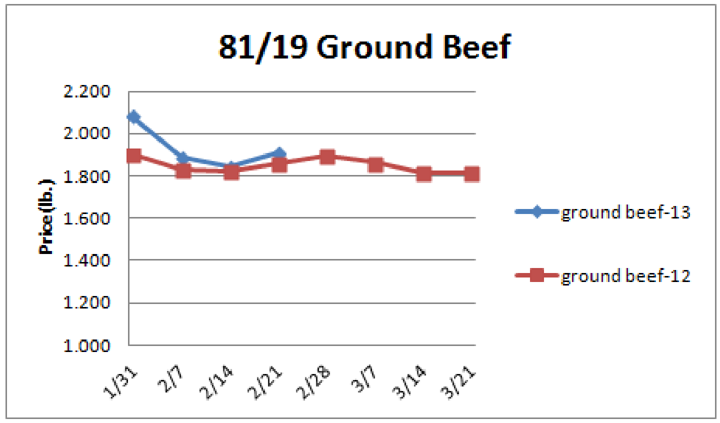
Weekly Market Updates

Volume No. 18 Issue No. 8 Date: February 21, 2013

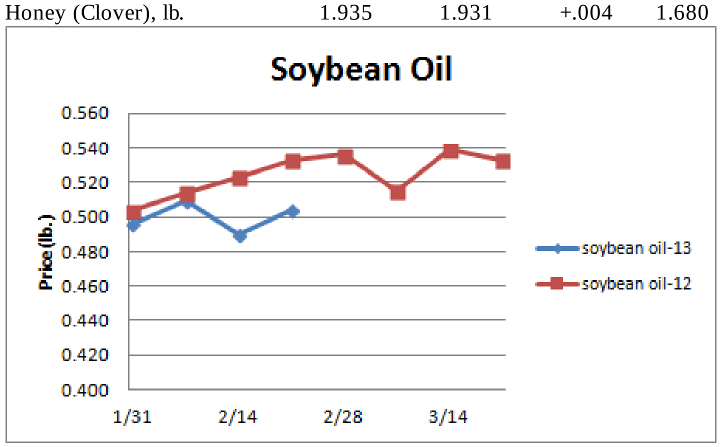
Beef- Beef output last week rose .8% but was .7% less than '12. Last week cattle slaughter fell below 600k head for the second consecutive week, marking only the second such occurrence for two non-holiday weeks since Feb '06. This is adding support to some beef markets. The USDA is forecasting U.S. beef production in Q2 to be 1.8% less than the prior year. This is likely to keep beef prices relatively firm. Beef middle meat prices usually rise in anticipation of the spring grilling season. Since '08, the average price moves over the next eight weeks are 22% higher for the 0x1 strip and 13.6% higher for top butts. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Cattle	1.258	1.258	-	1.283
Feeder Cattle Index (CME)	1.410	1.439	-.029	1.557
Ground Beef 81/19	1.909	1.845	+.064	1.860
Ground Chuck	2.023	1.883	+.140	1.922
109e Export Rib (choice)	5.196	5.366	-.170	5.379
109e Export Rib (prime)	8.596	8.904	-.308	11.638
112a Ribeye (choice)	5.717	5.822	-.105	6.093
112a Ribeye (prime)	9.065	9.276	-.211	11.990
116 Chuck (select)	2.331	2.299	+.032	2.334
116 Chuck (choice)	2.348	2.411	-.063	2.351
116b Chuck Tdnr (choice)	2.264	2.243	+.021	2.348
120 Brisket (choice)	1.864	1.872	-.008	2.145
121c Outside Skirt (ch/sel)	4.591	4.695	-.104	4.780
121d Inside Skirt (ch/sel)	3.569	3.482	+.087	3.468
167a Knckle, Trm. (ch.)	2.143	2.125	+.018	2.515
168 Inside Round (ch.)	1.837	1.843	-.006	2.134
174 Short Loin (ch. 0x1)	4.550	4.674	-.124	5.291
174 Short Loin (prime)	6.537	7.703	-1.166	9.688
180 1x1 Strp (choice)	4.142	4.240	-.098	4.989
180 1x1 Strp (prime)	8.071	8.114	-.043	10.905
180 0x1 Strp (choice)	4.597	4.682	-.085	5.687
184 Top Butt, bnls (ch.)	3.139	3.038	+.101	3.339
184 Top Butt, bnls (prime)	3.481	3.447	+.034	3.461
185a Sirloin Flap (choice)	3.665	3.610	+.055	4.163
185c Loin, Tri-Tip (choice)	2.897	2.821	+.076	3.225
189a Tender (select)	8.872	8.898	-.026	8.745
189a Tender (choice)	8.900	8.760	+.140	9.136
189a Tender (prime)	12.107	12.420	-.313	14.741
193 Flank Steak (choice)	4.223	4.239	-.016	4.319
50% Trimmings	.660	.658	+.002	.996
65% Trimmings	1.192	1.183	+.009	1.384
75% Trimmings	1.555	1.648	-.093	1.630
85% Trimmings	1.942	1.921	+.021	2.006
90% Trimmings	2.136	2.134	+.002	2.175
90% Imported Beef (frz.)	2.145	2.138	+.007	2.135
95% Imported Beef (frz.)	2.315	2.285	+.030	2.230
Veal Rack (Hotel 7 rib)	8.275	8.275	-	7.425
Veal Top Rnd. (cp. off)	14.925	14.925	-	13.575



