

# THE WEEKLY COMMODITY REPORT

American Restaurant Association Inc. Food Commodity Economics from Farm to Plate.

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**Beef, Veal & Lamb-**Beef production last week rose 4.2% from the prior week but was 3.7% smaller than the same week a year ago. Buyers have appeared to mostly secure supplies for upcoming Labor Day holiday feature activity as forward delivery beef sales during the last three weeks of July were fairly strong. Buyers on the open market are mostly restricting purchases for immediate needs. History suggests that the choice beef cutout could rise roughly 3% during the next week but this year, unless output is slowed, the beef price trend is anticipated to be mostly downward from here. Price USDA, FOB per pound.

	Price	Last Week	Difference	Price 08
Live Cattle	.821	.828	-.007	.973
Feeder Cattle Index (CME)	1.017	1.015	+.002	1.107
Ground Beef 81/19	1.303	1.324	-.021	1.455
Ground Chuck	1.328	1.356	-.028	1.525
109e Export Rib (choice)	4.617	4.574	+.043	4.791
109e Export Rib (prime)	6.261	6.187	+.074	7.224
112a Ribeye (choice)	5.341	5.403	-.062	5.394
112a Ribeye (prime)	7.292	7.205	+.087	8.253
115 Chuck, 2-piece (select)	1.452	1.419	+.033	1.755
115 Chuck, 2-piece (choice)	1.396	1.457	-.061	1.698
120 Brisket (choice)	1.453	1.493	-.040	1.477
121c Outside Skirt (ch/sel)	3.086	2.966	+.120	4.013
121e Cap & Wedge	1.675	1.685	-.010	1.879
167a Knuckle, Trm. (ch.)	1.726	1.699	+.027	1.950
168 Inside Round (ch.)	1.401	1.417	-.016	1.906
174 Short Loin (ch. 0x1)	4.357	4.412	-.055	4.157
174 Short Loin (prime)	6.319	6.314	+.005	6.705
180 1x1 Strp (choice)	4.251	4.357	-.106	4.229
180 1x1 Strp (prime)	7.350	6.737	+.613	9.876
180 0x1 Strp (choice)	4.668	4.849	-.181	4.788
184 Top Butt, bnls (ch.)	2.076	2.070	+.006	2.697
184 Top Butt, bnls (prime)	2.504	2.604	-.100	3.195
185a Sirloin Flap (choice)	3.563	3.662	-.099	3.009
185c Loin, Tri-Tip (choice)	2.199	2.334	-.135	2.365
189a Tender (select)	6.558	6.568	-.010	7.113
189a Tender (choice)	7.362	7.369	-.007	8.305
189a Tender (prime)	8.686	8.621	+.065	9.541
193 Flank Steak (choice)	3.643	3.625	+.018	3.564
50% Trimmings	.726	.728	-.002	.986
65% Trimmings	.920	.897	+.023	1.180
75% Trimmings	1.165	1.140	+.025	1.314
85% Trimmings	1.257	1.305	-.048	1.687
90% Trimmings	1.376	1.404	-.028	1.784
90% Imported Beef (frz.)	1.390	1.398	-.008	1.886
95% Imported Beef (frz.)	1.505	1.493	+.012	1.994
Veal Rack (Hotel 7 rib)	4.125	4.125	-	6.250
Veal Top Rnd. (cp. Off)	8.750	8.750	-	11.750

**Oil, Grains, Misc.-**The grain markets are being influenced higher in part by a depreciating US dollar and appreciating crude oil market. The grain markets may steady or turn soon. Prices USDA, FOB.

	Price	Last Week	Difference	Price 08
Soybeans, bushel	11.511	10.413	+1.098	12.486
Crude Soybean Oil, lb.	.340	.306	+.034	.507
Soybean Meal, ton	394.800	358.400	+36.400	351.500
Corn, bushel	3.421	3.136	+.285	4.816
Crude Corn Oil, lb.	.350	.355	-.005	.680
Distillers Grain, Dry	81.250	80.000	+1.250	164.500
Crude Palm Oil, lb. BMD	.307	.282	+.025	.402
HRW Wheat, bushel	5.480	5.250	+.230	7.870
DNS Wheat 14%, bushel	6.300	6.105	+.195	8.583
Canola, lb.	.184	.166	+.018	.223
Canola Oil, SD, (Tor.), lb.	.440	.403	+.037	.595
Pinto Beans, lb.	.310	.310	-	.341
Black Beans, lb.	.320	.320	-	.310
Rice, Long Grain, lb.	.250	.250	-	.424
Coffee, lb. NYBOT	1.331	1.245	+.086	1.369
Sugar, lb. NYBOT	.235	.233	+.002	.238
Honey (Clover), lb.	1.450	1.450	-	1.453

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**Dairy-**The USDA temporarily increased their support purchase prices for cheese and nonfat dry milk by roughly 15% last Friday. The USDA action is expected to cause the CME block and barrel cheese markets to form a bottom in the high \$1.20's through October. This is all in an effort to help pressure milk prices higher for struggling milk farmers. Milk production declines are expected to intensify in the coming months due to poor farmer profitability. The cheese markets are forecasted to be pressured upward as a result. The butter market remains relatively weak. Prices per pound, except Class I Cream (hundred weight), from USDA.

