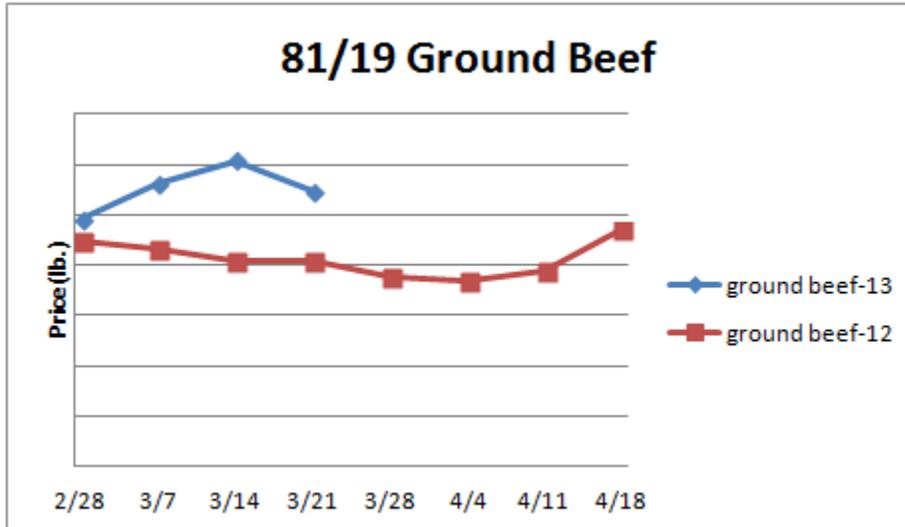


Beef, Veal and Lamb Report

Beef, Veal & Lamb- Beef production last week increased 1.6% but was 1.2% smaller than the same week in '12. Beef output is expected to run below year ago levels this spring due to tight cattle supplies. This should shore up beef prices. Retail beef prices during Feb were 3.4% higher than last year and a record. Wholesale beef prices are historically inflated as well. These factors are curbing beef demand which could temper any seasonal market increases this spring. Retailers are planning to feature less costly grill items like ground beef in the coming months which could be supportive of the beef trim markets.

