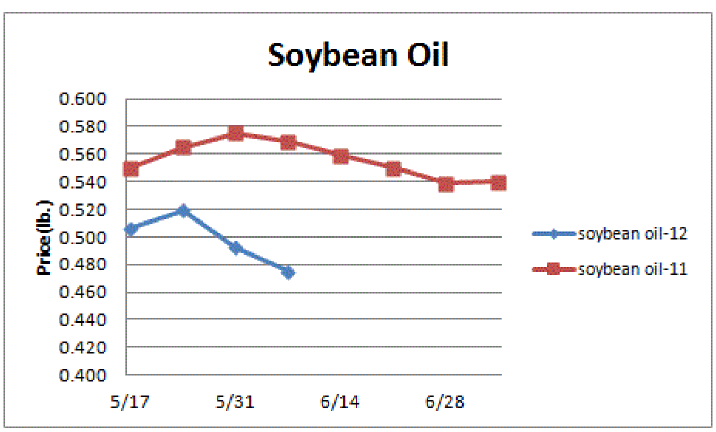
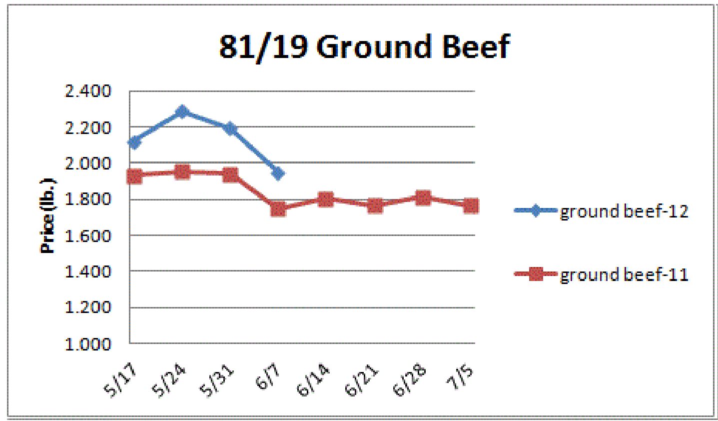
Weekly Market Updates

Volume No. 5 Issue No. 23 Date: June 7, 2012

Beef- Beef production last week was 1% less than the same week a year ago. The USDA choice boxed beef index has remained relatively firm due in part to solid retail beef clearance. Pending domestic beef demand could be challenged soon by historically high retail beef prices. Deferred beef sales last week were the smallest for any week since February '11. Softer beef demand could put downward pressure on the beef markets during the next week. Tighter cattle supplies and beef output shortfalls are projected this fall which could bring significant price support to holiday season beef items later this year. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.212	1.225	-.013	1.069
Feeder Cattle Index (CME)	1.538	1.523	+.015	1.243
Ground Beef 81/19	1.950	2.194	-.244	1.745
Ground Chuck	2.034	2.186	-.152	1.834
109e Export Rib (choice)	6.124	5.589	+.535	4.831
109e Export Rib (prime)	9.823	10.434	-.611	7.391
112a Ribeye (choice)	6.726	6.488	+.238	5.143
112a Ribeye (prime)	9.805	9.631	+.174	7.695
116 Chuck (select)	2.194	2.313	-.119	1.998
116 Chuck (choice)	2.189	2.325	-.136	2.023
116b Chuck Tdnr (choice)	2.176	2.224	-.048	2.047
120 Brisket (choice)	2.082	2.105	-.023	1.719
121c Outside Skrt (ch/sel)	5.275	5.131	+.144	3.552
121d Inside Skirt (ch/sel)	3.534	3.538	-.004	3.071
167a Knckle, Trm. (ch.)	2.308	2.353	-.045	2.271
168 Inside Round (ch.)	2.045	2.114	-.069	2.045
174 Short Loin (ch. 0x1)	6.547	5.964	+.583	5.132
174 Short Loin (prime)	8.778	9.342	-.564	7.705
180 1x1 Strp (choice)	6.426	5.933	+.493	4.448
180 1x1 Strp (prime)	8.371	10.106	-1.735	8.524
180 0x1 Strp (choice)	7.628	6.699	+.929	4.820
184 Top Butt, bnls (ch.)	3.347	3.314	+.033	2.262
184 Top Butt, bnls (prime)	3.692	3.608	+.084	2.813
185a Sirloin Flap (choice)	4.544	4.488	+.056	3.768
185c Loin, Tri-Tip (choice)	3.552	3.376	+.176	2.542
189a Tender (select)	9.124	9.052	+.072	7.394
189a Tender (choice)	9.724	9.593	+.131	7.907
189a Tender (prime)	13.943	13.652	+.291	10.240
193 Flank Steak (choice)	4.513	4.411	+.102	4.265
50% Trimmings	.528	.564	-.036	1.087
65% Trimmings	1.025	1.082	-.057	1.239
75% Trimmings	1.632	1.647	-.015	1.538
85% Trimmings	2.144	2.138	+.006	1.833
90% Trimmings	2.317	2.310	+.007	1.936
90% Imported Beef (frz.)	2.078	2.028	+.050	1.925
95% Imported Beef (frz.)	2.195	2.198	-.003	2.005
Veal Rack (Hotel 7 rib)	7.800	7.700	+.100	5.450
Veal Top Rnd. (cp. off)	13.775	14.175	-.400	12.400





