

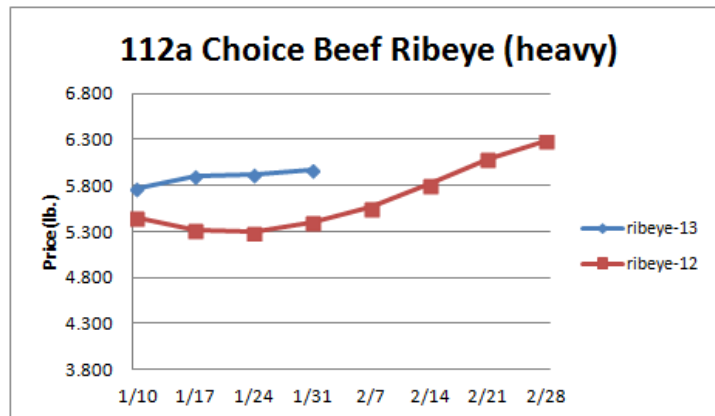
Weekly Market Updates



Volume No. 18 Issue No. 5 Date: January 31, 2013

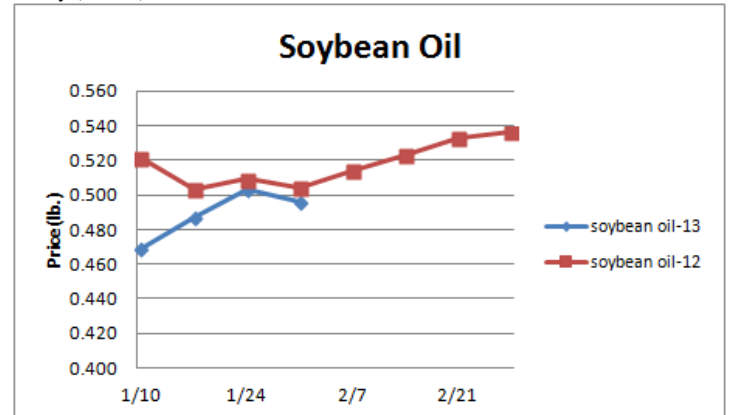
Beef- The Jan 1st cattle on feed inventory was 5.6% smaller than last year and the smallest for the month since '10. Cattle placements into feedlots during Dec were .5% less than a year ago. However, cattle were placed at an average weight of .6% heavier than '11. Inflated cattle prices are likely to 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. Price USDA, FOB per pound.

| | Price | Last Week | Difference | Price 12 |
|-----------------------------|--------|-----------|------------|----------|
| Live Cattle | 1.258 | 1.240 | +.018 | 1.249 |
| Feeder Cattle Index (CME) | 1.451 | 1.462 | -.011 | 1.539 |
| Ground Beef 81/19 | 2.081 | 2.065 | +.016 | 1.901 |
| Ground Chuck | 2.154 | 2.199 | -.045 | 1.878 |
| 109e Export Rib (choice) | 5.427 | 5.209 | +.218 | 4.860 |
| 109e Export Rib (prime) | 9.060 | 9.142 | -.082 | 11.100 |
| 112a Ribeye (choice) | 5.963 | 5.922 | +.041 | 5.406 |
| 112a Ribeye (prime) | 9.742 | 9.480 | +.262 | 11.303 |
| 116 Chuck (select) | 2.281 | 2.314 | -.033 | 2.229 |
| 116 Chuck (choice) | 2.363 | 2.443 | -.080 | 2.272 |
| 116b Chuck Tdnr (choice) | 2.326 | 2.282 | +.044 | 2.173 |
| 120 Brisket (choice) | 1.971 | 1.961 | +.010 | 2.106 |
| 121c Outside Skirt (ch/sel) | 4.546 | 4.557 | -.011 | 4.434 |
| 121d Inside Skirt (ch/sel) | 3.498 | 3.546 | -.048 | 3.194 |
| 167a Knuckle, Trm. (ch.) | 2.241 | 2.318 | -.077 | 2.298 |
| 168 Inside Round (ch.) | 1.899 | 2.007 | -.108 | 2.089 |
| 174 Short Loin (ch. 0x1) | 4.932 | 5.143 | -.211 | 4.556 |
| 174 Short Loin (prime) | 7.397 | 7.816 | -.419 | 9.031 |
| 180 1x1 Strp (choice) | 4.382 | 4.382 | - | 4.365 |
| 180 1x1 Strp (prime) | 8.820 | 8.820 | - | 9.592 |
| 180 0x1 Strp (choice) | 4.835 | 5.087 | -.252 | 4.917 |
| 184 Top Butt, bnls (ch.) | 3.202 | 3.297 | -.095 | 2.808 |
| 184 Top Butt, bnls (prime) | 3.550 | 3.555 | -.005 | 3.190 |
| 185a Sirloin Flap (choice) | 3.739 | 3.757 | -.018 | 3.553 |
| 185c Loin, Tri-Tip (choice) | 2.927 | 2.931 | -.004 | 2.865 |
| 189a Tender (select) | 8.852 | 8.559 | +.293 | 8.286 |
| 189a Tender (choice) | 9.271 | 9.410 | -.139 | 8.281 |
| 189a Tender (prime) | 12.841 | 13.057 | -.216 | 14.279 |
| 193 Flank Steak (choice) | 4.286 | 4.365 | -.079 | 3.977 |
| 50% Trimmings | .690 | .656 | +.034 | .994 |
| 65% Trimmings | 1.248 | 1.240 | +.008 | 1.376 |
| 75% Trimmings | 1.575 | 1.617 | -.042 | 1.572 |
| 85% Trimmings | 1.907 | 1.885 | +.022 | 1.946 |
| 90% Trimmings | 2.115 | 2.114 | +.001 | 2.062 |
| 90% Imported Beef (frz.) | 2.153 | 2.165 | -.012 | 1.945 |
| 95% Imported Beef (frz.) | 2.268 | 2.295 | -.027 | 2.195 |
| 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.- 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. Prices USDA, FOB.

