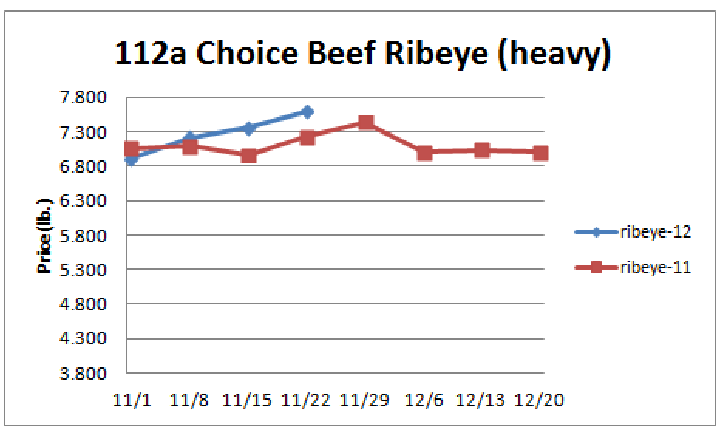
Weekly Market Updates

Volume No. 17 Issue No. 47 Date: November 2, 2012

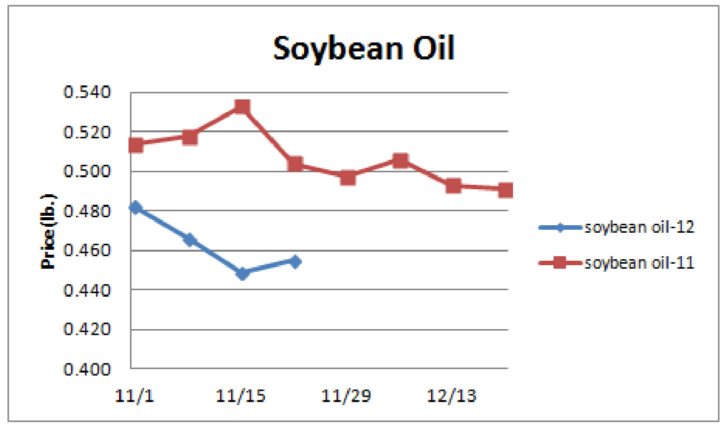
Beef- Beef output last week declined .5% but was 1.8% more than the same week a year ago. The Nov 1st cattle on feed inventory was 5.3% smaller than last year. Cattle placements into feedlots during Oct were down 12.5% versus '11. This points to limited cattle supplies and lower beef production next year. The USDA is forecasting beef output in the 1st quarter of '13 to be 3.3% below '12. This should support the USDA choice boxed beef cutout in the coming months. Tenderloin and ribeye prices usually peak in early-Dec before falling 11% and 22% over the remainder of the year. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Cattle	1.253	1.245	+.008	1.236
Feeder Cattle Index (CME)	1.432	1.436	-.004	1.427
Ground Beef 81/19	1.855	1.970	-.115	1.837
Ground Chuck	1.904	1.883	+.021	1.890
109e Export Rib (choice)	6.712	6.605	+.107	6.725
109e Export Rib (prime)	9.295	9.670	-.375	10.517
112a Ribeye (choice)	7.598	7.357	+.241	7.223
112a Ribeye (prime)	9.736	9.768	-.032	10.311
116 Chuck (select)	2.305	2.328	-.023	2.239
116 Chuck (choice)	2.343	2.370	-.027	2.293
116b Chuck Tdnr (choice)	2.142	2.059	+.083	2.360
120 Brisket (choice)	2.115	2.082	+.033	2.104
121c Outside Skirt (ch/sel)	4.499	4.705	-.206	3.792
121d Inside Skirt (ch/sel)	3.074	3.062	+.012	2.981
167a Knckle, Trm. (ch.)	2.223	2.243	-.020	2.264
168 Inside Round (ch.)	2.087	2.014	+.073	2.088
174 Short Loin (ch. 0x1)	4.916	4.992	-.076	4.637
174 Short Loin (prime)	8.515	8.779	-.264	8.934
180 1x1 Strp (choice)	4.444	4.592	-.148	4.320
180 1x1 Strp (prime)	8.708	9.476	-.768	10.064
180 0x1 Strp (choice)	5.015	4.947	+.068	4.927
184 Top Butt, bnls (ch.)	2.997	3.075	-.078	2.691
184 Top Butt, bnls (prime)	3.444	3.335	+.109	3.370
185a Sirloin Flap (choice)	3.606	3.463	+.143	3.111
185c Loin, Tri-Tip (choice)	2.569	2.509	+.060	2.883
189a Tender (select)	8.738	8.330	+.408	8.138
189a Tender (choice)	11.662	11.297	+.365	10.257
189a Tender (prime)	13.763	14.179	-.416	13.743
193 Flank Steak (choice)	3.304	3.235	+.069	3.478
50% Trimmings	.723	.780	-.057	1.231
65% Trimmings	1.164	1.169	-.005	1.439
75% Trimmings	1.476	1.448	+.028	1.483
85% Trimmings	1.872	1.859	+.013	1.713
90% Trimmings	2.060	2.067	-.007	1.826
90% Imported Beef (frz.)	2.095	2.080	+.015	2.038
95% Imported Beef (frz.)	2.275	2.248	+.027	2.173
Veal Rack (Hotel 7 rib)	8.120	8.120	-	6.575
Veal Top Rnd. (cp. off)	14.900	14.900	-	13.375



