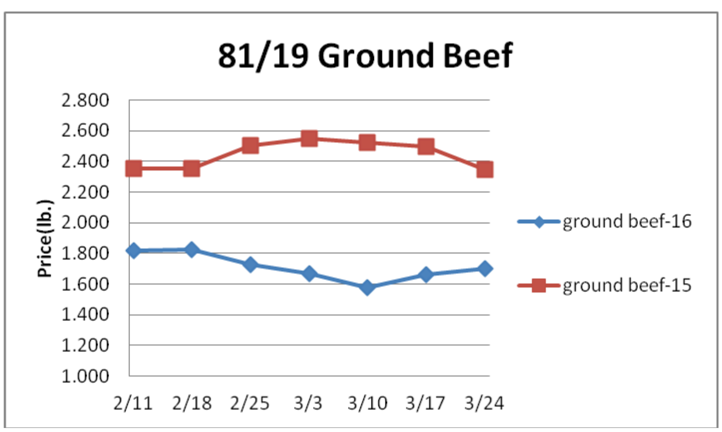
# Weekly Market Updates

PERFORMANCE FOODSERVICE

**Volume No. 21 Issue No. 12 Date: March 24, 2016**

**Beef** - Beef output last week rose 1.7% and was a whopping 6.4% larger than last year. Year to date production is up 1.3% compared to 2015. Beef packer margins are positive which should encouraging output in the near term. Further, demand is starting to soften with the recent rise in prices. Spot beef shipments last week were the smallest for any non-holiday week in 15 months. These factors could put modest downward pressure on several of the beef markets in the near term. The five year average move for the USDA choice boxed beef cutout during the next three weeks is a decline of 1.8%. Still, price appreciation in some grill item markets like strips may continue. Price USDA, FOB per pound.

