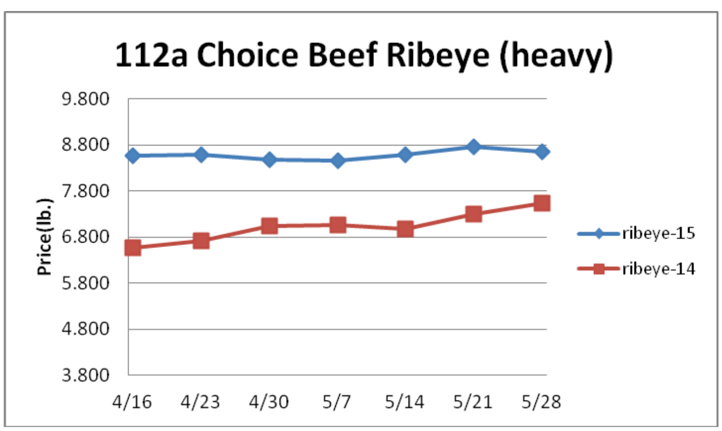
Weekly Market Updates

Volume No. 20 Issue No. 21 Date: May 27, 2015

Beef- Beef output last week declined .5% and was 3.7% less than a year ago. Cattle supplies are expected to be closer to 2014 levels this summer which was somewhat affirmed by last week's USDA cattle on feed data. The May 1 U.S. cattle on feed inventory was .8% larger than the prior year. Cattle placements into feedlots during April were 4.6% smaller than last year. Models indicate that cattle are backing up in feedlots but this has yet to materialize to gains in year over year beef production that the USDA is projecting. Several of the beef steak cut markets usually fall during June. The five year average move for the choice 0x1 strip market is a decline of 7.6% during the month. Price USDA, FOB per pound.

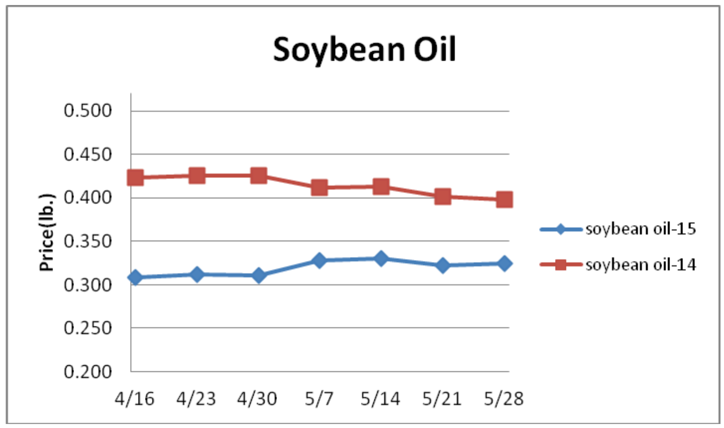
	Price	Last Week	Difference	Price 14
Live Cattle	1.599	1.612	-.013	1.452
Feeder Cattle Index (CME)	2.220	2.198	+.022	1.919
Ground Beef 81/19	2.449	2.367	+.082	2.215
Ground Chuck	2.640	2.765	-.125	2.348
109e Export Rib (choice)	7.703	7.833	-.130	6.696
109e Export Rib (prime)	9.303	8.748	+.555	9.944
112a Ribeye (choice)	8.658	8.759	-.101	7.539
112a Ribeye (prime)	9.762	9.986	-.224	10.516
116 Chuck (select)	2.916	2.925	-.009	2.635
116 Chuck (choice)	3.045	2.959	+.086	2.710
116b Chuck Tdnr (choice)	2.756	2.773	-.017	2.460
120 Brisket (choice)	2.814	2.777	+.037	2.873
121c Outside Skirt (ch/sel)	6.586	6.793	-.207	5.949
121d Inside Skirt (ch/sel)	6.027	6.051	-.024	4.224
167a Knckle, Trm. (ch.)	2.945	3.045	-.100	2.535
168 Inside Round (ch.)	2.835	2.913	-.078	2.156
174 Short Loin (ch. 0x1)	7.308	7.831	-.523	6.260
174 Short Loin (prime)	8.057	8.032	+.025	9.277
180 1x1 Strp (choice)	8.700	8.455	+.245	5.700
180 1x1 Strp (prime)	9.878	9.231	+.647	9.545
180 0x1 Strp (choice)	9.343	9.439	-.096	6.514
184 Top Butt, bnls (ch.)	4.387	3.712	+.675	3.570
184 Top Butt, bnls (prime)	4.901	4.963	-.062	4.101
185a Sirloin Flap (choice)	6.959	7.660	-.701	5.224
185c Loin, Tri-Tip (choice)	4.599	4.525	+.074	3.694
189a Tender (select)	11.027	10.806	+.221	10.604
189a Tender (choice)	11.129	11.138	-.009	10.731
189a Tender (prime)	15.474	15.373	+.101	14.315
193 Flank Steak (choice)	6.656	6.723	-.067	5.838
50% Trimmings	.974	1.018	-.044	1.274
65% Trimmings	1.397	1.396	+.001	1.642
75% Trimmings	2.031	2.011	+.020	1.921
85% Trimmings	2.703	2.721	-.018	2.118
90% Trimmings	2.977	2.964	+.013	2.447
90% Imported Beef (frz.)	2.308	2.340	-.032	2.098
95% Imported Beef (frz.)	2.500	2.533	-.033	2.280
Veal Rack (Hotel 7 rib)	9.950	9.950	-	8.900
Veal Top Rnd. (cp. off)	17.850	17.850	-	15.125



