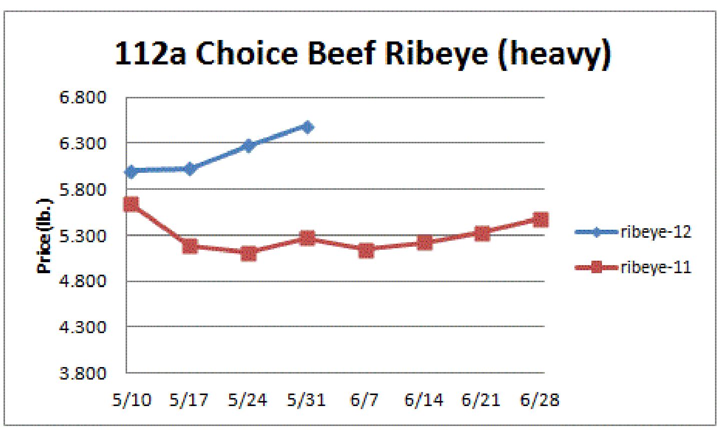
Weekly Market Updates

Volume No. 5 Issue No. 22 Date: May 31, 2012

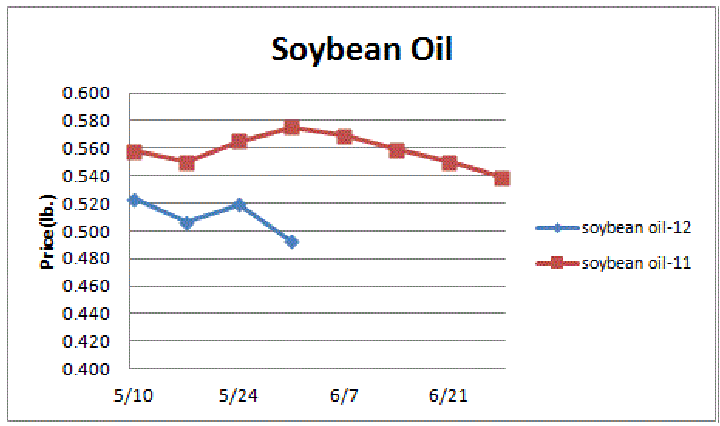
Beef- - Beef output last week decreased .8% and was 3.8% less than last year. Beef production is forecasted by the USDA to track 4% below the prior year this summer. However, feedlots have been holding cattle longer than typical this year and cattle weights are higher versus '11. This could temper the expected beef supply shortfall in the coming months. The US dollar has risen recently which encourages US beef imports and discourages US beef export sales. History points to many beef markets trending lower soon. In June, the 5 year average price decline for the 0x1 strip and the top butt is 8% and 13%. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.225	1.234	-.009	1.114
Feeder Cattle Index (CME)	1.523	1.523	-	1.227
Ground Beef 81/19	2.194	2.288	-.094	1.939
Ground Chuck	2.186	2.260	-.074	1.844
109e Export Rib (choice)	5.589	5.428	+.161	4.814
109e Export Rib (prime)	10.434	10.428	+.006	6.954
112a Ribeye (choice)	6.488	6.275	+.213	5.272
112a Ribeye (prime)	9.631	9.489	+.142	7.736
116 Chuck (select)	2.313	2.254	+.059	2.071
116 Chuck (choice)	2.325	2.285	+.040	2.098
116b Chuck Tdnr (choice)	2.224	2.199	+.025	2.069
120 Brisket (choice)	2.105	2.064	+.041	1.720
121c Outside Skirt (ch/sel)	5.131	5.216	-.085	3.339
121d Inside Skirt (ch/sel)	3.538	3.494	+.044	3.065
167a Knckle, Trm. (ch.)	2.353	2.346	+.007	2.279
168 Inside Round (ch.)	2.114	2.070	+.044	1.939
174 Short Loin (ch. 0x1)	5.964	5.868	+.096	5.050
174 Short Loin (prime)	9.342	9.324	+.018	7.152
180 1x1 Strp (choice)	5.933	5.409	+.524	4.314
180 1x1 Strp (prime)	10.106	10.396	-.290	7.213
180 0x1 Strp (choice)	6.699	6.368	+.331	4.862
184 Top Butt, bnls (ch.)	3.314	3.426	-.112	2.280
184 Top Butt, bnls (prime)	3.608	3.479	+.129	2.870
185a Sirloin Flap (choice)	4.488	4.364	+.124	3.776
185c Loin, Tri-Tip (choice)	3.376	3.267	+.109	2.623
189a Tender (select)	9.052	9.002	+.050	7.365
189a Tender (choice)	9.593	9.466	+.127	7.724
189a Tender (prime)	13.652	13.644	+.008	10.229
193 Flank Steak (choice)	4.411	4.262	+.149	4.117
50% Trimmings	.564	.555	+.009	1.161
65% Trimmings	1.082	1.196	-.114	1.317
75% Trimmings	1.647	1.687	-.040	1.546
85% Trimmings	2.138	2.146	-.008	1.858
90% Trimmings	2.310	2.291	+.019	1.971
90% Imported Beef (frz.)	2.028	2.040	-.012	1.940
95% Imported Beef (frz.)	2.198	2.225	-.027	2.038
Veal Rack (Hotel 7 rib)	7.700	7.700	-	5.450
Veal Top Rnd. (cp. off)	14.175	14.175	-	12.400



