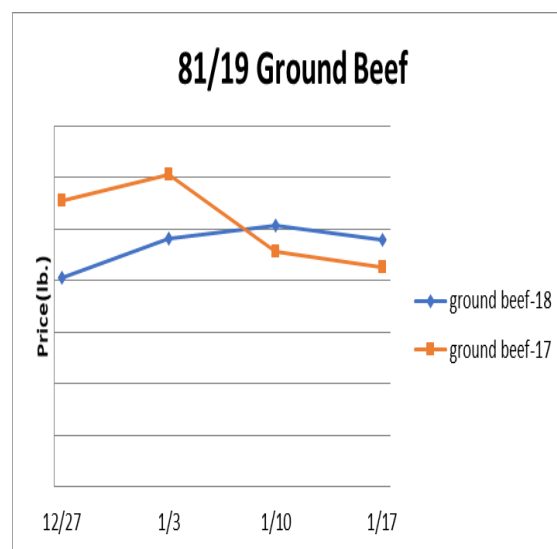
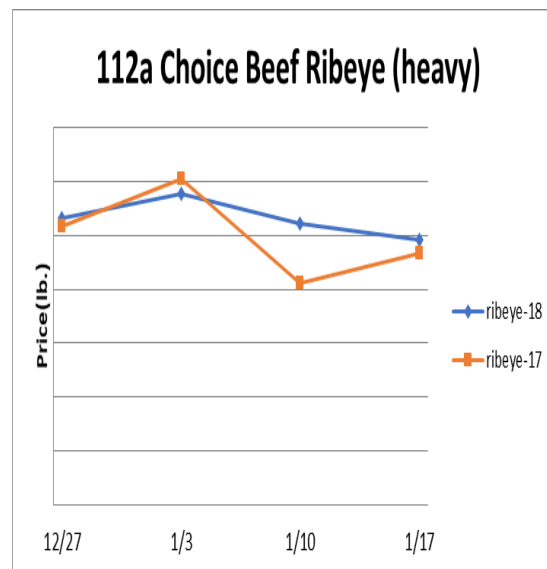


## Beef, Veal and Lamb Report

**Beef, Veal & Lamb-** Beef production last week increased 1.1% from the same week last year. The USDA is estimating first quarter beef output to be 3.3% better than 2016. Then, more impressive annual gains are forecasted during the second quarter which should temper seasonal price gains this spring. Retail beef prices in December were up 3.6% from the prior year and were the costliest since August 2016. Ground beef demand continues to be solid. Retail ground beef prices last month were up 1.9% from November and 4.2% higher than in 2016. Since 2013, the average move for the 81/19 ground beef market over this week and next, was up 8.7% but down 21.3% for the three weeks thereafter. Price USDA, FOB per pound.

