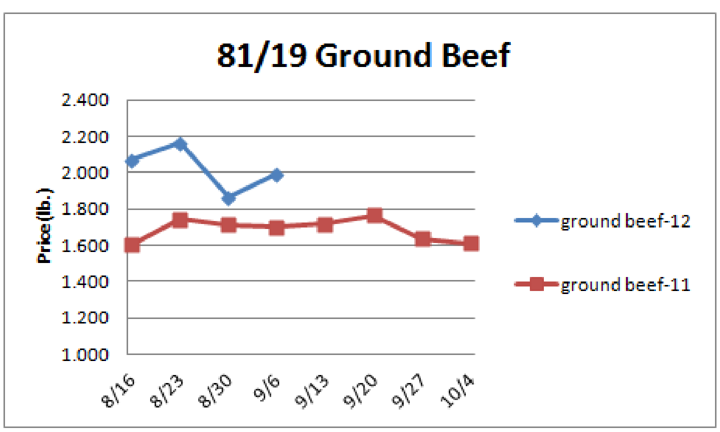
Weekly Market Updates

Volume No. 17 Issue No. 36 Date: September 6, 2012

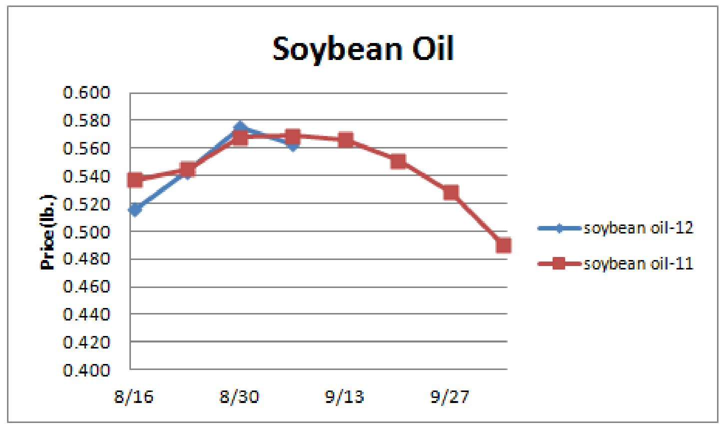
Beef- Beef production last week decreased 1.8% and was .7% less than the same week the prior year. This shortened holiday week may limit beef output and support beef prices in the near term. Still, the USDA choice boxed beef cutout typically drops 2.7% over the next 5 weeks. Beef production is projected to seasonally decline this fall. When it does, it's likely that the USDA choice boxed beef cutout could challenge its record high set in March. The 90% beef trimming market normally trends 12.8% lower during the next 6 weeks. The 50% beef trimming market remains weak due to lack of LFTB demand. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.224	1.202	+.022	1.134
Feeder Cattle Index (CME)	1.410	1.402	+.008	1.315
Ground Beef 81/19	1.993	1.940	+.053	1.700
Ground Chuck	2.075	2.213	-.138	1.717
109e Export Rib (choice)	6.027	6.003	+.024	4.950
109e Export Rib (prime)	9.243	9.312	-.069	8.624
112a Ribeye (choice)	6.795	6.924	-.129	5.597
112a Ribeye (prime)	9.577	9.758	-.181	8.783
116 Chuck (select)	2.232	2.158	+.074	2.259
116 Chuck (choice)	2.345	2.295	+.050	2.263
116b Chuck Tdnr (choice)	2.401	2.287	+.114	1.972
120 Brisket (choice)	2.172	2.181	-.009	1.907
121c Outside Skirt (ch/sel)	5.271	5.678	-.407	3.793
121d Inside Skirt (ch/sel)	3.459	3.552	-.093	3.421
167a Knckle, Trm. (ch.)	2.279	2.245	+.034	2.269
168 Inside Round (ch.)	2.061	2.136	-.075	2.032
174 Short Loin (ch. 0x1)	5.037	5.130	-.093	4.557
174 Short Loin (prime)	8.922	9.141	-.219	8.508
180 1x1 Strp (choice)	4.466	4.841	-.375	4.089
180 1x1 Strp (prime)	9.582	9.457	+.125	9.314
180 0x1 Strp (choice)	5.129	5.130	-.001	4.628
184 Top Butt, bnls (ch.)	3.021	3.110	-.089	3.178
184 Top Butt, bnls (prime)	3.857	3.940	-.083	3.574
185a Sirloin Flap (choice)	3.793	4.211	-.418	3.525
185c Loin, Tri-Tip (choice)	2.964	3.064	-.100	2.767
189a Tender (select)	9.186	9.350	-.164	8.024
189a Tender (choice)	9.858	9.888	-.030	8.433
189a Tender (prime)	13.918	13.865	+.053	11.684
193 Flank Steak (choice)	5.119	5.094	+.025	4.889
50% Trimmings	.604	.585	+.019	.973
65% Trimmings	1.071	1.055	+.016	1.281
75% Trimmings	1.590	1.560	+.030	1.411
85% Trimmings	1.988	1.959	+.029	1.695
90% Trimmings	2.161	2.140	+.021	1.789
90% Imported Beef (frz.)	2.055	2.060	-.005	1.865
95% Imported Beef (frz.)	2.228	2.210	+.018	2.041
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.- Winter wheat planting is getting underway this month but may be challenged by very dry soil conditions. Elevated winter wheat prices could persist. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	17.649	17.370	+.279	13.790
Crude Soybean Oil, lb.	.563	.575	-.120	.569
Soybean Meal, ton	569.650	565.300	+4.350	362.300
Corn, bushel	7.978	8.008	-.030	7.269
Crude Corn Oil, lb.	.585	.575	+.010	.595
High Fructose Corn Syrup	.215	.215	-	.199
Distillers Grain, Dry	288.750	292.000	-3.250	198.500
Crude Palm Oil, lb. BMD	.427	.423	+.004	.477
HRW Wheat, bushel	8.600	8.455	+.145	8.110
DNS Wheat 14%, bushel	9.388	9.120	+.268	9.568
Durum Wheat, bushel	7.900	7.738	+.162	11.760
Pinto Beans, lb.	.450	.450	-	.387
Black Beans, lb.	.420	.420	-	.390
Rice, Long Grain, lb.	.268	.268	-	.274
Coffee, lb. NYBOT	1.613	1.683	-.070	2.814
Sugar, lb. NYBOT	.277	.278	-.001	.409
Honey (Clover), lb.	1.750	1.750	-	1.700



