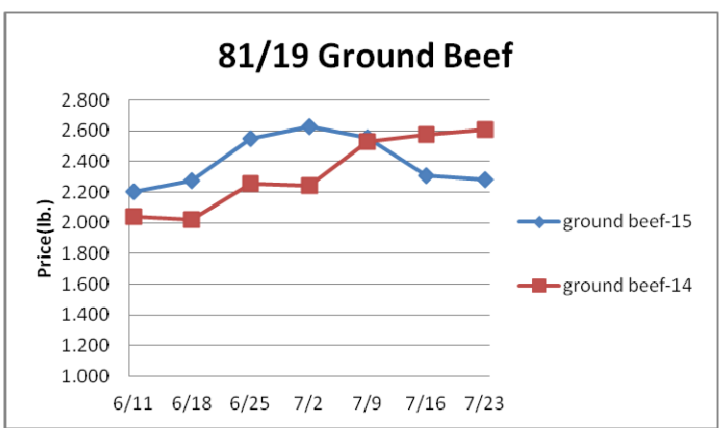
Weekly Market Updates

Volume No. 20 Issue No. 28 Date: July 22, 2015

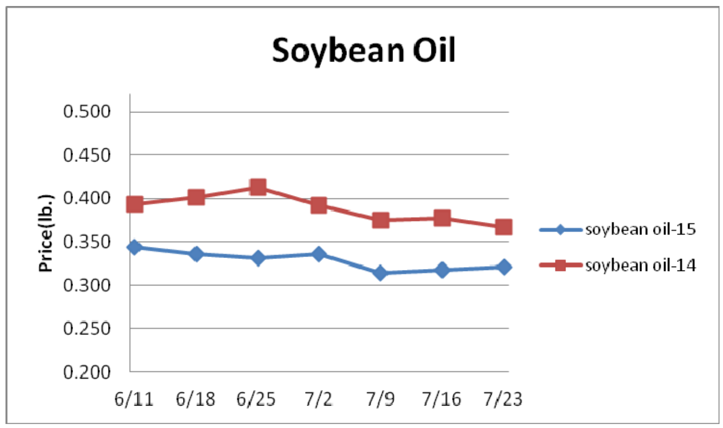
Beef- Beef production last week declined 2.1% and was 6.3% less than the same week last year. With the recent decline in beef prices, beef packer margins have deteriorated which could cause them to tap the brakes on beef output in the near term. Several of the beef markets have fallen below year ago levels. As of Monday, the USDA choice boxed beef cutout was 6.7% less than the previous year. The lower beef prices appear to be encouraging some retailers to feature beef in the coming weeks. Forward beef sales for delivery 22-90 days out last week were the biggest for any week since the spring of 2011. Thus, the near term downside beef price risk may be limited. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 14
Live Cattle	1.487	1.509	-.022	1.568
Feeder Cattle Index (CME)	2.189	2.230	-.041	2.105
Ground Beef 81/19	2.283	2.310	-.027	2.611
Ground Chuck	2.329	3.556	-1.227	2.809
109e Export Rib (choice)	6.216	6.213	+.003	6.506
109e Export Rib (prime)	9.371	9.298	+.073	9.700
112a Ribeye (choice)	7.087	6.828	+.259	7.139
112a Ribeye (prime)	10.149	10.220	-.071	11.267
116 Chuck (select)	2.986	2.963	+.023	3.094
116 Chuck (choice)	3.042	3.016	+.026	3.071
116b Chuck Tdnr (choice)	2.938	3.068	-.130	2.908
120 Brisket (choice)	2.586	2.588	-.002	3.031
121c Outside Skirt (ch/sel)	5.755	6.176	-.421	5.999
121d Inside Skirt (ch/sel)	5.138	5.638	-.500	4.583
167a Knckle, Trm. (ch.)	2.986	2.921	+.065	3.333
168 Inside Round (ch.)	2.751	2.703	+.048	2.829
174 Short Loin (ch. 0x1)	5.404	5.459	-.055	5.902
174 Short Loin (prime)	9.051	9.074	-.023	9.958
180 1x1 Strp (choice)	5.825	5.394	+.431	6.005
180 1x1 Strp (prime)	10.354	10.379	-.025	10.701
180 0x1 Strp (choice)	5.714	5.832	-.118	6.617
184 Top Butt, bnls (ch.)	3.863	4.000	-.137	3.989
184 Top Butt, bnls (prime)	4.383	4.579	-.196	4.769
185a Sirloin Flap (choice)	4.918	4.626	+.292	4.599
185c Loin, Tri-Tip (choice)	3.975	4.250	-.275	3.986
189a Tender (select)	11.033	10.379	+.654	9.654
189a Tender (choice)	10.700	10.558	+.142	9.898
189a Tender (prime)	15.814	15.919	-.105	15.007
193 Flank Steak (choice)	6.886	6.928	-.042	6.149
50% Trimmings	.656	.649	+.007	1.439
65% Trimmings	1.365	1.346	+.019	1.843
75% Trimmings	2.029	2.029	-	2.086
85% Trimmings	2.366	2.578	-.212	2.700
90% Trimmings	2.922	2.903	+.019	2.916
90% Imported Beef (frz.)	2.380	2.380	-	2.560
95% Imported Beef (frz.)	2.590	2.578	+.012	2.700
Veal Rack (Hotel 7 rib)	9.825	9.825	-	9.250
Veal Top Rnd. (cp. off)	17.850	17.850	-	15.325