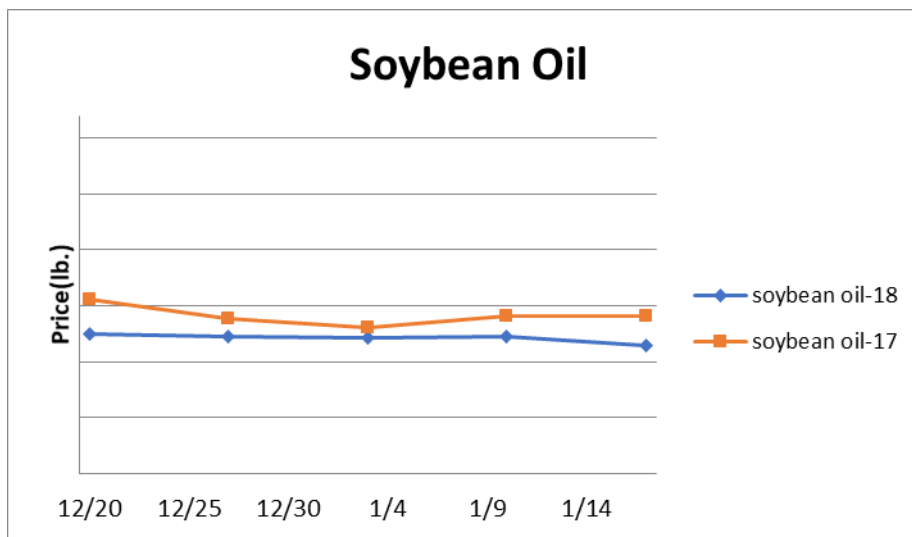
| Description                  | Market Trend | Supplies | Price vs. Last Year |
|------------------------------|--------------|----------|---------------------|
| Live Cattle (Steer)          | Decreasing   | Short    | Higher              |
| Feeder Cattle Index (CME)    | Decreasing   | Short    | Higher              |
| Ground Beef 81/19            | Decreasing   | Good     | Higher              |
| Ground Chuck                 | Increasing   | Good     | Higher              |
| 109 Export Rib (ch)          | Increasing   | Good     | Higher              |
| 109 Export Rib (pr)          | Decreasing   | Good     | Higher              |
| 112a Ribeye (ch)             | Decreasing   | Good     | Higher              |
| 112a Ribeye (pr)             | Increasing   | Good     | Higher              |
| 114a Chuck , Shlder Cld(ch)  | Increasing   | Good     | Lower               |
| 116 Chuck (sel)              | Increasing   | Good     | Higher              |
| 116 Chuck (ch)               | Decreasing   | Good     | Higher              |
| 116b Chuck Tender (ch)       | Increasing   | Good     | Higher              |
| 120 Brisket (ch)             | Decreasing   | Good     | Higher              |
| 120a Brisket (ch)            | Decreasing   | Good     | Higher              |
| 121c Outside Skirt (ch/sel)  | Decreasing   | Good     | Higher              |
| 121d Inside Skirt (ch/sel)   | Decreasing   | Good     | Higher              |
| 121e Cap & Wedge             | Decreasing   | Good     | Lower               |
| 167a Knuckle, Trimmed (ch)   | Decreasing   | Good     | Higher              |
| 168 Inside Round (ch)        | Decreasing   | Good     | Lower               |
| 169 Top Round (ch)           | Decreasing   | Good     | Lower               |
| 171b Outside Round (ch)      | Decreasing   | Good     | Higher              |
| 174 Short Loin (ch 0x1)      | Decreasing   | Good     | Lower               |
| 174 Short Loin (pr 2x3)      | Decreasing   | Good     | Higher              |
| 180 0x1 Strip (ch)           | Decreasing   | Good     | Lower               |
| 180 0x1 Strip (pr)           | Decreasing   | Good     | Lower               |
| 184 Top Butt, boneless (ch)  | Decreasing   | Good     | Higher              |
| 184 Top Butt, boneless (pr)  | Increasing   | Good     | Higher              |
| 184-3 Top Butt, bnls (ch)    | Decreasing   | Good     | Higher              |
| 185a Sirloin Flap (ch)       | Decreasing   | Good     | Higher              |
| 185c Loin, Tri-Tip (ch)      | Increasing   | Good     | Higher              |
| 189a Tender (sel, 5 lb & up) | Decreasing   | Good     | Lower               |
| 189a Tender (ch, 5 lb & up)  | Decreasing   | Good     | Higher              |
| 189a Tender (pr, heavy)      | Decreasing   | Good     | Higher              |
| 193 Flank Steak (ch)         | Increasing   | Good     | Higher              |
| 50% Trimmings                | Increasing   | Good     | Higher              |
| 65% Trimmings                | Increasing   | Good     | Higher              |
| 75% Trimmings                | Steady       | Good     | Higher              |
| 85% Trimmings                | Increasing   | Short    | Higher              |
| 90% Trimmings                | Increasing   | Short    | Higher              |
| 90% Imported Beef (frz)      | Steady       | Good     | Higher              |
| 95% Imported Beef (frz)      | Steady       | Good     | Higher              |
| Veal Rack (Hotel 7 rib)      | Steady       | Good     | Higher              |
| Veal Top Round (cap off)     | Steady       | Good     | Higher              |



# Grains

The USDA is projecting the 2018-19 domestic winter wheat acreage at 32.6 million, down .3% from the previous crop and the smallest since 1909. The historically small plantings and adverse weather is anticipated to be supportive of the wheat markets throughout the next several months. Prices USDA, FOB

