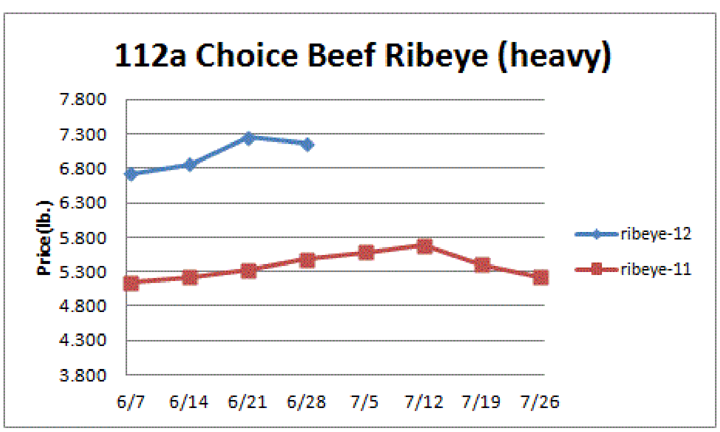
Weekly Market Updates

Volume No. 5 Issue No. 26 Date: June 28, 2012

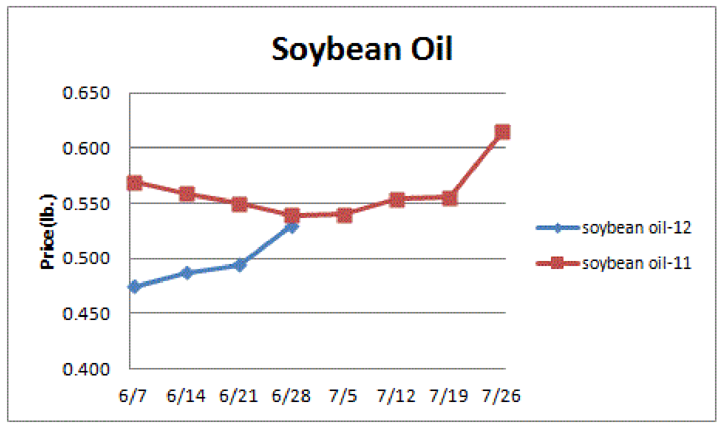
Beef- Beef output last week declined .5% and was 4.3% less than the same week a year ago. The June 1 cattle on feed inventory was 1.7% larger than the prior year. Cattle placements into feedlots during May were 15.3% more than 2011. The July 1 near slaughter ready cattle inventory is estimated to be modestly bigger than the 3 year average for the date. This factor and better dairy and beef cow slaughter could limit the expected beef production declines next month. Beef steak cut prices remain historically elevated. Lower steak cut prices are anticipated in the coming weeks as demand fades. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.175	1.207	-.032	1.123
Feeder Cattle Index (CME)	1.502	1.538	-.036	1.331
Ground Beef 81/19	1.768	1.886	-.118	1.813
Ground Chuck	1.845	1.927	-.082	1.820
109e Export Rib (choice)	6.206	6.436	-.230	5.077
109e Export Rib (prime)	9.347	8.979	+.368	8.187
112a Ribeye (choice)	7.158	7.243	-.085	5.474
112a Ribeye (prime)	9.717	9.582	+.135	7.874
116 Chuck (select)	2.069	2.104	-.035	2.034
116 Chuck (choice)	2.121	2.182	-.061	2.070
116b Chuck Tdnr (choice)	2.122	2.141	-.019	2.115
120 Brisket (choice)	2.202	2.198	+.004	1.726
121c Outside Skirt (ch/sel)	5.491	5.415	+.076	3.621
121d Inside Skirt (ch/sel)	3.661	3.584	+.077	3.105
167a Knckle, Trm. (ch.)	2.119	2.112	+.007	2.185
168 Inside Round (ch.)	1.981	1.995	-.014	2.010
174 Short Loin (ch. 0x1)	6.845	6.886	-.041	5.451
174 Short Loin (prime)	9.178	8.552	+.626	7.755
180 1x1 Strp (choice)	6.986	6.939	+.047	4.837
180 1x1 Strp (prime)	10.555	9.891	+.664	8.829
180 0x1 Strp (choice)	8.084	7.984	+.100	5.456
184 Top Butt, bnls (ch.)	3.470	3.494	-.024	2.618
184 Top Butt, bnls (prime)	3.826	3.792	+.034	3.115
185a Sirloin Flap (choice)	4.816	4.701	+.115	4.060
185c Loin, Tri-Tip (choice)	3.879	3.652	+.227	2.763
189a Tender (select)	8.998	8.805	+.193	7.596
189a Tender (choice)	9.675	9.683	-.008	8.206
189a Tender (prime)	14.203	13.784	+.419	10.344
193 Flank Steak (choice)	4.787	4.659	+.128	4.535
50% Trimmings	.549	.492	+.057	.916
65% Trimmings	1.013	.995	+.018	1.158
75% Trimmings	1.610	1.633	-.023	1.529
85% Trimmings	2.008	2.038	-.030	1.750
90% Trimmings	2.187	2.214	-.027	1.862
90% Imported Beef (frz.)	2.015	2.050	-.035	1.845
95% Imported Beef (frz.)	2.140	2.215	-.075	1.930
Veal Rack (Hotel 7 rib)	7.800	7.800	-	5.450
Veal Top Rnd. (cp. off)	13.925	14.050	-.125	12.400