Dairy- The cheese markets have modestly softened during the last week. International cheese prices are firming as confirmed by Fonterra's global dairy trade auction this week. However, international cheese prices remain well below the US markets. This is tempering US cheese exports and could put further downward pressure on US cheese prices. The butter market remains resiliently firm. Though, the seasonal tendency for the butter market is to peak next week. Since '07, the average move for the butter market from its September high until the end of the year is 11% lower. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.778	1.810	-.032	1.725
Cheese Blocks (CME)	1.820	1.870	-.050	1.790
American Cheese	1.988	1.993	-.005	2.088
Cheddar Cheese (40 lb.)	2.243	2.235	+.008	2.300
Mozzarella Cheese	2.088	2.080	+.008	2.135
Provolone Cheese	2.438	2.430	+.008	2.229
Parmesan Cheese	3.518	3.510	+.008	3.370
Butter (CME)	1.870	1.840	+.030	1.995
Nonfat Dry Milk	1.495	1.434	+.061	1.571
Whey, Dry	.565	.553	+.012	.595
Class 1 Base	17.590	17.590	-	21.780
Class II Cream, heavy	2.414	2.502	-.088	2.649
Class III Milk (CME)	19.750	20.350	-.600	18.480
Class IV Milk (CME)	20.000	19.470	+.530	18.500

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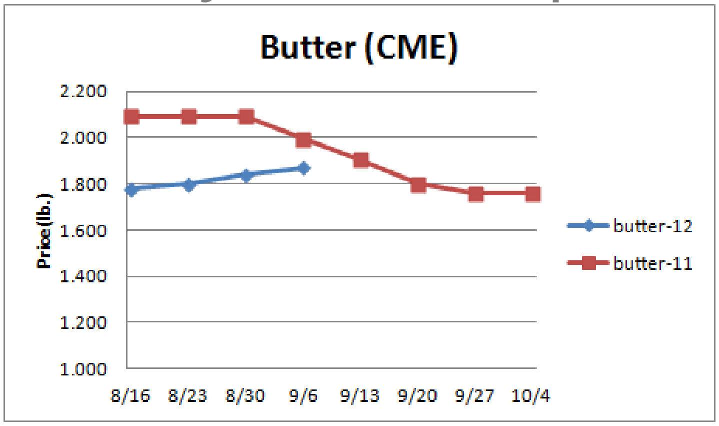
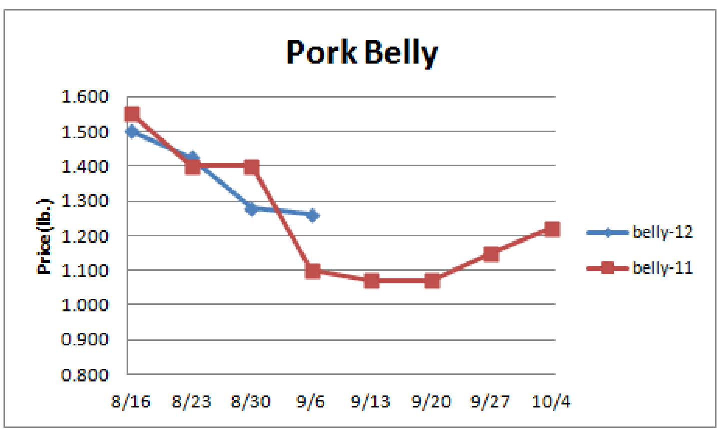