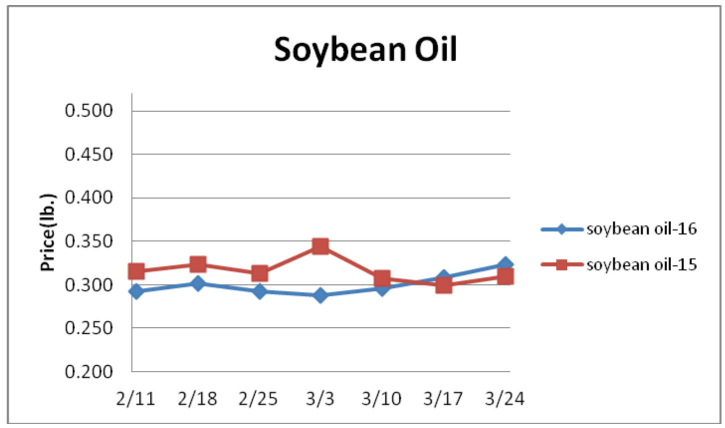
| | Price | Last Week | Difference | Price 15 |
|---|---|---|---|---|
| Live Cattle | 1.392 | 1.387 | +.005 | 1.642 |
| Feeder Cattle Index (CME) | 1.633 | 1.608 | +.025 | 2.162 |
| Ground Beef 81/19 | 1.704 | 1.663 | +.041 | 2.346 |
| Ground Chuck | 2.046 | 1.871 | +.175 | 2.469 |
| 109e Export Rib (choice) | 7.206 | 7.505 | -.299 | 6.814 |
| 109e Export Rib (prime) | 9.077 | 8.804 | +.273 | 8.570 |
| 112a Ribeye (choice) | 8.496 | 8.538 | -.042 | 8.132 |
| 112a Ribeye (prime) | 9.742 | 9.688 | +.054 | 9.195 |
| 116 Chuck (select) | 2.629 | 2.829 | -.200 | 3.105 |
| 116 Chuck (choice) | 2.700 | 2.827 | -.127 | 3.141 |
| 116b Chuck Tdnr (choice) | 2.546 | 2.637 | -.091 | 3.059 |
| 120 Brisket (choice) | 2.476 | 2.524 | -.048 | 3.078 |
| 121c Outside Skirt (ch/sel) | 6.312 | 6.210 | +.102 | 5.472 |
| 121d Inside Skirt (ch/sel) | 4.629 | 4.680 | -.051 | 4.627 |
| 167a Knckle, Trm. (ch.) | 2.426 | 2.434 | -.008 | 3.372 |
| 168 Inside Round (ch.) | 2.415 | 2.432 | -.017 | 2.739 |
| 174 Short Loin (ch. 0x1) | 6.560 | 6.708 | -.148 | 5.823 |
| 174 Short Loin (prime) | 7.029 | 7.614 | -.585 | 7.435 |
| 180 1x1 Strp (choice) | 6.979 | 6.370 | +.609 | 5.784 |
| 180 1x1 Strp (prime) | 6.303 | 6.303 | - | 7.837 |
| 180 0x1 Strp (choice) | 7.742 | 7.318 | +.424 | 6.457 |
| 184 Top Butt, bnls (ch.) | 4.248 | 3.930 | +.318 | 4.372 |
| 184 Top Butt, bnls (prime) | 4.642 | 4.557 | +.085 | 4.700 |
| 185a Sirloin Flap (choice) | 6.589 | 5.521 | +1.068 | 5.279 |
| 185c Loin, Tri-Tip (choice) | 2.718 | 2.652 | +.066 | 4.108 |
| 189a Tender (select) | 10.601 | 10.750 | -.149 | 10.489 |
| 189a Tender (choice) | 10.111 | 10.947 | -.836 | 10.915 |
| 189a Tender (prime) | 14.147 | 14.100 | +.047 | 15.061 |
| 193 Flank Steak (choice) | 6.403 | 6.082 | +.321 | 5.668 |
| 50% Trimmings | 1.004 | 1.156 | -.152 | .852 |
| 65% Trimmings | 1.271 | 1.301 | -.030 | 1.384 |
| 75% Trimmings | 1.374 | 1.374 | - | 2.235 |
| 85% Trimmings | 1.991 | 1.961 | +.030 | 2.722 |
| 90% Trimmings | 2.186 | 2.187 | -.001 | 2.964 |
| 90% Imported Beef (frz.) | 2.203 | 2.237 | -.034 | 2.378 |
| 95% Imported Beef (frz.) | 2.058 | 2.090 | -.032 | 2.545 |
| Veal Rack (Hotel 7 rib) | 8.750 | 8.750 | - | 9.950 |
| Veal Top Rnd. (cp. off) | 15.875 | 15.875 | - | 17.600 |




**Oil, Grains, Misc-** The 2016-17 domestic winter wheat crop has been progressing ahead of schedule. As of March 20th, 20% of the crop in Kansas was reported to be "jointed" compared to the five year average for the date of just 7%. Recent cold weather damage is likely to be only modest. Still, the downside price risk in wheat from here may be minimal. Prices USDA, FOB

| | Price | Last Week | Difference | Price 15 |
|---|---|---|---|---|
| Soybeans, bushel | 9.005 | 8.839 | +.166 | 1.387 |
| Crude Soybean Oil, lb. | .323 | .309 | +.014 | 1.608 |
| Soybean Meal, ton | 277.500 | 274.700 | -2.800 | 1.663 |
| Corn, bushel | 3.573 | 3.560 | +.013 | 1.871 |
| Crude Corn Oil, lb. | .415 | .408 | +.007 | 7.505 |
| High Fructose Corn Syrup | .129 | .129 | - | 8.804 |
| Distillers Grain, Dry | 127.730 | 130.542 | -2.812 | 8.538 |
| Crude Palm Oil, lb. BMD | .264 | .264 | - | 9.688 |
| HRW Wheat, bushel | 4.485 | 4.615 | -.130 | 2.160 |
| DNS Wheat 14%, bushel | 5.290 | 5.290 | - | 2.829 |
| Durum Wheat, bushel | 5.525 | 5.492 | +.033 | 2.827 |
| Pinto Beans, lb. | .228 | .228 | - | 2.546 |
| Black Beans, lb. | .230 | .230 | - | 2.524 |
| Rice, Long Grain, lb. | .235 | .235 | - | 4.410 |

