

THE FOOD INSTITUTE REPORT



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FOOD STORE SALES GROWTH ALIGNS WITH INFLATION IN 3RD QUARTER

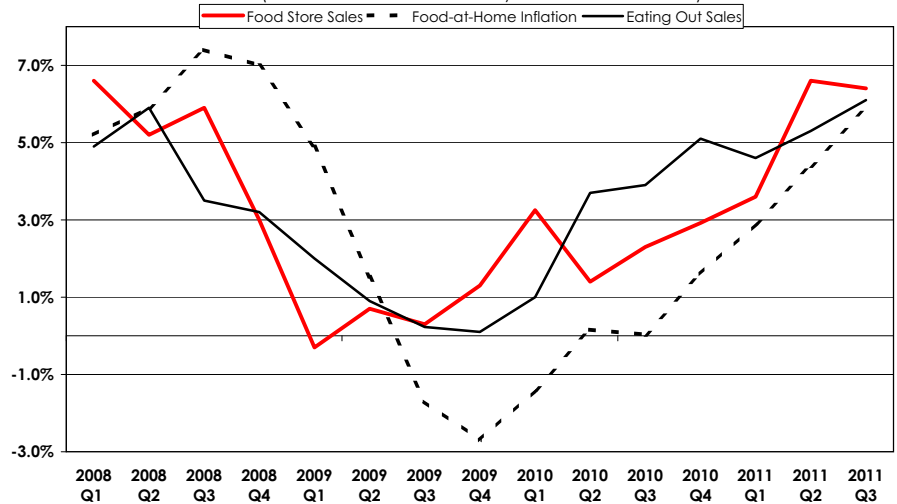
The U.S. government release of a bevy of economic reports last week gives us a chance to assess 2011 through its first three quarters via a bit broader perspective than looking at data on a month-to-month basis. The latest detailed Consumer Price and Producer Price reports can be found on page 2, with details on grocery store, foodservice, and warehouse club & drug store sales on page 3.

The accompanying graph combines those retail sales and consumer price reports and portrays what has happened since the last bout of food price inflation occurred in 2008 – the year retail food prices jumped 6.1% on an annualized basis, topping 7% at times. A subsequent drop in prices was not unexpected although the depth of that decline was greater than many anticipated – dipping into deflationary territory in the second half of 2009. Since that time, retail food prices have been steadily increasing, up 5.9% in third quarter of this year. Wholesale food prices during the quarter, meanwhile, were up 7.9% from 2011 indicating that retailers are still absorbing some of the increases they

Food Store & Foodservice Sales Growth Follows Inflation Trend In 3rd Quarter

Chart Portrays % Chge. Vs. Prior Year

(Source: The Food Institute analysis of BLS & Census data)



(See **FOOD STORE SALES GROWTH** on page 6)

WEBINAR OFFERS GUIDANCE TO RETAILERS AND SUPPLIERS

Last week, **THE FOOD INSTITUTE**, in cooperation with **BRICK MEETS CLICK**, sponsored a webinar to discuss ways for retailers and suppliers to uncover their Competitive Advantage in 21st Century Food Retailing. Bill Bishop, Chairman of **WILLARD BISHOP** and Chief Architect of Brick Meets Click, addressed the audience to discuss the importance of “fresh thinking” and that it is needed now, more than ever. Today’s shoppers experience pressures that were not necessarily troublesome years ago. Identified as the pressure to economize, the pressure to personalize and the pressure to rationalize purchases, Mr. Bishop cited examples of companies that were successfully addressing these current trends and offered suggestions. Much more was discussed throughout this one-hour segment, including suggestions on ways to adapt to

(See **WEBINAR RECORDING** on page 6)

OVERSEAS RESTAURANT EXPANSION ACCELERATES

U.S.-based restaurant chains are increasingly becoming global brands for numerous reasons, most notably as a result of stagnant U.S. sales. Foreign markets are also attractive due to the rise of the global middle class and less intense competition compared to the U.S. However, expansion poses numerous challenges. As chains seek to establish a presence in these untapped markets, they are tasked to strike a balance between maintaining their brand identities while tailoring menu items and service formats to local preferences, according to **TECHNOMIC**.

In addition, restaurant chains including **DOMINO'S PIZZA INC.**, **AFC ENTERPRISES INC.** and **DUNKIN' BRANDS GROUP INC.** are in need of executives who can adapt menus to international tastes and navigate foreign regulations. This trend is likely to continue, according to Guy Cote, who leads restaurant executive searches for **HEIDRICK & STRUGGLES INTERNATIONAL INC.**, reported *Bloomberg.com* (Oct. 14).

(See **OVERSEAS EXPANSION** on page 6)

WHAT'S INSIDE?

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RETAIL FOOD PRICE INFLATION AT 4.4% THROUGH THREE QUARTERS

For the third consecutive month, food-at-home prices increased six-tenths of a percent from the prior month as all but two of the food categories tracked by **THE FOOD INSTITUTE** moved higher, and beef & veal was unchanged. Overall, this put retail food prices during September 6.3% above a year earlier – the largest such increase since December of 2008. On an annualized basis, retail food inflation was at 4.4% through the first three quarters of 2011 – outpacing the overall inflation rate of 3.1% by more than a full percentage point. Food away-from-home prices have not risen nearly as dramatically, with the **BUREAU OF LABOR STATISTICS** pegging September prices up 2.6% and the annualized inflation rate through Oct. 1, at 2.2%.

The dairy and related products index rose 10.2%, followed by increases slightly smaller in both the cereals and bakery products. The index for meats, poultry, fish, and eggs rose 0.4% as the index for eggs rose sharply, and the index for other food at home rose 0.6%.

Consumer Food Prices - September

(Source: Bureau of Labor Statistics)

Unadjusted	Sept. Index 1982/84=100	% Chge. Aug. '11'	% Chge. July '10	Yr.-to-Date '11 v. '10
All Items	226.9	0.2	3.9	3.1
All Food	230.6	0.4	4.7	3.4
Food At Home	229.7	0.6	6.3	4.4
Food Away From Home	233.0	0.2	2.6	2.2
Cereal & Cereal Products	230.8	0.6	6.6	3.3
Bakery Products	281.8	0.4	5.2	3.1
Beef & Veal	250.4	0.0	10.1	10.1
Pork	213.1	1.5	7.5	9.0
Poultry	211.9	0.7	3.0	2.7
Fish & Seafood	264.3	0.4	8.1	7.3
Eggs	222.8	6.0	11.1	7.9
Dairy Products	219.4	1.2	10.2	6.2
Fresh Fruits & Vegetables	330.4	1.6	7.6	4.9
Proc. Fruits & Vegetables	153.6	1.3	4.0	1.6
Sugar & Sweets	213.3	1.7	5.4	2.2
Fats & Oils	221.3	1.2	10.4	2.8
Carbonated Drinks	160.3	0.2	3.1	1.8
Coffee	221.2	-1.8	16.0	13.8
Other Foods	211.6	-0.2	3.6	1.6

Note: All Item data reflects BLS revision. Food items unaffected.

WHOLESALE FOOD PRICES UP FOR FOURTH STRAIGHT MONTH

A 10% jump in fresh vegetable prices during September accounted for more than three quarters of the 0.6% rise in the **BUREAU OF LABOR STATISTICS** Producer Price Index for all finished consumer foods in September. This was the fourth consecutive monthly increase. Compared to a year earlier, the finished index was up 8%, bringing the annualized inflation rate through the first three quarters of 2011 to 5.9%.

Looking at that annualized rate, one can see that wholesale inflation has taken hold in all but two of the categories tracked. Only fresh fruits, for which prices are running nearly 6% less than a year ago, and chickens (down 5.5%) bucked the trend this year. Some of the increases are rather extreme, such as shortening and & cooking oil jumping nearly one-third from a year earlier, coffee up 18.5%, and beef & veal rising almost 15%.

Producer Price Index - September

(Source: Bureau of Labor Statistics)

Unadjusted	Sep. Index 1982=100	% Chge. Aug-11	% Chge. Last Year	% Chge. Acc. 11
All Finished Consumer Foods	196.5	0.6	8.0	5.9
Fresh Fruits	118.6	3.1	13.2	-5.7
Fresh & Dry Vegetables	184.6	10.0	12.2	7.3
Eggs (Dec. '91=100)	132.9	-10.5	36.4	12.9
Bakery Products	255.6	0.1	4.6	3.0
Milled Rice	211.1	6.3	27.2	9.8
Pasta Products (June '85=100)	187.0	-0.1	11.1	5.8
Beef & Veal	189.1	5.4	16.9	14.6
Pork	168.5	-1.2	13.0	12.6
Processed Young Chickens	143.7	0.3	-7.4	-5.5
Processed Turkeys	152.3	1.1	12.1	13.7
Fish & Shellfish	289.2	1.0	6.7	7.0
Dairy Products	204.8	-1.6	13.2	13.2
Processed Fruits & Vegetables	187.4	1.7	5.3	2.5
Confectionery End Products	250.7	-0.5	6.4	5.1
Soft Drinks	187.4	0.2	3.7	1.4
Roasted Coffee	234.4	0.4	20.9	18.5
Shortening & Cooking Oil	308.5	0.1	33.4	32.5

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FOOD RETAILERS STILL BEHIND INFLATIONARY CURVE

Looking at the gains food and beverage stores have made in dollar sales in recent months, it appears they are doing quite well. Indeed, for example, during September this retail sector saw sales increase 5.7% from the same month last year. But when you consider that overall retail food prices during the same month were up an estimated 6%, it is apparent that food retailers are only holding their own for the most part.

The 1,681-unit **SAFEMART** chain believes that moderating fuel prices will help sales, according to a **CITI** report which also noted that "management stated that some people within the Safeway organization expect food inflation to begin to moderate as the company begins to cycle higher inflation."

RETAIL FOOD STORE PERFORMANCE - 2010/11

Millions:	TOTAL FOOD & BEVERAGE STORES:			GROCERY STORES TOTAL:			SUPERMARKETS:			BEER, WINE & LIQUOR STORES		
	2011	2010	% Chge.	2011	2010	% Chge.	2011	2010	% Chge.	2011	2010	% Chge.
JAN	\$48,825	\$47,209	3.4%	\$44,538	\$43,013	3.5%	42,426	41,047	3.4%	\$2,973	\$2,900	2.5%
FEB	\$46,008	\$44,393	3.6%	\$41,477	\$40,062	3.5%	39,401	38,252	3.0%	\$3,104	\$2,943	5.5%
MAR	\$50,159	\$48,279	3.9%	\$45,355	\$43,445	4.4%	43,018	41,384	3.9%	\$3,353	\$3,258	2.9%
APR	\$51,084	\$47,230	8.2%	\$45,874	\$42,247	8.6%	43,435	40,194	8.1%	\$3,503	\$3,376	3.8%
MAY	\$52,009	\$49,833	4.4%	\$46,687	\$44,638	4.6%	44,077	42,507	3.7%	\$3,619	\$3,511	3.1%
JUNE	\$51,547	\$47,999	7.4%	\$46,228	\$42,924	7.7%	43,658	40,800	7.0%	\$3,681	\$3,484	5.7%
JULY	\$53,062	\$49,926	6.3%	\$47,552	\$44,602	6.6%	44,875	42,436	5.7%	\$3,887	\$3,723	4.4%
AUG	\$52,164	\$48,597	7.3%	\$46,878	\$43,520	7.7%	44,258	41,214	7.4%	\$3,712	\$3,523	5.4%
SEPT	\$50,418	\$47,710	5.7%	\$45,190	\$42,718	5.8%	40,551	---	---	\$3,446	---	---
OCT	---	\$48,945	---	---	\$43,740	---	42,536	---	---	\$3,577	---	---
NOV	---	\$49,199	---	---	\$43,923	---	41,823	---	---	\$3,608	---	---
DEC	---	\$53,986	---	---	\$46,889	---	44,690	---	---	\$4,772	---	---
JAN - SEPTEMBER	\$455,276	\$431,176	5.6%	\$409,779	\$387,169	5.8%	\$345,148	\$327,834	5.3%	\$27,832	\$26,718	4.2%

RESTAURANT SALES GAIN TOPS 8% IN SEPTEMBER

RESTAURANT INDUSTRY PERFORMANCE - 2010/11

Millions:	EATING & DRINKING PLACES:			FULL SERVICE RESTAURANTS:			LIMITED SERVICE RESTAURANTS:			DRINKING PLACES			
	2011	2010	% Chge.	2011	2010	% Chge.	2011	2010	% Chge.	2011	2010	% Chge.	
JAN	\$36,798	\$35,622	3.3%	\$16,474	\$15,716	4.8%	\$15,775	\$15,387	2.5%	\$1,592	\$1,570	1.4%	
FEB	\$37,207	\$35,431	5.0%	\$16,510	\$15,439	6.9%	\$15,933	\$15,236	4.6%	\$1,652	\$1,601	3.2%	
MAR	\$41,825	\$39,464	6.0%	\$18,569	\$17,364	6.9%	\$17,924	\$16,952	5.7%	\$1,867	\$1,770	5.5%	
APR	\$41,520	\$39,439	5.3%	\$18,262	\$17,254	5.8%	\$17,687	\$16,688	6.0%	\$1,794	\$1,692	6.0%	
MAY	\$42,739	\$40,792	4.8%	\$18,937	\$17,914	5.7%	\$18,237	\$17,382	4.9%	\$1,793	\$1,727	3.8%	
JUNE	\$41,754	\$39,373	6.0%	\$18,402	\$16,999	8.3%	\$18,028	\$17,224	4.7%	\$1,764	\$1,718	2.7%	
JULY	\$43,097	\$40,982	5.2%	\$19,284	\$17,847	8.1%	\$18,556	\$17,858	3.9%	\$1,879	\$1,829	2.7%	
AUG	\$42,244	\$40,228	5.0%	\$18,736	\$17,277	8.4%	\$18,305	\$17,683	3.5%	\$1,768	\$1,788	-1.1%	
SEPT	\$41,188	\$37,992	8.4%	\$17,348	\$15,982	8.5%	\$16,988	\$16,338	4.0%	\$1,729	\$1,714	0.9%	
OCT	---	\$39,906	---	---	\$16,852	---	---	\$17,311	---	---	\$1,794	---	---
NOV	---	\$37,240	---	---	\$15,822	---	---	\$16,250	---	---	\$1,687	---	---
DEC	---	\$39,508	---	---	\$17,508	---	---	\$16,890	---	---	\$1,756	---	---
JAN-SEPTEMBER	\$368,372	\$349,323	5.5%	\$162,522	\$151,792	7.1%	\$157,433	\$150,748	4.4%	\$15,838	\$15,409	2.8%	
JAN-DEC	\$465,977	---	---	\$201,974	---	---	\$201,199	---	---	\$20,646	---	---	

Full service & Limited Service Restaurant, and drinking places for latest month and year-to-date estimated by The Food Institute.

For the first time since February of 2008, sales at the nation's eating and drinking places rose more than 8% from the prior-year level during September. The **CENSUS BUREAU** pegged the month's sales at \$41.2 billion, with **THE FOOD INSTITUTE** estimating that most of that growth actually took place at full service restaurants rather than limited service (fast-food) outlets.

Unlike retail food stores, however, only a portion of that gain is attributable to higher

selling prices as away-from-home food price inflation is running under 3% from a year earlier, according to Food Institute analysis of **BUREAU OF LABOR STATISTICS** data. On a cumulative basis through the first three quarters of 2011, foodservice sales were up 5.5% from last year to \$368 billion.

CLUB/SUPERCENTER SALES UP 5.3% THROUGH AUGUST

During the first eight months of 2011, the latest data available from the **BUREAU OF LABOR STATISTICS**, the nation's warehouse clubs and supercenters saw sales increase 5.3% to just over a quarter trillion dollars. Sales during August alone rose 5.8% from a year earlier, following two months of increases in excess of 6% but still well below the double-digit growth rates reported in the latter part of the last decade.

Meanwhile, following two months of tepid sales growth at the nation's drug stores, these retailers recorded a 5.3% gain in sales during August versus a year earlier. This helped lift year to date sales 3.7% more than the same period of 2010, to \$151.5 billion.

