Weekly Market Updates

PERFORMANCE FOODSERVICE

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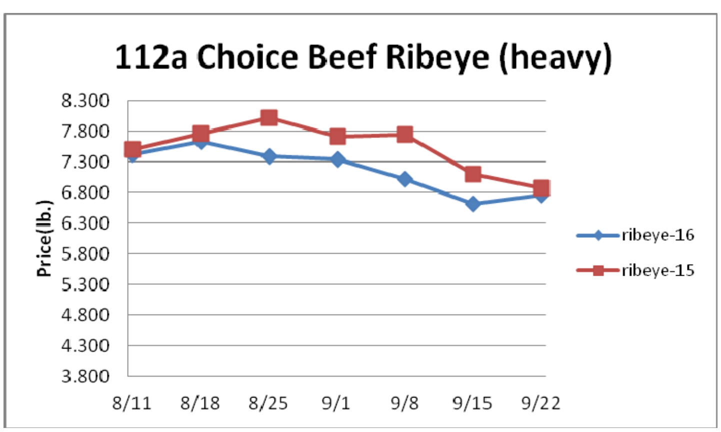
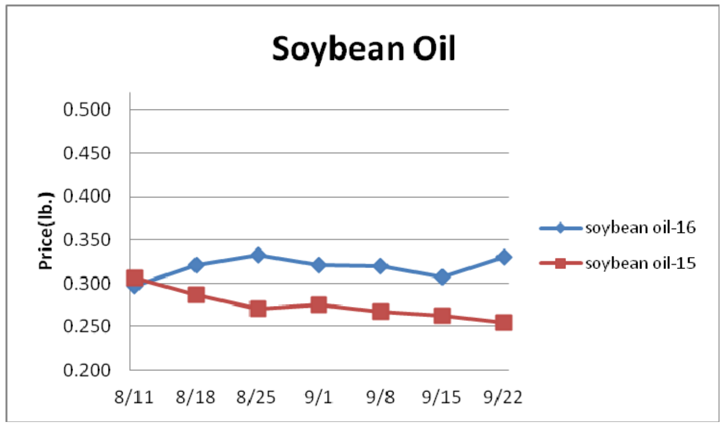
Beef- Beef production last week was 1.8% larger than the same week last year. Solid year over year gains in beef production are expected to persist at least into the winter. Beef supplies are ample and demand has seasonally waned as of late which is weighing on the beef markets. The weekly USDA choice boxed beef cutout fell to its least expensive level for the second week of September since 2011. However, demand is starting to escalate with spot shipments last week the largest since May. Further, retail feature activity has been solid. Retail ground beef prices during August were the lowest in 30 months. The beef markets are expected to find support in the not-so-distant future. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 15
Live Cattle	1.090	1.051	+.039	1.335
Feeder Cattle Index (CME)	1.346	1.344	+.002	1.969
Ground Beef 81/19	1.523	1.645	-.122	1.941
Ground Chuck	1.644	1.644	-	2.035
109e Export Rib (choice)	6.095	6.039	+.056	5.829
109e Export Rib (prime)	8.580	7.990	+.590	8.668
112a Ribeye (choice)	6.755	6.618	+.137	6.870
112a Ribeye (prime)	9.421	9.555	-.134	10.012
116 Chuck (select)	2.611	2.357	+.254	3.020
116 Chuck (choice)	2.613	2.434	+.179	3.089
116b Chuck Tdnr (choice)	2.101	2.066	+.035	2.676
120 Brisket (choice)	2.060	2.039	+.021	2.459
121c Outside Skirt (ch/sel)	5.327	5.634	-.307	6.619
121d Inside Skirt (ch/sel)	2.997	3.021	-.024	3.960
167a Knckle, Trm. (ch.)	2.194	2.162	+.032	2.832
168 Inside Round (ch.)	1.914	1.869	+.045	2.353
174 Short Loin (ch. 0x1)	4.563	4.664	-.101	5.272
174 Short Loin (prime)	8.684	9.137	-.453	9.315
180 1x1 Strp (choice)	4.753	4.365	+.388	4.773
180 1x1 Strp (prime)	9.828	10.663	-.835	10.526
180 0x1 Strp (choice)	4.753	4.725	+.028	5.308
184 Top Butt, bnls (ch.)	3.138	3.295	-.157	4.300
184 Top Butt, bnls (prime)	3.614	3.740	-.126	4.556
185a Sirloin Flap (choice)	4.710	4.986	-.276	4.609
185c Loin, Tri-Tip (choice)	2.483	2.371	+.112	2.644
189a Tender (select)	8.735	9.860	-1.125	11.643
189a Tender (choice)	9.086	9.412	-.326	11.719
189a Tender (prime)	12.115	12.374	-.259	16.065
193 Flank Steak (choice)	4.123	3.819	+.304	5.468
50% Trimmings	.431	.424	+.007	.474
65% Trimmings	.851	.865	-.014	1.190
75% Trimmings	1.588	1.590	-.002	2.027
85% Trimmings	1.793	1.821	-.028	2.260
90% Trimmings	2.067	2.087	-.020	2.645
90% Imported Beef (frz.)	2.045	2.071	-.026	2.403
95% Imported Beef (frz.)	2.268	2.283	-.015	2.655
Veal Rack (Hotel 7 rib)	7.825	7.825	-	9.875
Veal Top Rnd. (cp. off)	13.950	14.100	-.150	17.850



