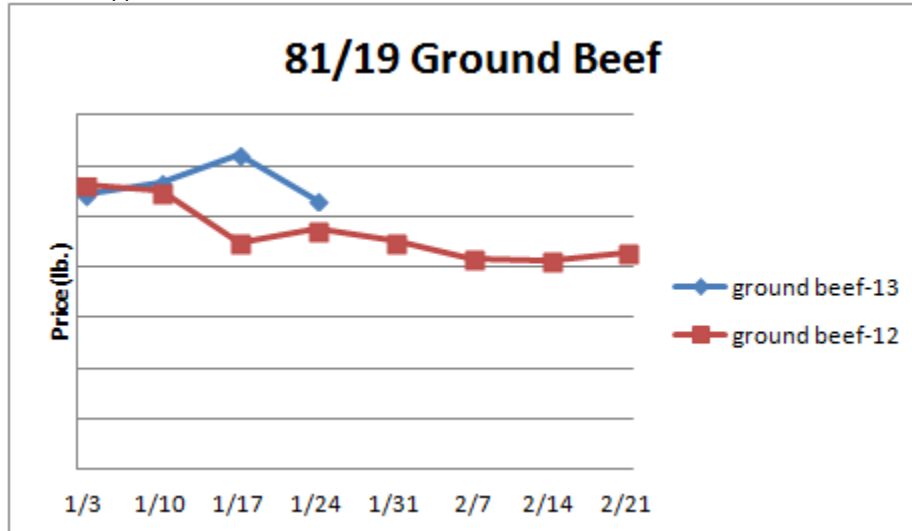


# Beef, Veal and Lamb Report

**Beef, Veal & Lamb-** Beef production last week fell 1.2% but was 2% larger than a year ago. The USDA is estimating U.S. beef output to be down 1.8% in Q1 versus '12 which is likely to support the beef markets. Beef demand remains sluggish and is pressuring some beef markets lower. Forward beef sales last week were the third smallest since July. Retail beef prices during Dec were 4.6% above '11 and a record high. Inflated retail prices may influence consumers to other protein choices in the coming months. That said, Japan will ease restrictions on imports of U.S. beef beginning Feb 1 which could support beef demand.

