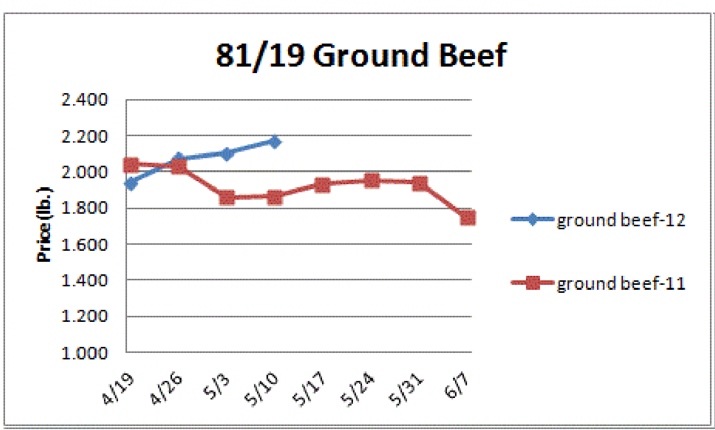
Weekly Market Updates

Volume No. 5 Issue No. 19 Date: May 10, 2012

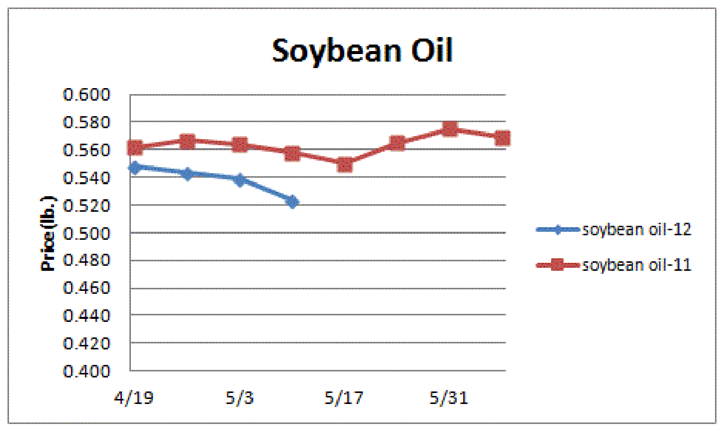
Beef- Beef output last week increased 1.9% but was 2.8% less than the same week in '11. US cattle prices are down sharply from record high levels set in March. Spring cattle supplies, although limited, are modestly better than expected plus weights are up versus '11. This has tempered this spring's beef rally and suggests that the '12 USDA boxed beef cutout price high has been established. Since '09, choice top butt, 0x1 strip and 50% beef trimming prices faded over the next 7 weeks. The Australian dollar continues to weaken versus the US dollar. This is a promising sign for 90% lean boneless beef trimming imports. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.214	1.208	+.006	1.147
Feeder Cattle Index (CME)	1.485	1.478	+.007	1.294
Ground Beef 81/19	2.171	2.105	+.066	1.865
Ground Chuck	2.197	2.144	+.053	1.896
109e Export Rib (choice)	5.407	5.371	+.036	5.208
109e Export Rib (prime)	10.646	10.568	+.078	7.228
112a Ribeye (choice)	6.003	6.004	-.001	5.637
112a Ribeye (prime)	11.131	10.674	+.457	7.505
116 Chuck (select)	2.193	2.136	+.057	1.882
116 Chuck (choice)	2.218	2.165	+.053	1.902
116b Chuck Tdnr (choice)	2.149	2.189	-.040	1.976
120 Brisket (choice)	1.949	1.956	-.007	1.657
121c Outside Skirt (ch/sel)	4.944	5.045	-.101	3.376
121d Inside Skirt (ch/sel)	3.504	3.450	+.054	3.150
167a Knckle, Trm. (ch.)	2.323	2.287	+.036	2.151
168 Inside Round (ch.)	2.006	1.935	+.071	1.940
174 Short Loin (ch. 0x1)	5.771	5.708	+.063	5.529
174 Short Loin (prime)	9.930	10.145	-.215	7.476
180 1x1 Strp (choice)	5.170	5.133	+.037	4.876
180 1x1 Strp (prime)	10.597	10.203	+.394	6.855
180 0x1 Strp (choice)	5.943	5.929	+.014	5.487
184 Top Butt, bnls (ch.)	3.318	3.177	+.141	2.646
184 Top Butt, bnls (prime)	3.490	3.566	-.076	2.845
185a Sirloin Flap (choice)	4.237	4.196	+.041	3.397
185c Loin, Tri-Tip (choice)	3.010	2.986	+.024	2.721
189a Tender (select)	9.181	9.372	-.191	7.354
189a Tender (choice)	9.358	9.349	+.009	7.749
189a Tender (prime)	13.296	13.522	-.226	10.268
193 Flank Steak (choice)	3.979	3.903	+.076	3.940
50% Trimmings	.790	.895	-.105	.998
65% Trimmings	1.206	1.135	+.071	1.257
75% Trimmings	1.656	1.664	-.008	1.541
85% Trimmings	2.147	2.116	+.031	1.886
90% Trimmings	2.277	2.259	+.018	2.008
90% Imported Beef (frz.)	2.119	2.095	+.024	2.045
95% Imported Beef (frz.)	2.290	2.265	+.025	2.123
Veal Rack (Hotel 7 rib)	7.700	7.700	-	5.450
Veal Top Rnd. (cp. off)	14.100	14.100	-	12.450



