

Industry Update

Food and Agribusiness



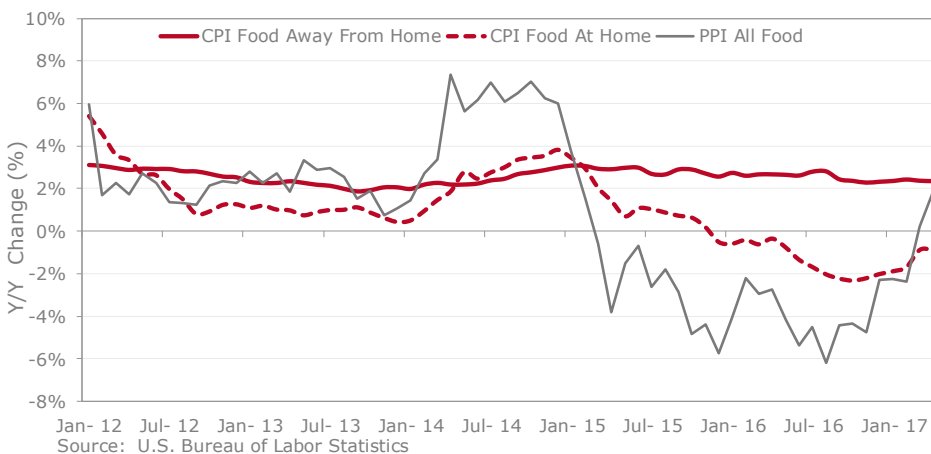
Supermarket & Restaurant Comps

- Supermarket comparable sales are in the 0.0% to +1.0% range driven by -0.5% to 0.0% volume decline and 0.5% to 1.0% price. The comps showed a steep improvement from 1Q17's volume-led deceleration and is the first positive sales growth in 9 months.
- Restaurant comparable sales are in the -1.5% to -0.5% range driven by -3.5% to -3.0% volume growth and 2.0% to 2.5% price. Persistent weakness in QSR and casual dining has weighed on performance.

Key Demand Developments

- Growth in housing prices remain a positive to consumer balance sheets, with the Case-Shiller 20 city index rising +5.8% Y/Y in February.
- The performance of the S&P 500 was up +14% YoY, a tailwind for the consumer balance sheet.
- The consumer income statement is also boosted by job and wage growth as non-farm payrolls increased by +1.6% Y/Y in April and average hourly earnings increased +2.3% Y/Y, both tailwinds for the consumer income statement.
- Gas prices continue to be a tailwind for the consumer; oil futures have hovered near \$50/barrel, up +25% YoY. Despite YoY gains, gas prices remain -20% below the 5 year average.
- The Consumer Confidence Index as measured by the Conference Board was 120.3 in April +25.6 points above the Apr16 reading of 94.7.

Consumer and Producer Price Indices

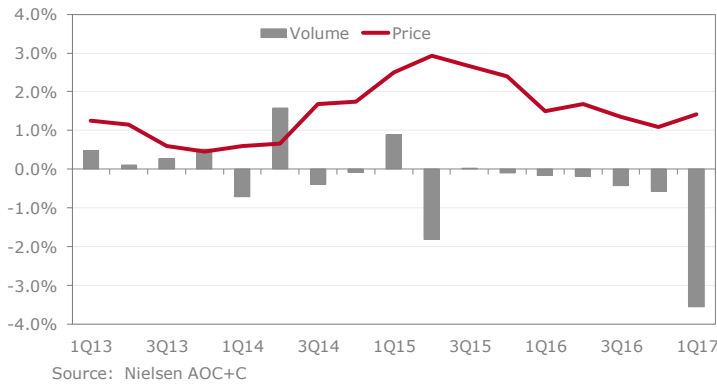


Price & Food Inflation Developments

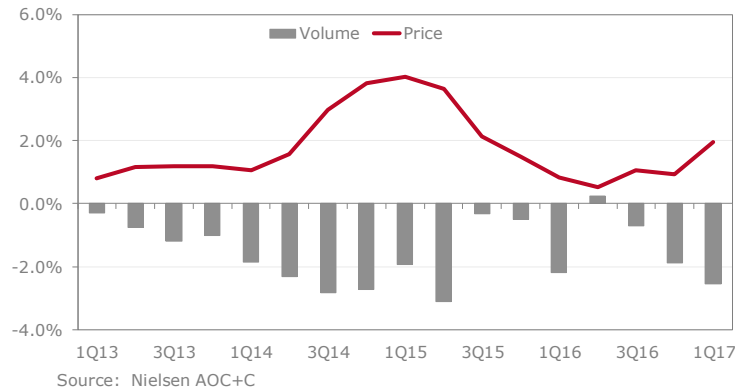
- We maintain a constructive outlook for volumes given pricing levels below 3%. The spread between restaurant and food retail pricing continues to be historically wide.
- Restaurant pricing measured by the CPI food away from home index (CPI-FAFH) increased +2.4% in April Y/Y, which is flat vs. the prior month and down -30bp vs. the prior year.
- Food Retail pricing measured by the CPI food at home index decreased -0.9% in April Y/Y, which is flat vs. the prior month and down -50bp vs. the prior year.
- The Producer Price Index (PPI All Food) increased +1.8% in April Y/Y, which is up +160bp vs. the prior month and +450bp vs. the prior year.

Grocery Department Trends: Dry grocery volumes declined sharply in 1Q17 while volumes in produce and deli maintain momentum. Pricing remains weak in most departments.

