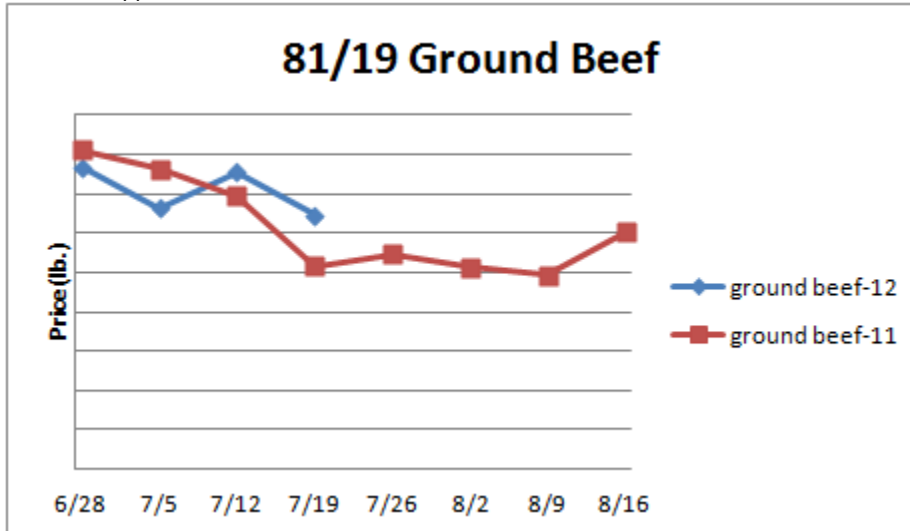


Beef, Veal and Lamb Report

Beef, Veal & Lamb- Beef output last week was 2.5% less than '11. Slowed beef demand is influencing several beef markets lower. In May, US beef exports fell 12.6% versus '11 while US beef imports rose 22% marking the best monthly net import gain since June '10. Lean boneless beef imports from Australia are improving but US lean beef trim prices remain elevated due to curbed LFTB use. If the US dollar continues to appreciate it should encourage US beef imports and temper any pending lean beef trim price increases. US pasture conditions for cattle continue to deteriorate. This could further tighten cattle supplies in 2013.

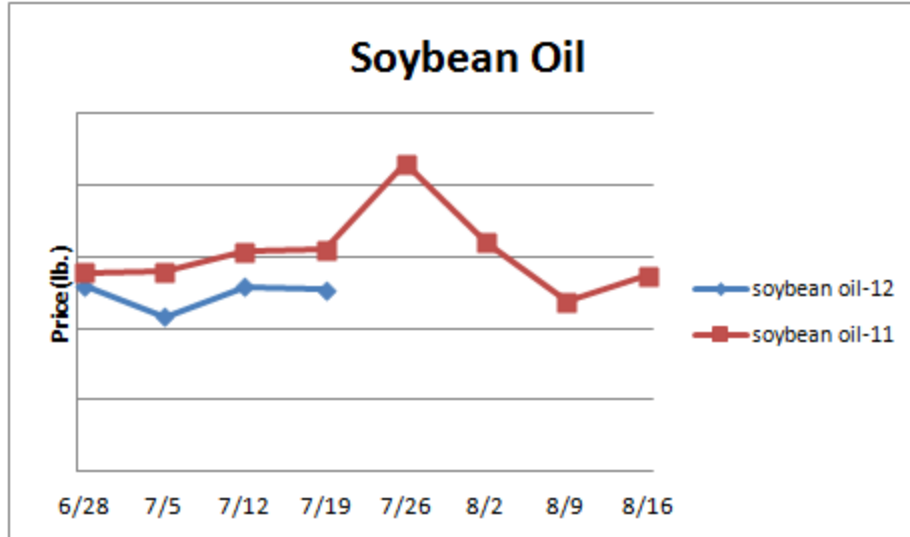


	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Cattle (Steer)	Decreasing	Good	Higher
Ground Beef 81/19	Decreasing	Good	Higher
Ground Chuck	Decreasing	Good	Higher
109 Export Rib (choice)	Decreasing	Good	Higher
109 Export Rib (prime)	Increasing	Good	Higher
112a Ribeye (choice)	Increasing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

