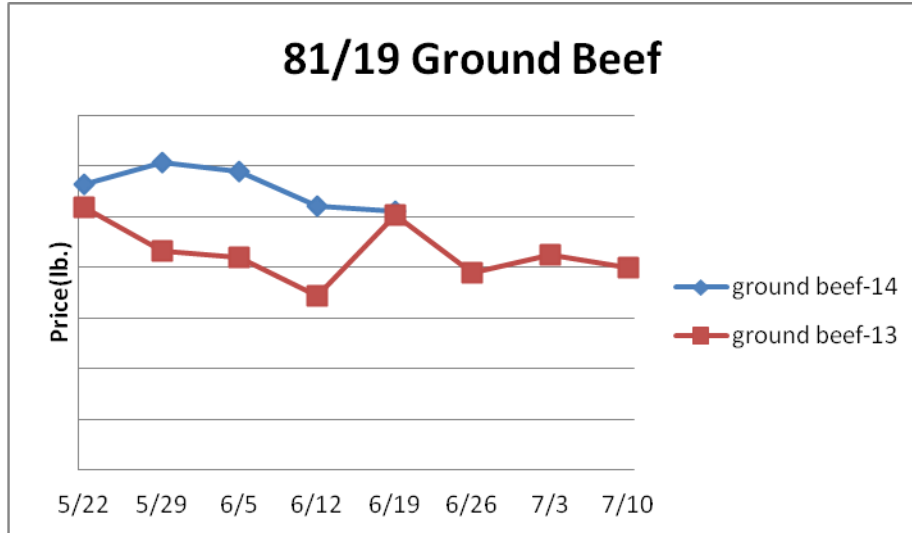


Beef, Veal and Lamb Report

Beef, Veal & Lamb-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

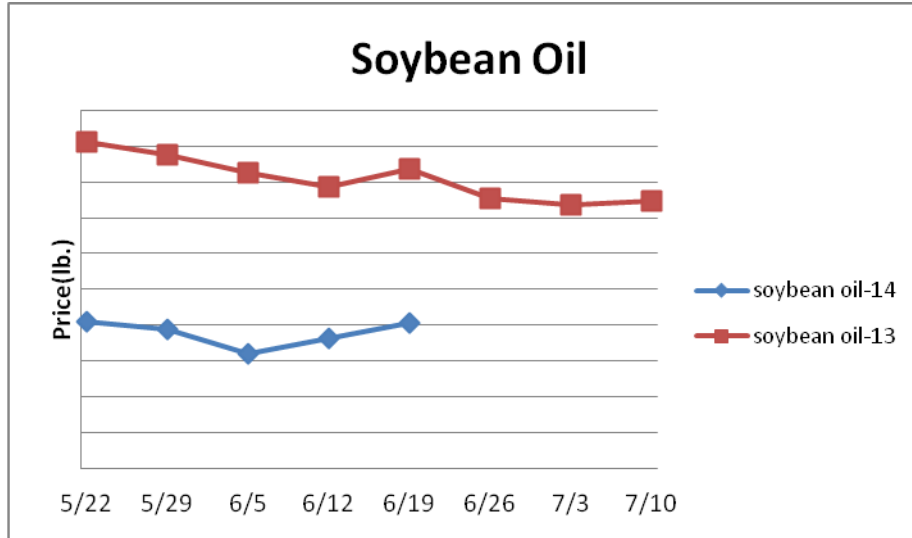


	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Live Cattle (Steer)	Increasing	Good	Higher
Ground Beef 81/19	Decreasing	Good	Higher
Ground Chuck	Decreasing	Good	Higher
109 Export Rib (choice)	Increasing	Good	Higher
109 Export Rib (prime)	Decreasing	Good	Higher
112a Ribeye (choice)	Increasing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

