Weekly Market Updates

PERFORMANCE FOODSERVICE

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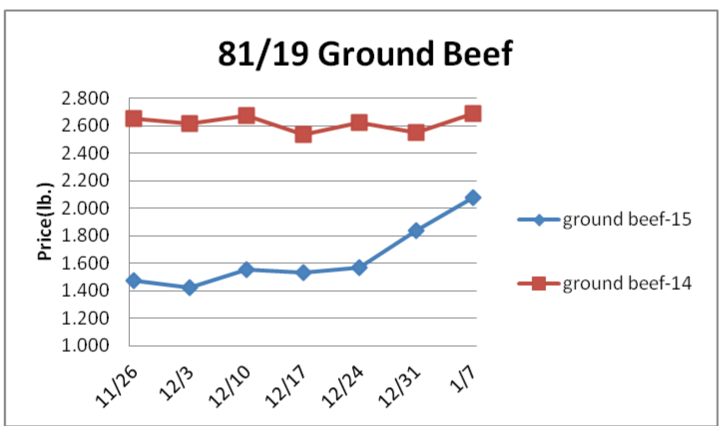
Beef- Beef production last week improved from the Christmas shortened prior week but was 2% less than the same week in 2014. Beef production is expected to return to more normal levels in the near term but poor beef packer margins, driven by rising cattle prices, may temper production. Recent adverse weather is causing various challenges in feedlots influencing the cattle markets upward. Beef demand typically shifts to more end cut beef products this month which can bring a lift to the appropriate markets. The five year average move for the choice 116 chuck market during the next three weeks is an increase of 8%. Lean beef trim prices usually firm this month as well. Price USDA, FOB per pound

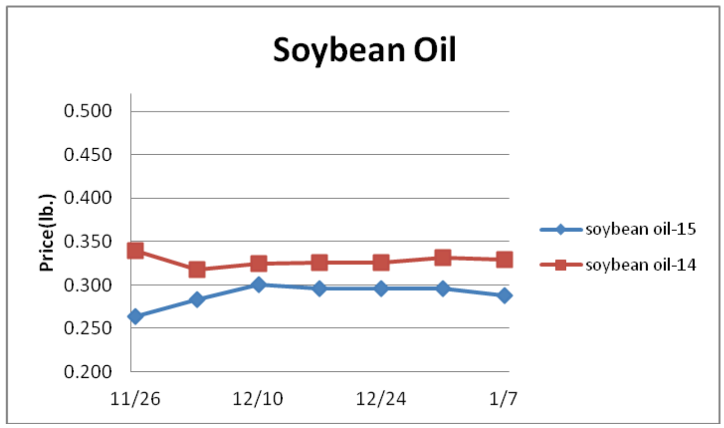
	Price	Last Week	Difference	Price 14
Live Cattle	1.338	1.254	+.084	1.683
Feeder Cattle Index (CME)	1.662	1.570	+.092	2.321
Ground Beef 81/19	2.076	1.836	+.240	2.689
Ground Chuck	2.229	2.009	+.220	2.937
109e Export Rib (choice)	6.701	6.781	-.080	5.997
109e Export Rib (prime)	8.272	8.386	-.114	8.709
112a Ribeye (choice)	7.308	7.295	+.013	6.625
112a Ribeye (prime)	8.769	8.737	+.032	9.196
116 Chuck (select)	3.173	2.900	+.273	3.085
116 Chuck (choice)	3.157	2.882	+.275	3.209
116b Chuck Tdnr (choice)	2.500	2.147	+.353	3.188
120 Brisket (choice)	2.862	2.306	+.556	3.486
121c Outside Skirt (ch/sel)	5.457	5.063	+.394	5.732
121d Inside Skirt (ch/sel)	4.026	4.006	+.020	4.482
167a Knckle, Trm. (ch.)	2.812	2.471	+.341	3.326
168 Inside Round (ch.)	2.597	2.107	+.490	2.880
174 Short Loin (ch. 0x1)	5.537	5.415	+.122	5.311
174 Short Loin (prime)	5.927	5.443	+.484	6.120
180 1x1 Strp (choice)	5.190	4.801	+.389	5.514
180 1x1 Strp (prime)	6.310	6.310	-	6.587
180 0x1 Strp (choice)	5.763	5.693	+.070	6.138
184 Top Butt, bnls (ch.)	3.289	2.978	+.311	3.506
184 Top Butt, bnls (prime)	3.168	3.168	-	3.883
185a Sirloin Flap (choice)	4.548	4.247	+.301	4.356
185c Loin, Tri-Tip (choice)	3.105	3.054	+.051	3.605
189a Tender (select)	9.857	9.260	+.597	9.775
189a Tender (choice)	9.989	9.821	+.168	10.001
189a Tender (prime)	14.702	14.723	-.021	14.631
193 Flank Steak (choice)	4.993	4.815	+.178	5.187
50% Trimmings	.640	.358	+.282	1.180
65% Trimmings	.860	.440	+.420	1.685
75% Trimmings	1.349	1.345	+.004	2.263
85% Trimmings	1.738	1.679	+.059	2.770
90% Trimmings	1.951	1.955	-.004	2.992
90% Imported Beef (frz.)	1.903	1.903	-	2.655
95% Imported Beef (frz.)	2.048	2.048	-	2.828
Veal Rack (Hotel 7 rib)	9.675	9.675	-	9.950
Veal Top Rnd. (cp. off)	17.275	17.275	-	16.600