Oil, Grains, Misc-Heavy rains in various parts of the Southern Plains have caused winter wheat crop concerns. However, thus far the wheat markets reaction has been minimal suggesting the concerns are unwarranted. Relatively engaging wheat prices are expected to persevere into the summer. Prices USDA, FOB

	Price	Last Week	Difference	Price 14
Soybeans, bushel	9.364	9.578	-.214	15.115
Crude Soybean Oil, lb.	.324	.322	+.002	.398
Soybean Meal, ton	314.900	317.600	-2.700	524.700
Corn, bushel	3.479	3.528	-.049	4.644
Crude Corn Oil, lb.	.395	.395	-	.405
High Fructose Corn Syrup	.143	.141	+.002	.149
Distillers Grain, Dry	170.667	172.792	-2.125	206.250
Crude Palm Oil, lb. BMD	.274	.273	+.001	.354
HRW Wheat, bushel	5.290	5.450	-.160	7.340
DNS Wheat 14%, bushel	5.730	5.840	-.110	7.580
Durum Wheat, bushel	7.917	7.941	-.024	6.871
Pinto Beans, lb.	.235	.238	-.003	.391
Black Beans, lb.	.340	.340	-	.380
Rice, Long Grain, lb.	.242	.242	-	.287

3.281 +.034

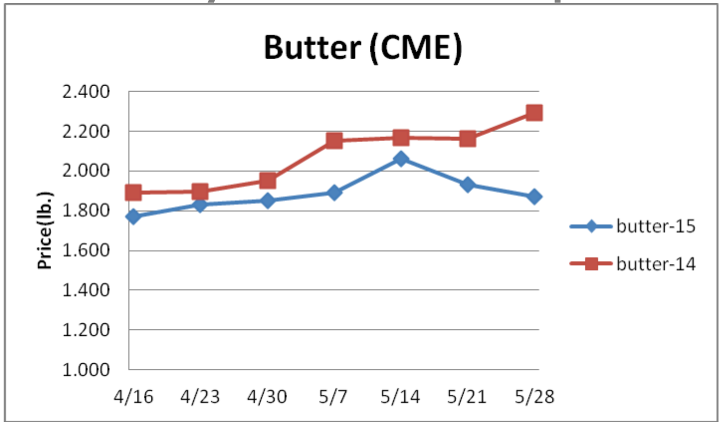


Dairy- The butter market has continued to weaken during the last week due mostly to seasonal gains in milk and cream supplies fueling butter output. The concern around butter this spring is that strong domestic demand could lessen the seasonal build in supplies. However, April 30th butter stocks were 23% larger than last year expanding by the third most during the month since 2002. Further modest butter price declines may be impending in the near term. But, butter may continue to carry a strong premium to cheese through the summer. The cheese markets are steady to firm. Prices per pound, except Class I Cream (hundred weight), from USDA

