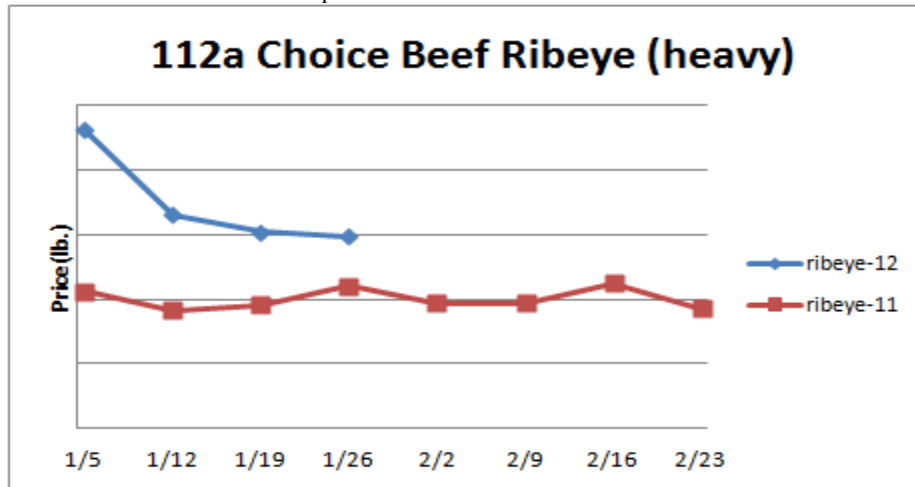


Beef, Veal and Lamb Report

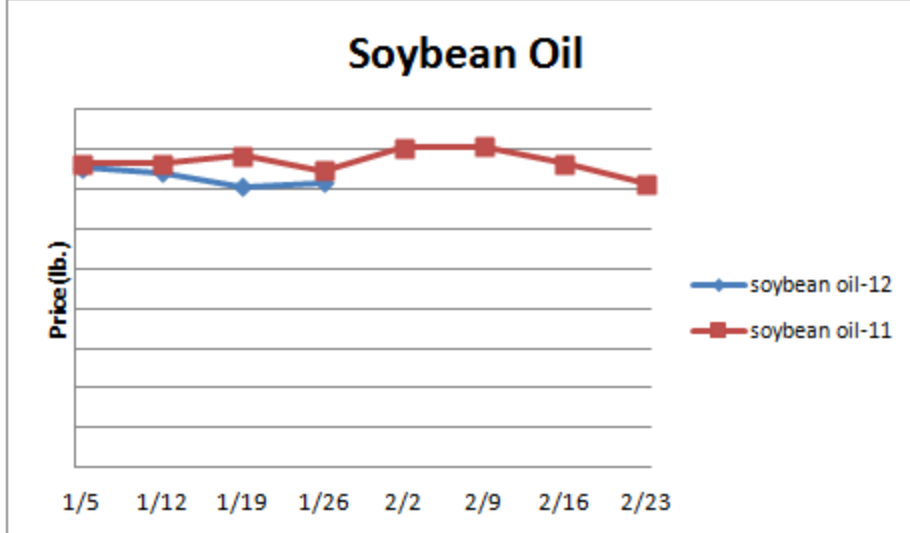
Beef, Veal & Lamb- Beef output last week fell 3.5% and was 2.1% less than a year ago. The Jan 1st cattle on feed inventory was 3% bigger than last year. Cattle placements into feedlots in Dec were 6% less than '11 and the average cattle weight was down 1%. The Feb 1st near slaughter ready cattle inventory is estimated to be 6% more than the 3 year average. Yet, beef output is expected to trend below '11 levels during all of Q1 which could support beef prices. If existing elevated beef prices remain in place over the next few weeks, any seasonal Feb price appreciation that occurs for beef could be tempered.



