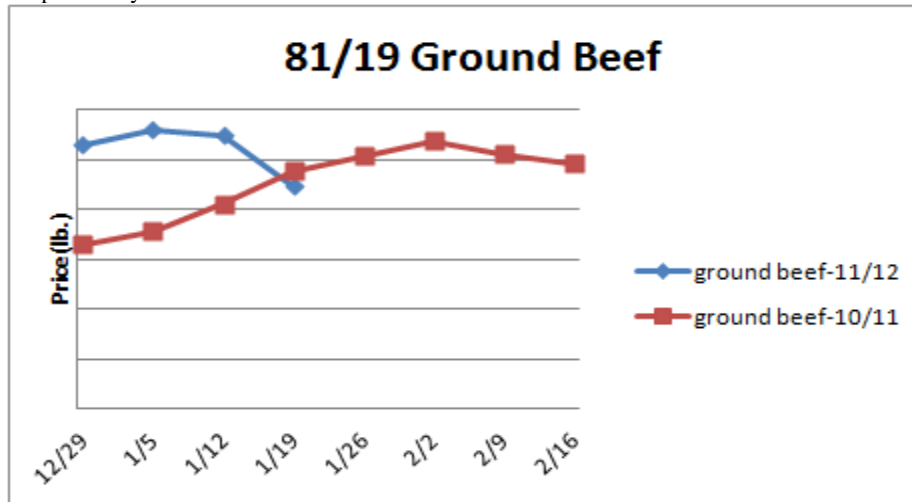


Beef, Veal and Lamb Report

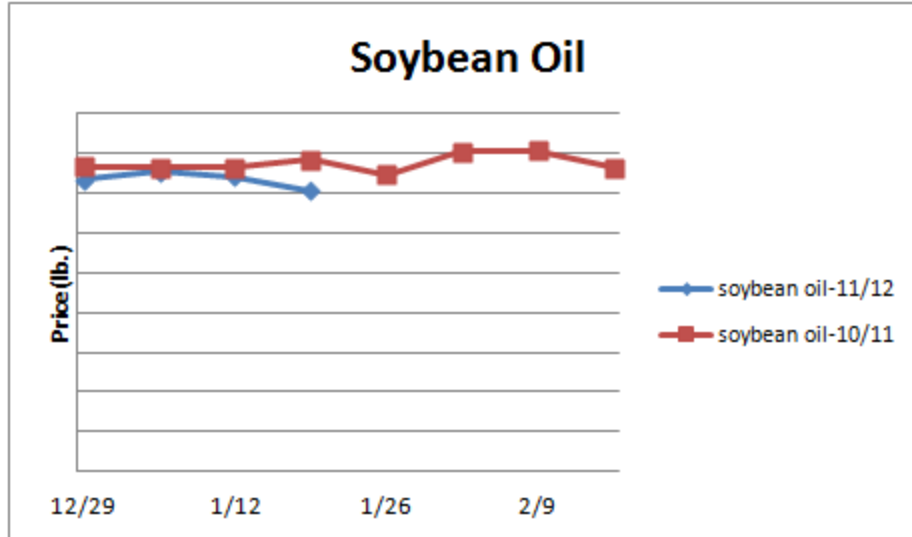
Beef, Veal & Lamb- Beef production last week was 2.9% larger than '11. Beef output could be tempered in the near term due in part to poor packer margins. In Nov, US beef imports were up 8% versus the prior year but were the 2nd smallest for that month since '00. It is estimated that US beef imports from Australia in '11 were the smallest on record going back to '67. If the Australian dollar rises against the US dollar in the coming months, this may continue to ease US beef imports and support lean beef trim prices. Nov US beef exports were 3.4% greater than the same month the previous year.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Cattle (Steer)	Steady	Good	Higher
Ground Beef 81/19	Decreasing	Good	Lower
Ground Chuck	Decreasing	Good	Lower
109 Export Rib (choice)	Decreasing	Good	Higher
109 Export Rib (prime)	Decreasing	Good	Higher
112a Ribeye (choice)	Decreasing	Good	Higher
112a Ribeye (prime)	Increasing	Good	Higher
116 Chuck (choice)	Decreasing	Good	Lower
120 Brisket (choice)	Decreasing	Good	Higher
121c Outside Skirt (ch/sel.)	Increasing	Good	Higher
167a Knuckle, Trimmed (choice)	Decreasing	Good	Higher
168 Inside Round (choice)	Decreasing	Good	Lower
174 Short Loin (choice 0x1)	Decreasing	Good	Higher
174 Short Loin (prime 2x3)	Decreasing	Good	Higher
180 1x1 Strip (choice)	Decreasing	Good	Higher
180 1x1 Strip (prime)	Increasing	Good	Higher
180 0x1 Strip (choice)	Increasing	Good	Higher
184 Top Butt, boneless (choice)	Decreasing	Good	Higher
184 Top Butt, boneless (prime)	Decreasing	Good	Higher
185a Sirloin Flap (choice)	Decreasing	Good	Higher
185c Loin, Tri-Tip (choice)	Decreasing	Good	Higher
189a Tender (select, 5 lb & up)	Increasing	Good	Higher
189a Tender (choice, 5 lb & up)	Decreasing	Good	Higher
189a Tender (prime, heavy)	Decreasing	Good	Higher
193 Flank Steak (choice)	Increasing	Good	Higher
50% Trimmings	Decreasing	Good	Higher
65% Trimmings	Increasing	Good	Higher
75% Trimmings	Increasing	Good	Higher
85% Trimmings	Increasing	Good	Higher
90% Trimmings	Increasing	Good	Higher
90% Imported Beef (frozen)	Increasing	Good	Higher
Veal Rack (Hotel 7 rib)	Steady	Good	Higher
Veal Top Round (cap off)	Steady	Good	Higher

