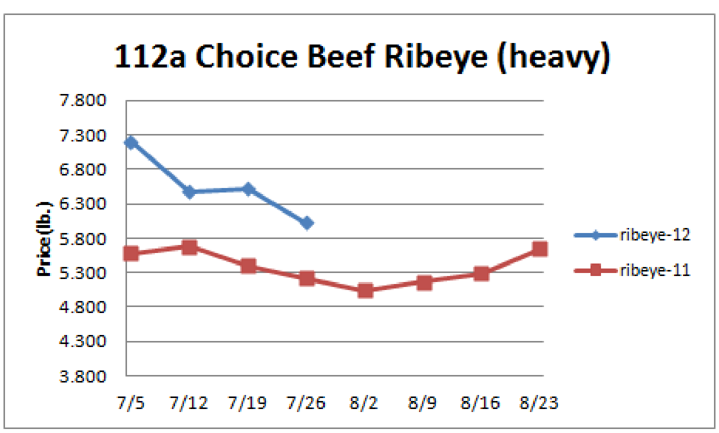
Weekly Market Updates

Volume No. 5 Issue No. 30 Date: July 26, 2012

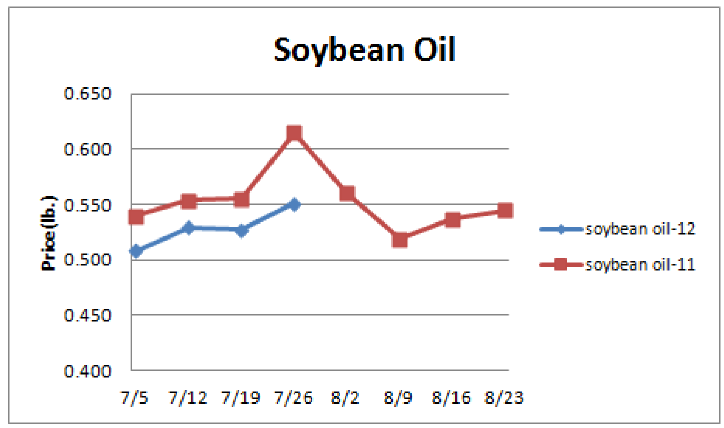
Beef- Beef output last week rose 2.4% and was 2.5% more than the same week a year ago. Beef production is projected to trend below '11 levels during the next several months. The July 1st cattle on feed inventory was 2.7% larger than the prior year but June cattle placements into feedlots were 1.8% less than a year ago. Extremely poor US pasture conditions might push more cattle to slaughter this fall but could limit cattle supplies deep into '13. This should support cattle and beef prices next year. Top butt and beef ribeye prices typically rise in early August due to increased demand for the Labor Day holiday weekend. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.130	1.144	-.014	1.104
Feeder Cattle Index (CME)	1.346	1.397	-.051	1.359
Ground Beef 81/19	1.653	1.646	+.007	1.548
Ground Chuck	1.648	1.673	-.025	1.557
109e Export Rib (choice)	5.257	5.577	-.320	4.902
109e Export Rib (prime)	9.176	9.487	-.311	8.370
112a Ribeye (choice)	6.027	6.514	-.487	5.215
112a Ribeye (prime)	9.286	9.527	-.241	8.226
116 Chuck (select)	2.154	2.136	+.018	2.063
116 Chuck (choice)	2.135	2.139	-.004	2.062
116b Chuck Tdnr (choice)	2.052	2.125	-.073	2.148
120 Brisket (choice)	2.051	2.066	-.015	1.847
121c Outside Skrt (ch/sel)	5.447	5.372	+.075	3.987
121d Inside Skirt (ch/sel)	3.631	3.641	-.010	3.238
167a Knckle, Trm. (ch.)	2.160	2.183	-.023	2.046
168 Inside Round (ch.)	1.991	1.965	+.026	2.013
174 Short Loin (ch. 0x1)	5.088	5.439	-.351	5.521
174 Short Loin (prime)	8.383	8.688	-.305	8.508
180 1x1 Strp (choice)	5.258	6.011	-.753	4.741
180 1x1 Strp (prime)	9.723	9.839	-.116	9.291
180 0x1 Strp (choice)	5.048	6.065	-1.017	5.185
184 Top Butt, bnls (ch.)	3.030	3.275	-.245	3.147
184 Top Butt, bnls (prime)	3.864	3.865	-.001	3.372
185a Sirloin Flap (choice)	4.602	4.739	-.137	4.232
185c Loin, Tri-Tip (choice)	3.595	3.693	-.098	2.602
189a Tender (select)	8.427	8.436	-.009	7.848
189a Tender (choice)	8.530	9.071	-.541	8.634
189a Tender (prime)	13.604	13.599	+.005	11.283
193 Flank Steak (choice)	4.817	4.799	+.018	4.768
50% Trimmings	.475	.483	-.008	.779
65% Trimmings	1.029	1.021	+.008	1.129
75% Trimmings	1.559	1.513	+.046	1.458
85% Trimmings	1.986	1.931	+.055	1.734
90% Trimmings	2.101	2.172	-.071	1.826
90% Imported Beef (frz.)	1.970	1.970	-	1.888
95% Imported Beef (frz.)	2.125	2.115	+.010	2.006
Veal Rack (Hotel 7 rib)	7.800	7.800	-	5.750
Veal Top Rnd. (cp. off)	13.970	13.925	+.045	12.400