	Price	Last Week	Difference	Price 14
Cheese Barrels (CME)	1.605	1.615	-.010	1.945
Cheese Blocks (CME)	1.660	1.635	+.025	2.000
American Cheese	1.723	1.730	-.007	2.085
Cheddar Cheese (40 lb.)	1.743	1.720	+.023	2.067
Mozzarella Cheese	1.815	1.793	+.022	2.207
Provolone Cheese	2.218	2.195	+.023	2.565
Parmesan Cheese	3.565	3.543	+.022	3.913
Butter (CME)	1.870	1.930	-.060	2.295
Nonfat Dry Milk	1.037	1.046	-.009	1.945
Whey, Dry	.437	.446	-.009	0.692
Class 1 Base	16.140	15.830	+.310	22.860
Class II Cream, heavy	2.300	2.409	-.109	2.817
Class III Milk (CME)	16.500	16.580	-.008	21.030
Class IV Milk (CME)	14.140	14.330	-.190	22.600

Weekly Market Updates

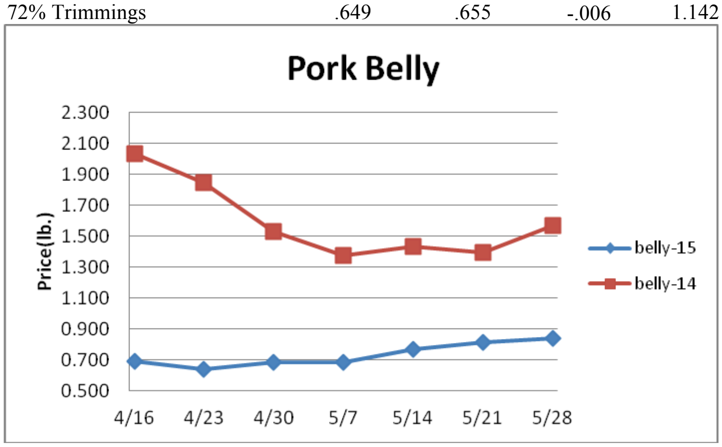
PERFORMANCE FOODSERVICE



Pork- Pork production last week rose .7% and was a whopping 8.2% larger than the same week last year. Solid pork production expansion versus 2014 is anticipated to persist which should limit the seasonal upside price risk in the pork markets. Generally the pork markets are averaging well below year ago levels but the rib markets have been the dissenters due to good demand for the grilling season. Rib prices usually remain elevated throughout June and early July before starting to drift downward. Prices USDA, FOB per pound

.

	Price	Last Week	Difference	Price 14
Live Hogs	.571	.591	-.020	.784
Belly (bacon)	.842	.811	+.031	1.396
Sparerib (4.25 lb. & down)	2.062	2.107	-.045	1.755
Ham (20-23 lb.)	.689	.780	-.091	1.147
Ham (23-27 lb.)	.695	.697	-.002	1.045
Loin (bone-in)	1.017	1.011	+.006	1.177
Bbybck Rib (1.75 lb. & up)	2.984	2.914	+.070	2.588
Tenderloin (1.25 lb.)	2.324	2.307	+.017	2.771
Boston Butt, untrmd. (4-8lb.)	1.202	1.140	+.062	1.379
Picnic, untrmd.	.601	.616	-.015	.933
SS Picnic, smoker trm. bx.	.787	.834	-.047	1.089
42% Trimmings	.356	.371	-.015	.679
72% Trimmings	.649	.655	-.006	1.142

