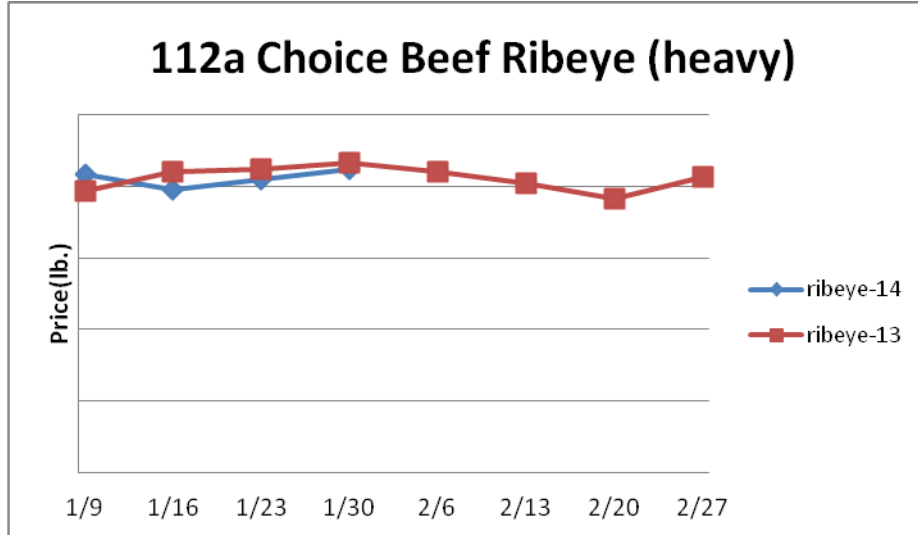


Beef, Veal and Lamb Report

Beef, Veal & Lamb Beef production last week rose .4% but was 4.4% less than the same week a year ago. Beef output is expected to trend below 2013 levels in the coming months last affirmed by last week's USDA cattle on feed report. According to the USDA, the January 1 cattle on feed inventory was 5.4% less than the prior year and the smallest for the date since 1997. The USDA is forecasting beef output this winter to track 5.5% below last year. The beef end cut markets continue to trade near record high levels. Retailers are reported to be rethinking beef feature plans for the coming months which could lead to lower beef prices shortly. Last February, the choice 168 inside round market fell 8.5%. Price USDA, FOB per pound.

