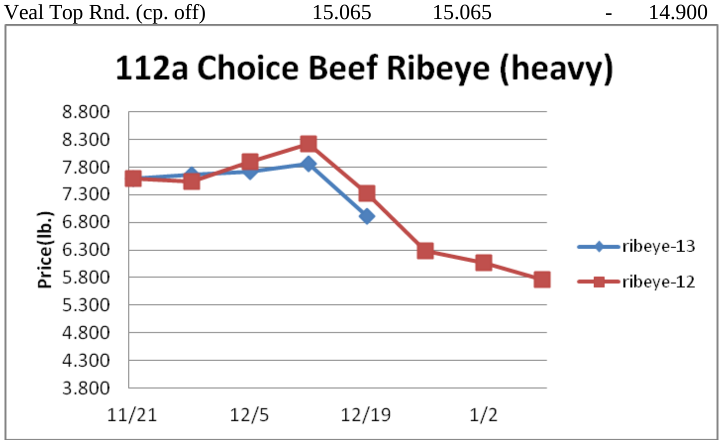
Weekly Market Updates

Volume No. 18 Issue No. 51 Date: December 18, 2013

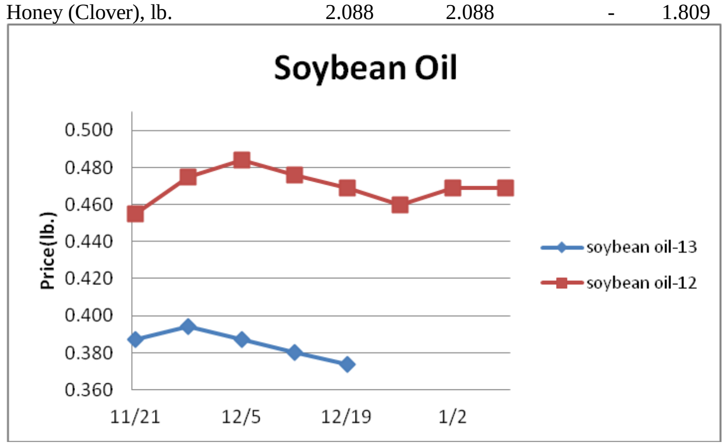
Beef- Beef output last week declined 3.1% and was 4.3% less than the same week a year ago. 2013 beef production to date is down 1.2%. Tight cattle supplies are behind the USDA's forecast for a 4.8% decline in winter beef production versus the previous year. Buyers have secured their product for the holiday season and demand for tenderloins and ribeyes should wane in the coming weeks. This should be accompanied with steep market declines for those products. Last year the choice beef tenderloin market depreciated 28% over the next nine weeks. Retail beef prices in November were 1.9% higher than 2012 and a record. Inflated retail prices could limit pending beef demand. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Cattle	1.313	1.320	-.007	1.252
Feeder Cattle Index (CME)	1.676	1.662	+.014	1.484
Ground Beef 81/19	1.794	1.855	-.061	1.823
Ground Chuck	2.020	1.957	+.063	1.897
109e Export Rib (choice)	6.082	7.296	-1.214	6.610
109e Export Rib (prime)	11.098	10.860	+.238	9.522
112a Ribeye (choice)	7.561	7.860	-.299	7.318
112a Ribeye (prime)	11.293	11.342	-.049	10.183
116 Chuck (select)	2.533	2.454	+.079	2.266
116 Chuck (choice)	2.588	2.492	+.096	2.298
116b Chuck Tdnr (choice)	2.338	2.252	+.086	2.245
120 Brisket (choice)	2.034	2.013	+.021	2.046
121c Outside Skirt (ch/sel)	3.775	3.908	-.133	4.567
121d Inside Skirt (ch/sel)	3.250	3.206	+.044	3.358
167a Knckle, Trm. (ch.)	2.400	2.291	+.109	2.165
168 Inside Round (ch.)	2.193	2.157	+.036	2.095
174 Short Loin (ch. 0x1)	4.511	4.478	+.033	5.064
174 Short Loin (prime)	8.762	8.830	-.068	8.020
180 1x1 Strp (choice)	4.248	4.272	-.024	4.719
180 1x1 Strp (prime)	9.402	9.402	-	9.205
180 0x1 Strp (choice)	4.694	4.642	+.052	4.893
184 Top Butt, bnls (ch.)	2.485	2.496	-.011	3.078
184 Top Butt, bnls (prime)	2.828	2.984	-.156	3.289
185a Sirloin Flap (choice)	3.635	3.574	+.061	3.740
185c Loin, Tri-Tip (choice)	2.888	2.892	-.004	2.711
189a Tender (select)	9.475	10.062	-.587	8.700
189a Tender (choice)	10.646	12.966	-2.320	11.847
189a Tender (prime)	14.678	14.549	+.129	13.897
193 Flank Steak (choice)	3.527	3.675	-.148	4.069
50% Trimmings	.952	.918	+.034	.769
65% Trimmings	1.303	1.310	-.007	1.235
75% Trimmings	1.690	1.688	+.002	1.520
85% Trimmings	1.873	1.850	+.023	1.856
90% Trimmings	2.042	1.964	+.078	2.067
90% Imported Beef (frz.)	2.065	2.065	-	2.155
95% Imported Beef (frz.)	2.148	2.160	-.012	2.330
Veal Rack (Hotel 7 rib)	8.600	8.475	+.125	8.120
Veal Top Rnd. (cp. off)	15.065	15.065	-	14.900



