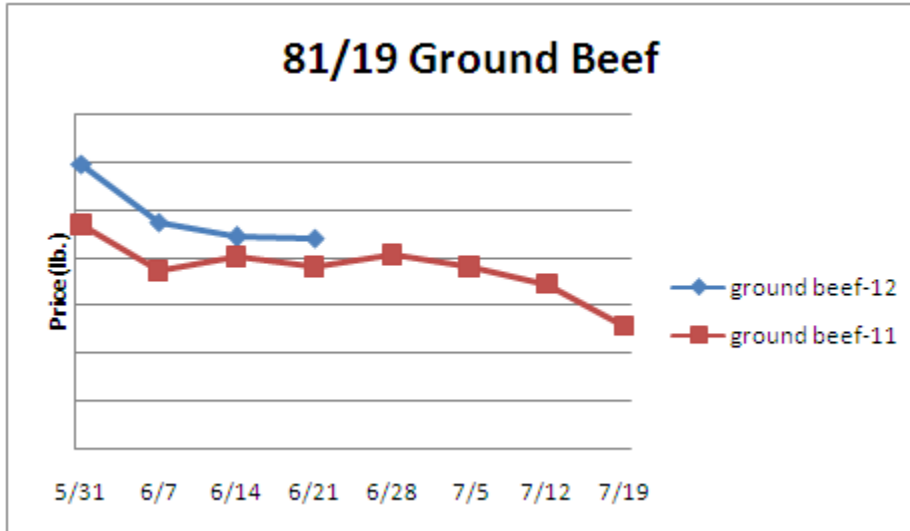


Beef, Veal and Lamb Report

Beef, Veal & Lamb- Beef production last week increased .1% but was 2.9% less than the same week in '11. Cattle supplies are limited but slaughter weights are above year ago levels. The weekly price average for the choice boxed beef cutout was the 2nd highest on record last week. Plus, US retail beef prices in May were 5.4% above last year and a new monthly record. These elevated retail and wholesale beef prices are likely to weaken US beef demand this summer if they remain intact. However, the 4th of July holiday demand typically supports the beef ribeye, trimmings and ground beef markets over the next two weeks.