Oil, Grains, Misc.- The corn and soybean crops have deteriorated during the last week causing new records to be set in the corn and soybean markets. Elevated grain prices may persist. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	16.795	16.623	+.172	13.900
Crude Soybean Oil, lb.	.551	.527	+.024	.615
Soybean Meal, ton	543.800	510.500	+33.300	353.000
Corn, bushel	7.926	7.851	+.075	7.200
Crude Corn Oil, lb.	.555	.555	-	.615
High Fructose Corn Syrup	.214	.213	+.001	.196
Distillers Grain, Dry	290.375	262.500	+27.875	192.250
Crude Palm Oil, lb. BMD	.426	.426	-	.476
HRW Wheat, bushel	8.525	8.645	-.120	7.610
DNS Wheat 14%, bushel	9.750	10.050	-.300	8.990
Durum Wheat, bushel	8.088	8.088	-	12.750
Pinto Beans, lb.	.491	.491	-	.365
Black Beans, lb.	.420	.420	-	.350
Rice, Long Grain, lb.	.253	.255	-.002	.254
Coffee, lb. NYBOT	1.768	1.807	-.039	2.429
Sugar, lb. NYBOT	.290	.289	+.001	.400
Honey (Clover), lb.	1.693	1.693	-	1.650



Dairy- June milk production was .9% more than last year due to a .4% rise in milk per cow yields and a .5% larger milk cow herd. Milk farmers reduced the herd by a net 19k head during June which was the largest monthly net reduction since October '09. Further reductions in the milk cow herd this summer due to challenged producer margins could be supportive of dairy prices. The CME cheese markets remain elevated but the near term upside cheese price risk is likely nominal. The butter market is firm. Any butter market increases in August may only be modest. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.695	1.698	-.003	2.130
Cheese Blocks (CME)	1.718	1.720	-.002	2.155
American Cheese	1.893	1.848	+.045	2.478
Cheddar Cheese (40 lb.)	2.105	2.043	+.062	2.590
Mozzarella Cheese	1.950	1.888	+.062	2.485
Provolone Cheese	2.300	2.238	+.062	2.643
Parmesan Cheese	3.380	3.318	+.062	3.723
Butter (CME)	1.660	1.580	+.080	2.080
Nonfat Dry Milk	1.284	1.243	+.041	1.687
Whey, Dry	.502	.497	+.005	.557
Class 1 Base	16.550	15.510	+1.040	21.430
Class II Cream, heavy	2.304	2.191	+.113	2.870
Class III Milk (CME)	17.660	17.830	-.170	21.340
Class IV Milk (CME)	15.750	15.750	-	20.000

