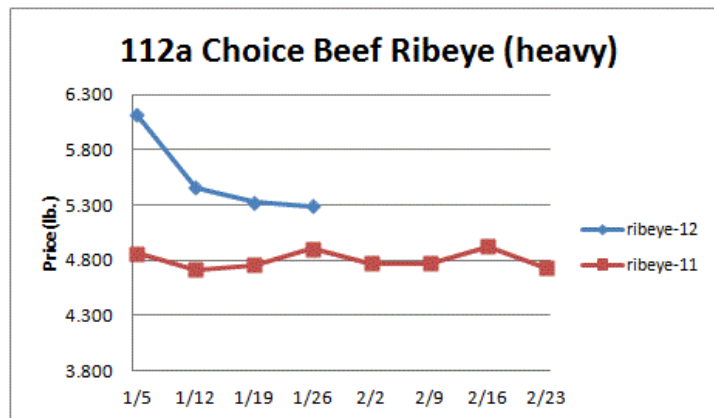


Weekly Market Updates

Volume No. 5 Issue No. 3 Date: January 26, 2012

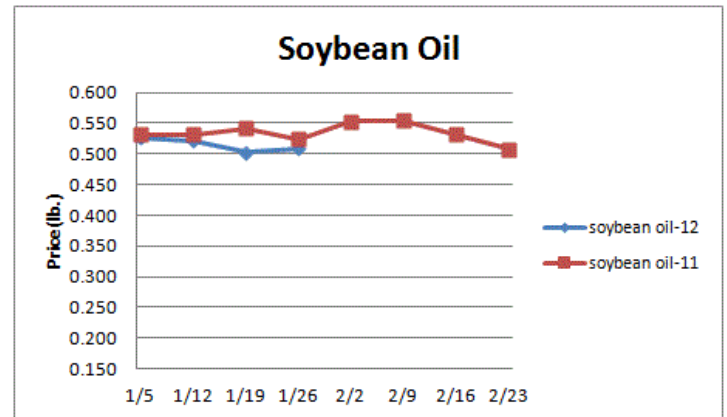
Beef- Beef production last week was 2.9% larger than '11. Beef output could be tempered in the near term due in part to poor packer margins. In Nov, US beef imports were up 8% versus the prior year but were the 2nd smallest for that month since '00. It is estimated that US beef imports from Australia 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. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.219	1.219	-	1.086
Feeder Cattle Index (CME)	1.502	1.485	+.017	1.253
Ground Beef 81/19	1.897	2.099	-.202	1.955
Ground Chuck	1.891	2.087	-.196	2.045
109e Export Rib (choice)	4.811	5.007	-.196	4.508
109e Export Rib (prime)	10.963	11.017	-.054	8.022
112a Ribeye (choice)	5.322	5.455	-.133	4.756
112a Ribeye (prime)	10.612	10.481	+.131	8.973
116 Chuck (select)	2.219	2.326	-.107	2.225
116 Chuck (choice)	2.256	2.363	-.107	2.267
116b Chuck Tdnr (choice)	2.170	2.132	+.038	2.287
120 Brisket (choice)	2.066	2.095	-.029	1.954
121c Outside Skirt (ch/sel)	4.448	4.307	+.141	3.699
121d Inside Skirt (ch/sel)	3.255	3.188	+.067	2.916
167a Knuckle, Trm. (ch.)	2.287	2.292	-.005	2.243
168 Inside Round (ch.)	2.112	2.129	-.017	2.041
174 Short Loin (ch. 0x1)	4.631	4.474	+.157	4.044
174 Short Loin (prime)	9.085	8.881	+.204	7.830
180 1x1 Strp (choice)	4.353	4.148	+.205	3.705
180 1x1 Strp (prime)	9.157	9.623	-.466	8.744
180 0x1 Strp (choice)	4.868	4.771	+.097	4.228
184 Top Butt, bnls (ch.)	2.780	2.808	-.028	2.361
184 Top Butt, bnls (prime)	3.133	3.155	-.022	2.564
185a Sirloin Flap (choice)	3.495	3.285	+.210	3.199
185c Loin, Tri-Tip (choice)	2.756	2.747	+.009	2.503
189a Tender (select)	8.105	7.932	+.173	7.428
189a Tender (choice)	8.327	8.180	+.147	7.607
189a Tender (prime)	13.779	13.766	+.013	11.180
193 Flank Steak (choice)	3.942	3.815	+.127	3.569
50% Trimings	.996	1.000	-.004	.790
65% Trimings	1.358	1.405	-.047	1.120
75% Trimings	1.550	1.550	-	1.324
85% Trimings	1.928	1.948	-.020	1.823
90% Trimings	2.044	2.057	-.013	1.925
90% Imported Beef (frz.)	2.085	2.065	+.020	2.035
95% Imported Beef (frz.)	2.190	2.173	+.017	2.138
Veal Rack (Hotel 7 rib)	7.425	6.675	+.750	5.125
Veal Top Rnd. (cp. off)	13.575	13.575	-	12.525



