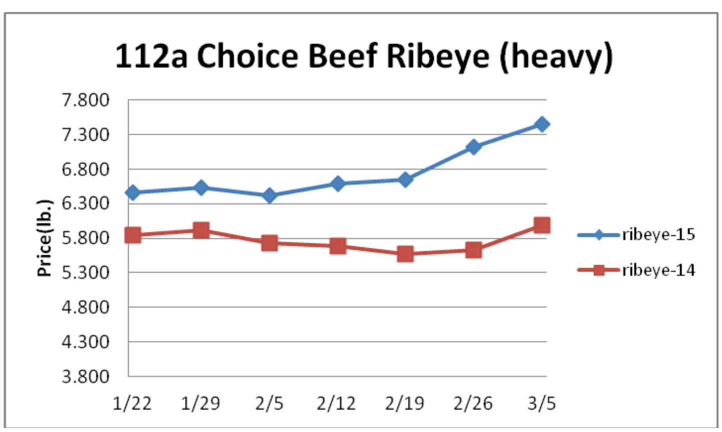
# Weekly Market Updates

Volume No. 20 Issue No. 9 Date: March 4, 2015

**Beef-** Beef output last week rose .5% but was 5.9% less than the same week a year ago. Beef packers have had limited beef production in recent weeks. However, beef output is anticipated to expand this week which could temper the upside in the beef markets. Typically, demand for the spring grilling season starts to pick up in the coming weeks which can bring support to several beef steak cut markets. The five year average move for the choice 0x1 strip market is up 25% from now through the end of May. Elevated retail beef prices could limit seasonal wholesale market appreciation this year. Retail beef prices in January were 19% higher than 2014 and a record. Price USDA, FOB per pound.