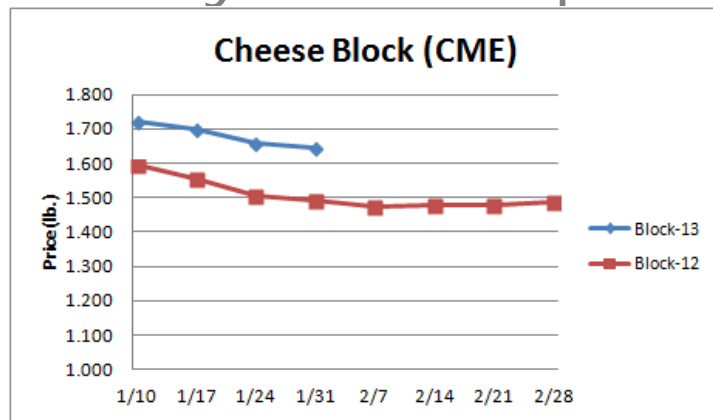
| | Price | Last Week | Difference | Price 12 |
|--------------------------|---------|-----------|------------|----------|
| Soybeans, bushel | 14.801 | 14.888 | -.087 | 11.910 |
| Crude Soybean Oil, lb. | .496 | .503 | -.007 | .504 |
| Soybean Meal, ton | 440.700 | 438.600 | +2.100 | 317.800 |
| Corn, bushel | 7.406 | 7.390 | +.016 | 6.451 |
| Crude Corn Oil, lb. | .525 | .525 | - | .550 |
| High Fructose Corn Syrup | .205 | .204 | +.001 | .184 |
| Distillers Grain, Dry | 264.500 | 261.500 | +3.000 | 185.750 |
| Crude Palm Oil, lb. BMD | .360 | .359 | +.001 | .459 |
| HRW Wheat, bushel | 7.925 | 7.925 | - | 6.910 |
| DNS Wheat 14%, bushel | 8.760 | 8.790 | -.030 | 8.920 |
| Durum Wheat, bushel | 7.925 | 7.875 | +.050 | 6.975 |
| Pinto Beans, lb. | .340 | .341 | -.001 | .480 |
| Black Beans, lb. | .345 | .340 | +.005 | .450 |
| Rice, Long Grain, lb. | .276 | .274 | +.002 | .271 |
| Coffee, lb. NYBOT | 1.486 | 1.513 | -.027 | 2.140 |
| Sugar, lb. NYBOT | .206 | .216 | -.010 | .345 |
| Honey (Clover), lb. | 1.931 | 1.931 | - | 1.675 |



