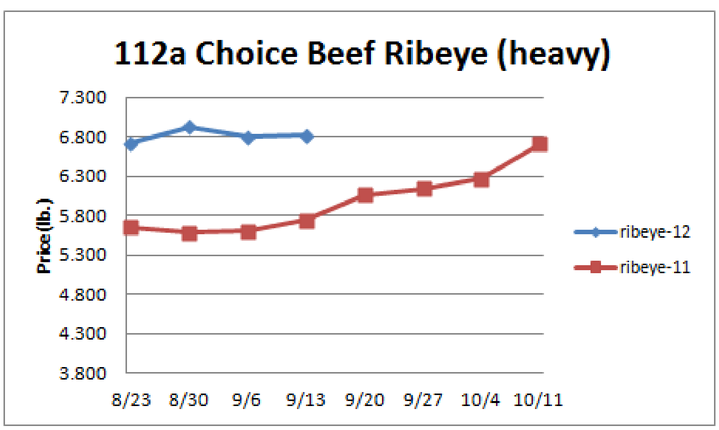
Weekly Market Updates

Volume No. 18 Issue No. 37 Date: September 13, 2012

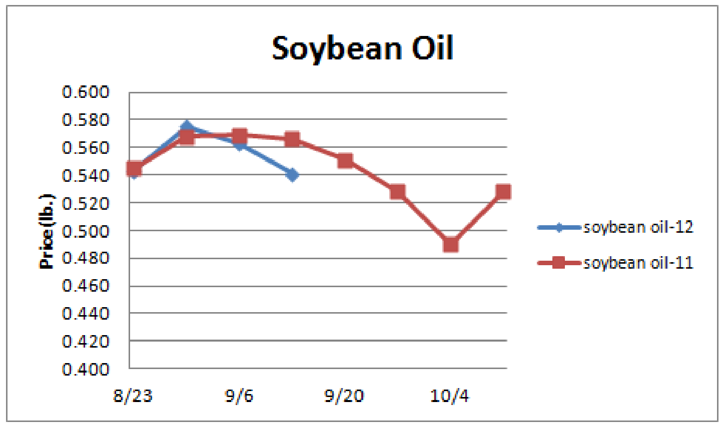
Beef- Beef production last week was 2.6% lower than last year. Cattle supplies are forecasted to be tight this fall. The USDA is estimating beef output during the 4th quarter to be 4.4% below '11. The beef markets are likely to be supported in the coming months. July US beef exports were down 16% versus last year. This was due to inflated beef prices and a firm US dollar. Japan is expected to ease import restrictions on US beef early next year. If this comes to fruition it would support beef trade as Japan is the largest importer of US beef. The chuck and brisket markets usually peak in mid- September. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.230	1.224	+.006	1.178
Feeder Cattle Index (CME)	1.427	1.410	+.017	1.321
Ground Beef 81/19	1.922	1.993	-.071	1.719
Ground Chuck	1.945	2.075	-.130	1.752
109e Export Rib (choice)	6.053	6.027	+.026	5.063
109e Export Rib (prime)	9.414	9.243	+.171	8.915
112a Ribeye (choice)	6.812	6.795	+.017	5.743
112a Ribeye (prime)	9.776	9.577	+.199	9.188
116 Chuck (select)	2.330	2.232	+.098	2.480
116 Chuck (choice)	2.450	2.345	+.105	2.555
116b Chuck Tdnr (choice)	2.480	2.401	+.079	2.024
120 Brisket (choice)	2.092	2.172	-.080	2.011
121c Outside Skirt (ch/sel)	5.189	5.271	-.082	3.600
121d Inside Skirt (ch/sel)	3.481	3.459	+.022	3.391
167a Knckle, Trm. (ch.)	2.374	2.279	+.095	2.343
168 Inside Round (ch.)	2.108	2.061	+.047	2.106
174 Short Loin (ch. 0x1)	5.093	5.037	+.056	4.527
174 Short Loin (prime)	8.867	8.922	-.055	8.609
180 1x1 Strp (choice)	4.439	4.466	-.027	4.084
180 1x1 Strp (prime)	9.493	9.582	-.089	9.343
180 0x1 Strp (choice)	5.179	5.129	+.050	4.593
184 Top Butt, bnls (ch.)	3.026	3.021	+.005	3.178
184 Top Butt, bnls (prime)	3.904	3.857	+.047	3.568
185a Sirloin Flap (choice)	3.724	3.793	-.069	3.521
185c Loin, Tri-Tip (choice)	2.796	2.964	-.168	2.731
189a Tender (select)	9.299	9.186	+.113	8.172
189a Tender (choice)	9.946	9.858	+.088	8.769
189a Tender (prime)	13.947	13.918	+.029	11.782
193 Flank Steak (choice)	5.005	5.119	-.114	4.910
50% Trimmings	.532	.604	-.072	.974
65% Trimmings	1.106	1.071	+.035	1.263
75% Trimmings	1.619	1.590	+.029	1.389
85% Trimmings	1.982	1.988	-.006	1.695
90% Trimmings	2.152	2.161	-.009	1.798
90% Imported Beef (frz.)	2.055	2.055	-	1.870
95% Imported Beef (frz.)	2.230	2.228	+.002	2.025
Veal Rack (Hotel 7 rib)	7.725	7.725	-	5.950
Veal Top Rnd. (cp. off)	14.350	13.950	+.400	12.920



