

# Weekly Market Updates



**PERFORMANCE**  
FOODSERVICE



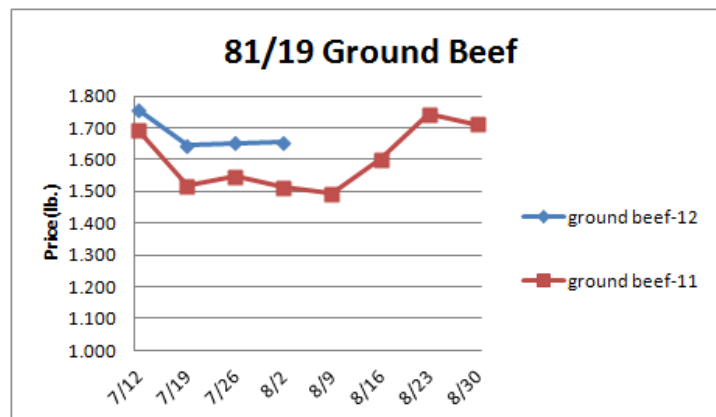
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Date: August 2, 2012

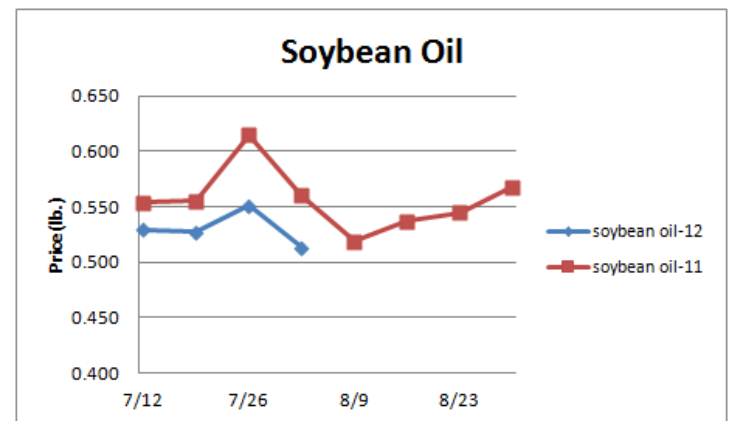
**Beef-** Beef output last week rose 2.4% and was 2.5% more than the same week a year ago. Beef production is projected to trend below '11 levels during the next several months. The July 1st cattle on feed inventory was 2.7% larger than the prior year but June cattle placements into feedlots were 1.8% 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                 | 1.148  | 1.130     | +.018      | 1.098    |
| Feeder Cattle Index (CME)   | 1.349  | 1.346     | +.003      | 1.353    |
| Ground Beef 81/19           | 1.654  | 1.653     | +.001      | 1.513    |
| Ground Chuck                | 1.706  | 1.648     | +.058      | 1.462    |
| 109e Export Rib (choice)    | 5.411  | 5.257     | +.154      | 4.696    |
| 109e Export Rib (prime)     | 8.645  | 9.176     | -.531      | 8.184    |
| 112a Ribeye (choice)        | 5.760  | 6.027     | -.267      | 5.040    |
| 112a Ribeye (prime)         | 9.150  | 9.286     | -.136      | 8.532    |
| 116 Chuck (select)          | 2.160  | 2.154     | +.006      | 2.058    |
| 116 Chuck (choice)          | 2.143  | 2.135     | +.008      | 2.075    |
| 116b Chuck Tdnr (choice)    | 2.143  | 2.052     | +.091      | 2.083    |
| 120 Brisket (choice)        | 2.002  | 2.051     | -.049      | 1.817    |
| 121c Outside Skirt (ch/sel) | 4.961  | 5.447     | -.486      | 3.904    |
| 121d Inside Skirt (ch/sel)  | 3.450  | 3.631     | -.181      | 3.238    |
| 167a Knuckle, Trm. (ch.)    | 2.205  | 2.160     | +.045      | 2.050    |
| 168 Inside Round (ch.)      | 1.990  | 1.991     | -.001      | 1.915    |
| 174 Short Loin (ch. 0x1)    | 5.020  | 5.088     | -.068      | 4.748    |
| 174 Short Loin (prime)      | 7.660  | 8.383     | -.723      | 8.602    |
| 180 1x1 Strp (choice)       | 4.640  | 5.258     | -.618      | 4.483    |
| 180 1x1 Strp (prime)        | 9.130  | 9.723     | -.593      | 9.276    |
| 180 0x1 Strp (choice)       | 5.158  | 5.048     | +.110      | 4.901    |
| 184 Top Butt, bnls (ch.)    | 3.021  | 3.030     | -.009      | 3.201    |
| 184 Top Butt, bnls (prime)  | 3.845  | 3.864     | -.019      | 3.442    |
| 185a Sirloin Flap (choice)  | 4.453  | 4.602     | -.149      | 3.811    |
| 185c Loin, Tri-Tip (choice) | 3.316  | 3.595     | -.279      | 2.483    |
| 189a Tender (select)        | 8.526  | 8.427     | +.099      | 8.095    |
| 189a Tender (choice)        | 8.730  | 8.530     | +.200      | 8.584    |
| 189a Tender (prime)         | 13.295 | 13.604    | -.309      | 11.050   |
| 193 Flank Steak (choice)    | 4.877  | 4.817     | +.060      | 4.806    |
| 50% Trimmings               | .457   | .475      | -.018      | .788     |
| 65% Trimmings               | 1.001  | 1.029     | -.028      | 1.168    |
| 75% Trimmings               | 1.556  | 1.559     | -.003      | 1.438    |
| 85% Trimmings               | 1.899  | 1.986     | -.087      | 1.718    |
| 90% Trimmings               | 2.094  | 2.101     | -.007      | 1.793    |
| 90% Imported Beef (frz.)    | 2.180  | 1.970     | +.210      | 1.895    |
| 95% Imported Beef (frz.)    | 2.160  | 2.125     | +.035      | 2.035    |
| Veal Rack (Hotel 7 rib)     | 7.725  | 7.800     | -.075      | 5.750    |
| Veal Top Rnd. (cp. off)     | 13.950 | 13.970    | -.020      | 12.400   |