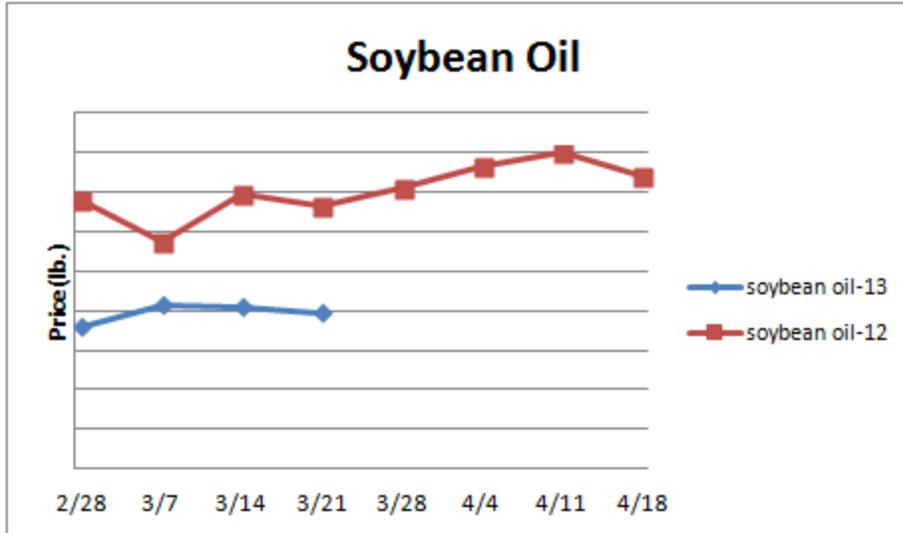


| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|---------------------------------|---------------------|-----------------|----------------------------|
| Live Cattle (Steer) | Decreasing | Good | Lower |
| Ground Beef 81/19 | Decreasing | Good | Higher |
| Ground Chuck | Decreasing | Good | Higher |
| 109 Export Rib (choice) | Increasing | Good | Lower |
| 109 Export Rib (prime) | Increasing | Good | Lower |
| 112a Ribeye (choice) | Increasing | Good | Higher |
| 112a Ribeye (prime) | Decreasing | Good | Lower |
| 116 Chuck (choice) | Decreasing | Good | Higher |
| 120 Brisket (choice) | Decreasing | Good | Lower |
| 121c Outside Skirt (ch/sel.) | Decreasing | Good | Lower |
| 167a Knuckle, Trimmed (choice) | Decreasing | Good | Lower |
| 168 Inside Round (choice) | Decreasing | Good | Higher |
| 174 Short Loin (choice 0x1) | Decreasing | Good | Lower |
| 174 Short Loin (prime 2x3) | Increasing | Good | Lower |
| 180 1x1 Strip (choice) | Increasing | Good | Lower |
| 180 1x1 Strip (prime) | Increasing | Good | Lower |
| 180 0x1 Strip (choice) | Increasing | Good | Lower |
| 184 Top Butt, boneless (choice) | Decreasing | Good | Lower |
| 184 Top Butt, boneless (prime) | Decreasing | Good | Lower |
| 185a Sirloin Flap (choice) | Increasing | Good | Lower |
| 185c Loin, Tri-Tip (choice) | Decreasing | Good | Lower |
| 189a Tender (select, 5 lb & up) | Decreasing | Good | Lower |
| 189a Tender (choice, 5 lb & up) | Decreasing | Good | Lower |
| 189a Tender (prime, heavy) | Increasing | Good | Lower |
| 193 Flank Steak (choice) | Decreasing | Good | Lower |
| 50% Trimmings | Increasing | Good | Lower |
| 65% Trimmings | Increasing | Good | Lower |
| 75% Trimmings | Decreasing | Good | Lower |
| 85% Trimmings | Increasing | Good | Lower |
| 90% Trimmings | Increasing | Good | Lower |

| | | | |
|-----------------------------------|-------------------|-------------|---------------|
| 90% Imported Beef (frozen) | Increasing | Good | Lower |
| Veal Rack (Hotel 7 rib) | Steady | Good | Higher |
| Veal Top Round (cap off) | Steady | Good | Higher |

Oil and Grains Report

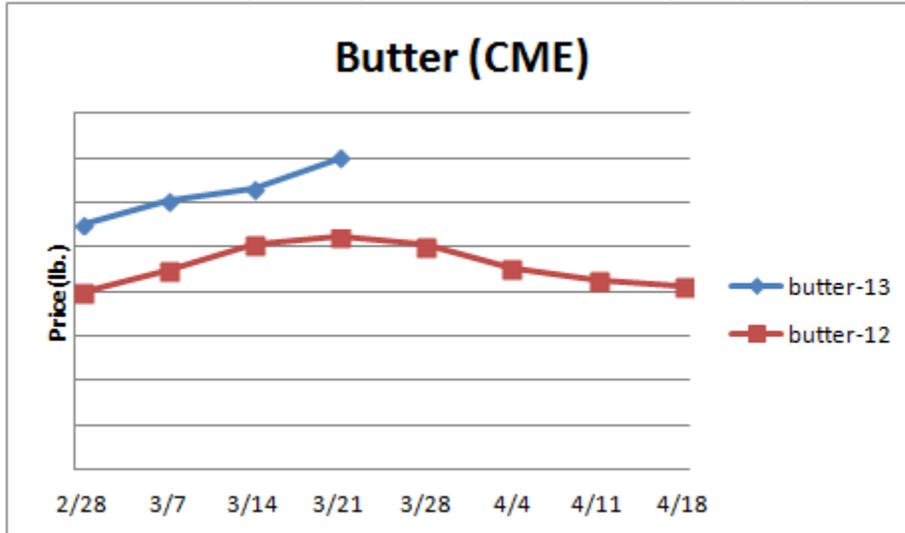
Oil & Grains- The grain trade community is awaiting historically large crop acreage to be reported by the USDA on Mar 28th. Still, fairly inflated grain prices should persist this spring.



