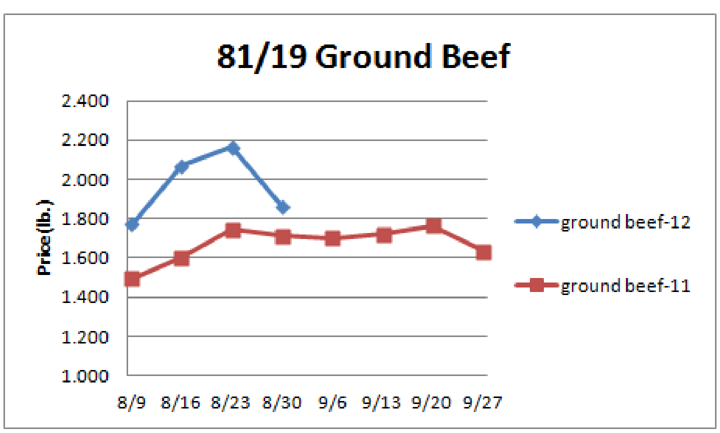
Weekly Market Updates

Volume No. 16 Issue No. 35 Date: August 30, 2012

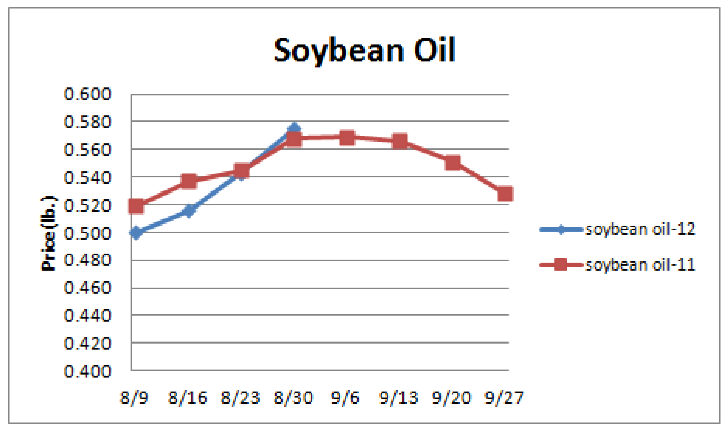
Beef- Beef production last week increased 1.8% but was 1.2% less than '11. US pasture conditions are the worst in 25 years which could limit cattle and beef supplies in '13. The beef markets are mixed. The summer grilling season is winding down. The 0x1 beef strip and the top butt markets usually decline 15% and 16% respectively during the next 10 weeks. Holiday purchase commitments for ribeyes and tenderloins are likely to pick up shortly. Since '07, the average move for the choice ribeye and tenderloin markets during the next 14 weeks is 24% and 23% higher correspondingly. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.202	1.206	-.004	1.136
Feeder Cattle Index (CME)	1.402	1.398	+.004	1.336
Ground Beef 81/19	1.940	2.165	-.225	1.712
Ground Chuck	2.213	1.986	+.227	1.744
109e Export Rib (choice)	6.003	5.855	+.148	4.945
109e Export Rib (prime)	9.312	9.019	+.293	8.507
112a Ribeye (choice)	6.924	6.715	+.209	5.582
112a Ribeye (prime)	9.758	9.599	+.159	8.531
116 Chuck (select)	2.158	2.287	-.129	2.347
116 Chuck (choice)	2.295	2.329	-.034	2.335
116b Chuck Tdnr (choice)	2.287	2.347	-.060	2.069
120 Brisket (choice)	2.181	2.134	+.047	1.898
121c Outside Skirt (ch/sel)	5.678	5.202	+.476	3.959
121d Inside Skirt (ch/sel)	3.552	3.528	+.024	3.439
167a Knckle, Trm. (ch.)	2.245	2.368	-.123	2.312
168 Inside Round (ch.)	2.136	2.117	+.019	2.209
174 Short Loin (ch. 0x1)	5.130	5.259	-.129	4.667
174 Short Loin (prime)	9.141	8.834	+.307	8.597
180 1x1 Strp (choice)	4.841	4.989	-.148	4.436
180 1x1 Strp (prime)	9.457	9.323	+.134	9.167
180 0x1 Strp (choice)	5.130	5.533	-.403	4.870
184 Top Butt, bnls (ch.)	3.110	3.147	-.037	3.249
184 Top Butt, bnls (prime)	3.940	3.864	+.076	3.578
185a Sirloin Flap (choice)	4.211	4.282	-.071	3.877
185c Loin, Tri-Tip (choice)	3.064	3.088	-.024	2.805
189a Tender (select)	9.350	9.110	+.240	8.072
189a Tender (choice)	9.888	10.157	-.269	8.633
189a Tender (prime)	13.865	13.482	+.383	11.335
193 Flank Steak (choice)	5.094	4.930	+.164	4.927
50% Trimmings	.585	.574	+.011	1.033
65% Trimmings	1.055	1.026	+.029	1.353
75% Trimmings	1.560	1.541	+.019	1.447
85% Trimmings	1.959	1.949	+.010	1.683
90% Trimmings	2.140	2.152	-.012	1.784
90% Imported Beef (frz.)	2.060	2.033	+.027	1.890
95% Imported Beef (frz.)	2.210	2.175	+.035	2.025
Veal Rack (Hotel 7 rib)	7.725	7.725	-	5.950
Veal Top Rnd. (cp. off)	13.950	13.950	-	12.525



