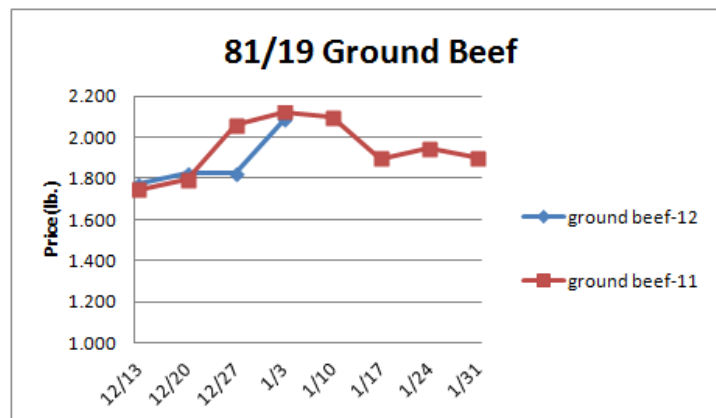


Weekly Market Updates

Volume No. 17 Issue No. 1 Date: January 3, 2013

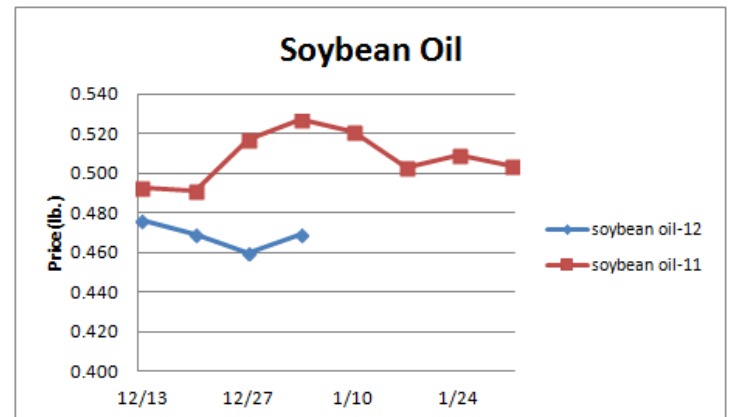
Beef- The Dec 1st U.S. cattle on feed inventory was 6.1% smaller than last year. Placements into feed lots during Nov were 5.6% less than a year ago. This data points to tight cattle supplies this winter but beef output shortfalls could be tempered by heavier cattle weights. Beef production continued to trend below year ago levels last week. The USDA is estimating Q1 beef production to be down 2.8% versus '11. Winter beef cut markets such as chucks (4.2%), briskets (3.9%) and rounds (1.8%) typically increase during the next two weeks but then peak shortly thereafter. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Cattle	1.275	1.252	+.023	1.241
Feeder Cattle Index (CME)	1.468	1.484	-.016	1.459
Ground Beef 81/19	2.085	1.823	+.262	2.123
Ground Chuck	2.149	1.897	+.252	2.083
109e Export Rib (choice)	5.437	5.603	-.166	5.259
109e Export Rib (prime)	9.384	9.430	-.046	10.868
112a Ribeye (choice)	6.068	6.284	-.216	6.115
112a Ribeye (prime)	9.800	9.907	-.107	10.885
116 Chuck (select)	2.390	2.346	+.044	2.428
116 Chuck (choice)	2.425	2.410	+.015	2.557
116b Chuck Tdnr (choice)	2.291	2.291	-	2.228
120 Brisket (choice)	2.092	2.124	-.032	2.206
121c Outside Skirt (ch/sel)	4.528	4.589	-.061	4.158
121d Inside Skirt (ch/sel)	3.513	3.513	-	3.079
167a Knuckle, Trm. (ch.)	2.330	2.315	+.015	2.407
168 Inside Round (ch.)	2.227	2.203	+.024	2.419
174 Short Loin (ch. 0x1)	5.146	5.202	-.056	4.713
174 Short Loin (prime)	7.686	7.830	-.144	8.889
180 1x1 Strp (choice)	4.435	4.587	-.152	4.415
180 1x1 Strp (prime)	8.926	8.749	+.177	9.284
180 0x1 Strp (choice)	5.075	5.020	+.055	4.960
184 Top Butt, bnls (ch.)	3.230	3.185	+.045	2.865
184 Top Butt, bnls (prime)	3.326	3.280	+.046	3.121
185a Sirloin Flap (choice)	3.883	3.854	+.029	3.247
185c Loin, Tri-Tip (choice)	3.153	3.128	+.025	2.825
189a Tender (select)	8.329	8.126	+.203	7.723
189a Tender (choice)	10.812	11.185	-.373	9.322
189a Tender (prime)	13.469	13.539	-.070	14.06
193 Flank Steak (choice)	4.057	4.261	-.204	3.604
50% Trimmings	.747	.751	-.004	1.000
65% Trimmings	1.223	1.209	+.014	1.392
75% Trimmings	1.545	1.556	-.011	1.521
85% Trimmings	1.867	1.848	+.019	1.874
90% Trimmings	2.080	2.073	+.007	1.994
90% Imported Beef (frz.)	2.135	2.155	-.020	2.070
95% Imported Beef (frz.)	2.314	2.305	+.009	2.153
Veal Rack (Hotel 7 rib)	8.165	8.120	+.045	6.675
Veal Top Rnd. (cp. off)	14.900	14.900	-	13.450