Oil and Grains Report

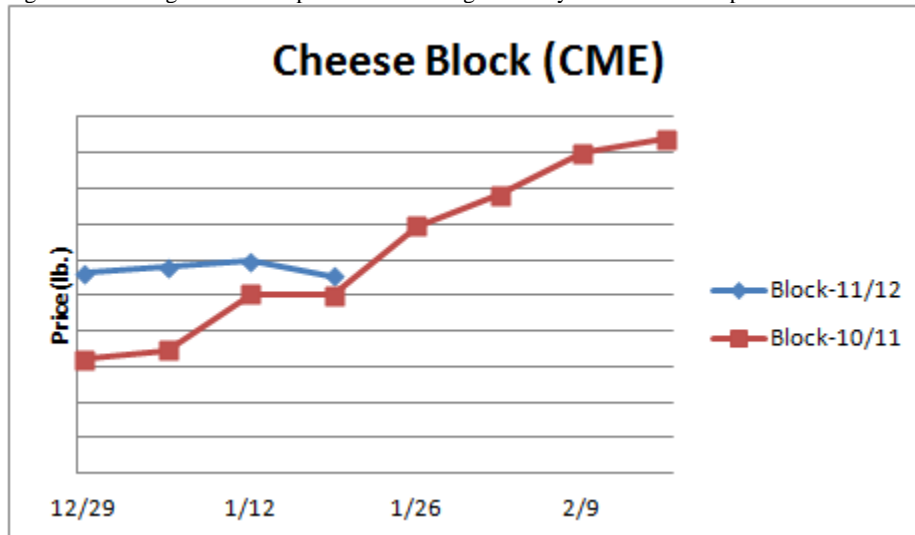
Oil & Grains- The grain markets have depreciated in the last week. Grain prices may be less volatile in the coming weeks barring any major surprises.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Soybeans	Decreasing	Good	Lower
Crude Soybean Oil	Decreasing	Good	Lower
Soymeal	Decreasing	Good	Lower
Corn	Decreasing	Good	Lower
Crude Corn Oil	Steady	Good	Lower
Distillers Grain, Dry	Decreasing	Good	Higher
Crude Palm Oil	Decreasing	Good	Lower
Hard Red Winter Wheat	Decreasing	Good	Lower
Dark Northern Spring Wheat	Increasing	Good	Lower
High Fructose Corn Syrup	Decreasing	Good	Lower
Durum Wheat	Decreasing	Good	Lower