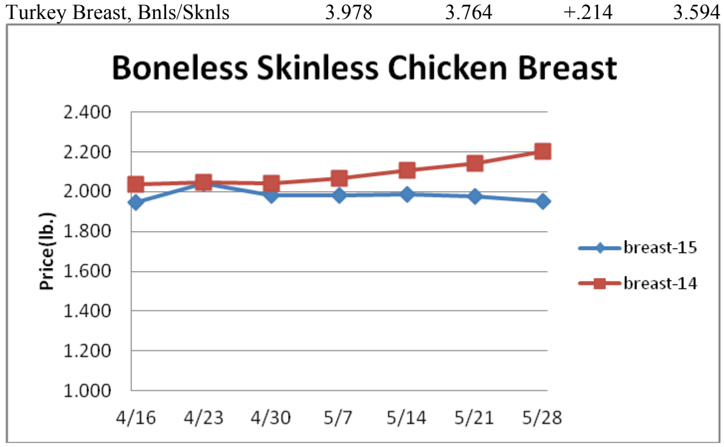


The Kitchen Sink (Various Markets)- The Brazilian coffee harvest is progressing and has generally been above initial expectations. Further, the Brazilian real remains historically depressed. Both of these factors are weighing on the coffee market. Coffee prices are likely to remain below 2014 levels. Price bases noted below

	Price	Last Week	Difference	Price 14
Whole Peeled, Stand (6/10)	12.737	12.881	-.144	12.593
Tomato Paste- Industrial (lb.)	.472	.477	-.005	.466
Coffee, lb., ICE	1.247	1.410	-.163	1.755
Sugar, lb., ICE	.249	.246	+.003	.251
Cocoa, mt., ICE	3140.000	3139.000	+1.000	2787.000
Orange Juice, lb., ICE	1.136	1.144	-.008	1.247
Honey (Clover), lb.	2.210	2.032	+.178	2.058

Poultry- Chicken production for the week ending May 16th fell 1.3% from the prior week but was 6.8% more than the same week a year ago. Over two-thirds of the chicken output expansion this year compared to 2014 has been due to heavier bird weights. Thus, actual broiler slaughter is only tracking 2% better than last year. This has limited the downward seasonal pressure on the chicken wing markets this spring. Still, chicken wing prices are expected to fall below 2014 levels later this year. Avian flu has limited egg supplies pushing egg prices sharply higher as roughly 10% of egg layers have been depopulated. Volatile egg prices could persist this summer. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 14
Whole Birds (2.5-3 lb.-GA)	1.160	1.160	-	1.095
Wings (whole)	1.785	1.785	-	1.325
Wings (jumbo, cut)	1.736	1.770	-.034	1.162
Breast, Bone In	1.255	1.270	-.015	1.295
Breast, Bnless Skinless	1.950	1.975	-.025	2.205
Tenderloin (random)	1.900	1.900	-	1.780
Tenderloin (sized)	2.300	2.300	-	2.040
Legs (whole)	.394	.413	-.019	.693
Leg Quarters	.475	.480	-.005	.550
Thighs, bone in	.712	.625	+.087	.870
Thighs, boneless	1.096	1.082	+.014	1.398
Eggs and Others				
Large (dozen)	2.087	1.523	+.564	1.247
Medium (dozen)	1.823	1.258	+.565	1.175
Whole Eggs- Liquid	1.673	1.350	+.323	.981
Egg Whites- Liquid	1.450	1.525	-.075	1.266
Egg Yolks- Liquid	1.615	1.525	+.090	.668
Whole Turkeys (8-16 lb.)	1.130	1.110	+.020	1.060
Turkey Breast, Bnls/Sknls	3.978	3.764	+.214	3.594

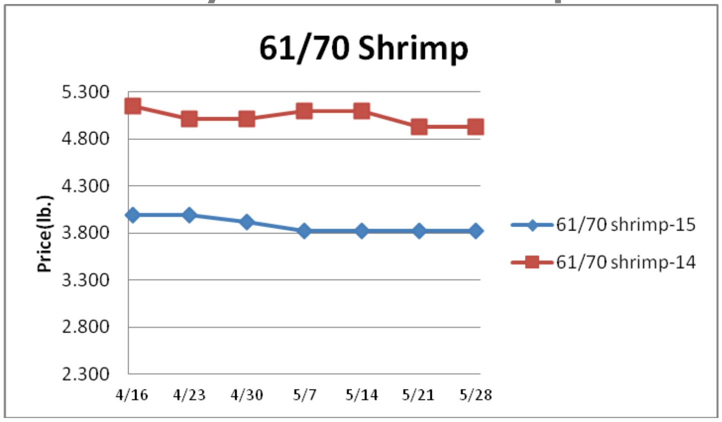


Seafood- The shrimp markets continue to track well below year ago levels due mostly to continued strong imports. The value of the U.S. dollar has rebounded as of late trading near multi-year highs compared to several important seafood trade currencies. Thus, relatively strong U.S. shrimp imports are expected to endure weighing on the shrimp markets. Prices for fresh product, unless noted, per pound from Fisheries Market News

