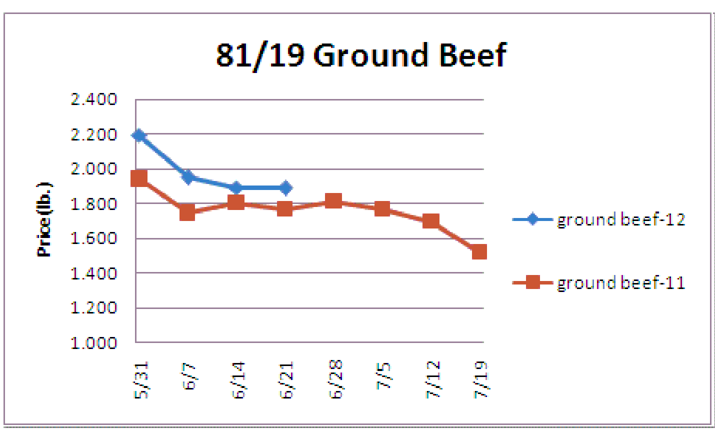
Weekly Market Updates

Volume No. 5 Issue No. 25 Date: June 21, 2012

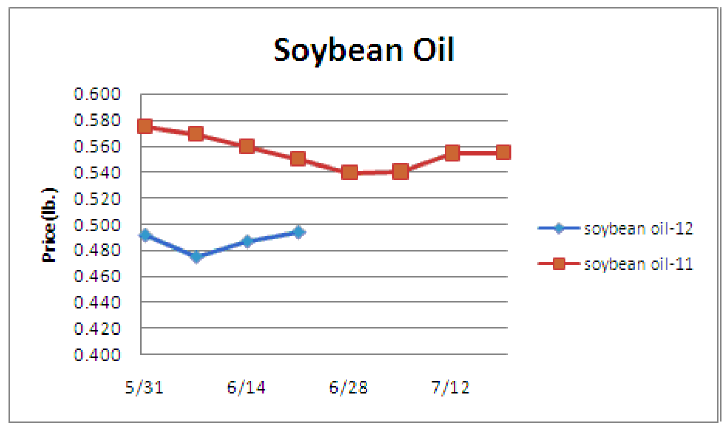
Beef- Beef production last week increased .1% but was 2.9% less than the same week in '11. Cattle supplies are limited but slaughter weights are above year ago levels. The weekly price average for the choice boxed beef cutout was the 2nd highest on record last week. Plus, US retail beef prices in May 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. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.207	1.234	-.027	1.116
Feeder Cattle Index (CME)	1.538	1.546	-.008	1.269
Ground Beef 81/19	1.886	1.890	-.004	1.764
Ground Chuck	1.927	1.938	-.011	1.809
109e Export Rib (choice)	6.436	6.171	+.265	4.893
109e Export Rib (prime)	8.979	10.083	-1.104	7.456
112a Ribeye (choice)	7.243	6.861	+.382	5.323
112a Ribeye (prime)	9.582	9.780	-.198	7.698
116 Chuck (select)	2.104	2.187	-.083	1.993
116 Chuck (choice)	2.182	2.190	-.008	2.012
116b Chuck Tdnr (choice)	2.141	2.122	+.019	2.072
120 Brisket (choice)	2.198	2.112	+.086	1.699
121c Outside Skirt (ch/sel)	5.415	5.285	+.130	3.385
121d Inside Skirt (ch/sel)	3.584	3.568	+.016	3.034
167a Knckle, Trm. (ch.)	2.112	2.183	-.071	2.175
168 Inside Round (ch.)	1.995	1.993	+.002	1.916
174 Short Loin (ch. 0x1)	6.886	6.682	+.204	5.048
174 Short Loin (prime)	8.552	8.844	-.292	7.534
180 1x1 Strp (choice)	6.939	6.684	+.255	4.704
180 1x1 Strp (prime)	9.891	9.887	+.004	8.398
180 0x1 Strp (choice)	7.984	7.603	+.381	5.069
184 Top Butt, bnls (ch.)	3.494	3.387	+.107	2.382
184 Top Butt, bnls (prime)	3.792	3.735	+.057	2.958
185a Sirloin Flap (choice)	3.652	4.606	-.954	3.945
185c Loin, Tri-Tip (choice)	3.652	3.658	-.006	2.779
189a Tender (select)	8.805	8.911	-.106	7.542
189a Tender (choice)	9.683	9.899	-.216	8.057
189a Tender (prime)	13.784	14.175	-.391	10.353
193 Flank Steak (choice)	4.659	4.594	+.065	4.379
50% Trimmings	.492	.503	-.011	.973
65% Trimmings	.995	1.106	-.111	1.236
75% Trimmings	1.633	1.632	+.001	1.534
85% Trimmings	2.038	2.108	-.070	1.779
90% Trimmings	2.214	2.257	+.043	1.882
90% Imported Beef (frz.)	2.050	2.073	-.023	1.835
95% Imported Beef (frz.)	2.215	2.198	+.017	1.953
Veal Rack (Hotel 7 rib)	7.800	7.800	-	5.450
Veal Top Rnd. (cp. off)	14.050	13.775	+.275	12.400