3.281 +.034




**Dairy-** U.S. milk production growth remains tepid due to challenged margins for farmers. After the leap year adjustment, milk output during February was just 1% better than 2015 due to a .1% larger milk cow herd and a .9% gain in milk per cow yields. Milk farmers added a net 2,000 head to the herd during the month. However, the running four month change in the herd is a reduction of 8,000 head marking the biggest decline in two years. Despite this, milk supplies are reported to be ample for cheese producers which could lead to modest cheese market declines in the coming weeks. Prices per pound, except Class I Cream (hundred weight), from USDA.

| | Price | Last Week | Difference | Price 15 |
|---|---|---|---|---|
| Cheese Barrels (CME) | 1.470 | 1.430 | +.040 | 1.510 |
| Cheese Blocks (CME) | 1.490 | 1.488 | +.002 | 1.530 |
| American Cheese | 1.540 | 1.563 | -.023 | 1.648 |
| Cheddar Cheese (40 lb.) | 1.590 | 1.615 | -.025 | 1.665 |
| Mozzarella Cheese | 1.663 | 1.688 | -.025 | 1.783 |
| Provolone Cheese | 2.075 | 2.075 | - | 2.140 |
| Parmesan Cheese | 3.690 | 3.690 | - | 3.488 |
| Butter (CME) | 1.958 | 1.925 | +.033 | 1.685 |
| Nonfat Dry Milk | .868 | .869 | -.001 | 1.106 |
| Whey, Dry | .251 | .253 | -.002 | .465 |
| Class 1 Base | 13.780 | 13.780 | - | 15.500 |
| Class II Cream, heavy | 2.181 | 2.272 | -.091 | 2.100 |
| Class III Milk (CME) | 13.770 | 13.520 | +.250 | 15.550 |
| Class IV Milk (CME) | 13.380 | 13.380 | - | 13.850 |

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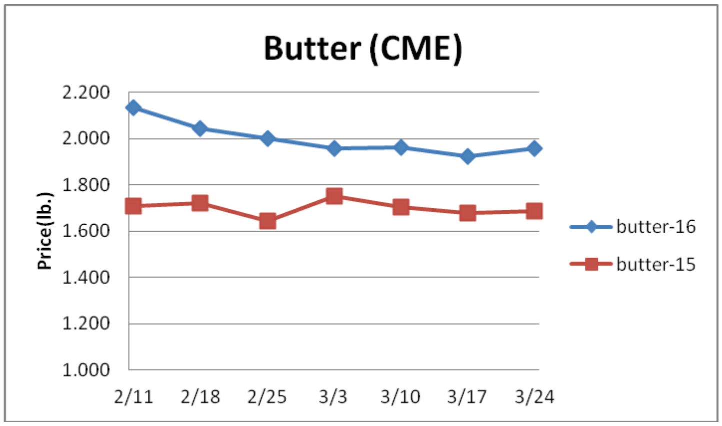
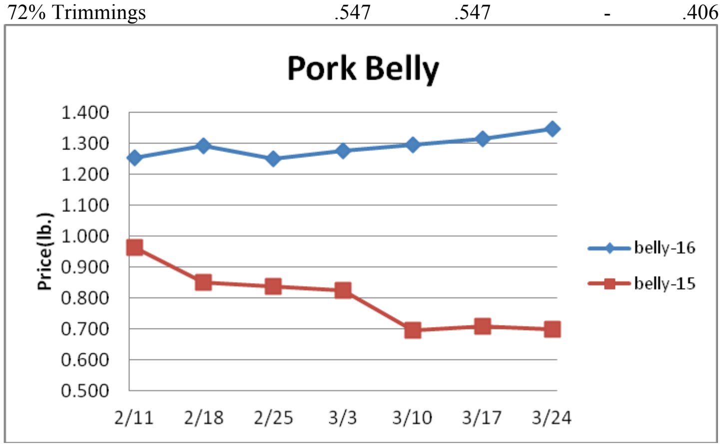



