

Beef, Veal & Lamb

Beef output last week rose 1.6% but was 7.4% less than the same week a year ago. 2014 beef production is tracking 5.8% below last year. Tight fed cattle supplies and reduced cow slaughter should cause beef output to remain well below 2013 levels this summer. The June 1 cattle on feed inventory was 1.6% less than last year. Cattle placements into feedlots during May were down 7% from the prior year at lighter weights signaling even tighter cattle supplies later this year. Beef demand is declining with the higher prices. Once Fourth of July holiday supplies are secured, beef prices may head downward. Last year the choice top butt market fell 9% during the next six weeks. Price USDA, FOB per pound.

	<u>Market Trend</u>	<u>Price vs. Last Yr.</u>
Ground Beef 81/19	Increasing	Higher
Ground Chuck	Increasing	Higher
109 Export Rib (choice)	Increasing	Higher
112a Ribeye (choice)	Increasing	Higher
116 Chuck (choice)	Increasing	Higher
120 Brisket (choice)	Increasing	Higher
121c Outside Skirt (ch/sel.)	Increasing	Higher
167a Knuckle, Trimmed (choice)	Decreasing	Higher
168 Inside Round (choice)	Increasing	Higher
174 Short Loin (choice 0x1)	Decreasing	Higher
180 1x1 Strip (choice)	Increasing	Higher
180 0x1 Strip (choice)	Increasing	Higher
184 Top Butt, boneless (choice)	Increasing	Higher
185a Sirloin Flap (choice)	Decreasing	Higher
185c Loin, Tri-Tip (choice)	Increasing	Lower
189a Tender (select, 5 lb & up)	Increasing	Higher
193 Flank Steak (choice)	Decreasing	Higher

Poultry

Chicken output for the week ending June 14th declined 2.7 percent from the prior week and was 2.4% less than the same week a year ago. Year to date chicken production is tracking .5% below 2013. Spot chicken producer margins last week

were the second best for since October 2010. Good profits usually lead to solid expansion in chicken output but challenges with the breeding flock are limiting production. The broiler chick hatch during May was just .4% more than the previous year. Pullet placements into the broiler hatchery flock were just a .5% increase over 2013. Limited chicken output growth is expected to be supportive of the chicken markets this summer. Chicken wing prices are likely to average above the prior year levels during the next several months. Prices USDA, FOB per pound except when noted.

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

Produce

The lettuce markets remain firm with modest supply gaps occurring. The elevated price levels have propelled farmers to pick lettuce prematurely during the last several weeks which has left existing supplies lacking. The lettuce markets could be somewhat erratic during the next few weeks. The tomato markets remain relatively inflated as well as the chief harvest areas transition. Tomato supplies are expected to improve soon. June 1 U.S. potato stocks were the largest for the date in five years. The Idaho potato markets are counter-seasonally declining but should settle soon. Prices USDA FOB shipping point unless noted (terminal).

	<u>Market Trend</u>	<u>Price vs. Last Year</u>
Limes (150 count)	Decreasing	Lower
Lemons (95 count)	Increasing	Higher
Cantaloupe (15 count)	Decreasing	Higher
Blueberries (12 count)	Decreasing	Higher
Strawberries (12 pints)	Steady	Higher
Avocados, Hass (48 count)	Decreasing	Lower
Bananas (40 lb)-Term.	Decreasing	Higher
Idaho Potato (70 count)-Term.	Decreasing	Higher
Processing Potato (100 lb)	Steady	Higher
Yellow Onions (50 lb)	Increasing	Lower
Red Onions (25 lb)-Term.	Decreasing	Lower
Tomatoes, (large- case)	Increasing	Higher
Green Peppers (large- case)	Decreasing	Higher
Iceberg Lettuce (24 count)	Increasing	Higher

Market Snapshot

Seafood

Canadian snow crab fishing is progressing with 81% of the Newfoundland quota landed today date. The total Gulf of St. Lawrence and Newfoundland snow crab quota this year is 4.7% less than the previous year at 71.2 thousand metric tons. Historically inflated snow crab prices may persist this summer due to the smaller Canadian harvest. Prices for fresh product, unless noted, per pound from Fisheries Market News.

