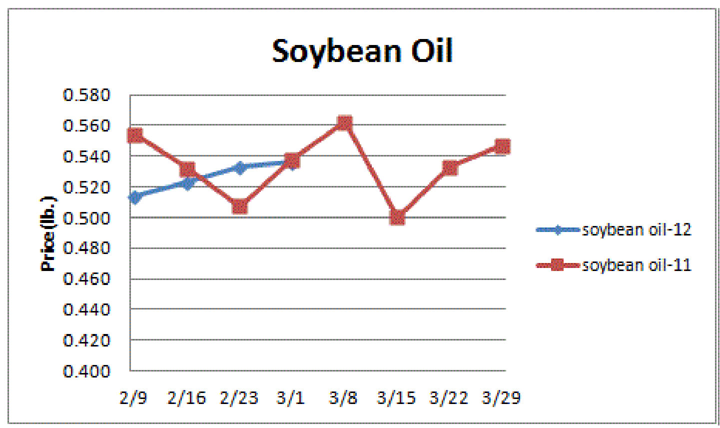
Beef- Beef output last week fell 3.7% and was 7.7% less than '11. The Feb 1st cattle on feed inventory was 2.1% bigger than last year. Cattle placements into feedlots during Jan were 2.2% less than '11. The Mar 1st near slaughter ready cattle herd is estimated to be larger than the prior year but beef output this month should be tempered by lighter cattle weights. The USDA choice and select boxed beef indexes have reached new record highs. Still, this is due mostly to slowed beef production which suggests that the upside risk in the beef markets from here may be nominal. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.278	1.283	-.005	1.123
Feeder Cattle Index (CME)	1.565	1.557	+.008	1.287
Ground Beef 81/19	1.899	1.860	+.039	1.812
Ground Chuck	1.923	1.922	+.001	1.762
109e Export Rib (choice)	5.583	5.379	+.204	4.478
109e Export Rib (prime)	11.963	11.638	+.325	8.066
112a Ribeye (choice)	6.289	6.093	+.196	4.867
112a Ribeye (prime)	12.255	11.990	+.265	8.570
116 Chuck (select)	2.323	2.334	-.011	2.410
116 Chuck (choice)	2.341	2.351	-.010	2.450
116b Chuck Tdnr (choice)	2.438	2.349	+.089	2.095
120 Brisket (choice)	2.159	2.145	+.014	1.671
121c Outside Skirt (ch/sel)	4.985	4.780	+.205	4.058
121d Inside Skirt (ch/sel)	3.561	3.468	+.093	2.975
167a Knckle, Trm. (ch.)	2.553	2.515	+.038	2.342
168 Inside Round (ch.)	2.163	2.134	+.029	2.061
174 Short Loin (ch. 0x1)	5.469	5.291	+.178	4.219
174 Short Loin (prime)	9.891	9.688	+.203	7.402
180 1x1 Strp (choice)	5.123	4.989	+.134	4.034
180 1x1 Strp (prime)	10.870	10.905	-.035	8.172
180 0x1 Strp (choice)	5.787	5.687	+.100	4.422
184 Top Butt, bnls (ch.)	3.219	3.339	-.120	2.614
184 Top Butt, bnls (prime)	3.561	3.461	+.100	2.601
185a Sirloin Flap (choice)	4.323	4.163	+.160	3.547
185c Loin, Tri-Tip (choice)	3.303	3.225	+.078	2.607
189a Tender (select)	9.078	8.745	+.333	7.604
189a Tender (choice)	9.496	9.136	+.360	7.954
189a Tender (prime)	15.054	14.741	+.313	11.207
193 Flank Steak (choice)	4.467	4.319	+.148	3.687
50% Trimmings	1.003	.996	+.007	.765
65% Trimmings	1.350	1.384	-.034	1.092
75% Trimmings	1.622	1.630	-.008	1.406
85% Trimmings	2.059	2.006	+.053	1.826
90% Trimmings	2.187	2.175	+.012	1.945
90% Imported Beef (frz.)	2.130	2.135	-.005	1.985
95% Imported Beef (frz.)	2.255	2.230	+.025	1.973
Veal Rack (Hotel 7 rib)	7.450	7.425	+.025	5.200
Veal Top Rnd. (cp. off)	13.820	13.575	+.245	12.625



