

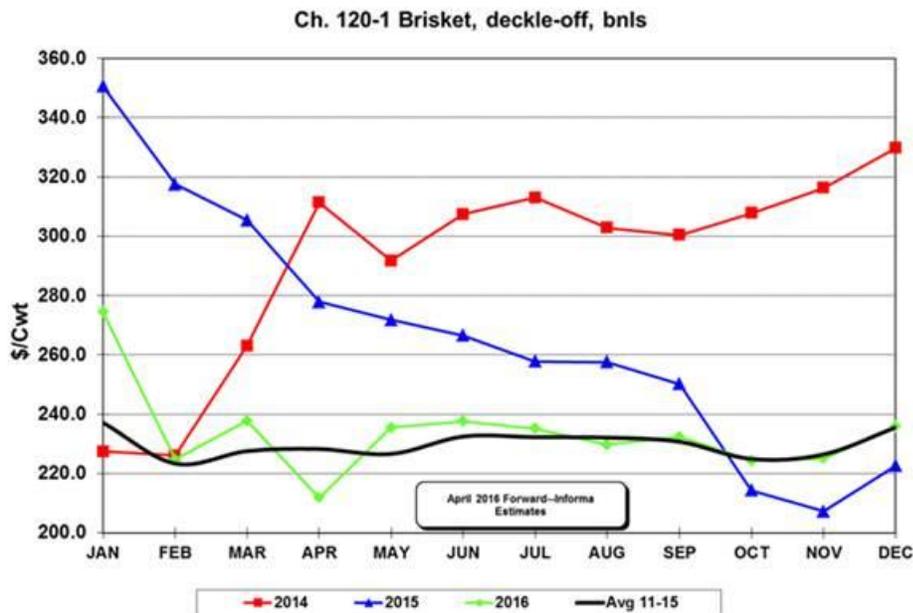


were more than 50% above the previous year and 75% above 2013. Fed cattle prices in January 2015 were up 15% over 2014 and 30% over 2013. The Choice cutout was up 13% and 33%, respectively, over 2014 and 2013. Thus, briskets rose proportionately more than cattle and overall beef prices. From the record levels in January 2015, briskets fell through the year to levels in November that had not been seen since late 2013.

Prior to 2014/2015, the seasonal tendency for briskets was for the strongest prices to be seen in the latter part of the year and into the very early part of the New Year. Declines into April/May, and then some strengthening in late spring and into the summer, continuing to the next fall highs, would follow this. The chart below shows little in the way of seasonal trends in 2014 and 2015.

In years past, brisket was not an overly popular retail cut in many parts of the country. The exception, of course, was Texas and parts of the southwest. As the popularity of BBQ grew, featuring of briskets became more widespread in other areas. In addition, retailers were also finding other uses for the brisket, particularly for stew meat and even cutting them as “boneless short ribs”. BBQ chains were growing. The product was being featured more often on food shows on TV. There was a general lift in the relationship between briskets and beef cutout values from about 2009 onward. The very high prices from spring 2014 into the beginning of 2015 proved to be unsustainable. The relationship between brisket prices and cutout values was really out of whack as long as briskets were at or above \$300/cwt.

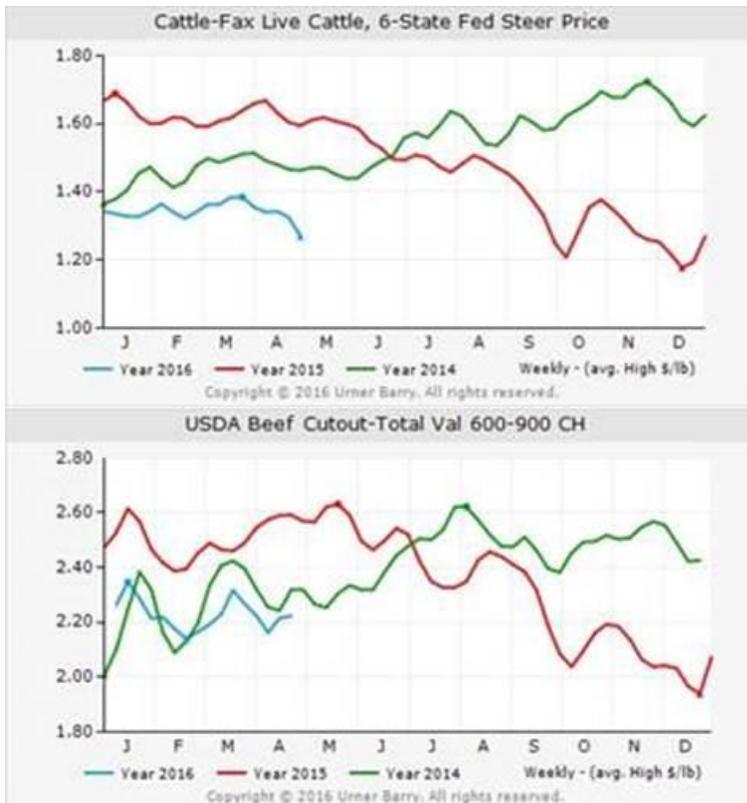
Retail feature activity on corned beef (brisket and flat) is traditionally strongest in March (St. Patrick’s Day). But the average number of stores featuring corned beef in March 2015 was the smallest going back to 2010 (our database only goes back to June 2009) and the average feature price was 35% higher than the previous year. This past March saw the largest number of stores featuring corned beef since 2011, and feature prices down 12% from last year. Wholesale prices appear to be getting back in line with some of the historic relationships (prior to 2014).



