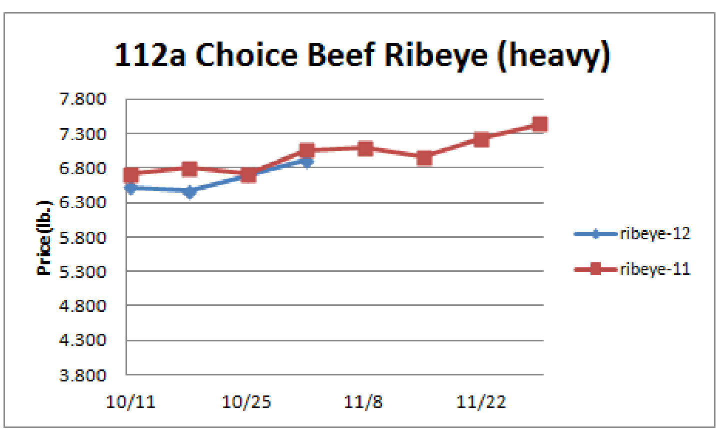
Weekly Market Updates

Volume No. 17 Issue No. 43 Date: November 1, 2012

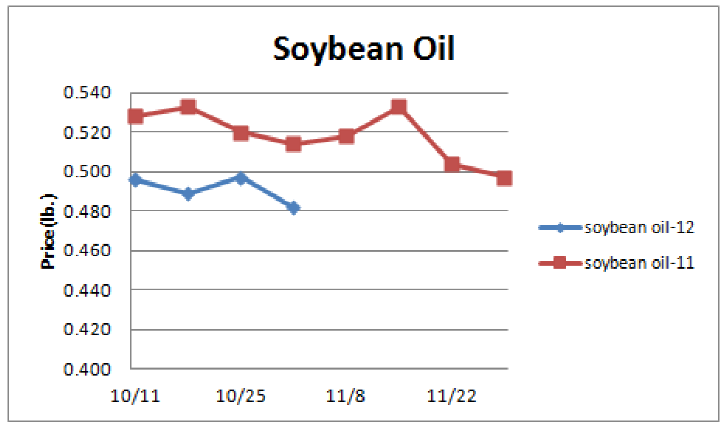
Beef- Beef production last week increased 1.1% but was 2.1% less than the same week a year ago. Beef packer margins have deteriorated due to various beef markets weakening and persisting inflated cattle prices. Thus, beef output is expected to be curbed roughly 1% this week. Many of the beef end cut markets are moving lower due to seasonally slowing demand. History indicates that further beef end cut market declines may be forthcoming. Usually the chuck markets depreciate 9% during the next 5 weeks. Holiday season demand for beef ribeyes and tenderloins remains solid. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.253	1.261	-.008	1.219
Feeder Cattle Index (CME)	1.452	1.451	+.001	1.403
Ground Beef 81/19	1.935	1.916	+.019	1.673
Ground Chuck	1.929	1.945	-.016	1.637
109e Export Rib (choice)	6.389	6.088	+.301	6.176
109e Export Rib (prime)	9.382	9.720	-.338	9.914
112a Ribeye (choice)	6.910	6.697	+.213	7.062
112a Ribeye (prime)	9.896	9.744	+.152	9.783
116 Chuck (select)	2.441	2.697	-.256	2.325
116 Chuck (choice)	2.886	3.165	-.279	2.444
116b Chuck Tdnr (choice)	2.126	2.341	-.215	2.271
120 Brisket (choice)	2.122	2.166	-.044	1.938
121c Outside Skirt (ch/sel)	5.237	5.060	+.177	3.641
121d Inside Skirt (ch/sel)	3.124	3.367	-.243	2.967
167a Knckle, Trm. (ch.)	2.434	2.476	-.042	2.405
168 Inside Round (ch.)	2.176	2.065	+.111	2.008
174 Short Loin (ch. 0x1)	5.277	5.264	+.013	4.519
174 Short Loin (prime)	9.075	9.268	-.193	8.944
180 1x1 Strp (choice)	4.481	4.452	+.029	4.128
180 1x1 Strp (prime)	9.289	9.192	+.097	9.719
180 0x1 Strp (choice)	5.098	5.093	+.005	4.733
184 Top Butt, bnls (ch.)	2.969	3.012	-.043	2.608
184 Top Butt, bnls (prime)	3.529	3.749	-.220	3.370
185a Sirloin Flap (choice)	3.571	3.577	-.006	3.077
185c Loin, Tri-Tip (choice)	2.533	2.490	+.043	2.872
189a Tender (select)	9.081	9.107	-.026	7.826
189a Tender (choice)	10.933	10.449	+.484	9.750
189a Tender (prime)	13.732	14.241	-.509	13.277
193 Flank Steak (choice)	3.815	4.213	-.398	3.661
50% Trimmings	.634	.661	-.027	1.133
65% Trimmings	1.119	1.111	+.008	1.262
75% Trimmings	1.475	1.422	+.053	1.449
85% Trimmings	1.863	1.887	-.024	1.659
90% Trimmings	2.048	2.048	-	1.855
90% Imported Beef (frz.)	2.060	2.055	+.005	1.930
95% Imported Beef (frz.)	2.205	2.210	-.005	2.060
Veal Rack (Hotel 7 rib)	8.020	8.020	-	6.450
Veal Top Rnd. (cp. off)	14.700	14.525	+.175	13.375