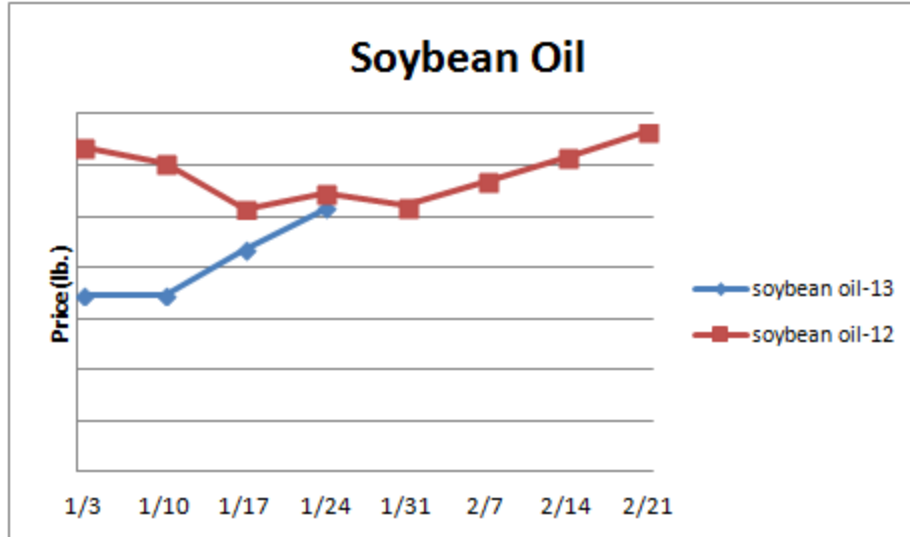


	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Cattle (Steer)	Decreasing	Good	Lower
Ground Beef 81/19	Decreasing	Good	Higher
Ground Chuck	Increasing	Good	Higher
109 Export Rib (choice)	Increasing	Good	Higher
109 Export Rib (prime)	Decreasing	Good	Lower
112a Ribeye (choice)	Increasing	Good	Higher
112a Ribeye (prime)	Increasing	Good	Lower
116 Chuck (choice)	Decreasing	Good	Higher
120 Brisket (choice)	Decreasing	Good	Lower
121c Outside Skirt (ch/sel.)	Decreasing	Good	Higher
167a Knuckle, Trimmed (choice)	Decreasing	Good	Higher
168 Inside Round (choice)	Decreasing	Good	Lower
174 Short Loin (choice 0x1)	Decreasing	Good	Higher
174 Short Loin (prime 2x3)	Increasing	Good	Lower
180 1x1 Strip (choice)	Decreasing	Good	Higher
180 1x1 Strip (prime)	Decreasing	Good	Lower
180 0x1 Strip (choice)	Decreasing	Good	Higher
184 Top Butt, boneless (choice)	Decreasing	Good	Higher
184 Top Butt, boneless (prime)	Increasing	Good	Higher
185a Sirloin Flap (choice)	Increasing	Good	Higher
185c Loin, Tri-Tip (choice)	Increasing	Good	Higher
189a Tender (select, 5 lb & up)	Decreasing	Good	Higher
189a Tender (choice, 5 lb & up)	Decreasing	Good	Higher
189a Tender (prime, heavy)	Increasing	Good	Lower
193 Flank Steak (choice)	Increasing	Good	Higher
50% Trimmings	Decreasing	Good	Lower
65% Trimmings	Increasing	Good	Lower
75% Trimmings	Increasing	Good	Higher
85% Trimmings	Increasing	Good	Lower
90% Trimmings	Steady	Good	Higher

<b>90% Imported Beef (frozen)</b>	<b>Steady</b>	<b>Good</b>	<b>Higher</b>
<b>Veal Rack (Hotel 7 rib)</b>	<b>Steady</b>	<b>Good</b>	<b>Higher</b>
<b>Veal Top Round (cap off)</b>	<b>Steady</b>	<b>Good</b>	<b>Higher</b>

## Oil and Grains Report

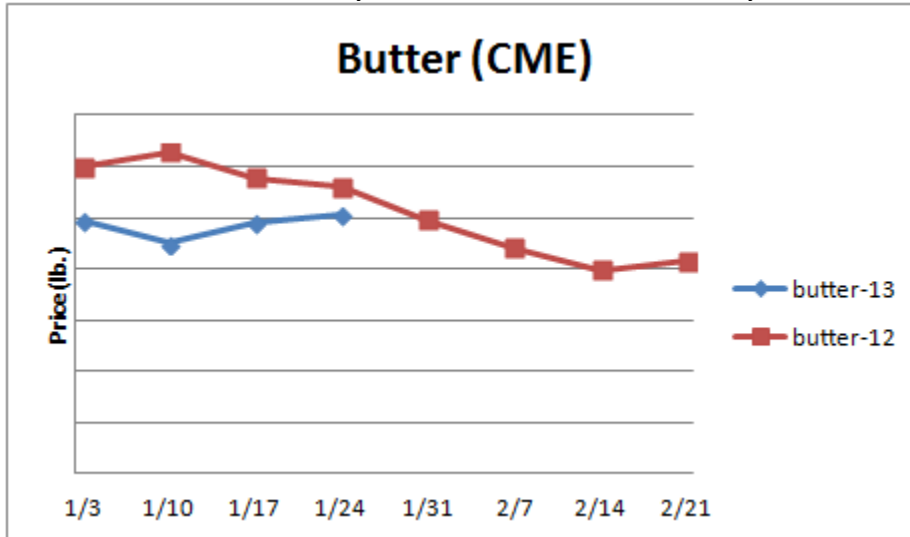
**Oil & Grains-** Soybean oil prices have risen 3% since last week and are at levels not seen since early Oct. Still, the upside soybean oil price risk may be limited in the near term.