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

Dairy Report

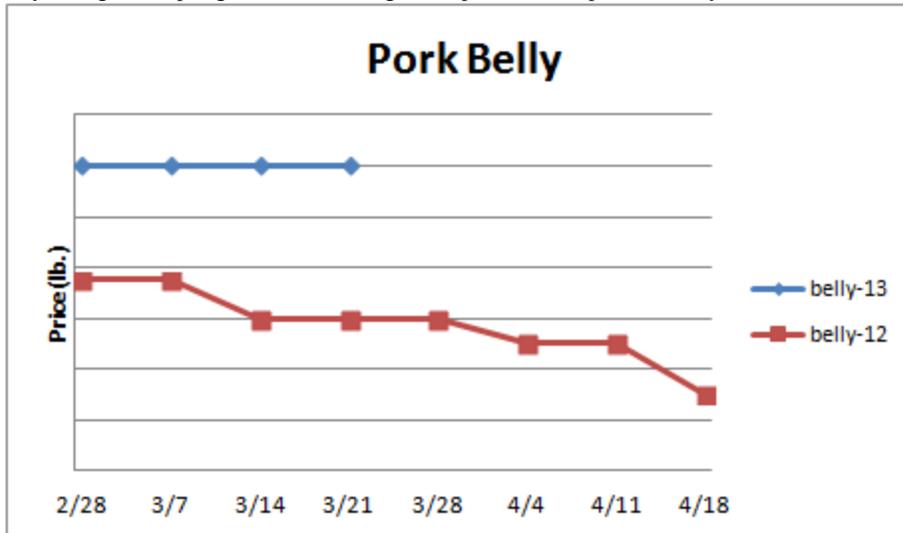
Dairy- Average daily milk output during Feb was flat versus last year due to a .3% gain in the milk per cow yield and a .3% smaller herd. Dairy farmers added a net 2k head to the herd during the month. Milk production may be tempered this spring due to challenged margins. The CME cheese block market is firm but tends to be erratic over the next few weeks. The CME butter market is strong but usually moves 1.7% lower during the next three weeks. Still, U.S. cheese and butter exports are expected to remain solid which may add upward pressure to the dairy markets.



| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|-------------------------------------|---------------------|-----------------|----------------------------|
| Cheese Barrels- CME | Increasing | Good | Lower |
| Cheese 40 lb Blocks- CME | Increasing | Good | Higher |
| American Cheese | Increasing | Good | Higher |
| Cheddar Cheese | Increasing | Good | Higher |
| Mozzarella Cheese | Increasing | Good | Higher |
| Provolone Cheese | Increasing | Good | Higher |
| Parmesan Cheese | Increasing | Good | Higher |
| Butter- One lb Solids | Increasing | Good | Higher |
| Nonfat Dry Milk | Decreasing | Good | Higher |
| Whey, Dry | Decreasing | Good | Higher |
| Class I Milk Base | Steady | Good | Higher |
| Class II Cream (Heavy Cream) | Increasing | Good | Higher |
| Class III Milk- CME | Increasing | Good | Higher |
| Class IV Milk- CME | Increasing | Good | Higher |

Pork Report

Pork- Pork production last week increased .3% and was .3% larger than the prior year. Still, seasonally slowed output and stronger pork demand is expected next month which could influence pork prices higher. Still, import restrictions on U.S. pork from China and Russia should limit the upside price risk for pork this spring. U.S. retail pork prices during Feb were down 1.5% compared to '12 but the highest since Nov. Retail store feature activity for pork may be high this spring due to record high beef prices. Ham prices usually bottom this week.



