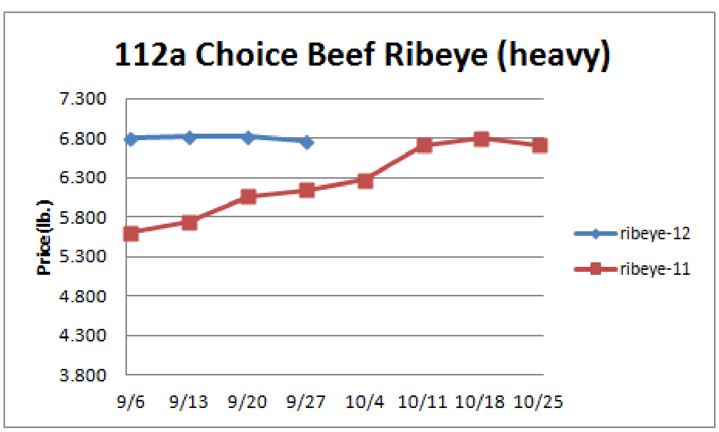
Weekly Market Updates

Volume No. 18 Issue No. 39 Date: September 27, 2012

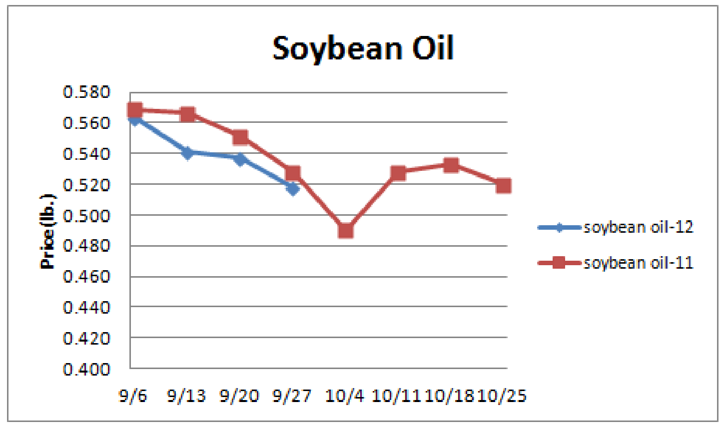
Beef- Beef production last week fell 3.6% and was 3.2% smaller than the same week in '11. The September 1st cattle on feed inventory was down .6% versus last year. Cattle placements into feedlots in August were down 10.9% versus '11. Cattle supplies are projected to remain limited this fall. Beef demand is waning with retail feature activity shifting to pork and chicken. This could pressure beef prices modestly lower during the next week. Beef chuck prices recently achieved new record highs. The choice brisket and chuck markets usually decline 6% and 8% respectively during the next six weeks. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.252	1.256	+.026	1.159
Feeder Cattle Index (CME)	1.432	1.427	+.005	1.319
Ground Beef 81/19	1.856	1.964	-.108	1.634
Ground Chuck	1.857	1.899	-.042	1.665
109e Export Rib (choice)	5.767	6.093	-.326	5.457
109e Export Rib (prime)	9.604	9.317	+.287	9.180
112a Ribeye (choice)	6.757	6.815	-.058	6.144
112a Ribeye (prime)	9.636	9.709	-.073	9.337
116 Chuck (select)	2.706	2.708	-.002	2.362
116 Chuck (choice)	2.893	2.836	+.057	2.585
116b Chuck Tdnr (choice)	2.535	2.538	-.003	2.867
120 Brisket (choice)	2.119	2.136	-.017	1.923
121c Outside Skirt (ch/sel)	5.451	5.632	-.181	3.821
121d Inside Skirt (ch/sel)	3.523	3.506	+.017	3.431
167a Knckle, Trm. (ch.)	2.442	2.432	+.010	2.405
168 Inside Round (ch.)	2.095	2.107	-.012	1.971
174 Short Loin (ch. 0x1)	4.987	5.047	-.060	4.508
174 Short Loin (prime)	9.364	9.115	+.249	8.883
180 1x1 Strp (choice)	4.475	4.514	-.039	4.049
180 1x1 Strp (prime)	9.445	9.350	+.095	9.510
180 0x1 Strp (choice)	5.101	5.146	-.045	4.460
184 Top Butt, bnls (ch.)	2.965	2.972	-.007	2.842
184 Top Butt, bnls (prime)	3.818	3.603	+.215	3.573
185a Sirloin Flap (choice)	3.569	3.561	+.008	3.115
185c Loin, Tri-Tip (choice)	2.450	2.423	+.027	2.835
189a Tender (select)	9.072	8.836	+.236	8.016
189a Tender (choice)	9.606	9.926	-.320	9.334
189a Tender (prime)	14.032	14.031	+.001	12.074
193 Flank Steak (choice)	5.021	4.723	+.298	4.631
50% Trimmings	.543	.557	-.014	.906
65% Trimmings	1.068	1.106	-.038	1.223
75% Trimmings	1.697	1.617	+.080	1.402
85% Trimmings	1.858	1.947	-.089	1.588
90% Trimmings	2.049	2.123	-.074	1.724
90% Imported Beef (frz.)	2.025	2.040	-.015	1.825
95% Imported Beef (frz.)	2.190	2.215	-.025	1.998
Veal Rack (Hotel 7 rib)	7.870	7.870	-	6.175
Veal Top Rnd. (cp. off)	14.370	14.370	-	13.120



