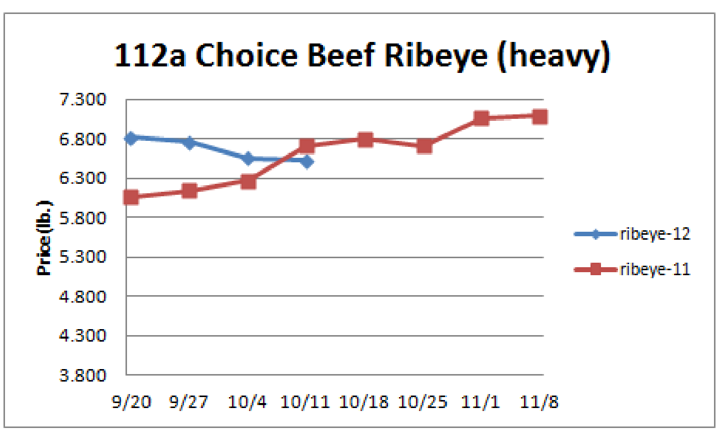
Weekly Market Updates

Volume No. 17 Issue No. 41 Date: October 11, 2012

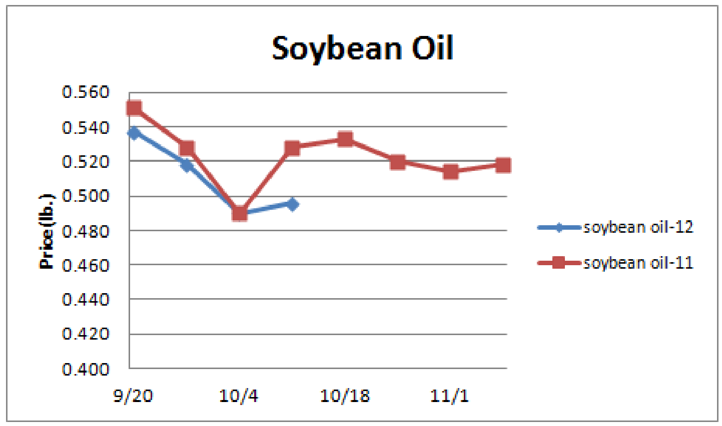
Beef Beef output last week fell 4.5% and was 5.4% smaller than a year ago. Cattle supplies should remain limited in the coming months which may temper beef output. The beef markets are likely to be supported this fall. The beef tenderloin, a typical holiday beef item, is currently priced 15% above its five-year average for the week. Tenderloin prices usually appreciate 20% over the next eight weeks. Japan is expected to ease restrictions on imports of U.S. beef this fall. This could provide added support to the U.S. beef end cut markets. The chuck markets usually decline in the coming months. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.215	1.211	+.004	1.209
Feeder Cattle Index (CME)	1.434	1.431	+.003	1.366
Ground Beef 81/19	1.826	1.828	-.002	1.616
Ground Chuck	1.869	1.864	+.005	1.647
109e Export Rib (choice)	5.968	5.628	+.340	5.833
109e Export Rib (prime)	9.563	9.695	-.132	9.515
112a Ribeye (choice)	6.519	6.554	-.035	6.712
112a Ribeye (prime)	9.760	9.691	+.069	9.570
116 Chuck (select)	2.556	2.550	+.006	2.451
116 Chuck (choice)	3.026	2.937	+.089	2.671
116b Chuck Tdnr (choice)	2.407	2.405	+.002	2.143
120 Brisket (choice)	2.124	2.076	+.048	1.932
121c Outside Skirt (ch/sel)	5.222	5.663	-.441	3.676
121d Inside Skirt (ch/sel)	3.475	3.468	+.007	3.160
167a Knckle, Trm. (ch.)	2.403	2.449	-.046	2.480
168 Inside Round (ch.)	2.023	2.013	+.010	2.070
174 Short Loin (ch. 0x1)	4.847	4.942	-.095	4.447
174 Short Loin (prime)	9.085	9.124	-.039	9.066
180 1x1 Strp (choice)	4.552	4.420	+.132	3.954
180 1x1 Strp (prime)	8.334	9.272	-.938	9.952
180 0x1 Strp (choice)	4.996	4.929	+.067	4.372
184 Top Butt, bnls (ch.)	2.905	2.941	-.036	2.641
184 Top Butt, bnls (prime)	3.875	3.729	+.146	3.571
185a Sirloin Flap (choice)	3.296	3.450	-.154	2.997
185c Loin, Tri-Tip (choice)	2.511	2.380	+.131	2.944
189a Tender (select)	8.719	8.553	+.166	8.038
189a Tender (choice)	9.654	9.558	+.096	9.797
189a Tender (prime)	14.000	14.351	-.351	12.680
193 Flank Steak (choice)	4.759	4.971	-.212	4.509
50% Trimmings	.538	.514	+.024	.906
65% Trimmings	1.073	1.074	-.001	1.199
75% Trimmings	1.431	1.697	-.266	1.421
85% Trimmings	1.868	1.834	+.034	1.554
90% Trimmings	2.008	2.015	-.007	1.675
90% Imported Beef (frz.)	2.010	2.010	-	1.818
95% Imported Beef (frz.)	2.160	2.130	+.030	1.945
Veal Rack (Hotel 7 rib)	8.020	8.020	-	6.450
Veal Top Rnd. (cp. off)	14.370	14.370	-	13.120