Oil, Grains, Misc.- Palm oil prices continue to trend at abnormal discounts to U.S. soybean oil. World palm oil stocks are ample. This could keep U.S. soybean oil prices at bay this fall. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	15.255	15.442	-.187	11.738
Crude Soybean Oil, lb.	.482	.497	-.015	.514
Soybean Meal, ton	497.000	496.200	+.800	300.700
Corn, bushel	7.400	7.508	-.108	6.424
Crude Corn Oil, lb.	.545	.545	-	.538
High Fructose Corn Syrup	.205	.207	-.002	.183
Distillers Grain, Dry	269.250	268.750	+.500	209.250
Crude Palm Oil, lb. BMD	.356	.382	-.026	.431
HRW Wheat, bushel	8.695	8.780	-.085	6.990
DNS Wheat 14%, bushel	9.440	9.550	-.110	9.370
Durum Wheat, bushel	8.275	8.213	+.062	12.000
Pinto Beans, lb.	.345	.345	-	.445
Black Beans, lb.	.320	.300	+.020	.470
Rice, Long Grain, lb.	.271	.271	-	.293
Coffee, lb. NYBOT	1.551	1.604	-.053	2.259
Sugar, lb. NYBOT	.225	.227	-.002	.389
Honey (Clover), lb.	1.813	1.813	-	1.675



Dairy- The CME butter market has been relatively steady as of late. Slowed milk production has tempered butter supplies but overall inventories appear adequate for holiday business needs. Butter demand should wane as we near the Thanksgiving Holiday which could pressure butter prices downward. Last year the CME butter market declined 28% during the 4 weeks following the first week of November. The cheese markets firmed late last week but appear to be forming a top. Cheese buyers are limiting purchases expecting lower cheese prices in the coming weeks. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	2.000	2.025	-.025	1.820
Cheese Blocks (CME)	2.110	2.055	+.055	1.793
American Cheese	2.218	2.148	+.070	2.100
Cheddar Cheese (40 lb.)	2.455	2.415	+.040	2.235
Mozzarella Cheese	2.300	2.260	+.040	2.070
Provolone Cheese	2.650	2.610	+.040	2.225
Parmesan Cheese	3.998	3.958	+.040	3.305
Butter (CME)	1.898	1.890	+.008	1.878
Nonfat Dry Milk	1.550	1.552	-.002	1.508
Whey, Dry	.623	.621	+.002	.614
Class 1 Base	20.700	20.700	-	18.450
Class II Cream, heavy	2.366	2.360	+.006	2.406
Class III Milk (CME)	20.160	20.580	-.420	17.720
Class IV Milk (CME)	18.650	18.750	-.100	17.380

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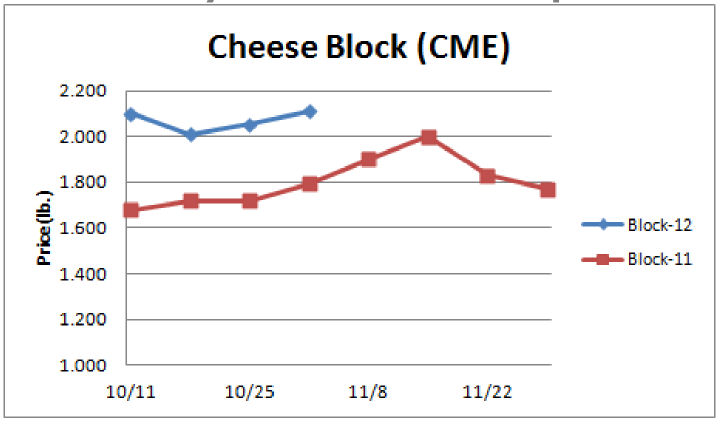
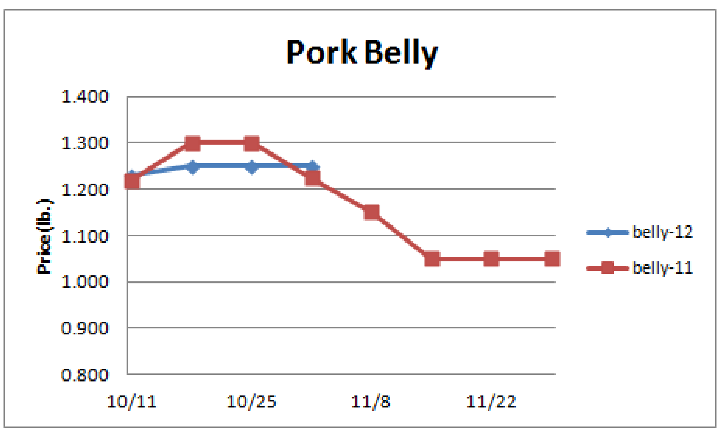


