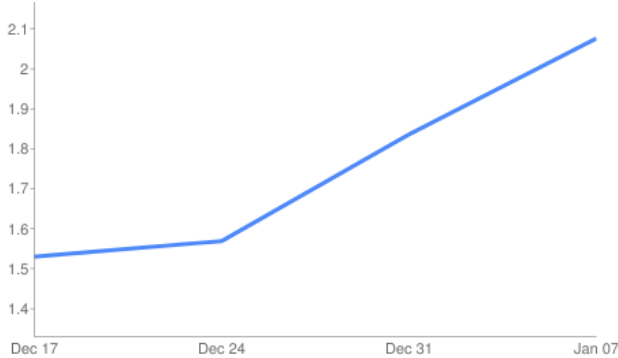




BEEF - Beef production last week improved from the Christmas shortened prior week but was 2% less than the same week in 2014. Beef production is expected to return to more normal levels in the near term but poor beef packer margins, driven by rising cattle prices, may temper production. Recent adverse weather is causing various challenges in feedlots influencing the cattle markets upward. Beef demand typically shifts to more end cut beef products this month which can bring a lift to the appropriate markets. The five year average move for the choice 116 chuck market during the next three weeks is an increase of 8%. Lean beef trim prices usually firm this month as well. Price USDA, FOB per pound.

Ground Beef 81/19

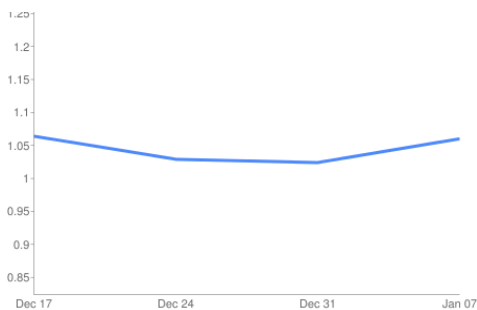


BEEF	Price	LstWk	Diff	Price 15
Ground Beef 81/19	\$2.076	\$1.836	\$0.2400	\$2.689
Ground Chuck	\$2.229	\$2.009	\$0.2200	\$2.937
116 Chuck (choice)	\$3.157	\$2.882	\$0.2750	\$3.209
168 Inside Round (ch.)	\$2.597	\$2.107	\$0.4900	\$2.880
184 Top Butt, bnls (ch.)	\$3.289	\$2.978	\$0.3110	\$3.506
193 Flank Steak (choice)	\$4.993	\$4.815	\$0.1780	\$5.187
50% Trimmings	\$0.640	\$0.358	\$0.2820	\$1.180
75% Trimmings	\$1.349	\$1.345	\$0.0040	\$2.263
90% Trimmings	\$1.951	\$1.955	(\$0.0040)	\$2.992



PORK - Pork output last week rose sharply from the holiday shortened prior week but was just .9% better than the same week last year. The USDA is currently forecasting first quarter 2016 pork production to decline .2% from last year. It's more likely that pork output will be up modestly versus 2015 but smaller expansion than what was experienced for the last several months could bring support to the pork markets. Pork exports could expand during the next few quarters as well as international buyers take advantage of the depressed U.S. prices. Prices USDA, FOB per pound.

Belly (bacon)

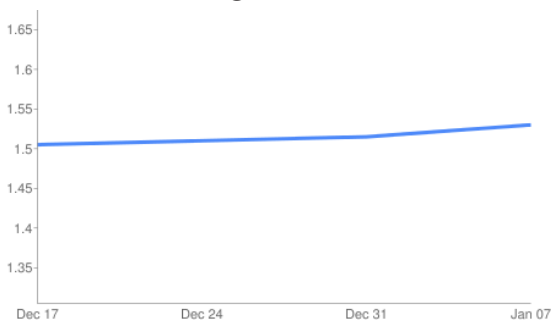


PORK	Price	LstWk	Diff	Price 15
Live Hogs	\$0.361	\$0.353	\$0.0080	\$0.534
Belly (bacon)	\$1.060	\$1.024	\$0.0360	\$0.996
Ham (23-27 lb.)	\$0.521	\$0.504	\$0.0170	\$0.626
Loin (bone-in)	\$0.726	\$0.761	(\$0.0350)	\$0.886
Tenderloin (1.25 lb.)	\$1.975	\$1.897	\$0.0780	\$2.639
Picnic, untrmd.	\$0.418	\$0.465	(\$0.0470)	\$0.610
42% Trimmings	\$0.184	\$0.160	\$0.0240	\$0.255
72% Trimmings	\$0.401	\$0.348	\$0.0530	\$0.626

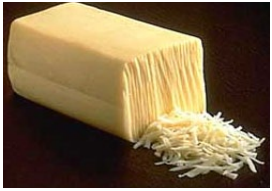


POULTRY - Chicken production for the week ending December 26th was 5% less than the same week last year. Chicken output expansion compared to 2015 is expected to be only modest during the next several weeks as chicken producers continue to grapple with decade plus lows in chicken breast and leg quarter prices. The chicken wing markets have started to firm with the NFL playoffs commencing this weekend. Last week, the ARA Chicken Wing Index rose \$.05 marking the biggest rise for the week since 2011. Further, the wing markets are pricing at expensive premiums to the boneless skinless breast markets. The last time this occurred, the ARA Chicken Wing Index declined 39% from the Super Bowl into the first week of May. Prices USDA, FOB per pound except when noted.

