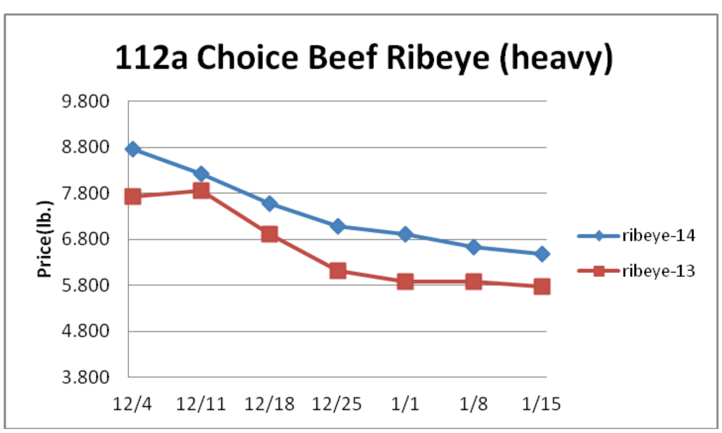
Weekly Market Updates

Volume No. 20 Issue No. 2 Date: January 14, 2015

Beef- Beef production last week was 3.5% less than the same week a year ago. Cattle supplies remain limited. In their latest forecast this week, the USDA is estimating winter beef output to be 3.1% smaller than 2014. However, the USDA does see beef production much closer to the prior year levels during the second quarter. The beef markets are firming as lower gasoline prices encourages consumer beef demand. History suggests that various beef end cut markets may continue to appreciate in the near term. The five year average move for the 116 choice chuck market during the next week is up 2.9%. In the following three weeks, chuck prices usually move 10% lower. Price USDA, FOB per pound.

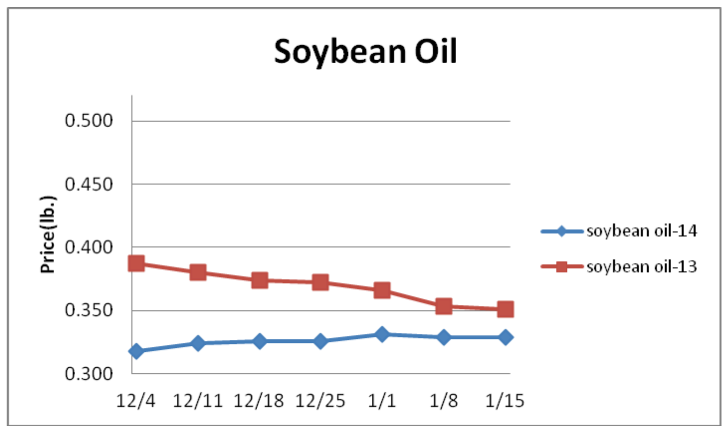
	Price	Last Week	Difference	Price 12
Live Cattle	1.676	1.683	-.007	1.400
Feeder Cattle Index (CME)	2.327	2.321	+.006	1.711
Ground Beef 81/19	2.793	2.689	+.104	2.455
Ground Chuck	3.143	2.937	+.206	2.781
109e Export Rib (choice)	6.187	5.997	+.190	5.348
109e Export Rib (prime)	9.022	8.709	+.313	9.948
112a Ribeye (choice)	6.474	6.625	-.151	5.772
112a Ribeye (prime)	9.096	9.196	-.100	9.884
116 Chuck (select)	3.399	3.085	+.314	3.396
116 Chuck (choice)	3.409	3.209	+.200	3.437
116b Chuck Tdnr (choice)	3.330	3.188	+.142	2.735
120 Brisket (choice)	3.620	3.486	+.134	2.252
121c Outside Skirt (ch/sel)	5.577	5.732	-.155	4.161
121d Inside Skirt (ch/sel)	4.614	4.482	+.132	3.546
167a Knckle, Trm. (ch.)	3.426	3.326	+.100	3.108
168 Inside Round (ch.)	2.998	2.880	+.118	2.531
174 Short Loin (ch. 0x1)	5.640	5.311	+.329	4.662
174 Short Loin (prime)	6.146	6.120	+.026	8.237
180 1x1 Strp (choice)	5.799	5.514	+.285	4.327
180 1x1 Strp (prime)	7.367	6.587	+.780	8.256
180 0x1 Strp (choice)	6.265	6.138	+.127	4.904
184 Top Butt, bnls (ch.)	3.595	3.506	+.089	2.839
184 Top Butt, bnls (prime)	3.891	3.883	+.008	2.924
185a Sirloin Flap (choice)	4.901	4.356	+.545	4.198
185c Loin, Tri-Tip (choice)	3.706	3.605	+.101	3.045
189a Tender (select)	10.007	9.775	+.232	9.844
189a Tender (choice)	10.257	10.001	+.256	9.742
189a Tender (prime)	14.763	14.631	+.132	13.848
193 Flank Steak (choice)	5.459	5.187	+.272	3.908
50% Trimmings	1.394	1.180	+.214	1.199
65% Trimmings	1.784	1.685	+.099	1.268
75% Trimmings	2.279	2.263	+.016	1.723
85% Trimmings	2.823	2.770	+.053	2.018
90% Trimmings	3.026	2.992	+.034	2.224
90% Imported Beef (frz.)	2.558	2.655	-.097	2.068
95% Imported Beef (frz.)	2.758	2.828	-.070	2.148
Veal Rack (Hotel 7 rib)	9.950	9.950	-	8.600
Veal Top Rnd. (cp. off)	16.600	16.600	-	15.065



