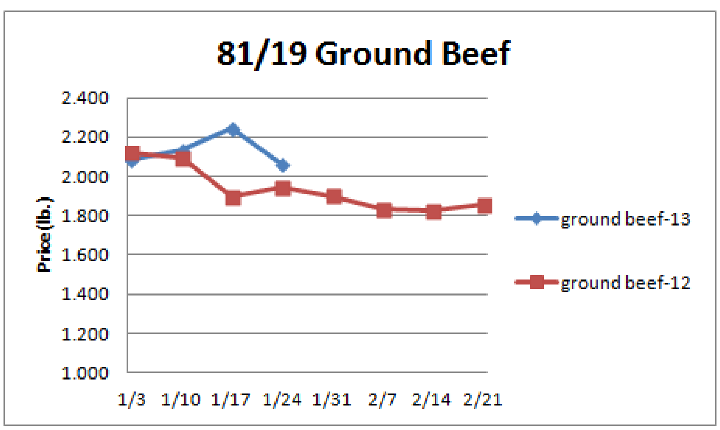
Weekly Market Updates

Volume No. 18 Issue No. 4 Date: January 24, 2013

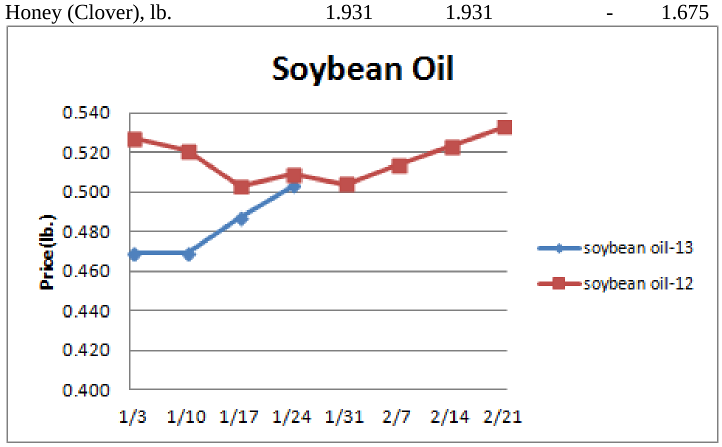
Beef- Beef production last week fell 1.2% but was 2% larger than a year ago. The USDA is estimating U.S. beef output to be down 1.8% in Q1 versus '12 which is likely to support the beef markets. Beef demand remains sluggish and is pressuring some beef markets lower. Forward beef sales last week were 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. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Cattle	1.240	1.273	-.033	1.262
Feeder Cattle Index (CME)	1.462	1.499	-.037	1.516
Ground Beef 81/19	2.065	2.243	-.178	1.948
Ground Chuck	2.199	2.184	+.015	1.995
109e Export Rib (choice)	5.209	4.958	+.251	4.730
109e Export Rib (prime)	9.142	9.283	-.141	11.028
112a Ribeye (choice)	5.922	5.897	+.025	5.291
112a Ribeye (prime)	9.480	9.462	+.018	10.511
116 Chuck (select)	2.314	2.439	-.125	2.336
116 Chuck (choice)	2.443	2.464	-.021	2.341
116b Chuck Tdnr (choice)	2.282	2.354	-.072	2.170
120 Brisket (choice)	1.961	2.070	-.109	2.066
121c Outside Skirt (ch/sel)	4.557	4.566	-.009	4.448
121d Inside Skirt (ch/sel)	3.546	3.527	+.019	3.255
167a Knckle, Trm. (ch.)	2.318	2.385	-.067	2.287
168 Inside Round (ch.)	2.007	2.153	-.146	2.112
174 Short Loin (ch. 0x1)	5.143	5.169	-.026	4.631
174 Short Loin (prime)	7.816	7.631	+.185	9.085
180 1x1 Strp (choice)	4.382	4.551	-.169	4.353
180 1x1 Strp (prime)	8.820	9.041	-.221	9.157
180 0x1 Strp (choice)	5.087	5.250	-.163	4.868
184 Top Butt, bnls (ch.)	3.297	3.313	-.016	2.780
184 Top Butt, bnls (prime)	3.555	3.210	+.345	3.133
185a Sirloin Flap (choice)	3.757	3.743	+.014	3.495
185c Loin, Tri-Tip (choice)	2.931	2.921	+.010	2.756
189a Tender (select)	8.559	8.621	-.062	8.105
189a Tender (choice)	9.410	9.590	-.180	8.327
189a Tender (prime)	13.057	13.027	+.030	13.779
193 Flank Steak (choice)	4.365	4.326	+.039	3.942
50% Trimmings	.656	.736	-.080	.996
65% Trimmings	1.240	1.223	+.017	1.358
75% Trimmings	1.617	1.545	+.072	1.550
85% Trimmings	1.885	1.883	+.002	1.928
90% Trimmings	2.114	2.114	-	2.044
90% Imported Beef (frz.)	2.165	2.165	-	2.085
95% Imported Beef (frz.)	2.295	2.340	-.045	2.190
Veal Rack (Hotel 7 rib)	8.275	8.275	-	7.425
Veal Top Rnd. (cp. off)	14.925	14.925	-	13.575