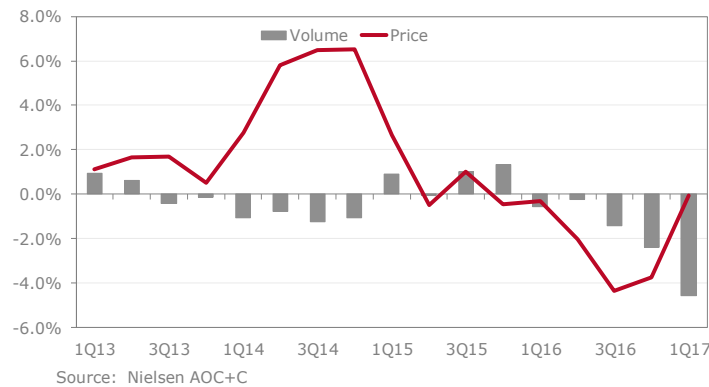
Dry Grocery



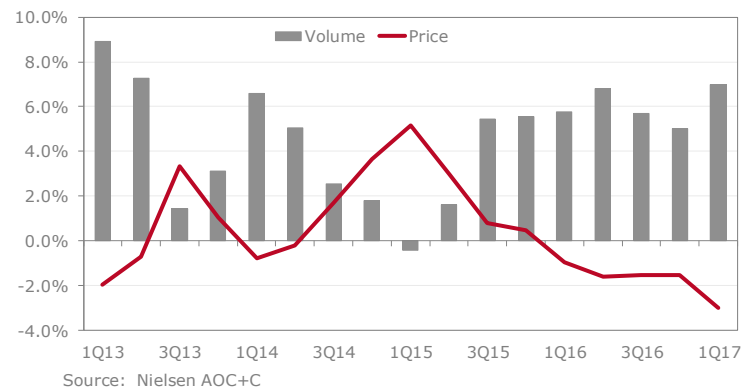
Frozen Foods



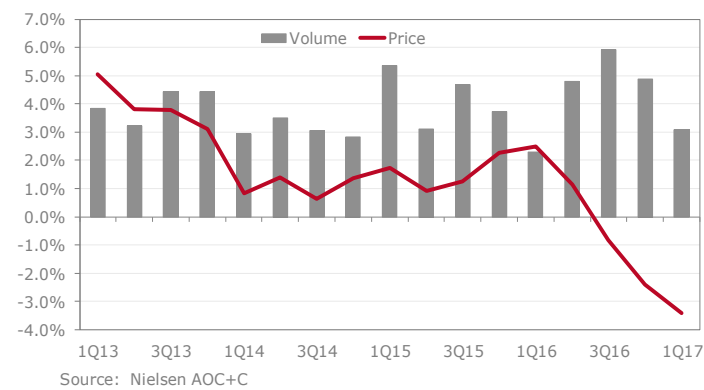
Dairy



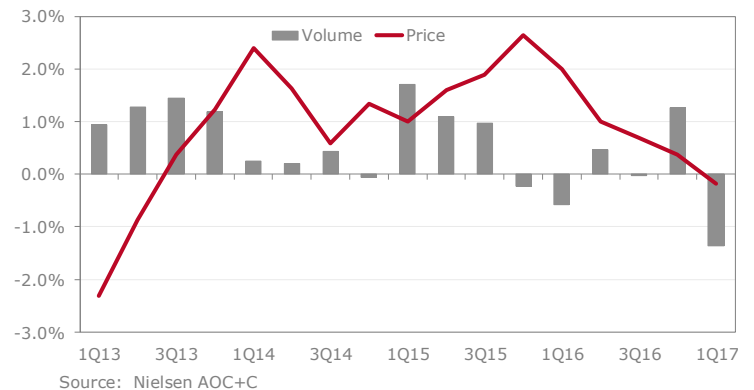
Deli



Fresh Produce



Bakery



- Dry Grocery 1Q17 price/mix increased +1.4% YoY, an increase of +30bp vs. 4Q16. Dry Grocery volumes decreased -3.5% YoY, a decrease of -290bp vs. 4Q16.
- Dairy 1Q17 price/mix decreased -0.1% YoY, an increase of +360bp vs. 4Q16. Dairy volumes decreased -4.6% YoY, a decrease of -220bp vs. 4Q16.
- Fresh Produce 1Q17 price/mix decreased -3.4% YoY, a decrease of -100bp vs. 4Q16. Fresh Produce volumes increased +3.1% YoY, a decrease of -180bp vs. 4Q16.
- Frozen Food 1Q17 price/mix increased +2.0% YoY, an increase of +110bp vs. 4Q16. Frozen Food volumes decreased -2.6% YoY, a decrease of -70bp vs. 4Q16.
- Deli 1Q17 price/mix decreased -3.0% YoY, a decrease of -140bp vs. 4Q16. Deli volumes increased +7.0% YoY, an increase of +200bp vs. 4Q16.
- Bakery 1Q17 price/mix decreased -0.2% YoY, a decrease of -60bp vs. 4Q16. Bakery volumes decreased -1.4% YoY, a decrease of -270bp vs. 4Q16.

Food Company Margin Heat Map YoY			
Price vs. Volume	Commodities		Energy
	Grain	Protein	
Constructive	Mixed	Inflationary	Mixed
	Deflationary	Mixed	

Food Company Input Cost Summary:
As we enter 2017 a large portion of commodities have begun a modest bounce of 15/16 low levels.

- **Economic Backdrop:** Economic activity grows but input cost inflation handicapped by the strong dollar.
- **Corn, Wheat & Soy Prices:** 16/17 exhibited low price levels in corn, wheat, and soy on increased production, initial forecasts for 17/18 call for flat prices at current levels on decreased production.
- **Chicken:** Prices have showed moderate inflation above 2015/16 levels on strong exports and gradual tightening of cold storage supplies.
- **Beef:** Prices are below 2016 levels as supplies had built through Feb17 on higher heifer slaughter despite strong exports.
- **Pork:** Prices are near 2015/16 levels despite ample but tightening supplies and improving exports.
- **Packer Margin Environment:** Chicken and beef ratios are above 2016 levels, while pork ratios have retreated off Oct16 highs.
- **Seafood:** Shrimp prices are in-line with 2015/16 levels; salmon prices have broken out above 2015/16 levels and pollock prices are at multi-year lows.
- **Dairy:** Current prices are moderately above 2016 levels as exports improve despite ample supplies.
- **Specialty Crops:** Current sugar, coffee, cotton and orange juice prices are inflationary YoY, while cocoa prices have been in decline since Jun16.
- **Forestry Products:** Strength in housing starts and remodel activity continues to support demand for framing lumber and structural panel prices.
- **Crop Inputs:** Fertilizer prices remain under pressure with higher than expected imports; recent increases in DAP and Ammonia above 2016 levels.
- **Energy & Labor:** Global oil prices have kept energy prices in check, while we observe wage inflation gains in restaurants and food manufacturing.

Key Commodity Heat Map			
Commodity	Price	Y/Y	M/M
Corn	\$3.66	-2.2%	+0.1%
Wheat	\$4.28	-10.0%	-1.9%
Soybeans	\$9.51	-1.6%	-5.0%
Broilers	\$0.97	+9.6%	+2.6%
Cattle	\$1.15	-4.1%	-1.0%
Hogs	\$0.72	-9.1%	+2.5%
Milk	\$14.81	+9.4%	-8.6%
Shrimp	\$4.60	+7.8%	+1.0%
Salmon	\$5.37	+13.0%	-1.9%
Nat. Gas	\$7.99	+15.1%	+1.4%
Electricity	\$10.14	+0.5%	-1.6%
Heating Oil	\$2.44	+22.8%	-0.2%
Rest. Labor	\$13.30	+4.1%	+0.5%
Sup. Labor	\$13.06	+0.8%	-0.5%
Food Labor	\$16.87	+3.0%	+0.2%

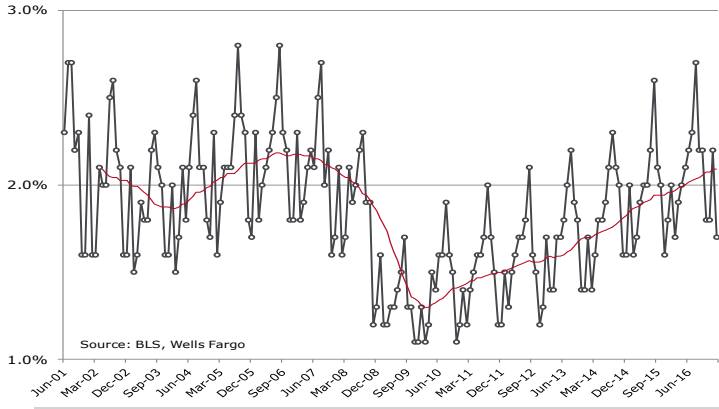
*Monthly average corn, wheat, soybeans in \$/bu; broiler, shrimp in \$/lb; cattle, hogs, milk in,

