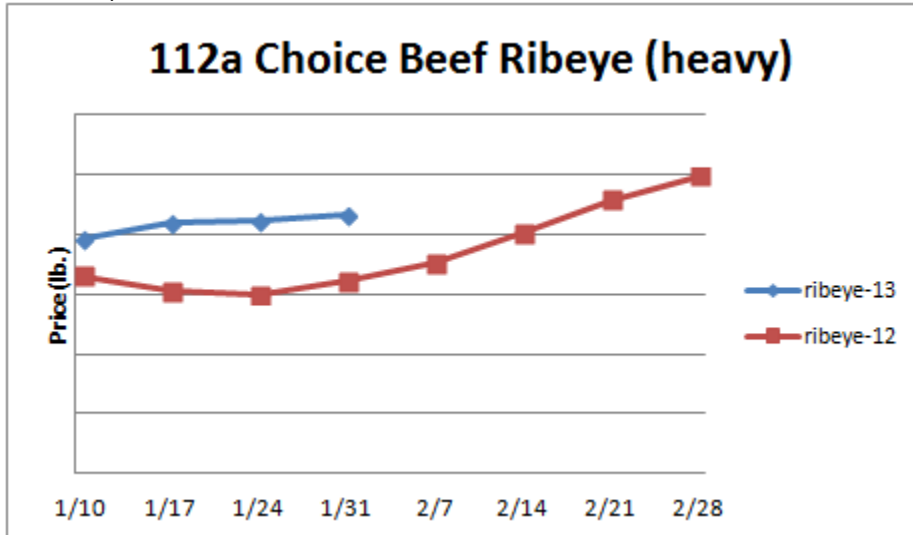


Beef, Veal and Lamb Report

Beef, Veal & Lamb- The Jan 1st cattle on feed inventory was 5.6% smaller than last year and the smallest for the month since '10. Cattle placements into feedlots during Dec were .5% less than a year ago. However, cattle were placed at an average weight of .6% heavier than '11. Inflated cattle prices are likely to temper beef output in the coming months. Beef prices should be relatively supported as a result. Japan has eased their restriction on U.S. beef imports beginning Feb 1 which could support the beef end-cut markets. Still, financially challenged consumers should limit the upside in beef prices.

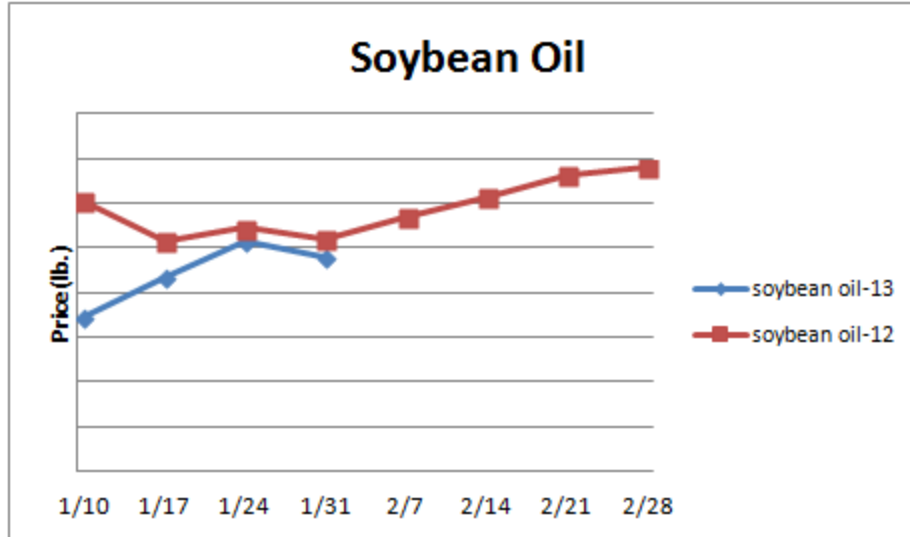


	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Cattle (Steer)	Increasing	Good	Higher
Ground Beef 81/19	Increasing	Good	Higher
Ground Chuck	Decreasing	Good	Higher
109 Export Rib (choice)	Increasing	Good	Higher
109 Export Rib (prime)	Decreasing	Good	Lower
112a Ribeye (choice)	Increasing	Good	Higher
112a Ribeye (prime)	Increasing	Good	Lower
116 Chuck (choice)	Decreasing	Good	Higher
120 Brisket (choice)	Increasing	Good	Lower
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)	Decreasing	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	Lower
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	Higher
189a Tender (select, 5 lb & up)	Increasing	Good	Higher
189a Tender (choice, 5 lb & up)	Decreasing	Good	Higher
189a Tender (prime, heavy)	Decreasing	Good	Lower
193 Flank Steak (choice)	Decreasing	Good	Higher
50% Trimmings	Increasing	Good	Lower
65% Trimmings	Increasing	Good	Lower
75% Trimmings	Decreasing	Good	Higher
85% Trimmings	Increasing	Good	Lower
90% Trimmings	Increasing	Good	Higher

