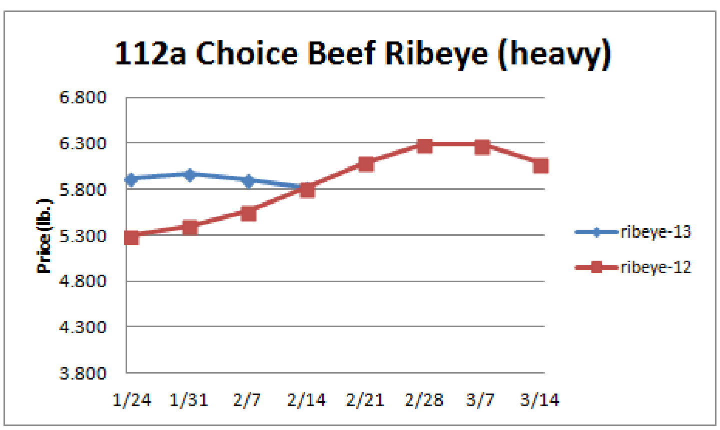
Weekly Market Updates

Volume No. 18 Issue No. 7 Date: February 14, 2013

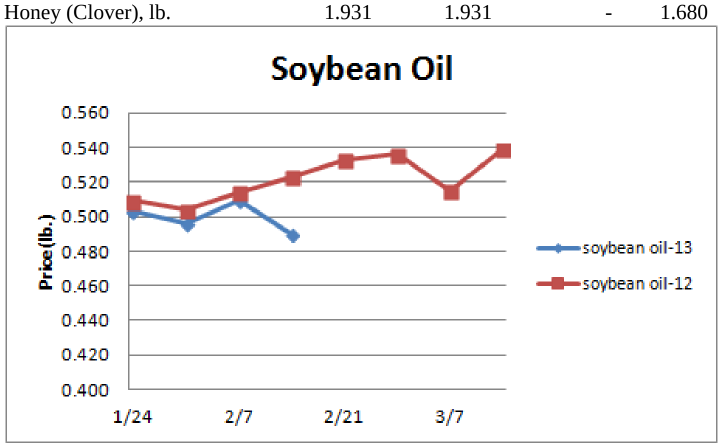
Beef- Beef output last week fell 4.6% but was .4% more than '12. The beef markets have declined despite cattle slaughter last week being the smallest for any non-holiday week since Apr. Beef demand is weak. Beef prices may soon bottom due to the continued slowdown in cattle slaughter this week. U.S. beef exports in Dec were 15.6% less than '11 while beef imports were 4.7% more than the prior year. The Australian dollar has depreciated against the U.S. dollar which should encourage beef trim exports to the U.S. The 90% beef trim market usually trends 2.3% higher during the next two weeks. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Cattle	1.258	1.271	-.013	1.237
Feeder Cattle Index (CME)	1.439	1.469	-.030	1.550
Ground Beef 81/19	1.845	1.885	-.040	1.824
Ground Chuck	1.883	2.000	-.117	1.824
109e Export Rib (choice)	5.366	5.123	+.234	5.032
109e Export Rib (prime)	8.904	9.040	-.136	11.386
112a Ribeye (choice)	5.822	5.899	-.077	5.811
112a Ribeye (prime)	9.276	9.439	-.163	11.739
116 Chuck (select)	2.299	2.307	-.008	2.267
116 Chuck (choice)	2.411	2.316	+.095	2.265
116b Chuck Tdnr (choice)	2.243	2.172	+.071	2.220
120 Brisket (choice)	1.872	1.934	-.062	2.094
121c Outside Skirt (ch/sel)	4.695	4.536	+.159	4.630
121d Inside Skirt (ch/sel)	3.482	3.478	+.004	3.425
167a Knckle, Trm. (ch.)	2.125	2.184	-.059	2.357
168 Inside Round (ch.)	1.843	1.893	-.050	2.089
174 Short Loin (ch. 0x1)	4.674	4.747	-.073	4.989
174 Short Loin (prime)	7.703	7.406	+.297	9.439
180 1x1 Strp (choice)	4.240	4.269	-.029	4.781
180 1x1 Strp (prime)	8.114	8.552	-.438	10.250
180 0x1 Strp (choice)	4.682	4.787	-.105	5.423
184 Top Butt, bnls (ch.)	3.038	3.155	-.117	2.896
184 Top Butt, bnls (prime)	3.447	3.442	+.005	3.314
185a Sirloin Flap (choice)	3.610	3.779	-.169	3.942
185c Loin, Tri-Tip (choice)	2.821	2.935	-.114	3.076
189a Tender (select)	8.898	8.886	+.012	8.575
189a Tender (choice)	8.760	9.134	-.374	8.761
189a Tender (prime)	12.420	12.350	+.070	14.585
193 Flank Steak (choice)	4.239	4.454	-.215	4.104
50% Trimmings	.658	.669	-.011	1.003
65% Trimmings	1.183	1.242	-.070	1.372
75% Trimmings	1.648	1.604	+.044	1.595
85% Trimmings	1.921	1.901	+.020	2.002
90% Trimmings	2.134	2.118	+.016	2.111
90% Imported Beef (frz.)	2.138	2.150	-.012	2.120
95% Imported Beef (frz.)	2.285	2.265	+.020	2.223
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.- Brazilian and Argentina soybean output this year is projected to be 25% larger than the prior crop. Still, tight global grain supplies could support grain prices this fall. Prices USDA, FOB.