\$/cwt; salmon, cod in \$/kg; gas in \$/Mct; oil in \$/gal; electricity in \$/kWh; labor in \$/hr

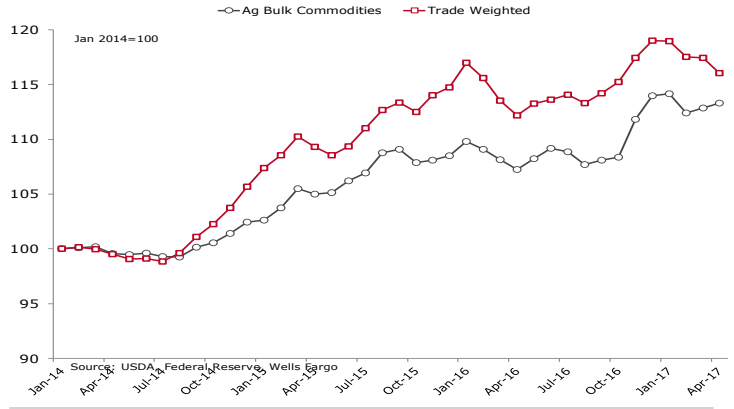
Source: USDA; BLS; IMF; IntraFish

Economics: Economic activity grows but input cost inflation handicapped by the strong dollar.

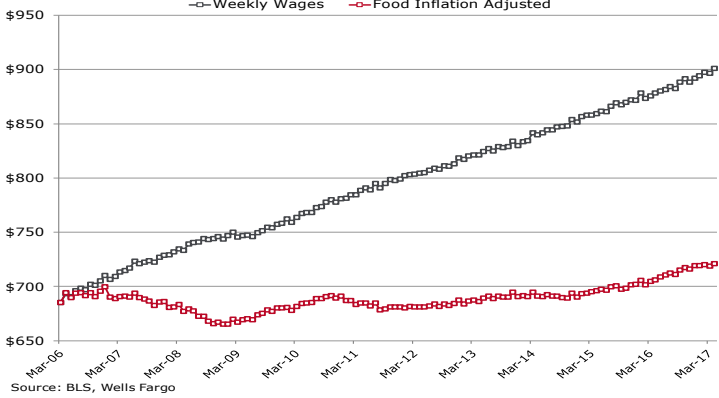
Voluntary Quits as % of Employment



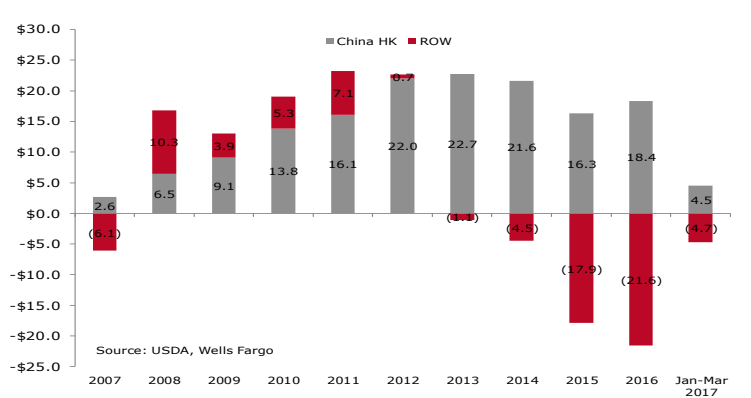
Trade Weighted Dollar vs. Ag Index



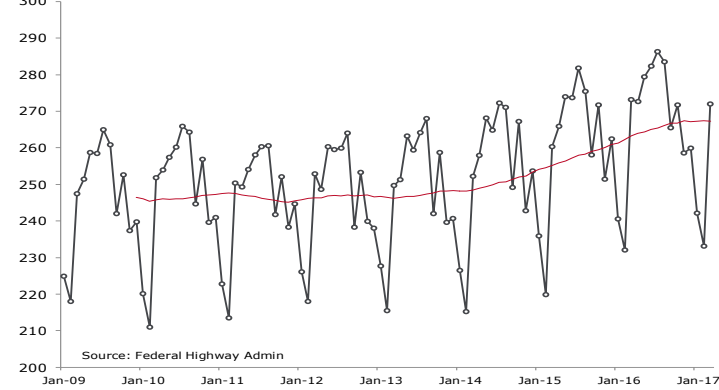
Weekly Earnings Rates



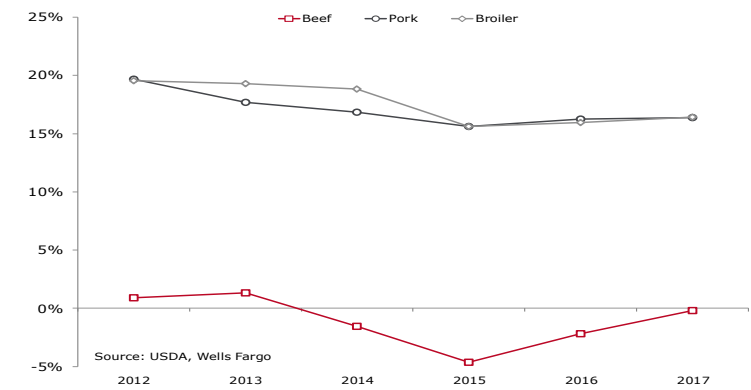
Net Trade Balance



Billions of Miles Driven



Net Export as % of Production

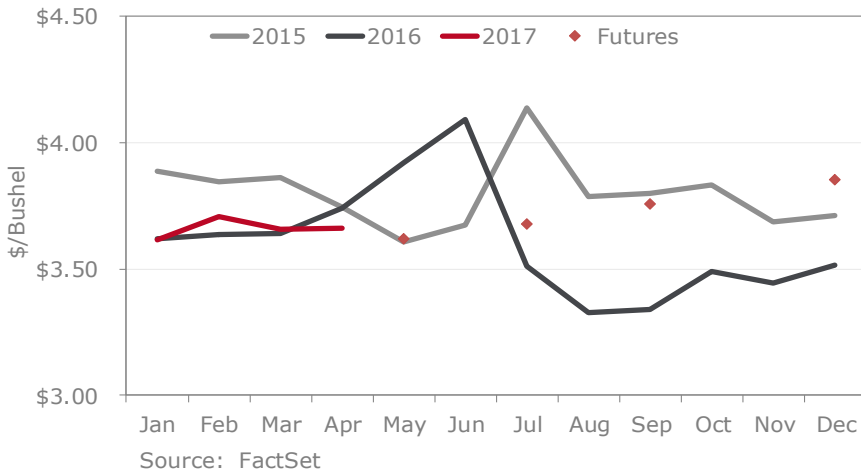


- The March 2017 voluntary quits as a percentage of employment of 1.9% was flat vs. the Mar16 reading of 1.9%. The 12 month rolling average is approaching pre-recessionary levels.
- The April 2017 weekly average earnings are growing +2.6% YoY on a nominal basis; when deflated by food & beverage CPI the Apr17 average wages of \$721/week increased +2.1% vs. Apr16. The pre-recession inflation adjusted peak was \$703/week in December of 2006.
- The March 2017 monthly average miles driven of 272 billion decreased -0.4% vs. Mar16 despite gas prices and better employment continuing to provide tailwinds.