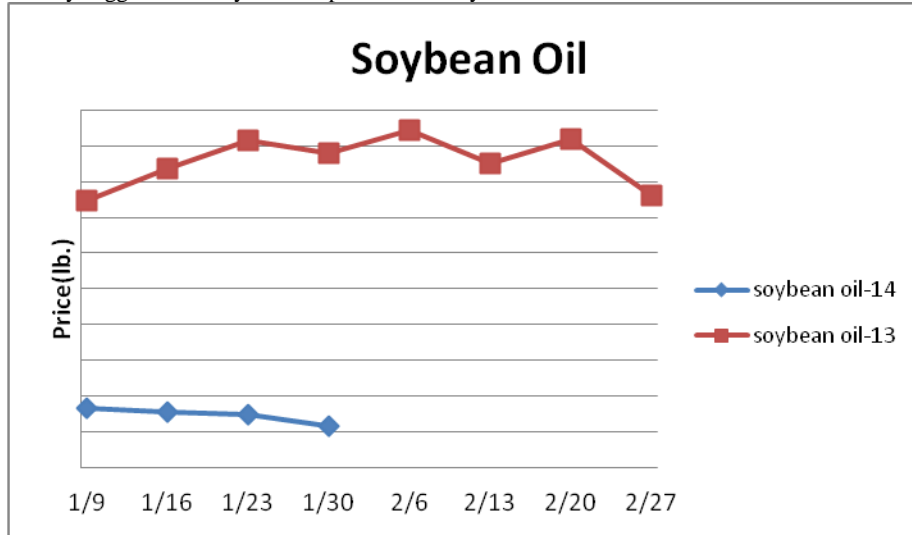


	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Cattle (Steer)	Increasing	Good	Higher
Ground Beef 81/19	Decreasing	Good	Higher
Ground Chuck	Decreasing	Good	Higher
109 Export Rib (choice)	Decreasing	Good	Lower
109 Export Rib (prime)	Decreasing	Good	Higher
112a Ribeye (choice)	Increasing	Good	Lower
112a Ribeye (prime)	Decreasing	Good	Higher
116 Chuck (choice)	Decreasing	Good	Higher
120 Brisket (choice)	Increasing	Good	Higher
121c Outside Skirt (ch/sel.)	Decreasing	Good	Lower
167a Knuckle, Trimmed (choice)	Decreasing	Good	Higher
168 Inside Round (choice)	Increasing	Good	Higher
174 Short Loin (choice 0x1)	Increasing	Good	Lower
174 Short Loin (prime 2x3)	Decreasing	Good	Higher
180 1x1 Strip (choice)	Increasing	Good	Higher
180 1x1 Strip (prime)	Decreasing	Good	Lower
180 0x1 Strip (choice)	Increasing	Good	High
184 Top Butt, boneless (choice)	Increasing	Good	Lower
184 Top Butt, boneless (prime)	Increasing	Good	Lower
185a Sirloin Flap (choice)	Increasing	Good	Higher
185c Loin, Tri-Tip (choice)	Increasing	Good	Higher
189a Tender (select, 5 lb & up)	Decreasing	Good	Higher
189a Tender (choice, 5 lb & up)	Decreasing	Good	Higher
189a Tender (prime, heavy)	Decreasing	Good	Higher
193 Flank Steak (choice)	Increasing	Good	Lower
50% Trimmings	Decreasing	Good	Higher
65% Trimmings	Decreasing	Good	Higher
75% Trimmings	Decreasing	Good	Higher
85% Trimmings	Increasing	Good	Higher
90% Trimmings	Increasing	Good	Higher
90% Imported Beef (frozen)	Decreasing	Good	Lower

Veal Rack (Hotel 7 rib)	Steady	Good	Higher
Veal Top Round (cap off)	Steady	Good	Higher

Oil and Grains Report

Oil & Grains- Oil, Grains, Misc.- - Soybean oil prices have fallen near three year lows during the last week. History suggests that soybean oil prices are likely to find a bottom soon. Prices USDA, FOB

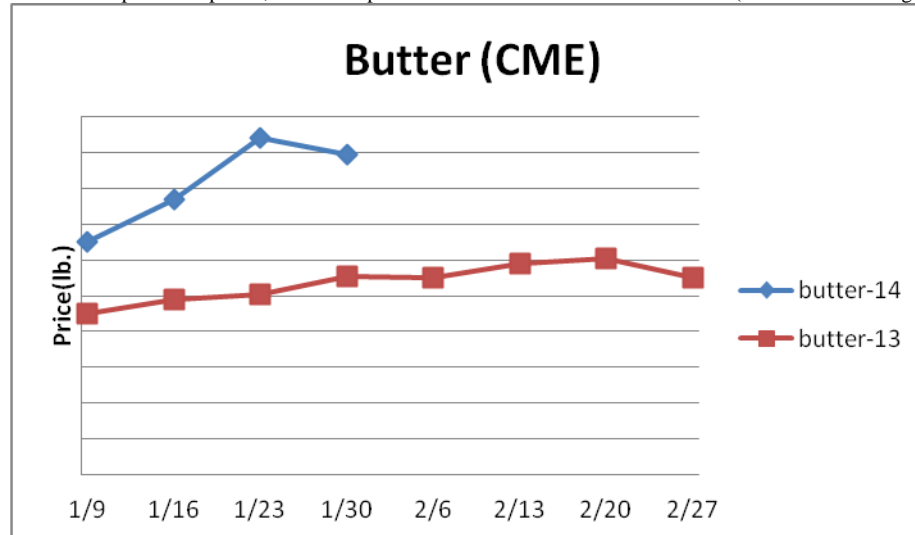


	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Soybeans	Decreasing	Good	Lower
Crude Soybean Oil	Decreasing	Good	Lower
Soymeal	Steady	Good	Higher
Corn	Increasing	Good	Lower
Crude Corn Oil	Increasing	Good	Lower
Distillers Grain, Dry	Increasing	Good	Lower
Crude Palm Oil	Decreasing	Good	Lower
Hard Red Winter Wheat	Decreasing	Good	Lower
Dark Northern Spring Wheat	Decreasing	Good	Lower
High Fructose Corn Syrup	Steady	Good	Lower
Durum Wheat	Increasing	Good	Lower

Dairy Report

Dairy - The weather continues to negatively impact milk production. U.S. milk output during December was .1% less than the prior year due to a .1% smaller milk cow herd and flat milk per cow yields. Milk farmers did add a net 2,000 head to the herd during the month which marks the first monthly build since July. Record high margins are expected to lead to further milk cow herd and milk production expansion in the coming months which eventually could weigh on the dairy markets. The CME cheese markets set new record highs this week. The butter market has softened.