Oil, Grains, Misc.- Last week feed costs set a new record high. The corn and soybean meal markets frequently peak in early September. But, inflated corn and soybean prices may persist this year. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	17.370	17.838	-.468	14.148
Crude Soybean Oil, lb.	.575	.543	+.032	.568
Soybean Meal, ton	565.300	579.600	-14.300	371.200
Corn, bushel	8.008	8.236	-.228	7.408
Crude Corn Oil, lb.	.575	.575	-	.590
High Fructose Corn Syrup	.215	.221	-.006	.202
Distillers Grain, Dry	292.000	293.750	-1.75	193.250
Crude Palm Oil, lb. BMD	.423	.437	-.014	.473
HRW Wheat, bushel	8.455	8.005	+.450	8.440
DNS Wheat 14%, bushel	9.120	9.440	-.320	9.640
Durum Wheat, bushel	7.738	7.588	+.150	11.834
Pinto Beans, lb.	.450	.450	-	.387
Black Beans, lb.	.420	.420	-	.380
Rice, Long Grain, lb.	.268	.265	+.003	.274
Coffee, lb. NYBOT	1.683	1.588	+.095	2.828
Sugar, lb. NYBOT	.278	.288	-.010	.413
Honey (Clover), lb.	1.750	1.750	-	1.700



Dairy- Elevated milk prices this August suggest that the anticipated milk production slowdown this fall might be tempered. Still, high feed costs remain a challenge for dairy farmers. The butter market remains firm. July 31st butter holdings were 24% bigger than '11 but declined in July from the prior month by the 2nd most in the last 9 years. History points to the butter market peaking soon. The cheese markets are steady. Cheese inventories during July fell from June marking only the 2nd such occurrence since 1997. Cheese prices normally top in early September. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.810	1.805	+.005	1.705
Cheese Blocks (CME)	1.870	1.838	+.032	1.790
American Cheese	1.993	2.015	-.022	2.340
Cheddar Cheese (40 lb.)	2.235	2.258	-.023	2.495
Mozzarella Cheese	2.080	2.103	-.023	2.328
Provolone Cheese	2.430	2.453	-.023	2.485
Parmesan Cheese	3.510	3.533	-.023	3.565
Butter (CME)	1.840	1.800	+.040	2.090
Nonfat Dry Milk	1.434	1.387	+.047	1.585
Whey, Dry	.553	.541	+.012	.586
Class 1 Base	17.590	16.550	+1.040	21.780
Class II Cream, heavy	2.502	2.576	-.074	2.797
Class III Milk (CME)	20.350	19.030	+1.320	18.730
Class IV Milk (CME)	19.470	18.200	+1.270	19.350