June 2014					
SpeciesWATCH 					
WHITEFISH	Market	Supply	Demand	Quota	Season Information
Pollock	■	■	■	■	A season is done. B season starts June 15.
Cod	■	Varies by Size	▲	■	A season is done. B season begins in September.
Rockfish	■	■	■	■	Spring/Fall
Flounder	■	▼	▲	■	Spring/Fall
Halibut	▲	▼	▲	▼	Season is open until early November or quota is taken. Whichever comes first.
SALMON	Market	Supply	Demand	Forecast	Season Information
Sockeye Salmon	■	■	■	Forecast is down.	Started May 15.
Atlantic Salmon	▲	■	▲	N/A	Winter season, harvest slow down.
Coho Salmon	▼	■	▼	Forecast is down.	Harvest starts in July.
Keta Salmon	■	■	■	■	Fishing commences in June.
Pink Salmon	■	■	■	Forecast is down.	Fishing commences in July.
SHELLFISH	Market	Supply	Demand	Quota	Season Information
Langostino Lobster	▲	▼	▲	▼	Just beginning new season.
King Crab	▼	Varies by size.	▼	▲	Russian season is just ending.
Snow Crab	▼	▲	▲	■	Alaska is over. Canada & Russian are beginning.
Dungeness Crab	▲	▼	■	N/A	Canada and Alaska are beginning.
EXOTICS	Market	Supply	Demand	Quota	Season Information
Sashimi Swordfish	■	▼	■	N/A	Fishing is ongoing.
Red Tuna	■	■	▲	N/A	Fishing is ongoing.
Natural Tuna	■	■	■	N/A	Fishing is ongoing.
Mahi Mahi	▲	▼	▲	N/A	Asia season has begun.
Tilapia	▲	▼	▲	N/A	N/A

Pork

Pork production last week declined .9% but was 1.1% larger than the same week a year ago. Hog slaughter last week was the smallest for any non-holiday week since July 2006. PEDv is expected to shorten the hog supply considerably in the coming months. Further, veterinarians are suggesting that PEDv cases could escalate once again this fall. The pork markets are generally firming. Many pork markets could set new record highs this summer. Prices USDA, FOB per pound.

	Market Trend	Price vs. Last Year
Belly (bacon)	Increasing	Lower
Spare Rib (4.25 & down)	Increasing	Higher
Ham (23-27 lb)	Increasing	Higher
Loin (bone-in)	Increasing	Higher
Baby Back Rib (1.75 & up)	Increasing	Higher

Dairy

Butter Supply Concerns Mount

Butter stocks are building seasonally but remain well below year-ago levels, when stocks were at 10-year highs. With the ramp-up buying period only a couple of months away, concern over whether stocks can rebuild to levels necessary to meet demand are growing.

Demand for both cream, particularly from the ice cream sector, and bulk butter remains strong. To meet domestic demand, which has proven resilient despite high prices, manufacturers have already started to cut blocks of butter into retail-sized portions, according to USDA's Dairy Market News.

Butter manufacturers tend to build inventories in spring when prices typically are at their lowest as milk production peaks, but that didn't happen this year because strong butter exports and lower-than-average milk production gains, particularly in the Northeast and Upper Midwest, curtailed butter production to support prices at lofty levels.

In 2010, the CME spot butter price rose from a low of \$1.31 in early February to a high of \$2.235 by late September. The following year, the CME spot butter price started the year at \$1.70 and quickly shot above \$2/lb. where it mostly stayed until late September.

Oils & Grains & Misc.

The USDA ratings for the domestic corn crop this week were the best for this week in the last 15 years. Lower corn prices could be pending this fall. Prices USDA, FOB.

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

Sources: Multiple (including: UniPro; Uner Barry; Ag Center; Produce News; Beef Center; Agriculture.com; Black Box Intelligence; Hawaii Tourism Authority)