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

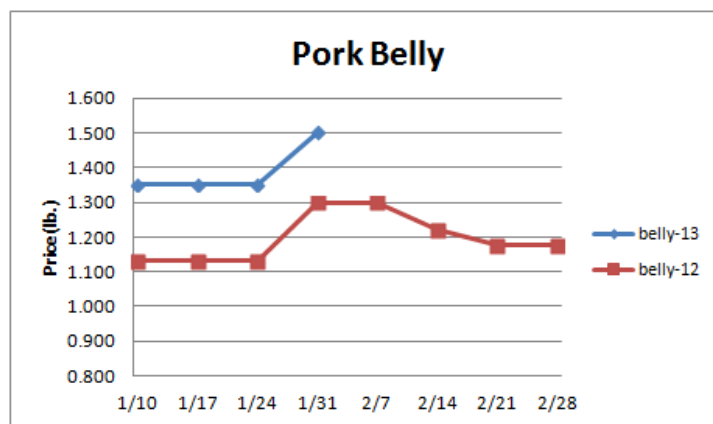
| | Price | Last Week | Difference | Price 12 |
|-------------------------|--------|-----------|------------|----------|
| Cheese Barrels (CME) | 1.530 | 1.600 | -.070 | 1.490 |
| Cheese Blocks (CME) | 1.645 | 1.660 | -.015 | 1.493 |
| American Cheese | 1.778 | 1.850 | -.072 | 1.848 |
| Cheddar Cheese (40 lb.) | 2.040 | 2.090 | -.050 | 2.013 |
| Mozzarella Cheese | 1.885 | 1.935 | -.050 | 1.858 |
| Provolone Cheese | 2.235 | 2.285 | -.050 | 2.093 |
| Parmesan Cheese | 3.583 | 3.633 | -.050 | 3.173 |
| Butter (CME) | 1.555 | 1.505 | +.050 | 1.495 |
| Nonfat Dry Milk | 1.599 | 1.609 | -.010 | 1.443 |
| Whey, Dry | .615 | .607 | +.008 | .733 |
| Class I Base | 18.210 | 18.210 | - | 17.030 |
| Class II Cream, heavy | 1.625 | 1.629 | -.004 | 1.792 |
| Class III Milk (CME) | 17.090 | 17.210 | -.120 | 16.230 |
| Class IV Milk (CME) | 17.600 | 17.650 | -.050 | 16.350 |

Weekly Market Updates



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. Prices USDA, FOB per pound.

| | <u>Price</u> | <u>Last Week</u> | <u>Difference</u> | <u>Price 12</u> |
|-------------------------------|--------------|------------------|-------------------|-----------------|
| Live Hogs | .609 | .621 | -.012 | .609 |
| Belly (bacon) | 1.500 | 1.350 | +.150 | 1.300 |
| Sparerib (4.25 lb. & down) | 1.378 | 1.367 | +.011 | 1.595 |
| Ham (20-23 lb.) | .740 | .740 | - | .760 |
| Ham (23-27 lb.) | .770 | .730 | +.040 | .740 |
| Loin (bone-in) | .907 | .892 | +.015 | .936 |
| Bbybck Rib (1.75 lb. & up) | 1.987 | 1.984 | +.003 | 2.655 |
| Tenderloin (1.25 lb.) | 2.510 | 2.410 | +.100 | 2.546 |
| Boston Butt, untrmd. (4-8lb.) | .821 | .838 | -.017 | .937 |
| Picnic, untrmd. | .531 | .594 | -.063 | .593 |
| SS Picnic, smoker trm. bx. | .690 | .826 | -.136 | .860 |
| 42% Trimmings | .407 | .407 | - | .393 |
| 72% Trimmings | .680 | .630 | +.050 | .645 |



Tomato Products, Canned- Dec 1st California tomatoes for canning inventory was 2% larger than the prior year. The canned tomato markets remain firm. Prices per case (6/10) FOB, unless noted from ARA.