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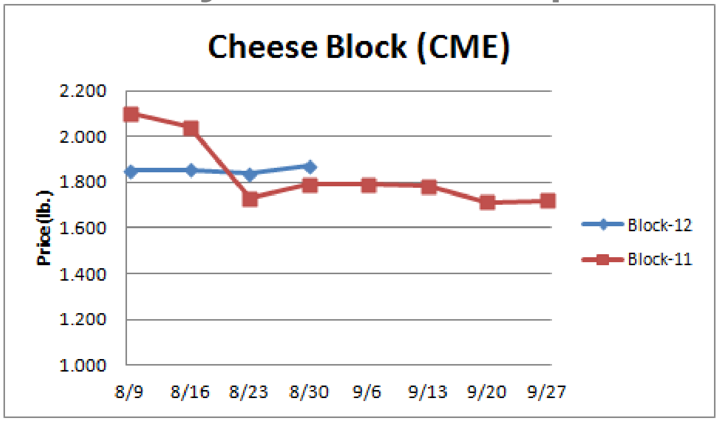
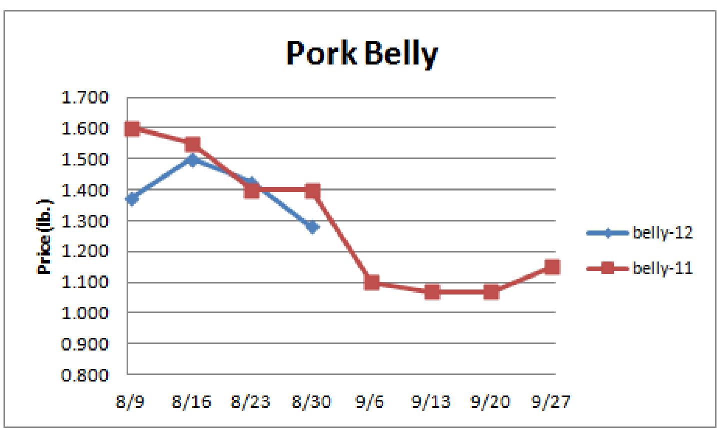


Pork- Pork production last week rose 4.5% and was 7.2% more than '11. Pork output remains seasonally strong and is placing downward pressure on the pork markets. The 72% pork trimming market is currently priced 17% below its 3 year average. History suggests that the downside price risk for 72% pork trim prices is nominal. 10% of China's consumer price index consists of pork. China is facing elevated feed costs which may well motivate them to purchase US pork supplies this fall. China consumes 50% of the world pork supply. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.580	.617	-.037	.673
Belly (bacon)	1.280	1.425	-.145	1.400
Sparerib (4.25 lb. & down)	1.381	1.381	-	1.477
Ham (20-23 lb.)	.710	.740	+.030	.868
Ham (23-27 lb.)	.703	.740	-.037	.880
Loin (bone-in)	.948	.963	-.015	1.204
Bbybck Rib (1.75 lb. & up)	2.110	2.273	-	3.250
Tenderloin (1.25 lb.)	2.380	2.380	-	3.381
Boston Butt, untrmd. (4-8 lb.)	.883	.914	-.031	1.016
Picnic, untrmd.	.602	.619	-.017	.873
SS Picnic, smoker trm. bx.	.823	.823	-	1.040
42% Trimmings	.373	.570	-.197	.970
72% Trimmings	.600	.650	-.050	1.150



Tomato Products, Canned- By the end of this week the CA tomato harvest is projected to be 16% larger than last year. The canned tomato markets are firm. Prices per case (6/10) FOB, unless noted from ARA.

