Weekly Market Updates

PERFORMANCE FOODSERVICE

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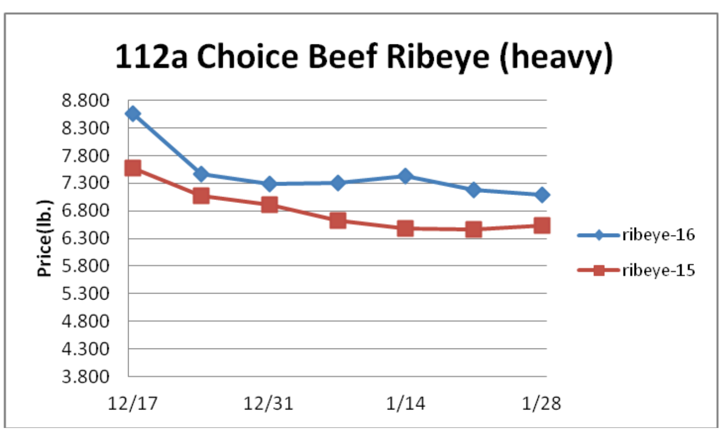
Beef- Beef output last week declined .2 but was .4% better than the same week last year. The January 1 cattle on feed inventory was .5% smaller than last year, however, the near slaughter ready cattle supply is bigger. Cattle placements into feedlots during December were down .8 from 2014. The average placement weight was 1.7% heavier. Solid beef production gains versus 2015 are anticipated this winter. Many of the beef markets have softened during the last week due in part to a downturn in shipments. However, retailers may be planning further feature activity which could bring support to the markets soon. Choice boxed beef forward beef shipments last week were the biggest since July. Price USDA, FOB per pound

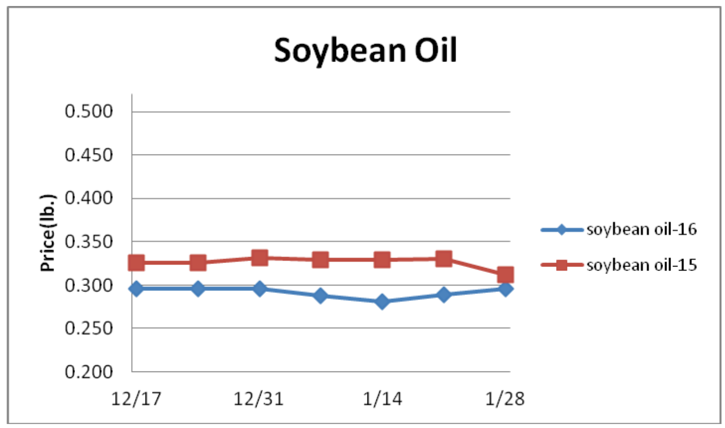
	Price	Last Week	Difference	Price 15
Live Cattle	1.334	1.335	-.001	1.599
Feeder Cattle Index (CME)	1.584	1.599	-.015	2.154
Ground Beef 81/19	2.381	2.372	+.009	2.742
Ground Chuck	2.455	2.605	-.150	3.057
109e Export Rib (choice)	6.189	6.384	-.195	5.759
109e Export Rib (prime)	8.198	8.236	-.038	7.824
112a Ribeye (choice)	7.091	7.178	-.087	6.538
112a Ribeye (prime)	8.417	8.697	-.280	9.097
116 Chuck (select)	2.910	3.102	-.192	2.980
116 Chuck (choice)	3.316	3.364	-.048	3.034
116b Chuck Tdnr (choice)	2.656	2.701	-.045	3.177
120 Brisket (choice)	2.679	2.855	-.176	3.421
121c Outside Skirt (ch/sel)	5.452	5.201	+.251	5.482
121d Inside Skirt (ch/sel)	3.718	3.801	-.083	4.498
167a Knckle, Trm. (ch.)	2.936	2.999	-.063	3.148
168 Inside Round (ch.)	2.300	2.546	-.246	2.677
174 Short Loin (ch. 0x1)	5.362	5.538	-.176	5.624
174 Short Loin (prime)	6.252	6.288	-.036	6.549
180 1x1 Strp (choice)	5.407	5.407	-	5.506
180 1x1 Strp (prime)	6.462	6.462	-	7.594
180 0x1 Strp (choice)	5.693	5.874	-.181	5.855
184 Top Butt, bnls (ch.)	3.125	3.427	-.302	3.810
184 Top Butt, bnls (prime)	3.427	3.427	-	3.941
185a Sirloin Flap (choice)	5.400	5.296	+.104	5.130
185c Loin, Tri-Tip (choice)	2.663	2.864	-.201	3.702
189a Tender (select)	10.267	9.999	+.268	9.683
189a Tender (choice)	9.953	9.637	+.316	9.645
189a Tender (prime)	14.024	14.513	-.489	14.737
193 Flank Steak (choice)	5.340	5.451	-.111	5.514
50% Trimmings	.543	.708	-.165	1.234
65% Trimmings	.887	.884	+.003	1.716
75% Trimmings	1.363	1.354	+.009	2.298
85% Trimmings	1.830	1.808	+.022	2.816
90% Trimmings	2.056	2.027	+.029	3.021
90% Imported Beef (frz.)	1.893	1.858	+.035	2.623
95% Imported Beef (frz.)	2.023	2.015	+.008	2.733
Veal Rack (Hotel 7 rib)	9.250	9.350	-.100	9.950
Veal Top Rnd. (cp. off)	16.700	16.875	-.175	16.975



