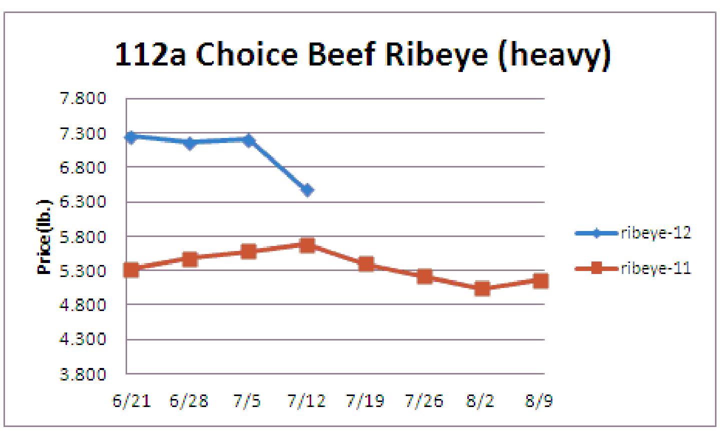
Weekly Market Updates

Volume No. 5 **Issue No. 30** **Date: July 19, 2012**

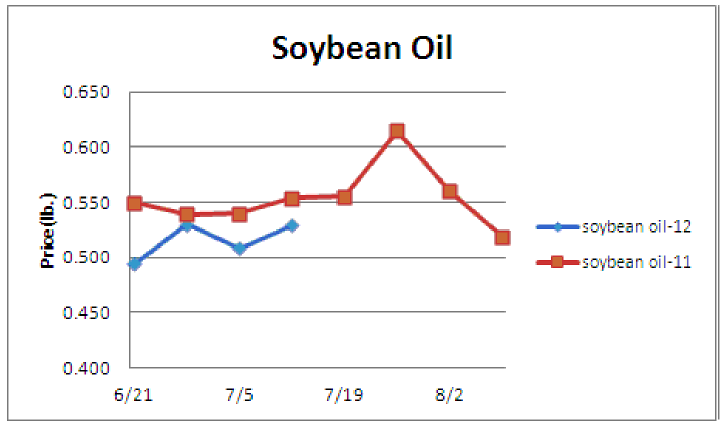
Beef-Beef output last week was 2.5% less than '11. Slowed beef demand is influencing several beef markets lower. In May, US beef exports fell 12.6% versus '11 while US beef imports rose 22% marking the best monthly net import gain since June '10. Lean boneless beef imports from Australia are improving 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. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.144	1.177	-.033	1.082
Feeder Cattle Index (CME)	1.397	1.444	-.047	1.394
Ground Beef 81/19	1.646	1.757	-.111	1.517
Ground Chuck	1.673	1.747	-.074	1.647
109e Export Rib (choice)	5.577	5.892	-.315	5.036
109e Export Rib (prime)	9.487	9.243	+.244	9.020
112a Ribeye (choice)	6.514	6.480	+.034	5.399
112a Ribeye (prime)	9.527	9.468	+.059	9.370
116 Chuck (select)	2.136	2.028	+.108	2.036
116 Chuck (choice)	2.139	2.043	+.096	2.057
116b Chuck Tdnr (choice)	2.125	2.128	-.003	2.143
120 Brisket (choice)	2.066	2.143	-.077	1.834
121c Outside Skirt (ch/sel)	5.372	5.346	+.026	4.027
121d Inside Skirt (ch/sel)	3.641	3.645	-.004	3.233
167a Knckle, Trm. (ch.)	2.183	2.132	+.051	2.126
168 Inside Round (ch.)	1.965	1.967	-.002	1.952
174 Short Loin (ch. 0x1)	5.439	6.298	-.859	5.414
174 Short Loin (prime)	8.688	8.403	+.283	8.620
180 1x1 Strp (choice)	6.011	6.309	-.298	5.325
180 1x1 Strp (prime)	9.839	9.742	+.097	9.950
180 0x1 Strp (choice)	6.065	6.991	-.926	5.790
184 Top Butt, bnls (ch.)	3.275	3.421	-.146	3.036
184 Top Butt, bnls (prime)	3.865	3.893	-.028	3.550
185a Sirloin Flap (choice)	4.739	4.651	+.088	4.289
185c Loin, Tri-Tip (choice)	3.693	3.706	-.013	2.636
189a Tender (select)	8.436	8.465	-.029	7.959
189a Tender (choice)	9.071	9.121	-.050	8.890
189a Tender (prime)	13.599	14.191	-.592	12.620
193 Flank Steak (choice)	4.799	4.813	-.014	4.719
50% Trimmings	.483	.501	-.018	.805
65% Trimmings	1.021	1.004	+.017	1.132
75% Trimmings	1.513	1.568	-.055	1.469
85% Trimmings	1.931	2.026	-.095	1.734
90% Trimmings	2.172	2.200	-.028	1.849
90% Imported Beef (frz.)	1.970	1.985	-.015	1.888
95% Imported Beef (frz.)	2.115	2.118	-.003	1.988
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 Midwest drought condition is persisting. The US corn and soybean crops are under significant stress which may add upward pressure to the markets. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	16.623	16.141	+.482	13.924
Crude Soybean Oil, lb.	.527	.529	-.002	.555
Soybean Meal, ton	510.500	475.300	+35.200	350.800
Corn, bushel	7.851	7.439	+.412	7.222
Crude Corn Oil, lb.	.555	.535	+.020	.615
High Fructose Corn Syrup	.213	.204	+.009	.199
Distillers Grain, Dry	262.500	259.000	+3.500	195.750
Crude Palm Oil, lb. BMD	.426	.427	-.001	.470
HRW Wheat, bushel	8.645	7.935	+.710	7.410
DNS Wheat 14%, bushel	10.050	9.580	+.470	8.820
Durum Wheat, bushel	8.088	7.825	+.263	13.250
Pinto Beans, lb.	.491	.491	-	.322
Black Beans, lb.	.420	.420	-	.335
Rice, Long Grain, lb.	.255	.254	+.001	.253
Coffee, lb. NYBOT	1.807	1.876	-.069	2.482
Sugar, lb. NYBOT	.289	.285	-.004	.368
Honey (Clover), lb.	1.693	1.800	-.107	1.650

