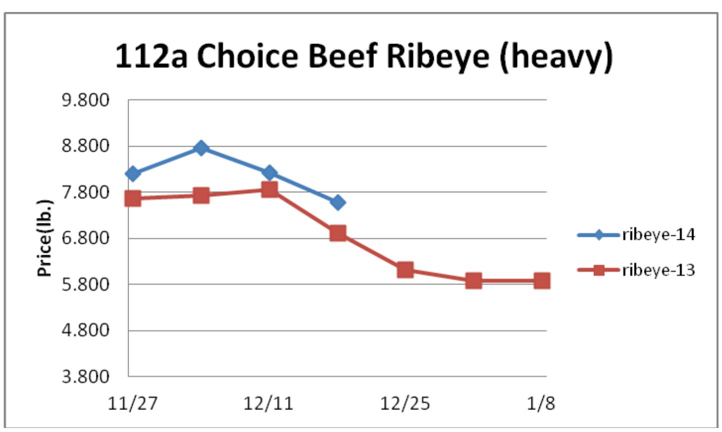
# Weekly Market Updates

PERFORMANCE FOODSERVICE

Volume No. 19 Issue No. 51 Date: December 17, 2014

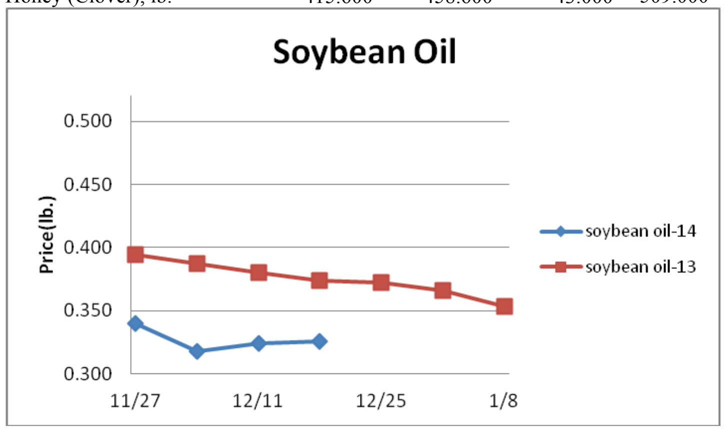
**Beef-** Beef output last week rose .8% but was 3.9% less than the same week a year ago. Cattle supplies remain limited but the spotty beef demand appears to be causing cattle supplies to back up in the feedlots which is being reflected in the heavier weights. Still, beef supplies are projected to remain tight this winter with the USDA forecasting a 3.7% output decline compared to the prior year. Retailers are starting to shift their beef buying focus to end cut products for January features. This should lift many of the beef end cut markets in the near term. The 168 choice inside round market has risen at least $.10 a pound during the next week each of the last three years. Price USDA, FOB per pound..

| | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| Live Cattle | 1.624 | 1.673 | -.049 | 1.313 |
| Feeder Cattle Index (CME) | 2.353 | 2.417 | -.064 | 1.676 |
| Ground Beef 81/19 | 2.533 | 2.675 | -.142 | 1.794 |
| Ground Chuck | 2.751 | 2.760 | -.009 | 2.020 |
| 109e Export Rib (choice) | 6.646 | 7.991 | -1.345 | 7.164 |
| 109e Export Rib (prime) | 9.154 | 9.072 | +.082 | 11.098 |
| 112a Ribeye (choice) | 7.576 | 8.212 | -.636 | 6.918 |
| 112a Ribeye (prime) | 9.944 | 9.907 | +.037 | 11.293 |
| 116 Chuck (select) | 2.961 | 3.021 | -.060 | 2.533 |
| 116 Chuck (choice) | 3.006 | 3.061 | -.055 | 2.588 |
| 116b Chuck Tdnr (choice) | 3.012 | 3.204 | -.192 | 2.338 |
| 120 Brisket (choice) | 3.311 | 3.243 | +.068 | 2.034 |
| 121c Outside Skirt (ch/sel) | 5.797 | 5.545 | +.252 | 3.775 |
| 121d Inside Skirt (ch/sel) | 4.473 | 4.428 | +.045 | 3.250 |
| 167a Knckle, Trm. (ch.) | 3.223 | 3.210 | +.013 | 2.400 |
| 168 Inside Round (ch.) | 2.811 | 2.815 | -.004 | 2.193 |
| 174 Short Loin (ch. 0x1) | 5.214 | 5.401 | -.187 | 4.511 |
| 174 Short Loin (prime) | 7.365 | 7.809 | +.444 | 8.762 |
| 180 1x1 Strp (choice) | 4.860 | 5.044 | -.184 | 4.248 |
| 180 1x1 Strp (prime) | 8.202 | 8.202 | - | 9.402 |
| 180 0x1 Strp (choice) | 5.484 | 5.389 | +.095 | 4.694 |
| 184 Top Butt, bnls (ch.) | 3.450 | 3.483 | -.033 | 2.485 |
| 184 Top Butt, bnls (prime) | 3.725 | 3.560 | +.165 | 2.828 |
| 185a Sirloin Flap (choice) | 4.215 | 4.320 | -.105 | 3.635 |
| 185c Loin, Tri-Tip (choice) | 3.379 | 3.388 | -.009 | 2.888 |
| 189a Tender (select) | 10.166 | 9.835 | +.331 | 9.475 |
| 189a Tender (choice) | 9.769 | 10.949 | -1.180 | 12.733 |
| 189a Tender (prime) | 14.982 | 15.169 | -.187 | 14.678 |
| 193 Flank Steak (choice) | 4.849 | 4.654 | +.195 | 3.527 |
| 50% Trimmings | .949 | 1.123 | -.174 | .952 |
| 65% Trimmings | 1.746 | 1.729 | +.017 | 1.303 |
| 75% Trimmings | 2.304 | 2.297 | +.007 | 1.690 |
| 85% Trimmings | 2.725 | 2.751 | -.026 | 1.873 |
| 90% Trimmings | 2.922 | 2.982 | -.060 | 2.042 |
| 90% Imported Beef (frz.) | 2.723 | 2.800 | -.077 | 2.065 |
| 95% Imported Beef (frz.) | 2.895 | 2.998 | -.103 | 2.148 |
| Veal Rack (Hotel 7 rib) | 9.950 | 9.950 | - | 8.600 |
| Veal Top Rnd. (cp. off) | 16.450 | 16.450 | - | 15.065 |




**Oil, Grains, Misc.-** The plummeting Russian ruble has caused wheat prices in Russia to more than double since late September. Concerns are building that the Russian government will restrict wheat exports. U.S. wheat prices could be volatile this winter. Prices USDA, FOB

| | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| Soybeans, bushel | 10.062 | 10.336 | -.274 | 13.283 |
| Crude Soybean Oil, lb. | .326 | .324 | +.002 | .374 |
| Soybean Meal, ton | 415.600 | 458.600 | -43.000 | 509.000 |
| Corn, bushel | 3.757 | 3.658 | +.099 | 4.182 |
| Crude Corn Oil, lb. | .335 | .335 | - | .380 |
| High Fructose Corn Syrup | .134 | .132 | +.002 | .140 |
| Distillers Grain, Dry | 159.417 | 129.375 | +30.042 | 215.000 |
| Crude Palm Oil, lb. BMD | .275 | .276 | -.001 | .348 |
| HRW Wheat, bushel | 6.460 | 6.140 | +.320 | 6.590 |
| DNS Wheat 14%, bushel | 6.540 | 6.280 | +.260 | 7.100 |
| Durum Wheat, bushel | 10.942 | 11.477 | -.535 | 6.933 |
| Pinto Beans, lb. | .300 | .243 | +.057 | .385 |
| Black Beans, lb. | .308 | .305 | +.003 | .415 |
| Rice, Long Grain, lb. | .259 | .257 | +.002 | .289 |
| Coffee, lb. NYBOT | 10.062 | 10.336 | -.274 | 13.283 |
| Sugar, lb. NYBOT | .326 | .324 | +.002 | .374 |
| Honey (Clover), lb. 3.281 +.034 | 415.600 | 458.600 | -43.000 | 509.000 |