Dairy Report

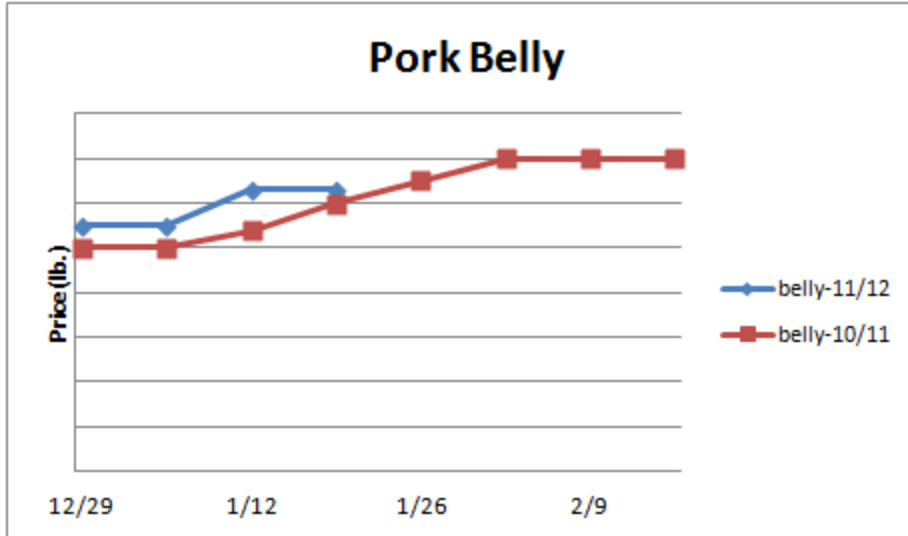
Dairy- US cheese exports in Nov were up 53% versus '10. The CME block and barrel cheese markets are trading at discounts to the global cheese markets which should encourage US exports this winter. The New Zealand dollar has risen against the US dollar as of late. If this price currency trend is reversed, it could put pressure on US cheese prices as New Zealand is a big dairy product exporter. Nov US butter exports were down 11% compared to '10 but were the highest since Aug '11. Butter prices are trending modestly lower but are expected to bottom soon.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Cheese Barrels- CME	Decreasing	Good	Higher
Cheese 40 lb Blocks- CME	Decreasing	Good	Higher
American Cheese	Decreasing	Good	Higher
Cheddar Cheese	Increasing	Good	Higher
Mozzarella Cheese	Increasing	Good	Higher
Provolone Cheese	Increasing	Good	Higher
Parmesan Cheese	Increasing	Good	Lower
Butter- One lb Solids	Decreasing	Good	Lower
Nonfat Dry Milk	Decreasing	Good	Higher
Whey, Dry	Increasing	Good	Higher
Class I Milk Base	Steady	Good	Higher
Class II Cream (Heavy Cream)	Decreasing	Good	Lower
Class III Milk- CME	Decreasing	Good	Higher
Class IV Milk- CME	Decreasing	Good	Lower

Pork Report

Pork- Pork output last week was 3.9% greater than a year ago. Pork packer margins remain positive and have encouraged pork production. Nov US pork exports were 31.4% more than the prior year and were a record high. This was mostly due to record pork exports to China. US ham exports in Nov were down 61.8% versus '10 due in part to a declining Mexican Peso versus the US dollar. Mexico is a large US ham importer. The pork belly markets are firm.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Hogs	Increasing	Good	Higher
Belly (bacon)	Steady	Good	Higher
Spare Rib (4.25 & down)	Decreasing	Good	Higher
Ham (23-27 lb)	Increasing	Good	Higher
Loin (bone-in)	Increasing	Good	Lower
Baby Back Rib (1.75 & up)	Increasing	Good	Higher
Tenderloin (1.25 lb)	Increasing	Good	Higher
Boston Butt, untrimmed 4-8 lb.	Increasing	Good	Higher
Picnic, untrimmed	Decreasing	Good	Lower
SS Picnic, smoker trim boxed	Increasing	Good	Higher
42% Trimmings	Decreasing	Good	Lower
72% Trimmings	Decreasing	Good	Lower

