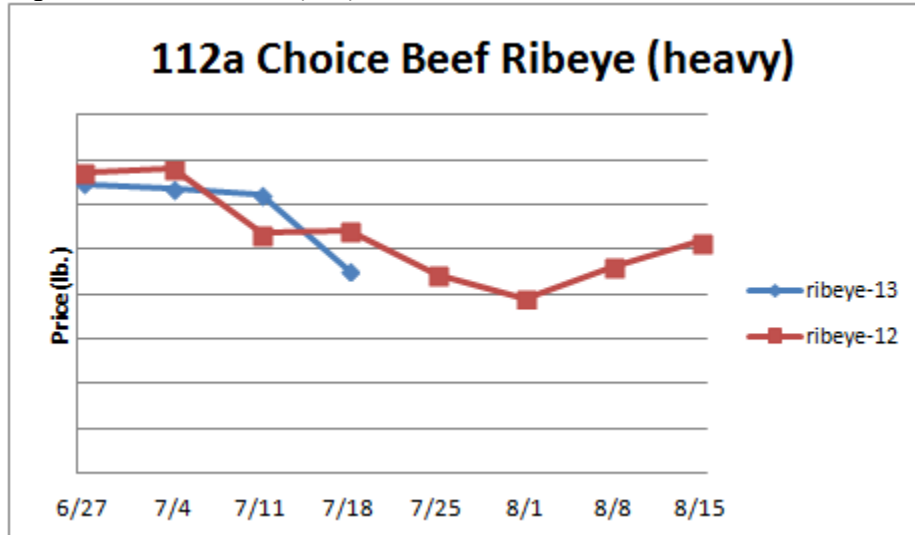


Beef, Veal and Lamb Report

Beef, Veal & Lamb- Beef production last week was .3% less than the same week a year ago. The USDA is projecting summer beef output to trend 1.6% below 2012. Many of the beef middle meat steak cut markets continue to depreciate due to weak demand. This is due in a large part to inflated retail prices. In June, retail beef prices were 1.4% higher than last year and a record. Last year the 180 choice 0x1 beef strip market did not make its summer bottom until the last week of July. The 50% beef trim market is firm due to tight supplies. Fairly inflated 50% beef trim prices could persist into August. Price USDA, FOB per pound.

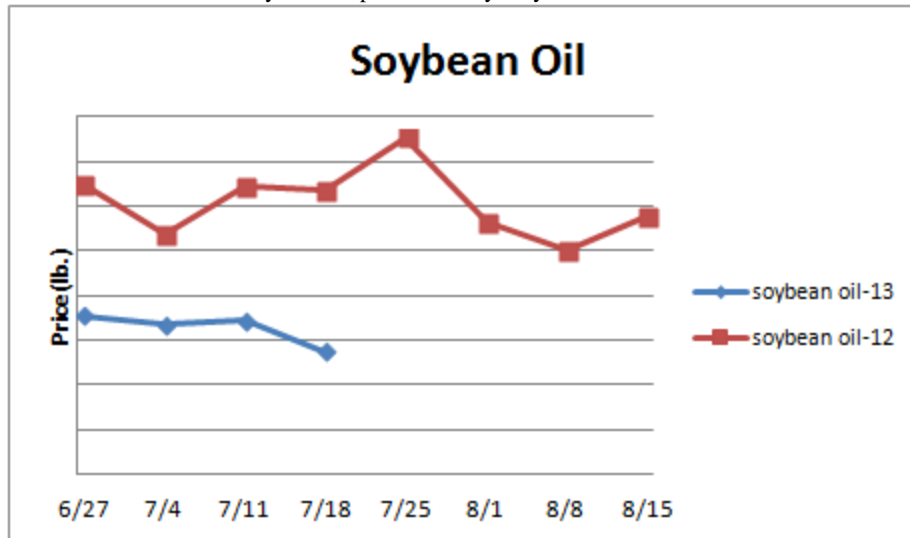


	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Cattle (Steer)	Decreasing	Good	Higher
Ground Beef 81/19	Decreasing	Good	Higher
Ground Chuck	Decreasing	Good	Higher
109 Export Rib (choice)	Decreasing	Good	Lower
109 Export Rib (prime)	Increasing	Good	Lower
112a Ribeye (choice)	Decreasing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