Oil, Grains, Misc.- Oil, Grains, Misc.- The South American soybean and corn crops continue to develop in nearly ideal conditions. Lower soybean prices are expected next spring. Prices USDA, FOB.

	Price	Last Week	Difference	Price 12
Soybeans, bushel	13.283	13.222	+.061	14.816
Crude Soybean Oil, lb.	.374	.380	-.006	.469
Soybean Meal, ton	509.000	499.300	+9.700	462.900
Corn, bushel	4.182	4.281	-.099	7.270
Crude Corn Oil, lb.	.380	.385	-.005	.505
High Fructose Corn Syrup	.140	.142	-.002	.202
Distillers Grain, Dry	215.000	215.500	-.500	255.750
Crude Palm Oil, lb. BMD	.348	.369	-.021	.325
HRW Wheat, bushel	6.590	6.830	-.240	8.185
DNS Wheat 14%, bushel	7.100	7.230	-.130	9.160
Durum Wheat, bushel	6.933	6.650	+.283	8.138
Pinto Beans, lb.	.385	.385	-	.343
Black Beans, lb.	.415	.415	-	.330
Rice, Long Grain, lb.	.289	.286	+.003	.273
Coffee, lb. NYBOT	1.161	1.107	+.054	1.448
Sugar, lb. NYBOT	.191	.201	-.010	.223
Honey (Clover), lb.	2.088	2.088	-	1.809



Dairy- The butter market has depreciated during the last week falling more than 5%. Butter demand is seasonally waning. Cyclical charts indicate that the butter market could decline another $.05 or so during the next two weeks. Export demand for U.S. butter is likely to expand at these price levels, however, which could limit any further domestic market depreciation. The CME cheese markets remain inflated but demand is anticipated to seasonally wane for cheese shortly as well. The downside price risk in cheese from here is much greater than the upside. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 12
Cheese Barrels (CME)	1.890	1.780	+.110	1.638
Cheese Blocks (CME)	1.973	1.890	+.083	1.720
American Cheese	1.895	1.930	-.035	1.833
Cheddar Cheese (40 lb.)	1.972	1.975	-.003	2.135
Mozzarella Cheese	2.112	2.115	-.003	1.980
Provolone Cheese	2.470	2.473	-.003	2.330
Parmesan Cheese	3.817	3.820	-.003	3.678
Butter (CME)	1.550	1.660	-.110	1.560
Nonfat Dry Milk	2.024	1.994	+.030	1.586
Whey, Dry	.583	.582	+.001	.647
Class 1 Base	20.370	20.370	-	21.390
Class II Cream, heavy	2.143	2.347	-.204	1.714
Class III Milk (CME)	19.260	18.450	+.810	17.930
Class IV Milk (CME)	21.790	21.780	+.010	18.250