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

Oil and Grains Report

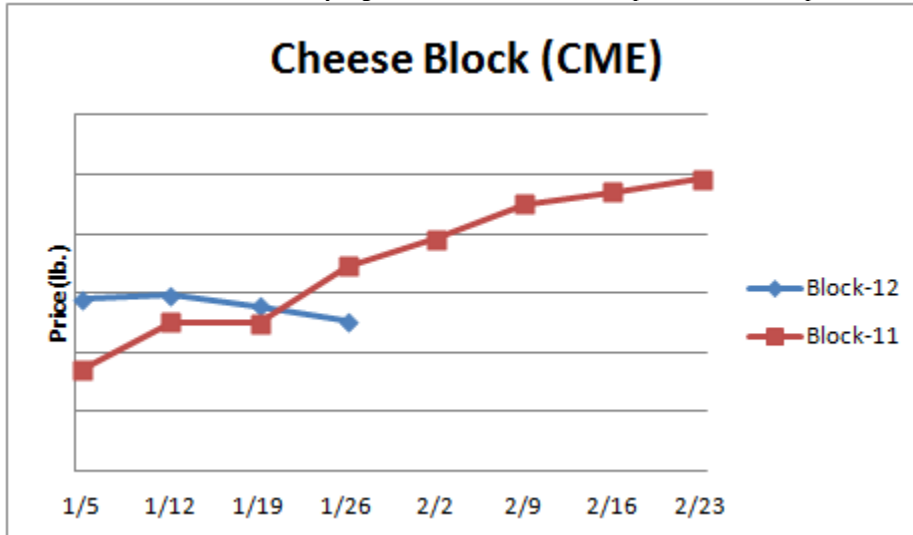
Oil & Grains- The South American corn and soybean crops have been hindered by weather challenges. This may continue to support the US corn and soybean markets if longstanding.



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

Dairy Report

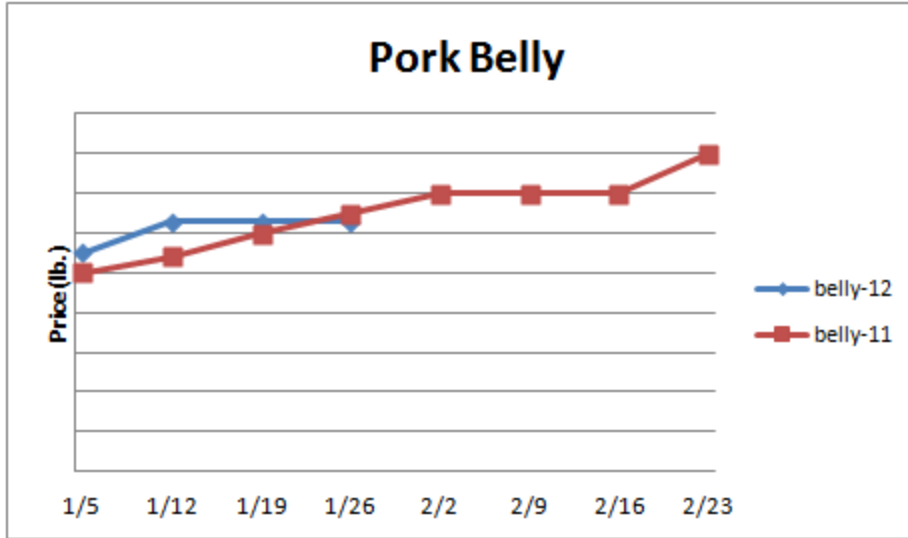
Dairy- US milk production in Dec was 2.5% more than the prior year due to a 1.6% gain in the milk per cow yield and a .9% larger milk cow herd. Given the recent declines in cheese and butter prices milk farmers could temper milk output growth in the coming months. The US cheese inventory build rate in Dec was the 2nd biggest for that month since '05. Since '07, the average price move for cheese blocks over the next 4 weeks is 5.6% higher. The US butter stock build in Dec was historically high as well. Still, a seasonal price bottom is expected for cheese and butter soon.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Cheese Barrels- CME	Decreasing	Good	Lower
Cheese 40 lb Blocks- CME	Decreasing	Good	Lower
American Cheese	Decreasing	Good	Higher
Cheddar Cheese	Decreasing	Good	Higher
Mozzarella Cheese	Decreasing	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	Decreasing	Good	Higher
Class II Cream (Heavy Cream)	Decreasing	Good	Lower
Class III Milk- CME	Increasing	Good	Higher
Class IV Milk- CME	Decreasing	Good	Lower

Pork Report

Pork- Pork production last week rose .8% and was 2.4% larger than the same week in '11. Pork output should begin to seasonally decline in the coming weeks which usually supports pork prices. Cold storage pork inventories on Dec 31st were smaller than last year for hams (19%), bellies (19%) and ribs (10%). Some modest ham price appreciation may be pending. Since '07, the average price move for hams in Feb is 5.8% higher.