Oil, Grains, Misc.- Tight corn stocks are keeping spot corn prices firm. Still, the upcoming US crop could bring corn supplies in better balance. Lower corn prices are possible this summer. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	14.297	14.969	-.672	13.292
Crude Soybean Oil, lb.	.523	.539	-.016	.558
Soybean Meal, ton	413.300	428.200	-14.900	338.300
Corn, bushel	6.523	6.485	+.038	6.847
Crude Corn Oil, lb.	.600	.615	-.015	.685
High Fructose Corn Syrup	.185	.184	+.001	.191
Distillers Grain, Dry	211.500	209.000	+2.500	201.000
Crude Palm Oil, lb. BMD	.496	.517	-.021	.531
HRW Wheat, bushel	5.995	6.250	-.255	8.565
DNS Wheat 14%, bushel	7.970	8.390	-.420	10.140
Durum Wheat, bushel	7.138	7.138	-	9.070
Pinto Beans, lb.	.491	.491	-	.288
Black Beans, lb.	.420	.420	-	.325
Rice, Long Grain, lb.	.251	.251	-	.252
Coffee, lb. NYBOT	1.738	1.841	-.103	2.874
Sugar, lb. NYBOT	.310	.298	+.012	.351
Honey (Clover), lb.	1.800	1.800	-	1.625



Dairy- Milk output has been running at record levels in recent months. This has kept milk prices depressed and has encouraged cheese and butter production. Look for milk output gains versus last year to recede this summer if dairy farmer margins remain poor. The CME cheese markets are moving lower which is counter seasonal. The cheese markets may find support soon. The butter market has yet to establish a seasonal bottom and is trading at price levels not seen since February '10. Still, history suggests that the downside price risk for butter from here is likely limited. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.453	1.495	-.042	1.653
Cheese Blocks (CME)	1.493	1.535	-.042	1.620
American Cheese	1.658	1.634	+.024	1.998
Cheddar Cheese (40 lb.)	1.923	1.915	+.008	2.150
Mozzarella Cheese	1.768	1.760	+.008	1.983
Provolone Cheese	2.118	2.110	+.008	2.140
Parmesan Cheese	3.198	3.190	+.008	3.215
Butter (CME)	1.300	1.345	-.045	1.983
Nonfat Dry Milk	1.245	1.263	-.018	1.661
Whey, Dry	.500	.502	-.002	.512
Class 1 Base	15.850	15.850	-	19.750
Class II Cream, heavy	1.610	1.661	-.051	2.675
Class III Milk (CME)	14.330	14.540	-.210	16.730
Class IV Milk (CME)	13.450	13.590	-.140	20.330

