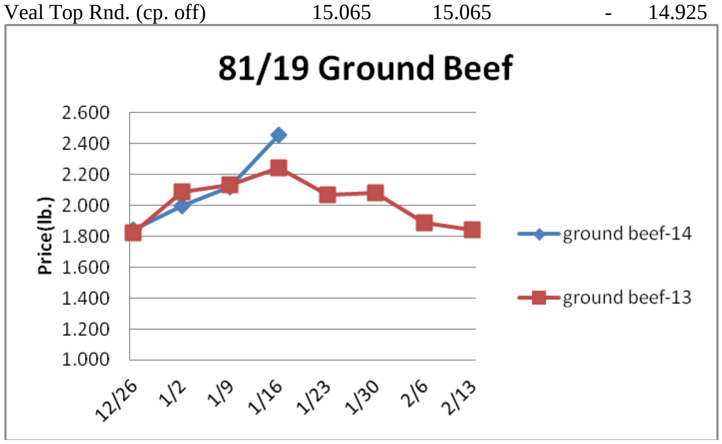
Weekly Market Updates

Volume No. 19 Issue No. 3 Date: January 15, 2014

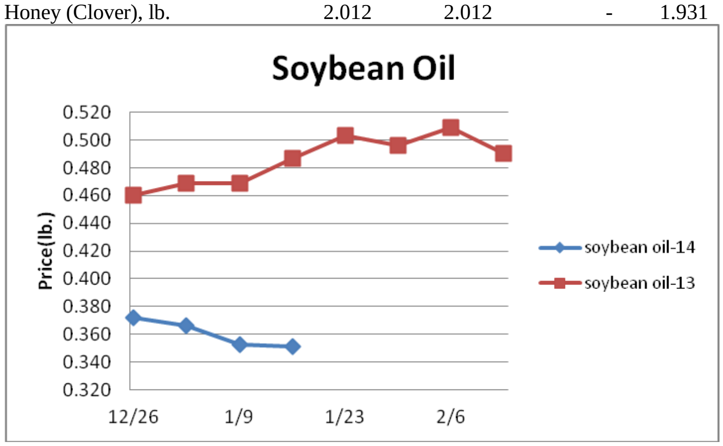
Beef- Beef production last week was 8.3% less than the same week a year ago but the reduction was due in a large part to inclement weather. Beef output is anticipated to remain below 2013 levels in the coming months. The USDA is forecasting winter beef production to be down 5.5% versus last year. This should be relatively supportive of the beef markets. Beef demand is expected to be spotty due to less expensive pork and chicken. Thus, notable volatility is likely for the beef markets. The beef end cut markets have soared to record highs but a short term top may be near. Last year the 116 choice chuck market declined 6% during the next three weeks. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Cattle	1.400	1.325	+.075	1.273
Feeder Cattle Index (CME)	1.711	1.709	+.002	1.499
Ground Beef 81/19	2.455	2.119	+.336	2.243
Ground Chuck	2.781	2.333	+.448	2.184
109e Export Rib (choice)	5.348	5.212	+.136	4.958
109e Export Rib (prime)	9.948	10.065	-.117	9.283
112a Ribeye (choice)	5.772	5.885	-.113	5.897
112a Ribeye (prime)	9.884	10.308	-.424	9.462
116 Chuck (select)	3.396	3.018	+.378	2.439
116 Chuck (choice)	3.437	2.995	+.442	2.464
116b Chuck Tdnr (choice)	2.735	2.581	+.154	2.354
120 Brisket (choice)	2.252	2.198	+.054	2.070
121c Outside Skirt (ch/sel)	4.161	4.061	+.100	4.566
121d Inside Skirt (ch/sel)	3.546	3.376	+.170	3.527
167a Knckle, Trm. (ch.)	3.108	2.827	+.281	2.385
168 Inside Round (ch.)	2.531	2.417	+.114	2.153
174 Short Loin (ch. 0x1)	4.662	4.888	-.226	5.169
174 Short Loin (prime)	8.237	8.090	+.147	7.631
180 1x1 Strp (choice)	4.327	4.490	-.163	4.551
180 1x1 Strp (prime)	8.256	9.904	-1.648	9.041
180 0x1 Strp (choice)	4.904	4.984	-.080	5.250
184 Top Butt, bnls (ch.)	2.839	2.647	+.192	3.313
184 Top Butt, bnls (prime)	2.924	2.735	+.189	3.210
185a Sirloin Flap (choice)	4.198	4.070	+.128	3.743
185c Loin, Tri-Tip (choice)	3.045	3.064	-.019	2.921
189a Tender (select)	9.844	9.677	+.167	8.621
189a Tender (choice)	9.742	9.585	+.157	9.590
189a Tender (prime)	13.848	13.799	+.049	13.027
193 Flank Steak (choice)	3.908	3.680	+.228	4.326
50% Trimmings	1.199	.926	+.273	.736
65% Trimmings	1.268	1.274	-.006	1.223
75% Trimmings	1.723	1.720	+.003	1.592
85% Trimmings	2.018	1.973	+.045	1.883
90% Trimmings	2.224	2.175	+.049	2.114
90% Imported Beef (frz.)	2.068	2.040	+.028	2.165
95% Imported Beef (frz.)	2.148	2.140	+.008	2.340
Veal Rack (Hotel 7 rib)	8.600	8.600	-	8.275
Veal Top Rnd. (cp. off)	15.065	15.065	-	14.925