Oil, Grains, Misc.- The USDA is forecasting this year's planted acres for US corn to be the largest since 1944. If this estimate is realized, the corn market may come under pressure later this year. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	13.062	12.709	+.353	13.503
Crude Soybean Oil, lb.	.536	.533	+.003	.538
Soybean Meal, ton	346.000	329.700	+16.300	349.900
Corn, bushel	6.617	6.364	+.253	7.083
Crude Corn Oil, lb.	.575	.575	-	.670
High Fructose Corn Syrup	.187	.181	+.006	.196
Distillers Grain, Dry	197.000	198.250	-1.250	196.250
Crude Palm Oil, lb. BMD	.488	.482	+.006	.542
HRW Wheat, bushel	6.617	6.530	+.087	8.325
DNS Wheat 14%, bushel	8.580	8.660	-.080	9.940
Durum Wheat, bushel	8.275	8.163	+.112	8.640
Pinto Beans, lb.	.494	.494	-	.271
Black Beans, lb.	.450	.450	-	.310
Rice, Long Grain, lb.	.261	.265	-.004	.285
Coffee, lb. NYBOT	2.024	2.014	+.010	2.749
Sugar, lb. NYBOT	.336	.328	+.008	.399
Honey (Clover), lb.	1.680	1.680	-	1.550



Dairy- Butter stocks in Jan were up 44% versus '11 and were the 3rd largest for that month in 9 years. The CME spot butter market recently declined to a new 2 year low. Still, butter prices tend to bottom this time of year. Since '07, the average price move during the next 8 weeks for CME butter is 4.7% higher. Total US cheese stocks on Jan 31st were down 4% versus the prior year and declined versus the previous month for only the 2nd time since 1989. The cheese markets may be forming a bottom following a seasonal trend. Higher cheese prices are likely later this year. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.500	1.475	+.025	1.963
Cheese Blocks (CME)	1.488	1.480	+.008	2.000
American Cheese	1.833	1.838	-.005	2.170
Cheddar Cheese (40 lb.)	1.980	1.988	-.008	2.150
Mozzarella Cheese	1.825	1.834	-.009	2.230
Provolone Cheese	2.060	2.068	-.008	2.480
Parmesan Cheese	3.140	3.148	-.008	3.783
Butter (CME)	1.398	1.415	-.017	2.115
Nonfat Dry Milk	1.412	1.411	+.001	1.611
Whey, Dry	.655	.648	+.007	.476
Class 1 Base	16.300	17.030	-.730	18.230
Class II Cream, heavy	1.755	1.681	+.074	2.513
Class III Milk (CME)	15.550	15.370	+.180	18.070
Class IV Milk (CME)	15.430	15.640	-.210	20.200

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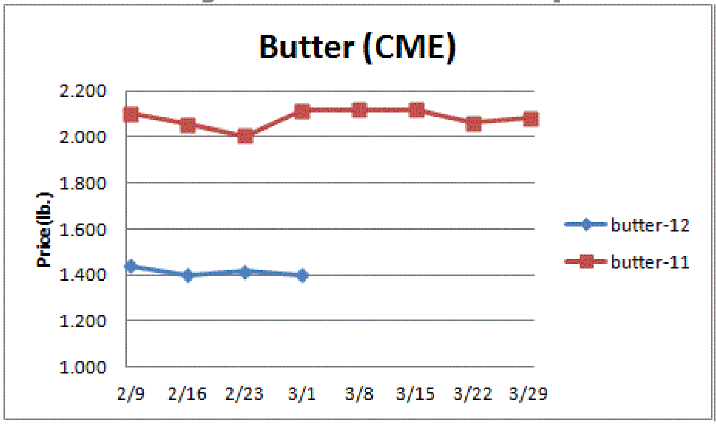
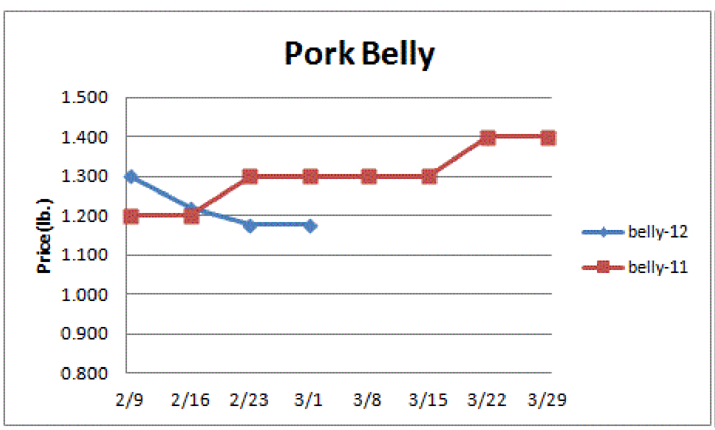


