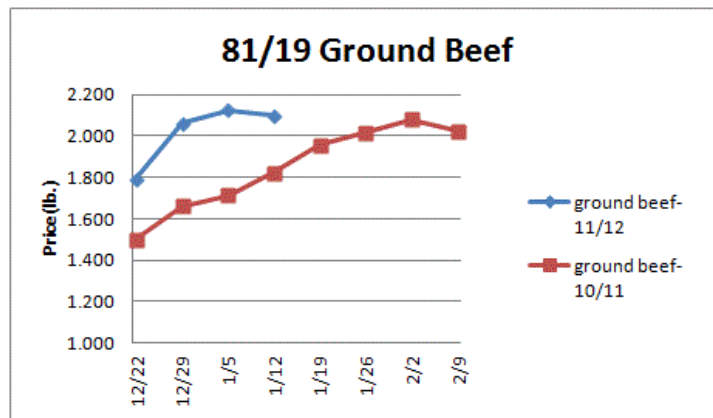


# Weekly Market Updates

Volume No. 5 Issue No. 2 Date: January 12, 2012

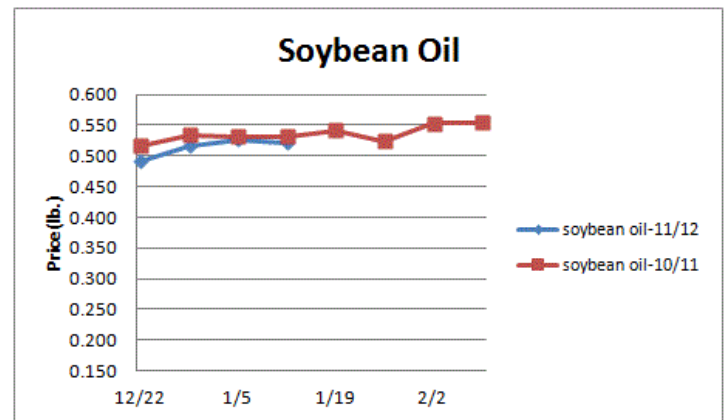
**Beef** - Beef output has been running behind last year levels in recent weeks. Beef trimming prices have been firm so far '12. Lean beef trimming prices have moved up an average of 6% in Jan since '07. This is due in part to seasonally expensive end cut products including chucks and rounds supporting less expensive beef trimmings. Due to an inflated Australian dollar, future beef exports from that country to the US may remain historically light. This may support lean boneless beef trimming markets in the coming months. US retail beef demand could be tested this year due to historically high prices. Price USDA, FOB per pound.

	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 11</u>
Live Cattle	1.219	1.241	-.022	1.052
Feeder Cattle Index (CME)	1.485	1.459	+.026	1.239
Ground Beef 81/19	2.099	2.123	-.024	1.822
Ground Chuck	2.087	2.083	+.004	1.806
109e Export Rib (choice)	5.007	5.259	-.252	4.283
109e Export Rib (prime)	11.017	10.868	+.149	8.260
112a Ribeye (choice)	5.455	6.115	-.660	4.718
112a Ribeye (prime)	10.481	10.885	-.404	8.614
116 Chuck (select)	2.326	2.428	-.102	2.129
116 Chuck (choice)	2.363	2.557	-.194	2.160
116b Chuck Tdnr (choice)	2.173	2.228	-.055	2.091
120 Brisket (choice)	2.179	2.206	-.027	1.942
121c Outside Skirt (ch/sel)	4.244	4.158	+.086	3.386
121d Inside Skirt (ch/sel)	3.194	3.079	+.115	2.835
167a Knuckle, Trm. (ch.)	2.367	2.407	-.040	2.100
168 Inside Round (ch.)	2.373	2.419	-.046	2.058
174 Short Loin (ch. 0x1)	4.632	4.713	-.081	3.905
174 Short Loin (prime)	9.028	8.889	+.139	7.512
180 1x1 Strp (choice)	4.350	4.415	-.065	3.684
180 1x1 Strp (prime)	9.198	9.284	-.086	7.927
180 0x1 Strp (choice)	4.753	4.960	-.207	4.007
184 Top Butt, bnls (ch.)	2.853	2.865	-.012	2.490
184 Top Butt, bnls (prime)	3.238	3.121	+.117	2.519
185a Sirloin Flap (choice)	3.329	3.247	+.082	3.099
185c Loin, Tri-Tip (choice)	2.833	2.825	+.008	2.417
189a Tender (select)	7.837	7.723	+.114	7.075
189a Tender (choice)	8.823	9.322	-.499	7.857
189a Tender (prime)	13.845	14.060	-.215	10.969
193 Flank Steak (choice)	3.708	3.604	+.104	3.225
50% Trimmings	1.015	1.000	+.015	.849
65% Trimmings	1.397	1.392	+.005	1.097
75% Trimmings	1.542	1.521	+.021	1.267
85% Trimmings	1.912	1.874	+.038	1.682
90% Trimmings	2.042	1.994	+.048	1.787
90% Imported Beef (frz.)	2.048	2.070	-.022	1.935
95% Imported Beef (frz.)	2.160	2.153	+.007	2.013
Veal Rack (Hotel 7 rib)	6.675	6.675	-	5.125
Veal Top Rnd. (cp. off)	13.575	13.450	+.125	12.525



