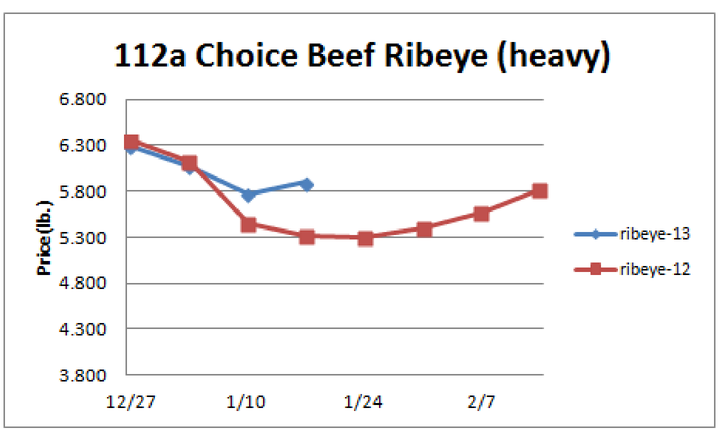
Weekly Market Updates

Volume No. 18 Issue No. 3 Date: January 17, 2013

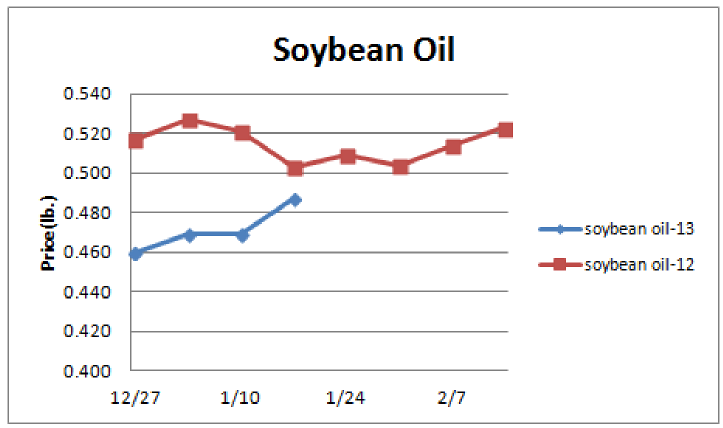
Beef- Beef production last week was .8% smaller than the same week a year ago. Beef output could be tempered in the coming weeks due in part to poor beef packer margins. In Nov, beef exports were down 11.4% versus '11 due partly to a rising U.S. dollar during the month. U.S. beef imports in Nov were 6.4% more than last year and the largest since Aug. U.S. beef exports and imports could be greatly influenced by erratic currency markets this winter. Relatively inflated lean beef trim prices should endure over the next few months. The beef end cut beef markets tend to seasonally peak soon. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Cattle	1.273	1.293	-.020	1.219
Feeder Cattle Index (CME)	1.499	1.507	-.008	1.502
Ground Beef 81/19	2.243	2.135	+.108	1.897
Ground Chuck	2.184	2.255	-.071	1.891
109e Export Rib (choice)	4.958	5.417	-.459	4.811
109e Export Rib (prime)	9.283	9.299	-.016	10.963
112a Ribeye (choice)	5.897	5.767	+.130	5.322
112a Ribeye (prime)	9.462	9.746	-.284	10.612
116 Chuck (select)	2.439	2.422	+.017	2.219
116 Chuck (choice)	2.464	2.470	-.006	2.256
116b Chuck Tdnr (choice)	2.354	2.404	-.050	2.132
120 Brisket (choice)	2.070	2.079	-.009	2.095
121c Outside Skirt (ch/sel)	4.566	4.595	-.029	4.307
121d Inside Skirt (ch/sel)	3.527	3.506	+.021	3.527
167a Knckle, Trm. (ch.)	2.385	2.402	-.017	2.292
168 Inside Round (ch.)	2.153	2.237	-.084	2.129
174 Short Loin (ch. 0x1)	5.169	5.176	-.007	4.474
174 Short Loin (prime)	7.631	7.665	-.034	8.881
180 1x1 Strp (choice)	4.551	4.731	-.180	4.148
180 1x1 Strp (prime)	9.041	9.299	-.258	9.623
180 0x1 Strp (choice)	5.250	5.080	+.170	4.771
184 Top Butt, bnls (ch.)	3.313	3.209	+.104	2.808
184 Top Butt, bnls (prime)	3.210	3.550	-.340	3.155
185a Sirloin Flap (choice)	3.743	3.835	-.092	3.285
185c Loin, Tri-Tip (choice)	2.921	3.020	-.099	2.747
189a Tender (select)	8.621	8.522	+.099	7.932
189a Tender (choice)	9.590	10.067	-.477	8.180
189a Tender (prime)	13.027	13.404	-.377	13.766
193 Flank Steak (choice)	4.326	4.165	+.161	3.815
50% Trimmings	.736	.748	-.012	1.000
65% Trimmings	1.223	1.219	+.004	1.405
75% Trimmings	1.545	1.545	-	1.550
85% Trimmings	1.883	1.865	+.018	1.948
90% Trimmings	2.114	2.105	+.009	2.057
90% Imported Beef (frz.)	2.165	2.135	+.030	2.065
95% Imported Beef (frz.)	2.340	2.314	+.026	2.173
Veal Rack (Hotel 7 rib)	8.275	8.325	-.050	6.675
Veal Top Rnd. (cp. off)	14.925	14.925	-	13.575