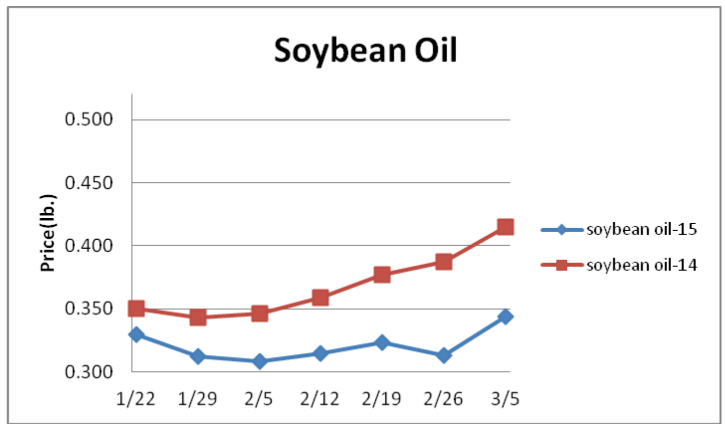
| | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| Live Cattle | 1.601 | 1.603 | -.002 | 1.513 |
| Feeder Cattle Index (CME) | 2.064 | 2.088 | -.024 | 1.720 |
| Ground Beef 81/19 | 2.553 | 2.507 | +.046 | 2.636 |
| Ground Chuck | 2.588 | 2.575 | +.013 | 3.115 |
| 109e Export Rib (choice) | 6.649 | 6.424 | +.225 | 5.391 |
| 109e Export Rib (prime) | 7.965 | 7.975 | -.010 | 9.360 |
| 112a Ribeye (choice) | 7.444 | 7.124 | +.320 | 5.989 |
| 112a Ribeye (prime) | 8.736 | 8.720 | +.016 | 9.623 |
| 116 Chuck (select) | 3.240 | 3.164 | +.076 | 2.966 |
| 116 Chuck (choice) | 3.243 | 3.110 | +.133 | 2.995 |
| 116b Chuck Tdnr (choice) | 3.156 | 3.142 | +.014 | 3.242 |
| 120 Brisket (choice) | 3.152 | 3.123 | +.029 | 2.528 |
| 121c Outside Skirt (ch/sel) | 5.218 | 5.080 | +.138 | 4.388 |
| 121d Inside Skirt (ch/sel) | 4.445 | 4.402 | +.043 | 3.588 |
| 167a Knckle, Trm. (ch.) | 3.078 | 2.956 | +.122 | 3.118 |
| 168 Inside Round (ch.) | 2.892 | 2.888 | +.004 | 2.855 |
| 174 Short Loin (ch. 0x1) | 5.739 | 5.672 | +.067 | 5.430 |
| 174 Short Loin (prime) | 6.497 | 6.316 | +.181 | 8.418 |
| 180 1x1 Strp (choice) | 5.762 | 5.712 | +.050 | 5.066 |
| 180 1x1 Strp (prime) | 7.410 | 7.062 | +.348 | 8.072 |
| 180 0x1 Strp (choice) | 6.211 | 6.023 | +.188 | 5.916 |
| 184 Top Butt, bnls (ch.) | 4.174 | 4.287 | -.113 | 3.040 |
| 184 Top Butt, bnls (prime) | 4.538 | 4.507 | +.031 | 3.358 |
| 185a Sirloin Flap (choice) | 5.013 | 4.870 | +.143 | 4.571 |
| 185c Loin, Tri-Tip (choice) | 3.901 | 3.876 | +.025 | 3.402 |
| 189a Tender (select) | 10.236 | 10.037 | +.199 | 9.972 |
| 189a Tender (choice) | 10.317 | 10.315 | +.002 | 10.321 |
| 189a Tender (prime) | 14.893 | 14.614 | +.279 | 13.517 |
| 193 Flank Steak (choice) | 5.564 | 5.432 | +.132 | 4.437 |
| 50% Trimmings | .895 | .898 | -.003 | 1.279 |
| 65% Trimmings | 1.530 | 1.558 | -.028 | 1.361 |
| 75% Trimmings | 2.245 | 2.288 | -.043 | 1.825 |
| 85% Trimmings | 2.700 | 2.691 | +.009 | 2.221 |
| 90% Trimmings | 2.921 | 2.920 | +.001 | 2.502 |
| 90% Imported Beef (frz.) | 2.240 | 2.310 | -.070 | 2.165 |
| 95% Imported Beef (frz.) | 2.395 | 2.480 | -.085 | 2.268 |
| Veal Rack (Hotel 7 rib) | 9.950 | 9.950 | - | 8.650 |
| Veal Top Rnd. (cp. off) | 17.600 | 17.350 | +.250 | 15.025 |




**Oil, Grains, Misc-** The U.S. winter wheat crop is progressing with various challenges. However, the March 1st ratings for the Texas winter wheat crop signaled the best conditions for the date in the last 10 years. Wheat futures should remain below 2014 levels this spring. Prices USDA, FOB.

| | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| Soybeans, bushel | 10.053 | 10.053 | - | 14.071 |
| Crude Soybean Oil, lb. | .344 | .313 | +.031 | .415 |
| Soybean Meal, ton | 370.800 | 387.400 | -16.600 | 504.200 |
| Corn, bushel | 3.762 | 3.678 | +.084 | 4.663 |
| Crude Corn Oil, lb. | .370 | .370 | - | .430 |
| High Fructose Corn Syrup | .156 | .154 | -.002 | .149 |
| Distillers Grain, Dry | 178.646 | 179.313 | -.667 | 225.000 |
| Crude Palm Oil, lb. BMD | .297 | .282 | +.015 | .387 |
| HRW Wheat, bushel | 5.400 | 5.400 | - | 7.090 |
| DNS Wheat 14%, bushel | 5.900 | 5.830 | +.070 | 7.600 |
| Durum Wheat, bushel | 8.218 | 8.565 | -.347 | 6.500 |
| Pinto Beans, lb. | .239 | .239 | - | .344 |
| Black Beans, lb. | .338 | .338 | - | .390 |
| Rice, Long Grain, lb. | .243 | .243 | - | .287 |