	Price	Last Week	Difference	Price 12
Soybeans, bushel	14.431	15.178	-.747	12.547
Crude Soybean Oil, lb.	.490	.509	-.019	.523
Soybean Meal, ton	425.800	458.250	-32.450	330.100
Corn, bushel	7.098	7.390	-.292	6.399
Crude Corn Oil, lb.	.530	.530	-	.560
High Fructose Corn Syrup	.198	.204	-.006	.182
Distillers Grain, Dry	268.000	267.500	+.500	195.000
Crude Palm Oil, lb. BMD	.365	.369	-.004	.471
HRW Wheat, bushel	7.405	7.695	-.290	6.520
DNS Wheat 14%, bushel	8.360	8.610	-.250	8.620
Durum Wheat, bushel	7.963	7.988	-.025	8.100
Pinto Beans, lb.	.337	.340	-.003	.494
Black Beans, lb.	.320	.320	-	.450
Rice, Long Grain, lb.	.278	.278	-	.262
Coffee, lb. NYBOT	1.406	1.423	-.017	1.997
Sugar, lb. NYBOT	.205	.208	-.003	.335
Honey (Clover), lb.	1.931	1.931	-	1.680



Dairy- The CME spot butter market is firm. U.S. butter exports in Dec were 6.2% more than the prior year. The average price discount for U.S. butter versus international butter is $.25 which should support U.S. butter exports in the coming weeks. The downside risk for the CME butter market from here is likely nominal. The CME cheese markets are firm. U.S. cheese exports in Dec were 2.3% more than '11 and a record for the month. Discounted U.S. cheese prices versus global cheese suggest that exports should remain solid. Cheese block prices tend to rise 3.2% next week. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 12
Cheese Barrels (CME)	1.630	1.550	+.080	1.480
Cheese Blocks (CME)	1.675	1.648	+.027	1.480
American Cheese	1.740	1.733	+.007	1.848
Cheddar Cheese (40 lb.)	2.035	2.033	+.002	1.983
Mozzarella Cheese	1.880	1.878	+.002	1.823
Provolone Cheese	2.230	2.228	+.002	2.063
Parmesan Cheese	3.578	3.575	+.003	3.143
Butter (CME)	1.588	1.550	+.038	1.398
Nonfat Dry Milk	1.595	1.607	-.012	1.429
Whey, Dry	.614	.609	+.005	.696
Class 1 Base	18.210	18.210	-	17.030
Class II Cream, heavy	1.749	1.712	+.037	1.695
Class III Milk (CME)	17.450	17.350	+.100	15.770
Class IV Milk (CME)	17.870	17.970	-.100	15.750