Oil, Grains, Misc.- Weather challenges continue to influence the grain markets higher. Corn and soybean supplies are especially vulnerable. Volatile grain prices could persist. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	14.795	14.415	+.380	13.278
Crude Soybean Oil, lb.	.530	.494	+.036	.539
Soybean Meal, ton	429.200	428.900	+.300	336.500
Corn, bushel	6.690	6.398	+.292	6.479
Crude Corn Oil, lb.	.530	.525	+.005	.665
High Fructose Corn Syrup	.188	.183	+.005	.183
Distillers Grain, Dry	218.750	213.000	+5.750	186.500
Crude Palm Oil, lb. BMD	.425	.429	-.004	.458
HRW Wheat, bushel	7.260	6.550	+.710	7.040
DNS Wheat 14%, bushel	9.010	8.390	+.620	9.020
Durum Wheat, bushel	7.063	6.950	+.113	15.000
Pinto Beans, lb.	.491	.491	-	.296
Black Beans, lb.	.420	.420	-	.335
Rice, Long Grain, lb.	.254	.254	-	.253
Coffee, lb. NYBOT	1.662	1.512	+.150	2.502
Sugar, lb. NYBOT	.290	.285	+.005	.354
Honey (Clover), lb.	1.800	1.800	-	1.650



Dairy- The CME cheese markets are firming. Warm temperatures in the Midwest have negatively impacted milk production. Milk and cheese supplies have tightened. Modest cheese market increases could be forthcoming. Still, history suggests that the upside risk in the cheese markets from here may only be modest. US cheese stocks in May declined for the 1st time since 1995. The butter market appears to be steadying. The May 31st butter inventory was 55% more than the prior year. US weekly dairy cow slaughter is trending 10% above last year. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.675	1.610	+.065	2.078
Cheese Blocks (CME)	1.653	1.620	+.033	2.130
American Cheese	1.795	1.750	+.045	2.433
Cheddar Cheese (40 lb.)	2.008	2.033	-.025	2.470
Mozzarella Cheese	1.853	1.878	-.025	2.455
Provolone Cheese	2.203	2.228	-.025	2.613
Parmesan Cheese	3.283	3.308	-.025	3.688
Butter (CME)	1.520	1.545	-.025	2.020
Nonfat Dry Milk	1.223	1.215	+.008	1.715
Whey, Dry	.492	.495	-.003	.537
Class 1 Base	15.510	15.240	+.270	21.030
Class II Cream, heavy	2.173	1.999	+.174	2.943
Class III Milk (CME)	17.080	16.670	+.410	20.370
Class IV Milk (CME)	14.450	14.210	+.240	20.490