ALTERNATIVE RETAILER PERFORMANCE - 2010/2011

Millions:	WAREHOUSE CLUBS & SUPERCENTERS			DRUG STORES & PHARMACIES			E-SHOPPING & MAIL ORDER			
	2011	2010	% Chge.	2011	2010	% Chge.	2011	2010	% Chge.	
JAN	\$29,143	\$28,344	2.8%	\$19,026	\$17,913	6.2%	\$23,156	\$20,123	15.1%	
FEB	\$29,436	\$28,421	3.6%	\$17,966	\$17,212	4.4%	\$21,645	\$18,848	14.8%	
MAR	\$31,367	\$30,043	4.4%	\$19,858	\$19,262	3.1%	\$24,693	\$21,905	12.7%	
APR	\$31,802	\$29,542	7.7%	\$18,758	\$18,383	2.0%	\$23,017	\$20,721	11.1%	
MAY	\$32,997	\$31,487	4.8%	\$19,303	\$18,333	5.3%	\$23,990	\$20,294	18.2%	
JUNE	\$31,970	\$30,050	6.4%	\$18,883	\$18,400	2.6%	\$23,781	\$21,529	10.5%	
JULY	\$32,807	\$30,783	6.6%	\$18,355	\$18,186	0.9%	\$22,178	\$20,500	8.2%	
AUG	\$32,602	\$30,814	5.8%	\$19,296	\$18,329	5.3%	\$24,835	\$22,397	10.9%	
SEPT	---	\$28,399	---	---	\$18,107	---	---	\$21,989	---	---
OCT	---	\$30,632	---	---	\$18,572	---	---	\$22,146	---	---
NOV	---	\$32,747	---	---	\$18,659	---	---	\$26,200	---	---
DEC	---	\$39,488	---	---	\$20,910	---	---	\$34,016	---	---
JAN-AUGUST	\$252,124	\$239,484	5.3%	\$151,445	\$146,018	3.7%	\$187,295	\$166,317	12.6%	
JAN-DEC	\$370,750	---	---	\$222,266	---	---	\$270,668	---	---	

* Revised Note: Includes sales total, including food and non-food.

THE FOOD INSTITUTE's prediction on the impact of food inflation is discussed in the Oct. 17 edition of the **LEMPERT REPORT**, featuring Phil Lempert. Also, how delayed retirements will change food shopping.

View at <http://www.foodinstitute.com/strategic.cfm>.

Don't miss the Oct. 19 edition of New Products Hits and Misses with Phil Lempert.

To view, visit <http://www.foodinstitute.com/research.cfm>.

MERGERS & ACQUISITIONS

CASEY'S GENERAL STORES, INC., Ankeny, IA, purchased two convenience stores in Hayfield, MN. Casey's operates more than 1,600 locations in the Midwest... *Convenience Store News* (Oct. 13)

Tucker Curtin, a Buffalo, NY-based businessman and restaurateur, bought the former **ISENBERG MEATS** refrigerated food processing plant for about \$148,720, with plans to restart it as a government-certified meat plant. The businessman plans to use the Buffalo facility to cut, grind, cook, cure, smoke and package a variety of meats for resale and distribution... *The Buffalo News* (Oct. 17)

DEL TACO, Lake Forest, CA, sold six corporate restaurant locations in Phoenix to the chain's largest franchisee in Arizona... *Nation's Restaurant News* (Oct. 13)

DINEEQUITY, INC., the Glendale, CA-based parent of **APPLEBEE'S NEIGHBORHOOD GRILL & BAR** and **IHOP RESTAURANTS**, is selling 40 franchise-operated Applebee's restaurants to Applebee's franchisee **NEIGHBORHOOD RESTAURANT PARTNERS LLC**. The 40 restaurants are located in Atlanta and surrounding areas. Neighborhood Restaurant Partners, LLC is an affiliate of Atlanta-based **ARGONNE CAPITAL GROUP**.

In a separate development, **DINEEQUITY, INC.** entered into an asset purchase

FOREIGN DEALS

THE BLACKSTONE GROUP's private equity funds agreed to acquire **ANTARES RESTAURANT GROUP** in New Zealand from **ANCHORAGE CAPITAL PARTNERS**. Antares has the exclusive franchise development rights for the **BURGER KING** brand in New Zealand and operates 75 Burger King restaurants throughout the country.

New Zealand honey products company **COMVITA LTD.**'s independent directors advised shareholders not to sell following a \$57 million cash offer from Singapore-based international food group **CEREBOS LTD.**... *Reuters* (Oct. 13)

MISSION PRODUCE INC., Oxnard, CA, agreed to purchase 50% of Chilean avocado grower-shipper **CABILFRUT S.A.**, Santiago. The agreement includes 50% ownership of Cabilfrut's packing and office facilities in Chile, and several hundred acres of production. In addition to South America, Cabilfrut exports avocados to North America, Europe and Asia, while Mission Produce has avocado packing and processing operations in Canada, Mexico and the U.S. Mission also grows avocados in California, Mexico and Peru and operates eight ripening and distribution centers in the U.S. and Canada. The deal is expected to be finalized by the end of 2011... *The Packer* (Oct. 14)

PLOEGER AGRO B.V. and Byron, NY-based **OXBO INTERNATIONAL CORP.**, both manufacturers of specialized harvesting equipment, merged to create the **PLOEGER OXBO GROUP**. The new company is headquartered in the Netherlands. Both companies will continue to conduct operations using their current names and brands. However, in new international markets, they will do business as the Ploeger Oxbo Group. The new company is owned by five groups: Ploeger and Oxbo executives, **VDL** (a Dutch manufacturing company) and two Dutch investment firms, **VAN LANSCHOT PARTICIPATIES** and **SYNGERIA**.

UNILEVER PLC agreed to acquire **OAD CONCERN KALINA** in a deal valuing the Russian cosmetics company at \$832.1 million, including debt. Unilever confirmed that it will buy 82% of Concern Kalina for 4,098 rubles a share and make an offer for the rest later... *The Wall Street Journal* (Oct. 14)

agreement with **APPLE INVESTORS GROUP, LLC** for the sale of 17 **APPLEBEE'S** company operated restaurants in Tennessee, Illinois, Mississippi, Missouri, Kentucky and Arkansas.

BUSINESS BUZZ

Private equity firm **CARLYLE GROUP** expects to buy a minority stake in a food-processing company in Saudi Arabia before the end of the year, according to its managing director for the Gulf region. The executive declined to name the company... *Bloomberg Businessweek* (Oct. 17)

GROUPE CASINO plans to expand in Latin America through acquisitions made by its Colombia-based unit, **ALMACENES EXITO SA**, according to the unit's chief executive Gonzalo Restrepo... *The Wall Street Journal* (Oct. 5)

GROUPE DANONE is reportedly in talks to sell bottled-water assets to Japan's **SUNTORY HOLDINGS LTD.**, and is seeking to reach an agreement to sell the assets by the end of the year. The proceeds may then be used to fund a possible offer for **PFIZER INC.**'s infant-nutrition business, while Suntory may seek to buy only water operations in Asia... *Bloomberg.com* (Oct. 18)

ICELAND FOODS attracted six bids by its Oct. 19 first-round deadline, according to people familiar with the situation. **WM. MORRISON SUPERMARKETS PLC** and **ASDA** submitted bids alongside buyout firms **TPG**, **BAIN CAPITAL**, **BC PARTNERS** and **BLACKSTONE GROUP**. **FARMFOODS** was also reported to be interested... *MarketWatch* (Oct. 20)

LITTLE LAD'S BAKERY, a Corinth, ME-based snack maker known for its herbal popcorn, is expected to purchase a manufacturing plant in Guilford within a month, according to Larry Fleming, founder and owner of Little Lad's restaurants in Portland and New York and Little Lad's Bakery in Corinth... *Bangor Daily News* (Oct. 4)

NESTLE is looking globally for bolt-on acquisitions and is stepping up investment in Russia, according to the company's CEO. Nestle is aiming for Russia to become its biggest European market by sales, without giving a time frame... *Reuters* (Oct. 18)

MERGERS & ACQUISITIONS CONT.

The transaction is expected to close in the first quarter of 2012. Apple Investors Group currently owns and operates 27 Applebee's Neighborhood Grill & Bar restaurants in New Mexico and Virginia.

J. KINGS FOOD SERVICE PROFESSIONALS, Holtsville, NY, acquired **JNI SPECIALTY FOODS**, a Deer Park, NY-based frozen food distributor serving the New York City metropolitan area. JNI will move its offices and inventory to J. Kings' refrigerated warehouse and headquarters. Also, J. Kings is in contract to buy a 44,000-sq. ft. building in Bohemia, NY, which will become the new hub for its cold storage operations...*Long Island Business News* (Oct. 14)

J&D RESTAURANT GROUP INC., Dallas,

acquired 37 **JACK IN THE BOX** units in Central and East Texas. Zafar Moosa, J&D Restaurant Group president, stated he is looking at markets in Texas, Oklahoma and other states where the franchisee could expand the brand or pick up other refranchised locations. J&D Restaurant Group operates 11 restaurants under the **CHURCH'S CHICKEN**, **ARBY'S** and **DICKEY'S BARBECUE** brands...*Nation's Restaurant News* (Sept. 21)

KGBDEALS, an international daily deal destination under the ownership of New York-based **KGB**, acquired **THEDEALIST**, New York City.

MULTI-COLOR CORP., a Cincinnati-based label supplier, acquired **YORK LABEL**

GROUP, Omaha, NE, for \$356 million.

SEALED AIR CORPORATION, Elmwood Park, NJ, acquired **MULTIBAGGER HOLDINGS**, a subsidiary of New Zealand-based **MACHINERY DEVELOPMENTS LIMITED**. The transaction expands Sealed Air's line of Cryovac packaging solutions for fresh and processed food customers...*Meat & Poultry* (Oct. 19)

UTZ QUALITY FOODS, INC., Hanover, PA, acquired **THE WACHUSETT POTATO CHIP CO., INC.**, Fitchburg, MA. The acquisition includes ownership of the Wachusett brand and all associated trademarks along with the distribution routes, and the manufacturing facility located in Fitchburg.

LATEST FINANCIAL REPORTS (000 OMITTED)



	Current Year	% Change Year Ago
BUFFALO WILD WINGS INC. (MINNEAPOLIS, MN)		
Qtr. to Sept. 25:		
Sales:	\$197,763	30.7%
Net Income:	\$11,266	32.5%
9 Mos.:		
Sales:	\$564,014	25.5%
Net Income:	\$36,800	30.4%

	Current Year	% Change Year Ago
THE CHEESECAKE FACTORY, INC. (CALABASAS HILLS, CA)		
13 wks. to Sept. 27:		
Sales:	\$430,417	2.9%
Net Income:	\$20,574	-6.3%
39 wks.:		
Sales:	\$1,279,928	3.0%
Net Income:	\$65,778	9.9%

	Current Year	% Change Year Ago
COCA COLA CO. (ATLANTA, GA)		
Qtr. To Sept. 30:		
Sales:	\$12,248,000	45.4%
Net Income:	\$2,221,000	8.1%
Nine Mos:		
Sales:	\$35,502,000	44.2%
Net Income:	\$6,918,000	14.6%

	Current Year	% Change Year Ago
CROWN HOLDINGS (PHILADELPHIA, PA)		
Qtr. To Sept. 30:		
Sales:	\$2,423,000	9.9%
Net Income:	\$129,000	2.4%
9 Mos:		
Sales:	\$6,586,000	9.9%
Net Income:	\$274,000	-1.8%

	Current Year	% Change Year Ago
DOMINO'S PIZZA (ANN ARBOR, MI)		
Qtr. To Sept. 11:		
Sales:	\$376,326	8.3%
Net Income:	\$22,091	33.1%
3 Qtrs.:		
Sales:	\$1,150,445	5.5%
Net Income:	\$74,450	16.8%

	Current Year	% Change Year Ago
FRISCH'S RESTAURANTS, INC. (CINCINNATI, OH)		
16 wks. to Sept. 20:		
Sales:	\$91,728	-1.3%
Net Income:	(\$2,270)	-182.8%

	Current Year	% Change Year Ago
LINDSAY CORP. (OMAHA, NE)		
Qtr. to Aug. 31:		
Sales:	\$30,054	16.9%
Net Income:	\$5,902	-1.0%
Year:		
Sales:	\$129,785	31.2%
Net Income:	\$36,802	48.0%

	Current Year	% Change Year Ago
PACKAGING CORP. OF AMERICA (LAKE FOREST, IL)		
Qtr. To Sept. 30:		
Sales:	\$670,800	4.4%
Net Income:	\$41,800	-55.2%
9 Mos.:		
Sales:	\$1,965,800	8.7%
Net Income:	\$118,600	-21.2%

	Current Year	% Change Year Ago
SAFEWAY (PLEASANTON, CA)		
12 wks. to Sept. 10:		
Sales:	\$10,064,300	7.1%
Net Income:	\$130,200	6.0%
36 wks.:		
Sales:	\$30,032,600	6.3%
Net Income:	\$301,100	-16.4%

	Current Year	% Change Year Ago
SONOCO PRODUCTS, INC. (HARTSVILLE, SC)		
Qtr. To Oct. 2:		
Sales:	\$1,124,171	6.9%
Net Income:	\$77,203	30.8%
9 Mos:		
Sales:	\$3,369,359	12.4%
Net Income:	\$188,002	12.9%

	Current Year	% Change Year Ago
SPARTAN STORES INC. (GRAND RAPIDS, MI)		
12 wks. to Sept. 10:		
Sales:	\$619,647	2.9%
Net Income:	\$10,252	-8.8%
24 wks.:		
Sales:	\$1,222,211	3.6%
Net Income:	\$16,281	-5.5%

	Current Year	% Change Year Ago
SUPERVALU, INC. (EDEN PRAIRIE, MN)		
Qtr. to Sept. 10:		
Sales:	\$8,429,000	-2.6%
Net Income:	\$60,000	n/a
28 Wks.:		
Sales:	\$19,542,000	-3.3%
Net Income:	\$134,000	n/a

	Current Year	% Change Year Ago
TRACTOR SUPPLY COMPANY (BRENTWOOD, TN)		
Qtr. to Sept. 24:		
Sales:	\$977,776	17.9%
Net Income:	\$42,733	43.1%
Nine Mos.:		
Sales:	\$2,992,715	14.9%
Net Income:	\$152,228	29.3%

WEBINAR RECORDING (continued from first page)

changing consumer needs and a segment highlighting the role which technology plays with the consumer. An on-demand recorded version of the webinar is available for purchase by visiting <http://www.foodinstitute.com/retailadvantage.cfm>

FOOD STORE SALES GROWTH

(continued from first page)

have incurred.

Sales at food stores and eating & drinking places prior to the second half of 2008 had not even been able to keep pace with those rising prices, but reversed at that time as food prices continued to decline. Since then, at least on a quarter-by-quarter basis, sales at grocery stores and foodservice outlets were safely outpacing retail food price advances – until the latest quarter when sales growth from a year earlier slowed a bit but retail food inflation did not.

OVERSEAS EXPANSION (continued from first page)

In fact, “we’re twice as busy as we were 18 months ago, and there’s a war for talent right now,” noted Mr. Cote. Demand for talented executives is so high that Domino’s had to go outside the restaurant industry for its newest international executive, Richard Allison, a former partner at **BAIN CAPITAL LLC**. Mr. Allison is tasked with helping the company open as many as 300 stores per year, most of them internationally. Domino’s is looking to further expand its international team.

AFC’s **POPEYES LOUISIANA KITCHEN** is also seeking executives to help the brand expand globally, especially in Singapore, according to CEO Cheryl Bachelder. “The next five to seven years will be a time of investment for most companies in countries with a really strong, growing middle class,” outlined the executive. Popeyes has 425 outlets overseas now but may grow to a number 10 or 15 times that, according to **BGB SECURITIES** analyst Sam Yake.

CHIPOTLE MEXICAN GRILL and **PANERA BREAD** may be the next chains seeking dynamic international growth via the right executives, stated Technomic EVP Darren Tristano. Chipotle CEO Steve Ellis has called its locations in Paris and London a “foundation for the future.”

Restaurant leaders need to know about countries’ tax laws and local food suppliers to expand across the globe, according to Fay Voysey-Smit, director at recruiter **BOYDEN’S** sub-Saharan Africa office. “They really need solid skills in supply-chain organization.” Meanwhile, **EDWARD JONES & CO.** analyst Jack Russo stated that executives must enter these positions with “localized knowledge.” For example, Domino’s registered success by altering pizza toppings. Paneer cheese in India and corn and squid in Asian countries are considered successes.