Oil, Grains, Misc- The relaxation of export tariffs in one the world's largest corn, wheat and soybean product exporting countries, Argentina, is tempering demand for U.S. product. Bigger Argentine harvests in the coming years may continue to moderate U.S. grain and oilseed exports. The grain markets may remain range-bound this winter. Prices USDA, FOB

	Price	Last Week	Difference	Price 15
Soybeans, bushel	8.637	8.700	-.063	9.577
Crude Soybean Oil, lb.	.296	.289	+.007	.312
Soybean Meal, ton	278.900	280.300	-1.400	368.1
Corn, bushel	3.540	3.529	+.011	3.608
Crude Corn Oil, lb.	.400	.400	-	.355
High Fructose Corn Syrup	.129	.129	-	.130
Distillers Grain, Dry	130.833	129.438	+1.395	182.333
Crude Palm Oil, lb. BMD	.263	.262	+.001	.273
HRW Wheat, bushel	4.560	4.500	+.060	5.500
DNS Wheat 14%, bushel	5.180	5.110	+.070	5.810
Durum Wheat, bushel	5.821	5.833	-.012	9.125
Pinto Beans, lb.	.213	.206	+.007	.241
Black Beans, lb.	.228	.228	-	.305
Rice, Long Grain, lb.	.237	.237	-	.251

3.281 +.034



Dairy- U.S. milk output remains lackluster. During December, the U.S. produced just .7% more milk than the previous year due to a .3% larger milk cow herd and a .4% gain in milk per cow yields. Milk farmers added a net 1,000 head to the herd during the month. December marked the fifth consecutive month where milk production growth was less than 1% year over year. This is due in a large part to poor margins for milk farmers in the biggest producing state California. Milk output there during December was down 3% from 2014. Elevated butter prices could persevere this winter. Prices per pound, except Class I Cream (hundred weight), from USDA

	Price	Last Week	Difference	Price 15
Cheese Barrels (CME)	1.430	1.495	-.065	1.475
Cheese Blocks (CME)	1.460	1.480	-.020	1.485
American Cheese	1.575	1.622	-.047	1.555
Cheddar Cheese (40 lb.)	1.583	1.592	-.009	1.558
Mozzarella Cheese	1.656	1.665	-.009	1.698
Provolone Cheese	2.093	2.102	-.009	2.055
Parmesan Cheese	3.440	3.450	-.010	3.403
Butter (CME)	2.200	2.132	+.068	1.638
Nonfat Dry Milk	.891	.894	-.003	1.058
Whey, Dry	.252	.252	-	.518
Class 1 Base	13.640	16.040	-2.400	16.240
Class II Cream, heavy	2.519	2.537	-.018	1.914
Class III Milk (CME)	13.750	13.650	+.100	15.230
Class IV Milk (CME)	13.830	13.850	-.020	13.680

