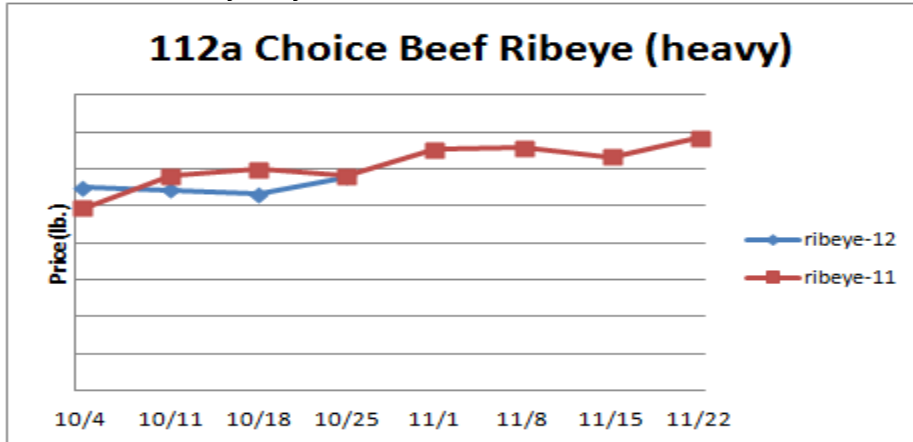


Beef, Veal and Lamb Report

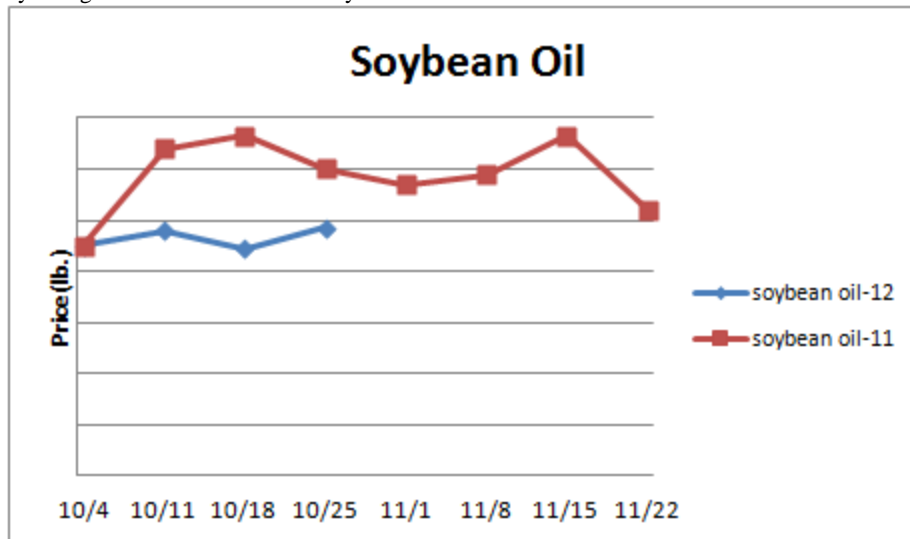
Beef, Veal & Lamb- Beef output last week rose .7% from the prior week but was .7% less than last year. Tighter cattle supplies are projected in the coming months. The October 1st cattle on feed inventory was 2.6% less than a year ago. Cattle placements into feedlots during September fell 18.8% from 2011 and were the smallest for the month in the last 17 years. The USDA is projecting fourth quarter 2012 beef output to be 3.5% less than the previous year. The USDA choice boxed beef cutout, an index of choice beef prices, is nearing record high levels. The upside price risk in choice beef from here may only be modest.



	<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	Higher
Ground Chuck	Increasing	Good	Higher
109 Export Rib (choice)	Increasing	Good	Higher
109 Export Rib (prime)	Increasing	Good	Higher
112a Ribeye (choice)	Increasing	Good	Lower
112a Ribeye (prime)	Decreasing	Good	Higher
116 Chuck (choice)	Decreasing	Good	Higher
120 Brisket (choice)	Increasing	Good	Higher
121c Outside Skirt (ch/sel.)	Decreasing	Good	Higher
167a Knuckle, Trimmed (choice)	Increasing	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)	Decreasing	Good	Higher
180 1x1 Strip (prime)	Decreasing	Good	Lower
180 0x1 Strip (choice)	Increasing	Good	Higher
184 Top Butt, boneless (choice)	Increasing	Good	Higher
184 Top Butt, boneless (prime)	Decreasing	Good	Higher
185a Sirloin Flap (choice)	Increasing	Good	Higher
185c Loin, Tri-Tip (choice)	Decreasing	Good	Lower
189a Tender (select, 5 lb & up)	Decreasing	Good	Higher
189a Tender (choice, 5 lb & up)	Increasing	Good	Higher
189a Tender (prime, heavy)	Decreasing	Good	Higher
193 Flank Steak (choice)	Decreasing	Good	Higher
50% Trimmings	Increasing	Good	Lower
65% Trimmings	Increasing	Good	Lower
75% Trimmings	Steady	Good	Lower
85% Trimmings	Decreasing	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)	Increasing	Good	Higher