- The April 2017 trade weighted dollar index value of 116.1 vs. bulk commodity dollar index value of 111.3 represents a narrower gap when compared to the April 2016 values of 112.2 and 104.9 respectively.
- The 2017 YTD net trade balance of -\$0.2 billion represents a smaller deficit compared the Jan-Mar 2016 total of -\$3.6 billion. The 2016 full year net trade balance of -\$3.2 billion is the largest full year trade deficit since pre 2007.
- The 2017 pork and broiler markets face a stronger headwind from dollar strengthening as net exports comprise 16.4% and 16.4% percent of total production vs. -0.2% for beef.

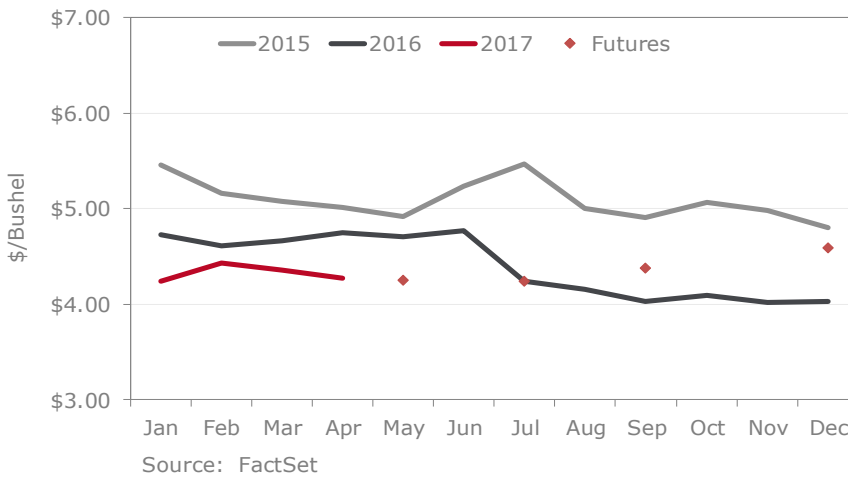
Soft Commodities Prices: 16/17 exhibited low price levels in corn, wheat and soy on increased production, initial forecasts for 17/18 call for flat prices at current levels on decreased production.

Corn



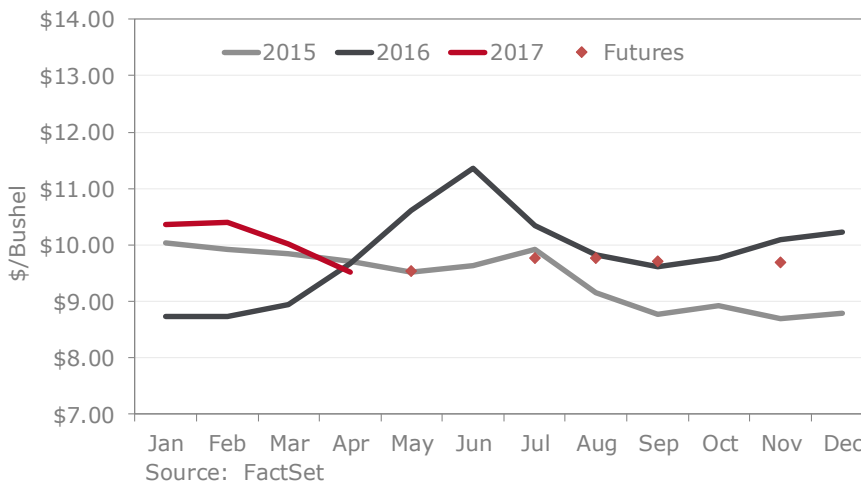
- The April monthly average corn price of \$3.66/bu increased +0.1% vs. the prior month and decreased -2.2% vs. the prior year period.
- The WASDE's (World Agricultural Supply and Demand Estimates) median average farm price projection for 2017/18 is \$3.40/bu, unchanged vs. \$3.40/bu in 2016/17. This is the initial WASDE projection for 2017/18.
- WASDE forecasts global corn production to be 1,034 million tons in 2017/18 which is down -2.9% vs. 2016/17.

Wheat



- The April monthly average wheat price of \$4.28/bu decreased -1.9% vs. the prior month and decreased -10.0% vs. the prior year period.
- The WASDE U.S. median average farm price forecast for 2017/18 is \$4.25/bu, up +9.0% from \$3.90/bu in 2016/17. This is the initial WASDE projection for 2017/18.
- WASDE forecasts global wheat production to be 739 million tons for 2017/18, which is down -2.0% vs. 2016/17.

Soybeans



- The April monthly average soybean price of \$9.51/bu decreased -5.0% vs. the prior month and decreased -1.6% vs. the prior year period.
- The WASDE U.S. median average farm price forecast for 2017/18 is \$9.30/bu, down -2.6% from \$9.55/bu in 2016/17. This is the initial WASDE projection for 2017/18.
- WASDE forecasts global soybean production at 345 million tons for 2017/18, which is down -1.0% vs. 2016/17.

Soft Commodities Fundamentals: 17/18 forecasts point to lower yields and subsequently lower production across corn, wheat, and soy with initial annual price estimates mixed.

Corn

	2014/2015	2015/2016	2016/2017E	2017/2018P	M/M Change	Y/Y Change
				May	Forecast	Forecast
Area Planted (mm)	90.6	88.0	94.0	90.0	N/A	-4.3%
Area Harvested	83.1	80.8	86.7	82.4	N/A	-5.0%
Yield per Harvested Acre (bu)	171	168.4	174.6	170.7	N/A	-2.2%
Beginning Stocks (mm bu)	1,232	1,731	1,737	2,295	N/A	32.1%
Production	14,216	13,602	15,148	14,065	N/A	-7.1%
Imports	32	67	55	50	N/A	-9.1%
Total Supply	15,479	15,401	16,940	16,410	N/A	-3.1%
Exports	1,864	1,898	2,225	1,875	N/A	-15.7%
Total Use	13,748	13,664	14,645	14,300	N/A	-2.4%
Ending Stocks	1,731	1,737	2,295	2,110	N/A	-8.1%
Stocks to Use (%)	12.6%	12.7%	15.7%	14.8%	N/A	-0.9%
Average Farm Price (\$/bu)	\$3.70	\$3.61	\$3.40	\$3.40	N/A	0.0%

- The May WASDE report for the 2017/18 corn harvest year forecasts yield per acre to decrease -2.2% YoY and total supply to decrease -3.1% YoY. Ending stocks are expected to be down -8.1% YoY and stocks to use down -0.9% YoY.
- The May WASDE report is the first report of the 2017/2018 harvest season, month over month analysis will resume with the June report.

