



MARKET CONDITIONS

NOVEMBER
2011

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BEEF

Production moved up on last week instead of the projected cutbacks. Demand has been slower so supplies are heavier than expected. The market is steady to lower on all grades of *rounds* and expected to continue to move lower into next week. The market is strong on *choice loins* and *ribeyes* with steady to slightly lower prices on *select* and *no roll*. Typically *tenderloin* and *ribeye* prices move upwards in the coming weeks anticipating the holiday purchases. Grinds have increased some and are expected to move even higher due to strong export demand.

DAIRY

Butter: The butter market has moved slightly higher and more increases are typically seen by mid-November. Supplies are tightening and demand remains active.

Cheese: The cheese market is unsettled due in part to weakening global cheese prices. Prices may move up soon but there does not seem to be the pre-holiday urgency which could push them substantially higher.

Eggs: Demand is light to moderate with supplies moderate to heavy on all sizes. Prices are steady.

Milk: The milk prices decreased in October but are expected to move upward due to slowing milk production.

IMPORTS

Thailand is struggling with worst flooding in 50 years. Many factories that are south and east of Bangkok have been okay so far, however there are serious disruptions in the supply chain. Trucks are not able to travel through flood-ridden areas, canneries are unable to get tins or packaging materials as some of these factories had to close down. Workers can't get to work and roads are jammed with cars and trucks carrying fleeing residents. The main concern at the moment is the pineapple plantations, located mostly in the south, will be entirely ruined if the floods reach them. Shipping companies are directing clients away from certain Bangkok piers that are difficult to access, thus making export and import shipments more expensive.

Mandarin oranges: Supply issues persist and pricing is remaining high. The market is empty with no carryover from last year, and the crop seems to be short by as much as 50% in Hunan and Hubei provinces due to weather. Zhejiang and Fujian provinces are expecting a better crop but high raw material prices. Packers are complaining that it's hard to find workers. With Chinese New Year being almost two weeks earlier this year, packers fear that the workers won't want to return after the Spring Festival which may shorten the packing season. Expect high prices in November since most customers will be pushing for early shipments.

Pineapple: The summer crop in Thailand has produced almost 40% more fruit for processing than last year and the winter crop seems almost promising, although the

current monsoon flooding in certain areas may affect the tonnage. Prices have stabilized but packers are warning about increases, come New Year, since the new government is planning to implement the minimum wage policy promised during the election campaign. This policy coupled with the increase of tinplate costs, might drive up the prices to even higher levels than about a year ago. Don't expect relief from China since fresh fruit prices are higher than in Thailand due to strong domestic demand. Overall, the supply situation is much better than it's been for a while, but the serious flooding may threatening a large part of the pineapple plantations could curtail the supply.

Olives: New crop yield looks good and pricing to remain stable. Spain packers agree that so far the crop looks good. There will be plenty of small olives for *sliced ripe*. However the Euro vs. USD exchange rate will be a major factor in the cost of imported Spanish olives as the dollar continues to weaken against the Euro. *Big size queen* olives seem to be short, but there will be plenty of *medium size queen* olives (120/130 count used in foodservice). Also there is a decent carryover of olives from the 2010/11 crop that is expected to keep the price in check.

Tuna: Fishing for all species has not improved after the FAD (Fish Aggregating Devices) ban terminated September 30. Prices have continued to rise beyond their high levels with limited availability of both *tongol* and *yellow-fin*. It appears as though the firm trend will continue until December at least.

GRAINS

The market is creeping because farmers are holding product, until they get the price they want for the wheat.

OIL

Prices have lowered, partially due to the economic problems in Europe. The corn and soybean harvests are progressing on schedule and the outlook reflects a strong supply with less demand.

PORK

The curbing of U.S. domestic pork demand should see the market decreasing soon. Pork export demand remains solid which is helping to support pork prices. Seasonal price weaknesses for pork are still anticipated for this fall.

POULTRY

Chicken *breast* markets have fallen in the recent weeks but are attempting to steady. Higher *breast* prices are expected in 2012 due to a decline in production. Chicken *wing* markets are anticipated to remain firm into the winter.

PROCESSED

The 2011 packing and canning of vegetables is starting to wind down. Right now the canneries are focusing on beets, carrots, potatoes and mixed vegetable production.

Peanut butter prices are rising as much as 40%. *Several manufacturers, including Kraft, ConAgra, and JM Smucker have announced increases.* The increases are being blamed on one of the worst peanut harvests in decades.

PRODUCE

Broccoli: Supplies are good with no major quality issues. The market is steady on both bunched product and crowns.

Carrots: Supplies are good on all sizes. Market is steady.

Celery: Supplies continue to be ample on all sizes with good quality. The market is staying steady.

Cucumbers (Eastern): Demand is strong with limited product. Prices are rising and expected to spike going into

the next week. Quality is good.

Lettuce (Iceberg): This market is steady but supplies in Salinas are drying up.

Lettuce (Leaf): The market is steady on *romaine, green and red leaf lettuce*. Demand is light and there are some quality issues.

SEAFOOD

Crab (king): 16-20 & 14-17 product is drying up, prices are rising.

Cod: The catch has been light and prices are expected to move much higher.

Grouper: Product is tight and the market is strong.

Haddock: The catch has been light and prices are expected to move much higher.

Mahi Mahi: Supplies are very tight with the prices remaining high.

Orange Roughy: Supplies are building due to a slow demand. The market is steady to lower.

Salmon: Atlantic farmed salmon supply will be plentiful

this year. Prices are expected to drop significantly on all salmon pricing.

Scallops: Dry scallop prices continue to remain strong and supplies are tight.

Shrimp (white): The supply on all Ocean Garden shrimp is good and prices are holding steady.

Squid: There are limited supplies coming from overseas and prices are stronger. This trend is expected to continue for a while.

Tilapia: 3/5 fillets seem to be plentiful but 5/7 and 7/9 supplies are tight. Prices are starting to firm and they may continue to move up due to long term supply concerns.

MANUFACTURERS THAT ANNOUNCED PRICE INCREASES TO GINSBERG'S

Manufacturer	Product(s)	Amount	Effective
Dart	foam containers, cups & dinnerware	5-8%	11/1/11
Smucker's	all items	3.5%	11/1/11
Tone's	all items	8%	11/1/11