Oil and Grains Report

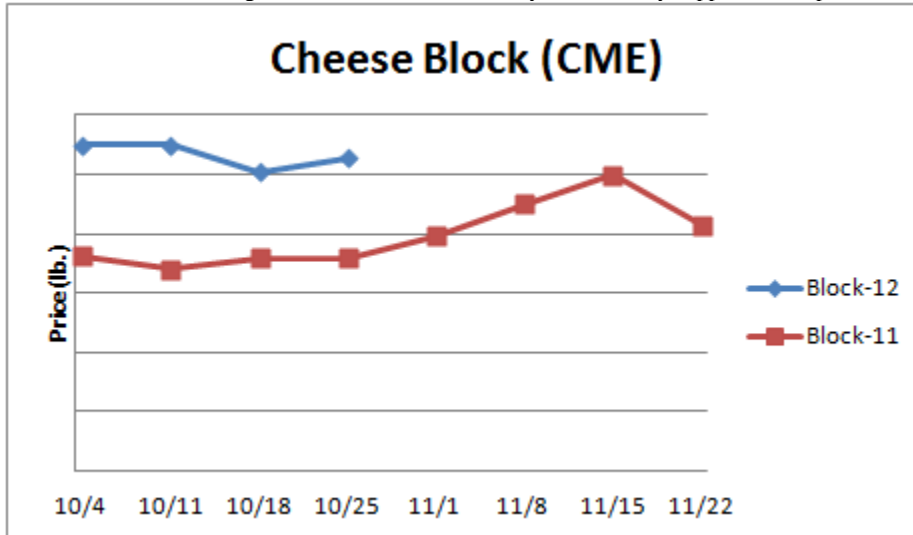
Oil & Grains- U.S. winter wheat planting is progressing but a large area of the country continues to be hampered by drought. The wheat markets may rise unless better weather occurs.



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

Dairy Report

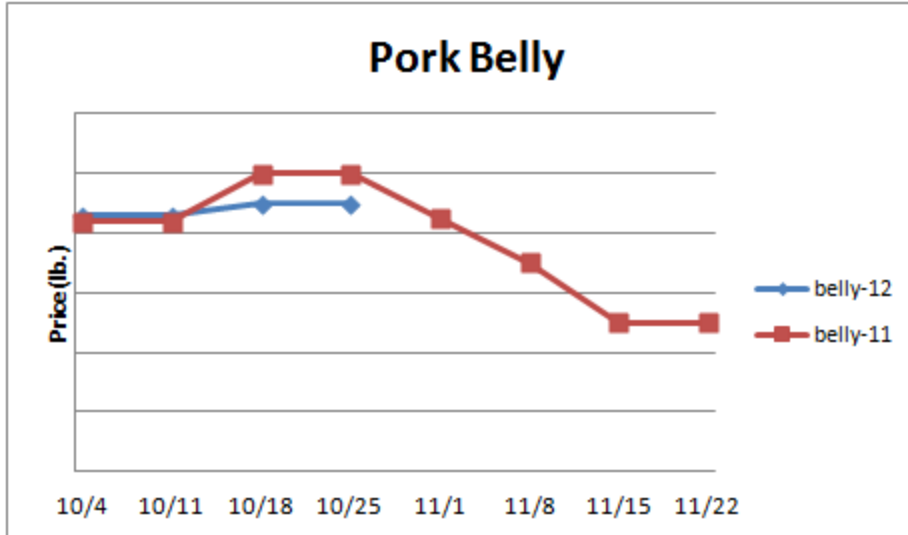
Dairy- Milk production has been curtailed in recent months. U.S. milk output during September was .5% less than last year due to a .1% smaller milk cow herd and a .4% decline in milk per cow yields. Milk farmers reduced the milk cow herd by a net 27 thousand head during September marking the largest one month decline in 3 years. Milk output is likely to stabilize soon. The CME cheese markets are on the rise. History suggests that the CME cheese markets should remain firm during the next few weeks. Holiday demand may support butter prices in early November.