Oil, Grains, Misc-2015 U.S. winter wheat acreage is estimated by the USDA to be nearly 5% less than the prior crop. Still, if the weather cooperates, domestic wheat supplies from the new harvest should be adequate. Wheat prices may be erratic this winter. Prices USDA, FOB

	Price	Last Week	Difference	Price 12
Soybeans, bushel	9.874	10.368	-.494	13.080
Crude Soybean Oil, lb.	.329	.329	-	.351
Soybean Meal, ton	380.100	415.300	-35.200	486.600
Corn, bushel	3.637	3.730	-.093	4.245
Crude Corn Oil, lb.	.343	.340	+.003	.385
High Fructose Corn Syrup	.142	.140	+.002	.142
Distillers Grain, Dry	175.125	175.542	-.417	160.000
Crude Palm Oil, lb. BMD	.298	.291	+.007	.346
HRW Wheat, bushel	5.810	6.290	-.480	6.300
DNS Wheat 14%, bushel	6.030	6.400	-.370	6.910
Durum Wheat, bushel	9.556	10.250	-.694	6.800
Pinto Beans, lb.	.241	.241	-	.363
Black Beans, lb.	.308	.308	-	.413
Rice, Long Grain, lb.	.251	.253	-.002	.286

3.281 +.034

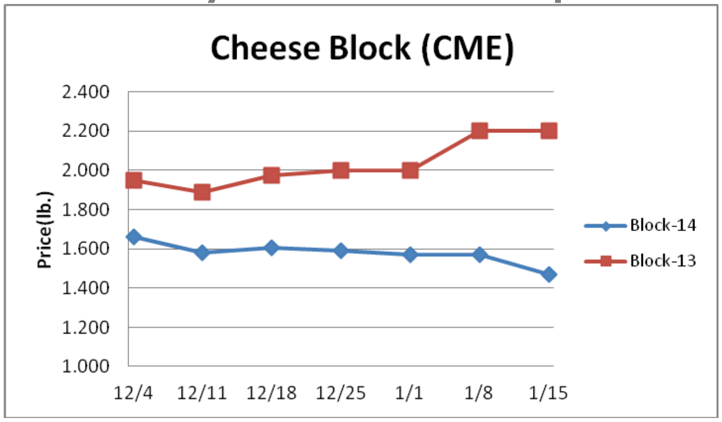


Dairy-The cheese markets have firmed as the decline in prices during the last few months is starting to encourage demand. U.S. cheese exports during November were 13.2% less than the prior year. But, U.S. cheese prices are now at a discount to the international markets. Further, domestic milk farmer margins have weakened which should slow milk output growth. Thus, the greater cheese price risk is to the upside. In November, the U.S. was the smallest net exporter of butter since August 2009. Solid butter imports may weigh on butter prices in the near term. Prices per pound, except Class I Cream (hundred weight), from USDA