Oil, Grains, Misc.- The grain markets have declined in recent weeks. Still, the drought in hard winter wheat country remains in tack which could support wheat prices in the coming months. Prices USDA, FOB.

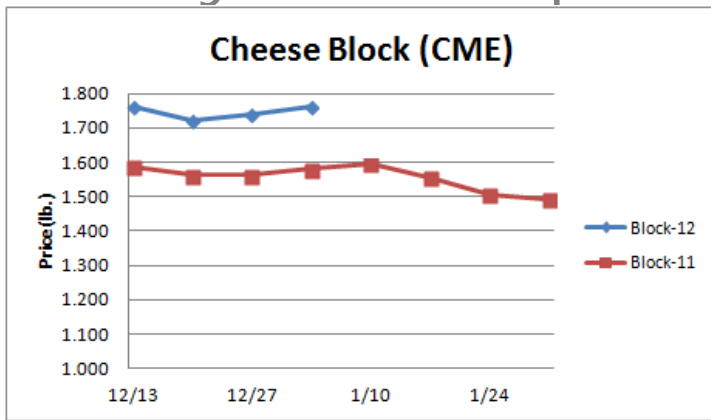
	Price	Last Week	Difference	Price 12
Soybeans, bushel	14.475	14.398	+.077	12.066
Crude Soybean Oil, lb.	.469	.460	+.009	.527
Soybean Meal, ton	438.100	448.800	-10.700	305.200
Corn, bushel	7.086	6.995	+.091	6.541
Crude Corn Oil, lb.	.495	.505	-.010	.530
High Fructose Corn Syrup	.199	.197	+.002	.185
Distillers Grain, Dry	251.500	253.750	-2.250	184.500
Crude Palm Oil, lb. BMD	.354	.325	+.029	.465
HRW Wheat, bushel	7.885	7.825	+.060	6.880
DNS Wheat 14%, bushel	8.800	8.840	-.040	8.990
Durum Wheat, bushel	7.725	8.138	-.413	8.063
Pinto Beans, lb.	.343	.343	-	.443
Black Beans, lb.	.310	.330	-.020	.470
Rice, Long Grain, lb.	.273	.273	-	.287
Coffee, lb. NYBOT	1.478	1.479	-.001	2.282
Sugar, lb. NYBOT	.225	.223	+.002	.360
Honey (Clover), lb.	1.809	1.809	-	1.675



Dairy- U.S. milk output during Nov was 1% more than last year due to a 1.2% rise in milk per cow yields and a .2% smaller milk cow herd. Milk farmers increased the herd in Nov by a net 7k head versus Oct. Still, milk prices have fallen since then which could temper any further herd growth this month and next. The CME butter market is trading at its lowest level since June but the winter low for this market is typically made this week. The CME cheese markets appear to be finding a base. However, in six of the last seven years cheese prices have moved downward during Jan. Prices per pound, except Class I Cream (hundred weight), from USDA.

