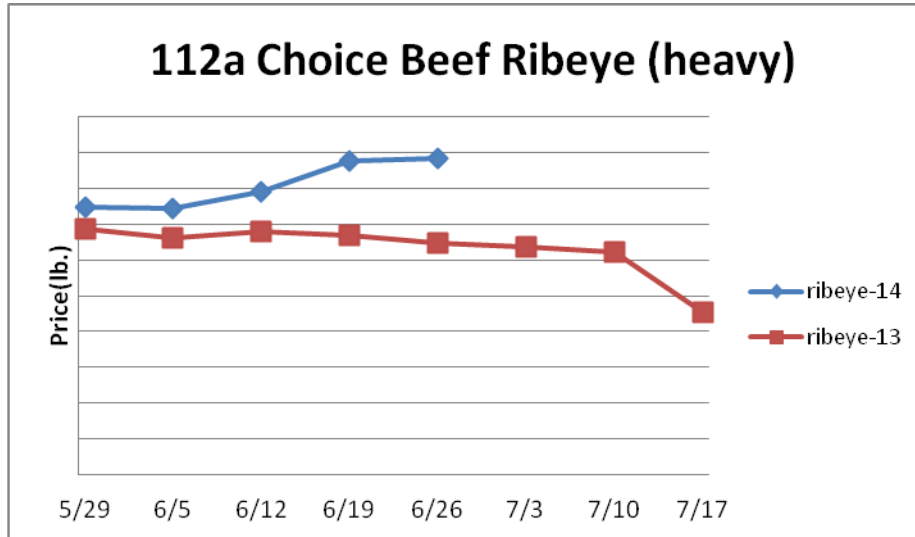


Beef, Veal and Lamb Report

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

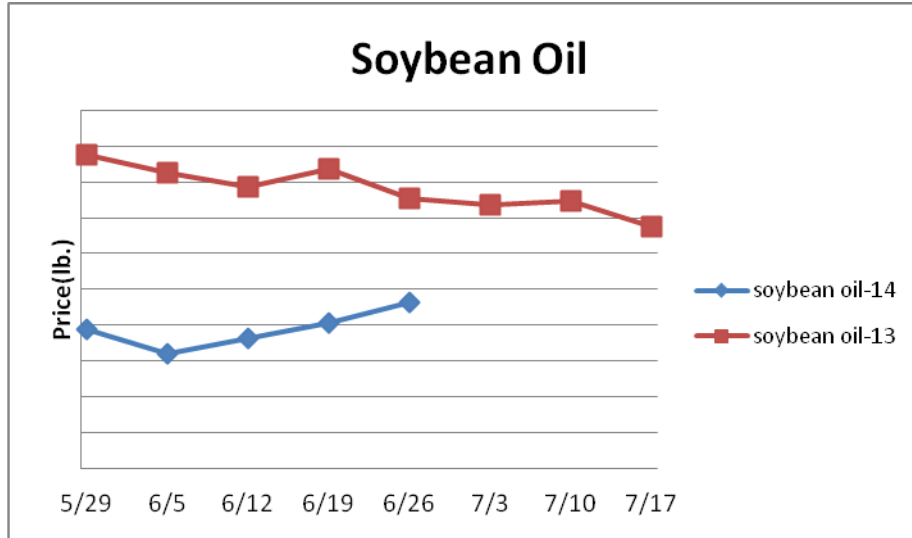


| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|---------------------------------|---------------------|-----------------|----------------------------|
| Live Cattle (Steer) | Decreasing | Good | Higher |
| Ground Beef 81/19 | Increasing | Good | Higher |
| Ground Chuck | Increasing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

| | | | |
|---------------------------------|-------------------|-------------|---------------|
| Veal Rack (Hotel 7 rib) | Increasing | Good | Higher |
| Veal Top Round (cap off) | Steady | Good | Same |