Wheat

	2014/2015	2015/2016	2016/2017E	2017/2018P	M/M Change	Y/Y Change
				May	Forecast	Forecast
Area Planted (mm)	56.8	55.0	50.2	46.1	N/A	-8.2%
Area Harvested	46.4	47.3	43.9	38.5	N/A	-12.3%
Yield per Harvested Acre (bu)	43.7	43.6	52.6	47.2	N/A	-10.3%
Beginning Stocks (mm bu)	590	752	976	1,159	N/A	18.8%
Production	2,026	2,062	2,310	1,820	N/A	-21.2%
Imports	149	113	115	125	N/A	8.7%
Total Supply	2,766	2,927	3,400	3,105	N/A	-8.7%
Exports	854	775	1,035	1,000	N/A	-3.4%
Total Use	2,013	1,952	2,241	2,191	N/A	-2.2%
Ending Stocks	753	976	1,159	914	N/A	-21.1%
Stocks to Use (%)	37.4%	50.0%	51.7%	41.7%	N/A	-10.0%
Average Farm Price (\$/bu)	\$5.99	\$4.89	\$3.90	\$4.25	N/A	9.0%

- The May WASDE report for the 2017/18 wheat harvest year forecasts yield per acre to decrease -10.3% YoY and total supply to decrease -8.7% YoY. Ending stocks are expected to be down -21.1% YoY and stocks to use down -10.0% YoY.
- The May WASDE report is the first report of the 2017/2018 harvest season, month over month analysis will resume with the June report.

Soybeans

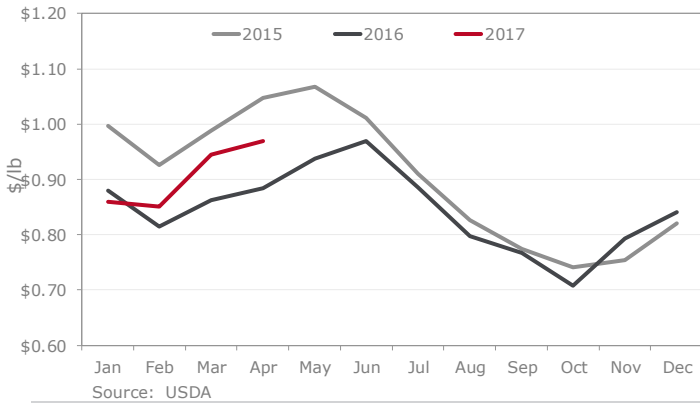
	2014/2015	2015/2016	2016/2017E	2017/2018P	M/M Change	Y/Y Change
				May	Forecast	Forecast
Area Planted (mm)	83.3	82.7	83.4	89.5	N/A	7.3%
Area Harvested	82.6	81.7	82.7	88.6	N/A	7.1%
Yield per Harvested Acre (bu)	47.5	48.0	52.1	48.0	N/A	-7.9%
Beginning Stocks (mm bu)	92	191	197	435	N/A	120.8%
Production	3,927	3,926	4,307	4,255	N/A	-1.2%
Imports	33	24	25	25	N/A	0.0%
Total Supply	4,052	4,140	4,528	4,715	N/A	4.1%
Crushings	1,875	1,886	1,925	1,950	N/A	1.3%
Exports	1,843	1,936	2,050	2,150	N/A	4.9%
Total Use	3,861	3,944	4,093	4,235	N/A	3.5%
Ending Stocks	191	197	435	480	N/A	10.3%
Stocks to Use (%)	4.9%	5.0%	10.6%	11.3%	N/A	0.7%
Average Farm Price (\$/bu)	\$10.10	\$8.95	\$9.55	\$9.30	N/A	-2.6%

- The May WASDE report for the 2017/18 soybean harvest year forecasts yield per acre to decrease -7.9% YoY and total supply to increase +4.1% YoY. Ending stocks are expected to be up +10.3% YoY and stocks to use up +0.7% YoY.
- The May WASDE report is the first report of the 2017/2018 harvest season, month over month analysis will resume with the June report.

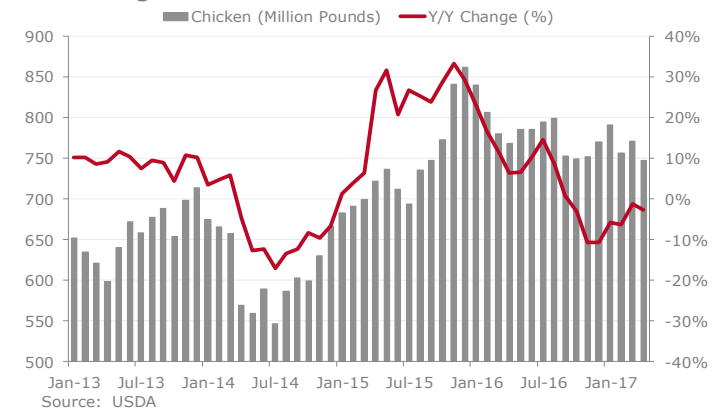
Source: USDA WASDE

Chicken: Prices have showed moderate inflation above 2015/16 levels on strong exports and gradual tightening of cold storage supplies.

