Weekly Market Updates

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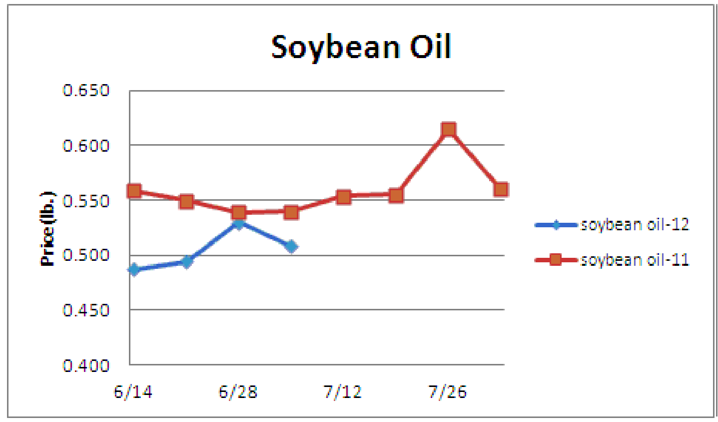
Beef- - Beef output last week increased 1% but was .7% less than the prior year. Holiday shortened beef production this week could sustain beef prices in the near term. Beef production may be better than originally anticipated in the coming months due to deteriorating pasture conditions. The beef markets are now showing signs of seasonal weakness. Beef packers are discounting middle meat steak cut prices to encourage demand. The Australian dollar value has risen 5.3% during the last 4 weeks. If the Australian dollar continues to appreciate it could tighten US lean boneless beef supplies. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.175	1.175	-	1.108
Feeder Cattle Index (CME)	1.471	1.502	-.031	1.340
Ground Beef 81/19	1.665	1.768	-.103	1.764
Ground Chuck	1.930	1.845	+.085	1.797
109e Export Rib (choice)	6.142	6.206	-.064	5.143
109e Export Rib (prime)	8.891	9.347	-.456	8.900
112a Ribeye (choice)	7.202	7.158	+.044	5.581
112a Ribeye (prime)	9.412	9.717	-.305	9.260
116 Chuck (select)	2.060	2.069	-.009	2.071
116 Chuck (choice)	2.054	2.121	-.067	2.040
116b Chuck Tdnr (choice)	2.134	2.122	-.019	2.040
120 Brisket (choice)	2.168	2.202	-.034	1.824
121c Outside Skirt (ch/sel)	5.632	5.491	+.141	3.684
121d Inside Skirt (ch/sel)	3.575	3.661	+.077	3.093
167a Knckle, Trm. (ch.)	2.133	2.119	+.014	2.170
168 Inside Round (ch.)	1.959	1.981	-.022	1.972
174 Short Loin (ch. 0x1)	6.731	6.845	-.114	5.346
174 Short Loin (prime)	8.222	9.178	-.956	8.450
180 1x1 Strp (choice)	6.955	6.986	-.031	5.015
180 1x1 Strp (prime)	9.784	10.555	-.771	9.100
180 0x1 Strp (choice)	7.618	8.084	-.466	5.670
184 Top Butt, bnls (ch.)	3.505	3.470	+.035	2.588
184 Top Butt, bnls (prime)	3.840	3.826	+.014	3.307
185a Sirloin Flap (choice)	4.718	4.816	-.098	4.061
185c Loin, Tri-Tip (choice)	3.673	3.879	-.206	2.871
189a Tender (select)	8.883	8.998	-.115	7.724
189a Tender (choice)	9.611	9.675	-.064	8.451
189a Tender (prime)	13.934	14.203	-.269	10.000
193 Flank Steak (choice)	4.793	4.787	+.006	4.586
50% Trimmings	.512	.549	-.037	.925
65% Trimmings	1.012	1.013	-.001	1.243
75% Trimmings	1.624	1.610	+.014	1.600
85% Trimmings	2.012	2.008	+.004	1.800
90% Trimmings	2.211	2.187	+.024	1.890
90% Imported Beef (frz.)	2.110	2.015	+.095	1.880
95% Imported Beef (frz.)	2.128	2.140	-.012	1.955
Veal Rack (Hotel 7 rib)	7.800	7.800	-	5.650
Veal Top Rnd. (cp. off)	13.925	13.925	-	12.400