**Oil, Grains, Misc.-** The grain markets have appreciated in recent weeks. Grain prices may be near a top unless there's a bullish surprise in the Jan 12th USDA grain reports. Prices USDA, FOB.

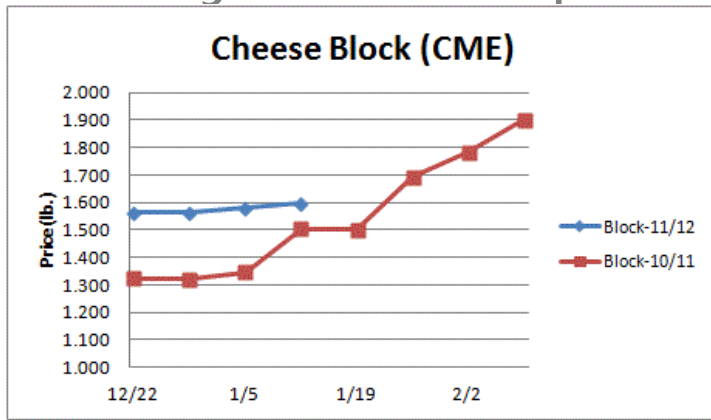
	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 11</u>
Soybeans, bushel	12.176	12.066	+.110	13.297
Crude Soybean Oil, lb.	.521	.527	-.006	0.532
Soybean Meal, ton	315.500	305.200	+10.300	358.900
Corn, bushel	6.485	6.541	-.056	5.850
Crude Corn Oil, lb.	.535	.530	+.005	0.575
High Fructose Corn Syrup	.184	.185	-.001	0.170
Distillers Grain, Dry	188.000	184.500	+3.500	171.500
Crude Palm Oil, lb. BMD	.465	.465	-	.549
HRW Wheat, bushel	6.730	6.880	-.150	7.630
DNS Wheat 14%, bushel	8.470	8.990	-.520	8.950
Durum Wheat, bushel	8.063	8.063	-	8.070
Pinto Beans, lb.	.449	.443	+.006	.204
Black Beans, lb.	.470	.470	-	.268
Rice, Long Grain, lb.	.280	.287	-.007	.297
Coffee, lb. NYBOT	2.321	2.282	+.039	2.313
Sugar, lb. NYBOT	.352	.360	-.008	.385
Honey (Clover), lb.	1.675	1.675	-	1.563



**Dairy-** The CME spot butter market appears to be firming. The butter market may have established a bottom following a seasonal trend. The 3 year average price move for CME butter in Jan is a 7% increase. This is important to the dairy complex because as of the last year the butter market has been a lead price indicator. The cheese markets are relatively steady. History suggests that higher cheese prices may be forthcoming. Since '09, the CME spot cheese market increased an average of 15% during the next 4 weeks. The international dairy markets are moderately stable. Prices per pound, except Class I Cream (hundred weight), from USDA.