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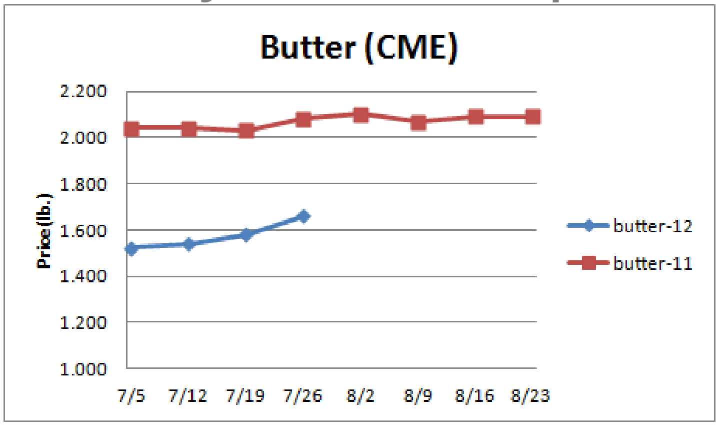
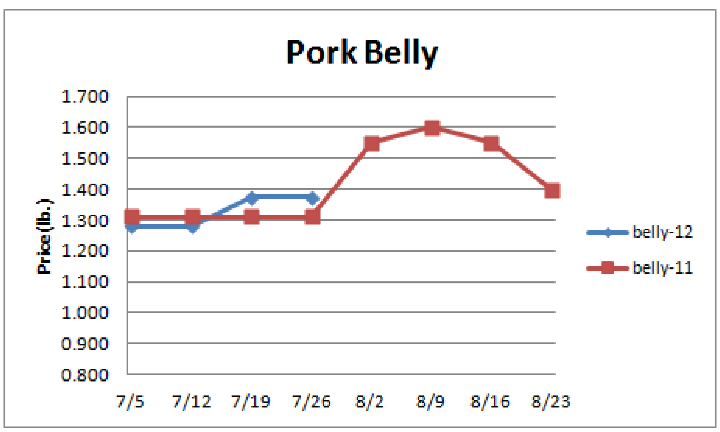


Pork- Pork output last week fell .4% but was .4% more than last year. The USDA estimates that pork production will trend above '11 levels over the next few months. Sow prices last week declined to their lowest level in 16 months suggesting more sows are being sent to slaughter due to poor hog farmer margins. Strong pork production could occur in the near term but any Q4 output gains may be tempered. June 30th pork belly stocks were .9% more than '11. Pork belly prices usually peak in August and then move lower through December. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.660	.649	+.011	.724
Belly (bacon)	1.375	1.375	-	1.310
Sparerib (4.25 lb. & down)	1.422	1.387	+.035	1.638
Ham (20-23 lb.)	.800	.780	+.020	.890
Ham (23-27 lb.)	.800	.780	+.020	.890
Loin (bone-in)	1.070	1.004	+.066	1.208
Bbybck Rib (1.75 lb. & up)	2.450	2.365	+.085	3.175
Tenderloin (1.25 lb.)	2.995	3.092	-.097	3.359
Boston Butt, untrmd. (4-8 lb.)	.912	.910	+.002	1.021
Picnic, untrmd.	.648	.638	+.010	.741
SS Picnic, smoker trm. bx.	.823	.823	-	.960
42% Trimmings	.624	.624	-	.800
72% Trimmings	.800	.738	+.062	.880



Tomato Products, Canned- Tomato output in CA is ahead of '11 with 1.8 million tons projected to be harvested by this Saturday. Canned tomato prices are firm. Prices per case (6/10) FOB, unless noted from ARA.

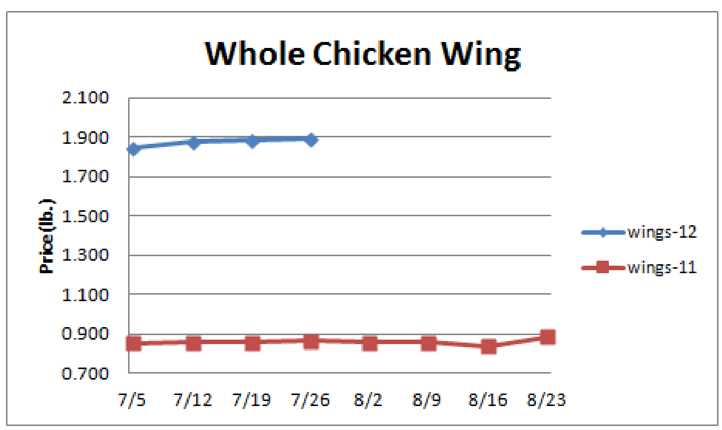
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- June 30th frozen cut corn (13%) and cob corn (15%) inventories were less than the previous year. The processed vegetable markets remain 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- Spot chicken feed costs have increased 30% in the last 6 weeks. Chicken producer margins are significantly challenged and producers are anticipated to cut production rates further. This could support chicken prices into '13. The chicken breast markets are tending lower which is seasonal normal. History points to a 3% higher move for chicken breast prices from now through Labor Day. The chicken wing markets are steady but still historically high. Chicken wing prices tend to rise from now into February. This year's seasonal market increases for wings may be more intense with record high prices possible later this year. June 30th frozen chicken breast (33%), wing (36%) and leg quarter (27%) stocks were all less than '11. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.948	.948	-	.875
Whole Birds (LA)	1.040	1.040	-	.970
Wings (whole)	1.890	1.885	+.005	.865
Wings (jumbo, cut)	1.831	1.822	+.009	.993
Breast, Bone In	1.010	1.010	-	.830
Breast, Bnless Skinless	1.590	1.595	-.005	1.480
Tenderloin (random)	1.290	1.290	-	1.110
Tenderloin (sized)	1.920	1.920	-	1.790
Legs (whole)	.658	.648	+.010	.601
Leg Quarters	.505	.510	-.005	.455
Thighs, bone in	.815	.795	+.020	.723
Thighs, boneless	1.303	1.294	+.009	1.203
Eggs and Others				
Large (dozen)	1.282	.993	+.289	.970
Medium (dozen)	.965	.715	+.250	.705
Whole Eggs- Liquid	.653	.542	+.111	.534
Egg Whites- Liquid	.476	.456	+.020	.452
Egg Yolks- Liquid	.744	.663	+.081	.690
Whole Turkeys (8-16 lb.)	1.070	1.070	-	1.055
Turkey Breast, Bnls/Sknls	1.880	1.757	+.123	2.500