Oil, Grains, Misc- The corn crop has entered its key development period. The weather has improved considerably with the absence of extreme temperatures anticipated during the next 10 days. Corn prices could remain on the defensive in the near term. Wheat and soybeans may do the same. Prices USDA, FOB

	Price	Last Week	Difference	Price 14
Soybeans, bushel	10.301	10.350	-.049	12.536
Crude Soybean Oil, lb.	.321	.318	+.003	.367
Soybean Meal, ton	382.400	392.100	-9.700	431.3
Corn, bushel	3.854	4.203	-.349	3.535
Crude Corn Oil, lb.	.418	.418	-	.379
High Fructose Corn Syrup	.122	.123	-.001	.126
Distillers Grain, Dry	146.625	144.375	+2.250	129.375
Crude Palm Oil, lb. BMD	.277	.261	+.016	.326
HRW Wheat, bushel	5.130	5.610	-.480	6.280
DNS Wheat 14%, bushel	5.610	5.990	-.380	6.880
Durum Wheat, bushel	8.057	6.174	+1.883	8.531
Pinto Beans, lb.	.245	.245	-	.391
Black Beans, lb.	.340	.340	-	.390
Rice, Long Grain, lb. 3.281 +.034	.230	.233	-.003	.286

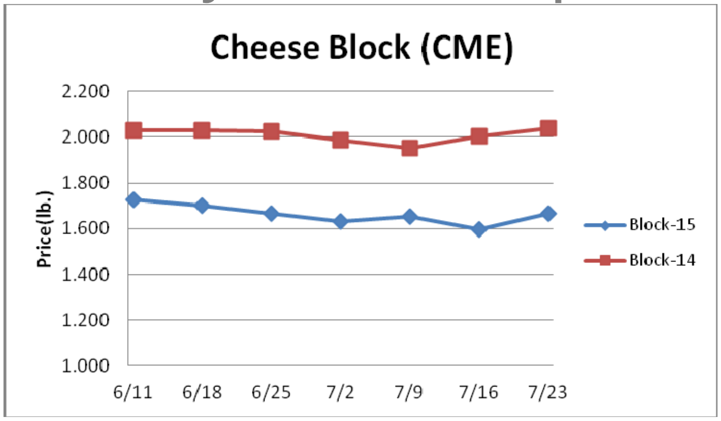


Dairy- U.S. milk farmers continue to slowly expand. During June, domestic milk production was .7% more than the previous year due to a .2% gain in milk per cow yields and a .5% larger milk cow herd. Milk farmers reduced the herd by 7,000 head during the month but this number will likely be adjusted. Just slow milk output growth versus 2014 is likely this summer which should limit the downside price potential in cheese and butter. Typically cheese prices move 7.4% higher during the next nine weeks. Butter usually firms 13.3% during this same time period. Prices per pound, except Class I Cream (hundred weight), from USDA