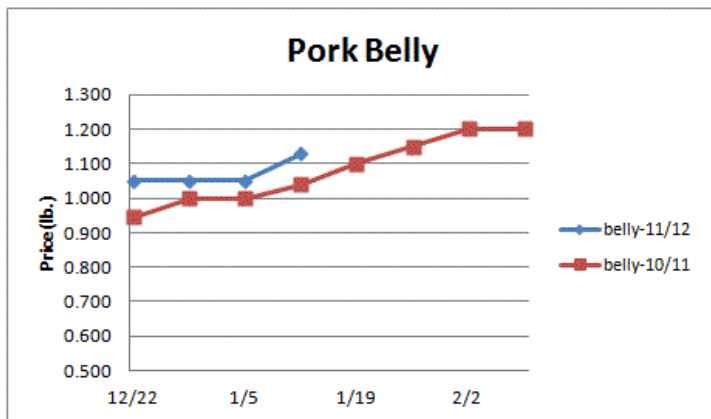
	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 11</u>
Cheese Barrels (CME)	1.580	1.578	+.002	1.448
Cheese Blocks (CME)	1.595	1.580	+.015	1.503
American Cheese	1.943	1.930	+.013	1.700
Cheddar Cheese (40 lb.)	2.098	2.070	+.028	1.878
Mozzarella Cheese	1.943	1.915	+.028	1.693
Provolone Cheese	2.088	2.060	+.028	1.850
Parmesan Cheese	3.168	3.140	+.028	3.148
Butter (CME)	1.628	1.600	+.028	2.100
Nonfat Dry Milk	1.452	1.471	-.019	1.295
Whey, Dry	.687	.667	+.020	.388
Class I Base	18.800	18.800	-	15.200
Class II Cream, heavy	1.956	1.850	+.106	2.178
Class III Milk (CME)	17.460	17.400	+.060	14.870
Class IV Milk (CME)	16.820	16.820	-	17.000

# Weekly Market Updates



**Pork-** Pork production last week was 6% less than '11. Hog prices are mixed but pork producer margins have been profitable. This may support pork output in the coming weeks. Export and retail pork demand have been reported to be modest at best. Higher ham prices this winter may be forthcoming. Since '07, during the first 8 weeks of the year, ham prices have risen an average of 16%. But, unless pork demand improves any ham price rise could be tempered this year. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 11
Live Hogs	.605	.587	+.018	.524
Belly (bacon)	1.130	1.050	+.080	1.040
Sparerib (4.25 lb. & down)	1.577	1.625	-.048	1.453
Ham (20-23 lb.)	.740	.740	-	.700
Ham (23-27 lb.)	.703	.740	-.037	.680
Loin (bone-in)	.912	.943	-.031	.951
Bbybck Rib (1.75 lb. & up)	2.588	2.550	+.038	2.446
Tenderloin (1.25 lb.)	2.411	2.400	+.011	2.141
Boston Butt, untrmd. (4-8 lb.)	.944	.991	-.047	.924
Picnic, untrmd.	.640	.648	-.008	.624
SS Picnic, smoker trm. bx.	.852	.920	-.068	.780
42% Trimmings	.480	.440	+.040	.400
72% Trimmings	.685	.720	-.035	.734



**Tomato Products, Canned-** The canned tomato markets are steady to firm. Dec 1 processed tomato supplies were 2% less than '10 according to the CLFP. Prices per case (6/10) FOB, unless noted from ARA.

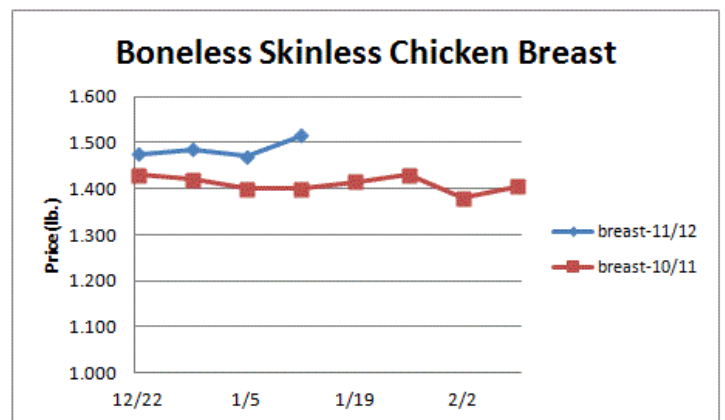
	Price	Last Week	Difference	Price 11
Whole Peeled, Standard	12.250	12.250	-	11.750
Diced, Fancy	12.750	12.750	-	12.250
Ketchup, 33%	13.438	13.438	-	13.000
Tomato Paste- Industrial (lb.)	.398	.398	-	.370