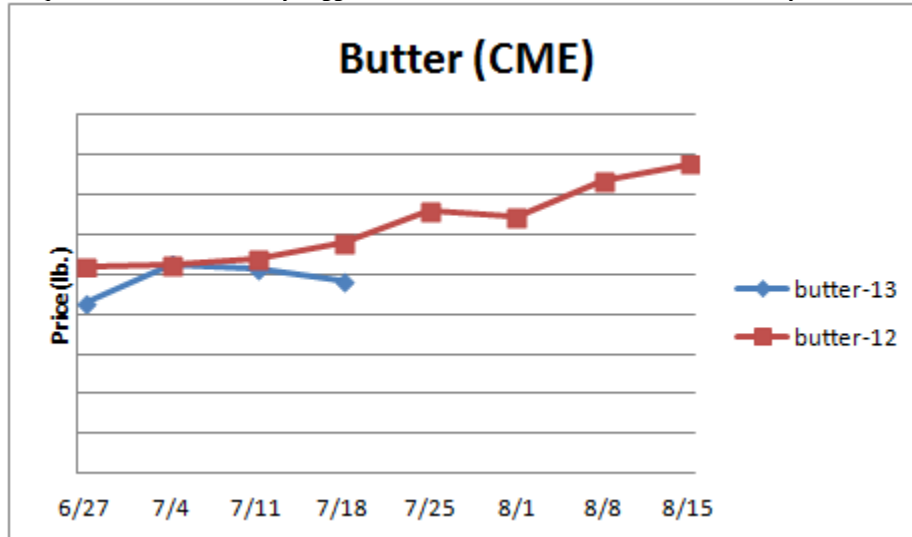
Oil & Grains- Soybean oil prices are trending near three year lows due in part to ample world food oil supplies. The near term downside soybean oil price risk may only be modest.



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

Dairy Report

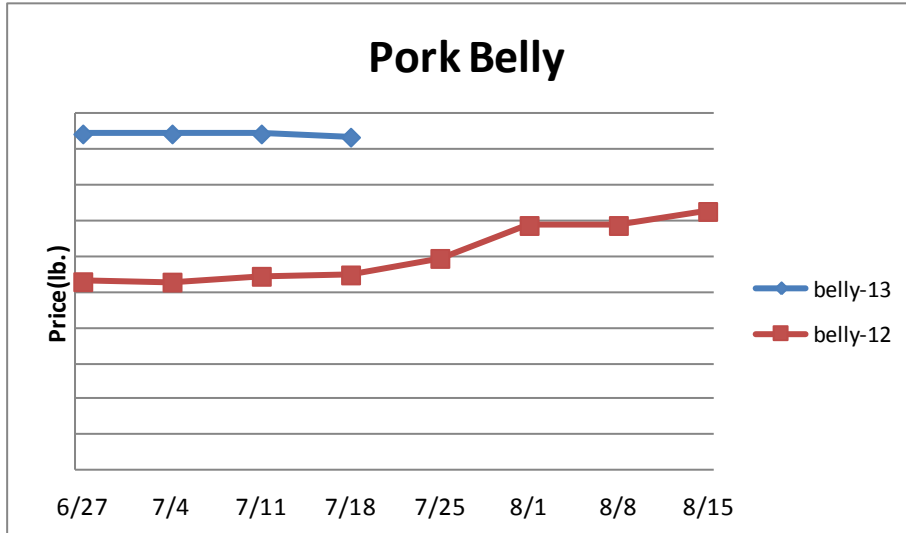
Dairy- CME butter prices have softened during the last week due in a large part to the existing burdensome stocks. May U.S. butter holdings were 23.5% more than last year the largest for the month since 1993. Still, international butter prices remain inflated. Further, domestic milk production is seasonally declining. These factors could influence the butter market modestly higher in the coming weeks. The CME cheese markets remain range bound due in part to adequate inventories. History suggests that moderate cheese market increases may be forthcoming.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Cheese Barrels- CME	Decreasing	Good	Lower
Cheese 40 lb Blocks- CME	Increasing	Good	Lower
American Cheese	Increasing	Good	Higher
Cheddar Cheese	Increasing	Good	Higher
Mozzarella Cheese	Increasing	Good	Higher
Provolone Cheese	Increasing	Good	Lower
Parmesan Cheese	Increasing	Good	Higher
Butter- One lb Solids	Decreasing	Good	Lower
Nonfat Dry Milk	Increasing	Good	Lower
Whey, Dry	Decreasing	Good	Higher
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 production last week was 5.3% larger than the same week last year. Hog weights are starting to trend above 2012 levels which signals that hog supplies are becoming more available. Pork output is anticipated to trend modestly above previous year levels in the coming months. Most of the pork markets are weakening as retailers have pulled feature activity for pork this month. Still, relatively inflated wholesale pork prices could persist into August. Notable pork belly price relief may not occur until the fall.