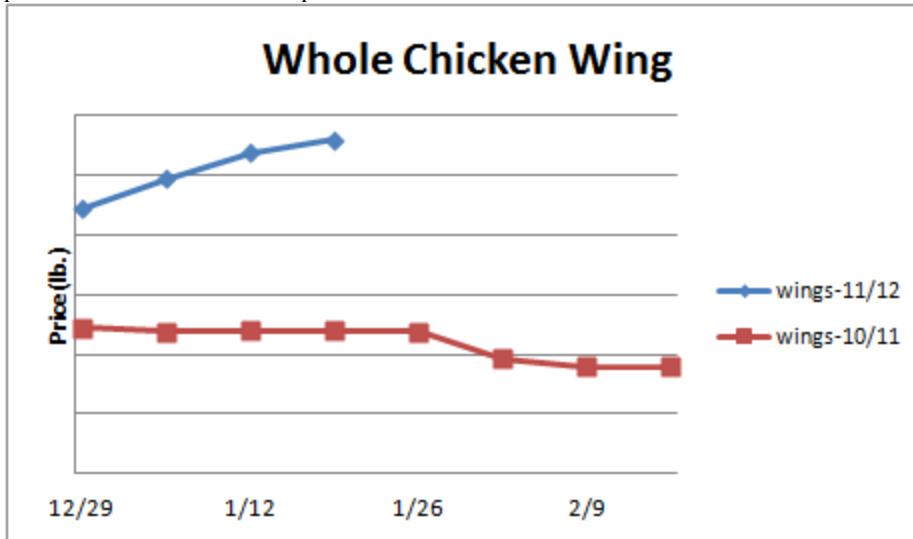
Canned Tomato Report

Tomato Products, Canned- Existing canned tomato supplies are adequate. However, modestly higher canned tomato prices may be realized this summer.

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Whole Peeled Standard	Steady	Good	Higher
Diced, Fancy	Steady	Good	Higher
Ketchup, 33%	Steady	Good	Higher
Tomato Paste- Ind.	Steady	Good	Higher

Poultry Report

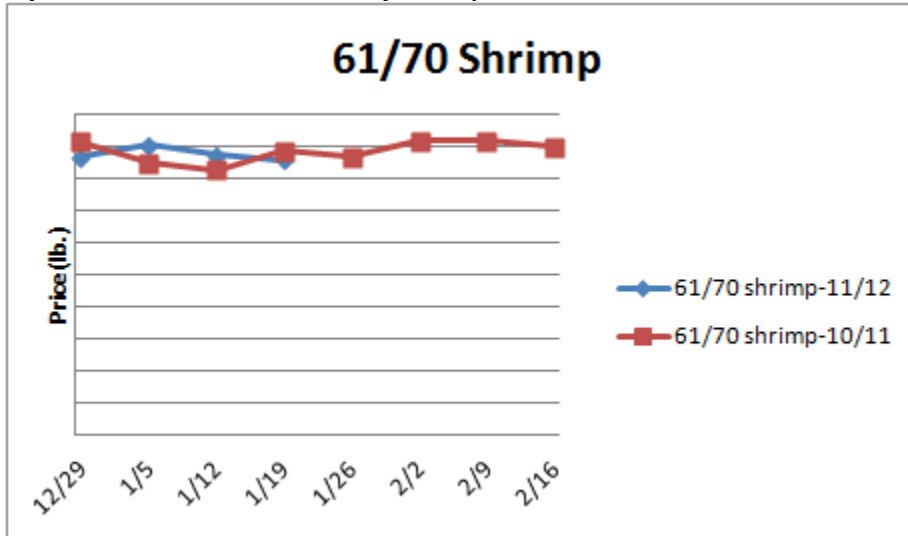
Poultry - Nov US chicken exports were 8.7% smaller than the prior year. This was primarily due to a sharp drop off (68%) in trade with Russia. In fact, Russia has curbed their US poultry buying habits substantially (75%) since '08 due in a large part to rising Russian chicken output. Yet, chicken exports in Nov to China (140%), Japan (19%) and Canada (10%) increased from '10. This year, the ARA chicken breast, wing and leg quarter indexes have risen 4%, 16% and .5% respectively. Due to further poultry cutbacks expected through Q1, the chicken cutout value should remain firm. In fact, record high wing prices are likely to occur soon. The same may hold true for chicken leg quarter prices as well. Chicken breast prices remain firm.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Whole Chicken (2.5-3 lb-GA)	Increasing	Good	Higher
Whole Chicken (LA)	Steady	Good	Higher
Chicken Wings, Whole	Increasing	Good	Higher
Chicken Wings, Jumbo Cut	Increasing	Good	Higher
Chicken Breast, Bone-In	Increasing	Good	Higher
Chicken Breast, Bnless Sknless	Increasing	Good	Higher
Chicken Tender (random)	Increasing	Good	Lower
Chicken Tender (sized)	Increasing	Good	Higher
Chicken Legs (whole)	Increasing	Good	Higher
Chicken Leg Quarters	Steady	Good	Higher
Chicken Thighs, bone in	Decreasing	Good	Higher
Chicken Thighs, boneless	Increasing	Good	Higher
Large Eggs	Decreasing	Good	Higher
Medium Eggs	Decreasing	Good	Higher
Whole Eggs- Liq	Decreasing	Good	Higher
Egg Whites- Liq	Decreasing	Good	Higher
Egg Yolks- Liq	Decreasing	Good	Higher
Whole Turkey (8-16 lb)	Increasing	Good	Higher
Turkey Breast- Bnls/Sknls	Steady	Good	Lower

