Weekly Market Updates

PERFORMANCE FOODSERVICE

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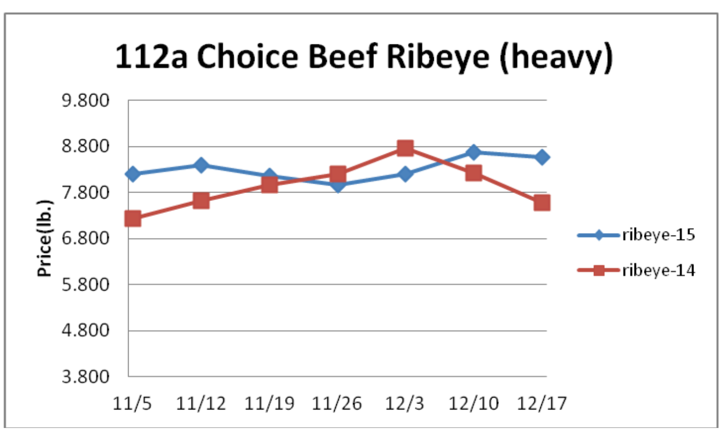
Beef- Beef output last week rose 4% and was 4.8% larger than the same week last year. Cattle slaughter was one of the biggest in over a year. Near slaughter ready cattle supplies are expected to remain adequate into the winter. The USDA is forecasting first quarter 2016 beef production to be 5.1% more than the previous year and the largest for the quarter since 2013. This should generally weigh on the beef markets although some may be forming a bottom. Case in point: The cost to produce a ground beef product is near multi-year lows due to the decline in beef trim prices this fall. Further, the five year average move for the 81-19 ground beef market during January is higher by 23%. Price USDA, FOB per pound.

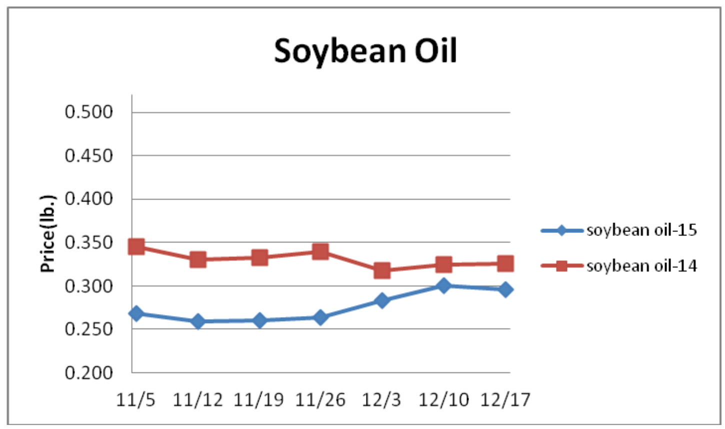
	Price	Last Week	Difference	Price 14
Live Cattle	1.171	1.223	-.052	1.624
Feeder Cattle Index (CME)	1.552	1.637	-.085	2.353
Ground Beef 81/19	1.530	1.556	-.026	2.533
Ground Chuck	1.633	1.717	-.084	2.751
109e Export Rib (choice)	7.376	8.286	-.910	6.646
109e Export Rib (prime)	8.557	8.679	-.122	9.154
112a Ribeye (choice)	8.557	8.675	-.118	7.576
112a Ribeye (prime)	9.055	8.676	+.379	9.944
116 Chuck (select)	2.571	2.628	-.057	2.961
116 Chuck (choice)	2.739	2.787	-.048	3.006
116b Chuck Tdnr (choice)	1.859	2.076	-.217	3.012
120 Brisket (choice)	2.132	2.134	-.002	3.311
121c Outside Skirt (ch/sel)	5.049	5.470	-.421	5.797
121d Inside Skirt (ch/sel)	3.947	4.076	-.129	4.473
167a Knckle, Trm. (ch.)	2.072	2.027	+.045	3.223
168 Inside Round (ch.)	1.851	1.893	-.042	2.811
174 Short Loin (ch. 0x1)	5.008	5.076	-.068	5.214
174 Short Loin (prime)	5.714	6.424	-.710	7.365
180 1x1 Strp (choice)	4.815	4.917	-.102	4.860
180 1x1 Strp (prime)	6.310	7.324	-1.014	8.202
180 0x1 Strp (choice)	5.201	5.225	-.024	5.484
184 Top Butt, bnls (ch.)	2.927	2.884	+.043	3.450
184 Top Butt, bnls (prime)	2.957	2.927	+.030	3.725
185a Sirloin Flap (choice)	4.019	4.164	-.145	4.215
185c Loin, Tri-Tip (choice)	2.926	3.425	-.499	3.379
189a Tender (select)	9.591	10.586	-.995	10.166
189a Tender (choice)	10.387	10.456	-.069	9.769
189a Tender (prime)	15.004	15.046	-.042	14.982
193 Flank Steak (choice)	4.733	4.893	-.160	4.849
50% Trimmings	.377	.374	+.003	0.949
65% Trimmings	.785	.737	+.048	1.746
75% Trimmings	1.339	1.337	+.002	2.304
85% Trimmings	1.743	1.732	+.011	2.725
90% Trimmings	1.928	2.051	-.123	2.922
90% Imported Beef (frz.)	1.963	1.993	-.030	2.723
95% Imported Beef (frz.)	2.090	2.145	-.055	2.895
Veal Rack (Hotel 7 rib)	9.825	9.825	-	9.950
Veal Top Rnd. (cp. off)	17.500	17.600	-.100	16.450