	Price	Last Week	Difference	Price 08
Cheese Barrels (CME)	1.260	1.190	+.070	1.670
Cheese Blocks (CME)	1.270	1.225	+.045	1.710
American Cheese	1.530	1.515	+.015	2.180
Cheddar Cheese (40 lb.)	1.540	1.560	-.020	2.333
Mozzarella Cheese	1.560	1.570	-.010	2.358
Provolone Cheese	1.635	1.575	+.060	2.418
Parmesan Cheese	3.000	2.940	+.060	3.783
Butter (CME)	1.243	1.245	-.002	1.670
Nonfat Dry Milk	.919	.917	+.002	1.478
Whey, Dry	.306	.307	-.001	.264
Class I Base	10.040	10.040	-	18.470
Class II Cream, heavy	1.680	1.705	-.025	2.212
Class III Milk (CME)	10.960	10.800	+.160	17.560
Class IV Milk (CME)	10.510	10.510	-	17.100

**Pork-**The hog-feed price ratio in July rose to its highest level since the fall of 2007 suggesting improved margins for hog farmers. Still, existing hog supplies are ample, hog prices are depressed and feed costs are increasing. Challenged margins are expected to persist for hog producers which eventually may lead to a smaller hog herd and slowed output. The pork markets are fairly weak with support coming from packer curtailed output this week. Pork output usually increases during the late summer which could pressure pork prices downward. Prices USDA, FOB per pound.

	Price	Last Week	Difference	Price 08
Live Hogs	.363	.398	-.035	.615
Belly (bacon)	.800	.880	-.080	1.000
Sparerib (4.25 lb. & down)	1.054	1.050	+.004	1.080
Ham (23-27 lb.)	.550	.492	+.058	.900
Loin (bone-in)	.760	.814	-.054	1.055
Bbyback Rib (1.75 lb. & up)	2.622	2.600	+.022	2.959
Tenderloin (1.25 lb.)	2.366	2.427	-.061	2.376
Boston Butt, untrmd. (4-8 lb.)	.572	.580	-.008	.958
Picnic, untrmd.	.393	.399	-.006	.711
SS Picnic, smoker trm. bx.	.620	.600	+.020	.890
42% Trimmings	.310	.300	+.010	.850
72% Trimmings	.400	.500	-.100	.980

**Tomato Products, Canned-**The California harvest is expected to set another record this week with amassed output reaching 4.1 million tons. The markets are firm. Prices per case (6/10) FOB, unless noted from ARA.

	Price	Last Week	Difference	Price 08
Whole Peeled, Standard	14.000	13.875	+.125	12.750
Diced, Fancy	14.875	14.750	+.125	13.875
Ketchup, 33%	14.875	14.750	+.125	14.125
Tomato Paste- Industrial (lb.)	.415	.410	+.005	0.395

**Processed Fruits & Vegetables-**Green bean processing is progressing with adequate inventories. Fairly steady processed vegetable prices are expected to endure. Prices FOB per case from ARA.

	Price	Last Week	Difference	Price 08
Apples, sliced- can 6/10	20.750	20.750	-	20.750
Corn, Fcy whl kern- can 6/10	18.313	18.313	-	17.813
Green Beans Fcy- can 6/10	17.625	17.625	-	17.125
Green Peas, Fcy- can 6/10	18.875	18.875	-	17.250
Corn, Cob- froz 96 ct.	14.500	14.500	-	14.500
Corn, Kernel- froz 12/2.5#	18.750	18.750	-	18.750
Green Beans Cut- froz 12/2#	15.300	15.300	-	15.300
Green Peas- froz 12/2.5#	18.750	18.750	-	18.750
Potatoes, FF Fncy- froz 6/5#	12.750	12.750	-	12.750

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**Poultry**-The broiler-feed price ratio for July was the best in the last 22 months suggesting improved profitability for chicken producers. During the last week, two major chicken producers reported profitable fiscal quarters. Typically when chicken producers' margins improve it leads to a boost in chicken production. However, given the decline in the hatchery flock and the downward trending chicken breast and leg quarter prices, chicken output should remain historically slow. 2009 will almost certainly mark the first annual chicken production decline in 34 years. The chicken wing markets may edge higher as the football season nears. Last year the jumbo cut wing market rose 3% during the next 4 weeks. Prices USDA, FOB per pound except when noted.