Seafood Report

Seafood- In Nov, US total shrimp imports and shell-on shrimp imports were down 8.6% and 3.2% respectively compared to the previous year. If the US dollar is relatively inflated in '12, US shrimp imports could rise which would be bearish for shrimp prices. Nearly 90% of the shrimp consumed in the US is imported. US salmon fillet steak imports in Nov were 21% less than the previous year. The whole salmon market is stable.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Salmon, Whole (10-12 lb)	Steady	Good	Lower
Catfish, Filets	Steady	Good	Higher
Trout, Drn. (8-14 oz)	Steady	Good	Higher
Shrimp (16-20 count)	Increasing	Good	Lower
Shrimp (61-70 count)	Decreasing	Good	Lower
Shrimp, Tiger (26-30 count)	Increasing	Good	Higher
Snow Crab Legs (5-8 oz)	Increasing	Good	Lower
Snow Crab Legs (8 oz up)	Decreasing	Good	Same
Cod Tails, 3-7 oz. Frz.	Increasing	Good	Higher
Cod Loins, 3-12 oz. Frz.	Increasing	Good	Higher
Salmon Portions, 4-8 oz. Frz.	Decreasing	Good	Lower

Bean, Rice, Coffee and Sugar Report

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Pinto Beans	Increasing	Good	Higher
Black Beans	Decreasing	Good	Higher
Rice, Long Grain	Decreasing	Good	Lower
Coffee Beans	Decreasing	Good	Lower
Sugar	Decreasing	Good	Lower
Honey	Steady	Good	Higher

Paper Product Report

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Wood Pulp (paper)			
NBSK- Paper napkin	Decreasing	Good	Lower
42 lb. Linerboard-corrugated box	Decreasing	Good	Lower
Plastic Resins (plastic, foam)			
PS-CHH-utensils, cups, to-go cont.	Steady	Good	Higher
PP-HIGP-heavy grade utensils	Steady	Good	Lower
PE-LLD-can liners, film, bags	Increasing	Good	Same

Retail Price Change from Prior Month

	<u>Nov-11</u>	<u>Oct-11</u>	<u>Sep-11</u>
Beef and Veal	Increasing	Increasing	Increasing
Dairy	Decreasing	Increasing	Increasing
Pork	Decreasing	Decreasing	Increasing
Chicken	Decreasing	Increasing	Increasing
Fresh Fish and Seafood	Increasing	Decreasing	Increasing
Fresh Fruits and Vegetables	Decreasing	Decreasing	Increasing

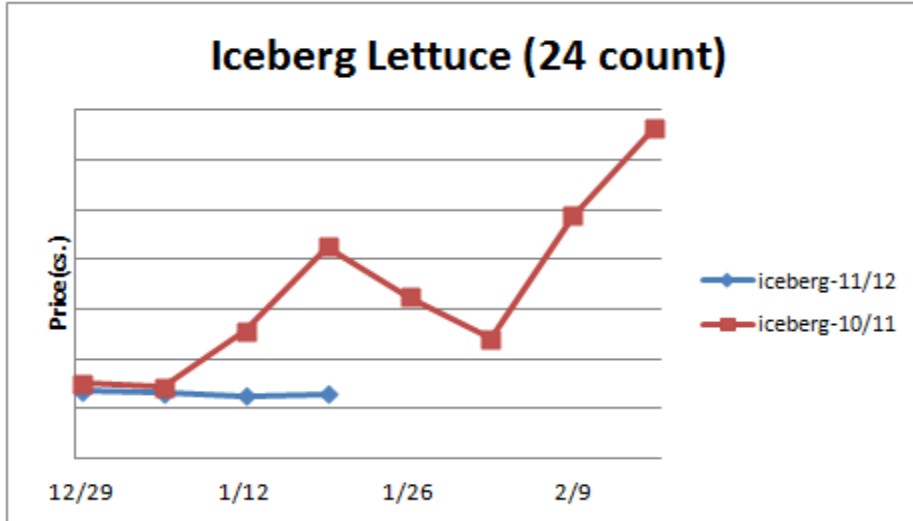
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- Canned vegetable prices are steady. With elevated competing grain prices in place, acreage for processed vegetables may be limited in '12.

