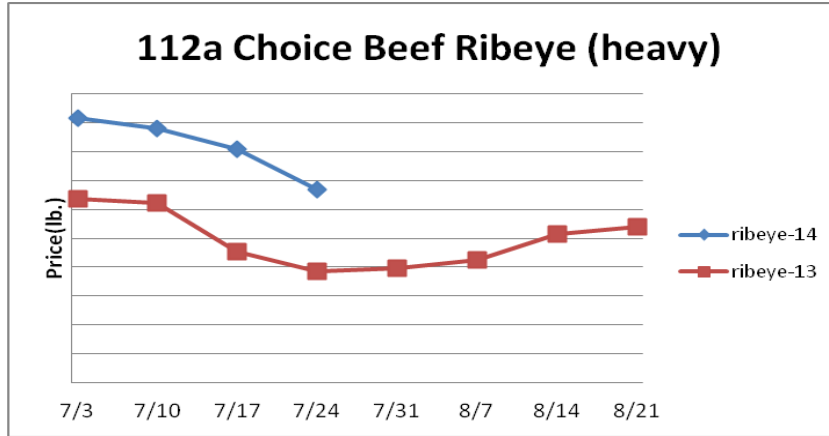


Beef, Veal and Lamb Report

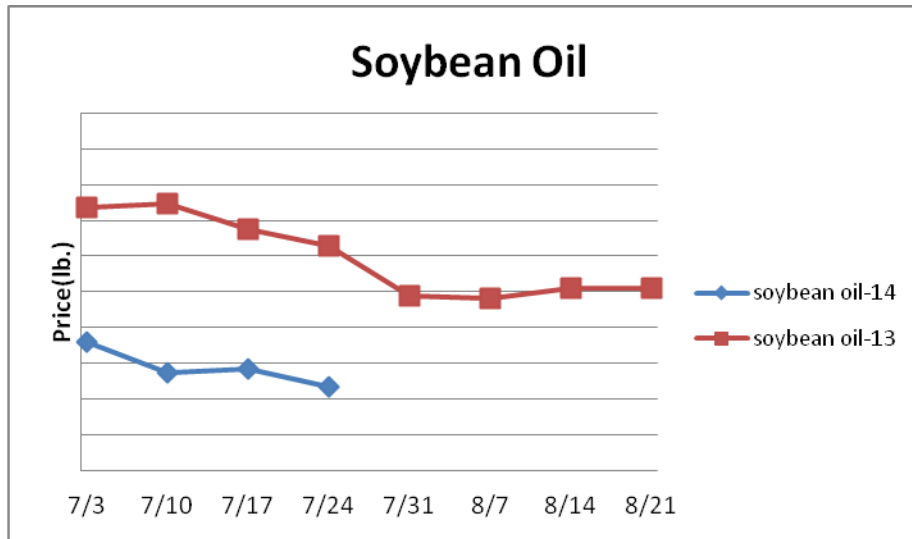
Beef, Veal & Lamb-Beef production last week rose .4% but was a whopping 11.4% less than the same week a year ago. At the same time, beef demand continued to improve with total beef shipments last week climbing to a five week high. Beef demand is expected to seasonally wane during the next few weeks until retailers start to source product for the pending Labor Day Holiday. This could influence many beef markets downward although the lean beef trim markets may remain stubbornly high due to lighter domestic cow slaughter. Retail beef prices during May were 10.4% higher than last year and a record. Inflated retail prices should temper beef demand going forward. 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 | Increasing | Good | Higher |
| Ground Chuck | Increasing | Good | Higher |
| 109 Export Rib (choice) | Decreasing | Good | Higher |
| 109 Export Rib (prime) | Decreasing | Good | Higher |
| 112a Ribeye (choice) | Decreasing | 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.) | Increasing | 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) | Decreasing | Good | Higher |
| 180 1x1 Strip (prime) | Increasing | Good | Higher |
| 180 0x1 Strip (choice) | Decreasing | Good | Higher |
| 184 Top Butt, boneless (choice) | Decreasing | Good | Higher |
| 184 Top Butt, boneless (prime) | Increasing | Good | Higher |
| 185a Sirloin Flap (choice) | Decreasing | Good | Higher |
| 185c Loin, Tri-Tip (choice) | Decreasing | Good | Higher |
| 189a Tender (select, 5 lb & up) | Decreasing | Good | Higher |
| 189a Tender (choice, 5 lb & up) | Decreasing | Good | Higher |
| 189a Tender (prime, heavy) | Increasing | Good | Higher |
| 193 Flank Steak (choice) | Decreasing | Good | Higher |
| 50% Trimmings | Increasing | Good | Higher |
| 65% Trimmings | Increasing | Good | Higher |
| 75% Trimmings | Increasing | Good | Higher |
| 85% Trimmings | Increasing | Good | Higher |
| 90% Trimmings | Decreasing | Good | Higher |
| 90% Imported Beef (frozen) | Increasing | Good | Higher |
| Veal Rack (Hotel 7 rib) | Increasing | Good | Higher |
| Veal Top Round (cap off) | Increasing | Good | Higher |