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

Oil and Grains Report

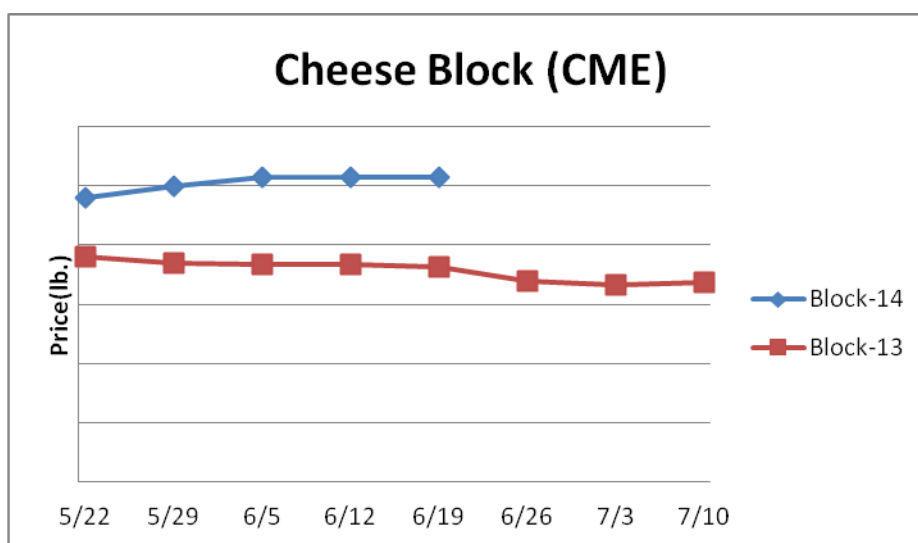
Oil & Grains & Misc - The expected El Nino weather pattern is now anticipated to be weaker which should help world palm oil production. Still, food oil prices may find a bottom soon. Prices USDA, FOB.



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

Dairy Report

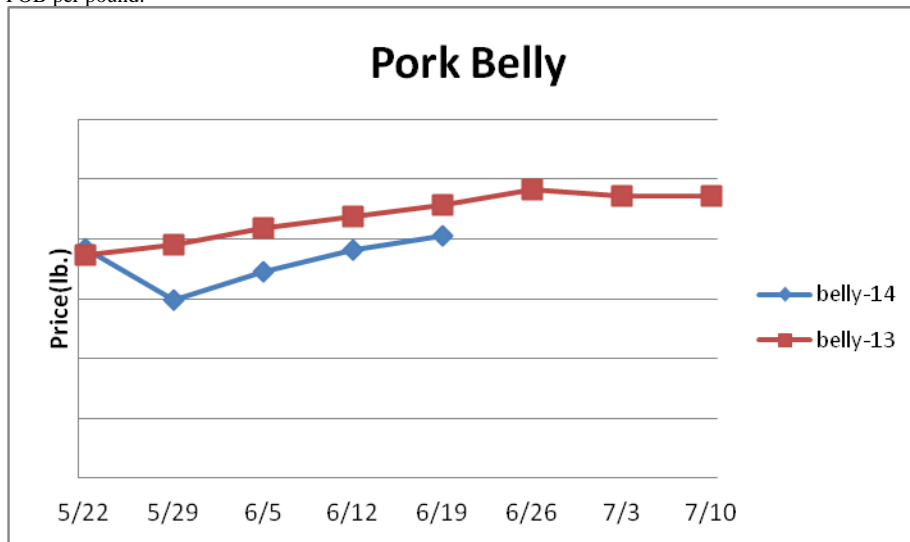
Dairy-The CME cheese markets have been fairly range bound during the last week at historically expensive price levels. Seasonally strong spring milk production is enduring longer than normal this year due favorable weather which could weigh on the cheese markets for the near term. The greater price risk 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.



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

Pork Report

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.