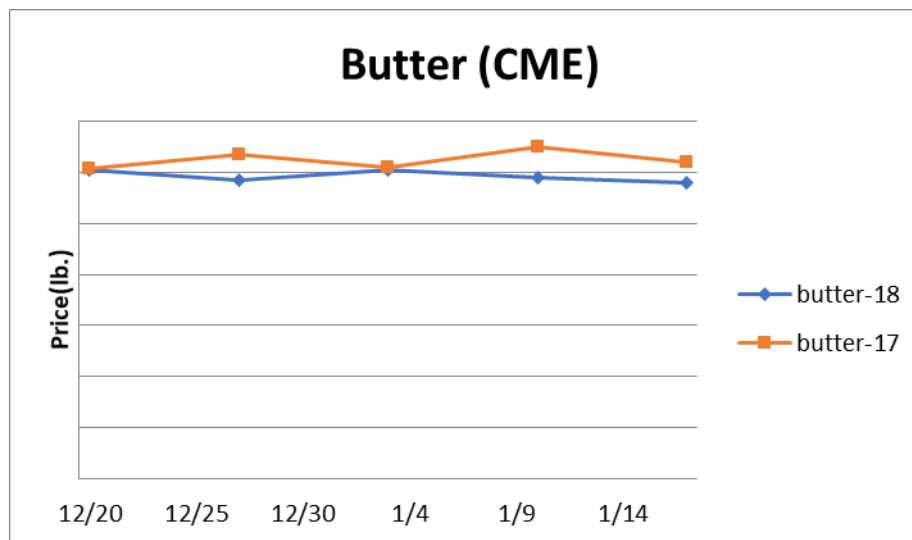
| Description              | Market Trend | Supplies | Price vs. Last Year |
|--------------------------|--------------|----------|---------------------|
| Soybeans, bushel         | Increasing   | Good     | Lower               |
| Crude Soybean Oil, lb    | Decreasing   | Good     | Lower               |
| Soybean Meal, ton        | Increasing   | Good     | Lower               |
| Corn, bushel             | Decreasing   | Good     | Lower               |
| Crude Corn Oil, lb       | Decreasing   | Good     | Lower               |
| High Fructose Corn Syrup | Steady       | Good     | Lower               |
| Distillers Grain, Dry    | Increasing   | Good     | Higher              |
| Crude Palm Oil, lb BMD   | Decreasing   | Good     | Lower               |
| HRW Wheat, bushel        | Decreasing   | Good     | Higher              |
| DNS Wheat 14%, bushel    | Decreasing   | Good     | Higher              |
| Durum Wheat, bushel      | Decreasing   | Short    | Higher              |
| Pinto Beans, lb          | Steady       | Good     | Lower               |
| Black Beans, lb          | Steady       | Good     | Lower               |
| Rice, Long Grain, lb     | Steady       | Good     | Higher              |



# Dairy

The CME cheese markets have softened as of late with cheese barrel prices falling to their lowest levels since the summer of 2009. Despite cold temperatures, U.S. milk production has been more than adequate this winter. Further, world milk output and dairy supplies are expanding. This is anticipated to limit cheese export demand during the next few months which could keep a lid on cheese prices. That said, history suggests the downside price risk in the cheese markets from here is nominal. Butter prices continue to drift downward and further weakness may occur. Prices per pound, except Class I Cream (hundred weight), from USDA.

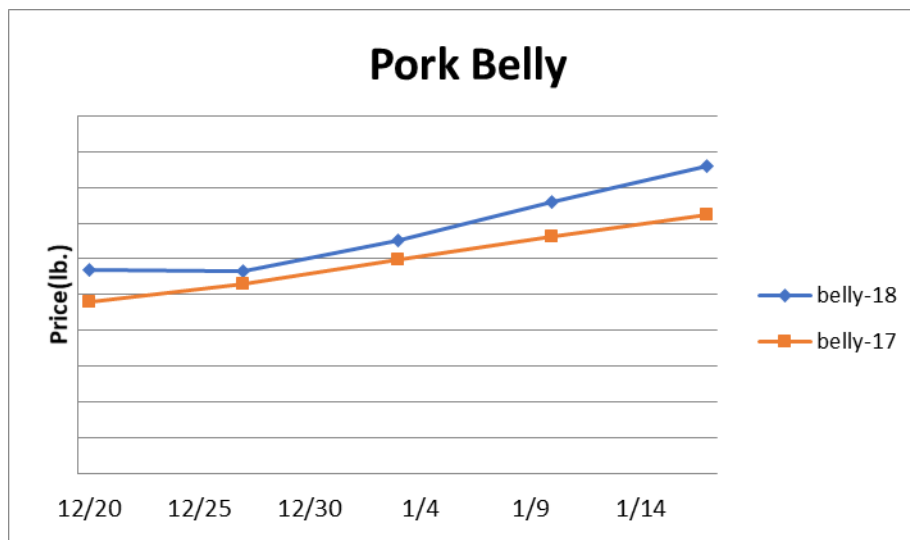
| Description                   | Market Trend | Supplies | Price vs. Last Year |
|-------------------------------|--------------|----------|---------------------|
| <b>Cheese Barrels (CME)</b>   | Decreasing   | Good     | Lower               |
| <b>Cheese Blocks (CME)</b>    | Increasing   | Good     | Lower               |
| <b>American Cheese</b>        | Decreasing   | Good     | Lower               |
| <b>Cheddar Cheese (40 lb)</b> | Decreasing   | Good     | Lower               |
| <b>Mozzarella Cheese</b>      | Decreasing   | Good     | Lower               |
| <b>Provolone Cheese</b>       | Steady       | Good     | Same                |
| <b>Parmesan Cheese</b>        | Decreasing   | Good     | Lower               |
| <b>Butter (CME)</b>           | Decreasing   | Good     | Lower               |
| <b>Nonfat Dry Milk</b>        | Increasing   | Ample    | Lower               |
| <b>Whey, Dry</b>              | Decreasing   | Good     | Lower               |
| <b>Class 1 Base</b>           | Steady       | Good     | Lower               |
| <b>Class II Cream, heavy</b>  | Decreasing   | Good     | Lower               |
| <b>Class III Milk (CME)</b>   | Increasing   | Good     | Lower               |
| <b>Class IV Milk (CME)</b>    | Increasing   | Good     | Lower               |