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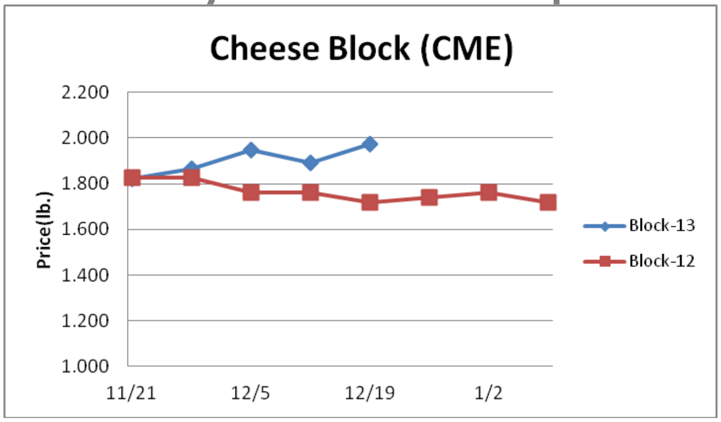
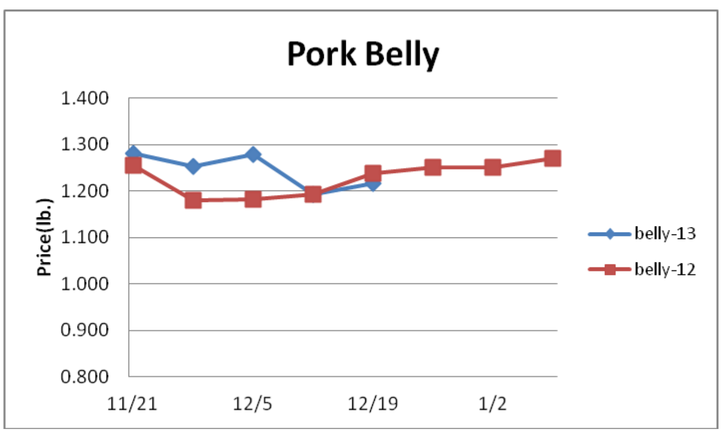


Pork- Pork production last week declined .2% from the previous week but was 3.2% larger than the same week a year ago. Heavy hog weights have lifted pork output this fall. Pork production this winter is projected by the USDA to track 2.3% above 2013, however, PEDv may cause actual pork output gains to be more modest. Better clarity should be brought to the PEDv situation and the hog supply in the December 27th USDA Hog and Pigs Report. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Hogs	.577	.575	+.002	.585
Belly (bacon)	1.217	1.193	+.024	1.251
Sparerib (4.25 lb. & down)	1.445	1.372	+.073	1.351
Ham (20-23 lb.)	.912	.918	-.006	.700
Ham (23-27 lb.)	.882	.889	-.007	.700
Loin (bone-in)	.893	.880	+.013	.870
Bbybck Rib (1.75 lb. & up)	2.055	2.180	-.125	1.976
Tenderloin (1.25 lb.)	2.266	2.332	-.066	2.000
Boston Butt, untrmd. (4-8lb.)	.920	.920	-	.931
Picnic, untrmd.	.762	.744	+.018	.697
SS Picnic, smoker trm. bx.	1.010	.972	+.038	.931
42% Trimmings	.325	.329	-.004	.341
72% Trimmings	.606	.709	-.103	.610



Tomato Products, Canned- Early indications are that the raw product tomato price for canners will be up 5% next year. Prices per case (6/10) FOB, unless noted from ARA.