**Pork-** Pork production last week declined 2.3% and was 2.8% less than the same week last year. Hog slaughter was the smallest for any non-holiday week since September. Pork output will seasonally decline in the coming months which should be accompanied with support for the pork markets. The ham markets continue to trade at relatively depressed levels due in part to the early Easter. Typically ham prices soften in April but the last two times Easter occurred during March the 23-27 ham market rose at least 27% during the month. Prices USDA, FOB per pound.

| | Price | Last Week | Difference | Price 15 |
|---|---|---|---|---|
| Live Hogs | .452 | .464 | -.012 | .413 |
| Belly (bacon) | 1.346 | 1.315 | +.031 | .683 |
| Sparerib (4.25 lb. & down) | 1.652 | 1.645 | +.007 | 1.708 |
| Ham (20-23 lb.) | .526 | .570 | -.044 | .488 |
| Ham (23-27 lb.) | .507 | .555 | -. 048 | .449 |
| Loin (bone-in) | .769 | .757 | +.012 | .849 |
| Bbybck Rib (1.75 lb. & up) | 2.784 | 2.747 | +.037 | 2.560 |
| Tenderloin (1.25 lb.) | 2.144 | 2.031 | +.113 | 2.207 |
| Boston Butt, untrmd. (4-8 lb.) | .805 | .799 | +.066 | .887 |
| Picnic, untrmd. | .431 | .446 | -.015 | .433 |
| SS Picnic, smoker trm. bx. | .659 | .604 | +.055 | .653 |
| 42% Trimmings | .252 | .287 | -.035 | .260 |
| 72% Trimmings | .547 | .547 | - | .406 |

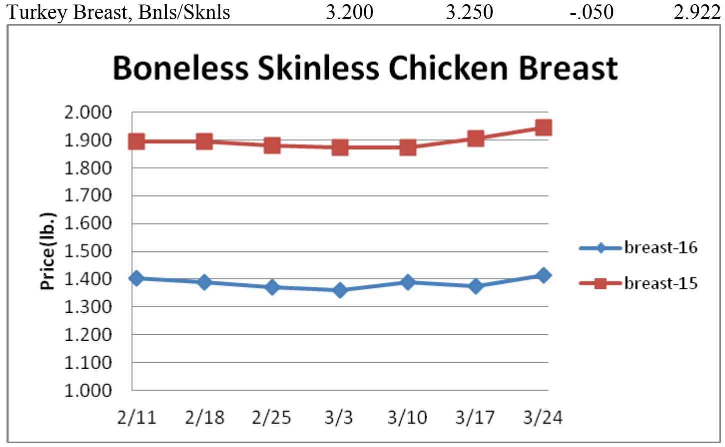



**The Kitchen Sink (Various Markets) -** A firming Brazilian real along with historically small supplies have brought support to coffee prices as of late. Still, it will be very hard for coffee prices to move notably higher from here without any major crop shortfall. Price bases noted below.

| | Price | Last Week | Difference | Price 15 |
|---|---|---|---|---|
| Whole Peeled, Stand (6/10) | 12.081 | 12.081 | - | 12.881 |
| Tomato Paste- Industrial (lb.) | .447 | .447 | - | .477 |
| Coffee, lb., ICE | 1.347 | 1.257 | +.090 | 1.394 |
| Sugar, lb., ICE | .265 | .256 | +.009 | .240 |
| Cocoa, mt., ICE | 3035.000 | 3053.000 | -18.000 | 3127.000 |
| Orange Juice, lb., ICE | 1.340 | 1.286 | +.054 | 1.364 |
| Honey (Clover), lb. | 12.081 | 12.081 | - | 12.881 |

**Poultry-** Chicken production for the week ending March 12th declined .6% from the prior week but was 2.8% larger than the same week last year. Turkey output for the same week was down .6% from 2015. Most of the chicken markets have found support in recent weeks, including wings. After declining roughly 8% since the Super Bowl the wing markets have stabilized due in part to better demand for the March Madness college basketball tournament. However, history suggests that the firmness in wing prices may be short-lived. The five year average move the ARA Chicken Wing Index during the month of April is a decline of 9%. Conversely, the chicken breast and leg quarter markets are likely to move upward next month. Prices USDA, FOB per pound except when noted.

