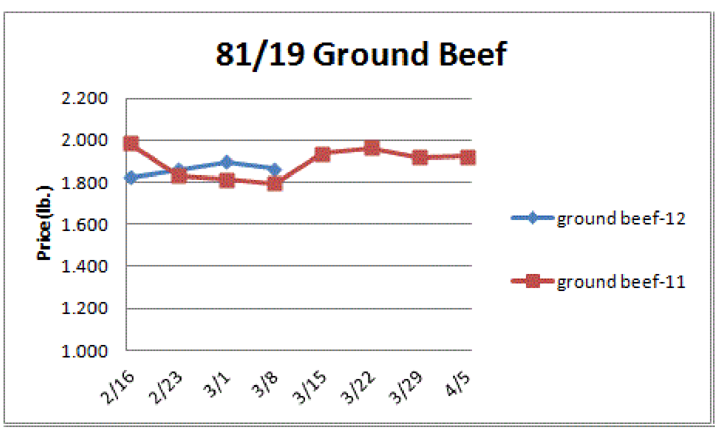
Weekly Market Updates

Volume No. 5 **Issue No. 10** **Date: March 8, 2012**

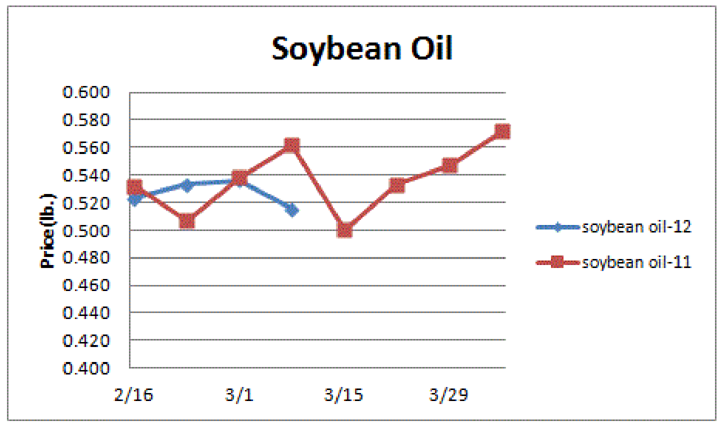
Beef- Beef output last week was 1.4% less than last year. Many of the beef markets are showing some weakness. The choice boxed beef index usually rises 7% during the next 7 weeks but it's possible beef prices may peak earlier than normal this year. Heavier cattle weights have tempered expected beef production declines and may continue to do so into the spring. US lean beef trim prices are at record highs. The Australian dollar value has declined nearly 2% during the first 3 days of this week. If the Australian dollar continues to depreciate, it could motivate US lean boneless beef trimming imports. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.300	1.278	+.022	1.146
Feeder Cattle Index (CME)	1.573	1.565	+.008	1.284
Ground Beef 81/19	1.864	1.899	-.035	1.795
Ground Chuck	1.849	1.923	-.074	1.795
109e Export Rib (choice)	5.850	5.583	+.267	4.437
109e Export Rib (prime)	12.137	11.963	+.174	8.218
112a Ribeye (choice)	6.288	6.289	-.001	4.864
112a Ribeye (prime)	12.421	12.255	+.166	9.017
116 Chuck (select)	2.193	2.323	-.130	2.466
116 Chuck (choice)	2.253	2.341	-.088	2.470
116b Chuck Tdnr (choice)	2.460	2.438	+.022	2.140
120 Brisket (choice)	2.075	2.159	-.084	1.641
121c Outside Skirt (ch/sel)	5.241	4.985	+.256	4.207
121d Inside Skirt (ch/sel)	3.591	3.561	+.030	3.068
167a Knckle, Trm. (ch.)	2.477	2.553	-.076	2.334
168 Inside Round (ch.)	2.043	2.163	-.120	2.001
174 Short Loin (ch. 0x1)	5.394	5.469	-.075	4.473
174 Short Loin (prime)	10.128	9.891	+.237	7.487
180 1x1 Strp (choice)	5.207	5.123	+.084	4.159
180 1x1 Strp (prime)	11.349	10.870	+.479	8.376
180 0x1 Strp (choice)	5.899	5.787	+.112	4.686
184 Top Butt, bnls (ch.)	3.223	3.219	+.004	2.600
184 Top Butt, bnls (prime)	3.662	3.561	+.101	2.580
185a Sirloin Flap (choice)	4.401	4.323	+.078	3.645
185c Loin, Tri-Tip (choice)	3.317	3.303	+.014	2.761
189a Tender (select)	9.335	9.078	+.257	7.841
189a Tender (choice)	9.660	9.496	+.164	8.283
189a Tender (prime)	15.245	15.054	+.191	10.950
193 Flank Steak (choice)	4.575	4.467	+.108	4.088
50% Trimmings	1.024	1.003	+.021	.815
65% Trimmings	1.373	1.350	+.023	1.111
75% Trimmings	1.632	1.622	+.010	1.421
85% Trimmings	2.049	2.059	-.010	1.800
90% Trimmings	2.220	2.187	+.033	1.945
90% Imported Beef (frz.)	2.148	2.130	+.018	1.970
95% Imported Beef (frz.)	2.275	2.255	+.020	2.110
Veal Rack (Hotel 7 rib)	7.475	7.450	+.025	5.200
Veal Top Rnd. (cp. off)	14.045	13.820	+.225	12.625