Numerous restaurants recently outlined plans for foreign expansion:

Canada:

Marking its first venture outside the U.S. market, **FAMOUS DAVE’S OF AMERICA, INC.** awarded a multi-unit franchise agreement to **FAMOUS RIBS OF CANADA LTD.**, a subsidiary of **TRIBAL COUNCILS INVESTMENT GROUP OF MANITOBA LTD.** The first location is anticipated to open in June 2012 in Winnipeg, Manitoba. Famous Dave’s operates 184 restaurants in 37 states.

Germany:

STARBUCKS will double or triple its number of locations in

CONSUMERS OUTLINE HOLIDAY PURCHASE INTENTIONS

Some 88% of holiday meal shoppers will frequent grocery stores, while 45% will shop in club stores, followed by mass merchandisers (41%), supercenters (37%), dollar stores (8%) and drug stores (7%), according to **SYMPHONYIRI**’s *Holiday Shopping 2011* survey. Approximately 79% of consumers will be making their grocery purchase decisions before entering the store; 24% plan to buy more products in bulk; and 20% will rely more heavily on private label products.

Overall, 71% of consumers will spend the same on their holiday meals as they did last year and 18% plan to spend less. About 16% will reduce spending on celebration-related food and beverages. Generally speaking, 70% of consumers are concerned about the cost of food while 58% are concerned about gasoline prices.

Germany in coming years, CEO Howard Schultz stated in an interview with German newspaper *Handelsblatt*. The company, which has 150 outlets in the country currently, is also considering more local purchases of bakery products and other food in Germany closer to local tastes...*Reuters* (Sept. 22)

India:

In other **STARBUCKS** news, the company is finalizing an equity joint venture with India’s **TATA COFFEE LTD.** to open coffee shops in Asia’s third-largest economy, according to *Times of India*. Starbucks held talks with other potential partners including **JUBILANT FOODWORKS** before picking Tata Coffee, according to sources...*Reuters* (Oct. 10)

Mexico:

P.F. CHANG’S CHINA BISTRO, INC. signed an exclusive development and licensing agreement with **ALSEA, S.A.B. DE C.V.**, a quickservice restaurant, coffee shop and casual dining operator in Latin America, to develop **PEI WEI ASIAN DINER** throughout Mexico. The agreement stipulates the opening of three restaurants during the first 18 months and provides an option for a long-term contract with a commitment to open 50 restaurants over 10 years. The first location is anticipated to open in Mexico City in the next few months.

Qatar:

SPICY PICKLE FRANCHISING, INC. entered into a binding letter of intent for seven new Spicy Pickle Sandwich Company locations in Qatar.

South Africa:

YUM! BRANDS plans to open 250 additional **KFC** restaurants in South Africa by 2015, bringing its total in the country to 850, according to *Business Report*, citing a company executive. In addition, the company plans to have 20 KFC outlets in Nigeria by the end of the calendar year. Altogether, Yum! is looking to operate 1,200 outlets on the continent by 2015. “We are likening the Africa business to China,” stated KFC South Africa managing director Keith Warren...*Reuters* (Oct. 4)

UK:

KRISPY KREME DOUGHNUT CORPORATION signed a development agreement with its franchisee in the UK, **KRISPY KREME UK, LTD.**, under which the franchisee agreed to open an additional 35 locations in the UK over the next six years. The franchisee currently operates 45 locations in the country.

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BANH MI A TOP FOODSERVICE TREND

Many restaurant operators believe that the Vietnamese banh mi sandwich is poised to become as popular and mainstream as burritos and tacos. Brought to the forefront by New York restaurateur David Chang in 2009, experts believe that the item's low price point - under \$10 - and filling qualities such as proteins and vegetables will appeal to cost-conscious diners, reported *Nation's Restaurant News* (Oct. 6). The traditional banh mi baguette sandwich is prepared with a variety of proteins and crisp marinated or pickled vegetables. Pate and mayonnaise or aioli is also usually incorporated. The baguette is typically made from a mixture of rice and wheat

flour.

New concepts focus nearly exclusively on the sandwich. Some are offering a few Asian sides and salads, as well as Vietnamese-style coffee and pastries. For example, San Jose, CA-based **LEE SANDWICHES** has 43 units and is expanding quickly. New York, NY-based **BAOQUETTE** is set to open its fifth location. **BUN MEE** opened a fast-casual location in San Francisco earlier this year. **BONMI** is scheduled to open a location in Washington, DC, not far from **CHIPOTLE MEXICAN GRILL**'s first **SHOPHOUSE SOUTHEAST ASIAN KITCHEN** location, which offers the sandwich. For more on ShopHouse, see *FOOD INSTITUTE REPORT* Sept. 19, page 4.



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FI MEMBER PROFILE

GIOVANNI FOOD CO., INC.

Located in Syracuse, NY, Giovanni Food Co., Inc. manufactures tomato based products such as pasta sauce, salsa, pizza sauce, barbeque sauce, and bruschetta. They also manufacture shelf stable juices. Giovanni Food Company crafts its sauces in "micro" batches from the freshest ingredients available, using big juicy California tomatoes to maintain quality and consistency. Products are available under brands such as *Luigi Giovanni*, *Harvest Traditions*, *Tuscan Traditions*, and *Jose Pedro*. Giovanni Food Company has also built a solid reputation over the past 20 years as a leading private label manufacturer of tomato based products. All products are processed under Kosher supervision and are certified Orthodox Union Pareve. Giovanni Food Company is also certified by **QUALITY ASSURANCE INTERNATIONAL** to manufacture organic products.

To learn more about this **FOOD INSTITUTE** member, please visit: www.giovanfoods.com.

CHERRY CENTRAL COOPERATIVE, INC.

Cherry Central Co-op Inc., founded in 1973, is headquartered in the Cherry Capital of the World--- Traverse City, Michigan. Cherry Central is a vertically integrated cooperative owned by growers in Michigan, New York, Wisconsin, Utah and Washington State. It harvests, processes, and markets an extensive line of quality fruit which is used to produce juices, applesauce, and dried & frozen fruit. Cherry Central services retailers in the private label and branded areas, as well as customers in the foodservice and ingredient industry. The products are sold widely in the USA, Canada and many other international markets. Cherry Central is an innovative and consumer oriented co-op that is focused on providing healthy food products.

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Schreiber Foods International imports Foodservice canned and preserved foods from over 25 countries. Schreiber Foods services the entire USA and Caribbean Islands through their strategically situated warehouses. Schreiber Foods is the exclusive importer of *Colman's* English Mustard Powder for Foodservice, and *Ybarra* Spanish Olive Oil from Spain, as well as their own *Ambrosia* brand Tuna, Olives, Fruits, Vegetables, Olive Oil, Rices and many other demand items.

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WASHINGTON

FDA TO UNDERTAKE RESEARCH PROJECT FOR PRODUCE SAFETY REGULATIONS

FDA officials asked the produce industry to support a government-led standardized research strategy for soil amendments and water quality, the results of which could be used to prove farms can take an alternative approach to meeting new produce-safety standards, reported *The Produce News* (Oct. 6). The agency's regulators spoke to attendees at the **UNITED FRESH PRODUCE ASSOCIATION's** Washington Public Policy Conference in FDA's College Park, MD office on Oct. 4 on topics including new produce safety regulations, outbreak coordination and import issues. FDA officials revealed during the meeting that the agency's current thinking favors listing "risky practices" that could trigger tighter regulatory controls in the *FDA Food Safety Modernization Act* rather than identifying "high-risk" commodities.

During listening sessions on the rule, FDA heard concerns about two issues: raw manure used as a soil amendment and the quality of water applied directly to edible portions of the crops. Regarding water quality and soil amendments, FDA is exploring the option of letting companies follow an alternate approach to the standards by producing a validated study demonstrating that the company's safeguards are equivalent to the standard, and may be flexible about taking diversity into account, according to Samir Assar of the FDA **OFFICE OF FOOD SAFETY**. However, to implement the alternative approaches, FDA would need to undertake a standardized research project to learn whether the approaches would work.

The research should specifically answer questions on whether human pathogens, if present in raw manure or irrigation water, survive in the environment and on fresh produce, Mr. Assar stated. Currently, there is not enough existing research for the purposes of establishing relevant regulation. To overcome this, FDA reached out to the Western Center for Food Safety at the **UNIVERSITY OF CALIFORNIA-DAVIS** to hold a workshop on a standardized research protocol, and the agency is establishing a research network of produce experts that includes USDA researchers. Mr. Assar also revealed that FDA plans to collect 1,500 samples of produce commodities during fiscal 2012, including sprouts, and the agency plans to sample a similar number of import samples.

FDA's poor record of inspecting imported goods was discussed during the conference. FDA's acting deputy director of operations Don Kraemer expressed hope that the Voluntary Qualified Importer Program could make importing foods easier and expedite the process, though it would not apply to risky foods like papayas. FDA is also hoping that its Predictive Risk-Based Evaluation for Dynamic Import Compliance Targeting (PREDICT) computer screening system will make it easier for the agency to assess the safety of products using a combination of factors, including facility inspection results. Fourteen of the 16 field offices are using the PREDICT screening system, with the Southwest import district scheduled to be phased in by the end of the year, according to an FDA representative. For information on the PREDICT computer screening system, see *FOOD INSTITUTE REPORT* May 17, page 10.

DIRTY EQUIPMENT, PROCESSING ERRORS BLAMED FOR CANTALOUPE OUTBREAK

Potentially contaminated processing equipment and problems with packing and storage of whole cantaloupes at **JENSEN FARMS** in Colorado farm likely led to the deadliest listeria outbreak in the U.S. in 25 years, federal health regulators stated on Oct. 19. FDA published a report following a Sept. 22 and 23 environmental assessment at Jensen Farms, conducted among FDA, state and local officials. The investigation found that there could have been low level sporadic listeria monocytogenes in the field where the cantaloupe were grown, and a truck used to haul culled cantaloupe to a cattle operation was parked adjacent to the packing facility and could also have introduced contamination into the facility.

Additionally, the packing facility's design allowed water to pool on the floor near equipment and employee walkways and the packing equipment was not easily cleaned and sanitized, as washing and drying equipment used for cantaloupe packing was previously used for postharvest handling of another raw agricultural commodity. FDA also found that there was no pre-cooling step to remove field heat from the cantaloupes before cold storage, and as the cantaloupes cooled there may have been condensation that promoted the growth of listeria monocytogenes. FDA had not inspected the farm before the Sept. 10 session that first detected listeria problems.

FDA RELEASES GUIDANCE DOCUMENT FOR PISTACHIO PRODUCTS, SALMONELLA

FDA issued a guidance document, *Guidance for Industry: Measures to Address the Risk for Contamination by Salmonella Species in Food Containing a Pistachio-Derived Product as an Ingredient*, intended for manufacturers who use a pistachio-derived product as an ingredient in a food product. Products include roasted in-shell pistachios and shelled pistachios (also called kernels) that are roasted or raw. The guidance was issued following an investigation by FDA and the **CALIFORNIA DEPARTMENT OF PUBLIC HEALTH** of Salmonella contamination in pistachio-derived products in 2009. The guidance is available online at <http://www.fda.gov/Food/GuidanceComplianceRegulatoryInformation/GuidanceDocuments/FoodSafety/ucm273482.htm>.

Salmonella Control Measures

Salmonella are ordinarily sensitive to heat and high acidity, which is often the basis for food processing to control the presence of the organism. While considered heat sensitive, Salmonella can become heat resistant in dry food products such as powdered milk or in low water activity products such as chocolate syrup and peanut butter. The water activity of pistachios is generally low, as pistachios may be dried to a water activity of 0.82 for short-term storage or 0.70 for long-term storage to prevent mold growth and aflatoxin contamination.

The relationship of Salmonella heat resistance to water activity has been well-studied at water activities between 0.99 and 0.85. Generally, Salmonella becomes more heat resistant as the water activity of a food becomes lower. In the guidance document, FDA states that it takes less than five minutes to

achieve a five-log reduction of Salmonella at 140°F in a food with a water activity of 0.99. However, it takes 50 minutes to achieve the same reduction of Salmonella at 140°F in a food with a water activity of 0.85.

The effectiveness of processing conditions used to reduce Salmonella spp. in a particular food containing a pistachio-derived product as an ingredient may depend on whether and the extent to which the water activity of the pistachio-derived product changes within the food matrix after it is added. Any Salmonella in the pistachio-derived product would be expected to become relatively less heat resistant if the ingredient attained a higher water activity within the food matrix, but it would not be expected to respond in this manner if the pistachio-derived product retained its initial water activity. Similarly, any Salmonella that might move into a higher water activity portion of the food matrix and rehydrate would be expected to become less heat resistant. Therefore, the heat resistance of Salmonella spp. introduced through a pistachio-derived product will, upon incorporation into a food matrix, depend upon the nature of the food and the way in which the food is handled during manufacture.

Recommendations

Because procedures used to manufacture finished products containing a pistachio-derived product as an ingredient may or may not adequately reduce the presence of Salmonella, FDA recommends that:

- Manufacturers of foods containing a pistachio-derived product as an ingredient obtain pistachio-derived product only from suppliers with processes in place to adequately reduce the presence of Salmonella.
- Manufacturers purchasing a pistachio-derived product as an ingredient in a form for which no process has been applied to ensure adequate reduction in the presence of Salmonella (e.g., raw shelled pistachios) ensure that their own manufacturing process would adequately reduce the presence of Salmonella.

FDA is aware that the **GROCERY MANUFACTURERS ASSOCIATION** (GMA), collaborating with other food industry organizations in a Salmonella Control Task Force and a Nut Safety Task Force, recently published two industry guidance documents. The first document reviews and synthesizes information about industry programs in place to control Salmonella and help ensure the safety of low-moisture food products. The second document builds upon the first, and provides a comprehensive handbook on the control of food safety hazards for peanut and tree nut shellers, hullers, processors and manufacturers. Manufacturers that use a pistachio-derived product as an ingredient in a food product may find GMA's documents useful, FDA claims, and the independent guidance documents are available at <http://www.gmaonline.org/issues-policy/product-safety/food-and-product-safety/manufacturing-processing-and-regulatory-support/preventing-foodborne-illness/preventing-salmonella>.

GAO: FDA NEEDS TO REASSESS MEASURES FOR RAW OYSTER SAFETY

GAO prepared a report on the safety of oysters from the Gulf of Mexico that are sold for raw consumption and the regulation of oyster safety by FDA. The food safety agency works with the

INTERSTATE SHELLFISH SANITATION CONFERENCE (ISSC), which includes representatives from FDA, states and the shellfish industry to establish guidelines for sanitary control of the shellfish industry. The report mostly focuses on *Vibrio vulnificus* (*V. vulnificus*), a bacterium that occurs naturally in the Gulf of Mexico and is responsible for the illnesses of the average 32 individuals that are sickened from from eating raw or undercooked oysters containing *V. vulnificus* every year since 2000. Half of those sickened by *V. vulnificus* die each year.

GAO was asked to determine the extent to which FDA and the ISSC agree on the *V. vulnificus* illness reduction goal and use a credible approach to measure progress toward the illness rate reduction goal. The office also investigated how the regulatory bodies have evaluated the effectiveness of their actions in reducing *V. vulnificus* illnesses and whether the Gulf Coast oyster industry has adequate capacity to postharvest process oysters harvested in April through October. GAO reviewed data and documents and interviewed officials in FDA, the ISSC, Florida, Louisiana and Texas.

FDA and the ISSC currently do not agree on a common *V. vulnificus* illness reduction goal. Initially, the ISSC (with FDA concurrence) approved a change in shellfish safety guidelines providing that individual states were to develop *V. vulnificus* risk management plans if two or more confirmed *V. vulnificus* illnesses since 1995 could be traced to the consumption of commercially harvested raw or undercooked oysters that originated from the state's waters. Initially, Alabama, Florida, Louisiana and Texas exceeded that threshold and were expected to develop such plans. The states' risk management plans relied primarily on consumer education aimed at high-risk (i.e., immune-compromised) individuals to reduce the rate of *V. vulnificus* illness and time and temperature controls to cool oysters to a specific temperature within a certain period after harvesting to reduce the growth of *V. vulnificus*.

