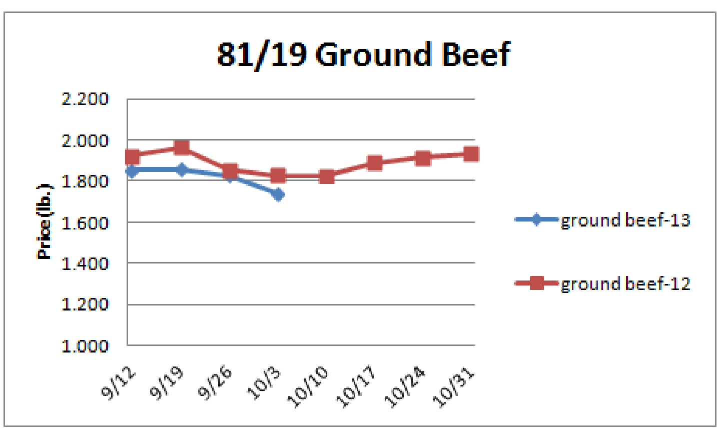
Weekly Market Updates

Volume No. 18 Issue No. 40 Date: October 3, 2013

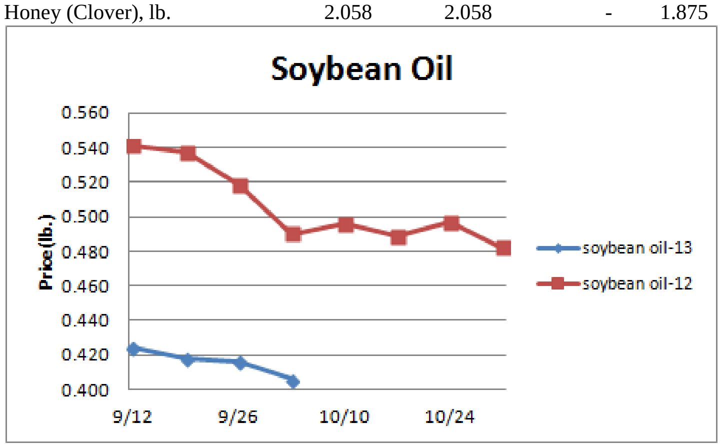
Beef- Beef output last week declined .3% and was 2.5% less than the same week a year ago. Beef packers may continue to slow production in the near term due to inflated cattle prices and poor margins. This should be supportive of the beef markets. Beef demand remains inconsistent, however, with forward beef sales last week 32% less than the five year average for the week. Further, less expensive chicken and pork are expected to garner more retail and food service feature activity this fall. Thus, the upside in beef prices should be limited. Beef trim prices are weakening but could find support soon. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Cattle	1.262	1.206	+.056	1.211
Feeder Cattle Index (CME)	1.599	1.571	+.028	1.431
Ground Beef 81/19	1.741	1.829	-.088	1.828
Ground Chuck	1.812	1.811	+.001	1.864
109e Export Rib (choice)	5.908	6.109	-.201	5.628
109e Export Rib (prime)	10.189	10.056	+.133	9.695
112a Ribeye (choice)	6.627	6.576	+.051	6.554
112a Ribeye (prime)	10.168	10.010	+.158	9.691
116 Chuck (select)	2.518	2.421	+.097	2.550
116 Chuck (choice)	2.666	2.535	+.131	2.937
116b Chuck Tdnr (choice)	2.329	2.266	+.063	2.405
120 Brisket (choice)	1.926	1.961	-.035	2.076
121c Outside Skirt (ch/sel)	4.423	3.874	+.549	5.663
121d Inside Skirt (ch/sel)	3.295	3.422	-.127	3.468
167a Knckle, Trm. (ch.)	2.401	2.396	+.005	2.449
168 Inside Round (ch.)	2.064	2.019	+.045	2.013
174 Short Loin (ch. 0x1)	4.979	5.056	-.077	4.942
174 Short Loin (prime)	8.810	8.678	+.132	9.124
180 1x1 Strp (choice)	4.209	4.000	+.209	4.420
180 1x1 Strp (prime)	9.579	10.569	-.990	9.272
180 0x1 Strp (choice)	4.961	4.928	+.033	4.929
184 Top Butt, bnls (ch.)	2.902	2.997	-.095	2.941
184 Top Butt, bnls (prime)	4.197	4.084	+.113	3.729
185a Sirloin Flap (choice)	3.782	3.690	+.092	3.450
185c Loin, Tri-Tip (choice)	2.271	2.617	-.346	2.380
189a Tender (select)	8.288	8.247	+.041	8.553
189a Tender (choice)	10.201	10.157	+.044	9.558
189a Tender (prime)	13.582	13.502	+.080	14.351
193 Flank Steak (choice)	4.381	4.422	-.041	4.971
50% Trimmings	.899	.942	-.043	.514
65% Trimmings	1.275	1.308	-.033	1.074
75% Trimmings	1.660	1.603	+.057	1.697
85% Trimmings	1.811	1.854	-.043	1.834
90% Trimmings	1.975	2.035	-.060	2.015
90% Imported Beef (frz.)	1.970	1.960	+.010	2.010
95% Imported Beef (frz.)	2.055	2.059	-.004	2.130
Veal Rack (Hotel 7 rib)	8.350	8.350	-	8.020
Veal Top Rnd. (cp. off)	14.963	14.963	-	14.370