Prices per pound, except Class I Cream (hundred weight), from USDA

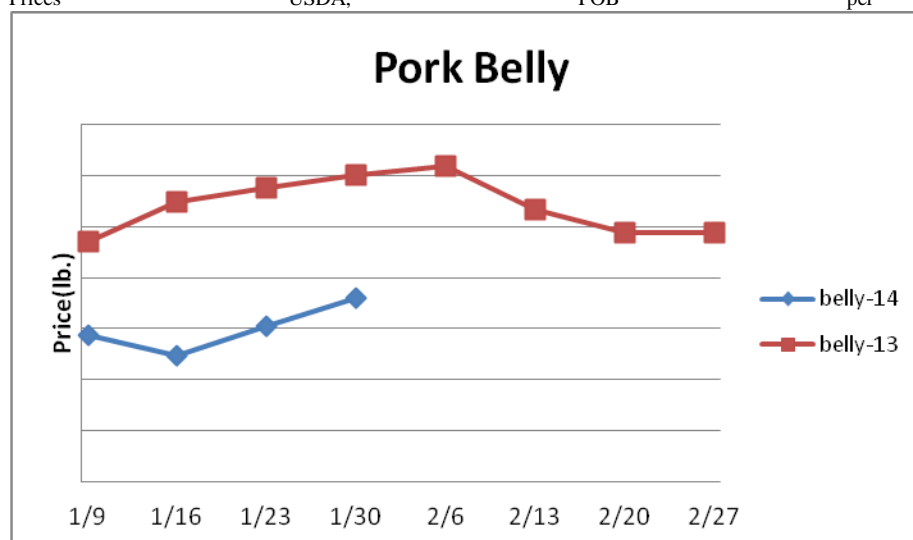


	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Cheese Barrels- CME	Increasing	Good	Higher
Cheese 40 lb Blocks- CME	Increasing	Good	Higher
American Cheese	Increasing	Good	Higher
Cheddar Cheese	Increasing	Good	Higher
Mozzarella Cheese	Increasing	Good	Higher
Provolone Cheese	Increasing	Good	Higher
Parmesan Cheese	Increasing	Good	Higher
Butter- One lb Solids	Decreasing	Good	Higher
Nonfat Dry Milk	Increasing	Good	Higher
Whey, Dry	Increasing	Good	Lower
Class I Milk Base	Increasing	Good	Higher
Class II Cream (Heavy Cream)	Increasing	Good	Higher
Class III Milk- CME	Increasing	Good	Higher
Class IV Milk- CME	Increasing	Good	Higher

Pork Report

Pork- Pork output last week declined 1.5% but was a whopping 7.1% greater than the same week a year ago. Hog weights have been trending 3% heavier than last year which is contributing to the year over year gains in production. Still, PEDv could make pork output challenging at times this winter. The pork markets may be forming a bottom. Typically pork prices are relatively flat during February. December 31 pork belly stocks were 124% bigger than 2012.

Prices USDA, FOB per pound.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Hogs	Increasing	Good	Lower
Belly (bacon)	Increasing	Good	Lower
Spare Rib (4.25 & down)	Increasing	Good	Higher
Ham (23-27 lb)	Increasing	Good	Higher
Loin (bone-in)	Steady	Good	Higher
Baby Back Rib (1.75 & up)	Increasing	Good	Higher
Tenderloin (1.25 lb)	Increasing	Good	Higher
Boston Butt, untrimmed 4-8 lb.	Increasing	Good	Higher
Picnic, untrimmed	Increasing	Good	Higher
SS Picnic, smoker trim boxed	Increasing	Good	Lower
42% Trimmings	Increasing	Good	Lower
72% Trimmings	Increasing	Good	Higher