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

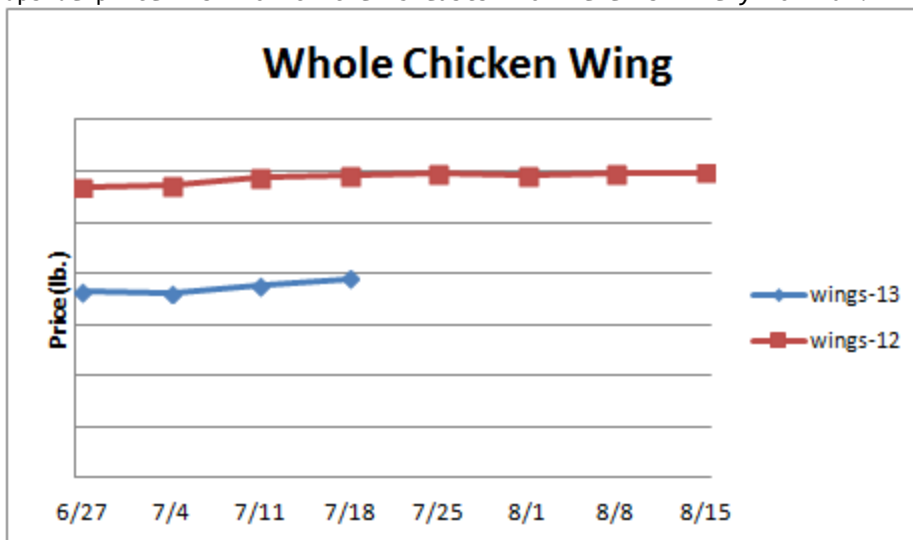
Canned Tomato Report

Tomato Products, Canned- The California tomato for canning harvest is tracking 50% ahead of last year. The canned tomato markets are steady.

	<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 output for the week ending July 6th was 1.3% less than last year. Still, year to date chicken production is tracking 3.1% above 2012. Further, chicken producers appear to be expanding output with broiler egg sets trending at their biggest level above the prior year since 2010. The USDA is projecting third quarter chicken output to be 2.7% larger than last year and their forecast may be too low. The chicken breast markets have been relatively steady as of late and at the highest price levels for mid-July in 9 years. History suggests that these inflated chicken breast prices could propel food service and retail to feature other proteins down the road. The upside price risk for chicken breasts from here is likely nominal.