Oil, Grains, Misc.- Oil, Grains, Misc.- Record corn use has occurred in recent months. Corn demand could lessen once the new South American crops are on hand. Corn prices may be range-bound this winter. Prices USDA, FOB.

	Price	Last Week	Difference	Price 12
Soybeans, bushel	13.080	12.576	+.504	14.401
Crude Soybean Oil, lb.	.351	.353	-.002	.487
Soybean Meal, ton	486.600	473.300	+13.300	428.900
Corn, bushel	4.245	4.227	+.018	7.413
Crude Corn Oil, lb.	.385	.385	-	.520
High Fructose Corn Syrup	.142	.142	-	.205
Distillers Grain, Dry	160.000	161.250	-1.250	252.500
Crude Palm Oil, lb. BMD	.346	.350	-.004	.358
HRW Wheat, bushel	6.300	6.430	-.130	7.975
DNS Wheat 14%, bushel	6.910	7.000	-.090	8.870
Durum Wheat, bushel	6.800	6.900	-.100	7.813
Pinto Beans, lb.	.363	.369	-.006	.342
Black Beans, lb.	.413	.413	-	.340
Rice, Long Grain, lb.	.286	.286	-	.273
Coffee, lb. NYBOT	1.172	1.211	-.039	1.541
Sugar, lb. NYBOT	.205	.201	+.004	.210
Honey (Clover), lb.	2.012	2.012	-	1.931



Dairy- U.S. cheese exports during November were 54% bigger than the prior year and a record. 2013 U.S. cheese exports through the month accounted for 6.2% of domestic cheese production which is also a record high. However, recent cheese price increases have caused the premium in the international cheese markets to decline to levels which should discourage trade. Thus, the upside in the domestic cheese markets from here in the near term may be minimal. November butter exports were up 214% versus 2012. The butter market may remain firm into the next month. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 12
Cheese Barrels (CME)	2.162	2.160	+.002	1.665
Cheese Blocks (CME)	2.200	2.200	-	1.700
American Cheese	2.197	1.982	+.215	1.875
Cheddar Cheese (40 lb.)	2.230	2.092	+.138	2.115
Mozzarella Cheese	2.370	2.232	+.138	1.960
Provolone Cheese	2.727	2.590	+.137	2.310
Parmesan Cheese	4.075	3.937	+.138	3.658
Butter (CME)	1.770	1.650	+.120	1.490
Nonfat Dry Milk	2.089	2.080	+.009	1.587
Whey, Dry	.595	.590	+.005	.637
Class 1 Base	21.480	21.480	-	18.970
Class II Cream, heavy	1.978	1.773	+.205	1.639
Class III Milk (CME)	21.050	20.490	+.560	17.460
Class IV Milk (CME)	23.010	22.300	+.710	17.600

Weekly Market Updates

Pork- Pork output last week was 5.2% less than the same week a year ago due mostly to challenging weather. Hog supplies are adequate with weights well above year ago levels which points to solid pork production during the next few weeks. The USDA is forecasting Q1 pork output to be 1.9% larger than the previous year. Many of the pork markets could achieve seasonal bottoms soon. Last year ham prices rose 10% during the next two weeks. Prices USDA, FOB per pound.