Seafood- June US Gulf of Mexico shrimp landings were 34% below '11 and the 2nd smallest for the month in 5 years. The recent rise in fuel prices could challenge US shrimp fishing in the coming weeks. Still, with roughly 90% of the shrimp consumed in the US sourced from abroad and solid shrimp imports persisting, the shrimp markets are likely to remain below year ago levels. Snow crab prices remain relatively elevated. Prices for fresh product, unless noted, per pound from Fisheries Market News.

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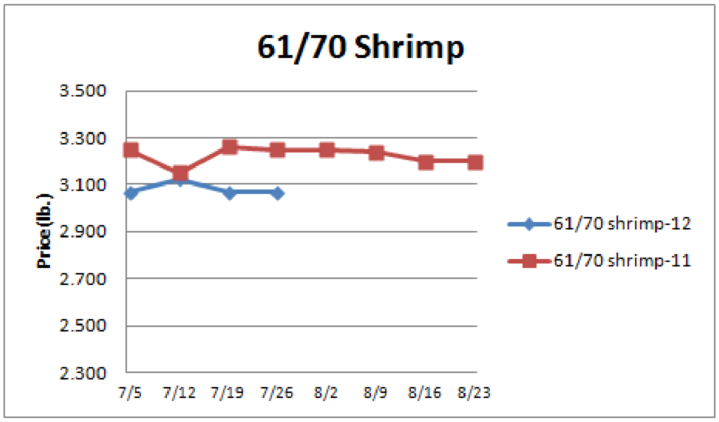
	Price	Last Week	Difference	Price 11
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	2.950
Catfish Filets	4.500	4.500	-	5.250
Trout (drn. 8-14 oz.)	3.700	3.700	-	3.400
Shrimp (16/20), Frz	5.577	5.577	-	7.053
Shrimp (61/70), Frz.	3.067	3.067	-	3.250
Shrimp, Tiger (26/30), Frz.	4.725	4.725	-	4.950
Snow Crab, Legs 5-8 oz, Frz	4.800	4.800	-	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	-	3.684
Salmon Portions, 4-8 oz, Frz	5.100	5.100	-	6.505
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.850



Energy & Currency-Currency US dollar is worth.

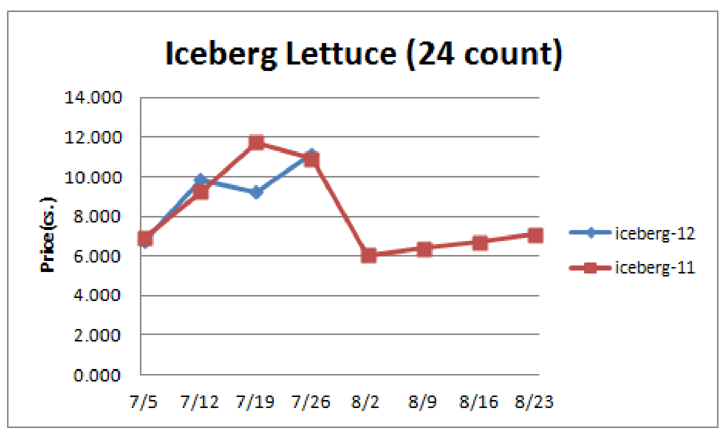
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	88.500	89.220	-.720	99.590
Natural Gas, mbtu- nymex	3.187	2.796	+.391	4.370
Heating Oil, gal- nymex	2.824	2.842	-.018	3.113
Electricity, mwht- nymex	64.700	59.080	+5.620	83.330
Gasoline, gal- nymex	2.825	2.845	-.020	3.154
Diesel Fuel, gal- eia	3.783	3.695	+.088	3.949
Ethanol, gal- usda	2.605	2.430	+.175	2.820
Canadian $	1.018	1.014	+.004	0.941
Japanese Yen	78.278	79.098	-.820	78.101
Mexican Peso	13.649	13.180	+.469	11.614
Euro	.827	.814	+.013	.691
Brazilian Real	2.044	2.033	+.011	1.535

