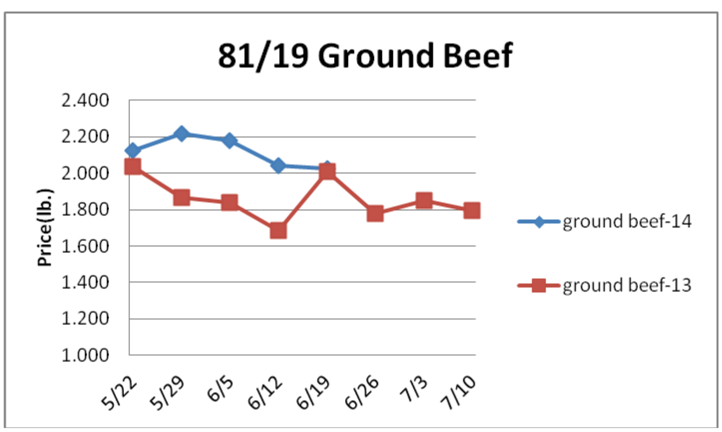
Weekly Market Updates

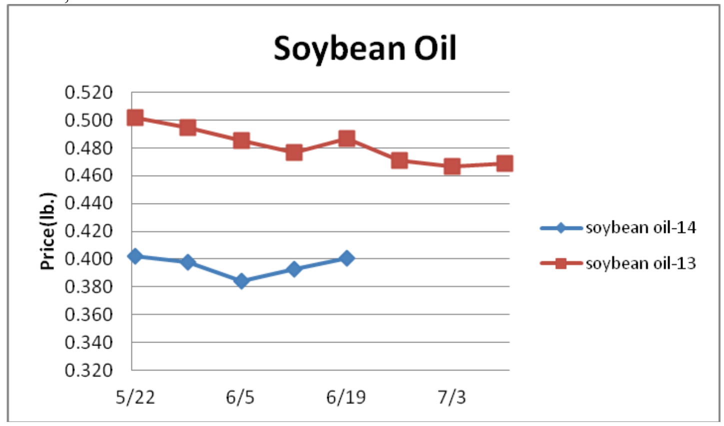
Volume No. 19 Issue No. 25 Date: June 18, 2014

Beef- Beef production last week declined 1.4% and was 6.3% less than the same week a year ago. Relatively tight cattle supplies are expected to limit beef output for the foreseeable future. The USDA is forecasting beef production this summer to track 4.5% below the previous year. Retail beef prices during May were 10.7% more expensive than the prior year and a record. High retail beef prices are anticipated to dampen demand for the typically more expensive beef cuts during the next several months which could limit the upside market risk in steak cuts. That being said, retailers are planning to feature more ground beef products which could be supportive of beef trim prices. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 13
Live Cattle	1.499	1.463	+.036	1.219
Feeder Cattle Index (CME)	2.034	1.961	+.073	1.365
Ground Beef 81/19	2.024	2.041	-.017	2.008
Ground Chuck	2.166	2.214	-.048	1.735
109e Export Rib (choice)	7.305	6.937	+.368	6.394
109e Export Rib (prime)	9.940	9.981	-.041	7.946
112a Ribeye (choice)	8.189	7.748	+.441	7.142
112a Ribeye (prime)	10.379	10.149	+.230	9.046
116 Chuck (select)	2.811	2.668	+.143	2.180
116 Chuck (choice)	2.911	2.737	+.174	2.228
116b Chuck Tdnr (choice)	2.627	2.473	+.154	2.029
120 Brisket (choice)	3.056	3.059	-.003	2.012
121c Outside Skirt (ch/sel)	6.061	6.233	-.172	4.598
121d Inside Skirt (ch/sel)	4.415	4.340	+.075	3.777
167a Knckle, Trm. (ch.)	2.639	2.480	+.159	2.051
168 Inside Round (ch.)	2.353	2.165	+.188	1.897
174 Short Loin (ch. 0x1)	6.417	6.484	-.067	6.351
174 Short Loin (prime)	9.349	9.313	+.036	7.422
180 1x1 Strp (choice)	5.981	5.453	+.528	6.276
180 1x1 Strp (prime)	9.577	10.294	-.717	8.112
180 0x1 Strp (choice)	6.409	6.277	+.132	7.301
184 Top Butt, bnls (ch.)	3.611	3.472	+.139	3.223
184 Top Butt, bnls (prime)	4.361	4.344	+.017	3.662
185a Sirloin Flap (choice)	5.335	5.236	+.099	5.268
185c Loin, Tri-Tip (choice)	3.647	3.589	+.058	3.669
189a Tender (select)	9.699	9.290	+.409	8.297
189a Tender (choice)	10.147	10.260	-.113	9.394
189a Tender (prime)	14.427	14.346	+.081	12.190
193 Flank Steak (choice)	6.036	5.972	+.064	4.811
50% Trimmings	1.276	1.297	-.021	.952
65% Trimmings	1.682	1.670	+.012	1.263
75% Trimmings	1.832	1.872	-.040	1.642
85% Trimmings	2.175	2.138	+.037	1.848
90% Trimmings	2.479	2.438	+.041	1.970
90% Imported Beef (frz.)	2.140	2.103	+.037	1.845
95% Imported Beef (frz.)	2.303	2.278	+.025	2.025
Veal Rack (Hotel 7 rib)	8.925	8.925	-	8.350
Veal Top Rnd. (cp. off)	15.150	15.150	-	15.150