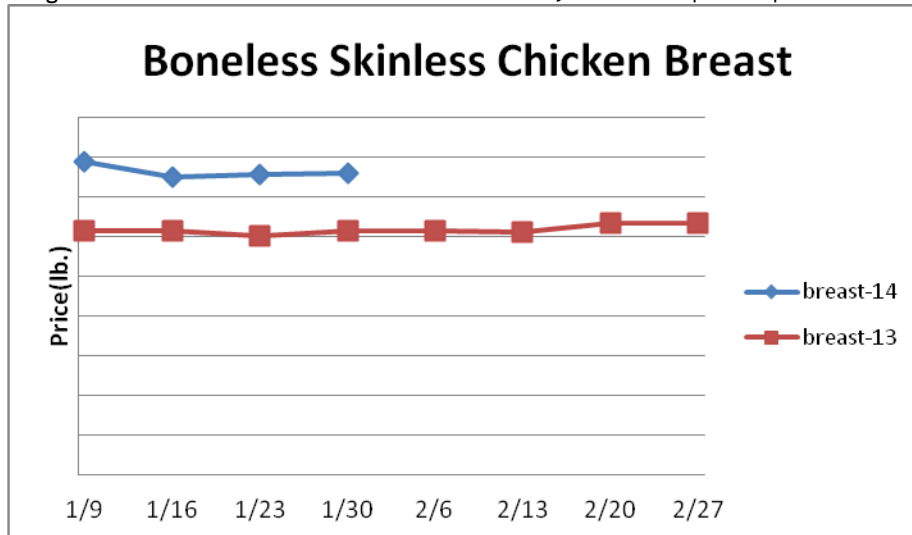
Canned Tomato Report

Tomato Products, Canned- Current canned tomato inventories are below year ago levels but still adequate. The canned tomato markets remain steady to firm. Prices per case (6/10) FOB, unless noted from ARA.

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Whole Peeled Standard	Steady	Good	Same
Diced, Fancy	Steady	Good	Same
Ketchup, 33%	Steady	Good	Same
Tomato Paste- Ind.	Steady	Good	Same

Poultry Report

Poultry - Chicken output for the week ending January 18th declined 2.9% but was 6.1% larger than the same week a year ago. Strong chicken production gains are anticipated to persist which may continue to weigh on the chicken markets. The ARA daily chicken wing index has risen 9% since the beginning of the year due to better demand for the football playoff season. However, modestly lower chicken wing prices are almost certainly on the horizon. The five year average move for the ARA chicken wing index during February is down 12.5%. The chicken breast markets are usually fairly flat next month before jumping higher in March. December 31 chicken breast stocks were 16% less than the previous year while chicken wing (29%) and leg quarter (34%) holdings were larger than 2012. Prices USDA, FOB per pound except when noted.

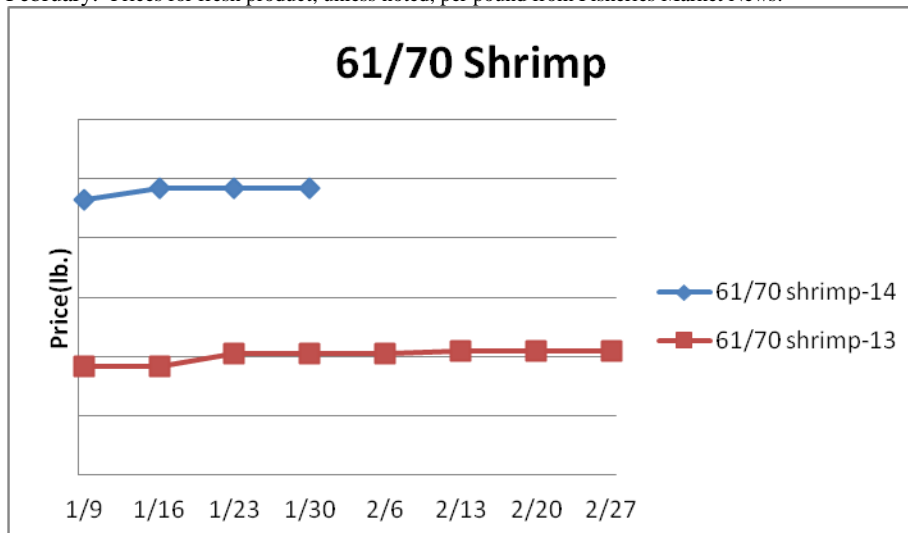


	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Whole Chicken (2.5-3 lb-GA)	Steady	Good	Higher
Chicken Wings, Whole	Increasing	Good	Lower
Chicken Wings, Jumbo Cut	Decreasing	Good	Lower
Chicken Breast, Bone-In	Increasing	Good	Lower
Chicken Breast, Bnless Sknless	Increasing	Good	Higher
Chicken Tender (random)	Steady	Good	Higher
Chicken Tender (sized)	Steady	Good	Higher
Chicken Legs (whole)	Decreasing	Good	Lower
Chicken Leg Quarters	Steady	Good	Lower
Chicken Thighs, bone in	Decreasing	Good	Lower
Chicken Thighs, boneless	Increasing	Good	Lower
Large Eggs	Increasing	Good	Lower