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

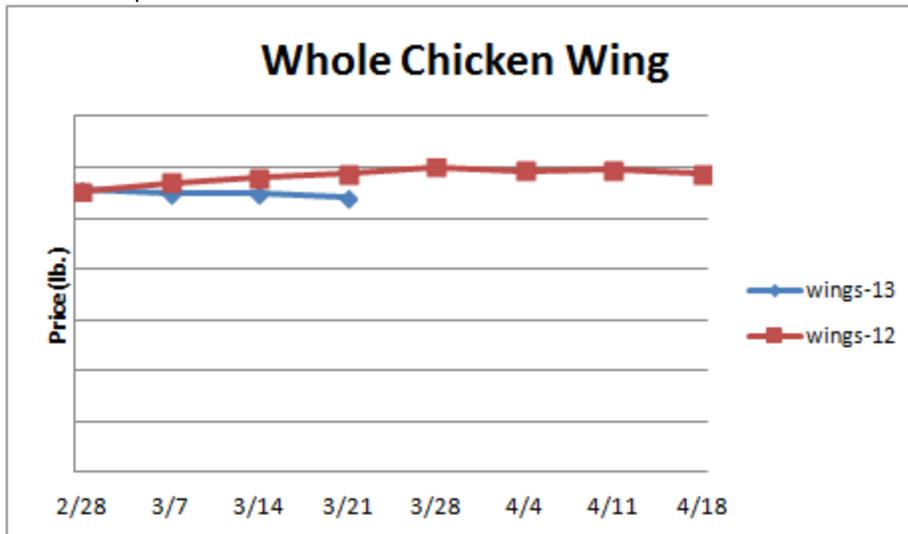
Canned Tomato Report

Tomato Products, Canned- Raw product costs in '13 for U.S. tomato canners should be near year ago levels. The canned tomato markets are likely to 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- Chicken producers continue to plan for expanded chicken output this spring. The six-week moving average for broiler-type egg sets is trending 1.8% above last year. Last week the ARA chicken cutout index closed at its highest level since Jul '04. This index is being supported by inflated chicken breast prices which is typical during Mar. The chicken breast markets normally increase into the summer. However, the aforementioned chicken production expansion may limit the seasonal price gains for chicken breasts. The jumbo cut chicken wing market usually fades 11.5% over next seven weeks but this year's decline may be more intense. U.S. retail chicken prices during Feb were up 4.9% versus '12 and a record.

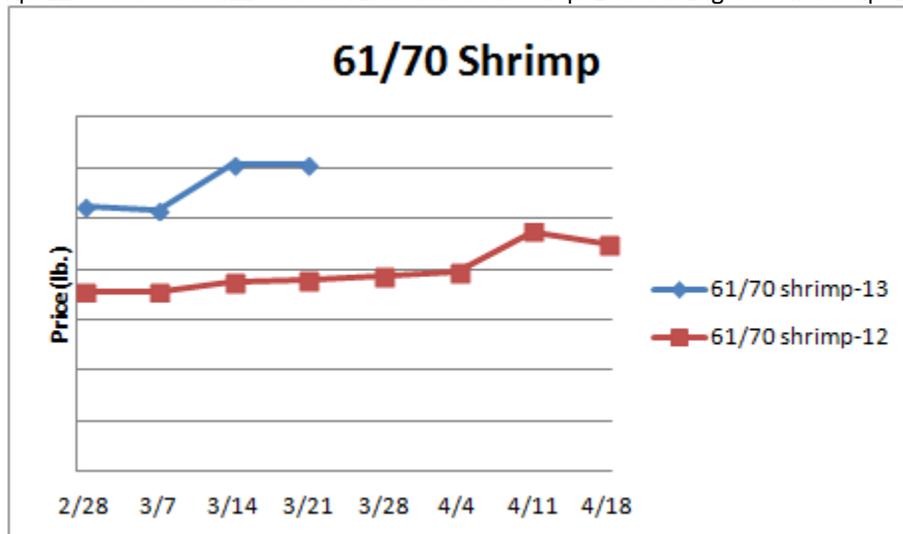


| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|---------------------------------------|---------------------|-----------------|----------------------------|
| Whole Chicken (2.5-3 lb-GA) | Increasing | Good | Higher |
| Chicken Wings, Whole | Decreasing | Good | Higher |
|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

| | | | |
|----------------------------------|-------------------|-------------|---------------|
| Chicken Thighs, boneless | Increasing | Good | Higher |
| Large Eggs | Increasing | Good | Higher |
| Medium Eggs | Increasing | Good | Higher |
| Whole Eggs- Liq | Increasing | Good | Higher |
| Egg Whites- Liq | Increasing | Good | Higher |
| Egg Yolks- Liq | Increasing | 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 quota for the '12/13 season is 82% complete which is 21% ahead of the prior year. But, this season's allowable snow crab volumes are 25% less than '11/12. The Canadian snow crab season is expected to begin in the coming months which can improve supplies. Snow crab prices tend to remain steady in April. U.S. retail fresh fish and seafood price during Feb were up 1.4% versus '12.



| | <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 | Higher |
| Shrimp (61-70 count) | Steady | Good | Higher |
| Shrimp, Tiger (26-30 count) | Steady | Good | Lower |
| Snow Crab Legs (5-8 oz) | Steady | 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 | Steady | Good | Lower |
| Black Beans | Steady | 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. | Decreasing | Good | Higher |
| PP-HIGP-heavy grade utensils | Steady | Good | Higher |
| PE-LLD-can liners, film, bags | Steady | Good | Lower |