Pork- Pork output last week declined .1% but was 1.4% larger than the previous year. Pork production this week has been interrupted in the east by Hurricane Sandy. Although this could bring some support to the pork markets in the near term, the end result is likely to be heavier hog weights and better pork output in the coming weeks. This could put further downward pressure on pork prices. Many of the pork markets have softened as of late with the one exception being bellies. Lower belly prices are anticipated later this month. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.593	.612	-.019	.642
Belly (bacon)	1.250	1.250	-	1.225
Sparerib (4.25 lb. & down)	1.399	1.401	-.002	1.590
Ham (20-23 lb.)	.800	.800	-	.900
Ham (23-27 lb.)	.810	.810	-	.860
Loin (bone-in)	.886	.941	-.055	1.027
Bbybck Rib (1.75 lb. & up)	2.050	2.075	-.025	2.733
Tenderloin (1.25 lb.)	2.086	2.125	-.039	2.650
Boston Butt, untrmd. (4-8lb.)	.856	.881	-.025	.989
Picnic, untrmd.	.614	.612	+.002	.791
SS Picnic, smoker trm. bx.	.875	.870	+.005	1.065
42% Trimmings	.355	.520	-.165	.550
72% Trimmings	.650	.650	-	.846



Tomato Products, Canned- Existing canned tomato supplies are historically ample. Fairly stable canned tomato prices are expected to persist this month. Prices per case (6/10) FOB, unless noted from ARA.

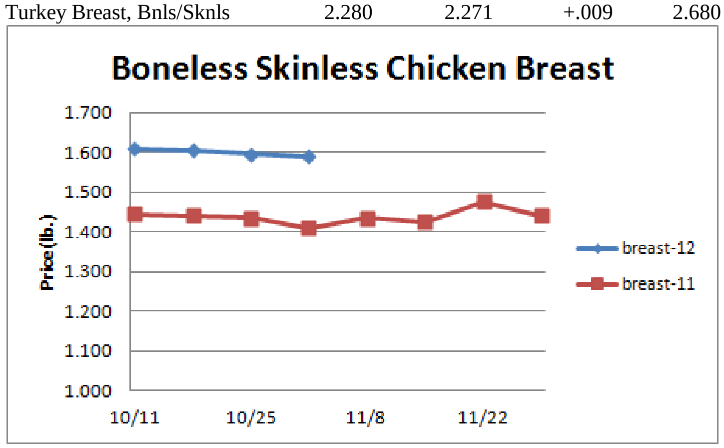
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.390

Processed Vegetables- Frozen cut corn (7%), cob corn (14%) and green pea (6%) inventories on September 30th were all less than last year. The markets are 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- Elevated spot feed costs continue to be a challenge for chicken producers. Cash feed costs last week for chicken producers were 38% more expensive than the same week a year ago and the highest since mid September. Broiler egg set numbers in recent weeks suggest that producers may be taking steps to slow chicken output further due to the deficient margins. However, chicken output is expected to trend 1% or so above 2011 levels during November. This factor and slowing retail demand could put downward pressure on the chicken breast markets during the next few weeks. The ARA weekly boneless skinless chicken breast index last week was at its highest for the week in 9 years. Wing prices are steady. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.963	.960	+.003	.890
Whole Birds (LA)	1.050	1.050	-	.980
Wings (whole)	1.820	1.835	-.015	1.195
Wings (jumbo, cut)	1.880	1.860	+.020	1.233
Breast, Bone In	1.005	1.000	+.005	.780
Breast, Bnless Skinless	1.590	1.595	-.005	1.410
Tenderloin (random)	1.240	1.240	-	1.180
Tenderloin (sized)	1.870	1.870	-	1.780
Legs (whole)	.686	.686	-	.682
Leg Quarters	.535	.535	-	.530
Thighs, bone in	.782	.782	-	.739
Thighs, boneless	1.302	1.302	-	1.331
Eggs and Others				
Large (dozen)	1.238	1.163	+.075	1.198
Medium (dozen)	1.090	.884	+.206	1.048
Whole Eggs- Liquid	.777	.770	+.007	.653
Egg Whites- Liquid	.495	.515	-.020	.597
Egg Yolks- Liquid	1.358	1.310	+.048	.831
Whole Turkeys (8-16 lb.)	1.140	1.120	+.020	1.140
Turkey Breast, Bnls/Sknls	2.280	2.271	+.009	2.680



