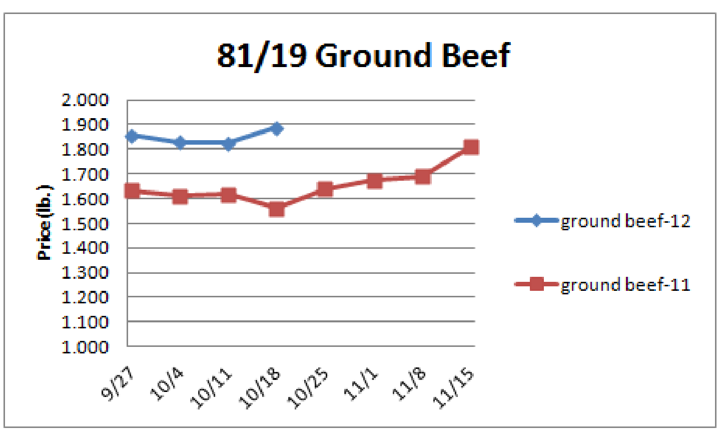
Weekly Market Updates

Volume No. 17 Issue No. 42 Date: October 18, 2012

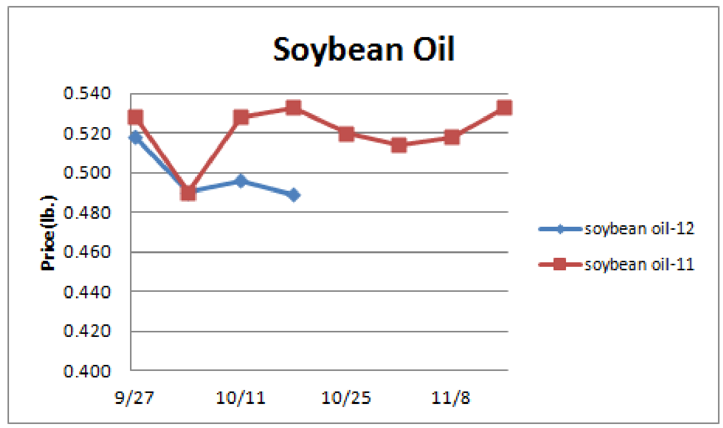
Beef- Beef production last week rose 1.4% but was 1.3% smaller than last year. Slowed beef output in recent weeks is pressuring many of the beef markets higher. Buyers are sourcing ribeyes and tenderloins for the upcoming holiday season. Last year, ribeye and tenderloin prices increased 5.5% and 3.9% during the next four weeks. August U.S. beef exports were down 14.7% versus '11 but outpaced U.S. beef imports by twenty-one million pounds, the largest amount in eight months. If exports continue to trend higher than imports it should be supportive of the beef end cut and lean trim markets. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.237	1.215	+.022	1.192
Feeder Cattle Index (CME)	1.442	1.434	+.008	1.376
Ground Beef 81/19	1.889	1.826	+.063	1.561
Ground Chuck	1.893	1.869	+.024	1.525
109e Export Rib (choice)	6.010	5.968	+.042	5.941
109e Export Rib (prime)	9.688	9.563	+.125	9.494
112a Ribeye (choice)	6.465	6.519	-.054	6.801
112a Ribeye (prime)	10.307	9.760	+.547	9.433
116 Chuck (select)	2.705	2.556	+.149	2.415
116 Chuck (choice)	2.341	3.026	+.315	2.660
116b Chuck Tdnr (choice)	2.341	2.407	-.066	2.188
120 Brisket (choice)	2.150	2.124	+.026	1.886
121c Outside Skirt (ch/sel)	5.313	5.222	+.091	3.619
121d Inside Skirt (ch/sel)	3.367	3.475	-.108	2.995
167a Knckle, Trm. (ch.)	2.447	2.403	+.044	2.468
168 Inside Round (ch.)	2.083	2.023	+.060	2.068
174 Short Loin (ch. 0x1)	4.820	4.847	-.027	4.416
174 Short Loin (prime)	9.229	9.085	+.144	9.160
180 1x1 Strp (choice)	4.600	4.552	+.048	4.044
180 1x1 Strp (prime)	9.517	8.334	+1.183	10.459
180 0x1 Strp (choice)	4.956	4.996	-.040	4.558
184 Top Butt, bnls (ch.)	2.940	2.905	+.035	2.612
184 Top Butt, bnls (prime)	3.790	3.875	-.085	3.502
185a Sirloin Flap (choice)	3.477	3.296	+.181	2.895
185c Loin, Tri-Tip (choice)	2.528	2.511	+.017	3.862
189a Tender (select)	9.521	8.719	+.802	8.139
189a Tender (choice)	9.989	9.654	+.335	9.935
189a Tender (prime)	14.320	14.000	+.320	12.854
193 Flank Steak (choice)	4.772	4.759	+.013	4.059
50% Trimmings	.560	.538	+.022	.953
65% Trimmings	1.093	1.073	+.020	1.154
75% Trimmings	1.422	1.431	-.009	1.421
85% Trimmings	1.895	1.868	+.027	1.603
90% Trimmings	2.029	2.008	+.021	1.706
90% Imported Beef (frz.)	2.020	2.010	+.010	1.868
95% Imported Beef (frz.)	2.160	2.160	-	1.985
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.- Indonesia's palm oil inventory increased to record high levels during September. Ample world palm oil stocks could limit the upside in soybean oil prices this fall. Prices USDA, FOB.