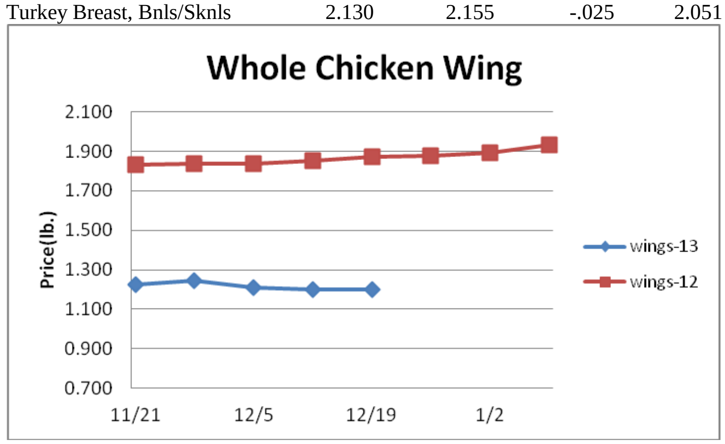
	Price	Last Week	Difference	Price 12
Whole Peeled, Standard	12.250	12.250	-	12.250
Diced, Fancy	12.750	12.750	-	12.750
Ketchup, 33%	13.438	13.438	-	13.438
Tomato Paste- Industrial (lb.)	.398	.398	-	.398

Processed Vegetables Vegetable processor and farmer negotiations are occurring for the 2014 crop season.

	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 production for the week ending December 7th was 3.2% less than last year. Strong chicken output gains versus the prior year are anticipated this winter. The USDA is forecasting first quarter 2014 chicken production to rise 3.1% from the previous year. The chicken breast and wing markets remain stable but chicken breast prices usually shift higher soon. Since 2008, the boneless skinless chicken breast market has risen 5.9% during the month of January. However, the counter seasonal move lower in chicken wing prices this fall and the forecasted sizeable chicken output increase for 2014 suggest that any chicken breast market gains could be tempered in the coming months. Some moderate price relief is anticipated for the egg markets during January. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 12
Whole Birds (2.5-3 lb.-GA)	1.043	1.043	-	.978
Wings (whole)	1.200	1.200	-	1.870
Wings (jumbo, cut)	1.153	1.168	-.015	1.938
Breast, Bone In	1.025	1.015	+.010	.985
Breast, Bnless Skinless	1.785	1.780	+.005	1.575
Tenderloin (random)	1.410	1.310	+.100	1.240
Tenderloin (sized)	1.760	1.740	+.020	1.870
Legs (whole)	.665	.561	+.104	.680
Leg Quarters	.495	.495	-	.535
Thighs, bone in	.695	.746	-.051	.788
Thighs, boneless	1.288	1.275	+.013	1.306
Eggs and Others				
Large (dozen)	1.610	1.610	-	1.353
Medium (dozen)	1.162	1.148	+.014	1.065
Whole Eggs- Liquid	.761	.779	-.018	.700
Egg Whites- Liquid	.935	.915	+.020	.465
Egg Yolks- Liquid	.630	.643	-.013	1.023
Whole Turkeys (8-16 lb.)	1.010	1.010	-	1.005
Turkey Breast, Bnls/Sknls	2.130	2.155	-.025	2.051



Seafood- U.S. salmon imports during October were 9.9% larger than the prior year and were the biggest for any month since January. Salmon filet steak imports were up 10.3% due in a large part to a 14.7% rise in product from Chile. History suggests that the salmon filet-steak markets could drift downward this winter but any depreciation may only be modest. Prices for fresh product, unless noted, per pound from Fisheries Market News.

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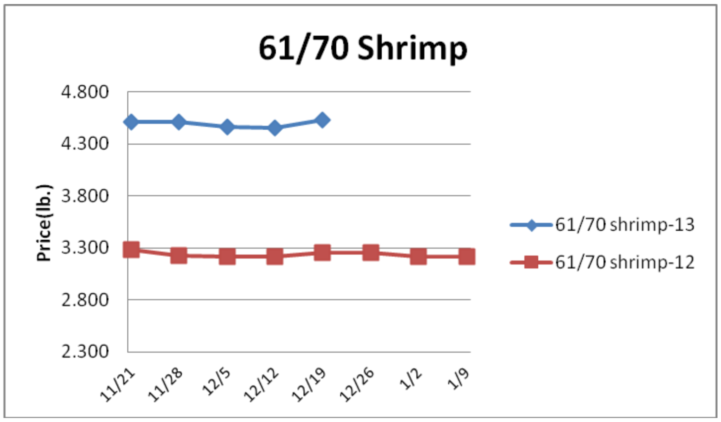
PERFORMANCE FOODSERVICE ROMA