Oil, Grains, Misc.- Global economic concerns have influenced grain prices lower. Corn and soybean stocks are tight which makes this year's crops vitally important. Prices could remain volatile. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	13.546	13.879	-.333	13.932
Crude Soybean Oil, lb.	.475	.492	-.017	.569
Soybean Meal, ton	401.500	413.500	-12.000	358.000
Corn, bushel	5.940	5.839	+.101	7.185
Crude Corn Oil, lb.	.535	.550	-.015	.675
High Fructose Corn Syrup	.174	.171	+.003	.197
Distillers Grain, Dry	210.500	217.250	-6.750	192.000
Crude Palm Oil, lb. BMD	.421	.441	-.020	.509
HRW Wheat, bushel	6.105	6.530	-.425	8.050
DNS Wheat 14%, bushel	7.930	8.360	-.430	10.500
Durum Wheat, bushel	6.813	6.963	-.150	12.380
Pinto Beans, lb.	.491	.491	-	.291
Black Beans, lb.	.435	.435	-	.325
Rice, Long Grain, lb.	.252	.252	-	.252
Coffee, lb. NYBOT	1.561	1.652	-.091	2.605
Sugar, lb. NYBOT	.285	.295	-.010	.350
Honey (Clover), lb.	1.813	1.813	-	1.600

Dairy- The CME butter market is fairly steady but still 8% above its seasonal bottom established last month. International butter prices are only trading at a slight premium to US butter which shouldn't support solid US butter exports. Still, the 5 year average price move for CME butter is 6.3% higher over the next 13 weeks. The CME cheese block market has moved 9.7% higher from its seasonal bottom in March. History points to steady cheese prices in the coming months but the existing momentum suggests modest cheese price increases in the near term. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.523	1.528	-.005	2.068
Cheese Blocks (CME)	1.603	1.600	+.003	2.113
American Cheese	1.715	1.658	+.057	2.240
Cheddar Cheese (40 lb.)	1.998	1.903	+.095	2.170
Mozzarella Cheese	1.843	1.748	+.095	2.240
Provolone Cheese	2.193	2.098	+.095	2.443
Parmesan Cheese	3.273	3.178	+.095	3.518
Butter (CME)	1.405	1.400	+.005	2.100
Nonfat Dry Milk	1.180	1.166	+.014	1.702
Whey, Dry	.523	.476	+.047	.513
Class 1 Base	15.240	15.240	-	20.320
Class II Cream, heavy	1.908	1.795	+.113	2.848
Class III Milk (CME)	16.080	15.660	+.420	19.830
Class IV Milk (CME)	13.900	13.750	+.150	20.690

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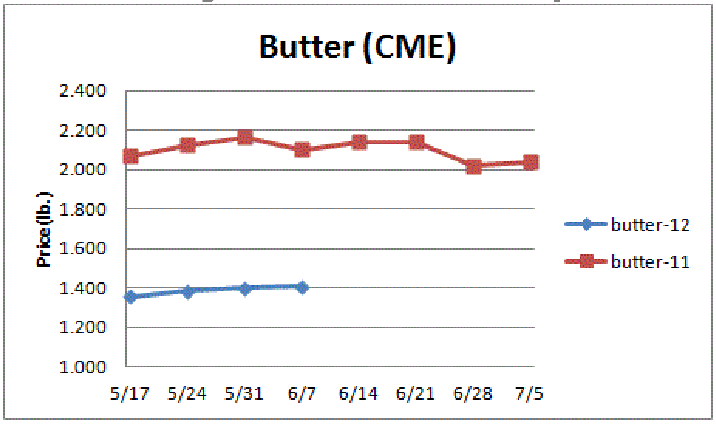
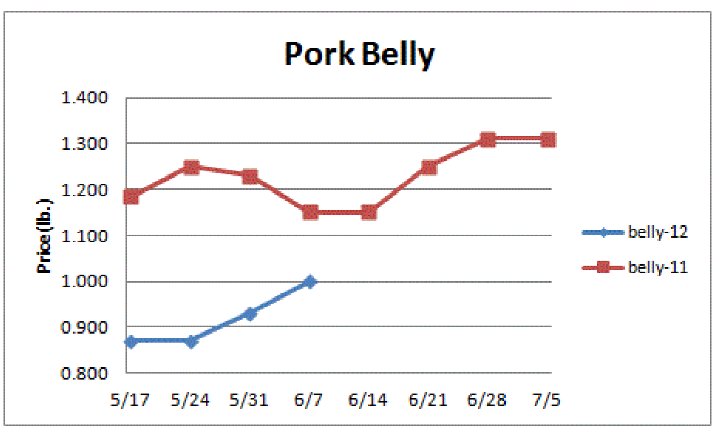