Oil, Grains, Misc.- 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. Prices USDA, FOB.

	Price	Last Week	Difference	Price 12
Soybeans, bushel	14.888	14.401	+.487	12.178
Crude Soybean Oil, lb.	.503	.487	+.016	.509
Soybean Meal, ton	438.600	428.900	+9.700	318.000
Corn, bushel	7.390	7.413	-.023	6.361
Crude Corn Oil, lb.	.525	.520	+.005	.546
High Fructose Corn Syrup	.204	.205	-.001	.182
Distillers Grain, Dry	261.500	252.500	+9.000	182.375
Crude Palm Oil, lb. BMD	.359	.358	+.001	.466
HRW Wheat, bushel	7.925	7.975	-.050	6.610
DNS Wheat 14%, bushel	8.790	8.870	-.080	8.680
Durum Wheat, bushel	7.875	7.813	+.062	7.663
Pinto Beans, lb.	.341	.342	-.001	.472
Black Beans, lb.	.340	.340	-	.475
Rice, Long Grain, lb.	.274	.273	+.001	.271
Coffee, lb. NYBOT	1.513	1.541	-.028	2.172
Sugar, lb. NYBOT	.216	.210	+.006	.340
Honey (Clover), lb.	1.931	1.931	-	1.675



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. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 12
Cheese Barrels (CME)	1.600	1.665	-.065	1.485
Cheese Blocks (CME)	1.660	1.700	-.040	1.505
American Cheese	1.850	1.875	-.025	1.880
Cheddar Cheese (40 lb.)	2.090	2.115	-.025	2.058
Mozzarella Cheese	1.935	1.960	-.025	1.903
Provolone Cheese	2.285	2.310	-.025	2.138
Parmesan Cheese	3.633	3.658	-.025	3.218
Butter (CME)	1.505	1.490	+.015	1.560
Nonfat Dry Milk	1.609	1.587	+.022	1.447
Whey, Dry	.607	.637	-.030	.728
Class 1 Base	18.210	18.970	-.760	17.030
Class II Cream, heavy	1.629	1.639	-.010	1.833
Class III Milk (CME)	17.210	17.460	-.250	16.580
Class IV Milk (CME)	17.650	17.600	+.050	16.440

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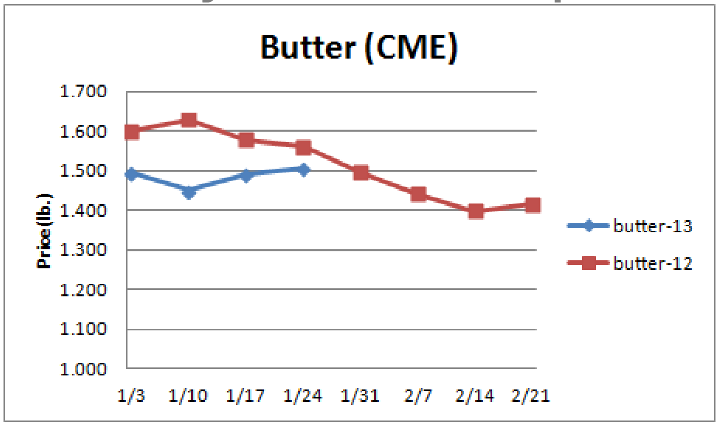
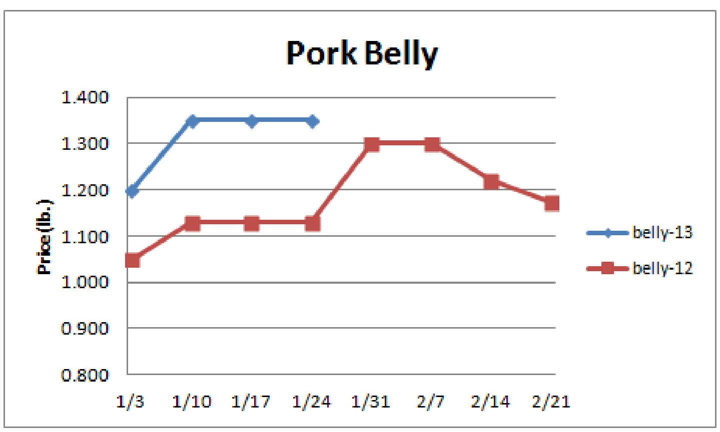