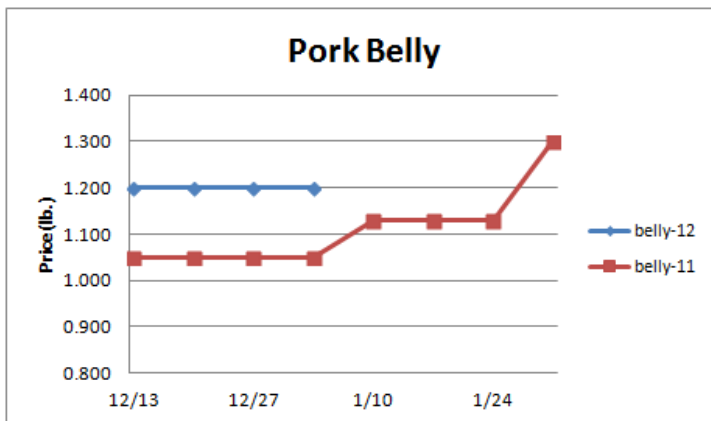
	Price	Last Week	Difference	Price 12
Cheese Barrels (CME)	1.730	1.655	+.075	1.578
Cheese Blocks (CME)	1.760	1.740	+.020	1.580
American Cheese	1.873	1.830	+.043	1.930
Cheddar Cheese (40 lb.)	2.128	2.118	+.010	2.070
Mozzarella Cheese	1.973	1.963	+.010	1.915
Provolone Cheese	2.323	2.313	+.010	2.060
Parmesan Cheese	3.670	3.660	+.010	3.140
Butter (CME)	1.495	1.498	-.003	1.600
Nonfat Dry Milk	1.591	1.586	+.005	1.471
Whey, Dry	.627	.647	-.020	.667
Class I Base	18.970	21.390	-2.420	18.800
Class II Cream, heavy	1.498	1.519	-.021	1.850
Class III Milk (CME)	18.500	18.080	+.420	17.400
Class IV Milk (CME)	17.750	18.000	-.250	16.820

Weekly Market Updates



Pork- Pork output last week trended below year ago levels. The Dec 1st hog and pig inventory was flat compared to last year. The U.S. swine breeding herd in Dec was .2% larger than a year ago. The USDA is calling for Q1 pork production to be 2.5% below '12. Still, this forecasted output decline could be overstated due to a larger swine breeding herd. The pork belly market usually increases 14.5% during the next five weeks. U.S. total pork inventories on Nov 30th were 12.7% larger than last year. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Hogs	.596	.589	+.007	.587
Belly (bacon)	1.200	1.200	-	1.050
Sparerib (4.25 lb. & down)	1.383	1.320	+.063	1.625
Ham (20-23 lb.)	.700	.700	-	.740
Ham (23-27 lb.)	.700	.700	-	.740
Loin (bone-in)	.896	.877	+.019	.943
Bbybck Rib (1.75 lb. & up)	2.000	2.010	-.010	2.550
Tenderloin (1.25 lb.)	2.200	2.180	+.020	2.400
Boston Butt, untrmd. (4-8lb.)	.876	.879	-.003	.991
Picnic, untrmd.	.595	.677	-.082	.648
SS Picnic, smoker trm. bx.	.920	.950	-.030	.920
42% Trimmings	.341	.320	+.021	.440
72% Trimmings	.570	.610	-.040	.720



Tomato Products, Canned- High raw product costs will likely keep canned tomato prices firm. Still, notably high canned tomato prices aren't anticipated from here. Prices per case (6/10) FOB, unless noted from ARA.

