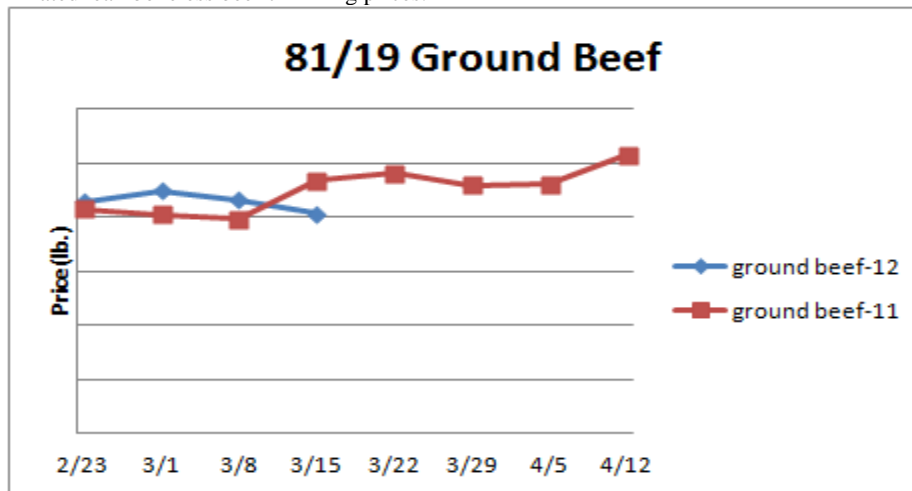


Beef, Veal and Lamb Report

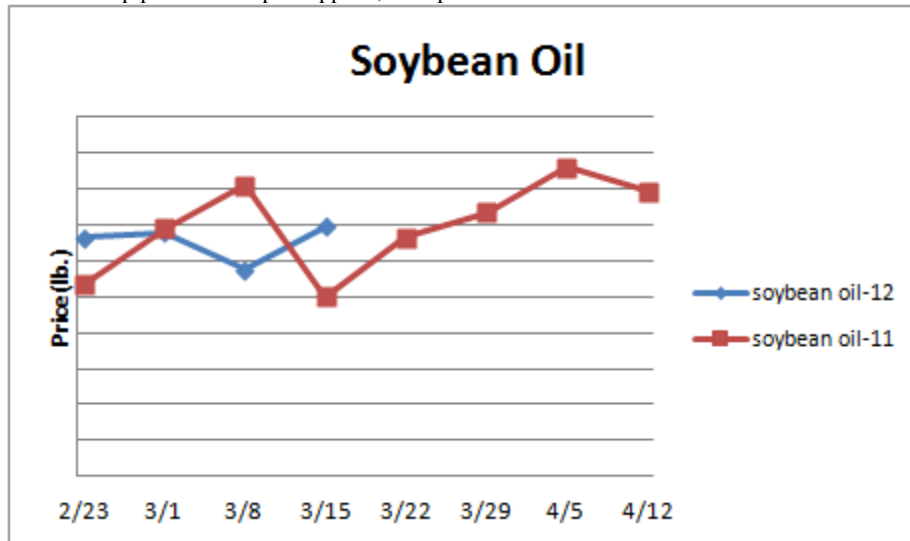
Beef, Veal & Lamb- Beef production last week rose 1.7% and was 1.3% larger than '11. The beef markets remain historically high but have shown signs of weakness as of late. In Jan, US beef exports were down 4% versus the prior year but were the 2nd highest for the month in 9 years. US beef imports in Jan were 28% more than '11. Jan was the 1st month since Aug '10 that the US was a net beef importer. This was due in a large part to a rising US dollar making the US a more attractive destination of global beef. If the US dollar firms in the coming months this could temper inflated lean boneless beef trimming prices.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Cattle (Steer)	Decreasing	Good	Higher
Ground Beef 81/19	Decreasing	Good	Lower
Ground Chuck	Decreasing	Good	Lower
109 Export Rib (choice)	Decreasing	Good	Higher
109 Export Rib (prime)	Increasing	Good	Higher
112a Ribeye (choice)	Decreasing	Good	Higher
112a Ribeye (prime)	Increasing	Good	Higher
116 Chuck (choice)	Decreasing	Good	Lower
120 Brisket (choice)	Decreasing	Good	Higher
121c Outside Skirt (ch/sel.)	Increasing	Good	Higher
167a Knuckle, Trimmed (choice)	Decreasing	Good	Higher
168 Inside Round (choice)	Decreasing	Good	Lower
174 Short Loin (choice 0x1)	Decreasing	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)	Decreasing	Good	Higher
184 Top Butt, boneless (choice)	Decreasing	Good	Higher
184 Top Butt, boneless (prime)	Increasing	Good	Higher
185a Sirloin Flap (choice)	Decreasing	Good	Higher
185c Loin, Tri-Tip (choice)	Decreasing	Good	Higher
189a Tender (select, 5 lb & up)	Increasing	Good	Higher
189a Tender (choice, 5 lb & up)	Decreasing	Good	Higher
189a Tender (prime, heavy)	Increasing	Good	Higher
193 Flank Steak (choice)	Increasing	Good	Higher
50% Trimmings	Decreasing	Good	Lower
65% Trimmings	Decreasing	Good	Higher
75% Trimmings	Increasing	Good	Higher
85% Trimmings	Increasing	Good	Higher
90% Trimmings	Decreasing	Good	Higher
90% Imported Beef (frozen)	Decreasing	Good	Higher
Veal Rack (Hotel 7 rib)	Increasing	Good	Higher
Veal Top Round (cap off)	Increasing	Good	Higher