Beef Overview: Last week’s harvest came in at 587,000 head with the cash live trading \$125/cwt to \$127/cwt. The weighted average price was \$126.45/cwt, down \$7.54/cwt from the prior week’s trade. This week’s harvest is estimated at 590,000 head with feeders asking \$130/cwt for the live animal and

packer bids at \$124/cwt. significant drops in prices and cutout values have put a stall on box movement while buyers look for the bottom as packers reduce ask value to clear inventories. End cuts as well as middles across the board are being adjusted to move product. 50% trim was seen trading lower and seems to have found a bottom level to clear inventory. Leaner boneless beef is trading mostly steady. Import beef is showing some increase in forward ask levels as available products seem to decline.

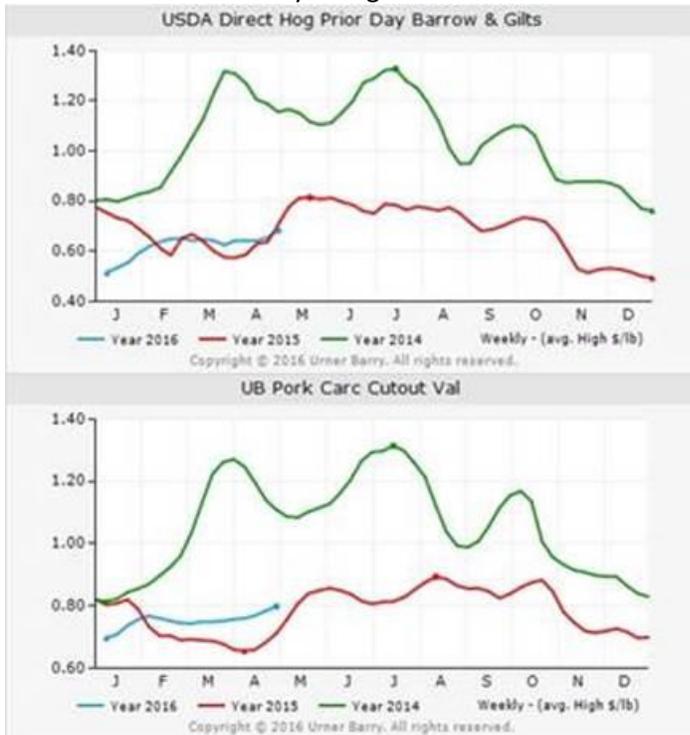
- a. Grinds- steady to lower
- b. Loins – lower
- c. Rounds - lower
- d. Chucks – lower
- e. Ribs – soft



**PORK**

1. Pork Overview: Last week’s slaughter was at 2.241 million head on live cash cost of \$65.64/cwt weighted average. This week’s kill is tracking to come in at 2.16 million head with the live coming up to the \$68.36/cwt weighted average level as of Wednesday’s trade. Hams and trimmings are moving at steady levels with decent demand support. Export interest continues to be seen for hams and improved interest is noted for boneless picnics. Bellies are called barely steady to weak on abundant supplies and still sluggish movement. Butts continue to hold strong and are expected to push for additional money given sustained and robust demand domestically and abroad. Loin meat items are trading in mixed levels to clear inventories. Sparerib values are just steady to slightly higher.
  - a. Bellies – steady to lower
  - b. Hams – steady
  - c. Loins – steady
  - d. Butts - HIGHER