**Oil, Grains, Misc.-** The spring wheat harvest is ahead of schedule and is projected to produce sufficient spring wheat supplies. Still, the inflated corn and soybean markets are supporting wheat prices. Prices USDA, FOB.

|                          | Price   | Last Week | Difference | Price 11 |
|--------------------------|---------|-----------|------------|----------|
| Soybeans, bushel         | 17.320  | 16.795    | +.525      | 13.723   |
| Crude Soybean Oil, lb.   | .513    | .551      | -.038      | .560     |
| Soybean Meal, ton        | 577.700 | 543.800   | +33.900    | 350.200  |
| Corn, bushel             | 8.050   | 7.926     | +.124      | 7.278    |
| Crude Corn Oil, lb.      | .565    | .555      | +.010      | .600     |
| High Fructose Corn Syrup | .218    | .214      | +.004      | .200     |
| Distillers Grain, Dry    | 292.500 | 290.375   | +2.125     | 193.000  |
| Crude Palm Oil, lb. BMD  | .438    | .426      | +.012      | .485     |
| HRW Wheat, bushel        | 8.655   | 8.525     | +.130      | 7.880    |
| DNS Wheat 14%, bushel    | 9.530   | 9.750     | -.220      | 8.740    |
| Durum Wheat, bushel      | 7.550   | 8.088     | -.538      | 11.630   |
| Pinto Beans, lb.         | .491    | .491      | -          | .374     |
| Black Beans, lb.         | .420    | .420      | -          | .350     |
| Rice, Long Grain, lb.    | .255    | .253      | +.002      | .262     |
| Coffee, lb. NYBOT        | 1.746   | 1.768     | -.022      | 2.413    |
| Sugar, lb. NYBOT         | .286    | .290      | -.004      | .400     |
| Honey (Clover), lb.      | 1.693   | 1.693     | -          | 1.650    |