Pork- Pork output last week rose .9% and was 7.6% more than '11. Pork supplies are forecasted to seasonally build during this month but the extraordinarily large year over year output gains experienced in recent weeks should culminate soon. History points to the USDA pork cutout trending 11.7% lower over the next 10 weeks. Ham and pork belly prices usually decline in the fall before bottoming in November. But this year these markets are likely to bottom earlier than normal due to the tighter hog and pork supply scenario expected in '13. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.512	.580	-.068	.585
Belly (bacon)	1.260	1.280	-.020	1.100
Sparerib (4.25 lb. & down)	1.240	1.381	-.141	1.365
Ham (20-23 lb.)	.670	.710	-.040	.880
Ham (23-27 lb.)	.670	.703	-.033	.900
Loin (bone-in)	.875	.948	-.073	1.121
Bbybck Rib (1.75 lb. & up)	2.065	2.110	-.045	3.150
Tenderloin (1.25 lb.)	2.350	2.380	-.030	3.307
Boston Butt, untrmd. (4-8 lb.)	.841	.883	-.042	.988
Picnic, untrmd.	.599	.602	-.003	.786
SS Picnic, smoker trm. bx.	.823	.823	-	1.040
42% Trimmings	.420	.373	+.047	.800
72% Trimmings	.550	.600	-.050	.993



Tomato Products, Canned- The CA tomato harvest is progressing with 8.2 million tons expected to be landed by this Saturday. Canned tomato prices are firm. Prices per case (6/10) FOB, unless noted from ARA.

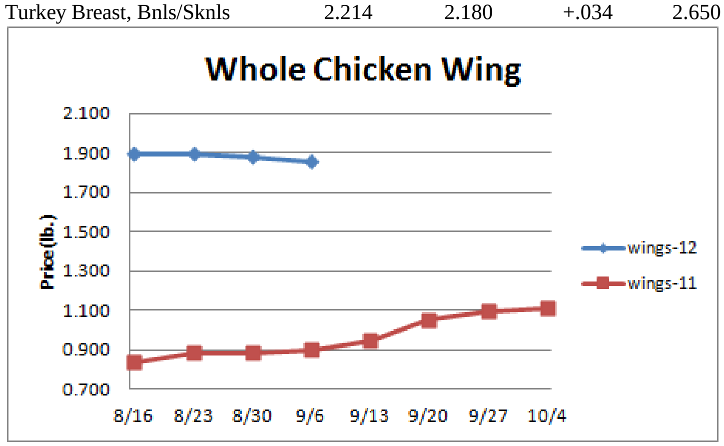
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- July 31st frozen cut corn (7%), green bean (59%) and French style green bean (41%) stocks were all more than '11. The processed vegetable markets are 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- The ARA chicken cutout index last week priced at its highest level since July '04 but may have seasonally peaked. The ARA chicken cutout usually declines 17% during the next 9 weeks. Broiler type egg sets from 2 weeks ago were 1% below last year. Chicken production is anticipated to trend below '11 this fall in response to poor producer margins. This might intensify the usual seasonal upward chicken wing market climb into the winter. Typically, chicken wing prices rise 6% over the next 10 weeks. The chicken breast markets appear to have formed a top. Chicken breast price depreciation is anticipated this fall. Yet, it's likely that this year's seasonal decline for the boneless skinless breast market may be tempered. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.955	.955	-	.890
Whole Birds (LA)	1.050	1.040	+.010	.980
Wings (whole)	1.855	1.880	-.025	.900
Wings (jumbo, cut)	1.827	1.842	-.015	1.107
Breast, Bone In	1.030	1.035	-.005	.855
Breast, Bnless Skinless	1.755	1.770	-.015	1.490
Tenderloin (random)	1.290	1.290	-	1.180
Tenderloin (sized)	1.920	1.920	-	1.780
Legs (whole)	.794	.785	+.009	.704
Leg Quarters	.515	.525	-.010	.530
Thighs, bone in	.837	.821	+.016	.763
Thighs, boneless	1.299	1.275	+.024	1.291
Eggs and Others				
Large (dozen)	1.096	1.116	-.020	1.351
Medium (dozen)	.814	.825	-.011	.900
Whole Eggs- Liquid	.660	.667	-.007	.650
Egg Whites- Liquid	.497	.509	-.012	.485
Egg Yolks- Liquid	1.044	1.040	+.004	.786
Whole Turkeys (8-16 lb.)	1.103	1.100	+.003	1.075
Turkey Breast, Bnls/Sknls	2.214	2.180	+.034	2.650