# Pork

Last week pork output was up 14.8% from the previous holiday shortened week and was 2.9% larger than last year. Hog supplies are adequate, but cash hog prices have been firm. Pork demand appears to be strong. However, pork production this quarter is expected to be 4.1% better than the prior year. This may weigh on the pork markets, including bellies. Retail pork prices in December were 3.1% higher than in 2016 but the lowest since May. Retail bacon prices were down 1.4% from the prior month but up 10.3% from the year earlier. Prices USDA, FOB per pound

| Description                  | Market Trend | Supplies | Price vs. Last Year |
|------------------------------|--------------|----------|---------------------|
| Live Hogs                    | Increasing   | Ample    | Higher              |
| Sow                          | Increasing   | Ample    | Higher              |
| Belly (bacon)                | Increasing   | Good     | Higher              |
| Sparerib(4.25 lb & down)     | Increasing   | Good     | Higher              |
| Ham (20-23 lb)               | Increasing   | Good     | Higher              |
| Ham (23-27 lb)               | Increasing   | Good     | Higher              |
| Loin (bone in)               | Increasing   | Good     | Lower               |
| Babyback Rib (1.75 lb & up)  | Increasing   | Good     | Lower               |
| Tenderloin (1.25 lb)         | Increasing   | Good     | Same                |
| Boston Butt, untrmd (4-8 lb) | Decreasing   | Good     | Higher              |
| Picnic, untrmd               | Decreasing   | Good     | Lower               |
| SS Picnic, smoker trm box    | Decreasing   | Good     | Higher              |
| 42% Trimmings                | Increasing   | Good     | Higher              |
| 72% Trimmings                | Increasing   | Good     | Lower               |



# Poultry

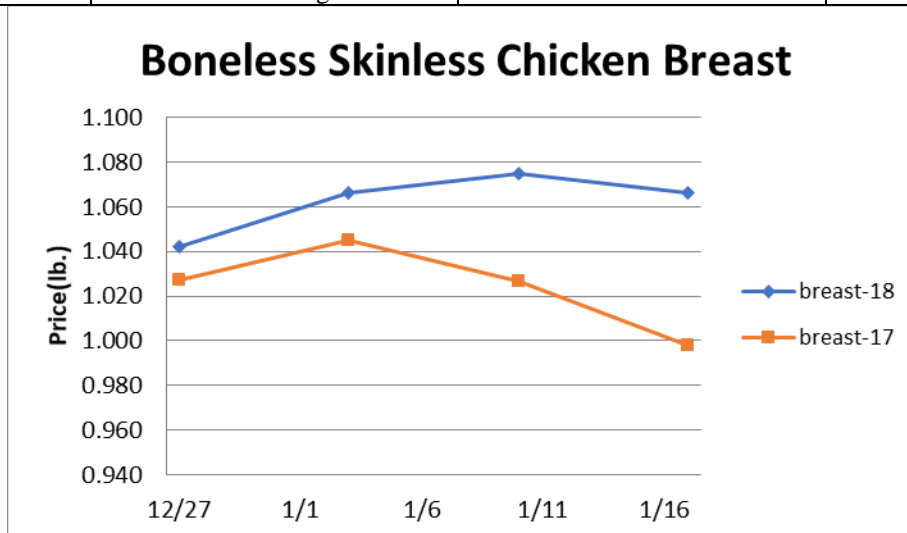
Chicken production for the week ending January 6<sup>th</sup> fell 7.7% from the prior week and was 15.9% smaller than the same week in 2016. But, last year included an extra business day. The six-week total of chicken output was .6% better than the prior year. The lackluster year-over-year slaughter has yet to influence the chicken markets higher. The weekly ARA Chicken Wing Index last Friday was the lowest for the week in four years and 3.2% below the five-year average for the week. Yet, history hints that wing prices should firm in the near term. Since 2013, the average move for the weekly ARA Chicken Wing Index over the next three weeks was 5.6% higher. Prices USDA, FOB per pound except when noted