**Dairy-** Butter stocks in June fell 7% from May which was the biggest drop for the month since 1999. Still, US butter inventories are adequate. The butter market may be nearing a top following a seasonal trend. Since '07, the CME butter market fell an average of 18% from early September through the end of the year. June cheese stocks increased 2.4% from May. Global cheese and butter prices remain at discounts to their US counterparts. If this trend continues, US cheese and butter exports may wane. The CME cheese block market normally declines 4% in August. Prices per pound, except Class I Cream (hundred weight), from USDA.

|                         | Price  | Last Week | Difference | Price 11 |
|-------------------------|--------|-----------|------------|----------|
| Cheese Barrels (CME)    | 1.675  | 1.695     | -.020      | 2.130    |
| Cheese Blocks (CME)     | 1.700  | 1.718     | -.018      | 2.150    |
| American Cheese         | 1.883  | 1.893     | -.010      | 2.488    |
| Cheddar Cheese (40 lb.) | 2.105  | 2.105     | -          | 2.590    |
| Mozzarella Cheese       | 1.950  | 1.950     | -          | 2.500    |
| Provolone Cheese        | 2.300  | 2.300     | -          | 2.658    |
| Parmesan Cheese         | 3.380  | 3.380     | -          | 3.738    |
| Butter (CME)            | 1.645  | 1.660     | -.015      | 2.103    |
| Nonfat Dry Milk         | 1.298  | 1.284     | +.014      | 1.665    |
| Whey, Dry               | .513   | .502      | +.011      | .568     |
| Class I Base            | 16.550 | 16.550    | -          | 21.430   |
| Class II Cream, heavy   | 2.445  | 2.304     | +.141      | 2.988    |
| Class III Milk (CME)    | 18.450 | 17.660    | +.790      | 20.250   |
| Class IV Milk (CME)     | 16.650 | 15.750    | +.900      | 19.450   |

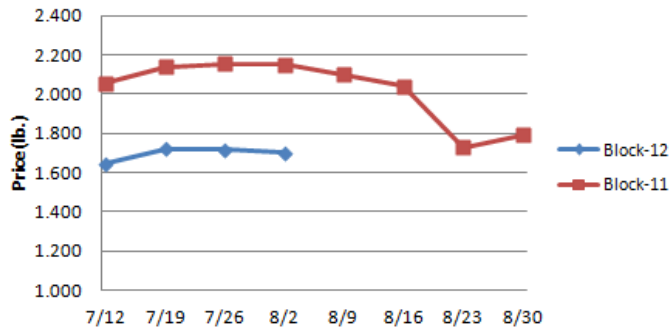
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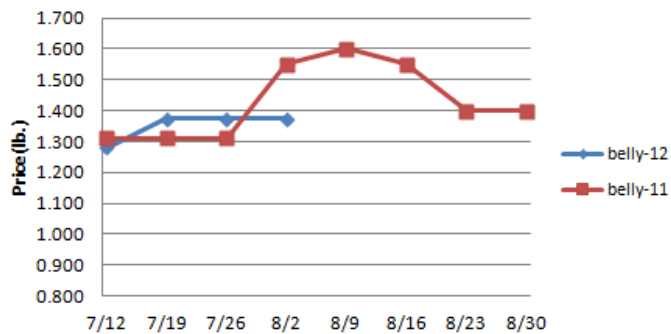
## Cheese Block (CME)



**Pork-** Pork output last week rose 1.7% and was 2.2% larger than the same week in '11. Sows prices have recently fallen to their lowest levels since January '10 which suggests that sows are being sent to slaughter in lieu of being retained to breed. This is the result of rising feed costs negatively impacting hog farmer margins which could support hog prices in '13. Still, data has yet to confirm notable sow slaughter reductions as of yet. The baby back rib market normally increases 3% in August due to escalating Labor Day holiday demand. Prices USDA, FOB per pound.