Oil and Grains Report

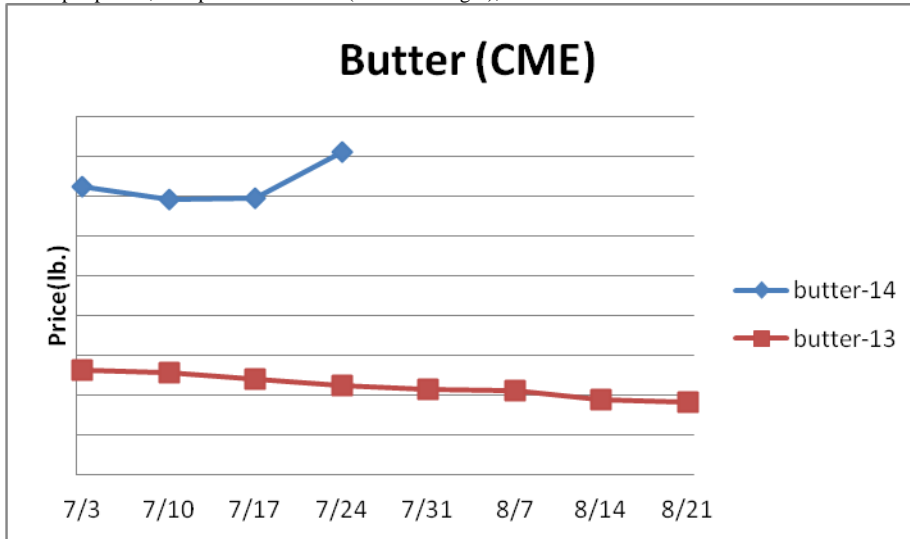
Oil & Grains & Misc - The grain markets have continued to soften during the last week. Demand for feed and wheat is improving however which signals that a bottom in the markets may be near. Prices USDA, FOB.



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

Dairy Report

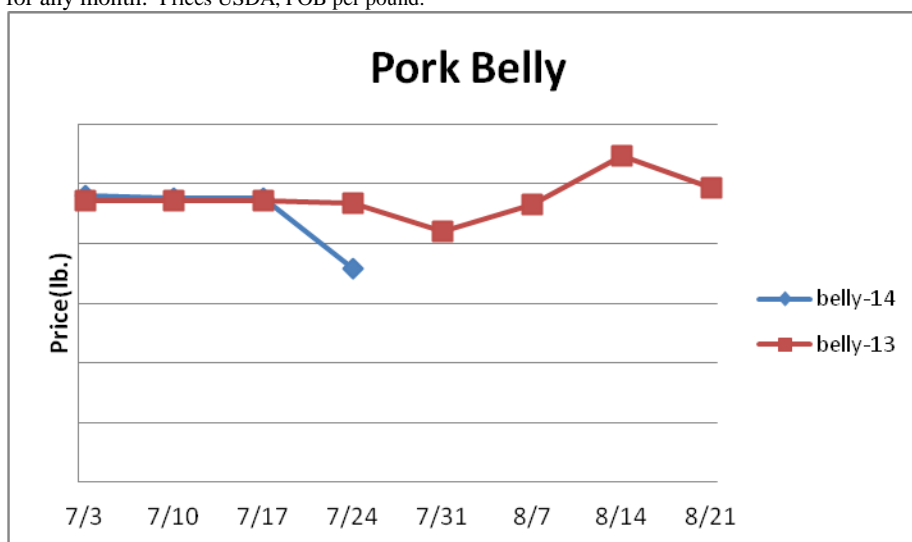
Dairy- U.S. milk production during June was 1.9% bigger than last year due to an estimated .2% larger milk cow herd and a 1.7% estimated increase in milk per cow yields. Milk farmers added a net 11,000 head to the herd during the month. During the last three months the milk cow herd has expanded by the most since the spring of 2011. Milk output growth is projected to persist which eventually should weigh heavy on the dairy markets. The butter market traded at 15 year highs this week. The downside price risk in butter is greater than the upside. Cheese prices are firm. 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 | Decreasing | Good | Higher |
| Cheese 40 lb Blocks- CME | Increasing | Good | Higher |
| American Cheese | Steady | Good | Higher |
| Cheddar Cheese | Steady | Good | Lower |
| Mozzarella Cheese | Steady | Good | Higher |
| Provolone Cheese | Steady | Good | Higher |
| Parmesan Cheese | Steady | Good | Higher |
| Butter- One lb Solids | Increasing | Good | Higher |
| Nonfat Dry Milk | Steady | Good | Higher |
| Whey, Dry | Steady | Good | Higher |
| Class I Milk Base | Steady | Good | Higher |
| Class II Cream (Heavy Cream) | Steady | Good | Higher |
| Class III Milk- CME | Increasing | Good | Higher |
| Class IV Milk- CME | Increasing | Good | Higher |