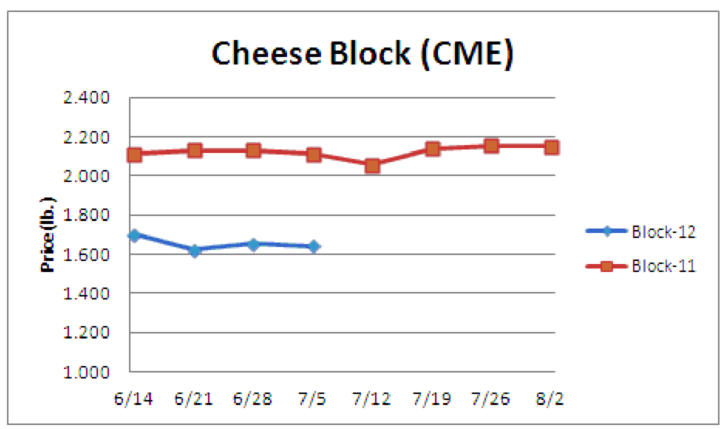
Oil, Grains, Misc.- The corn and soybean crops continue to experience stress due to weather challenges. Corn and soybean prices are rising and may remain elevated unless crop conditions improve. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	15.203	14.795	+.408	13.240
Crude Soybean Oil, lb.	.508	.530	-.022	.540
Soybean Meal, ton	445.000	429.200	+15.800	337.000
Corn, bushel	6.903	6.690	+.213	6.414
Crude Corn Oil, lb.	.530	.530	-	.635
High Fructose Corn Syrup	.193	.188	+.005	.182
Distillers Grain, Dry	230.750	218.750	+12.000	190.500
Crude Palm Oil, lb. BMD	.429	.425	+.004	.461
HRW Wheat, bushel	7.620	7.260	+.360	6.960
DNS Wheat 14%, bushel	9.120	9.010	+.110	9.330
Durum Wheat, bushel	7.225	7.063	+.162	14.380
Pinto Beans, lb.	.491	.491	-	.303
Black Beans, lb.	.420	.420	-	.335
Rice, Long Grain, lb.	.254	.254	-	.253
Coffee, lb. NYBOT	1.807	1.662	+.145	2.635
Sugar, lb. NYBOT	.289	.290	-.001	0.354
Honey (Clover), lb.	1.800	1.800	-	1.650



Dairy- The dairy markets have been supported recently due in a large part to curbed milk production caused by the extreme heat in the US. This could impact cheese supplies in the coming months. The international cheese market has been steady in recent weeks and is only carrying a small premium to US cheese. This could discourage US cheese exports going forward and temper any summer price rally for cheese. The butter market is steady. Healthy US butter supplies suggest that the upside price risk from current levels for butter is only modest at best. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.675	1.675	-	2.100
Cheese Blocks (CME)	1.640	1.653	-.013	2.110
American Cheese	1.795	1.795	-	2.430
Cheddar Cheese (40 lb.)	2.008	2.008	-	2.470
Mozzarella Cheese	1.853	1.853	-	2.473
Provolone Cheese	2.203	2.203	-	2.630
Parmesan Cheese	3.283	3.283	-	3.710
Butter (CME)	1.523	1.520	+.003	2.040
Nonfat Dry Milk	1.236	1.223	+.013	1.714
Whey, Dry	.498	.492	+.006	.499
Class 1 Base	15.510	15.510	-	21.030
Class II Cream, heavy	2.173	2.173	-	2.878
Class III Milk (CME)	17.260	17.080	+.180	19.080
Class IV Milk (CME)	14.710	14.450	+.240	19.850