3.281 +.034

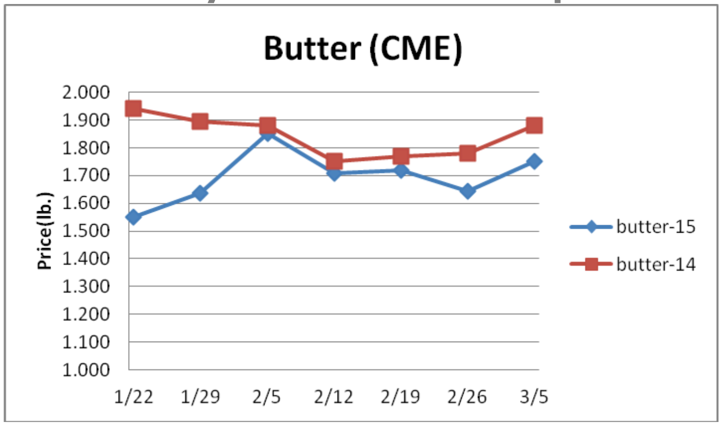



**Dairy-** The CME butter market is firming due in part to a annual reset in the age of product that can be sold through the exchange. As of Monday, just butter made on or after December 1, 2014 can be sold on the CME exchange. During the prior week, butter could be as much as a year older. This could lift butter prices higher in the near term. However, thereafter, seasonal building milk and butter production could weigh on the butter market. The CME cheese markets have been range-bound during the last week. Solid cheese demand may limit the downside in cheese prices this spring. Prices per pound, except Class I Cream (hundred weight), from USDA

| | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| Cheese Barrels (CME) | 1.493 | 1.483 | +.010 | 2.243 |
| Cheese Blocks (CME) | 1.550 | 1.545 | -.005 | 2.238 |
| American Cheese | 1.593 | 1.593 | - | 2.290 |
| Cheddar Cheese (40 lb.) | 1.650 | 1.625 | +.025 | 2.285 |
| Mozzarella Cheese | 1.767 | 1.765 | +.002 | 2.425 |
| Provolone Cheese | 2.125 | 2.123 | +.002 | 2.783 |
| Parmesan Cheese | 3.472 | 3.470 | +.002 | 4.130 |
| Butter (CME) | 1.750 | 1.643 | +.107 | 1.880 |
| Nonfat Dry Milk | 1.159 | 1.154 | +.005 | 2.116 |
| Whey, Dry | .486 | .503 | -.017 | .638 |
| Class 1 Base | 15.560 | 15.560 | - | 23.640 |
| Class II Cream, heavy | 1.960 | 2.013 | -.053 | 2.214 |
| Class III Milk (CME) | 15.390 | 15.370 | +.020 | 20.550 |
| Class IV Milk (CME) | 15.570 | 14.850 | +.720 | 22.690 |

# Weekly Market Updates

PERFORMANCE FOODSERVICE




**Pork-** Pork production last week declined .9% but was still 6.5% larger than the same week a year ago. Hog supplies remain ample which should fuel strong pork output expansion versus 2014 for the next several months. The USDA is forecasting spring pork production to be 4.2% larger than last year. The pork markets remain relatively depressed as exports have been slowed by the recent port challenges and buyers remaining cautious. However, history indicates that higher pork prices are likely to occur in the coming months. Prices USDA, FOB per pound.