Pork- Pork production last week was 5.7% more than last year. Heavier hog weights versus '11 have contributed to strong US pork supplies. Pork output is forecasted by the USDA to track 2.4% above the prior year this summer. This could temper any significant price increases for pork in the coming months. Relatively flat sow slaughter suggests that pork production should continue to expand into '13. Most pork markets have moved upward during the past week with the pork belly market climbing to its highest price level since April 13th. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.636	.592	+.044	.638
Belly (bacon)	1.000	.930	+.070	1.150
Sparerib (4.25 lb. & down)	1.430	1.489	-.059	1.533
Ham (20-23 lb.)	.640	.640	-	.740
Ham (23-27 lb.)	.640	.645	-.005	.740
Loin (bone-in)	1.050	1.001	+.049	1.061
Bbybck Rib (1.75 lb. & up)	2.761	2.713	+.048	3.010
Tenderloin (1.25 lb.)	2.990	2.820	+.170	3.050
Boston Butt, untrmd. (4-8 lb.)	.935	.942	-.007	.949
Picnic, untrmd.	.582	.555	+.027	.637
SS Picnic, smoker trm. bx.	.770	.700	+.070	.949
42% Trimmings	.540	.340	+.200	.490
72% Trimmings	.772	.580	+.192	.800



Tomato Products, Canned- The California tomato harvest is expected to get underway early next month. Canned tomato prices remain steady. Prices per case (6/10) FOB, unless noted from ARA.

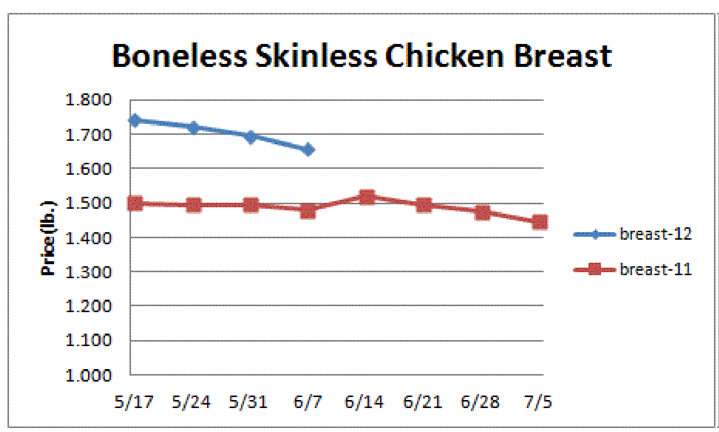
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- Canned and frozen vegetable prices are higher versus '11 due in part to tight supplies. Fairly firm processed vegetable prices could persist through the summer. Prices FOB per case from ARA.

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

Poultry- Chicken output has been trending below year ago levels. Chicken production is projected by the USDA to be down 3.6% this summer compared to last year. This could bring general support to the chicken markets. The chicken breast markets have declined recently following a seasonal trend. History suggests that chicken breast prices can still trend 6% lower over the next 2 weeks. But thereafter, look for chicken breast prices to strengthen as the July 4th holiday approaches and grill demand picks up. Chicken wing prices typically bottom in early June and then increase roughly 17% until year end. It's quite possible that new record high chicken wing prices could be realized 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)	.945	.945	-	.870
Whole Birds (LA)	1.040	1.040	-	.960
Wings (whole)	1.835	1.845	-.010	.775
Wings (jumbo, cut)	1.786	1.759	+.027	.894
Breast, Bone In	1.050	1.090	-.040	.885
Breast, Bnless Skinless	1.655	1.695	-.040	1.480
Tenderloin (random)	1.490	1.490	-	1.070
Tenderloin (sized)	2.220	2.220	-	1.890
Legs (whole)	.679	.684	-.005	.670
Leg Quarters	.555	.550	+.005	.500
Thighs, bone in	.821	.829	-.008	.745
Thighs, boneless	1.331	1.365	-.034	1.347
Eggs and Others				
Large (dozen)	.990	.870	+.120	.900
Medium (dozen)	.695	.695	-	.805
Whole Eggs- Liquid	.447	.459	-.012	.465
Egg Whites- Liquid	.412	.419	-.007	.447
Egg Yolks- Liquid	.542	.647	-.105	.658
Whole Turkeys (8-16 lb.)	1.060	1.100	-.040	1.090
Turkey Breast, Bnls/Sknls	1.882	1.900	-.018	2.500