Pork- Pork production last week increased 2% and was 3.9% more than the prior year. The June 1st US hog and pig (1%) and swine breeding (1%) herds were both larger than a year ago which suggests some modest pork production expansion in the coming months. Poor feed crops and elevated feed prices, if they persist, could force hog farmers to reduce the herd later this year. The pork markets have been elevated in recent weeks. Slower retail demand hints that various wholesale pork markets could soften as July progresses. Prices USDA, FOB per pound.

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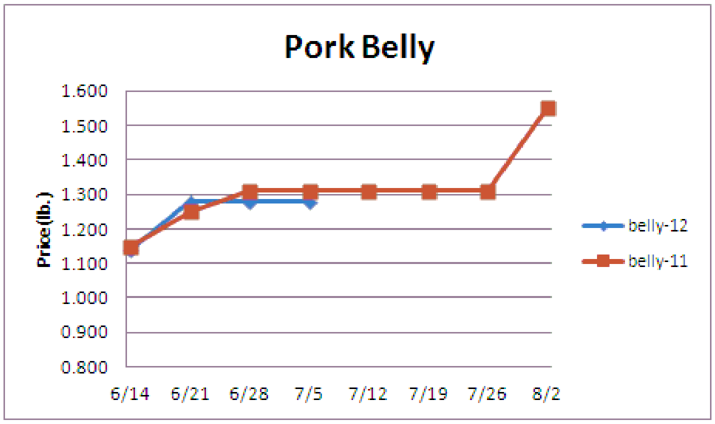
	Price	Last Week	Difference	Price 11
Live Hogs	.719	.724	-.005	.704
Belly (bacon)	1.280	1.280	-	1.310
Sparerib (4.25 lb. & down)	1.446	1.739	-.293	1.625
Ham (20-23 lb.)	.770	.800	-.030	.800
Ham (23-27 lb.)	.760	.800	-.040	.820
Loin (bone-in)	1.093	1.226	-.133	1.096
Bbybck Rib (1.75 lb. & up)	2.462	2.780	-.318	3.000
Tenderloin (1.25 lb.)	3.092	3.092	-	3.200
Boston Butt, untrmd. (4-8 lb.)	1.061	1.086	-.025	1.038
Picnic, untrmd.	.630	.659	-.029	.735
SS Picnic, smoker trm. bx.	.790	.852	-.062	.910
42% Trimmings	.540	.540	-	.700
72% Trimmings	.820	.820	-	.913



Tomato Products, Canned- The tomato for canning harvest will expand greatly this month with higher raw product costs for canners. The markets are firm. Prices per case (6/10) FOB, unless noted from ARA.