Oil, Grains, Misc- The domestic 2017-18 winter wheat planting season is underway. As of September 18th, 17% of the U.S. winter wheat crop had been sowed which is slightly above the five-year average for the date. Soil moisture conditions for winter wheat are historically favorable. Still, the downside price risk for wheat is likely nominal. Prices USDA, FOB

	Price	Last Week	Difference	Price 15
Soybeans, bushel	9.813	9.509	+.304	8.498
Crude Soybean Oil, lb.	.330	.307	+.023	.255
Soybean Meal, ton	349.600	344.300	+5.300	328.400
Corn, bushel	3.038	2.926	+.112	3.452
Crude Corn Oil, lb.	.382	.385	-.003	.375
High Fructose Corn Syrup	.117	.116	+.001	.128
Distillers Grain, Dry	119.438	119.917	-.479	132.500
Crude Palm Oil, lb. BMD	.289	.262	+.027	.231
HRW Wheat, bushel	3.380	3.325	+.055	4.480
DNS Wheat 14%, bushel	4.910	4.980	-.070	5.270
Durum Wheat, bushel	5.000	5.000	-	6.134
Pinto Beans, lb.	.293	.290	+.003	.204
Black Beans, lb.	.345	.325	+.020	.238
Rice, Long Grain, lb.	.225	.225	-	.234



Dairy- The CME cheese markets have softened during the last week falling to some of their least expensive levels since the spring. This is due to better milk supplies and lackluster export demand. But cheese feature activity at retail has been impressive with American cheese prices during August the lowest in over a year. Further, export demand for cheese is anticipated to expand in the coming months. Any seasonal cheese market declines this fall may only be modest. The CME butter market has fallen to multi-month lows as well. Butter prices usually move lower during October. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 15
Cheese Barrels (CME)	1.508	1.550	-.042	1.460
Cheese Blocks (CME)	1.598	1.665	-.067	1.590
American Cheese	1.623	1.728	-.105	1.653
Cheddar Cheese (40 lb.)	1.758	1.805	-.047	1.773
Mozzarella Cheese	1.830	1.878	-.048	1.845
Provolone Cheese	2.075	2.075	-	2.283
Parmesan Cheese	3.615	3.663	-.048	3.630
Butter (CME)	1.955	2.033	-.078	3.025
Nonfat Dry Milk	.961	.955	+.006	.912
Whey, Dry	.331	.323	+.008	.237
Class 1 Base	16.560	16.560	-	16.340
Class II Cream, heavy	2.601	2.564	+.037	3.573
Class III Milk (CME)	16.180	16.500	-.320	15.390
Class IV Milk (CME)	14.720	14.960	-.240	17.250