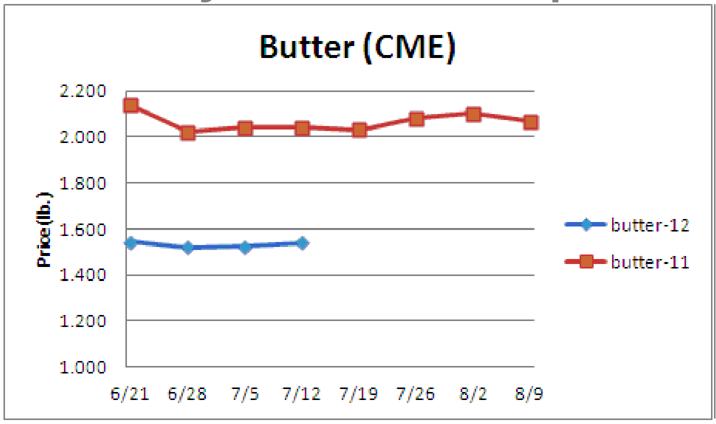


Dairy- The global cheese markets are soft which can discourage US cheese exports. The domestic cheese markets are edging upward due to seasonally slowing milk production. The futures markets are anticipating higher cheese prices in the coming weeks. Still, export demand is reported to be slowing which 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. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.698	1.640	+.058	2.115
Cheese Blocks (CME)	1.720	1.645	+.075	2.140
American Cheese	1.848	1.865	-.017	2.463
Cheddar Cheese (40 lb.)	2.043	2.028	+.015	2.470
Mozzarella Cheese	1.888	1.873	+.015	2.458
Provolone Cheese	2.238	2.223	+.015	2.615
Parmesan Cheese	3.318	3.303	+.015	3.695
Butter (CME)	1.580	1.540	+.040	2.030
Nonfat Dry Milk	1.243	1.247	-.004	1.699
Whey, Dry	.497	.494	+.003	.557
Class 1 Base	15.510	15.510	-	21.030
Class II Cream, heavy	2.191	2.069	+.122	2.790
Class III Milk (CME)	17.830	17.560	+.270	20.560
Class IV Milk (CME)	15.750	15.220	+.530	19.800