	Price	Last Week	Difference	Price 12
Cheese Barrels (CME)	1.443	1.545	-.102	2.162
Cheese Blocks (CME)	1.470	1.570	-.100	2.200
American Cheese	1.650	1.587	+.063	2.197
Cheddar Cheese (40 lb.)	1.657	1.615	+.042	2.230
Mozzarella Cheese	1.797	1.755	+.042	2.370
Provolone Cheese	2.155	2.112	+.043	2.727
Parmesan Cheese	3.502	3.460	+.042	4.075
Butter (CME)	1.543	1.540	+.003	1.770
Nonfat Dry Milk	1.185	1.234	-.049	2.089
Whey, Dry	.531	.534	-.003	.595
Class 1 Base	18.580	18.580	-	21.480
Class II Cream, heavy	1.732	1.866	-.134	1.978
Class III Milk (CME)	14.340	14.930	-.590	21.050
Class IV Milk (CME)	13.630	14.260	-.630	23.010

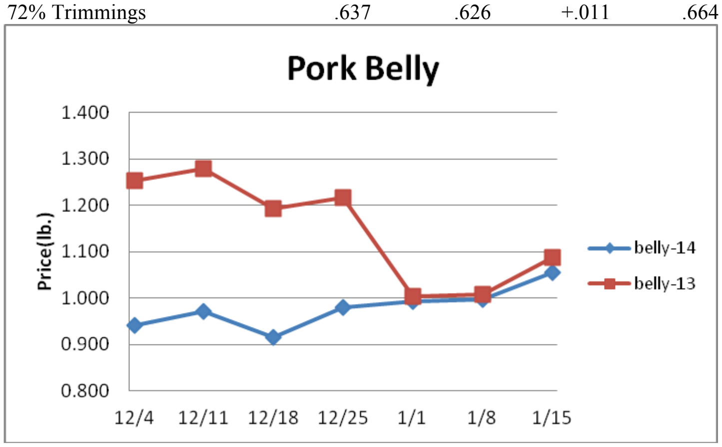
Weekly Market Updates

PERFORMANCE FOODSERVICE



Pork- Pork output last week was 4.1% larger than the same week a year ago. Hog weights remain heavy which suggests that hog supplies remain ample. This is partly behind the USDA projection of a 2.6% increase in pork production this winter compared to 2014. The pork markets generally have remained under downward pressure as of late with the USDA pork cutout the lowest last week, for that week in four years. Still, history suggests that the downside price risk in the pork markets from here should be only modest at best. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 12
Live Hogs	.528	.534	-.006	.572
Belly (bacon)	1.055	.996	+.059	1.048
Sparerib (4.25 lb. & down)	1.642	1.654	-.012	1.488
Ham (20-23 lb.)	.726	.723	+.003	.722
Ham (23-27 lb.)	.701	.626	+.075	.726
Loin (bone-in)	.910	.886	+.024	.910
Bbybck Rib (1.75 lb. & up)	2.360	2.297	+.063	2.103
Tenderloin (1.25 lb.)	2.689	2.639	+.050	2.370
Boston Butt, untrmd. (4-8lb.)	1.006	1.040	-.034	.929
Picnic, untrmd.	.561	.610	-.049	.658
SS Picnic, smoker trm. bx.	.782	.938	-.156	.910
42% Trimmings	.378	.255	+.123	.327
72% Trimmings	.637	.626	+.011	.664