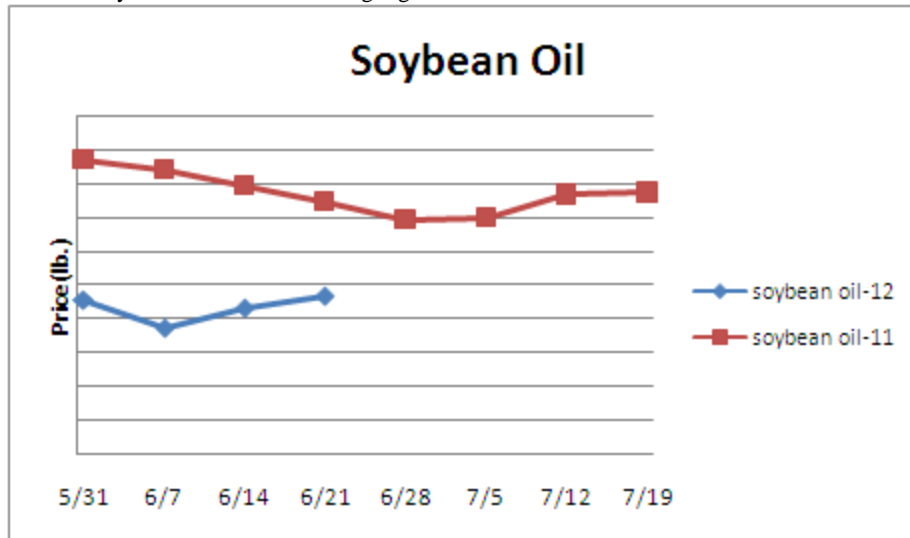


	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Cattle (Steer)	Decreasing	Good	Higher
Ground Beef 81/19	Decreasing	Good	Higher
Ground Chuck	Decreasing	Good	Higher
109 Export Rib (choice)	Increasing	Good	Higher
109 Export Rib (prime)	Decreasing	Good	Higher
112a Ribeye (choice)	Increasing	Good	Higher
112a Ribeye (prime)	Decreasing	Good	Higher
116 Chuck (choice)	Decreasing	Good	Higher
120 Brisket (choice)	Increasing	Good	Higher
121c Outside Skirt (ch/sel.)	Increasing	Good	Higher
167a Knuckle, Trimmed (choice)	Decreasing	Good	Lower
168 Inside Round (choice)	Increasing	Good	Higher
174 Short Loin (choice 0x1)	Increasing	Good	Higher
174 Short Loin (prime 2x3)	Decreasing	Good	Higher
180 1x1 Strip (choice)	Increasing	Good	Higher
180 1x1 Strip (prime)	Increasing	Good	Higher
180 0x1 Strip (choice)	Increasing	Good	Higher
184 Top Butt, boneless (choice)	Increasing	Good	Higher
184 Top Butt, boneless (prime)	Increasing	Good	Higher
185a Sirloin Flap (choice)	Decreasing	Good	Lower
185c Loin, Tri-Tip (choice)	Decreasing	Good	Higher
189a Tender (select, 5 lb & up)	Decreasing	Good	Higher
189a Tender (choice, 5 lb & up)	Decreasing	Good	Higher
189a Tender (prime, heavy)	Decreasing	Good	Higher
193 Flank Steak (choice)	Increasing	Good	Higher
50% Trimmings	Decreasing	Good	Lower
65% Trimmings	Decreasing	Good	Lower
75% Trimmings	Increasing	Good	Higher
85% Trimmings	Decreasing	Good	Higher
90% Trimmings	Increasing	Good	Higher

90% Imported Beef (frozen)	Decreasing	Good	Higher
Veal Rack (Hotel 7 rib)	Steady	Good	Higher
Veal Top Round (cap off)	Increasing	Good	Higher

Oil and Grains Report

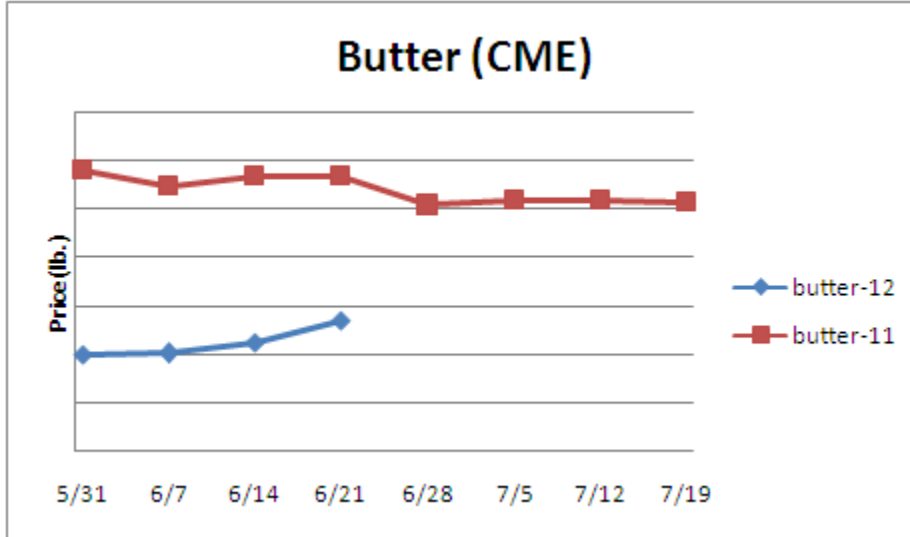
Oil & Grains- The USDA recently lowered their US corn and soybean crop ratings due to weather challenges. The corn and soybean markets are reacting higher.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Soybeans	Decreasing	Good	Higher
Crude Soybean Oil	Increasing	Good	Lower
Soymeal	Decreasing	Good	Higher
Corn	Increasing	Good	Lower
Crude Corn Oil	Decreasing	Good	Lower
Distillers Grain, Dry	Decreasing	Good	Higher
Crude Palm Oil	Decreasing	Good	Lower
Hard Red Winter Wheat	Increasing	Good	Lower
Dark Northern Spring Wheat	Increasing	Good	Lower
High Fructose corn Syrup	Increasing	Good	Lower
Durum Wheat	Increasing	Good	Lower