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

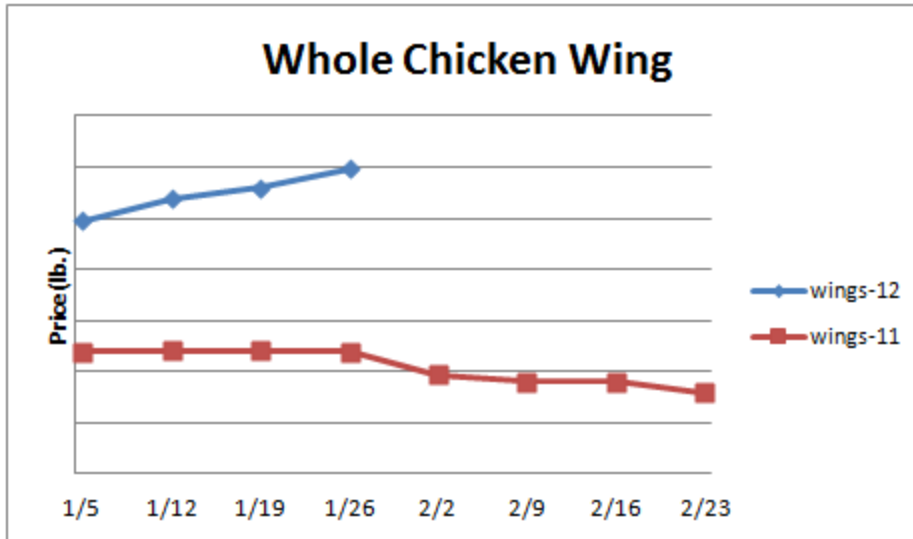
Canned Tomato Report

Tomato Products, Canned- Existing canned tomato supplies are adequate but are below '11 levels. The canned tomato markets could remain firm.

	<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

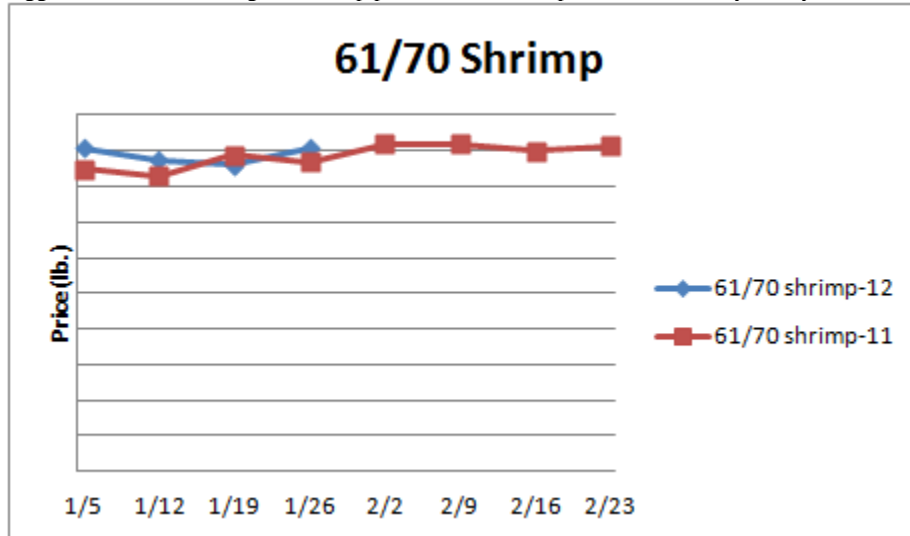
Poultry - The Dec broiler (chicken marked for the chicken meat supply) chick hatch was 3% smaller than last year suggesting that chicken output should trend below '11 levels in the coming weeks. Dec pullet placements into the broiler breeding flock were 3.7% less than the prior year. The breeding flock is projected to fall 4% below year ago levels by this summer which should provide further support to chicken prices. The chicken wing markets established new record highs recently and higher wing prices are still likely in the coming weeks. However, some price relief for chicken wings is due to occur in late Feb. The chicken leg quarter and the boneless skinless chicken breast markets 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)	Increasing	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	Steady	Good	Higher
Chicken Tender (random)	Increasing	Good	Higher
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	Decreasing	Good	Higher
Large Eggs	Decreasing	Good	Higher
Medium Eggs	Decreasing	Good	Lower
Whole Eggs- Liq	Decreasing	Good	Higher
Egg Whites- Liq	Increasing	Good	Higher
Egg Yolks- Liq	Increasing	Good	Higher
Whole Turkey (8-16 lb)	Decreasing	Good	Higher
Turkey Breast- Bnls/Sknls	Steady	Good	Higher