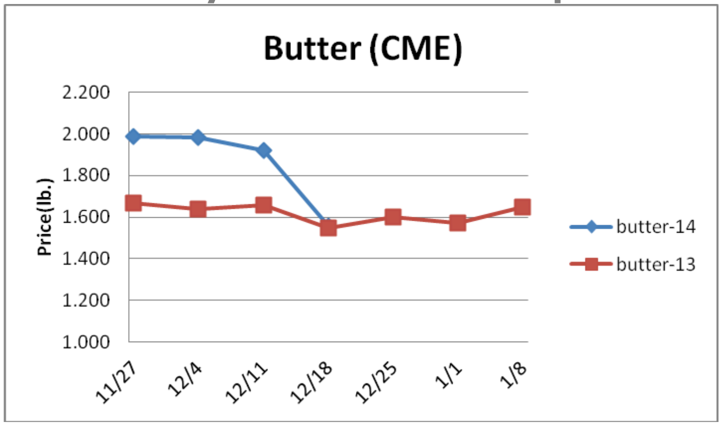

**Dairy**- The cheese markets have found support during the last week as the sharply price declines have spurred demand. The CME cheese markets could remain firm in the near term but solid milk production expansion compared to the prior year should limit any pending price gains. Cheese prices are expected to average below 2014 levels this winter. The butter market is seasonally weakening with its biggest daily decline this week in over four years. The butter market has declined 47% since mid-September. Any further butter price declines may only be modest. Prices per pound, except Class I Cream (hundred weight), from USDA.

.

| | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| Cheese Barrels (CME) | 1.587 | 1.475 | +.112 | 1.890 |
| Cheese Blocks (CME) | 1.607 | 1.580 | +.027 | 1.973 |
| American Cheese | 1.607 | 1.690 | -.083 | 1.895 |
| Cheddar Cheese (40 lb.) | 1.667 | 1.732 | -.065 | 1.972 |
| Mozzarella Cheese | 1.807 | 1.872 | -.065 | 2.112 |
| Provolone Cheese | 2.165 | 2.230 | -.065 | 2.470 |
| Parmesan Cheese | 3.512 | 3.577 | -.065 | 3.817 |
| Butter (CME) | 1.555 | 1.920 | -.365 | 1.550 |
| Nonfat Dry Milk | 1.303 | 1.330 | -.027 | 2.024 |
| Whey, Dry | .562 | .579 | -.017 | .583 |
| Class 1 Base | 22.530 | 22.530 | - | 20.370 |
| Class II Cream, heavy | 2.417 | 2.515 | -.098 | 2.143 |
| Class III Milk (CME) | 15.750 | 15.890 | -.140 | 19.260 |
| Class IV Milk (CME) | 15.000 | 15.920 | -.920 | 21.790 |

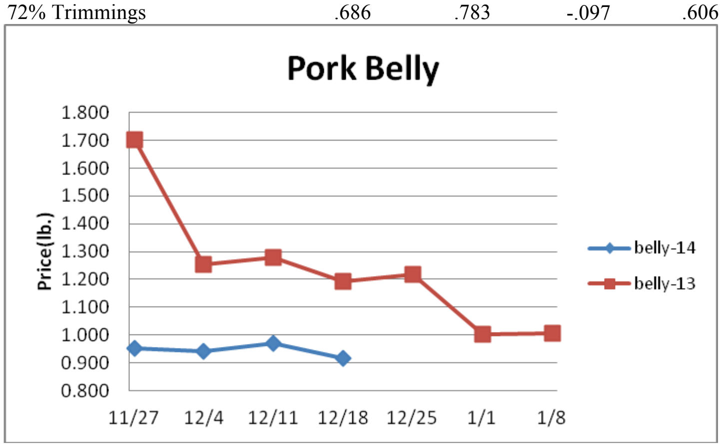
# Weekly Market Updates

PERFORMANCE FOODSERVICE




**Pork**- Pork production last week rose .8% but was 2.1% less than the same week a year ago. The Porcine Epidemic Diarrhea virus (PEDv) remains a challenge but low feed costs and high hog prices in recent months are providing an incentive for herd to build. Thus, the seasonal decline in pork output this winter is projected to be one of the smallest in decades. The ham markets are on the defensive as demand seasonally wanes. Last year the ham markets fell 13% throughout the next two weeks. Prices USDA, FOB per pound.

| | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| Live Hogs | .589 | .618 | -.029 | .577 |
| Belly (bacon) | .915 | .971 | -.056 | 1.217 |
| Sparerib (4.25 lb. & down) | 1.668 | 1.639 | +.029 | 1.445 |
| Ham (20-23 lb.) | .860 | .973 | -.113 | .912 |
| Ham (23-27 lb.) | .775 | .894 | -.119 | .882 |
| Loin (bone-in) | .962 | .966 | -.004 | .893 |
| Bbybck Rib (1.75 lb. & up) | 2.263 | 2.270 | -.007 | 2.055 |
| Tenderloin (1.25 lb.) | 2.616 | 2.594 | +.022 | 2.266 |
| Boston Butt, untrmd. (4-8lb.) | 1.066 | 1.046 | +.020 | .920 |
| Picnic, untrmd. | .772 | .873 | -.101 | .762 |
| SS Picnic, smoker trm. bx. | 1.224 | 1.241 | -.017 | 1.010 |
| 42% Trimmings | .267 | .391 | -.124 | .325 |
| 72% Trimmings | .686 | .783 | -.097 | .606 |

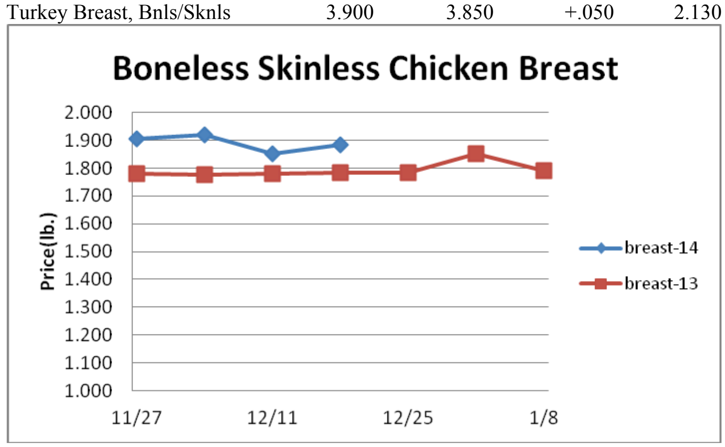



**The Kitchen Sink (Various Markets)**- Coffee futures have been under pressure as of late due to favorable weather in Brazil and a falling Brazilian currency. Unless the Brazilian real finds a bottom soon or the crop conditions worsen it will be hard for coffee to move notably higher from here. Price bases noted below.

| | Price | Last Week | Difference | Price 13 |
|---|---|---|---|---|
| Whole Peeled, Stand (6/10) | 12.697 | 12.633 | +.064 | 12.505 |
| Tomato Paste- Industrial (lb.) | .470 | .468 | +.002 | .463 |
| Coffee, lb., ICE | 1.720 | 1.768 | -.048 | 1.161 |
| Sugar, lb., ICE | .247 | .245 | +.002 | .191 |
| Cocoa, mt., ICE | 2903.000 | 2946.000 | -43.000 | 2787.000 |
| Orange Juice, lb., ICE | 1.493 | 1.498 | -.005 | 1.247 |
| Honey (Clover), lb. | 2.057 | 2.057 | - | 2.088 |

**Poultry**- Chicken output for the week ending December 6th was 12.6% larger than the same week a year ago. Bird weights were up 4.1% from 2013. The USDA is forecasting first quarter 2015 chicken production to be 2.9% larger than the previous year but this may be understated. Solid chicken output expansion is weighing on the chicken markets. The ARA Chicken Wing Price Index fell to a one-month low this week despite seasonally building demand. Typically wing prices will rise roughly 12% from now through the Super Bowl but any pending wing price appreciation in January may be tempered. Sharply lower wing markets are likely by the spring. Prices USDA, FOB per pound except when noted