Oil, Grains, Misc.- The grain markets have been fairly weak as of late. Still, historically tight corn and soybean stocks exist and could limit any significant grain price declines from current levels. Prices USDA, FOB.

	Price	Last Week	Difference	Price 11
Soybeans, bushel	13.952	11.845	+2.107	11.359
Crude Soybean Oil, lb.	.455	.449	+.006	.504
Soybean Meal, ton	446.100	453.110	-7.010	280.600
Corn, bushel	7.442	7.278	+.164	6.000
Crude Corn Oil, lb.	.505	.515	-.010	.540
High Fructose Corn Syrup	.207	.203	+.004	.183
Distillers Grain, Dry	254.000	262.750	-4.250	217.500
Crude Palm Oil, lb. BMD	.351	.355	-.004	.457
HRW Wheat, bushel	8.445	8.560	-.115	6.450
DNS Wheat 14%, bushel	9.200	9.320	-.120	9.270
Durum Wheat, bushel	8.125	8.188	-.063	10.950
Pinto Beans, lb.	.346	.346	-	.438
Black Beans, lb.	.320	.320	-	.470
Rice, Long Grain, lb.	.273	.273	-	.290
Coffee, lb. NYBOT	1.460	1.478	-.018	2.328
Sugar, lb. NYBOT	.228	.223	+.005	.363
Honey (Clover), lb.	1.833	1.813	+.002	1.675



Dairy- U.S. milk production during Oct was down .1% versus '11 due to a .3% smaller milk cow herd and a .1% gain in milk per cow yields. Milk farmers reduced the milk cow herd by 9,000 head during the month. The seasonal trend for the dairy product markets is lower over the next two months. However, due to inflated feed costs, milk farmers may well reduce milk production this winter which could temper any significant price declines for cheese and butter. The CME butter and cheese block markets typically decline 19.8% and 18% respectively during the next six weeks. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 11
Cheese Barrels (CME)	1.725	1.835	-.110	1.850
Cheese Blocks (CME)	1.825	1.910	-.085	1.830
American Cheese	1.978	2.150	-.172	2.300
Cheddar Cheese (40 lb.)	2.245	2.415	-.170	2.270
Mozzarella Cheese	2.090	2.260	-.170	2.248
Provolone Cheese	2.440	2.610	-.170	2.403
Parmesan Cheese	3.788	3.958	-.170	3.483
Butter (CME)	1.700	1.890	-.190	1.610
Nonfat Dry Milk	1.561	1.558	+.003	1.490
Whey, Dry	.637	.634	+.003	.632
Class 1 Base	20.700	20.700	-	18.450
Class II Cream, heavy	2.333	2.480	-.147	2.391
Class III Milk (CME)	19.430	19.700	-.270	18.400
Class IV Milk (CME)	18.500	18.600	-.1000	17.650