Oil, Grains, Misc.- Relatively tight grain supplies are expected to persist well into next year. Elevated grain markets are anticipated to preserve in the coming months. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	15.396	15.103	+.293	12.010
Crude Soybean Oil, lb.	.496	.490	+.006	.528
Soybean Meal, ton	489.000	479.150	+9.850	302.100
Corn, bushel	7.335	7.394	-.059	6.279
Crude Corn Oil, lb.	.545	.563	-.018	.545
High Fructose Corn Syrup	.203	.204	-.001	.180
Distillers Grain, Dry	270.000	262.500	+7.500	189.000
Crude Palm Oil, lb. BMD	.352	.336	+.016	.412
HRW Wheat, bushel	8.590	8.520	+.070	6.950
DNS Wheat 14%, bushel	9.380	9.340	+.040	9.210
Durum Wheat, bushel	8.000	8.013	-.013	12.063
Pinto Beans, lb.	.348	.348	-	.448
Black Beans, lb.	.315	.315	-	.483
Rice, Long Grain, lb.	.271	.270	+.001	.293
Coffee, lb. NYBOT	1.634	1.818	-.184	2.300
Sugar, lb. NYBOT	.256	.250	+.006	.375
Honey (Clover), lb.	1.875	1.875	-	1.700



Dairy- The CME butter market has become erratic during the last week. History points to butter prices trending 3.7% higher during the next four weeks due to seasonally rising demand. The CME cheese markets are firm. Typically, the cheese block market declines 3.2% from now until early November before rising 8% into the Thanksgiving holiday. The existing inflated class III milk prices suggest the upside price risk in dairy products from here may be nominal. The last time front month class III milk prices traded this high the cheese markets fell 30% over the next six months. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	2.060	2.050	+.010	1.730
Cheese Blocks (CME)	2.100	2.100	-	1.680
American Cheese	2.238	2.203	+.035	2.060
Cheddar Cheese (40 lb.)	2.485	2.448	+.037	2.243
Mozzarella Cheese	2.330	2.293	+.037	2.078
Provolone Cheese	2.680	2.643	+.037	2.233
Parmesan Cheese	4.028	3.990	+.038	3.313
Butter (CME)	1.930	1.950	-.020	1.820
Nonfat Dry Milk	1.576	1.599	-.023	1.556
Whey, Dry	.609	.605	+.004	.607
Class 1 Base	18.880	18.880	-	19.560
Class II Cream, heavy	2.513	2.532	-.019	2.240
Class III Milk (CME)	20.690	21.340	-.650	17.010
Class IV Milk (CME)	19.150	19.640	-.490	18.010