	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	8.361	8.490	-.129	5.458
Shrimp (61/70), Frz.	4.533	4.450	+.083	3.250
Shrimp, Tiger (26/30), Frz.	7.650	7.650	-	4.500
Snow Crab, Legs 5-8 oz, Frz	5.300	5.300	-	5.025
Snow Crab, Legs 8 oz/ up, Fz	6.250	6.250	-	5.800
Cod Tails, 3-7 oz., Frz.	3.088	3.088	-	3.175
Cod Loins, 3-12 oz., Frz	3.025	3.025	-	3.325
Salmon Portions, 4-8 oz, Frz	5.958	5.958	-	4.817
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.925



Energy & Currency-Currency US dollar is worth.

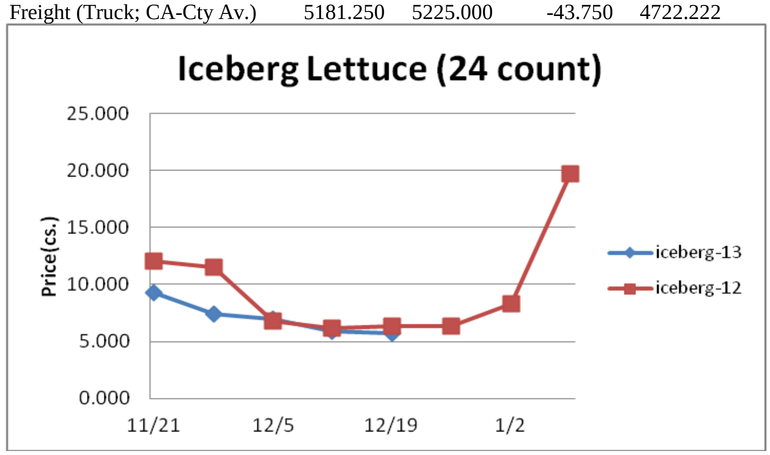
	Price	Last Week	Difference	Price 12
Crude Oil, barrel- nymex	97.220	98.510	-1.290	87.930
Natural Gas, mbtu- nymex	4.287	4.237	+.050	3.418
Heating Oil, gal- nymex	2.963	3.017	-.054	2.997
Electricity, mwht- nymex	44.070	51.530	-7.460	35.700
Gasoline, gal- nymex	2.647	2.683	-.036	2.691
Diesel Fuel, gal- eia	3.871	3.879	-.008	3.945
Ethanol, gal- usda	2.400	2.400	-	2.260
Canadian $	1.062	1.059	+.003	.986
Japanese Yen	102.945	102.494	+.451	84.484
Mexican Peso	12.973	12.869	+.104	12.704
Euro	.727	.727	-	.753
Brazilian Real	2.321	2.312	+.009	2.080
Chinese Yuan	6.073	6.071	+.002	6.232

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)	990.000	988.060	+1.940	870.000
WP; 42 lb. Linerboard (corr.)	794.877	798.014	-3.137	773.971
Res; PS-CHH (cup, cont.)	1.210-1.250	1.210-1.250	-	1.180-1.220
Res; PP-HIGP (hvy utensil)	1.060-1.080	1.060-1.080	-	.960-.980
Res; PE-LLD (cn liner, film)	.970-1.000	.970-1.000	-	.850-.880