Oil, Grains, Misc.- Corn and soybean supplies continue to improve with the new harvest. Further modest corn and soybean market declines may be forthcoming. Prices USDA, FOB.

	Price	Last Week	Difference	Price 12
Soybeans, bushel	12.670	13.108	-.438	15.103
Crude Soybean Oil, lb.	.406	.416	-.010	.490
Soybean Meal, ton	432.400	462.600	-30.200	479.150
Corn, bushel	4.301	4.417	-.116	7.394
Crude Corn Oil, lb.	.373	.385	-.012	.563
High Fructose Corn Syrup	.142	.144	-.002	.204
Distillers Grain, Dry	209.750	210.500	-.750	262.500
Crude Palm Oil, lb. BMD	.331	.327	+.004	.336
HRW Wheat, bushel	7.390	7.025	+.365	8.520
DNS Wheat 14%, bushel	7.780	7.450	+.330	9.340
Durum Wheat, bushel	6.917	6.917	-	8.013
Pinto Beans, lb.	.400	.400	-	.348
Black Beans, lb.	.423	.400	+.023	.315
Rice, Long Grain, lb.	.290	.290	-	.270
Coffee, lb. NYBOT	1.141	1.190	-.049	1.818
Sugar, lb. NYBOT	.220	.209	+.011	.250
Honey (Clover), lb.	2.058	2.058	-	1.875



Dairy- The butter market has been relatively steady during the last week with good trade volume. Buyers have been actively seeking butter product in part for the upcoming holiday season. Usually the butter market will continue higher during October but two of the last three years the butter market peaked during the next week. The CME cheese markets have been fairly stable as well. History suggests that lower cheese prices are likely later this fall. International dairy prices remain inflated, however, which may limit the near term downside price risk in cheese and butter. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 12
Cheese Barrels (CME)	1.708	1.720	-.012	2.050
Cheese Blocks (CME)	1.765	1.770	-.005	2.100
American Cheese	n/a	1.973	-	2.203
Cheddar Cheese (40 lb.)	n/a	2.183	-	2.448
Mozzarella Cheese	n/a	2.025	-	2.293
Provolone Cheese	n/a	2.380	-	2.643
Parmesan Cheese	n/a	3.728	-	3.990
Butter (CME)	1.610	1.610	-	1.950
Nonfat Dry Milk	1.867	1.877	-.010	1.599
Whey, Dry	.568	.569	-.001	.605
Class 1 Base	n/a	19.200	-	18.880
Class II Cream, heavy	n/a	2.094	-	2.532
Class III Milk (CME)	17.890	17.940	-.050	21.340
Class IV Milk (CME)	20.250	20.190	+.060	19.640