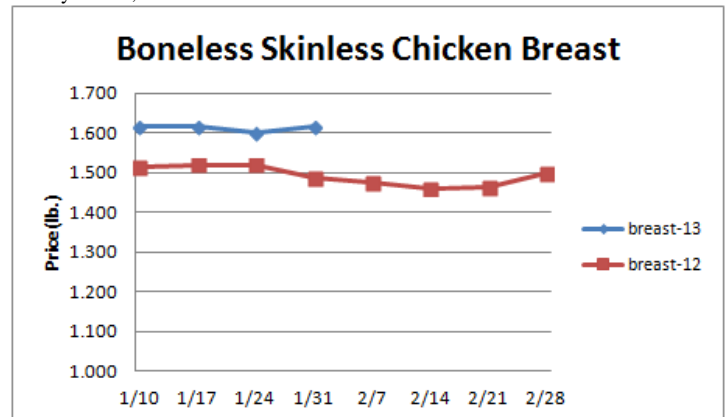
| | <u>Price</u> | <u>Last Week</u> | <u>Difference</u> | <u>Price 12</u> |
|--------------------------------|--------------|------------------|-------------------|-----------------|
| Whole Peeled, Standard | 12.250 | 12.250 | - | 12.250 |
| Diced, Fancy | 12.750 | 12.750 | - | 12.750 |
| Ketchup, 33%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

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

| | <u>Price</u> | <u>Last Week</u> | <u>Difference</u> | <u>Price 12</u> |
|------------------------------|--------------|------------------|-------------------|-----------------|
| 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- 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. Prices USDA, FOB per pound except when noted.

| <u>Chicken</u> | <u>Price</u> | <u>Last Week</u> | <u>Difference</u> | <u>Price 12</u> |
|----------------------------|--------------|------------------|-------------------|-----------------|
| Whole Birds (2.5-3 lb.-GA) | .998 | .995 | +.003 | .908 |
| Wings (whole) | 2.040 | 2.015 | +.025 | 1.845 |
| Wings (jumbo, cut) | 2.098 | 2.122 | -.024 | 1.910 |
| Breast, Bone In | 1.050 | 1.050 | - | .885 |
| Breast, Bnless Skinless | 1.615 | 1.600 | +.015 | 1.485 |
| Tenderloin (random) | 1.370 | 1.370 | - | 1.430 |
| Tenderloin (sized) | 1.500 | 1.500 | - | 2.030 |
| Legs (whole) | .688 | .681 | +.007 | .704 |
| Leg Quarters | .540 | .540 | - | .535 |
| Thighs, bone in | .821 | .784 | +.037 | .754 |
| Thighs, boneless | 1.283 | 1.303 | -.020 | 1.252 |
| <u>Eggs and Others</u> | | | | |
| Large (dozen) | 1.405 | 1.137 | +.268 | .977 |
| Medium (dozen) | 1.078 | .958 | +.120 | .812 |
| Whole Eggs- Liquid | .518 | .519 | -.001 | .384 |
| Egg Whites- Liquid | .476 | .448 | +.028 | .414 |
| Egg Yolks- Liquid | .885 | .920 | -.035 | .655 |
| Whole Turkeys (8-16 lb.) | .955 | .955 | - | 1.000 |
| Turkey Breast, Bnls/Sknls | 1.890 | 1.972 | -.082 | 2.178 |

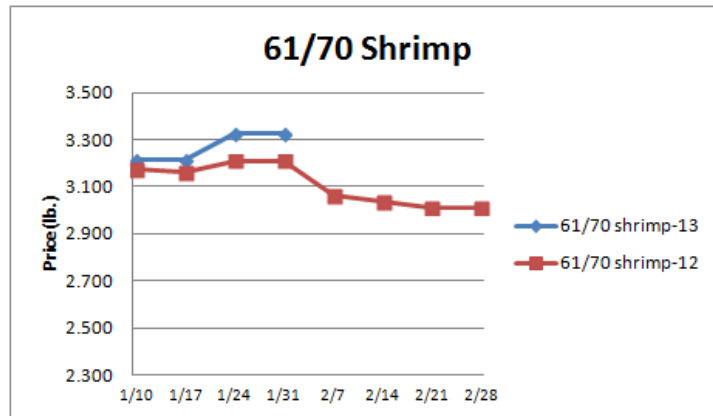


Seafood- The Alaskan Bering Sea snow crab season is in full swing and weather conditions have been helpful for fisherman. Snow crab landings through Jan 28th were 26% of this season's quota of 59,715,000 pounds. Since '10, the average move for the snow crab market over the next eight weeks is up 4.2%.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