	Price	Last Week	Difference	Price 14
Cheese Barrels (CME)	1.645	1.580	+.065	2.033
Cheese Blocks (CME)	1.665	1.595	+.070	2.040
American Cheese	1.715	1.718	-.003	2.143
Cheddar Cheese (40 lb.)	1.750	1.768	-.018	2.088
Mozzarella Cheese	1.823	1.840	-.017	2.228
Provolone Cheese	2.225	2.243	-.018	2.585
Parmesan Cheese	3.573	3.590	-.017	3.932
Butter (CME)	1.875	1.833	+.042	2.620
Nonfat Dry Milk	.930	.973	-.043	1.895
Whey, Dry	.385	.396	-.011	0.673
Class 1 Base	16.530	16.530	-	23.020
Class II Cream, heavy	2.915	2.838	+.077	3.420
Class III Milk (CME)	16.390	15.930	+.460	21.820
Class IV Milk (CME)	13.140	13.140	-	23.550

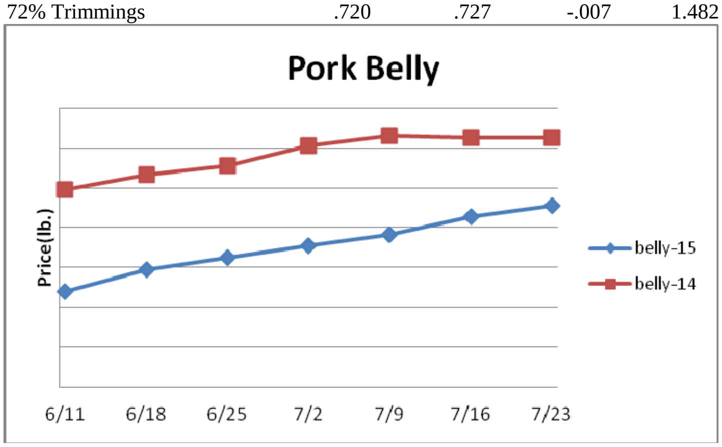
Weekly Market Updates

PERFORMANCE FOODSERVICE



Pork- Pork output last week rose .5% and was 12.6% larger than the same week last year. This is despite hog weights tracking 1.4% below the prior year. Hog supplies are expected to remain generally ample into the fall which should cause sizeable year over year expansion in pork production to persist. Still, pork output growth is likely to slow in 2016. The pork markets have been mixed as of late with continued firmness in belly prices. Usually the pork belly markets peak in mid-August before turning sharply lower. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 14
Live Hogs	.546	.571	-.025	.932
Belly (bacon)	1.408	1.357	+.051	1.514
Sparerib (4.25 lb. & down)	1.758	1.815	-.057	1.850
Ham (20-23 lb.)	.611	.548	+.063	1.383
Ham (23-27 lb.)	.590	.537	+.053	1.426
Loin (bone-in)	.925	.918	+.007	1.347
Bbybck Rib (1.75 lb. & up)	2.581	2.498	+.083	2.629
Tenderloin (1.25 lb.)	2.580	2.670	-.090	2.895
Boston Butt, untrmd. (4-8lb.)	.824	.783	+.041	1.526
Picnic, untrmd.	.528	.548	-.020	1.142
SS Picnic, smoker trm. bx.	.673	.759	-.086	1.282
42% Trimmings	.431	.385	+.046	.641
72% Trimmings	.720	.727	-.007	1.482