	<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	Decreasing	Good	Higher
72% Trimmings	Increasing	Good	Higher

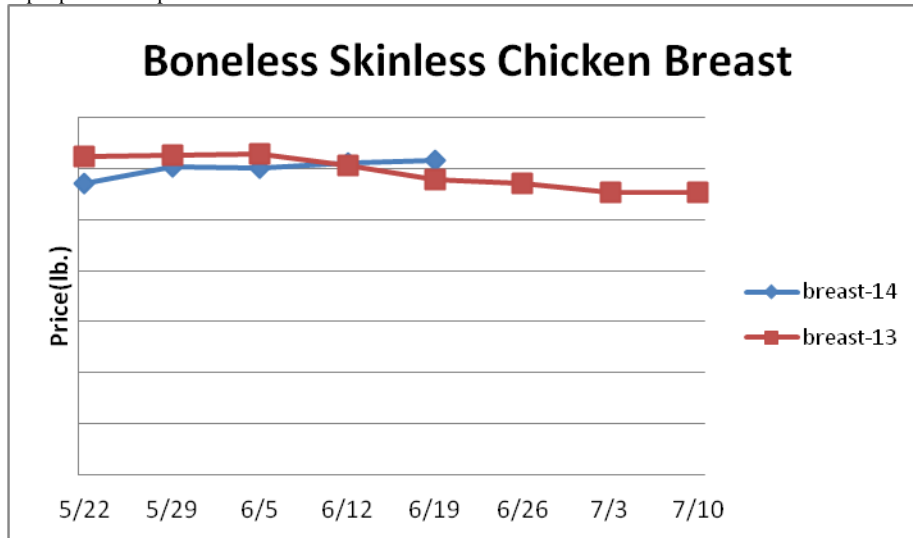
Canned Tomato Report

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.

	<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

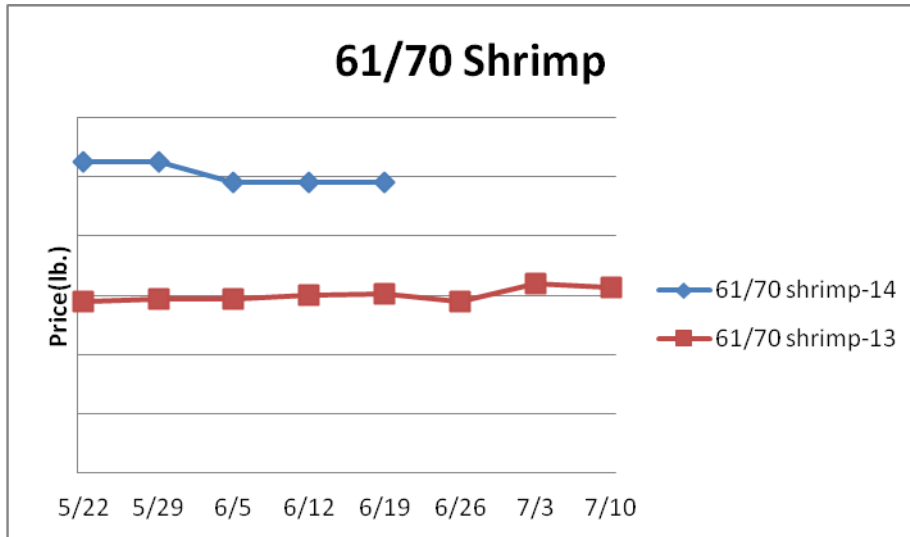
Poultry- Chicken production last week was 2.1% more than the same week a year ago. Challenges with the broiler hatchery flock are expected to cause chicken output expansion to be slow for the next several months. The USDA is forecasting summer chicken production to be just .7% larger than the previous 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.



	<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	Decreasing	Good	Lower
Chicken Breast, Bnless Sknless	Increasing	Good	Higher
Chicken Tender (random)	Steady	Good	Higher
Chicken Tender (sized)	Steady	Good	Lower
Chicken Legs (whole)	Increasing	Good	Lower
Chicken Leg Quarters	Steady	Good	Higher
Chicken Thighs, bone in	Increasing	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	Decreasing	Good	Higher
Egg Yolks- Liq	Decreasing	Good	Lower
Whole Turkey (8-16 lb)	Increasing	Good	Higher
Turkey Breast- Bnls/Sknls	Increasing	Good	Higher

Seafood Report

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.