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

Oil and Grains Report

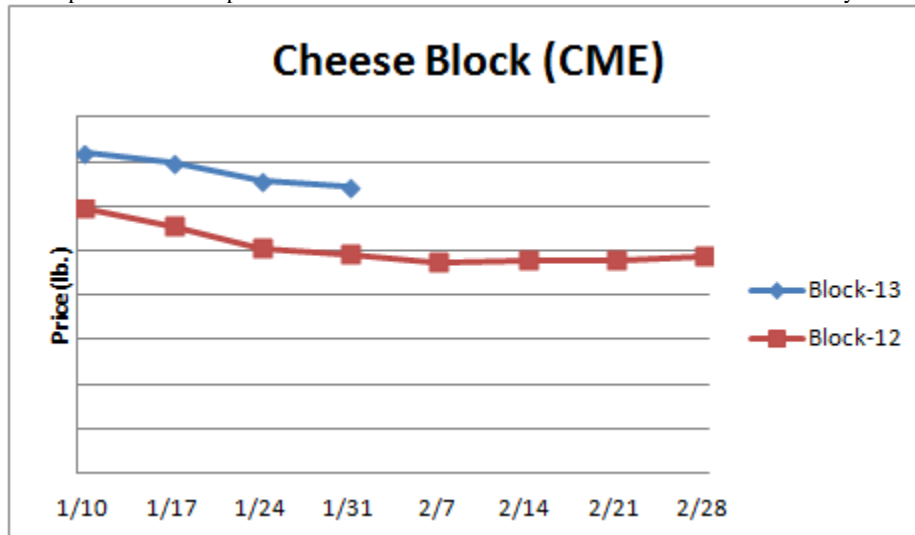
Oil & Grains- The National Weather Service is forecasting the drought to persist into the Spring which could hinder the winter wheat crops. The grain markets are expected to remain firm.



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

Dairy Report

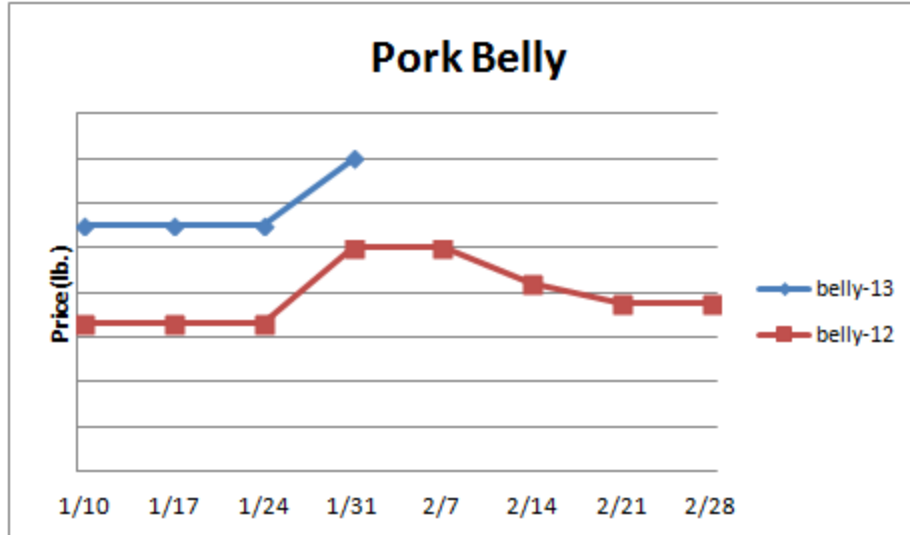
Dairy- Milk farmers have grown the dairy cow herd in recent months which should keep milk output rates solid in the near term. However, milk prices have recently dipped to their lowest levels in six months. Plus, feed grain prices are moving higher. These are two discouraging signs for future milk production. The CME cheese markets are soft. The CME cheese block market usually moves up 9.7% over the next three weeks. The CME butter market is firm. CME butter prices tend to depreciate 2.8% over the next three weeks but then bottom for the year.