Dairy Report

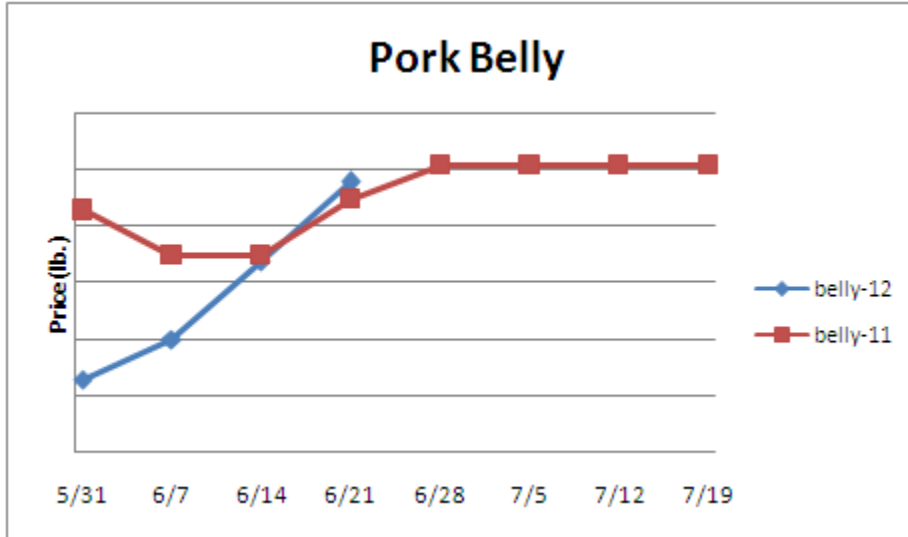
Dairy- US milk production during May was 2% more than the prior year due to a 1.2% gain in the milk per cow yield and a .8% larger milk cow herd. Dairy farmers decreased the herd by 4k head in May which was only the 2nd monthly reduction since September '09. This may be a sign that milk output growth will be curbed later this year which could support the dairy product markets. The CME butter market remains seasonally firm but the upside risk from here may be only modest. The CME cheese block market is 10% above its '12 low but may be forming a near term top.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Cheese Barrels- CME	Increasing	Good	Lower
Cheese 40 lb Blocks- CME	Decreasing	Good	Lower
American Cheese	Increasing	Good	Lower
Cheddar Cheese	Increasing	Good	Lower
Mozzarella Cheese	Increasing	Good	Lower
Provolone Cheese	Increasing	Good	Lower
Parmesan Cheese	Increasing	Good	Lower
Butter- One lb Solids	Increasing	Good	Lower
Nonfat Dry Milk	Increasing	Good	Lower
Whey, Dry	Decreasing	Good	Lower
Class I Milk Base	Steady	Good	Lower
Class II Cream (Heavy Cream)	Increasing	Good	Lower
Class III Milk- CME	Increasing	Good	Lower
Class IV Milk- CME	Increasing	Good	Lower

Pork Report

Pork- Pork production last week decreased 2.6% but was .7% larger than a year ago. Hog supplies have tightened and packer margins remain poor which has discouraged pork output. The pork markets are strong. The USDA is forecasting US pork production this summer to be 2.9% higher than '11 which could temper any further seasonal rally for pork. Demand for spare ribs usually rises before the July 4th holiday. Spare rib prices typically increase 3% over the next 2 weeks. Retail pork prices in May were the lowest since April '11.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Hogs	Increasing	Good	Higher
Belly (bacon)	Increasing	Good	Higher
Spare Rib (4.25 & down)	Increasing	Good	Higher
Ham (23-27 lb)	Increasing	Good	Lower
Loin (bone-in)	Increasing	Good	Higher
Baby Back Rib (1.75 & up)	Increasing	Good	Lower
Tenderloin (1.25 lb)	Increasing	Good	Higher
Boston Butt, untrimmed 4-8 lb.	Increasing	Good	Lower
Picnic, untrimmed	Increasing	Good	Lower
SS Picnic, smoker trim boxed	Steady	Good	Lower
42% Trimmings	Steady	Good	Lower
72% Trimmings	Increasing	Good	Lower