Oil, Grains, Misc.- The USDA lowered their 12/13 corn and soybean harvest estimates. Corn and soybean supplies remain historically tight. Elevated grain prices could persist into the fall. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	17.017	17.649	-.632	13.454
Crude Soybean Oil, lb.	.541	.563	-.022	.566
Soybean Meal, ton	541.400	569.650	-28.250	343.500
Corn, bushel	7.613	7.978	-.365	6.998
Crude Corn Oil, lb.	.585	.585	-	.585
High Fructose Corn Syrup	.207	.215	-.008	.194
Distillers Grain, Dry	291.000	288.750	+2.250	201.250
Crude Palm Oil, lb. BMD	.425	.427	-.002	.463
HRW Wheat, bushel	8.555	8.600	-.045	7.480
DNS Wheat 14%, bushel	9.200	9.388	-.188	9.160
Durum Wheat, bushel	8.013	7.900	.113	11.700
Pinto Beans, lb.	.384	.450	-.066	.406
Black Beans, lb.	.330	.420	-.090	.468
Rice, Long Grain, lb.	.270	.268	+.002	.286
Coffee, lb. NYBOT	1.785	1.613	+.172	2.703
Sugar, lb. NYBOT	.270	.277	-.007	.410
Honey (Clover), lb.	1.750	1.750	-	1.700



Dairy- The cheese markets may have peaked. Still, history suggests that any notable cheese market declines may not take place until December. July cheese exports were up 35% from last July's low level but were the smallest since February. The CME butter market has risen 42% from its May low but is finally showing signs that a seasonal top has been made. History suggests that the upside price risk for butter from here is nominal. Butter exports were down 27% versus '11. If the US dollar depreciates it could support dairy exports and temper any fall cheese and butter price declines. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.800	1.778	+.022	1.720
Cheese Blocks (CME)	1.840	1.820	+.020	1.783
American Cheese	1.965	1.988	-.023	2.090
Cheddar Cheese (40 lb.)	2.220	2.243	-.023	2.300
Mozzarella Cheese	2.065	2.088	-.023	2.315
Provolone Cheese	2.415	2.438	-.023	2.229
Parmesan Cheese	3.495	3.518	-.023	3.370
Butter (CME)	1.840	1.870	-.030	1.903
Nonfat Dry Milk	1.556	1.495	+.061	1.577
Whey, Dry	.578	.565	+.013	.589
Class 1 Base	17.590	17.590	-	21.780
Class II Cream, heavy	2.529	2.414	+.178	2.521
Class III Milk (CME)	19.340	19.750	-.410	18.450
Class IV Milk (CME)	19.100	20.000	-.900	18.600