**Processed Vegetables-** Existing canned vegetable supplies are modestly tight. Processors are starting to visit acreage for the upcoming year. Processed vegetable prices are steady. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 11
Corn, Fcy whl kern- can 6/10	18.651	18.651	-	16.906
Green Beans Fcy- can 6/10	18.250	18.250	-	16.563
Green Peas, Fcy- can 6/10	18.750	18.750	-	17.750
Corn, Cob- froz 96 ct.	14.500	14.500	-	14.000
Corn, Kernel- froz 12/2.5#	14.250	14.250	-	14.250
Green Beans Cut- froz 12/2#	12.900	12.900	-	12.900
Green Peas- froz 12/2.5#	20.250	20.250	-	20.250
Potatoes, FF Fncy- froz 6/5#	14.000	14.000	-	13.000

**Poultry-** The 6 week moving average for broiler type egg sets is trending 4.6% below the same week in '11. Chicken producers continue to limit pending chicken supplies causing the chicken markets to firm. Chicken prices tend to appreciate in Jan with history showing increases for chicken breasts at 6%, chicken wings at 8% and chicken leg quarters at 4%. The chicken markets this month are following this same trend. Other than a modest price decline expected for chicken wings next month, chicken prices are projected to remain strong this winter. In fact, if the average price increase for analog years are matched there is potential for record high wing prices this winter and \$2 boneless skinless chicken breast prices this summer. Prices USDA, FOB per pound except when noted.

<u>Chicken</u>	Price	Last Week	Difference	Price 11
Whole Birds (2.5-3 lb.-GA)	.903	.900	+.003	.850
Whole Birds (LA)	.990	.990	-	.940
Wings (whole)	1.775	1.690	+.085	1.180
Wings (jumbo, cut)	1.760	1.624	+.136	1.282
Breast, Bone In	.850	.835	+.015	.775
Breast, Bnless Skinless	1.515	1.470	+.045	1.400
Tenderloin (random)	1.280	1.280	-	1.500
Tenderloin (sized)	1.880	1.880	-	1.700
Legs (whole)	.734	.711	+.023	.584
Leg Quarters	.535	.530	+.005	.390
Thighs, bone in	.804	.767	+.037	.547
Thighs, boneless	1.258	1.282	-.024	1.006
<u>Eggs and Others</u>				
Large (dozen)	1.487	1.550	-.063	1.357
Medium (dozen)	1.052	1.082	-.030	.875
Whole Eggs- Liquid	.384	.404	-.020	.313
Egg Whites- Liquid	.430	.520	-.090	.352
Egg Yolks- Liquid	.732	.732	-	.597
Whole Turkeys (8-16 lb.)	.985	1.010	-.025	.870
Turkey Breast, Bnls/Sknl	2.430	2.536	-.106	2.449

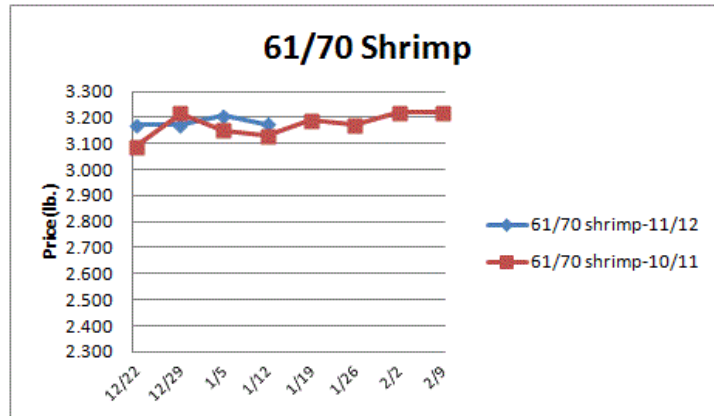


**Seafood-** The Alaskan Bering Sea snow crab fishing season may be hindered due to high winds and sea ice. This coincides with the peak weeks of the season but crabbers were able to begin their catch early this year. Plus, this year's snow crab catch quota was raised to 80 million lbs, which if met, would be 48% higher than last year's catch of 54 million lbs. Lower snow crab prices are anticipated during the next several months. Prices for fresh product, unless noted, per pound from Fisheries Market News.