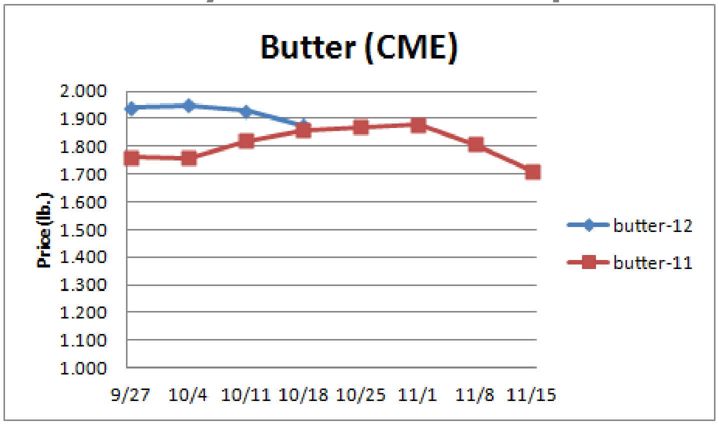
	Price	Last Week	Difference	Price 11
Soybeans, bushel	14.888	15.396	-.508	12.325
Crude Soybean Oil, lb.	.489	.496	-.007	.533
Soybean Meal, ton	471.800	489.000	-17.200	308.300
Corn, bushel	7.342	7.335	+.007	6.337
Crude Corn Oil, lb.	.545	.545	-	.538
High Fructose Corn Syrup	.203	.203	-	.181
Distillers Grain, Dry	273.50	270.000	+3.500	200.250
Crude Palm Oil, lb. BMD	.358	.352	+.006	.417
HRW Wheat, bushel	8.530	8.590	-.060	6.820
DNS Wheat 14%, bushel	9.340	9.380	-.040	8.980
Durum Wheat, bushel	8.063	8.000	+.063	12.063
Pinto Beans, lb.	.347	.348	-.001	.445
Black Beans, lb.	.310	.315	-.005	.470
Rice, Long Grain, lb.	.271	.271	-	.293
Coffee, lb. NYBOT	1.608	1.634	-.026	2.370
Sugar, lb. NYBOT	.238	.256	-.018	.390
Honey (Clover), lb.	1.813	1.875	-.062	1.675



Dairy- The CME cheese markets have weakened, falling Tuesday by the most in a year. Usually a move in CME cheese like Tuesday, is a warning of even lower prices. August cheese exports were up 30% versus '11 but were the smallest since January. International cheese prices remain at considerable discounts to domestic cheese which is discouraging U.S. exports. CME butter prices are softening as well, but holiday season demand may temper any further near term price declines. August butter exports were 50% below last year and the smallest since October '11. Prices per pound, except Class I Cream (hundred weight), from USDA.

