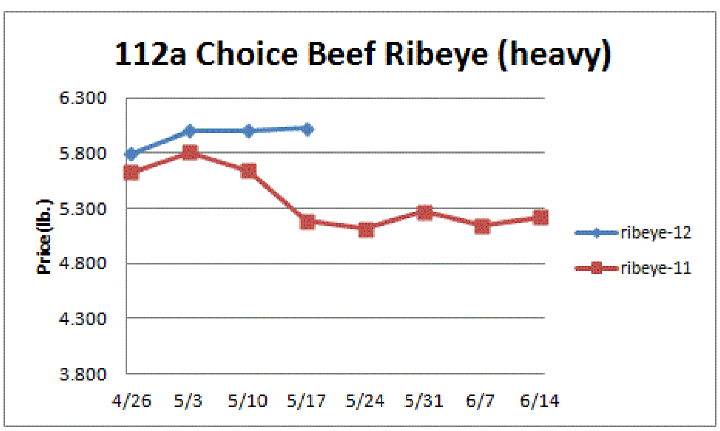
Weekly Market Updates

Volume No. 5 Issue No. 20 Date: May 17, 2012

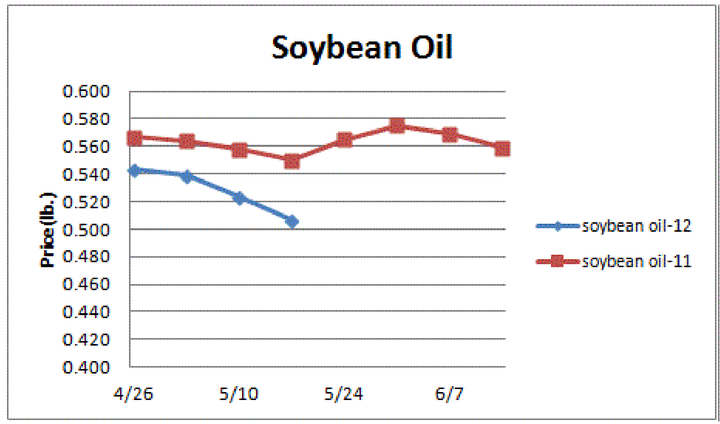
Beef- Beef output last week increased 2.2% and was .5% more than '11. Beef production has improved in recently which could bring downward pressure to the beef markets. The rise of the US dollar is mitigating beef export demand while stimulating beef imports. US beef exports during March were 31% less than the prior year. March beef imports were 27% above last year. This enabled the US to achieve its best monthly net beef import gain since July '10. If this continues it could influence the beef end cut and lean trim markets lower. Lean 90% boneless beef prices usually decline 7% from now through June. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.209	1.214	-.005	1.131
Feeder Cattle Index (CME)	1.475	1.485	-.010	1.294
Ground Beef 81/19	2.120	2.171	-.051	1.930
Ground Chuck	2.243	2.197	+.046	1.939
109e Export Rib (choice)	5.455	5.407	+.048	5.032
109e Export Rib (prime)	10.665	10.646	+.019	6.417
112a Ribeye (choice)	6.028	6.003	+.025	5.185
112a Ribeye (prime)	10.671	11.131	-.460	7.328
116 Chuck (select)	2.198	2.193	+.005	1.963
116 Chuck (choice)	2.248	2.218	+.030	1.989
116b Chuck Tdnr (choice)	2.140	2.149	-.009	2.020
120 Brisket (choice)	2.009	1.949	+.060	1.698
121c Outside Skirt (ch/sel)	5.117	4.944	+.173	3.358
121d Inside Skirt (ch/sel)	3.495	3.504	-.009	3.070
167a Knckle, Trm. (ch.)	2.335	2.323	+.012	2.223
168 Inside Round (ch.)	2.071	2.006	+.065	2.080
174 Short Loin (ch. 0x1)	5.906	5.771	+.135	5.367
174 Short Loin (prime)	9.900	9.930	-.030	6.926
180 1x1 Strp (choice)	5.266	5.170	+.096	4.567
180 1x1 Strp (prime)	10.623	10.597	+.026	7.649
180 0x1 Strp (choice)	6.049	5.943	+.106	4.921
184 Top Butt, bnls (ch.)	3.192	3.318	-.126	2.344
184 Top Butt, bnls (prime)	3.593	3.490	+.103	2.810
185a Sirloin Flap (choice)	4.335	4.237	+.098	3.623
185c Loin, Tri-Tip (choice)	3.116	3.010	+.106	2.694
189a Tender (select)	9.391	9.181	+.210	7.359
189a Tender (choice)	9.028	9.358	-.330	7.584
189a Tender (prime)	13.958	13.296	+.662	10.007
193 Flank Steak (choice)	4.100	3.979	+.121	3.972
50% Trimmings	.706	.790	-.084	1.099
65% Trimmings	1.196	1.206	-.010	1.296
75% Trimmings	1.656	1.656	-	1.565
85% Trimmings	2.133	2.147	-.014	1.850
90% Trimmings	2.285	2.277	+.008	1.973
90% Imported Beef (frz.)	2.058	2.119	-.061	2.020
95% Imported Beef (frz.)	2.250	2.290	-.040	2.100
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.- The USDA is projecting tighter soybean supplies for the '12/13 crop. Still, soybean acres are likely larger than the USDA's estimate. Lower soybean prices are possible this fall. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	14.069	14.297	-.228	13.395
Crude Soybean Oil, lb.	.506	.523	-.017	.550
Soybean Meal, ton	414.700	413.300	+1.400	338.400
Corn, bushel	6.184	6.523	-.339	7.016
Crude Corn Oil, lb.	.585	.600	-.015	.685
High Fructose Corn Syrup	.178	.185	-.007	.194
Distillers Grain, Dry	217.500	211.500	+6.000	190.000
Crude Palm Oil, lb. BMD	.457	.496	-.039	.504
HRW Wheat, bushel	5.915	5.995	-.080	8.250
DNS Wheat 14%, bushel	8.150	7.970	+.180	9.910
Durum Wheat, bushel	6.813	7.138	-.325	9.380
Pinto Beans, lb.	.491	.491	-	.288
Black Beans, lb.	.420	.420	-	.320
Rice, Long Grain, lb.	.252	.251	+.001	.252
Coffee, lb. NYBOT	1.776	1.738	+.038	2.651
Sugar, lb. NYBOT	.303	.310	-.007	.359
Honey (Clover), lb.	1.800	1.800	-	1.600