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

Oil and Grains Report

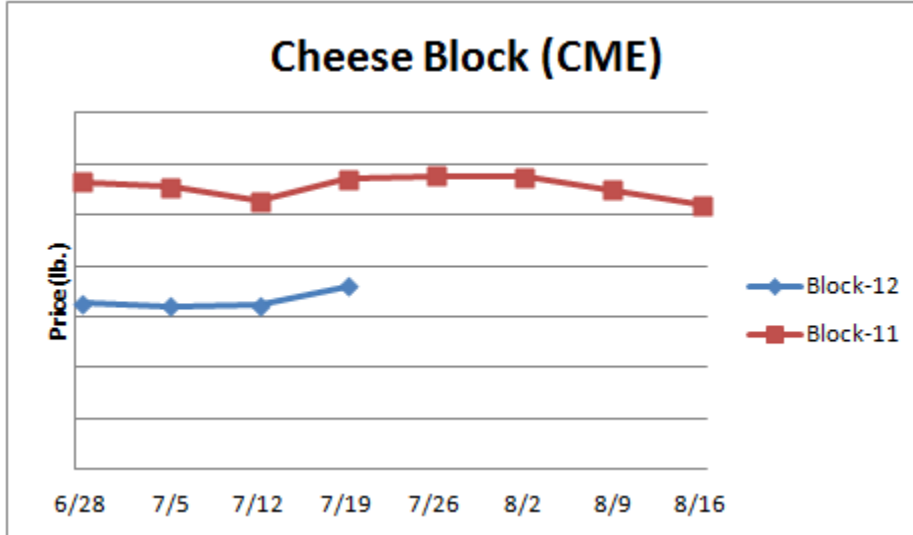
Oil & Grains- The Midwest drought condition is persisting. The US corn and soybean crops are under significant stress which may add upward pressure to the markets.



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

Dairy Report

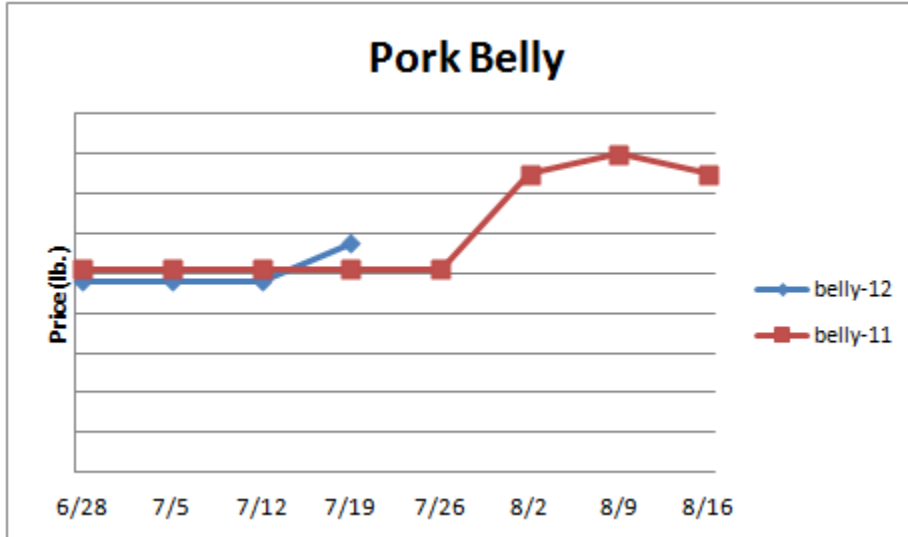
Dairy- The global cheese markets are soft which can discourage US cheese exports. The domestic cheese markets are edging upward due to seasonally slowing milk production. The futures markets are anticipating higher cheese prices in the coming weeks. Still, export demand is reported to be slowing which could mitigate any pending cheese price increases. The CME butter market has now climbed 21.5% from its '12 low and even higher prices could be forthcoming. The 5 year average move for the CME butter market during the next 4 weeks is 4% higher.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Cheese Barrels- CME	Increasing	Good	Lower
Cheese 40 lb Blocks- CME	Increasing	Good	Lower
American Cheese	Decreasing	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	Decreasing	Good	Lower
Whey, Dry	Increasing	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 output last week was 2.5% less than '11 due in part to poor packer margins. May US pork exports were 15% more than the prior year but the smallest since September. US pork exports may remain fairly solid but economic growth concerns for key importing countries such as China and Japan could mitigate US pork export trade to these countries. Expensive feed costs will likely challenge hog farmer profitability. If so, USDA forecasted pork output gains in '13 may be tempered and upside price pressure for pork might be experienced.