Produce- The potato markets remain relatively flat. Potato supplies are seasonally ample which is putting downward pressure on the potato markets. Higher potato prices are likely in the coming months as storage stocks decline. The five year average move for the Idaho 70 count potato market during January is up 8.2%. Lettuce supplies are ample as well which is weighing on the lettuce markets. At these historically depressed price levels, farmers are likely to start slowing the harvest. The downside price risk in the lettuce markets from here is almost certainly nominal. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 12
Limes (150 ct.)	13.000	10.500	+2.500	16.000
Lemons (95 ct.)	22.850	22.350	+.500	13.275
Lemons (200 ct.)	20.350	20.350	-	15.275
Honeydew (6 ct.)	4.000	10.450	-6.450	8.666
Cantaloupe (15 ct.)	5.450	5.450	-	10.500
Blueberries (12 count)	23.000	23.875	-.875	21.250
Strawberries (12 pnts.)	27.000	23.000	+4.000	24.000
Avocados (Hass 48 ct.)	26.750	26.750	-	17.750
Bananas (40 lb.)- Term.	14.795	15.129	-.334	15.024
Pineapple (7 ct.)- Term.	11.125	9.968	+1.157	11.560
Idaho Potato (60 ct., 50 lb.)	8.250	8.500	-.250	4.250
Idaho Potato (70 ct., 50 lb.)	8.250	8.500	-.250	4.250
Idaho Potato (70 ct.)-Term.	15.250	15.452	-.202	11.037
Idaho Potato (90 ct., 50 lb.)	8.250	8.500	-.250	5.500
Idaho Pot. # 2 (6 oz., 100 lb.)	10.750	10.750	-	5.625
Processing Potato (cwt.)	6.000	6.000	-	6.000
Yellow Onions (50 lb.)	7.500	7.500	-	8.625
Yell Onions (50 lb.)-Term.	12.864	13.588	-.724	15.000
Red Onions (25 lb.)- Term.	9.525	10.458	-.933	11.312
White Onions (50 lb.)- Term.	25.125	26.104	-.979	21.562
Tomatoes (large- case)	13.950	13.616	+.334	13.200
Tomatoes (5x6-25 lb.)-Term	16.572	18.500	-1.928	20.125
Tomatoes (4x5 vine ripe)	16.950	18.950	-2.000	15.450
Roma Tomatoes (large- case)	15.950	17.450	-1.500	15.200
Roma Tomatoes (xlarge-cs)	16.950	18.116	-1.166	15.450
Green Peppers (large- case)	10.950	9.083	+1.867	8.941
Red Peppers (large 15lb. cs.)	17.950	17.950	-	13.950
Iceberg Lettuce (24 count)	5.750	5.900	-.150	6.382
Iceberg Lettuce (24)-Term.	13.916	14.500	-.584	13.000
Leaf Lettuce (24 count)	7.341	7.341	-	7.073
Romaine Lettuce (24 cnt.)	7.000	7.830	-.830	7.161
Mesculin Mix (3 lb.)-Term.	6.656	6.593	+.063	6.687
Broccoli (14 ct.)	10.255	8.015	+2.240	7.765
Squash (1/2 bushel)	8.950	9.350	-.400	10.475
Zucchini (1/2 bushel)	7.450	4.175	+3.275	10.425
Green Beans (bushel)	16.133	16.933	-.800	16.325
Spinach, Flat 24's	10.350	10.415	-.065	9.100
Mushrms (10 lb, lg.)-Term.	15.250	14.729	+.521	15.111
Cucumbers (bushel)	10.350	11.010	-.660	9.925
Pickles (200-300 ct.)- Term.	23.687	25.635	-1.948	22.937
Asparagus (small)	15.000	15.000	-	16.500
Freight (Truck; CA-Cty Av.)	5181.250	5225.000	-43.750	4722.222



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

	Nov-13	Oct-13	Sep-13	Aug-13
Beef and Veal	+.533	+.292	-.295	-.111
Dairy	+.400	-.189	+.099	+.403
Pork	-2.161	+.637	+.378	+1.372
Chicken	-1.656	+1.036	+.181	+1.567
Fresh Fish and Seafood	+.280	+.376	+2.064	+.919
Fresh Fruits and Veg.	-.741	+1.000	+.001	+1.472