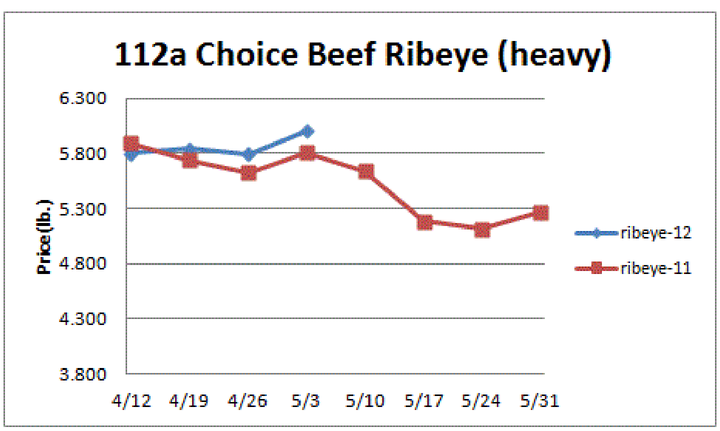
Weekly Market Updates

Volume No. 5 Issue No. 18 Date: May 3, 2012

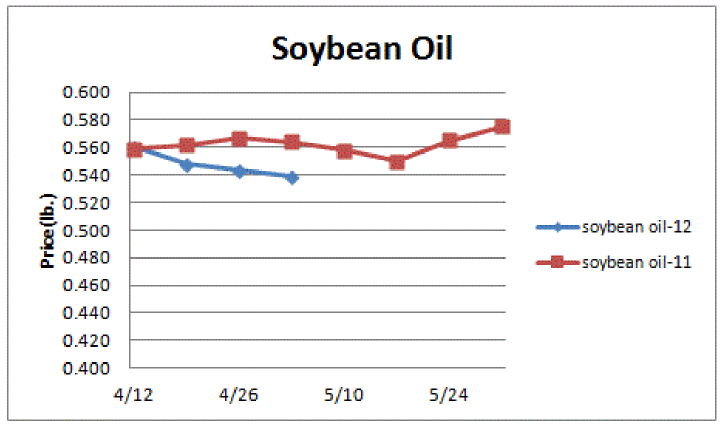
Beef- Beef output last week rose 1.8% and was 1.6% more than '11. The USDA is forecasting Q2 beef production to be down 1.8% versus '11. Yet, cattle supplies are backing up in feedlots and better beef imports are now forecasted for the US. This could temper this year's expected beef output losses. Future beef sales have been strong for ground beef but soft for steaks. This suggests that the US consumer, who has faced months of record high retail beef prices, is searching for value. Beef prices have trended higher recently but a top may be near. Choice boxed beef prices usually decline 4% in May/June. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.208	1.245	-.037	1.159
Feeder Cattle Index (CME)	1.478	1.495	-.017	1.318
Ground Beef 81/19	2.105	2.074	+.031	1.857
Ground Chuck	2.144	2.143	+.001	1.844
109e Export Rib (choice)	5.371	5.367	+.004	5.322
109e Export Rib (prime)	10.568	10.084	+.484	7.647
112a Ribeye (choice)	6.004	5.796	+.208	5.808
112a Ribeye (prime)	10.674	9.856	+.818	7.169
116 Chuck (select)	2.136	2.154	-.018	1.918
116 Chuck (choice)	2.165	2.163	+.002	1.948
116b Chuck Tdnr (choice)	2.189	2.181	+.008	2.022
120 Brisket (choice)	1.956	1.923	+.033	1.695
121c Outside Skirt (ch/sel)	5.045	4.920	+.125	3.806
121d Inside Skirt (ch/sel)	3.450	3.509	-.059	3.310
167a Knckle, Trm. (ch.)	2.287	2.273	+.014	2.191
168 Inside Round (ch.)	1.935	2.041	-.106	1.975
174 Short Loin (ch. 0x1)	5.708	5.812	-.104	5.734
174 Short Loin (prime)	10.145	10.478	-.333	7.247
180 1x1 Strp (choice)	5.133	5.018	+.115	5.213
180 1x1 Strp (prime)	10.203	11.145	-.942	7.135
180 0x1 Strp (choice)	5.929	5.688	+.241	5.769
184 Top Butt, bnls (ch.)	3.177	3.324	-.147	2.646
184 Top Butt, bnls (prime)	3.566	3.541	+.025	2.804
185a Sirloin Flap (choice)	4.196	4.260	-.064	3.515
185c Loin, Tri-Tip (choice)	2.986	3.201	-.215	2.836
189a Tender (select)	9.372	9.327	+.045	7.835
189a Tender (choice)	9.349	9.310	+.039	8.083
189a Tender (prime)	13.522	14.669	-1.147	10.322
193 Flank Steak (choice)	3.903	3.952	-.049	3.952
50% Trimmings	.895	.880	+.015	.990
65% Trimmings	1.135	1.128	+.007	1.264
75% Trimmings	1.664	1.681	-.017	1.560
85% Trimmings	2.116	2.095	+.021	1.952
90% Trimmings	2.259	2.245	+.014	2.025
90% Imported Beef (frz.)	2.095	2.098	-.003	2.055
95% Imported Beef (frz.)	2.265	2.265	-	2.145
Veal Rack (Hotel 7 rib)	7.700	7.700	-	5.450
Veal Top Rnd. (cp. off)	14.100	14.100	-	12.400