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

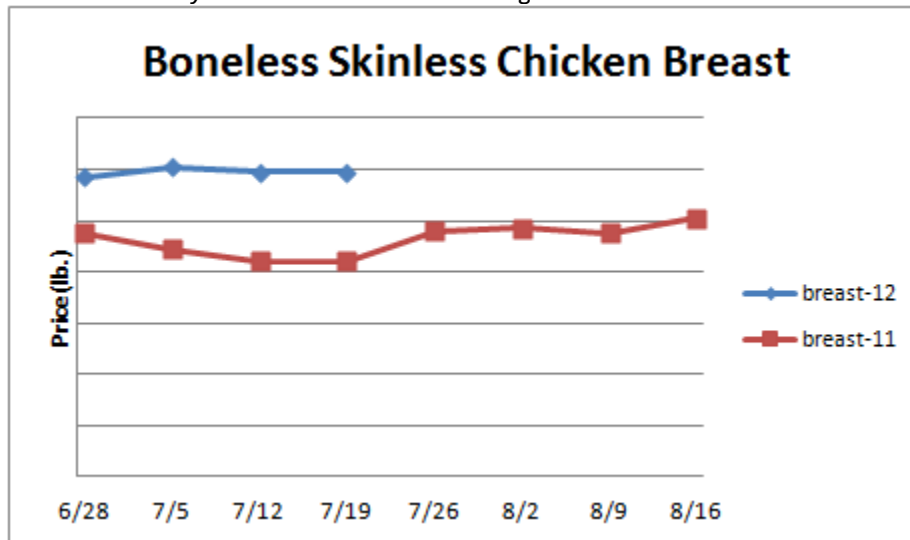
Canned Tomato Report

Tomato Products, Canned- The tomato harvest in CA is off the best start since '09. Canned tomato prices are expected to remain firm due to higher raw product costs.

	<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

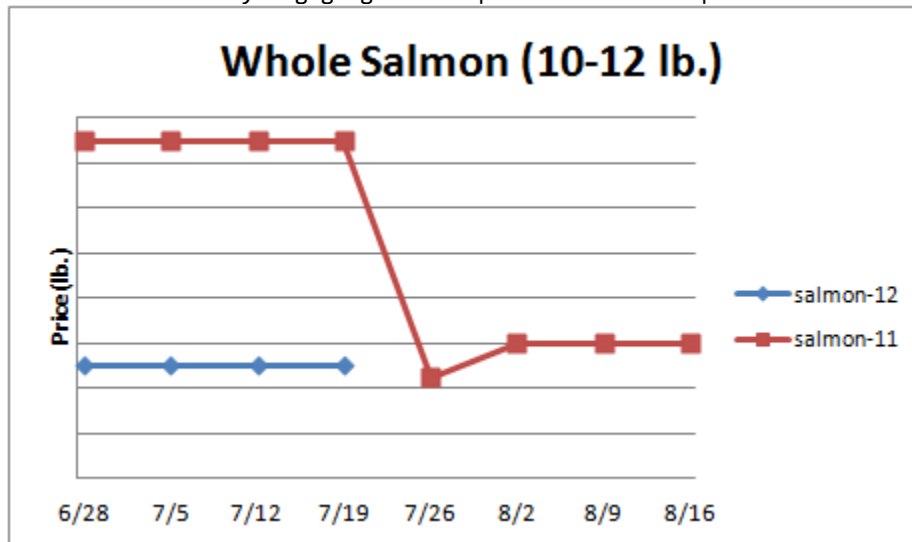
Poultry- Chicken exports in May were up 5.8% versus last year. May chicken exports to Russia were the best since September. Solid Russian imports aren't likely to persist as Russia's domestic chicken output is expanding. Russia's domestic chicken production has risen 62% since '08. New spot market record highs were set for US feed costs this week. Elevated feed prices, if they endure, are expected to lead to a further slowdown in chicken production versus prior years. The price reaction by the chicken wing markets could be intense this fall and winter. Models are suggesting that the chicken wing markets will reach record high price levels later this year. The chicken breast markets usually move lower in the coming weeks.