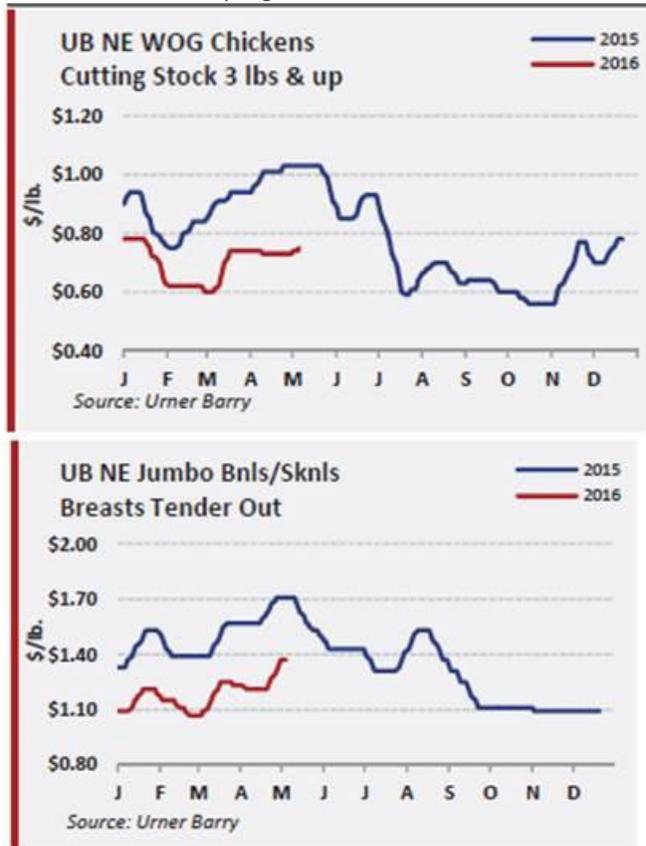
e. Ribs – steady to higher



**CHICKEN**

In the chicken market, most items are still rated at least steady to firm. All week, bone-in breasts, breast meat and tenders were bought at full market or better values as buyers looked to secure product for their Mother's Day needs. Cutting stock WOGs are receiving an active call where retail and foodservice features are visible. The majority of this week's sales occurred at market related levels, with a few premiums mixed in. Wings still vary depending on the size. Reports suggest that small and medium sized wings are readily available and testing whereas jumbo is not as prevalent. In the dark meat complex, leg quarters and drumsticks continue to firm up. Buyers were forced to pay up money this week in order to get covered. According to sources, the call for whole legs and leg meat has improved, but trading levels are still mostly steady. MSC remains fair at best. Product is moving and that is encouraging to observers who weren't sure what it might take to re-engage buyers. During the past two weeks, large volumes of primarily frozen tom breast meat, some breeder meat, plenty of tenders, scapula and breast trim, along with wing meat, have been trading in a large and lower range. Fresh sales and offerings at discount have also been part of the mix. That has ultimately resulted in our quotations retreating to today's losing levels. Now, in a turn of more seasonal events, we are starting to record demand for fresh raw materials, some of which was not fully satisfied as of midday. Other segments are also experiencing improved sentiment and trade conditions. Whole birds are among the sectors that are in a solid position based on everything from asking prices to sales to inventories. The same can be said of consumer breasts. Parts are moving better but the only line reflecting improvement has been drums. The balance are about steady to steady but, without select export destinations being current trade partners, good domestic sales are not enough to provide much support. Thigh meat is finding a foothold at listed quotations but overall demand is not especially inspiring.

Institutional sized breasts are starting to show at modest discounts. Here, sharply retreating boneless breast values are encouraging increased bone-in breast production and with that a softening price structure is developing.



**LAMB**

It appears the lamb live supply in the Midwest is beginning to shorten up a little earlier than anticipated. This will put some pressure on the live supply to firm up and send a message to packers to start to raise their prices. Would expect the higher prices to go on the racks, loins and shoulders. Would expect the legs to remain where they are as they are not a summer item. Do not see the prices going too high due to other protein prices and that there is still a good supply of NZ and Aussie imports.

**SEAFOOD**

Farmed Atlantic Salmon have softened a bit in pricing this week. I think this is a temporary blip downward in a long term trend upward. Pre-tax sluggishness on the sales side probably accounts for some of that. The respective King Salmon seasons from Alaska to California are major wild cards in the Salmon market this year. Prices in the early openers up in Oregon have seen whole fish reach the \$13-14/lb range. The King season down here is going to be broken up with some pretty big closures. I expect supply to be fitful and prices to be high, with virtually no impact on the demand side for Atlantic Salmon. You won't see much Sockeye until mid to late May and Coho until June so there is not much to drive the market down right now.

Mexican White and Brown Shrimp are scarce and getting to be more expensive. Certain size P & Ds are virtually non-existent. We are buying whatever we can at every opportunity to get us into October. The Farmed White Shrimp market is mostly trending up, but not with much conviction. There is some

opportunity for wild domestic white and Brown Shrimp, but the market inexplicably does not value them as they do the Mexican product.

Squid is all bad. There is very little being caught in the west coast. They are looking but the animals aren't there. Most of the really smart people are blaming El Nino, but there is plenty of precedent for a resource completely disappearing for a season or 2 before returning to relative normal. This is putting lots of pressure on imported product and it has gone up in price substantially as it becomes harder to come by. I expect this to continue for some time.

The Scallop situation is unchanged. Big FAS Scallops are commanding bigger prices than ever seen. Hokkaido Scallops from Japan offer some relief but the learning curve is steep for those who are unaccustomed to them.