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

Pork Report

Pork- Pork production last week declined .2% but was 1.5% larger than the same week a year ago. Hog weight gains have been lighter than usual during the last few months which is tempering overall pork output. Pork production expansion during the next two months could be less than 1% more than 2011. Pork demand has been solid in recent weeks due to strong retail feature activity. However, retailers are beginning to turn their focus away from many pork items. Modest declines in various pork markets are anticipated in early November.



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

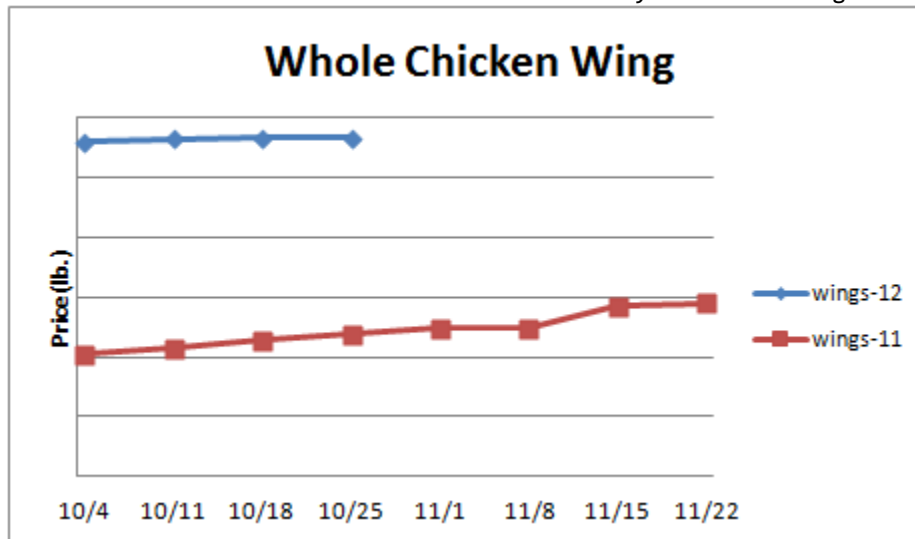
Canned Tomato Report

Tomato Products, Canned- The tomato markets are relatively steady. Higher raw product costs for canners this year could support canned tomato prices this winter.

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

Poultry Report

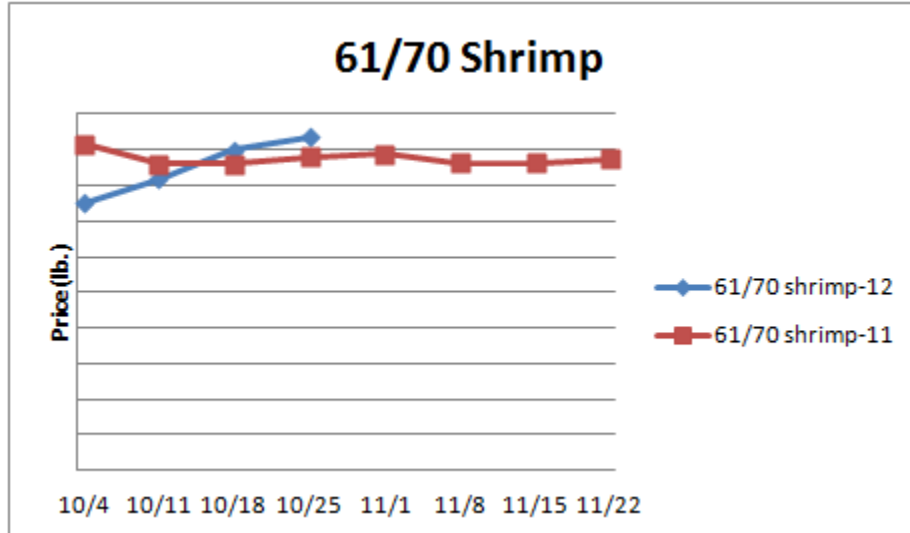
Poultry- Chicken production has been trending modestly above year ago levels as of late despite poor chicken producer margins. There remains little evidence that chicken producers will slow output further anytime soon. The broiler type chick hatch (.3%) and pullet placements into the broiler hatchery flock (.2%) were both higher in September versus the prior year. Chicken output during the fall is projected by the USDA to be 1.3% larger than last year. The chicken wing markets are relatively flat. Usually the chicken wing markets start to firm again towards the end of November but any additional market gains this year could be tempered by larger chicken production. Further modest chicken breast market declines may be forthcoming.