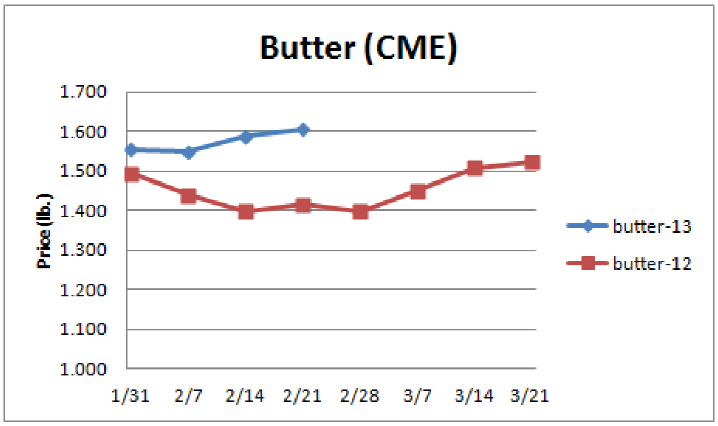
Oil, Grains, Misc.- The grain markets have declined as of late which has encouraged U.S. grain export demand. Steady to higher grain prices could surface in the near term. Prices USDA, FOB.

	Price	Last Week	Difference	Price 12
Soybeans, bushel	14.941	14.431	+.510	12.709
Crude Soybean Oil, lb.	.504	.490	+.014	.533
Soybean Meal, ton	440.800	425.800	+15.00	329.700
Corn, bushel	7.325	7.098	+.227	6.364
Crude Corn Oil, lb.	.525	.530	-.005	575
High Fructose Corn Syrup	.203	.198	+.005	.181
Distillers Grain, Dry	261.500	268.000	-6.500	198.250
Crude Palm Oil, lb. BMD	.367	.365	+.002	.482
HRW Wheat, bushel	7.360	7.405	-.045	6.530
DNS Wheat 14%, bushel	8.400	8.360	+.040	8.660
Durum Wheat, bushel	7.888	7.963	-.075	8.163
Pinto Beans, lb.	.331	.337	-.006	.494
Black Beans, lb.	.320	.320	-	.450
Rice, Long Grain, lb.	.280	.278	+.002	.265
Coffee, lb. NYBOT	1.395	1.406	-.011	2.014
Sugar, lb. NYBOT	.207	.205	+.002	.328
Honey (Clover), lb.	1.935	1.931	+.004	1.680