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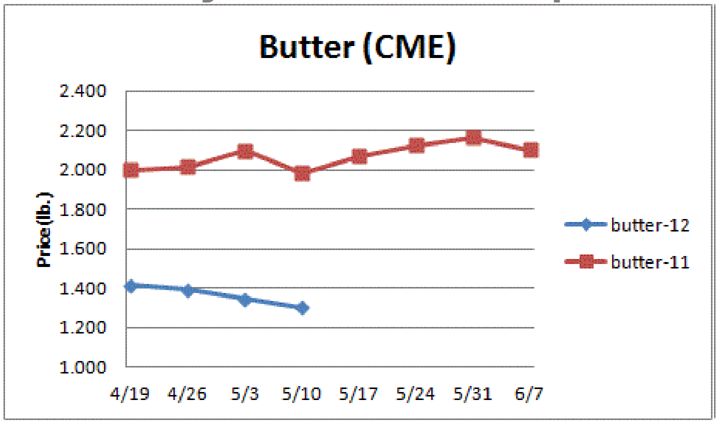
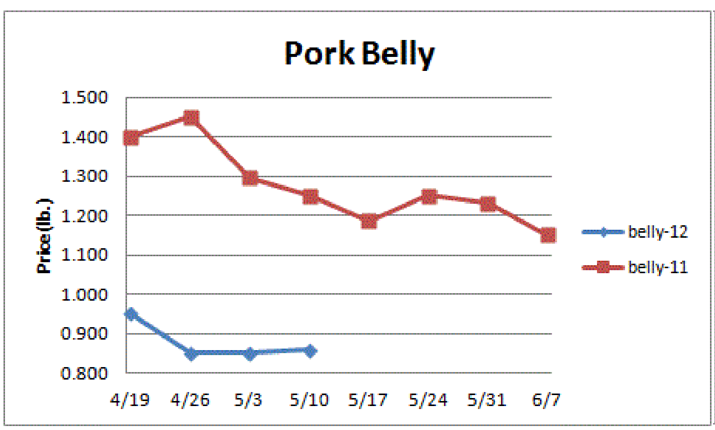


Pork- Pork production last week decreased 1.1% but was 4.9% larger than the same week a year ago. US pork output rates this year have outpaced solid pork export sales. Domestic demand for pork has been disappointing. Most of the pork markets have weakened this spring but have shown recent signs of strengthening. Seasonal pressure and better retail feature activity are anticipated to bring support to the pork markets in the coming weeks. Last year pork spare rib prices increased 17% during the next 7 weeks. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.556	.572	-.016	.650
Belly (bacon)	.858	.850	+.008	1.250
Sparerib (4.25 lb. & down)	1.428	1.484	-.056	1.544
Ham (20-23 lb.)	.692	.692	-	.790
Ham (23-27 lb.)	.700	.700	-	.800
Loin (bone-in)	.977	.936	+.041	1.050
Bbybck Rib (1.75 lb. & up)	2.987	3.049	-.062	2.850
Tenderloin (1.25 lb.)	2.870	2.894	-.024	2.900
Boston Butt, untrmd. (4-8 lb.)	.905	.912	-.007	.982
Picnic, untrmd.	.532	.521	+.011	.699
SS Picnic, smoker trm. bx.	.760	.800	-.040	.900
42% Trimmings	.470	.470	-	.600
72% Trimmings	.660	.540	+.120	.850



Tomato Products, Canned- Canned tomato supplies remain adequate. The California tomato for canning harvest should get underway in July. The markets are steady. Prices per case (6/10) FOB, unless noted from ARA.

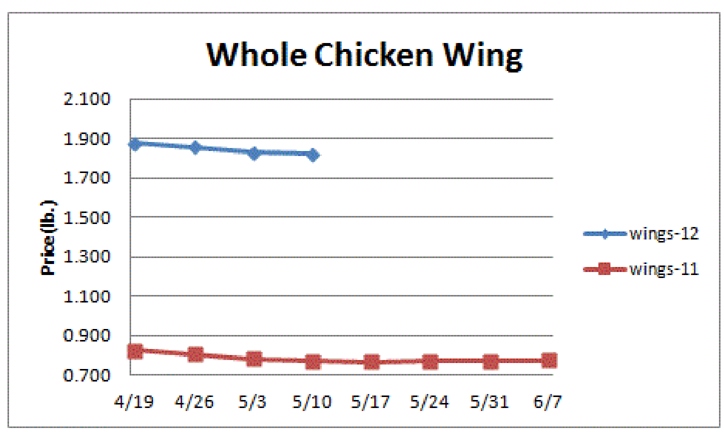
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- This year's green bean, corn and green pea for processing acreage may be tight due to other crop competition. The processed vegetable markets are 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 remain a major factor behind chicken producer's poor margins. In response chicken output continues to be curbed which could further support the chicken markets going forward. The ARA chicken breast index recently priced at its highest level since October '10. In '09, a similar year to '12 with reduced production, chicken breast prices rose 8% from now into July. For chicken leg quarter prices it was 20% during that same time period. However, this year's average bird weight is heavier which is tempering the chicken supply short fall slightly. Chicken wing prices are trying to stabilized after declining from record high levels in February. Still, chicken wing prices are 42% above the 3 year price average. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.940	.935	+.005	.865
Whole Birds (LA)	1.030	1.020	+.010	.960
Wings (whole)	1.820	1.830	-.010	.770
Wings (jumbo, cut)	1.716	1.716	-	.924
Breast, Bone In	1.055	1.020	+.035	.920
Breast, Bnless Skinless	1.685	1.600	+.085	1.530
Tenderloin (random)	1.540	1.540	-	1.330
Tenderloin (sized)	2.270	2.270	-	2.050
Legs (whole)	.706	.764	-.058	.663
Leg Quarters	.545	.545	-	.490
Thighs, bone in	.870	.816	+.054	.730
Thighs, boneless	1.387	1.379	+.008	1.353
Eggs and Others				
Large (dozen)	.788	.787	+.001	1.077
Medium (dozen)	.730	.732	-.002	.860
Whole Eggs- Liquid	.429	.443	-.014	.477
Egg Whites- Liquid	.426	.440	-.014	.501
Egg Yolks- Liquid	.665	.676	-.011	.697
Whole Turkeys (8-16 lb.)	1.140	1.095	+.045	1.005
Turkey Breast, Bnls/Sknls	1.889	1.980	-.091	2.500