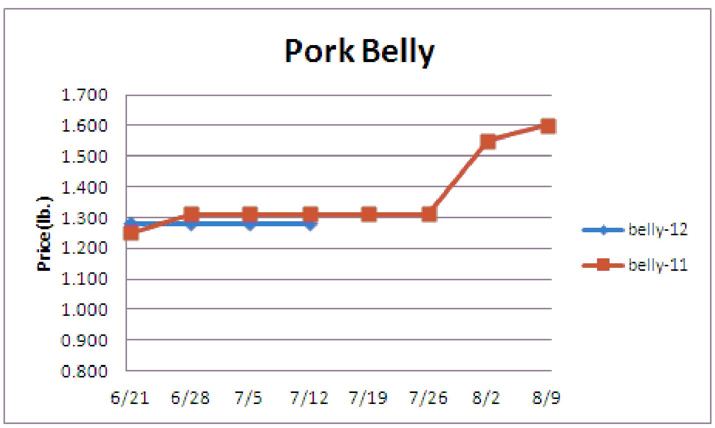
Weekly Market Updates

PERFORMANCE FOODSERVICE ROMA



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. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.649	.673	-.024	.677
Belly (bacon)	1.375	1.280	+.095	1.310
Sparerib (4.25 lb. & down)	1.387	1.416	-.029	1.640
Ham (20-23 lb.)	.780	.770	+.010	.830
Ham (23-27 lb.)	.780	.760	+.020	.830
Loin (bone-in)	1.004	.982	+.022	1.199
Bbybck Rib (1.75 lb. & up)	2.365	2.450	-.085	3.150
Tenderloin (1.25 lb.)	3.092	3.050	+.042	3.400
Boston Butt, untrmd. (4-8 lb.)	.910	.989	-.079	1.070
Picnic, untrmd.	.638	.631	+.007	.766
SS Picnic, smoker trm. bx.	.823	.790	+.033	.960
42% Trimmings	.624	.550	+.074	.800
72% Trimmings	.738	.800	-.062	1.000



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

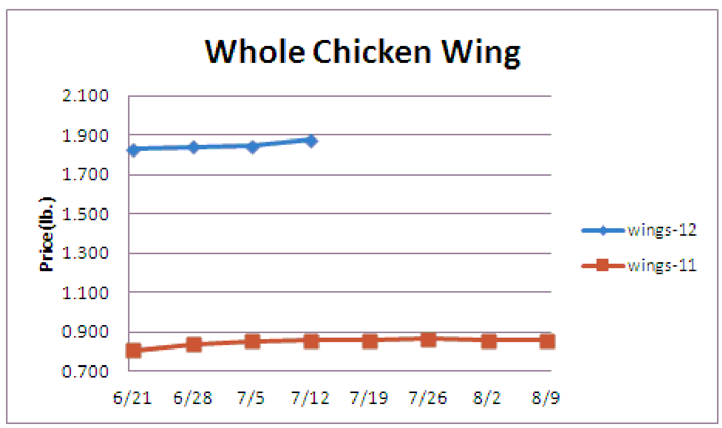
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- Warm weather continues to stress the vegetable crops in the Midwest. The processed vegetable markets 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- 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. Prices USDA, FOB per pound except when noted.