Dairy- US butter exports during March were 29% less than last year but the best since May '11. The butter market has risen during the past week. Ample US butter supplies and an appreciating US dollar may dull any pending butter market increases. The cheese markets are fairly steady and may be forming a seasonal bottom. March US cheese exports were 12% more than '11 and a record for any month. The price relationship between the international and US cheese markets suggests that US cheese exports could slow. Still, modestly higher cheese prices may be pending. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.460	1.453	+.007	1.663
Cheese Blocks (CME)	1.500	1.493	+.007	1.668
American Cheese	1.645	1.658	-.013	1.998
Cheddar Cheese (40 lb.)	1.890	1.923	-.033	2.150
Mozzarella Cheese	1.735	1.768	-.033	1.983
Provolone Cheese	2.085	2.118	-.033	2.133
Parmesan Cheese	3.165	3.198	-.033	3.208
Butter (CME)	1.355	1.300	+.055	2.070
Nonfat Dry Milk	1.217	1.245	-.028	1.672
Whey, Dry	.429	.500	-.071	.506
Class 1 Base	15.850	15.850	-	19.750
Class II Cream, heavy	1.568	1.610	-.042	2.567
Class III Milk (CME)	15.300	14.330	+.970	17.400
Class IV Milk (CME)	13.600	13.450	+.150	20.190

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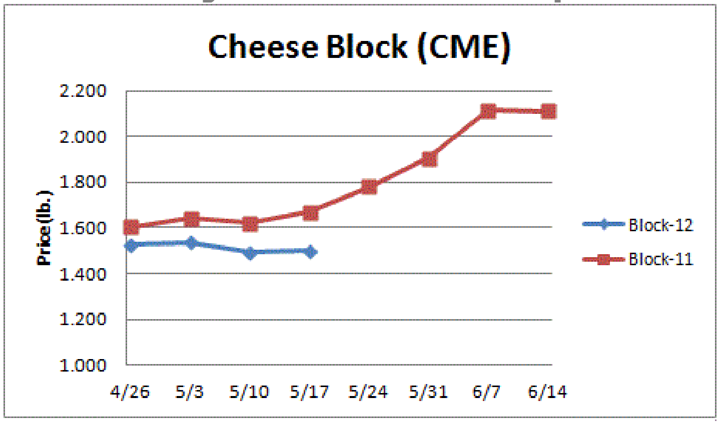
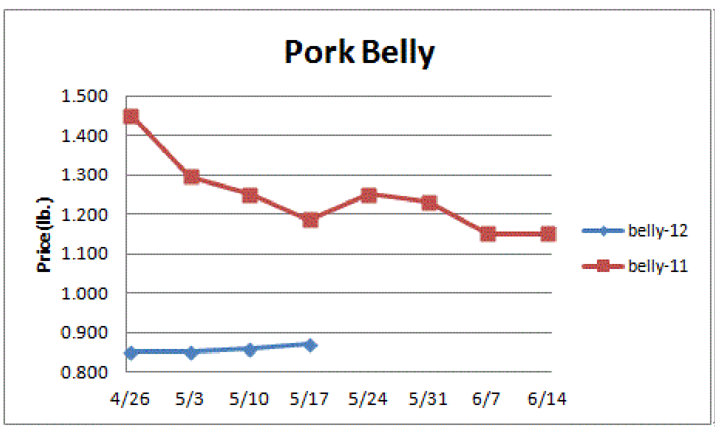