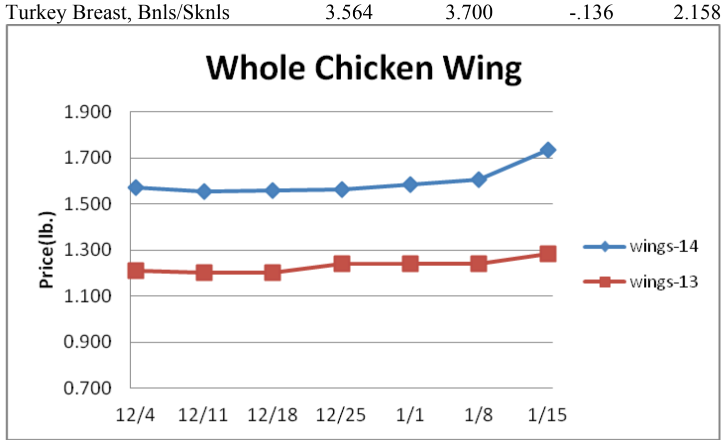


The Kitchen Sink (Various Markets)- The weather has turned dry for a large portion of Brazil as of late which is causing coffee crop concerns and supporting coffee futures prices. The coffee markets could remain especially erratic during the next few months until Brazilian output is more certain. Price bases noted below.

	Price	Last Week	Difference	Price 13
Whole Peeled, Stand (6/10)	12.697	12.697	-	12.505
Tomato Paste- Industrial (lb.)	.470	.470	-	.463
Coffee, lb., ICE	1.827	1.750	+.077	1.172
Sugar, lb., ICE	.252	.250	+.002	.205
Cocoa, mt., ICE	2992.000	2913.000	+79.000	2787.000
Orange Juice, lb., ICE	1.439	1.422	+.017	1.247
Honey (Clover), lb.	2.061	2.061	-	2.012

Poultry- Chicken production for the week ending January 3 was 10.8% larger than the same week the prior year. Chicken bird weights were a whopping 7.1% heavier. Good margins for chicken producers are expected to fuel solid chicken output expansion compared to 2014 during the next few months. U.S. chicken exports during November were 9.3% less than the previous year due in part to Russian embargo. China recently announced a ban on U.S. chicken as well but the impact could be nominal. China only accounted for about 3.6% of U.S. chicken exports in 2014. The wing markets are seasonally firming but sharply lower prices are likely next month. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 12
Whole Birds (2.5-3 lb.-GA)	1.143	1.140	+.003	1.043
Wings (whole)	1.665	1.605	+.060	1.285
Wings (jumbo, cut)	1.734	1.721	+.013	1.163
Breast, Bone In	1.270	1.230	+.040	1.035
Breast, Bnless Skinless	1.905	1.975	-.070	1.750
Tenderloin (random)	1.580	1.580	-	1.430
Tenderloin (sized)	1.840	1.840	-	1.730
Legs (whole)	.493	.503	-.010	.646
Leg Quarters	.515	.520	-.005	.500
Thighs, bone in	.748	.735	+.013	.733
Thighs, boneless	1.163	1.235	-.072	1.249
Eggs and Others				
Large (dozen)	1.087	1.223	-.136	1.147
Medium (dozen)	.965	.965	-	1.065
Whole Eggs- Liquid	.502	.971	-.469	.623
Egg Whites- Liquid	1.023	1.023	-	.733
Egg Yolks- Liquid	.735	.735	-	.630
Whole Turkeys (8-16 lb.)	.985	1.050	-.065	.965
Turkey Breast, Bnls/Sknls	3.564	3.700	-.136	2.158