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

	Price	Last Week	Difference	Price 11
Soybeans, bushel	14.415	14.444	-.029	13.347
Crude Soybean Oil, lb.	.494	.487	+.007	.550
Soybean Meal, ton	428.900	435.000	-6.100	343.500
Corn, bushel	6.398	6.186	+.212	6.869
Crude Corn Oil, lb.	.525	.530	-.005	.665
High Fructose Corn Syrup	.183	.179	+.004	.191
Distillers Grain, Dry	213.000	214.000	-1.000	194.500
Crude Palm Oil, lb. BMD	.429	.424	-.005	.485
HRW Wheat, bushel	6.550	6.220	+.330	7.660
DNS Wheat 14%, bushel	8.390	8.210	+.180	9.790
Durum Wheat, bushel	6.950	6.900	+.050	14.750
Pinto Beans, lb.	.491	.491	-	.292
Black Beans, lb.	.420	.420	-	.325
Rice, Long Grain, lb.	.254	.252	+.002	.252
Coffee, lb. NYBOT	1.512	1.535	-.023	2.436
Sugar, lb. NYBOT	.285	.289	-.004	.365
Honey (Clover), lb.	1.800	1.813	-.013	1.650



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. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.610	1.565	+.045	2.068
Cheese Blocks (CME)	1.620	1.700	-.080	2.130
American Cheese	1.750	1.715	+.035	2.240
Cheddar Cheese (40 lb.)	2.033	1.995	+.038	2.170
Mozzarella Cheese	1.878	1.840	+.038	2.240
Provolone Cheese	2.228	2.190	+.038	2.610
Parmesan Cheese	3.308	3.270	+.038	3.685
Butter (CME)	1.545	1.450	+.095	2.140
Nonfat Dry Milk	1.215	1.194	+.021	1.711
Whey, Dry	.495	.500	-.005	.529
Class 1 Base	15.240	15.240	-	20.320
Class II Cream, heavy	1.999	1.993	+.006	2.859
Class III Milk (CME)	16.670	16.555	+.115	20.060
Class IV Milk (CME)	14.210	14.000	+.210	20.650

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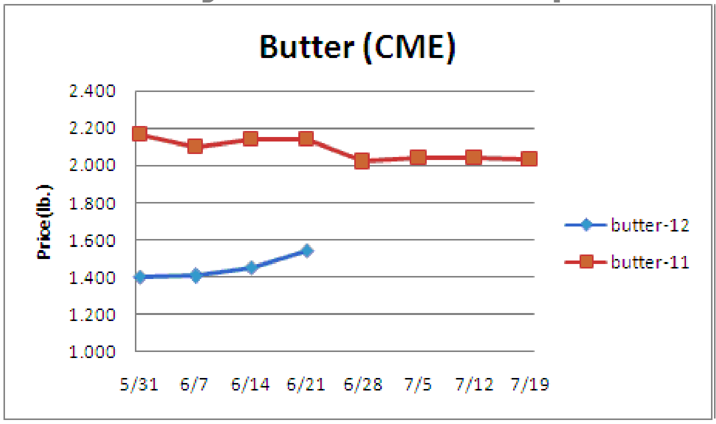
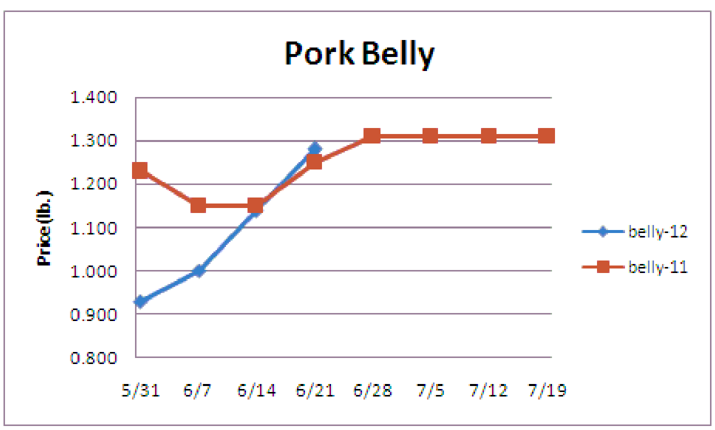