| Description                 | Market Trend | Supplies | Price vs. Last Year |
|-----------------------------|--------------|----------|---------------------|
| Whole Birds WOG-Nat         | Increasing   | Good     | Higher              |
| Wings (jumbo cut)           | Decreasing   | Good     | Lower               |
| Wing Index (ARA)            | Decreasing   | Good     | Lower               |
| Breast, Bnless Skinless NE  | Decreasing   | Good     | Higher              |
| Breast, Bnless Skinless SE  | Increasing   | Good     | Higher              |
| Breast Boneless Index (ARA) | Decreasing   | Good     | Higher              |
| Tenderloin Index (ARA)      | Increasing   | Good     | Higher              |
| Legs (whole)                | Decreasing   | Good     | Higher              |
| Leg Quarter Index (ARA)     | Increasing   | Good     | Higher              |
| Thighs, Bone In             | Increasing   | Good     | Higher              |
| Thighs, Boneless            | Decreasing   | Good     | Higher              |

| Description               | Market Trend | Supplies | Price vs. Last Year |
|---------------------------|--------------|----------|---------------------|
| Whole Turkey (8-16 lb)    | Steady       | Good     | Lower               |
| Turkey Breast, Bnls/Sknls | Decreasing   | Good     | Lower               |

# Eggs

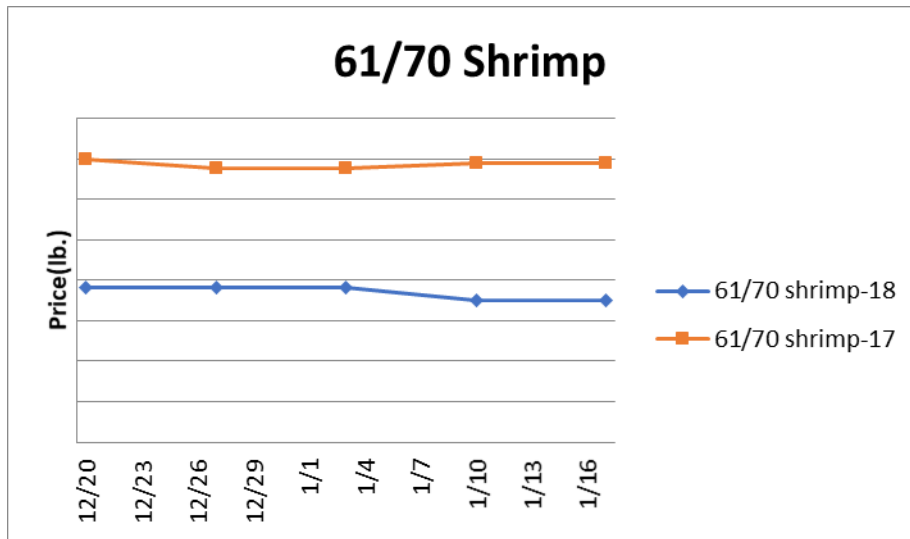
| Description               | Market Trend | Supplies | Price vs. Last Year |
|---------------------------|--------------|----------|---------------------|
| Large Eggs (dozen)        | Decreasing   | Short    | Higher              |
| Medium Eggs (dozen)       | Decreasing   | Short    | Higher              |
| Liquid Whole Eggs         | Decreasing   | Short    | Higher              |
| Liquid Egg Whites         | Steady       | Short    | Higher              |
| Liquid Egg Yolks          | Decreasing   | Short    | Higher              |
| Egg Breaker Stock Central | Increasing   | Short    | Higher              |