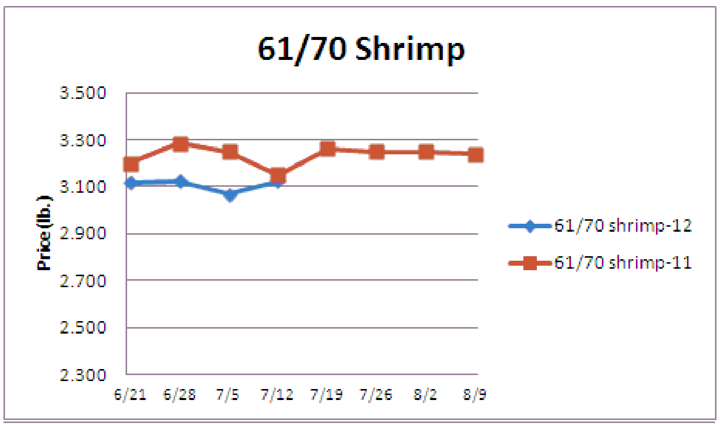
Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.948	.948	-	.873
Whole Birds (LA)	1.040	1.040	-	.960
Wings (whole)	1.885	1.875	+.010	.855
Wings (jumbo, cut)	1.822	1.815	+.007	.950
Breast, Bone In	1.010	1.010	-	.835
Breast, Bnless Skinless	1.595	1.595	-	1.420
Tenderloin (random)	1.290	1.290	-	1.050
Tenderloin (sized)	1.920	1.920	-	1.810
Legs (whole)	.648	.606	+.042	.612
Leg Quarters	.510	.510	-	.460
Thighs, bone in	.795	.767	+.028	.759
Thighs, boneless	1.294	1.274	+.020	1.208
Eggs and Others				
Large (dozen)	.993	.993	-	.970
Medium (dozen)	.715	.715	-	.705
Whole Eggs- Liquid	.542	.549	-.007	.512
Egg Whites- Liquid	.456	.448	+.008	.459
Egg Yolks- Liquid	.663	.660	+.003	.669
Whole Turkeys (8-16 lb.)	1.070	1.065	+.005	1.055
Turkey Breast, Bnls/Sknls	1.757	1.765	-.008	2.500



Weekly Market Updates

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. 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	5.577	5.495	+.082	7.107
Shrimp (61/70), Frz.	3.067	3.125	-.058	3.263
Shrimp, Tiger (26/30), Frz.	4.725	4.800	-.075	4.950
Snow Crab, Legs 5-8 oz, Frz	4.800	4.900	-.100	5.850
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	-	3.825
Salmon Portions, 4-8 oz, Frz	5.100	5.100	-	6.471
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.850



Energy & Currency-Currency US dollar is worth.

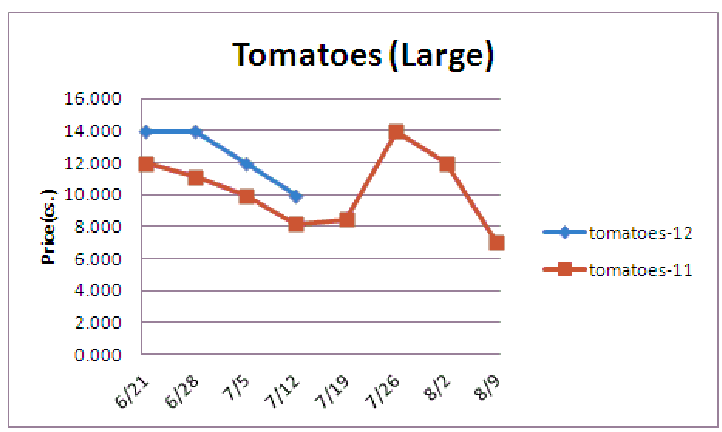
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	89.220	83.910	+5.310	95.930
Natural Gas, mbtu- nymex	2.796	2.737	+.059	4.524
Heating Oil, gal- nymex	2.842	2.720	+.122	3.077
Electricity, mwht- nymex	59.080	51.130	+7.950	93.220
Gasoline, gal- nymex	2.845	2.747	+.098	3.097
Diesel Fuel, gal- eia	3.695	3.683	+.012	3.923
Ethanol, gal- usda	2.430	2.235	+.195	2.765
Canadian $	1.014	1.018	-.004	0.959
Japanese Yen	79.098	79.479	-.381	79.103
Mexican Peso	13.180	13.312	-.132	11.780
Euro	.814	.814	-	.712
Brazilian Real	2.033	2.032	+.001	1.581
Chinese Yuan	6.374	6.367	+.007	6.469