Pork- Pork production last week rose 1% and was 2.3% larger than last year. Pork output remains strong due in part to solid hog numbers at heavier weights. Still, pork prices have been moving up recently following a seasonal trend. Pork production is forecasted to remain above '11 levels which should temper any additional seasonal pork market increases in the coming months. US March pork exports were up 2% versus '11 and were a record for the month. A rising US dollar may mitigate US pork exports this summer. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.584	.556	+.028	.674
Belly (bacon)	.870	.858	+.012	1.185
Sparerib (4.25 lb. & down)	1.543	1.428	+.115	1.709
Ham (20-23 lb.)	.700	.692	+.008	.840
Ham (23-27 lb.)	.690	.700	-.010	.820
Loin (bone-in)	1.039	.977	+.062	1.166
Bbybck Rib (1.75 lb. & up)	2.974	2.987	-.013	2.880
Tenderloin (1.25 lb.)	2.900	2.870	+.030	2.944
Boston Butt, untrmd. (4-8 lb.)	.975	.905	+.070	1.077
Picnic, untrmd.	.534	.532	+.002	.739
SS Picnic, smoker trm. bx.	.760	.760	-	.970
42% Trimmings	.470	.470	-	.630
72% Trimmings	.660	.660	-	.880



Tomato Products, Canned- California farmers have negotiated a 2% increase in '12 raw product tomato costs with canners. The markets remain steady. Prices per case (6/10) FOB, unless noted from ARA.

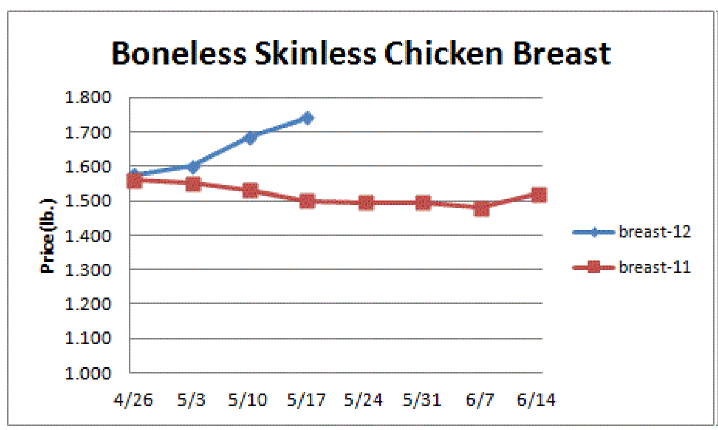
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- The vegetable planting season is progressing under fairly good conditions in the Midwest. The processed vegetable markets 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- Chicken output remains below '11 levels and is supporting the chicken markets. Expensive feed costs have been a problem for producers and is a big reason why production has been curtailed. That said, lower corn prices are anticipated this fall. If realized, producer profitability should greatly improve and could eventually lead to chicken production expansion. Still, chicken output should remain curbed into the summer. The ARA chicken cutout index recently priced at its highest level since September '10. Analog years suggest that the chicken markets could remain well supported through June. March US chicken exports were 7.4% more than the prior year and a record high for the month. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.943	.940	+.003	.865
Whole Birds (LA)	1.030	1.030	-	.960
Wings (whole)	1.830	1.820	+.010	.765
Wings (jumbo, cut)	1.797	1.716	+.081	.930
Breast, Bone In	1.075	1.055	+.020	.905
Breast, Bnless Skinless	1.740	1.685	+.055	1.500
Tenderloin (random)	1.540	1.540	-	1.400
Tenderloin (sized)	2.270	2.270	-	2.150
Legs (whole)	.695	.706	-.011	.669
Leg Quarters	.555	.545	+.010	.490
Thighs, bone in	.790	.870	-.080	.726
Thighs, boneless	1.387	1.387	-	1.341
Eggs and Others				
Large (dozen)	.760	.788	-.028	.956
Medium (dozen)	.695	.730	-.035	.848
Whole Eggs- Liquid	.424	.429	-.005	.474
Egg Whites- Liquid	.431	.426	+.005	.482
Egg Yolks- Liquid	.650	.665	-.015	.650
Whole Turkeys (8-16 lb.)	1.090	1.140	-.050	1.030
Turkey Breast, Bnls/Sknls	1.933	1.889	+.044	2.500