	<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	Increasing	Good	Higher
Chicken Wings, Jumbo Cut	Increasing	Good	Higher
Chicken Breast, Bone-In	Steady	Good	Higher
Chicken Breast, Bnless Sknless	Steady	Good	Higher
Chicken Tender (random)	Steady	Good	Higher
Chicken Tender (sized)	Steady	Good	Higher
Chicken Legs (whole)	Increasing	Good	Higher
Chicken Leg Quarters	Steady	Good	Higher
Chicken Thighs, bone in	Increasing	Good	Higher
Chicken Thighs, boneless	Increasing	Good	Higher
Large Eggs	Steady	Good	Higher
Medium Eggs	Steady	Good	Higher
Whole Eggs- Liq	Decreasing	Good	Higher
Egg Whites- Liq	Increasing	Good	Lower
Egg Yolks- Liq	Increasing	Good	Lower
Whole Turkey (8-16 lb)	Increasing	Good	Higher
Turkey Breast- Bnls/Sknls	Decreasing	Good	Lower

Seafood Report

Seafood- The US dollar continues to trade above year ago levels. As of this week the US dollar index was 12% higher than the same week a year ago. A better valued US dollar has encouraged solid US seafood imports. If this upward trend for the dollar perseveres, most of the seafood markets may continue to track below '11 levels this summer. Relatively engaging salmon prices are anticipated to endure throughout August.



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

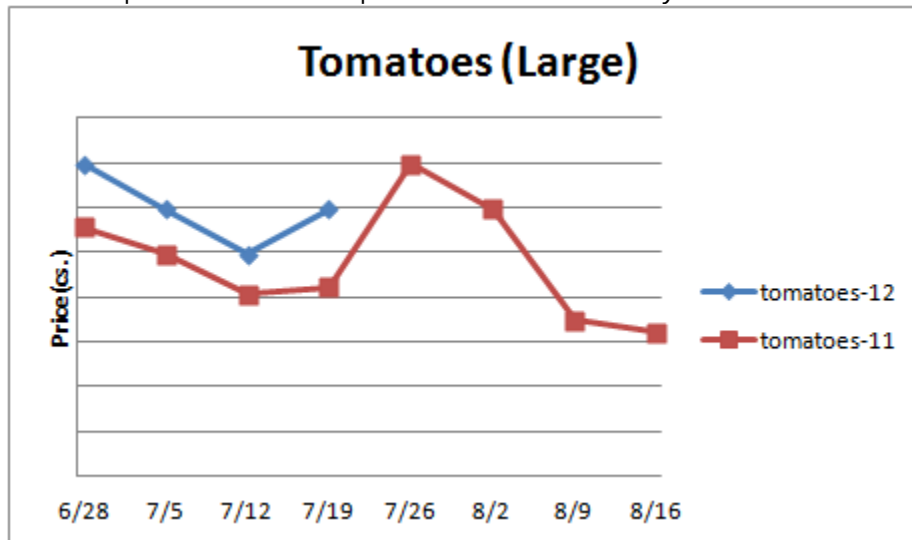
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- Warm weather continues to stress the vegetable crops in the Midwest. The processed vegetable markets 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- Tomato shipments in the East have been impacted by high temperatures in the South. This is helping pressure the tomato markets upward. As the California harvest builds and the eastern crops shift north overall tomato supplies should improve. Usually tomato prices move lower in the coming weeks. The lettuce markets are lower this week. Fairly appealing weather is forecasted for the chief lettuce growing areas during the next 10 days which could influence the lettuce markets downward. The August downside price risk in the potato markets is likely nominal.



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

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

Produce Report (continued)

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