<u>Chicken</u>	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 08</u>
Whole Birds (2.5-3 lb.-GA)	.875	.880	-.005	.885
Whole Birds (LA)	.970	.980	-.010	.970
Wings (whole)	1.375	1.375	-	.980
Wings (jumbo, cut)	1.515	1.520	-.005	.838
Breast, Bone In	.940	.960	-.020	.835
Breast, Bnless Skinless	1.505	1.520	-.015	1.450
Tenderloin (random)	1.310	1.400	-.090	.990
Tenderloin (sized)	1.870	1.980	-.110	1.920
Legs (whole)	.523	.547	-.024	.674
Leg Quarters	.450	.460	-.010	.525
Thighs, bone in	.621	.619	+.002	.724
Thighs, boneless	1.105	1.138	-.033	1.284

<u>Eggs and Others</u>	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 08</u>
Large (dozen)	1.027	.887	+.140	.956
Medium (dozen)	.626	.550	+.076	.640
Whole Eggs- Liquid	.351	.351	-	.553
Egg Whites- Liquid	.348	.398	-.050	.470
Egg Yolks- Liquid	.551	.560	-.009	1.199
Whole Turkeys (8-16 lb.)	.820	.813	+.007	.955
Turkey Breast, Bnls/Sknls	1.394	1.373	+.021	1.720

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**Seafood**-The US dollar index has recently fallen to levels not experienced since the beginnings of the economic crisis last September. A lower dollar is bearish for US imports. Given that roughly 90% of the shrimp consumed in the US is from abroad, a depressed dollar could shorten the shrimp supply in the coming months. Still, sluggish world demand is expected to cause fairly engaging shrimp prices to persist. Prices for fresh product, unless noted, per pound from Fisheries Market News.

	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 08</u>
Salmon (wh. Atl., 10-12 lb.)	3.725	3.600	+.125	3.733
Catfish Filets	3.500	3.500	-	3.425
Trout (drn. 8-14 oz.)	3.000	3.000	-	2.900
Shrimp (16/20), Frz	5.062	5.078	-.016	7.200
Shrimp (61/70), Frz.	2.800	2.863	-.063	3.333
Shrimp, Tiger (26/30), Frz.	4.225	4.234	-.009	4.113
Snow Crab, Legs 5-8 oz, Frz	3.200	3.200	-	4.300
Snow Crab, Legs 8 oz/ up, Frz	3.600	3.600	-	N/A
Cod Tails, 3-7 oz., Frz.	3.138	2.888	+.250	3.488
Cod Loins, 3-12 oz., Frz	3.408	3.408	-	4.250
Salmon Portions, 4-8 oz, Frz	5.104	5.165	-.061	4.892

**Energy & Currency**-Currency US dollar is worth.

	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 08</u>
Crude Oil, barrel- nymex	71.420	67.230	+4.190	121.410
Natural Gas, mbtu- nymex	4.001	3.535	+.466	8.726
Heating Oil, gal- nymex	1.901	1.765	+.136	3.350
Electricity, mwhwt- nymex	44.660	45.920	-1.260	95.210
Gasoline, gal- nymex	2.057	1.911	+.146	3.000
Diesel Fuel, gal- eia	2.550	2.528	+.022	4.502
Ethanol, gal- usda	1.540	1.545	-.005	2.375
Canadian \$	1.068	1.081	-.013	1.036
Japanese Yen	94.702	94.546	+.156	108.230
Mexican Peso	13.159	13.258	-.099	9.936
Euro	.695	.703	-.008	.642
Brazilian Real	1.835	1.876	-.041	1.568
Chinese Yuan	6.830	6.831	-.001	6.847

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

<u>Wood Pulp/ Plastic Resin</u>	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 08</u>
WP; NBSK (napkin, towel)	687.000	687.000	-	854.500
WP; 42 lb. Linerboard (corr.)	607.000	607.000	-	595.000
Res; PS-CHH (cup, cont.)	.810-.850	.810-.850	-	1.130-1.170
Res; PP-HIGP (hvy utensil)	.770-.790	.760-.780	+.010	1.200-1.220
Res; PE-LLD (cn liner, film)	.660-.690	.660-.690	-	1.01-1.04

New Restaurant Openings- [www.FoodserviceReport.com](http://www.FoodserviceReport.com), 1-800-850-9574.