Oil, Grains, Misc- The 2016-17 domestic winter wheat crop entered dormancy with its second best rating in the last five years. Further, the crop is benefiting from recent precipitation and snowfall. Unless the weather turns negative for the wheat crops here or abroad, it may be hard for wheat prices to rally in the coming months. Prices USDA, FOB

	Price	Last Week	Difference	Price 14
Soybeans, bushel	8.473	8.593	-.120	10.368
Crude Soybean Oil, lb.	.288	.296	-.008	.329
Soybean Meal, ton	277.300	281.000	-3.700	415.300
Corn, bushel	3.383	3.464	-.081	3.730
Crude Corn Oil, lb.	.400	.388	+.012	.340
High Fructose Corn Syrup	.126	.127	-.001	.132
Distillers Grain, Dry	129.833	130.417	-.584	175.542
Crude Palm Oil, lb. BMD	.260	.260	-	.291
HRW Wheat, bushel	4.380	4.480	-.100	6.290
DNS Wheat 14%, bushel	5.070	5.170	-.100	6.400
Durum Wheat, bushel	6.181	6.233	-.052	10.25
Pinto Beans, lb.	.205	.205	-	.241
Black Beans, lb.	.228	.228	-	.308
Rice, Long Grain, lb.	.238	.238	-	.253

3.281 +.034



Dairy- The cheese markets continue to trade at relatively engaging levels for buyers. Unseasonably warm temperatures this fall have boosted milk production in the Midwest. Consequently, milk continues to trade below government set price levels which should only encourage cheese production. History suggests that the downside price risk in the cheese markets from here may be nominal. But it may be hard for cheese prices to rally substantially in 2016 unless the international dairy and domestic nonfat dry milk markets appreciate. The CME butter markets remain supported. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 14
Cheese Barrels (CME)	1.480	1.480	-	1.545
Cheese Blocks (CME)	1.470	1.450	+.020	1.570
American Cheese	1.585	1.527	+.058	1.587
Cheddar Cheese (40 lb.)	1.560	1.520	+.040	1.615
Mozzarella Cheese	1.632	1.592	+.040	1.755
Provolone Cheese	2.070	2.030	+.040	2.112
Parmesan Cheese	3.417	3.377	+.040	3.460
Butter (CME)	2.037	2.065	-.028	1.540
Nonfat Dry Milk	.901	.907	-.006	1.234
Whey, Dry	.245	.245	-	.534
Class 1 Base	16.040	16.040	-	18.580
Class II Cream, heavy	2.219	2.193	+.026	1.866
Class III Milk (CME)	13.290	13.480	-.190	14.930
Class IV Milk (CME)	13.250	13.380	-.130	14.260