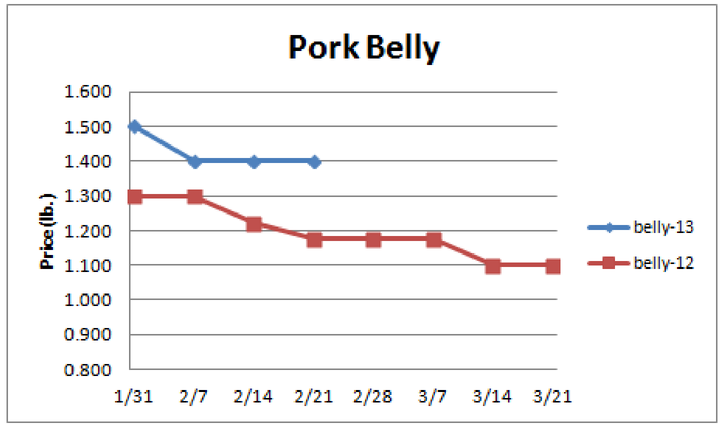
Dairy- U.S. milk production during Jan was .5% more than last year due to a .7% gain in milk per cow yields and a .2% smaller milk cow herd. Dairy farmers added a net 7k head to the milk cow herd during the month. The USDA is estimating milk output in Q2 to be .4% larger than '12. The CME cheese markets are steady but tend to be erratic during Mar. Still, given the improved export picture higher cheese prices may be more likely next month. The CME butter market is firm. Since '08, the average price move for CME butter over the next four weeks is 8% higher. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 12
Cheese Barrels (CME)	1.630	1.630	-	1.475
Cheese Blocks (CME)	1.645	1.675	-.030	1.480
American Cheese	1.800	1.740	+.060	1.838
Cheddar Cheese (40 lb.)	2.055	2.035	+.020	1.988
Mozzarella Cheese	1.900	1.880	+.020	1.834
Provolone Cheese	2.250	2.230	+.020	2.068
Parmesan Cheese	3.598	3.578	+.020	3.148
Butter (CME)	1.605	1.588	+.017	1.415
Nonfat Dry Milk	1.588	1.595	-.007	1.411
Whey, Dry	.612	.614	-.002	.648
Class 1 Base	18.210	18.210	-	17.030
Class II Cream, heavy	1.739	1.749	-.010	1.681
Class III Milk (CME)	17.050	17.450	-.400	15.370
Class IV Milk (CME)	17.750	17.870	-.120	15.640



Pork- Pork output last week rose .2% but was .8% less than the same week a year ago. Curbed output this week due in part to the President's Day Holiday could bring support to the pork markets. Sow slaughter has been modest as of late which suggests that production should expand later in '13. China may join Russia in placing further restrictions on imports of U.S. pork beginning May 1 which could temper any seasonal pork market increases this spring. U.S. pork exports to China and Russia accounted for 18% of U.S. pork exports during '12. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Hogs	.588	.619	-.031	.621
Belly (bacon)	1.400	1.400	-	1.175
Sparerib (4.25 lb. & down)	1.400	1.349	+.051	1.599
Ham (20-23 lb.)	.760	.746	+.014	.760
Ham (23-27 lb.)	.747	.747	-	.720
Loin (bone-in)	.913	.904	+.009	.981
Bbybck Rib (1.75 lb. & up)	2.005	2.002	+.003	2.845
Tenderloin (1.25 lb.)	2.625	2.563	+.062	2.612
Boston Butt, untrmd. (4-8lb.)	.775	.779	-.004	.964
Picnic, untrmd.	.465	.481	-.016	.558
SS Picnic, smoker trm. bx.	.780	.720	+.060	750
42% Trimmings	.440	.376	+.064	.420
72% Trimmings	.583	.583	-	.730



Tomato Products, Canned- Tomatoes designated for the canned tomato processing industry are historically adequate. The canned tomato markets remain 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- Vegetable crop acres this year are expected to be historically small due in part to competing grain crops. The processed vegetable markets are 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- As of last week, year-to-date chicken slaughter was 1.3% more than the prior year. Bird weights are heavier this year versus '12 which is supporting solid chicken supplies. Chicken producers continue to plan for expanded chicken production. The six-week moving average for broiler egg sets is trending 1.5% above a year ago. The USDA is projecting Q2 chicken output to be .2% more than '12. The ARA chicken wing index has fallen 12.8% this month. The jumbo cut chicken wing market usually declines 8.2% over the next six weeks. The ARA chicken breast index is at its highest price level since Sept. Since '08, the average price move for the boneless skinless chicken breast market during the next six weeks is 8.5% higher. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 12
Whole Birds (2.5-3 lb.-GA)	1.005	1.003	+.002	.915
Wings (whole)	1.835	1.960	-.125	1.840
Wings (jumbo, cut)	1.659	1.820	-.161	1.790
Breast, Bone In	1.085	1.070	+.015	.910
Breast, Bnless Skinless	1.635	1.610	+.025	1.465
Tenderloin (random)	1.360	1.360	-	1.310
Tenderloin (sized)	1.500	1.500	-	1.920
Legs (whole)	.690	.665	+.025	.736
Leg Quarters	.540	.545	-.005	.540