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

# Dairy Report

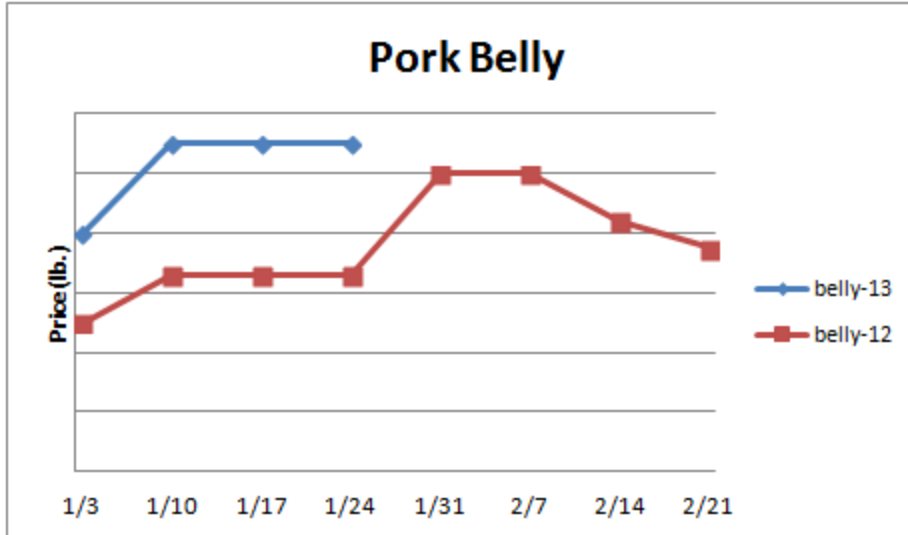
**Dairy-** U.S milk production in Dec was 1.6% more than the prior year due to a 1.7% rise in milk per cow yields and a .1% smaller cow herd. Milk farmers increased the herd in Dec by a net 16k head versus Nov. But, if milk prices don't begin to seasonally escalate soon, milk farmers may reduce the herd and slow milk output. The CME cheese markets are soft. Still, the average move for the cheese block market during Feb is 8.2% higher. The CME butter market is firm. The CME butter market usually trends 1.8% lower next month but this year's decline could be less intense.



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

# Pork Report

**Pork**- Pork production last week fell 2.3% and was .3% smaller than a year ago. Seasonally declining pork output may support the pork markets in the near term. U.S. retail pork prices during Dec were 3.3% below last year and the lowest since Feb '11. Expect retail pork feature activity to be prevalent in the coming weeks which should also be supportive of the pork markets. Cold storage pork stocks on Dec 31 were smaller than '11 for bellies (11%) but higher for hams (47%). Since '08, the average move for the hams during Feb is 5.3% higher.