Oil, Grains, Misc.- Solid export demand for corn and soybeans is bringing support to the grains markets. Tight supplies may keep these markets firm in the near term. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	14.969	14.583	+.386	13.507
Crude Soybean Oil, lb.	.539	.543	-.004	.564
Soybean Meal, ton	428.200	407.600	+20.600	340.400
Corn, bushel	6.485	6.210	+.275	6.987
Crude Corn Oil, lb.	.615	.610	+.005	.685
High Fructose Corn Syrup	.184	.178	+.006	.193
Distillers Grain, Dry	209.000	208.500	+.500	196.000
Crude Palm Oil, lb. BMD	.517	.519	-.002	.519
HRW Wheat, bushel	6.250	6.060	+.190	8.255
DNS Wheat 14%, bushel	8.390	8.500	-.110	9.870
Durum Wheat, bushel	7.138	7.575	-.437	9.140
Pinto Beans, lb.	.491	.489	+.002	.288
Black Beans, lb.	.420	.420	-	.325
Rice, Long Grain, lb.	.251	.248	+.003	.252
Coffee, lb. NYBOT	1.841	1.754	+.087	3.051
Sugar, lb. NYBOT	.298	.290	+.008	.365
Honey (Clover), lb.	1.800	1.800	-	1.625



Dairy- The cheese markets have firmed during the past week and history points to further cheese price increases. The 3 year average price move for CME blocks is 15% higher over the next 14 weeks. Still, ample milk supplies and solid cheese production suggests that the upside cheese price risk from here may only be modest. The butter market remains deflated due in part to strong inventory levels. International butter prices are trading 37% below '11 discouraging US butter exports. Still, butter prices tend to rise in the spring. In '11, the butter market rose 3.2% over the next 4 weeks. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.495	1.448	+.047	1.640
Cheese Blocks (CME)	1.535	1.525	+.010	1.640
American Cheese	1.634	1.653	-.019	1.953
Cheddar Cheese (40 lb.)	1.915	1.893	+.022	2.115
Mozzarella Cheese	1.760	1.738	+.022	1.948
Provolone Cheese	2.110	2.088	+.022	2.105
Parmesan Cheese	3.190	3.168	+.022	3.180
Butter (CME)	1.345	1.390	-.045	2.095
Nonfat Dry Milk	1.263	1.273	-.010	1.663
Whey, Dry	.502	.513	-.011	.494
Class 1 Base	15.850	15.850	-	19.750
Class II Cream, heavy	1.661	1.694	-.033	2.587
Class III Milk (CME)	14.540	15.010	-.470	17.290
Class IV Milk (CME)	13.590	14.420	-.830	20.600