Pork Report

Pork - Pork output last week declined 1.7% and was 4% less than the same week a year ago. Hog slaughter last week was the smallest for any non-holiday week in over eight years. PEDv shortened hog supplies are expected to cause pork production to continue to track below 2013 levels during the next several months. The pork markets are anticipated to be especially volatile into the fall. Retail pork prices during June were up 12% vs. last year and a record for any month. Prices USDA, FOB per pound.



| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|---------------------------------------|---------------------|-----------------|----------------------------|
| Live Hogs | Decreasing | Good | Higher |
| Belly (bacon) | Decreasing | Good | Lower |
| Spare Rib (4.25 & down) | Decreasing | Good | Higher |
| Ham (23-27 lb) | Increasing | Good | Higher |
| Loin (bone-in) | Increasing | Good | Higher |
| Baby Back Rib (1.75 & up) | Decreasing | 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 | Decreasing | Good | Higher |
| 42% Trimmings | Steady | Good | Lower |
| 72% Trimmings | Increasing | Good | Higher |

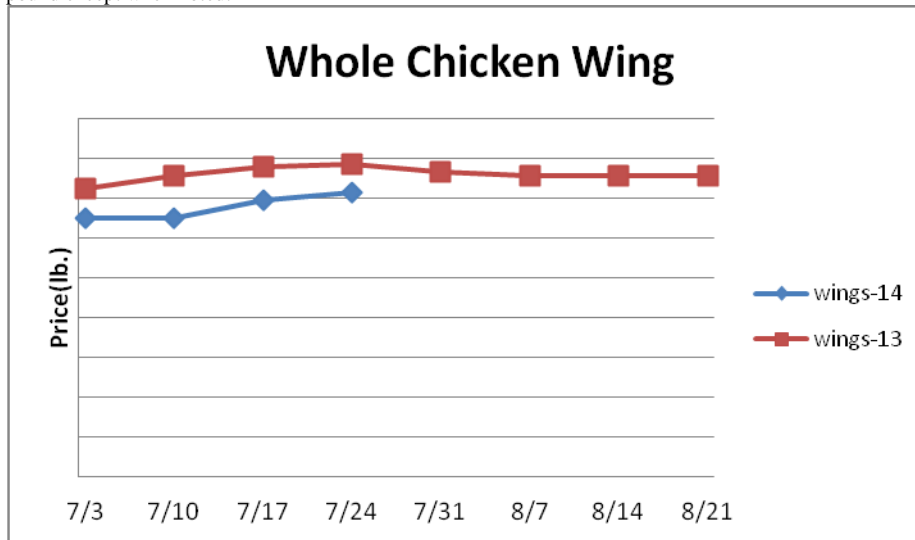
Canned Tomato Report

Tomato Products,Canned - Tomato output in California looks adequate and is projected to be harvested in the coming weeks. Canned tomato prices are steady. 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