Oil, Grains, Misc.- The discount in international palm oil prices is pressuring domestic soybean oil prices lower. However, history suggests that higher soybean oil prices may be forthcoming. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	15.984	16.279	-.295	12.142
Crude Soybean Oil, lb.	.518	.537	-.019	.528
Soybean Meal, ton	497.700	503.900	-6.200	314.600
Corn, bushel	7.251	7.200	+.051	6.280
Crude Corn Oil, lb.	.578	.585	-.007	.570
High Fructose Corn Syrup	.201	.199	+.002	.180
Distillers Grain, Dry	268.750	282.000	-13.250	193.250
Crude Palm Oil, lb. BMD	.365	.401	-.036	.426
HRW Wheat, bushel	8.625	8.405	+.220	7.080
DNS Wheat 14%, bushel	9.320	9.140	+.180	9.090
Durum Wheat, bushel	8.000	8.088	-.088	11.950
Pinto Beans, lb.	.352	.373	-.021	.443
Black Beans, lb.	.330	.330	-	.466
Rice, Long Grain, lb.	.270	.270	-	.290
Coffee, lb. NYBOT	1.697	1.739	-.042	2.344
Sugar, lb. NYBOT	.259	.255	+.004	.385
Honey (Clover), lb.	1.875	1.875	-	1.700



Dairy- In August, U.S. milk production was .3% less than last year due to a .5% decline in milk per cow yields. The milk cow herd was .2% larger than last year but dairy farmers reduced the herd by four thousand head during the month. The CME butter market recently achieved a new twelve month high. Still, history points to only nominal upside price risk for butter this fall. The cheese block market is trading at price levels not seen since August '11. Demand for cheese is slowing due to the elevated prices. Cheese block prices generally fade 3.8% over the next six weeks. Prices per pound, except Class I Cream (hundred weight), from USDA. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	2.040	1.905	+.135	1.645
Cheese Blocks (CME)	2.083	1.950	+.133	1.718
American Cheese	2.093	1.985	+.108	2.038
Cheddar Cheese (40 lb.)	2.340	2.238	+.102	2.235
Mozzarella Cheese	2.185	2.083	+.102	2.070
Provolone Cheese	2.535	2.433	+.102	2.225
Parmesan Cheese	3.883	3.780	+.103	3.301
Butter (CME)	1.940	1.868	+.072	1.760
Nonfat Dry Milk	1.598	1.582	+.016	1.572
Whey, Dry	.600	.588	+.012	.598
Class 1 Base	18.880	17.590	+1.290	19.560
Class II Cream, heavy	2.468	2.432	+.036	2.287
Class III Milk (CME)	20.870	20.260	+.610	17.210
Class IV Milk (CME)	19.100	19.100	-	18.250