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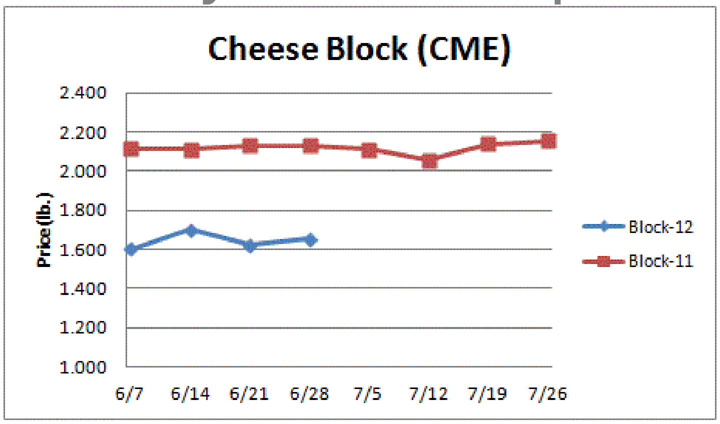
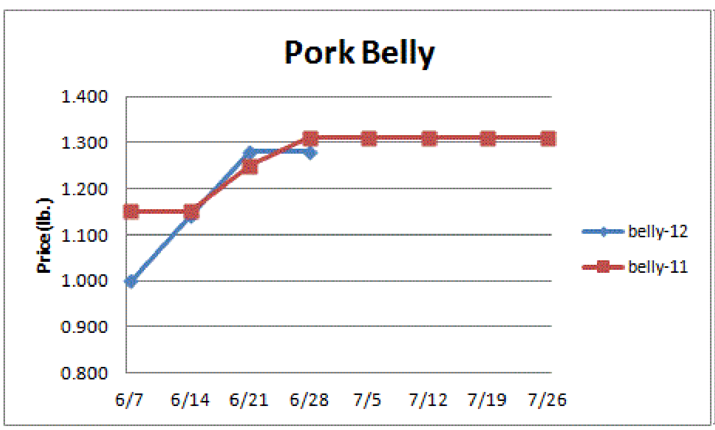


Pork- Pork production last week declined .4% but was 1.6% more than a year ago. Pork output is anticipated to continue to track above 2011 levels this summer. Pork prices have risen 24% since June 1 due to better demand. Pork retail feature activity is expected to decline during July which could be a signal that a top is near in wholesale pork prices. May 31st total pork holdings were 16% larger than the previous year. May ham (26%), belly (14%), rib (16%), loin (30%) and trim (4%) stocks were all bigger than 2011. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.724	.726	-.002	.725
Belly (bacon)	1.280	1.280	-	1.310
Sparerib (4.25 lb. & down)	1.739	1.800	-.061	1.800
Ham (20-23 lb.)	.800	.770	+.030	.800
Ham (23-27 lb.)	.800	.781	+.019	.800
Loin (bone-in)	1.226	1.200	+.026	1.243
Bbybck Rib (1.75 lb. & up)	2.780	2.800	-.020	3.000
Tenderloin (1.25 lb.)	3.092	3.067	+.025	3.100
Boston Butt, untrmd. (4-8 lb.)	1.086	1.057	+.029	1.056
Picnic, untrmd.	.659	.620	+.039	.703
SS Picnic, smoker trm. bx.	.852	.770	+.082	.920
42% Trimmings	.540	.540	-	.700
72% Trimmings	.820	.820	-	.916



Tomato Products, Canned- The June 1 US processed tomato inventory was 11% smaller than last year but still historically adequate. The markets are steady. Prices per case (6/10) FOB, unless noted from ARA.

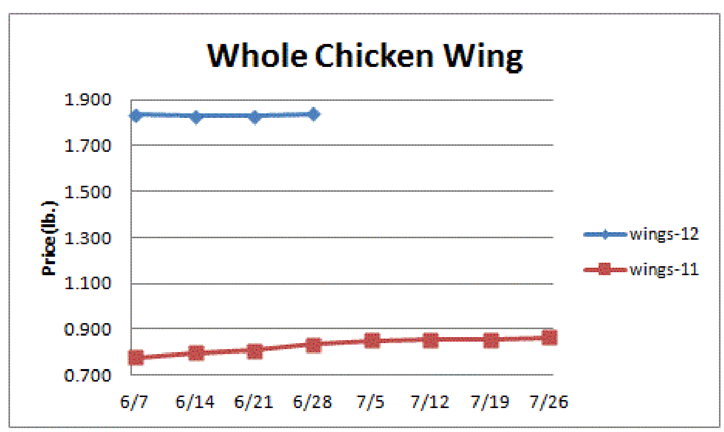
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- May 31st frozen green pea (22%), cut corn (14%) and cob corn (9%) stocks were all less than the prior year. The frozen 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	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- Slowed chicken production could persist. May broiler type egg sets were 3% smaller than the previous year. Pullet placements into the broiler hatchery flock during May were 3.2% less than the prior year. A smaller hatchery flock is forecasted to endure through December which should limit chicken output. Chicken feed costs have climbed to record high levels this week due to the challenging crop conditions. If the corn and soybean crop conditions don't improve chicken production could be cut further. The chicken wing markets are fairly steady. Usually chicken wing prices trend 16% higher from July through the end of the year. May 31st chicken breast (28%), wing (36%) and leg quarter (17%) stocks were all less than 2011. 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)	1.840	1.830	+.010	.835
Wings (jumbo, cut)	1.796	1.786	+.010	.935
Breast, Bone In	1.005	1.005	-	.860
Breast, Bnless Skinless	1.585	1.570	+.015	1.475
Tenderloin (random)	1.290	1.490	-.200	1.150
Tenderloin (sized)	1.920	2.220	-.300	2.010
Legs (whole)	.735	.624	+.111	.628
Leg Quarters	.535	.545	+.010	.470
Thighs, bone in	.757	.737	+.020	.778
Thighs, boneless	1.286	1.283	+.003	1.359
Eggs and Others				
Large (dozen)	.993	.990	+.003	.943
Medium (dozen)	.703	.695	+.008	.737
Whole Eggs- Liquid	.456	.460	-.004	.492
Egg Whites- Liquid	.429	.433	-.004	.458
Egg Yolks- Liquid	.651	.656	-.005	.677
Whole Turkeys (8-16 lb.)	1.078	1.060	+.018	1.055
Turkey Breast, Bnls/Sknls	1.810	1.848	-.038	2.490