Pork- Pork production last week fell 2.3% and was .3% smaller than a year ago. Seasonally declining pork output may support the pork markets in the near term. U.S. retail pork prices during Dec were 3.3% below last year and the lowest since Feb '11. Expect retail pork feature activity to be prevalent 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. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Hogs	.621	.592	+.029	.627
Belly (bacon)	1.350	1.350	-	1.130
Sparerib (4.25 lb. & down)	1.367	1.369	-.002	1.597
Ham (20-23 lb.)	.740	.700	+.040	.730
Ham (23-27 lb.)	.730	.700	+.030	.710
Loin (bone-in)	.892	.892	-	.949
Bbybck Rib (1.75 lb. & up)	1.984	1.970	+.014	2.647
Tenderloin (1.25 lb.)	2.410	2.385	+.025	2.517
Boston Butt, untrmd. (4-8lb.)	.838	.826	+.012	.940
Picnic, untrmd.	.594	.530	+.064	.614
SS Picnic, smoker trm. bx.	.826	.810	+.016	.860
42% Trimmings	.407	.407	-	.393
72% Trimmings	.630	.620	+.010	.640



Tomato Products, Canned- Existing canned tomato supplies are adequate. The canned tomato markets are anticipated to remain relatively firm. Prices per case (6/10) FOB, unless noted from ARA.

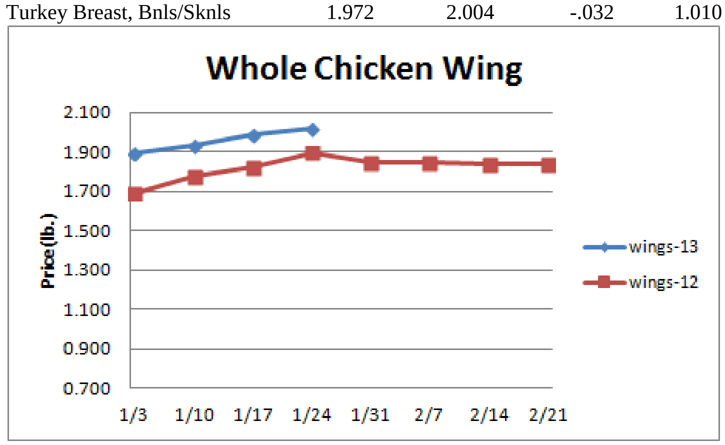
	Price	Last Week	Difference	Price 12
Whole Peeled, Standard	12.250	12.250	-	12.250
Diced, Fancy	12.750	12.750	-	12.750
Ketchup, 33%	13.438	13.438	-	13.438
Tomato Paste- Industrial (lb.)	.398	.398	-	.398