	<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)	Decreasing	Good	Higher
Chicken Wings, Whole	Steady	Good	Higher
Chicken Wings, Jumbo Cut	Steady	Good	Higher
Chicken Breast, Bone-In	Decreasing	Good	Higher
Chicken Breast, Bnless Sknless	Decreasing	Good	Higher
Chicken Tender (random)	Steady	Good	Higher
Chicken Tender (sized)	Steady	Good	Higher
Chicken Legs (whole)	Decreasing	Good	Lower
Chicken Leg Quarters	Steady	Good	Same
Chicken Thighs, bone in	Increasing	Good	Higher
Chicken Thighs, boneless	Decreasing	Good	Lower
Large Eggs	Increasing	Good	Lower
Medium Eggs	Decreasing	Good	Lower
Whole Eggs- Liq	Increasing	Good	Higher
Egg Whites- Liq	Increasing	Good	Lower
Egg Yolks- Liq	Steady	Good	Higher
Whole Turkey (8-16 lb)	Increasing	Good	Lower
Turkey Breast- Bnls/Sknls	Decreasing	Good	Lower

Seafood Report

Seafood- Salmon supplies have been historically ample. A higher valued U.S. dollar is contributing to strong salmon imports. Salmon filet-steak imports during August for the U.S. were 18% larger than the previous year. 2012 U.S. salmon filet-steak imports through August were 9.7% more than last year. The U.S. dollar has depreciated during the last 6 weeks which could be fairly supportive of the salmon markets this fall.



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

Bean, Rice, Coffee and Sugar Report

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

Retail Price Change from Prior Month

	<u>Sep-12</u>	<u>Aug-12</u>	<u>Jul-12</u>
Beef and Veal	Decreasing	Decreasing	Increasing
Dairy	Increasing	Increasing	Decreasing
Pork	Decreasing	Increasing	Increasing
Chicken	Decreasing	Increasing	Increasing
Fresh Fish and Seafood	Increasing	Decreasing	Decreasing
Fresh Fruits and Vegetables	Increasing	Increasing	Decreasing

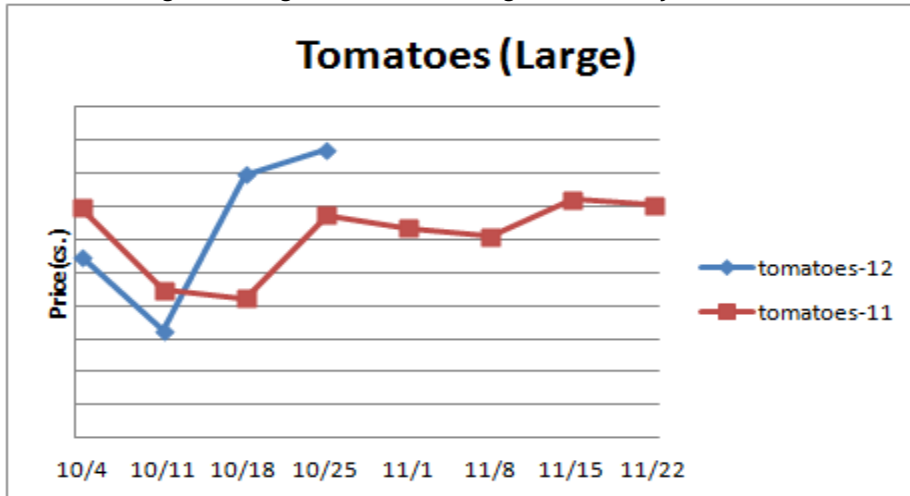
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- September 30th frozen green bean stocks were 22% more than a year ago.
The processed vegetable markets are steady to firm.

<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	Higher
Green Beans, Cut 12/2 lb.	Steady	Good	Higher
Green Peas, 12/2.5 lb.	Steady	Good	Higher
Potatoes, FF Fancy, 6/5 lb.	Steady	Good	Higher

Produce Report

Produce- The tomato markets are moving higher due to supply disruptions. The chief tomato harvest areas are shifting south in both the west and the east. U.S. tomato shipments last week fell 30% from the previous week and were 24% less than a year ago. The Florida tomato harvest may not produce adequate volumes until mid November. Thus, fairly inflated tomato prices could persist. The lettuce markets are higher as well with total shipments last week declining 5%. The chief lettuce harvest area will be transitioning south again as November gets underway.



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

Iceberg Lettuce (24 count)	Increasing	Good	Lower
Iceberg Lettuce (24 cnt)-Term.	Increasing	Good	Higher

Produce Report (continued)

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