Oil, Grains, Misc.- 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. Prices USDA, FOB.

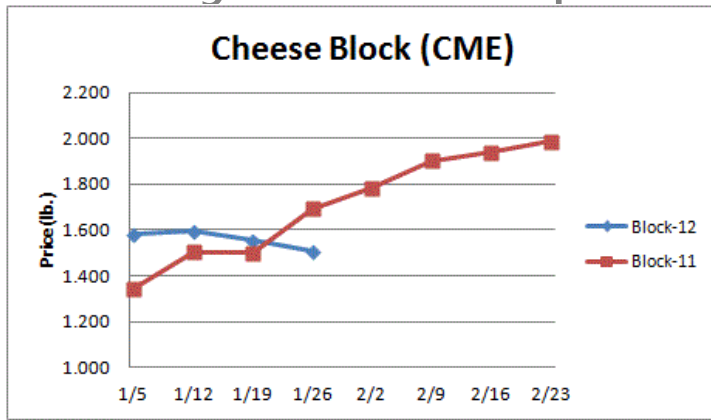
	Price	Last Week	Difference	Price 11
Soybeans, bushel	12.178	11.711	+.467	13.465
Crude Soybean Oil, lb.	.509	.503	+.006	.524
Soybean Meal, ton	318.000	304.000	+14.000	360.100
Corn, bushel	6.361	6.048	+.313	6.193
Crude Corn Oil, lb.	.546	.535	+.011	.580
High Fructose Corn Syrup	.182	.176	+.006	.178
Distillers Grain, Dry	182.375	180.750	+1.625	180.250
Crude Palm Oil, lb. BMD	.466	.464	+.002	.561
HRW Wheat, bushel	6.610	6.480	+.130	8.430
DNS Wheat 14%, bushel	8.680	8.580	+.100	9.860
Durum Wheat, bushel	7.663	7.788	-.125	8.790
Pinto Beans, lb.	.472	.451	+.021	.220
Black Beans, lb.	.450	.450	-	.271
Rice, Long Grain, lb.	.271	.271	-	.286
Coffee, lb. NYBOT	2.172	2.249	-.077	2.373
Sugar, lb. NYBOT	.340	.340	-	.379
Honey (Clover), lb.	1.675	1.675	-	1.600



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. Prices per pound, except Class I Cream (hundred weight), from USDA.

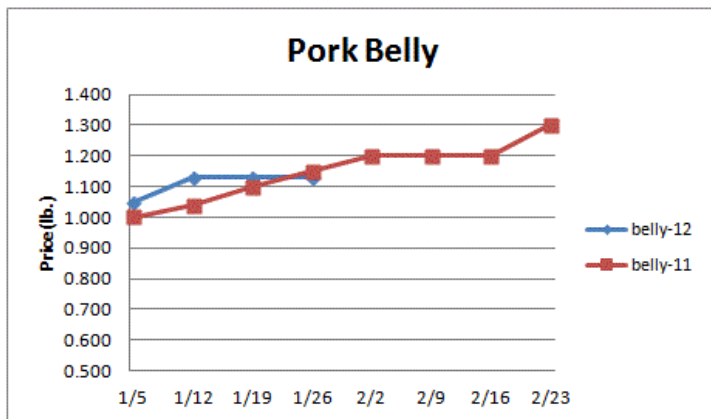
	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.485	1.525	-.040	1.643
Cheese Blocks (CME)	1.505	1.555	-.050	1.693
American Cheese	1.880	1.935	-.055	1.845
Cheddar Cheese (40 lb.)	2.058	2.103	-.045	1.900
Mozzarella Cheese	1.903	1.948	-.045	1.855
Provolone Cheese	2.138	2.093	+.045	2.013
Parmesan Cheese	3.218	3.173	+.045	3.310
Butter (CME)	1.560	1.578	-.018	2.100
Nonfat Dry Milk	1.447	1.450	-.003	1.387
Whey, Dry	.728	.715	+.013	.405
Class I Base	17.030	18.800	-1.770	15.890
Class II Cream, heavy	1.833	1.952	-.119	2.520
Class III Milk (CME)	16.580	16.480	+.100	16.490
Class IV Milk (CME)	16.440	16.780	-.340	18.200