Oil, Grains, Misc.- Oil, Grains, Misc- The expected El Nino weather pattern is now anticipated to be weaker which should help world palm oil production. Still, food oil prices may find a bottom soon. Prices USDA, FOB



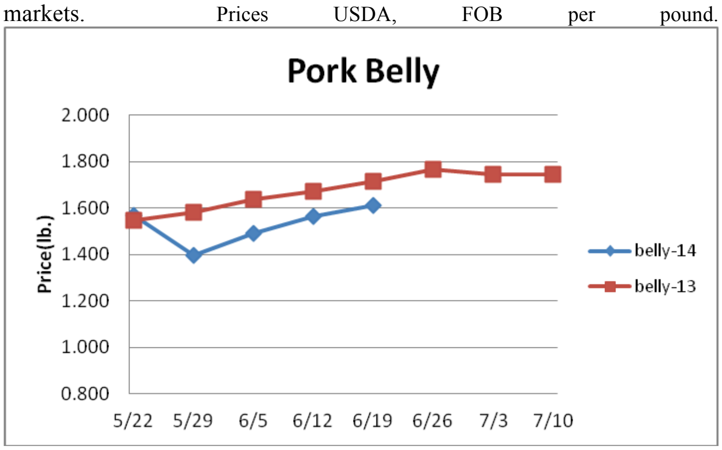
	Price	Last Week	Difference	Price 13
Soybeans, bushel	14.066	14.656	-.590	15.416
Crude Soybean Oil, lb.	.401	.393	+.008	.487
Soybean Meal, ton	480.200	514.000	-33.800	490.300
Corn, bushel	4.378	4.438	-.060	7.296
Crude Corn Oil, lb.	.398	.398	-	.428
High Fructose Corn Syrup	.143	.145	-.002	.202
Distillers Grain, Dry	155.000	173.750	-18.750	232.500
Crude Palm Oil, lb. BMD	.342	.338	+.004	.355
HRW Wheat, bushel	7.020	7.160	-.140	7.190
DNS Wheat 14%, bushel	7.230	7.390	-.160	8.250
Durum Wheat, bushel	7.711	7.480	+.231	8.225
Pinto Beans, lb.	.316	.316	-	.347
Black Beans, lb.	.390	.390	-	.305
Rice, Long Grain, lb.	.287	.283	+.004	.291
Coffee, lb. NYBOT	1.664	1.711	-.047	1.227
Sugar, lb. NYBOT	.254	.254	-	.195
Honey (Clover), lb.	2.058	2.058	-	1.953