Oil, Grains, Misc.- The South American soybean crop estimates continue to be reduced. This could bring further support to the US soybean and soybean product markets this spring. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	13.255	13.062	+.192	13.720
Crude Soybean Oil, lb.	.515	.536	-.021	.562
Soybean Meal, ton	364.400	346.000	+18.400	349.900
Corn, bushel	6.535	6.617	-.082	6.875
Crude Corn Oil, lb.	.585	.575	+.010	.670
High Fructose Corn Syrup	.185	.187	-.002	.191
Distillers Grain, Dry	201.500	197.000	+4.500	202.000
Crude Palm Oil, lb. BMD	.488	.488	-	.562
HRW Wheat, bushel	6.700	6.617	+.083	8.195
DNS Wheat 14%, bushel	8.830	8.580	+.025	9.980
Durum Wheat, bushel	8.338	8.275	+.063	9.000
Pinto Beans, lb.	.494	.494	-	.271
Black Beans, lb.	.450	.450	-	.310
Rice, Long Grain, lb.	.261	.261	-	.278
Coffee, lb. NYBOT	1.884	2.024	-.140	2.810
Sugar, lb. NYBOT	.345	.336	+.009	.396
Honey (Clover), lb.	1.680	1.680	-	1.550



Dairy- The dairy markets have been volatile during the past week due in a large part to healthy US milk supplies. The international cheese market has trended lower in recent weeks but is still carrying a notable premium to US cheese. This could help US cheese exports to increase going forward which would influence the US cheese markets higher. The downside risk in the US cheese markets from here may be nominal. The butter market moved higher this week despite a very weak dairy complex. This may be sign that butter may have established a seasonal bottom. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.473	1.500	-.027	1.980
Cheese Blocks (CME)	1.485	1.488	-.003	2.020
American Cheese	1.843	1.833	+.010	2.170
Cheddar Cheese (40 lb.)	1.985	1.980	+.005	2.150
Mozzarella Cheese	1.830	1.825	+.005	2.230
Provolone Cheese	2.065	2.060	+.005	2.480
Parmesan Cheese	3.145	3.140	+.005	3.783
Butter (CME)	1.450	1.398	+.052	2.120
Nonfat Dry Milk	1.383	1.412	-.029	1.638
Whey, Dry	.573	.655	-.082	.462
Class 1 Base	16.300	16.300	-	18.230
Class II Cream, heavy	1.761	1.755	+.006	2.513
Class III Milk (CME)	15.190	15.550	-.360	18.370
Class IV Milk (CME)	14.950	15.430	-.480	20.590