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

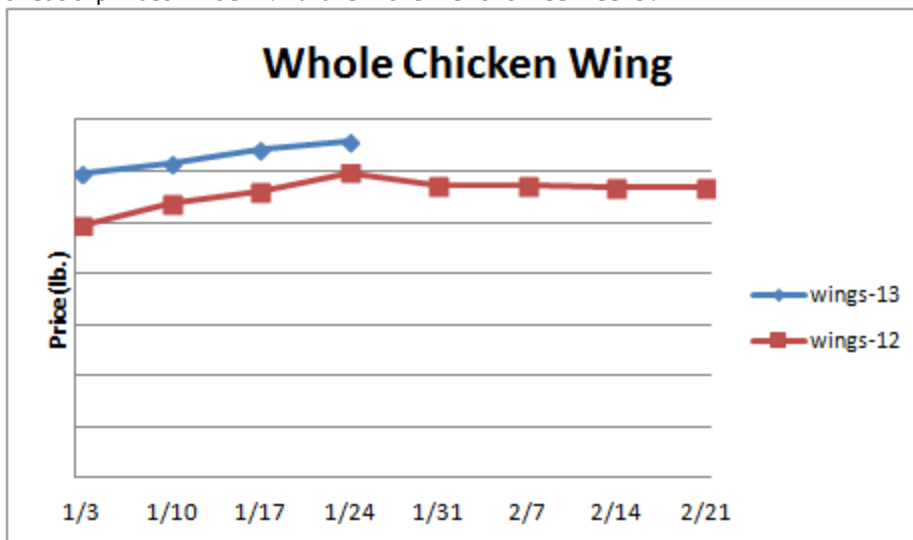
# Canned Tomato Report

**Tomato Products, Canned-** Existing canned tomato supplies are adequate. The canned tomato markets are anticipated to remain relatively firm.

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

# Poultry Report

**Poultry-** The Dec broiler (chicken marked for the chicken meat supply) chick hatch was 1% larger than last year. Dec pullet placements into the broiler hatchery flock were 3% more than a year ago. Broiler egg sets over the last two weeks were up 2% versus '12. The aforementioned data suggests that chicken output could trend above year ago levels in the coming weeks. Yet, if feed costs continue to rise, chicken producer margins could tighten leading to slowed chicken production. The chicken wing markets are making record highs. A yearly top usually occurs for chicken wings in mid-Feb. The chicken breast markets are steady but higher prices may be pending. Typically, chicken breast prices rise 2.4% over the next three weeks.

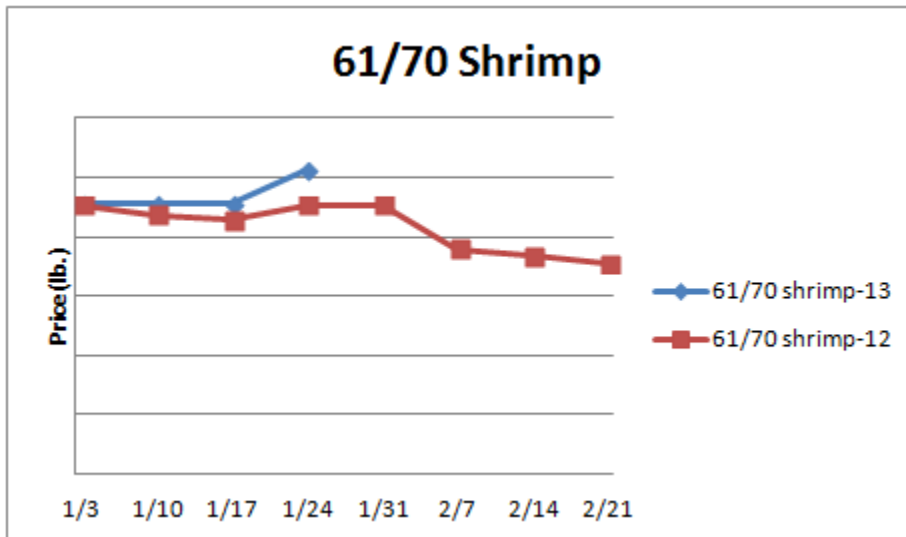


	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
<b>Whole Chicken (2.5-3 lb-GA)</b>	Increasing	Good	Higher
<b>Chicken Wings, Whole</b>	Increasing	Good	Higher
<b>Chicken Wings, Jumbo Cut</b>	Increasing	Good	Higher
<b>Chicken Breast, Bone-In</b>	Increasing	Good	Lower
<b>Chicken Breast, Bnless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

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

## Seafood Report

**Seafood-** U.S. Gulf of Mexico shrimp landings during Dec were 20% more than last year and the second largest for the month in the last five years. This is a positive sign for U.S. shrimp fishing but rising fuel costs could hamper pending fishing operations. Still, the value of the U.S. dollar and shrimp import levels could influence shrimp prices more this winter. The downside risk for shrimp prices from here is likely nominal.