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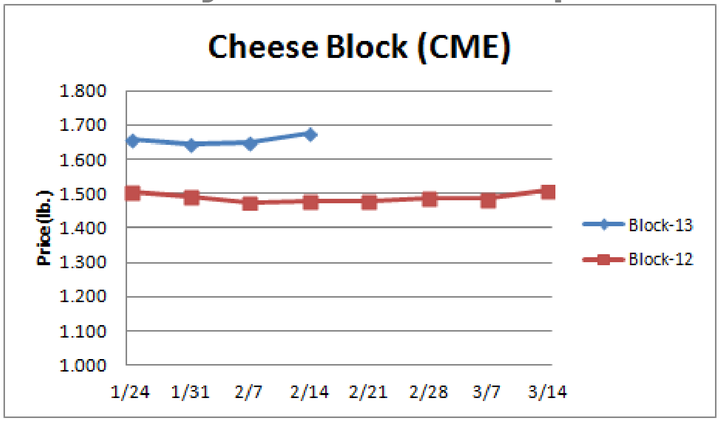
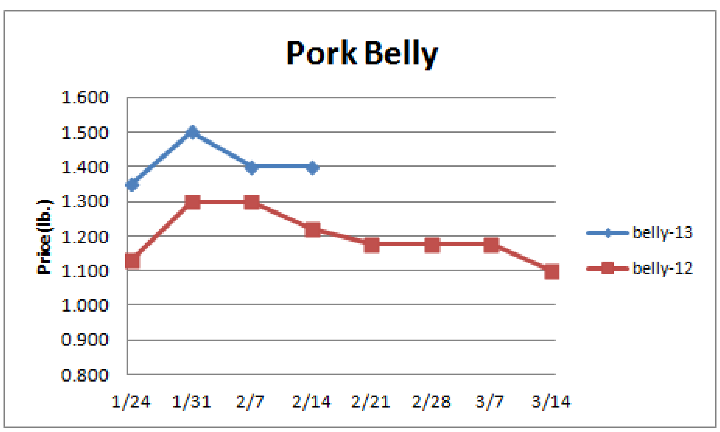


Pork- Pork production last week fell 1.8% but was .8% more than '12. Pork output is being curbed due in part to poor packer margins and only modest demand for pork. This could bring support to the pork markets. U.S. pork exports in Dec were 15.2% less than the previous year and the smallest since Aug. Pork exports to Japan during Dec were down 23.6% versus '11 and were the lowest since Jun. A weak Japanese Yen versus the U.S. dollar will likely temper pork exports to Japan. Baby-back rib prices usually firm in the coming week. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Hogs	.619	.645	-.026	.604
Belly (bacon)	1.400	1.400	-	1.220
Sparerib (4.25 lb. & down)	1.349	1.374	-.025	1.595
Ham (20-23 lb.)	.746	.760	-.014	.760
Ham (23-27 lb.)	.747	.760	-.013	.740
Loin (bone-in)	.904	.902	+.002	.964
Bbybck Rib (1.75 lb. & up)	2.002	1.994	+.008	2.775
Tenderloin (1.25 lb.)	2.563	2.490	+.073	2.598
Boston Butt, untrmd. (4-8lb.)	.779	.796	-.017	.968
Picnic, untrmd.	.481	.481	-	.590
SS Picnic, smoker trm. bx.	.720	.750	-.030	.750
42% Trimmings	.376	.400	-.024	.420
72% Trimmings	.583	.650	-.067	.720



Tomato Products, Canned- The USDA is projecting the '13 CA tomato crop to yield 49.8 tons per acre which would be a record. Canned tomato prices are firm. Prices per case (6/10) FOB, unless noted from ARA.