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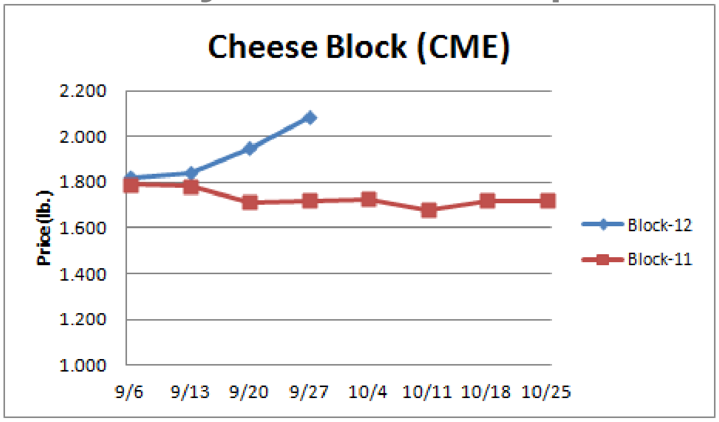
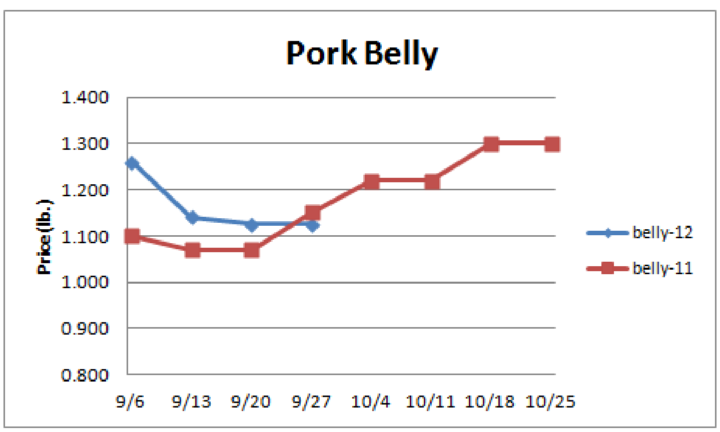


Pork- Pork production last week decreased .6% but was 4.5% larger than the same week in '11. Pork output in the fourth quarter is forecasted by the USDA to be 1.6% above the previous year. This should keep a lid on the pork markets this fall. Still, the downside price risk in many pork markets from here may only be modest. Tighter pork supplies could be forthcoming in '13. August 31st pork stocks were down 31% from last year and a record. Baby back rib and pork belly prices are 21% and 10% below their three year price averages. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.527	.480	+.047	.640
Belly (bacon)	1.125	1.125	-	1.070
Sparerib (4.25 lb. & down)	1.334	1.259	+.075	1.402
Ham (20-23 lb.)	.690	.690	-	.880
Ham (23-27 lb.)	.690	.690	-	.884
Loin (bone-in)	.899	.843	+.056	1.131
Bbybck Rib (1.75 lb. & up)	1.997	2.050	-.053	2.954
Tenderloin (1.25 lb.)	2.135	2.107	+.028	3.150
Boston Butt, untrmd. (4-8lb.)	.841	.825	+.016	1.021
Picnic, untrmd.	.495	.516	-.021	.813
SS Picnic, smoker trm. bx.	.780	.823	-.043	1.080
42% Trimmings	.420	.400	+.020	.580
72% Trimmings	.491	.490	+.001	1.050



Tomato Products, Canned- The tomato harvest for canned tomatoes is progressing at its best pace since '09. Canned tomato prices remain firm. Prices per case (6/10) FOB, unless noted from ARA.