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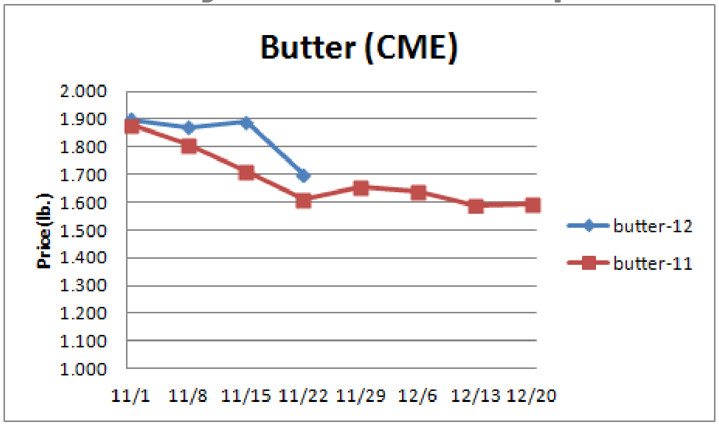
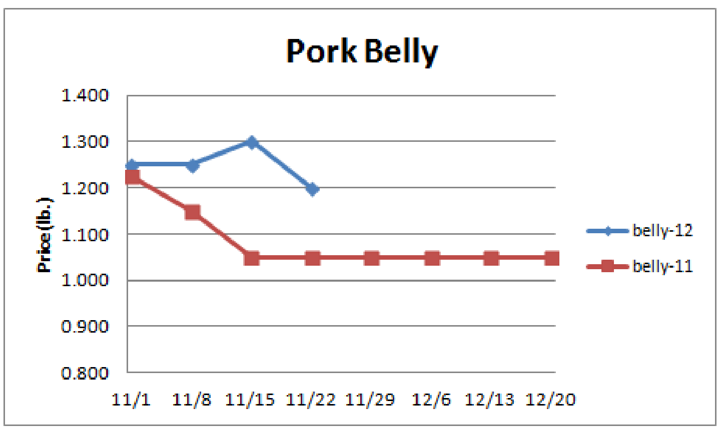


Pork- Pork output last week rose .2% but was .1% smaller than last year. Holiday shortened production this week could support the pork markets in the near term. The pork belly market is trading roughly 30% above its three-year-average for the date. Although pork belly prices usually trend sideways in the coming weeks, there still may be modest downside price risk from current levels. Retail pork prices in Oct were 2.1% less than a year ago but the highest since Aug. The ham market usually moves higher in early-Dec due to holiday demand. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.534	.563	-.029	.593
Belly (bacon)	1.200	1.300	-.100	1.050
Sparerib (4.25 lb. & down)	1.383	1.383	-	1.580
Ham (20-23 lb.)	.750	.760	-.010	.880
Ham (23-27 lb.)	.750	.772	-.022	.830
Loin (bone-in)	.862	.851	+.011	.968
Bbybck Rib (1.75 lb. & up)	2.024	2.024	-	2.570
Tenderloin (1.25 lb.)	2.250	2.250	-	2.450
Boston Butt, untrmd. (4-8lb.)	.859	.874	-.015	.964
Picnic, untrmd.	.650	.725	-.075	.757
SS Picnic, smoker trm. bx.	.992	.992	-	1.040
42% Trimmings	.350	.375	-.025	.500
72% Trimmings	.590	.641	-.051	.830



Tomato Products, Canned- This year's tomato for canning harvest produced the second largest output on record. The canned tomato markets are steady. Prices per case (6/10) FOB, unless noted from ARA.