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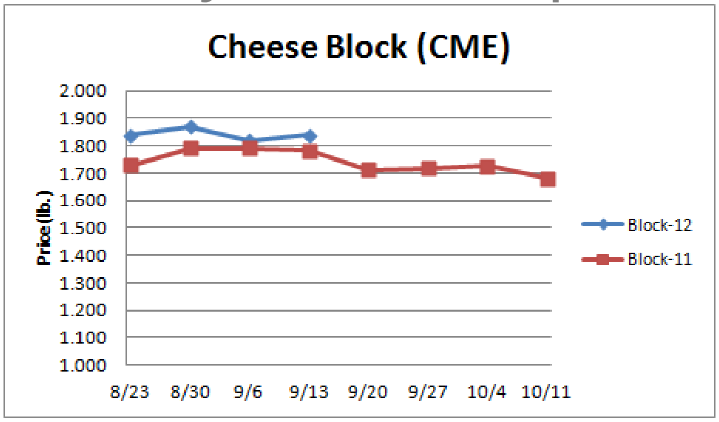
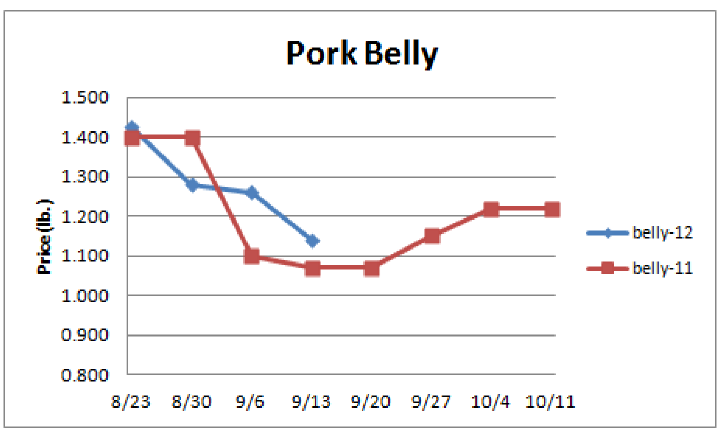


Pork- Pork output last week was 2.7% more than '11. Hog supplies have been excessive but the glut may lessen in the coming weeks. Seasonal pork market weakness has been prevalent. This trend may temporarily pause soon. History points to the USDA daily pork cutout declining 10.8% during the next 8 weeks. Pork exports in July were up 6.8% compared to last year but the lowest since July '11. With fairly engaging ham prices in place it might encourage exports especially if the US dollar valuation further depreciates. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.476	.512	-.036	.624
Belly (bacon)	1.140	1.260	-.120	1.070
Sparerib (4.25 lb. & down)	1.257	1.240	+.017	1.381
Ham (20-23 lb.)	.690	.670	+.020	.930
Ham (23-27 lb.)	.690	.670	+.020	.940
Loin (bone-in)	.854	.875	-.021	1.110
Bbybck Rib (1.75 lb. & up)	2.067	2.065	+.002	3.067
Tenderloin (1.25 lb.)	2.180	2.350	-.170	3.210
Boston Butt, untrmd. (4-8 lb.)	.837	.841	-.004	.994
Picnic, untrmd.	.555	.599	-.044	.811
SS Picnic, smoker trm. bx.	.823	.823	-	1.080
42% Trimmings	.420	.420	-	.690
72% Trimmings	.490	.550	-.060	.905



Tomato Products, Canned- US contracted tomato production this year is forecasted by the USDA to be 9% bigger than '11. The canned tomato markets are firm. Prices per case (6/10) FOB, unless noted from ARA.