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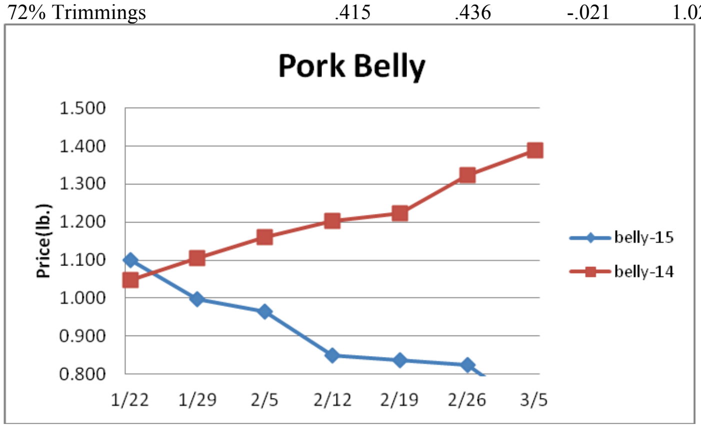
| | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| Live Hogs | .478 | .469 | +.009 | .748 |
| Belly (bacon) | .696 | .824 | -.128 | 1.535 |
| Sparerib (4.25 lb. & down) | 1.600 | 1.580 | +.020 | 1.674 |
| Ham (20-23 lb.) | .623 | .663 | -.040 | 1.001 |
| Ham (23-27 lb.) | .555 | .568 | -.013 | .888 |
| Loin (bone-in) | .827 | .820 | +.007 | 1.186 |
| Bbybck Rib (1.75 lb. & up) | 2.445 | 2.464 | -.019 | 2.506 |
| Tenderloin (1.25 lb.) | 2.392 | 2.527 | -.135 | 2.615 |
| Boston Butt, untrmd. (4-8lb.) | .824 | .813 | +.011 | 1.151 |
| Picnic, untrmd. | .464 | .431 | +.033 | .748 |
| SS Picnic, smoker trm. bx. | .672 | .645 | +.027 | .899 |
| 42% Trimmings | .272 | .257 | +.015 | .525 |
| 72% Trimmings | .415 | .436 | -.021 | 1.026 |

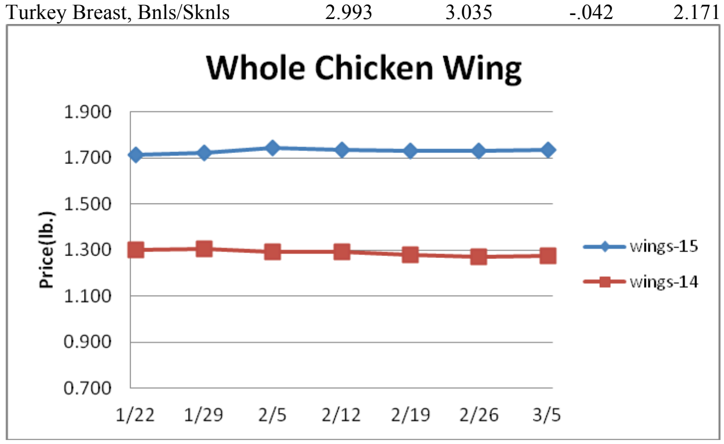



**The Kitchen Sink (Various Markets)-** The cocoa futures markets have been firm during the last several weeks despite demand concerns in Europe. Adverse weather in the principal growing regions of West Africa have brought support to the markets. Still, the upside is likely limited from here in the cocoa market. Price bases noted below.

| | Price | Last Week | Difference | Price 13 |
|---|---|---|---|---|
| Whole Peeled, Stand (6/10) | 12.737 | 12.737 | - | 12.513 |
| Tomato Paste- Industrial (lb.) | .472 | .472 | - | .463 |
| Coffee, lb., ICE | 1.329 | 1.537 | -.208 | 1.887 |
| Sugar, lb., ICE | .243 | .248 | -.005 | .221 |
| Cocoa, mt., ICE | 3010.000 | 3014.000 | -4.000 | 2787.000 |
| Orange Juice, lb., ICE | 1.113 | 1.362 | -.249 | 1.247 |
| Honey (Clover), lb. | 1.953 | 1.953 | - | 2.046 |

**Poultry-** Chicken production for the week ending February 21st declined 5.6% and was 3.8% less than the same week a year ago. However, year to date chicken output is tracking 6.5% above 2014. Recent data suggests that solid chicken production compared to the previous year can be anticipated during the next several months. The broiler type chick hatch during January was 3% larger than 2014. Further, pullet placements into the broiler hatchery flock were up 8% versus the previous year. This could limit the upside price risk in the chicken breast and leg quarter markets during the next few months. Further chicken wing price declines are anticipated as well. Prices USDA, FOB per pound except when noted