	Price	Last Week	Difference	Price 14
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	7.048	7.048	-	7.975
Shrimp (61/70), Frz.	3.820	3.820	-	4.925
Shrimp, Tiger (26/30), Frz.	5.450	5.450	-	7.200
Snow Crab, Legs 5-8 oz, Frz	4.875	4.875	-	5.200
Snow Crab, Legs 8 oz/ up, Fz	5.200	5.200	-	5.400
Cod Tails, 3-7 oz., Frz.	2.763	2.763	-	3.063
Cod Loins, 3-12 oz., Frz	3.075	3.075	-	3.025
Salmon Portions, 4-8 oz, Frz	6.113	6.113	-	6.167
Pollock, Alaska, Deep Skin	1.800	1.800	-	1.750

Weekly Market Updates

PERFORMANCE FOODSERVICE

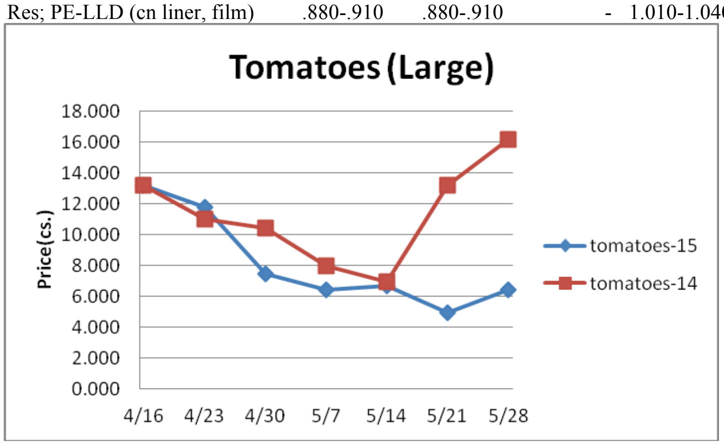


Energy & Currency- U.S. natural gas output as of late has been tracking 7% above 2014. Relatively engaging natural gas prices should persist this summer. Currency US dollar is worth.

	Price	Last Week	Difference	Price 14
Crude Oil, barrel- nymex	58.350	58.590	-.240	104.110
Natural Gas, mbtu- nymex	2.896	3.018	-.122	4.505
Heating Oil, gal- nymex	1.903	1.951	-.048	2.939
Electricity, mwht- nymex	46.400	48.750	-2.350	51.080
Gasoline, gal- nymex	1.984	2.009	-.025	2.995
Diesel Fuel, gal- eia	2.914	2.904	+.010	3.925
Ethanol, gal- usda	1.600	1.603	-.003	2.300
Canadian $	1.246	1.223	+.023	1.086
Japanese Yen	123.725	120.903	+2.822	101.941
Mexican Peso	15.343	15.202	+.141	12.877
Euro	.921	.900	+.021	.734
Brazilian Real	3.152	3.044	+.108	2.238
Chinese Yuan	6.203	6.204	-.001	6.255

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

Wood Pulp/ Plastic Resin	Price	Last Week	Difference	Price 14
WP; NBSK (napkin, towel)	970.391	970.391	-	996.729
WP; 42 lb. Linerboard (corr.)	679.356	679.356	-	670.241
Res; PS-CHH (cup, cont.)	1.200-1.240	1.200-1.240	-	1.360-1.400
Res; PP-HIGP (hvy utensil)	.880-.900	.880-.900	-	1.120-1.140
Res; PE-LLD (cn liner, film)	.880-.910	.880-.910	-	1.010-1.040



Produce- The tomato markets continue to trade at engaging levels for buyers. The large mature green tomato market has not traded near the recent low price levels in over three years. The Eastern U.S. tomato harvest has been solid while imports from Mexico have been adequate as well. However, margins for tomato farmers are minimal at these price points which suggests that the downside tomato markets risk from here is nominal. The Idaho potato markets remain firm especially for larger sized product. History suggests more expensive potato prices could occur during the early summer. Price bases noted below.