However, in October 2009 a senior FDA official revealed a change in policy during a speech before the ISSC. Under FDA's Hazard Analysis and Critical Control Point rules beginning in May 2011, FDA revealed its intent to require postharvest processing of all Gulf Coast oysters harvested during warmer months, when higher levels of *V. vulnificus* are more likely to be present, to reduce *V. vulnificus* to nondetectable levels. According to FDA officials, the agency took this action for two reasons; first, consumer education activities and time and temperature controls had not achieved the 60% goal by the 2008 deadline; and second, validated methods of postharvest processing technology had become available. The agency noted that in California, since the state began requiring postharvest processing of Gulf Coast oysters in 2003, there were zero consumption-related *V. vulnificus* illnesses.

In response, the ISSC expressed disappointment in a November 2009 letter that FDA had not followed a 1984 memorandum of understanding that called for FDA and the ISSC to consult on such matters. According to GAO, if FDA and the ISSC are not in agreement on the illness reduction goal and strategies to achieve it, it will be difficult for the Gulf Coast states to move forward to significantly reduce the number of consumption-related *V. vulnificus* illnesses. Additionally, the decision to require mandatory pasteurization was met with strong criticism from oyster producers, who insisted that these expensive processes would drive many seafood companies out of business, reported *Food Safety News* (Oct. 14). The industry

members succeeded in stalling FDA's measure by pointing out that it needed the approval of Congress to take effect.

The approach that FDA and the ISSC use to measure progress toward a *V. vulnificus* illness rate reduction goal established cooperatively in 2001 has limitations that undermine its credibility, the report found. For example, the ISSC continues to include California's results in its illness rate reduction calculation along with Florida, Louisiana and Texas. This results in an overstatement of the effectiveness of consumer education and time and temperature controls, which FDA and the ISSC employ primarily to reduce *V. vulnificus* illnesses, because California requires that all raw Gulf Coast oysters harvested during the summer and sold in the state be processed to reduce *V. vulnificus* to nondetectable levels. Such processing reduced *V. vulnificus* illnesses to nearly zero, and the other states do not require such processing, according to GAO.

Moreover, FDA and the ISSC have taken few steps to evaluate the effectiveness of their consumer education efforts since 2004. They also have not directly evaluated the effectiveness of the time and temperature controls implemented in 2010, which call for harvesters to ensure that oysters are cooled to specific temperatures within certain times to reduce *V. vulnificus* growth. Although data is not available, the GAO's discussions with state and oyster industry officials suggest 100% compliance with the controls is highly unlikely. The Office's analysis shows that it is unlikely that these controls will lead to the level of illness reduction estimated by a model developed by FDA, even if 80% compliance is achieved.

The Gulf Coast oyster industry also does not have sufficient capacity to process all of its oysters intended for raw consumption that are harvested from April through October to reduce *V. vulnificus* to nondetectable levels, according to an FDA-commissioned report. The report concluded that it will take a minimum of two to three years to develop the infrastructure needed to process these oysters. However, the FDA report has some limitations that question the completeness of its cost and timeline estimates. The report's cost estimates did not include some construction costs and costs associated with purchasing land needed to expand existing processing facilities or build new ones. Without this information, the full cost of developing sufficient processing capacity will not be known.

Recommendations

To better ensure the safety of oysters from the Gulf of Mexico that are sold for raw consumption, GAO recommended that the Secretary of **HHS** direct the Commissioner of FDA to work with the ISSC to take the following actions:

- Agree on a nationwide goal for reducing the number of *V. vulnificus* illnesses caused by the consumption of Gulf Coast raw oysters and develop strategies to achieve that goal, recognizing that consumer education and time and temperature controls have not resulted in achievement of the 60% *V. vulnificus* illness rate reduction goal.
- Correct the limitations in the current approach to measuring progress toward the 60% *V. vulnificus* illness rate reduction goal or design and implement a new approach without these limitations.
- Regularly evaluate the effectiveness of *V. vulnificus* illness reduction strategies, such as consumer education and time

and temperature controls, to determine whether they are successful and should be continued or terminated.

- Conduct further study of the RTI report's economic analysis to ensure a more accurate assessment of the feasibility of developing adequate capacity and before FDA and the ISSC move forward with revising the National Shellfish Sanitation Program's shellfish safety guidelines to provide postharvest processing for oysters.

Current Actions

At the October 2011 ISSC biennial meeting in Seattle, the organization voted to move away from the goal of a reduction in rates of illnesses and instead to aim for lowering the overall risk of contracting *Vibrio* from Gulf oysters. *Vibrio* danger will now be measured using a "risk calculator," originally developed by FDA, which the agency has since deemed inaccurate. The decision to reduce perceived risk rather than actual illnesses was criticized by consumer advocates but supported by industry, which argued that the risk calculator takes into account how many oysters are distributed in a given year and adjusts for fluctuations rather than account for those sickened by the oysters. The new resolution will require FDA approval before it can take effect, but representatives indicated that they are not likely to support a measure that does not include a specific metric for measuring progress in risk reduction.

FDA EXTENDS COMMENT PERIOD FOR FSMA BURDENS ON SMALL BUSINESSES

In an Oct. 18 *Federal Register* notice FDA extended the comment period for the *Burden of Food and Drug Administration Food Safety Modernization Act Fee Amounts on Small Business; Request for Comments* notice to Nov. 30. The request for public comment originally appeared in the *Federal Register* of Aug. 1 to obtain information that would be used to formulate a proposed set of guidelines in consideration of the burden of fee amounts on small business as stipulated in the *FDA Food Safety Modernization Act (FSMA)*. In particular, the agency requested public comments on whether a reduction of fees or other consideration for small business was appropriate, and if so, what factors FDA should consider for each. The agency also requested public comment on how small business should be defined or recognized.

FDA ISSUES WARNING LETTERS

Hollywood, FL-based **ECRS, LLC** dba **BIG CHEF**, was issued a warning letter on Sept. 21 after FDA inspected their seafood processing facility from July 25 through Aug. 10. Inspectors found serious violations of the seafood Hazard Analysis and Critical Control Point (HACCP) regulation and the Current Good Manufacturing Practice regulation for foods. In accordance with the regulations, failure of a processor of fish or fishery products to have and implement a HACCP plan that complies with this section or otherwise operate in accordance with the requirements of Part 123 renders the fish or fishery products adulterated within the meaning of the *Federal Food, Drug, and Cosmetic Act*. Accordingly, the firm's ready-to-eat seafood products are adulterated, in that they have been prepared, packed or held under insanitary conditions whereby they may have been rendered injurious to health.

Los Angeles, CA-based **HONG KONG FOOD CO.** was issued a

warning letter on Oct. 11 after FDA inspected their seafood processing facility between Aug. 16 and Sept. 1. FDA inspectors found serious violations of the seafood HACCP regulation and the Current Good Manufacturing Practice regulation for food. In accordance with the regulations, failure of a processor of fish or fishery products to have and implement a HACCP plan that complies with this section or otherwise operate in accordance with the requirements of Part 123 renders the fish or fishery products adulterated within the meaning of the *Federal Food, Drug, and Cosmetic Act*. Accordingly, the firm's seafood products are adulterated, in that they have been prepared, packed or held under insanitary conditions whereby they may have been rendered injurious to health.

FOOD PRODUCT RECALLS REPORTED

Salted, Smoked and Split Herring, produced by **LESLIE LEGER & SONS, LTD.**, Cap Pele, NB, Canada is being recalled by **CFC INTERNATIONAL, CANADIAN FISH EXPORTERS, INC.**, Auburndale, MA. The firm initiated recall began on Oct. 11 and is ongoing. The products were distributed in Connecticut, Florida, Massachusetts, Maryland, New Jersey, New York, Puerto Rico and Virginia. *Reason for Recall:* "The products were found to be unviscerated."

Approximately 1,800 cases of frozen ground tuna are being recalled by **OSAMU CORPORATION** of Gardena, CA. The firm initiated recall began on Oct. 12 and is ongoing. The product was shipped to three distributors: **AFC CORPORATION, RED SHELL FOODS** and **PACIFIC FRESH FISH COMPANY**. Osamu does not believe that the recalled product or sushi made with the recalled product is available for purchase by consumers. *Reason for Recall:* "FDA found decomposition in several samples of the product and also found elevated histamine levels in samples taken from one retail location."

2,154 cases of various bagged salad products are being recalled by **RIVER RANCH FRESH FOODS LLC**, Salinas, CA. The firm initiated recall began on Oct. 13 and is ongoing. The salad products were distributed in Iowa, Ohio, and Pennsylvania and sold in retail supermarkets, including **HY-VEE**, West Des Moines, IA. *Reason for Recall:* "The products were recalled due to the potential of being contaminated with *Listeria monocytogenes* following a routine random test conducted by the **OHIO DEPARTMENT OF AGRICULTURE**."

Giant Eagle Farmer's Market Shredded Iceberg Lettuce, produced by River Ranch Fresh Foods LLC, Salinas, CA, is being recalled by **GIANT EAGLE**, Pittsburgh, PA. The firm initiated recall began on Oct. 12 and is ongoing. Additionally, the shredded iceberg lettuce was used in a small number of prepared deli ring sandwiches. *Reason for Recall:* "FDA found the presence of *Listeria monocytogenes* in a routine random sample test."

Private Selection Extreme Moose Tracks Ice Cream is being recalled by **THE KROGER CO.**, Cincinnati, OH. The firm initiated recall began on Oct. 12 and is ongoing. The products were distributed to Kroger stores in Alabama, Georgia, Illinois, Indiana, Michigan, Missouri, Ohio, Kentucky, South Carolina, and Tennessee. The recall also includes Kroger stores in Illinois and Indiana that operate under the **JAY C, FOOD 4 LESS, OWEN'S, PAY LESS** and **SCOTT'S** banner names. *Reason for Recall:* "The products may contain peanuts not listed on the label."

Approximately 875-lbs. of center cut steaks are being recalled by **CHEF'S REQUESTED FOODS, INC.**, Oklahoma City, OK. The firm initiated recall began on Oct. 12 and is ongoing. The products were shipped to retail establishments in Arizona, California, Maryland, Ohio, and Texas. *Reason for Recall:* "The packages actually contain turkey filets, which contain the allergens wheat and soy."

Approximately 15,760-lbs. of frozen chicken and steak fajita products are being recalled by **PHIL'S FRESH FOODS, INC.**, Boulder, CO. The firm initiated recall began on Oct. 13 and is ongoing. The products were distributed to retail establishments nationwide. *Reason for Recall:* "The products were recalled due to misbranding, as the chicken fajita packages may contain steak, and the steak fajita packages may contain chicken."

Ready-to-eat, seasoned beef and shredded pork products are being recalled by **E-Z SHOP KITCHENS, INC.**, Fremont, OH. The firm initiated recall began on Oct. 14 and is ongoing. All of the products were distributed to retail and institutional customers in Illinois, Indiana, Michigan, Ohio and West Virginia. *Reason for Recall:* "The products were produced without the benefit of federal inspection."

ENFORCEMENT REPORT FOR OCT. 12

Multiple **Prolab Pure Whey, Advanced Pure Whey and Whey Isolate products**, manufactured by **NATURE'S PRODUCTS, INC.**, Sunrise, FL, are being recalled by **NATROL INC.**, Chatsworth, CA. The FDA-initiated recall began on Sept. 7 and is ongoing. The products were distributed nationwide and internationally. *Reason for Recall:* "Products contain the allergen wheat, however wheat is not declared on the product label."

Multiple ready-to-eat sandwiches are being recalled by **QUICK FOOD CO.**, Ferndale, MI. The FDA initiated recall began on Aug. 3 and is ongoing. The products were distributed in Michigan. *Reason for Recall:* "Wheat is used as an ingredient and is not declared on the ingredient declaration. Yellow #5 is used in the pepper rings and is not identified as the ingredient declaration."

SunnyBoy Creamy Peanut Butter is being recalled by **SUNSHINE PEANUT CO.**, Jacksonville, FL. The FDA initiated recall began on July 26 and is ongoing. The products were distributed in New York. *Reason for Recall:* "The product contains elevated levels of aflatoxins."

Medina Brand Red Cherry Mamey, Egg Shade 6% Product and Egg Shade 4% Product are being recalled by **MEDINA BAKING & POWDER PRODUCTS, INC.**, Miami, FL. The FDA initiated recall began on Dec. 17, 2010 and is ongoing. The products were distributed in Florida. *Reason for Recall:* "The product contains undeclared color - FD&C Yellow # 6, FD&C Red # 3, and FD&C Red # 40."

Narala Bakery brand HALAL PLAIN CAKE and HALAL FRUIT CAKE are being recalled by **NARALA BAKERY INC.**, Brooklyn, NY. The New York initiated recall began on May 20 and is complete. The products were distributed in New York, NY. *Reason for Recall:* "The product was found to contain undeclared eggs based on sampling, analysis and inspectional findings by **NEW YORK STATE DEPARTMENT OF AGRICULTURE & MARKETS**."

MARKETS

PRODUCE

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CANTALOUPE - Dirty equipment and processing errors are being blamed for the recent cantaloupe listeria outbreak. For more details, see page 9.

BANANAS - Banana markets are weakening worldwide as a result of economic turmoil. "It would be an understatement to say that the outlook for the banana business over the next year or so is uncertain," according to **BB&T CAPITAL MARKETS** analyst Heather Jones. **CHIQUITA BRANDS INTERNATIONAL INC.** in particular "is wrestling with a number of factors over which it has little control including an increasingly fragmented EU banana market, severe economic turmoil ... currency depreciation and the very real possibility that the latter two factors could worsen considerably from already very challenging conditions," noted the analyst, reported *The Packer Online* (Oct. 14). While Europe's banana markets improved slightly in recent weeks, that development has been overshadowed by the euro's sharp decline. "We believe 2012 may, unfortunately, be impacted by several significant deleterious factors, as well," noted Ms. Jones.

APPLES - East Coast and other locally grown apples draw in consumers and sellers despite marketing efforts for more

SELECTED U.S. IMPORTS OF FRESH FRUITS, JANUARY 1 - AUGUST 31, 2011

(Source: Bureau of Census)

Commodity	Pounds (1,000)	% Chg. Last Yr.
Bananas	6,221,616	2.1%
Plantains	401,300	1.1%
Pineapples	1,231,425	0.1%
Avocados, Hass	495,068	5.6%
Oranges, NESOI	136,248	-10.9%
Tangerines	8,466	-12.9%
Mand., Sats., Clem., Wilk.	27,761	15.1%
Grapefruit	12,767	-8.3%
Lemons	51,501	25.3%
Limes	58,223	-14.6%
Seedless Watermelons	205,824	81.6%
Watermelons	27,199	-53.4%
Cantaloupes	879,581	10.2%
Melons, NESOI	269,139	7.0%
Papayas	242,257	-6.1%
Apples	284,585	-27.6%
Sweet Cherries	24,314	32.2%
Peaches	42,759	-5.4%
Nectarines	51,448	0.6%
Plums & Sloes	30	-38.5%
Strawberries	188,262	14.5%
Raspberries	24,382	19.8%
Cultivated Blueberries	125,669	21.5%
Kiwi Fruit	96,406	-0.1%

Commodity	Source	Movement	Trading	Prices	Details
Apples	Yakima Valley & Wenatchee District, WA	↑	Active	Red Delicious and Gala	Washington Extra Fancy carton tray pack Red Delicious 72s mostly 26.00, fine appearance 28.00; 80s mostly 26.00, fine appearance 26.00-28.00; 88s 24.00-26.00, fine appearance 26.00-28.00, 100s mostly 22.00, fine appearance 22.00; 113s mostly 20.00, fine appearance 22.00; 125s 20.00, fine appearance 20.00-22.00. Golden Delicious 72-80s mostly 22.00-24.00, fine appearance 26.00-28.00; 88s 20.00-22.00, fine appearance 26.00-28.00; 100s 18.00-20.00, fine appearance 20.00-22.00; 113-125s 16.00-18.00, fine appearance 20.00-22.00. Gala 72-88s 26.00, fine appearance 26.00-28.00; 100s 20.00, fine appearance mostly 22.00; 113s 18.00, fine appearance 20.00-22.00; 125s 18.00, fine appearance 20.00-21.00. Harvest continues in full swing. Quality excellent.
				100-125s and Golden Delicious	100s slightly lower, others generally unchanged.
Avocados	Mexican Crossing Thru TX	↑	Moderate	48s lower, 32s and 36s higher, others generally unchanged.	Cartons 2 layer Hass 32s mostly 32.25-33.25, 36s mostly 33.25-34.25, 40s mostly 34.25-36.25, 48s mostly 25.25-26.25, 60s mostly 20.25-21.25, 70s mostly 19.25 and 84s mostly 18.25-19.25. Extra services included.
Cucumbers	Mexican Crossing Thru CA	Same	Early fairly slow, late moderate	Same	1 1/9 bushel cartons medium 16.95, medium fair quality 12.95-14.95, medium ordinary quality mostly 7.95-8.95, large 10.95-12.95; cartons 36s mostly 8.95-9.95. Quality variable.
				Long Seedless	Long Seedless lower, others slightly higher.
	Mexican Crossing Thru AZ	↑	Long Seedless slow, others active		1 1/9 bushel cartons medium mostly 16.95, medium fair quality mostly 14.95, small mostly 12.95, large 12.95-14.95. Cartons film wrapped Long Seedless GREENHOUSE 12s mostly 6.00, 16s mostly 6.00-6.50. Quality variable.