Medium Eggs	Increasing	Good	Higher
Whole Eggs- Liq	Decreasing	Good	Higher
Egg Whites- Liq	Steady	Good	Higher
Egg Yolks- Liq	Decreasing	Good	Lower
Whole Turkey (8-16 lb)	Steady	Good	Higher
Turkey Breast- Bnls/Sknl	Increasing	Good	Higher

Seafood Report

Seafood Snow crab leg prices remain relatively inflated. The U.S. Bering Sea snow crab fishing season is progressing with 35% of the quota landed to date. However, the 2013-14 Bering sea snow crab quota is down 18.6% from the previous season and the smallest in four years. Fairly firm snow crab leg prices are expected to endure in February. Prices for fresh product, unless noted, per pound from Fisheries Market News.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Salmon, Whole (10-12 lb)	n/a	Good	n/a
Catfish, Filets	n/a	Good	n/a
Trout, Drn. (8-14 oz)	n/a	Good	n/a
Shrimp (16-20 count)	Steady	Good	Higher
Shrimp (61-70 count)	Steady	Good	Higher
Shrimp, Tiger (26-30 count)	Steady	Good	Higher
Snow Crab Legs (5-8 oz)	Increasing	Good	Higher
Snow Crab Legs (8 oz up)	Steady	Good	Higher
Cod Tails, 3-7 oz. Frz.	Steady	Good	Lower
Cod Loins, 3-12 oz. Frz.	Steady	Good	Lower
Salmon Portions, 4-8 oz. Frz.	Increasing	Good	Higher

Bean, Rice, Coffee and Sugar Report

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Pinto Beans	Decreasing	Good	Higher
Black Beans	Decreasing	Good	Higher
Rice, Long Grain	Steady	Good	Higher
Coffee Beans	Decreasing	Good	Lower
Sugar	Decreasing	Good	Lower
Honey	Increasing	Good	Higher

Paper Product Report

	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Wood Pulp (paper)			
NBSK- Paper napkin	Decreasing	Good	Higher
42 lb. Linerboard-corrugated box	Increasing	Good	Lower
Plastic Resins (plastic, foam)			
PS-CHH-utensils, cups, to-go cont.	Steady	Good	Higher
PP-HIGP-heavy grade utensils	Steady	Good	Lower
PE-LLD-can liners, film, bags	Steady	Good	Higher

Retail Price Change from Prior Month

	<u>Dec-13</u>	<u>Nov-13</u>	<u>Oct-13</u>
Beef and Veal	Increasing	Increasing	Increasing
Dairy	Increasing	Increasing	Decreasing
Pork	Decreasing	Decreasing	Increasing
Chicken	Increasing	Decreasing	Increasing
Fresh Fish and Seafood	Decreasing	Increasing	Increasing
Fresh Fruits and Vegetables	Decreasing	Decreasing	Increasing

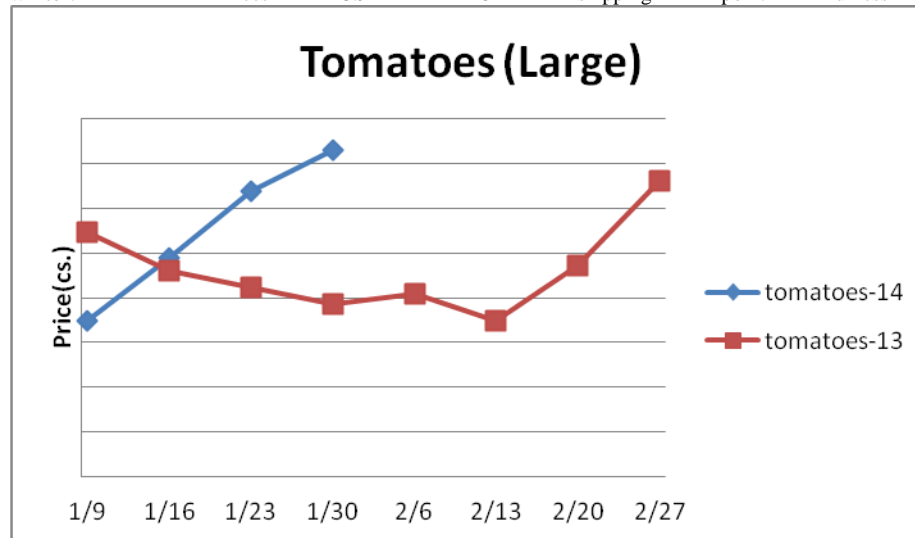
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables - December 31 frozen cob corn (1%), cut corn (19%) and green pea (4%) stocks were all more than last year. The processed vegetable markets remain relatively firm. Prices per case (6/10) FOB, unless noted from ARA