Pork- Pork production last week decreased 2.6% but was .7% larger than a year ago. Hog supplies have tightened and packer margins remain poor which has discouraged pork output. The pork markets are strong. The USDA is forecasting US pork production this summer to be 2.9% higher than '11 which could temper 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. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.726	.664	+.062	.700
Belly (bacon)	1.280	1.140	+.140	1.250
Sparerib (4.25 lb. & down)	1.800	1.597	+.203	1.721
Ham (20-23 lb.)	.770	.640	+.130	.790
Ham (23-27 lb.)	.781	.700	+.081	.800
Loin (bone-in)	1.200	1.119	+.081	1.170
Bbybck Rib (1.75 lb. & up)	2.800	2.789	+.011	3.050
Tenderloin (1.25 lb.)	3.067	2.983	+.084	3.032
Boston Butt, untrmd. (4-8 lb.)	1.057	.968	+.089	1.073
Picnic, untrmd.	.620	.596	+.024	.684
SS Picnic, smoker trm. bx.	.770	.770	-	.920
42% Trimmings	.540	.540	-	.700
72% Trimmings	.820	.781	+.039	.920



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. Prices per case (6/10) FOB, unless noted from ARA.

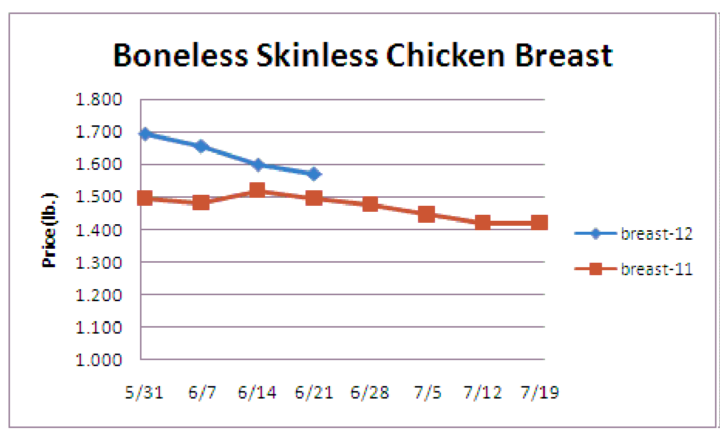
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- The vegetable for processing crops in the Midwest may be experiencing challenges due to weather. Processed vegetable prices are steady to firm. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 11
Corn, Fcy whl kern- can 6/10	19.656	19.656	-	18.406
Green Beans Fcy- can 6/10	19.250	19.250	-	18.000
Green Peas, Fcy- can 6/10	20.750	20.750	-	18.750
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- 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. 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)	1.830	1.830	-	.805
Wings (jumbo, cut)	1.786	1.800	-.014	.937
Breast, Bone In	1.005	1.025	-.020	.880
Breast, Bnless Skinless	1.570	1.600	-.030	1.495
Tenderloin (random)	1.490	1.490	-	1.150
Tenderloin (sized)	2.220	2.220	-	2.010
Legs (whole)	.624	.651	-.027	.649
Leg Quarters	.545	.545	-	.475
Thighs, bone in	.737	.808	-.071	.760
Thighs, boneless	1.283	1.308	-.025	1.368
Eggs and Others				
Large (dozen)	.990	.990	-	.917
Medium (dozen)	.695	.695	-	.737
Whole Eggs- Liquid	.460	.459	+.001	.474
Egg Whites- Liquid	.433	.433	-	.446
Egg Yolks- Liquid	.656	.645	+.011	.669
Whole Turkeys (8-16 lb.)	1.060	1.060	-	1.055
Turkey Breast, Bnls/Sknls	1.848	1.867	-.019	2.491



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.