Oil, Grains, Misc- The newly installed Argentine President Mauricio Macri has abolished corn and wheat export tariffs and reduced soybean trade taxes. Given that Argentina is a major grain and oilseed exporter, this action could push more grain and oilseed supplies on the world market place in the near term which could weigh heavy on prices. Prices USDA, FOB

	Price	Last Week	Difference	Price 14
Soybeans, bushel	8.567	8.654	-.087	10.062
Crude Soybean Oil, lb.	.296	.301	-.005	.326
Soybean Meal, ton	286.300	289.400	-3.100	415.600
Corn, bushel	3.602	3.575	+.027	3.757
Crude Corn Oil, lb.	.378	.393	-.015	.335
High Fructose Corn Syrup	.130	.130	-	.132
Distillers Grain, Dry	127.833	126.563	+1.270	159.417
Crude Palm Oil, lb. BMD	.260	.255	+.005	.275
HRW Wheat, bushel	4.620	4.420	+.200	6.460
DNS Wheat 14%, bushel	5.270	5.250	+.020	6.540
Durum Wheat, bushel	6.333	6.333	-	10.942
Pinto Beans, lb.	.205	.205	-	.300
Black Beans, lb.	.228	.228	-	.308
Rice, Long Grain, lb.	.238	.238	-	.259

3.281 +.034



Dairy- Butter prices are declining sharply as holiday orders have been secured. The CME butter market has declined 29% since peaking earlier this fall. Cyclical charts suggest that additional butter price declines are likely in the near term but the market is anticipated to remain above the prior year levels throughout the winter. The cheese markets continue to drift lower as unseasonably warm weather continues to aid milk production in the Midwest. The average temperature in Wisconsin during October and September was the warmest since 2011 and the fifth warmest since 1895. Prices per pound, except Class I Cream (hundred weight), from USDA. .

	Price	Last Week	Difference	Price 14
Cheese Barrels (CME)	1.410	1.500	-.090	1.587
Cheese Blocks (CME)	1.410	1.475	-.065	1.607
American Cheese	1.575	1.607	-.032	1.607
Cheddar Cheese (40 lb.)	1.582	1.650	-.068	1.667
Mozzarella Cheese	1.655	1.722	-.067	1.807
Provolone Cheese	2.092	2.160	-.068	2.165
Parmesan Cheese	3.440	3.507	-.067	3.512
Butter (CME)	2.077	2.790	-.713	1.555
Nonfat Dry Milk	.917	.936	-.019	1.303
Whey, Dry	.247	.247	-	.562
Class 1 Base	16.710	16.710	-	22.530
Class II Cream, heavy	2.932	3.599	-.667	2.417
Class III Milk (CME)	13.650	14.050	-.400	15.750
Class IV Milk (CME)	14.100	14.330	-.230	15.000