Commodity	Source	Movement	Trading	Prices	Details
Honeydews	Palo Verde Valley, CA and Central and Western AZ	↑	Early very active, late active	↑	2/3 cartons 5s 7.00-8.00, 6s mostly 7.50-8.00. Oversized 2/3 cartons 5s (4 size) mostly 7.00-7.50. Quality generally good.
Lettuce, Romaine	Salinas / Watsonville District, CA	Same	Early very active, late active	24s slightly lower, Hearts generally unchanged.	Cartons 24s mostly 9.95-11.50; Hearts 12-3 count packages mostly 11.45-13.05, 48s mostly 12.45-14.05. Quality variable.
Oranges	South & Central District, CA	Same	Moderate	Same	Valencia Shippers First Grade 48-56s mostly 12.63-14.75, 72-88s 12.63-13.75, 113s mostly 12.63-13.25, 138s mostly 12.13-12.75; Shippers Choice 48-72s mostly 10.63-11.75, 88s mostly 11.13-12.75, 113s mostly 11.63-12.75, 138s 11.13-12.25; ORGANIC 7/10 bushel cartons Valencia Shippers First Grade 56-72s mostly 16.55-18.65, 88s mostly 15.55-18.65.
Tomatoes	Mexican Crossing Thru CA	Same	Moderate	Same	Prices 4x4-4x5s lower, others generally unchanged. Cartons/flats 2 layer Vine Ripes GREENHOUSE 4x4-4x5s mostly 10.95, 5x5-5x6s 7.95-8.95. Quality generally good.

widely distributed varieties. Consumers are drawn to locally grown apples for both flavor and cost, over varieties grown in other states, as markets make local produce more available, reported *The Packer Online* (Oct. 14). Local support should continue to pick up momentum, according to Jamie Williams, president of **TURKEY KNOB APPLES INC.**, the marketing arm of **BOWMAN FRUIT SALES LLC.** "WAL-MART has been a big supporter of that and some other larger chains are jumping on board with it. People are looking for ways to get more locally grown product in their stores. Virginia had a big push on that with its 'Buy Fresh Buy Local' program," noted the executive.

LETTUCE - Lettuce has been more plentiful than profitable, as prices slump for lettuce and leafy greens. Even though grow-

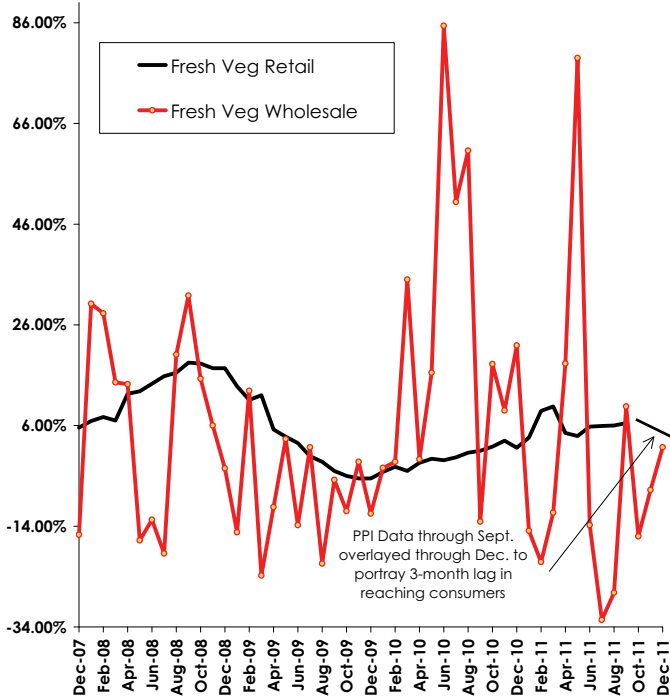
ing conditions on California's Central Coast have been favorable, marketers claim the recession cut consumer demand and prices earned by farmers remained flat, even as farmers diversify their lettuce offerings to include romaine, red leaf and green leaf lettuce, reported *California Farm Bureau Federation* (Oct. 19).

KIWIFRUIT - California's organic kiwifruit crop sales remain strong despite the recession. Organic kiwifruit makes up 15% of the market, and some suggest that the organic category as a whole has grown, with a potential to grow more, reported *The Packer Online* (Oct. 14).

Meanwhile, grower-shippers reported strong demand for a

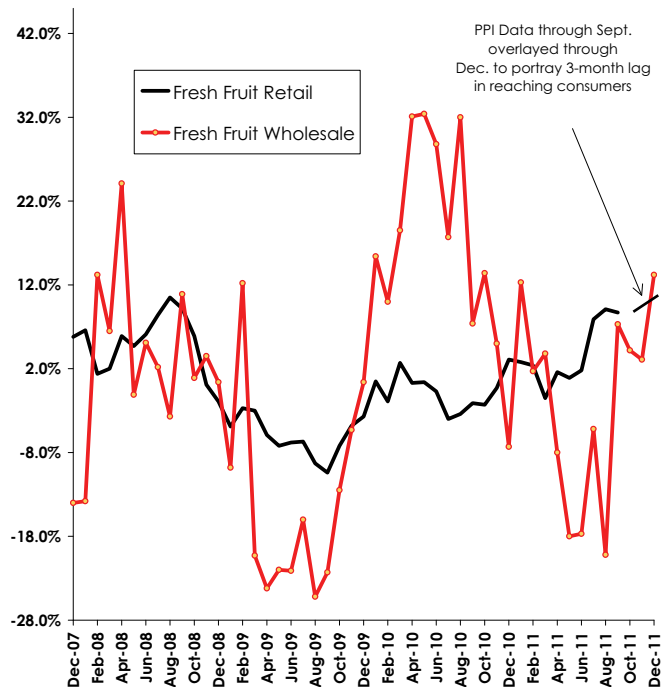
FRESH VEGETABLES

(Source: Food Institute analysis of Bureau of Labor Statistics data)



FRESH FRUIT

(Source: Food Institute analysis of Bureau of Labor Statistics data)



high-quality California kiwifruit crop as the deal ramped up to its November peak. **WESTERN FRESH** expects to ship 10% to 15% more kiwifruit from California this season than in 2010, reported *The Packer Online* (Oct. 19).

GARLIC (CHINA) - THE DEPARTMENT OF COMMERCE is conducting an administrative review of the antidumping duty order on fresh garlic from China covering the period of review of Nov. 1, 2009, through Oct. 31, 2010.

GRAPES (CHILE) - Grape growers from Chile's Northern Atacama region will ship fruit this year under a new label, FreshAtacama. Under a pilot program, about 500,000 cases of grapes grown in Atacama's Copiapo and Huasco valleys will be shipped under the label. Harvests in the Atacama region are expected to start in the second week of November, reported *The Packer Online* (Oct. 17).

SOUTH KOREA - In 2010, South Korea's fresh fruit and vegetable imports rose significantly due to improvements from the economic downturn of the previous year, noted **FAS**. Fresh fruit imports from the U.S. were worth \$205 million, up 56% from the previous year, with the U.S. maintaining dominant market shares for citrus and fresh cherries. Fresh vegetable imports were relatively small, amounting to \$10 million.

POTATOES (JAPAN) - Japan became the third largest export destination for U.S. fresh potatoes after the U.S. secured a one-month extension in Japan's allowable shipping season and the approval of an additional chipping plant, noted **FAS**.

CANNED VEGETABLES

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ASPARAGUS - Private label 24 packs of 15-oz. cases of cut and tip canned asparagus is selling for around \$19.95, f.o.b. Midwest. 12 pack cases of 15-oz. whole asparagus is selling around \$20.95, f.o.b. Midwest. 6/10 cases are selling for around \$39.95, f.o.b. Midwest.

BEETS, SLICED - Private label 24/300 prices of sliced canned beets are selling for around \$12.00, f.o.b. Midwest. Foodservice 6/10 cases are being seen at \$20.00 and up due to several processors using allocation, f.o.b. Midwest.

CARROTS - Private label prices of canned 24/300 cases of sliced carrots are selling for between \$11.75 and \$12.00, f.o.b. Midwest. Foodservice 6/10 cases of sliced or diced are selling for between \$18.50 and \$19.50, f.o.b. Midwest.

CORN, WHOLE KERNEL - Private label prices of canned 24/300 cases of whole kernel corn are being seen around \$11.75, f.o.b. Midwest. Foodservice cases of 6/10 sizes are selling between \$20.50 and \$21.50, f.o.b. Midwest.

CORN, CREAMED - Private label 24/300 creamed corn are selling around \$12.00, f.o.b. Midwest. Foodservice cases of 6/10 sizes are selling for between \$20.00 and \$20.75, f.o.b. Midwest.

GREEN BEANS - Private label pricing for 24/300 Fancy Cut 4s and French-cut is between \$11.50 and \$12.00, f.o.b. Midwest. For 6/10 cases, fancy cut 4s are selling between \$20.50 and

\$21.50, f.o.b. Midwest.

MIXED VEGETABLES - Private label prices of canned 24/300 mixed vegetables are around \$12.50, f.o.b. Midwest. Prices for foodservice 6/10 cases of mixed vegetables are being seen between \$22.00 and \$24.00, f.o.b. Midwest.

MUSHROOMS - Domestic cans of mushroom pieces and stems in 68-oz. 10/10 cases are around \$40.00 to \$45.00, f.o.b. California, while imports are being seen between \$38.00 and \$40.00.

PEAS - Private label prices of 24/300 cases of fancy canned peas are selling around \$15.00, f.o.b. Midwest. Prices for foodservice 6/10 cases of canned peas are between \$23.50 and \$25.50, f.o.b. Midwest.

PEAS & CARROTS - Private label prices of 24/300 cases of canned peas are selling for between \$15.00 and \$16.00, f.o.b. Midwest. Foodservice sizes are around \$22.00, f.o.b. Midwest.

POTATOES - Retail sizes of whole canned potatoes are selling for between \$12.00 and \$13.00, f.o.b. Midwest, while sliced and diced are around \$12.00. Foodservice sizes of sliced and diced potatoes are between \$18.50 and \$19.50, while 90-110 whole are between \$28.00 and \$29.00, f.o.b. Midwest.

PUMPKIN - Private label 24/300 cases of canned pumpkin are between \$15.00-15.25, f.o.b. Midwest. Foodservice 6/10 cases are between \$29.80-\$29.90.

SAUERKRAUT - Private label 24/300 cases of sauerkraut are priced between \$12.75 and \$13.00, f.o.b. Midwest. Foodservice 6/10 cases are between \$18.00 and \$18.50, f.o.b. Midwest. Several processors are now on allocation.

SPINACH - Retail 24/300 chopped and whole spinach are selling for between \$11.00 and \$11.25, f.o.b. Midwest. Foodservice 6/10 cases of chopped spinach are being seen between \$19.00 and \$19.75, f.o.b. Midwest.

DRY-PACK BEANS - Retail 24/300 sizes of beans such as black-eyed, pinto and kidney are around \$12.00, with refried beans being around the \$12.25 mark, f.o.b. Midwest. 6/10 sizes of dark red kidney beans are between \$19.50 and \$20.50 while garbanzos are between \$18.50 and \$19.50, f.o.b. Midwest.

TOMATO PRODUCTS

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PROCESSOR NEWS...

H.J. HEINZ will close its processing plant in Stockton, CA on Dec. 2. The plant produces *Heinz Ketchup* and canned tomato products for the foodservice business, and production will move to Fremont, OH, Muscatine, IO and Escalon, CA facilities. Heinz continues to operate four factories in California in Chatsworth, Escalon, Irvine and San Diego areas, reported *News10.net* (Oct. 12).

**TOMATO PRODUCT IMPORTS
MARKETING YEAR 2011/12**

JUNE 1 - AUG. 31

(Source: Bureau of Census)

	Pounds (1,000)	% Chg. Last Yr.	Dollars (\$1,000)	% Chg. Last Yr.
Sauce, Containers 1.4 kg or more				
Canada	644	-11.9%	\$577	4.3%
Mexico	270	-55.8%	\$154	-59.5%
TOTAL	1,388	-18.4%	\$1,189	-6.6%
Sauce, Containers less than 1.4 kg				
Mexico	5,857	-32.8%	\$3,449	-22.5%
Dom. Rep.	3,711	11.3%	\$1,248	16.3%
TOTAL	11,347	-21.4%	\$6,981	-10.7%
Tomato-Based Prep. For Sauce less than 1.4 kg				
Italy	13,111	-0.5%	\$3,582	-0.7%
Canada	106	-11.2%	\$99	-32.2%
TOTAL	13,958	-0.6%	\$4,203	2.6%
Tomato-Based Prep. For Sauce, NESOI				
Italy	33,107	37.4%	\$11,812	53.2%
Canada	769	35.6%	\$719	17.9%
TOTAL	34,703	36.9%	\$12,931	50.1%
Ketchup				
Canada	18,840	-41.5%	\$10,785	-29.8%
TOTAL	19,267	-41.0%	\$11,072	-29.3%
Tomato Puree, Containers 1.4 kg or more				
Chile	-	n/a	\$0	n/a
TOTAL	455	26.0%	\$170	31.8%
Tomato Puree, Containers less than 1.4 kg				
Italy	453	-40.6%	\$222	-35.5%
TOTAL	455	-41.4%	\$224	-37.3%
Paste, Containers 1.4 kg or more				
China	333	-49.4%	\$121	-45.5%
Chile	-	-100.0%	\$0	-100.0%
TOTAL	347	-79.1%	\$135	-83.4%
Paste, Containers less than 1.4 kg				
Italy	1,280	224.9%	\$572	36.5%
TOTAL	1,902	22.1%	\$908	-10.1%

CANNED TOMATOES - Foodservice 6/10 standard whole peeled canned tomatoes are between \$13.00 and \$13.50, while choice 6/10 cans are more along the lines of \$14.00, f.o.b. Midwest.

Retail 24/300 size of whole tomatoes are selling for between \$10.75 and \$11.25, while 12/2.5 cans are selling for between \$9.00 and \$9.50, f.o.b. Midwest.

DICED TOMATOES - Foodservice sizes of diced tomatoes have been seen around \$14.50, f.o.b. Midwest. Retail 24/300 size of diced tomatoes are selling for between \$10.75 and \$11.25, while 12/2.5 cans are selling for between \$9.00 and \$9.50, f.o.b. Midwest.

55 Gal. Drums are selling between 19 and 21 cents per pound, and 300 Gal. Bins are between 17 and 19 cents per pound, both f.o.b. California.

SAUCE - Foodservice 6/10 canned tomato sauce is selling in the \$14.00 range, f.o.b. Midwest. Retail 48/8-oz. sizes are selling for between \$10.00 and \$11.00, f.o.b. Midwest.

PASTE - Retail size of canned tomato paste, 48-pack of 6-oz., is selling for between \$17.50 and \$18.50, f.o.b. Midwest. Foodservice sized cans of tomato paste, 6/10, is selling between \$22.00 and \$23.50, f.o.b. California.

Hot break 31% NTSS (Brix) paste in 55 Gal. drums are between 35 and 36 cents per pound, f.o.b. California, and 300 Gal. Bins are between 32 and 34 cents per pound, f.o.b. West Coast.