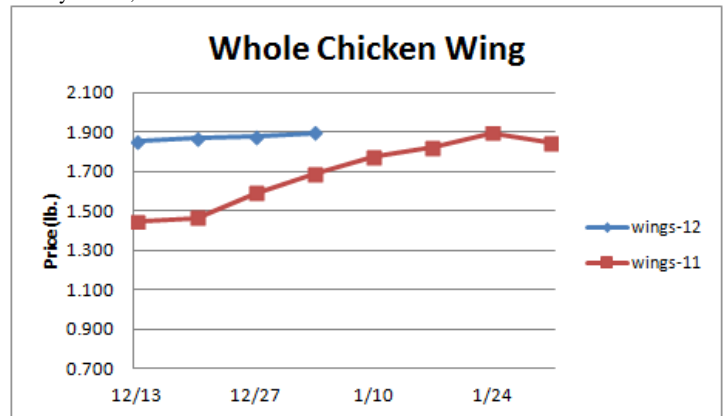
	Price	Last Week	Difference	Price 12
Whole Peeled, Standard	12.250	12.250	-	12.250
Diced, Fancy	12.750	12.750	-	12.750
Ketchup, 33%	13.438	13.438	-	13.438
Tomato Paste- Industrial (lb.)	.398	.398	-	.398

Processed Vegetables- The Nov 30 frozen green pea (12%), cob corn (4%) and cut corn (3%) inventories were less than the prior year. The processed vegetable markets are firm. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 11
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- The broiler type chick hatch during Nov was 1% smaller than the previous year. Pullet placements, which measures new hens entering into the broiler hatchery flock, were down 2% in Nov versus '11. The hen hatchery flock during the first six months of this year is expected to be 3.8% smaller than '12 which suggests that chicken output may be curbed for the first half of '13. However, recent mixed weekly broiler egg set data and heavier bird weights are raising skepticism that chicken production will actually trend below '12. Northeast chicken wing prices have achieved new record highs in recent days. During the last five years, the average move for the jumbo cut chicken wing market in Jan is up 7.8%. Prices USDA, FOB per pound except when noted.

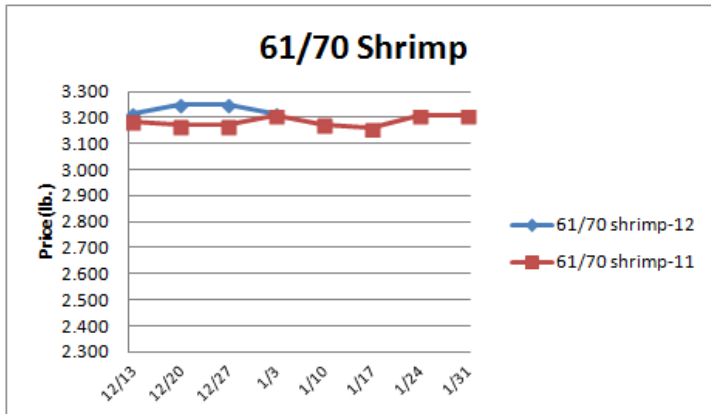
	Price	Last Week	Difference	Price 12
Chicken				
Whole Birds (2.5-3 lb.-GA)	.985	.980	+.005	.900
Whole Birds (LA)	1.070	1.070	-	.990
Wings (whole)	1.895	1.875	+.020	1.690
Wings (jumbo, cut)	1.968	1.938	+.030	1.624
Breast, Bone In	1.010	.990	+.020	.835
Breast, Bnless Skinless	1.610	1.600	+.010	1.470
Tenderloin (random)	1.290	1.240	+.050	1.280
Tenderloin (sized)	1.920	1.870	+.050	1.880
Legs (whole)	.670	.651	+.019	.711
Leg Quarters	.540	.530	+.010	.530
Thighs, bone in	.777	.757	+.020	.767
Thighs, boneless	1.300	1.306	-.006	1.282
Eggs and Others				
Large (dozen)	1.273	1.353	-.080	1.550
Medium (dozen)	1.038	1.065	-.027	1.082
Whole Eggs- Liquid	.700	.700	-	.404
Egg Whites- Liquid	.459	.465	-.006	.520
Egg Yolks- Liquid	1.023	1.023	-	.732
Whole Turkeys (8-16 lb.)	.990	1.005	-.015	1.010
Turkey Breast, Bnls/Sknl	2.051	2.051	-	2.536



Seafood- U.S. Gulf of Mexico shrimp landings during Nov were 31% more than '11 and the second best for the month since '08. But, total '12 shrimp landings through Nov were .9% below the prior year. Fuel costs have risen as of late. If this persists, it could curb pending fishing schedules. Still, the value of the U.S. dollar will likely play the biggest role in influencing shrimp prices. The snow crab markets are steady. Prices for fresh product, unless noted, per pound from Fisheries Market News.