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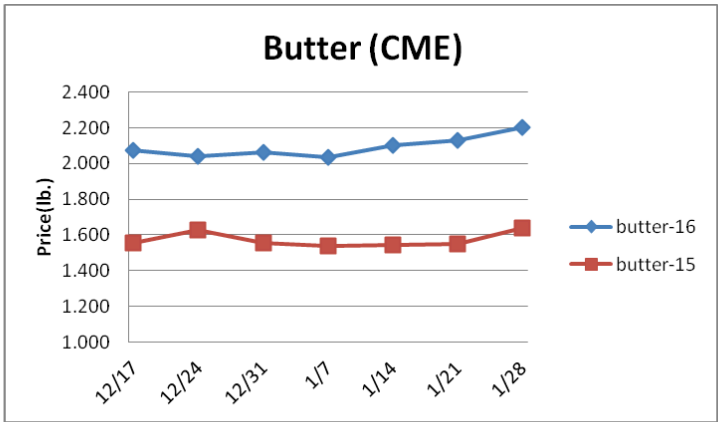
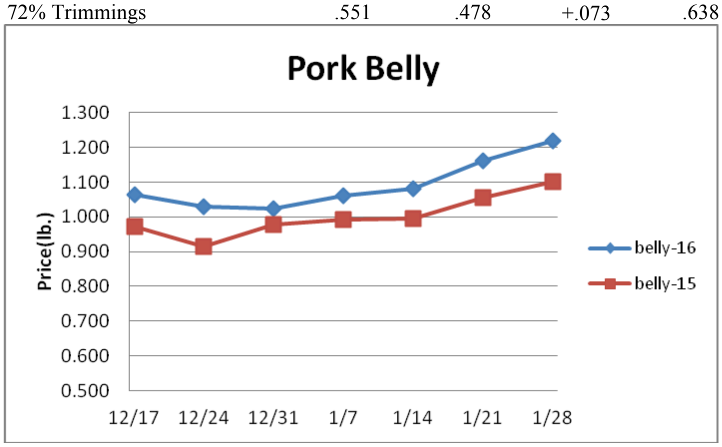


PorkPork production last week rose 1.7% but was .2% less than the same week last year. Hog supplies are starting to seasonally tighten which should cause pork output to decline in the coming months and bring modest support to the pork markets. December 31st pork stocks were 8% more than the prior year with ham (2%), belly (13%), rib (55%) holdings all above 2014. However, pork belly disappearance during the month was 4% better than the prior year and a record for any month. Further pork belly price appreciation may be forthcoming. Prices USDA, FOB per pound

	Price	Last Week	Difference	Price 15
Live Hogs	.412	.389	+.023	.495
Belly (bacon)	1.219	1.161	+.058	.998
Sparerib (4.25 lb. & down)	1.534	1.571	-.037	1.667
Ham (20-23 lb.)	.622	.591	+.031	.736
Ham (23-27 lb.)	.600	.579	+.021	.716
Loin (bone-in)	.820	.808	+.012	.892
Bbybck Rib (1.75 lb. & up)	2.525	2.494	+.031	2.375
Tenderloin (1.25 lb.)	2.309	2.143	+.166	2.588
Boston Butt, untrmd. (4-8lb.)	.778	.782	-.004	.930
Picnic, untrmd.	.415	.382	+.033	.492
SS Picnic, smoker trm. bx.	.594	.569	+.025	.785
42% Trimmings	.200	.214	-.014	.275
72% Trimmings	.551	.478	+.073	.638