| Chicken | Price | Last Week | Difference | Price 15 |
|---|---|---|---|---|
| Whole Birds (2.5-3 lb.-GA) | 1.145 | 1.145 | - | 1.145 |
| Wings (whole) | 1.625 | 1.625 | - | 1.810 |
| Wings (jumbo, cut) | 1.743 | 1.764 | -.021 | 1.788 |
| Breast, Bone In | .900 | .910 | -.010 | 1.200 |
| Breast, Bnless Skinless | 1.415 | 1.375 | +.040 | 1.945 |
| Tenderloin (random) | 1.750 | 1.700 | +.050 | 1.900 |
| Tenderloin (sized) | 1.950 | 1.900 | +.050 | 2.200 |
| Legs (whole) | .382 | .413 | -.031 | .429 |
| Leg Quarters | .320 | .330 | -.010 | .490 |
| Thighs, bone in | .525 | .507 | +.018 | .631 |
| Thighs, boneless | .876 | .795 | +.081 | 1.044 |
| **Eggs and Others** | | | | |
| Large (dozen) | 1.017 | 1.017 | - | 1.750 |
| Medium (dozen) | .818 | .820 | -.002 | 1.305 |
| Whole Eggs- Liquid | .675 | .675 | - | .764 |
| Egg Whites- Liquid | .755 | .755 | - | .603 |
| Egg Yolks- Liquid | .915 | .915 | - | .914 |
| Whole Turkeys (8-16 lb.) | 1.245 | 1.148 | +.097 | 1.015 |
| Turkey Breast, Bnls/Sknls | 3.200 | 3.250 | -.050 | 2.922 |




**Seafood** The Alaskan Bering Sea snow crab fishing season is entering its final stages. As of mid-March, 85% of the 2015-16 Alaskan quota had been landed. Due to the abnormally small Alaskan quota this year and the recent weakness in the U.S. dollar, the snow crab leg markets may find support this spring especially without notable growth in the Canadian harvest. 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 | 6.460 | 6.498 | -.038 | 7.145 |
| Shrimp, (61/70), Frz. | 3.350 | 3.350 | - | 4.160 |
| Shrimp, Tiger (26/30), Frz. | 4.900 | 4.900 | - | 5.810 |
| Snow Crab, Legs 5-8 oz, Frz | 5.225 | 5.225 | - | 5.250 |
| Snow Crab, Legs 8 oz/ up, Fz | 6.050 | 6.050 | - | 5.450 |
| Cod Tails, 3-7 oz., Frz. | 2.800 | 2.800 | - | 3.063 |
| Cod Loins, 3-12 oz., Frz | 3.175 | 3.175 | - | 3.037 |
| Salmon Portions, 4-8 oz, Frz | 5.608 | 5.775 | -.167 | 6.342 |
| Pollock, Alaska, Deep Skin | 1.755 | 1.800 | -.045 | 1.750 |

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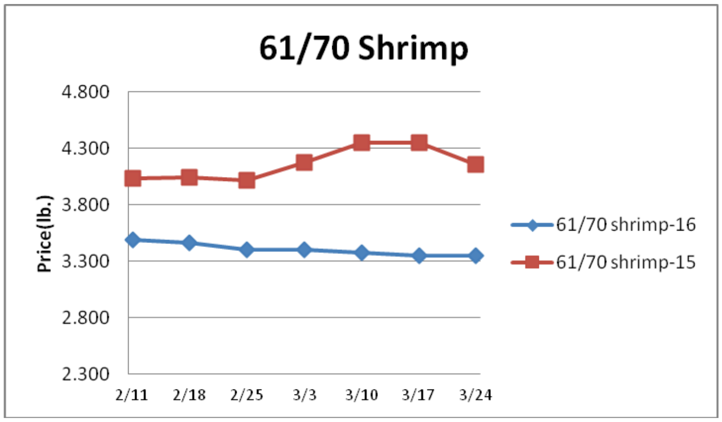
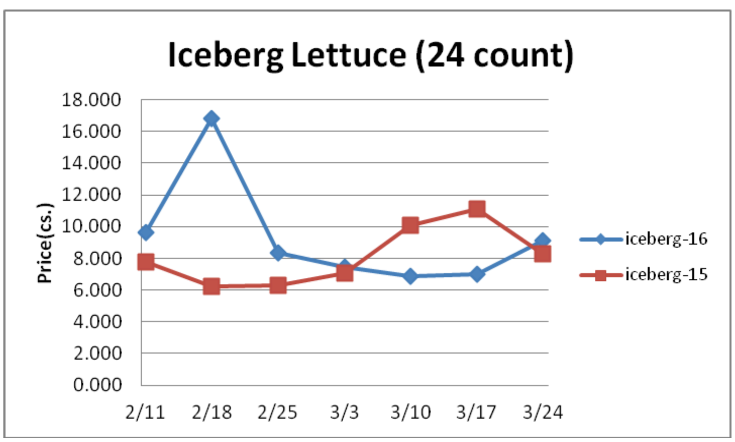