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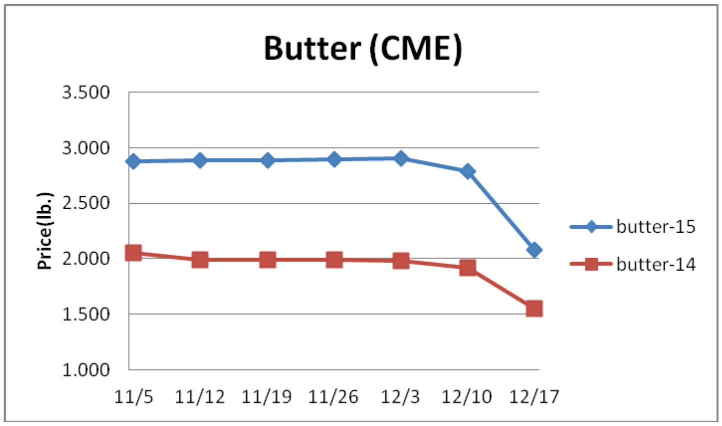
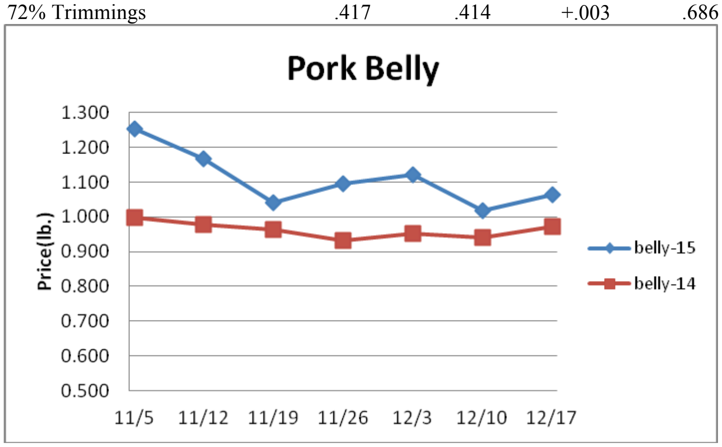


Pork- Pork production last week rose .1%, was 6.4% bigger than last year and a record for any week. Pork output expansion is expected to slow in 2016. The USDA is forecasting winter pork production to essentially be flat with the previous year. This is expected to bring modest support to several of the pork markets including bellies. The pork belly market recently fell to its lowest level since the spring but history suggests higher prices are on the way. The five year average move for the USDA pork belly cutout during January is upward by 10%. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 14
Live Hogs	.383	.383	-	.589
Belly (bacon)	1.064	1.018	+.046	.915
Sparerib (4.25 lb. & down)	1.469	1.486	-.017	1.668
Ham (20-23 lb.)	.810	.733	+.077	.860
Ham (23-27 lb.)	.700	.713	-.013	.775
Loin (bone-in)	.733	.712	+.021	.962
Bbybck Rib (1.75 lb. & up)	2.424	2.427	-.003	2.263
Tenderloin (1.25 lb.)	1.821	1.783	+.038	2.616
Boston Butt, untrmd. (4-8lb.)	.795	.771	+0.24	1.066
Picnic, untrmd.	.501	.457	+.044	.772
SS Picnic, smoker trm. bx.	.748	.699	+.049	1.224
42% Trimmings	.181	.183	-.002	.267
72% Trimmings	.417	.414	+.003	.686