Oil and Grains Report

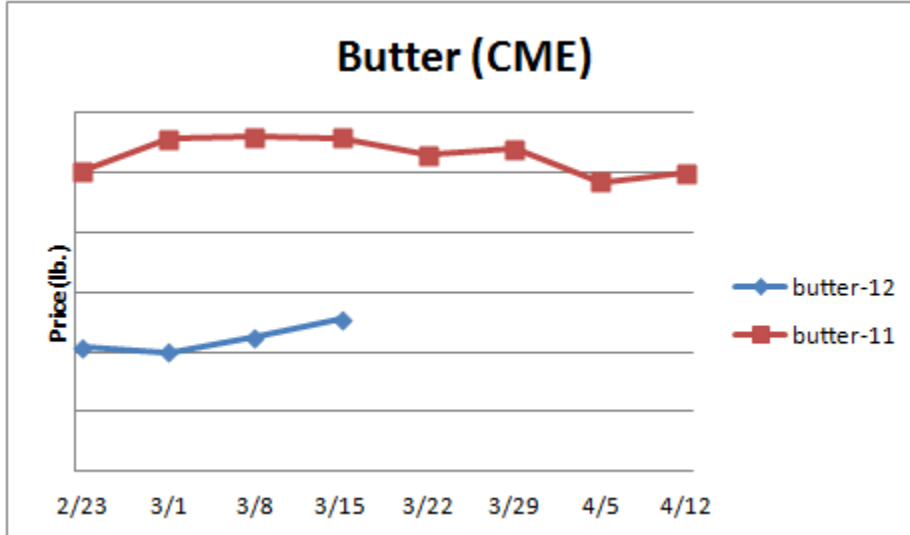
Oil & Grains- The corn market has increased due to historically tight US corn supplies. Yet, if this year's expected US corn crop produces ample supplies, corn prices could decline this fall.



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

Dairy Report

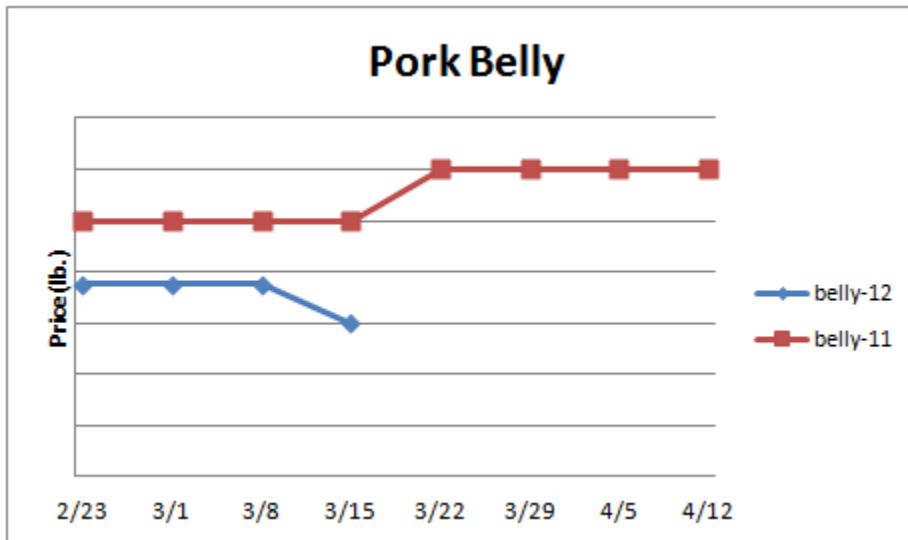
Dairy- US cheese exports were up 3% in Jan versus last year. The cheese markets are trending higher. The global cheese markets continue to trade at a premium to US spot cheese. This should encourage US cheese exports this spring and perhaps support the US cheese markets. Butter exports in Jan were down 27% compared to '11 and were the smallest since Oct '11. The butter market is tracking higher and is expected to remain firm in the coming weeks. Feed costs have become more challenging for dairy farmers. US milk output could flatten later this year.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Cheese Barrels- CME	Increasing	Good	Lower
Cheese 40 lb Blocks- CME	Increasing	Good	Lower
American Cheese	Decreasing	Good	Lower
Cheddar Cheese	Decreasing	Good	Lower
Mozzarella Cheese	Decreasing	Good	Lower
Provolone Cheese	Decreasing	Good	Lower
Parmesan Cheese	Decreasing	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)	Increasing	Good	Lower
Class III Milk- CME	Increasing	Good	Lower
Class IV Milk- CME	Increasing	Good	Lower