Price	Last Week	Difference	Price 11
-------	-----------	------------	----------

# Weekly Market Updates

Salmon (wh. Atl., 10-12 lb.)	3.000	3.000	-	
Catfish Filets	5.400	5.400	-	3.550
Trout (drm. 8-14 oz.)	3.500	3.500	-	3.500
Shrimp (16/20), Frz	6.318	6.347	-.029	3.100
Shrimp (61/70), Frz.	3.175	3.208	-.033	7.470
Shrimp, Tiger (26/30), Frz.	4.910	4.900	+.010	3.130
Snow Crab, Legs 5-8 oz, Frz	4.913	4.975	-.062	4.550
Snow Crab, Legs 8 oz/ up, Frz	5.787	5.850	-.063	5.600
Cod Tails, 3-7 oz., Frz.	3.280	3.280	-	5.725
Cod Loins, 3-12 oz., Frz	3.680	3.680	-	3.088
Salmon Portions, 4-8 oz, Frz	6.354	6.357	-.003	3.769
Pollock, Alaska, Deep Skin	1.800	1.800	-	6.113



## Energy & Currency-Currency US dollar is worth.

	Price	Last Week	Difference	Price 11
Crude Oil, barrel- nymex	102.240	102.960	-.720	91.110
Natural Gas, mbtu- nymex	2.941	2.993	-.053	4.481
Heating Oil, gal- nymex	3.102	3.038	+.064	2.609
Electricity, mwht- nymex	47.030	28.840	+18.190	64.820
Gasoline, gal- nymex	2.773	2.749	+.024	2.478
Diesel Fuel, gal- eia	3.828	3.783	+.045	3.333
Ethanol, gal- usda	2.133	2.150	-.017	2.280
Canadian \$	1.016	1.012	+.004	0.990
Japanese Yen	76.819	76.733	+.086	83.359
Mexican Peso	13.570	13.802	-.232	12.179
Euro	.781	.769	+.012	.771
Brazilian Real	1.798	1.849	-.051	1.690
Chinese Yuan	6.313	6.296	+.017	6.620

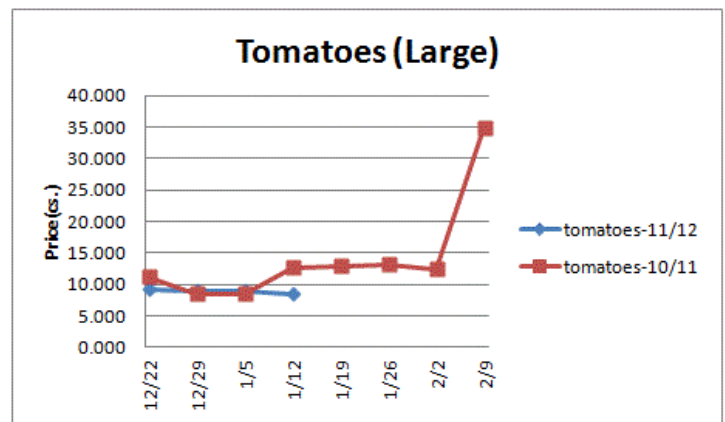
## Paper/Plastic-Provided by; resin- [www.plasticsnews.com](http://www.plasticsnews.com), pulp- [www.paperage.com](http://www.paperage.com).

Wood Pulp/ Plastic Resin	Price	Last Week	Difference	Price 11
WP; NBSK (napkin, towel)	887.860	890.000	-2.140	962.050
WP; 42 lb. Linerboard (corr.)	678.325	696.340	-18.015	783.126
Res; PS-CHH (cup, cont.)	1.070-1.110	1.070-1.110	-	.950-.990
Res; PP-HIGP (hvy utensil)	.960-.980	.960-.980	-	.950-.970
Res; PE-LLD (cn liner, film)	.830-.860	.830-.860	-	.830-.860