| Chicken | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| Whole Birds (2.5-3 lb.-GA) | 1.137 | 1.137 | - | 1.043 |
| Wings (whole) | 1.560 | 1.555 | +.005 | 1.200 |
| Wings (jumbo, cut) | 1.720 | 1.761 | -.041 | 1.153 |
| Breast, Bone In | 1.205 | 1.185 | +.020 | 1.025 |
| Breast, Bnless Skinless | 1.885 | 1.850 | +.035 | 1.785 |
| Tenderloin (random) | 1.580 | 1.580 | - | 1.410 |
| Tenderloin (sized) | 1.840 | 1.840 | - | 1.760 |
| Legs (whole) | .521 | .535 | -.014 | .665 |
| Leg Quarters | .515 | .515 | - | .495 |
| Thighs, bone in | .766 | .739 | +.027 | .695 |
| Thighs, boneless | 1.230 | 1.255 | -.025 | 1.288 |
| **Eggs and Others** | | | | |
| Large (dozen) | 2.127 | 2.167 | -.040 | 1.610 |
| Medium (dozen) | 1.405 | 1.405 | - | 1.162 |
| Whole Eggs- Liquid | .971 | .971 | - | .761 |
| Egg Whites- Liquid | 1.023 | 1.023 | - | .935 |
| Egg Yolks- Liquid | .734 | .758 | -.024 | .630 |
| Whole Turkeys (8-16 lb.) | 1.045 | 1.065 | -.020 | 1.010 |
| Turkey Breast, Bnls/Sknls | 3.900 | 3.850 | +.050 | 2.130 |

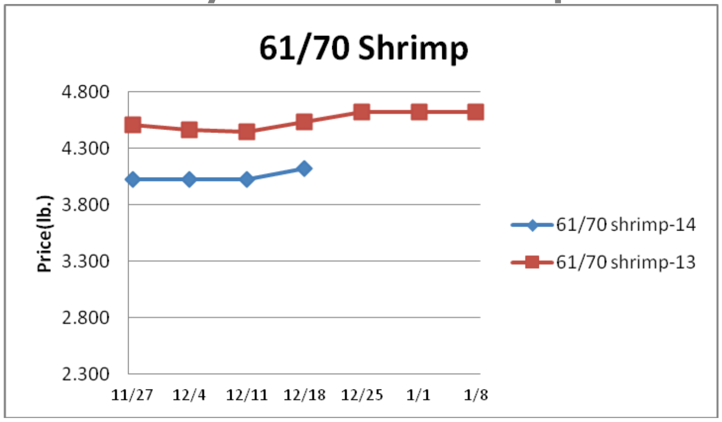



**Seafood**- U.S. salmon imports during October were down 6.5% from the prior year but the second largest for the month on record. Salmon imports from Chile were up 9% compared to 2013. With the U.S. dollar near multi-year highs versus several seafood important country currencies, solid salmon imports and lower salmon prices are anticipated this winter. Prices for fresh product, unless noted, per pound from Fisheries Market News

| | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| 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 | 7.753 | 7.575 | +.178 | 8.361 |
| Shrimp (61/70), Frz. | 4.125 | 4.022 | +.103 | 4.533 |
| Shrimp, Tiger (26/30), Frz. | 6.484 | 6.700 | -.216 | 7.650 |
| Snow Crab, Legs 5-8 oz, Frz | 5.400 | 5.400 | - | 5.300 |
| Snow Crab, Legs 8 oz/ up, Fz | 5.625 | 5.625 | - | 6.250 |
| Cod Tails, 3-7 oz., Frz. | 3.062 | 3.062 | - | 3.088 |
| Cod Loins, 3-12 oz., Frz | 3.050 | 3.050 | - | 3.025 |
| Salmon Portions, 4-8 oz, Frz | 6.275 | 6.275 | - | 5.958 |
| Pollock, Alaska, Deep Skin | 1.750 | 1.750 | - | 1.775 |