Processed Vegetables- 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. 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 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. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 12
Whole Birds (2.5-3 lb.-GA)	.995	.993	+.002	.908
Wings (whole)	2.015	1.985	+.030	1.000
Wings (jumbo, cut)	2.122	2.056	+.066	1.895
Breast, Bone In	1.050	1.045	+.005	1.910
Breast, Bnless Skinless	1.600	1.615	-.015	.890
Tenderloin (random)	1.370	1.370	-	1.520
Tenderloin (sized)	1.500	1.500	-	1.430
Legs (whole)	.681	.665	+.016	2.030
Leg Quarters	.540	.469	+.071	.759
Thighs, bone in	.784	.809	-.025	.535
Thighs, boneless	1.303	1.272	+.031	.784
Eggs and Others				
Large (dozen)	1.137	1.137	-	1.242
Medium (dozen)	.958	.965	-.007	.977
Whole Eggs- Liquid	.519	.514	+.005	.812
Egg Whites- Liquid	.448	.467	-.019	.348
Egg Yolks- Liquid	.920	1.023	-.103	.409
Whole Turkeys (8-16 lb.)	.955	.955	-	.655
Turkey Breast, Bnls/Sknls	1.972	2.004	-.032	1.010



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. Prices for fresh product, unless noted, per pound from Fisheries Market News.

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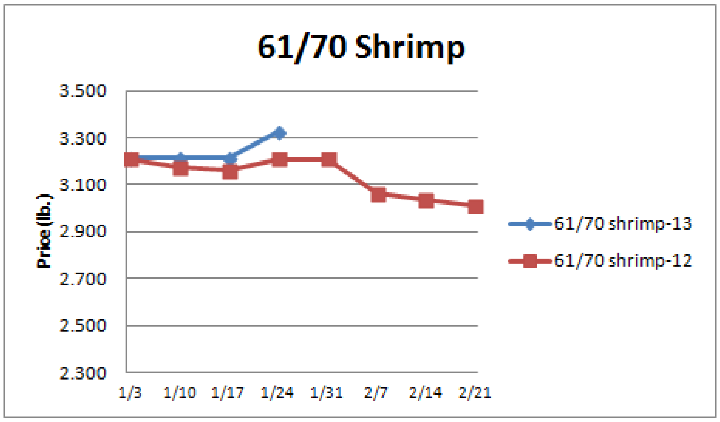
	Price	Last Week	Difference	Price 12
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	3.000
Catfish Filets	4.500	4.500	-	5.400
Trout (drn. 8-14 oz.)	3.700	3.700	-	3.500
Shrimp (16/20), Frz	5.575	5.470	+.105	6.386
Shrimp (61/70), Frz.	3.325	3.216	+.109	3.208
Shrimp, Tiger (26/30), Frz.	4.533	4.500	+.033	4.983
Snow Crab, Legs 5-8 oz, Frz	5.150	5.150	-	5.375
Snow Crab, Legs 8 oz/ up, Fz	5.800	5.800	-	5.725
Cod Tails, 3-7 oz., Frz.	3.175	3.175	-	3.475
Cod Loins, 3-12 oz., Frz	3.350	3.350	-	3.600
Salmon Portions, 4-8 oz, Frz	4.854	4.854	-	6.000
Pollock, Alaska, Deep Skin	1.925	1.925	-	1.800



Energy & Currency-Currency US dollar is worth.

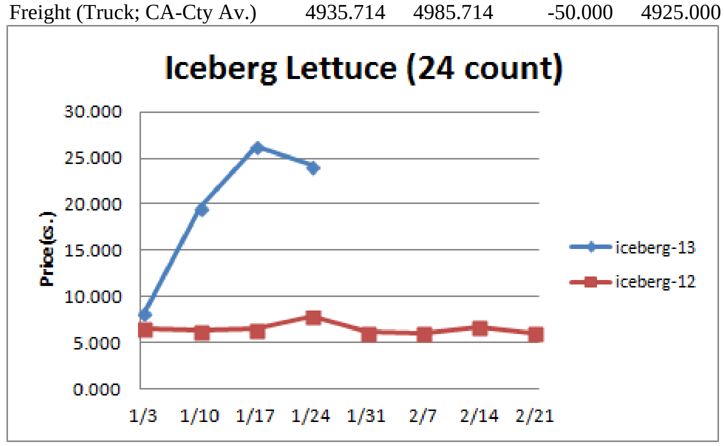
	Price	Last Week	Difference	Price 12
Crude Oil, barrel- nymex	96.240	93.280	+2.960	98.950
Natural Gas, mbtu- nymex	3.558	3.455	+.103	2.554
Heating Oil, gal- nymex	3.068	3.011	+.057	3.024
Electricity, mwht- nymex	52.460	45.360	+7.100	35.440
Gasoline, gal- nymex	2.830	2.707	+.123	2.805
Diesel Fuel, gal- eia	3.902	3.894	+.008	3.848
Ethanol, gal- usda	2.230	2.150	+.080	2.120
Canadian $	.992	.986	+.006	1.012
Japanese Yen	88.375	88.161	+.214	77.590
Mexican Peso	12.652	12.648	+.004	13.225
Euro	.749	.752	-.003	.769
Brazilian Real	2.044	2.037	+.007	1.763