Oil, Grains, Misc.- Recent USDA reports imply that corn and soybean usage needs to decline sharply from the prior year over the next eight months. Grain prices are likely to be firm this winter. Prices USDA, FOB.

	Price	Last Week	Difference	Price 12
Soybeans, bushel	14.401	14.116	+.285	11.711
Crude Soybean Oil, lb.	.487	.469	+.018	.503
Soybean Meal, ton	428.900	428.400	+.500	304.000
Corn, bushel	7.413	7.103	+.310	6.048
Crude Corn Oil, lb.	.520	.515	+.005	.535
High Fructose Corn Syrup	.205	.199	+.006	.175
Distillers Grain, Dry	252.500	253.250	-.750	180.750
Crude Palm Oil, lb. BMD	.358	.354	+.004	.464
HRW Wheat, bushel	7.975	7.690	+.285	6.480
DNS Wheat 14%, bushel	8.870	8.600	+.270	8.580
Durum Wheat, bushel	7.813	7.800	+.013	7.788
Pinto Beans, lb.	.342	.341	+.001	.451
Black Beans, lb.	.340	.340	-	.450
Rice, Long Grain, lb.	.273	.271	+.002	.271
Coffee, lb. NYBOT	1.541	1.487	+.054	2.249
Sugar, lb. NYBOT	.210	.223	-.013	.340
Honey (Clover), lb.	1.931	1.809	+.122	1.675



Dairy- The cheese markets may be near a bottom. U.S. cheese exports in Nov were down 7.6% versus last year and were 3.7% less than the prior month. The New Zealand dollar and the Euro have firmed against the U.S. dollar as of late. This factor and the recent declines in domestic cheese price have caused the export picture for U.S. cheese to improve. Butter exports in Nov were 28% less than '11 and were also down 28% from Oct. Still, butter exports could improve soon due to a declining U.S. dollar. The downside price risk for butter and cheese from here is likely nominal. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 12
Cheese Barrels (CME)	1.665	1.690	-.025	1.525
Cheese Blocks (CME)	1.700	1.720	-.020	1.555
American Cheese	1.875	1.913	-.038	1.935
Cheddar Cheese (40 lb.)	2.115	2.148	-.033	2.103
Mozzarella Cheese	1.960	1.993	-.033	1.948
Provolone Cheese	2.310	2.343	-.033	2.093
Parmesan Cheese	3.658	3.690	-.032	3.173
Butter (CME)	1.490	1.450	+.040	1.578
Nonfat Dry Milk	1.587	1.601	-.014	1.450
Whey, Dry	.637	.657	-.020	.715
Class 1 Base	18.970	18.970	-	18.800
Class II Cream, heavy	1.639	1.654	-.015	1.952
Class III Milk (CME)	17.460	17.700	-.240	16.480
Class IV Milk (CME)	17.600	17.650	-.050	16.780