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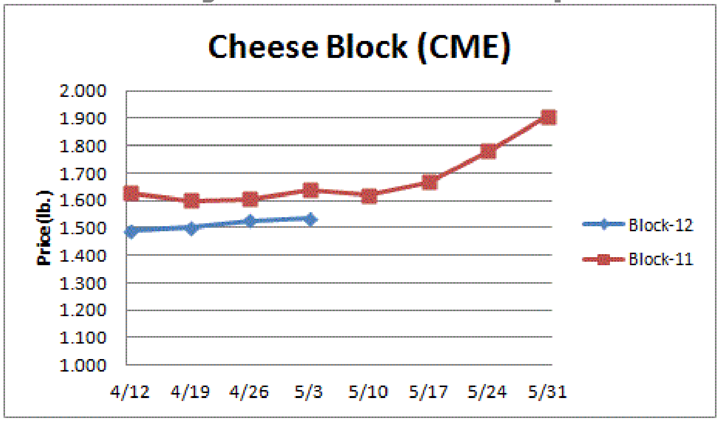
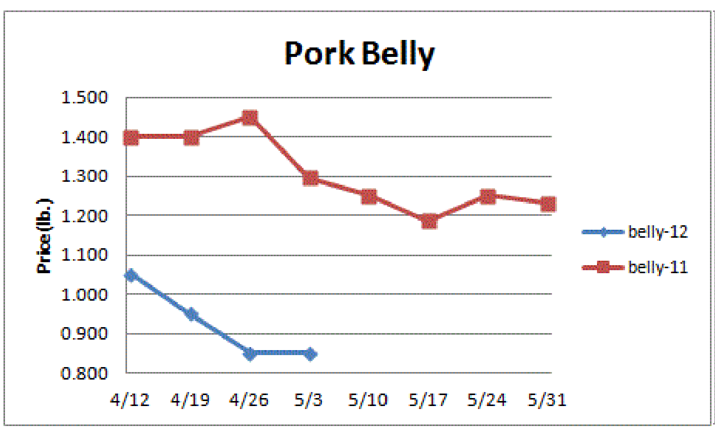


Pork- Pork production last week increased .4% and was 7.6% larger than the same week in '11. Pork belly (bacon) prices fell sharply (20%) in April due in a large part to weakening demand. This is believed to have occurred for bacon partly because of the LFTB situation in beef. The various pork markets have yet to move seasonally higher this year. That is expected to change soon especially if pork output slows. Since '09, ham (17%), 42% pork trim (24%) and pork belly (7%) prices all moved higher during the next 12 weeks. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.572	.596	-.024	.652
Belly (bacon)	.850	.850	-	1.295
Sparerib (4.25 lb. & down)	1.484	1.506	-.022	1.533
Ham (20-23 lb.)	.692	.640	+.052	.790
Ham (23-27 lb.)	.700	.640	+.060	.790
Loin (bone-in)	.936	.959	-.023	1.036
Bbybck Rib (1.75 lb. & up)	3.049	3.015	+.034	2.850
Tenderloin (1.25 lb.)	2.894	2.893	+.001	2.850
Boston Butt, untrmd. (4-8 lb.)	.912	.922	-.010	.973
Picnic, untrmd.	.521	.529	-.008	.691
SS Picnic, smoker trm. bx.	.800	.800	-	.900
42% Trimmings	.470	.364	+.106	.560
72% Trimmings	.540	.510	+.030	.793



Tomato Products, Canned- The start of the main tomato for canning harvest season is 2 months away. Canned tomato supplies are adequate. The markets are steady. Prices per case (6/10) FOB, unless noted from ARA.