# Weekly Market Updates

PERFORMANCE FOODSERVICE

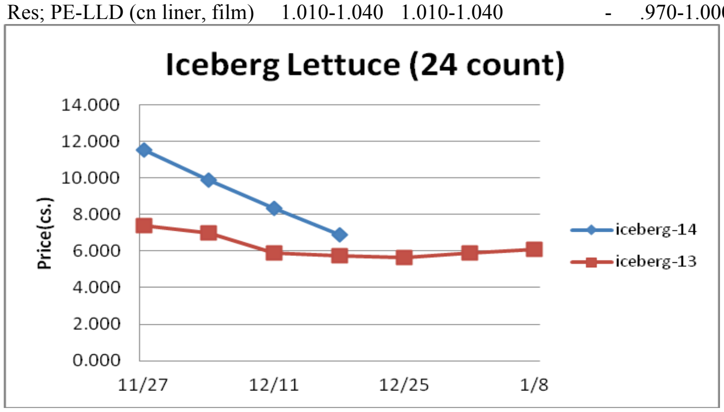



**Energy & Currency-** Crude oil this week has fallen to a fresh five year low. However, history suggests that the greatest price risk in crude oil from here is to the upside. Currency US dollar is worth

| | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| Crude Oil, barrel- nymex | 54.950 | 62.960 | -8.010 | 97.220 |
| Natural Gas, mbtu- nymex | 3.659 | 3.648 | +.011 | 4.287 |
| Heating Oil, gal- nymex | 1.891 | 2.048 | -.157 | 2.963 |
| Electricity, mwht- nymex | 71.650 | 68.400 | +3.250 | 44.070 |
| Gasoline, gal- nymex | 1.527 | 1.696 | -.169 | 2.647 |
| Diesel Fuel, gal- eia | 3.419 | 3.535 | -.116 | 3.871 |
| Ethanol, gal- usda | 2.033 | 2.248 | -.215 | 2.400 |
| Canadian $ | 1.652 | 1.145 | +.507 | 1.062 |
| Japanese Yen | 117.029 | 119.467 | -2.438 | 102.945 |
| Mexican Peso | 14.786 | 14.418 | +.368 | 12.973 |
| Euro | .803 | .808 | -.005 | .727 |
| Brazilian Real | 2.746 | 2.593 | +.153 | 2.321 |
| Chinese Yuan | 6.196 | 6.188 | +.008 | 6.073 |

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

| Wood Pulp/ Plastic Resin | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| WP; NBSK (napkin, towel) | 985.000 | 988.075 | -3.075 | 992.590 |
| WP; 42 lb. Linerboard (corr.) | 682.204 | 671.950 | +10.254 | 669.956 |
| Res; PS-CHH (cup, cont.) | 1.300-1.340 | 1.300-1.340 | - | 1.210-1.250 |
| Res; PP-HIGP (hvy utensil) | 1.120-1.140 | 1.120-1.140 | - | 1.060-1.080 |
| Res; PE-LLD (cn liner, film) | 1.010-1.040 | 1.010-1.040 | - | .970-1.000 |




**Produce**- The potato markets remain inflated. December 1 potato stocks were 3% less than the same date two years ago. Larger sized potato supplies remain limited. Usually Idaho potato prices move higher during the winter. The five year average move for the 70 count Idaho potato market during the first quarter is up 37%. However, any pending seasonal price appreciation in Idaho potatoes may be mitigated during the next few months. The general tomato supply remains restricted due to crop challenges in the west. Tomato prices may be erratic in the near term. Prices USDA FOB shipping point unless noted (terminal).

| | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| Limes (150 ct.) | 15.000 | 15.000 | - | 13.000 |
| Lemons (95 ct.) | 27.850 | 27.850 | - | 22.850 |
| Lemons (200 ct.) | 21.350 | 19.850 | +1.500 | 20.350 |
| Honeydew (6 ct.) | 17.450 | 13.450 | +4.000 | 4.000 |
| Cantaloupe (15 ct.) | 8.500 | 8.500 | - | 5.450 |
| Blueberries (12 count) | 23.875 | 25.625 | -1.750 | 23.000 |
| Strawberries (12 pnts.) | 19.000 | 19.000 | - | 27.000 |
| Avocados (Hass 48 ct.) | 27.250 | 28.250 | -1.000 | 26.750 |
| Bananas (40 lb.)- Term. | 14.730 | 14.730 | - | 14.795 |
| Pineapple (7 ct.)- Term. | 10.146 | 10.042 | +.104 | 11.125 |
| Idaho Potato (60 ct., 50 lb.) | 13.875 | 13.875 | - | 8.250 |
| Idaho Potato (70 ct., 50 lb.) | 13.875 | 13.875 | - | 8.250 |
| Idaho Potato (70 ct.)-Term. | 18.329 | 17.829 | +.500 | 15.250 |
| Idaho Potato (90 ct., 50 lb.) | 8.250 | 8.625 | -.375 | 8.250 |
| Idaho Pot. # 2 (6 oz., 100 lb.) | 12.750 | 11.375 | +1.375 | 10.750 |
| Processing Potato (cwt.) | 8.750 | 8.750 | - | 6.000 |
| Yellow Onions (50 lb.) | 4.000 | 5.500 | -1.500 | 7.500 |
| Yell Onions (50 lb.)-Term. | 11.344 | 11.469 | -.125 | 12.864 |
| Red Onions (25 lb.)- Term. | 9.844 | 9.896 | -.052 | 9.525 |
| White Onions (50 lb.)- Term. | 14.496 | 21.396 | -6.900 | 25.125 |
| Tomatoes (large- case) | 20.950 | 19.943 | +1.007 | 13.950 |
| Tomatoes (5x6-25 lb.)-Term | 26.157 | 30.025 | -3.868 | 16.572 |
| Tomatoes (4x5 vine ripe) | 17.950 | 26.950 | -9.000 | 16.950 |
| Roma Tomatoes (large- case) | 16.425 | 24.283 | -7.858 | 15.950 |
| Roma Tomatoes (xlarge-cs) | 14.438 | 25.263 | -10.825 | 16.950 |
| Green Peppers (large- case) | 15.517 | 12.583 | +2.934 | 10.950 |
| Red Peppers (large 15lb. cs.) | 23.945 | 19.950 | +3.995 | 17.950 |
| Iceberg Lettuce (24 count) | 6.875 | 8.325 | -1.450 | 5.750 |
| Iceberg Lettuce (24)-Term. | 16.834 | 18.000 | -1.166 | 13.916 |
| Leaf Lettuce (24 count) | 7.267 | 8.748 | -1.481 | 7.341 |
| Romaine Lettuce (24 cnt.) | 7.085 | 8.175 | -1.090 | 7.000 |
| Mesculin Mix (3 lb.)-Term. | 6.719 | 6.719 | - | 6.656 |
| Broccoli (14 ct.) | 7.677 | 8.458 | -.781 | 10.255 |
| Squash (1/2 bushel) | 15.350 | 18.350 | -3.000 | 8.950 |
| Zucchini (1/2 bushel) | 13.350 | 18.585 | -5.235 | 7.450 |
| Green Beans (bushel) | 20.717 | 21.600 | -.883 | 16.133 |
| Spinach, Flat 24's | 11.305 | 12.150 | -.845 | 10.350 |
| Mushrms (10 lb, lg.)-Term. | 16.344 | 15.646 | +.698 | 15.250 |
| Cucumbers (bushel) | 12.220 | 11.774 | +.446 | 10.350 |
| Pickles (200-300 ct.)- Term. | 27.907 | 28.313 | -.406 | 23.687 |
| Asparagus (small) | 23.500 | 17.000 | +6.500 | 15.000 |
| Freight (Truck; CA-Cty Av.) | 5612.500 | 5612.500 | - | 5181.250 |

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

| | Oct-14 | Sep-14 | Aug-14 | Jul-14 |
|---|---|---|---|---|
| Beef and Veal | +.324 | +1.973 | +4.217 | +.435 |
| Dairy | +.539 | +.536 | +.555 | +.275 |
| Pork | -.781 | +.073 | +2.147 | +.715 |
| Chicken | -.746 | -.113 | +.658 | +.527 |
| Fresh Fish and Seafood | -1.945 | +1.072 | +.570 | -.233 |
| Fresh Fruits and Veg. | +.183 | +1.088 | -.339 | -.730 |