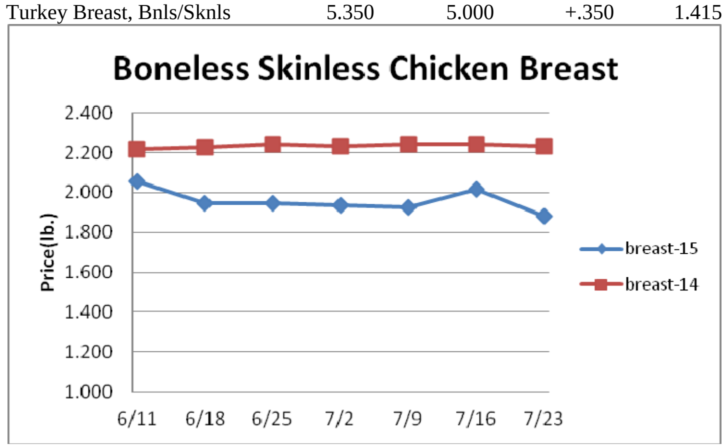


The Kitchen Sink (Various Markets)- The California tomato for processing harvest is underway. To date, output is tracking 3.5% better than the previous year and at the best level since 2009. Elevated raw product tomato prices for processors could keep the canned tomato markets inflated this fall. Price bases noted below.

	Price	Last Week	Difference	Price 14
Whole Peeled, Stand (6/10)	12.740	12.713	+.027	12.625
Tomato Paste- Industrial (lb.)	.472	.471	+.001	.464
Coffee, lb., ICE	1.271	1.276	-.005	1.690
Sugar, lb., ICE	.248	.248	-	.248
Cocoa, mt., ICE	3293.000	3352.000	-59.000	3127.000
Orange Juice, lb., ICE	1.217	1.186	+.031	1.510
Honey (Clover), lb.	2.075	2.075	-	2.096

Poultry- Chicken output for the week ending July 11th was 5.6% bigger than the same week last year. Solid chicken production growth versus 2014 is expected to persist. The USDA is forecasting chicken output during the summer and fall to track 5.5% above the previous year. However, if chicken breast prices continue to decline and producer margins wane, chicken production growth could be slowed later this year. The ARA Boneless Skinless Chicken Breast Index has declined 19.2% since peaking in mid-May. This marks the largest decline in breast prices during that time period in at least the last 13 years. Further breast market declines may be pending. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 14
Whole Birds (2.5-3 lb.-GA)	1.158	1.160	-.002	1.415
Wings (whole)	1.665	1.670	-.005	1.360
Wings (jumbo, cut)	1.758	1.758	-	1.443
Breast, Bone In	1.275	1.305	-.003	2.235
Breast, Bnless Skinless	1.880	2.015	-.135	1.945
Tenderloin (random)	1.700	1.800	-.100	2.140
Tenderloin (sized)	2.100	2.200	-.100	.650
Legs (whole)	.318	.327	-.009	.555
Leg Quarters	.455	.455	-	.499
Thighs, bone in	.601	.664	-.063	1.411
Thighs, boneless	1.012	1.109	-.097	1.251
Eggs and Others				
Large (dozen)	1.885	1.897	-.012	.914
Medium (dozen)	1.485	1.492	-,007	.772
Whole Eggs- Liquid	2.450	2.450	-	1.257
Egg Whites- Liquid	2.150	2.160	-.010	.597
Egg Yolks- Liquid	2.595	2.500	+.095	1.080
Whole Turkeys (8-16 lb.)	1.245	1.240	+.005	4.052
Turkey Breast, Bnls/Sknls	5.350	5.000	+.350	1.415