Pork- Pork production last week declined 1.4% but was .5% larger than the prior year. Pork output is expected to trend roughly 6% lower in the 2nd quarter versus the 1st quarter which is near the seasonal norm. This should provide support to various pork markets through June. Since '07, the average price move during the next 8 weeks for hams (6%), bellies (12%) and pork trimmings (12%) is higher. Jan 31st pork cold storage stocks were lower than last year for hams (1%) and ribs (5%) but were higher for bellies (5%) and trimmings (9%). Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.623	.621	+.002	.592
Belly (bacon)	1.175	1.175	-	1.300
Sparerib (4.25 lb. & down)	1.642	1.599	+.043	1.448
Ham (20-23 lb.)	.760	.760	-	.830
Ham (23-27 lb.)	.708	.720	-.012	.830
Loin (bone-in)	1.004	.981	+.023	.988
Bbybck Rib (1.75 lb. & up)	2.922	2.845	+.077	2.546
Tenderloin (1.25 lb.)	2.659	2.612	+.047	2.593
Boston Butt, untrmd. (4-8 lb.)	.963	.964	-.001	1.045
Picnic, untrmd.	.538	.558	-.020	.726
SS Picnic, smoker trm. bx.	.750	.750	-	1.030
42% Trimmings	.420	.420	-	.524
72% Trimmings	.708	.730	-.022	.809



Tomato Products, Canned- Existing canned tomato supplies are adequate. Steady to higher canned tomato prices are anticipated this summer. Prices per case (6/10) FOB, unless noted from ARA.

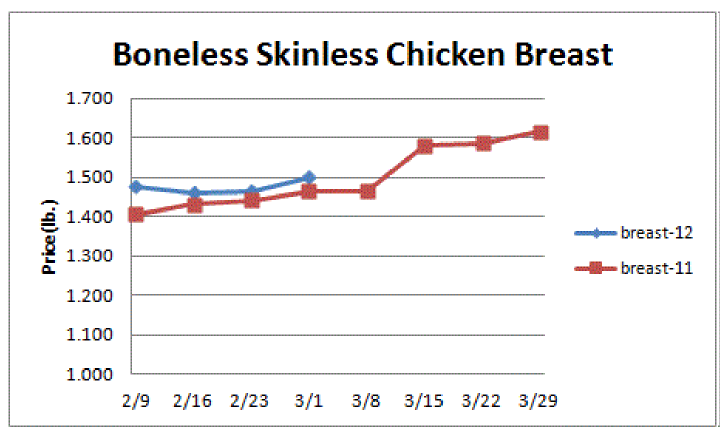
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- January 31st frozen cut corn (16%) and green peas (10%) stocks were both less than '11. The processed cut corn and green pea markets are likely to remain firm. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 11
Corn, Fcy whl kern- can 6/10	18.651	18.651	-	17.406
Green Beans Fcy- can 6/10	18.250	18.250	-	17.000
Green Peas, Fcy- can 6/10	18.750	18.750	-	17.750
Corn, Cob- froz 96 ct.	14.750	14.500	+.250	14.000
Corn, Kernel- froz 12/2.5#	16.500	14.250	+2.250	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- The 6 week moving average for broiler-type egg sets is trending 5.5% lower than '11. Spring chicken output is expect to run 5.2% behind last year. The Jan 31 US cold storage chicken inventory was down 21% compared to the prior year and was the smallest for that date since '04. Frozen chicken breasts and breast meat supplies were also the smallest in 8 years. The chicken breast markets were soft in Feb. This negative price action for chicken breasts is counter seasonal but isn't expected to endure with production cuts persisting. The boneless skinless chicken breast market usually rises plus 10% during the next 3 months. History suggests that the leg quarter and thigh markets may move higher this spring as well. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.918	.915	+.003	.858
Whole Birds (LA)	1.010	1.000	+.010	.950
Wings (whole)	1.805	1.840	-.035	.945
Wings (jumbo, cut)	1.794	1.790	+.004	1.136
Breast, Bone In	.930	.910	+.020	.810
Breast, Bnless Skinless	1.500	1.465	+.035	1.465
Tenderloin (random)	1.310	1.310	-	1.000
Tenderloin (sized)	1.910	1.920	-.010	1.850
Legs (whole)	.726	.736	-.010	.572
Leg Quarters	.535	.540	-.005	.420
Thighs, bone in	.761	.803	-.042	.532
Thighs, boneless	1.257	1.265	-.008	1.097
Eggs and Others				
Large (dozen)	.960	.977	-.017	1.065
Medium (dozen)	.712	.762	-.050	.922
Whole Eggs- Liquid	.424	.437	-.013	.425
Egg Whites- Liquid	.426	.426	-	.456
Egg Yolks- Liquid	.679	.686	-.007	.593
Whole Turkeys (8-16 lb.)	1.025	1.010	+.015	.983
Turkey Breast, Bnls/Sknls	2.050	2.035	+.015	2.199