**Energy & Currency-** The crude oil markets recently climbed to multi-month highs. This is expected to bring more domestic output online which should limit any further price upside. Currency US dollar is worth

| | Price | Last Week | Difference | Price 15 |
|---|---|---|---|---|
| Crude Oil, barrel- nymex | 41.130 | 37.090 | +4.040 | 47.430 |
| Natural Gas, mbtu- nymex | 1.958 | 1.958 | - | 2.777 |
| Heating Oil, gal- nymex | 1.251 | 1.194 | +.057 | 1.703 |
| Electricity, mwht- nymex | 31.000 | 31.850 | -.850 | 39.350 |
| Gasoline, gal- nymex | 1.528 | 1.445 | +.083 | 1.807 |
| Diesel Fuel, gal- eia | 2.119 | 2.099 | +.020 | 2.864 |
| Ethanol, gal- usda | 1.316 | 1.265 | +.051 | 1.398 |
| Canadian $ | 1.308 | 1.337 | -.029 | 1.300 |
| Japanese Yen | 112.756 | 113.494 | -.738 | 119.572 |
| Mexican Peso | 17.373 | 17.917 | -.544 | 14.932 |
| Euro | .894 | .902 | -.008 | .912 |
| Brazilian Real | 3.621 | 3.766 | -.145 | 3.135 |
| Chinese Yuan | 6.496 | 6.521 | -.025 | 6.211 |

**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) | 928.625 | 928.625 | - | 975.659 |
| WP; 42 lb. Linerboard (corr.) | 677.931 | 677.931 | - | 683.059 |
| Res; PS-CHH (cup, cont.) | .960-1.0 | .960-1.00 | - | 1.370-1.390 |
| Res; PP-HIGP (hvy utensil) | .690-.710 | .690-.710 | - | 1.080-1.110 |
| Res; PE-LLD (cn liner, film) | .540-.570 | .540-.570 | - | 1.010-1.040 |




**Produce-** The lettuce markets have firmed during the last week. The Yuma-Imperial Valley region winter lettuce harvest is winding down and with that harvest volumes. Iceberg lettuce shipments last week declined 5% from the area but were still 2% better than the same week in 2015. The chief harvest area will shift to Central California shortly. It is hoped that the better water resources will aid production in the coming weeks. Iceberg lettuce prices have averaged higher in April than the previous month in three of the last four years. The tomato markets could remain relatively elevated in the near term. Price bases noted below