Seafood- Chilean salmon output is rebounding from the ISA disease breakout in '07 and is now above pre-ISA salmon production levels. Chile's '12 farmed salmon production is expected to be 16% more than last year. This could bode well for US salmon imports from Chile especially with the rising US dollar making the US an attractive salmon customer. Salmon prices may remain below year ago levels this summer.

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

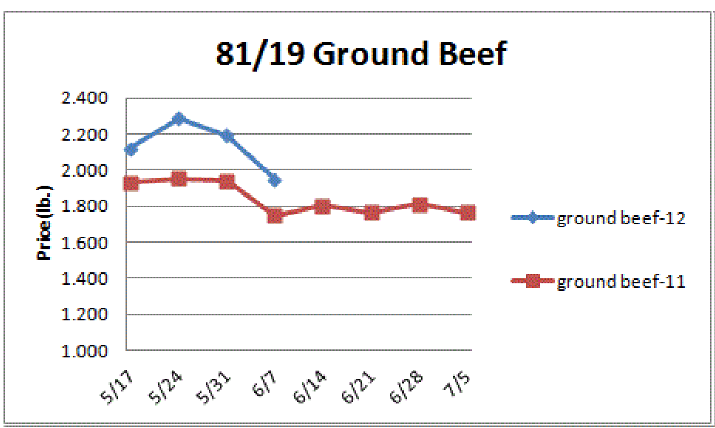
	Price	Last Week	Difference	Price 11
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000		5.150
Catfish Filets	5.000	5.000	-	4.900
Trout (drn. 8-14 oz.)	3.700	3.700	-	3.300
Shrimp (16/20), Frz	5.641	5.716	-.075	7.140
Shrimp (61/70), Frz.	3.133	3.134	-.001	3.300
Shrimp, Tiger (26/30), Frz.	4.725	4.725	-	4.800
Snow Crab, Legs 5-8 oz, Frz	4.900	4.900	-	5.875
Snow Crab, Legs 8 oz/ up, Fz	5.163	5.163	-	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	-	6.626
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	84.290	90.760	-6.470	99.090
Natural Gas, mbtu- nymex	2.446	2.429	+.017	4.831
Heating Oil, gal- nymex	2.634	2.809	-.175	3.077
Electricity, mwht- nymex	48.540	43.880	+4.660	61.000
Gasoline, gal- nymex	2.685	2.907	-.222	2.992
Diesel Fuel, gal- eia	3.846	3.897	-.051	3.940
Ethanol, gal- usda	2.020	2.100	-.080	2.570
Canadian $	1.040	1.025	+.015	.976
Japanese Yen	78.244	79.566	-1.322	80.228
Mexican Peso	14.221	13.930	+.291	11.714
Euro	.805	.799	+.006	.683
Brazilian Real	2.052	1.984	+.068	1.578
Chinese Yuan	6.368	6.332	+.036	6.481

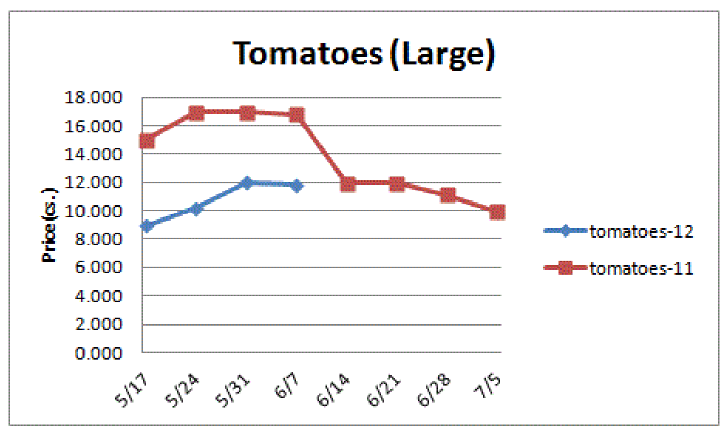
Paper/Plastic-Provided by; resin- www.plasticsnews.com, pulp- www.paperage.com.