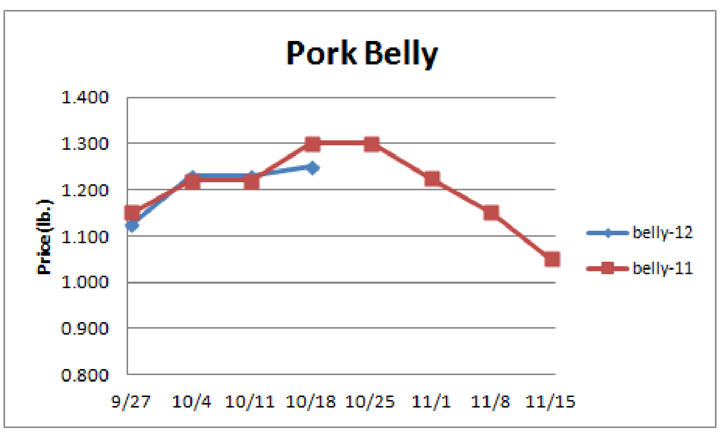
	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.928	2.060	-.132	1.720
Cheese Blocks (CME)	2.010	2.100	-.090	1.720
American Cheese	2.250	2.238	+.012	2.080
Cheddar Cheese (40 lb.)	2.490	2.485	+.005	2.213
Mozzarella Cheese	2.335	2.330	+.005	2.048
Provolone Cheese	2.685	2.680	+.005	2.203
Parmesan Cheese	4.033	4.028	+.005	3.283
Butter (CME)	1.875	1.930	-.055	1.860
Nonfat Dry Milk	1.571	1.576	-.005	1.545
Whey, Dry	.616	.609	+.007	.617
Class 1 Base	18.880	18.880	-	19.560
Class II Cream, heavy	2.433	2.513	-.080	2.347
Class III Milk (CME)	20.120	20.690	-.570	17.390
Class IV Milk (CME)	19.000	19.150	-.150	18.200

Weekly Market Updates



Pork- Pork output last week rose 1.6% and was 1.9% larger than a year ago. Pork has garnered notable retail feature activity as of late due in part to expensive beef prices and National Pork Month. This is expected to end soon with holiday beef items likely to receive more retail attention. Thus, various pork markets could experience modest declines during the next few weeks. August U.S. pork exports were 1.7% above '11 and the largest since May. A deflated U.S. dollar is likely to persist which should support pork exports. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.603	.592	+.011	.674
Belly (bacon)	1.250	1.230	+.020	1.300
Sparerib (4.25 lb. & down)	1.373	1.317	+.056	1.498
Ham (20-23 lb.)	.820	.800	+.020	1.000
Ham (23-27 lb.)	.800	.800	-	.900
Loin (bone-in)	.968	.950	+.018	1.102
Bbybck Rib (1.75 lb. & up)	2.038	2.006	+.032	2.770
Tenderloin (1.25 lb.)	2.069	2.114	-.045	2.813
Boston Butt, untrmd. (4-8lb.)	.890	.882	+.008	1.023
Picnic, untrmd.	.569	.582	-.013	.765
SS Picnic, smoker trm. bx.	.870	.850	+.020	.973
42% Trimmings	.550	.450	+.100	.530
72% Trimmings	.680	.640	+.040	.814



Tomato Products, Canned- The U.S. tomato for canning harvest is ending with output estimated to be the second largest on record. Canned tomato prices are firm. Prices per case (6/10) FOB, unless noted from ARA.