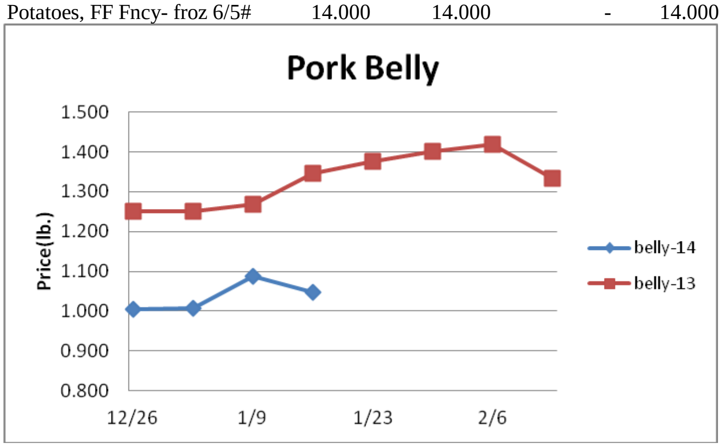
	Price	Last Week	Difference	Price 12
Live Hogs	.572	.575	-.003	.592
Belly (bacon)	1.048	1.088	-.040	1.375
Sparerib (4.25 lb. & down)	1.488	1.513	-.025	1.369
Ham (20-23 lb.)	.722	.727	-.005	.700
Ham (23-27 lb.)	.726	.726	-	.700
Loin (bone-in)	.910	.920	-.010	.892
Bbybck Rib (1.75 lb. & up)	2.103	2.136	-.033	1.970
Tenderloin (1.25 lb.)	2.370	2.412	-.042	2.385
Boston Butt, untrmd. (4-8lb.)	.929	.937	-.008	.826
Picnic, untrmd.	.658	.671	-.013	.530
SS Picnic, smoker trm. bx.	.910	.964	-.054	.810
42% Trimmings	.327	.339	-.012	.407
72% Trimmings	.664	.662	+.002	.620

Tomato Products, Canned- Adequate canned tomato supplies are in place. Canned tomato prices are expected to remain mostly steady during the winter. 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

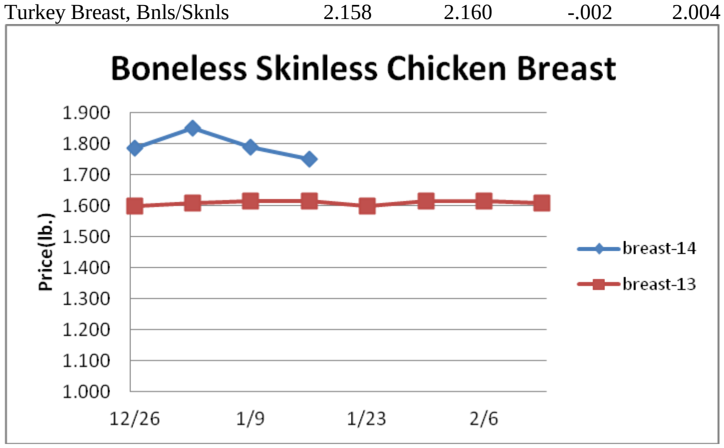
Processed Vegetables Although competing grain prices have fallen in recent months acreage for processed vegetables may still be limited in 2014. Processed vegetable remain steady. Prices FOB per case from ARA.

	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 January 4th was 2.3% less than the prior year however this is not an indication of the longer trend. Chicken production for the last several months has been tracking 3% plus above the previous year levels. Solid chicken output gains are projected to persist. The USDA's latest forecast has winter chicken production 3.1% higher than 2013. Chicken exports during November were 1.6% bigger than the previous year. Although chicken export demand should remain solid, chicken leg quarter prices are anticipated to remain below year ago levels this winter due better domestic production. The wing markets are seasonally firming. Typically the chicken wing markets peak for the year in the next few weeks. Chicken wing prices should also remain below 2013 levels. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 12
Whole Birds (2.5-3 lb.-GA)	1.045	1.043	+.002	.993
Wings (whole)	1.285	1.240	+.045	1.985
Wings (jumbo, cut)	1.163	1.156	+.007	2.056
Breast, Bone In	1.035	1.040	-.005	1.045
Breast, Bnless Skinless	1.750	1.790	-.040	1.615
Tenderloin (random)	1.430	1.420	+.010	1.37
Tenderloin (sized)	1.730	1.760	-.030	1.5
Legs (whole)	.646	.560	+.086	.665
Leg Quarters	.500	.495	+.005	.469
Thighs, bone in	.733	.753	-.020	.809
Thighs, boneless	1.249	1.278	-.029	1.272
Eggs and Others				1.148
Large (dozen)	1.147	1.147	-	1.137
Medium (dozen)	1.065	1.068	-.003	.965
Whole Eggs- Liquid	.623	.656	-.033	.514
Egg Whites- Liquid	.733	.862	-.129	.467
Egg Yolks- Liquid	.630	.630	-	1.023
Whole Turkeys (8-16 lb.)	.965	.975	-.010	.955
Turkey Breast, Bnls/Sknls	2.158	2.160	-.002	2.004