Seafood- The snow crab markets remain elevated. The Alaskan Bearing Sea snow crab fishing season is underway. However, a majority of the snow crab boat landings are not expected to occur until after the holiday season. The 2012/13 Bearing Sea snow crab quota is 66.35 million pounds, 25% smaller than the prior season but the second largest in the last 7 years. Relatively inflated snow crab prices could persist this month. Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 11

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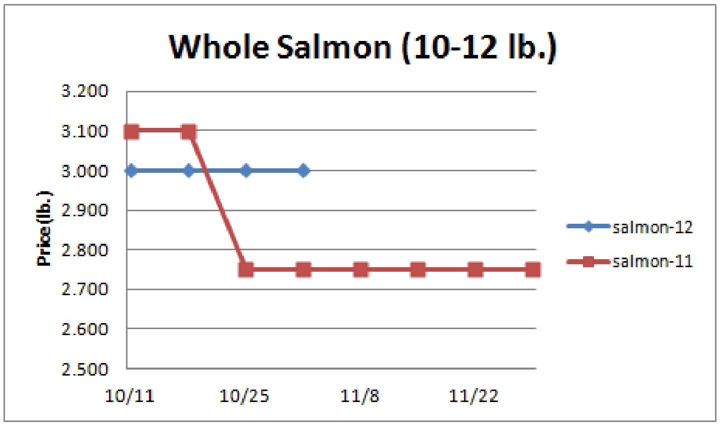
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	2.750
Catfish Filets	4.500	4.500	-	5.250
Trout (drn. 8-14 oz.)	3.700	3.700	-	3.500
Shrimp (16/20), Frz	5.011	5.038	-.027	6.425
Shrimp (61/70), Frz.	3.275	3.237	+.038	3.190
Shrimp, Tiger (26/30), Frz.	4.400	4.400	-	5.025
Snow Crab, Legs 5-8 oz, Frz	5.025	5.025	-	5.775
Snow Crab, Legs 8 oz/ up, Fz	5.800	5.800	-	6.363
Cod Tails, 3-7 oz., Frz.	3.500	3.525	-.025	3.280
Cod Loins, 3-12 oz., Frz	3.463	3.463	-	3.680
Salmon Portions, 4-8 oz, Frz	5.083	5.083	-	6.438
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.800



Energy & Currency-Currency US dollar is worth.

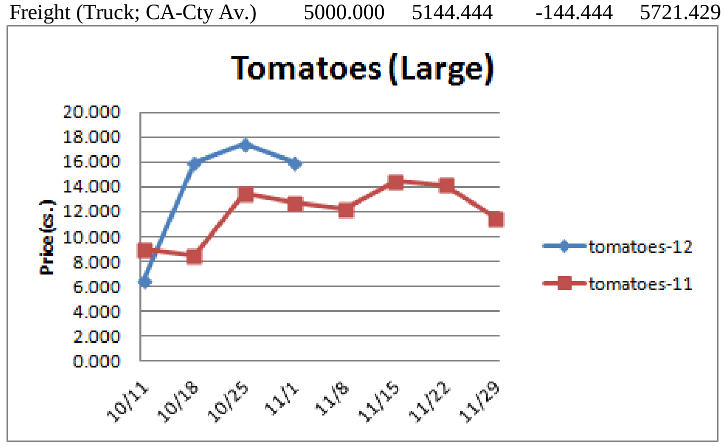
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	85.680	86.670	-.990	92.190
Natural Gas, mbtu- nymex	3.691	3.535	+.156	3.781
Heating Oil, gal- nymex	3.087	3.043	+.044	3.038
Electricity, mwht- nymex	50.710	42.330	+8.380	55.510
Gasoline, gal- nymex	2.729	2.605	+.124	2.624
Diesel Fuel, gal- eia	4.030	4.116	-.086	3.892
Ethanol, gal- usda	2.340	2.330	+.010	2.715
Canadian $	1.001	.992	+.009	1.017
Japanese Yen	79.867	79.798	+.069	78.212
Mexican Peso	13.061	12.992	+.069	13.713
Euro	.770	.773	-.003	.734
Brazilian Real	2.032	2.027	+.005	1.757