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 |

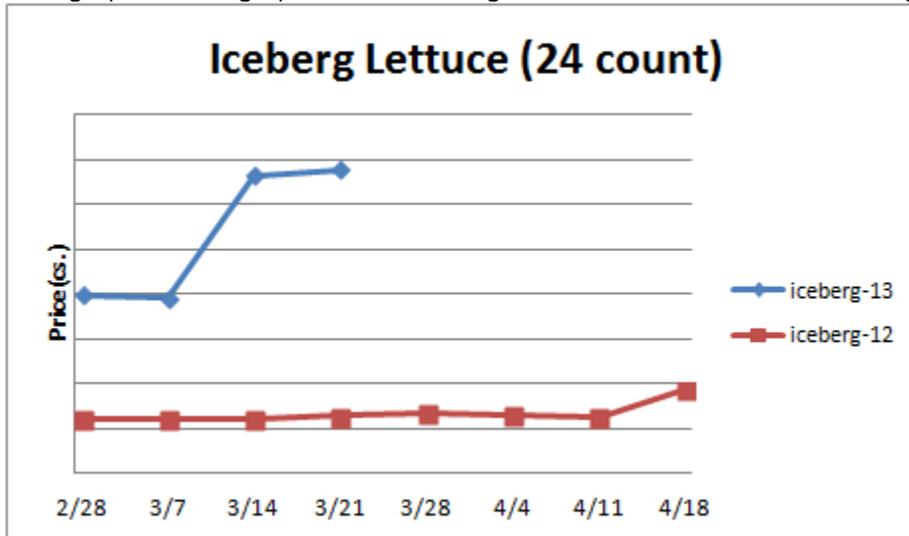
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- Due to aggressive crop planting plans in place for corn and soybeans, acres for U.S. vegetables may be tight this year. Processed vegetable prices 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 remain tight due in part to challenged crops and strong demand. Thus, iceberg lettuce prices are historically inflated. Yet, overall lettuce supplies could improve soon with the Huron CA harvest expected to begin this week. The iceberg lettuce market usually moves lower during next week. Hass avocado imports from Mexico are seasonally fading. Still, CA avocados are anticipated to help supply shortfalls by the end of the month. History points to Hass avocado prices moving up 8% during Apr. The mature green tomato markets are trending lower.



| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|--------------------------|---------------------|-----------------|----------------------------|
| Limes (150 count) | Steady | Good | Higher |

| | | | |
|---------------------------------|------------|------|--------|
| Lemons (95 count) | Increasing | Good | Lower |
| Lemons (200 count) | Decreasing | Good | Lower |
| Honeydew (6 ct.) | Steady | Good | Higher |
| Cantaloupe (15 count) | Increasing | Good | Higher |
| Blueberries (12 count) | Steady | Good | Higher |
| Strawberries (12 pints) | Steady | Good | Higher |
| Avocados, Hass (48 count) | Increasing | Good | Lower |
| Bananas (40 lb)-Term. | Increasing | Good | Higher |
| Pineapple (7 ct.)- Term. | Decreasing | Good | Higher |
| Idaho Potato (60 count) | Steady | Good | Lower |
| Idaho Potato (70 count) | Steady | Good | Lower |
| Idaho Potato (70 count)-Term. | Increasing | Good | Lower |
| Idaho Potato (90 count) | Steady | Good | Lower |
| Idaho Potato #2 (6 oz. min.) | Increasing | Good | Lower |
| Processing Potato (100 lb) | Steady | Good | Lower |
| Yellow Onions (50 lb) | Decreasing | Good | Higher |
| Yellow Onions (50 lb)-Term. | Decreasing | Good | Higher |
| Red Onions (25 lb)-Term. | Increasing | Good | Higher |
| White Onions (50 lb)-Term. | Increasing | Good | Lower |
| 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) | Increasing | Good | Lower |
| Red Peppers (large- 15 lb. cs.) | Decreasing | Good | Higher |
| Iceberg Lettuce (24 count) | Increasing | Good | Higher |
| Iceberg Lettuce (24 cnt)-Term. | Increasing | Good | Higher |

Produce Report (continued)

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