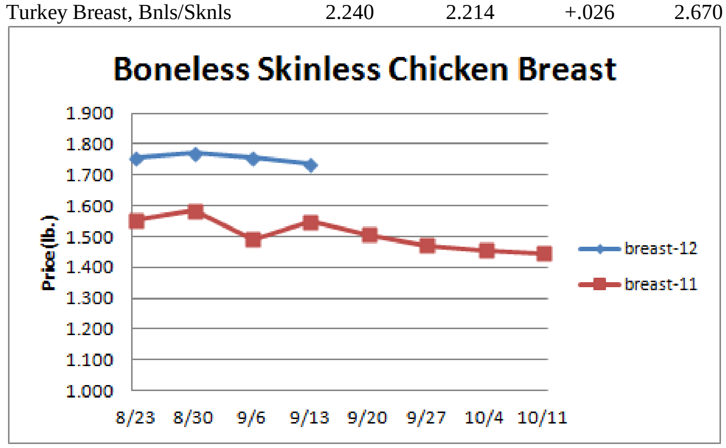
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- Per the USDA, the '12 corn for processing harvest is projected to be up 3% versus '11 and the largest since '09. The processed vegetable markets remain 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 producer profitability continues to wane due largely to expensive feed costs. Spot profit margins last week were the lowest in the prior 4 weeks. This tough business environment for chicken producers is likely to persist. In response, chicken production rates are anticipated to run below '11 levels in the coming months. The daily ARA boneless skinless chicken breast index has probably peaked falling 5.6% since August 30th. History points to lower breast prices this fall but this year's seasonal price decline may be tempered due to the expected curbed broiler output. Chicken wing demand is up due to football season kicking off. Record high wings prices are possible in Q4. July chicken exports were down 6.9% versus '11. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.958	.955	+.003	.890
Whole Birds (LA)	1.050	1.050	-	.980
Wings (whole)	1.840	1.855	-.015	.945
Wings (jumbo, cut)	1.827	1.827	-	1.102
Breast, Bone In	1.035	1.030	+.005	.860
Breast, Bnless Skinless	1.735	1.755	-.020	1.550
Tenderloin (random)	1.290	1.290	-	1.180
Tenderloin (sized)	1.920	1.920	-	1.780
Legs (whole)	.793	.794	-.001	.697
Leg Quarters	.520	.515	+.005	.530
Thighs, bone in	.796	.837	-.041	.780
Thighs, boneless	1.278	1.299	-.021	1.341
Eggs and Others				
Large (dozen)	1.137	1.096	+.041	1.217
Medium (dozen)	.905	.814	+.091	.855
Whole Eggs- Liquid	.666	.660	+.006	.592
Egg Whites- Liquid	.508	.497	+.011	.506
Egg Yolks- Liquid	1.116	1.044	+.072	.791
Whole Turkeys (8-16 lb.)	1.105	1.103	+.002	1.085
Turkey Breast, Bnls/Sknls	2.240	2.214	+.026	2.670



Seafood- July salmon fillet/steak imports were 23% larger than '11. 2012 salmon fillet/steak imports through July were 7.7% above a year ago. A rising US dollar valuation along with solid global salmon output have contributed to healthy US salmon supplies. The whole fresh salmon market is currently 17% below its 3 year price average. But, if the US dollar devalues salmon imports may wane and salmon prices could rise. Prices for fresh product, unless noted, per pound from Fisheries Market News.