Seafood- Wholesale salmon (38%), shrimp (34%), cod loin (46%) and snow crab leg (25%) prices are all lower than this time last year. In contrast, the US dollar is up 6.7% from a year ago. The US imports a large percentage of its seafood. This means the value of the US dollar plays a major role in regards to US seafood prices. Expect US seafood prices to remain below '11 levels if the US dollar continues to appreciate.

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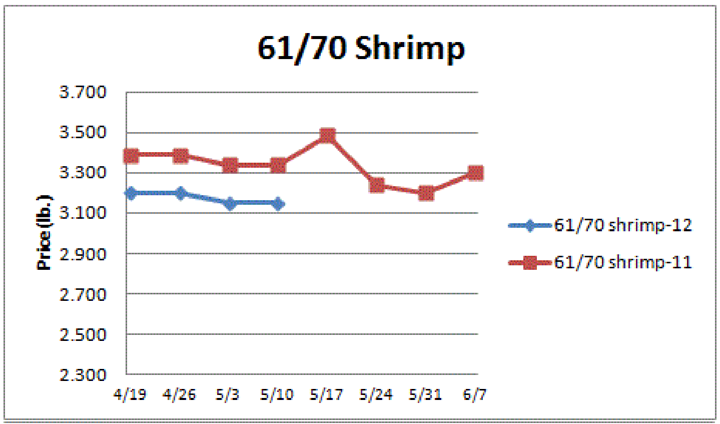
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 11
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	5.150
Catfish Filets	5.000	5.000	-	4.900
Trout (drn. 8-14 oz.)	3.700	3.700	-	3.300
Shrimp (16/20), Frz	5.347	5.347	-	7.109
Shrimp (61/70), Frz.	3.150	3.150	-	3.337
Shrimp, Tiger (26/30), Frz.	4.734	4.734	-	4.875
Snow Crab, Legs 5-8 oz, Frz	4.825	4.825	-	6.100
Snow Crab, Legs 8 oz/ up, Fz	5.138	5.100	+.038	6.450
Cod Tails, 3-7 oz., Frz.	3.500	3.500	-	3.163
Cod Loins, 3-12 oz., Frz	3.588	3.588	-	3.831
Salmon Portions, 4-8 oz, Frz	5.717	5.717	-	6.713
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.925



Energy & Currency-Currency US dollar is worth.

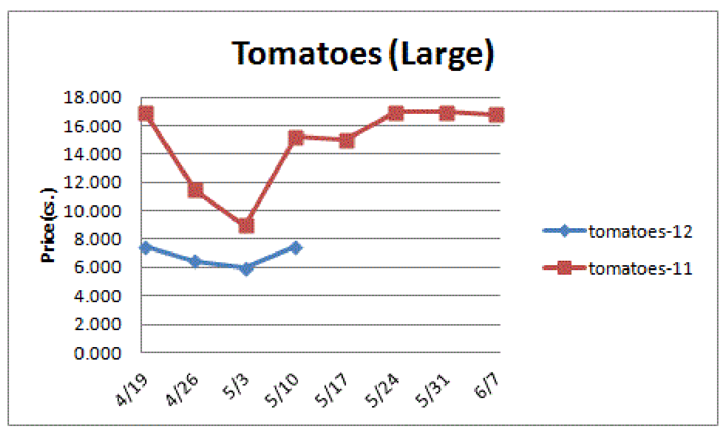
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	97.010	106.160	-9.150	103.880
Natural Gas, mbtu- nymex	2.393	2.371	+.022	4.246
Heating Oil, gal- nymex	2.990	3.177	-.187	3.001
Electricity, mwht- nymex	35.070	40.300	-5.230	48.380
Gasoline, gal- nymex	2.994	3.097	-.103	3.380
Diesel Fuel, gal- eia	4.057	4.073	-.016	4.104
Ethanol, gal- usda	2.125	2.065	+.060	2.590
Canadian $	.996	.984	+.012	.960
Japanese Yen	79.854	80.187	-.333	80.596
Mexican Peso	13.196	12.890	+.306	11.599
Euro	.768	.756	+.012	.696
Brazilian Real	1.926	1.904	+.022	1.612
Chinese Yuan	6.293	6.311	-.018	6.492