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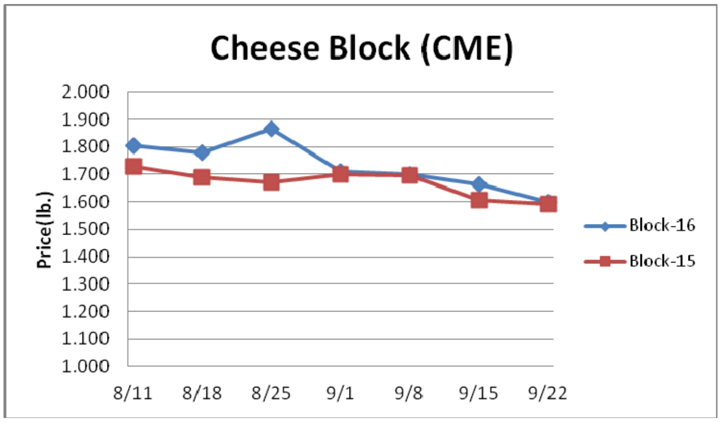
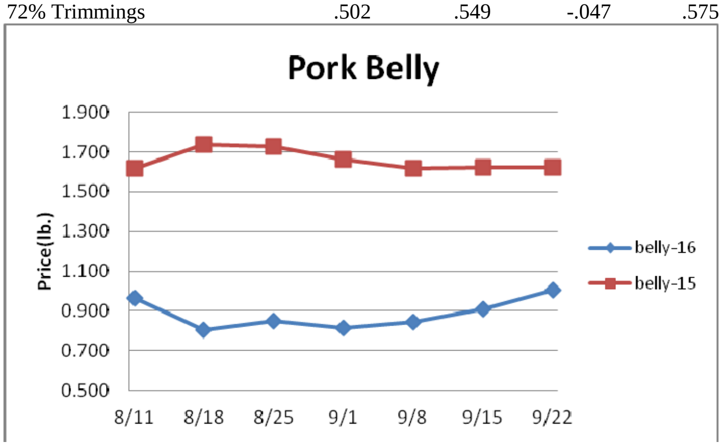


Pork- Pork output last week was 1.9% better than the same week last year. Solid year over year pork production expansion is anticipated this fall due to ample hog supplies. Hog futures suggest that spot hog prices later this year could fall to levels not experienced since the summer of 2009.The ham markets have been buoyed as of late by processors seeking product for the pending holidays. History suggests that lower ham prices are likely later this fall. Last year the 23-27 ham market declined 20% during November and December. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 15
Live Hogs	.399	.427	-.028	.497
Belly (bacon)	1.006	.911	+.095	1.562
Sparerib (4.25 lb. & down)	1.277	1.384	-.107	1.477
Ham (20-23 lb.)	.714	.837	-.123	.628
Ham (23-27 lb.)	.655	.749	-.094	.589
Loin (bone-in)	.894	.876	+.018	.882
Bbybck Rib (1.75 lb. & up)	2.173	2.163	+.010	2.232
Tenderloin (1.25 lb.)	2.187	2.165	+.022	2.136
Boston Butt, untrmd. (4-8 lb.)	1.059	1.068	-.009	.882
Picnic, untrmd.	.539	.523	+.016	.469
SS Picnic, smoker trm. bx.	.747	.715	+.032	.717
42% Trimmings	.311	.379	-.068	.350
72% Trimmings	.502	.549	-.047	.575

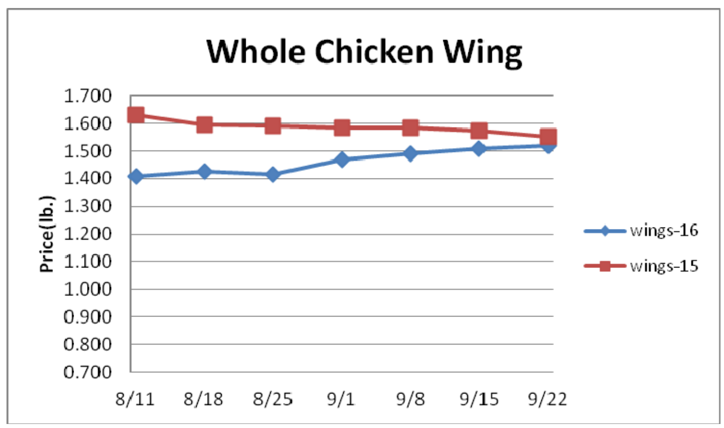


The Kitchen Sink (Various Markets)- 2016 California contracted tomato for processing output is estimated by the USDA at 12.8 million tons which is down 11% from the previous year. Still, canned tomato supplies should remain adequate keeping a lid on prices. Price bases noted below.