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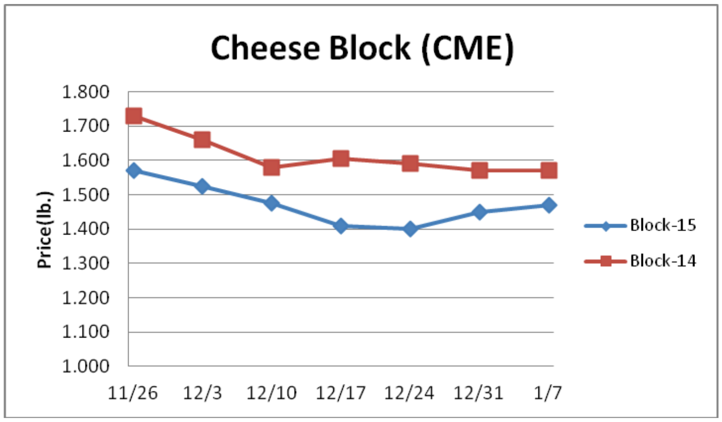
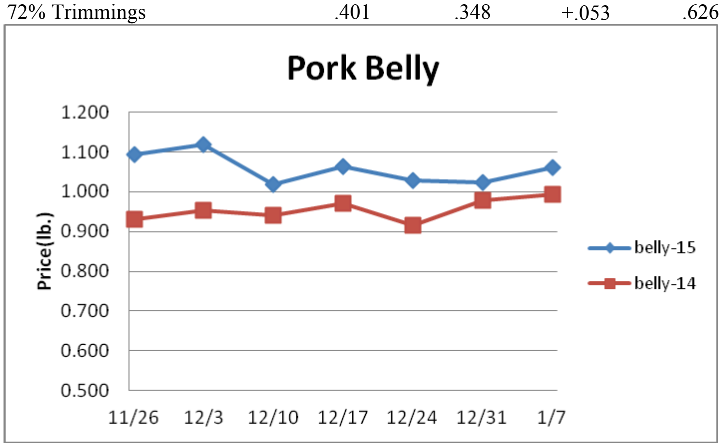


Pork- Pork output last week rose sharply from the holiday shortened prior week but was just .9% better than the same week last year. The USDA is currently forecasting first quarter 2016 pork production to decline .2% from last year. It's more likely that pork output will be up modestly versus 2015 but smaller expansion than what was experienced for the last several months could bring support to the pork markets. Pork exports could expand during the next few quarters as well as international buyers take advantage of the depressed U.S. prices. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 14
Live Hogs	.361	.353	+.008	.534
Belly (bacon)	1.060	1.024	+.036	.996
Sparerib (4.25 lb. & down)	1.511	1.512	-.001	1.654
Ham (20-23 lb.)	.512	.539	-.027	.723
Ham (23-27 lb.)	.521	.504	+.017	.626
Loin (bone-in)	.726	.761	-.035	.886
Bbybck Rib (1.75 lb. & up)	2.474	2.437	+.037	2.297
Tenderloin (1.25 lb.)	1.975	1.897	+.078	2.639
Boston Butt, untrmd. (4-8lb.)	.808	.818	-.010	1.040
Picnic, untrmd.	.418	.465	-.047	.610
SS Picnic, smoker trm. bx.	.681	.744	-.063	.938
42% Trimmings	.184	.160	+.024	.255
72% Trimmings	.401	.348	+.053	.626

