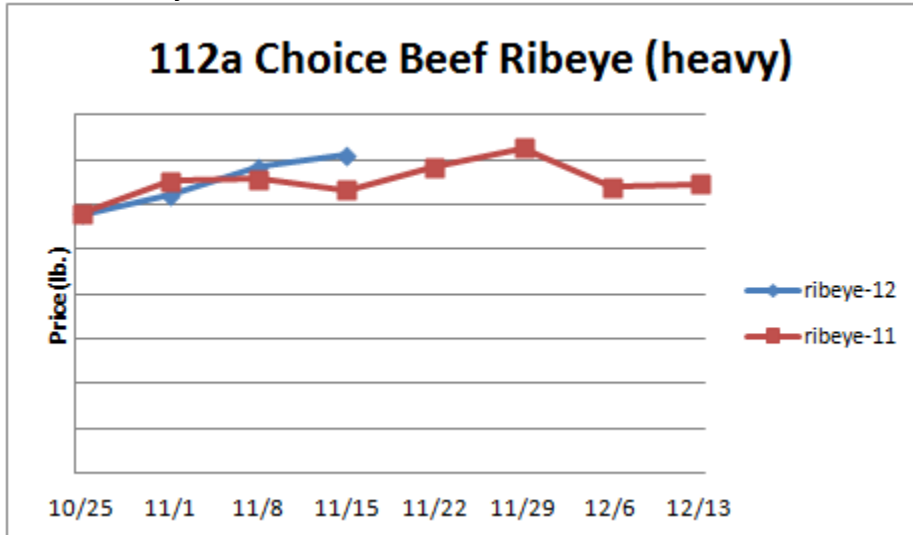


Beef, Veal and Lamb Report

Beef, Veal & Lamb- Beef output last week fell 2.6% but was 3.7% more than the same week in '11. Cattle slaughter last week was the smallest in the prior five weeks due partly to poor packer margins. Holiday slowed beef output this week and next could support beef prices. September U.S. beef imports were 12.4% less than last year and the smallest for the month since 1989. U.S. beef exports were down 16.4% versus '11. Beef exports during September outpaced imports by the most since December. If this U.S. beef trade deficit trend persists, it should support end cut prices. The 90% trim market usually rises 7.6% in December.