Oil, Grains, Misc.- This year's grain crops are off to a good start but there isn't much room for error due to the existing tight supplies. Weather events could add grain price volatility this summer. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	13.879	13.795	+.084	13.756
Crude Soybean Oil, lb.	.492	.496	-.004	.575
Soybean Meal, ton	413.500	406.000	+7.500	345.300
Corn, bushel	5.839	6.225	-.386	7.332
Crude Corn Oil, lb.	.550	.570	-.020	.675
High Fructose Corn Syrup	.171	.179	-.008	.200
Distillers Grain, Dry	217.250	219.500	-2.250	197.750
Crude Palm Oil, lb. BMD	.441	.438	+.003	.517
HRW Wheat, bushel	6.530	6.655	-.125	8.405
DNS Wheat 14%, bushel	8.360	8.450	-.090	10.670
Durum Wheat, bushel	6.963	6.963	-	11.940
Pinto Beans, lb.	.491	.491	-	.290
Black Beans, lb.	.435	.435	+.015	.325
Rice, Long Grain, lb.	.252	.252	-	.252
Coffee, lb. NYBOT	1.652	1.658	-.006	2.646
Sugar, lb. NYBOT	.295	.303	-.008	.350
Honey (Clover), lb.	1.813	1.813	-	1.600



Dairy- The dramatic milk production gains the past several months may be ending. Weather isn't forecasted to be as favorable for milk production this summer. Further, dairy farmers are likely to cut back dairy cow herd expansion plans later this year. A slowdown in milk output gains versus '11 could bring support to the dairy markets. April butter stocks were the highest for the month in 9 years. CME spot butter prices are firming. US cheese stock levels on April 30th were 1% lower than last year. Since '09, CME cheese block prices moved an average of 9% higher in June/July. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.528	1.470	+.058	1.873
Cheese Blocks (CME)	1.600	1.500	+.100	1.905
American Cheese	1.658	1.648	+.010	2.123
Cheddar Cheese (40 lb.)	1.903	1.888	+.015	2.170
Mozzarella Cheese	1.748	1.733	+.015	2.108
Provolone Cheese	2.098	2.083	+.015	2.265
Parmesan Cheese	3.178	3.163	+.015	3.340
Butter (CME)	1.400	1.385	+.015	2.163
Nonfat Dry Milk	1.166	1.199	-.033	1.690
Whey, Dry	.476	.490	-.014	0.513
Class 1 Base	15.240	15.240	-	20.320
Class II Cream, heavy	1.795	1.655	+.140	2.787
Class III Milk (CME)	15.660	15.580	+.080	20.000
Class IV Milk (CME)	13.750	13.700	+.050	20.560