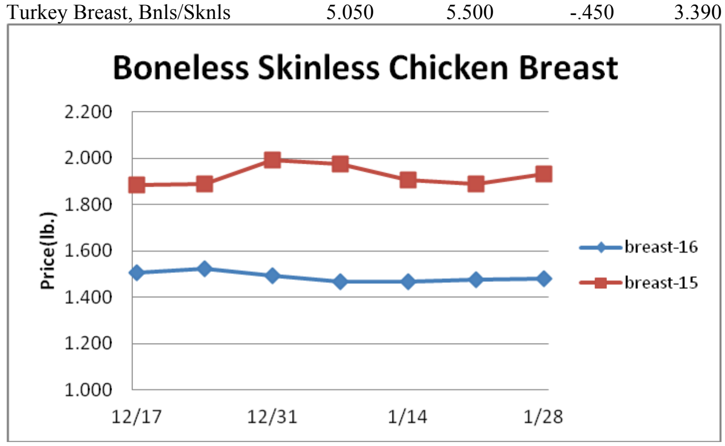


The Kitchen Sink (Various Markets) - The Arabica coffee futures market has found modest support but continues to trade at historically depressed levels. The nearby Arabica coffee futures market has not traded appreciable below $1 in 11 years. Price bases noted below

	Price	Last Week	Difference	Price 15
Whole Peeled, Stand (6/10)	12.297	12.297	-	12.737
Tomato Paste- Industrial (lb.)	.455	.455	-	.472
Coffee, lb., ICE	1.199	1.118	+.081	1.667
Sugar, lb., ICE	.253	.258	-.005	.250
Cocoa, mt., ICE	2808.000	2791.000	+17.000	3127.000
Orange Juice, lb., ICE	1.243	1.210	+.033	1.364
Honey (Clover), lb.	1.775	1.775	-	1.953

Poultry- Chicken output for the week ending January 16th rose .4% from the prior week and was 2.7% larger than the same week last year. This was almost entirely due to heavier bird weights (up 2.5%) as bird slaughter was only .2% bigger than 2014. Chicken producers are signaling that bird weight growth this year could be minimal. This factor and slowed slaughter expansion should temper overall year over year production. Along these lines, the December broiler type chick hatch was just slightly better than the previous year. Chicken wing prices have risen to their most expensive levels since February of last year. Further chicken wing market increases are likely in the near term. The January 1 table egg laying flock was down 6.5% from last year. Prices USDA, FOB per pound except when noted

Chicken	Price	Last Week	Difference	Price 15
Whole Birds (2.5-3 lb.-GA)	1.125	1.142	-.017	1.140
Wings (whole)	1.680	1.635	+.045	1.720
Wings (jumbo, cut)	1.778	1.641	+.137	1.783
Breast, Bone In	.950	.925	+.025	1.255
Breast, Bnless Skinless	1.480	1.475	+.005	1.930
Tenderloin (random)	1.500	1.500	-	1.780
Tenderloin (sized)	1.700	1.700	-	2.040
Legs (whole)	.337	.380	-.043	.494
Leg Quarters	.330	.335	-.005	.510
Thighs, bone in	.485	.484	+.001	.747
Thighs, boneless	.697	.676	+.021	1.127
Eggs and Others				
Large (dozen)	1.473	1.057	+.416	1.273
Medium (dozen)	1.238	.822	+.416	1.192
Whole Eggs- Liquid	.750	.680	+.070	.519
Egg Whites- Liquid	.780	.795	-.015	.603
Egg Yolks- Liquid	1.175	1.200	-.025	.735
Whole Turkeys (8-16 lb.)	1.235	1.250	-.015	.990
Turkey Breast, Bnls/Sknls	5.050	5.500	-.450	3.390



Seafood - The Alaskan Bering Sea snow crab fishing season is starting to gain momentum with 7.3 million pounds landed as of January 26th. This represents 20% of the quota. As a reminder, the 2015-16 Alaskan Bering Sea snow crab quota is historically small and a whopping 40% below the prior season. The downside risk in snow crab leg prices may be nominal. Prices for fresh product, unless noted, per pound from Fisheries Market News.