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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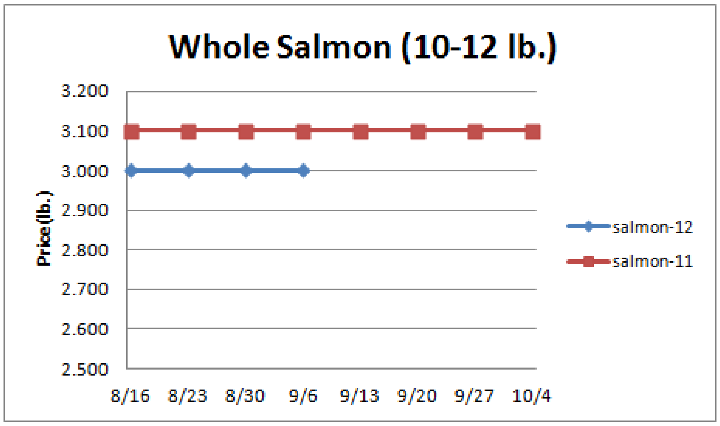
	Price	Last Week	Difference	Price 11
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	3.100
Catfish Filets	4.500	4.500	-	5.250
Trout (drn. 8-14 oz.)	3.700	3.700	-	3.500
Shrimp (16/20), Frz	5.353	5.356	-.003	6.450
Shrimp (61/70), Frz.	2.933	2.917	+.016	3.297
Shrimp, Tiger (26/30), Frz.	4.700	4.700	-	5.550
Snow Crab, Legs 5-8 oz, Frz	4.850	4.725	+.125	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.

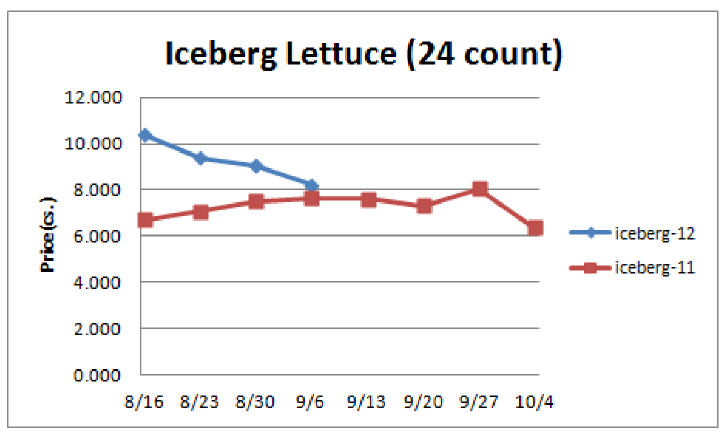
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	95.650	95.470	+.180	89.300
Natural Gas, mbtu- nymex	2.878	2.653	+.225	3.944
Heating Oil, gal- nymex	3.178	3.118	+.060	3.076
Electricity, mwht- nymex	43.500	43.500	-	44.000
Gasoline, gal- nymex	2.985	3.155	-.170	2.908
Diesel Fuel, gal- eia	4.127	4.089	+.038	3.868
Ethanol, gal- usda	2.505	2.535	-.030	2.850
Canadian $	.985	.991	-.006	.989
Japanese Yen	78.445	78.542	-.097	77.216
Mexican Peso	13.151	13.214	-.063	12.451
Euro	.795	.801	-.006	.713
Brazilian Real	2.031	2.034	-.003	1.657

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	-	988.760
WP; 42 lb. Linerboard (corr.)	685.933	683.359	+2.574	814.370
Res; PS-CHH (cup, cont.)	1.130-1.170	1.130-1.170	-	1.160-1.200
Res; PP-HIGP (hvy utensil)	.890-.910	.910-.930	-.015	1.160-1.180
Res; PE-LLD (cn liner, film)	.850-.880	.800-.830	+.050	.880-.910

Produce- The Idaho potato harvest is underway and potato supplies are adequate. Potato prices this year are much lower versus prior years which may limit any further downside price movement. The CA lettuce harvest has improved and lettuce supplies are sufficient. Fairly engaging lettuce prices could preserve over the next several weeks. The tomato markets are firming and history suggests further price increases may be pending. Since '07, the average move for the mature green tomato market during September is up 43%. Hass avocado prices usually fade from now into the winter. 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