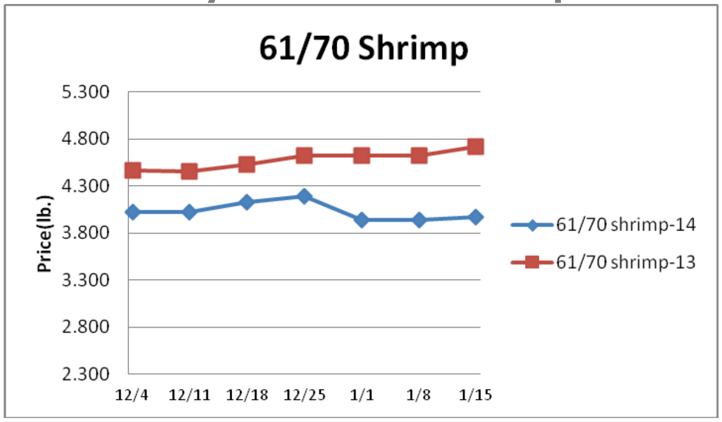


Seafood-Elevated prices and a favorable currency valuation continues to encourage solid shrimp imports. During November, the U.S. imported 10.4% more shrimp than the previous year. Imports from Thailand improved to their best monthly level in a year despite their production challenges. Shrimp prices may remain below 2014 levels 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	7.463	7.887	-.424	8.427
Shrimp (61/70), Frz.	3.967	3.938	+.029	4.720
Shrimp, Tiger (26/30), Frz.	6.384	6.484	-.100	7.675
Snow Crab, Legs 5-8 oz, Frz	5.400	5.400	-	5.475
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	3.037	3.050	-.013	3.025
Salmon Portions, 4-8 oz, Frz	6.275	6.275	-	6.067
Pollock, Alaska, Deep Skin	1.750	1.750	-	1.775

Weekly Market Updates

PERFORMANCE FOODSERVICE

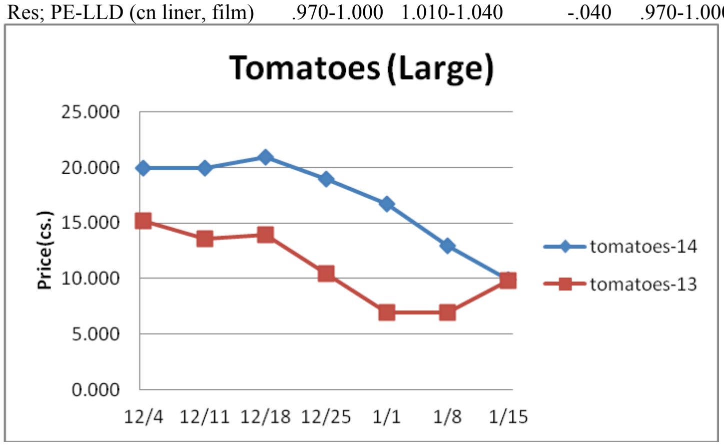


Energy & Currency- Crude oil prices continue to decline falling to their lowest level this week in over five years. Still, crude oil could find a bottom relatively soon. Currency US dollar is worth

	Price	Last Week	Difference	Price 12
Crude Oil, barrel- nymex	45.280	48.110	-2.830	92.59
Natural Gas, mbtu- nymex	3.043	2.922	+.121	4.369
Heating Oil, gal- nymex	1.604	1.711	-.107	2.936
Electricity, mwht- nymex	52.150	50.450	+1.700	97.15
Gasoline, gal- nymex	1.253	1.349	-.096	2.622
Diesel Fuel, gal- eia	3.053	3.137	-.084	3.886
Ethanol, gal- usda	1.388	1.608	-.220	2.075
Canadian $	1.194	1.183	+.011	1.096
Japanese Yen	116.246	118.822	-2.576	104.288
Mexican Peso	14.593	14.872	-.279	13.099
Euro	.844	.842	+.002	.735
Brazilian Real	2.623	2.700	-.077	2.346
Chinese Yuan	6.197	6.212	-.015	6.048

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	985.000	-	992.590
WP; 42 lb. Linerboard (corr.)	682.204	682.204	-	669.956
Res; PS-CHH (cup, cont.)	1.260-1.300	1.300-1.340	-	1.210-1.250
Res; PP-HIGP (hvy utensil)	1.120-1.140	1.120-1.140	-	1.100-1.120
Res; PE-LLD (cn liner, film)	.970-1.000	1.010-1.040	-.040	.970-1.000



Produce- The lettuce markets remain inflated to due earlier weather challenges. Lettuce shipments did improve last week but are expected to be subpar through at least the end of the month. This could continue to support lettuce prices. However, history indicates that the greater price risk in the lettuce markets from here is likely to the downside. The potato markets remain firm due in a large part to the deficit supply of larger sized product. Usually potato prices continue to modestly firm during February. Potato prices are expected to remain above 2014 levels throughout the winter. Price bases noted below.