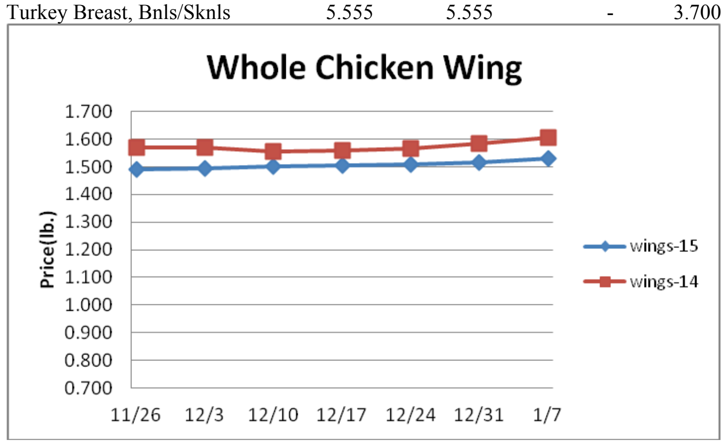


The Kitchen Sink (Various Markets) - Cocoa prices have softened during the last week as the historically inflated markets are encouraging output expansion in West Africa. The greater long term risk in cocoa prices from here is to the downside. Price bases noted below

	Price	Last Week	Difference	Price 14
Whole Peeled, Stand (6/10)	12.281	12.281	-	12.737
Tomato Paste- Industrial (lb.)	.455	.455	-	.471
Coffee, lb., ICE	1.205	1.230	-.025	1.750
Sugar, lb., ICE	.260	.258	+.002	.250
Cocoa, mt., ICE	3024.000	3210.000	-186.000	3127.000
Orange Juice, lb., ICE	1.435	1.436	-.001	1.364
Honey (Clover), lb.	1.789	1.789	-	2.061

Poultry- Chicken production for the week ending December 26th was 5% less than the same week last year. Chicken output expansion compared to 2015 is expected to be only modest during the next several weeks as chicken producers continue to grapple with decade plus lows in chicken breast and leg quarter prices. The chicken wing markets have started to firm with the NFL playoffs commencing this weekend. Last week, the ARA Chicken Wing Index rose $.05 marking the biggest rise for the week since 2011. Further, the wing markets are pricing at expensive premiums to the boneless skinless breast markets. The last time this occurred, the ARA Chicken Wing Index declined 39% from the Super Bowl into the first week of May. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 14
Whole Birds (2.5-3 lb.-GA)	1.130	1.130	-	1.140
Wings (whole)	1.530	1.515	+.015	1.605
Wings (jumbo, cut)	1.676	1.658	+.018	1.721
Breast, Bone In	.975	.975	-	1.230
Breast, Bnless Skinless	1.465	1.495	-.030	1.975
Tenderloin (random)	1.250	1.150	+.100	1.580
Tenderloin (sized)	1.550	1.600	-.050	1.840
Legs (whole)	.323	.324	-.001	.503
Leg Quarters	.350	.355	-.005	.520
Thighs, bone in	.486	.473	+.013	.735
Thighs, boneless	.686	.705	-.019	1.235
Eggs and Others				
Large (dozen)	1.027	1.153	-.126	1.223
Medium (dozen)	.667	.727	-.060	.965
Whole Eggs- Liquid	.695	.695	-	.971
Egg Whites- Liquid	.880	.880	-	1.023
Egg Yolks- Liquid	1.430	1.430	-	.735
Whole Turkeys (8-16 lb.)	1.250	1.270	-.020	1.050
Turkey Breast, Bnls/Sknls	5.555	5.555	-	3.700



Seafood- The Alaskan Bearing Sea snow crab fishing season limped into the holidays with just 2% of the 2015-16 quota landed but fishing typically expands sharply during January. Still, this season's quota is 40% smaller than the prior year and the least since 2006-07. Thus, Alaskan snow crab dock prices could be expensive this winter bringing support to the 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	6.042	6.160	-.118	7.887
Shrimp (61/70), Frz.	3.586	3.536	+.050	3.938
Shrimp, Tiger (26/30), Frz.	4.850	4.838	+.012	6.484
Snow Crab, Legs 5-8 oz, Frz	5.225	5.225	-	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	5.775	-	6.275
Pollock, Alaska, Deep Skin	1.800	1.800	-	1.750