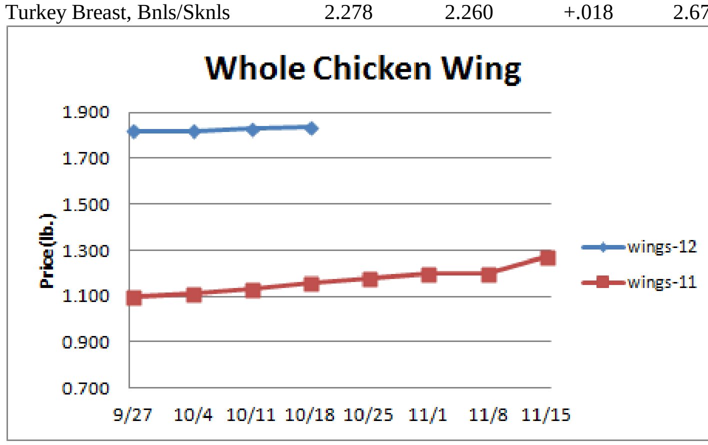
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables The '12 green pea for processing harvest was 18% larger than the previous year. The processed green pea markets are steady to 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 profitability remains a challenge. Last week's spot chicken feed cost ratio was the lowest for the week in eight years. However, chicken production continues to run above year ago levels. If weakness in the boneless skinless chicken breast market persists as expected, it's likely that chicken output will be curbed. U.S. chicken export sales during August were down 6.5% versus the previous year but were the largest since October '11. Chicken exports are expected to remain solid and supportive of chicken leg quarter prices. Chicken wing prices are steady but remain historically inflated. Since '07, the average move for the jumbo cut chicken wing market during the next eight weeks is 6.4% higher. Prices USDA, FOB per pound except when noted.

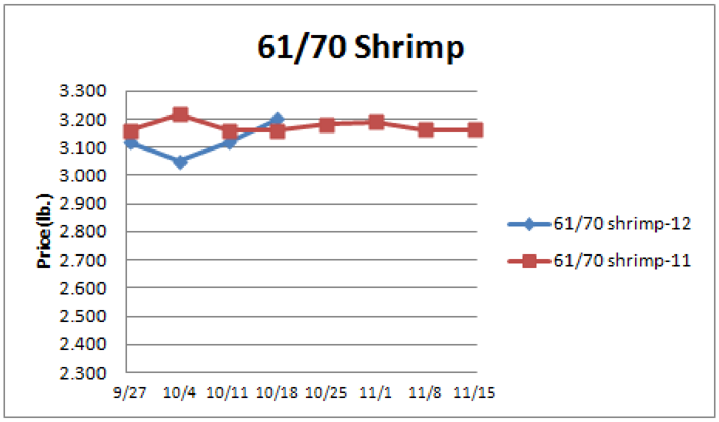
Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.958	.958	-	.890
Whole Birds (LA)	1.050	1.050	-	.980
Wings (whole)	1.835	1.830	+.005	1.155
Wings (jumbo, cut)	1.860	1.860	-	1.182
Breast, Bone In	1.005	1.000	+.005	.795
Breast, Bnless Skinless	1.605	1.610	-.005	1.440
Tenderloin (random)	1.240	1.240	-	1.180
Tenderloin (sized)	1.870	1.870	-	1.780
Legs (whole)	.694	.693	+.001	.695
Leg Quarters	.535	.535	-	.530
Thighs, bone in	.764	.778	-.014	.752
Thighs, boneless	1.322	1.307	+.015	1.331
Eggs and Others				
Large (dozen)	1.138	1.367	-.229	1.187
Medium (dozen)	.955	1.062	-.107	1.048
Whole Eggs- Liquid	.762	.761	+.001	.664
Egg Whites- Liquid	.510	.496	+.014	.564
Egg Yolks- Liquid	1.310	1.284	+.026	.808
Whole Turkeys (8-16 lb.)	1.105	1.105	-	1.115
Turkey Breast, Bnls/Sknls	2.278	2.260	+.018	2.670