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)	900.000	893.720	+6.280	1019.140
WP; 42 lb. Linerboard (corr.)	687.930	693.066	-5.136	849.075
Res; PS-CHH (cup, cont.)	1.150-1.190	1.150-1.190	-	1.0501.090
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- The potato markets continue to trade well below (40%) year ago levels. US potato stocks are adequate but potato prices usually increase in the coming months. The 3 year average price move for potatoes is 25% higher during the next 14 weeks. Still, expect potato supplies to improve when the fall harvest gets underway. The Florida tomato crops continue to provide good tomato supplies. However, tomato prices could become more volatile as the chief output areas transition north. Last year tomato prices increased 10% over the next 4 weeks. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	11.000	11.000	-	13.000
Lemons (95 ct.)	20.740	19.740	+1.000	13.640
Lemons (200 ct.)	17.740	17.740	-	17.140
Honeydew (6 ct.)	10.292	10.292	-	5.875
Cantaloupe (15 ct.)	13.950	13.950	-	6.112
Blueberries (12 count)	23.700	15.750	+7.950	14.625
Strawberries (12 pnts.)	12.500	12.000	+.500	11.666
Avocados (Hass 48 ct.)	33.250	33.750	-.500	45.750
Bananas (40 lb.)- Term.	12.313	16.209	-3.896	18.301
Pineapple (7 ct.)- Term.	9.669	12.625	-2.956	11.614
Idaho Potato (60 ct., 50 lb.)	10.750	11.375	-.625	19.000
Idaho Potato (70 ct., 50 lb.)	10.750	11.375	-.625	18.000
Idaho Potato (70 ct.)-Term.	19.688	18.615	+1.073	26.828
Idaho Potato (90 ct., 50 lb.)	10.750	11.375	-.625	13.000
Idaho Pot. # 2 (6 oz., 100 lb.)	16.000	14.750	+1.250	16.500
Processing Potato (cwt.)	12.000	12.000	-	9.000
Yellow Onions (50 lb.)	5.500	4.750	+.750	6.437
Yell Onions (50 lb.)-Term.	10.959	10.959	-	10.470
Red Onions (25 lb.)- Term.	17.375	17.375	-	7.375
White Onions (50 lb.)- Term.	22.251	22.251	-	12.989
Tomatoes (large- case)	7.450	5.950	+1.500	15.200
Tomatoes (5x6-25 lb.)-Term	10.500	9.875	+.625	14.333
Tomatoes (4x5 vine ripe)	5.905	5.689	+.216	10.950
Roma Tomatoes (large- case)	6.742	6.742	-	12.715
Roma Tomatoes (xlarge-cs)	7.585	7.585	-	13.781
Green Peppers (large- case)	11.350	9.925	+1.425	11.916
Red Peppers (large 15lb. cs.)	14.950	9.950	+5.000	18.950
Iceberg Lettuce (24 count)	8.575	10.708	-2.133	10.872
Iceberg Lettuce (24)-Term.	16.750	16.750	-	14.000
Leaf Lettuce (24 count)	7.529	9.484	-1.955	12.070
Romaine Lettuce (24 cnt.)	9.925	8.807	+1.118	9.666
Mesculin Mix (3 lb.)-Term.	9.344	6.844	+2.500	6.823
Broccoli (14 ct.)	6.728	6.055	+.673	8.962
Squash (1/2 bushel)	6.310	4.850	+1.460	7.925
Zucchini (1/2 bushel)	6.850	4.975	+1.875	8.175
Green Beans (bushel)	13.350	19.200	-5.850	18.850
Spinach, Flat 24's	9.150	8.960	+.190	8.100
Mushrms (10 lb, lg.)-Term.	15.146	15.146	-	11.083
Cucumbers (bushel)	7.018	13.050	-6.032	9.270
Pickles (200-300 ct.)- Term.	27.375	27.375	-	19.525
Asparagus (small)	27.250	27.250	-	14.250
Freight (Truck; CA-Cty Av.)	5305.555	5194.444	+111.111	5533.333



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