Oil and Grains Report

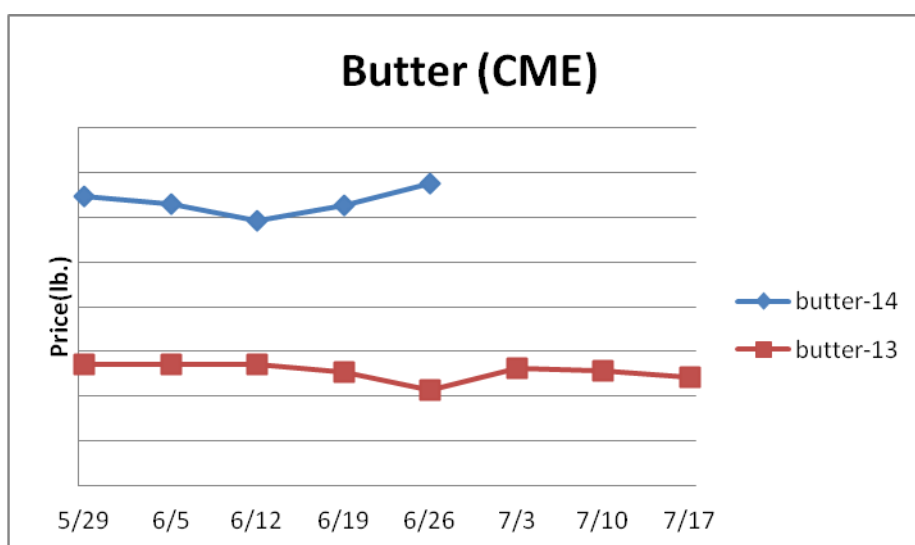
Oil & Grains & Misc - The USDA ratings for the domestic corn crop this week were the best for this week in the last 15 years. Lower corn prices could be pending this fall. Prices USDA, FOB.



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

Dairy Report

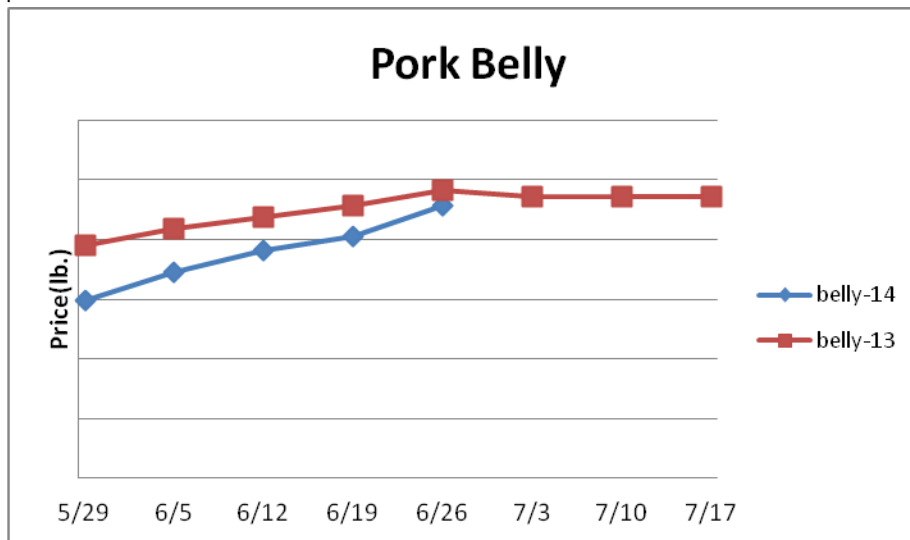
Dairy-U.S. milk production during May was 1.4% more than last year due to an estimated .2% larger milk cow herd and an estimated 1.2% increase in milk per cow yields. Milk farmers added a net 10,000 head to the herd during the month. A building dairy cow herd should lead to better milk output expansion compared to 2013 in the coming months which eventually could weigh on the dairy markets. The butter market is firm with May 31st butter stocks 40% less than the previous year. Butter prices could remain erratic. May 31st cheese stocks were down 7% from 2013. 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 | Decreasing | Good | Higher |
| American Cheese | Increasing | Good | Higher |
| Cheddar Cheese | Decreasing | Good | Lower |
| Mozzarella Cheese | Decreasing | Good | Higher |
| Provolone Cheese | Decreasing | Good | Higher |
| Parmesan Cheese | Decreasing | Good | Higher |
| Butter- One lb Solids | Increasing | Good | Higher |
| Nonfat Dry Milk | Decreasing | Good | Higher |
| Whey, Dry | Decreasing | Good | Higher |
| 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 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.



| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|---------------------------------------|---------------------|-----------------|----------------------------|
| Live Hogs | Increasing | Good | Higher |
| Belly (bacon) | Increasing | Good | Lower |
| Spare Rib (4.25 & down) | Increasing | Good | Higher |
| Ham (23-27 lb) | Increasing | Good | Higher |
| Loin (bone-in) | Increasing | 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 | Decreasing | Good | Higher |
| SS Picnic, smoker trim boxed | Increasing | Good | Higher |
| 42% Trimmings | Increasing | Good | Higher |
| 72% Trimmings | Increasing | Good | Higher |

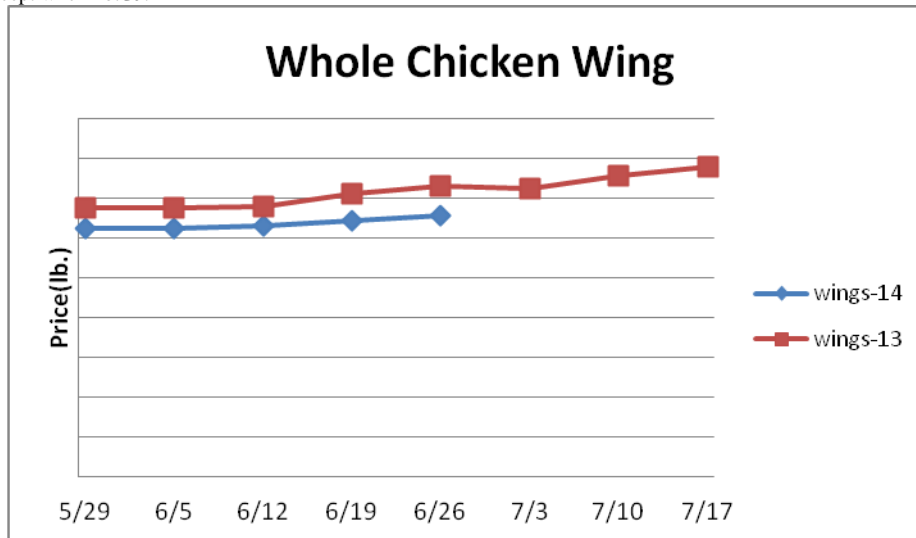
Canned Tomato Report

Tomato Products, Canned – The California tomato for canning harvest should expand sharply next month. Canned tomato prices remain 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