**Produce**-The Idaho potato harvest will be getting underway this week although notable volumes may not come to market until the end of the month. The Idaho potato markets are mostly moving upward. However, history indicates that potato prices should peak in the next few weeks and then turn downward. The 70 count Idaho potato market could be closer to \$10.00 a case by the start of next month. Avocado supplies are limited. Like potatoes, the avocado market typically peaks during the next few weeks and then turns lower. Last year, the avocado market declined 9% during September. Prices USDA FOB shipping point unless noted (terminal).

	<u>Price</u>	<u>Last Week</u>	<u>Difference</u>	<u>Price 08</u>
Limes (150 ct.)	10.500	8.500	+2.000	8.500
Lemons (95 ct.)	21.490	21.490	-	32.585
Lemons (200 ct.)	17.490	17.490	-	17.338
Honeydew (6 ct.)	5.250	4.250	+1.000	4.750
Cantaloupe (15 ct.)	4.725	3.500	+1.225	4.250
Blueberries (12 count)	11.250	11.250	-	11.500
Strwbrries (12 pnts.)	11.500	10.000	+1.500	12.400
Avocods (Hass 48 ct.)	50.250	50.250	-	37.250
Bananas (40 lb.)- Term.	15.063	19.000	-3.937	15.125
Pineapple (7 ct.)- Term.	13.604	13.151	+.453	14.011
Idaho Potato (60 ct., 50 lb.)	13.250	12.750	+.500	21.500
Idaho Potato (70 ct., 50 lb.)	13.000	12.500	+.500	21.500
Idaho Potato (70 ct.)-Term.	16.209	16.745	-.536	28.250
Idaho Potato (90 ct., 50 lb.)	8.250	8.000	+.250	16.500
Idaho Pot. # 2 (6 oz., 100 lb.)	10.250	10.250	-	18.500
Processing Potato (cwt.)	4.250	5.000	-.750	9.000
Yellow Onions (50 lb.)	8.167	8.083	+.084	7.500
Yell Onions (50 lb.)-Term.	12.969	13.750	-.781	13.297
Red Onions (25 lb.)- Term.	9.813	9.438	+.375	10.094
White Onions (50 lb.)- Term.	15.500	18.625	-3.125	17.656
Tomatoes (large- case)	8.200	7.200	+1.000	8.400
Tomatoes (5x6-25 lb.)-Term	12.353	11.032	+1.321	13.563
Tomatoes (4x5 vine ripe)	8.700	9.900	-1.200	9.867
Roma Tomatoes (large- case)	10.450	7.384	+3.066	8.800
Roma Tomatoes (xlarge-cs)	10.875	8.463	+2.412	11.169
Green Peppers (large- case)	8.725	9.725	-1.000	10.320
Red Peppers (large 15lb. cs.)	13.950	12.450	+1.500	13.100
Iceberg Lettuce (24 count)	8.163	8.438	-.275	6.913
Iceberg Lettuce (24)-Term.	14.250	13.000	+1.250	16.125
Leaf Lettuce (24 count)	6.975	7.300	-.325	7.775
Romaine Lettuce (24 cnt.)	7.600	9.538	-1.938	14.038
Mesculin Mix (3 lb.)-Term.	6.488	6.331	+.157	6.750
Broccoli (14 ct.)	6.888	5.763	+1.125	5.625
Squash (1/2 bushel)	6.175	7.075	-.900	8.617
Zucchini (1/2 bushel)	5.675	6.075	-.400	7.617
Green Beans (bushel)	13.213	10.713	+2.500	10.750
Spinach, Flat 24's	10.475	11.500	-1.025	16.150
Mushrms (10 lb, lg.)-Term.	15.000	15.000	-	15.438
Cucumbers (bushel)	10.280	8.514	+1.766	13.445
Pickles (200-300 ct.)- Term.	18.766	28.396	-9.630	21.406
Asparagus (small)	12.500	11.500	+1.000	20.375
Freight (Truck; CA-Cty Av.)	5037.500	5075.000	-37.500	6105.000

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

	<u>Jun-09</u>	<u>Apr-09</u>	<u>Mar-09</u>	<u>Feb-09</u>
Beef and Veal	-.314	-.507	-.467	-1.415
Dairy	-.948	-.542	-1.284	-2.371
Pork	-.139	+.778	-1.768	-.041
Chicken	+.630	-1.000	+1.069	+.216
Fresh Fish and Seafood	+.457	-.074	+1.143	+.524
Fresh Fruits and Veg.	-.799	-.522	-.145	-1.991

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