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| | <u>Price</u> | <u>Last Week</u> | <u>Difference</u> | <u>Price 12</u> |
|------------------------------|--------------|------------------|-------------------|-----------------|
| 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. | 5.818 | 5.575 | +.243 | 6.386 |
| Shrimp (61/70), Frz. | 3.325 | 3.325 | - | 3.208 |
| Shrimp, Tiger (26/30), Frz. | 4.616 | 4.533 | +.083 | 4.983 |
| Snow Crab, Legs 5-8 oz, Frz | 5.250 | 5.150 | +.100 | 5.475 |
| Snow Crab, Legs 8 oz/ up, Fz | 5.800 | 5.800 | - | 5.825 |
| 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 | - | 6.067 |
| Pollock, Alaska, Deep Skin | 1.925 | 1.925 | - | 1.800 |



Energy & Currency-Currency US dollar is worth.

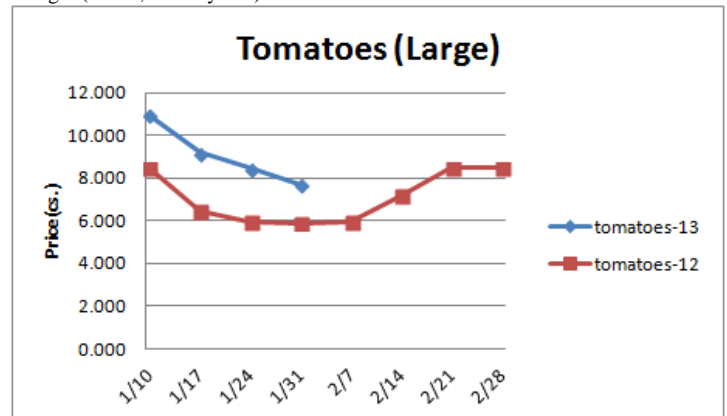
| | <u>Price</u> | <u>Last Week</u> | <u>Difference</u> | <u>Price 12</u> |
|--------------------------|--------------|------------------|-------------------|-----------------|
| Crude Oil, barrel- nymex | 97.570 | 96.240 | +1.330 | 98.480 |
| Natural Gas, mbtu- nymex | 3.226 | 3.558 | -.332 | 2.503 |
| Heating Oil, gal- nymex | 3.110 | 3.068 | +.042 | 3.063 |
| Electricity, mwht- nymex | 37.750 | 52.460 | -14.710 | 27.050 |
| Gasoline, gal- nymex | 2.973 | 2.830 | +.143 | 2.887 |
| Diesel Fuel, gal- eia | 3.927 | 3.902 | +.025 | 3.850 |
| Ethanol, gal- usda | 2.310 | 2.230 | +.080 | 2.105 |
| Canadian \$ | 1.003 | .992 | +.011 | 0.997 |
| Japanese Yen | 91.236 | 88.375 | +2.861 | 76.374 |
| Mexican Peso | 12.700 | 12.652 | +.048 | 12.920 |
| Euro | .738 | .749 | -.011 | .759 |
| Brazilian Real | 1.987 | 2.044 | -.057 | 1.737 |

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

| <u>Wood Pulp/ Plastic Resin</u> | <u>Price</u> | <u>Last Week</u> | <u>Difference</u> | <u>Price 12</u> |
|---------------------------------|--------------|------------------|-------------------|-----------------|
| WP; NBSK (napkin, towel) | 886.740 | 886.130 | +.610 | 871.860 |
| WP; 42 lb. Linerboard (corr.) | 790.692 | 776.899 | +13.793 | 682.346 |
| Res; PS-CHH (cup, cont.) | 1.210-1.250 | 1.210-1.250 | - | 1.100-1.140 |
| Res; PP-HIGP (hvy utensil) | 1.120-1.140 | 1.120-1.140 | - | .960-.980 |
| Res; PE-LLD (cn liner, film) | .880-.910 | .890-.910 | -.005 | .880-.910 |