Pork Report

Pork- Pork output last week declined .8% and was .8% smaller than a year ago. Pork production is anticipated to seasonally trend lower in the coming months. Pork exports in Jan were 41% more than '11 due in a large part to solid trade with China. Pork export volumes to Mexico were strong as well. US pork export numbers will greatly influence pending pork price levels. The pork markets have been steady to weak but typically trend higher in the coming months.



	<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)	Decreasing	Good	Higher
Ham (23-27 lb)	Decreasing	Good	Lower
Loin (bone-in)	Decreasing	Good	Higher
Baby Back Rib (1.75 & up)	Steady	Good	Higher
Tenderloin (1.25 lb)	Increasing	Good	Higher
Boston Butt, untrimmed 4-8 lb.	Decreasing	Good	Lower
Picnic, untrimmed	Increasing	Good	Lower
SS Picnic, smoker trim boxed	Steady	Good	Lower
42% Trimmings	Steady	Good	Lower
72% Trimmings	Decreasing	Good	Lower

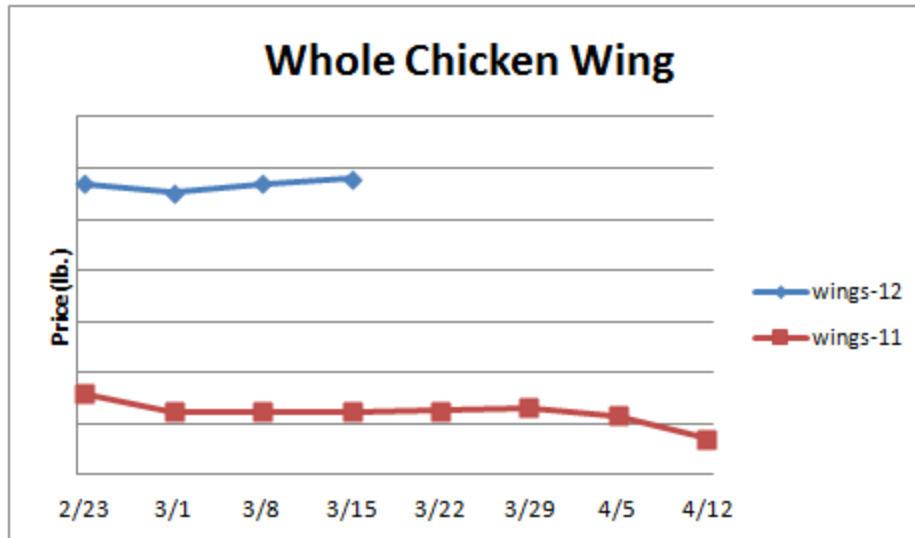
Canned Tomato Report

Tomato Products, Canned- Canned tomato supplies should remain adequate if the upcoming harvest this fall is normal. The markets are mostly steady.