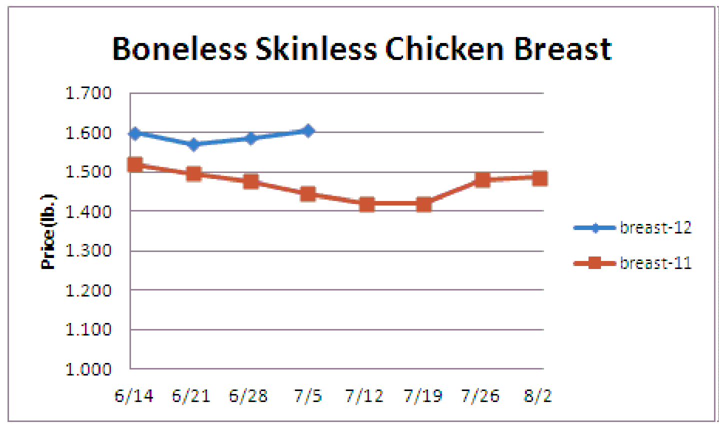
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- May 31st frozen regular green bean (26%) and French style green bean (10%) stocks were more than the previous year. The frozen vegetable markets remain 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- Recently, broiler chick placements were down just .4% versus the same week in '11 marking the smallest decline for weekly chick placements in over a year. Chicken production is projected to be much closer to 2011 levels this summer. Spot feed costs for chicken producers last week were a record high due to deteriorating crop conditions. If the corn and soybean crops don't significantly improve, chicken producers may be propelled to slow chicken output further. The chicken breast markets have begun to fade which tends to occur once 4th of July holiday supplies are procured. Boneless skinless chicken breast prices usually decline 9% during the next 3 weeks. The chicken wing markets are expected to bottom in July. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.948	.945	+.003	.873
Whole Birds (LA)	1.040	1.040	-	.960
Wings (whole)	1.845	1.840	+.005	.850
Wings (jumbo, cut)	1.767	1.796	-.029	.933
Breast, Bone In	1.005	1.005	-	.845
Breast, Bnless Skinless	1.605	1.585	+.020	1.445
Tenderloin (random)	1.290	1.290	-	1.150
Tenderloin (sized)	1.920	1.920	-	2.010
Legs (whole)	.628	.735	-.107	.608
Leg Quarters	.525	.535	-.010	.470
Thighs, bone in	.783	.757	+.026	.720
Thighs, boneless	1.272	1.286	-.014	1.327
Eggs and Others				
Large (dozen)	.993	.993	-	.983
Medium (dozen)	.715	.703	+.012	.750
Whole Eggs- Liquid	.450	.456	-.006	.492
Egg Whites- Liquid	.407	.429	-.022	.458
Egg Yolks- Liquid	.614	.651	-.037	.677
Whole Turkeys (8-16 lb.)	1.065	1.078	-.013	1.055
Turkey Breast, Bnls/Sknls	1.775	1.810	-.035	2.500



Seafood- US salmon imports from Chile during the first 4 months of the year were 89% above the same time period a year ago. This is further confirmation that Chile's farmed salmon industry has rebounded well after suffering from their ISA disease problems. Salmon imports are likely to remain strong due in part to the higher valuation of the US dollar. Whole and portioned salmon prices could remain below '11 this 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	5.605	5.690	-.085	7.148
Shrimp (61/70), Frz.	3.067	3.125	-.058	3.250
Shrimp, Tiger (26/30), Frz.	4.800	4.750	+.050	4.950
Snow Crab, Legs 5-8 oz, Frz	4.900	4.900	-	5.925
Snow Crab, Legs 8 oz/ up, Fz	5.025	5.025	-	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	5.977	-	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	83.750	79.360	+4.390	96.890
Natural Gas, mbtu- nymex	2.824	2.767	+.057	4.363
Heating Oil, gal- nymex	2.676	2.577	+.099	2.957
Electricity, mwht- nymex	56.170	63.000	-6.830	63.560
Gasoline, gal- nymex	2.624	2.645	-.021	2.977
Diesel Fuel, gal- eia	3.648	3.678	-.030	3.850
Ethanol, gal- usda	2.115	2.010	+.105	2.630

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Canadian $	1.017	1.028	-.011	.963
Japanese Yen	79.814	79.335	+.479	81.066
Mexican Peso	13.330	13.933	-.603	11.617
Euro	.794	.802	-.008	.692
Brazilian Real	2.013	2.066	-.053	1.561
Chinese Yuan	6.349	6.364	-.015	6.468

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)	897.620	898.970	-1.350	1034.360
WP; 42 lb. Linerboard (corr.)	679.367	673.026	+6.341	835.825
Res; PS-CHH (cup, cont.)	1.160-1.200	1.160-1.200	-	1.120-1.160
Res; PP-HIGP (hvy utensil)	.910-.930	1.060-1.080	-.260	1.200-1.220
Res; PE-LLD (cn liner, film)	.800-.830	.870-.900	-.070	.910-.940