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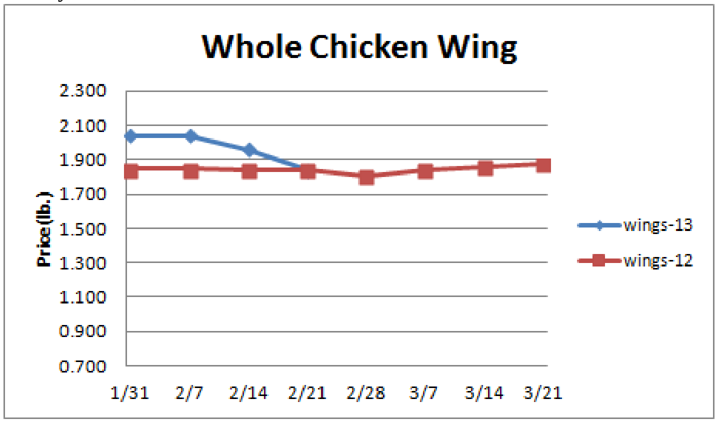
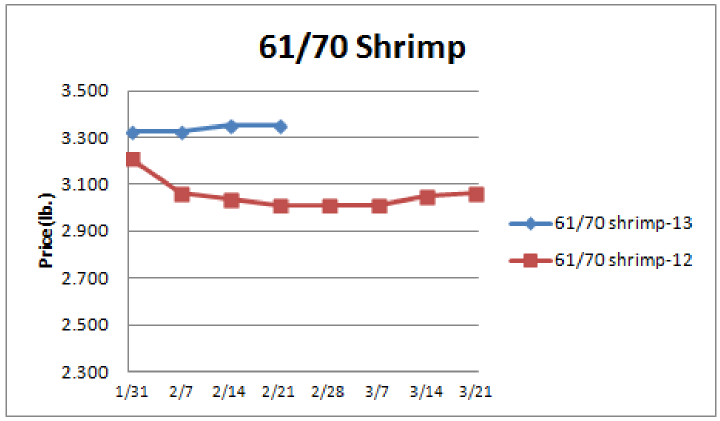
Thighs, bone in	.752	.815	-.063	.803
Thighs, boneless	1.313	1.293	+.020	1.265
Eggs and Others				
Large (dozen)	1.203	1.443	-.240	.977
Medium (dozen)	.872	1.098	-.226	.762
Whole Eggs- Liquid	.526	.573	-.047	.437
Egg Whites- Liquid	.517	.533	-.016	.426
Egg Yolks- Liquid	.885	.885	-	.686
Whole Turkeys (8-16 lb.)	.960	.950	+.010	1.010
Turkey Breast, Bnls/Sknls	1.710	1.776	-.066	2.035



Seafood- Snow crab prices are steady. The Alaskan snow crab catch is progressing with roughly 55% of the quota landed to date. Some minor ice challenges have created some fishing delays but weather this year is much improved from last winter. This year's Alaskan snow crab quota could be met on or before schedule. Still, relatively high snow crab prices may persist until the Newfoundland snow crab season begins this spring. Prices for fresh product, unless noted, per pound from Fisheries Market News.

	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	5.978	5.955	+.023	5.969
Shrimp (61/70), Frz.	3.350	3.350	-	3.010
Shrimp, Tiger (26/30), Frz.	4.700	4.683	+.017	4.913
Snow Crab, Legs 5-8 oz, Frz	5.650	5.550	+.100	5.750
Snow Crab, Legs 8 oz/ up, Fz	5.800	5.800	-	5.913
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	96.660	97.510	-.850	105.840
Natural Gas, mbtu- nymex	3.272	3.230	+.042	2.626
Heating Oil, gal- nymex	3.181	3.236	-.055	3.239
Electricity, mwht- nymex	40.570	38.660	+1.910	33.580
Gasoline, gal- nymex	3.121	3.050	+.071	3.070
Diesel Fuel, gal- eia	4.157	4.104	+.053	3.960
Ethanol, gal- usda	2.295	2.365	-.070	2.090
Canadian $	1.014	1.004	+.010	.996
Japanese Yen	93.547	93.604	-.057	79.701
Mexican Peso	12.657	12.673	-.016	12.728
Euro	.747	.742	+.005	.756
Brazilian Real	1.956	1.970	-.014	1.715

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)	894.440	892.630	+1.810	869.940
WP; 42 lb. Linerboard (corr.)	775.230	784.559	-9.329	673.544
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	-	1.110-1.130
Res; PE-LLD (cn liner, film)	.880-.910	.880-.910	-	.880-.910

Produce- Potato prices remain historically depressed. Feb 1 U.S. potato inventories were 14% above last year and the largest for-the-date in at least eleven years. Still, the downside price risk for the ID potato markets from current levels is likely nominal. The iceberg lettuce markets have fallen sharply from inflated levels earlier this month. Still, iceberg lettuce prices are likely to remain above '12 levels in the near term. The yellow onion market has declined in recent weeks. However, yellow onion stocks remain relatively tight which could continue to support yellow onion prices. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 12