Seafood- March total shrimp imports were nearly even with '11. Shell-on shrimp imports for March were up 5.8% versus the prior year. The US dollar has appreciated and has motivated global shrimp sales to the US. The seasonal trend for several shrimp markets is upward in the coming weeks. US salmon fillet steak imports in March were 22% more than '11. Whole Atlantic salmon prices are 48% below the 3 year price average.

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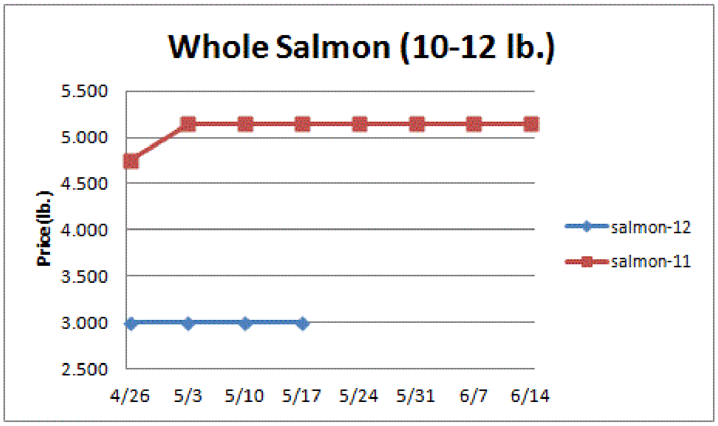
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	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	5.675	5.347	+.328	7.365
Shrimp (61/70), Frz.	3.150	3.150	-	3.483
Shrimp, Tiger (26/30), Frz.	4.750	4.734	+.016	4.800
Snow Crab, Legs 5-8 oz, Frz	4.800	4.825	-.025	6.100
Snow Crab, Legs 8 oz/ up, Fz	5.075	5.138	-.063	6.450
Cod Tails, 3-7 oz., Frz.	3.500	3.500	-	3.163
Cod Loins, 3-12 oz., Frz	3.500	3.588	-.088	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.

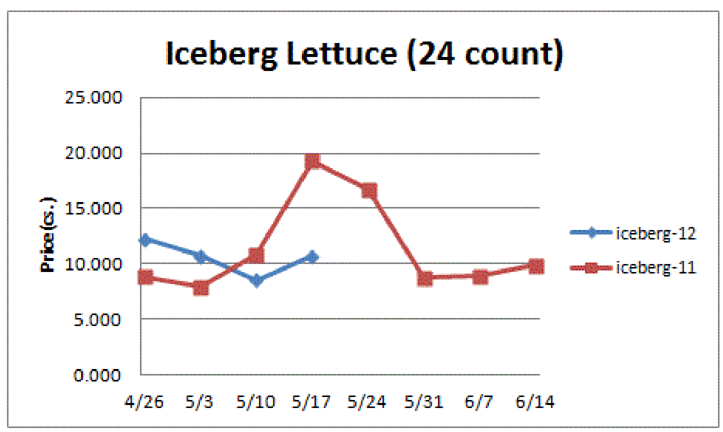
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	93.980	97.010	-3.030	96.910
Natural Gas, mbtu- nymex	2.500	2.393	+.107	4.182
Heating Oil, gal- nymex	2.933	2.990	-.057	2.845
Electricity, mwht- nymex	38.180	35.070	+3.110	52.360
Gasoline, gal- nymex	2.944	2.994	-.050	2.919
Diesel Fuel, gal- eia	4.004	4.057	-.053	4.061
Ethanol, gal- usda	2.090	2.125	-.035	2.480
Canadian $	1.000	.996	+.004	.975
Japanese Yen	79.927	79.854	+.073	81.639
Mexican Peso	13.676	13.196	+.480	11.753
Euro	.779	.768	+.011	.706
Brazilian Real	1.989	1.926	+.063	1.632
Chinese Yuan	6.319	6.293	+.026	6.506