Dairy- The CME cheese markets have been fairly range bound during the last week at historically expensive price levels. Seasonally strong spring milk production is enduring longer than normal this year due favorable weather which could weigh on the cheese markets for the near term. The greater price risk in the cheese markets from here is almost certainly to the downside however, cheese prices are projected to remain above 2013 levels into at least August. The butter market remains elevated as well. Modestly lower butter prices are expected during July. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 13
Cheese Barrels (CME)	2.003	1.957	+.046	1.750
Cheese Blocks (CME)	2.030	2.030	-	1.725
American Cheese	2.065	2.050	+.015	1.965
Cheddar Cheese (40 lb.)	2.120	2.093	+.027	2.120
Mozzarella Cheese	2.260	2.232	+.028	1.963
Provolone Cheese	2.618	2.590	+.028	2.318
Parmesan Cheese	3.965	3.938	+.027	3.665
Butter (CME)	2.253	2.185	+.068	1.508
Nonfat Dry Milk	1.897	1.869	+.028	1.725
Whey, Dry	.680	.687	-.007	.573
Class 1 Base	22.860	22.860	-	18.930
Class II Cream, heavy	2.996	3.007	-.011	2.133
Class III Milk (CME)	21.760	21.060	+.700	18.030
Class IV Milk (CME)	22.800	22.160	+.640	19.220

Weekly Market Updates

Pork - Pork output last week declined .7% but was 3.4% above the same week a year ago. Heavy hog weights continue to temper the impact of the PEDv tighter hog supply. Hog carcass weights during the last month have been averaging near 5% above the previous year levels at record highs. However, limited hog supplies are expected to shorten pork production in the coming weeks which could be especially supportive of the pork markets. Prices USDA, FOB per pound.



	Price	Last Week	Difference	Price 13
Live Hogs	.871	.846	+.025	.734
Belly (bacon)	1.611	1.563	+.048	1.766
Sparerib (4.25 lb. & down)	1.792	1.702	+.090	1.579
Ham (20-23 lb.)	1.247	1.226	+.021	.787
Ham (23-27 lb.)	1.265	1.203	+.062	.805
Loin (bone-in)	1.262	1.222	+.040	1.185
Bbybck Rib (1.75 lb. & up)	2.826	2.699	+.127	2.506
Tenderloin (1.25 lb.)	2.830	2.816	+.014	2.743
Boston Butt, untrmd. (4-8lb.)	1.452	1.430	+.022	1.126
Picnic, untrmd.	.966	.978	-.012	.731
SS Picnic, smoker trm. bx.	1.107	1.104	+.003	.936
42% Trimmings	.657	.758	-.101	.637
72% Trimmings	1.337	1.281	+.056	.861

Tomato Products,Canned– The California tomato for canning harvest will be getting underway shortly. Inflated raw product costs for canners are expected to cause the canned tomato markets to remain firm. Prices per case (6/10) FOB, unless noted from ARA.

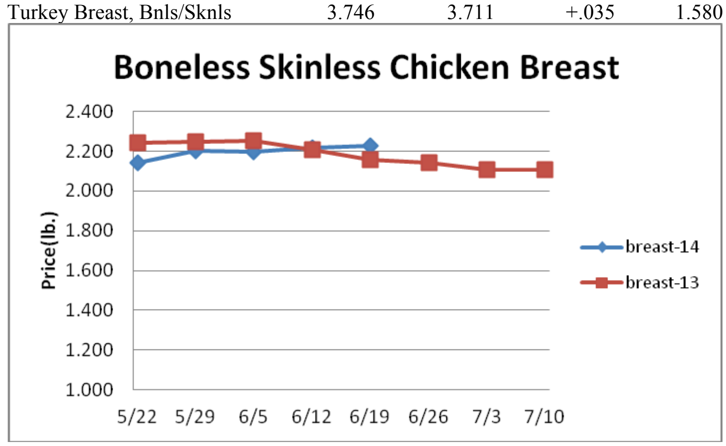
	Price	Last Week	Difference	Price 13
Whole Peeled, Standard	12.250	12.250	-	12.250
Diced, Fancy	12.750	12.750	-	12.750
Ketchup, 33%	13.438	13.438	-	13.438
Tomato Paste- Industrial (lb.)	.398	.398	-	.398