Seafood- The snow crab fishing seasons in Alaska and Newfoundland have been fruitful. The Alaska snow crab season was extended to June 15th and 100% of the quota was met. Newfoundland snow crab fishing is persisting with 88% of the quota achieved to date. Snow crab leg supplies are considerably better than a year ago. Snow crab leg prices are anticipated to continue to trend below 2011 levels throughout the

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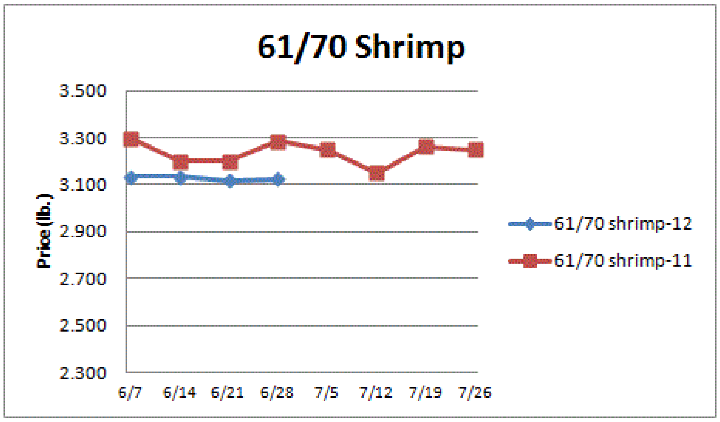
summer. Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 11
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000		4.000
Catfish Filets	4.500	4.500	-	4.900
Trout (drn. 8-14 oz.)	3.700	3.700	-	3.500
Shrimp (16/20), Frz	5.690	5.609	+.081	7.154
Shrimp (61/70), Frz.	3.125	3.117	+.008	3.284
Shrimp, Tiger (26/30), Frz.	4.750	4.725	+.025	4.950
Snow Crab, Legs 5-8 oz, Frz	4.900	4.900	-	5.925
Snow Crab, Legs 8 oz/ up, Fz	5.025	5.163	-.138	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	5.977	5.833	+.144	6.804
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.850



Energy & Currency-Currency US dollar is worth.

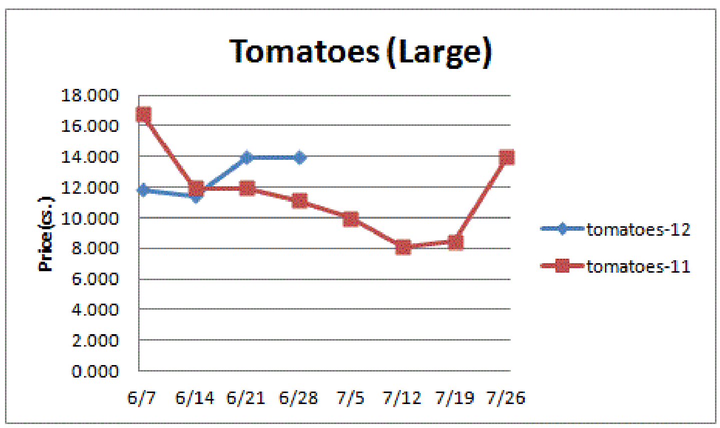
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	79.360	84.030	-4.670	90.610
Natural Gas, mbtu- nymex	2.767	2.545	+.222	4.256
Heating Oil, gal- nymex	2.577	2.634	-.057	2.765
Electricity, mwht- nymex	63.000	54.250	+8.750	50.880
Gasoline, gal- nymex	2.645	2.642	+.003	2.808
Diesel Fuel, gal- eia	3.678	3.729	-.051	3.888
Ethanol, gal- usda	2.010	1.975	+.035	2.610
Canadian $	1.028	1.021	+.007	.990
Japanese Yen	79.335	78.905	+.430	80.774
Mexican Peso	13.933	13.746	+.187	11.915
Euro	.802	.792	+.010	.704
Brazilian Real	2.066	2.048	+.018	1.602