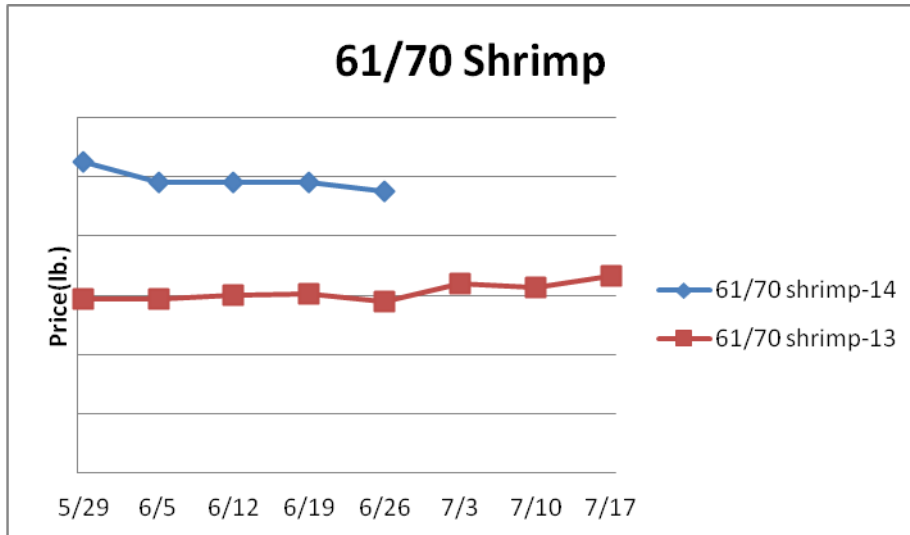
Poultry- Chicken output for the week ending June 14th declined 2.7 percent from the prior week and was 2.4% less than the same week a year ago. Year to date chicken production is tracking .5% below 2013. Spot chicken producer margins last week were the second best for since October 2010. Good profits 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>Supplies</u> | <u>Price vs. Last Year</u> |
|--------------------------------|---------------------|-----------------|----------------------------|
| Whole Chicken (2.5-3 lb-GA) | Increasing | Good | Higher |
| Chicken Wings, Whole | Increasing | Good | Lower |
| Chicken Wings, Jumbo Cut | Increasing | Good | Lower |
| Chicken Breast, Bone-In | Increasing | Good | Lower |
| Chicken Breast, Bnless Sknless | Increasing | Good | Higher |
| Chicken Tender (random) | Increasing | Good | Higher |
| Chicken Tender (sized) | Increasing | Good | Higher |
| Chicken Legs (whole) | Decreasing | Good | Lower |
| Chicken Leg Quarters | Steady | Good | Higher |
| Chicken Thighs, bone in | Decreasing | Good | Higher |
| Chicken Thighs, boneless | Decreasing | Good | Lower |
| Large Eggs | Decreasing | Good | Higher |
| Medium Eggs | Decreasing | Good | Higher |
| Whole Eggs- Liq | Decreasing | Good | Higher |
| Egg Whites- Liq | Increasing | Good | Higher |
| Egg Yolks- Liq | Steady | Good | Lower |
| Whole Turkey (8-16 lb) | Decreasing | Good | Higher |
| Turkey Breast- Bnls/Sknls | Increasing | Good | Higher |

Seafood Report

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.



| | <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) | Decreasing | Good | Higher |
| Shrimp (61-70 count) | Decreasing | Good | Higher |
| Shrimp, Tiger (26-30 count) | Decreasing | Good | Higher |
| Snow Crab Legs (5-8 oz) | Steady | Good | Higher |
| Snow Crab Legs (8 oz up) | Steady | Good | Lower |
| Cod Tails, 3-7 oz. Frz. | Steady | Good | Lower |
| Cod Loins, 3-12 oz. Frz. | Steady | Good | Higher |
| Salmon Portions, 4-8 oz. Frz. | Steady | Good | Higher |

Bean, Rice, Coffee and Sugar Report

| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|-------------------------|---------------------|-----------------|----------------------------|
| Pinto Beans | Steady | Good | Lower |
| Black Beans | Steady | Good | Higher |
| Rice, Long Grain | Decreasing | Good | Lower |
| Coffee Beans | Increasing | Good | Higher |
| Sugar | Increasing | Good | Higher |
| 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 | n/a | Good | n/a |
| 42 lb. Linerboard-corrugated box | n/a | Good | n/a |
| 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>May-14</u> | <u>Apr-14</u> | <u>Mar-14</u> |
|------------------------------------|---------------|---------------|---------------|
| Beef and Veal | Increasing | Increasing | Increasing |
| Dairy | Increasing | Increasing | Increasing |
| Pork | Increasing | Increasing | Increasing |
| Chicken | Increasing | Decreasing | Increasing |
| Fresh Fish and Seafood | Increasing | Increasing | Decreasing |
| Fresh Fruits and Vegetables | Increasing | Increasing | Increasing |