<u>Canned 6/10</u>	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Corn, Fancy Whole Kernel	Steady	Good	Same
Green Beans, Fancy 4 sv	Steady	Good	Same
Green Peas, Fancy 4 sv/blend	Steady	Good	Same
<u>Frozen</u>			
Corn, Cob 96 count	Steady	Good	Same
Corn, Kernel 12/2.5 lb.	Steady	Good	Same
Green Beans, Cut 12/2 lb.	Steady	Good	Same
Green Peas, 12/2.5 lb.	Steady	Good	Same
Potatoes, FF Fancy, 6/5 lb.	Steady	Good	Same

Produce Report

Produce- Periods of cold weather in Florida has negatively impacted the tomato crops. Tomato shipments from the state last week declined 20.6% and were 22.5% less than the same week a year ago. Solid imports from Mexico have helped alleviate the impact on the tomato markets. Still, tomato prices could be relatively firm in the near term. The lettuce markets continue to trend at engaging price levels for buyers with the cold winter dampening demand. The downside price risk in lettuce from here is almost certainly minimal. Higher potato prices are expected later this winter.



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Limes (150 count)	Steady	Good	Higher
Lemons (95 count)	Steady	Good	Higher
Lemons (200 count)	Steady	Good	Higher
Honeydew (6 ct.)	Increasing	Good	Higher
Cantaloupe (15 count)	Steady	Good	Lower
Blueberries (12 count)	Decreasing	Good	Higher
Strawberries (12 pints)	Steady	Good	Higher
Avocados, Hass (48 count)	Decreasing	Good	Higher
Bananas (40 lb)-Term.	Decreasing	Good	Lower
Pineapple (7 ct.)- Term.	Increasing	Good	Higher
Idaho Potato (60 count)	Decreasing	Good	Higher
Idaho Potato (70 count)	Decreasing	Good	Higher
Idaho Potato (70 count)-Term.	Increasing	Good	Higher
Idaho Potato (90 count)	Decreasing	Good	Higher

Idaho Potato #2 (6 oz. min.)	Decreasing	Good	Higher
Processing Potato (100 lb)	Steady	Good	Higher
Yellow Onions (50 lb)	Steady	Good	Lower
Yellow Onions (50 lb)-Term.	Increasing	Good	Lower
Red Onions (25 lb)-Term.	Increasing	Good	Lower
White Onions (50 lb)-Term.	Increasing	Good	Lower
Tomatoes, (large- case)	Increasing	Good	Higher
Tomatoes, (5x6, 25 lb.)-Term.	Decreasing	Good	Higher
Tomatoes, Vine Ripe, (4x5)	Decreasing	Good	Higher
Roma Tomatoes (large- case)	Decreasing	Good	Higher
Roma Tomatoes (xlarge- case)	Decreasing	Good	Higher
Green Peppers (large- case)	Increasing	Good	Higher
Red Peppers (large- 15 lb. cs.)	Decreasing	Good	Lower
Iceberg Lettuce (24 count)	Increasing	Good	Lower
Iceberg Lettuce (24 cnt)-Term.	Decreasing	Good	Lower

Produce Report (continued)

Leaf Lettuce (24 count)	Decreasing	Good	Lower
Romaine Lettuce (24 count)	Decreasing	Good	Lower
Mesculin Mix (3 lb)-Term.	Decreasing	Good	Lower
Broccoli (14 cnt.)	Decreasing	Good	Lower
Squash (case)	Decreasing	Good	Higher
Zucchini (case)	Increasing	Good	Lower
Green Beans (bushel)	Increasing	Good	Higher
Spinach, Flat 24's	Decreasing	Good	Lower
Mushrooms (large), Term.	Decreasing	Good	Higher
Cucumbers, Bushel	Decreasing	Good	Higher
Pickles (200-300 ct.)-Term.	Increasing	Good	Lower
Asparagus (small)	Decreasing	Good	Lower
Freight (CA to City Avg.)	Increasing	Good	Higher