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)	886.130	885.810	+.320	871.860
WP; 42 lb. Linerboard (corr.)	776.899	775.768	+1.131	686.337
Res; PS-CHH (cup, cont.)	1.210-1.250	1.180-1.220	+.030	1.100-1.140
Res; PP-HIGP (hvy utensil)	1.120-1.140	.960-.980	+.060	.960-.980
Res; PE-LLD (cn liner, film)	.890-.910	.830-.860	+.160	.880-.910

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. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 12
Limes (150 ct.)	15.000	17.500	-2.500	14.000
Lemons (95 ct.)	13.275	13.275	-	18.740
Lemons (200 ct.)	16.775	16.775	-	19.240
Honeydew (6 ct.)	9.768	9.238	+.530	13.450
Cantaloupe (15 ct.)	8.633	8.975	-.342	15.450
Blueberries (12 count)	25.400	25.400	-	10.750
Strawberries (12 pnts.)	13.000	15.000	-2.000	17.000
Avocados (Hass 48 ct.)	18.750	18.750	-	27.250
Bananas (40 lb.)- Term.	14.330	14.455	-.125	16.031
Pineapple (7 ct.)- Term.	12.458	12.364	+.094	13.135
Idaho Potato (60 ct., 50 lb.)	4.937	4.500	+.437	8.750
Idaho Potato (70 ct., 50 lb.)	5.375	4.625	+.750	8.687
Idaho Potato (70 ct.)-Term.	11.953	10.750	+1.203	15.156
Idaho Potato (90 ct., 50 lb.)	6.000	5.625	+.375	8.812
Idaho Pot. # 2 (6 oz., 100 lb.)	6.000	9.000	-3.000	13.250
Processing Potato (cwt.)	6.000	6.000	-	7.500
Yellow Onions (50 lb.)	14.500	14.500	-	4.800
Yell Onions (50 lb.)-Term.	17.121	20.989	-3.868	9.406
Red Onions (25 lb.)- Term.	20.750	18.354	+2.396	7.723
White Onions (50 lb.)- Term.	31.863	29.750	+2.113	18.802
Tomatoes (large- case)	8.450	9.200	-.750	5.950
Tomatoes (5x6-25 lb.)-Term	13.281	14.383	-1.102	9.125
Tomatoes (4x5 vine ripe)	7.975	9.975	-2.000	5.560
Roma Tomatoes (large- case)	9.393	11.528	-2.135	6.046
Roma Tomatoes (xlarge-cs)	9.712	11.835	-2.123	6.266
Green Peppers (large- case)	12.610	10.191	+2.419	7.166
Red Peppers (large 15lb. cs.)	14.950	14.950	-	9.950
Iceberg Lettuce (24 count)	24.205	26.227	-2.022	7.862
Iceberg Lettuce (24)-Term.	34.333	32.000	+2.333	17.666
Leaf Lettuce (24 count)	22.485	26.340	-3.855	15.015
Romaine Lettuce (24 cnt.)	30.250	31.251	-1.001	10.308
Mesculin Mix (3 lb.)-Term.	7.937	8.000	-.063	7.062
Broccoli (14 ct.)	25.266	26.561	-1.295	6.958
Squash (1/2 bushel)	14.175	13.350	+.825	22.350
Zucchini (1/2 bushel)	23.850	18.175	+5.675	24.100
Green Beans (bushel)	20.941	20.741	+.200	18.383
Spinach, Flat 24's	27.445	27.650	-.205	11.975
Mushrms (10 lb, lg.)-Term.	14.666	14.145	+.521	14.270
Cucumbers (bushel)	15.784	23.570	-7.786	10.891
Pickles (200-300 ct.)- Term.	26.718	25.437	+1.281	25.166
Asparagus (small)	16.500	16.500	-	14.500
Freight (Truck; CA-Cty Av.)	4935.714	4985.714	-50.000	4925.000



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