	Price	Last Week	Difference	Price 15
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	6.330	6.361	-.031	7.675
Shrimp (61/70), Frz.	3.650	3.650	-	3.910
Shrimp, Tiger (26/30), Frz.	4.900	4.850	+.050	6.300
Snow Crab, Legs 5-8 oz, Frz	5.225	5.225	-	5.375
Snow Crab, Legs 8 oz/ up, Fz	6.050	6.050	-	5.600
Cod Tails, 3-7 oz., Frz.	2.800	2.800	-	3.062
Cod Loins, 3-12 oz., Frz	3.175	3.175	-	3.037
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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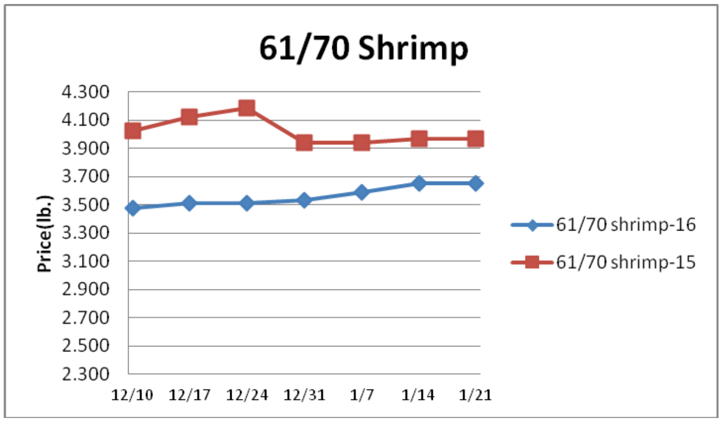
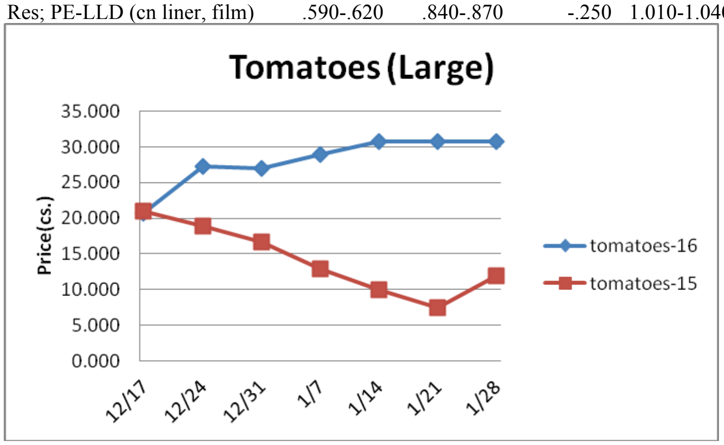


Energy & Currency- The World Bank has cut its 2016 crude oil price forecast from $51 a barrel to $37. Relatively engaging crude oil and petroleum product markets may endure. Currency US dollar is worth.

	Price	Last Week	Difference	Price 15
Crude Oil, barrel- nymex	30.880	29.030	+1.850	45.540
Natural Gas, mbtu- nymex	2.149	2.117	+.032	2.853
Heating Oil, gal- nymex	.974	.888	+.086	1.627
Electricity, mwht- nymex	35.500	35.000	-.500	56.100
Gasoline, gal- nymex	1.043	1.043	-	1.395
Diesel Fuel, gal- eia	2.071	2.112	-.041	2.866
Ethanol, gal- usda	1.233	1.209	+.024	1.290
Canadian $	1.412	1.463	-.051	1.243
Japanese Yen	118.228	116.813	+1.415	117.764
Mexican Peso	18.449	18.382	+.067	14.631
Euro	.921	.917	+.004	.880
Brazilian Real	4.067	4.075	-.008	2.577
Chinese Yuan	6.579	6.580	-.001	6.248

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

Wood Pulp/ Plastic Resin	Price	Last Week	Difference	Price 15
WP; NBSK (napkin, towel)	965.876	965.876	-	986.570
WP; 42 lb. Linerboard (corr.)	678.216	678.216	-	683.343
Res; PS-CHH (cup, cont.)	.980-1.02	1.13-1.17	-.150	1.370-1.390
Res; PP-HIGP (hvy utensil)	.660-.680	.910-.930	-.250	1.080-1.110
Res; PE-LLD (cn liner, film)	.590-.620	.840-.870	-.250	1.010-1.040



Produce- The tomato markets remain inflated due in part to challenging weather both in Florida and Mexico. U.S. tomato shipments last week declined 12.9% from the prior week and were 17.8% less than the same week last year. Season to date tomato shipments are tracking 5.1% below the previous period. The tomato markets could remain erratic during the next few weeks. Lettuce prices have declined as the weather has improved in the Yuma-Imperial Valley region. The downside price risk in the iceberg lettuce markets from here, however, may only be modest. Avocado prices usually trend higher during the mid to late winter. Price bases noted below.