| Chicken | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| Whole Birds (2.5-3 lb.-GA) | 1.140 | 1.138 | +.002 | 1.048 |
| Wings (whole) | 1.735 | 1.730 | +.005 | 1.275 |
| Wings (jumbo, cut) | 1.692 | 1.772 | -.080 | 1.161 |
| Breast, Bone In | 1.240 | 1.255 | -.015 | .990 |
| Breast, Bnless Skinless | 1.875 | 1.880 | -.005 | 1.830 |
| Tenderloin (random) | 1.850 | 1.780 | +.070 | 1.430 |
| Tenderloin (sized) | 2.150 | 2.040 | +.110 | 1.730 |
| Legs (whole) | .437 | .442 | -.005 | .573 |
| Leg Quarters | .500 | .500 | - | .495 |
| Thighs, bone in | .695 | .694 | +.001 | .770 |
| Thighs, boneless | .935 | .950 | -.015 | 1.223 |
| **Eggs and Others** | | | | |
| Large (dozen) | 1.383 | 1.363 | +.020 | 1.603 |
| Medium (dozen) | 1.220 | 1.200 | +.020 | 1.258 |
| Whole Eggs- Liquid | .638 | .638 | - | .776 |
| Egg Whites- Liquid | .603 | .603 | - | .982 |
| Egg Yolks- Liquid | .751 | .751 | - | .583 |
| Whole Turkeys (8-16 lb.) | .995 | .995 | - | 1.005 |
| Turkey Breast, Bnls/Sknls | 2.993 | 3.035 | -.042 | 2.171 |




**Seafood-**The Alaskan Bering Sea snow crab fishing season is progressing with 66% of the quota landed to date. The 2014-15 Alaskan snow crab quota is 26% larger than the prior season and the biggest in three years. This, and an inflated U.S. dollar encouraging imports, could cause the snow crab leg markets to remain below 2014 levels this spring. 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 | 7.359 | 7.370 | -.011 | 8.494 |
| Shrimp (61/70), Frz. | 4.170 | 4.020 | +.150 | 5.187 |
| Shrimp, Tiger (26/30), Frz. | 6.030 | 6.100 | -.070 | 7.553 |
| Snow Crab, Legs 5-8 oz, Frz | 5.250 | 5.250 | - | 5.600 |
| Snow Crab, Legs 8 oz/ up, Fz | 5.450 | 5.450 | - | 5.950 |
| Cod Tails, 3-7 oz., Frz. | 3.063 | 3.063 | - | 3.063 |
| Cod Loins, 3-12 oz., Frz | 3.037 | 3.037 | - | 3.138 |
| Salmon Portions, 4-8 oz, Frz | 6.275 | 6.275 | - | 6.150 |
| Pollock, Alaska, Deep Skin | 1.750 | 1.750 | - | 1.750 |

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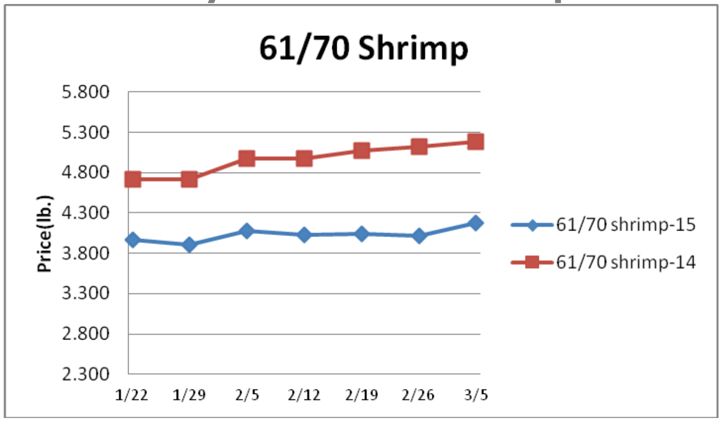
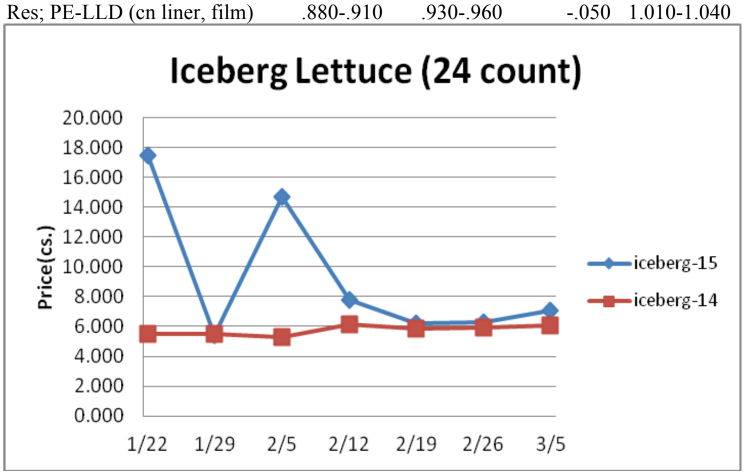