**Produce-** Favorable weather conditions in the Southwest should help the start of the Mexican tomato harvest this week. Meanwhile, moderate temperatures in Florida are expected to keep that region's tomato harvest in good shape as well. Better tomato supplies could be impending. Warmer temperatures in the Southwestern lettuce growing area have caused the lettuce crops to improve. Demand for iceberg lettuce has been weak and lettuce prices are currently below their 3 year average. So, downside lettuce price risk is probably limited. The Hass avocado market is firm. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 11
Limes (150 ct.)	15.000	11.000	+4.000	50.000
Lemons (95 ct.)	17.240	17.240	-	14.640
Lemons (200 ct.)	19.240	19.240	-	12.640
Honeydew (6 ct.)	13.450	9.581	+3.869	11.433
Cantaloupe (15 ct.)	13.450	12.450	+1.000	14.950

Blueberries (12 count)	13.250	22.750	-9.500	13.333
Strawberries (12 pnts.)	18.000	17.000	+1.000	25.900
Avocados (Hass 48 ct.)	27.250	26.750	+.500	32.750
Bananas (40 lb.)- Term.	14.850	14.812	+.038	16.703
Pineapple (7 ct.)- Term.	11.010	14.781	-3.771	11.167
Idaho Potato (60 ct., 50 lb.)	8.562	8.250	+.312	15.750
Idaho Potato (70 ct., 50 lb.)	8.562	8.250	+.312	14.750
Idaho Potato (70 ct.)-Term.	15.112	14.781	+.331	18.417
Idaho Potato (90 ct., 50 lb.)	8.500	8.625	-.125	9.750
Idaho Pot. # 2 (6 oz., 100 lb.)	13.375	13.750	-.375	15.500
Processing Potato (cwt.)	7.500	7.500	-	7.750
Yellow Onions (50 lb.)	6.571	6.208	+.363	10.625
Yell Onions (50 lb.)-Term.	10.312	11.843	-1.531	12.958
Red Onions (25 lb.)- Term.	8.093	8.750	-.657	10.250
White Onions (50 lb.)- Term.	17.583	18.500	-.917	13.058
Tomatoes (large- case)	8.450	8.950	-.500	12.700
Tomatoes (5x6-25 lb.)-Term	12.362	11.031	+1.331	10.167
Tomatoes (4x5 vine ripe)	9.950	10.950	-1.000	11.963
Roma Tomatoes (large- case)	9.456	10.505	-1.049	13.575
Roma Tomatoes (xlarge-cs)	9.831	11.605	-1.774	14.363
Green Peppers (large- case)	15.166	8.450	+6.716	13.650
Red Peppers (large 15lb. cs.)	13.950	19.950	-6.000	11.950
Iceberg Lettuce (24 count)	6.297	6.612	-.315	12.788
Iceberg Lettuce (24)-Term.	13.166	13.500	-.334	17.633
Leaf Lettuce (24 count)	10.676	7.793	+2.883	8.360
Romaine Lettuce (24 cnt.)	10.410	7.441	+2.969	14.253
Mesculin Mix (3 lb.)-Term.	7.125	7.250	-.125	6.688
Broccoli (14 ct.)	7.587	9.365	-1.778	16.978
Squash (1/2 bushel)	14.600	6.600	+8.000	13.350
Zucchini (1/2 bushel)	18.600	13.600	+5.000	7.850
Green Beans (bushel)	20.416	13.833	+6.583	29.950
Spinach, Flat 24's	11.100	11.850	-.750	13.600
Mushrms (10 lb, lg.)-Term.	15.145	15.145	-	13.306
Cucumbers (bushel)	17.020	14.642	+2.378	13.425
Pickles (200-300 ct.)- Term.	25.718	23.287	+2.431	21.688
Asparagus (small)	22.375	22.375	-	15.000
Freight (Truck; CA-Cty Av.)	5193.750	5187.500	+6.250	4937.500



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

	Nov-11	Oct-11	Sep-11	Aug-11
Beef and Veal	+.353	+.514	+.025	+.405
Dairy	-.331	+.051	+1.228	+.903
Pork	-.906	-.421	+1.478	+.674
Chicken	-.038	+.994	+.341	-.251
Fresh Fish and Seafood	+.356	-1.107	+.512	-.072
Fresh Fruits and Veg.	-.399	-1.473	+1.592	+.394