	Price	Last Week	Difference	Price 15
Limes (150 ct.)	8.000	12.000	-4.000	16.000
Lemons (95 ct.)	27.350	27.350	-	24.350
Lemons (200 ct.)	26.850	26.850	-	23.350
Honeydew (6 ct.)	14.100	14.950	-.850	14.450
Cantaloupe (15 ct.)	13.450	11.450	+2.000	8.500
Blueberries (12 count)	26.750	26.750	-	27.500
Strawberries (12 pnts.)	21.613	20.967	+.646	16.380
Avocados (Hass 48 ct.)	23.750	24.250	-.500	29.250
Bananas (40 lb.)- Term.	16.688	15.527	+1.161	15.532
Pineapple (7 ct.)- Term.	13.563	12.032	+1.531	16.344
Idaho Potato (60 ct., 50 lb.)	9.625	9.625	-	8.875
Idaho Potato (70 ct., 50 lb.)	10.000	10.250	-.250	8.875
Idaho Potato (70 ct.)-Term.	15.719	15.657	+.062	19.625
Idaho Potato (90 ct., 50 lb.)	10.250	10.500	-.250	8.875
Idaho Pot. # 2 (6 oz., 100 lb.)	12.000	12.000	-	9.500
Processing Potato (cwt.)	9.250	9.250	-	9.250
Yellow Onions (50 lb.)	8.500	7.834	+.666	9.875
Yell Onions (50 lb.)-Term.	16.188	20.178	-3.990	11.063
Red Onions (25 lb.)- Term.	17.688	17.347	+.341	9.344
White Onions (50 lb.)- Term.	32.688	28.875	+3.813	20.646
Tomatoes (large- case)	30.784	30.784	-	11.950
Tomatoes (5x6-25 lb.)-Term	37.667	39.834	-2.167	11.500
Tomatoes (4x5 vine ripe)	21.910	24.950	-3.040	11.950
Roma Tomatoes (large- case)	14.394	10.575	+3.819	10.298
Roma Tomatoes (xlarge-cs)	15.519	11.075	+4.444	10.375
Green Peppers (large- case)	21.350	27.950	-6.600	12.750
Red Peppers (large 15lb. cs.)	18.950	23.950	-5.000	13.950
Iceberg Lettuce (24 count)	10.765	17.863	-7.098	5.441
Iceberg Lettuce (24)-Term.	19.875	39.063	-19.188	20.834
Leaf Lettuce (24 count)	10.809	14.242	-3.433	6.167
Romaine Lettuce (24 cnt.)	13.767	17.934	-4.167	6.334
Mesculin Mix (3 lb.)-Term.	6.094	6.219	-.125	7.250
Broccoli (14 ct.)	7.885	11.792	-3.907	6.892
Squash (1/2 bushel)	35.350	35.350	-	15.350
Zucchini (1/2 bushel)	33.650	32.650	+1.000	8.350
Green Beans (bushel)	30.800	26.050	+4.750	12.550
Spinach, Flat 24's	16.500	20.250	-3.750	13.950
Mushrms (10 lb, lg.)-Term.	15.500	15.389	+.111	15.667
Cucumbers (bushel)	16.393	22.250	-5.857	18.370
Pickles (200-300 ct.)- Term.	33.000	35.813	-2.813	31.125
Asparagus (small)	15.750	23.000	-7.250	11.250
Freight (Truck; CA-Cty Av.)	4850.000	4816.667	+33.333	5190.000

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

	Dec-15	Nov-15	Oct-15	Sep-15
Beef and Veal	-2.370	-1.400	-1.017	-.638
Dairy	+.106	-.568	-.196	+.722
Pork	-2.320	-2.300	+.505	+.619
Chicken	-1.670	+.310	+.423	-.898
Fresh Fish and Seafood	-1.184	-.1350	-1.720	-.115
Fresh Fruits and Veg.	+.548	+.337	+1.634	+1.886