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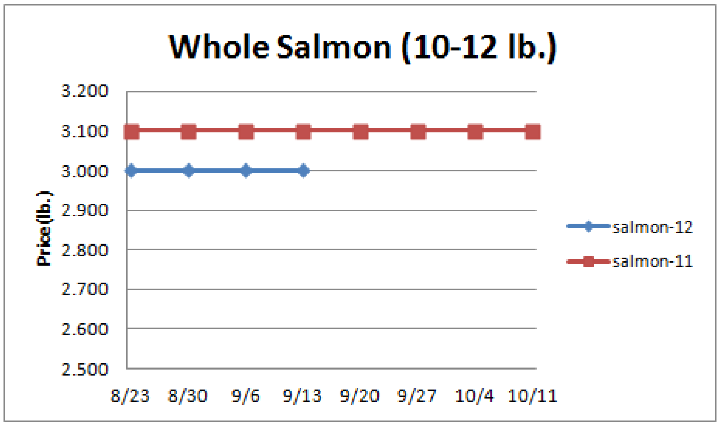
	Price	Last Week	Difference	Price 11
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	3.100
Catfish Filets	4.500	4.500	-	5.250
Trout (drn. 8-14 oz.)	3.700	3.700	-	3.500
Shrimp (16/20), Frz	5.286	5.353	-.067	6.485
Shrimp (61/70), Frz.	2.933	2.933	-	3.150
Shrimp, Tiger (26/30), Frz.	4.700	4.700	-	5.025
Snow Crab, Legs 5-8 oz, Frz	4.900	4.850	+.050	5.850
Snow Crab, Legs 8 oz/ up, Fz	5.125	5.125	-	6.450
Cod Tails, 3-7 oz., Frz.	3.500	3.500	-	3.280
Cod Loins, 3-12 oz., Frz	3.563	3.563	-	3.575
Salmon Portions, 4-8 oz, Frz	5.083	5.083	-	6.621
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.800



Energy & Currency-Currency US dollar is worth.

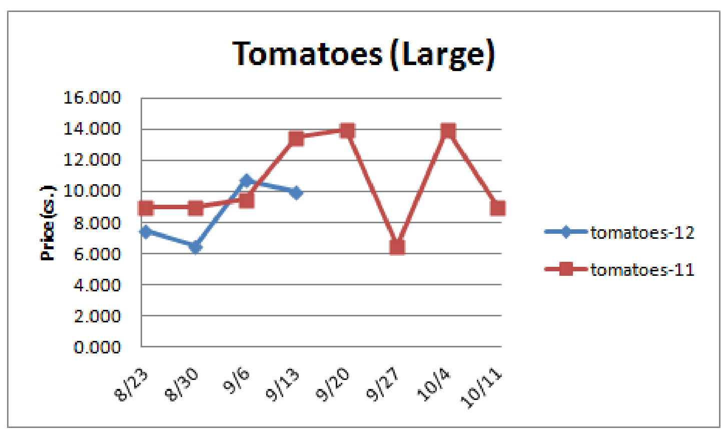
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	97.170	95.650	+1.520	90.210
Natural Gas, mbtu- nymex	2.992	2.878	+.114	4.048
Heating Oil, gal- nymex	3.186	3.178	+.008	2.945
Electricity, mwht- nymex	37.140	43.500	-6.360	53.900
Gasoline, gal- nymex	3.044	2.985	+.059	2.727
Diesel Fuel, gal- eia	4.132	4.127	+.005	3.862
Ethanol, gal- usda	2.450	2.505	-.055	2.810
Canadian $	.974	.985	-.011	.993
Japanese Yen	77.852	78.445	-.593	76.959
Mexican Peso	12.989	13.151	-.162	12.838
Euro	.775	.795	-.020	0.733
Brazilian Real	2.017	2.031	-.014	1.713

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)	832.860	850.000	-17.140	971.430
WP; 42 lb. Linerboard (corr.)	701.548	685.933	+15.615	784.340
Res; PS-CHH (cup, cont.)	1.130-1.170	1.130-1.170	-	1.160-1.200
Res; PP-HIGP (hvy utensil)	.890-.910	.890-.910	-	1.160-1.180
Res; PE-LLD (cn liner, film)	.850-.880	.850-.880	-	.880-.910