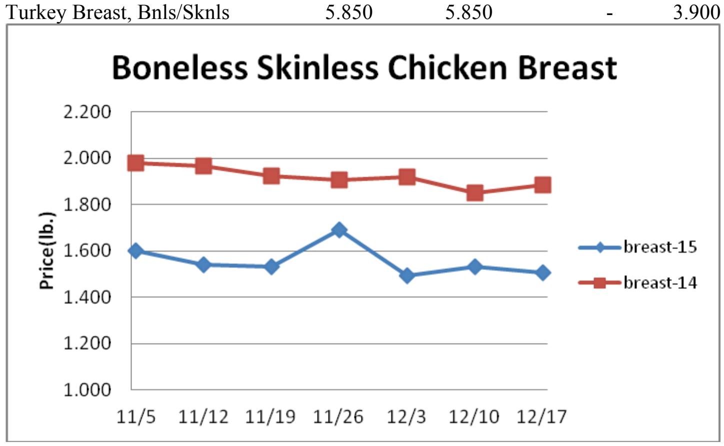


The Kitchen Sink (Various Markets) - Sugar prices have found support in recent weeks due to weather concerns and expectations that the excess 2015-16 supply will be the smallest in four years. The upside may be limited from here for sugar prices though. Price bases noted below

	Price	Last Week	Difference	Price 14
Whole Peeled, Stand (6/10)	12.281	11.810	+.471	12.737
Tomato Paste- Industrial (lb.)	.455	.437	+.018	.471
Coffee, lb., ICE	1.192	1.263	-.071	1.720
Sugar, lb., ICE	.263	.263	-	.247
Cocoa, mt., ICE	3305.000	3369.000	-64.000	3127.000
Orange Juice, lb., ICE	1.486	1.459	+.027	1.364
Honey (Clover), lb.	1.733	1.733	-	2.057

Poultry- For the week ending December 5th, chicken production was .9% bigger than the previous year due to a 2% rise in bird weights and a 1.1% decline in the numbers of birds slaughtered. Three of the prior four weeks had broiler slaughter below year ago levels. Assuming this trend continues as indicated by the USDA chick placement data, the chicken markets are likely to find support. Chicken wing demand should escalate in the coming weeks. This factor and the slowed output growth are anticipated to lift the chicken wing markets 10% plus between now and the Super Bowl. The chicken breast markets usually move higher during the first quarter. The ARA Boneless Skinless Chicken Breast Index rose 15% during the winter of 2015. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 14
Whole Birds (2.5-3 lb.-GA)	1.130	1.137	-.007	1.370
Wings (whole)	1.505	1.500	+.005	1.560
Wings (jumbo, cut)	1.622	1.613	+.009	1.720
Breast, Bone In	1.020	.995	+.025	1.205
Breast, Bnless Skinless	1.505	1.530	-.025	1.885
Tenderloin (random)	1.150	1.150	-	1.580
Tenderloin (sized)	1.600	1.600	-	1.840
Legs (whole)	.373	.303	+.070	.521
Leg Quarters	.365	.365	-	.515
Thighs, bone in	.491	.486	+.005	.766
Thighs, boneless	.693	.688	+.005	1.230
Eggs and Others				
Large (dozen)	1.405	2.060	-.655	2.127
Medium (dozen)	1.007	1.378	-.371	1.405
Whole Eggs- Liquid	1.050	1.310	-.260	.971
Egg Whites- Liquid	1.200	1.250	-.050	1.023
Egg Yolks- Liquid	2.035	2.108	-.073	.734
Whole Turkeys (8-16 lb.)	1.295	1.295	-	1.045
Turkey Breast, Bnls/Sknls	5.850	5.850	-	3.900



Seafood- Strong salmon imports continue due in a large part to the historically inflated U.S. dollar. During October the U.S. brought in 15% more salmon than the previous year marking the biggest total since June and a record for the month. Relatively solid salmon imports are anticipated to endure this winter which may keep salmon prices below prior year levels. 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	6.018	5.862	+.156	7.753
Shrimp (61/70), Frz.	3.509	3.475	+.034	4.125
Shrimp, Tiger (26/30), Frz.	4.830	4.850	-.020	6.484
Snow Crab, Legs 5-8 oz, Frz	5.225	5.175	+.050	5.400
Snow Crab, Legs 8 oz/ up, Fz	6.050	6.050	-	5.625
Cod Tails, 3-7 oz., Frz.	2.800	2.800	-	3.062
Cod Loins, 3-12 oz., Frz	3.175	3.175	-	3.050
Salmon Portions, 4-8 oz, Frz	5.775	5.858	-.083	6.275
Pollock, Alaska, Deep Skin	1.800	1.800	-	1.750