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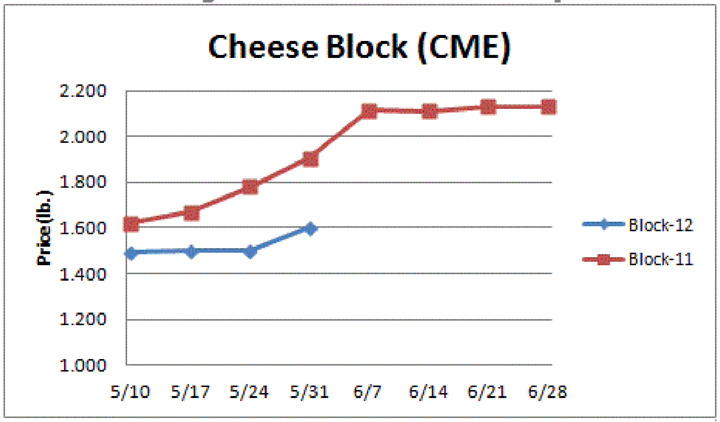
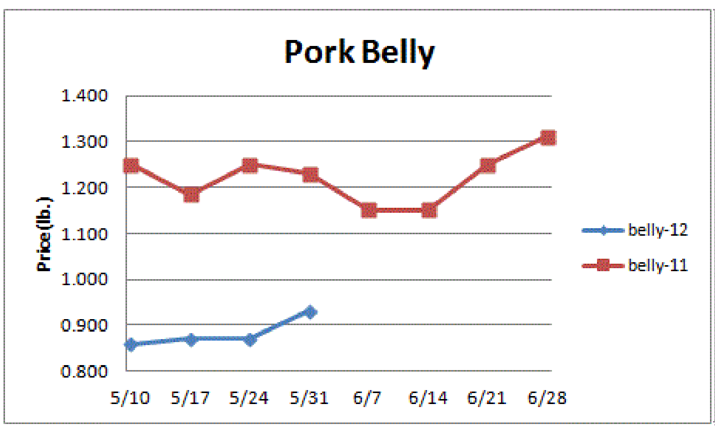
PERFORMANCE FOODSERVICE ROMA



Pork- Pork production last week fell 2.2% but was 2.8% above the same week in '11. The April 30th US total pork cold storage stock level was up 20% from the prior year and was the 2nd highest on record. This suggests that US pork output continues to outpace demand. Wholesale pork prices have trended mostly lower this year and the USDA pork cutout has been on par with its 5 year price averages. Ham and pork trimming prices typically rise 31% and 17% in June and July. Still, any price increases for pork this summer will likely be tempered. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.592	.615	-.023	.649
Belly (bacon)	.930	.870	+.060	1.230
Sparerib (4.25 lb. & down)	1.489	1.599	-.110	1.493
Ham (20-23 lb.)	.640	.660	-.020	.750
Ham (23-27 lb.)	.645	.655	-.010	.744
Loin (bone-in)	1.001	1.011	-.010	1.060
Bbybck Rib (1.75 lb. & up)	2.713	2.893	-.180	2.850
Tenderloin (1.25 lb.)	2.820	2.943	-.123	2.926
Boston Butt, untrmd. (4-8 lb.)	.942	.945	-.003	.973
Picnic, untrmd.	.555	.538	+.017	.651
SS Picnic, smoker trm. bx.	.700	.700	-	.970
42% Trimmings	.340	.340	-	.500
72% Trimmings	.580	.585	-.005	.840



Tomato Products, Canned- Tomato canners are estimated to be contracting 8.4% more CA tomatoes versus '11. Canned tomato prices are steady. Prices per case (6/10) FOB, unless noted from ARA.