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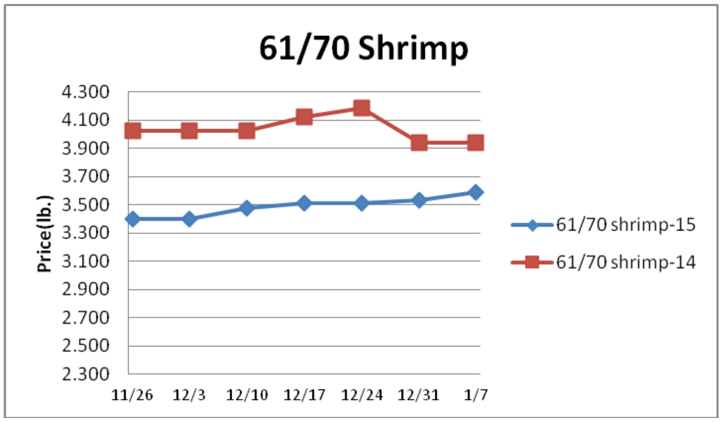
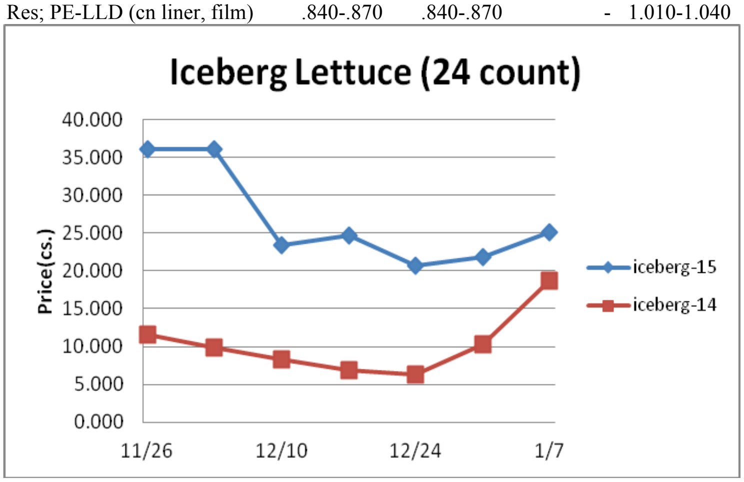


Energy & Currency- Crude oil prices have found support as of late with the renewed geo-political tensions in the Middle East. Still, the crude oil markets may remain below 2015 in the near term. Currency US dollar is worth.

	Price	Last Week	Difference	Price 14
Crude Oil, barrel- nymex	34.930	36.880	-1.950	48.11
Natural Gas, mbtu- nymex	2.305	2.250	+.055	2.922
Heating Oil, gal- nymex	1.096	1.144	-.048	1.711
Electricity, mwht- nymex	42.000	42.750	-.750	50.45
Gasoline, gal- nymex	1.305	1.260	+.045	1.349
Diesel Fuel, gal- eia	2.211	2.235	-.024	3.137
Ethanol, gal- usda	1.300	1.307	-.007	1.608
Canadian $	1.409	1.388	+.021	1.183
Japanese Yen	118.339	120.493	-2.154	118.822
Mexican Peso	17.461	17.292	+.169	14.872
Euro	.930	.915	+.015	.842
Brazilian Real	4.032	3.899	+.133	2.700
Chinese Yuan	6.540	6.490	+.050	6.212

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	970.045	-	986.570
WP; 42 lb. Linerboard (corr.)	678.216	678.216	-	682.204
Res; PS-CHH (cup, cont.)	1.13-1.17	1.13-1.17	-	1.370-1.390
Res; PP-HIGP (hvy utensil)	.910-.930	.910-.930	-	1.080-1.110
Res; PE-LLD (cn liner, film)	.840-.870	.840-.870	-	1.010-1.040