	Price	Last Week	Difference	Price 12
Limes (150 ct.)	21.000	14.500	+6.500	20.000
Lemons (95 ct.)	23.850	23.800	+.050	24.350
Lemons (200 ct.)	21.850	21.850	-	23.350
Honeydew (6 ct.)	19.950	17.450	+2.500	13.950
Cantaloupe (15 ct.)	8.500	8.500	-	5.450
Blueberries (12 count)	13.875	25.000	-11.125	30.083
Strawberries (12 pnts.)	19.000	19.000	-	23.000
Avocados (Hass 48 ct.)	32.750	31.750	+1.000	31.750
Bananas (40 lb.)- Term.	14.693	14.771	-.078	16.097
Pineapple (7 ct.)- Term.	14.771	16.938	-2.167	15.027
Idaho Potato (60 ct., 50 lb.)	14.750	14.250	+.500	9.125
Idaho Potato (70 ct., 50 lb.)	14.750	14.250	+.500	9.125
Idaho Potato (70 ct.)-Term.	18.750	19.339	-.589	16.012
Idaho Potato (90 ct., 50 lb.)	8.250	8.250	-	9.125
Idaho Pot. # 2 (6 oz., 100 lb.)	13.500	12.750	+.750	9.750
Processing Potato (cwt.)	9.250	9.000	+.250	7.900
Yellow Onions (50 lb.)	4.250	4.375	-.125	9.125
Yell Onions (50 lb.)-Term.	11.542	11.563	-.021	15.187
Red Onions (25 lb.)- Term.	10.084	10.396	-.312	11.885
White Onions (50 lb.)- Term.	20.417	21.896	-1.479	26.145
Tomatoes (large- case)	9.950	12.950	-3.000	9.783
Tomatoes (5x6-25 lb.)-Term	16.988	20.834	-3.846	12.062
Tomatoes (4x5 vine ripe)	11.950	13.950	-2.000	10.950
Roma Tomatoes (large- case)	12.515	13.450	-.935	11.268
Roma Tomatoes (xlarge-cs)	13.393	13.963	-.570	11.893
Green Peppers (large- case)	7.830	9.167	-1.337	19.750
Red Peppers (large 15lb. cs.)	13.950	9.950	+4.000	15.950
Iceberg Lettuce (24 count)	27.125	18.750	+8.375	6.930
Iceberg Lettuce (24)-Term.	38.667	23.834	+14.833	14.166
Leaf Lettuce (24 count)	25.963	14.584	+11.379	7.376
Romaine Lettuce (24 cnt.)	29.963	15.742	+14.221	7.841
Mesculin Mix (3 lb.)-Term.	6.657	6.875	-.218	6.608
Broccoli (14 ct.)	25.000	14.670	+10.330	10.480
Squash (1/2 bushel)	8.350	3.850	+4.500	14.350
Zucchini (1/2 bushel)	10.350	3.850	+6.500	13.350
Green Beans (bushel)	13.884	11.559	+2.325	28.550
Spinach, Flat 24's	19.805	13.600	+6.205	16.725
Mushrms (10 lb, lg.)-Term.	15.584	15.730	-.146	15.145
Cucumbers (bushel)	14.425	12.900	+1.525	19.170
Pickles (200-300 ct.)- Term.	31.688	31.365	+.323	24.291
Asparagus (small)	24.500	18.500	+6.000	24.500
Freight (Truck; CA-Cty Av.)	5211.111	5327.777	-116.667	5062.500

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

	Nov-14	Oct-14	Sep-14	Aug-14
Beef and Veal	+.770	+.324	+1.973	+4.217
Dairy	-.183	+.539	+.536	+.555
Pork	-2.104	-.781	+.073	+2.147
Chicken	+1.246	-.746	-.113	+.658
Fresh Fish and Seafood	-.350	-1.945	+1.072	+.570
Fresh Fruits and Veg.	-.833	+.183	+1.088	-.339