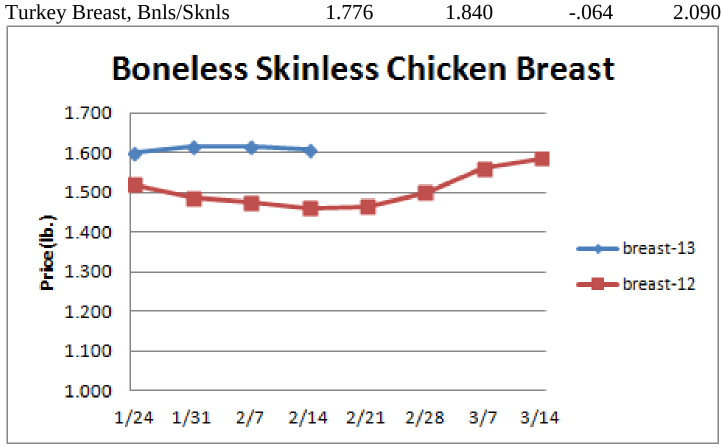
	Price	Last Week	Difference	Price 12
Whole Peeled, Standard	12.250	12.250	-	12.250
Diced, Fancy	12.750	12.750	-	12.750
Ketchup, 33%	13.438	13.438	-	13.438
Tomato Paste- Industrial (lb.)	.398	.398	-	.398

Processed Vegetables- Inflated raw product costs are expected to persist this year for canners and freezers. This should keep processed vegetable prices relatively 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- U.S chicken exports in Dec were up 4.2% versus the previous year but were the smallest since Jul. Chicken exports to Russia in Dec were down 68% versus the prior year and were the smallest for any month since Jun '11. Unlike in beef, pork and turkey, Russia hasn't placed restrictions on U.S. chicken imports. Chicken leg quarter prices usually firm during the next several months. The ARA chicken wing index has fallen 6.2% from its record high set in late-Jan. Lower wing prices normally occur in the coming months. The ARA chicken breast index has risen 5.3% in '13 and the seasonal tendency is still higher into the summer. Yet, pending chicken breast price increases this year may be tempered. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 12
Whole Birds (2.5-3 lb.-GA)	1.003	1.000	+.003	.913
Wings (whole)	1.960	2.040	-.080	1.840
Wings (jumbo, cut)	1.820	2.071	-.251	1.870
Breast, Bone In	1.070	1.050	+.020	.915
Breast, Bnless Skinless	1.610	1.615	-.005	1.460
Tenderloin (random)	1.360	1.360	-	1.320
Tenderloin (sized)	1.500	1.500	-	1.780
Legs (whole)	.665	.677	-.012	.785
Leg Quarters	.545	.540	+.005	.535
Thighs, bone in	.815	.735	+.080	.814
Thighs, boneless	1.293	1.294	-.001	1.253
Eggs and Others				
Large (dozen)	1.443	1.403	+.040	.977
Medium (dozen)	1.098	1.078	+.020	.812
Whole Eggs- Liquid	.573	.515	+.058	.402
Egg Whites- Liquid	.533	.505	+.028	.417
Egg Yolks- Liquid	.885	.885	-	.844
Whole Turkeys (8-16 lb.)	.950	.960	-.010	1.000
Turkey Breast, Bnls/Sknls	1.776	1.840	-.064	2.090



Seafood- U.S. shrimp imports during Dec were 3.5% less than the prior year with shell-on imports 8.5% smaller than '11. However, domestic shrimp prices have recently firmed which should encourage U.S. shrimp imports. Still, the shrimp markets are generally steady during Mar. U.S. salmon filet/steak imports in Dec were 25% more than '11 due in part to solid global salmon supplies. Engaging salmon prices could persevere. Prices for fresh product, unless noted, per pound from Fisheries Market News.