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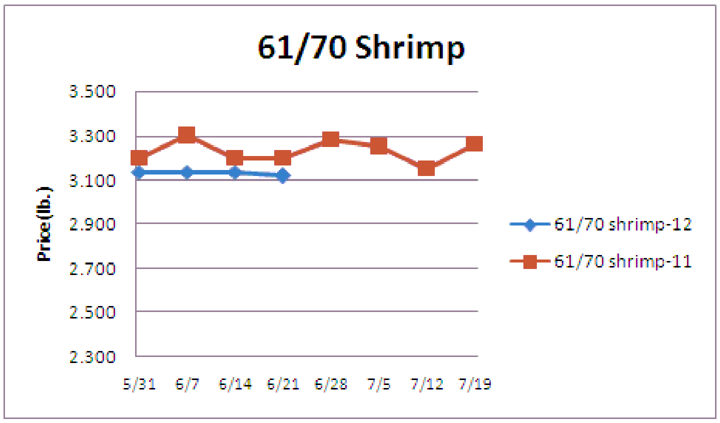
Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 11
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000		4.000
Catfish Filets	4.500	5.000	-.500	4.900
Trout (drn. 8-14 oz.)	3.700	3.700	-	3.500
Shrimp (16/20), Frz	5.609	5.644	-.035	7.071
Shrimp (61/70), Frz.	3.117	3.133	-.016	3.200
Shrimp, Tiger (26/30), Frz.	4.725	4.725	-	4.950
Snow Crab, Legs 5-8 oz, Frz	4.900	4.900	-	5.925
Snow Crab, Legs 8 oz/ up, Fz	5.163	5.163	-	6.475
Cod Tails, 3-7 oz., Frz.	3.500	3.500	-	3.200
Cod Loins, 3-12 oz., Frz	3.588	3.588	-	3.831
Salmon Portions, 4-8 oz, Frz	5.833	5.717	+.116	6.471
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.850



Energy & Currency-Currency US dollar is worth.

	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	84.030	82.700	+1.330	93.260
Natural Gas, mbtu- nymex	2.545	2.218	+.327	4.317
Heating Oil, gal- nymex	2.634	2.636	-.002	2.932
Electricity, mwht- nymex	54.250	40.220	+14.030	56.580
Gasoline, gal- nymex	2.642	2.657	-.015	2.912
Diesel Fuel, gal- eia	3.729	3.781	-.052	3.950
Ethanol, gal- usda	1.975	1.970	+.005	2.640
Canadian $	1.021	1.029	-.008	.984
Japanese Yen	78.905	79.571	-.666	80.253
Mexican Peso	13.746	14.066	-.320	11.936
Euro	.792	.801	-.009	.702
Brazilian Real	2.048	2.054	-.006	1.606
Chinese Yuan	6.356	6.372	-.016	6.478

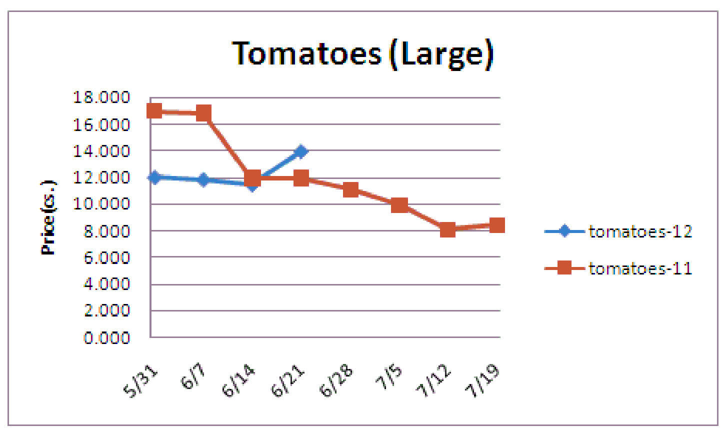
Paper/Plastic-Provided by; resin- www.plasticsnews.com, pulp- www.paperage.com.

