

EXECUTIVE SUMMARY 11-24-15

OCTOBER, NOVEMBER, DECEMBER 2015

- We expect a continued trend of moderate to low inflation throughout the fourth quarter of 2015 and into 2016. This should be in line with the Purchasing Price Index (PPI—Food).
- The national unemployment level declined to 5.1% in September 2015, the lowest level seen since April 2008.
- Frozen orange juice prices are expected to continue to rise in 2016 due to the smallest planted acreage in Florida since 1966.
- Coffee prices continue on a slight decline and are being driven by weather conditions in Brazil.
- Anticipated lackluster milk output expansion over the next few months could be supportive of the dairy markets.
- Egg supplies remain limited for the pending holiday season due to Avian Influenza Virus. Prices will likely continue to be high, but not rise substantially through the end of the year.
- Beef production is expected to trend above last year's levels for the next few months into 2016.
- Ground Beef prices have trended lower over the last three months due to overabundance of trim coming from production facilities.
- Fourth quarter pork production is forecast to track 6.8% above last year driving ample supply.
- Bacon prices still remain inflated due to strong demand and limited stocks.
- Higher chicken prices are expected into 2016 as lower output is anticipated during the next few months while the demand is expected to remain strong.
- There may be shortages of turkey through the holiday season due to the ongoing impacts of the Avian Influenza Virus.
- The shrimp markets remain well below 2014 levels due, in part, to

strong imports.

- Fairly solid salmon imports are anticipated to continue this fall which could cause prices to remain below 2014 levels.
- With continuing favorable rice prices, farmers have elected to maintain their investment in established rice acreage.
- The development of volatile weather patterns world-wide in 2015, such as "El Nino," may cause production problems for corn and other coarse grains.
- Soybean oil prices continue to track near historically low levels.
- Canola acres planted in 2015 increased by 5% compared to last year due to favorable planting conditions resulting in lower prices.
- Price softness is already in play for Recovered Fiber Paper which could lead to price reductions in November 2015.
- Due to dramatic drops in crude and refinery derivatives, Polypropylene prices are expected to rise in the near future.
- Cotton consumption and textile production in early 2016 are projected to increase in countries where labor and other costs are low.
- World cotton stocks are expected to decrease by 4% in the coming months for the first time in six years.

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