Seafood- This year's Bering Sea snow crab season has been challenged due to harsh weather conditions. Sea ice has disrupted snow crab fishing operations and has placed this season's total catch behind schedule. Only 44% of the 80 million pound Bering Sea snow crab quota has been landed. This year's snow crab quota is 60% larger than '11. The snow

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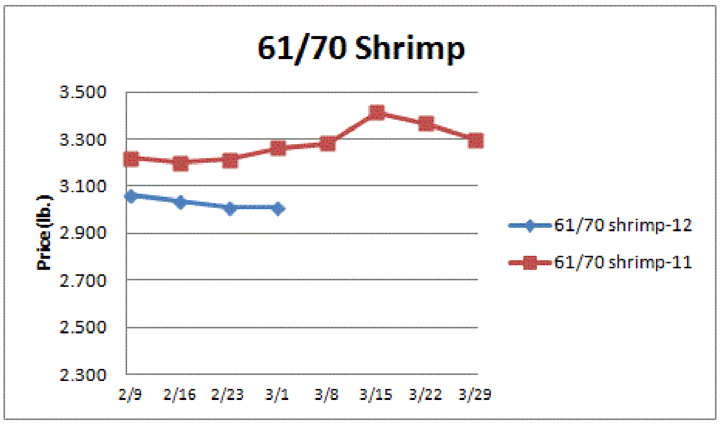
crab markets are firm but lower snow crab prices may be impending. Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 11
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	4.950
Catfish Filets	5.400	5.400	-	4.500
Trout (drn. 8-14 oz.)	3.500	3.500	-	3.300
Shrimp (16/20), Frz	5.982	5.969	+.013	7.253
Shrimp (61/70), Frz.	3.010	3.010	-	3.263
Shrimp, Tiger (26/30), Frz.	4.913	4.913	-	4.538
Snow Crab, Legs 5-8 oz, Frz	5.750	5.750	-	5.800
Snow Crab, Legs 8 oz/ up, Fz	5.913	5.913	-	6.050
Cod Tails, 3-7 oz., Frz.	3.488	3.488	-	3.013
Cod Loins, 3-12 oz., Frz	3.600	3.600	-	3.725
Salmon Portions, 4-8 oz, Frz	6.067	6.067	-	6.283
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.925



Energy & Currency-Currency US dollar is worth.

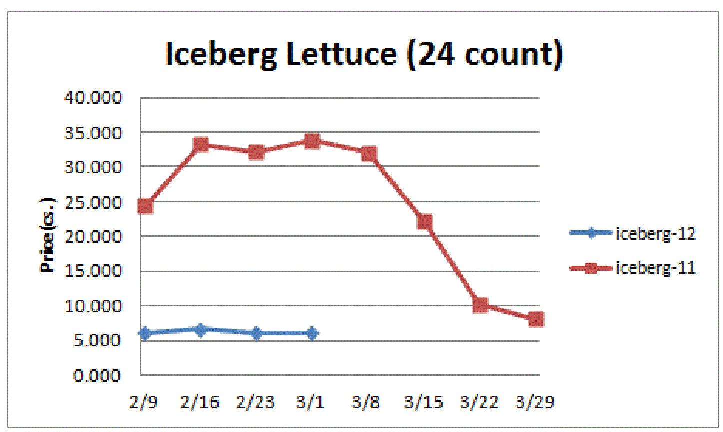
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	106.55	105.840	+.710	99.630
Natural Gas, mbtu- nymex	2.519	2.626	-.107	3.873
Heating Oil, gal- nymex	3.224	3.239	-.015	3.024
Electricity, mwht- nymex	35.310	33.580	+1.730	42.520
Gasoline, gal- nymex	3.040	3.070	-.030	2.983
Diesel Fuel, gal- eia	4.051	3.960	+.091	3.716
Ethanol, gal- usda	2.070	2.090	-.020	2.365
Canadian $	.997	.996	+.001	.970
Japanese Yen	80.563	79.701	+.862	82.018
Mexican Peso	12.835	12.728	+.107	12.092
Euro	.743	.756	-.013	.723
Brazilian Real	1.700	1.715	-.015	1.663
Chinese Yuan	6.300	6.297	+.003	6.569

