

THE WEEKLY COMMODITY REPORT

American Restaurant Association Inc. Tools to Manage Commodity Price Risk.

www.AmericanRestaurantAssociation.com, 941-379-2228

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Beef- Beef production last week declined 1.5% but was up 3.4% from the same week last year. Cattle supplies should seasonally tighten in the coming weeks which, along with the holidays, will limit beef output. Beef demand has been lackluster as of late except for holiday cuts. Spot negotiated beef shipments last week fell to a three-week low. Forward negotiated beef sales for choice and select boxed beef, as well as ground beef, have been trending significantly below 2016. Holiday beef item cuts should track downward during the final weeks of the year. U.S. beef exports in October were the second biggest for the month since 2014, but trade with China remains minimal. Price USDA, FOB per pound.

	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 16</u>
Live Cattle	1.173	1.203	-0.030	1.096
Feeder Cattle Index (CME)	1.539	1.563	-0.024	1.284
Ground Beef 81/19	1.538	1.537	+0.001	1.617
Ground Chuck	1.703	1.644	+0.059	1.547
109e Export Rib (choice)	7.998	8.375	-0.377	8.027
109e Export Rib (prime)	11.284	11.040	+0.244	9.622
112a Ribeye (choice)	7.592	8.660	-1.068	9.111
112a Ribeye (prime)	11.308	11.160	+0.202	10.279
114a Chuck, Shlder Cld (ch.)	2.011	2.032	-0.021	1.919
116 Chuck (select)	2.606	2.560	+0.046	2.524
116 Chuck (choice)	2.689	2.745	-0.056	2.546
116b Chuck Tender (choice)	2.047	2.089	-0.042	1.995
120 Brisket (choice)	2.271	2.238	+0.033	2.402
120a Brisket (choice)	3.943	3.917	+0.026	4.085
121c Outside Skirt (ch/sel)	4.656	4.649	+0.007	4.142
121d Inside Skirt (ch/sel)	3.718	3.656	+0.062	3.013
121e Cap & Wedge	2.595	2.741	-0.146	2.760
167a Knuckle, Trm. (ch.)	2.228	2.223	+0.005	2.187
168 Inside Round (ch.)	2.012	1.988	+0.024	1.971
169 Top Round (ch.)	2.519	2.560	-0.041	2.421
171b Outside Round (ch.)	2.158	2.198	-0.040	1.904
174 Short Loin (ch. 0x1)	4.755	4.918	-0.163	3.937
174 Short Loin (prime)	6.165	6.712	-0.547	5.854
180 0x1 Strp (choice)	4.913	4.878	+0.035	4.098
180 0x1 Strp (prime)	6.753	6.762	-0.009	6.126
184 Top Butt, bnls (ch.)	2.855	2.816	+0.039	2.119
184 Top Butt, bnls (prime)	3.144	2.889	+0.255	2.541
184-3 Top Butt, bnls (choice)	3.058	3.015	+0.043	2.272
185a Sirloin Flap (choice)	5.228	5.309	-0.081	3.948
185c Loin, Tri-Tip (choice)	2.951	2.885	+0.066	2.042
189a Tender (select)	9.505	9.828	-0.323	8.296
189a Tender (choice)	10.755	11.671	-0.916	10.033
189a Tender (prime)	15.523	15.551	-0.028	12.424
193 Flank Steak (choice)	4.294	4.220	+0.074	3.835
50% Trimmings	.507	.627	-0.120	.369
65% Trimmings	.886	.876	+0.010	.784
75% Trimmings	1.575	1.596	-0.021	1.329
85% Trimmings	1.782	1.782	-	1.693
90% Trimmings	2.093	2.123	-0.030	1.920
90% Imported Beef (frz.)	2.159	2.184	-0.025	2.108
95% Imported Beef (frz.)	2.340	2.338	+0.002	2.253
Veal Rack (Hotel 7 rib)	7.750	7.350	+0.400	7.475
Veal Top Rnd. (cp. off)	14.125	13.625	+0.500	13.000

The Kitchen Sink (Various Markets)- Coffee prices have been declining lately due to relatively favorable weather for the 2018 harvest in Brazil and a declining currency there. Assuming the Brazilian currency remains historically low, it will be hard for coffee prices to make a notable upward run. Price bases noted below

	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 16</u>
Whole Peeled, Stand (6/10)	12.249	12.321	-0.072	12.025
Tomato Paste- Industrial (lb.)	.454	.456	-0.002	.445
Coffee, lb., ICE	1.185	1.260	-0.075	1.389
Sugar, lb., ICE	.269	.268	+0.001	.293
Cocoa, mt., ICE	1867.000	1929.000	-62.000	2282.000
Orange Juice, lb., ICE	1.500	1.621	-0.121	2.020
Honey (Clover), lb.	2.071	2.071	-	1.677