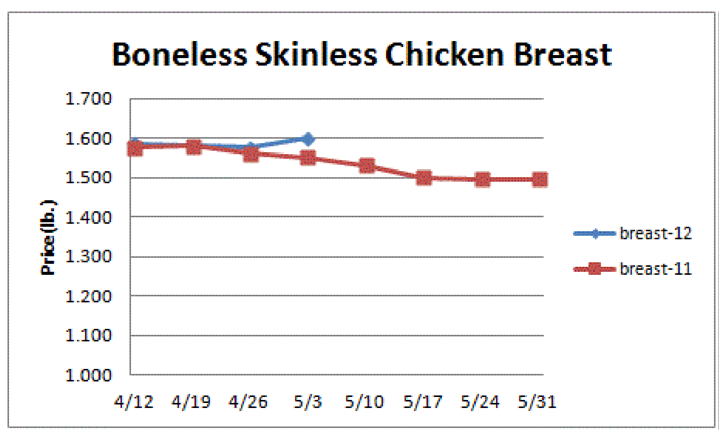
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- March 31st frozen regular cut green bean (20%) and French style green bean (9%) stocks were more than '11. Frozen green bean prices remain 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- Elevated feed costs continue to challenge chicken producer margins. Feed costs for producers last week were the highest since September '11. Chicken production rates are expected to remain low. Seasonal chicken breast price increases this year have been less intense that the previous year. This is due in part to strong breast meat output yields. History points to higher breast prices over the next few months with the market seasonally peaking in July. The ARA chicken wing index has fallen 12% from record levels in January. Wing prices usually bottom in early June. Chicken leg quarter prices are currently 28% above their 3 year price average. Record high leg quarter prices are possible later this year. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.935	.933	+.002	.865
Whole Birds (LA)	1.020	1.020	-	.960
Wings (whole)	1.830	1.855	-.025	.780
Wings (jumbo, cut)	1.716	1.737	-.021	.924
Breast, Bone In	1.020	1.020	-	.920
Breast, Bnless Skinless	1.600	1.575	+.025	1.550
Tenderloin (random)	1.540	1.540	-	1.400
Tenderloin (sized)	2.270	2.270	-	2.150
Legs (whole)	.764	.720	+.044	.659
Leg Quarters	.545	.540	+.005	.470
Thighs, bone in	.816	.924	-.108	.717
Thighs, boneless	1.379	1.372	+.007	1.307
Eggs and Others				
Large (dozen)	.787	.918	-.131	1.107
Medium (dozen)	.732	.737	-.005	.913
Whole Eggs- Liquid	.443	.431	+.012	.479
Egg Whites- Liquid	.440	.430	+.010	.495
Egg Yolks- Liquid	.676	.676	-	.697
Whole Turkeys (8-16 lb.)	1.095	1.075	+.020	1.005
Turkey Breast, Bnls/Sknls	1.980	1.930	+.050	2.500



Seafood- This year's Newfoundland/St. Lawrence joint snow crab quota is 11% larger than '11. So far this season 23% of the 52.5 million metric ton Newfoundland snow crab quota has been landed. For St. Lawrence, fishermen have caught 36% or 10.5 million metric tons of their snow crab quota. This has improved snow crab supplies even with this year's Bering Sea snow crab quota still unmet. Snow crab prices are trending lower.