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	870.000	-	827.263
WP; 42 lb. Linerboard (corr.)	690.593	680.802	+9.791	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	1.110-1.130	-	1.1501.170
Res; PE-LLD (cn liner, film)	.880-.910	.880-.910	-	.830-.860

Produce- The produce markets continue to trade at historically deflated price levels. Lettuce supplies are in good shape due to favorable weather conditions in recent weeks. Iceberg lettuce shipments last week were up 16% versus the prior week. Downside price risk for lettuce from here is likely limited. The Hass avocado market firmed this past week and may have begun a seasonal trek upward. Since '09, the average price move over the next 4 weeks is 7% higher for Hass avocados. Medium sized tomato supplies have tightened slightly. Last week's tomato shipments were down 19% from the prior week. The tomato markets are steady to firm. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	15.000	16.000	-1.000	55.000
Lemons (95 ct.)	17.740	17.740	-	11.640
Lemons (200 ct.)	16.740	16.740	-	13.140
Honeydew (6 ct.)	15.950	19.500	-3.550	13.733
Cantaloupe (15 ct.)	14.450	15.450	-1.000	10.225
Blueberries (12 count)	17.000	15.750	+1.250	15.000
Strawberries (12 pnts.)	16.000	16.000	-	15.500
Avocados (Hass 48 ct.)	30.250	28.750	+1.500	45.750
Bananas (40 lb.)- Term.	20.688	18.928	+1.760	17.254
Pineapple (7 ct.)- Term.	10.376	10.646	-.270	12.448
Idaho Potato (60 ct., 50 lb.)	9.875	8.813	+1.062	21.000
Idaho Potato (70 ct., 50 lb.)	9.875	8.813	+1.062	19.750
Idaho Potato (70 ct.)-Term.	14.375	14.813	-.438	24.033
Idaho Potato (90 ct., 50 lb.)	9.750	8.813	+.937	12.000
Idaho Pot. # 2 (6 oz., 100 lb.)	13.750	12.750	1.000	12.750
Processing Potato (cwt.)	10.250	8.500	+1.750	9.000
Yellow Onions (50 lb.)	4.563	4.375	+.188	8.400
Yell Onions (50 lb.)-Term.	8.219	8.438	-.219	11.063
Red Onions (25 lb.)- Term.	7.816	7.680	+.136	9.250
White Onions (50 lb.)- Term.	18.082	23.613	-5.531	13.771
Tomatoes (large- case)	8.450	8.450	-	30.450
Tomatoes (5x6-25 lb.)-Term	11.834	10.758	+1.076	26.417
Tomatoes (4x5 vine ripe)	5.185	5.185	-	17.950
Roma Tomatoes (large- case)	6.812	6.310	+.502	16.617
Roma Tomatoes (xlarge-cs)	7.012	6.530	+.482	16.617
Green Peppers (large- case)	9.250	7.334	+1.916	27.400
Red Peppers (large 15lb. cs.)	12.950	13.950	-1.000	14.950
Iceberg Lettuce (24 count)	6.140	6.083	+.057	33.815
Iceberg Lettuce (24)-Term.	11.750	17.334	-5.584	42.333
Leaf Lettuce (24 count)	6.015	6.150	-.135	17.783
Romaine Lettuce (24 cnt.)	6.084	6.125	-.041	39.702
Mesculin Mix (3 lb.)-Term.	6.584	7.000	-.416	11.208
Broccoli (14 ct.)	5.609	5.549	+.060	11.700
Squash (1/2 bushel)	4.350	8.600	-4.250	25.350
Zucchini (1/2 bushel)	3.850	8.600	-4.750	28.850
Green Beans (bushel)	14.025	19.550	-5.525	11.950
Spinach, Flat 24's	8.950	9.460	-.510	19.750
Mushrms (10 lb, lg.)-Term.	15.146	15.146	-	13.313
Cucumbers (bushel)	8.270	7.967	+.303	22.713
Pickles (200-300 ct.)- Term.	28.563	28.825	-.262	45.425
Asparagus (small)	16.800	13.500	+3.300	15.500
Freight (Truck; CA-Cty Av.)	4581.250	4450.000	+131.250	4314.280



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