# Seafood

Salmon prices are generally trending below year ago levels due to strong imports. During November, the U.S. imported 14% more salmon than the previous year. However, imports from Canada were down 4.2% which is underpinning product prices from that country. Still, overall the salmon markets may continue to price under 2018 levels this winter. Prices fresh product, unless noted, per pound from Fisheries Market News

| Description                 | Market Trend | Supplies | Price vs. Last Year |
|-----------------------------|--------------|----------|---------------------|
| Shrimp (16/20 frz)          | Steady       | Good     | Higher              |
| Shrimp (61/70 frz)          | Steady       | Good     | Lower               |
| Shrimp Tiger (26/30 frz)    | Steady       | Good     | Higher              |
| Snow Crab, frz              | Steady       | Good     | Higher              |
| Tilapia Filet, frz          | Steady       | Good     | Lower               |
| Cod Filet, frz              | Steady       | Good     | Higher              |
| Tuna Yellowfin, frsh        | Steady       | Good     | Higher              |
| Salmon Atlantic Filet, frsh | Steady       | Good     | Lower               |
| Pollock Filet, Alaska, frz  | Steady       | Good     | Lower               |



## Paper and Plastic Product Report

| Description                           | Market Trend | Supplies | Price vs. Last Year |
|---------------------------------------|--------------|----------|---------------------|
| <b>Wood Pulp (paper)</b>              |              |          |                     |
| NBSK- Paper napkin                    | Increasing   | Good     | Higher              |
| 42 lb. Linerboard-corrugated box      | Decreasing   | Good     | Higher              |
| <b>Plastic Resins (plastic, foam)</b> |              |          |                     |
| PS-CHH-utensils, cups, to-go cont.    | Increasing   | Good     | Higher              |
| PP-HIGP-heavy grade utensils          | Increasing   | Good     | Higher              |
| PE-LLD-can liners, film, bags         | Steady       | Good     | Higher              |

## Retail Price Change from Prior Month

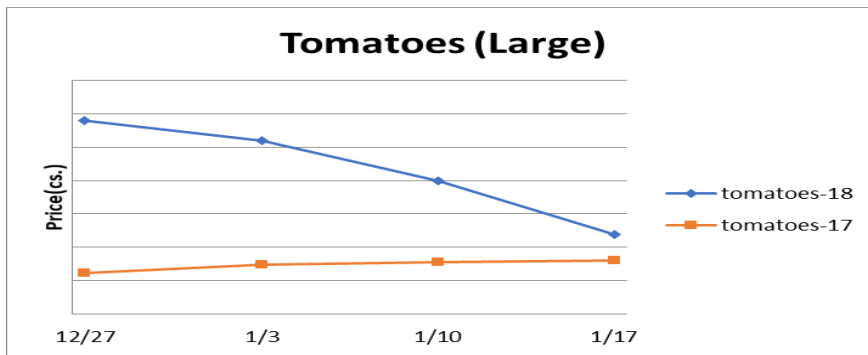
| Description                 | Dec-17     | Nov-17     | Oct-17     |
|-----------------------------|------------|------------|------------|
| Beef and Veal               | Increasing | Increasing | Decreasing |
| Dairy                       | Decreasing | Decreasing | Increasing |
| Pork                        | Decreasing | Decreasing | Decreasing |
| Chicken                     | Decreasing | Decreasing | Increasing |
| Fresh Fish and Seafood      | Increasing | Increasing | Decreasing |
| Fresh Fruits and Vegetables | Decreasing | Decreasing | Increasing |

## Various Markets

Processed tomato prices continue to trend near the prior year levels. Due to the smaller harvest this past fall, the available tomato for processing supply is estimated to be modestly smaller than last year. This could underpin canned tomato prices for the better part of 2018. Price bases noted below

| Description                         | Market Trend | Supplies | Price vs. Last Year |
|-------------------------------------|--------------|----------|---------------------|
| <b>Whole Peeled, Stand (6/10)</b>   | Increasing   | Good     | Higher              |
| <b>Tomato Paste-Industrial (lb)</b> | Decreasing   | Good     | Higher              |
| <b>Coffee lb ICE</b>                | Decreasing   | Good     | Lower               |
| <b>Sugar lb ICE</b>                 | Steady       | Ample    | Lower               |
| <b>Cocoa mt ICE</b>                 | Increasing   | Short    | Lower               |
| <b>Orange Juice lb ICE</b>          | Increasing   | Good     | Lower               |
| <b>Honey (clover) lb</b>            | Steady       | Good     | Higher              |