|                                | Price | Last Week | Difference | Price 11 |
|--------------------------------|-------|-----------|------------|----------|
| Live Hogs                      | .659  | .660      | -.001      | .756     |
| Belly (bacon)                  | 1.375 | 1.375     | -          | 1.550    |
| Sparerib (4.25 lb. & down)     | 1.362 | 1.422     | -.060      | 1.547    |
| Ham (20-23 lb.)                | .800  | .800      | -          | .950     |
| Ham (23-27 lb.)                | .850  | .800      | +.050      | .950     |
| Loin (bone-in)                 | 1.021 | 1.070     | -.049      | 1.238    |
| Bbybck Rib (1.75 lb. & up)     | 2.380 | 2.450     | -.070      | 3.210    |
| Tenderloin (1.25 lb.)          | 2.922 | 2.995     | -.073      | 3.428    |
| Boston Butt, untrmd. (4-8 lb.) | .875  | .912      | -.037      | 1.052    |
| Picnic, untrmd.                | .676  | .648      | +.028      | .752     |
| SS Picnic, smoker trm. bx.     | .823  | .823      | -          | .960     |
| 42% Trimmings                  | .624  | .624      | -          | .870     |
| 72% Trimmings                  | .780  | .800      | -.020      | .888     |

## Pork Belly



**Tomato Products, Canned-** The CA tomato harvest by the end of this week is estimated to be 48% ahead of last year. The canned tomato markets remain 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 regular cut green bean stocks were 52% larger than '11 due in part to the early start to the harvest. Processed green bean prices are steady. 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   |

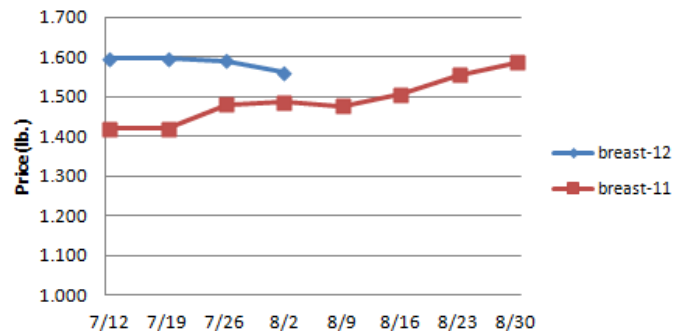
**Poultry-** Escalating feed costs continue to pinch producer margins. Feed costs have risen an average of 6% a week over the last 3 weeks. The broiler-type chick hatch in June was down 1% versus '11. Pullet placements, which measures new hens added to the breeding hatchery flock, were down 6% during June versus last year. This fall the US hatchery flock may be 3% lower than '11 enabling chicken producers to cut output rates even further. The chicken breast markets have fallen due partly to a better breast meat yield. After some modest seasonal price strength in August, history points to breast prices fading through the fall. Any chicken breast price declines this year may be tempered due to chicken output cutbacks. Prices USDA, FOB per pound except when noted.

| <u>Chicken</u>             | Price | Last Week | Difference | Price 11 |
|----------------------------|-------|-----------|------------|----------|
| Whole Birds (2.5-3 lb.-GA) | .948  | .948      | -          | .878     |
| Whole Birds (LA)           | 1.040 | 1.040     | -          | .970     |
| Wings (whole)              | 1.885 | 1.890     | -.005      | .855     |
| Wings (jumbo, cut)         | 1.836 | 1.831     | +.005      | 1.046    |
| Breast, Bone In            | 1.010 | 1.010     | -          | .835     |
| Breast, Boneless Skinless  | 1.560 | 1.590     | -.003      | 1.485    |
| Tenderloin (random)        | 1.290 | 1.290     | -          | 1.180    |
| Tenderloin (sized)         | 1.920 | 1.920     | -          | 1.780    |
| Legs (whole)               | .646  | .658      | -.012      | .624     |
| Leg Quarters               | .510  | .505      | +.005      | .470     |
| Thighs, bone in            | .822  | .815      | +.007      | .633     |
| Thighs, boneless           | 1.271 | 1.303     | -.032      | 1.227    |