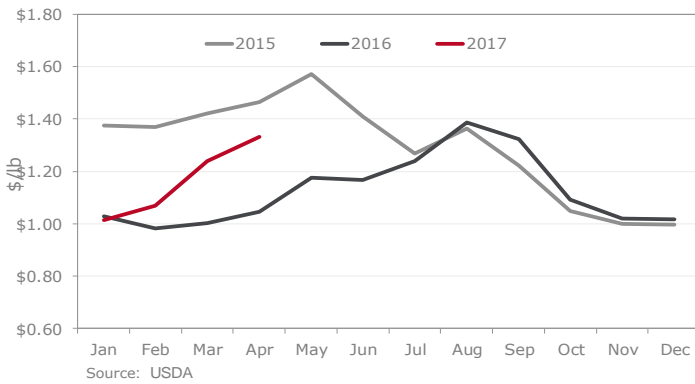
Whole Broiler Prices



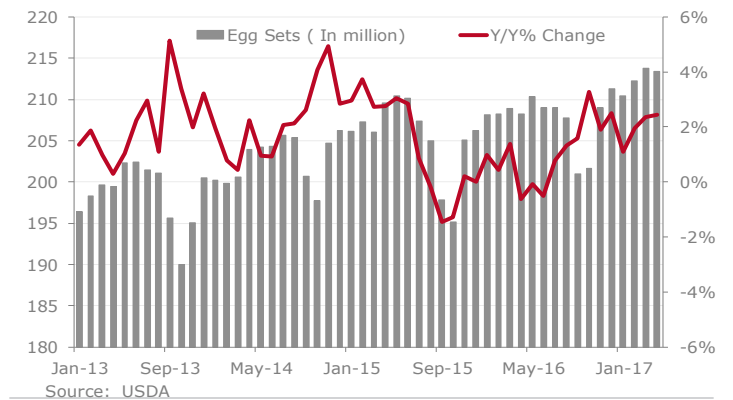
Cold Storage Inventories



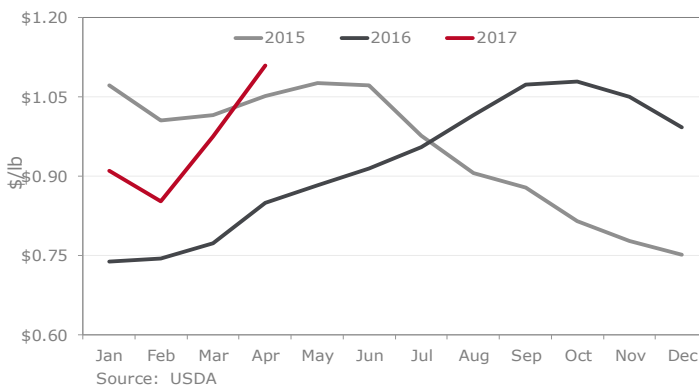
Boneless Skinless Breast Prices



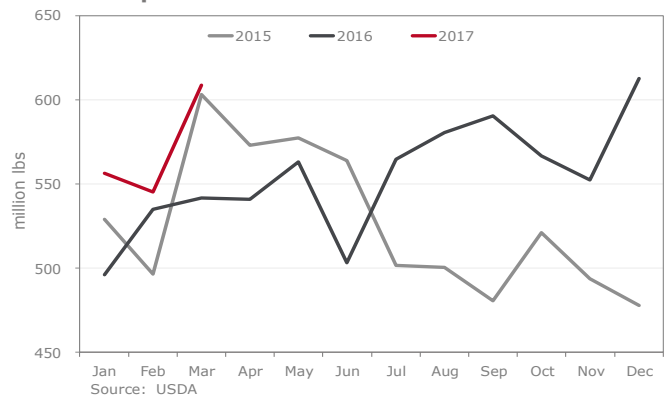
Egg Sets



Boneless Skinless Thigh Prices



Broiler Exports

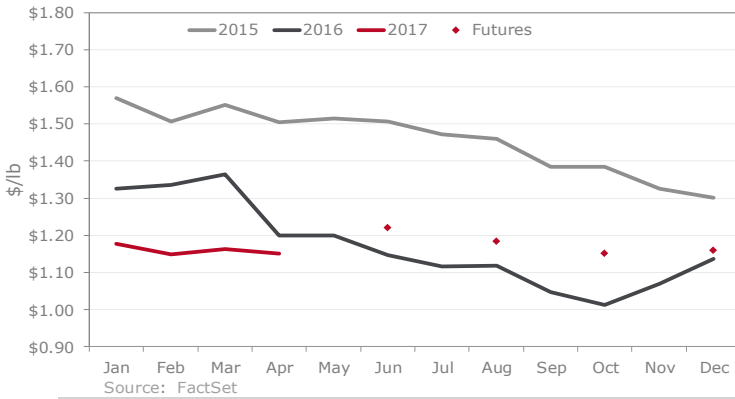


- The April USDA broiler price of \$0.969/lb increased +2.6% vs. the prior month and increased +9.6% vs. Apr16.
- The WASDE U.S. median average price forecast for 2017 is \$0.890/lb, up +5.6% from \$0.843/lb in 2016. The prior projection for 2017 was \$0.880/lb. Total 2017 production is estimated to be 41.48mm lbs., up +1.9% vs. 2016.
- The April average breast price of \$1.330/lb increased +7.4% vs. the prior month and +27.3% vs. Apr16. The April average thigh price of \$1.110/lb increased +13.8% vs. the prior month and increased +30.6% vs. Apr16.

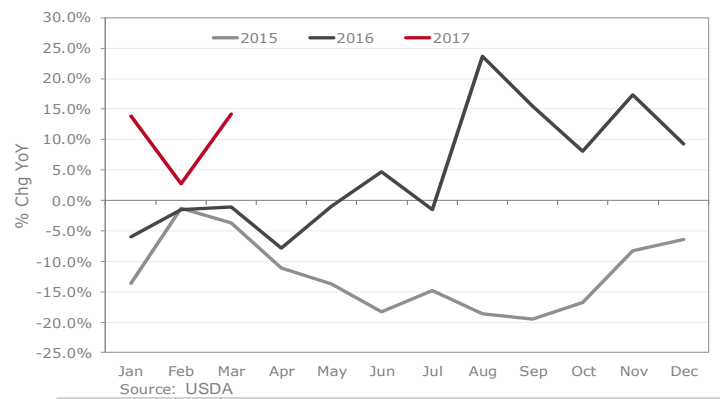
- Fundamentals: Cold storage decreased -2.7% in April Y/Y, which is down -150bp vs. the prior month. Egg sets increased +2.5% in April Y/Y, which is up +10bp vs. the prior month. Exports increased +12.4% in March Y/Y, which is up +10.4% vs. the prior month.
- The April combined regional large egg price of \$0.74/dozen increased +9.7% vs. the prior month and +11.9% vs. Apr16.

Beef: Prices are below 2016 levels as supplies had built through Feb17 on higher heifer slaughter despite strong exports.