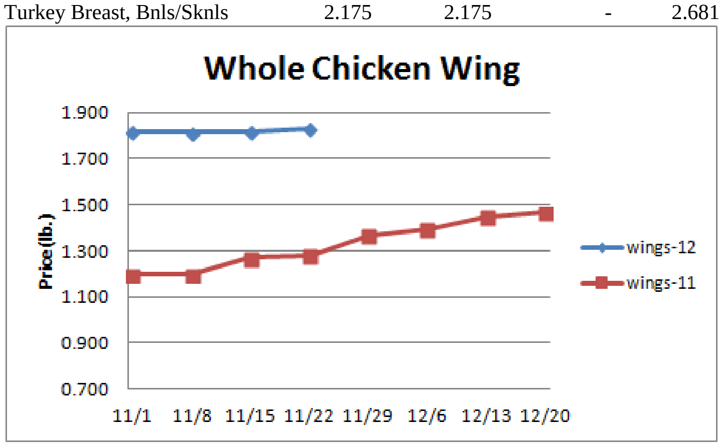
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	12.250
Diced, Fancy	12.750	12.750	-	12.750
Ketchup, 33%	13.438	13.438	-	13.438
Tomato Paste- Industrial (lb.)	.398	.398	-	.398

Processed Vegetables- The '12 vegetable for processing harvest has ended with another year of weather challenges. Vegetable processors are facing high raw product costs for next year. 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 production cutbacks have increased in recent weeks due to poor producer margins. The six week moving average for broiler egg sets is 1% smaller than last year. This suggests that chicken production will be flat to lower in the coming months. The chicken wing markets typically garner support over the next two months due in part to rising seasonal demand from football. If chicken output lags behind last year's pace in the coming weeks, it's possible that record high chicken wing prices could be reached. The chicken breast markets tend to remain sideways for the remainder of the year but then appreciate through May. Retail chicken prices during Sept were up 5.4% versus last year and new record high. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.965	.965	-	.893
Whole Birds (LA)	1.060	1.050	+.010	.980
Wings (whole)	1.830	1.820	+.010	1.280
Wings (jumbo, cut)	1.880	1.880	-	1.333
Breast, Bone In	1.005	1.005	-	.825
Breast, Bnless Skinless	1.580	1.580	-	1.475
Tenderloin (random)	1.240	1.240	-	1.180
Tenderloin (sized)	1.870	1.870	-	1.780
Legs (whole)	.710	.683	+.027	.662
Leg Quarters	.540	.535	+.005	.535
Thighs, bone in	.726	.793	-.067	.763
Thighs, boneless	1.317	1.234	+.083	1.286
Eggs and Others				
Large (dozen)	1.353	1.273	+.080	1.200
Medium (dozen)	1.063	1.110	-.047	1.048
Whole Eggs- Liquid	.799	.801	-.002	.580
Egg Whites- Liquid	.583	.541	+.042	.564
Egg Yolks- Liquid	1.336	1.336	-	.696
Whole Turkeys (8-16 lb.)	1.090	1.115	-.025	1.125
Turkey Breast, Bnls/Sknls	2.175	2.175	-	2.681



Seafood- Total U.S. salmon fillet steak imports in Sept were up 17.3% versus '11. Further, '12 through Sept domestic salmon fillet steak imports tracked 10.6% above a year ago. Solid global salmon supplies have been prevalent in recent months. However, next year salmon supply growth may be less intense and could bring support to salmon prices. Since '07, the average move for the salmon market (wh. Atl.) in Dec is 2.4% lower. Prices for fresh product, unless noted, per pound from Fisheries Market News.