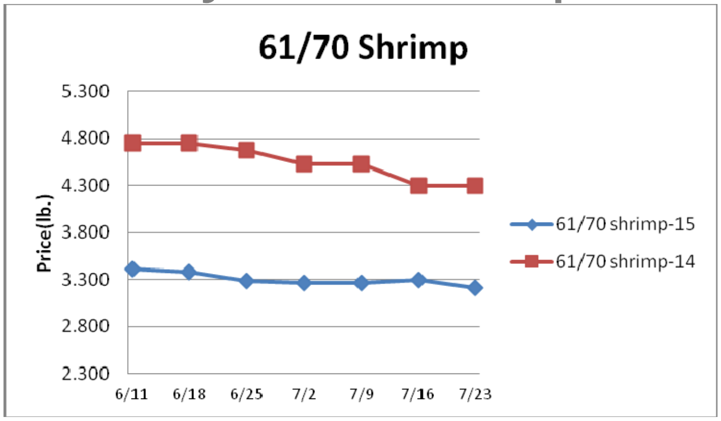


Seafood- The lower shrimp prices are starting to deter U.S. imports. In May, the U.S. imported 2.7% less shrimp than the prior year. Thailand exported 3.1% more shrimp to the U.S. during the month but it was still the second smallest for May in the last 11 years. Still, fairly solid shrimp imports should keep shrimp prices below 2014 levels into the fall. 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	6.755	6.884	-.129	8.079
Shrimp (61/70), Frz.	3.210	3.300	-.090	4.300
Shrimp, Tiger (26/30), Frz.	5.213	5.210	+.003	6.700
Snow Crab, Legs 5-8 oz, Frz	4.975	4.975	-	5.325
Snow Crab, Legs 8 oz/ up, Fz	5.600	5.600	-	5.625
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	6.063	6.063	-	6.225
Pollock, Alaska, Deep Skin	1.800	1.800	-	1.750

Weekly Market Updates

PERFORMANCE FOODSERVICE

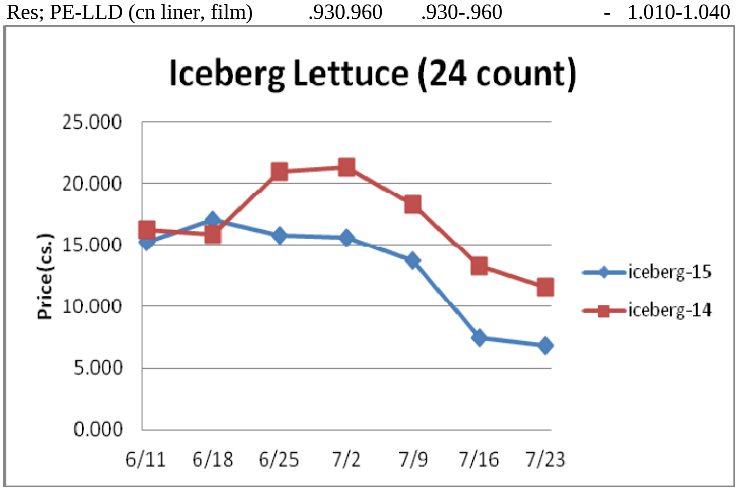


Energy & Currency - Crude oil futures remain near $50 a barrel and the downside price risk may only be nominal. Crude oil has not traded appreciably below the $50 level for an extended period since March. Currency US dollar is worth

	Price	Last Week	Difference	Price 14
Crude Oil, barrel- nymex	50.290	50.970	-.680	102.460
Natural Gas, mbtu- nymex	2.890	2.862	+.028	3.804
Heating Oil, gal- nymex	1.682	1.669	+.013	2.872
Electricity, mwht- nymex	42.000	41.730	+.270	47.650
Gasoline, gal- nymex	1.846	1.845	+.001	2.850
Diesel Fuel, gal- eia	2.782	2.814	-.032	3.869
Ethanol, gal- usda	1.543	1.543	-	2.110
Canadian $	1.297	1.296	+.001	1.072
Japanese Yen	123.756	124.126	-.370	101.400
Mexican Peso	16.038	15.823	+.215	12.933
Euro	.915	.919	-.004	.743
Brazilian Real	3.180	3.151	+.029	2.216
Chinese Yuan	6.209	6.211	-.002	6.200

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)	964.747	976.787	-12.040	996.729
WP; 42 lb. Linerboard (corr.)	678.786	678.786	-	671.095
Res; PS-CHH (cup, cont.)	1.180-1.220	1.180-1.220	-	1.360-1.400
Res; PP-HIGP (hvy utensil)	.880-.900	.880-.900	-	1.080-1.110
Res; PE-LLD (cn liner, film)	.930.960	.930-.960	-	1.010-1.040



Produce- Lettuce supplies are ample putting downward pressure on the lettuce markets. Lettuce shipments last week rose 2.7% from the previous week and were 7% more than the same week last year. The downside price risk in lettuce from here is likely only modest however as farmer margins have deteriorated. The potato markets have remained historically elevated as of late but have not continued to appreciate. This suggests that a premature top in the potato markets could occur this summer if it hasn't already. Idaho potato prices usually move sharply lower during the fall. Price bases noted below