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

Pork Report

Pork- Pork output last week declined 2.6% but was .1% larger than the same week a year ago. Tight hog supplies and seasonally declining pork production rates are expected to keep the pork markets firm. Since '08, the pork belly market has risen 8.4% during the next three weeks. However, due to inflated pork belly prices already in place, any price increases this Feb may be less intense. Sow slaughter rates have fallen in recent weeks. This signals herd expansion which should support pork production later this year.



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

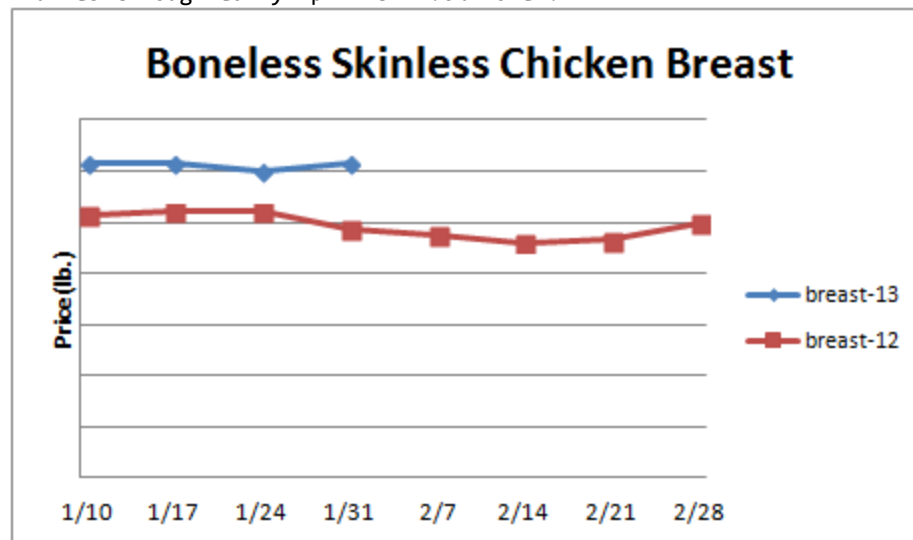
Canned Tomato Report

Tomato Products, Canned- Dec 1st California tomatoes for canning inventory was 2% larger than the prior year. The canned tomato markets remain firm.

	<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- Recent data continues to signal chicken production expansion. Broiler type-egg sets for week ending Jan 19 were 1% larger than the same week a year ago. The six-week moving average for broiler egg sets is now 1.12% above the prior year, which is the largest gain in nearly two years. The chicken breast markets remain firm. History points to boneless skinless chicken breast prices rising during the next few months but any market increases this year may be tempered by better production. The chicken wing markets could still set new record highs in the next week but are expected to peak during Feb. Since '08, the average move for the jumbo cut chicken wing market from mid-Feb through early-Apr is 11.6% lower.

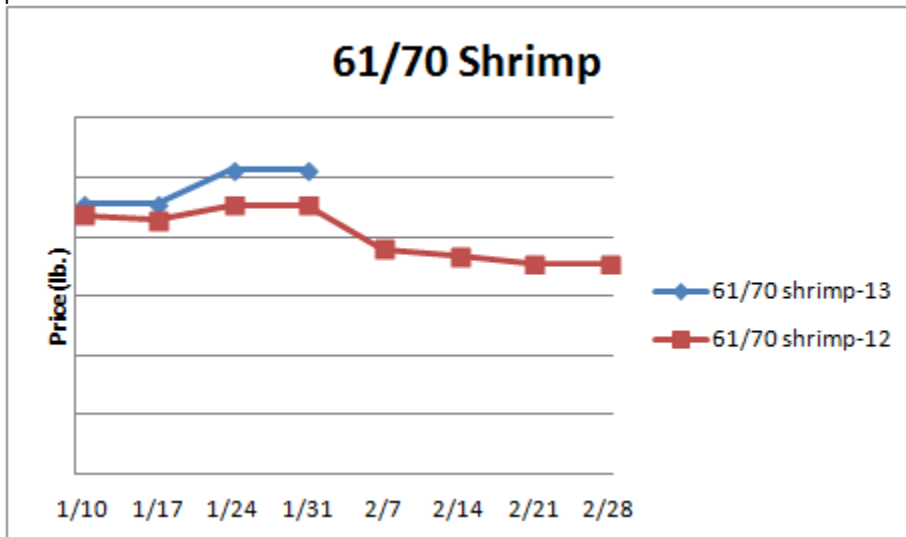


	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Whole Chicken (2.5-3 lb-GA)	Increasing	Good	Higher
Chicken Wings, Whole	Increasing	Good	Higher
Chicken Wings, Jumbo Cut	Decreasing	Good	Higher
Chicken Breast, Bone-In	Steady	Good	Higher
Chicken Breast, Bnless Sknless	Increasing	Good	Higher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