	Price	Last Week	Difference	Price 15
Whole Peeled, Stand (6/10)	11.985	11.945	+.040	11.937
Tomato Paste- Industrial (lb.)	.444	.442	+.002	.442
Coffee, lb., ICE	1.555	1.474	+.081	1.173
Sugar, lb., ICE	.268	.276	+.002	.241
Cocoa, mt., ICE	2866.000	2822.000	+44.000	3311.000
Orange Juice, lb., ICE	2.044	1.972	+.072	1.198
Honey (Clover), lb.	1.650	1.650	-	2.033

Poultry- Chicken production for the week ending September 10th was 1.7% below last year. The six week moving average for chicken output was .1% less than 2015 due to a .4% decline in bird weights. Recent broiler egg set data suggests that chicken output will climb above the prior year levels this fall. The six-week average for broiler egg sets is tracking 1.6% above a year ago. The slowed chicken production and seasonally rising demand has brought support to the chicken wing markets. The ARA Chicken Wing Index has risen nearly $.25 lb. during the last month. If year over year chicken output expansion does not improve, it could be especially supportive of wing prices this fall. Retail table egg prices in August were the lowest in six years. Prices USDA, FOB per pound except when noted.

Chicken	Price	Last Week	Difference	Price 15
Whole Birds (2.5-3 lb.-GA)	1.103	1.100	+.003	1.150
Wings (whole)	1.520	1.510	+.010	1.550
Wings (jumbo, cut)	1.800	1.753	+.047	1.679
Breast, Bone In	.965	.955	+.010	1.225
Breast, Bnless Skinless	1.565	1.610	-.045	1.820
Tenderloin Index- (ARA)	2.070	2.115	-.045	1.500
Legs (whole)	.494	.473	+.021	.436
Leg Quarters	.348	.305	+.043	.450
Thighs, bone in	.591	.473	+.118	.558
Thighs, boneless	1.225	1.260	-.035	.927
Eggs and Others				
Large (dozen)	.613	.777	-.164	2.100
Medium (dozen)	.382	.393	-.011	1.627
Whole Eggs- Liquid	.470	.470	-	1.745
Egg Whites- Liquid	.470	.465	+.005	1.625
Egg Yolks- Liquid	.893	.893	-	3.245
Whole Turkeys (8-16 lb.)	1.290	1.290	-	1.330
Turkey Breast, Bnls/Sknls	2.150	2.150	-	5.750



Seafood- Retail seafood prices during August were up 1.1% from the previous year. However, retail prices for other proteins including beef and chicken were well below 2015. Higher priced seafood at grocery stores could slow consumption and temper pending wholesale market increases. 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	6.132	6.173	-.001	6.091
Shrimp (61/70), Frz.	3.800	3.800	-	2.780
Shrimp, Tiger (26/30), Frz.	6.133	5.850	+.283	4.830
Snow Crab, Legs 5-8 oz, Frz	7.275	7.275	-	4.925
Snow Crab, Legs 8 oz/ up, Fz	7.525	7.525	-	5.600
Cod Tails, 3-7 oz., Frz.	2.550	2.550	-	2.825
Cod Loins, 3-12 oz., Frz	2.975	2.975	-	3.088
Salmon Portions, 4-8 oz, Frz	6.067	6.067	-	5.900
Pollock, Alaska, Deep Skin	1.765	1.765	-	1.800