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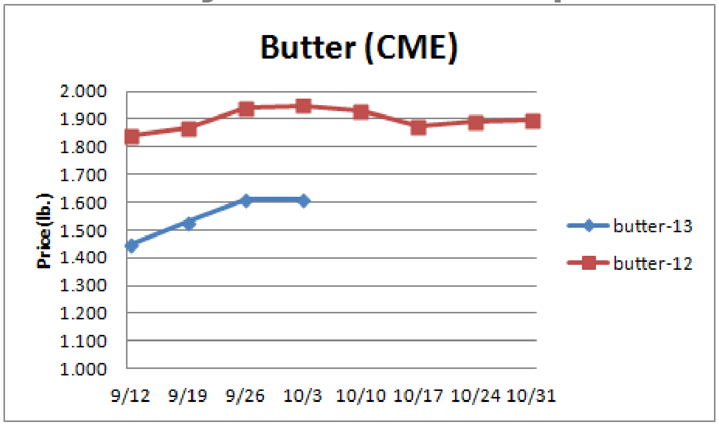
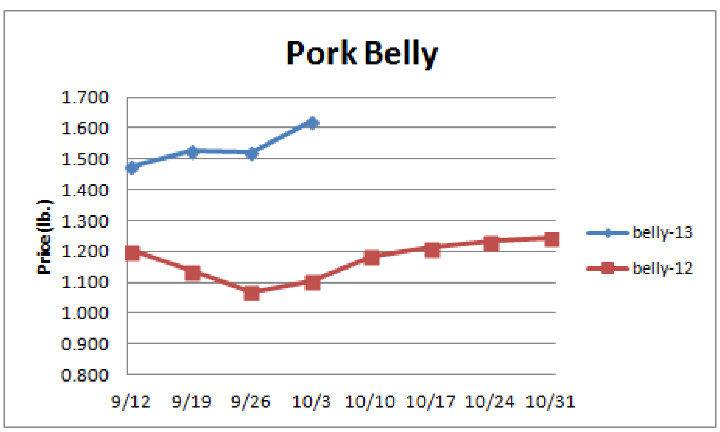
PERFORMANCE FOODSERVICE ROMA



Pork- Pork production last week rose .6% but was 5.7% less than the same week a year ago. The pork markets have been supported as of late by relatively disappointing pork production levels. However, that could soon change. The September U.S. total hog and pig herd was .3% larger than the prior year which suggests decent pork output gains in the coming months. The USDA is forecasting fall pork output to be 2.5% larger than 2012. The ham markets could remain inflated most of October due to holiday season demand. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Hogs	.662	.683	-.021	.571
Belly (bacon)	1.621	1.523	+.098	1.183
Sparerib (4.25 lb. & down)	1.500	1.485	+.015	1.297
Ham (20-23 lb.)	.911	.918	-.007	.800
Ham (23-27 lb.)	.882	.887	-.005	.800
Loin (bone-in)	1.046	1.055	-.009	.918
Bbybck Rib (1.75 lb. & up)	2.066	2.164	-.098	1.990
Tenderloin (1.25 lb.)	2.359	2.427	-.068	2.083
Boston Butt, untrmd. (4-8lb.)	1.032	1.042	-.010	.860
Picnic, untrmd.	.638	.652	-.014	.518
SS Picnic, smoker trm. bx.	.780	.833	-.053	.780
42% Trimmings	.571	.557	+.014	.440
72% Trimmings	.755	.712	+.043	.580



Tomato Products, Canned- The 2013 tomato for canning harvest season will wind down this month. The canned tomato markets are steady to firm. The markets are firm. Prices per case (6/10) FOB, unless noted from ARA.

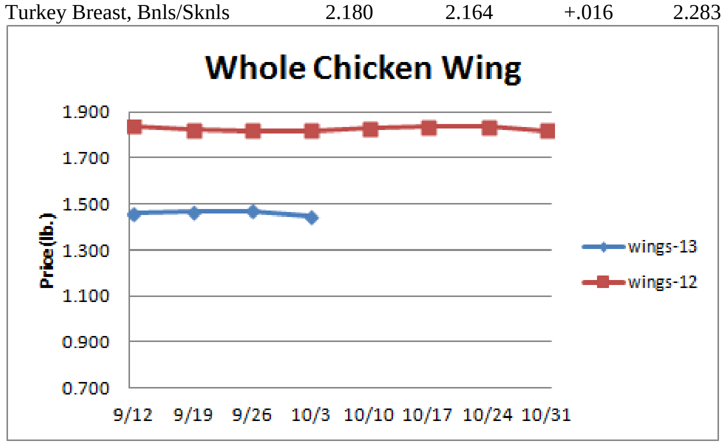
	Price	Last Week	Difference	Price 12
Whole Peeled, Standard	12.250	12.250	-	12.250
Diced, Fancy	12.750	12.750	-	12.750
Ketchup, 33%	13.438	13.438	-	13.438
Tomato Paste- Industrial (lb.)	.398	.398	-	.398