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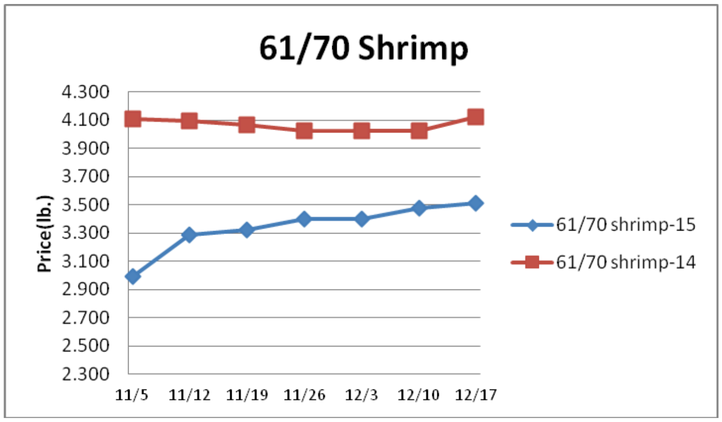
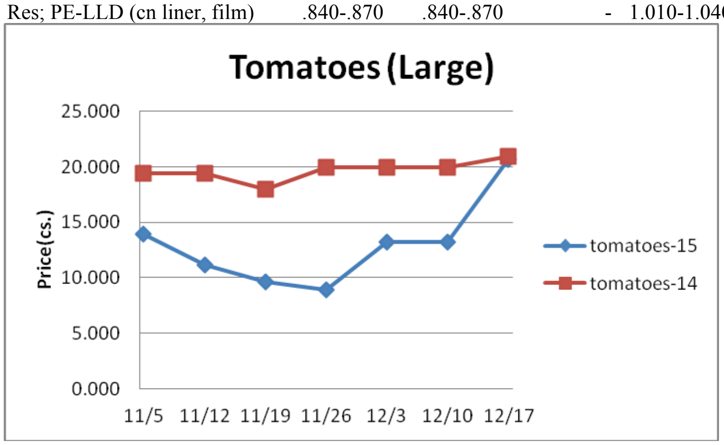


Energy & Currency- Natural gas prices this week have fallen to a 13 year low due to the warm fall for most of the U.S. The downside price risk in natural gas from here may be nominal. Currency US dollar is worth

	Price	Last Week	Difference	Price 14
Crude Oil, barrel- nymex	36.810	38.710	-1.900	54.950
Natural Gas, mbtu- nymex	1.809	2.093	-.284	3.659
Heating Oil, gal- nymex	1.143	1.269	-.126	1.891
Electricity, mwht- nymex	35.850	39.050	-3.200	71.650
Gasoline, gal- nymex	1.258	1.237	+.021	1.527
Diesel Fuel, gal- eia	2.338	2.379	-.041	3.419
Ethanol, gal- usda	1.384	1.409	-.025	2.033
Canadian $	1.378	1.353	+.025	1.652
Japanese Yen	121.837	122.159	-.322	117.029
Mexican Peso	17.097	16.964	+.133	14.786
Euro	.915	.912	+.003	.803
Brazilian Real	3.946	3.728	+.218	2.746
Chinese Yuan	6.474	6.429	+.045	6.196

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)	970.045	963.994	+6.051	986.570
WP; 42 lb. Linerboard (corr.)	678.216	678.501	-.285	682.204
Res; PS-CHH (cup, cont.)	1.13-1.17	1.13-1.17	-	1.370-1.390
Res; PP-HIGP (hvy utensil)	.890-.910	.890-.910	-	1.080-1.110
Res; PE-LLD (cn liner, film)	.840-.870	.840-.870	-	1.010-1.040



Produce- The iceberg lettuce markets are lower from the previous week. However, further adverse weather in the chief western growing areas may continue to shorten supplies in the near term. Last week, iceberg lettuce shipments were 14% below a year ago. The lettuce markets could remain erratic throughout the holidays. The Idaho potato markets continue to track well below the previous year levels. The USDA is projecting the total U.S. fall potato harvest this year at 408.6 million hundredweight which is 1.2% bigger than the previous year and the largest since 2012. Still, the downside price risk in the potato markets from here is modest. Price bases noted below