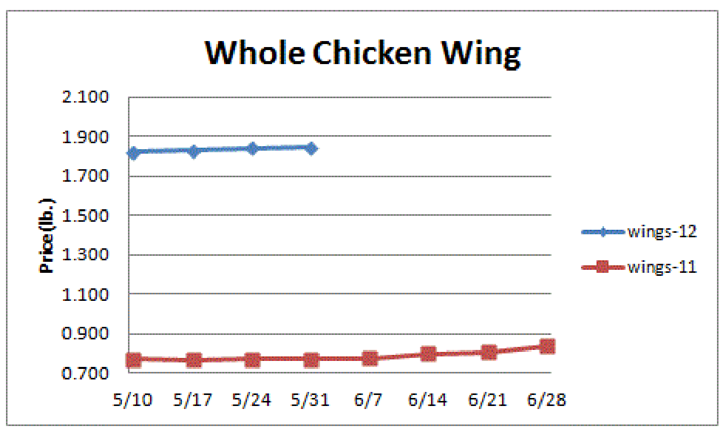
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- April 30th frozen regular cut green bean (21%) and French style green bean (9%) stocks were both more than '11. The processed vegetable markets are firm. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 11
Corn, Fcy whl kern- can 6/10	19.656	18.651	+1.005	17.406
Green Beans Fcy- can 6/10	19.250	18.250	+1.000	17.000
Green Peas, Fcy- can 6/10	20.750	18.750	+2.000	17.750
Corn, Cob- froz 96 ct.	14.750	14.750	-	14.000
Corn, Kernel- froz 12/2.5#	19.500	16.500	+3.000	14.250
Green Beans Cut- froz 12/2#	15.300	12.900	+2.400	12.900
Green Peas- froz 12/2.5#	26.250	20.250	+6.000	20.250
Potatoes, FF Fncy- froz 6/5#	14.000	14.000	-	13.000

Poultry- Broiler type egg sets for the week ending May 19th were down 3% versus '11. Still, it was the largest broiler type egg sets for any week in nearly a year. Chicken production is forecasted to trend below '11 this summer which should be generally supportive of the chicken markets. The Chicken wing markets continue to trade at historically elevated levels for this time of the year. History points to chicken wing prices seasonally bottoming in early June and then trending 7% higher over the next 3 months. The chicken wing markets could test record high levels this fall. Chicken leg quarter prices usually move up 3% from now through August. April 30th frozen chicken inventory levels were 18% less than the previous year. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.945	.945	-	.868
Whole Birds (LA)	1.040	1.030	+.010	.960
Wings (whole)	1.845	1.840	+.005	.770
Wings (jumbo, cut)	1.759	1.801	-.042	.838
Breast, Bone In	1.090	1.085	+.005	.885
Breast, Bnless Skinless	1.695	1.720	-.025	1.495
Tenderloin (random)	1.490	1.540	-.050	1.070
Tenderloin (sized)	2.220	2.270	-.050	1.890
Legs (whole)	.684	.703	-.019	.692
Leg Quarters	.550	.550	-	.495
Thighs, bone in	.829	.844	-.015	.760
Thighs, boneless	1.365	1.373	-.008	1.374
Eggs and Others				
Large (dozen)	.870	.760	+.110	.873
Medium (dozen)	.695	.695	-	.842
Whole Eggs- Liquid	.459	.467	-.008	.470
Egg Whites- Liquid	.419	.408	+.011	.446
Egg Yolks- Liquid	.647	.656	-.009	.656
Whole Turkeys (8-16 lb.)	1.100	1.100	-	1.040
Turkey Breast, Bnls/Sknls	1.900	1.927	-.027	2.503



Seafood- The Newfoundland snow crab season continues to progress with 62% of the quota landed to date. The US dollar has been firming which could improve US snow crab imports. There has been a 2 week extension given to the Bering Sea snow crab season due to earlier weather challenges. A good percentage of the Bering Sea snow crab quota hasn't been harvested. Some modest snow crab price relief may be impending.