	<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

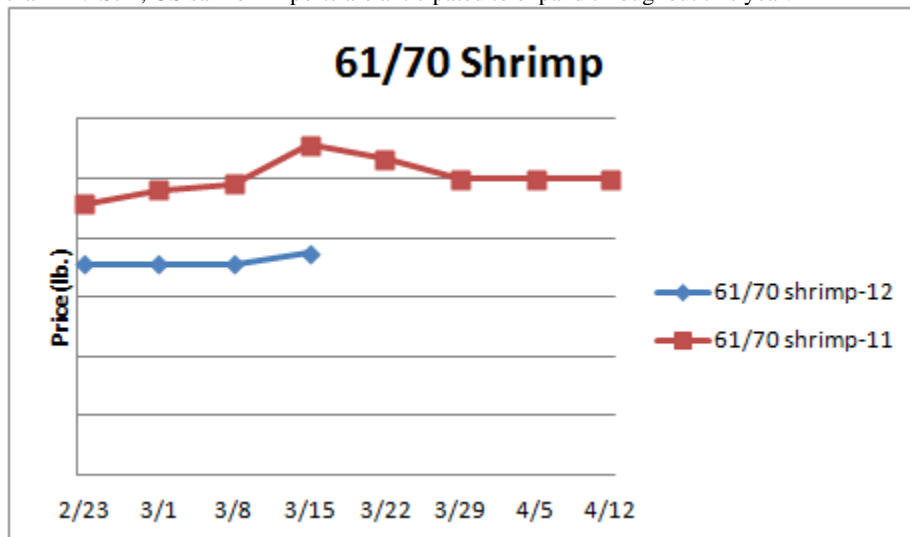
Poultry- Chicken exports in Jan were up 9.3% compared to last year but were the smallest since May '11. Export trade with Russia rose in Jan versus the prior year but was still historically light. Healthy export demand accompanied with the chicken production slowdown are causing the chicken leg quarter markets to firm. Inflated dark meat chicken prices could persist this spring. The chicken breast markets have been strengthening this month. Usually, the boneless skinless chicken breast market rises about 9% during the next 10 weeks. The chicken wing markets are higher but usually move lower during the spring. Limited supplies may mitigate any pending seasonal chicken wing market declines.



	<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)	Increasing	Good	Higher
Chicken Wings, Whole	Increasing	Good	Higher
Chicken Wings, Jumbo Cut	Increasing	Good	Higher
Chicken Breast, Bone-In	Increasing	Good	Higher
Chicken Breast, Bnless Sknless	Increasing	Good	Higher
Chicken Tender (random)	Increasing	Good	Higher
Chicken Tender (sized)	Increasing	Good	Higher
Chicken Legs (whole)	Decreasing	Good	Higher
Chicken Leg Quarters	Decreasing	Good	Higher
Chicken Thighs, bone in	Decreasing	Good	Higher
Chicken Thighs, boneless	Increasing	Good	Higher
Large Eggs	Steady	Good	Higher
Medium Eggs	Decreasing	Good	Lower
Whole Eggs- Liq	Increasing	Good	Higher
Egg Whites- Liq	Increasing	Good	Lower
Egg Yolks- Liq	Decreasing	Good	Higher
Whole Turkey (8-16 lb)	Increasing	Good	Higher
Turkey Breast- Bnls/Sknls	Decreasing	Good	Lower

Seafood Report

Seafood- In Jan, US total shrimp imports and shell-on shrimp imports were up 11% and 18% respectively compared to the prior year. If the US dollar is fairly inflated this year versus last year, US shrimp imports should remain solid which could sustain most shrimp markets below the prior year. US salmon fillet steak imports in Jan were 48% less than '11. Still, US salmon imports are anticipated to expand throughout this year.



	<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	Higher
Shrimp (16-20 count)	Decreasing	Good	Lower
Shrimp (61-70 count)	Increasing	Good	Lower
Shrimp, Tiger (26-30 count)	Decreasing	Good	Lower
Snow Crab Legs (5-8 oz)	Steady	Good	Lower
Snow Crab Legs (8 oz up)	Steady	Good	Lower
Cod Tails, 3-7 oz. Frz.	Steady	Good	Higher
Cod Loins, 3-12 oz. Frz.	Decreasing	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	Decreasing	Good	Lower
Coffee Beans	Decreasing	Good	Lower
Sugar	Increasing	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	Steady	Good	Lower
42 lb. Linerboard-corrugated box	Decreasing	Good	Lower
Plastic Resins (plastic, foam)			
PS-CHH-utensils, cups, to-go cont.	Steady	Good	Higher
PP-HIGP-heavy grade utensils	Steady	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