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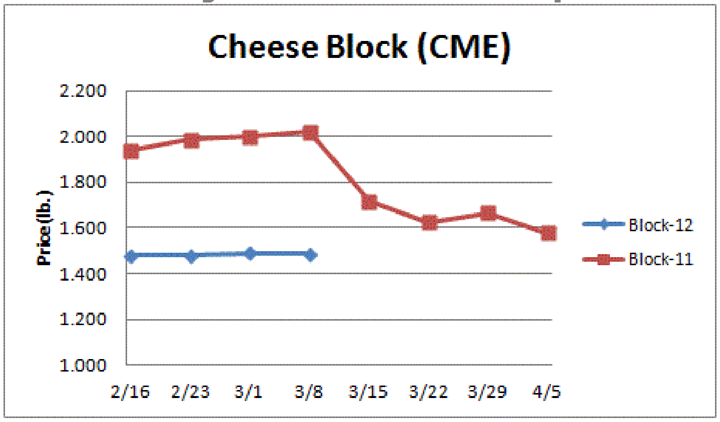
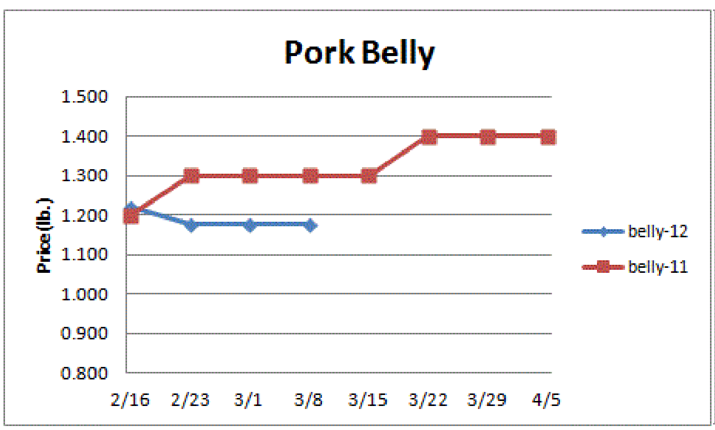


Pork- Pork production last week was .5% larger than the prior year. US pork output tends to fade in Q2 and history shows that pork prices move higher in Apr. This year the USDA pork cutout value has been steady but unlike beef, is priced below (7%) year ago levels. The pork markets have become highly sensitive to export demand, especially from China. If China doesn't pull strong pork volumes from the US this spring, the seasonal rally higher for pork may be tempered. Usually the USDA pork cutout value rises 14% during the spring. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.615	.623	-.008	.599
Belly (bacon)	1.175	1.175	-	1.300
Sparerib (4.25 lb. & down)	1.628	1.642	-.014	1.487
Ham (20-23 lb.)	.750	.760	-.010	.800
Ham (23-27 lb.)	.740	.708	+.032	.800
Loin (bone-in)	1.002	1.004	-.002	.938
Bbybck Rib (1.75 lb. & up)	2.923	2.922	+.001	2.550
Tenderloin (1.25 lb.)	2.673	2.659	+.014	2.590
Boston Butt, untrmd. (4-8 lb.)	.948	.963	-.015	.999
Picnic, untrmd.	.522	.538	-.016	.707
SS Picnic, smoker trm. bx.	.755	.750	+.005	1.030
42% Trimmings	.420	.420	-	.580
72% Trimmings	.652	.708	-.056	.840



Tomato Products, Canned- The markets are fairly steady. Relatively sufficient canned tomato supplies could persist assuming a normal harvest this fall. Prices per case (6/10) FOB, unless noted from ARA.

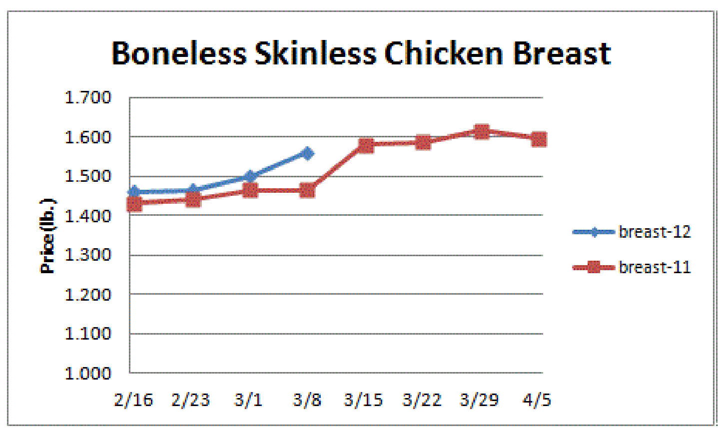
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- Jan 31st frozen regular cut green bean (23%) and French style green bean (12%) stocks were more than '11. Processed green bean prices are likely to be steady. 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	14.750	-	14.000
Corn, Kernel- froz 12/2.5#	16.500	16.500	-	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 Jan broiler type chick hatch was 4% smaller than the prior year. Pullet placements into the broiler breeding flock were 4% less than '11. The breeding flock may fall 5% below year ago levels by this summer. These statistics point toward weaker chicken output compared to '11 in the coming months. This should provide support to the chicken markets. The 5 year average price move from Mar 10th through Jun for chicken breasts is 7% higher. This year's seasonal run higher for chicken breast prices is anticipated by most to be strong in light of expected chicken production cutbacks. However, improving breast meat yields from the birds may mitigate the expected decline of breast meat supplies this year. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.925	.918	+.007	.858
Whole Birds (LA)	1.010	1.010	-	.950
Wings (whole)	1.840	1.805	+.035	.945
Wings (jumbo, cut)	1.775	1.794	-.019	1.136
Breast, Bone In	.955	.930	+.025	.810
Breast, Bnless Skinless	1.560	1.500	+.060	1.465
Tenderloin (random)	1.310	1.310	-	1.200
Tenderloin (sized)	1.910	1.910	-	2.050
Legs (whole)	.717	.726	-.009	.577
Leg Quarters	.545	.535	+.010	.420
Thighs, bone in	.799	.761	+.038	.599
Thighs, boneless	1.324	1.257	+.067	1.140
Eggs and Others				
Large (dozen)	.960	.960	-	.980
Medium (dozen)	.945	.712	+.233	.838
Whole Eggs- Liquid	.480	.424	+.056	.420
Egg Whites- Liquid	.426	.426	-	.408
Egg Yolks- Liquid	.678	.679	-.001	.659
Whole Turkeys (8-16 lb.)	1.013	1.025	-.012	.920
Turkey Breast, Bnls/Sknls	2.086	2.050	+.036	2.202