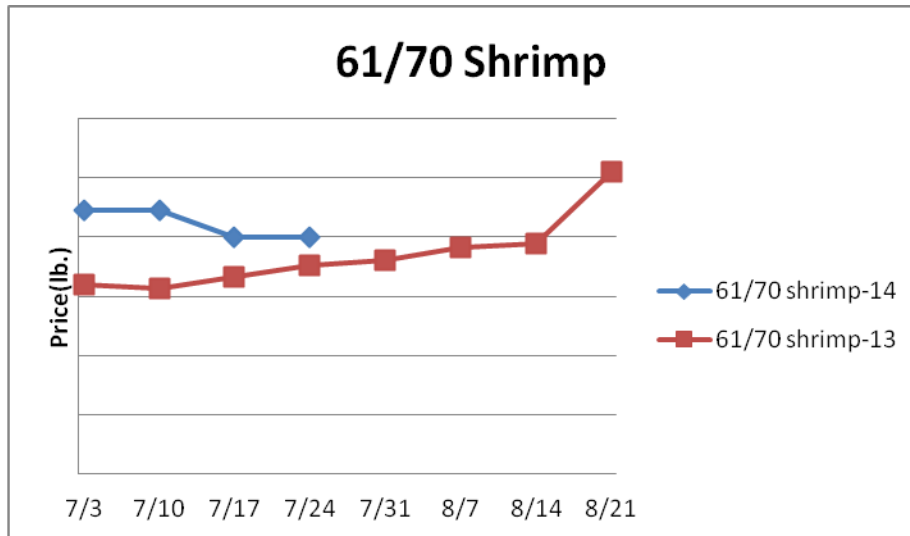
Poultry- Chicken production for the week ending July 12th was 2.4% less than the same week a year ago. Chicken output is projected to track closer to 2013 levels in the coming months but any supply expansion may be negligible. The chicken breast markets remain seasonally inflated. Typically the chicken breast markets remain firm before turning lower after Labor Day. Last year the ARA Boneless Skinless Chicken Breast Index fell 19.3% from the beginning of September through Halloween. Still, any seasonal declines in chicken breast prices this fall may be tempered by limited chicken production expansion. The chicken wing markets are starting to seasonally firm. Higher chicken wing prices are projected in August. Retail chicken prices during June were 1.5% higher than 2013. 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 | Increasing | Good | Lower |
| Chicken Breast, Bone-In | Increasing | Good | Higher |
| Chicken Breast, Bnless Sknless | Decreasing | Good | Higher |
| Chicken Tender (random) | Steady | Good | Higher |
| Chicken Tender (sized) | Steady | Good | Higher |
| Chicken Legs (whole) | Increasing | Good | Lower |
| Chicken Leg Quarters | Steady | Good | Higher |
| Chicken Thighs, bone in | Decreasing | Good | Lower |
| Chicken Thighs, boneless | Decreasing | Good | Lower |
| Large Eggs | Increasing | Good | Higher |
| Medium Eggs | Steady | Good | Higher |
| Whole Eggs- Liq | Increasing | Good | Higher |
| Egg Whites- Liq | Steady | Good | Higher |
| Egg Yolks- Liq | Steady | Good | Lower |
| Whole Turkey (8-16 lb) | Increasing | Good | Higher |
| Turkey Breast- Bnls/Sknls | Increasing | Good | Higher |

Seafood Report

Seafood - Elevated salmon prices continue to encourage strong U.S. salmon imports. World salmon exports to the U.S. during May were 7% more than the previous year and a record high. This occurred despite disappointing imports from Canada. Nearly half of the imported salmon during May was sourced from Chile. Salmon prices may remain elevated. 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) | Increasing | 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 | Higher |
| 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 | Increasing | Good | Lower |
| Black Beans | Steady | Good | Lower |
| Rice, Long Grain | Steady | Good | Lower |
| Coffee Beans | Increasing | Good | Higher |
| Sugar | Increasing | Good | Higher |
| Honey | Decreasing | Good | Lower |

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>Jun-14</u> | <u>May-14</u> | <u>Apr-14</u> |
|------------------------------------|---------------|---------------|---------------|
| Beef and Veal | Increasing | Increasing | Increasing |
| Dairy | Decreasing | Increasing | Increasing |
| Pork | Increasing | Increasing | Increasing |
| Chicken | Increasing | Increasing | Decreasing |
| Fresh Fish and Seafood | Increasing | Increasing | Increasing |
| Fresh Fruits and Vegetables | Decreasing | Increasing | Increasing |