Processed Vegetables- The seasonal harvest for green peas for processing typically expands in the coming weeks. The processed vegetable markets remain mostly firm. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 13
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 last week was 2.1% more than the same week a year ago. Challenges with the broiler hatchery flock are expected to cause chicken output expansion to be slow for the next several months. The USDA is forecasting summer chicken production to be just .7% larger than the previous year. If realized, it would mark the smallest year over year expansion in chicken output for a quarter since the first quarter of 2013. The chicken breast markets remain elevated. History indicates that the upside price risk in the chicken breast markets is likely nominal from here. However, the downside price risk for the next few months is likely limited as well due to slower chicken production expansion and the historically undervalued retail chicken prices compared to beef and pork.
Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 13
Whole Birds (2.5-3 lb.-GA)	1.113	1.108	+.005	1.058
Wings (whole)	1.345	1.330	+.015	1.410
Wings (jumbo, cut)	1.196	1.190	+.006	1.459
Breast, Bone In	1.260	1.300	-.040	1.320
Breast, Bnless Skinless	2.230	2.220	+.010	2.155
Tenderloin (random)	1.830	1.830	-	1.700
Tenderloin (sized)	2.090	2.090	-	2.110
Legs (whole)	.688	.668	+.020	.810
Leg Quarters	.555	.555	-	.545
Thighs, bone in	.894	.844	+.050	.865
Thighs, boneless	1.392	1.407	-.015	1.406
Eggs and Others				
Large (dozen)	1.267	1.340	-.073	.897
Medium (dozen)	1.153	1.228	-.075	.772
Whole Eggs- Liquid	.889	.966	-.077	.643
Egg Whites- Liquid	1.262	1.266	-.004	.744
Egg Yolks- Liquid	.617	.659	-.042	.750
Whole Turkeys (8-16 lb.)	1.075	1.065	+.010	.965
Turkey Breast, Bnls/Sknls	3.746	3.711	+.035	1.580



Seafood - U.S. salmon imports during April were 13% larger than last year and a record for the month. Still, strong demand, despite the existing inflated retail prices, is expected to support the salmon markets above 2013 levels during the next few months. Seafood retail prices during May were 9.4% more expensive than the same month a year ago and a record. Prices for fresh product, unless noted, per pound from Fisheries Market News

	Price	Last Week	Difference	Price 13
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	8.153	8.064	+.089	6.735
Shrimp (61/70), Frz.	4.750	4.750	-	3.816
Shrimp, Tiger (26/30), Frz.	6.800	6.800	-	5.650
Snow Crab, Legs 5-8 oz, Frz	5.250	5.175	+.075	4.850
Snow Crab, Legs 8 oz/ up, Fz	5.450	5.400	+.050	5.650
Cod Tails, 3-7 oz., Frz.	3.063	3.063	-	3.088
Cod Loins, 3-12 oz., Frz	3.025	3.025	-	3.000
Salmon Portions, 4-8 oz, Frz	6.225	6.242	-.017	5.458
Pollock, Alaska, Deep Skin	1.750	1.750	-	1.775