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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. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.627	.610	+.017	.555
Belly (bacon)	1.200	1.130	+.007	1.150
Sparerib (4.25 lb. & down)	1.597	1.576	+.021	1.567
Ham (20-23 lb.)	.730	.700	+.030	.720
Ham (23-27 lb.)	.710	.750	-.040	.720
Loin (bone-in)	.949	.981	-.032	.980
Babyback Rib (1.75 lb. & up)	2.647	2.604	+.043	2.434
Tenderloin (1.25 lb.)	2.517	2.475	+.042	2.383
Boston Butt, untrmd. (4-8 lb.)	.940	.949	-.009	.938
Picnic, untrmd.	.614	.602	+.012	.669
SS Picnic, smoker trim. bx.	.860	.860	-	.750
42% Trimmings	.393	.440	-.047	.520
72% Trimmings	.640	.673	-.033	.850



Tomato Products, Canned- Existing canned tomato supplies are adequate but are below '11 levels. The canned tomato markets could remain firm. Prices per case (6/10) FOB, unless noted from ARA.

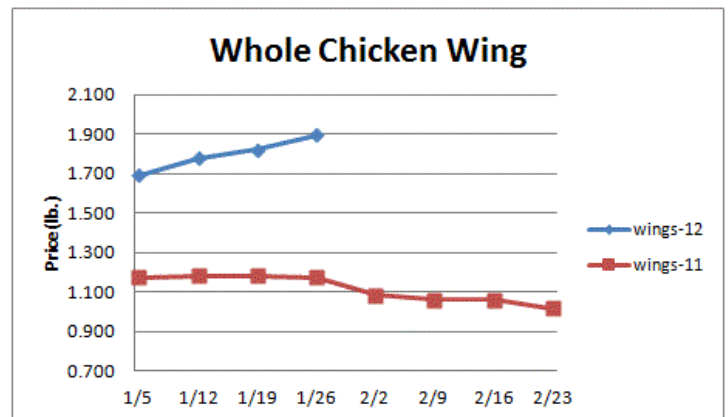
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.370

Processed 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. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 11
Corn, Fcy whl kern- can 6/10	18.651	18.651	-	16.906
Green Beans Fcy- can 6/10	18.250	18.250	-	16.563
Green Peas, Fcy- can 6/10	18.750	18.750	-	17.750
Corn, Cob- froz 96 ct.	14.500	14.500	-	14.000
Corn, Kernel- froz 12/2.5#	14.250	14.250	-	14.250
Green Beans Cut- froz 12/2#	12.900	12.900	-	12.900
Green Peas- froz 12/2.5#	20.250	20.250	-	20.250
Potatoes, FF Fncy- froz 6/5#	14.000	14.000	-	13.000

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. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.908	.905	+.003	.850
Whole Birds (LA)	1.000	.990	+.010	.940
Wings (whole)	1.895	1.820	+.075	1.175
Wings (jumbo, cut)	1.910	1.815	+.095	1.250
Breast, Bone In	.890	.880	+.010	.785
Breast, Bnless Skinless	1.520	1.520	-	1.430
Tenderloin (random)	1.430	1.380	+.050	1.000
Tenderloin (sized)	2.030	1.980	+.050	1.850
Legs (whole)	.759	.747	+.012	.482
Leg Quarters	.535	.535	-	.395
Thighs, bone in	.784	.798	-.014	.521
Thighs, boneless	1.247	1.279	-.032	.956
Eggs and Others				
Large (dozen)	.977	1.127	-.150	.967
Medium (dozen)	.812	.875	-.063	.837
Whole Eggs- Liquid	.348	.358	-.010	.333
Egg Whites- Liquid	.409	.408	+.001	.327
Egg Yolks- Liquid	.655	.649	+.006	.641
Whole Turkeys (8-16 lb.)	1.010	1.018	-.008	.900
Turkey Breast, Bnls/Sknl	2.430	2.430	-	2.370