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)	899.290	900.000	-.710	1019.790
WP; 42 lb. Linerboard (corr.)	679.266	687.930	-8.664	837.139
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- Lettuce supplies have tightened recently due to earlier weather challenges and poor yields out of Salinas CA. The iceberg lettuce market has risen modestly in the last week and could remain elevated until lettuce supplies improve. Still, iceberg prices are currently 26% lower than the 3 year price average. Tomato supplies have been adequate out of Florida. However, the tomato markets may become more erratic as the main tomato harvests move northward. Higher avocado prices may be impending. The avocado market usually rises 14% during the next 4 weeks. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	10.000	11.000	-1.000	12.000
Lemons (95 ct.)	19.740	20.740	-1.000	13.640
Lemons (200 ct.)	18.740	17.740	+1.000	17.140
Honeydew (6 ct.)	8.975	10.292	-1.317	6.118
Cantaloupe (15 ct.)	19.700	13.950	+5.750	7.566
Blueberries (12 count)	18.600	23.700	-5.100	15.312
Strawberries (12 pnts.)	11.500	12.500	-1.000	11.666
Avocados (Hass 48 ct.)	32.750	33.250	-.500	44.750
Bananas (40 lb.)- Term.	16.275	12.313	+3.962	16.672
Pineapple (7 ct.)- Term.	12.459	9.669	+2.790	11.229
Idaho Potato (60 ct., 50 lb.)	10.250	10.750	-.500	17.000
Idaho Potato (70 ct., 50 lb.)	10.250	10.750	-.500	16.500
Idaho Potato (70 ct.)-Term.	16.703	19.688	-2.985	24.621
Idaho Potato (90 ct., 50 lb.)	10.250	10.750	-.500	13.000
Idaho Pot. # 2 (6 oz., 100 lb.)	15.500	16.000	-.500	15.500
Processing Potato (cwt.)	10.000	12.000	-2.000	9.000
Yellow Onions (50 lb.)	8.417	5.500	+2.917	7.625
Yell Onions (50 lb.)-Term.	11.105	10.959	+.146	11.844
Red Onions (25 lb.)- Term.	13.021	17.375	-4.354	7.290
White Onions (50 lb.)- Term.	19.438	22.251	-2.813	12.104
Tomatoes (large- case)	8.950	7.450	+1.500	15.000
Tomatoes (5x6-25 lb.)-Term	12.417	10.500	+1.917	17.075
Tomatoes (4x5 vine ripe)	8.450	5.905	+2.545	13.962
Roma Tomatoes (large- case)	8.713	6.742	+1.971	10.205
Roma Tomatoes (xlarge-cs)	9.205	7.585	+1.620	10.830
Green Peppers (large- case)	12.650	11.350	+1.300	14.400
Red Peppers (large 15lb. cs.)	11.950	14.950	-3.000	18.950
Iceberg Lettuce (24 count)	10.718	8.575	+2.143	19.250
Iceberg Lettuce (24)-Term.	15.500	16.750	-1.250	20.833
Leaf Lettuce (24 count)	7.765	7.529	+.236	11.612
Romaine Lettuce (24 cnt.)	7.892	9.925	-2.033	9.441
Mesculin Mix (3 lb.)-Term.	6.844	9.344	-2.500	6.823
Broccoli (14 ct.)	6.728	6.728	-	11.225
Squash (1/2 bushel)	6.310	6.310	-	8.475
Zucchini (1/2 bushel)	6.850	6.850	-	9.662
Green Beans (bushel)	11.475	13.350	-1.875	16.950
Spinach, Flat 24's	9.500	9.150	+.350	9.100
Mushrms (10 lb, lg.)-Term.	15.135	15.146	-.011	11.083
Cucumbers (bushel)	13.297	7.018	+6.279	8.310
Pickles (200-300 ct.)- Term.	28.875	27.375	+1.500	24.438
Asparagus (small)	27.250	27.250	-	10.500
Freight (Truck; CA-Cty Av.)	5622.222	5305.555	+316.667	5588.889



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

	Apr-12	Mar-12	Feb-12	Jan-12
Beef and Veal	+.283	+.812	+.211	+1.136
Dairy	-1.001	-.112	-.506	+.931
Pork	-.601	+.713	-.288	-.176
Chicken	+.845	+1.315	+.190	+.148
Fresh Fish and Seafood	+.515	+.936	-1.454	+.639
Fresh Fruits and Veg.	+1.125	-.746	-2.367	+.555