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)	880.000	883.430	-3.430	1023.790
WP; 42 lb. Linerboard (corr.)	664.745	664.384	+.361	822.437
Res; PS-CHH (cup, cont.)	1.160-1.200	1.160-1.200	-	1.120-1.160
Res; PP-HIGP (hvy utensil)	.910-.930	.910-.930	-	1.200-1.220
Res; PE-LLD (cn liner, film)	.800-.830	.800-.830	-	.910-.940

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. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	9.000	7.000	+2.000	14.000
Lemons (95 ct.)	17.740	17.740	-	19.640
Lemons (200 ct.)	20.740	20.740	-	19.640
Honeydew (6 ct.)	10.600	6.613	+3.987	8.975
Cantaloupe (15 ct.)	4.000	5.250	-1.250	7.700
Blueberries (12 count)	19.750	19.608	+.142	17.500
Strawberries (12 pnts.)	10.000	10.500	-.500	10.500
Avocados (Hass 48 ct.)	28.063	28.750	-.687	51.250
Bananas (40 lb.)- Term.	15.444	15.547	-.103	16.308
Pineapple (7 ct.)- Term.	14.151	13.333	+.818	16.584
Idaho Potato (60 ct., 50 lb.)	8.000	8.000	-	26.000
Idaho Potato (70 ct., 50 lb.)	7.750	7.750	-	24.000
Idaho Potato (70 ct.)-Term.	14.915	12.444	+2.471	30.245
Idaho Potato (90 ct., 50 lb.)	6.000	6.000	-.250	17.500
Idaho Pot. # 2 (6 oz., 100 lb.)	10.000	10.000	-	24.000
Processing Potato (cwt.)	7.500	4.500	+3.000	13.000
Yellow Onions (50 lb.)	9.500	8.750	+.750	9.000
Yell Onions (50 lb.)-Term.	13.849	14.938	-1.089	13.907
Red Onions (25 lb.)- Term.	15.250	14.500	+.750	9.490
White Onions (50 lb.)- Term.	17.292	19.167	-1.875	12.960
Tomatoes (large- case)	11.950	9.950	+2.000	8.459
Tomatoes (5x6-25 lb.)-Term	13.675	12.444	+1.231	16.391
Tomatoes (4x5 vine ripe)	11.950	10.450	+1.500	12.950
Roma Tomatoes (large- case)	12.650	10.450	+2.200	8.459
Roma Tomatoes (xlarge-cs)	12.325	10.450	+1.875	9.832
Green Peppers (large- case)	9.495	8.838	+.657	10.500
Red Peppers (large 15lb. cs.)	14.950	10.950	+4.000	15.450
Iceberg Lettuce (24 count)	9.245	9.838	-.593	11.743
Iceberg Lettuce (24)-Term.	18.500	16.000	+2.500	18.750
Leaf Lettuce (24 count)	9.925	12.500	-2.575	6.525
Romaine Lettuce (24 cnt.)	12.548	15.188	-2.640	7.700
Mesculin Mix (3 lb.)-Term.	6.813	6.813	-	6.938
Broccoli (14 ct.)	6.650	7.160	-.510	6.093
Squash (1/2 bushel)	7.975	7.950	+.025	6.713
Zucchini (1/2 bushel)	8.000	8.088	-.088	8.213
Green Beans (bushel)	24.500	14.000	+10.500	14.750
Spinach, Flat 24's	7.995	7.995	-	8.125
Mushrms (10 lb, lg.)-Term.	14.667	15.146	-.479	11.049
Cucumbers (bushel)	11.229	16.405	-5.176	15.388
Pickles (200-300 ct.)- Term.	34.125	29.875	+4.250	36.459
Asparagus (small)	12.500	14.500	-2.000	9.500
Freight (Truck; CA-Cty Av.)	5644.444	6087.500	-443.056	6031.125



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

	Jun-12	May-12	Apr-12	Mar-12
Beef and Veal	+.607	+.621	+.300	+.812
Dairy	-.283	-.378	+1.000	-.112
Pork	-.091	-.794	-.600	+.713
Chicken	+1.736	-2.050	+.800	+1.315
Fresh Fish and Seafood	-.168	-.379	+1.400	+.936
Fresh Fruits and Veg.	+.126	+.532	+1.100	-.746