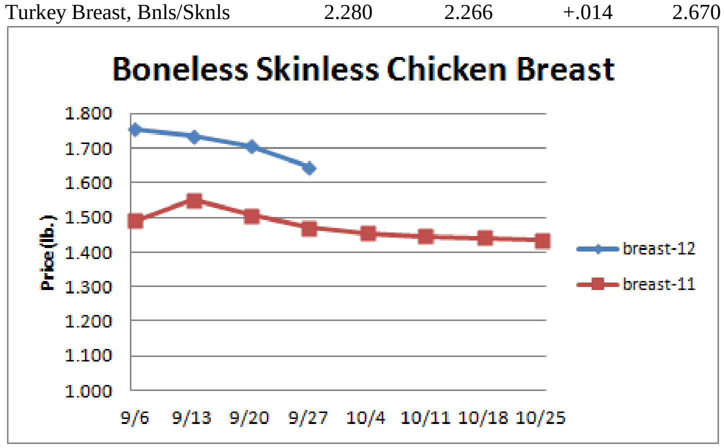
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- August 31st frozen cob corn stocks were 6% less than the previous year. 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- The August broiler-type chick hatch was .1% smaller than the last year. August pullet placements into the broiler breeding flock were 3% less than '11. The breeding flock is projected to fall 4% below year ago levels this winter which should be accompanied with slower chicken output. Last week the ARA chicken wing index achieved its fourth highest price on record. The chicken wing markets typically rise 7.3% over the next three months. The chicken breast markets are seasonally declining. The boneless skinless chicken breast market usually trends 13.2% lower over the next seven weeks. This fall's chicken breast price weakness may be dulled by better retail feature activity. August chicken stocks were 6% below '11. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.958	.958	-	.890
Whole Birds (LA)	1.050	1.050	-	.980
Wings (whole)	1.820	1.825	-.005	1.095
Wings (jumbo, cut)	1.827	1.780	+.047	1.161
Breast, Bone In	1.030	1.030	-	.830
Breast, Bnless Skinless	1.645	1.705	-.060	1.470
Tenderloin (random)	1.240	1.240	-	1.180
Tenderloin (sized)	1.870	1.870	-	1.780
Legs (whole)	.736	.675	+.061	.717
Leg Quarters	.530	.535	-.005	.536
Thighs, bone in	.807	.762	+.045	.715
Thighs, boneless	1.296	1.285	+.011	1.305
Eggs and Others				
Large (dozen)	1.313	1.137	+.176	1.030
Medium (dozen)	1.110	.905	+.205	.858
Whole Eggs- Liquid	.899	.873	+.026	.598
Egg Whites- Liquid	.516	.512	+.004	.529
Egg Yolks- Liquid	1.362	1.226	+.136	.806
Whole Turkeys (8-16 lb.)	1.105	1.105	-	1.095
Turkey Breast, Bnls/Sknls	2.280	2.266	+.014	2.670



Seafood- In August, U.S. Gulf of Mexico shrimp landings were 25% more than '11 and the most for the month in the last five years. But, total '12 shrimp landings through August were 10% below the previous year. Shrimpers continue to face expensive fuel costs which may hamper future fishing schedules. Yet, the future value of the U.S. dollar will play the biggest role in influencing shrimp prices. Snow crab prices are steady. Prices for fresh product, unless noted, per pound from Fisheries Market News.