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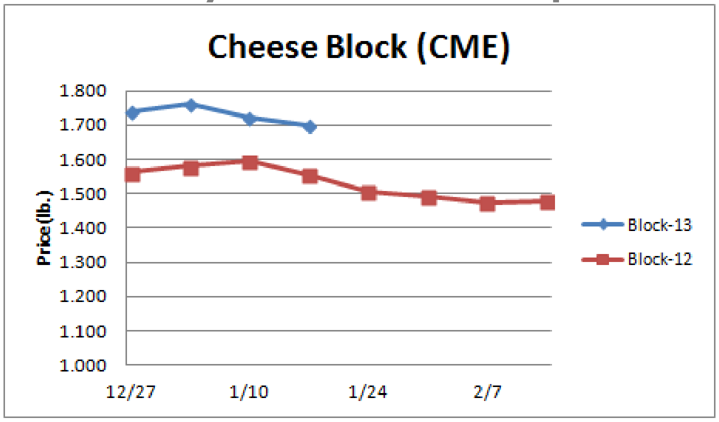
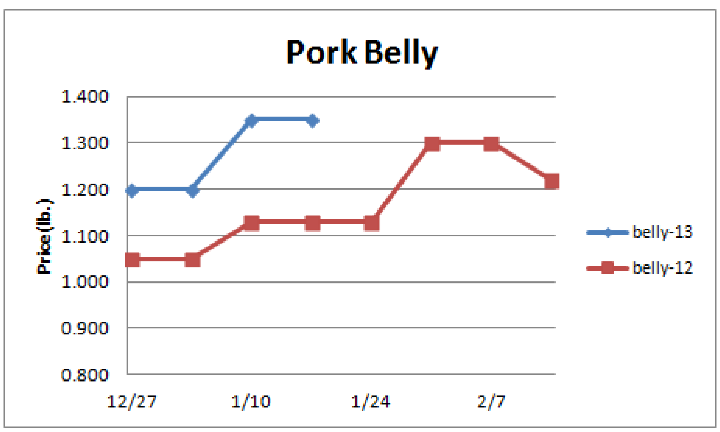


Pork- Pork production last week was 1.8% more than '12. Pork output has been relatively modest due in part to poor packer margins which has supported pork prices. Pork exports during Nov were down 9% versus '11 but were the second largest since Mar. China's wholesale pork prices last week were 5.1% below a year ago. If this soft Chinese price trend for pork persists, it could temper export demand for U.S. pork. The pork belly market usually rises 11% over the next three weeks but any further increases this month may be less intense. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Hogs	.592	.597	-.005	.610
Belly (bacon)	1.350	1.350	-	1.130
Sparerib (4.25 lb. & down)	1.369	1.369	-	1.576
Ham (20-23 lb.)	.700	.700	-	.700
Ham (23-27 lb.)	.700	.700	-	.750
Loin (bone-in)	.892	.886	+.006	.981
Bbybck Rib (1.75 lb. & up)	1.970	1.980	-.010	2.604
Tenderloin (1.25 lb.)	2.385	2.295	+.090	2.475
Boston Butt, untrmd. (4-8lb.)	.826	.843	-.017	.949
Picnic, untrmd.	.530	.567	-.037	.602
SS Picnic, smoker trm. bx.	.810	.810	-	.860
42% Trimmings	.407	.450	-.043	.440
72% Trimmings	.620	.600	+.020	.673



Tomato Products, Canned- Inflated raw product costs for canners are anticipated in '13. The canned tomato markets should be steady to firm in the coming months. Prices per case (6/10) FOB, unless noted from ARA.