Daily Commodity Contract Analytics and Recommendations The Maloni Report Commodity Commentary; 941-379-2228

Grains- The 2018-19 domestic winter wheat crop is entering dormancy with rather subpar historical crop ratings. Further, the longer-term weather forecast points to continued dryness in the Southern Plains- a major high protein winter wheat region. This may cause some volatility in wheat prices in the coming months. Prices USDA, FOB

	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 16</u>
Soybeans, bushel	9.464	9.783	-0.319	10.110
Crude Soybean Oil, lb.	.325	.325	-	.363
Soybean Meal, ton	320.200	338.300	-18.100	322.100
Corn, bushel	3.223	3.288	-0.065	3.278
Crude Corn Oil, lb.	.340	.348	-0.008	.357
High Fructose Corn Syrup	.121	.123	-0.002	.121
Distillers Grain, Dry	133.438	130.000	+3.438	105.938
Crude Palm Oil, lb. BMD	.277	.283	-0.006	.319
HRW Wheat, bushel	3.943	3.945	-0.002	3.325
DNS Wheat 14%, bushel	6.105	6.313	-0.208	5.370
Durum Wheat, bushel	6.314	6.295	+0.019	6.093
Pinto Beans, lb.	.212	.212	-	.293
Black Beans, lb.	.260	.260	-	.295
Rice, Long Grain, lb.	.248	.250	-0.002	.218

Dairy- The CME cheese markets have moved in opposite directions as of late with barrels carrying a record premium to blocks. Cheese barrel supplies have tightened due in part to demand causing the abnormal pricing. The large spread between the two markets suggests that the downside price risk in cheese blocks from here is likely nominal while the upside is almost certainly minimal in barrels. The seasonal tendency for both is lower during the last few weeks of the year. The butter market has remained fairly range-bound. Butter prices could soften further during the next few weeks. Prices per pound, except Class I Cream (hundred weight), from USDA.

	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 16</u>
Cheese Barrels (CME)	1.670	1.563	+0.107	1.680
Cheese Blocks (CME)	1.445	1.513	-0.068	1.758
American Cheese	1.685	1.630	+0.055	1.678
Cheddar Cheese (40 lb.)	1.583	1.678	-0.095	1.825
Mozzarella Cheese	1.655	1.750	-0.095	1.898
Provolone Cheese	2.075	2.075	-	2.075
Parmesan Cheese	3.390	3.485	-0.095	3.748
Butter (CME)	2.208	2.200	+0.008	2.085
Nonfat Dry Milk	.815	.826	-0.011	1.029
Whey, Dry	.302	.321	-0.019	.389
Class I Base	16.880	16.880	-	16.880
Class II Cream, heavy	2.790	2.844	-0.054	2.773
Class III Milk (CME)	14.270	14.260	+0.010	17.150
Class IV Milk (CME)	13.320	13.410	-0.090	15.560

Pork- Pork output last week rose .3% and was 4.2% bigger than the same week a year ago. Hog slaughter was the largest in just over a year. The available hog supply is expected to build in the near term which could put downward pressure on many of the markets, including bellies. U.S. pork exports in October were 9.7% larger than the previous year and the biggest for the month since 2012. Trade with China was up 1.9% year-on-year and the biggest for the month since 2013. Solid exports could underpin pork prices some in 2018. Price USDA, FOB per pound

	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 16</u>
Live Hogs	.435	.438	-0.003	.347
Sow	.414	.440	-0.026	.293
Belly (bacon)	1.236	1.450	-0.214	.981
Sparerib (4.25 lb. & down)	1.347	1.401	-0.054	1.201
Ham (20-23 lb.)	.723	.705	+0.018	.795
Ham (23-27 lb.)	.668	.674	-0.006	.924
Loin (bone-in)	.726	.741	-0.015	.762
Bbybck Rib (1.75 lb. & up)	1.949	2.086	-0.137	2.129
Tenderloin (1.25 lb.)	2.084	2.132	-0.048	1.968
Boston Butt, untrmd. (4-8 lb.)	.910	.885	+0.025	.809
Picnic, untrmd.	.696	.684	+0.012	.619
SS Picnic, smoker trm. bx.	.901	.921	-0.020	.888
42% Trimmings	.257	.283	-0.026	.265
72% Trimmings	.677	.656	+0.021	.535