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

Seafood Report

Seafood- The Alaskan Bering Sea snow crab season is in full swing and weather conditions have been helpful for fisherman. Snow crab landings through Jan 28th were 26% of this season's quota of 59,715,000 pounds. Since '10, the average move for the snow crab market over the next eight weeks is up 4.2%. Still, the Canadian snow crab season begins this spring which could improve snow crab supplies and tempers snow crab prices.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Salmon, Whole (10-12 lb)	Steady	Good	Same
Catfish, Filets	Steady	Good	Lower
Trout, Drn. (8-14 oz)	Steady	Good	Higher
Shrimp (16-20 count)	Increasing	Good	Lower
Shrimp (61-70 count)	Steady	Good	Higher
Shrimp, Tiger (26-30 count)	Increasing	Good	Lower
Snow Crab Legs (5-8 oz)	Increasing	Good	Lower
Snow Crab Legs (8 oz up)	Steady	Good	Lower
Cod Tails, 3-7 oz. Frz.	Steady	Good	Lower
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	Decreasing	Good	Lower
Black Beans	Increasing	Good	Lower
Rice, Long Grain	Increasing	Good	Higher
Coffee Beans	Decreasing	Good	Lower
Sugar	Decreasing	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	Higher
42 lb. Linerboard-corrugated box	Increasing	Good	Higher
Plastic Resins (plastic, foam)			
PS-CHH-utensils, cups, to-go cont.	Steady	Good	Higher
PP-HIGP-heavy grade utensils	Steady	Good	Higher
PE-LLD-can liners, film, bags	Decreasing	Good	Same

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

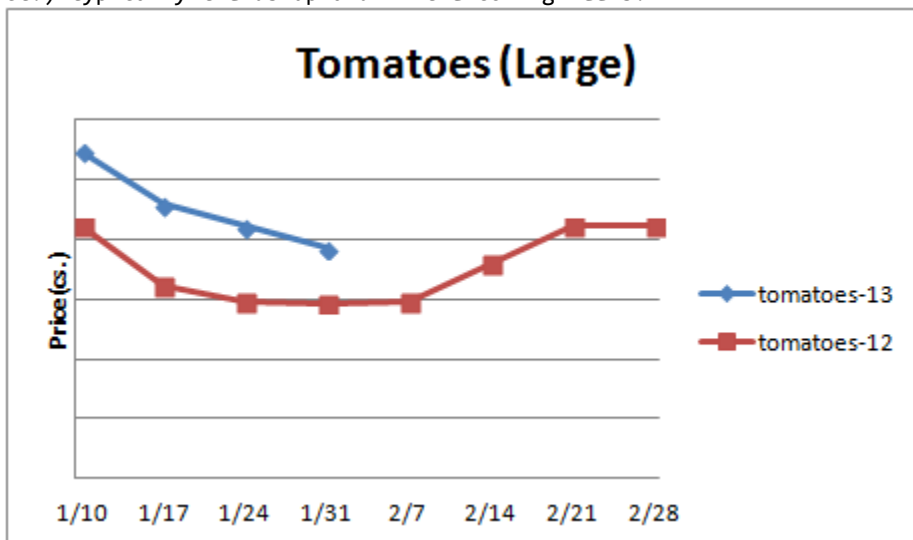
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- Dec 31st frozen green bean (33%) and cut corn (1%) inventories were larger than the previous year. The processed vegetable markets are firm.

<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- Iceberg lettuce supplies from the Yuma-Imperial Valley region are tight in response to recent weather challenges. Total iceberg lettuce shipments last week were 16% below the previous week. The iceberg lettuce market is expected to remain firm in the near term. The tomato markets are relatively weak. The Florida tomato harvest has been solid due in part to favorable weather. Still, history suggests that the downside price risk for mature green tomatoes from here is nominal. The Idaho potato market (70 ct.) typically trends upward in the coming weeks.



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

Produce Report (continued)

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