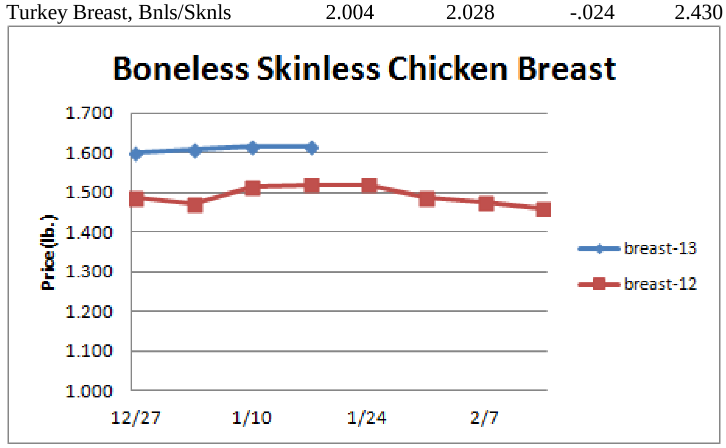
	Price	Last Week	Difference	Price 12
Whole Peeled, Standard	12.250	12.250	-	12.250
Diced, Fancy	12.750	12.750	-	12.750
Ketchup, 33%	13.438	13.438	-	13.438
Tomato Paste- Industrial (lb.)	.398	.398	-	.398

Processed Vegetables- With high competing grain prices in place, acreage for processed vegetables may be tight. Processed vegetable prices are likely to remain steady to firm. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 12
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- The USDA is forecasting 1st quarter chicken production to be down 1% from last year but average daily output up .1% due to the leap day in '12. If profit margins for producers continue to improve, it may encourage chicken output in the coming months. U.S. chicken exports in Nov were 4% more than last year and were the second best for the month on record. Chicken exports are likely to remain solid this winter which could support the leg quarter markets. The chicken wing markets continue to price at record highs, being supported by seasonal football demand. The chicken wing markets usually peak for the year in mid-Feb. The chicken breast markets are projected to seasonally increase during the next few months. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 12
Whole Birds (2.5-3 lb.-GA)	.993	.990	+.003	.905
Wings (whole)	1.985	1.935	+.050	1.820
Wings (jumbo, cut)	2.056	1.973	+.083	1.815
Breast, Bone In	1.045	1.015	+.030	.880
Breast, Bnless Skinless	1.615	1.615	-	1.520
Tenderloin (random)	1.370	1.300	+.070	1.380
Tenderloin (sized)	1.500	1.500	-	1.980
Legs (whole)	.665	.675	-.010	.747
Leg Quarters	.469	.535	-.066	.535
Thighs, bone in	.809	.796	+.013	.798
Thighs, boneless	1.272	1.283	-.011	1.279
Eggs and Others				
Large (dozen)	1.137	1.177	-.040	1.127
Medium (dozen)	.965	.965	-	.875
Whole Eggs- Liquid	.514	.526	-.012	.358
Egg Whites- Liquid	.467	.442	+.025	.408
Egg Yolks- Liquid	1.023	1.023	-	.649
Whole Turkeys (8-16 lb.)	.955	.980	-.025	1.018
Turkey Breast, Bnls/Sknls	2.004	2.028	-.024	2.430



Seafood- U.S. total (8%) and shell-on (10%) shrimp imports during Nov were notably less than a year ago. Relatively low shrimp prices and volatile currency markets may discourage U.S. shrimp imports this winter and limit the downside for the shrimp markets. The U.S. remains highly dependent on foreign shrimp supplies to meet its demand. Salmon fillet steak imports during Nov were 14.5% greater than the previous year. Prices for fresh product, unless noted, per pound from Fisheries Market News.