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Poultry- For the week ending December 2nd, chicken production rose 34.9% from the prior holiday shortened week and was 2.2% better than a year ago. Broiler slaughter was the largest since June. The six-week total of chicken output is up just 1.6% from 2016 due to a 2.5% rise in slaughter and a .9% decline in broiler weights. The larger year-over-year slaughter gains have been weighing heavy on wing prices as of late, which recently fell to one-year plus lows. History suggests that higher chicken wing prices are almost a certainty next month. Tempered annual production growth this winter could only intensify any pending chicken wing market increases. Prices USDA, FOB per pound except when noted

	Price	Last Week	Difference	Price 16
Chicken				
Whole Birds WOG - Nat	.857	.859	-.002	.845
Wings (jumbo, cut)	1.528	1.689	-.161	1.833
Wing Index- (ARA)	1.635	1.705	-.070	1.867
Breast, Bnless Skinless NE	1.029	1.017	+.012	.983
Breast, Bnless Skinless SE	1.032	.995	+.037	1.012
Breast, Bnless Index (ARA)	1.026	1.007	+.019	.984
Tenderloin Index- (ARA)	1.326	1.315	+.011	1.371
Legs (whole)	.474	.418	+.056	.369
Leg Qtr Index (ARA)	.340	.331	+.009	.306
Thighs, bone in	.513	.452	+.061	.566
Thighs, boneless	1.103	1.100	+.003	.948
Eggs and Others				
Large (dozen)	1.857	1.857	-	.927
Medium (dozen)	1.205	1.205	-	.512
Whole Eggs- Liquid	1.025	1.025	-	.445
Egg Whites- Liquid	.500	.520	-.020	.445
Egg Yolks- Liquid	1.903	1.888	+.015	.900
Egg Breaker Stock Central	.970	.970	-	.210
Whole Turkeys (8-16 lb.)	.790	.810	-.020	1.050
Turkey Breast, Bnls/Sknl	1.563	1.550	+.013	1.700

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Seafood- Salmon prices generally continue to track below year ago levels due to solid imports. During October, the U.S. imported 8.5% more salmon than the previous year. However, trade with Canada remains challenged. Whole salmon imports from Canada during the month were down 5.9% year-on-year. This trend may continue to support Canadian salmon prices. Prices fresh product, unless noted, per pound from Fisheries Market News

	Price	Last Week	Difference	Price 16
Shrimp (15/20), Frz.	5.347	5.347	-	5.328
Shrimp (61/70), Frz.	3.063	3.063	-	3.630
Shrimp, (26/30), Frz.	4.261	4.261	-	4.309
Snow Crab, Frz	6.435	6.435	-	4.268
Tilapia Filet, Frz	1.682	1.682	-	1.740
Cod Filet, Frz.	3.175	3.175	-	2.964
Tuna Yellowfin, Frsh	4.379	4.379	-	3.981
Salmon Atlantic Filet, Frsh	4.812	4.812	-	5.320
Pollock Filet, Alaska, Frz	1.158	1.158	-	1.303

Energy & Currency- Crude oil prices during the last week have reached multi-month highs and neared the most expensive levels in over a year. Various world production cuts continue which is underpinning prices. That said, crude oil prices are way overdue for at least a short-term correction lower. Currency US dollar is worth

	Price	Last Week	Difference	Price 16
Crude Oil, barrel- nymex	57.430	56.800	+.630	50.930
Natural Gas, mbtu- nymex	2.707	2.917	-.210	3.561
Diesel Fuel, gal- nymex	1.930	1.887	+.043	1.643
Electricity, mwhwt- nymex	40.000	44.250	-4.25	50.000
Gasoline, gal- nymex	1.697	1.695	+.002	1.534
Diesel Fuel, gal- cia	2.910	2.922	-.012	2.493
Ethanol, gal- usda	1.278	1.312	-.034	1.665
Canadian \$	1.285	1.277	+.008	1.328
Japanese Yen	113.061	112.187	+.874	117.002
Mexican Peso	19.171	18.891	+.280	20.467
Euro	.851	.848	+.003	.949
Brazilian Real	3.295	3.238	+.057	3.370
Chinese Yuan	6.619	6.615	+.004	6.905