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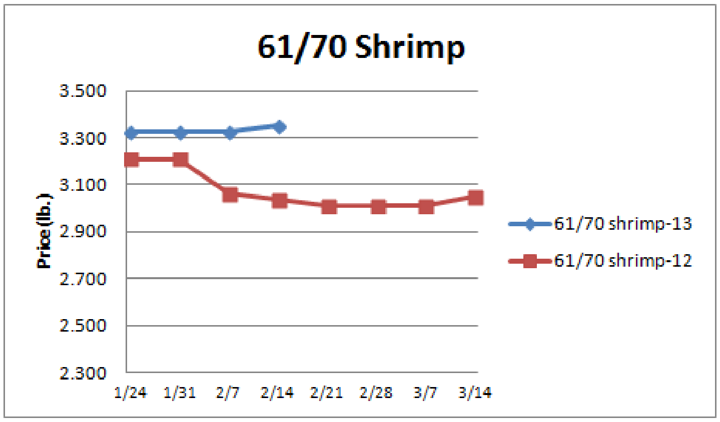
	Price	Last Week	Difference	Price 12
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	3.000
Catfish Filets	4.500	4.500	-	5.400
Trout (drn. 8-14 oz.)	3.700	3.700	-	3.500
Shrimp (16/20), Frz	5.955	5.818	+.137	6.165
Shrimp (61/70), Frz.	3.350	3.325	+.100	3.034
Shrimp, Tiger (26/30), Frz.	4.683	4.616	+.067	4.963
Snow Crab, Legs 5-8 oz, Frz	5.550	5.250	+.300	5.750
Snow Crab, Legs 8 oz/ up, Fz	5.800	5.800	-	5.850
Cod Tails, 3-7 oz., Frz.	3.175	3.175	-	3.488
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	-	1.775



Energy & Currency-Currency US dollar is worth.

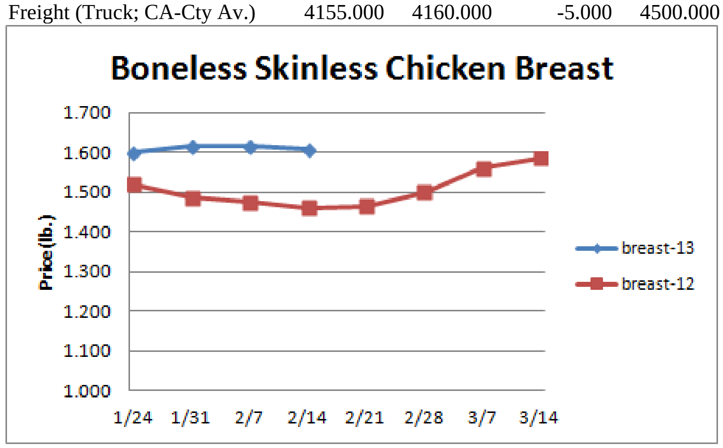
	Price	Last Week	Difference	Price 12
Crude Oil, barrel- nymex	97.510	96.640	+.870	100.740
Natural Gas, mbtu- nymex	3.230	3.399	-.169	2.532
Heating Oil, gal- nymex	3.236	3.191	+.045	3.165
Electricity, mwht- nymex	38.660	38.780	-.120	32.140
Gasoline, gal- nymex	3.050	3.037	+.013	2.983
Diesel Fuel, gal- eia	4.104	4.022	+.082	3.943
Ethanol, gal- usda	2.365	2.360	+005	2.085
Canadian $	1.004	.996	+.008	0.999
Japanese Yen	93.604	93.860	-.256	78.100
Mexican Peso	12.673	12.636	+.037	12.740
Euro	.742	.736	+.006	.759
Brazilian Real	1.970	1.985	-.015	1.719

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)	892.630	889.300	+3.330	869.940
WP; 42 lb. Linerboard (corr.)	784.559	786.726	-2.167	683.452
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	-	.940-.960
Res; PE-LLD (cn liner, film)	.880-.910	.880-.910	-	.880-.910