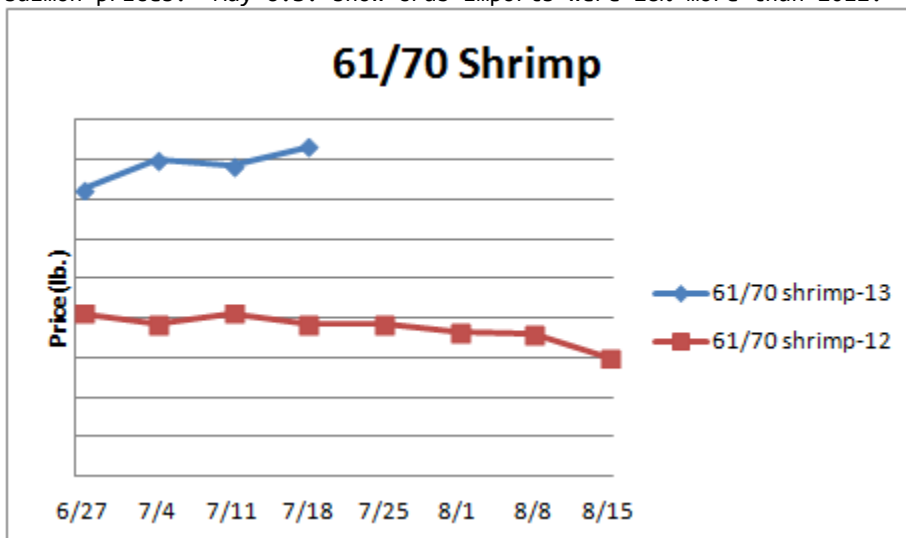


	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Whole Chicken (2.5-3 lb-GA)	Steady	Good	Higher
Chicken Wings, Whole	Increasing	Good	Lower
Chicken Wings, Jumbo Cut	Increasing	Good	Lower
Chicken Breast, Bone-In	Steady	Good	Higher
Chicken Breast, Bnless Skinless	Steady	Good	Higher
Chicken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

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

Seafood Report

Seafood- Chilean salmon supplies continue to improve. U.S. salmon filet-steak imports during May were 11% bigger than the same month a year ago. Salmon imports from Chile during May were the largest since March 2005. Favorable currency valuations could cause U.S. salmon imports to remain solid in the coming months which may weigh on salmon prices. May U.S. snow crab imports were 28% more than 2012.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Salmon, Whole (10-12 lb)	N/A	Good	N/A
Catfish, Filets	N/A	Good	N/A
Trout, Drn. (8-14 oz)	N/A	Good	N/A
Shrimp (16-20 count)	Increasing	Good	Higher
Shrimp (61-70 count)	Increasing	Good	Higher
Shrimp, Tiger (26-30 count)	Steady	Good	Higher
Snow Crab Legs (5-8 oz)	Increasing	Good	Higher
Snow Crab Legs (8 oz up)	Increasing	Good	Higher
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	Higher

Bean, Rice, Coffee and Sugar Report

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Pinto Beans	Increasing	Good	Lower
Black Beans	Increasing	Good	Lower
Rice, Long Grain	Increasing	Good	Higher
Coffee Beans	Increasing	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	Steady	Good	Higher

Retail Price Change from Prior Month

	<u>Apr-13</u>	<u>Mar-13</u>	<u>Feb-13</u>
Beef and Veal	Decreasing	Increasing	Increasing
Dairy	Increasing	Decreasing	Increasing
Pork	Decreasing	Increasing	Increasing
Chicken	Increasing	Increasing	Increasing
Fresh Fish and Seafood	Increasing	Increasing	Increasing
Fresh Fruits and Vegetables	Decreasing	Decreasing	Increasing