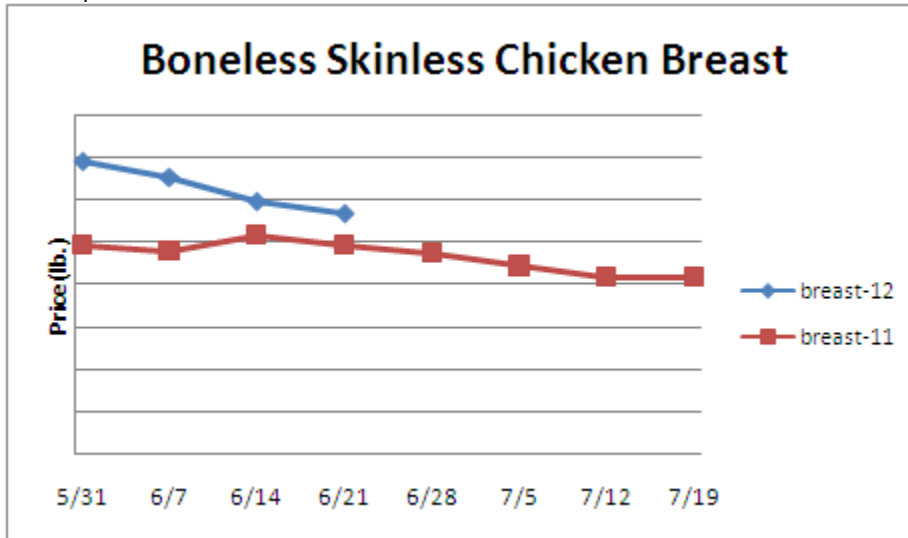
Canned Tomato Report

Tomato Products, Canned- The CA tomato for canning harvest will get underway in the next few weeks. The canned tomato markets are steady to firm.

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Whole Peeled Standard	Steady	Good	Higher
Diced, Fancy	Steady	Good	Higher
Ketchup, 33%	Steady	Good	Higher
Tomato Paste- Ind.	Steady	Good	Higher

Poultry Report

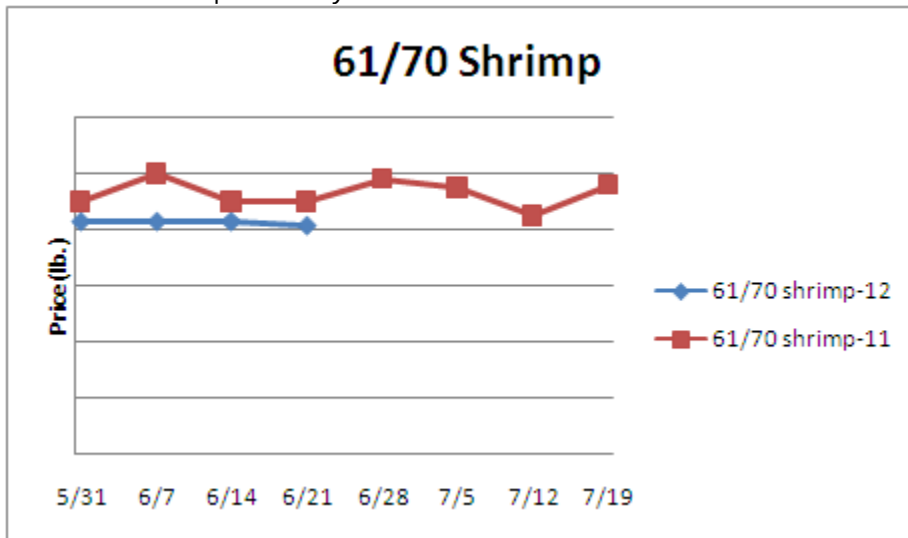
Poultry- The chicken markets have been mostly soft even though production rates continue to lag behind year ago levels. The ARA weekly chicken breast index has fallen 9.7% in value from the '12 high. This recent price weakness for chicken breasts is due in part to heavier bird weights, better breast meat yields, and seasonally declining demand. Chicken breast demand may temporarily pick up for the 4th of July holiday. Chicken breast prices typically increase 2.9% over the next 3 weeks. The chicken wing markets usually form a bottom in mid-July and then track higher into the winter. The chicken leg quarter markets tend to peak in July and then fade. Chicken retail prices in May were up 2.5% versus '11.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Whole Chicken (2.5-3 lb-GA)	Steady	Good	Higher
Whole Chicken (LA)	Steady	Good	Higher
Chicken Wings, Whole	Steady	Good	Higher
Chicken Wings, Jumbo Cut	Decreasing	Good	Higher
Chicken Breast, Bone-In	Decreasing	Good	Higher
Chicken Breast, Bnless Sknless	Decreasing	Good	Higher
Chicken Tender (random)	Steady	Good	Higher
Chicken Tender (sized)	Steady	Good	Higher
Chicken Legs (whole)	Decreasing	Good	Lower
Chicken Leg Quarters	Steady	Good	Higher
Chicken Thighs, bone in	Decreasing	Good	Lower
Chicken Thighs, boneless	Decreasing	Good	Lower
Large Eggs	Steady	Good	Higher
Medium Eggs	Steady	Good	Lower
Whole Eggs- Liq	Increasing	Good	Lower
Egg Whites- Liq	Steady	Good	Lower
Egg Yolks- Liq	Increasing	Good	Lower
Whole Turkey (8-16 lb)	Steady	Good	Higher
Turkey Breast- Bnls/Sknls	Decreasing	Good	Lower