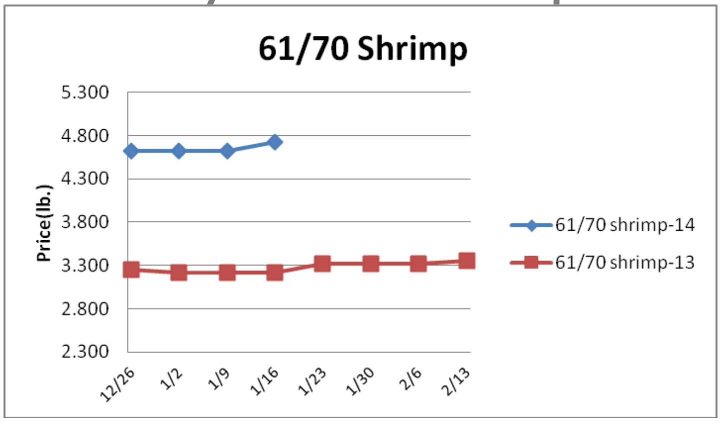


Seafood- U.S. shrimp imports in November were 13.4% smaller than the previous year due in part to continued challenges with Thailand's shrimp production. U.S. shrimp imports from the country during the month were down 33% versus the prior year but were the second best for any month since January 2012. The shrimp markets may remain inflated this winter. Prices for fresh product, unless noted, per pound from Fisheries Market News. .

	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	8.481	8.481	-	5.400
Shrimp (61/70), Frz.	4.625	4.625	-	3.216
Shrimp, Tiger (26/30), Frz.	7.625	7.625	-	4.300
Snow Crab, Legs 5-8 oz, Frz	5.475	5.300	+.175	5.150
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	-	3.350
Salmon Portions, 4-8 oz, Frz	6.067	5.958	+.109	4.817
Pollock, Alaska, Deep Skin	1.775	1.775	-	1.925

Weekly Market Updates

PERFORMANCE FOODSERVICE ROMA



Energy & Currency-Currency US dollar is worth.

	Price	Last Week	Difference	Price 12
Crude Oil, barrel- nymex	92.590	93.670	-1.080	93.280
Natural Gas, mbtu- nymex	4.369	4.299	+.070	3.455
Heating Oil, gal- nymex	2.936	2.959	-.023	3.011
Electricity, mwht- nymex	97.150	122.540	-25.390	45.360
Gasoline, gal- nymex	2.622	2.679	-.057	2.707
Diesel Fuel, gal- eia	3.886	3.910	-.024	3.894
Ethanol, gal- usda	2.075	2.225	-.150	2.150
Canadian $	1.096	1.081	+.015	.986
Japanese Yen	104.288	104.816	-.528	88.161
Mexican Peso	13.099	13.032	+.067	12.648
Euro	.735	.736	-.001	.752
Brazilian Real	2.346	2.371	-.025	2.037
Chinese Yuan	6.048	6.053	-.005	6.219

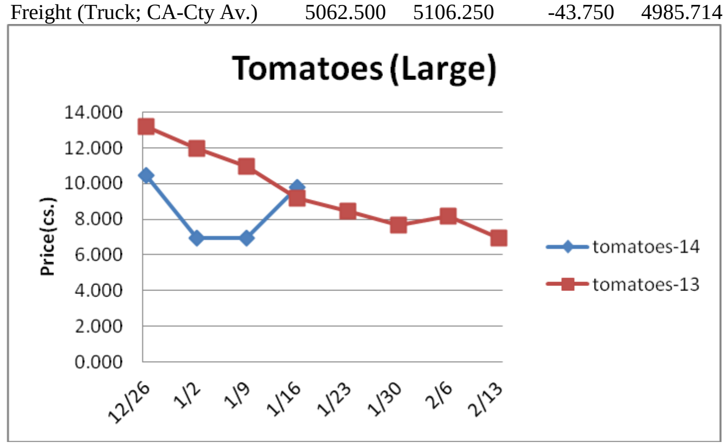
Paper/Plastic-Provided by; resin- www.plasticsnews.com, pulp- www.paperage.com.