Produce- Iceberg lettuce prices remain fairly inflated as adverse weather and holiday shortened harvests have supported prices. Precipitation and cold temperatures this week could shorten the lettuce harvest again in the Yuma-Imperial Valley region. Thus, the lettuce markets could remain volatile in the near term and may not fully recover until later this month. This same challenging weather could influence the western tomato harvest this week as well. The tomato markets could remain expensive during the next few weeks. Still, history suggests that in the longer term the greater risk in these markets is to the downside. Price bases noted below

	Price	Last Week	Difference	Price 14
Limes (150 ct.)	10.500	10.500	-	14.500
Lemons (95 ct.)	27.310	27.350	-.040	23.800
Lemons (200 ct.)	26.850	26.850	-	21.850
Honeydew (6 ct.)	15.450	15.450	-	17.450
Cantaloupe (15 ct.)	15.425	7.250	+8.175	8.500
Blueberries (12 count)	26.500	30.000	-3.500	25.000
Strawberries (12 pnts.)	17.633	16.967	+.666	19.000
Avocados (Hass 48 ct.)	23.250	23.250	-	31.750
Bananas (40 lb.)- Term.	14.702	14.699	+.003	14.771
Pineapple (7 ct.)- Term.	12.938	10.605	+2.333	16.938
Idaho Potato (60 ct., 50 lb.)	8.625	7.750	+.875	14.250
Idaho Potato (70 ct., 50 lb.)	9.125	8.375	+.750	14.250
Idaho Potato (70 ct.)-Term.	16.250	13.865	+2.385	19.339
Idaho Potato (90 ct., 50 lb.)	9.625	9.000	+.625	8.250
Idaho Pot. # 2 (6 oz., 100 lb.)	12.000	12.125	-.125	12.750
Processing Potato (cwt.)	9.000	9.000	-	9.000
Yellow Onions (50 lb.)	6.333	6.084	+.249	4.375
Yell Onions (50 lb.)-Term.	14.126	14.141	-.015	11.563
Red Onions (25 lb.)- Term.	15.225	16.292	-1.067	10.396
White Onions (50 lb.)- Term.	21.417	21.511	-.094	21.896
Tomatoes (large- case)	28.950	26.950	+2.000	12.950
Tomatoes (5x6-25 lb.)-Term	35.750	27.417	+8.333	20.834
Tomatoes (4x5 vine ripe)	22.950	24.950	-2.000	13.950
Roma Tomatoes (large- case)	22.438	26.325	-3.887	13.450
Roma Tomatoes (xlarge-cs)	23.450	26.575	-3.125	13.963
Green Peppers (large- case)	15.017	14.067	-.950	9.167
Red Peppers (large 15lb. cs.)	19.950	18.950	+1.000	9.950
Iceberg Lettuce (24 count)	25.050	21.803	+3.247	18.750
Iceberg Lettuce (24)-Term.	33.125	25.417	+7.708	23.834
Leaf Lettuce (24 count)	16.767	14.619	+2.148	14.584
Romaine Lettuce (24 cnt.)	16.167	12.027	+4.140	15.742
Mesculin Mix (3 lb.)-Term.	6.188	6.000	+.188	6.875
Broccoli (14 ct.)	17.050	15.863	+1.187	14.670
Squash (1/2 bushel)	25.350	23.350	+2.000	3.850
Zucchini (1/2 bushel)	15.350	13.350	+2.000	3.850
Green Beans (bushel)	21.313	32.384	-11.071	11.559
Spinach, Flat 24's	14.750	12.700	+2.050	13.600
Mushrms (10 lb, lg.)-Term.	15.667	15.667	-	15.730
Cucumbers (bushel)	18.650	21.415	-2.765	12.900
Pickles (200-300 ct.)- Term.	17.500	21.625	-4.125	31.365
Asparagus (small)	23.000	23.000	-	18.500
Freight (Truck; CA-Cty Av.)	4866.667	4811.765	+54.902	5327.777

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