CALIFORNIA TOMATO DELIVERIES

(Source: PTAB)

1,000 Tons:		2011	YTD	2010	2009
Week	Ending	Week	Total	YTD Total	
July	9	---	---	---	245.1
July	16	70.7	70.7	57.6	950.1
July	23	402.4	473.1	448.5	1,937.1
July	30	609.2	1,065.5	1,245.7	3,020.3
Aug.	6	852.0	1,917.6	2,274.3	4,124.2
Aug.	13	1,021.1	2,938.7	3,313.0	5,248.7
Aug.	20	1,108.6	4,047.3	4,395.3	6,326.1
Aug.	27	1,106.9	5,154.2	5,499.2	7,371.4
Sept.	3	1,060.8	6,215.0	6,567.7	8,472.5
Sept.	10	1,066.5	7,281.6	7,607.9	9,530.3
Sept.	17	1,051.6	8,333.1	8,670.7	10,512.9
Sept.	24	1,013.1	9,346.2	9,688.4	11,442.0
Oct.	1	1,031.9	10,378.4	10,694.4	12,325.0
Oct.	8	586.8	10,965.2	11,519.3	12,924.2
Oct.	15	600.5	11,565.7	12,172.1	13,138.5
Oct.	22	387.8	11,953.5	12,297.0	13,254.5
Oct.	29	---	---	---	13,307.2
Nov.	5	---	---	---	13,313.1
TOTAL			12,200.0	12,297.0	13,313.1

a. Actual e. Estimated p. Projected

PUREE - Foodservice 6/10 canned tomato puree is selling between \$14.50 and \$15.50, f.o.b. California, and a Midwest source is seeing their product mostly around \$15.50.

TOMATO JUICE - Foodservice 12/46-oz. juice is selling for around \$13.00, f.o.b. Midwest.

KETCHUP - Foodservice 6/10 Fancy ketchup is being seen selling for around \$16.00, f.o.b. Midwest. A 16-pack case of 24-oz. size ketchup is selling for between \$11.00 and \$11.50, f.o.b. Midwest.

STEWED - Foodservice 6/10 stewed tomatoes are selling around \$18.50, f.o.b. Midwest. Retail size 24/300 stewed tomatoes are selling for between \$11.00 to \$11.50, while

**CANNED TOMATO IMPORTS
MARKETING YEAR 2011/12**

JUNE 1 - AUG. 31

(Source: Bureau of Census)

	Pounds (1,000)	% Chg. Last Yr.	Dollars (\$1,000)	% Chg. Last Yr.
Containers 1.4 kg or more				
Israel	5	-73.0%	\$15	-28.6%
Canada	340	-70.9%	\$198	-64.1%
Italy	1,235	50.1%	\$373	-8.6%
Turkey	748	-15.4%	\$219	-19.2%
TOTAL	2,620	-19.5%	\$993	-32.0%
Containers less than 1.4 kg				
Canada	1,369	-1.5%	\$498	16.4%
Mexico	388	-26.0%	\$187	-23.4%
Italy	181	-67.6%	\$107	-37.4%
TOTAL	1,949	-38.1%	\$817	-19.7%
Other Canned Tomatoes				
Italy	62	170.4%	\$71	61.4%
Canada	181	-33.3%	\$66	-50.7%
TOTAL	818	-6.7%	\$354	-14.9%
GRAND TOTAL	5,388	-26.0%	\$2,164	-25.3%

12/2.5 sizes are selling for between \$9.50 and \$10.00, f.o.b. Midwest.

PIZZA SAUCE - Foodservice 6/10 pizza sauce is selling around \$17.00, f.o.b. Midwest. Retail 24/300 size pizza sauce is selling around \$10.00, f.o.b. Mid-Atlantic.

FROZEN VEGETABLES

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USDA OFFERS TO BUY FROZEN VEGETABLES

Offers Due By Oct. 27, 2011

Shipments between Dec. 1, 2011 - Feb. 15, 2012

	Case Size	Cases
Carrots	30-lb.	55,440

For more information contact USDA at 202-720-4517.

BROCCOLI - Foodservice 12/2-lb. sizes of broccoli spears are selling for between \$16.50-17.00, while foodservice IQF florets are selling for between 90 and 95 cents per pound, f.o.b. Midwest. Foodservice cut broccoli is selling for around 55 cents per pound, and chopped is between 55 and 62 cents per pound, all prices f.o.b. Northeast. Industrial sizes of frozen broccoli florets are running in the low 60s cents per pound, f.o.b. Southwest. Industrial broccoli stalks are between the low to high 20 cents per pound.

BRUSSELS SPROUTS - Foodservice 12/2.5-lb. cases of frozen Brussels sprouts are selling for around \$1.00 per pound, f.o.b. East Coast.

CAULIFLOWER - Foodservice sizes of domestic cauliflower florets are selling for between 90 and 95 cents per pound, f.o.b. Northwest, with a Midwest source seeing 95 cents per pound.

CARROTS - Retail 12/16-oz. size of sliced carrots can be found around \$8.50, f.o.b. Midwest. Foodservice 12/2.5-lb. diced and sliced carrots are between 58 and 60 cents, with 20-lb. sliced and diced being seen between 56 and 58 cents per pound, f.o.b. Midwest. Carrots are short.

COLLARDS - Domestic IQF collard greens have been stable around 75 cents per pound, f.o.b. East Coast.

USDA NEWS...

AMS revised the U.S. Standards for grades of frozen okra. The grade standards for frozen okra were changed from a "variables score point" system to an "individual attributes" grading system. The "dual grade nomenclature" was also replaced with single letter grade designations, and editorial changes were made.

CORN - Cut corn in 12/16-oz packs are priced around \$9.50 to \$10.00, f.o.b. Midwest. 12/2.5-lb. cases are being seen between 70 and 75 cents, f.o.b. Northwest. 20-lb. cartons are being seen between 68 and 73 cents, f.o.b. Midwest. The 1,600-lb. totes of frozen corn are selling for no less than 48 cents per pound, noted a Northwest source.

COB CORN - 12/4 packs of cob corn are in the low \$14.00 range, f.o.b. Northwest. 12/6 packs are selling between

\$14.70 and \$15.00, f.o.b. Midwest. 96-ear grade A cob corn is selling for between \$16.00 and \$17.00, f.o.b. Midwest. Those in the industry are expecting a shortage on cob corn later this year.

GREEN BEANS - Retail size 12/16-oz cut and French cut green bean packs are priced around \$9.75, f.o.b. Midwest. Retail whole green beans are around \$14.00, f.o.b. Midwest. Foodservice 12/2-lb. sizes are between 75 and 78 cents per pound while 20-lb. cartons are being seen between 73 and 76 cents, f.o.b. Midwest. Inventories are very tight.

LIMA BEANS - Retail size 12/16-oz. frozen lima beans are being seen between \$14.10 and \$14.85, f.o.b. Midwest.

MIXED VEGETABLES - Retail size 12/16-oz. 5-way mixed vegetables are being seen between \$9.40 and \$9.50, f.o.b. Midwest. Foodservice 12/2.5-lb. sizes are being seen between 65 and 70 cents per pound, f.o.b. Midwest. 20-lb. cases are being seen between 59 and 60 cents per pound, f.o.b. Midwest.

OKRA - 1/20-lb. cases of cut okra are selling around 90 cents per pound, f.o.b. East Coast. Industrial sizes are being seen in the upper 40s, and supplies are not as tight as other items, f.o.b. South.

ONIONS - 30-lb. cases of 3/8-in. frozen onions are selling in the low-50 cents per pound, while 12/2.5-lb. sizes of pearl onions are selling around \$1.00 per pound, both f.o.b. East Coast. 12/12-oz. bags of chopped onions are stable between \$5.40 and \$5.80, f.o.b. Midwest.

SELECTED FROZEN VEGETABLE IMPORTS JANUARY 1 - AUGUST 31, 2011

(Source: Bureau of Census)

Item	Pounds (1,000)	% Chg. Last Yr.	Dollars (\$1,000)	% Chg. Last Yr.
Peas	30,116	-7.6%	\$14,668	-2.3%
Canada	17,490	9.7%	\$8,103	-1.5%
Whole Green Beans	21,299	-5.6%	\$10,788	-1.6%
China	7,225	-48.0%	\$3,670	-42.6%
Cut Green Beans	26,528	31.6%	\$12,930	28.4%
Canada	22,593	34.1%	\$11,300	23.8%
Sweet Corn	28,204	-8.6%	\$14,503	-9.6%
Canada	21,818	-2.6%	\$10,176	-9.1%
Mushrooms	22,885	167.3%	\$12,824	134.1%
Netherlands	19,441	332.6%	\$9,222	345.8%
Brussels Sprouts	25,013	26.4%	\$10,603	18.4%
Belgium	17,201	65.4%	\$6,647	61.5%
Okra	29,638	87.9%	\$9,676	78.3%
Guatemala	25,919	119.9%	\$8,036	111.4%
Asparagus	9,470	15.5%	\$10,161	30.5%
Peru	4,749	-1.0%	\$5,745	14.0%
Broccoli Spears	36,492	21.2%	\$16,867	30.2%
Guatemala	14,604	69.5%	\$6,055	68.3%
Cauliflower	51,223	7.1%	\$20,967	5.2%
Mexico	32,774	-10.2%	\$15,525	-6.0%
Mixed Vegetables	93,307	5.2%	\$51,381	7.5%
Mexico	49,635	5.2%	\$29,304	7.0%
French Fries	956,375	2.1%	\$390,051	3.0%
Canada	953,129	2.3%	\$388,603	3.1%
Frozen Potatoes	113,825	8.2%	\$56,572	8.1%
Canada	109,165	6.6%	\$54,267	6.1%
Bamboo Shoots	2,659	-29.9%	\$1,526	-22.9%
Beans, Prepared	5,752	-32.5%	\$4,682	-23.1%

PEAS - Frozen peas in 12/16-oz. poly bags are priced around \$14.00, f.o.b. Midwest. 12/2.5-lb. cases are priced between 78 and 85 cents per pound while 20-lb. cartons are being seen between 76 and 83 cents, f.o.b. Midwest. Totes are being seen between 48 and 50 cents, f.o.b. Northwest. Frozen pea inventories are short and tight.

PEAS & CARROTS - Foodservice 12/2.5-lb. are selling between 63-66 cents per pound, and 20-lb. cases are between 57 and 59 cents per pound, all f.o.b. Northwest.

PEPPERS - Frozen pepper strips in totes are being seen in the low 60s, f.o.b. South.

POTATOES - Diced redskin potatoes in 4/5-lb. sizes and diced all purpose potatoes in 6/5-lb. sizes are between 71 and 75 cents, f.o.b. Northwest.

SQUASH - Industrial size of crinkle-cut frozen yellow squash are selling for between 45 and 49 cents per pound, with a penny more per pound for sliced yellow squash, f.o.b. Southwest. Industrial sizes of frozen zucchini are between 42 and 45 cents per pound.

SPINACH - Retail 12/16 packs are being seen around \$12.50, f.o.b. Midwest. IQF chopped spinach in 12/2-lb. cases are being seen between 75 and 78 cents per pound, while 12/3-lb. wet pack chopped spinach is being seen between 65 and 68 cents per pound, f.o.b. East Coast.

CANNED FRUITS

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SELECTED CANNED/GLASS FRUIT IMPORTS - JANUARY 1 - AUGUST 31, 2011

(Source: Bureau of Census)

	Pounds (1,000)	% Chg. Last Yr.	Dollars (\$1,000)	% Chg. Last Yr.
Apricots - NESOI				
China	1,185	11.2%	\$447	11.0%
TOTAL	1,413	3.7%	\$841	14.1%
Satsumas- Sugared				
China	56,444	-8.2%	\$30,677	-5.3%
TOTAL	56,735	-9.7%	\$30,884	-6.5%
Satsumas- NESOI				
China	31,975	37.3%	\$16,422	63.8%
TOTAL	31,975	37.3%	\$16,422	63.8%
Mandarins & Satsumas - NESOI				
China	201,511	16.7%	\$134,733	54.6%
TOTAL	201,797	16.5%	\$134,982	54.2%
Mandarins & Tangerines- NESOI				
China	19,158	-14.2%	\$9,471	26.3%
TOTAL	19,185	-14.2%	\$9,505	26.2%
Pears - NESOI- Less Than 1.4 Kg				
China	12,992	-34.5%	\$10,892	-30.5%
TOTAL	14,394	-36.5%	\$12,333	-33.1%
Pears - NESOI - 1.4 Kg Or More				
China	22,343	-4.7%	\$7,056	18.0%
TOTAL	23,160	-4.3%	\$7,315	15.8%
Pineapples - Sugared				
Thailand	38,727	29.9%	\$20,832	47.2%
TOTAL	70,867	0.6%	\$35,292	20.3%
Pineapples - NESOI				
Thailand	212,001	16.7%	\$104,841	40.7%
Philippines	108,946	7.4%	\$46,112	14.9%
TOTAL	444,617	13.6%	\$204,993	33.9%

APPLES - Sliced apples in 6/10 containers are being seen around \$28.00, f.o.b. MI. Canned applesauce in 6/10 sizes is around \$19.50, f.o.b. MI.

APRICOTS - 6/10 sizes of Apricot Halves Unpeeled in Light Syrup are around \$29.00, f.o.b. CA.

CRANBERRY SAUCE - Canned cranberry sauce is priced between \$18.00 and \$20.00 for 24/300s, ex-dock NJ.

FRUIT COCKTAIL - 6/10 sizes of Fruit Cocktail in Light Syrup are around \$29.50, f.o.b. CA.

FRUIT MIX - 6/10 sizes of Fruit Mix in Light Syrup are around \$27.50, f.o.b. CA.

PEACHES - 6/10 Sliced Peaches in Light Syrup are around \$26.25, f.o.b. CA.

Cling peach production is far less concentrated in Greece than in the U.S., noted **FAS**. Cling peaches are grown on approximately 23,900 hectares in six territories in Northern Greece. There are about 17 peach processors in Greece, compared to four in the U.S. Marketing year (MY) 2011/12 Greek cling peach production is estimated at 330,000 metric tons (MT), significantly down from last year's 400,000 MT, due largely to the uprooting of peach trees as growers switched to other crops. An estimated 320,000 MT of the MY 2011/12 crop was harvested and sold to canners and other processors, with the remainder sold for fresh consumption. The Greek canned peach industry depends on domestic fresh peach production for all of its raw material.

Of the 330,000 MT of cling peaches harvested and bought by processors, the industry will can 180,000 MT, puree 90,000 MT, dice 30,000 MT, and freeze 20,000 MT. MY 2008/09 was the first year in which production exceeded demand due to increased export competition from China. In MY 2009/10, processors adjusted by limiting purchases of raw material and reducing prices. In MY 2011/12, Greece is expected to work off burdensome stocks due to improved demand as well as reduced competition from China. The Greek industry is expected to stabilize at its current level while cling peach production will decline. Greece is the largest exporter of canned peaches in the world, accounting for over one-third of global canned peach exports. Most (about 76%) of Greek canned peach exports are destined for other EU countries.

Cling Peach Production and Processing

(Source: FAS)

Metric Tons	2009/10	2010/11	2011/12*
Production	450,000	400,000	330,000
Procured	280,000	390,000	320,000
Canned	160,000	180,000	180,000
Juiced	80,000	150,000	90,000
Diced	20,000	30,000	30,000
Frozen	20,000	30,000	20,000

* Final estimates will be released by the end of October and may differ by 2-3 %

U.S. IMPORTS OF CANNED PEACHES, JAN. 1 - AUG. 31, 2011

(Source: Bureau of Census)

	Pounds (1,000)	% Chge. Last Yr.	Dollars (\$1,000)	% Chge. Last Yr.
Peaches, Less Than 1.4 kg.				
China	29,863	-21.5%	\$22,632	-4.5%
Greece	14,929	-21.8%	\$12,767	7.1%
Thailand	1,705	23.9%	\$2,248	86.4%
Total	53,003	-21.3%	\$43,689	0.3%
Peaches, More Than 1.4 kg.				
China	18,964	-38.8%	\$6,565	-32.3%
Greece	11,638	135.6%	\$3,707	172.6%
Total	31,804	-18.6%	\$11,128	-11.0%
GRAND TOTAL	84,807	-20.3%	\$54,817	-2.2%

PEARS - 6/10 Pears in light syrup are around \$27.50, f.o.b. CA.