Processed Vegetables- Processed vegetable supplies have improved with the harvests in recent months. The markets could be fairly steady during October. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 12
Corn, Fcy whl kern- can 6/10	19.656	19.656	-	19.656
Green Beans Fcy- can 6/10	19.250	19.250	-	19.250
Green Peas, Fcy- can 6/10	20.750	20.750	-	20.750
Corn, Cob- froz 96 ct.	14.750	14.750	-	14.750
Corn, Kernel- froz 12/2.5#	19.500	19.500	-	19.500
Green Beans Cut- froz 12/2#	15.300	15.300	-	15.300
Green Peas- froz 12/2.5#	26.250	26.250	-	26.250
Potatoes, FF Fncy- froz 6/5#	14.000	14.000	-	14.000

Poultry- Chicken output for the week ending September 21 rose 2.9% and was a whopping 5.8% larger than the same week a year ago. Strong chicken production expansion is projected to persist this fall due to better margins for chicken producers. Spot feed costs for chicken producers this week have fallen to their lowest level in twenty months. Chicken breast prices continue to decline due to the output gains and seasonally slowing demand. The ARA weekly boneless skinless chicken breast index has fallen 30% since its peak last spring. Further chicken breast market depreciation is anticipated this month. Any pending seasonal chicken wing market increases this fall could be tempered by solid chicken production. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 12
Whole Birds (2.5-3 lb.-GA)	1.060	1.060	-	.958
Wings (whole)	1.445	1.470	-.025	1.820
Wings (jumbo, cut)	1.561	1.556	+.005	1.827
Breast, Bone In	1.150	1.150	-	1.035
Breast, Bnless Skinless	1.860	1.925	-.065	1.630
Tenderloin (random)	1.700	1.800	-.100	1.240
Tenderloin (sized)	1.920	2.020	-.100	1.870
Legs (whole)	.757	.755	+.002	.713
Leg Quarters	.535	.535	-	.530
Thighs, bone in	.849	.829	+.020	.786
Thighs, boneless	1.560	1.539	+.021	1.263
Eggs and Others				
Large (dozen)	1.163	1.103	+.060	1.360
Medium (dozen)	.938	.868	+.070	1.062
Whole Eggs- Liquid	.772	.776	-.004	.878
Egg Whites- Liquid	.874	.851	+.023	.508
Egg Yolks- Liquid	.763	.763	-	1.316
Whole Turkeys (8-16 lb.)	1.045	1.025	+.020	1.105
Turkey Breast, Bnls/Sknls	2.180	2.164	+.016	2.283



Seafood- The salmon markets have been supported during the last several months in part by better worldwide demand. Holiday sales could buoy the salmon markets into early November. Thereafter, history suggests that modestly lower salmon prices may be impending. The shrimp markets are expected to continue to trade above 2012 levels this fall. Shrimp supply challenges are persisting especially from Thailand. Prices for fresh product, unless noted, per pound from Fisheries Market News.