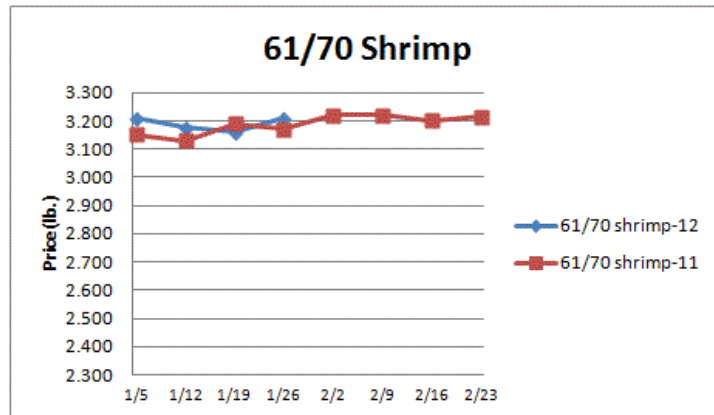


Seafood- In '11, total US Gulf of Mexico shrimp landings were up 23% from '10 and the largest since '09. US Gulf of Mexico shrimp landings during Dec were 37% less than the prior year's abnormally large total. Shrimpers are facing high fuel costs which may slow fishing schedules. Still, the future value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

	Price	Last Week	Difference	Price 11
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	3.550

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Catfish Filets	5.400	5.400	-	3.500
Trout (drn. 8-14 oz.)	3.500	3.500	-	3.100
Shrimp (16/20), Frz	6.386	6.400	-.014	7.455
Shrimp (61/70), Frz.	3.208	3.160	+.048	3.170
Shrimp, Tiger (26/30), Frz.	4.983	4.975	+.008	4.950
Snow Crab, Legs 5-8 oz, Frz	5.000	5.000	-	5.800
Snow Crab, Legs 8 oz/ up, Frz	5.725	5.725	-	5.875
Cod Tails, 3-7 oz., Frz.	3.475	3.340	+.135	3.088
Cod Loins, 3-12 oz., Frz	3.600	3.820	-.220	3.794
Salmon Portions, 4-8 oz, Frz	6.000	6.066	-.066	6.113
Pollock, Alaska, Deep Skin	1.800	1.800	-	2.075



Energy & Currency-Currency US dollar is worth.

	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	98.950	100.710	-1.760	86.190
Natural Gas, mbtu- nymex	2.554	2.488	+.066	4.473
Heating Oil, gal- nymex	3.024	3.037	-.013	2.593
Electricity, mwh- nymex	35.440	37.360	-1.920	58.880
Gasoline, gal- nymex	2.805	2.771	+.034	2.343
Diesel Fuel, gal- eia	3.848	3.854	-.006	3.430
Ethanol, gal- usda	2.120	2.135	-.015	2.250
Canadian \$	1.012	1.012	-	.999
Japanese Yen	77.590	76.779	+.811	82.325
Mexican Peso	13.225	13.470	-.245	12.085
Euro	.769	.782	-.013	.733
Brazilian Real	1.763	1.772	-.009	1.671
Chinese Yuan	6.311	6.319	-.008	6.583

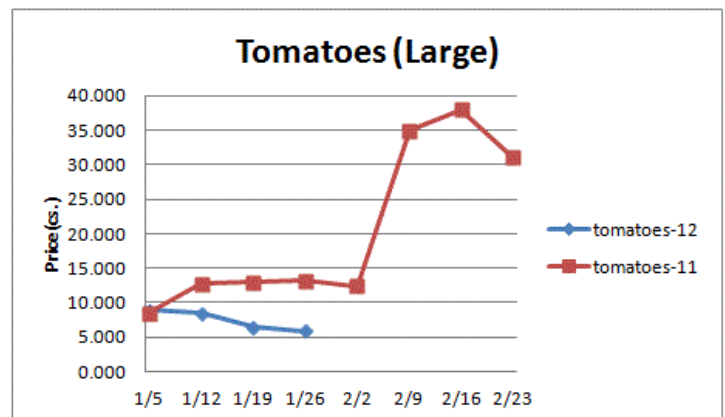
Paper/Plastic-Provided by; resin- www.plasticsnews.com, pulp- www.paperage.com.