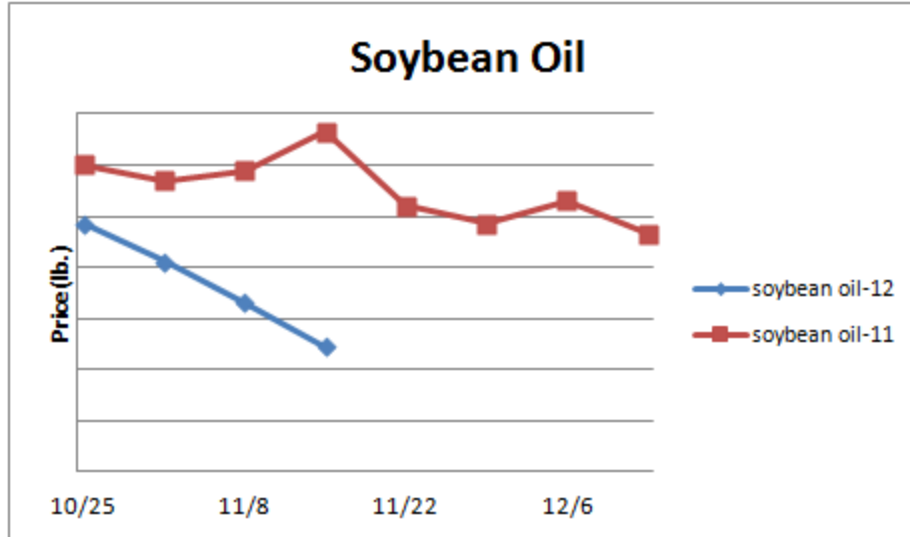


| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|---------------------------------|---------------------|-----------------|----------------------------|
| Live Cattle (Steer) | Decreasing | Good | Lower |
| Ground Beef 81/19 | Increasing | Good | Higher |
| Ground Chuck | Decreasing | Good | Higher |
| 109 Export Rib (choice) | Increasing | Good | Higher |
| 109 Export Rib (prime) | Increasing | Good | Lower |
| 112a Ribeye (choice) | Increasing | Good | Higher |
| 112a Ribeye (prime) | Decreasing | Good | Lower |
| 116 Chuck (choice) | Decreasing | Good | Same |
| 120 Brisket (choice) | Increasing | Good | Higher |
| 121c Outside Skirt (ch/sel.) | Decreasing | Good | Higher |
| 167a Knuckle, Trimmed (choice) | Decreasing | Good | Lower |
| 168 Inside Round (choice) | Decreasing | Good | Lower |
| 174 Short Loin (choice 0x1) | Increasing | Good | Higher |
| 174 Short Loin (prime 2x3) | Decreasing | Good | Lower |
| 180 1x1 Strip (choice) | Steady | Good | Higher |
| 180 1x1 Strip (prime) | Steady | Good | Lower |
| 180 0x1 Strip (choice) | Decreasing | Good | Higher |
| 184 Top Butt, boneless (choice) | Decreasing | Good | Higher |
| 184 Top Butt, boneless (prime) | Decreasing | Good | Higher |
| 185a Sirloin Flap (choice) | Decreasing | 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) | Increasing | Good | Higher |
| 193 Flank Steak (choice) | Decreasing | Good | Lower |
| 50% Trimmings | Increasing | Good | Lower |
| 65% Trimmings | Increasing | Good | Lower |
| 75% Trimmings | Decreasing | Good | Lower |
| 85% Trimmings | Increasing | Good | Higher |
| 90% Trimmings | Increasing | Good | Higher |

| | | | |
|-----------------------------------|-------------------|-------------|---------------|
| 90% Imported Beef (frozen) | Decreasing | Good | Higher |
| Veal Rack (Hotel 7 rib) | Increasing | Good | Higher |
| Veal Top Round (cap off) | Increasing | Good | Higher |

Oil and Grains Report

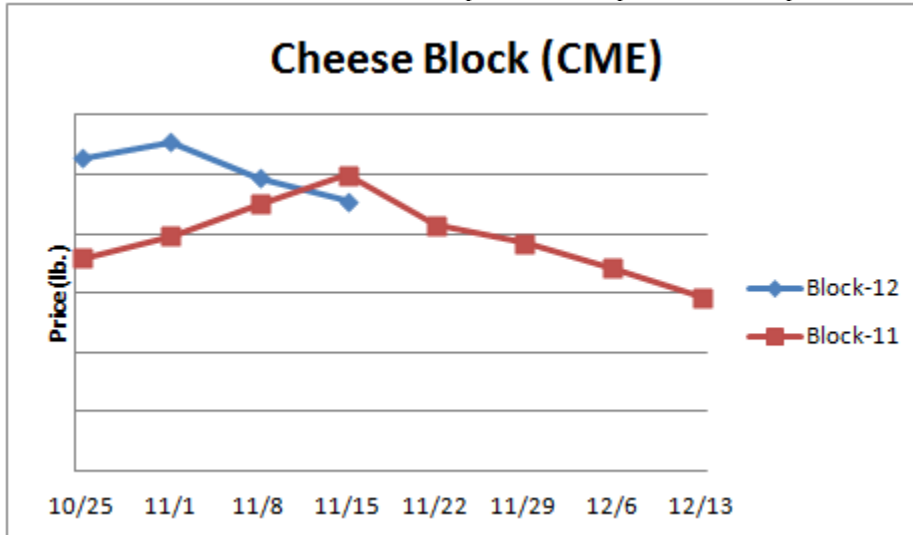
Oil & Grains- The latest USDA crop report increased the soybean harvest more than expected which is pressuring soybean prices lower. The soybean markets are expected to bottom soon.



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

Dairy Report

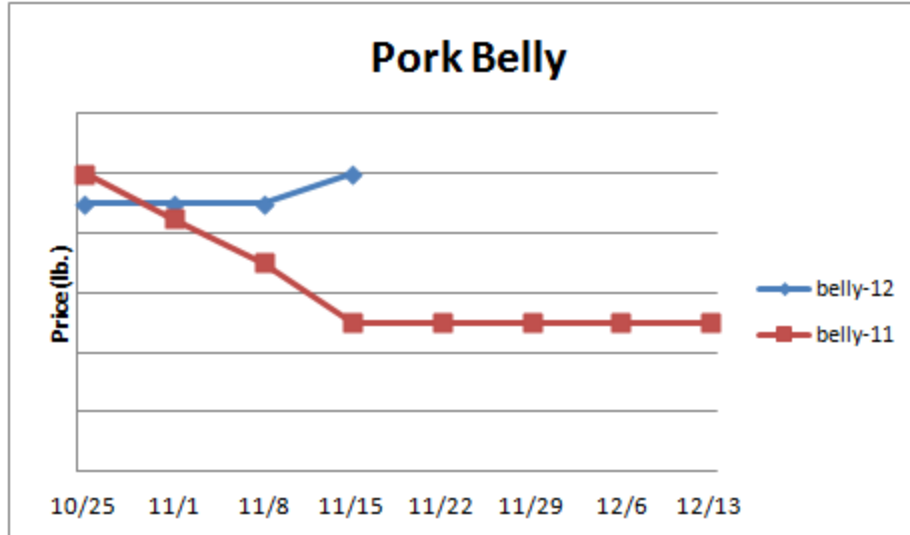
Dairy- The CME cheese markets have likely established a seasonal top. Curbed retail demand in response to inflated prices is pressuring the wholesale cheese markets lower. September cheese exports were up 17% versus a year ago but the smallest since October. CME cheese prices could find near term support but the historical trend is downward during December. The CME butter market is currently priced above the CME block market despite a better inventory scenario. This factor could lead to lower butter prices soon. September butter exports were 31% less than last year.



| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|-------------------------------------|---------------------|-----------------|----------------------------|
| Cheese Barrels- CME | Decreasing | Good | Lower |
| Cheese 40 lb Blocks- CME | Decreasing | Good | Lower |
| American Cheese | Decreasing | Good | Lower |
| 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 | Increasing | Good | Higher |
| Whey, Dry | Increasing | Good | Higher |
| Class I Milk Base | Steady | Good | Higher |
| Class II Cream (Heavy Cream) | Increasing | Good | Higher |
| Class III Milk- CME | Decreasing | Good | Higher |
| Class IV Milk- CME | Steady | Good | Higher |

Pork Report

Pork- Pork production last week rose .3% and was 2.6% larger than the last year. Hog supplies are abundant and slaughter rates normally escalate into December. This is supportive of pending pork output and should keep pork prices at bay in the coming weeks. U.S. pork exports were .7% greater than last year and the largest since May. Exports are likely to remain solid next year as inflated feed prices worldwide mitigate overall pork production. The ham market usually trends 3.2% lower from now through next week.



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

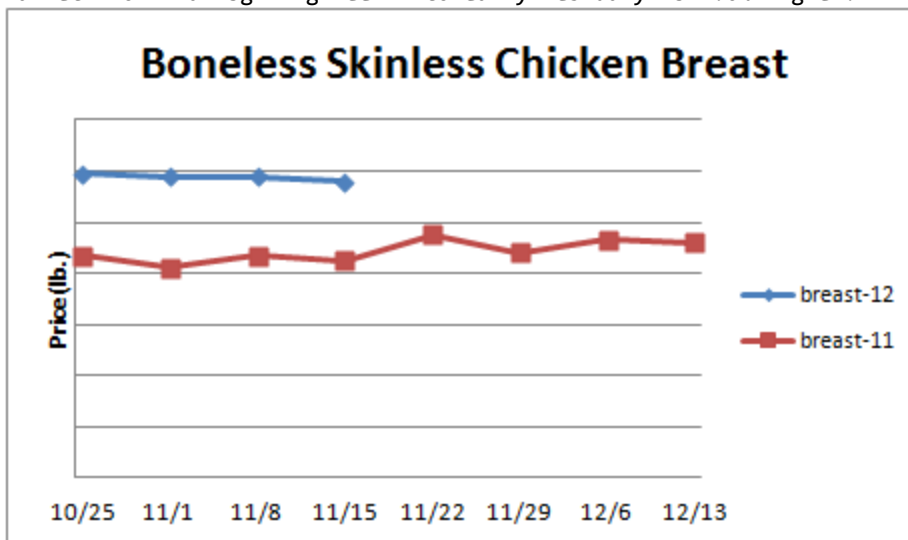
Canned Tomato Report

Tomato Products, Canned- Canners could be facing a modest increase in raw product costs for the '13 harvest. The canned tomato markets remain steady.

| | <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- September U.S. chicken exports were 3.3% more than last year. Mexico, the U.S. largest chicken customer, witnessed their September chicken imports from the U.S. rise by 21% versus '11. Solid chicken exports are likely to persist due to inflated feed prices worldwide which would be supportive of the U.S. chicken leg quarter markets. Broiler-type egg sets have shown signs of slowing recently versus last year. If chicken output wanes moving forward, it could support chicken prices this winter. History suggests that the downside price risk for the chicken breast markets from current levels is nominal. Since '07, the average move for the jumbo cut chicken wing market from Thanksgiving week into early February is 9.6% higher.