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)	846.830	846.830	-	950.000
WP; 42 lb. Linerboard (corr.)	753.882	747.788	+6.094	762.785
Res; PS-CHH (cup, cont.)	1.180-1.220	1.180-1.220	-	1.160-1.200
Res; PP-HIGP (hvy utensil)	.900-.920	.900-.920	-	1.020-1.040
Res; PE-LLD (cn liner, film)	.850-.880	.850-.880	-	.850-.880

Produce- The Idaho potato markets continue to price well below year ago levels. The 2012 U.S. fall potato harvest is estimated to be 10% larger than last year contributing to the depressed potato prices. Thanksgiving demand could bring some support in the potato markets during the next few weeks. History suggests that the downside risk in the potato markets from here is likely nominal. Tomato supplies remain limited. Tomato shipments last week fell 7% and were 10% less than the same week a year ago. Tomato supplies may not return to normal levels for a few weeks Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	6.000	6.000	-	6.000
Lemons (95 ct.)	16.275	18.240	-1.965	19.190
Lemons (200 ct.)	13.275	14.740	-1.465	13.690
Honeydew (6 ct.)	6.750	7.250	-.500	5.750
Cantaloupe (15 ct.)	12.950	7.250	+5.700	7.350
Blueberries (12 count)	23.500	23.000	+.500	21.000
Strawberries (12 pnts.)	17.000	13.000	+4.000	10.500
Avocados (Hass 48 ct.)	31.970	19.750	+12.220	26.750
Bananas (40 lb.)- Term.	14.388	13.343	+1.045	14.988
Pineapple (7 ct.)- Term.	9.886	10.140	-.254	13.042
Idaho Potato (60 ct., 50 lb.)	5.000	4.812	+.188	9.000
Idaho Potato (70 ct., 50 lb.)	5.000	4.875	+.125	8.875
Idaho Potato (70 ct.)-Term.	10.818	11.572	-.754	14.938
Idaho Potato (90 ct., 50 lb.)	6.062	5.562	+.500	8.375
Idaho Pot. # 2 (6 oz., 100 lb.)	7.500	7.500	-	13.750
Processing Potato (cwt.)	7.000	7.000	-	6.500
Yellow Onions (50 lb.)	6.416	5.250	+1.166	6.350
Yell Onions (50 lb.)-Term.	11.416	13.020	-1.604	11.408
Red Onions (25 lb.)- Term.	10.845	16.112	-5.267	8.667
White Onions (50 lb.)- Term.	17.895	18.458	-.563	16.875
Tomatoes (large- case)	15.950	17.450	-1.500	12.700
Tomatoes (5x6-25 lb.)-Term	15.041	14.400	+.641	13.094
Tomatoes (4x5 vine ripe)	10.950	11.975	-1.025	8.450
Roma Tomatoes (large- case)	10.291	10.960	-.669	6.450
Roma Tomatoes (xlarge-cs)	11.100	11.212	-.112	6.450
Green Peppers (large- case)	10.725	12.141	-1.416	12.925
Red Peppers (large 15lb. cs.)	15.950	15.950	-	14.950
Iceberg Lettuce (24 count)	9.856	10.413	-.557	10.937
Iceberg Lettuce (24)-Term.	15.500	15.833	-.333	19.000
Leaf Lettuce (24 count)	7.543	7.158	+.385	6.882
Romaine Lettuce (24 cnt.)	9.141	7.468	+1.673	9.000
Mesculin Mix (3 lb.)-Term.	6.687	6.812	-.125	7.021
Broccoli (14 ct.)	7.375	6.912	+.463	6.788
Squash (1/2 bushel)	6.515	8.600	-2.085	9.388
Zucchini (1/2 bushel)	5.983	7.137	-1.154	6.388
Green Beans (bushel)	17.393	19.025	-1.632	17.744
Spinach, Flat 24's	12.245	11.520	+.725	12.500
Mushrms (10 lb, lg.)-Term.	16.375	15.500	+.875	11.001
Cucumbers (bushel)	12.360	14.375	-2.015	17.210
Pickles (200-300 ct.)- Term.	25.312	25.208	+.104	30.980
Asparagus (small)	20.500	19.625	+.875	13.750
Freight (Truck; CA-Cty Av.)	5000.000	5144.444	-144.444	5721.429



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