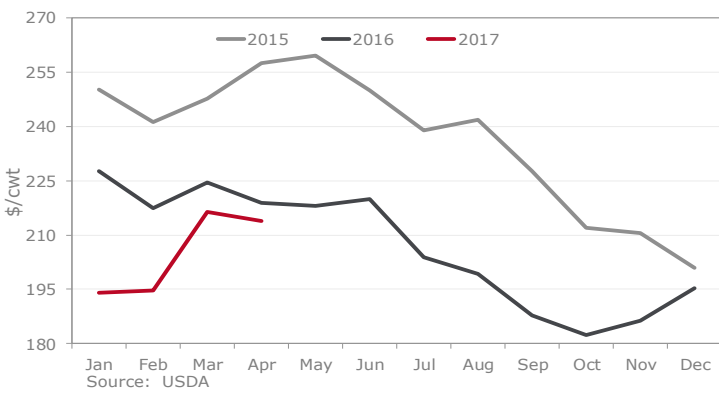
Live Cattle Prices



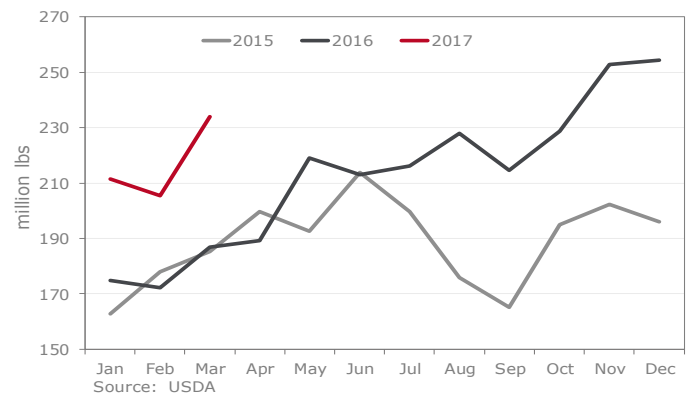
Heifer Slaughter



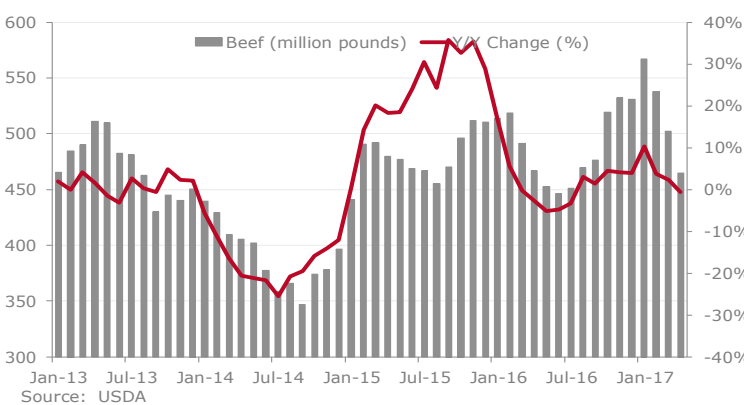
Cut Out Values



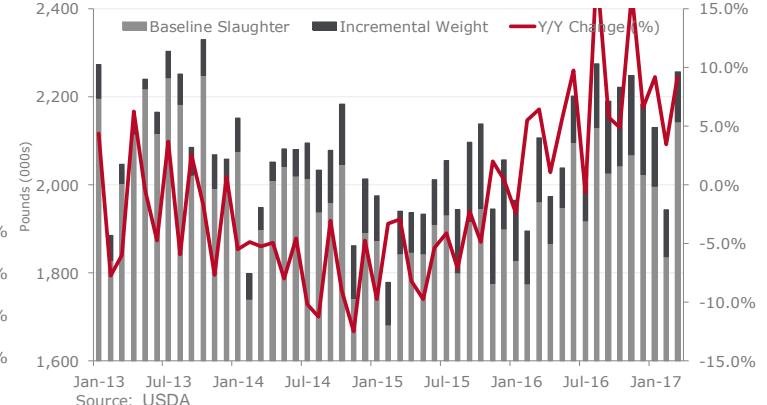
Beef and Veal Exports



Cold Storage Inventories



Monthly Cattle Processing

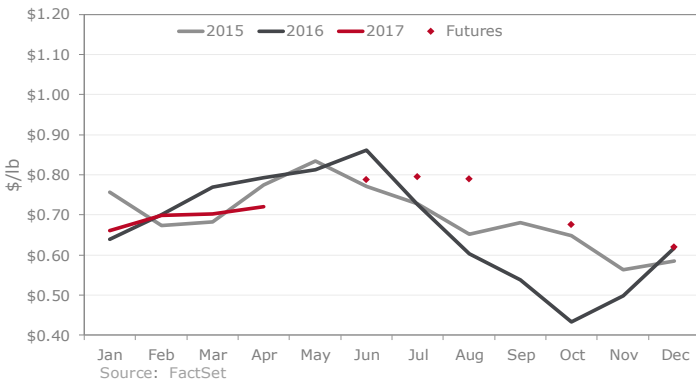


- The April cattle price of \$1.15/lb decreased -1.0% vs. the prior month and decreased -4.1% vs. Apr16.
- The WASDE U.S. median average price forecast for 2017 is \$122.5/cwt, up +1.4% from \$120.86/cwt in 2016. The prior projection for 2017 was \$118.0/cwt. Total 2017 production is estimated to be 26.3mm lbs., up +4.3% vs. 2016.
- The April average cut-out value decreased -1.2% vs. the prior month and decreased -2.3% vs. Apr16.

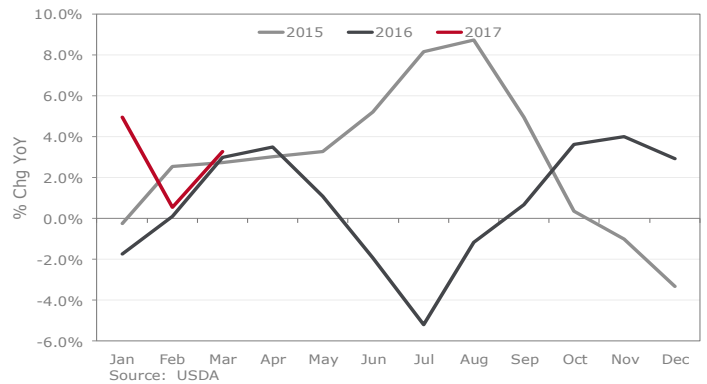
- Fundamentals: Cold storage decreased -0.5% in April Y/Y, which is down -180bp vs. the prior month. Heifer slaughter numbers increased +14.2% in March Y/Y, which is up +11.5% vs. the prior month. Exports increased +25.2% in March Y/Y, which is up +590bp vs. the prior month. Cattle head processed increased +9.2% in March Y/Y which is up +570bp vs. the prior month. Slaughter weight data indicates that heavier weights contributed to +5.0% of total slaughter volume, which decreased -190bp vs. the prior year period.

Pork: Prices are near 2015/16 levels despite ample but tightening supplies and improving exports.

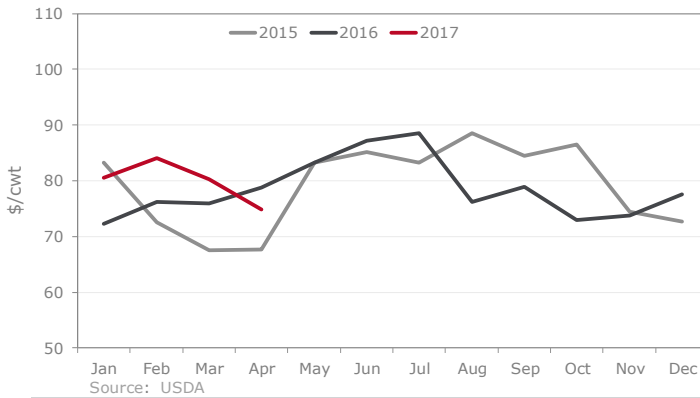
Live Hog Prices



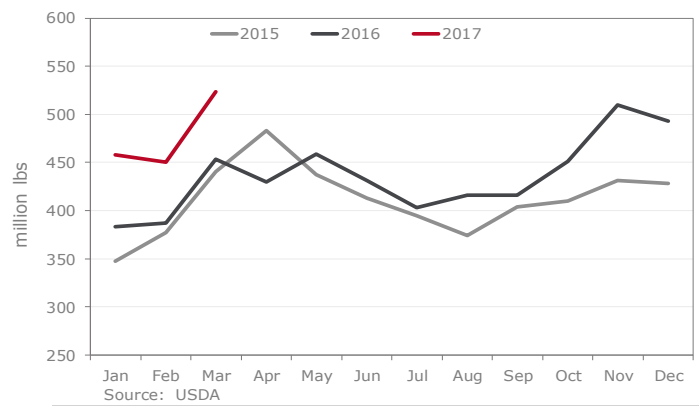
Sow Slaughter (3 Month Rolling Average)