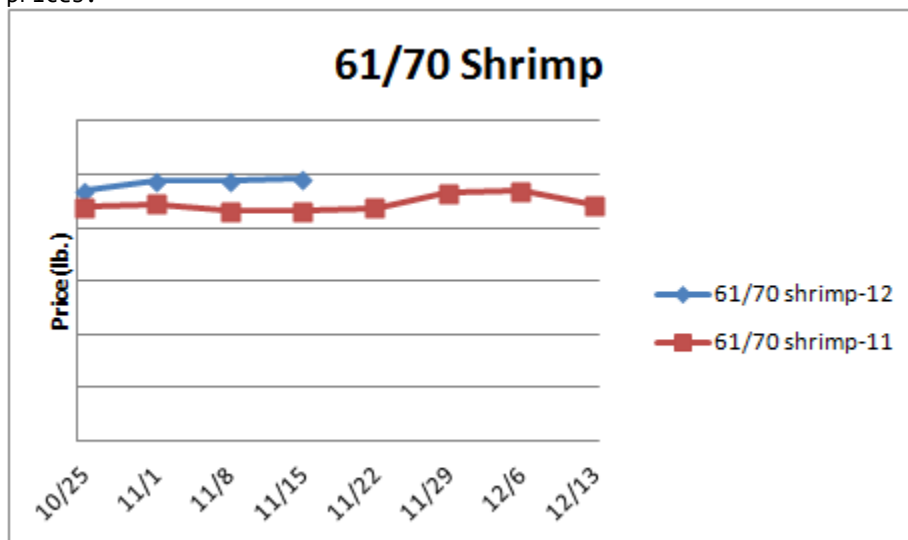


| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|--|---------------------|-----------------|----------------------------|
| Whole Chicken (2.5-3 lb-GA) | Increasing | Good | Higher |
| Whole Chicken (LA) | Steady | Good | Higher |
| Chicken Wings, Whole | Increasing | Good | Higher |
| Chicken Wings, Jumbo Cut | Increasing | Good | Higher |
| Chicken Breast, Bone-In | Decreasing | Good | Higher |
| Chicken Breast, Bnless Skinless | Decreasing | Good | Higher |
| Chicken Tender (random) | Steady | Good | Higher |
| Chicken Tender (sized) | Steady | Good | Higher |
| Chicken Legs (whole) | Decreasing | Good | Higher |
| Chicken Leg Quarters | Steady | Good | Same |

| | | | |
|----------------------------------|-------------------|-------------|---------------|
| Chicken Thighs, bone in | Decreasing | Good | Higher |
| Chicken Thighs, boneless | Decreasing | Good | Lower |
| Large Eggs | Increasing | Good | Higher |
| Medium Eggs | Increasing | Good | Higher |
| Whole Eggs- Liq | Decreasing | Good | Higher |
| Egg Whites- Liq | Increasing | Good | Lower |
| Egg Yolks- Liq | Steady | Good | Higher |
| Whole Turkey (8-16 lb) | Decreasing | Good | Lower |
| Turkey Breast- Bnls/Sknls | Increasing | Good | Lower |

Seafood Report

Seafood- September total U.S. shrimp imports were down 21% versus last year while shell-on shrimp imports were 13% lower. A weakening U.S. dollar valuation during September was a catalyst for the waning shrimp imports. The U.S. dollar has appreciated in value since then which in the past has been supportive of U.S. shrimp imports. Still, going forward the U.S. dollar valuation will be key for pending shrimp prices.



| | <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) | Steady | 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 | Steady | Good | Lower |
| Black Beans | Decreasing | Good | Lower |
| Rice, Long Grain | Increasing | Good | Lower |
| Coffee Beans | Decreasing | Good | Lower |
| Sugar | Increasing | 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 | Increasing | Good | Lower |
| 42 lb. Linerboard-corrugated box | Increasing | Good | Lower |
| Plastic Resins (plastic, foam) | | | |
| PS-CHH-utensils, cups, to-go cont. | Steady | Good | Higher |
| PP-HIGP-heavy grade utensils | Increasing | Good | Lower |
| PE-LLD-can liners, film, bags | Steady | Good | Higher |

Retail Price Change from Prior Month

| | <u>Apr-11</u> | <u>Mar-11</u> | <u>Feb-11</u> |
|------------------------------------|---------------|---------------|---------------|
| Beef and Veal | Increasing | Increasing | Increasing |
| Dairy | Increasing | Increasing | Increasing |
| Pork | Decreasing | Increasing | Increasing |
| Chicken | Increasing | Decreasing | Increasing |
| Fresh Fish and Seafood | Increasing | Increasing | Increasing |
| Fresh Fruits and Vegetables | Decreasing | Increasing | Increasing |

Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- Although potato prices remain historically low, processors are looking at high raw product costs for '13. This could keep French fry prices above year ago levels.