Wood Pulp/ Plastic Resin	Price	Last Week	Difference	Price 11
WP; NBSK (napkin, towel)	871.860	876.900	-5.040	960.370
WP; 42 lb. Linerboard (corr.)	686.337	672.498	+13.839	823.253
Res; PS-CHH (cup, cont.)	1.070-1.110	1.070-1.110	-	.950-.990
Res; PP-HIGP (hvy utensil)	.960-.980	.960-.980	-	1.1501.170
Res; PE-LLD (cn liner, film)	.880-.910	.880-.910	-	.830-.860

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. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	14.000	16.000	-2.000	52.000
Lemons (95 ct.)	18.740	18.740	-	13.640
Lemons (200 ct.)	19.240	19.240	-	12.140
Honeydew (6 ct.)	13.450	13.450	-	9.319
Cantaloupe (15 ct.)	15.450	14.250	+1.200	10.213
Blueberries (12 count)	10.750	10.750	-	14.000

Strawberries (12 pnts.)	17.000	18.000	-1.000	21.000
Avocados (Hass 48 ct.)	27.250	27.750	-.500	32.250
Bananas (40 lb.)- Term.	16.031	14.983	+1.048	18.662
Pineapple (7 ct.)- Term.	13.135	13.010	+.125	12.063
Idaho Potato (60 ct., 50 lb.)	8.750	8.625	+.125	17.125
Idaho Potato (70 ct., 50 lb.)	8.687	8.625	+.062	15.875
Idaho Potato (70 ct.)-Term.	15.156	15.000	+.156	19.825
Idaho Potato (90 ct., 50 lb.)	8.812	8.812	-	10.000
Idaho Pot. # 2 (6 oz., 100 lb.)	13.250	13.250	-	14.250
Processing Potato (cwt.)	7.500	7.500	-	7.750
Yellow Onions (50 lb.)	4.800	5.500	-.700	10.417
Yell Onions (50 lb.)-Term.	9.406	10.412	-1.006	12.688
Red Onions (25 lb.)- Term.	7.723	8.500	-.777	10.333
White Onions (50 lb.)- Term.	18.802	18.437	+.365	17.667
Tomatoes (large- case)	5.950	6.450	-.500	13.200
Tomatoes (5x6-25 lb.)-Term	9.125	13.416	-4.291	17.417
Tomatoes (4x5 vine ripe)	5.560	6.450	-.890	8.950
Roma Tomatoes (large- case)	6.046	6.522	-.476	9.894
Roma Tomatoes (xlarge-cs)	6.266	6.787	-.521	9.894
Green Peppers (large- case)	7.166	15.916	-8.750	9.150
Red Peppers (large 15lb. cs.)	9.950	16.450	-6.500	14.950
Iceberg Lettuce (24 count)	7.862	6.475	+1.387	16.243
Iceberg Lettuce (24)-Term.	17.666	12.333	+5.333	22.167
Leaf Lettuce (24 count)	15.015	14.516	+.499	8.942
Romaine Lettuce (24 cnt.)	10.308	11.266	-.958	20.725
Mesculin Mix (3 lb.)-Term.	7.062	7.125	-.063	6.854
Broccoli (14 ct.)	6.958	7.093	-.135	11.650
Squash (1/2 bushel)	22.350	21.850	+.500	12.100
Zucchini (1/2 bushel)	24.100	26.850	-2.750	8.600
Green Beans (bushel)	18.383	22.937	-4.554	39.650
Spinach, Flat 24's	11.975	11.220	+.755	18.200
Mushrms (10 lb, lg.)-Term.	14.270	15.145	-.875	13.313
Cucumbers (bushel)	10.891	14.870	-3.979	7.319
Pickles (200-300 ct.)- Term.	25.166	24.791	+.375	19.813
Asparagus (small)	14.500	22.375	-7.875	13.000
Freight (Truck; CA-Cty Av.)	4925.000	4918.750	6.250	4300.000



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

	Dec-11	Nov-11	Oct-11	Sep-11
Beef and Veal	+.885	+.353	+.514	+.025
Dairy	-.141	-.331	+.051	+1.228
Pork	-1.030	-.906	-.421	+1.478
Chicken	+.897	-.038	+.994	+.341
Fresh Fish and Seafood	+.449	+.356	-1.107	+.512
Fresh Fruits and Veg.	+.252	-.399	-1.473	+1.592