### Eggs and Others

|                           |       |       |       |       |
|---------------------------|-------|-------|-------|-------|
| Large (dozen)             | 1.282 | 1.282 | -     | .970  |
| Medium (dozen)            | .965  | .965  | -     | .705  |
| Whole Eggs- Liquid        | .721  | .653  | +.068 | .578  |
| Egg Whites- Liquid        | .531  | .476  | +.055 | .452  |
| Egg Yolks- Liquid         | .956  | .744  | +.212 | .724  |
| Whole Turkeys (8-16 lb.)  | 1.063 | 1.070 | -.007 | 1.055 |
| Turkey Breast, Bnls/Sknls | 1.856 | 1.880 | -.024 | 2.500 |

## Boneless Skinless Chicken Breast

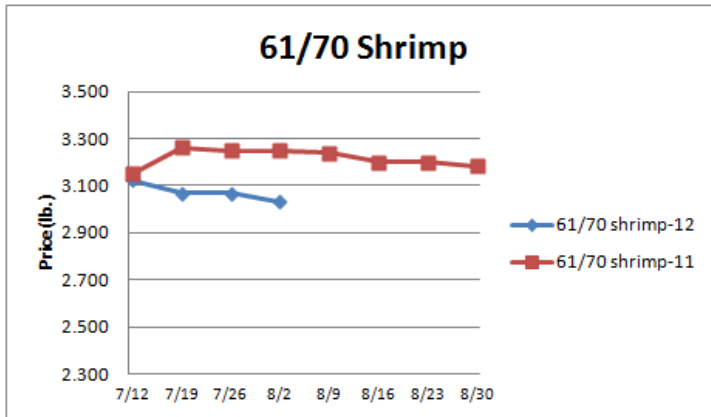


**Seafood-** The Newfoundland snow crab season is winding down. As of early this week roughly 95% of the Newfoundland snow crab quota had been landed. The US snow crab markets remain historically inflated. However, if the US dollar continues to appreciate, better US snow crab imports may be realized. This could keep snow crab prices below '11 levels this fall. Whole Atlantic salmon prices usually rise 6% in August. Prices for fresh product, unless noted, per pound from Fisheries Market News.

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|                              | <u>Price</u> | <u>Last Week</u> | <u>Difference</u> | <u>Price 11</u> |
|------------------------------|--------------|------------------|-------------------|-----------------|
| Salmon (wh. Atl., 10-12 lb.) | 3.000        | 3.000            | -                 | 3.100           |
| Catfish Filets               | 4.500        | 4.500            | -                 | 5.250           |
| Trout (dm. 8-14 oz.)         | 3.700        | 3.700            | -                 | 3.500           |
| Shrimp (16/20), Frz          | 5.450        | 5.577            | -.127             | 6.827           |
| Shrimp (61/70), Frz.         | 3.033        | 3.067            | -.034             | 3.250           |
| Shrimp, Tiger (26/30), Frz.  | 4.725        | 4.725            | -                 | 4.975           |
| Snow Crab, Legs 5-8 oz, Frz  | 4.725        | 4.800            | -.075             | 5.850           |
| Snow Crab, Legs 8 oz/ up, Fz | 4.975        | 5.025            | -.050             | 6.475           |
| Cod Tails, 3-7 oz., Frz.     | 3.500        | 3.500            | -                 | 3.200           |
| Cod Loins, 3-12 oz., Frz     | 3.288        | 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.