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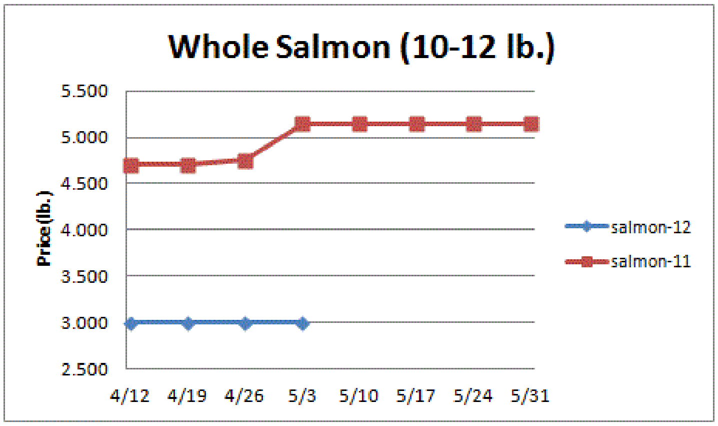
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 11
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	4.900
Catfish Filets	5.000	5.000	-	3.300
Trout (drn. 8-14 oz.)	3.700	3.700	-	7.246
Shrimp (16/20), Frz	5.347	5.700	-.353	3.337
Shrimp (61/70), Frz.	3.150	3.200	-.050	4.750
Shrimp, Tiger (26/30), Frz.	4.734	4.788	-.054	6.100
Snow Crab, Legs 5-8 oz, Frz	4.825	4.825	-	6.450
Snow Crab, Legs 8 oz/ up, Fz	5.100	5.175	-.075	3.163
Cod Tails, 3-7 oz., Frz.	3.500	3.488	+.012	3.831
Cod Loins, 3-12 oz., Frz	3.588	3.600	-.012	6.713
Salmon Portions, 4-8 oz, Frz	5.717	5.717	-	1.925
Pollock, Alaska, Deep Skin	1.775	1.775	-	4.900



Energy & Currency-Currency US dollar is worth.

	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	106.160	103.550	+2.610	111.050
Natural Gas, mbtu- nymex	2.371	1.975	+.396	4.670
Heating Oil, gal- nymex	3.177	3.130	+.047	3.191
Electricity, mwht- nymex	40.300	32.690	+7.610	48.990
Gasoline, gal- nymex	3.097	3.159	-.062	3.329
Diesel Fuel, gal- eia	4.073	4.085	-.012	4.124
Ethanol, gal- usda	2.065	2.095	-3.000	2.590
Canadian $	.984	.989	-.005	.954
Japanese Yen	80.187	81.202	-1.015	80.758
Mexican Peso	12.890	13.134	-.244	11.576
Euro	.756	.760	-.004	.677
Brazilian Real	1.904	1.879	+.025	1.592
Chinese Yuan	6.311	6.305	+.006	6.497

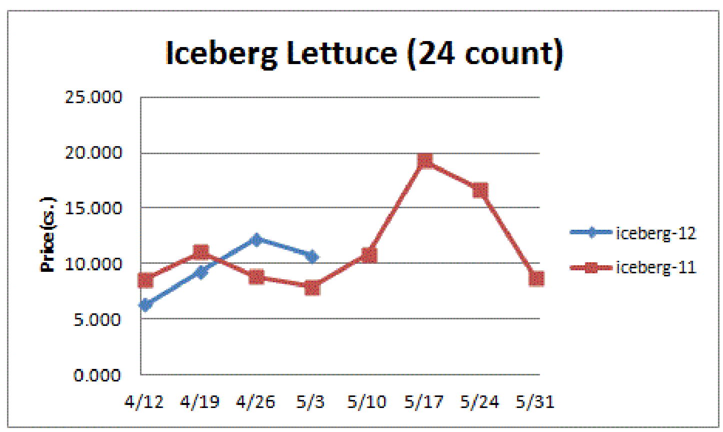
Paper/Plastic-Provided by; resin- www.plasticsnews.com, pulp- www.paperage.com.

Wood Pulp/ Plastic Resin	Price	Last Week	Difference	Price 11
WP; NBSK (napkin, towel)	893.720	893.720	-	1016.210
WP; 42 lb. Linerboard (corr.)	693.066	692.913	+.153	878.328
Res; PS-CHH (cup, cont.)	1.150-1.190	1.150-1.190	-	1.0301.070
Res; PP-HIGP (hvy utensil)	1.160-1.180	1.160-1.180	-	1.2501.270
Res; PE-LLD (cn liner, film)	.940-.970	.940-.970	-	.940-.970

Produce- US weather conditions have been conducive for produce crop growth in recent months. This has caused the majority of the produce markets to be depressed versus previous years. Tomatoes and yellow onions are offering the greatest price discounts while potato prices are modestly lower as well. The lettuce market is 17% higher versus its 3 year price average but the crop transition to Salinas and Santa Maria CA is running fine due in part to temperate weather conditions. Lower lettuce prices may be realized in the coming days. The tomato markets may become volatile during May as the Florida crop transitions northward.

Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	11.000	13.000	-2.000	15.000
Lemons (95 ct.)	19.740	19.740	-	13.640
Lemons (200 ct.)	17.740	17.740	-	17.140
Honeydew (6 ct.)	10.292	10.975	-.683	7.343
Cantaloupe (15 ct.)	13.950	17.450	-3.500	8.212
Blueberries (12 count)	15.750	15.313	+.437	20.425
Strawberries (12 pnts.)	12.000	12.000	-	11.000
Avocados (Hass 48 ct.)	33.750	34.750	-1.000	46.750
Bananas (40 lb.)- Term.	16.209	16.780	-.571	18.440
Pineapple (7 ct.)- Term.	12.625	14.115	-1.490	11.333
Idaho Potato (60 ct., 50 lb.)	11.375	11.750	-.375	21.000
Idaho Potato (70 ct., 50 lb.)	11.375	11.750	-.375	19.500
Idaho Potato (70 ct.)-Term.	18.615	18.088	+.527	27.438
Idaho Potato (90 ct., 50 lb.)	11.375	11.750	-.375	13.250
Idaho Pot. # 2 (6 oz., 100 lb.)	14.750	14.500	+.250	16.500
Processing Potato (cwt.)	12.000	7.250	4.750	9.000
Yellow Onions (50 lb.)	4.750	4.750	-	6.333
Yell Onions (50 lb.)-Term.	10.959	11.355	-.396	10.335
Red Onions (25 lb.)- Term.	17.375	16.646	+.729	7.521
White Onions (50 lb.)- Term.	22.251	22.344	-.093	13.333
Tomatoes (large- case)	5.950	6.450	-.500	8.950
Tomatoes (5x6-25 lb.)-Term	9.875	10.625	-.750	13.400
Tomatoes (4x5 vine ripe)	5.689	5.690	-.001	10.950
Roma Tomatoes (large- case)	6.742	6.452	+.290	9.875
Roma Tomatoes (xlarge-cs)	7.585	6.852	+.733	10.131
Green Peppers (large- case)	9.925	12.238	-2.313	12.250
Red Peppers (large 15lb. cs.)	9.950	9.950	-	18.950
Iceberg Lettuce (24 count)	10.708	12.213	-1.505	7.912
Iceberg Lettuce (24)-Term.	16.750	19.000	-2.250	15.167
Leaf Lettuce (24 count)	9.484	10.992	-1.508	13.066
Romaine Lettuce (24 cnt.)	8.807	9.802	-.995	9.691
Mesculin Mix (3 lb.)-Term.	6.844	6.938	-.094	7.042
Broccoli (14 ct.)	6.055	5.417	+.638	6.458
Squash (1/2 bushel)	4.850	6.600	-1.750	6.925
Zucchini (1/2 bushel)	4.975	5.425	-.450	4.175
Green Beans (bushel)	19.200	15.900	+3.300	13.900
Spinach, Flat 24's	8.960	9.250	-.290	7.600
Mushrms (10 lb, lg.)-Term.	15.146	15.146	-	13.287
Cucumbers (bushel)	13.050	13.510	-.460	6.992
Pickles (200-300 ct.)- Term.	27.375	23.438	+3.937	17.750
Asparagus (small)	27.250	27.250	-	16.500
Freight (Truck; CA-Cty Av.)	5194.444	5205.555	-11.111	5527.778



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

	Mar-12	Feb-12	Jan-12	Dec-11
Beef and Veal	+.812	+.211	+1.136	+.885
Dairy	-.112	-.506	+.931	-.141
Pork	+.713	-.288	-.176	-1.030
Chicken	+1.315	+.190	+.148	+.897
Fresh Fish and Seafood	+.936	-1.454	+.639	+.449
Fresh Fruits and Veg.	-.746	-2.367	+.555	+.252