The Alaskan Cod season is in full swing and producers are putting frozen to pull us into 2017. No official word on how they are doing. Larger sizes (16-32 and up seem to be in shorter supply, meaning higher in price.

## CHEESE

Week's Average	Friday	Thursday	Wednesday	Tuesday	Monday
<b>Week's AVG</b> Barrels: \$1.3475  Blocks: \$1.3270	<a href="#">May 6</a> Barrels: \$1.3000 (-1½)  Blocks: \$1.3050 (NC) <a href="#">Details</a>  <a href="#">When was the last time the block price was \$1.300 or lower?</a>	<a href="#">May 5</a> Barrels: \$1.3150 (-3¼)  Blocks: \$1.3050 (-2) <a href="#">Details</a>	<a href="#">May 4</a> Barrels: \$1.3525 (-1¼)  Blocks: \$1.3250 (-1½) <a href="#">Details</a>	<a href="#">May 3</a> Barrels: \$1.3700 (-3)  Blocks: \$1.3400 (-2) <a href="#">Details</a>	<a href="#">May 2</a> Barrels: \$1.4000 (-1¼)  Blocks: \$1.3600 (-1) <a href="#">Details</a>
<b>Week's AVG</b> Barrels: \$1.4025  Blocks: \$1.3800	<a href="#">April 29</a> Barrels: \$1.4125 (-¼)  Blocks: \$1.3700 (+¼) <a href="#">Details</a>  <a href="#">Monthly AVG</a>	<a href="#">April 28</a> Barrels: \$1.4150 (+3½)  Blocks: \$1.3675 (+½) <a href="#">Details</a>	<a href="#">April 27</a> Barrels: \$1.3800 (NC)  Blocks: \$1.3625 (-1¼) <a href="#">Details</a>	<a href="#">April 26</a> Barrels: \$1.3800 (-4½)  Blocks: \$1.3800 (-4) <a href="#">Details</a>	<a href="#">April 25</a> Barrels: \$1.4250 (NC)  Blocks: \$1.4200 (-¼) <a href="#">Details</a>

**BUTTER**

Week's Average	Friday	Thursday	Wednesday	Tuesday	Monday
AVG \$2.0430	May 6 \$2.0500 (NC) <a href="#">Details</a>	May 5 \$2.0500 (+2) <a href="#">Details</a>	May 4 \$2.0300 (+½) <a href="#">Details</a>	May 3 \$2.0250 (-3½)	May 2 \$2.0600 (-6) <a href="#">Details</a>
AVG \$2.0580	April 29 \$2.1200 (+6) <a href="#">Details</a>  <a href="#">Monthly AVG</a>	April 28 \$2.0600 (+2) <a href="#">Details</a>	April 27 \$2.0400 (NC) <a href="#">Details</a>	April 26 \$2.0400 (+1) <a href="#">Details</a>	April 25 \$2.0300 (NC) <a href="#">Details</a>
AVG \$2.0500	April 22 \$2.0300 (-1) <a href="#">Details</a>	April 21 \$2.0400 (NC) <a href="#">Details</a>	April 20 \$2.0400 (-3) <a href="#">Details</a>	April 19 \$2.0700 (NC) <a href="#">Details</a>	April 18 \$2.0700 (NC) <a href="#">Details</a>
AVG \$2.0880	April 15 \$2.0700 (+1) <a href="#">Details</a>	April 14 \$2.0600 (-1) <a href="#">Details</a>	April 13 \$2.0700 (NC) <a href="#">Details</a>	April 12 \$2.0700 (-10) <a href="#">Details</a>	April 11 \$2.1700 (+5) <a href="#">Details</a>
AVG \$2.0485	April 8 \$2.1200 (+4) <a href="#">Details</a>	April 7 \$2.0800 (NC) <a href="#">Details</a>	April 6 \$2.0800 (+7¼) <a href="#">Details</a> Heavy trading	April 5 \$2.0025 (+5¼) <a href="#">Details</a>	April 4 \$1.9600 (NC) <a href="#">Details</a>
AVG \$1.9485	April 1 \$1.9600 (+½) <a href="#">Details</a>	March 31 \$1.9550 (NC) <a href="#">Details</a>	March 30 \$1.9550 (+½) <a href="#">Details</a>	March 29 \$1.9500 (+2¼) <a href="#">Details</a>	March 28 \$1.9225 (NC) <a href="#">Details</a>

*\*Market direction and Prices shown are based on USDA weighted average prices from the previous week. Market direction and all Prices reflect average and not actual market prices and do not reflect actual Del Monte Meat Company Cost. The information reported here is not a guarantee of market direction or a change of Del Monte Meat Company Pricing. It is to be used as a tool to be used only to support information regarding market direction for some of the commodity protein categories we distribute.*

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