**Energy & Currency-** The crude oil market continues to trade near $50 a barrel as U.S. production reaches levels not seen since the 1970's. Further crude oil price declines may be limited. Currency US dollar is worth

| | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| Crude Oil, barrel- nymex | 50.780 | 49.310 | +1.470 | 103.330 |
| Natural Gas, mbtu- nymex | 2.739 | 2.889 | -.150 | 4.667 |
| Heating Oil, gal- nymex | 1.920 | 1.873 | +.047 | 3.041 |
| Electricity, mwht- nymex | 39.350 | 52.050 | -12.700 | 88.140 |
| Gasoline, gal- nymex | 1.929 | 1.821 | +.108 | 2.985 |
| Diesel Fuel, gal- eia | 2.936 | 2.900 | +.036 | 4.016 |
| Ethanol, gal- usda | 1.313 | 1.333 | -.020 | 2.090 |
| Canadian $ | 1.250 | 1.244 | +.006 | 1.108 |
| Japanese Yen | 119.575 | 118.785 | +.790 | 102.400 |
| Mexican Peso | 15.041 | 14.929 | +.112 | 13.270 |
| Euro | .898 | .881 | +.017 | .729 |
| Brazilian Real | 2.962 | 2.833 | +.129 | 2.341 |
| Chinese Yuan | 6.270 | 6.261 | +.009 | 6.128 |

**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) | 988.452 | 988.452 | - | 998.235 |
| WP; 42 lb. Linerboard (corr.) | 683.343 | 683.343 | | 670.241 |
| Res; PS-CHH (cup, cont.) | 1.150-1.190 | 1.170-1.210 | -.020 | 1.310-1.350 |
| Res; PP-HIGP (hvy utensil) | .930-.950 | .920-.940 | -.010 | 1.140-1.160 |
| Res; PE-LLD (cn liner, film) | .880-.910 | .930-.960 | -.050 | 1.010-1.040 |




**Produce**- The iceberg lettuce market continues to price at relatively attractive levels for buyers. Favorable weather has aided the lettuce harvest with iceberg shipments last week rising 9% from the previous week and up 12% compared to the same week a year ago. Further, cold weather in the Midwest and East has slowed demand. Still, the downside price risk in the lettuce markets from here is almost certainly only modest. The tomato markets remain fairly inflated due in part to recent weather challenges. The tomato markets are anticipated to be erratic during the next month or two. Price bases noted below