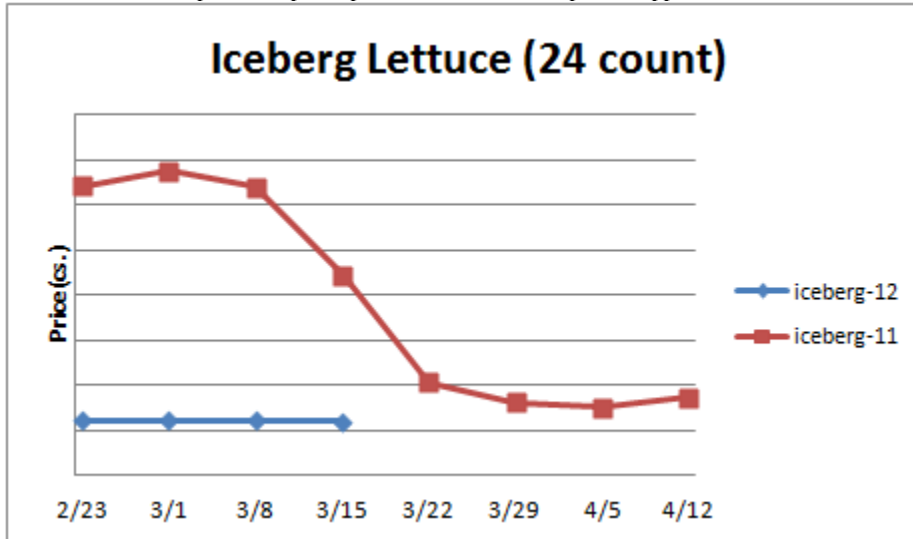
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- Planted acreage competition from the grain sector may mitigate US vegetable plantings for vegetable processors this year. The markets are steady to firm.

<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	Higher
Green Beans, Cut 12/2 lb.	Steady	Good	Higher
Green Peas, 12/2.5 lb.	Steady	Good	Higher
Potatoes, FF Fancy, 6/5 lb.	Steady	Good	Higher

Produce Report

Produce- US lettuce supplies are adequate and lettuce prices remain low. The chief lettuce harvest area will be transitioning to Huron CA in the coming weeks. A major lettuce supply gap is not anticipated but the shift could bring more volatility to the lettuce markets. The tomato markets are mixed. Weather challenges in Mexico have slowed Mexican tomato production. Tomato deliveries to the US from Mexico were down 10% last week. The Florida spring tomato harvest is expected to pick up soon which could improve supplies. The avocado market is relatively steady.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Limes (150 count)	Increasing	Good	Lower
Lemons (95 count)	Steady	Good	Higher
Lemons (200 count)	Decreasing	Good	Lower
Honeydew (6 ct.)	Decreasing	Good	Lower
Cantaloupe (15 count)	Steady	Good	Higher
Blueberries (12 count)	Decreasing	Good	Higher
Strawberries (12 pints)	Decreasing	Good	Higher
Avocados, Hass (48 count)	Steady	Good	Lower
Bananas (40 lb)-Term.	Decreasing	Good	Higher
Pineapple (7 ct.)- Term.	Increasing	Good	Lower
Idaho Potato (60 count)	Increasing	Good	Lower
Idaho Potato (70 count)	Increasing	Good	Lower
Idaho Potato (70 count)-Term.	Decreasing	Good	Lower
Idaho Potato (90 count)	Increasing	Good	Lower
Idaho Potato #2 (6 oz. min.)	Increasing	Good	Lower
Processing Potato (100 lb)	Steady	Good	Higher
Yellow Onions (50 lb)	Increasing	Good	Lower
Yellow Onions (50 lb)-Term.	Increasing	Good	Lower
Red Onions (25 lb)-Term.	Increasing	Good	Lower
White Onions (50 lb)-Term.	Increasing	Good	Higher
Tomatoes, (large- case)	Steady	Good	Lower
Tomatoes, (5x6, 25 lb.)-Term.	Increasing	Good	Lower
Tomatoes, Vine Ripe, (4x5)	Decreasing	Good	Lower
Roma Tomatoes (large- case)	Decreasing	Good	Lower
Roma Tomatoes (xlarge- case)	Decreasing	Good	Lower
Green Peppers (large- case)	Increasing	Good	Lower
Red Peppers (large- 15 lb. cs.)	Steady	Good	Lower
Iceberg Lettuce (24 count)	Decreasing	Good	Lower
Iceberg Lettuce (24 cnt)-Term.	Decreasing	Good	Lower

Produce Report (continued)

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