Produce- Current potato stocks remain adequate for this time of year and the Idaho potato markets continue to be priced well below year ago levels. Potato prices usually increase during the next several weeks peaking around the 3rd week of August. The CA tomato harvest is seasonally increasing which could lead to better overall US tomato supplies. The tomato markets are moving lower. The Hass avocado market is relatively deflated but higher avocado prices could be forthcoming. The 5 year average market trend for avocados during the next 8 weeks is 15% higher. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	7.500	6.500	+1.000	15.000
Lemons (95 ct.)	17.740	26.000	-8.260	17.140
Lemons (200 ct.)	20.740	23.000	-2.260	18.390
Honeydew (6 ct.)	7.125	7.000	+.125	7.250
Cantaloupe (15 ct.)	6.500	6.000	+.500	9.000
Blueberries (12 count)	18.725	16.500	+2.225	16.250
Strawberries (12 pnts.)	10.500	10.500	-	10.250
Avocados (Hass 48 ct.)	30.000	28.750	+1.250	54.250
Bananas (40 lb.)- Term.	15.481	15.563	-.082	16.285
Pineapple (7 ct.)- Term.	12.224	12.167	+.057	10.292
Idaho Potato (60 ct., 50 lb.)	8.250	8.250	-	24.000
Idaho Potato (70 ct., 50 lb.)	7.750	7.750	-	22.500
Idaho Potato (70 ct.)-Term.	15.271	15.318	-.047	26.438
Idaho Potato (90 ct., 50 lb.)	6.250	6.250	-	17.000
Idaho Pot. # 2 (6 oz., 100 lb.)	10.000	10.000	-	23.000
Processing Potato (cwt.)	8.250	10.000	-1.750	13.000
Yellow Onions (50 lb.)	8.417	8.167	+.250	8.750
Yell Onions (50 lb.)-Term.	9.781	12.563	-2.782	15.667
Red Onions (25 lb.)- Term.	15.594	15.698	-.104	10.032
White Onions (50 lb.)- Term.	16.031	17.417	-1.386	19.042
Tomatoes (large- case)	11.950	13.950	-2.000	9.950
Tomatoes (5x6-25 lb.)-Term	14.806	15.917	-1.111	16.317
Tomatoes (4x5 vine ripe)	7.950	11.500	-3.550	10.450
Roma Tomatoes (large- case)	9.080	14.925	-5.845	10.300
Roma Tomatoes (xlarge-cs)	9.830	14.925	-5.095	10.467
Green Peppers (large- case)	8.475	11.800	-3.325	10.434
Red Peppers (large 15lb. cs.)	18.950	14.950	+4.000	15.450
Iceberg Lettuce (24 count)	6.780	6.810	-.030	6.928
Iceberg Lettuce (24)-Term.	15.500	14.000	+1.500	14.500
Leaf Lettuce (24 count)	8.888	8.050	+.838	6.390
Romaine Lettuce (24 cnt.)	9.408	7.363	+2.045	7.828
Mesculin Mix (3 lb.)-Term.	6.844	6.813	+.031	7.084
Broccoli (14 ct.)	7.585	10.725	-3.140	6.518
Squash (1/2 bushel)	7.175	9.342	-2.167	8.513
Zucchini (1/2 bushel)	7.358	8.631	-1.273	9.675
Green Beans (bushel)	14.000	12.255	+1.745	32.000
Spinach, Flat 24’s	8.750	8.550	+.200	7.250
Mushrms (10 lb, lg.)-Term.	15.300	15.146	+.154	10.282
Cucumbers (bushel)	10.279	9.650	+.629	16.992
Pickles (200-300 ct.)- Term.	24.306	21.000	+3.306	30.723
Asparagus (small)	15.500	16.500	-1.000	12.750
Freight (Truck; CA-Cty Av.)	6688.889	6688.889	-	6300.000

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