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

	Price	Last Week	Difference	Price 16
Wood Pulp/ Plastic Resin				
WP; NBSK (napkin, towel)	1053.546	1053.546	-	921.099
WP; 42 lb. Linerboard (corr.)	744.015	742.591	+1.424	678.216
PS-CHH (cup, cont.)	1.16-1.20	1.16-1.20	-	1.060
Res; PP-HIGP (hvy utensil)	.750-.770	.750-.770	-	.690
Res; PE-LLD (cn liner, film)	.780-.810	.780-.810	-	.695

www.ARAMarketCenter.com- The Commodity Market Info Web Portal

Produce- The avocado markets have spiked this month due to a slowdown in the harvest in Mexico. U.S. avocado imports from Mexico last week fell 6.1% from the prior week and were 16.7% less than the same week last year. The HASS Avocado Board is projecting the harvests in Mexico to expand steeply during the next few weeks which, if realized, could weigh heavy on the avocado markets. Avocado prices are typically flat to firm during the last few weeks of the year. Tomato prices remain expensive due to the subpar harvest in Florida. Price bases noted below

	Price	Last Week	Difference	Price 16
Limes (150 ct.)	17.000	17.000	-	9.000
Lemons (95 ct.)	34.425	31.925	+2.500	21.030
Lemons (200 ct.)	30.925	27.450	+3.475	25.030
Honeydew (6 ct.)	8.550	7.863	+.687	8.250
Cantaloupe (15 ct.)	14.000	7.450	+6.550	12.450
Blueberries (12 count)	24.200	23.200	+1.000	15.500
Strawberries (12 pnts.)	14.475	14.967	-.492	15.225
Avocados (Hass 48 ct.)	43.250	38.750	+4.500	36.250
Bananas (40 lb.)- Term.	14.833	14.833	-	14.593
Pineapple (7 ct.)- Term.	8.063	8.125	-.062	9.500
Idaho Potato (60 ct., 50 lb.)	11.375	11.500	-.125	6.250
Idaho Potato (70 ct., 50 lb.)	12.000	12.250	-.250	6.250
Idaho Potato (70 ct.)-Term.	18.531	17.886	+.645	13.125
Idaho Potato (90 ct., 50 lb.)	12.000	12.250	-.250	6.500
Idaho Pot. # 2 (6 oz., 100 lb.)	17.000	17.000	-	9.500
Processing Potato (cwt.)	8.160	8.160	-	7.680
Yellow Onions (50 lb.)	6.417	6.667	-.250	6.750
Yell Onions (50 lb.)-Term.	15.651	16.438	-.787	12.959
Red Onions (25 lb.)- Term.	13.276	13.400	-.124	10.469
White Onions (50 lb.)- Term.	28.500	29.167	-.667	17.313
Tomatoes (large- case)	37.950	31.950	+6.000	8.200
Tomatoes (5x6-25 lb.)-Term	59.375	37.000	+22.375	11.042
Tomatoes (4x5 vine ripe)	44.300	33.958	+10.342	15.950
Roma Tomatoes (large- case)	27.814	22.029	+5.785	11.950
Roma Tomatoes (xlarge-cs)	29.093	23.171	+5.922	13.350
Green Peppers (large- case)	15.083	19.163	-4.080	6.417
Red Peppers (large 15lb. cs.)	21.800	21.758	+.042	12.950
Iceberg Lettuce (24 count)	8.400	6.588	+1.812	7.628
Iceberg Lettuce (24)-Term.	13.667	13.333	+.334	14.375
Leaf Lettuce (24 count)	7.725	7.225	+.500	8.294
Romaine Lettuce (24 cnt.)	7.908	7.442	+.466	7.942
Mesculin Mix (3 lb.)-Term.	6.781	6.688	+.093	6.250
Broccoli (14 ct.)	8.650	7.325	+1.325	9.653
Squash (1/2 bushel)	12.350	6.350	+6.000	8.350
Zucchini (1/2 bushel)	12.350	4.350	+8.000	6.650
Green Beans (bushel)	19.400	9.275	+10.125	12.968
Spinach, Flat 24's	11.800	12.075	-.275	15.100
Mushrms (10 lb, lg.)-Term.	16.389	16.389	-	13.813
Cucumbers (bushel)	8.357	6.591	+1.766	8.184
Pickles (200-300 ct.)- Term.	20.500	22.667	-2.167	16.417
Asparagus (small)	14.250	12.500	+1.750	22.750
Freight (Truck; CA-Cty Av.)	5950.000	7043.750	-1093.750	5250.000

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

	Nov-17	Oct-17	Sep-17	Aug-17
Beef and Veal	+.301	-.975	-1.092	-.705
Dairy	-.134	+.280	+.013	+.048
Pork	-2.128	-.015	+.402	+1.372
Chicken	-.181	+.107	-.329	+.287
Fresh Fish and Seafood	+1.406	-.586	-.777	+.019
Fresh Fruits and Veg.	-.776	+1.341	-1.114	+.039

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