| | Price | Last Week | Difference | Price 12 |
|---|---|---|---|---|
| Limes (150 ct.) | 16.000 | 15.000 | +1.000 | 62.000 |
| Lemons (95 ct.) | 20.350 | 20.350 | - | 23.850 |
| Lemons (200 ct.) | 23.850 | 23.850 | - | 22.350 |
| Honeydew (6 ct.) | 9.850 | 9.000 | +.850 | 10.800 |
| Cantaloupe (15 ct.) | 11.450 | 11.450 | - | 13.450 |
| Blueberries (12 count) | 24.334 | 28.000 | -3.666 | 23.000 |
| Strawberries (12 pnts.) | 8.225 | 7.980 | +.245 | 13.000 |
| Avocados (Hass 48 ct.) | 38.500 | 37.250 | +1.250 | 36.000 |
| Bananas (40 lb.)- Term. | 19.292 | 19.053 | +.239 | 15.312 |
| Pineapple (7 ct.)- Term. | 15.250 | 15.417 | -.167 | 11.312 |
| Idaho Potato (60 ct., 50 lb.) | 13.500 | 13.250 | +.250 | 8.625 |
| Idaho Potato (70 ct., 50 lb.) | 12.750 | 12.250 | +.500 | 8.625 |
| Idaho Potato (70 ct.)-Term. | 18.500 | 20.273 | -1.773 | 14.762 |
| Idaho Potato (90 ct., 50 lb.) | 6.250 | 6.250 | - | 8.625 |
| Idaho Pot. # 2 (6 oz., 100 lb.) | 8.500 | 8.500 | - | 9.000 |
| Processing Potato (cwt.) | 9.000 | 9.000 | - | 7.900 |
| Yellow Onions (50 lb.) | 4.625 | 4.375 | +.250 | 18.600 |
| Yell Onions (50 lb.)-Term. | 9.521 | 9.500 | +.021 | 23.639 |
| Red Onions (25 lb.)- Term. | 9.063 | 9.188 | -.125 | 13.906 |
| White Onions (50 lb.)- Term. | 19.797 | 19.922 | -.125 | 29.513 |
| Tomatoes (large- case) | 15.200 | 17.200 | -2.000 | 13.200 |
| Tomatoes (5x6-25 lb.)-Term | 19.334 | 21.000 | -1.666 | 16.400 |
| Tomatoes (4x5 vine ripe) | 10.950 | 13.950 | -3.000 | 8.975 |
| Roma Tomatoes (large- case) | 9.275 | 10.200 | -.925 | 8.837 |
| Roma Tomatoes (xlarge-cs) | 9.538 | 10.950 | -1.412 | 9.087 |
| Green Peppers (large- case) | 7.750 | 10.417 | -2.667 | 17.416 |
| Red Peppers (large 15lb. cs.) | 9.950 | 9.950 | - | 14.950 |
| Iceberg Lettuce (24 count) | 7.050 | 6.275 | +.775 | 6.065 |
| Iceberg Lettuce (24)-Term. | 13.667 | 15.167 | -1.500 | 13.000 |
| Leaf Lettuce (24 count) | 8.469 | 8.377 | +.092 | 6.675 |
| Romaine Lettuce (24 cnt.) | 16.127 | 17.034 | -.907 | 9.075 |
| Mesculin Mix (3 lb.)-Term. | 6.375 | 6.938 | -.563 | 6.500 |
| Broccoli (14 ct.) | 9.022 | 6.427 | +2.595 | 7.806 |
| Squash (1/2 bushel) | 12.350 | 9.350 | +3.000 | 7.350 |
| Zucchini (1/2 bushel) | 10.350 | 5.350 | +5.000 | 8.350 |
| Green Beans (bushel) | 11.275 | 15.467 | -4.192 | 16.616 |
| Spinach, Flat 24's | 10.555 | 8.975 | +1.580 | 10.465 |
| Mushrms (10 lb, lg.)-Term. | 15.417 | 15.667 | -.250 | 14.912 |
| Cucumbers (bushel) | 8.450 | 13.570 | -5.120 | 14.400 |
| Pickles (200-300 ct.)- Term. | 26.500 | 24.875 | +1.625 | 23.062 |
| Asparagus (small) | 18.000 | 20.100 | -3.100 | 8.250 |
| Freight (Truck; CA-Cty Av.) | 5200.000 | 5140.000 | +60.000 | 5175.000 |

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

| | Jan-15 | Dec-14 | Nov-14 | Oct-14 |
|---|---|---|---|---|
| Beef and Veal | +.119 | +.709 | +.770 | +.324 |
| Dairy | -.900 | +.639 | -.183 | +.539 |
| Pork | -.131 | -1.721 | -2.104 | -.781 |
| Chicken | +.416 | -.262 | +1.246 | -.746 |
| Fresh Fish and Seafood | +.842 | -.700 | -.350 | -1.945 |
| Fresh Fruits and Veg. | +.105 | +1.174 | -.833 | +.183 |