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	880.000	-	1023.790
WP; 42 lb. Linerboard (corr.)	665.852	664.745	+1.107	822.437
Res; PS-CHH (cup, cont.)	1.130-1.170	1.160-1.200	-.030	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- The iceberg lettuce market has firmed due in part to various quality problems causing lettuce supplies to tighten. Unseasonably cool temperatures are forecasted during the next several days for the Salinas area of CA which could keep lettuce prices elevated in the near term. Tomato prices have strengthened due to improving demand. Heat stress was also a factor hampering some tomato harvests in the southeast. Still, mid-Atlantic tomato supplies are due to build into August which could temper the recent price spike for tomatoes. Avocado prices usually rise 12% in August. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	9.500	9.000	+.500	9.000
Lemons (95 ct.)	17.740	17.740	-	22.700
Lemons (200 ct.)	20.740	20.740	-	20.700
Honeydew (6 ct.)	6.750	10.600	-3.850	9.000
Cantaloupe (15 ct.)	4.000	4.000	-	9.700
Blueberries (12 count)	19.125	19.750	-.625	15.500
Strawberries (12 pnts.)	10.500	10.000	+.500	11.500
Avocados (Hass 48 ct.)	25.000	28.063	-3.063	50.250
Bananas (40 lb.)- Term.	15.261	15.444	-.183	13.792
Pineapple (7 ct.)- Term.	13.740	14.151	-.411	21.094
Idaho Potato (60 ct., 50 lb.)	8.000	8.000	-	24.000
Idaho Potato (70 ct., 50 lb.)	7.625	7.750	-.125	21.500
Idaho Potato (70 ct.)-Term.	14.858	14.915	-.057	30.579
Idaho Potato (90 ct., 50 lb.)	6.000	6.000	-	17.500
Idaho Pot. # 2 (6 oz., 100 lb.)	10.000	10.000	-	24.000
Processing Potato (cwt.)	7.500	7.500	-	13.000
Yellow Onions (50 lb.)	9.750	9.500	+.250	8.800
Yell Onions (50 lb.)-Term.	15.021	13.849	+1.172	13.251
Red Onions (25 lb.)- Term.	14.792	15.250	-.458	9.834
White Onions (50 lb.)- Term.	18.500	17.292	+1.208	17.500
Tomatoes (large- case)	12.950	11.950	+1.000	13.950
Tomatoes (5x6-25 lb.)-Term	14.861	13.675	+1.186	14.032
Tomatoes (4x5 vine ripe)	10.950	11.950	-1.000	12.950
Roma Tomatoes (large- case)	9.355	12.650	-3.295	8.500
Roma Tomatoes (xlarge-cs)	8.129	12.325	-4.196	9.900
Green Peppers (large- case)	9.223	9.495	-.272	10.000
Red Peppers (large 15lb. cs.)	13.950	14.950	-1.000	12.950
Iceberg Lettuce (24 count)	11.125	9.245	+1.880	10.900
Iceberg Lettuce (24)-Term.	18.000	18.500	-.500	19.834
Leaf Lettuce (24 count)	9.863	9.925	-.062	6.400
Romaine Lettuce (24 cnt.)	11.513	12.548	-1.035	7.500
Mesculin Mix (3 lb.)-Term.	6.938	6.813	+.125	6.938
Broccoli (14 ct.)	6.675	6.650	+.025	6.900
Squash (1/2 bushel)	9.000	7.975	+1.025	9.450
Zucchini (1/2 bushel)	6.488	8.000	-1.512	10.425
Green Beans (bushel)	26.838	24.500	+2.338	14.500
Spinach, Flat 24's	8.050	7.995	+.055	11.000
Mushrms (10 lb, lg.)-Term.	15.146	14.667	+.479	11.238
Cucumbers (bushel)	10.336	11.229	-.893	15.900
Pickles (200-300 ct.)- Term.	25.625	34.125	-8.500	31.334
Asparagus (small)	12.500	12.500	-	12.500
Freight (Truck; CA-Cty Av.)	5610.222	5644.444	-34.222	6012.500



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