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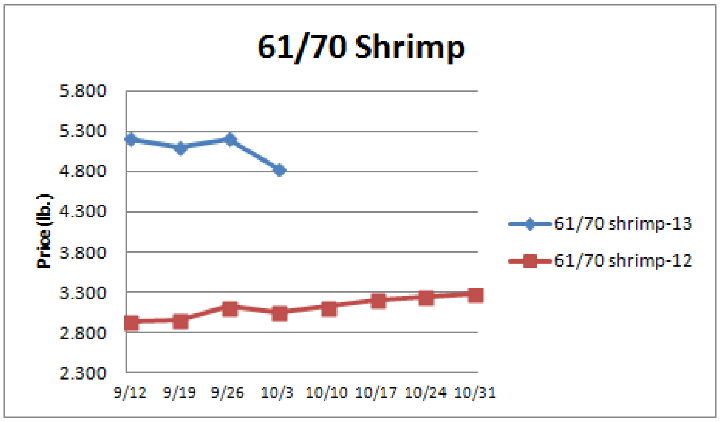
	Price	Last Week	Difference	Price 12
Salmon (wh. Atl., 10-12 lb.)	n/a	n/a	-	n/a
Catfish Filets	n/a	n/a	-	n/a
Trout (drn. 8-14 oz.)	n/a	n/a	-	n/a
Shrimp (16/20), Frz	8.241	7.957	+.284	5.069
Shrimp (61/70), Frz.	4.833	5.200	-.367	3.050
Shrimp, Tiger (26/30), Frz.	6.100	6.100	-	4.500
Snow Crab, Legs 5-8 oz, Frz	5.30	5.300	-	4.975
Snow Crab, Legs 8 oz/ up, Fz	6.250	6.250	-	5.800
Cod Tails, 3-7 oz., Frz.	3.088	3.088	-	3.500
Cod Loins, 3-12 oz., Frz	3.088	2.950	-	3.563
Salmon Portions, 4-8 oz, Frz	5.592	5.592	-	5.083
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.775



Energy & Currency-Currency US dollar is worth.

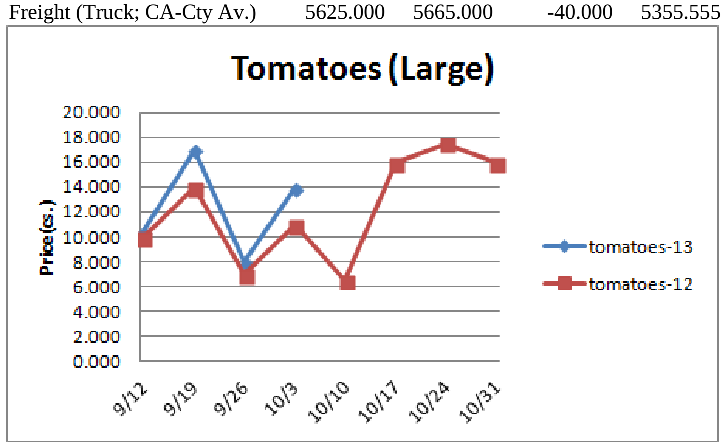
	Price	Last Week	Difference	Price 12
Crude Oil, barrel- nymex	102.040	103.130	-1.080	91.890
Natural Gas, mbtu- nymex	3.609	3.492	+.117	3.120
Heating Oil, gal- nymex	2.955	2.961	-.006	3.126
Electricity, mwht- nymex	39.820	35.090	+4.730	41.540
Gasoline, gal- nymex	2.611	2.659	-.048	3.804
Diesel Fuel, gal- eia	3.919	3.949	-.030	4.079
Ethanol, gal- usda	2.150	2.100	+.050	2.135
Canadian $	1.034	1.031	+.003	0.988
Japanese Yen	97.462	98.530	-1.068	78.465
Mexican Peso	13.201	12.987	+.214	12.856
Euro	.740	.740	-	.775
Brazilian Real	2.221	2.197	+.024	2.028
Chinese Yuan	6.122	6.121	+.001	6.315

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)	948.380	948.040	+.340	832.110
WP; 42 lb. Linerboard (corr.)	802.823	800.197	+2.626	737.678
Res; PS-CHH (cup, cont.)	1.170-1.210	1.170-1.210	-	1.130-1.170
Res; PP-HIGP (hvy utensil)	1.090-1.110	1.090-1.110	-	.890-.910
Res; PE-LLD (cn liner, film)	.970-1.000	.920-.950	+.050	.850-.880