# Produce



Tomato supplies continue to slowly improve from the Hurricane Irma damaged fields. This is influencing the tomato markets lower. The tomato (large-case) market has declined 50% since peaking in mid-December. U.S. tomato shipments are expected to build in the coming weeks which could put further downward pressure on the tomato markets. The lettuce markets remain rather range-bound with fairly adequate supplies. The 24-count iceberg lettuce market has averaged lower in February from March in five of the last six years. Price bases noted below

| Description                   | Market Trend | Supplies | Price vs. Last Year |
|-------------------------------|--------------|----------|---------------------|
| Limes (150 ct)                | Decreasing   | Good     | Lower               |
| Lemons (95 ct)                | Steady       | Good     | Higher              |
| Lemons (200 ct)               | Increasing   | Short    | Higher              |
| Honeydew (6 ct)               | Decreasing   | Good     | Lower               |
| Cantaloupe (15 ct)            | Decreasing   | Good     | Lower               |
| Blueberries (12 ct)           | Decreasing   | Good     | Higher              |
| Strawberries (12 pnt)         | Decreasing   | Good     | Higher              |
| Avocados (Hass 48 ct)         | Decreasing   | Good     | Lower               |
| Bananas (40 lb) Term          | Increasing   | Good     | Higher              |
| Pineapple (7 ct) Term         | Decreasing   | Good     | Higher              |
| Idaho Potato (60 ct 50 lb)    | Increasing   | Short    | Higher              |
| Idaho Potato (70 ct 50 lb)    | Steady       | Short    | Higher              |
| Idaho Potato (70 ct ) Term    | Decreasing   | Short    | Higher              |
| Idaho Potato (90 ct 50 lb)    | Steady       | Short    | Higher              |
| Idaho Potato #2 (6 oz 100 lb) | Steady       | Short    | Higher              |
| Processing Potato (cwt)       | Steady       | Short    | Higher              |
| Yellow Onions (50 lb)         | Steady       | Good     | Higher              |
| Yellow Onions (50 lb) Term    | Increasing   | Good     | Higher              |
| Red Onions (25 lb) Term       | Decreasing   | Good     | Higher              |
| White Onions (50 lb) Term     | Decreasing   | Good     | Higher              |
| Tomatoes (lg case)            | Decreasing   | Good     | Higher              |
| Tomatoes (5x6 lb) Term        | Decreasing   | Good     | Higher              |
| Tomatoes (4x5 vine ripe)      | Decreasing   | Good     | Higher              |
| Roma Tomatoes (lg case)       | Decreasing   | Good     | Higher              |
| Roma Tomatoes (xlg case)      | Decreasing   | Good     | Higher              |
| Green Peppers (lg case)       | Decreasing   | Good     | Higher              |
| Red Peppers (lg 15 lb case)   | Decreasing   | Good     | Higher              |
| Iceberg Lettuce (24 ct)       | Decreasing   | Good     | Higher              |
| Iceberg Lettuce (24 ct) Term  | Increasing   | Good     | Higher              |
| Leaf Lettuce (24 ct)          | Decreasing   | Good     | Higher              |
| Romaine Lettuce (24 ct)       | Decreasing   | Good     | Lower               |
| Mesculin Mix (3 lb) Term      | Steady       | Good     | Higher              |
| Broccoli (14 ct)              | Decreasing   | Good     | Lower               |
| Squash (1/2 bushel)           | Decreasing   | Good     | Lower               |
| Zucchini (1/2 bushel)         | Steady       | Good     | Steady              |
| Green Beans (bushel)          | Decreasing   | Good     | Higher              |
| Spinach (flat 24)             | Increasing   | Good     | Lower               |
| Mushrooms (10 lb lg) Term     | Steady       | Good     | Higher              |
| Cucumbers (bushel)            | Decreasing   | Good     | Higher              |
| Pickles (200-300 ct) Term     | Steady       | Good     | Higher              |
| Asparagus (sm)                | Decreasing   | Good     | Lower               |
| Freight (truck CA-Cty Av)     | Steady       | Good     | Higher              |