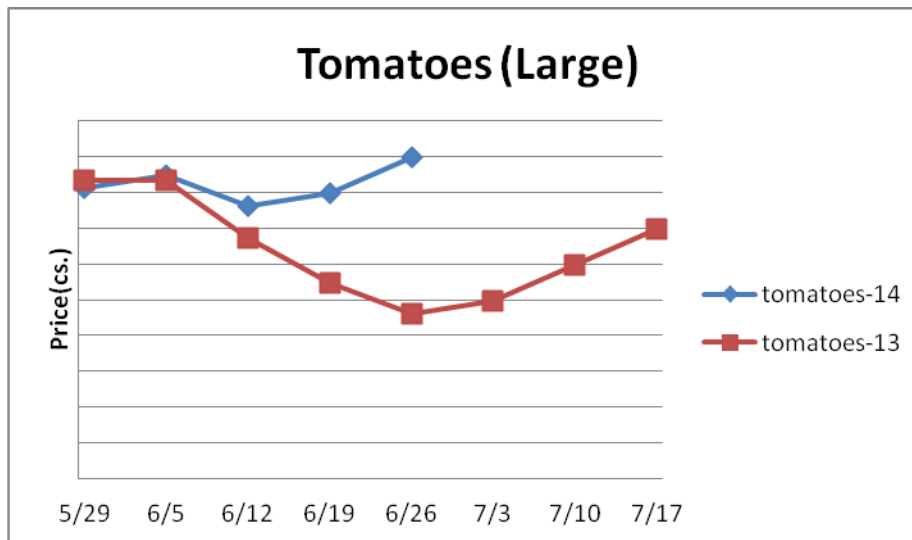
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables -May 31st frozen green bean (27%), green pea (3%) and cob corn (2%) stocks were all less than last year while cut corn (5%) holdings were higher. Inflated price levels could persist. 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 - 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>Supplies</u> | <u>Price vs. Last Year</u> |
|-------------------------------|---------------------|-----------------|----------------------------|
| Limes (150 count) | Decreasing | Good | Lower |
| Lemons (95 count) | Increasing | Good | Higher |
| Lemons (200 count) | Steady | Good | Higher |
| Honeydew (6 ct.) | Increasing | Good | Higher |
| Cantaloupe (15 count) | Decreasing | Good | Higher |
| Blueberries (12 count) | Decreasing | Good | Higher |
| Strawberries (12 pints) | Steady | Good | Higher |
| Avocados, Hass (48 count) | Decreasing | Good | Lower |
| Bananas (40 lb)-Term. | Decreasing | Good | Higher |
| Pineapple (7 ct.)- Term. | Increasing | Good | Lower |
| Idaho Potato (60 count) | Decreasing | Good | Lower |
| Idaho Potato (70 count) | Decreasing | Good | Lower |
| Idaho Potato (70 count)-Term. | Decreasing | Good | Higher |
| Idaho Potato (90 count) | Decreasing | Good | Lower |
| Idaho Potato #2 (6 oz. min.) | Decreasing | Good | Higher |
| Processing Potato (100 lb) | Steady | Good | Higher |
| Yellow Onions (50 lb) | Increasing | Good | Lower |
| Yellow Onions (50 lb)-Term. | Decreasing | Good | Lower |
| Red Onions (25 lb)-Term. | Decreasing | Good | Lower |

| | | | |
|--|-------------------|-------------|---------------|
| White Onions (50 lb)-Term. | Increasing | Good | Lower |
| Tomatoes, (large- case) | Increasing | Good | Higher |
| Tomatoes, (5x6, 25 lb.)-Term. | Increasing | Good | Higher |
| Tomatoes, Vine Ripe, (4x5) | Increasing | Good | Higher |
| Roma Tomatoes (large- case) | Increasing | Good | Higher |
| Roma Tomatoes (xlarge- case) | Increasing | Good | Higher |
| Green Peppers (large- case) | Decreasing | Good | Higher |
| Red Peppers (large- 15 lb. cs.) | Increasing | Good | Higher |
| Iceberg Lettuce (24 count) | Increasing | Good | Higher |
| Iceberg Lettuce (24 cnt)-Term. | Increasing | Good | Higher |

Produce Report (continued)

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