Wings (whole)

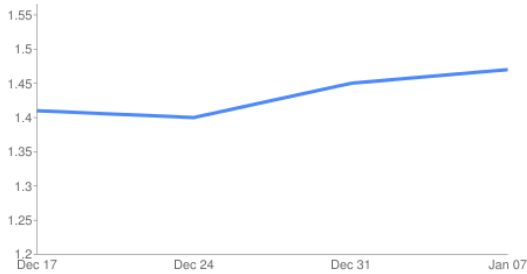


POULTRY	Price	LstWk	Diff	Price 15
Wings (whole)	\$1.530	\$1.515	\$0.0150	\$1.605
Wings (jumbo, cut)	\$1.676	\$1.658	\$0.0180	\$1.721
Breast, Bone In	\$0.975	\$0.975	-	\$1.230
Breast, Bnless Skinless	\$1.465	\$1.495	(\$0.0300)	\$1.975
Tenderloin (random)	\$1.250	\$1.150	\$0.1000	\$1.580
Tenderloin (sized)	\$1.550	\$1.600	(\$0.0500)	\$1.840
Legs (whole)	\$0.323	\$0.324	(\$0.0010)	\$0.503
Leg Quarters	\$0.350	\$0.355	(\$0.0050)	\$0.520



DAIRY - The cheese markets continue to trade at relatively engaging levels for buyers. Unseasonably warm temperatures this fall have boosted milk production in the Midwest. Consequently, milk continues to trade below government set price levels which should only encourage cheese production. History suggests that the downside price risk in the cheese markets from here may be nominal. But it may be hard for cheese prices to rally substantially in 2016 unless the international dairy and domestic nonfat dry milk markets appreciate. The CME butter markets remain supported. Prices per pound, except Class I Cream (hundred weight), from USDA.

Cheese Blocks



DAIRY	Price	Last Week	Difference
Barrels	\$1.5030	\$1.4875	\$0.0155
40 lb. blocks	\$1.4785	\$1.4544	\$0.0241
Butter	\$2.0370	\$2.0450	(\$0.0080)
NFDM-Grade A	\$0.7440	\$0.7488	(\$0.0048)



OIL & GRAINS - Hard red spring and winter wheat futures have been at or near multi-year low prices nearly all of the three weeks since our last communication. U.S. wheat export outlook is even more dismal following Argentina's announcement that they were a lifting their export tax. The next week a large

sale of wheat was made to Egypt for the first time in several years. Bearish global economic news and larger future wheat plantings in Argentina could help keep downward pressure on prices, and possibly lessen demand for, U.S. Wheat. Unusual for the season, warm El Nino weather with flooding in parts of the Midwest and Southern U.S. could take a toll on soft wheat, but it is far too early to speculate what that toll will be. We expect futures to remain under pressure, but basis premium prices will need to stay firm and at times could spike to keep producers selling and wheat moving.

GRAINS + OILS	Price	LstWk	Diff	Price 15
Soybeans, bushel	\$8.473	\$8.593	(\$0.1200)	\$10.37
Crude Soybean Oil, lb.	\$0.288	\$0.296	(\$0.0080)	\$0.33
Corn, bushel	\$3.383	\$3.464	(\$0.0810)	\$3.73
Crude Corn Oil, lb.	\$0.400	\$0.388	\$0.0120	\$0.34
Distillers Grain, Dry	\$129.833	\$130.417	(\$0.5840)	\$175.54
HRW Wheat, bushel	\$4.380	\$4.480	(\$0.1000)	\$6.29
DNS Wheat 14%, bushel	\$5.070	\$5.170	(\$0.1000)	\$6.40
Durum Wheat, bushel	\$6.181	\$6.233	(\$0.0520)	\$10.25
Sugar, lb. NYBOT	\$0.249	\$0.268	(\$0.0190)	\$0.22



KITCHEN SINK - Cocoa prices have softened during the last week as the historically inflated markets are encouraging output expansion in West Africa. The greater long term risk in

cocoa prices from here is to the downside. Price bases noted below.

Kitchen	Price	LstWk	Diff	Price 15
Whole Peeled, Stand (6/10)	\$12.281	\$12.281	-	\$12.74
Tomato Paste- Industrial (lb.)	\$0.455	\$0.455	-	\$0.47
Coffee, lb., ICE	\$1.205	\$1.230	(\$0.0250)	\$1.75
Sugar, lb., ICE	\$0.260	\$0.258	\$0.0020	\$0.25

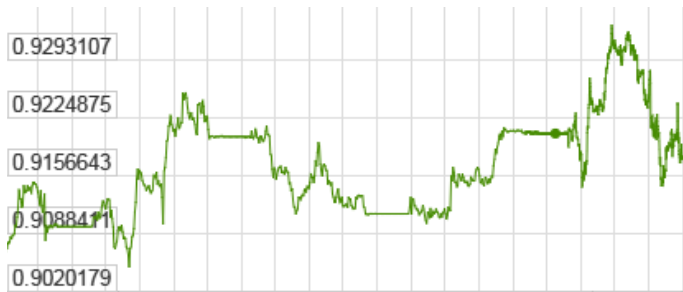


EURO vs. US Dollar

Current: \$0.9187

Lowest Last 30 Days: \$0.9063

Highest Last 30 Days: \$0.9323



Energy Commodities

ENERGY	Price	LstWk	Diff	Price 15
Crude Oil, barrel- nymex	\$34.930	\$36.880	(\$1.9500)	\$48.11
Natural Gas, mbtu- nymex	\$2.305	\$2.250	\$0.0550	\$2.92
Diesel Fuel, gal- nymex	\$1.096	\$1.144	(\$0.0480)	\$1.71
Electricity, mwht- nymex	\$42.000	\$42.750	(\$0.7500)	\$50.45
Gasoline, gal- nymex	\$1.305	\$1.260	\$0.0450	\$1.35
Diesel Fuel, gal- eia	\$2.211	\$2.235	(\$0.0240)	\$3.14
Ethanol, gal- usda	\$1.300	\$1.307	(\$0.0070)	\$1.61