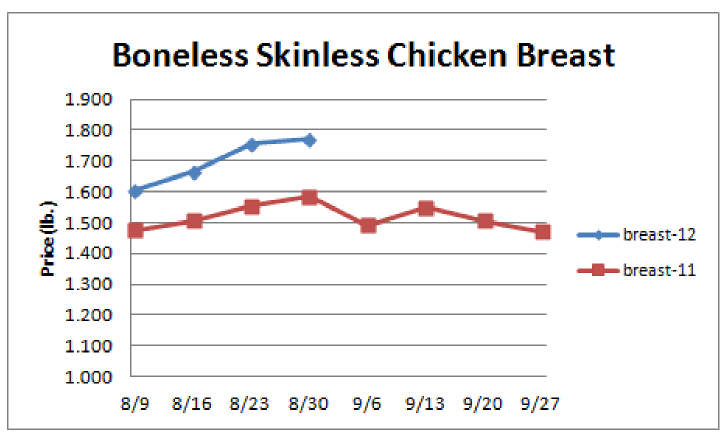
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- July 31st frozen cob corn (3%) and green pea (12%) inventories were smaller than the previous year. The processed vegetable markets continue to be 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- Last week the ARA chicken cutout index priced at its 2nd highest level in 2 years. Spot feed costs remain historically inflated and are negatively impacting producer margins. Chicken output is expected to trend below '11 production rates this fall. This should support chicken prices into '13. History points to the chicken breast market peaking this week. Since '07, the average move for chicken breasts during the next 10 weeks is 19% lower. Yet, this year's seasonal decline for breasts could be tempered if output shortfalls are realized. Seasonal charts indicate higher chicken wing prices are forthcoming. Wing prices typically rise 9.2% over the next 3 months. Record high chicken wing prices are anticipated to occur this winter. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.955	.953	+.002	.885
Whole Birds (LA)	1.040	1.040	-	.980
Wings (whole)	1.880	1.895	-.015	.885
Wings (jumbo, cut)	1.842	1.843	-.001	1.164
Breast, Bone In	1.035	1.035	-	.855
Breast, Bnless Skinless	1.770	1.755	+.015	1.585
Tenderloin (random)	1.290	1.290	-	1.180
Tenderloin (sized)	1.920	1.920	-	1.780
Legs (whole)	.785	.721	+.064	.695
Leg Quarters	.525	.520	+.005	.530
Thighs, bone in	.821	.808	+.013	.793
Thighs, boneless	1.275	1.284	-.009	1.363
Eggs and Others				
Large (dozen)	1.116	1.530	-.414	1.373
Medium (dozen)	.825	.922	-.097	.908
Whole Eggs- Liquid	.667	.691	-.024	.650
Egg Whites- Liquid	.509	.487	+.022	.485
Egg Yolks- Liquid	1.040	1.019	+.021	.829
Whole Turkeys (8-16 lb.)	1.100	1.085	+.015	1.075
Turkey Breast, Bnls/Sknls	2.180	2.034	+.146	2.640



Seafood- Gulf of Mexico July shrimp landings were down 32% versus '11 and were the 2nd smallest for the month since '08. Expensive fuel costs contributed to the poor July Gulf of Mexico shrimp output and remains a challenge for fishermen. US shrimp imports remain solid and could support pending shrimp supplies. Shrimp prices often trend lower in September. July seafood retail prices were .3% lower than last year. Prices for fresh product, unless noted, per pound from Fisheries Market News.