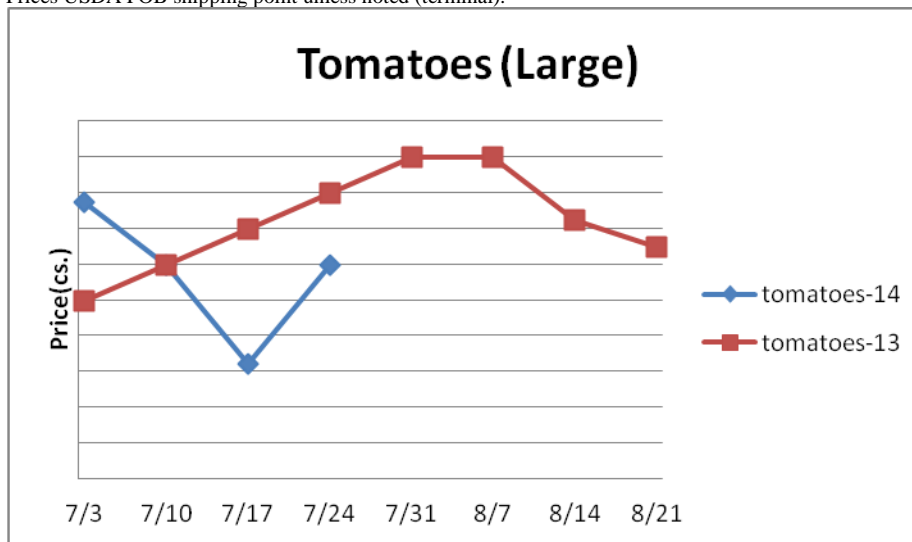
Processed Fruits and Vegetables Report

Processed Fruits and Vegetables - Weather in the Midwest and East for the vegetable for processing crops has been nearly ideal after the planting delays. Still, crop challenges in the West may keep the markets 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 - Tomato supplies remain ample as the harvest in California has improved. Thus, the majority of the tomato markets are trading well below year ago levels. With the absence of any major weather issues, adequate tomato supplies and relatively engaging prices may persist into August. Avocado supplies have been relatively sufficient in recent weeks as well but changes could be forthcoming. Avocado shipments are expected to decline next month which could bring with it some seasonal price inflation. Last year avocado prices rose 14% during the month of August. Prices USDA FOB shipping point unless noted (terminal).



| | <u>Market Trend</u> | <u>Supplies</u> | <u>Price vs. Last Year</u> |
|--------------------------------------|---------------------|-----------------|----------------------------|
| Limes (150 count) | Steady | Good | Same |
| Lemons (95 count) | Steady | Good | Higher |
| Lemons (200 count) | Steady | Good | Higher |
| Honeydew (6 ct.) | Decreasing | Good | Higher |
| Cantaloupe (15 count) | Decreasing | Good | Same |
| Blueberries (12 count) | Decreasing | Good | Lower |
| Strawberries (12 pints) | Decreasing | Good | Higher |
| Avocados, Hass (48 count) | Decreasing | Good | Higher |
| 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 | Lower |
| Idaho Potato (90 count) | Steady | Good | Lower |
| Idaho Potato #2 (6 oz. min.) | Decreasing | Good | Lower |
| Processing Potato (100 lb) | Decreasing | Good | Higher |
| Yellow Onions (50 lb) | Increasing | Good | Higher |
| Yellow Onions (50 lb)-Term. | Decreasing | Good | Lower |
| Red Onions (25 lb)-Term. | Increasing | Good | Lower |

| | | | |
|--|-------------------|-------------|---------------|
| White Onions (50 lb)-Term. | Increasing | Good | Higher |
| Tomatoes, (large- case) | Increasing | Good | Lower |
| Tomatoes, (5x6, 25 lb.)-Term. | Decreasing | Good | Lower |
| Tomatoes, Vine Ripe, (4x5) | Decreasing | Good | Lower |
| 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.) | Decreasing | Good | Lower |
| Iceberg Lettuce (24 count) | Decreasing | 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 | Higher |
| Mesculin Mix (3 lb)-Term. | Increasing | Good | Higher |
| Broccoli (14 cnt.) | Decreasing | Good | Lower |
| Squash (case) | Increasing | Good | Lower |
| Zucchini (case) | Increasing | Good | Lower |
| Green Beans (bushel) | Decreasing | Good | Higher |
| Spinach, Flat 24's | Increasing | Good | Lower |
| Mushrooms (large), Term. | Decreasing | Good | Lower |
| Cucumbers, Bushel | Decreasing | Good | Lower |
| Pickles (200-300 ct.)-Term. | Decreasing | Good | Lower |
| Asparagus (small) | Increasing | Good | Higher |
| Freight (CA to City Avg.) | Decreasing | Good | Higher |