	Price	Last Week	Difference	Price 14
Limes (150 ct.)	10.000	10.500	+.500	15.000
Lemons (95 ct.)	24.850	29.350	-4.500	27.850
Lemons (200 ct.)	26.850	26.350	+.500	21.350
Honeydew (6 ct.)	9.813	10.500	-.687	17.450
Cantaloupe (15 ct.)	7.250	7.250	-	8.500
Blueberries (12 count)	20.000	21.200	-1.200	23.875
Strawberries (12 pnts.)	16.475	19.725	-3.250	19.000
Avocados (Hass 48 ct.)	19.750	25.000	-5.250	27.250
Bananas (40 lb.)- Term.	14.241	14.739	-.498	14.730
Pineapple (7 ct.)- Term.	10.605	10.829	-.224	10.146
Idaho Potato (60 ct., 50 lb.)	7.375	7.625	-.250	13.875
Idaho Potato (70 ct., 50 lb.)	8.250	8.125	+.125	13.875
Idaho Potato (70 ct.)-Term.	15.448	15.323	+.125	18.329
Idaho Potato (90 ct., 50 lb.)	8.750	9.000	-.250	8.250
Idaho Pot. # 2 (6 oz., 100 lb.)	12.000	12.500	-.500	12.750
Processing Potato (cwt.)	9.000	9.000	-	8.750
Yellow Onions (50 lb.)	6.375	6.250	+.125	4.000
Yell Onions (50 lb.)-Term.	13.375	13.375	-	11.344
Red Onions (25 lb.)- Term.	15.438	15.685	-.247	9.844
White Onions (50 lb.)- Term.	21.813	21.271	+.542	14.496
Tomatoes (large- case)	20.700	13.200	+7.500	20.950
Tomatoes (5x6-25 lb.)-Term	27.125	18.250	+8.875	26.157
Tomatoes (4x5 vine ripe)	25.950	18.450	+7.500	17.950
Roma Tomatoes (large- case)	24.200	16.450	+7.750	16.425
Roma Tomatoes (xlarge-cs)	24.950	17.170	+7.780	14.438
Green Peppers (large- case)	13.517	11.017	+2.500	15.517
Red Peppers (large 15lb. cs.)	16.950	16.600	+.350	23.945
Iceberg Lettuce (24 count)	24.750	23.463	+1.287	6.875
Iceberg Lettuce (24)-Term.	29.500	39.500	-10.00	16.834
Leaf Lettuce (24 count)	16.275	18.067	-1.792	7.267
Romaine Lettuce (24 cnt.)	15.217	16.567	-1.350	7.085
Mesculin Mix (3 lb.)-Term.	7.844	5.959	+1.885	6.719
Broccoli (14 ct.)	24.219	22.400	+1.819	7.677
Squash (1/2 bushel)	23.350	15.350	+8.000	15.350
Zucchini (1/2 bushel)	23.350	16.600	+6.750	13.350
Green Beans (bushel)	37.400	33.650	+3.750	20.717
Spinach, Flat 24's	18.250	19.475	-1.225	11.305
Mushrms (10 lb, lg.)-Term.	17.125	15.667	+1.458	16.344
Cucumbers (bushel)	27.822	18.122	+9.700	12.220
Pickles (200-300 ct.)- Term.	23.063	24.000	-.937	27.907
Asparagus (small)	16.500	16.500	-	23.500
Freight (Truck; CA-Cty Av.)	4927.778	4955.556	-27.778	5612.500

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

	Nov-15	Oct-15	Sep-15	Aug-15
Beef and Veal	-1.400	-1.017	-.638	-.581
Dairy	-.568	-.196	+.722	-.328
Pork	-2.300	+.505	+.619	+.874
Chicken	+.310	+.423	-.898	-.409
Fresh Fish and Seafood	-.1350	-1.720	-.115	+2.226
Fresh Fruits and Veg.	+.337	+1.634	+1.886	+1.655