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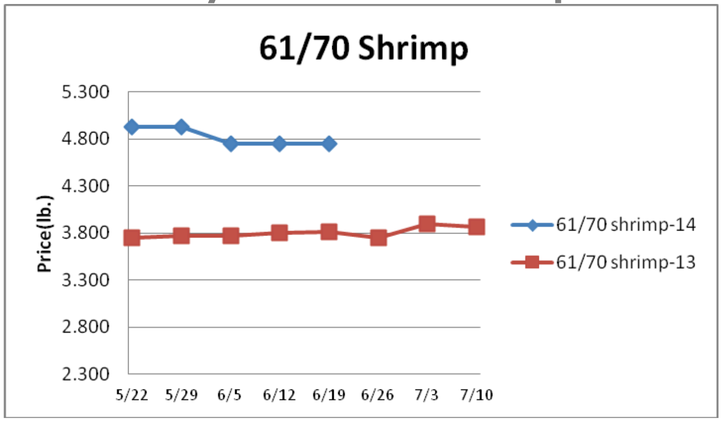


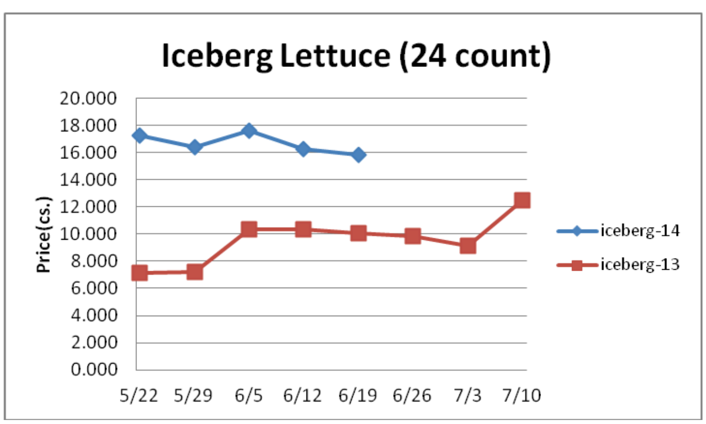
Energy & Currency-Currency US dollar is worth.

	Price	Last Week	Difference	Price 13
Crude Oil, barrel- nymex	106.360	104.350	+2.010	97.770
Natural Gas, mbtu- nymex	4.709	4.530	+.179	3.875
Heating Oil, gal- nymex	3.018	2.884	+.134	2.950
Electricity, mwht- nymex	64.630	61.820	+2.810	54.190
Gasoline, gal- nymex	3.091	2.975	+.116	2.856
Diesel Fuel, gal- eia	3.882	3.892	-.010	3.841
Ethanol, gal- usda	2.225	2.250	-.025	2.560
Canadian $	1.086	1.087	-.001	1.022
Japanese Yen	102.212	102.061	+.151	95.390
Mexican Peso	13.090	13.048	+.042	12.901
Euro	.737	.738	-.001	.746
Brazilian Real	2.262	2.229	+.033	2.179
Chinese Yuan	6.230	6.228	+.002	6.130

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

Wood Pulp/ Plastic Resin	Price	Last Week	Difference	Price 13
WP; NBSK (napkin, towel)	n/a	n/a	-	938.210
WP; 42 lb. Linerboard (corr.)	n/a	n/a	-	797.533
Res; PS-CHH (cup, cont.)	1.310-1.350	1.310-1.350	-	1.180-1.220
Res; PP-HIGP (hvy utensil)	1.110-1.130	1.110-1.130	-	1.120-1.140
Res; PE-LLD (cn liner, film)	1.010-1.040	1.010-1.040	-	.920-.950

Produce- Tomato supplies remain limited which is supporting the tomato markets. Tomato shipments last week declined 26% from the previous week and were 42% less than the same week a year ago. The chief tomato harvest areas are in the process of shifting north in both the east and west which eventually should bring some supply relief. However, the tomato markets could remain erratic during the next few weeks. Lettuce prices remain well supported as well with growers picking ahead to meet demand. This could cause near term lettuce prices to remain inflated. Prices USDA FOB shipping point unless noted (terminal).