	<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)	Increasing	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)	Increasing	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.	Decreasing	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	Increasing	Good	Lower
Coffee Beans	Decreasing	Good	Higher
Sugar	Steady	Good	Higher
Honey	Steady	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

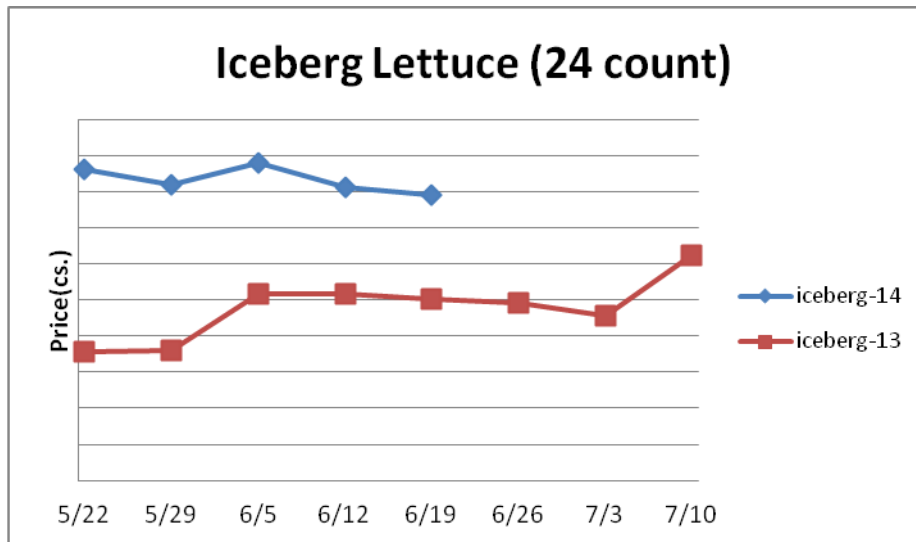
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables -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.

<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 - 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).



	<u>Market Trend</u>	<u>Supplies</u>	<u>Price vs. Last Year</u>
Limes (150 count)	Decreasing	Good	Higher
Lemons (95 count)	Increasing	Good	Higher
Lemons (200 count)	Increasing	Good	Higher
Honeydew (6 ct.)	Increasing	Good	Higher
Cantaloupe (15 count)	Decreasing	Good	Higher
Blueberries (12 count)	Increasing	Good	Lower
Strawberries (12 pints)	Increasing	Good	Higher
Avocados, Hass (48 count)	Increasing	Good	Higher
Bananas (40 lb)-Term.	Decreasing	Good	Higher
Pineapple (7 ct.)- Term.	Decreasing	Good	Lower
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	Lower
Idaho Potato #2 (6 oz. min.)	Steady	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.	Decreasing	Good	Higher
Tomatoes, Vine Ripe, (4x5)	Increasing	Good	Higher
Roma Tomatoes (large- case)	Decreasing	Good	Lower
Roma Tomatoes (xlarge- case)	Decreasing	Good	Lower
Green Peppers (large- case)	Decreasing	Good	Higher
Red Peppers (large- 15 lb. cs.)	Steady	Good	Lower
Iceberg Lettuce (24 count)	Decreasing	Good	Higher
Iceberg Lettuce (24 cnt)-Term.	Decreasing	Good	Higher

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.)	Increasing	Good	Higher
Squash (case)	Increasing	Good	Lower
Zucchini (case)	Increasing	Good	Lower
Green Beans (bushel)	Increasing	Good	Lower
Spinach, Flat 24's	Decreasing	Good	Lower
Mushrooms (large), Term.	Increasing	Good	Higher
Cucumbers, Bushel	Increasing	Good	Higher
Pickles (200-300 ct.)-Term.	Decreasing	Good	Higher
Asparagus (small)	Steady	Good	Lower
Freight (CA to City Avg.)	Increasing	Good	Lower