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

## Bean, Rice, Coffee and Sugar Report

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
<b>Pinto Beans</b>	Decreasing	Good	Lower
<b>Black Beans</b>	Steady	Good	Lower
<b>Rice, Long Grain</b>	Increasing	Good	Higher
<b>Coffee Beans</b>	Decreasing	Good	Lower
<b>Sugar</b>	Increasing	Good	Lower
<b>Honey</b>	Decreasing	Good	Higher

## Paper Product Report

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Wood Pulp (paper)			
<b>NBSK- Paper napkin</b>	Increasing	Good	Higher
<b>42 lb. Linerboard-corrugated box</b>	Increasing	Good	Higher
Plastic Resins (plastic, foam)			
<b>PS-CHH-utensils, cups, to-go cont.</b>	Increasing	Good	Higher
<b>PP-HIGP-heavy grade utensils</b>	Increasing	Good	Higher
<b>PE-LLD-can liners, film, bags</b>	Increasing	Good	Higher

## Retail Price Change from Prior Month

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

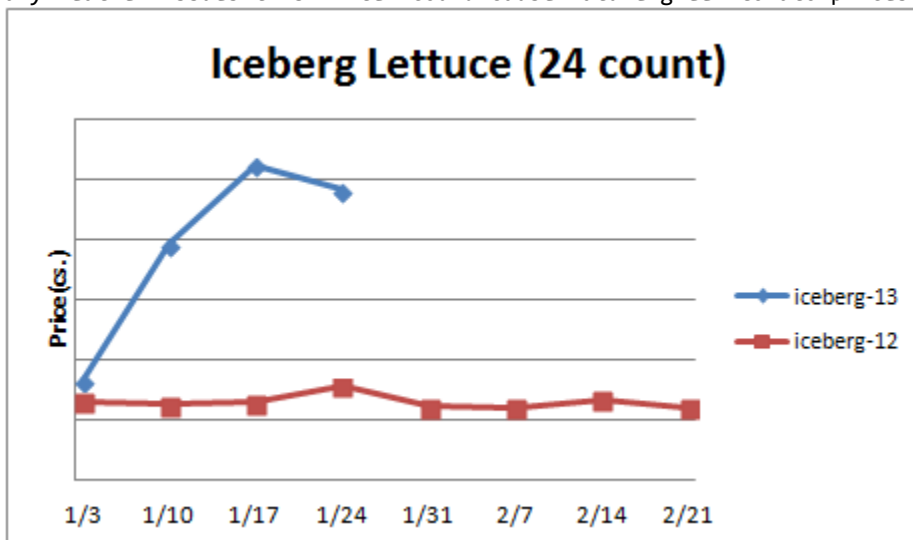
## Processed Fruits and Vegetables Report

**Processed Fruits and Vegetables-** Dec 31st frozen cob corn (6%) and green pea (9%) stocks were less than the previous year. Firm processed vegetable prices are likely this spring.

<u>Canned 6/10</u>	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
<b>Corn, Fancy Whole Kernel</b>	Steady	Good	Higher
<b>Green Beans, Fancy 4 sv</b>	Steady	Good	Higher
<b>Green Peas, Fancy 4 sv/blend</b>	Steady	Good	Higher
<u>Frozen</u>			
<b>Corn, Cob 96 count</b>	Steady	Good	Higher
<b>Corn, Kernel 12/2.5 lb.</b>	Steady	Good	Higher
<b>Green Beans, Cut 12/2 lb.</b>	Steady	Good	Higher
<b>Green Peas, 12/2.5 lb.</b>	Steady	Good	Higher
<b>Potatoes, FF Fancy, 6/5 lb.</b>	Steady	Good	Higher

## Produce Report

**Produce-** The lettuce harvest in Yuma AZ has been limited in recent weeks due to a freeze and other crop challenges. However, better weather is forecasted for the Southwest over the next week which should support crop development. Lower iceberg lettuce prices may be impending. Hass avocado supplies are adequate but prices have firmed due to improving demand. The Hass avocado market usually bottoms in mid-Feb and then increases into the summer. The tomato markets are relatively depressed. However, any weather issues this winter could cause mature green tomato prices to firm.





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

## Produce Report (continued)

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