	Price	Last Week	Difference	Price 13
Limes (150 ct.)	11.000	15.500	-4.500	8.000
Lemons (95 ct.)	30.650	28.150	+2.500	22.525
Lemons (200 ct.)	27.650	27.350	+.300	15.775
Honeydew (6 ct.)	10.075	7.975	+2.100	4.862
Cantaloupe (15 ct.)	10.450	11.950	-1.500	5.500
Blueberries (12 count)	16.833	15.125	+1.708	17.583
Strawberries (12 pnts.)	13.500	12.500	+1.000	12.000
Avocados (Hass 48 ct.)	37.250	35.250	+2.000	36.000
Bananas (40 lb.)- Term.	15.146	15.182	-.036	14.854
Pineapple (7 ct.)- Term.	12.203	13.021	-.818	12.708
Idaho Potato (60 ct., 50 lb.)	12.250	15.000	-2.750	10.750
Idaho Potato (70 ct., 50 lb.)	12.250	15.000	-2.750	10.750
Idaho Potato (70 ct.)-Term.	22.656	21.381	+1.275	16.406
Idaho Potato (90 ct., 50 lb.)	9.000	11.250	-2.250	10.750
Idaho Pot. # 2 (6 oz., 100 lb.)	13.500	13.500	-	7.500
Processing Potato (cwt.)	11.000	11.000	-	6.500
Yellow Onions (50 lb.)	7.583	6.833	+.750	9.000
Yell Onions (50 lb.)-Term.	13.333	13.823	-.490	14.125
Red Onions (25 lb.)- Term.	10.775	11.782	-1.007	13.958
White Onions (50 lb.)- Term.	17.394	16.558	+.836	17.854
Tomatoes (large- case)	15.950	15.200	+.750	10.950
Tomatoes (5x6-25 lb.)-Term	19.313	20.775	-1.462	15.731
Tomatoes (4x5 vine ripe)	15.950	14.950	+1.000	8.970
Roma Tomatoes (large- case)	8.635	9.420	-.785	10.712
Roma Tomatoes (xlarge-cs)	8.888	10.098	-1.210	10.950
Green Peppers (large- case)	15.775	23.600	-7.825	10.787
Red Peppers (large 15lb. cs.)	15.950	15.950	-	18.950
Iceberg Lettuce (24 count)	15.850	16.263	-.413	10.057
Iceberg Lettuce (24)-Term.	24.333	26.083	-1.750	19.333
Leaf Lettuce (24 count)	7.525	9.400	-1.875	8.725
Romaine Lettuce (24 cnt.)	9.438	10.000	-.562	10.100
Mesculin Mix (3 lb.)-Term.	6.688	6.813	-.125	6.906
Broccoli (14 ct.)	13.313	11.285	+2.028	8.982
Squash (1/2 bushel)	9.300	7.300	+2.000	11.025
Zucchini (1/2 bushel)	7.700	6.258	+1.442	11.300
Green Beans (bushel)	20.050	19.300	+.750	33.300
Spinach, Flat 24's	6.975	7.875	-.900	10.195
Mushrms (10 lb, lg.)-Term.	15.146	14.944	+.202	15.145
Cucumbers (bushel)	15.486	13.763	+1.723	11.532
Pickles (200-300 ct.)- Term.	29.250	31.213	-1.963	21.875
Asparagus (small)	10.500	10.500	-	11.250
Freight (Truck; CA-Cty Av.)	6468.750	6337.500	+131.250	6515.000

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

	May-14	Apr-14	Mar-14	Feb-14
Beef and Veal	+.072	+2.970	+1.924	+4.000
Dairy	+.589	+.497	+.997	+.683
Pork	+3.186	+3.097	+1.901	+.324
Chicken	+1.125	-.813	+.887	-.557
Fresh Fish and Seafood	+2.151	+1.028	-.744	+1.194
Fresh Fruits and Veg.	+1.368	+1.119	+.156	+.073