Wood Pulp/ Plastic Resin	Price	Last Week	Difference	Price 12
WP; NBSK (napkin, towel)	997.500	990.320	+7.180	885.810
WP; 42 lb. Linerboard (corr.)	781.720	779.118	+2.602	775.768
Res; PS-CHH (cup, cont.)	1.210-1.250	1.210-1.250	-	1.180-1.220
Res; PP-HIGP (hvy utensil)	1.100-1.120	1.060-1.080	+.040	.960-.980
Res; PE-LLD (cn liner, film)	.970-1.000	.970-1.000	-	.850-.880

Produce- The potato markets continue to trend well above the prior year levels due to the 3.9% smaller harvest this past fall. Modestly higher potato prices are anticipated in the coming months. The five year average move for the 70 count Idaho potato market is up 24.8% during the next eight weeks. The lettuce markets remain relatively depressed due to ample supplies. Iceberg lettuce shipments last week rose 5% from the previous week and were 4.3% more than the same week a year ago. Still, the downside price risk in the lettuce markets from here is likely nominal. Prices USDA FOB shipping point unless noted (terminal).

	Price	Last Week	Difference	Price 12
Limes (150 ct.)	20.000	15.000	+5.000	17.500
Lemons (95 ct.)	24.350	24.350	-	13.275
Lemons (200 ct.)	23.350	21.850	+1.500	16.775
Honeydew (6 ct.)	13.950	10.950	+3.000	9.238
Cantaloupe (15 ct.)	5.450	5.450	-	8.975
Blueberries (12 count)	30.083	29.666	+.417	25.400
Strawberries (12 pnts.)	23.000	23.000	-	15.000
Avocados (Hass 48 ct.)	31.750	27.750	+4.000	18.750
Bananas (40 lb.)- Term.	16.097	14.852	+1.245	14.455
Pineapple (7 ct.)- Term.	15.027	11.322	+3.705	12.364
Idaho Potato (60 ct., 50 lb.)	9.125	8.250	+.875	4.500
Idaho Potato (70 ct., 50 lb.)	9.125	8.250	+.875	4.625
Idaho Potato (70 ct.)-Term.	16.012	10.550	+5.462	10.750
Idaho Potato (90 ct., 50 lb.)	9.125	8.250	+.875	5.625

Idaho Pot. # 2 (6 oz., 100 lb.)	9.750	10.750	-1.000	9.000
Processing Potato (cwt.)	7.900	7.900	-	6.000
Yellow Onions (50 lb.)	9.125	8.000	+1.125	14.500
Yell Onions (50 lb.)-Term.	15.187	15.020	+.167	20.989
Red Onions (25 lb.)- Term.	11.885	11.593	+.292	18.354
White Onions (50 lb.)- Term.	26.145	25.552	+.593	29.750
Tomatoes (large- case)	9.783	6.950	+2.833	9.200
Tomatoes (5x6-25 lb.)-Term	12.062	12.208	-.146	14.383
Tomatoes (4x5 vine ripe)	10.950	9.160	+1.790	9.975
Roma Tomatoes (large- case)	11.268	10.264	+1.004	11.528
Roma Tomatoes (xlarge-cs)	11.893	10.770	+1.123	11.835
Green Peppers (large- case)	19.750	8.950	+10.800	10.191
Red Peppers (large 15lb. cs.)	15.950	9.950	+6.000	14.950
Iceberg Lettuce (24 count)	6.930	6.115	+.815	26.227
Iceberg Lettuce (24)-Term.	14.166	13.500	+.666	32.000
Leaf Lettuce (24 count)	7.376	7.826	-.450	26.340
Romaine Lettuce (24 cnt.)	7.841	7.308	+.533	31.251
Mesculin Mix (3 lb.)-Term.	6.608	6.656	-.048	8.000
Broccoli (14 ct.)	10.480	7.988	+2.492	26.561
Squash (1/2 bushel)	14.350	10.350	+4.000	13.350
Zucchini (1/2 bushel)	13.350	8.350	+5.000	18.175
Green Beans (bushel)	28.550	15.716	+12.834	20.741
Spinach, Flat 24's	16.725	12.975	+3.750	27.650
Mushrms (10 lb, lg.)-Term.	15.145	15.145	-	14.145
Cucumbers (bushel)	19.170	14.150	+5.020	23.570
Pickles (200-300 ct.)- Term.	24.291	27.562	-3.271	25.437
Asparagus (small)	24.500	17.000	+7.500	16.500
Freight (Truck; CA-Cty Av.)	5062.500	5106.250	-43.750	4985.714



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