| | Price | Last Week | Difference | Price 15 |
|---|---|---|---|---|
| Limes (150 ct.) | 15.000 | 15.000 | - | 47.000 |
| Lemons (95 ct.) | 25.850 | 25.850 | - | 19.350 |
| Lemons (200 ct.) | 20.350 | 20.350 | - | 24.850 |
| Honeydew (6 ct.) | 8.767 | 7.517 | +1.250 | 11.900 |
| Cantaloupe (15 ct.) | 11.450 | 9.450 | +2.000 | 11.450 |
| Blueberries (12 count) | 25.500 | 22.000 | +3.500 | 18.500 |
| Strawberries (12 pnts.) | 9.725 | 9.300 | +.425 | 7.500 |
| Avocados (Hass 48 ct.) | 25.250 | 23.500 | +1.750 | 38.000 |
| Bananas (40 lb.)- Term. | 15.844 | 16.031 | -.187 | 17.271 |
| Pineapple (7 ct.)- Term. | 14.169 | 13.792 | +.377 | 15.657 |
| Idaho Potato (60 ct., 50 lb.) | 9.500 | 9.250 | +.250 | 14.000 |
| Idaho Potato (70 ct., 50 lb.) | 9.625 | 9.500 | +.125 | 13.000 |
| Idaho Potato (70 ct.)-Term. | 15.386 | 15.870 | -.484 | 18.813 |
| Idaho Potato (90 ct., 50 lb.) | 9.500 | 9.625 | -.125 | 6.250 |
| Idaho Pot. # 2 (6 oz., 100 lb.) | 11.750 | 11.750 | - | 8.250 |
| Processing Potato (cwt.) | 9.250 | 9.250 | - | 9.500 |
| Yellow Onions (50 lb.) | 9.500 | 7.250 | +2.250 | 6.500 |
| Yell Onions (50 lb.)-Term. | 15.032 | 14.563 | +.469 | 12.188 |
| Red Onions (25 lb.)- Term. | 16.063 | 16.931 | -.868 | 9.407 |
| White Onions (50 lb.)- Term. | 28.750 | 29.031 | -.281 | 24.000 |
| Tomatoes (large- case) | 18.617 | 18.950 | -.333 | 10.700 |
| Tomatoes (5x6-25 lb.)-Term | 23.750 | 22.333 | +1.417 | 14.667 |
| Tomatoes (4x5 vine ripe) | 12.950 | 14.950 | -2.000 | 10.950 |
| Roma Tomatoes (large- case) | 16.575 | 16.700 | -.125 | 13.784 |
| Roma Tomatoes (xlarge-cs) | 16.332 | 16.950 | -.618 | 13.700 |
| Green Peppers (large- case) | 22.850 | 18.517 | +4.333 | 8.750 |
| Red Peppers (large 15lb. cs.) | 21.950 | 17.950 | +4.000 | 13.950 |
| Iceberg Lettuce (24 count) | 9.100 | 6.975 | +2.125 | 8.263 |
| Iceberg Lettuce (24)-Term. | 13.834 | 11.875 | +1.959 | 17.750 |
| Leaf Lettuce (24 count) | 6.488 | 6.209 | +.279 | 8.255 |
| Romaine Lettuce (24 cnt.) | 7.139 | 6.785 | +.354 | 14.290 |
| Mesculin Mix (3 lb.)-Term. | 6.250 | 6.063 | +.187 | 6.500 |
| Broccoli (14 ct.) | 9.320 | 7.694 | +1.626 | 12.150 |
| Squash (1/2 bushel) | 20.650 | 20.650 | - | 8.350 |
| Zucchini (1/2 bushel) | 8.650 | 8.650 | - | 8.350 |
| Green Beans (bushel) | 23.717 | 32.384 | -8.667 | 17.775 |
| Spinach, Flat 24's | 8.200 | 7.600 | +.600 | 13.188 |
| Mushrms (10 lb, lg.)-Term. | 16.417 | 14.083 | +2.334 | 16.125 |
| Cucumbers (bushel) | 26.515 | 25.322 | +1.193 | 15.760 |
| Pickles (200-300 ct.)- Term. | 26.500 | 29.750 | -3.250 | 29.000 |
| Asparagus (small) | 11.750 | 11.750 | - | 9.750 |
| Freight (Truck; CA-Cty Av.) | 4440.000 | 4445.000 | -5.000 | 5425.000 |

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

| | Feb-16 | Jan-16 | Dec-15 | Nov-15 |
|---|---|---|---|---|
| Beef and Veal | +.352 | +1.404 | -2.370 | -1.400 |
| Dairy | -.515 | +.009 | +.106 | -.568 |
| Pork | -.886 | -.533 | -2.320 | -2.300 |
| Chicken | -.064 | -.702 | -1.670 | +.310 |
| Fresh Fish and Seafood | -1.836 | +2.066 | -1.184 | -1.350 |
| Fresh Fruits and Veg. | -.015 | +2.635 | +.548 | +.337 |