Seafood Report

Seafood- US Gulf of Mexico shrimp landings in May were 12.6% smaller than the prior year but were historically average. 2012 Gulf of Mexico shrimp landings through May were .7% below '11. Lower fuel costs could motivate shrimp operations. US fresh fish & seafood retail prices in May were down .4% versus '11 but were 11% higher than '10. Elevated retail prices may continue to curb domestic seafood demand.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Salmon, Whole (10-12 lb)	Steady	Good	Lower
Catfish, Filets	Decreasing	Good	Lower
Trout, Drn. (8-14 oz)	Steady	Good	Higher
Shrimp (16-20 count)	Decreasing	Good	Lower
Shrimp (61-70 count)	Decreasing	Good	Lower
Shrimp, Tiger (26-30 count)	Steady	Good	Lower
Snow Crab Legs (5-8 oz)	Steady	Good	Lower
Snow Crab Legs (8 oz up)	Steady	Good	Lower
Cod Tails, 3-7 oz. Frz.	Steady	Good	Higher
Cod Loins, 3-12 oz. Frz.	Steady	Good	Lower
Salmon Portions, 4-8 oz. Frz.	Increasing	Good	Lower

Bean, Rice, Coffee and Sugar Report

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Pinto Beans	Steady	Good	Higher
Black Beans	Steady	Good	Higher
Rice, Long Grain	Increasing	Good	Higher
Coffee Beans	Decreasing	Good	Lower
Sugar	Decreasing	Good	Lower
Honey	Decreasing	Good	Higher

Paper Product Report

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Wood Pulp (paper)			
NBSK- Paper napkin	Increasing	Good	Lower
42 lb. Linerboard-corrugated box	Increasing	Good	Lower
Plastic Resins (plastic, foam)			
PS-CHH-utensils, cups, to-go cont.	Steady	Good	Higher
PP-HIGP-heavy grade utensils	Steady	Good	Lower
PE-LLD-can liners, film, bags	Steady	Good	Lower

Retail Price Change from Prior Month

	<u>Apr-11</u>	<u>Mar-11</u>	<u>Feb-11</u>
Beef and Veal	Increasing	Increasing	Increasing
Dairy	Increasing	Increasing	Increasing
Pork	Decreasing	Increasing	Increasing
Chicken	Increasing	Decreasing	Increasing
Fresh Fish and Seafood	Increasing	Increasing	Increasing
Fresh Fruits and Vegetables	Decreasing	Increasing	Increasing

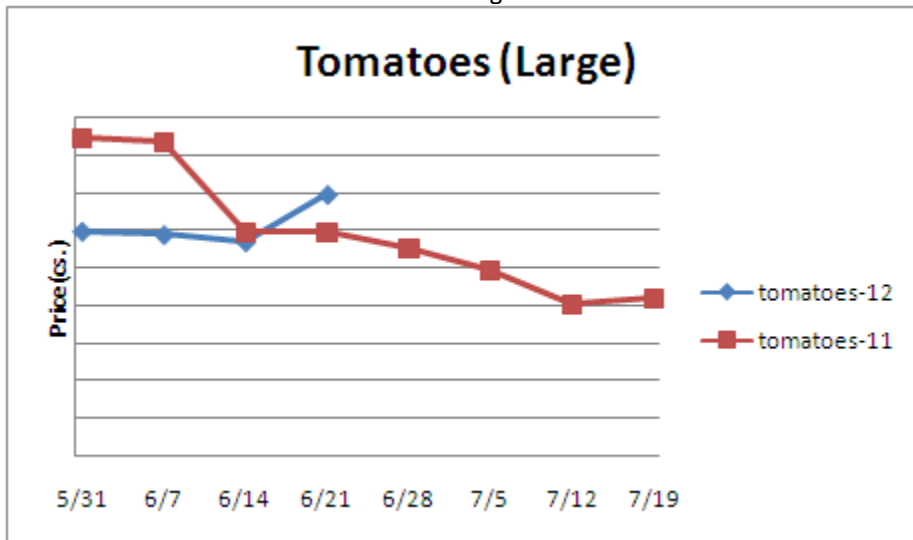
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- The vegetable for processing crops in the Midwest may be experiencing challenges due to weather. Processed vegetable prices are steady to firm.