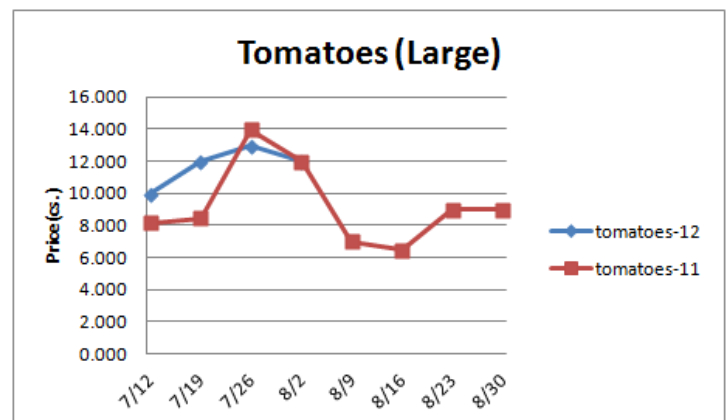
|                          | <u>Price</u> | <u>Last Week</u> | <u>Difference</u> | <u>Price 11</u> |
|--------------------------|--------------|------------------|-------------------|-----------------|
| Crude Oil, barrel- nymex | 88.060       | 88.500           | -.440             | 93.790          |
| Natural Gas, mbtu- nymex | 3.209        | 3.187            | +.022             | 4.155           |
| Heating Oil, gal- nymex  | 2.842        | 2.824            | +.018             | 3.092           |
| Electricity, mwht- nymex | 41.750       | 64.700           | -22.950           | 58.590          |
| Gasoline, gal- nymex     | 2.914        | 2.825            | +.089             | 3.037           |
| Diesel Fuel, gal- eia    | 3.796        | 3.783            | +.013             | 3.937           |
| Ethanol, gal- usda       | 2.545        | 2.605            | -.060             | 2.940           |
| Canadian \$              | 1.002        | 1.018            | -.016             | 0.961           |
| Japanese Yen             | 78.175       | 78.278           | -.103             | 77.354          |
| Mexican Peso             | 13.258       | 13.649           | -.391             | 11.801          |
| Euro                     | .814         | .827             | -.013             | .706            |
| Brazilian Real           | 2.045        | 2.044            | +.001             | 1.573           |

## Paper/Plastic-Provided by: resin- [www.plasticsnews.com](http://www.plasticsnews.com), pulp- [www.paperage.com](http://www.paperage.com).

| <u>Wood Pulp/ Plastic Resin</u> | <u>Price</u> | <u>Last Week</u> | <u>Difference</u> | <u>Price 11</u> |
|---------------------------------|--------------|------------------|-------------------|-----------------|
| WP; NBSK (napkin, towel)        | 880.000      | 880.000          | -                 | 1022.210        |
| WP; 42 lb. Linerboard (corr.)   | 667.414      | 665.852          | +1.562            | 824.510         |
| Res; PS-CHH (cup, cont.)        | 1.130-1.170  | 1.130-1.170      | -                 | 1.120-1.160     |
| Res; PP-HIGP (hvy utensil)      | .910-.930    | .910-.930        | -                 | 1.160-1.180     |
| Res; PE-LLD (cn liner, film)    | .800-.830    | .800-.830        | -                 | .880-.910       |

**Produce-** The Idaho potato markets have turned higher due to seasonally declining stock levels. The Idaho potato crop is progressing with 86% of the crop rated in good to excellent condition. The Idaho potato market (70 ct.) typically rises over the next 3 weeks before peaking for the year. The avocado market continues to price at engaging levels versus the prior 3 years due to strong supplies. So far this season, California avocado shipments are trending 19% above '11. History points to avocado prices rising in August but trending lower for the balance of the year. Tomato prices are lower. Prices USDA FOB shipping point unless noted (terminal).