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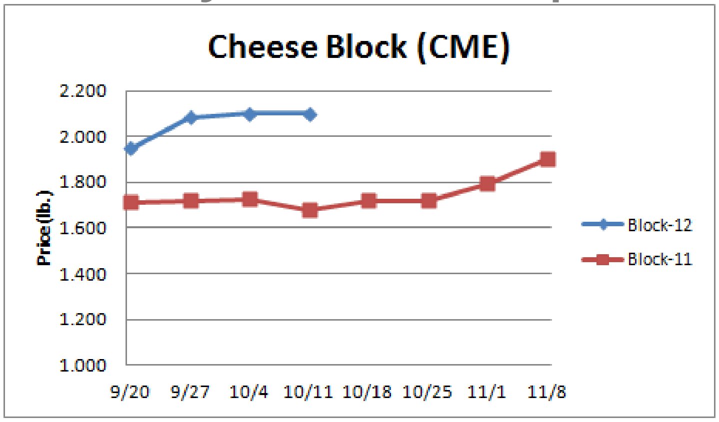
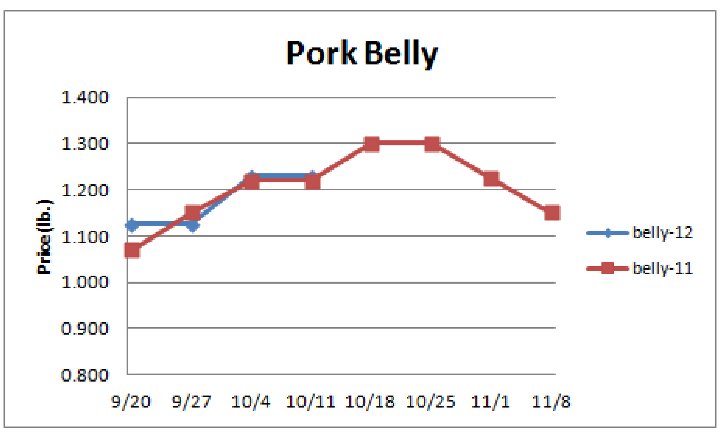


Pork- Pork production last week increased .6% but was .1% smaller than '11. Recently, hog weights have declined below last year and the five year average levels. This suggests hog supplies are tightening. Further, below average seasonal hog weight gains during the last two months indicates that the USDA pork cutout may have already formed a bottom this fall. Still, modestly lower prices from here for various pork products could occur in the near term. Pork retail feature activity should wane in November. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.592	.571	+.021	.671
Belly (bacon)	1.230	1.230	-	1.220
Sparerib (4.25 lb. & down)	1.317	1.297	+.020	1.494
Ham (20-23 lb.)	.800	.800	-	.960
Ham (23-27 lb.)	.800	.800	-	.900
Loin (bone-in)	.950	.918	+.032	1.112
Bbybck Rib (1.75 lb. & up)	2.006	1.990	+.016	2.809
Tenderloin (1.25 lb.)	2.114	2.083	+.031	2.830
Boston Butt, untrmd. (4-8lb.)	.882	.860	+.022	1.003
Picnic, untrmd.	.582	.518	+.064	.773
SS Picnic, smoker trm. bx.	.850	.780	+.070	.973
42% Trimmings	.450	.440	+.010	.575
72% Trimmings	.640	.580	+.060	.850



Tomato Products, Canned- The U.S. tomato for canning harvest is winding down. The canned tomato markets should remain above year ago levels this fall. Prices per case (6/10) FOB, unless noted from ARA.

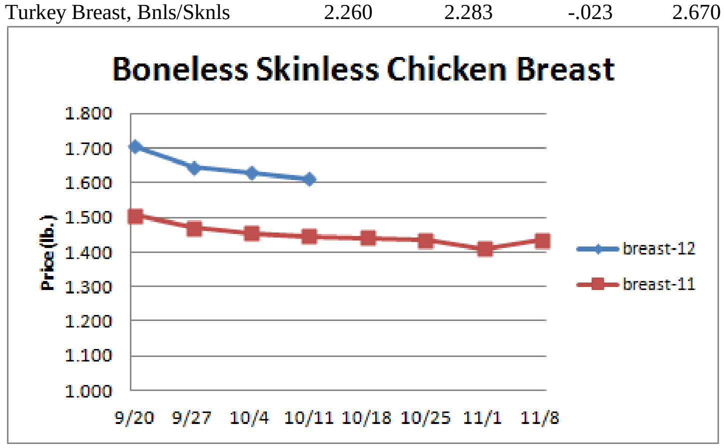
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- 2012 U.S. sweet corn production is expected to be slightly bigger than last year due in part to larger acreage. The canned corn 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 margins remain poor but further chicken output cutbacks have failed to materialize. The six-week moving average for broiler egg sets is .8% larger than last year. Still, chicken output could wane in '13 if feed costs remain inflated. The ARA daily chicken wing index recently priced at its second highest level since February. Since '07, the average move for the jumbo cut chicken wing market during the next five weeks is 4.5% higher. Any wing price appreciation this year may be less intense due to chicken production gains. The ARA daily chicken breast index has declined 15.8% since August 30th. History points to boneless skinless chicken breast prices falling another 7.2% into mid November. 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)	1.830	1.820	+.010	1.130
Wings (jumbo, cut)	1.860	1.827	+.033	1.165
Breast, Bone In	1.000	1.035	-.035	.805
Breast, Bnless Skinless	1.610	1.630	-.020	1.445
Tenderloin (random)	1.240	1.240	-	1.180
Tenderloin (sized)	1.870	1.870	-	1.780
Legs (whole)	.693	.713	-.002	.689
Leg Quarters	.535	.530	+.005	.530
Thighs, bone in	.778	.786	-.008	.735
Thighs, boneless	1.307	1.263	+.044	1.341
Eggs and Others				
Large (dozen)	1.367	1.360	+.007	1.187
Medium (dozen)	1.062	1.062	-	1.048
Whole Eggs- Liquid	.761	.878	-.117	.640
Egg Whites- Liquid	.496	.508	-.012	.550
Egg Yolks- Liquid	1.284	1.316	-.032	.807
Whole Turkeys (8-16 lb.)	1.105	1.105	-	1.105
Turkey Breast, Bnls/Sknls	2.260	2.283	-.023	2.670