Wood Pulp/ Plastic Resin	Price	Last Week	Difference	Price 11
WP; NBSK (napkin, towel)	900.000	900.000	-	1028.290
WP; 42 lb. Linerboard (corr.)	668.022	664.375	+3.647	858.053
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	1.060-1.080	-	1.350-1.37
Res; PE-LLD (cn liner, film)	.870-.900	.870-.900	-	.940-.970



Produce- The main eastern tomato harvest area is shifting northward to northern Florida and the southeastern states. US tomato supplies are expected to improve later this month when the California harvest expands. Mature green tomato prices typically trend lower from early June into July. Iceberg lettuce shipments declined last week due in a large part to the Memorial Day holiday. Lettuce supplies from Salinas CA are expect to increase with new crops being harvested. The Idaho potato markets usually trend seasonally higher in coming months but then peak in the late summer. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	7.500	8.500	-1.000	13.000
Lemons (95 ct.)	19.740	19.740	-	14.640
Lemons (200 ct.)	19.240	19.240	-	17.140
Honeydew (6 ct.)	6.187	6.225	-.038	5.725
Cantaloupe (15 ct.)	7.950	7.950	-	7.225
Blueberries (12 count)	18.400	14.700	+3.700	19.000
Strawberries (12 pnts.)	10.500	10.500	-	10.500
Avocados (Hass 48 ct.)	34.750	33.750	+1.000	48.500
Bananas (40 lb.)- Term.	14.765	15.407	-.642	17.449
Pineapple (7 ct.)- Term.	12.093	12.079	+.014	10.979
Idaho Potato (60 ct., 50 lb.)	9.000	9.250	-.250	16.500
Idaho Potato (70 ct., 50 lb.)	9.000	9.250	-.250	15.500
Idaho Potato (70 ct.)-Term.	16.505	16.027	+.478	23.179
Idaho Potato (90 ct., 50 lb.)	8.250	8.750	-.500	12.500
Idaho Pot. # 2 (6 oz., 100 lb.)	14.000	14.500	-.500	16.000
Processing Potato (cwt.)	10.000	10.000	-	9.000
Yellow Onions (50 lb.)	6.000	6.000	-	10.000
Yell Onions (50 lb.)-Term.	14.873	11.152	+3.721	13.641
Red Onions (25 lb.)- Term.	17.333	19.313	-1.980	7.792
White Onions (50 lb.)- Term.	17.875	18.334	-.459	15.667
Tomatoes (large- case)	11.825	12.000	-.175	16.783
Tomatoes (5x6-25 lb.)-Term	16.208	14.500	+1.708	18.550
Tomatoes (4x5 vine ripe)	10.450	9.475	+.975	11.950
Roma Tomatoes (large- case)	10.450	7.735	+2.715	8.580
Roma Tomatoes (xlarge-cs)	10.633	8.517	+2.116	9.080
Green Peppers (large- case)	13.775	13.275	+.500	14.775
Red Peppers (large 15lb. cs.)	15.950	16.950	-1.000	9.950
Iceberg Lettuce (24 count)	14.080	13.053	+1.027	8.902
Iceberg Lettuce (24)-Term.	25.375	20.250	+5.125	12.125
Leaf Lettuce (24 count)	7.131	6.940	+.191	6.187
Romaine Lettuce (24 cnt.)	7.775	7.125	+.650	6.566
Mesculin Mix (3 lb.)-Term.	7.406	6.875	+.531	6.792
Broccoli (14 ct.)	13.575	9.285	+4.290	17.747
Squash (1/2 bushel)	8.887	9.050	-.163	8.300
Zucchini (1/2 bushel)	8.700	9.750	-1.050	7.306
Green Beans (bushel)	12.050	14.100	-2.050	16.425
Spinach, Flat 24's	15.070	10.100	+4.970	8.070
Mushrms (10 lb, lg.)-Term.	15.145	9.063	+6.082	8.310
Cucumbers (bushel)	12.538	19.275	-6.737	9.595
Pickles (200-300 ct.)- Term.	26.500	25.750	+.750	24.844
Asparagus (small)	22.250	17.500	+4.750	14.500
Freight (Truck; CA-Cty Av.)	6693.750	5838.888	+854.862	5,932.500



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