PINEAPPLE - Prices for 6/10 standard Tidbit in natural juice is around \$19.15 while price of 24/20-oz. in natural juice is at \$17.65 a case, ex-dock East Coast.

PROCESSED FISH

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INDUSTRY NEWS...

TARGET CORP. committed to selling only sustainable and traceable seafood in its stores by 2015. The initiative will be achieved through a partnership with **FISHWISE** and continued engagement with industry and vendor partners, and will apply to all of Target's fresh and frozen seafood products.

TUNA - Prices for Chunk White tuna in 48/6-oz. containers are between \$50.00-\$55.00 per case, \$50.00-\$60.00 for Solid White, \$32.00-\$36.00 for Skipjack, all prices are delivered private label imported.

U.S. IMPORTS OF CANNED TUNA JAN. 1 - AUG. 31, 2011

(Source: Bureau of Census)

	Pounds (1,000)	% Chg.	Dollars (\$1,000)	% Chg.
Tuna & Skipjack, In Oil, In Foil/Other Flexible Containers, <6.8-kg.				
Ecuador	2,874	-26.7%	\$7,048	-23.2%
Total	3,090	-23.2%	\$7,644	-19.7%
Tuna, Albacore, In Oil, NESOI				
Ecuador	380	138.9%	\$1,185	165.7%
Total	735	6.7%	\$2,557	40.3%
Tuna & Skipjack, In Oil, NESOI				
Mexico	2,721	-10.3%	\$4,577	4.6%
Total	6,480	26.3%	\$11,551	45.7%
Tuna, Albacore, Not In Oil, In Foil/Other Flexible Container, <6.8-kg.				
Thailand	2,727	2.5%	\$7,476	8.5%
Total	6,225	-16.7%	\$15,997	-16.7%
Tuna, Albacore, Not In Oil, NESOI				
Thailand	12,590	-26.7%	\$29,291	-19.9%
Total	27,535	-15.4%	\$62,256	-7.6%
Tuna & Skipjack, Not In Oil, Not in Airtight Containers, >6.8-kg.				
Thailand	40,188	-3.5%	\$84,429	17.3%
Total	92,765	-5.6%	\$166,376	5.0%
Other Tuna & Skipjack, Not In Oil, In Airtight Containers				
Thailand	114,223	-11.4%	\$167,437	5.7%
Total	197,176	-2.4%	\$285,273	18.0%
Grand Total	512,579	-7.0%	\$860,941	7.2%

SALMON - Prices for private label canned salmon are between

\$54.00 - \$56.00 for Red, 24/Halves (7.5-oz.), \$85.00 - \$95.00 for Red, 24/Talls (14.75-oz.), \$25.00 - \$30.00 for Pink, 24/Halves (7.5-oz.) and \$45.00 - \$50.00 for Pink, 24/Talls (14.75-oz.), f.o.b. Seattle, WA.

SHRIMP - Canned shrimp prices for tiny shrimp are between \$20.00 - \$24.00, \$32.00 - \$36.00 for imported medium and \$38.00 - \$43.00 for imported medium deveined, while small deveined are around \$33.00-\$35.00, ex-warehouse New York.

ANTI-DUMPING NEWS...

The **DEPARTMENT OF COMMERCE** is amending the final results of the fifth administrative review of the antidumping duty order on certain frozen warmwater shrimp from Vietnam to correct certain ministerial errors. Based upon the Department's analysis of the comments and allegations of ministerial errors, the Department made changes to the margin calculation for **CAMIMEX** and the **MINH PHU GROUP** and revised the margins for the companies granted separate rate status ... The Department is also extending the time limit for the preliminary results of the administrative review of the antidumping duty order on certain frozen warmwater shrimp from Vietnam by 90 days, until Jan. 30.

CRABMEAT - Prices for 12/6-oz. canned crabmeat is around \$40.00 - \$43.00 for Lump. White crabmeat is priced around \$18.00 - \$22.00 and pink crabmeat is \$15.00 - \$17.00, ex-warehouse New York.

CLAMS - Whole baby clams in 12/10-oz. cases are priced between \$16.00- \$18.00, ex-warehouse New York.

MACKEREL - Canned mackerel from Chile/Ecuador is priced between \$32.00- \$36.00 for 24/15-oz., ex-warehouse New York.

NEW PRODUCT NEWS...

CROWN PRINCE SEAFOOD released a line of easy-open and eco-friendly sardine pouches that will be available this month in **WAL-MART, KROGER, DILLONS, KING SOOPERS** and **CITY MARKETS**. The product line featuring wild-caught sardines from Thailand will be offered in four varieties; soy bean oil, spring water, hot sauce, mustard.

OYSTERS - Prices for 12/8-oz. whole oysters are around \$19.00-\$20.00, while 24/3.75-oz. smoked oysters are between \$28.00-\$32.00, ex-warehouse New York.

USDA OFFERS TO BUY PROCESSED FISH

Offers Due By Oct. 21, 2011

Deliveries Between Dec. 1-31, 2011

	Case Size	Pounds
Frz. Alaska Pollock block	49-lbs.	1,199,520

For more information, contact USDA at (202)720-4517.

DRIED VEGETABLES

Analyst: Erica Dietsche 201-791-5570 ext. 219 erica.dietsche@foodinstitute.com

DRIED BEANS - Harvest wrapped up or is nearing completion in most every production area. Most states are reporting being 90% to 100% complete with harvest. Trading activity is light to moderate in the dealer market. Most movement is being

reported on previously contracted beans. Most market participants are waiting for harvest to reach completion before further engaging in the market.

DRIED BEAN PRICES

Per cwt. f.o.b. area indicated

	Current Week	Year Ago
Pinto		
Colorado	\$43.00 - \$45.00	\$19.00 - \$20.00
North Dakota	Not Established	\$17.00 - \$19.00
Great Northern		
Nebraska	\$42.00	\$25.00
North Dakota	\$40.00 - \$42.00	V. Ltd. \$20.00
Light Red Kidney		
Wisconsin	\$51.00	\$39.00 - \$40.00
Nebraska	\$50.00	\$30.00 - \$32.00
Michigan	Not Established	\$30.00 - \$33.00
Dark Red Kidney		
Michigan	Not Established	Not Established
Minnesota	\$52.00 - \$55.00	\$32.00 - \$33.00
Pink		
Idaho	\$45.00	\$24.00 - \$25.00
Small Red		
Idaho	\$45.00	\$24.00 - \$25.00
Black		
Michigan	\$49.00	Not Established
North Dakota	\$45.00	\$20.00 - \$22.00
Pea Beans		
Michigan	\$49.00	\$24.00 - \$26.00
Garbanzos		
Washington	\$48.00 - \$50.00	\$28.00 - \$31.00

PEAS AND LENTILS - Idaho/Washington: Trading activity is moderate with good demand. Split Green peas were steady to firm. Whole Green Peas, Austrian, Winter Peas, Brewer Lentils, and Pardina Lentils were steady. Yellow Peas were not established. **North Dakota/Montana:** Trading activity is moderate with good demand. Whole Green Peas, Whole Yellow Peas, and Richlea Lentils were not established.

DRIED PEA AND LENTIL PRICES

Per cwt. (f.o.b.)	Current Week	Year Ago
Green Split Peas	\$28.00 - \$30.00	\$18.75 - \$20.50
Green Whole Peas	\$22.00 - \$23.50	\$16.00 - \$17.00
Yellow Split Peas	Not Established	Not Established
Yellow Whole Peas	Not Established	Not Established
Lentils	\$44.00 - \$45.00	\$39.00 - \$40.00
Pardina	\$38.00 - \$42.00	\$36.00 - \$38.00

CALIFORNIA BEANS - Markets began to pick up as harvest progressed. More inquiries about pricing are being reported. The markets are unsettled at the moment as dealers and growers work to agree on pricing. Baby Limas, Large Limas, Blackeyes, and Garbanzos were not established.

DRIED FRUITS & NUTS

Analyst: Elizabeth Seise 201-791-5570 ext. 224 elizabeth.seise@foodinstitute.com

ALMONDS - Prices for 23/25 Nonpareil Supreme almonds are between \$2.40 - \$2.45 per pound, f.o.b. California.

BRAZIL NUTS - Brazil nuts are priced at \$3.95 per pound. Medium Brazil nuts are priced at \$5.50 per pound, ex-warehouse New Jersey.

CASHEWS - Prices for 240s are \$4.75 per pound, while 320s are priced at \$4.50 per pound, ex-warehouse New Jersey.

HAZELNUTS - Turkish naturals are priced at \$3.50 per pound, ex-warehouse New Jersey.

MACADAMIAS - Macadamia nuts style 2 are priced at \$8.25 per pound. Style 4 Macadamia nuts are priced at \$8.00 per pound, ex-warehouse New York.

PEANUTS - Peanuts from China are priced at \$1.45 to \$1.55 per pound, ex-warehouse New Jersey.

Harsh, dry weather, fewer planted acres and supply and demand joined forces to bring Georgia peanut farmers the highest prices in two decades for their crop. Prices for this year's crop, which is almost half harvested, are running as high as \$1,000 per ton, reported *Southeast Farm Press*.

PECANS - Fancy mammoth halves and junior mammoths are priced around \$7.00-\$7.10 per pound f.o.b. source.

PINE NUTS - Pine nuts out of China in a medium size, 950 ct. are quoted at \$8.25. Large Chinese pine nuts at 650 ct. are priced at \$8.95. Turkish fancy pine nuts are priced at \$22.50 per pound.

PISTACHIOS - Roasted and salted Turkish pistachios are priced at \$6.25 per pound, f.o.b. ex-warehouse New Jersey.

FDA NEWS...

FDA issued a guidance document for pistachio products, intended for manufacturers who use a pistachio-derived product as an ingredient in a food product. *For more details, see page 9.*

PUMPKIN SEEDS - Chinese peeled and cleaned Grade AA pumpkin seeds are priced at \$2.50 per pound. Mexican peeled pumpkin seeds are currently out of stock.

U.S. IMPORTS OF NUTS AND NUTMEATS, JAN. 1 - AUG. 31, 2011

(Source: Bureau of Census)

	Pounds (1,000)	% Chg. Last Yr.	Dollars (\$1,000)	% Chg. Last Yr.
Coconuts, Desiccated	61,255	15.1%	69,327	114.2%
Philippines	53,559	12.7%	61,805	111.4%
Brazil Nuts, Shelled	9,624	-31.7%	33,508	32.4%
Bolivia	6,901	-18.5%	23,621	45.9%
Cashews, Shelled	157,717	-9.5%	582,399	32.6%
Vietnam	68,648	-12.1%	252,079	29.5%
India	54,649	14.3%	201,348	59.4%
Brazil	26,352	-32.4%	101,779	8.5%
Cashews, Inshell	1,549	-48.6%	6,011	-33.7%
Brazil	1,314	-45.5%	5,189	-30.9%
Hazelnuts, Shelled	4,243	29.4%	12,860	27.8%
Turkey	4,196	38.3%	12,686	37.1%
Pecans, Shelled	31,465	42.7%	118,875	92.1%
Mexico	31,323	50.3%	118,088	96.4%
Pecans, Inshell*	8,715	-13.3%	13,040	-10.1%
Pignolia, Shelled	1,051	-41.1%	9,695	-40.5%
China	652	-46.9%	5,697	-44.7%

* All product imported from Mexico

WALNUTS - Light halves/pieces are being reported as being sold out. Product can only be found from third party suppliers. Prices are in the \$4.45 - \$4.60 per pound range, ex-warehouse New Jersey.

Chinese in-shell walnut production in marketing year (MY) 2011 is forecast at 696,000 metric tons (MT), up 20% from MY 2010, noted **FAS**. Favorable weather conditions contributed to

a bumper crop in all major producing provinces.

APPLES - Dried sweet sliced apples are set at \$2.50 per pound, f.o.b. Thailand. Chinese sweet diced apples are priced at \$2.75 per pound. Fuji dried apple rings are priced at \$2.50 per pound. USA dried apple rings are priced at \$3.50 per pound.

APRICOTS - Whole Turkish apricots range in price- #1 is priced at \$2.60 per pound, #4 is priced at \$2.25 per pound, and #7 is priced at \$2.15 per pound. Organic apricots are \$3.50 per pound; organic and diced apricots are out of stock. Dried and diced Turkish apricots are priced at \$2.25 per pound, and Chinese whole dried apricots are priced at \$2.05 per pound. All apricots are ex-warehouse New Jersey.

BANANAS - Whole dehydrated bananas are priced at \$1.85 per pound, f.o.b. Thailand. Sweetened banana chips f.o.b. Philippines are priced between \$1.20 and the unsweetened variety are around \$1.25 per pound. Banana crisps f.o.b. Thailand are priced at \$1.59 per pound.

BLUEBERRIES - Dried USA blueberries are priced at \$9.25 per pound, f.o.b. Michigan.

CHERRIES - Dried USA cherries are priced at \$4.95 per pound, f.o.b. Michigan

**U.S. IMPORTS OF DRIED FRUITS
JAN. 1 - AUG. 31, 2011**

(Source: Bureau of Census)

	Pounds (1,000)	% Chg. Last Yr.	Dollars (\$1,000)	% Chg. Last Yr.
Apples	7,019	9.8%	19,225	23.8%
Apricots	17,130	-3.0%	39,664	42.3%
Bananas	7,022	50.4%	8,895	32.2%
Currants	713	-14.8%	542	7.3%
Papayas	2,979	-26.9%	2,854	-15.3%
Peaches	11,141	89.6%	2,525	105.4%
Raisins, Seedless	18,566	-28.7%	15,094	-15.9%
Sultanas	1,567	24.4%	923	84.1%
Tamarinds	4,522	15.7%	3,557	89.7%

CRANBERRIES - Dried USA cranberries are priced \$2.50 per pound, f.o.b. Michigan.

DATES - Dried loose pack pitted dates are priced at \$1.75 per pound and dried diced dates are priced at \$1.70 per pound, f.o.b. Pakistan.

GINGER - Dried crystallized ginger, both sliced and diced, is priced at \$2.25 per pound, f.o.b. Thailand.

GUAVA - Dehydrated sliced guava is priced at \$2.05 per pound, f.o.b. Thailand.

MANGO - Dried sweet diced mangoes are priced at \$2.05 per pound, and dried sweet sliced mangoes are priced at \$2.15 per pound, f.o.b. Thailand. Low sugar and no dye versions are priced between \$2.20 and \$2.25.

ORANGE PEEL - Dried orange peel strips are priced at \$2.75 per pound, f.o.b. Italy/Turkey.

PAPAYA - Dried sweet papayas chunks, dices, and spears are priced between \$1.10 and \$1.20 per pound. No sugar or dye papaya is available at \$3.05 per pound, both f.o.b. Thailand.

PEACHES - Sold out.

PINEAPPLE - Dried pineapple dices, tidbits, and rings are priced at \$1.50 to \$1.55 per pound. No sugar pineapple is priced at \$4.45 per pound, f.o.b. Thailand.

PRUNES - Chilean prunes are priced at \$2.65 for pitted, and \$2.10 for unpitted, f.o.b. Chile.

**USDA OFFERS TO BUY
DRIED PITTED PLUMS**

Offers Due By Oct. 28, 2011

Deliveries Between Dec. 16, 2011 and June 30, 2012.

	Case Size	Cases
Dried Pitted Plums	24/1 LB	832,500
TOTAL		832,500

For more information, contact USDA at (202)720-4517.

RAISINS - South African Thompson seedless raisin and midgets are priced at \$1.40 per pound, f.o.b. California.

GREEN GIANT will carry raisins under a new label, *Green Giant Fresh*, as the result of a deal between **SUN DRIED MARKETING** and **GROWERS MARKETING**, reported *The Produce News*.

**USDA OFFERS TO BUY
DRIED FRUIT & NUT MIX**

Offers Due By Oct. 27, 2011

Deliveries Between Jan. 1, 2012 and March 31, 2012.

	Case Size	Cases
Dried fruit & nut mix	5/5 LB	5,824
TOTAL		5,824

For more information, contact USDA at (202)720-4517.

FROZEN FRUITS

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APPLES - Frozen sliced apples, grade A quality, are priced between 49 cents and 55 cents per pound, f.o.b. Michigan.

BLACKBERRIES - Serbian blackberries are coming in at \$1.15 per pound for the East Coast, f.o.b. California. Chilean blackberries are sold out and waiting for a new crop.