	Price	Last Week	Difference	Price 14
Limes (150 ct.)	12.000	16.000	-4.000	32.500
Lemons (95 ct.)	34.350	32.850	+1.500	26.850
Lemons (200 ct.)	23.850	22.850	+1.000	36.350
Honeydew (6 ct.)	5.250	5.475	-.225	10.225
Cantaloupe (15 ct.)	5.975	9.213	-3.238	6.700
Blueberries (12 count)	20.667	16.875	+3.792	18.833
Strawberries (12 pnts.)	10.500	8.834	+1.666	13.000
Avocados (Hass 48 ct.)	35.750	33.750	+2.000	38.750
Bananas (40 lb.)- Term.	15.235	15.454	-.219	14.513
Pineapple (7 ct.)- Term.	12.969	13.125	-.156	13.781
Idaho Potato (60 ct., 50 lb.)	17.250	17.000	+.250	15.000
Idaho Potato (70 ct., 50 lb.)	14.500	14.500	-	15.000
Idaho Potato (70 ct.)-Term.	21.271	21.115	+.156	18.831
Idaho Potato (90 ct., 50 lb.)	6.000	6.000	-	11.500
Idaho Pot. # 2 (6 oz., 100 lb.)	7.000	7.000	-	9.500
Processing Potato (cwt.)	10.500	10.250	+.250	10.000
Yellow Onions (50 lb.)	9.500	9.500	-	7.200
Yell Onions (50 lb.)-Term.	17.103	14.167	+2.936	12.729
Red Onions (25 lb.)- Term.	13.073	11.438	+1.635	16.688
White Onions (50 lb.)- Term.	22.613	23.074	-.461	15.900
Tomatoes (large- case)	6.450	4.950	+1.500	16.200
Tomatoes (5x6-25 lb.)-Term	9.639	10.313	-.674	13.708
Tomatoes (4x5 vine ripe)	7.390	7.390	-	8.950
Roma Tomatoes (large- case)	8.685	8.655	+.030	9.260
Roma Tomatoes (xlarge-cs)	8.734	8.615	+.119	9.625
Green Peppers (large- case)	13.650	14.650	-1.000	27.350
Red Peppers (large 15lb. cs.)	12.950	19.950	-7.000	17.950
Iceberg Lettuce (24 count)	10.375	9.290	+1.085	16.388
Iceberg Lettuce (24)-Term.	18.167	19.500	-1.333	25.167
Leaf Lettuce (24 count)	28.588	32.303	-3.715	17.410
Romaine Lettuce (24 cnt.)	14.024	13.319	+.705	18.307
Mesculin Mix (3 lb.)-Term.	6.375	6.907	-.532	6.750
Broccoli (14 ct.)	16.913	16.403	+.510	10.588
Squash (1/2 bushel)	5.450	4.500	+.950	17.475
Zucchini (1/2 bushel)	5.675	4.221	+1.454	16.817
Green Beans (bushel)	12.600	14.600	-2.000	17.600
Spinach, Flat 24's	10.220	11.500	-1.280	15.750
Mushrms (10 lb, lg.)-Term.	15.667	16.667	-1.000	15.146
Cucumbers (bushel)	7.942	8.825	-.883	20.928
Pickles (200-300 ct.)- Term.	34.250	32.500	+1.750	36.054
Asparagus (small)	12.500	12.500	-	13.500
Freight (Truck; CA-Cty Av.)	5550.000	5560.000	-10.000	6306.250

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

	Apr-15	Mar-15	Feb-15	Jan-15
Beef and Veal	+.373	+.094	+.666	+.119
Dairy	-.783	-.482	-.994	-.900
Pork	-2.750	-1.656	-1.138	-.131
Chicken	+.029	+.321	-.286	+.416
Fresh Fish and Seafood	-.054	+.953	-.619	+.842
Fresh Fruits and Veg.	+.044	-2.164	-1.576	+.105