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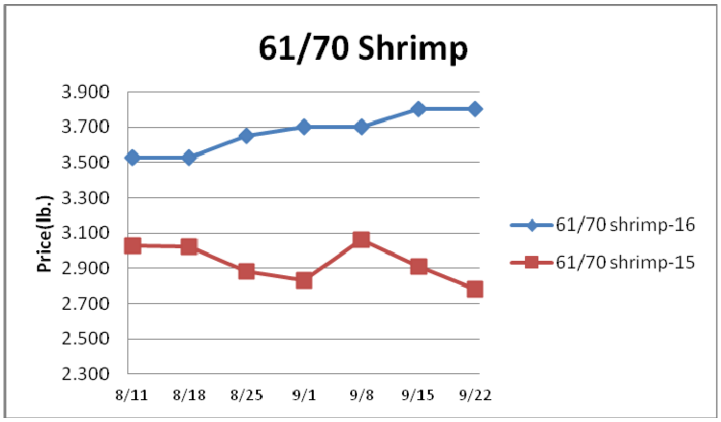
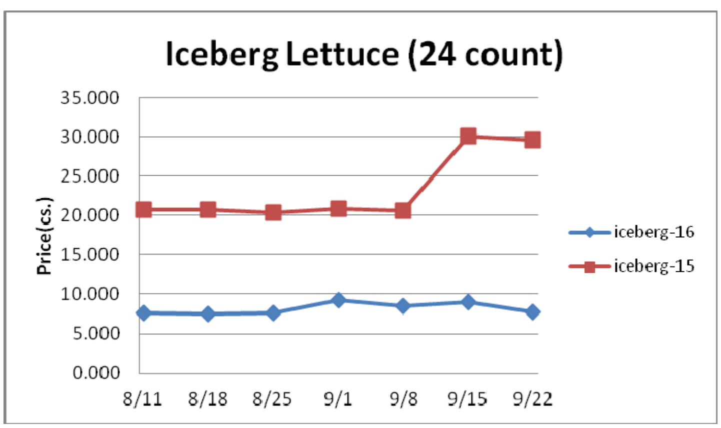


Energy & Currency- Crude oil prices generally remain range-bound. U.S. crude oil output expansion has been slower than anticipated which suggests that crude oil prices may continue to trade between $40 and $50 per barrel this fall. Currency US dollar is worth

	Price	Last Week	Difference	Price 15
Crude Oil, barrel- nymex	44.840	44.570	+.270	46.700
Natural Gas, mbtu- nymex	3.129	2.942	+.187	2.657
Heating Oil, gal- nymex	1.434	1.401	+.033	1.571
Electricity, mwht- nymex	35.080	34.310	+.770	38.100
Gasoline, gal- nymex	1.347	1.367	-.020	1.402
Diesel Fuel, gal- eia	2.389	2.399	-.010	2.493
Ethanol, gal- usda	1.480	1.408	+.072	1.443
Canadian $	1.317	1.320	-.003	1.329
Japanese Yen	100.730	102.899	-2.169	120.177
Mexican Peso	19.769	19.226	+.543	16.899
Euro	.897	.891	+.006	.897
Brazilian Real	3.240	3.330	-.090	4.036
Chinese Yuan	6.674	6.675	-.001	6.356

Paper/Plastic- Provided by; resin- www.plasticsnews.com, pulp- BLS index estimate.

Wood Pulp/ Plastic Resin	Price	Last Week	Difference	Price 15
WP; NBSK (napkin, towel)	914.703	920.724	-6.021	966.252
WP; 42 lb. Linerboard (corr.)	681.634	675.368	+6.266	679.071
Res; PS-CHH (cup, cont.)	1.01-1.05	1.01-1.05	-	1.220-1.260
Res; PP-HIGP (hvy utensil)	.635-.655	.635-.655	-	.850-.870
Res; PE-LLD (cn liner, film)	.630-.660	.630-.660	-	.880-.910



Produce- The lettuce markets continue to trade at relatively engaging levels for buyers. Lettuce demand has been seasonally slack while production has been more than adequate. The overall iceberg lettuce supply last week was 11.3% better than the same week last year. Fairly attractive lettuce prices could persist in the near term. The Idaho potato markets have been relatively deflated as of late as well. The fall potato harvest is building putting downward pressure on potato prices. As of September 18th, 33% of the Idaho potatoes had been harvested. Seasonal charts indicate that inexpensive potato prices should persist next month. Price bases noted below.