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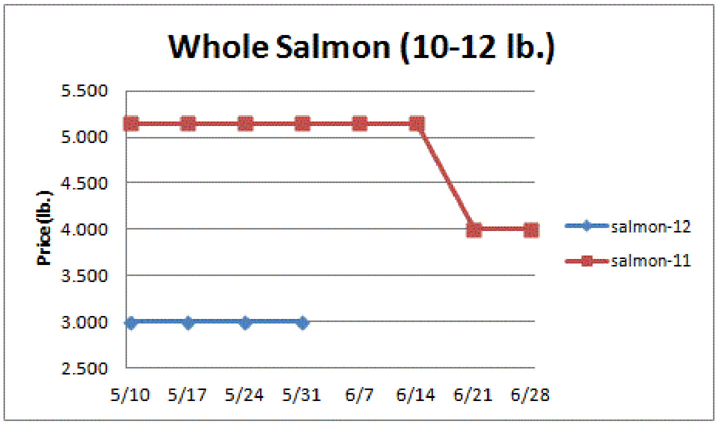
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	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	5.716	5.708	+.008	7.331
Shrimp (61/70), Frz.	3.134	3.134	-	3.200
Shrimp, Tiger (26/30), Frz.	4.725	4.750	-.025	4.950
Snow Crab, Legs 5-8 oz, Frz	4.900	4.900	-	5.950
Snow Crab, Legs 8 oz/ up, Fz	5.163	5.025	+.138	6.475
Cod Tails, 3-7 oz., Frz.	3.500	3.500	-	3.188
Cod Loins, 3-12 oz., Frz	3.588	3.588	-	3.831
Salmon Portions, 4-8 oz, Frz	5.717	5.717	-	6.584
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.925



Energy & Currency-Currency US dollar is worth.

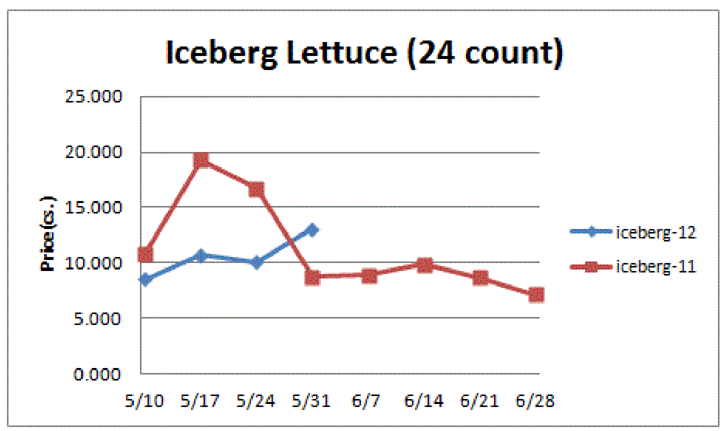
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	90.760	91.660	-.900	102.700
Natural Gas, mbtu- nymex	2.429	2.707	-.278	4.666
Heating Oil, gal- nymex	2.809	2.861	-.052	3.056
Electricity, mwht- nymex	43.880	48.480	-4.600	87.750
Gasoline, gal- nymex	2.907	2.937	-.030	3.150
Diesel Fuel, gal- eia	3.897	3.956	-.059	3.948
Ethanol, gal- usda	2.100	2.055	+.045	2.565
Canadian $	1.025	1.016	+.009	.972
Japanese Yen	79.566	79.879	-.313	81.488
Mexican Peso	13.930	13.679	+.251	11.576
Euro	.799	.783	+.016	.695
Brazilian Real	1.984	2.041	-.057	1.582
Chinese Yuan	6.332	6.316	+.016	6.479

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	900.000	-	1019.790
WP; 42 lb. Linerboard (corr.)	664.375	677.201	-12.826	845.367
Res; PS-CHH (cup, cont.)	1.150-1.190	1.150-1.190	-	1.0501.090
Res; PP-HIGP (hvy utensil)	1.060-1.080	1.160-1.180	-.100	1.350-1.37
Res; PE-LLD (cn liner, film)	.870-.900	.940-.970	-.070	.940-.970