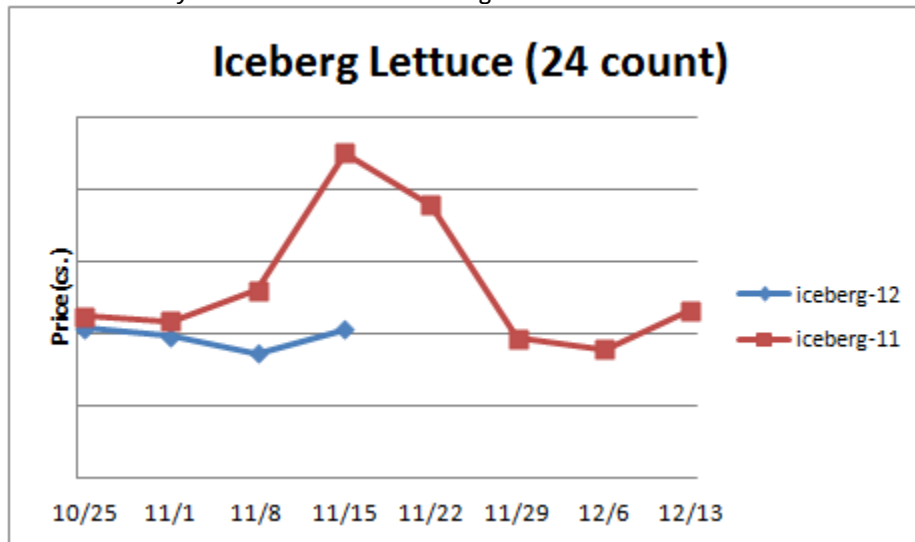
| <u>Canned 6/10</u> | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|-------------------------------------|---------------------|-----------------|----------------------------|
| Corn, Fancy Whole Kernel | Steady | Good | Higher |
| Green Beans, Fancy 4 sv | Steady | Good | Higher |
| 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 main lettuce harvest area is beginning to transition to the Yuma-Imperial Valley region. Quality issues have limited some iceberg lettuce supplies and have supported prices over the past week. The iceberg lettuce market typically peaks in

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late November. The CA tomato harvest is seasonally fading. The Florida tomato harvest is progressing with good quality. Florida tomato shipments last week were 34% above a year ago. The mature green tomato market frequently tops next week. The Hass avocado market usually trends 3% lower during the next three weeks.



| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|---------------------------------|---------------------|-----------------|----------------------------|
| Limes (150 count) | Increasing | Good | Higher |
| Lemons (95 count) | Decreasing | Good | Lower |
| Lemons (200 count) | Steady | Good | Lower |
| Honeydew (6 ct.) | Steady | Good | Lower |
| Cantaloupe (15 count) | Decreasing | Good | Higher |
| Blueberries (12 count) | Decreasing | Good | Lower |
| Strawberries (12 pints) | Increasing | Good | Same |
| Avocados, Hass (48 count) | Decreasing | Good | Lower |
| Bananas (40 lb)-Term. | Steady | Good | Lower |
| Pineapple (7 ct.)- Term. | Decreasing | Good | Lower |
| Idaho Potato (60 count) | Decreasing | Good | Lower |
| Idaho Potato (70 count) | Steady | Good | Lower |
| Idaho Potato (70 count)-Term. | Decreasing | Good | Lower |
| Idaho Potato (90 count) | Increasing | Good | Lower |
| Idaho Potato #2 (6 oz. min.) | Decreasing | Good | Lower |
| Processing Potato (100 lb) | Steady | Good | Same |
| Yellow Onions (50 lb) | Decreasing | 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 | Higher |
| Tomatoes, (large- case) | Increasing | Good | Lower |
| Tomatoes, (5x6, 25 lb.)-Term. | Decreasing | Good | Higher |
| Tomatoes, Vine Ripe, (4x5) | Decreasing | Good | Lower |
| Roma Tomatoes (large- case) | Decreasing | Good | Lower |
| Roma Tomatoes (xlarge- case) | Increasing | Good | Higher |
| Green Peppers (large- case) | Increasing | Good | Higher |
| Red Peppers (large- 15 lb. cs.) | Increasing | Good | Higher |
| Iceberg Lettuce (24 count) | Increasing | Good | Lower |
| Iceberg Lettuce (24 cnt)-Term. | Increasing | Good | Lower |

Produce Report (continued)

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