Seafood- During August, U.S. shrimp imports were 23% smaller than last year while shell-on shrimp imports were down 18% from a year ago. This was due largely to a depreciating U.S. dollar during the month. A lower dollar this fall could discourage shrimp imports. Various shrimp markets have a tendency to appreciate modestly during the fall. Last year, the 61/70 shrimp market increased 2.4% during the next seven weeks. Prices for fresh product, unless noted, per pound from Fisheries Market News.

Weekly Market Updates

	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	4.925	4.923	+.002	6.400
Shrimp (61/70), Frz.	3.200	3.117	+.083	3.160
Shrimp, Tiger (26/30), Frz.	4.450	4.400	+.005	4.817
Snow Crab, Legs 5-8 oz, Frz	5.025	4.975	+.050	5.775
Snow Crab, Legs 8 oz/ up, Fz	5.800	5.800	-	6.250
Cod Tails, 3-7 oz., Frz.	3.525	3.500	+.025	3.280
Cod Loins, 3-12 oz., Frz	3.463	3.563	-.100	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.

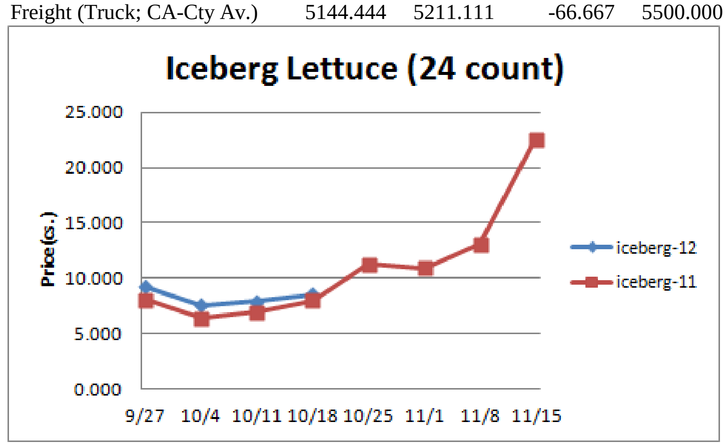
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	92.090	92.390	-.300	88.340
Natural Gas, mbtu- nymex	3.437	3.467	-.030	3.553
Heating Oil, gal- nymex	3.199	3.203	-.004	3.028
Electricity, mwht- nymex	39.790	39.370	+.420	42.380
Gasoline, gal- nymex	2.845	2.959	-.114	2.747
Diesel Fuel, gal- eia	4.150	4.094	+.056	3.801
Ethanol, gal- usda	2.345	2.300	+.045	2.590
Canadian $	.984	.978	+.006	1.025
Japanese Yen	78.675	78.305	+.370	76.755
Mexican Peso	12.823	12.882	-.059	13.541
Euro	.762	.778	-.016	.731
Brazilian Real	2.033	2.036	-.003	1.779

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)	848.290	842.440	+5.850	951.900
WP; 42 lb. Linerboard (corr.)	753.261	739.037	+14.224	771.870
Res; PS-CHH (cup, cont.)	1.180-1.220	1.180-1.220	-	1.160-1.200
Res; PP-HIGP (hvy utensil)	.900-.920	.890-.910	+.010	1.160-1.200
Res; PE-LLD (cn liner, film)	.850-.880	.850-.880	-	.880-.910