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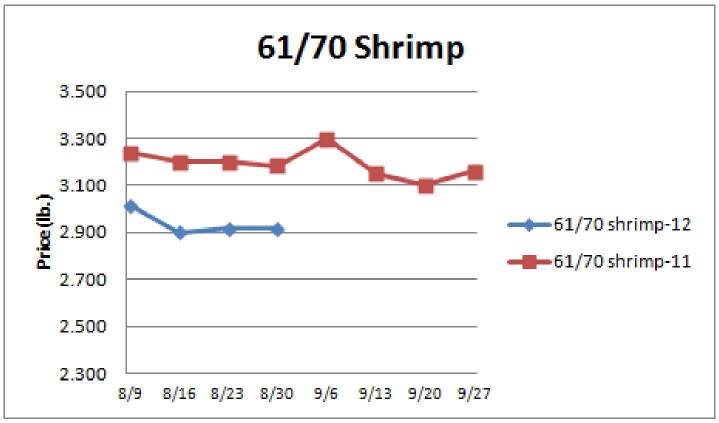
	Price	Last Week	Difference	Price 11
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	3.100
Catfish Filets	4.500	4.500	-	5.250
Trout (drn. 8-14 oz.)	3.700	3.700	-	3.500
Shrimp (16/20), Frz	5.356	5.388	-.032	6.863
Shrimp (61/70), Frz.	2.917	2.917	-	3.182
Shrimp, Tiger (26/30), Frz.	4.700	4.700	-	5.300
Snow Crab, Legs 5-8 oz, Frz	4.725	4.725	-	5.850
Snow Crab, Legs 8 oz/ up, Fz	5.125	5.125	-	6.475
Cod Tails, 3-7 oz., Frz.	3.500	3.500	-	3.400
Cod Loins, 3-12 oz., Frz	3.563	3.563	-	3.462
Salmon Portions, 4-8 oz, Frz	5.083	5.083	-	6.538
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.800



Energy & Currency-Currency US dollar is worth.

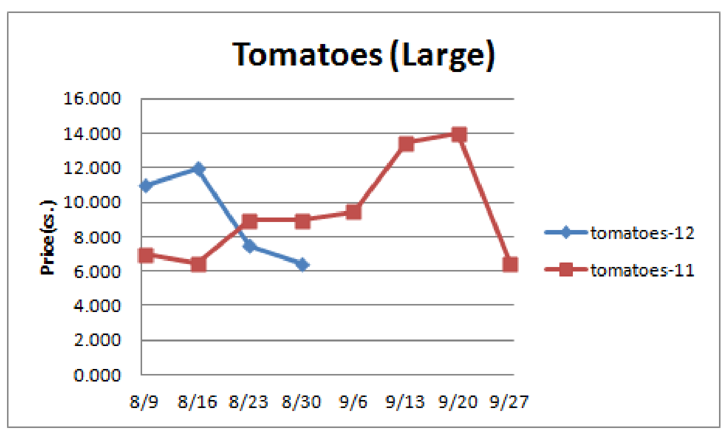
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	95.470	96.680	-1.210	87.270
Natural Gas, mbtu- nymex	2.653	2.775	-.122	3.857
Heating Oil, gal- nymex	3.118	3.124	-.006	3.010
Electricity, mwht- nymex	43.500	37.890	+5.610	44.000
Gasoline, gal- nymex	3.155	3.065	+.090	2.906
Diesel Fuel, gal- eia	4.089	4.026	+.063	3.820
Ethanol, gal- usda	2.535	2.525	-.010	2.835
Canadian $	.991	.994	-.003	.977
Japanese Yen	78.542	79.241	-.699	76.655
Mexican Peso	13.214	13.194	+.020	12.420
Euro	.801	.804	-.003	.690
Brazilian Real	2.034	2.021	+.013	1.598