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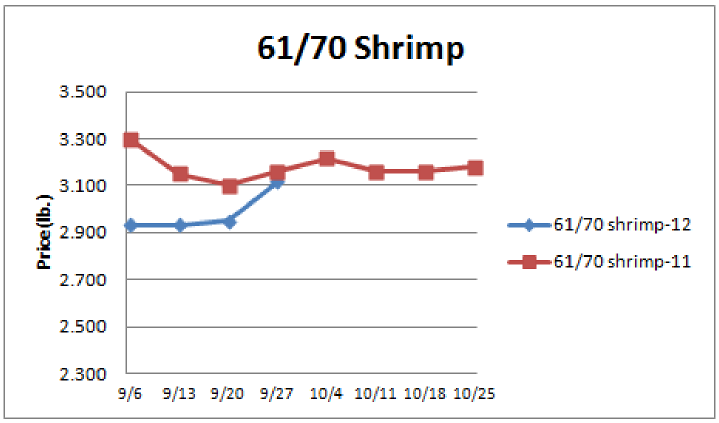
	Price	Last Week	Difference	Price 11
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	3.100
Catfish Filets	4.500	4.500	-	5.250
Trout (drn. 8-14 oz.)	3.700	3.700	-	3.500
Shrimp (16/20), Frz	5.058	5.333	-.275	6.208
Shrimp (61/70), Frz.	3.117	2.950	+.167	3.160
Shrimp, Tiger (26/30), Frz.	4.600	4.675	-.075	4.950
Snow Crab, Legs 5-8 oz, Frz	4.900	4.900	-	5.825
Snow Crab, Legs 8 oz/ up, Fz	5.125	5.125	-	6.325
Cod Tails, 3-7 oz., Frz.	3.500	3.475	+.025	3.400
Cod Loins, 3-12 oz., Frz	3.563	3.563	-	3.525
Salmon Portions, 4-8 oz, Frz	5.083	5.083	-	6.521
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.800



Energy & Currency-Currency US dollar is worth.

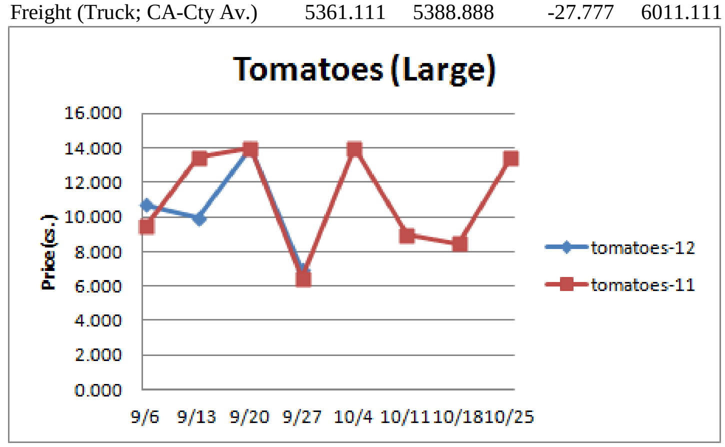
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	91.370	95.290	-3.920	84.450
Natural Gas, mbtu- nymex	2.924	2.773	+.151	3.827
Heating Oil, gal- nymex	3.109	3.127	-.018	2.877
Electricity, mwht- nymex	36.430	34.980	+1.450	42.920
Gasoline, gal- nymex	3.826	3.878	-.052	2.696
Diesel Fuel, gal- eia	4.086	4.135	-.049	3.786
Ethanol, gal- usda	2.205	2.325	-.120	2.635
Canadian $	.984	.975	+.009	1.019
Japanese Yen	77.803	78.759	-.956	76.464
Mexican Peso	12.930	12.823	+.107	13.349
Euro	.778	.769	+.009	.736
Brazilian Real	2.035	2.025	+.010	1.805