Produce- The tomato markets remain erratic. Tomato supplies are improving in the West while they remain subpar in the East. Tomato shipments are expected to improve later this month which could be accompanied by lower tomato prices. The lettuce markets are easing some due in part to an improved harvest. Further lettuce market declines may be forthcoming. The avocado market is trading at its highest level for this time of the year since at least 2005 due in a large part to disappointing supplies from Mexico. Still, lower avocado prices are anticipated soon. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 12
Limes (150 ct.)	8.500	11.000	-2.500	7.000
Lemons (95 ct.)	29.775	29.775	-	18.240
Lemons (200 ct.)	20.775	20.775	-	16.240
Honeydew (6 ct.)	7.250	7.250	-	7.475
Cantaloupe (15 ct.)	8.450	7.250	+1.200	7.000
Blueberries (12 count)	30.500	23.700	+6.800	25.500
Strawberries (12 pnts.)	14.000	14.000	-	11.500
Avocados (Hass 48 ct.)	44.750	44.500	+.250	27.250
Bananas (40 lb.)- Term.	15.027	14.645	+.382	14.275
Pineapple (7 ct.)- Term.	12.652	12.817	-.165	11.861
Idaho Potato (60 ct., 50 lb.)	12.000	10.500	+1.500	5.500
Idaho Potato (70 ct., 50 lb.)	12.000	10.500	+1.500	5.500
Idaho Potato (70 ct.)-Term.	18.046	19.130	-1.084	12.279
Idaho Potato (90 ct., 50 lb.)	10.000	8.500	+1.500	5.750
Idaho Pot. # 2 (6 oz., 100 lb.)	17.000	17.000	-	8.500
Processing Potato (cwt.)	4.000	4.000	-	7.500
Yellow Onions (50 lb.)	8.166	6.625	+1.541	5.375
Yell Onions (50 lb.)-Term.	12.927	14.020	-1.093	11.788
Red Onions (25 lb.)- Term.	10.514	10.635	-.121	12.938
White Onions (50 lb.)- Term.	14.945	20.559	-5.614	17.229
Tomatoes (large- case)	13.950	7.950	+6.000	10.950
Tomatoes (5x6-25 lb.)-Term	14.625	16.226	-1.601	12.094
Tomatoes (4x5 vine ripe)	12.950	12.950	-	7.950
Roma Tomatoes (large- case)	17.581	18.331	-.750	13.213
Roma Tomatoes (xlarge-cs)	18.291	18.255	+.036	13.213
Green Peppers (large- case)	11.450	11.950	-.500	8.900
Red Peppers (large 15lb. cs.)	14.950	11.475	+3.475	7.850
Iceberg Lettuce (24 count)	13.792	17.315	-3.523	7.598
Iceberg Lettuce (24)-Term.	22.393	23.333	-.940	16.583
Leaf Lettuce (24 count)	8.218	9.391	-1.173	6.948
Romaine Lettuce (24 cnt.)	10.885	11.710	-.825	7.867
Mesculin Mix (3 lb.)-Term.	6.875	6.562	+.313	6.938
Broccoli (14 ct.)	17.990	17.225	+.765	7.020
Squash (1/2 bushel)	5.533	5.050	+.483	10.625
Zucchini (1/2 bushel)	6.800	5.700	+1.100	10.775
Green Beans (bushel)	19.000	12.000	+7.000	9.863
Spinach, Flat 24's	19.425	20.925	-1.500	9.750
Mushrms (10 lb, lg.)-Term.	15.145	15.625	-.480	15.146
Cucumbers (bushel)	14.150	15.650	-1.500	9.115
Pickles (200-300 ct.)- Term.	28.833	28.875	-.042	26.729
Asparagus (small)	12.000	12.500	-.500	18.500
Freight (Truck; CA-Cty Av.)	5625.000	5665.000	-40.000	5355.555



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

	Aug-13	Jul-13	Jun-13	May-13
Beef and Veal	-.111	+.504	+.358	+.459
Dairy	+.403	-.066	-1.230	-.532
Pork	+1.372	+1.713	+.722	+.578
Chicken	+1.567	-.939	+1.900	-.063
Fresh Fish and Seafood	+.919	+.072	+.626	-1.414
Fresh Fruits and Veg.	+1.472	+.460	-1.265	+.314