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)	850.000	850.000	-	992.750
WP; 42 lb. Linerboard (corr.)	683.359	677.133	+6.226	832.190
Res; PS-CHH (cup, cont.)	1.130-1.170	1.130-1.170	-	1.160-1.200
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- Iceberg lettuce supplies have improved due in part to heavier weights and better quality. Lower lettuce prices may be impending in the near term. But, the iceberg lettuce market tends to rise in the fall. Potato prices are seasonally declining in anticipation of better new crop supplies. The Idaho potato market is likely to decline in the coming months but this year's price drop may be tempered due to this summer's depressed Idaho potato prices. California and US home grown tomato supplies have been strong keeping tomato prices low. Still, lower tomato prices from here aren't anticipated. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	12.500	11.500	+1.000	18.000
Lemons (95 ct.)	18.240	18.240	-	25.640
Lemons (200 ct.)	20.740	20.740	-	21.140
Honeydew (6 ct.)	6.500	6.250	+.250	5.000
Cantaloupe (15 ct.)	5.500	5.250	+.250	7.000
Blueberries (12 count)	23.000	15.000	+8.000	22.250
Strawberries (12 pnts.)	12.500	12.500	-	12.000
Avocados (Hass 48 ct.)	25.813	26.500	-.687	52.750
Bananas (40 lb.)- Term.	14.958	15.115	-.157	15.792
Pineapple (7 ct.)- Term.	13.361	14.104	-.743	19.813
Idaho Potato (60 ct., 50 lb.)	7.750	9.250	-1.500	24.000
Idaho Potato (70 ct., 50 lb.)	7.750	9.250	-1.500	22.000
Idaho Potato (70 ct.)-Term.	14.804	14.613	+.191	26.834
Idaho Potato (90 ct., 50 lb.)	6.250	7.500	-1.250	18.000
Idaho Pot. # 2 (6 oz., 100 lb.)	13.000	14.500	-1.500	31.000
Processing Potato (cwt.)	7.500	7.500	-	13.000
Yellow Onions (50 lb.)	7.750	8.750	-1.000	7.563
Yell Onions (50 lb.)-Term.	15.188	16.313	-1.125	11.829
Red Onions (25 lb.)- Term.	16.433	16.708	-.275	9.021
White Onions (50 lb.)- Term.	15.875	17.750	-1.875	16.000
Tomatoes (large- case)	6.450	7.450	-1.000	8.950
Tomatoes (5x6-25 lb.)-Term	12.031	11.875	+.156	11.839
Tomatoes (4x5 vine ripe)	6.450	6.450	-	11.750
Roma Tomatoes (large- case)	8.450	9.155	-.705	9.457
Roma Tomatoes (xlarge-cs)	8.450	9.155	-.705	9.832
Green Peppers (large- case)	8.575	9.200	-.625	8.392
Red Peppers (large 15lb. cs.)	9.970	11.950	-1.980	12.950
Iceberg Lettuce (24 count)	9.060	9.373	-.313	7.523
Iceberg Lettuce (24)-Term.	17.000	16.583	+.417	14.834
Leaf Lettuce (24 count)	13.363	13.253	+.110	6.863
Romaine Lettuce (24 cnt.)	16.363	18.238	-1.875	8.163
Mesculin Mix (3 lb.)-Term.	7.063	6.990	+.073	6.938
Broccoli (14 ct.)	6.963	7.138	-.175	8.488
Squash (1/2 bushel)	12.800	12.050	+.750	11.425
Zucchini (1/2 bushel)	12.421	13.175	-.754	8.925
Green Beans (bushel)	12.838	12.838	-	14.588
Spinach, Flat 24's	15.100	13.750	+1.350	10.100
Mushrms (10 lb, lg.)-Term.	15.000	16.375	-1.375	9.445
Cucumbers (bushel)	17.143	13.640	+3.503	14.094
Pickles (200-300 ct.)- Term.	21.750	24.500	-2.750	29.375
Asparagus (small)	14.500	15.000	-.500	19.000
Freight (Truck; CA-Cty Av.)	5450.000	5570.000	-120.000	5931.250



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

	Jul-12	Jun-12	May-12	Apr-12
Beef and Veal	+.590	+.607	+.621	+.300
Dairy	-.487	-.283	-.378	+1.000
Pork	+.403	-.091	-.794	-.600
Chicken	+1.310	+1.736	-2.050	+.800
Fresh Fish and Seafood	-.010	-.168	-.379	+1.400
Fresh Fruits and Veg.	-1.303	+.126	+.532	+1.100