Weekly Market Updates

	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 12</u>
Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	3.000
Catfish Filets	4.500	4.500	-	5.400
Trout (drm. 8-14 oz.)	3.700	3.700	-	3.500
Shrimp (16/20), Frz	5.321	5.458	-.137	6.347
Shrimp (61/70), Frz.	3.216	3.250	-.034	3.208
Shrimp, Tiger (26/30), Frz.	4.300	4.500	-.200	4.900
Snow Crab, Legs 5-8 oz, Frz	5.025	5.025	-	4.975
Snow Crab, Legs 8 oz/ up, Fz	5.800	5.800	-	5.850
Cod Tails, 3-7 oz., Frz.	3.175	3.175	-	3.280
Cod Loins, 3-12 oz., Frz	3.325	3.325	-	3.680
Salmon Portions, 4-8 oz, Frz	4.817	4.817	-	6.357
Pollock, Alaska, Deep Skin	1.925	1.925	-	1.800



Energy & Currency-Currency US dollar is worth.

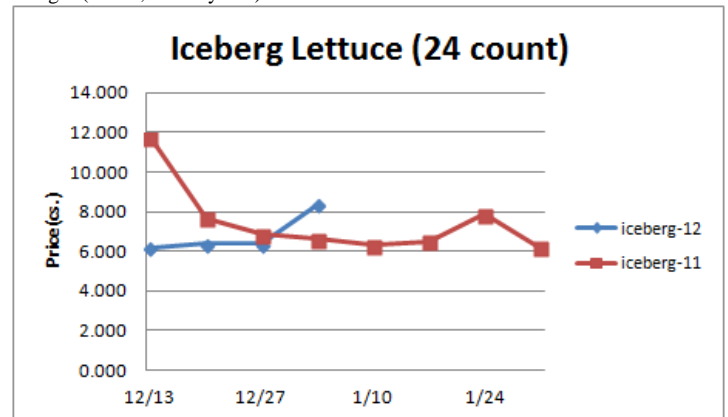
	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 12</u>
Crude Oil, barrel- nymex	91.820	90.980	+.840	102.96
Natural Gas, mbtu- nymex	3.351	3.425	-.074	2.993
Heating Oil, gal- nymex	3.045	3.036	+.009	3.038
Electricity, mwht- nymex	32.500	35.700	-3.200	28.840
Gasoline, gal- nymex	2.812	2.789	+.023	2.749
Diesel Fuel, gal- eia	3.918	3.923	-.005	3.783
Ethanol, gal- usda	2.150	2.140	+.010	2.150
Canadian \$.985	.986	-.001	1.012
Japanese Yen	87.024	84.484	+2.570	76.733
Mexican Peso	12.768	12.704	+.064	13.802
Euro	.754	.753	+.001	.769
Brazilian Real	2.042	2.080	-.038	1.849

Paper/Plastic-Provided by; resin- www.plasticsnews.com, pulp- www.paperage.com.

<u>Wood Pulp/ Plastic Resin</u>	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 12</u>
WP; NBSK (napkin, towel)	870.000	870.000	-	890.000
WP; 42 lb. Linerboard (corr.)	763.816	763.960	-.144	696.340
Res; PS-CHH (cup, cont.)	1.180-1.220	1.180-1.220	-	1.100-1.140
Res; PP-HIGP (hvy utensil)	.960-.980	.960-.980	-	.960-.980
Res; PE-LLD (cn liner, film)	.830-.860	.830-.860	-	.830-.860

Produce- Weather challenges out west have slowed lettuce crop growth rates. This factor along with improved lettuce demand is supporting the iceberg lettuce markets. History points to higher iceberg lettuce prices in Jan. Florida tomato production is solid. Plus, more available tomato supplies are coming from Mexico which is keeping U.S. tomato prices at bay. Last winter the U.S. experienced above normal temperatures which boded well for the produce crops. But, it's possible to have cold weather events during this time of year which could bring increased volatility to the produce markets. Prices USDA FOB shipping point unless noted (terminal).