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)	898.970	900.000	-1.030	1035.000
WP; 42 lb. Linerboard (corr.)	673.026	676.479	-3.453	833.122
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	-	1.220-1.200
Res; PE-LLD (cn liner, film)	.870-.900	.870-.900	-	.940-.970

Produce- Tropical Storm Debby brought notable rain and high winds to northern Florida tomato farms this week. Fortunately, the northern Florida tomato crop was winding down with tomato harvests picking up in the Southeast and California. There could be some modest tomato supply gaps during the next few weeks which may be supportive of tomato prices. Lettuce supplies are adequate and the lettuce markets continue to trade at relatively engaging levels for buyers. Favorable weather could cause fairly attractive lettuce prices to persist into next week. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	6.500	6.500	-	13.000
Lemons (95 ct.)	26.000	18.740	+7.260	17.140
Lemons (200 ct.)	23.000	20.740	+2.260	18.390
Honeydew (6 ct.)	7.000	6.250	+.750	5.125
Cantaloupe (15 ct.)	6.000	6.000	-	7.950
Blueberries (12 count)	16.500	16.733	-.233	13.500
Strawberries (12 pnts.)	10.500	10.500	-	10.250
Avocados (Hass 48 ct.)	28.750	32.000	-3.250	54.250
Bananas (40 lb.)- Term.	15.563	15.511	+.052	16.409
Pineapple (7 ct.)- Term.	12.167	13.542	-1.375	9.740
Idaho Potato (60 ct., 50 lb.)	8.250	8.500	-.250	22.000
Idaho Potato (70 ct., 50 lb.)	7.750	8.000	-.250	20.750
Idaho Potato (70 ct.)-Term.	15.318	14.521	+.797	19.719
Idaho Potato (90 ct., 50 lb.)	6.250	6.500	-.250	16.500
Idaho Pot. # 2 (6 oz., 100 lb.)	10.000	10.750	-.750	21.500
Processing Potato (cwt.)	10.000	10.000	-	12.750
Yellow Onions (50 lb.)	8.167	6.625	+1.542	7.750
Yell Onions (50 lb.)-Term.	12.563	11.177	+1.386	16.221
Red Onions (25 lb.)- Term.	15.698	16.313	-.615	8.688
White Onions (50 lb.)- Term.	17.417	17.875	-.458	18.500
Tomatoes (large- case)	13.950	13.950	-	11.117
Tomatoes (5x6-25 lb.)-Term	15.917	14.942	+.975	13.051
Tomatoes (4x5 vine ripe)	11.500	9.950	+1.550	9.450
Roma Tomatoes (large- case)	14.925	15.050	-.125	9.967
Roma Tomatoes (xlarge-cs)	14.925	15.133	-.208	9.623
Green Peppers (large- case)	11.800	14.067	-2.267	13.633
Red Peppers (large 15lb. cs.)	14.950	14.950	-	19.950
Iceberg Lettuce (24 count)	6.810	7.688	-.878	7.150
Iceberg Lettuce (24)-Term.	14.000	18.000	-4.000	17.167
Leaf Lettuce (24 count)	8.050	7.153	+.897	7.113
Romaine Lettuce (24 cnt.)	7.363	7.500	-.137	8.713
Mesculin Mix (3 lb.)-Term.	6.813	6.906	-.093	6.792
Broccoli (14 ct.)	10.725	14.700	-3.975	7.775
Squash (1/2 bushel)	9.342	9.550	-.208	9.950
Zucchini (1/2 bushel)	8.631	9.600	-.969	12.513
Green Beans (bushel)	12.255	12.255	-	25.000
Spinach, Flat 24’s	8.550	11.225	-2.675	7.375
Mushrms (10 lb, lg.)-Term.	15.146	16.985	-1.839	11.084
Cucumbers (bushel)	9.650	8.750	+.900	16.742
Pickles (200-300 ct.)- Term.	21.000	22.806	-1.806	27.250
Asparagus (small)	16.500	15.500	+1.000	13.750
Freight (Truck; CA-Cty Av.)	6688.889	6656.250	+32.639	6668.750



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