BLUEBERRIES - Frozen cultivated blueberries are having a new resistance at \$2.00 per pound, with very few sales about the two dollar mark, prices are expected to lower, f.o.b. California. Frozen wild blueberries are experiencing possible shortages, and are priced slightly higher at \$2.10 per pound.

CHERRIES - Dark sweet frozen cherries from Michigan were deemed a "horrendous" crop and not Grade A, according to a source. Imports from Greece were considered a terrible crop, with the only crops available from Turkey. Prices for imported cherries from Turkey are high and over \$1.60 per pound. Washington had an "okay" pack but they are completely sold out. Ending prices for the pack were around \$1.45 per pound.

RASPBERRIES - IQF frozen Serbian raspberries are a newer product for 4.5 pack, they are priced around \$1.20 per pound. Chile's frozen raspberries are close to \$1.30 and comparable.

STRAWBERRIES - IQF frozen whole medium size strawberries

are deemed "unattainable" and were last listed at \$1.00 per pound, f.o.b. California. Large, whole strawberries were slightly under the \$1.00 per pound mark.

**U.S. FROZEN FRUIT IMPORTS
JAN. 1 - AUG. 31, 2011**

(Source: Bureau of Census)

	Pounds (1,000)	% Chg. Last Yr.	Dollars (\$1,000)	% Chg. Last Yr.
Bananas & Plantains	23,416	-1.5%	\$9,497	17.0%
Blackberries**	13,671	-13.5%	\$12,003	51.0%
Cranberries	17,846	15.4%	\$11,608	26.5%
Cultivated Blueberries	50,282	67.4%	\$75,182	197.0%
Loganberries*	7,101	67.9%	\$4,404	71.7%
Mangoes	74,458	48.6%	\$40,348	30.6%
Melons	2,166	-6.8%	\$1,291	-9.9%
Papayas	5,493	95.8%	\$1,683	132.5%
Pineapples	23,944	33.3%	\$11,998	32.6%
Raspberries	34,372	-12.2%	\$41,518	-11.4%
Sweet Cherries	2,402	612.9%	\$2,700	743.0%
Tart Cherries	3,610	3.9%	\$2,356	55.9%
Wild Blueberries	28,409	1.0%	\$42,084	44.8%
GRAND TOTAL	144,657	29.6%	\$106,039	35.6%

* includes black Currants and Gooseberries

** includes red/white Currants and Mulberries

processed in November, with even lower availability until December. Prices are between \$1.75 and \$1.80 per pound solid drums, f.o.b. Florida.

LEMON - Lemon crops are starting in Mexico. Lemon juice is priced at \$17.00 per drum at the Mexican border, f.o.b. Florida.

LIME - Lime crops just finished. Lime juice is priced between \$10.50 and \$11.00 per drum, f.o.b. Florida.

ORANGE JUICE - The orange crops from Mexico are just starting and expected to be up to 30% smaller. Domestic orange juice is now priced around \$1.80 - \$1.85 per pound solids with prices close to \$1.85 per pound for tankers, f.o.b. Florida.

FLORIDA NEWS...

Florida citrus growers should enjoy another profitable season in 2011-12 despite falling U.S. orange juice sales and record-high retail prices for consumers, according to an economist. Continuing low orange crops from Florida and low inventories held by the state's juice processors will continue to support high farm prices in the 2011-12 season, reported *The Lakeland Ledger*.

Meanwhile, the **FLORIDA CITRUS COMMISSION** approved a 2011-12 budget of \$56.7 million, an increase from a preliminary \$54.8 million budget approved in June. The commission also voted to keep state citrus taxes at the June rates: 23 cents per box for juice oranges, 34 cents per box for grapefruit, 14 cents for fresh tangerines and tangelos and five cents for fresh oranges, reported *The Lakeland Ledger*.

THE COCA-COLA COMPANY introduced the *Minute Maid* Pure Squeezed line, three 100% orange juices and a light orange juice beverage.

JUICES & CONCENTRATES

Analyst: Elizabeth Seise 201-791-5570 ext. 224 elizabeth.seise@foodinstitute.com

APPLE - Apple crops from China and Europe are currently being processed. Shortages have been experienced elsewhere, with prices upwards of \$10.50 to \$11.50 per gallon, up from \$9.50 per gallon, f.o.b. Florida.

**APPLE CONCENTRATE IMPORTS,
UNFERMENTED, NOT FROZEN
70/71 BRIX EQUIVALENT*
JAN.1 - AUG. 31, 2011**

(Source: Bureau of Census)

	Gallons (1,000)	% Chg. Last Yr.	Dollars (\$1,000)	% Chg. Last Yr.
TOTAL	45,924	13.7%	\$483,467	120.3%
China	35,335	1.9%	\$379,641	103.6%
Argentina	6,703	113.8%	\$62,881	274.2%
Chile	2,902	53.1%	\$27,074	178.0%
Brazil	183	968.4%	\$1,953	2290.8%
Turkey	46	-83.5%	\$2,030	-6.9%

* Based on the Bureau of Census data for Single Strength Equivalent

CRANBERRY CONCENTRATE - Prices for cranberry concentrates are listed between \$21.00 and \$24.40 per gallon, f.o.b. West Coast.

GRAPE - White grape crop was continued in South America. White grape juice is priced at \$8.50 per gallon, ex-dock, f.o.b. Florida. Concord grape crops are beginning now with a small crop on the West Coast and bigger crops on the East Coast. The new crop prices are not being offered yet.

GRAPEFRUIT - Grapefruit juice has a very low inventory in Florida. The new crop of grapefruits is expected to be

**FROZEN CONCENTRATE OJ IMPORTS
65 BRIX EQUIVALENT*
JAN.1 - AUG. 30, 2011**

(Source: Bureau of Census)

	Gallons (1,000)	% Chg. Last Yr.	Dollars (\$1,000)	% Chg. Last Yr.
FCOJ, Containers over 3.785 liters				
TOTAL	16,624	-16.3%	\$235,498	159.9%
Mexico	10,047	12.4%	\$204,797	151.1%
Brazil	3,331	-46.2%	\$14,255	260.0%
Costa Rica	2,480	-28.2%	\$9,331	264.9%
FCOJ, Containers under .946 liters				
TOTAL	743	339.9%	\$235,498	159.9%
Canada	588	542.6%	\$204,797	151.1%
Italy	151	103.7%	\$14,255	260.0%
France	4	30.4%	\$9,331	264.9%

* Based on the Bureau of Census data for Single Strength Equivalent

PEAR - Pear concentrate is priced around \$8.50 - \$9.00 per gallon, ex-dock dp, f.o.b. Florida.

PINEAPPLE - The South East Asia pineapple crops are creating concern as their locations are in flooded areas and causing the crops to suffer. Prices for pineapple juice are firm at \$11.00 to \$11.50 per gallon/ 65 brix.

BUTTER

BUTTER MARKET, OCT. 19

Cents Per Pound:	10/19/2011	10/12/2011	Chge.
Grade AA	1.8600	1.8200	0.0400

CHEESE

CHEDDAR CHEESE MARKET OCTOBER 19

Cents Per Pound:	10/19/2011	Chge. Fr. Last Wk.
Barrels	1.7200	0.0100
Blocks (40-lbs.)	1.7200	0.0400

EGGS

EGG PRICES TO RETAILERS OCT. 20

(Source: USDA)

Cents per dozen:	Wk. Ending 20-Oct	Wk. Ending 13-Oct	Chge.
Extra Large-NY	125-129	124-128	1.00
Large-NY	123-127	122-126	1.00
Medium-NY	109-113	109-113	0.00
Extra Large-MW	116-118	116-118	0.00
Large-MW	114-116	114-116	0.00
Medium-MW	103-105	103-105	0.00
Extra Large-NC	136.89	136.89	0.00
Large-NC	134.26	133.79	0.47
Medium-NC	120.86	120.86	0.00
Extra Large-CA	152	152	0.00
Large-CA	148	148	0.00
Medium-CA	136	136	0.00
Large-VA	N/A	N/A	N/A
Medium-VA	N/A	N/A	N/A
Small-VA	N/A	N/A	N/A

FROZEN EGG PRICES WEEK ENDING OCTOBER 14

(Source: USDA)

Carloads/Cents Per Pound:	This Week	Last Week
Whole, Light-Colored	86-88	86-88
White	75-77	74-75
Sugared	105-107	105-107
Salted Yolks	101-103	103-104

CHICKEN

PRELIMINARY BROILER PRICES FOR DELIVERY THE WEEK OF OCT. 17

Cents Per Pound:	This Week	Last Week
Chicago	55-61	55-61
Cleveland	Too Few	Too Few
Detroit	Too Few	Too Few
Los Angeles	98	98
New York	65-68	61-64
Philadelphia	Too Few	Too Few
Pittsburgh	Too Few	Too Few
St. Louis	Too Few	Too Few
San Francisco	98.5	Too Few

Prices are for ready-to-cook, ice Grade A Broilers, (including branded), delivered in truckload quantities

BROILER CHICKS PLACED LAST WEEK AND SIX WEEKS AGO

(Source: USDA)

Broilers placed six weeks ago come on the market next week

	Week Ended 10/15/2011	% Chge. 2010	Week Ended 9/10/2011	% Chge. 2010
1,000 Chicks:				
Alabama	19,534	-6.5%	19,616	-8.8%
Arkansas	19,044	-8.6%	19,575	-5.4%
Delaware	4,045	-14.1%	4,328	-12.7%
Georgia	27,604	-1.9%	25,851	-8.0%
Maryland	5,681	-16.0%	6,319	4.3%
Mississippi	14,472	-6.6%	15,962	-2.6%
N. Carolina	14,299	-2.8%	14,969	-4.8%
Texas	11,807	-8.6%	11,528	-14.3%
Virginia	4,700	0.0%	4,543	-1.6%
Others	34,813	-13.1%	38,242	-3.8%
Total 19 States	155,999	-7.8%	160,933	-5.5%

CHICKEN PART PRICES TO RETAILERS NEW YORK - OCT. 20

Dollars Per Pound:	This Week	Last Week
Skinned Boneless	\$1.30-1.35	\$1.35
Ribs On	.73-.74	.73-.74
Legs	.68-.69	.68-.69
Leg Quarters	.48-.49	.48-.49
Wings	1.12-1.13	1.12-1.13

FUTURES PRICES

(Source: Wall Street Journal)

As of October 19, 2011	Cash Price	Dec. Futures	Mar. Futures
Corn, bu.	\$6.61	6.385	6.485
Soybeans, bu.	\$12.02	12.25(Nov)	12.385
Soybean Meal, ton	N/A	319.30	323.20
Soybean Oil, lb.	\$0.52	0.5148	0.5208
Wheat, bu.	\$6.68	7.055	7.2025
Hogs, cwt. (carcass)	\$90.23	0.9008	.9098(Feb)
Milk, lb.	\$158	0.1792	0.1612
Cattle, cwt.	N/A	1.2295	1.2555(Feb)
Feeder Cattle, cwt.	\$138.75	1.4265(Nov)	1.473
Orange Juice, lb.	N/A	1.7225(Nov)	1.6645
Coffee, lb.	\$2.34	2.3615	2.391
Cocoa, ton.	\$3,009	2,603	2,644

COMMODITY PRICES

(Source: Wall Street Journal)

	Week Ended 19-Oct	Week Ended 12-Oct	% Chge. Last Year
Steers, Tex.-Okl. avg. cwt.	N/A	N/A	N/A
Feeder Steers, Okl. Cty., cwt.	138.75	135.13	25.70
Hogs, Iowa-S. Minn, live avg., cwt.	90.23	90.29	36.77
Hams, 17-20 lbs., Mid-US lb. fob	N/A	N/A	N/A
Milk, Nonfat dry, Chi.	158.00	158.00	28.46
Butter, Chi., Grade AA, lb.	1.85	1.82	-15.22
Eggs, Chi., Large White, doz	1.12	1.12	36.81
Coffee, Brazilian, lb.	2.34	2.25	33.74
Sugar, cane raw, world, lb.	N/A	N/A	N/A
Flour, Hard Winter, KC, cwt.	18.40	17.70	6.67
Wheat, KC, Hard, bu	6.68	6.73	-3.82
Corn, No. 2, Cent. IL, bu	6.61	6.31	21.17
Soybeans, No.1 Yellow,Cent.IL, bu	12.02	12.06	1.65
Soybean Meal, IL, 48% ton	N/A	304.20	N/A
Soybean Oil, crd. Decatur, IL, lb.	0.52	0.52	14.60
Corn Oil, wet mill, Chgo. lb.	53.75	54.50	10.82
Lard, Chi., lb.	N/A	N/A	N/A
Cocoa, Ivory Cst., metric ton.	3009.00	2997.00	-8.96



The Food Institute Report

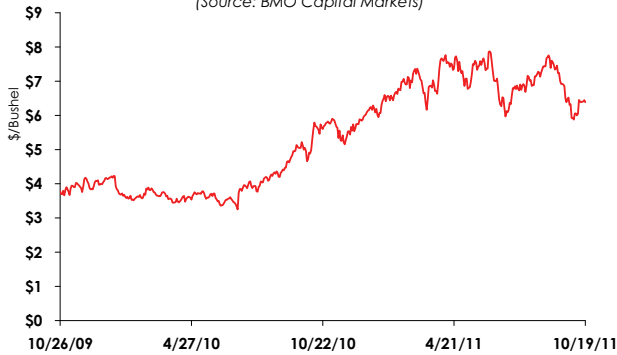
OCT. 24, 2011

fiREPORT

A CLOSER LOOK AT SELECTED COMMODITIES THAT MAY AFFECT YOUR BUSINESS

Feed Corn Futures Through Oct. 19

(Source: BMO Capital Markets)



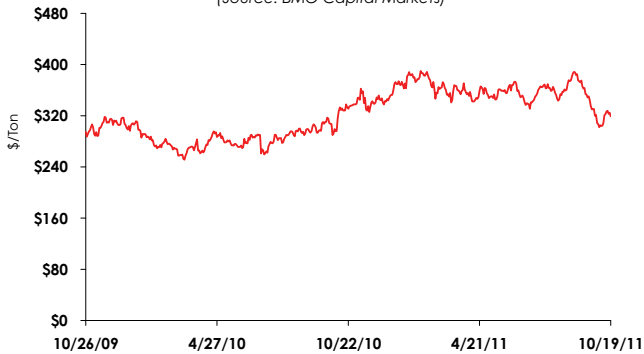
Wheat Futures Through Oct. 19

(Source: BMO Capital Markets)



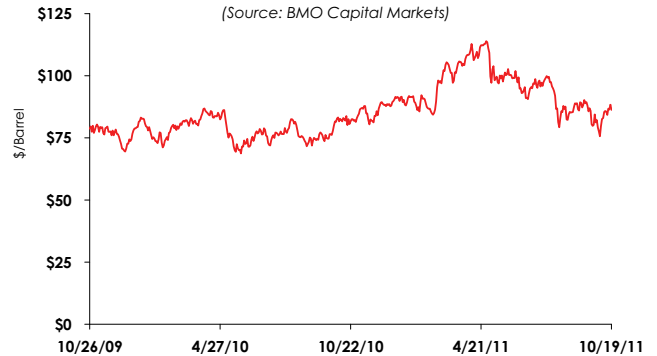
Soybean Meal Futures Through Oct. 19

(Source: BMO Capital Markets)



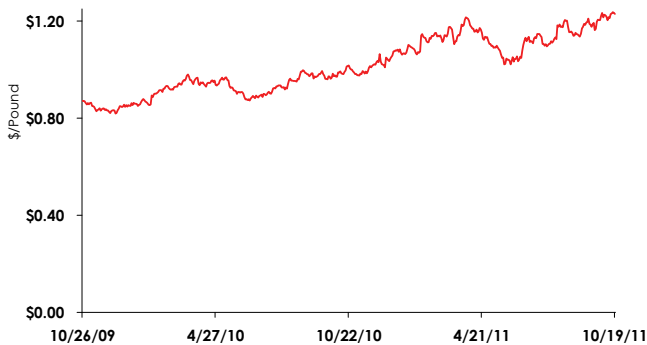
Crude Oil Futures Through Oct. 19

(Source: BMO Capital Markets)



Live Cattle Futures Through Oct. 19

(Source: BMO Capital Markets)



Live Lean Hog Futures Through Oct. 19

(Source: BMO Capital Markets)