	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 12</u>
Limes (150 ct.)	17.000	16.000	+1.000	11.000
Lemons (95 ct.)	13.275	13.275	-	17.240
Lemons (200 ct.)	15.775	15.275	+.500	19.240
Honeydew (6 ct.)	6.666	8.666	-2.000	9.581
Cantaloupe (15 ct.)	10.000	10.500	-.500	12.450
Blueberries (12 count)	15.875	21.250	-5.375	22.750
Strawberries (12 pnts.)	21.000	24.000	-3.000	17.000
Avocados (Hass 48 ct.)	18.250	17.750	+.500	26.750
Bananas (40 lb.)- Term.	14.675	15.024	-.349	14.812
Pineapple (7 ct.)- Term.	13.208	11.560	+1.648	14.781
Idaho Potato (60 ct., 50 lb.)	4.250	4.250	-	8.250
Idaho Potato (70 ct., 50 lb.)	4.250	4.250	-	8.250
Idaho Potato (70 ct.)-Term.	10.600	11.037	-.437	14.781
Idaho Potato (90 ct., 50 lb.)	5.500	5.500	-	8.625
Idaho Pot. # 2 (6 oz., 100 lb.)	5.625	5.625	-	13.750
Processing Potato (cwt.)	6.000	6.000	-	7.500
Yellow Onions (50 lb.)	9.062	8.625	+.437	6.208
Yell Onions (50 lb.)-Term.	15.375	15.000	+.375	11.843
Red Onions (25 lb.)- Term.	13.312	11.312	+2.000	8.750
White Onions (50 lb.)- Term.	15.755	21.562	-5.807	18.500
Tomatoes (large- case)	11.950	13.200	-1.250	8.950
Tomatoes (5x6-25 lb.)-Term	16.250	20.125	-3.875	11.031
Tomatoes (4x5 vine ripe)	9.950	15.450	-5.500	10.950
Roma Tomatoes (large- case)	9.950	15.200	-5.250	10.505
Roma Tomatoes (xlarge-cs)	11.700	15.450	-3.750	11.605
Green Peppers (large- case)	7.083	8.941	-1.858	8.450
Red Peppers (large 15lb. cs.)	9.950	13.950	-4.000	19.950
Iceberg Lettuce (24 count)	8.337	6.382	+1.955	6.612
Iceberg Lettuce (24)-Term.	13.333	13.000	+.333	13.500
Leaf Lettuce (24 count)	8.601	7.073	+1.528	7.793
Romaine Lettuce (24 cnt.)	9.500	7.161	+2.339	7.441
Mesculin Mix (3 lb.)-Term.	6.635	6.687	-.052	7.250
Broccoli (14 ct.)	11.571	7.765	+3.806	9.365
Squash (1/2 bushel)	12.485	10.475	+2.010	6.600
Zucchini (1/2 bushel)	12.187	10.425	+1.762	13.600
Green Beans (bushel)	16.933	16.325	+.608	13.833
Spinach, Flat 24's	13.215	9.100	+4.115	11.850
Mushrms (10 lb, lg.)-Term.	15.145	15.111	+.034	15.145
Cucumbers (bushel)	10.895	9.925	+.970	14.642
Pickles (200-300 ct.)- Term.	16.802	22.937	-6.135	23.287
Asparagus (small)	16.500	16.500	-	22.375
Freight (Truck; CA-Cty Av.)	5235.714	4675.000	+560.714	5187.500



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

	<u>Nov-12</u>	<u>Oct-12</u>	<u>Sep-12</u>	<u>Aug-12</u>
Beef and Veal	+.071	+.541	-.309	-.402
Dairy	+.847	+.823	+.355	+.054
Pork	-.129	+.184	-1.108	+1.563
Chicken	+.374	+1.920	-.393	+.481
Fresh Fish and Seafood	-.491	-.322	+.289	-.206
Fresh Fruits and Veg.	+.429	+1.012	+.769	+.042