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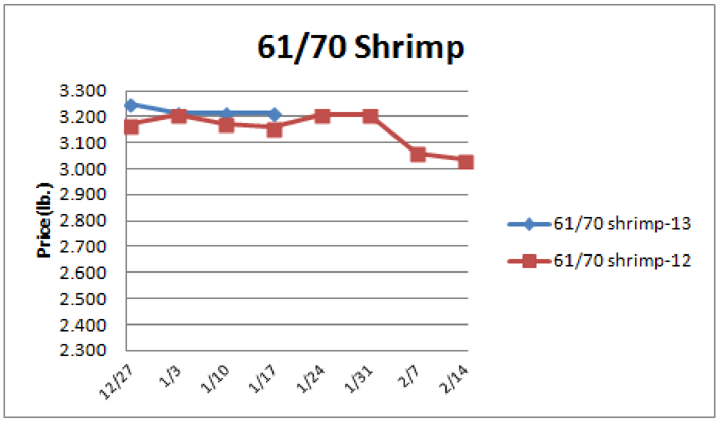
	Price	Last Week	Difference	Price 12
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	3.000
Catfish Filets	4.500	4.500	-	5.400
Trout (drn. 8-14 oz.)	3.700	3.700	-	3.500
Shrimp (16/20), Frz	5.470	5.400	+.070	6.400
Shrimp (61/70), Frz.	3.216	3.216	-	3.160
Shrimp, Tiger (26/30), Frz.	4.500	4.300	+.200	4.975
Snow Crab, Legs 5-8 oz, Frz	5.150	5.150	-	5.200
Snow Crab, Legs 8 oz/ up, Fz	5.800	5.800	-	5.725
Cod Tails, 3-7 oz., Frz.	3.175	3.175	-	3.340
Cod Loins, 3-12 oz., Frz	3.350	3.350	-	3.820
Salmon Portions, 4-8 oz, Frz	4.854	4.817	+.037	6.066
Pollock, Alaska, Deep Skin	1.925	1.925	-	1.800



Energy & Currency-Currency US dollar is worth.

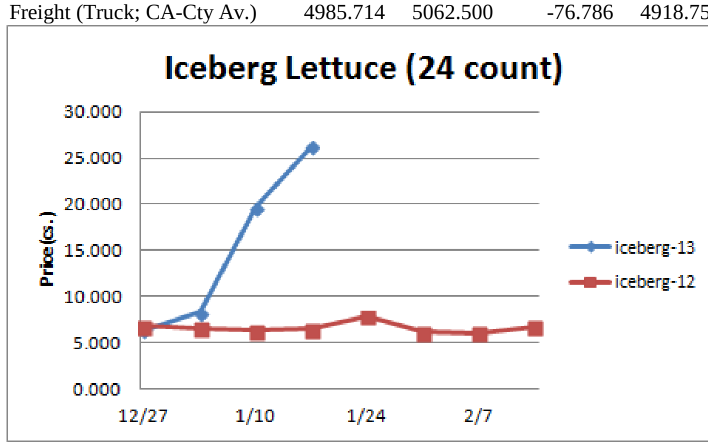
	Price	Last Week	Difference	Price 12
Crude Oil, barrel- nymex	93.280	93.150	+.130	100.710
Natural Gas, mbtu- nymex	3.455	3.218	+.237	2.488
Heating Oil, gal- nymex	3.011	3.059	-.048	3.037
Electricity, mwht- nymex	45.360	38.370	+6.99	37.360
Gasoline, gal- nymex	2.707	2.794	-.084	2.771
Diesel Fuel, gal- eia	3.894	3.911	-.017	3.854
Ethanol, gal- usda	2.150	2.125	+.025	2.135
Canadian $	.986	.987	-.001	1.012
Japanese Yen	88.161	87.657	+.504	76.779
Mexican Peso	12.648	12.760	-.112	13.470
Euro	.752	.767	-.015	.782
Brazilian Real	2.037	2.040	-.003	1.772

Paper/Plastic-Provided by; resin- www.plasticsnews.com, pulp- www.paperage.com.

Wood Pulp/ Plastic Resin	Price	Last Week	Difference	Price 12
WP; NBSK (napkin, towel)	885.810	880.290	+5.520	876.900
WP; 42 lb. Linerboard (corr.)	775.768	762.480	+13.288	672.498
Res; PS-CHH (cup, cont.)	1.180-1.220	1.180-1.220	-	1.100-1.140
Res; PP-HIGP (hvy utensil)	.960-.980	.960-.980	-	.960-.980
Res; PE-LLD (cn liner, film)	.830-.860	.830-.860	-	.880-.910