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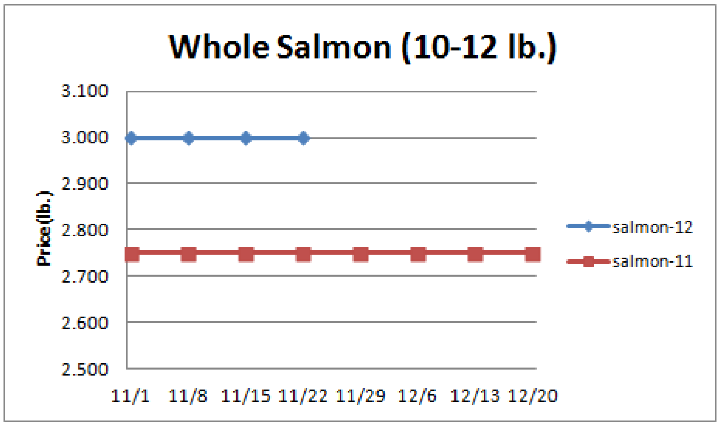
	Price	Last Week	Difference	Price 11
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	2.750
Catfish Filets	4.500	4.500	-	5.250
Trout (drn. 8-14 oz.)	3.700	3.700	-	3.500
Shrimp (16/20), Frz	5.105	5.052	+.053	6.400
Shrimp (61/70), Frz.	3.283	3.283	-	3.175
Shrimp, Tiger (26/30), Frz.	4.450	4.400	+.050	5.010
Snow Crab, Legs 5-8 oz, Frz	5.025	5.025	-	5.462
Snow Crab, Legs 8 oz/ up, Fz	5.800	5.800	-	6.275
Cod Tails, 3-7 oz., Frz.	3.500	3.500	-	3.280
Cod Loins, 3-12 oz., Frz	3.463	3.463	-	3.680
Salmon Portions, 4-8 oz, Frz	5.083	5.083	-	6.354
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.800



Energy & Currency-Currency US dollar is worth.

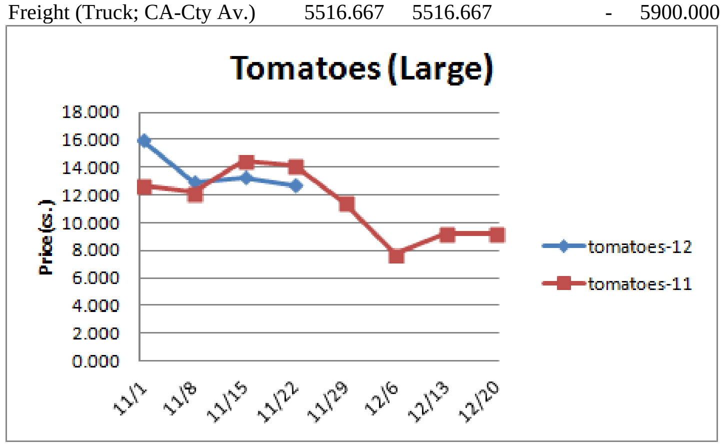
	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	89.280	85.380	+3.900	96.920
Natural Gas, mbtu- nymex	3.719	3.739	-.020	3.399
Heating Oil, gal- nymex	3.075	2.961	+.114	2.994
Electricity, mwht- nymex	42.430	45.770	-3.340	38.140
Gasoline, gal- nymex	2.755	2.654	+.101	2.489
Diesel Fuel, gal- eia	3.976	3.980	-.004	4.010
Ethanol, gal- usda	2.285	2.285	-	2.845
Canadian $	.996	1.001	-.005	1.036
Japanese Yen	81.256	80.140	+1.116	76.861
Mexican Peso	13.080	13.195	-.115	13.915
Euro	.781	.785	-.004	.743
Brazilian Real	2.081	2.061	+.020	1.802

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)	864.210	865.000	-.790	920.000
WP; 42 lb. Linerboard (corr.)	746.405	743.181	+3.224	742.397
Res; PS-CHH (cup, cont.)	1.180-1.220	1.180-1.220	-	1.100-1.140
Res; PP-HIGP (hvy utensil)	.920-.940	.920-.940	-	1.020-1.040
Res; PE-LLD (cn liner, film)	.850-.880	.850-.880	-	.830-.860