|                                 | <u>Price</u> | <u>Last Week</u> | <u>Difference</u> | <u>Price 11</u> |
|---------------------------------|--------------|------------------|-------------------|-----------------|
| Limes (150 ct.)                 | 10.000       | 9.500            | +.500             | 8.500           |
| Lemons (95 ct.)                 | 18.240       | 17.740           | +.500             | 24.640          |
| Lemons (200 ct.)                | 20.740       | 20.740           | -                 | 21.140          |
| Honeydew (6 ct.)                | 6.500        | 6.750            | -.250             | 8.750           |
| Cantaloupe (15 ct.)             | 4.000        | 4.000            | -                 | 5.725           |
| Blueberries (12 count)          | 19.333       | 19.125           | +.208             | 13.500          |
| Strawberries (12 pnts.)         | 10.500       | 10.500           | -                 | 11.500          |
| Avocados (Hass 48 ct.)          | 26.750       | 25.000           | +1.750            | 51.750          |
| Bananas (40 lb.)- Term.         | 15.527       | 15.261           | +.266             | 16.282          |
| Pineapple (7 ct.)- Term.        | 14.214       | 13.740           | +.474             | 22.459          |
| Idaho Potato (60 ct., 50 lb.)   | 8.500        | 8.000            | +.500             | 21.500          |
| Idaho Potato (70 ct., 50 lb.)   | 8.500        | 7.625            | +.875             | 21.000          |
| Idaho Potato (70 ct.)-Term.     | 14.725       | 14.858           | -.133             | 29.792          |
| Idaho Potato (90 ct., 50 lb.)   | 6.250        | 6.000            | +.250             | 17.000          |
| 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.)          | 10.500       | 9.750            | +.750             | 9.334           |
| Yell Onions (50 lb.)-Term.      | 16.021       | 15.021           | +1.000            | 12.584          |
| Red Onions (25 lb.)- Term.      | 14.656       | 14.792           | -.136             | 9.428           |
| White Onions (50 lb.)- Term.    | 18.250       | 18.500           | -.250             | 16.500          |
| Tomatoes (large- case)          | 11.950       | 12.950           | -1.000            | 11.950          |
| Tomatoes (5x6-25 lb.)-Term      | 14.528       | 14.861           | -.333             | 13.042          |
| Tomatoes (4x5 vine ripe)        | 8.950        | 10.950           | -2.000            | 12.950          |
| Roma Tomatoes (large- case)     | 9.208        | 9.355            | -.147             | 8.117           |
| Roma Tomatoes (xlarge-cs)       | 9.208        | 8.129            | +1.079            | 8.784           |
| Green Peppers (large- case)     | 8.032        | 9.223            | -1.191            | 11.713          |
| Red Peppers (large 15lb. cs.)   | 13.950       | 13.950           | -                 | 10.950          |
| Iceberg Lettuce (24 count)      | 11.285       | 11.125           | +.160             | 6.025           |
| Iceberg Lettuce (24)-Term.      | 19.500       | 18.000           | +1.500            | 16.167          |
| Leaf Lettuce (24 count)         | 8.525        | 9.863            | -1.338            | 6.088           |
| Romaine Lettuce (24 cnt.)       | 12.375       | 11.513           | +.862             | 6.725           |
| Mesculin Mix (3 lb.)-Term.      | 6.726        | 6.938            | -.212             | 6.938           |
| Broccoli (14 ct.)               | 7.088        | 6.675            | +.413             | 7.888           |
| Squash (1/2 bushel)             | 6.575        | 9.000            | -2.425            | 10.850          |
| Zucchini (1/2 bushel)           | 6.488        | 6.488            | -                 | 11.763          |
| Green Beans (bushel)            | 25.550       | 26.838           | -1.288            | 18.450          |
| Spinach, Flat 24's              | 9.740        | 8.050            | +1.690            | 10.975          |
| Mushrms (10 lb, lg.)-Term.      | 15.146       | 15.146           | -                 | 11.084          |
| Cucumbers (bushel)              | 13.044       | 10.336           | +2.708            | 17.063          |
| Pickles (200-300 ct.)- Term.    | 23.708       | 25.625           | -1.917            | 31.688          |
| Asparagus (small)               | 12.500       | 12.500           | -                 | 9.750           |
| Freight (Truck; CA-Cty Av.)     | 5622.222     | 5610.222         | +12.000           | 5950.000        |



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

|                        | <u>Jun-12</u> | <u>May-12</u> | <u>Apr-12</u> | <u>Mar-12</u> |
|------------------------|---------------|---------------|---------------|---------------|
| 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         |