<u>Canned 6/10</u>	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Corn, Fancy Whole Kernel	Steady	Good	Higher
Green Beans, Fancy 4 sv	Steady	Good	Higher
Green Peas, Fancy 4 sv/blend	Steady	Good	Higher
<u>Frozen</u>			
Corn, Cob 96 count	Steady	Good	Higher
Corn, Kernel 12/2.5 lb.	Steady	Good	Higher
Green Beans, Cut 12/2 lb.	Steady	Good	Higher
Green Peas, 12/2.5 lb.	Steady	Good	Higher
Potatoes, FF Fancy, 6/5 lb.	Steady	Good	Higher

Produce Report

Produce- June 1st US potato stocks were 6% more than the previous year but still the 2nd smallest for the date in the last 6 years. June Idaho potato holdings were 2.9% bigger than last year. The 70 ct. Idaho potato market is priced 48% below its 3 year price average. Still, the seasonal trend for potato prices during the next 2 months is higher. The CA lettuce harvest this month has improved due to better weather. Lettuce supplies are reported to be in good shape which may lead to softer lettuce prices. The main tomato harvest areas are shifting north in the east and the west.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Limes (150 count)	Decreasing	Good	Lower
Lemons (95 count)	Steady	Good	Higher
Lemons (200 count)	Steady	Good	Higher
Honeydew (6 ct.)	Increasing	Good	Higher
Cantaloupe (15 count)	Decreasing	Good	Lower
Blueberries (12 count)	Increasing	Good	Higher
Strawberries (12 pints)	Steady	Good	Same
Avocados, Hass (48 count)	Decreasing	Good	Lower
Bananas (40 lb)-Term.	Increasing	Good	Lower
Pineapple (7 ct.)- Term.	Increasing	Good	Higher
Idaho Potato (60 count)	Decreasing	Good	Lower
Idaho Potato (70 count)	Decreasing	Good	Lower
Idaho Potato (70 count)-Term.	Decreasing	Good	Lower
Idaho Potato (90 count)	Decreasing	Good	Lower
Idaho Potato #2 (6 oz. min.)	Decreasing	Good	Lower
Processing Potato (100 lb)	Steady	Good	Lower
Yellow Onions (50 lb)	Increasing	Good	Lower
Yellow Onions (50 lb)-Term.	Decreasing	Good	Lower

Red Onions (25 lb)-Term.	Increasing	Good	Higher
White Onions (50 lb)-Term.	Decreasing	Good	Lower
Tomatoes, (large- case)	Increasing	Good	Higher
Tomatoes, (5x6, 25 lb.)-Term.	Decreasing	Good	Lower
Tomatoes, Vine Ripe, (4x5)	Steady	Good	Higher
Roma Tomatoes (large- case)	Increasing	Good	Higher
Roma Tomatoes (xlarge- case)	Increasing	Good	Higher
Green Peppers (large- case)	Increasing	Good	Lower
Red Peppers (large- 15 lb. cs.)	Decreasing	Good	Lower
Iceberg Lettuce (24 count)	Decreasing	Good	Lower
Iceberg Lettuce (24 cnt)-Term.	Decreasing	Good	Higher

Produce Report (continued)

Leaf Lettuce (24 count)	Increasing	Good	Higher
Romaine Lettuce (24 count)	Decreasing	Good	Higher
Mesculin Mix (3 lb)-Term.	Decreasing	Good	Lower
Broccoli (14 cnt.)	Increasing	Good	Higher
Squash (case)	Increasing	Good	Lower
Zucchini (case)	Increasing	Good	Lower
Green Beans (bushel)	Increasing	Good	Lower
Spinach, Flat 24's	Decreasing	Good	Higher
Mushrooms (large), Term.	Increasing	Good	Higher
Cucumbers, Bushel	Decreasing	Good	Lower
Pickles (200-300 ct.)-Term.	Decreasing	Good	Lower
Asparagus (small)	Decreasing	Good	Higher
Freight (CA to City Avg.)	Decreasing	Good	Higher