Seafood- The Alaskan Bearing Sea snow crab fishing season will officially start next week. This year's snow crab quota is 66.35 million pounds versus last year's 88.89 million pounds. Still, this season's quota is the second largest in seven years. The snow crab leg market (5-8 oz) is 6.4% above the five year average for the week. Seasonal charts suggest that snow crab leg prices could remain relatively flat during the fall. Prices for fresh product, unless noted, per pound from Fisheries Market News.

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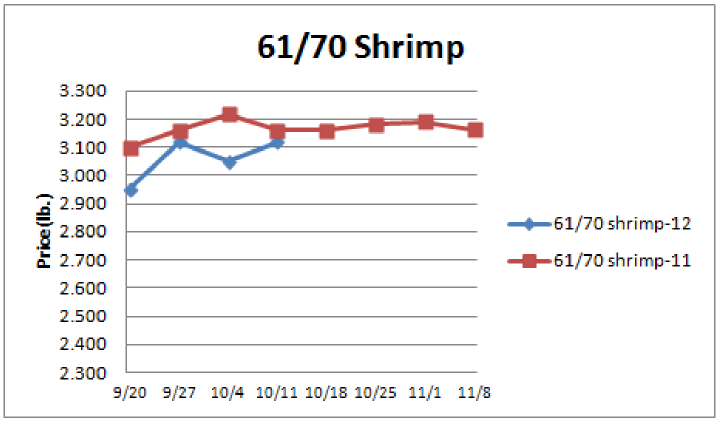
	Price	Last Week	Difference	Price 11
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	3.100
Catfish Filets	4.500	4.500	-	5.250
Trout (drn. 8-14 oz.)	3.700	3.700	-	3.500
Shrimp (16/20), Frz	4.923	5.069	-.146	6.300
Shrimp (61/70), Frz.	3.117	3.050	+.067	3.160
Shrimp, Tiger (26/30), Frz.	4.400	4.500	-.100	4.925
Snow Crab, Legs 5-8 oz, Frz	4.975	4.975	-	5.825
Snow Crab, Legs 8 oz/ up, Fz	5.800	5.800	-	6.425
Cod Tails, 3-7 oz., Frz.	3.500	3.500	-	3.280
Cod Loins, 3-12 oz., Frz	3.563	3.563	-	3.680
Salmon Portions, 4-8 oz, Frz	5.083	5.083	-	6.437
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.800



Energy & Currency-Currency US dollar is worth.

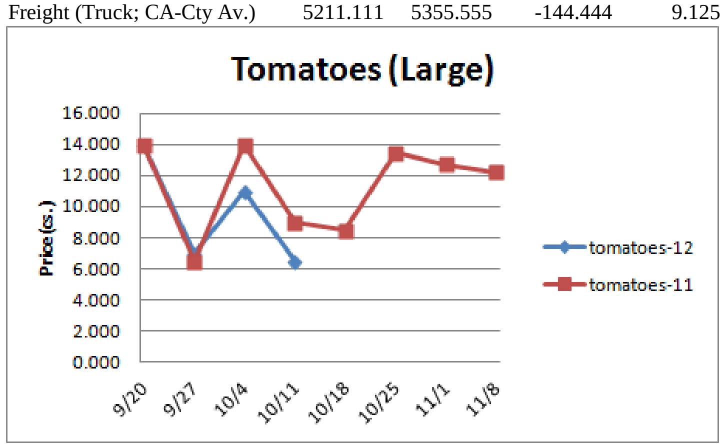
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	92.390	91.890	+.500	85.810
Natural Gas, mbtu- nymex	3.467	3.120	+.347	3.616
Heating Oil, gal- nymex	3.203	3.126	+.077	2.904
Electricity, mwht- nymex	39.370	41.540	-2.170	43.070
Gasoline, gal- nymex	2.959	3.804	-.845	2.748
Diesel Fuel, gal- eia	4.094	4.079	+.015	3.721
Ethanol, gal- usda	2.300	2.135	+.165	2.470
Canadian $	.978	.988	-.010	1.028
Japanese Yen	78.305	78.465	-.160	76.622
Mexican Peso	12.882	12.856	+.026	13.336
Euro	.778	.775	+.003	.735
Brazilian Real	2.036	2.028	+.008	1.773