Produce- The Idaho potato harvest is winding down with overall output anticipated to be near 10% larger than the previous year. The Idaho potato markets are historically depressed. The downside potato price risk from current levels is likely nominal. Iceberg lettuce continues to price at relatively engaging levels. The chief lettuce harvest area is transitioning to Huron and will soon shift to the Yuma-Imperial Valley. No major lettuce supply gaps are anticipated. Mature green tomato prices can become erratic during the fall. The Florida tomato harvest is getting underway. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	6.000	6.500	-.500	8.000
Lemons (95 ct.)	18.240	18.240	-	19.690
Lemons (200 ct.)	15.740	16.240	-.500	13.690
Honeydew (6 ct.)	8.675	8.175	+.500	7.213
Cantaloupe (15 ct.)	7.250	7.250	-	8.000
Blueberries (12 count)	25.000	27.250	-2.250	33.000
Strawberries (12 pnts.)	12.000	11.500	+.500	10.500
Avocados (Hass 48 ct.)	24.250	25.250	-1.000	26.750
Bananas (40 lb.)- Term.	14.866	14.152	+.714	14.488
Pineapple (7 ct.)- Term.	12.031	10.940	+1.091	12.250
Idaho Potato (60 ct., 50 lb.)	4.750	5.250	-.500	9.125
Idaho Potato (70 ct., 50 lb.)	4.750	5.250	-.500	8.875
Idaho Potato (70 ct.)-Term.	14.906	11.813	+3.093	15.100
Idaho Potato (90 ct., 50 lb.)	5.250	5.750	-.500	8.000
Idaho Pot. # 2 (6 oz., 100 lb.)	7.250	8.000	-.750	13.250
Processing Potato (cwt.)	7.500	7.500	-	8.900
Yellow Onions (50 lb.)	5.250	6.417	-1.167	5.813
Yell Onions (50 lb.)-Term.	11.145	11.781	-.636	11.798
Red Onions (25 lb.)- Term.	11.265	11.979	-.714	8.750
White Onions (50 lb.)- Term.	17.987	16.200	+1.787	18.188
Tomatoes (large- case)	15.950	6.450	+9.500	8.450
Tomatoes (5x6-25 lb.)-Term	12.750	11.219	+1.531	13.459
Tomatoes (4x5 vine ripe)	10.950	8.950	+2.000	10.950
Roma Tomatoes (large- case)	11.633	14.623	-2.990	8.450
Roma Tomatoes (xlarge-cs)	12.450	14.957	-2.507	9.284
Green Peppers (large- case)	11.862	10.258	+1.604	13.900
Red Peppers (large 15lb. cs.)	14.417	11.850	+2.567	12.950
Iceberg Lettuce (24 count)	8.532	7.898	+.634	7.977
Iceberg Lettuce (24)-Term.	15.333	15.500	-.167	14.500
Leaf Lettuce (24 count)	6.698	6.783	-.085	7.575
Romaine Lettuce (24 cnt.)	6.783	7.408	-.625	10.144
Mesculin Mix (3 lb.)-Term.	6.791	7.125	-.334	7.021
Broccoli (14 ct.)	6.695	6.875	-.180	7.800
Squash (1/2 bushel)	11.600	5.800	+.580	11.350
Zucchini (1/2 bushel)	8.137	9.208	-1.071	6.675
Green Beans (bushel)	13.550	10.817	+2.733	17.350
Spinach, Flat 24's	11.475	9.585	+1.890	13.500
Mushrms (10 lb, lg.)-Term.	15.145	15.146	-.001	11.049
Cucumbers (bushel)	13.987	13.383	+.604	16.925
Pickles (200-300 ct.)- Term.	24.666	26.875	-2.209	28.542
Asparagus (small)	15.375	15.500	-.125	13.500
Freight (Truck; CA-Cty Av.)	5144.444	5211.111	-66.667	5500.000



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

	Sep-12	Aug-12	Jul-12	Jun-12
Beef and Veal	-.309	-.402	+.590	+.607
Dairy	+.355	+.054	-.487	-.283
Pork	-1.108	+1.563	+.403	-.091
Chicken	-.393	+.481	+1.310	+1.736
Fresh Fish and Seafood	+.289	-.206	-.010	-.168
Fresh Fruits and Veg.	+.769	+.042	-1.303	+.126