Seafood- The US dollar is down .9% since Dec 31st but is 4.2% higher than the same date a year ago. A strengthening US dollar going forward should support seafood imports to the US. This is important because the US imports the majority of its seafood including shrimp, snow crabs and salmon. The salmon market is expected to be better supplied this year in part to Chilean salmon output returning to its pre-ISA disease levels.

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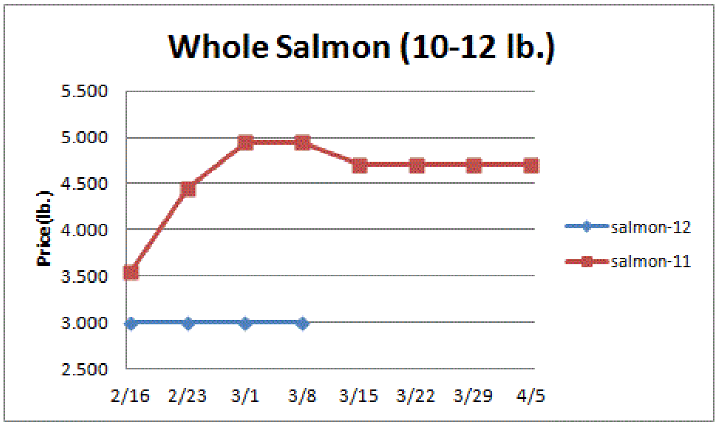
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	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	5.944	5.982	-.038	7.238
Shrimp (61/70), Frz.	3.010	3.010	-	3.283
Shrimp, Tiger (26/30), Frz.	4.888	4.913	-.025	4.563
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	5.842	6.067	-.225	6.283
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.925



Energy & Currency-Currency US dollar is worth.

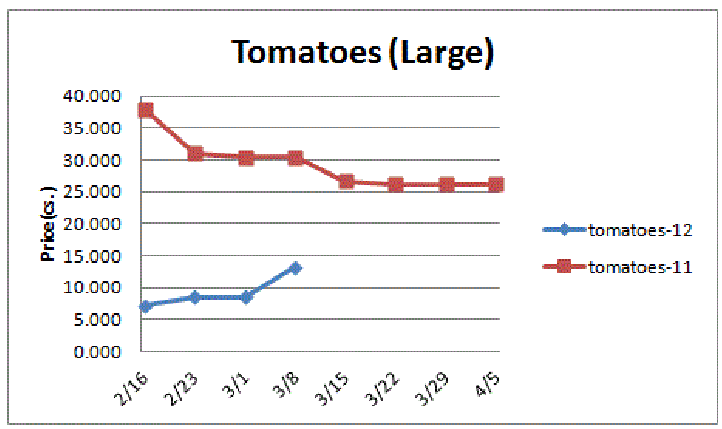
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	104.700	106.55	-1.850	105.440
Natural Gas, mbtu- nymex	2.356	2.519	-.163	3.927
Heating Oil, gal- nymex	3.188	3.224	-.036	3.066
Electricity, mwht- nymex	33.020	35.310	-2.290	44.260
Gasoline, gal- nymex	3.230	3.040	+.190	3.004
Diesel Fuel, gal- eia	4.094	4.051	+.043	3.871
Ethanol, gal- usda	2.100	2.070	+.030	2.490
Canadian $	.999	.997	+.002	.971
Japanese Yen	81.092	80.563	+.529	82.086
Mexican Peso	12.908	12.835	+.073	11.998
Euro	.760	.743	+.017	.713
Brazilian Real	1.749	1.700	+.049	1.655
Chinese Yuan	6.312	6.300	+.012	6.557