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)	832.630	832.860	-.230	970.930
WP; 42 lb. Linerboard (corr.)	714.289	716.946	-2.657	771.520
Res; PS-CHH (cup, cont.)	1.180-1.220	1.180-1.220	-	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 ID potato markets are historically depressed. Potato supplies are improving due to the building harvest. The downside price risk from here for potatoes is likely limited. The iceberg lettuce market is 32% above its three year average. The chief lettuce harvest area will transition south to Huron in the coming weeks which could bring modest volatility to the lettuce markets. Still, no major supply gap is anticipated to occur. The mature green tomato markets tends to depreciate during the next three weeks. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	8.000	8.500	-.500	12.000
Lemons (95 ct.)	18.240	18.240	-	24.640
Lemons (200 ct.)	16.240	16.740	-.500	16.140
Honeydew (6 ct.)	7.000	5.750	+1.250	5.750
Cantaloupe (15 ct.)	9.225	10.550	-1.325	5.250
Blueberries (12 count)	21.250	22.500	-1.250	21.667
Strawberries (12 pnts.)	11.500	13.000	-1.500	11.000
Avocados (Hass 48 ct.)	26.750	24.250	+2.500	29.750
Bananas (40 lb.)- Term.	15.301	16.431	-1.130	15.426
Pineapple (7 ct.)- Term.	12.292	11.806	+.486	11.792
Idaho Potato (60 ct., 50 lb.)	4.250	4.750	-.500	10.500
Idaho Potato (70 ct., 50 lb.)	4.250	4.750	-.500	10.500
Idaho Potato (70 ct.)-Term.	12.783	13.013	-.230	22.063
Idaho Potato (90 ct., 50 lb.)	4.250	4.250	-	8.000
Idaho Pot. # 2 (6 oz., 100 lb.)	7.500	8.500	-1.000	14.250
Processing Potato (cwt.)	7.500	7.500	-	9.000
Yellow Onions (50 lb.)	6.917	7.125	-.208	6.417
Yell Onions (50 lb.)-Term.	12.256	13.146	-.890	12.144
Red Onions (25 lb.)- Term.	13.459	15.417	-1.958	9.605
White Onions (50 lb.)- Term.	18.438	18.991	-.553	17.323
Tomatoes (large- case)	6.950	13.950	-7.000	6.450
Tomatoes (5x6-25 lb.)-Term	14.000	14.250	-.250	13.636
Tomatoes (4x5 vine ripe)	8.475	9.950	-1.475	9.450
Roma Tomatoes (large- case)	11.297	13.200	-1.903	9.125
Roma Tomatoes (xlarge-cs)	11.458	13.200	-1.742	9.625
Green Peppers (large- case)	10.280	9.983	+.297	10.698
Red Peppers (large 15lb. cs.)	7.500	7.000	+.500	13.850
Iceberg Lettuce (24 count)	9.225	11.813	-2.588	8.050
Iceberg Lettuce (24)-Term.	17.500	20.000	-2.500	15.250
Leaf Lettuce (24 count)	7.408	8.550	-1.142	7.503
Romaine Lettuce (24 cnt.)	8.617	10.785	-2.168	11.630
Mesculin Mix (3 lb.)-Term.	6.979	6.917	+.062	7.021
Broccoli (14 ct.)	8.088	11.725	-3.637	8.125
Squash (1/2 bushel)	7.595	10.425	-2.830	20.175
Zucchini (1/2 bushel)	8.475	9.388	-.913	16.063
Green Beans (bushel)	11.175	13.558	-2.383	26.000
Spinach, Flat 24's	9.225	11.625	-2.400	12.950
Mushrms (10 lb, lg.)-Term.	15.000	14.917	+.083	13.313
Cucumbers (bushel)	9.271	12.489	-3.218	15.510
Pickles (200-300 ct.)- Term.	25.125	21.625	+3.500	37.667
Asparagus (small)	19.000	15.000	+4.000	17.500
Freight (Truck; CA-Cty Av.)	5361.111	5388.888	-27.777	6011.111



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

	Aug-12	Jul-12	Jun-12	May-12
Beef and Veal	-.402	+.590	+.607	+.621
Dairy	+.054	-.487	-.283	-.378
Pork	+1.563	+.403	-.091	-.794
Chicken	+.481	+1.310	+1.736	-2.050
Fresh Fish and Seafood	-.206	-.010	-.168	-.379
Fresh Fruits and Veg.	+.042	-1.303	+.126	+.532