Seafood Report

Seafood- In '11, total US Gulf of Mexico shrimp landings were up 23% from '10 and the largest since '09. US Gulf of Mexico shrimp landings during Dec were 37% less than the prior year's abnormally large total. Shrimpers are facing high fuel costs which may slow fishing schedules. Still, the future value of the US dollar will probably play the biggest role in influencing US shrimp prices. Snow crab prices are relatively steady.



	<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)	Decreasing	Good	Lower
Shrimp (61-70 count)	Increasing	Good	Higher
Shrimp, Tiger (26-30 count)	Increasing	Good	Higher
Snow Crab Legs (5-8 oz)	Steady	Good	Lower
Snow Crab Legs (8 oz up)	Steady	Good	Lower
Cod Tails, 3-7 oz. Frz.	Increasing	Good	Higher
Cod Loins, 3-12 oz. Frz.	Decreasing	Good	Lower
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	Steady	Good	Higher
Rice, Long Grain	Steady	Good	Lower
Coffee Beans	Decreasing	Good	Lower
Sugar	Steady	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	Increasing	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	Steady	Good	Higher

Retail Price Change from Prior Month

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

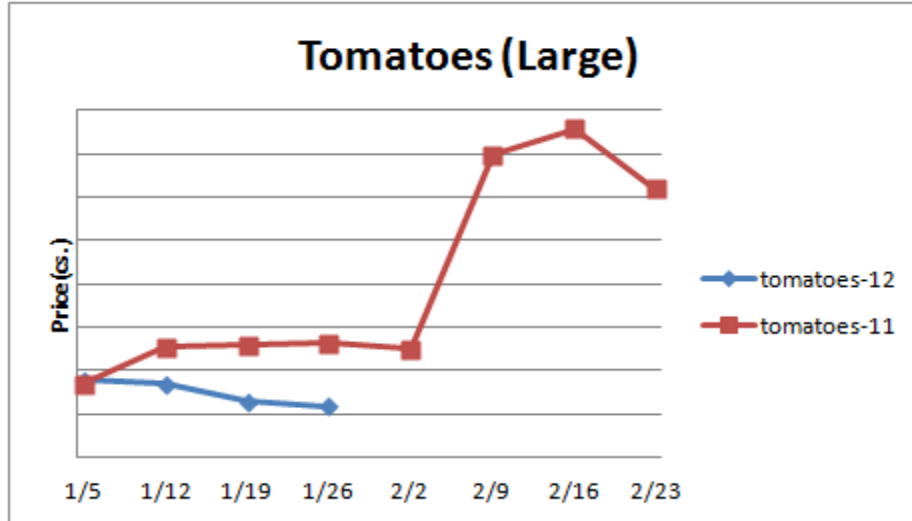
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- December 31st frozen cut corn (18%) and green peas (14%) stocks were both less than a year ago. Modestly higher processed vegetables prices are likely.

<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- The lettuce harvest was limited last week with shipments declining 25% from the prior week. This was due in large part to below freezing overnight temperatures in the growing areas. But, favorable weather during the next 10 days should enhance crop development. Lettuce prices are higher but still 41% below their 3 year average for the week. Tomato supplies are in good shape which is pressuring the tomato markets lower. Still, the downside risk from here for tomatoes is nominal. The yellow onion market is trading at its lowest level in recent memory.



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

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

Produce Report (continued)

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