<u>Canned 6/10</u>	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Corn, Fancy Whole Kernel	Steady	Good	Higher
Green Beans, Fancy 4 sv	Steady	Good	Higher
Green Peas, Fancy 4 sv/blend	Steady	Good	Higher
<u>Frozen</u>			
Corn, Cob 96 count	Steady	Good	Higher
Corn, Kernel 12/2.5 lb.	Steady	Good	Same
Green Beans, Cut 12/2 lb.	Steady	Good	Same
Green Peas, 12/2.5 lb.	Steady	Good	Same
Potatoes, FF Fancy, 6/5 lb.	Steady	Good	Higher

Produce Report

Produce- Tomato supplies are entering the US market place in greater volume. Tomato shipments were 5.6% higher last week compared to the previous week. This is pressuring tomato prices lower. Potato stocks in Dec were reported to be historically adequate (up 4%) compared to last year. This should limit any seasonal price appreciation for potato prices this winter. Lettuce shipments fell marginally last week despite better weather conditions. This is bringing some support to the lettuce markets. The near term downside risk in lettuce prices from here may be nominal.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Limes (150 count)	Increasing	Good	Lower
Lemons (95 count)	Increasing	Good	Higher
Lemons (200 count)	Steady	Good	Higher
Honeydew (6 ct.)	Steady	Good	Higher
Cantaloupe (15 count)	Increasing	Good	Higher
Blueberries (12 count)	Decreasing	Good	Lower
Strawberries (12 pints)	Steady	Good	Lower
Avocados, Hass (48 count)	Increasing	Good	Lower
Bananas (40 lb)-Term.	Increasing	Good	Lower
Pineapple (7 ct.)- Term.	Increasing	Good	Higher
Idaho Potato (60 count)	Increasing	Good	Lower
Idaho Potato (70 count)	Increasing	Good	Lower
Idaho Potato (70 count)-Term.	Decreasing	Good	Lower
Idaho Potato (90 count)	Increasing	Good	Lower
Idaho Potato #2 (6 oz. min.)	Decreasing	Good	Lower
Processing Potato (100 lb)	Steady	Good	Lower
Yellow Onions (50 lb)	Decreasing	Good	Lower
Yellow Onions (50 lb)-Term.	Increasing	Good	Lower
Red Onions (25 lb)-Term.	Increasing	Good	Lower
White Onions (50 lb)-Term.	Increasing	Good	Higher
Tomatoes, (large- case)	Decreasing	Good	Lower
Tomatoes, (5x6, 25 lb.)-Term.	Increasing	Good	Lower
Tomatoes, Vine Ripe, (4x5)	Decreasing	Good	Lower
Roma Tomatoes (large- case)	Decreasing	Good	Lower
Roma Tomatoes (xlarge- case)	Decreasing	Good	Lower
Green Peppers (large- case)	Increasing	Good	Higher

Red Peppers (large- 15 lb. cs.)	Increasing	Good	Lower
Iceberg Lettuce (24 count)	Increasing	Good	Lower
Iceberg Lettuce (24 cnt)-Term.	Decreasing	Good	Lower

Produce Report (continued)

Leaf Lettuce (24 count)	Increasing	Good	Higher
Romaine Lettuce (24 count)	Increasing	Good	Lower
Mesculin Mix (3 lb)-Term.	Steady	Good	Higher
Broccoli (14 cnt.)	Decreasing	Good	Lower
Squash (case)	Increasing	Good	Higher
Zucchini (case)	Increasing	Good	Higher
Green Beans (bushel)	Increasing	Good	Lower
Spinach, Flat 24's	Increasing	Good	Lower
Mushrooms (large), Term.	Steady	Good	Higher
Cucumbers, Bushel	Decreasing	Good	Higher
Pickles (200-300 ct.)-Term.	Decreasing	Good	Higher
Asparagus (small)	Steady	Good	Higher
Freight (CA to City Avg.)	Decreasing	Good	Higher