Produce- The Florida tomato harvest hasn't provided adequate volumes so far this year, supporting tomato prices. The south Florida tomato crops are only a few weeks away from being harvested which should improve domestic tomato supplies soon. History points to the mature green tomato market declining sharply after Thanksgiving. The iceberg lettuce market has been firm due in part to lighter weights and quality problems. Yet, iceberg lettuce shipments from Yuma AZ were up 34% above a year ago. Lettuce prices tend to fade in Dec. The downside risk from current ID potato prices is low. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	13.000	10.000	+3.000	6.000
Lemons (95 ct.)	15.275	15.775	-.500	16.240
Lemons (200 ct.)	13.275	13.275	-	15.740
Honeydew (6 ct.)	8.950	4.500	+4.450	8.375
Cantaloupe (15 ct.)	8.950	8.950	-	6.213
Blueberries (12 count)	21.000	17.500	+3.500	21.000
Strawberries (12 pnts.)	21.000	19.000	+2.000	22.000
Avocados (Hass 48 ct.)	18.750	18.750	-	25.750
Bananas (40 lb.)- Term.	14.312	14.645	-.333	14.651
Pineapple (7 ct.)- Term.	9.395	9.520	-.125	11.313
Idaho Potato (60 ct., 50 lb.)	5.750	4.875	+.875	9.000
Idaho Potato (70 ct., 50 lb.)	5.750	5.000	+.750	8.875
Idaho Potato (70 ct.)-Term.	10.768	10.531	+.237	14.738
Idaho Potato (90 ct., 50 lb.)	7.000	6.250	+.750	8.500
Idaho Pot. # 2 (6 oz., 100 lb.)	7.500	7.000	+.500	14.000
Processing Potato (cwt.)	7.000	7.000	-	7.000
Yellow Onions (50 lb.)	6.625	6.250	+.375	6.875
Yell Onions (50 lb.)-Term.	12.520	12.979	-.459	10.688
Red Onions (25 lb.)- Term.	12.162	11.062	+1.100	9.116
White Onions (50 lb.)- Term.	20.864	18.812	+2.052	17.417
Tomatoes (large- case)	12.700	13.283	-.583	14.117
Tomatoes (5x6-25 lb.)-Term	15.468	15.343	+.125	16.650
Tomatoes (4x5 vine ripe)	13.975	12.950	+1.025	14.700
Roma Tomatoes (large- case)	12.116	11.783	+.333	10.117
Roma Tomatoes (xlarge-cs)	13.116	12.625	+.491	10.784
Green Peppers (large- case)	12.775	13.187	-.412	8.632
Red Peppers (large 15lb. cs.)	18.950	19.950	-1.000	13.950
Iceberg Lettuce (24 count)	12.070	10.315	+1.755	18.985
Iceberg Lettuce (24)-Term.	17.250	16.250	+1.000	28.500
Leaf Lettuce (24 count)	7.912	7.831	+.081	13.675
Romaine Lettuce (24 cnt.)	9.416	9.675	-.259	16.100
Mesculin Mix (3 lb.)-Term.	6.802	6.833	-.031	7.146
Broccoli (14 ct.)	10.428	9.691	+.737	15.584
Squash (1/2 bushel)	14.175	11.375	+2.800	7.100
Zucchini (1/2 bushel)	14.175	13.350	+.825	7.850
Green Beans (bushel)	19.418	21.125	-1.707	27.650
Spinach, Flat 24's	10.975	12.270	-1.295	12.700
Mushrms (10 lb, lg.)-Term.	14.861	15.145	-.284	9.411
Cucumbers (bushel)	14.075	15.132	-1.057	11.940
Pickles (200-300 ct.)- Term.	23.750	25.208	-1.458	22.792
Asparagus (small)	17.625	20.000	-2.375	14.000
Freight (Truck; CA-Cty Av.)	5516.667	5516.667	-	5900.000



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

	Oct-12	Sep-12	Aug-12	Jul-12
Beef and Veal	+.541	-.309	-.402	+.590
Dairy	+.823	+.355	+.054	-.487
Pork	+.184	-1.108	+1.563	+.403
Chicken	+1.920	-.393	+.481	+1.310
Fresh Fish and Seafood	-.322	+.289	-.206	-.010
Fresh Fruits and Veg.	+1.012	+.769	+.042	-1.303