Produce- The tomato markets are firm. California tomato supplies have tightened and various eastern tomato growing areas should finish soon. The tomato markets could get some price relief as the eastern crop transitions to Florida next month. Idaho potato prices remain historically depressed. The downside risk in the potato markets from here is likely nominal. The 70 ct. Idaho potato market has priced below $5 only 4 different weeks in the last 7 years. The total spring and summer onion harvest is projected to be 6% smaller than '11. Lower yellow onion prices may be impending. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	8.500	9.000	-.500	18.000
Lemons (95 ct.)	18.240	16.747	+1.493	25.140
Lemons (200 ct.)	17.240	19.993	-2.753	17.140
Honeydew (6 ct.)	6.000	6.500	-.500	4.750
Cantaloupe (15 ct.)	8.188	4.250	+3.938	6.175
Blueberries (12 count)	20.000	18.667	+1.333	17.500
Strawberries (12 pnts.)	13.500	12.000	+1.500	13.500
Avocados (Hass 48 ct.)	26.750	24.417	+2.333	42.750
Bananas (40 lb.)- Term.	15.083	15.654	-.571	14.200
Pineapple (7 ct.)- Term.	12.865	13.821	-.956	13.339
Idaho Potato (60 ct., 50 lb.)	5.375	6.125	-.750	19.500
Idaho Potato (70 ct., 50 lb.)	5.375	6.125	-.750	19.000
Idaho Potato (70 ct.)-Term.	13.713	14.804	-1.091	27.750
Idaho Potato (90 ct., 50 lb.)	4.750	5.250	-.500	15.000
Idaho Pot. # 2 (6 oz., 100 lb.)	9.500	10.500	-1.000	24.000
Processing Potato (cwt.)	7.500	7.500	-	13.000
Yellow Onions (50 lb.)	5.625	7.000	-1.375	7.000
Yell Onions (50 lb.)-Term.	13.552	15.188	-1.636	12.084
Red Onions (25 lb.)- Term.	14.938	16.433	-1.495	9.625
White Onions (50 lb.)- Term.	18.698	15.875	+2.823	16.563
Tomatoes (large- case)	9.950	10.700	-.750	13.450
Tomatoes (5x6-25 lb.)-Term	14.500	13.833	+.667	12.475
Tomatoes (4x5 vine ripe)	12.950	9.950	+3.000	14.713
Roma Tomatoes (large- case)	12.960	10.568	+2.392	7.585
Roma Tomatoes (xlarge-cs)	12.713	10.568	+2.145	9.275
Green Peppers (large- case)	10.522	8.300	+2.222	11.300
Red Peppers (large 15lb. cs.)	8.700	8.700	-	10.950
Iceberg Lettuce (24 count)	10.800	8.198	+2.602	7.595
Iceberg Lettuce (24)-Term.	17.167	16.000	+1.167	14.334
Leaf Lettuce (24 count)	9.273	11.035	-1.762	7.938
Romaine Lettuce (24 cnt.)	11.428	10.938	+.490	12.200
Mesculin Mix (3 lb.)-Term.	6.842	6.938	-.096	7.000
Broccoli (14 ct.)	11.000	7.073	+3.927	6.888
Squash (1/2 bushel)	9.513	10.758	-1.245	13.425
Zucchini (1/2 bushel)	8.650	10.917	-2.267	13.534
Green Beans (bushel)	12.088	11.750	+.338	17.117
Spinach, Flat 24's	14.250	15.875	-1.625	9.735
Mushrms (10 lb, lg.)-Term.	14.917	15.313	-.396	11.084
Cucumbers (bushel)	16.814	20.792	-3.978	14.815
Pickles (200-300 ct.)- Term.	22.031	21.938	+.093	35.639
Asparagus (small)	13.000	13.500	-.500	17.250
Freight (Truck; CA-Cty Av.)	5388.888	5411.111	-22.223	5865.000



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