	Price	Last Week	Difference	Price 15
Limes (150 ct.)	18.000	17.000	+1.000	16.000
Lemons (95 ct.)	33.050	33.050	-	35.850
Lemons (200 ct.)	29.550	29.050	+.050	21.850
Honeydew (6 ct.)	4.000	4.250	-.250	6.750
Cantaloupe (15 ct.)	4.250	4.750	-.500	7.750
Blueberries (12 count)	28.000	23.500	+4.500	25.650
Strawberries (12 pnts.)	7.500	7.500	-	9.000
Avocados (Hass 48 ct.)	56.250	56.250	-	23.750
Bananas (40 lb.)- Term.	14.314	14.620	-.306	15.436
Pineapple (7 ct.)- Term.	15.531	16.125	-.815	21.813
Idaho Potato (60 ct., 50 lb.)	6.500	7.000	-.500	6.000
Idaho Potato (70 ct., 50 lb.)	6.500	7.000	-.500	6.500
Idaho Potato (70 ct.)-Term.	14.844	14.979	-.135	16.047
Idaho Potato (90 ct., 50 lb.)	6.250	6.500	-.250	7.000
Idaho Pot. # 2 (6 oz., 100 lb.)	11.500	12.000	-.500	11.000
Processing Potato (cwt.)	9.250	9.250	-	8.750
Yellow Onions (50 lb.)	7.313	6.750	+.563	7.000
Yell Onions (50 lb.)-Term.	12.271	13.000	-.729	14.136
Red Onions (25 lb.)- Term.	11.500	12.219	-.719	13.235
White Onions (50 lb.)- Term.	18.938	18.792	+.146	20.938
Tomatoes (large- case)	10.950	15.955	+5.005	-5.005
Tomatoes (5x6-25 lb.)-Term	17.117	18.367	-1.250	16.855
Tomatoes (4x5 vine ripe)	13.463	13.963	-.500	15.950
Roma Tomatoes (large- case)	13.555	15.955	-2.400	13.260
Roma Tomatoes (xlarge-cs)	14.255	16.655	-2.400	13.550
Green Peppers (large- case)	15.683	15.158	+.525	13.388
Red Peppers (large 15lb. cs.)	17.950	17.950	-	20.950
Iceberg Lettuce (24 count)	7.753	8.952	-1.199	29.640
Iceberg Lettuce (24)-Term.	14.375	14.503	-.128	39.563
Leaf Lettuce (24 count)	9.135	8.952	+.183	9.817
Romaine Lettuce (24 cnt.)	7.675	7.725	-.050	15.969
Mesculin Mix (3 lb.)-Term.	6.344	6.344	-	6.813
Broccoli (14 ct.)	10.875	9.600	+1.275	14.690
Squash (1/2 bushel)	12.763	15.763	-3.000	5.250
Zucchini (1/2 bushel)	8.342	11.719	-3.377	6.230
Green Beans (bushel)	21.000	24.000	-3.000	19.088
Spinach, Flat 24's	11.325	11.500	-.175	23.500
Mushrms (10 lb, lg.)-Term.	16.375	16.375	-	15.667
Cucumbers (bushel)	17.414	20.129	-2.715	16.043
Pickles (200-300 ct.)- Term.	26.167	26.063	+.104	25.750
Asparagus (small)	15.000	15.250	-250	14.500
Freight (Truck; CA-Cty Av.)	5369.444	5330.556	+38.888	5272.500

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

	Aug-16	Jul-16	Jun-16	May-16
Beef and Veal	+.154	-1.402	-.667	+.195
Dairy	+.420	-.098	-.605	-1.005
Pork	+.491	+.597	+1.244	-.330
Chicken	-.225	-.055	-.889	-.173
Fresh Fish and Seafood	-.647	+.552	+.688	-.858
Fresh Fruits and Veg.	+.362	-.460	-1.410	-.079