Produce- US potato supplies remain at sufficient levels. The Idaho potato markets continue to price below their 3 year price averages. However, potato prices typically increase during the summer months due in part to seasonally declining stocks. Still, look for inventories to rebuild when the fall potato harvest gets underway. Lettuce prices have risen during the last week due in part to better demand. Iceberg lettuce prices are 14% below their 3 year price average but the upside price risk from current levels is likely limited. Avocado prices typically increase 15% during June. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	8.500	10.000	-1.500	13.000
Lemons (95 ct.)	19.740	19.740	-	13.640
Lemons (200 ct.)	19.240	18.740	+.500	17.140
Honeydew (6 ct.)	6.225	6.375	-.150	6.125
Cantaloupe (15 ct.)	7.950	10.225	+2.275	7.225
Blueberries (12 count)	14.700	23.984	-9.284	12.715
Strawberries (12 pnts.)	10.500	11.500	-1.000	10.000
Avocados (Hass 48 ct.)	33.750	32.750	+1.000	46.000
Bananas (40 lb.)- Term.	15.407	15.672	-.265	16.023
Pineapple (7 ct.)- Term.	12.079	12.240	-.161	11.027
Idaho Potato (60 ct., 50 lb.)	9.250	10.250	-1.000	16.500
Idaho Potato (70 ct., 50 lb.)	9.250	10.250	-1.000	15.500
Idaho Potato (70 ct.)-Term.	16.027	17.605	-1.578	24.000
Idaho Potato (90 ct., 50 lb.)	8.750	10.250	-1.500	12.500
Idaho Pot. # 2 (6 oz., 100 lb.)	14.500	14.750	-.250	15.500
Processing Potato (cwt.)	10.000	10.000	-	9.000
Yellow Onions (50 lb.)	6.000	6.084	-.084	8.333
Yell Onions (50 lb.)-Term.	11.152	11.688	-.536	13.625
Red Onions (25 lb.)- Term.	19.313	18.938	+.375	7.854
White Onions (50 lb.)- Term.	18.334	18.396	-.062	14.395
Tomatoes (large- case)	12.000	10.200	+1.800	16.950
Tomatoes (5x6-25 lb.)-Term	14.500	12.969	+1.531	16.250
Tomatoes (4x5 vine ripe)	9.475	9.475	-	8.950
Roma Tomatoes (large- case)	7.735	8.884	-1.149	7.125
Roma Tomatoes (xlarge-cs)	8.517	9.384	-.867	7.318
Green Peppers (large- case)	13.275	12.650	+.625	13.275
Red Peppers (large 15lb. cs.)	16.950	17.450	-.500	11.950
Iceberg Lettuce (24 count)	13.053	10.098	+2.955	8.777
Iceberg Lettuce (24)-Term.	20.250	18.750	+1.500	13.875
Leaf Lettuce (24 count)	6.940	7.260	-.320	6.441
Romaine Lettuce (24 cnt.)	7.125	7.917	-.792	6.725
Mesculin Mix (3 lb.)-Term.	6.875	6.875	-	6.792
Broccoli (14 ct.)	9.285	7.350	+1.935	11.512
Squash (1/2 bushel)	9.050	9.000	+.050	7.650
Zucchini (1/2 bushel)	9.750	7.500	+2.250	7.162
Green Beans (bushel)	14.100	11.600	+2.500	26.350
Spinach, Flat 24's	10.100	10.100	-	7.475
Mushrms (10 lb, lg.)-Term.	9.063	15.344	-6.281	8.433
Cucumbers (bushel)	19.275	15.493	+3.782	8.175
Pickles (200-300 ct.)- Term.	25.750	25.375	+.375	27.875
Asparagus (small)	17.500	27.250	-9.750	13.500
Freight (Truck; CA-Cty Av.)	5838.888	5711.111	+127.777	5932.500



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

	Apr-12	Mar-12	Feb-12	Jan-12
Beef and Veal	+.300	+.812	+.211	+1.136
Dairy	+1.000	-.112	-.506	+.931
Pork	-.600	+.713	-.288	-.176
Chicken	+.800	+1.315	+.190	+.148
Fresh Fish and Seafood	+1.400	+.936	-1.454	+.639
Fresh Fruits and Veg.	+1.100	-.746	-2.367	+.555