	Price	Last Week	Difference	Price 14
Limes (150 ct.)	6.500	6.500	-	10.000
Lemons (95 ct.)	40.350	40.350	-	37.850
Lemons (200 ct.)	26.350	26.350	-	28.900
Honeydew (6 ct.)	8.750	8.750	-	8.971
Cantaloupe (15 ct.)	8.500	5.750	+2.750	5.250
Blueberries (12 count)	16.375	14.563	+1.812	12.583
Strawberries (12 pnts.)	8.500	9.000	-.500	12.000
Avocados (Hass 48 ct.)	34.334	39.250	-4.916	36.750
Bananas (40 lb.)- Term.	16.017	16.038	-.021	15.354
Pineapple (7 ct.)- Term.	13.407	13.438	-.031	10.198
Idaho Potato (60 ct., 50 lb.)	12.000	15.500	-3.500	7.000
Idaho Potato (70 ct., 50 lb.)	12.000	14.250	-2.250	7.000
Idaho Potato (70 ct.)-Term.	20.313	20.688	-.375	15.781
Idaho Potato (90 ct., 50 lb.)	5.750	6.000	-.250	6.250
Idaho Pot. # 2 (6 oz., 100 lb.)	6.000	6.500	-.500	9.000
Processing Potato (cwt.)	8.750	9.000	-.250	9.500
Yellow Onions (50 lb.)	13.834	14.500	-.666	10.250
Yell Onions (50 lb.)-Term.	20.742	20.636	+.106	12.297
Red Onions (25 lb.)- Term.	19.334	18.875	+.459	11.313
White Onions (50 lb.)- Term.	23.928	24.000	-.072	19.125
Tomatoes (large- case)	16.950	14.450	+2.500	11.950
Tomatoes (5x6-25 lb.)-Term	18.834	15.875	+2.959	11.783
Tomatoes (4x5 vine ripe)	16.950	14.950	+2.000	9.950
Roma Tomatoes (large- case)	12.650	12.075	+.575	9.330
Roma Tomatoes (xlarge-cs)	12.950	12.200	+.750	10.075
Green Peppers (large- case)	24.200	20.175	+4.025	17.313
Red Peppers (large 15lb. cs.)	17.450	17.950	-.500	19.950
Iceberg Lettuce (24 count)	6.863	7.490	-.627	11.585
Iceberg Lettuce (24)-Term.	16.000	19.834	-3.834	21.833
Leaf Lettuce (24 count)	8.050	7.505	+.545	7.128
Romaine Lettuce (24 cnt.)	8.075	8.938	-.863	13.525
Mesculin Mix (3 lb.)-Term.	6.563	6.500	+.063	6.958
Broccoli (14 ct.)	11.725	8.488	+3.237	6.775
Squash (1/2 bushel)	16.642	14.925	+1.717	8.050
Zucchini (1/2 bushel)	14.019	12.425	+1.594	7.750
Green Beans (bushel)	18.013	24.325	-6.312	16.250
Spinach, Flat 24's	11.900	11.500	+.400	9.150
Mushrms (10 lb, lg.)-Term.	15.667	16.417	-.750	15.146
Cucumbers (bushel)	13.713	16.700	-2.987	12.540
Pickles (200-300 ct.)- Term.	36.563	31.625	+4.938	23.521
Asparagus (small)	13.375	13.500	-.125	20.625
Freight (Truck; CA-Cty Av.)	5900.000	5900.000	+55.000	6387.500

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

	May-15	Apr-15	Mar-15	Feb-15
Beef and Veal	+.888	-.075	+.373	+.094
Dairy	-.608	-.742	-.783	-.482
Pork	+.262	-.096	-2.750	-1.656
Chicken	+1.716	-2.391	+.029	+.321
Fresh Fish and Seafood	-1.170	-.848	-.054	+.953
Fresh Fruits and Veg.	-1.745	+.828	+.044	-2.164