Produce- The lettuce markets have moved sharply higher as of late due to harvest problems caused by cold temperatures. Still, iceberg lettuce shipments last week were up 16% from the same week in '12. Improving weather should help iceberg lettuce supplies recover in the coming weeks but prices could remain fairly inflated in the near term. The tomato markets are mixed. Solid mature green tomato production in FL and adequate Mexican tomato supplies are keeping prices at bay. But, history points to higher mature green tomato prices in Feb. The yellow onion markets remain firm. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 12
Limes (150 ct.)	17.500	19.000	-1.500	16.000
Lemons (95 ct.)	13.275	13.275	-	18.740
Lemons (200 ct.)	16.775	16.775	-	19.240
Honeydew (6 ct.)	9.238	6.991	+2.247	13.450
Cantaloupe (15 ct.)	8.975	9.975	-1.000	14.250
Blueberries (12 count)	25.400	15.200	+10.200	10.750
Strawberries (12 pnts.)	15.000	18.000	-3.000	18.000
Avocados (Hass 48 ct.)	18.750	18.750	-	27.750
Bananas (40 lb.)- Term.	14.455	14.647	-.192	14.983
Pineapple (7 ct.)- Term.	12.364	12.541	-.177	13.010
Idaho Potato (60 ct., 50 lb.)	4.500	4.500	-	8.625
Idaho Potato (70 ct., 50 lb.)	4.625	4.250	+.375	8.625
Idaho Potato (70 ct.)-Term.	10.750	10.656	+.094	15.000
Idaho Potato (90 ct., 50 lb.)	5.625	4.250	+1.375	8.812
Idaho Pot. # 2 (6 oz., 100 lb.)	9.000	5.500	+3.500	13.250
Processing Potato (cwt.)	6.000	6.000	-	7.500
Yellow Onions (50 lb.)	14.500	10.750	+3.750	5.500
Yell Onions (50 lb.)-Term.	20.989	16.083	+4.906	10.412
Red Onions (25 lb.)- Term.	18.354	13.812	+4.542	8.500
White Onions (50 lb.)- Term.	29.750	25.020	+4.730	18.437
Tomatoes (large- case)	9.200	10.950	-1.750	6.450
Tomatoes (5x6-25 lb.)-Term	14.383	14.406	-.023	13.416
Tomatoes (4x5 vine ripe)	9.975	9.950	+.025	6.450
Roma Tomatoes (large- case)	11.528	9.781	+1.747	6.522
Roma Tomatoes (xlarge-cs)	11.835	10.956	+.879	6.787
Green Peppers (large- case)	10.191	6.450	+3.741	15.916
Red Peppers (large 15lb. cs.)	14.950	5.950	+9.000	16.450
Iceberg Lettuce (24 count)	26.227	19.672	+6.555	6.475
Iceberg Lettuce (24)-Term.	32.000	21.833	+10.167	12.333
Leaf Lettuce (24 count)	26.340	20.278	+6.062	14.516
Romaine Lettuce (24 cnt.)	31.251	20.093	+11.158	11.266
Mesculin Mix (3 lb.)-Term.	8.000	6.479	+1.521	7.125
Broccoli (14 ct.)	26.561	18.621	+7.940	7.093
Squash (1/2 bushel)	13.350	12.425	+.925	21.850
Zucchini (1/2 bushel)	18.175	13.350	+4.825	26.850
Green Beans (bushel)	20.741	16.875	+3.866	22.937
Spinach, Flat 24's	27.650	17.650	+10.000	11.220
Mushrms (10 lb, lg.)-Term.	14.145	15.833	-1.688	15.145
Cucumbers (bushel)	23.570	16.310	+7.260	14.870
Pickles (200-300 ct.)- Term.	25.437	25.312	+.125	24.791
Asparagus (small)	16.500	16.500	-	22.375
Freight (Truck; CA-Cty Av.)	4985.714	5062.500	-76.786	4918.750



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

	Dec-13	Nov-13	Oct-13	Sep-13
Beef and Veal	+.344	+.071	+.541	-.309
Dairy	+.238	+.847	+.823	+.355
Pork	-1.469	-.129	+.184	-1.108
Chicken	+.643	+.374	+1.920	-.393
Fresh Fish and Seafood	-.990	-.491	-.322	+.289
Fresh Fruits and Veg.	+2.114	+.429	+1.012	+.769