Produce- Iceberg lettuce prices have fallen sharply since last week due to better weather in the Yuma-Imperial Valley region which has aided the crops. Lettuce weights and quality have improved. Still, the iceberg lettuce markets normally firm in the coming weeks following a seasonal trend. Solid tomato production in FL and growing tomato supplies from Mexico are keeping tomato prices at bay. However, the seasonal price tendency for tomatoes is higher over the next two weeks. Avocado supplies remain adequate. The avocado market typically increases 11.8% during Mar. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 12
Limes (150 ct.)	17.500	16.000	+1.500	16.000
Lemons (95 ct.)	12.775	12.775	-	17.740
Lemons (200 ct.)	16.025	16.025	-	16.740
Honeydew (6 ct.)	10.918	8.250	+2.668	19.950
Cantaloupe (15 ct.)	10.816	8.816	+2.000	16.450
Blueberries (12 count)	24.800	24.800	-	24.000
Strawberries (12 pnts.)	14.500	14.500	-	16.000
Avocados (Hass 48 ct.)	17.250	16.750	+.500	27.250
Bananas (40 lb.)- Term.	15.431	13.666	+1.765	17.653
Pineapple (7 ct.)- Term.	13.875	12.499	+1.376	11.282
Idaho Potato (60 ct., 50 lb.)	4.625	4.812	-.187	8.625
Idaho Potato (70 ct., 50 lb.)	4.750	4.875	-.125	8.625
Idaho Potato (70 ct.)-Term.	14.262	11.189	+3.073	10.850
Idaho Potato (90 ct., 50 lb.)	5.625	5.875	-.250	8.688
Idaho Pot. # 2 (6 oz., 100 lb.)	6.000	6.000	-	12.500
Processing Potato (cwt.)	6.500	6.500	-	8.500
Yellow Onions (50 lb.)	13.500	13.750	-.250	4.625
Yell Onions (50 lb.)-Term.	21.229	22.312	-1.083	9.613
Red Onions (25 lb.)- Term.	23.166	22.687	+.479	7.625
White Onions (50 lb.)- Term.	22.895	35.458	-12.563	17.719
Tomatoes (large- case)	6.950	8.200	-1.250	7.200
Tomatoes (5x6-25 lb.)-Term	10.611	11.166	-.555	9.895
Tomatoes (4x5 vine ripe)	5.585	5.585	-	5.180
Roma Tomatoes (large- case)	6.791	7.371	-.580	6.582
Roma Tomatoes (xlarge-cs)	7.041	7.621	-.580	6.722
Green Peppers (large- case)	7.418	9.083	-1.665	7.917
Red Peppers (large 15lb. cs.)	13.950	15.950	-2.000	13.950
Iceberg Lettuce (24 count)	9.777	20.910	-11.133	6.700
Iceberg Lettuce (24)-Term.	18.500	24.500	-6.000	13.334
Leaf Lettuce (24 count)	12.283	21.508	-9.225	6.532
Romaine Lettuce (24 cnt.)	27.716	34.176	-6.460	6.325
Mesculin Mix (3 lb.)-Term.	7.250	8.375	-1.125	7.000
Broccoli (14 ct.)	6.925	8.173	-1.248	5.767
Squash (1/2 bushel)	14.175	14.175	-	10.600
Zucchini (1/2 bushel)	14.175	19.350	-5.175	10.350
Green Beans (bushel)	19.958	17.883	+2.075	25.134
Spinach, Flat 24's	9.650	22.560	-12.910	9.460
Mushrms (10 lb, lg.)-Term.	15.145	15.145	-	16.375
Cucumbers (bushel)	8.570	14.474	-5.904	10.250
Pickles (200-300 ct.)- Term.	23.875	29.125	-5.250	27.563
Asparagus (small)	16.500	16.500	-	12.500
Freight (Truck; CA-Cty Av.)	4155.000	4160.000	-5.000	4500.000



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