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

| | <u>Price</u> | <u>Last Week</u> | <u>Difference</u> | <u>Price 12</u> |
|---------------------------------|--------------|------------------|-------------------|-----------------|
| Limes (150 ct.) | 14.000 | 15.000 | -1.000 | 12.000 |
| Lemons (95 ct.) | 12.775 | 13.275 | -.500 | 18.740 |
| Lemons (200 ct.) | 16.025 | 16.775 | -.750 | 19.240 |
| Honeydew (6 ct.) | 9.012 | 9.768 | -.756 | 13.450 |
| Cantaloupe (15 ct.) | 9.233 | 8.633 | +.600 | 14.950 |
| Blueberries (12 count) | 26.000 | 25.400 | +.600 | 12.333 |
| Strawberries (12 pnts.) | 13.500 | 13.000 | +.500 | 16.000 |
| Avocados (Hass 48 ct.) | 18.750 | 18.750 | - | 26.750 |
| Bananas (40 lb.)- Term. | 14.360 | 14.330 | +.030 | 16.625 |
| Pineapple (7 ct.)- Term. | 12.125 | 12.458 | -.333 | 14.703 |
| Idaho Potato (60 ct., 50 lb.) | 5.062 | 4.937 | +.125 | 8.687 |
| Idaho Potato (70 ct., 50 lb.) | 5.375 | 5.375 | - | 8.687 |
| Idaho Potato (70 ct.)-Term. | 10.583 | 11.953 | -1.370 | 10.884 |
| Idaho Potato (90 ct., 50 lb.) | 6.000 | 6.000 | - | 8.625 |
| Idaho Pot. # 2 (6 oz., 100 lb.) | 6.500 | 6.000 | +.500 | 13.125 |
| Processing Potato (cwt.) | 6.500 | 6.000 | +.500 | 7.500 |
| Yellow Onions (50 lb.) | 15.833 | 14.500 | +1.333 | 4.900 |
| Yell Onions (50 lb.)-Term. | 25.000 | 17.121 | +7.879 | 10.729 |
| Red Onions (25 lb.)- Term. | 24.041 | 20.750 | +3.291 | 7.640 |
| White Onions (50 lb.)- Term. | 36.125 | 31.863 | +4.262 | 16.651 |
| Tomatoes (large- case) | 7.700 | 8.450 | -.750 | 5.880 |
| Tomatoes (5x6-25 lb.)-Term | 11.625 | 13.281 | -1.656 | 9.472 |
| Tomatoes (4x5 vine ripe) | 7.475 | 7.975 | -.500 | 5.225 |
| Roma Tomatoes (large- case) | 8.531 | 9.393 | -.862 | 6.203 |
| Roma Tomatoes (xlarge-cs) | 8.781 | 9.712 | -.931 | 6.536 |
| Green Peppers (large- case) | 9.087 | 12.610 | -3.523 | 6.333 |
| Red Peppers (large 15lb. cs.) | 17.950 | 14.950 | +3.000 | 10.950 |
| Iceberg Lettuce (24 count) | 26.685 | 24.205 | +2.480 | 6.165 |
| Iceberg Lettuce (24)-Term. | 30.916 | 34.333 | -3.417 | 12.500 |
| Leaf Lettuce (24 count) | 23.280 | 22.485 | +.795 | 11.291 |
| Romaine Lettuce (24 cnt.) | 34.408 | 30.250 | +4.158 | 8.016 |
| Mesculin Mix (3 lb.)-Term. | 7.043 | 7.937 | -.894 | 7.062 |
| Broccoli (14 ct.) | 18.136 | 25.266 | -7.130 | 5.881 |
| Squash (1/2 bushel) | 13.350 | 14.175 | -.825 | 8.600 |
| Zucchini (1/2 bushel) | 17.350 | 23.850 | -6.500 | 8.600 |
| Green Beans (bushel) | 16.933 | 20.941 | -4.008 | 20.300 |
| Spinach, Flat 24's | 26.795 | 27.445 | -.650 | 11.100 |
| Mushrms (10 lb, lg.)-Term. | 15.145 | 14.666 | +.479 | 15.145 |
| Cucumbers (bushel) | 15.474 | 15.784 | -.310 | 8.470 |
| Pickles (200-300 ct.)- Term. | 26.062 | 26.718 | -.656 | 27.625 |
| Asparagus (small) | 16.500 | 16.500 | - | 12.500 |
| Freight (Truck; CA-Cty Av.) | 4762.500 | 4935.714 | -173.214 | 4806.250 |



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

| | <u>Dec-13</u> | <u>Nov-13</u> | <u>Oct-13</u> | <u>Sep-13</u> |
|------------------------|---------------|---------------|---------------|---------------|
| 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 |