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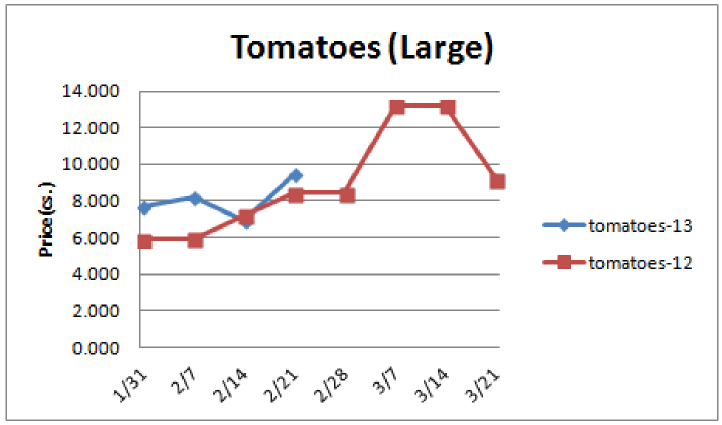
Limes (150 ct.)	22.000	17.500	+4.500	16.000
Lemons (95 ct.)	11.775	12.775	-1.000	17.740
Lemons (200 ct.)	16.025	16.025	-	16.740
Honeydew (6 ct.)	7.285	10.918	-3.633	19.500
Cantaloupe (15 ct.)	12.462	10.816	+1.646	15.450
Blueberries (12 count)	12.000	24.800	-12.800	15.750
Strawberries (12 pnts.)	17.000	14.500	+2.500	16.000
Avocados (Hass 48 ct.)	18.750	17.250	+1.500	28.750
Bananas (40 lb.)- Term.	15.452	15.431	+.021	18.928
Pineapple (7 ct.)- Term.	13.937	13.875	+.062	10.646
Idaho Potato (60 ct., 50 lb.)	4.625	4.625	-	8.813
Idaho Potato (70 ct., 50 lb.)	4.625	4.750	-.125	8.813
Idaho Potato (70 ct.)- Term.	12.150	14.262	-2.112	14.813
Idaho Potato (90 ct., 50 lb.)	5.625	5.625	-	8.813
Idaho Pot. # 2 (6 oz., 100 lb.)	6.000	6.000	-	12.750
Processing Potato (cwt.)	6.500	6.500	-	8.500
Yellow Onions (50 lb.)	13.500	13.500	-	4.375
Yell Onions (50 lb.)-Term.	20.575	21.229	-.654	8.438
Red Onions (25 lb.)- Term.	23.500	23.166	+.334	7.680
White Onions (50 lb.)- Term.	30.104	22.895	+7.209	23.613
Tomatoes (large- case)	9.450	6.950	+2.500	8.450
Tomatoes (5x6-25 lb.)- Term	10.266	10.611	-.345	10.758
Tomatoes (4x5 vine ripe)	8.475	5.585	+2.890	5.185
Roma Tomatoes (large- case)	8.956	6.791	+2.165	6.310
Roma Tomatoes (xlarge- cs)	9.206	7.041	+2.165	6.530
Green Peppers (large- case)	12.000	7.418	+4.582	7.334
Red Peppers (large 15lb. cs.)	11.950	13.950	-2.000	13.950
Iceberg Lettuce (24 count)	12.530	9.777	+2.753	6.083
Iceberg Lettuce (24)-Term.	16.250	18.500	-2.250	17.334
Leaf Lettuce (24 count)	9.063	12.283	-3.220	6.150
Romaine Lettuce (24 cnt.)	22.660	27.716	-5.056	6.125
Mesculin Mix (3 lb.)-Term.	7.125	7.250	-.125	7.000
Broccoli (14 ct.)	11.005	6.925	+4.080	5.549
Squash (1/2 bushel)	13.000	14.175	-1.175	8.600
Zucchini (1/2 bushel)	18.000	14.175	+3.825	8.600
Green Beans (bushel)	18.737	19.958	-1.221	19.550
Spinach, Flat 24's	8.000	9.650	-1.650	9.460
Mushrms (10 lb, lg.)-Term.	15.145	15.145	-	15.146
Cucumbers (bushel)	17.175	8.570	+8.605	7.967
Pickles (200-300 ct.)- Term.	22.562	23.875	-1.313	28.825
Asparagus (small)	16.500	16.500	-	13.500
Freight (Truck; CA-Cty Av.)	4155.000	4155.000	-	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