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.)	674.263	690.593	-16.330	825.794
Res; PS-CHH (cup, cont.)	1.150-1.190	1.100-1.140	+.050	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)	.910-.940	.880-.910	+.030	.860-.890

Produce- Idaho potato prices have risen notably over the prior 3 weeks. Potato processor demand has picked up recently and may continue to support some potato markets. Further, the seasonal trend is higher for potato prices during the spring. The 5 year average price move through Jun for potatoes is 40% higher. The tomato markets have climbed over the past 4 weeks. Florida tomato supplies have decreased which usually occurs in late winter. As a result, Mexican tomato supplies have taken a bigger share of the US market place, but Florida tomato supplies should improve soon. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	17.000	15.000	+2.000	49.000
Lemons (95 ct.)	18.240	17.740	+.500	11.640
Lemons (200 ct.)	14.740	16.740	-2.000	13.640
Honeydew (6 ct.)	13.963	15.950	-1.987	13.733
Cantaloupe (15 ct.)	13.450	14.450	-1.000	11.588
Blueberries (12 count)	27.250	17.000	+10.250	15.000
Strawberries (12 pnts.)	16.000	16.000	-	14.000
Avocados (Hass 48 ct.)	30.250	30.250	-	46.750
Bananas (40 lb.)- Term.	20.759	20.688	+.071	17.204
Pineapple (7 ct.)- Term.	10.178	10.376	-.198	12.688
Idaho Potato (60 ct., 50 lb.)	12.000	9.875	+2.125	22.500
Idaho Potato (70 ct., 50 lb.)	12.000	9.875	+2.125	21.500
Idaho Potato (70 ct.)-Term.	15.735	14.375	+1.360	24.213
Idaho Potato (90 ct., 50 lb.)	11.250	9.750	+1.500	12.750
Idaho Pot. # 2 (6 oz., 100 lb.)	14.500	13.750	+.750	14.500
Processing Potato (cwt.)	10.250	10.250	-	9.000
Yellow Onions (50 lb.)	5.438	4.563	+.875	8.250
Yell Onions (50 lb.)-Term.	8.459	8.219	+.240	8.263
Red Onions (25 lb.)- Term.	8.573	7.816	+.757	8.688
White Onions (50 lb.)- Term.	29.425	18.082	+11.343	12.250
Tomatoes (large- case)	13.200	8.450	+4.750	30.450
Tomatoes (5x6-25 lb.)-Term	14.434	11.834	+2.600	28.000
Tomatoes (4x5 vine ripe)	10.960	5.185	+5.775	17.950
Roma Tomatoes (large- case)	10.555	6.812	+3.743	19.450
Roma Tomatoes (xlarge-cs)	11.050	7.012	+4.038	19.450
Green Peppers (large- case)	11.917	9.250	+2.667	25.850
Red Peppers (large 15lb. cs.)	11.950	12.950	-1.000	12.950
Iceberg Lettuce (24 count)	6.050	6.140	-.090	32.015
Iceberg Lettuce (24)-Term.	11.917	11.750	+.167	35.875
Leaf Lettuce (24 count)	5.909	6.015	-.106	17.313
Romaine Lettuce (24 cnt.)	5.925	6.084	-.159	40.617
Mesculin Mix (3 lb.)-Term.	6.969	6.584	+.385	9.000
Broccoli (14 ct.)	6.192	5.609	+.583	13.000
Squash (1/2 bushel)	6.350	4.350	+2.000	15.850
Zucchini (1/2 bushel)	6.350	3.850	+2.500	27.850
Green Beans (bushel)	12.525	14.025	-1.500	13.850
Spinach, Flat 24's	8.470	8.950	-.480	17.700
Mushrms (10 lb, lg.)-Term.	14.917	15.146	-.229	13.521
Cucumbers (bushel)	8.675	8.270	+.405	19.142
Pickles (200-300 ct.)- Term.	27.234	28.563	-1.329	49.500
Asparagus (small)	15.750	16.800	-1.050	15.500
Freight (Truck; CA-Cty Av.)	4226.666	4581.250	-354.584	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