Wood Pulp/ Plastic Resin	Price	Last Week	Difference	Price 11
WP; NBSK (napkin, towel)	900.000	900.000	-	1035.000
WP; 42 lb. Linerboard (corr.)	676.479	669.541	+6.938	834.930
Res; PS-CHH (cup, cont.)	1.160-1.200	1.160-1.200	-	1.050-1.090
Res; PP-HIGP (hvy utensil)	1.060-1.080	1.060-1.080	-	1.350-1.370
Res; PE-LLD (cn liner, film)	.870-.900	.870-.900	-	.940-.970

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.

Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	6.500	7.500	-1.000	12.000
Lemons (95 ct.)	18.740	18.740	-	16.915
Lemons (200 ct.)	20.740	20.740	-	17.640
Honeydew (6 ct.)	6.250	4.750	+1.500	4.863
Cantaloupe (15 ct.)	6.000	11.950	-5.950	6.225
Blueberries (12 count)	16.733	13.200	+3.533	16.459
Strawberries (12 pnts.)	10.500	10.500	-	10.500
Avocados (Hass 48 ct.)	32.000	34.750	-2.750	54.000
Bananas (40 lb.)- Term.	15.511	15.016	+.495	16.538
Pineapple (7 ct.)- Term.	13.542	12.078	+1.464	10.750
Idaho Potato (60 ct., 50 lb.)	8.500	8.750	-.250	19.000
Idaho Potato (70 ct., 50 lb.)	8.000	8.750	-.750	18.000
Idaho Potato (70 ct.)-Term.	14.521	15.740	-1.219	22.700
Idaho Potato (90 ct., 50 lb.)	6.500	7.750	-1.250	14.000
Idaho Pot. # 2 (6 oz., 100 lb.)	10.750	13.000	-2.250	19.500
Processing Potato (cwt.)	10.000	10.000	-	12.000
Yellow Onions (50 lb.)	6.625	5.667	+.958	8.667
Yell Onions (50 lb.)-Term.	11.177	11.802	-.625	14.017
Red Onions (25 lb.)- Term.	16.313	15.750	+.563	8.927
White Onions (50 lb.)- Term.	17.875	18.875	-1.000	20.938
Tomatoes (large- case)	13.950	11.450	+2.500	11.950
Tomatoes (5x6-25 lb.)-Term	14.942	15.583	-.641	16.761
Tomatoes (4x5 vine ripe)	9.950	9.950	-	8.455
Roma Tomatoes (large- case)	15.050	13.458	+1.592	9.290
Roma Tomatoes (xlarge-cs)	15.133	12.472	+2.661	9.459
Green Peppers (large- case)	14.067	13.275	+.792	16.669
Red Peppers (large 15lb. cs.)	14.950	15.950	-1.000	15.950
Iceberg Lettuce (24 count)	7.688	8.910	-1.222	8.713
Iceberg Lettuce (24)-Term.	18.000	21.167	-3.167	17.750
Leaf Lettuce (24 count)	7.153	6.732	+.421	6.588
Romaine Lettuce (24 cnt.)	7.500	8.910	-1.410	6.338
Mesculin Mix (3 lb.)-Term.	6.906	6.938	-.032	6.917
Broccoli (14 ct.)	14.700	12.288	+2.412	10.530
Squash (1/2 bushel)	9.550	7.600	+1.950	11.600
Zucchini (1/2 bushel)	9.600	8.800	+.800	12.600
Green Beans (bushel)	12.255	10.800	+1.455	25.000
Spinach, Flat 24's	11.225	14.810	-3.585	7.475
Mushrms (10 lb, lg.)-Term.	16.985	11.802	+5.183	11.084
Cucumbers (bushel)	8.750	9.650	-.900	18.242
Pickles (200-300 ct.)- Term.	22.806	28.313	-5.507	27.667
Asparagus (small)	15.500	17.250	-1.750	13.750
Freight (Truck; CA-Cty Av.)	6656.250	6725.000	-68.750	6625.000



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

	May-12	Apr-12	Mar-12	Feb-12
Beef and Veal	+.621	+.300	+.812	+.211
Dairy	-.378	+1.000	-.112	-.506
Pork	-.794	-.600	+.713	-.288
Chicken	-2.050	+.800	+1.315	+.190
Fresh Fish and Seafood	-.379	+1.400	+.936	-1.454
Fresh Fruits and Veg.	+.532	+1.100	-.746	-2.367