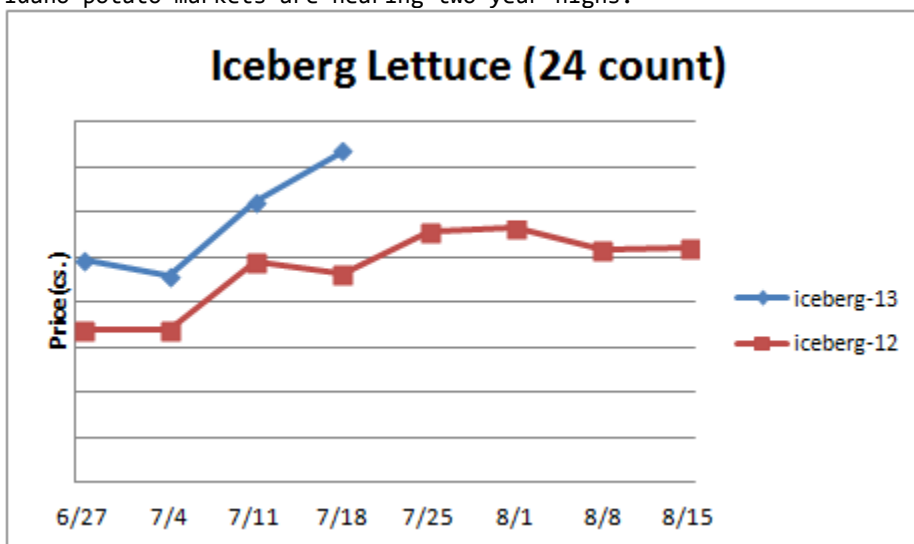
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables- The Midwest and Eastern vegetable crops remain behind but are progressing well. 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	Lower
Green Peas, Fancy 4 sv/blend	Steady	Good	Higher
<u>Frozen</u>			
Corn, Cob 96 count	Steady	Good	Lower
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	Lower

Produce Report

Produce- Lettuce supplies remain limited. Lettuce harvest yields have been negatively impacted by the heat in recent weeks. Expectations are for lettuce shipments to remain below par into next week. Longer term, the National Weather Service is predicting warm and dry weather for California during the next few months which may bring further periodic challenges to the lettuce crops. The chief tomato harvest region in the East continues to shift north. Some modest tomato supply gaps could occur this month. The Idaho potato markets are nearing two year highs.



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

Lemons (95 count)	Increasing	Good	Higher
Lemons (200 count)	Increasing	Good	Lower
Honeydew (6 ct.)	Decreasing	Good	Lower
Cantaloupe (15 count)	Decreasing	Good	Higher
Blueberries (12 count)	Decreasing	Good	Lower
Strawberries (12 pints)	Decreasing	Good	Higher
Avocados, Hass (48 count)	Steady	Good	Higher
Bananas (40 lb)-Term.	Increasing	Good	Lower
Pineapple (7 ct.)- Term.	Increasing	Good	Higher
Idaho Potato (60 count)	Increasing	Good	Higher
Idaho Potato (70 count)	Increasing	Good	Higher
Idaho Potato (70 count)-Term.	Increasing	Good	Higher
Idaho Potato (90 count)	Increasing	Good	Higher
Idaho Potato #2 (6 oz. min.)	Increasing	Good	Higher
Processing Potato (100 lb)	Steady	Good	Lower
Yellow Onions (50 lb)	Increasing	Good	Lower
Yellow Onions (50 lb)-Term.	Increasing	Good	Lower
Red Onions (25 lb)-Term.	Decreasing	Good	Lower
White Onions (50 lb)-Term.	Decreasing	Good	Lower
Tomatoes, (large- case)	Increasing	Good	Higher
Tomatoes, (5x6, 25 lb.)-Term.	Increasing	Good	Higher
Tomatoes, Vine Ripe, (4x5)	Increasing	Good	Higher
Roma Tomatoes (large- case)	Increasing	Good	Higher
Roma Tomatoes (xlarge- case)	Increasing	Good	Higher
Green Peppers (large- case)	Increasing	Good	Higher
Red Peppers (large- 15 lb. cs.)	Steady	Good	Higher
Iceberg Lettuce (24 count)	Increasing	Good	Higher
Iceberg Lettuce (24 cnt)-Term.	Increasing	Good	Higher

Produce Report (continued)

Leaf Lettuce (24 count)	Increasing	Good	Higher
Romaine Lettuce (24 count)	Increasing	Good	Lower
Mesculin Mix (3 lb)-Term.	Increasing	Good	Higher
Broccoli (14 cnt.)	Decreasing	Good	Higher
Squash (case)	Increasing	Good	Higher
Zucchini (case)	Increasing	Good	Higher
Green Beans (bushel)	Decreasing	Good	Lower
Spinach, Flat 24's	Increasing	Good	Higher
Mushrooms (large), Term.	Increasing	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