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)	842.440	832.110	+10.330	954.190
WP; 42 lb. Linerboard (corr.)	739.037	737.678	+1.359	770.142
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- Mature green tomato prices are lower. The western tomato harvest will soon be transitioning south. The chief eastern tomato crop is now beginning in Florida. These regional tomato crop shifts can create tomato price instability during the fall. The Hass avocado market is 9% below its three year average for the week. The California avocado season is winding down as the Mexican avocado harvest becomes an important supply source. Since '07, the average move for the Hass avocado market is 14.3% lower over the next eleven weeks. The iceberg lettuce market remains deflated. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	6.500	7.000	-.500	9.000
Lemons (95 ct.)	18.240	18.240	-	23.690
Lemons (200 ct.)	16.240	16.240	-	15.690
Honeydew (6 ct.)	8.175	7.475	+.700	6.659
Cantaloupe (15 ct.)	7.250	7.000	+.250	4.000
Blueberries (12 count)	27.250	25.500	+1.750	30.667
Strawberries (12 pnts.)	11.500	11.500	-	10.500
Avocados (Hass 48 ct.)	25.250	27.250	-2.000	26.250
Bananas (40 lb.)- Term.	14.152	14.275	-.123	14.802
Pineapple (7 ct.)- Term.	10.940	11.861	-.921	11.876
Idaho Potato (60 ct., 50 lb.)	5.250	5.500	-.250	9.125
Idaho Potato (70 ct., 50 lb.)	5.250	5.500	-.250	8.750
Idaho Potato (70 ct.)-Term.	11.813	12.279	-.466	15.213
Idaho Potato (90 ct., 50 lb.)	5.750	5.750	-	7.750
Idaho Pot. # 2 (6 oz., 100 lb.)	8.000	8.500	-.500	13.250
Processing Potato (cwt.)	7.500	7.500	-	8.900
Yellow Onions (50 lb.)	6.417	5.375	+1.042	5.688
Yell Onions (50 lb.)-Term.	11.781	11.788	-.007	11.146
Red Onions (25 lb.)- Term.	11.979	12.938	-.959	9.644
White Onions (50 lb.)- Term.	16.200	17.229	-1.029	16.885
Tomatoes (large- case)	6.450	10.950	-4.500	8.950
Tomatoes (5x6-25 lb.)-Term	11.219	12.094	-.875	11.907
Tomatoes (4x5 vine ripe)	8.950	7.950	+1.000	12.950
Roma Tomatoes (large- case)	14.623	13.213	+1.410	9.617
Roma Tomatoes (xlarge-cs)	14.957	13.213	+1.744	10.117
Green Peppers (large- case)	10.258	8.900	+1.358	10.413
Red Peppers (large 15lb. cs.)	11.850	7.850	+4.000	12.950
Iceberg Lettuce (24 count)	7.898	7.598	+.300	6.920
Iceberg Lettuce (24)-Term.	15.500	16.583	-1.083	13.334
Leaf Lettuce (24 count)	6.783	6.948	-.165	7.823
Romaine Lettuce (24 cnt.)	7.408	7.867	-.459	11.313
Mesculin Mix (3 lb.)-Term.	7.125	6.938	+.187	9.000
Broccoli (14 ct.)	6.875	7.020	-.145	23.690
Squash (1/2 bushel)	5.800	10.625	-4.825	15.690
Zucchini (1/2 bushel)	9.208	10.775	-1.567	6.659
Green Beans (bushel)	10.817	9.863	+.954	4.000
Spinach, Flat 24's	9.585	9.750	-.165	30.667
Mushrms (10 lb, lg.)-Term.	15.146	15.146	-	10.500
Cucumbers (bushel)	13.383	9.115	+4.268	26.250
Pickles (200-300 ct.)- Term.	26.875	26.729	+.146	14.802
Asparagus (small)	15.500	18.500	-3.000	11.876
Freight (Truck; CA-Cty Av.)	5211.111	5355.555	-144.444	9.125



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