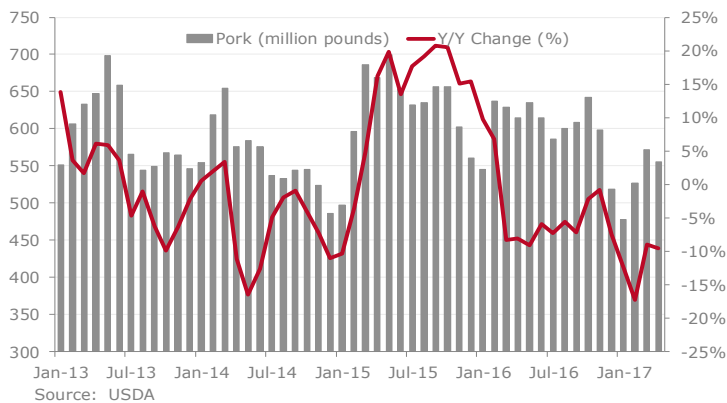
Cut Out Values



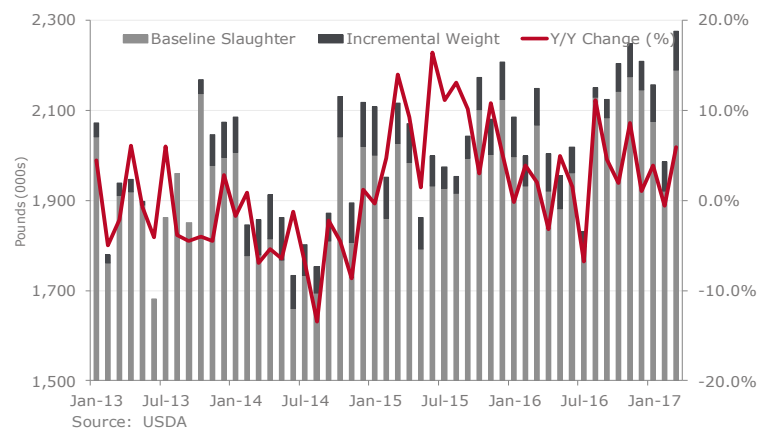
Pork Exports



Cold Storage Inventories



Monthly Processing

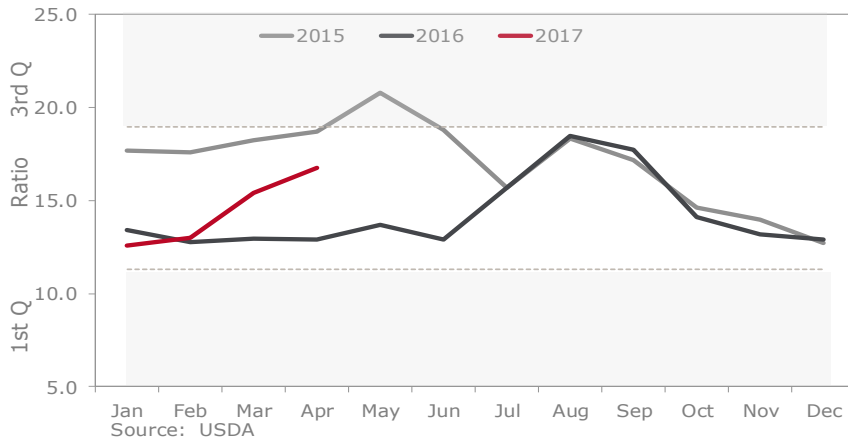


- The April average hog price of \$0.72/lb increased +2.5% vs. the prior month and decreased -9.1% vs. Apr16.
- The WASDE U.S. median average price forecast for 2017 is \$45.0/cwt, down -2.6% from \$46.2/cwt in 2016. The prior projection for 2017 was \$44.0/cwt. Total 2017 production is estimated to be 26.1mm lbs., up +4.5% vs. 2016.
- The April average cut-out value decreased -6.7% vs. the prior month and decreased -4.9% vs. Apr16.

- Fundamentals: Cold storage decreased -9.6% in April Y/Y, which is down -70bp vs. the prior month. Sow slaughter increased +3.3% in March Y/Y, which is up +280bp vs. the prior month. Exports increased +15.6% in March Y/Y, which is down -80bp vs. the prior month. Hogs processed increased +5.9% in March Y/Y which is up +650bp vs. the prior month. Slaughter weight data indicates that heavier weights contributed to +3.8% of total slaughter volume, which is unchanged vs. the prior year period.

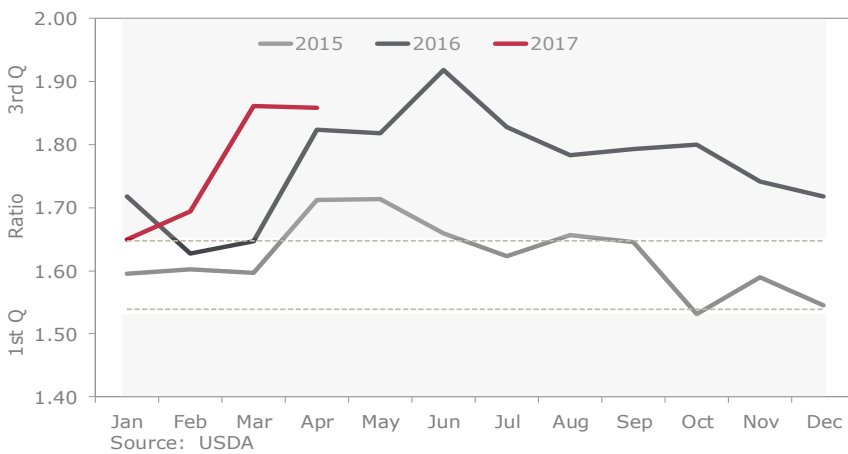
Packer Margin Environment: Chicken and beef ratios are above 2016 levels while pork ratios have retreated off Oct16 highs.

Chicken



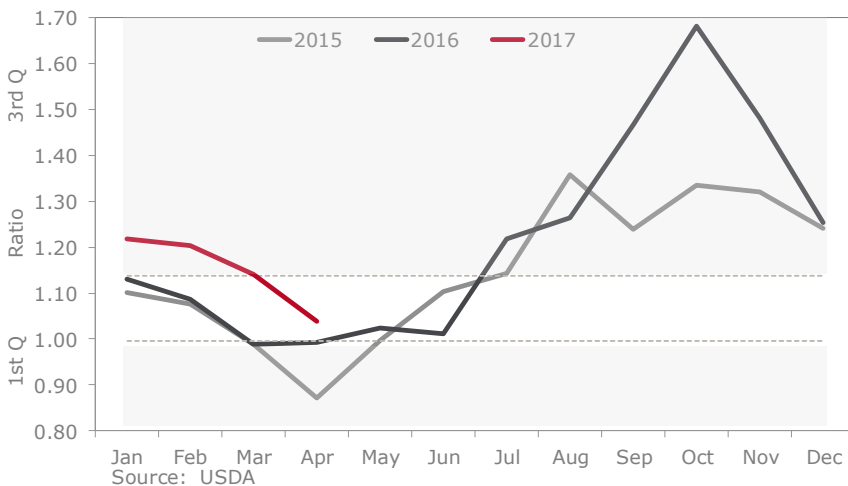
- The April USDA monthly average chicken breast price to feed cost ratio of 16.8 increased +1.4 vs. the prior month and increased +3.9 vs. the prior year period.
- The 10 year average ratio of 15.6 places the Apr17 result in the middle 50% of the 2006-2017 monthly results

Beef



- The April USDA monthly average beef cut-out to live cattle ratio of 1.86 was unchanged vs. the prior month and increased +0.04 vs. the prior year period.
- The 10 year average ratio of 1.60 places the Apr17 result in the top 25% of the 2006-2017 monthly results.

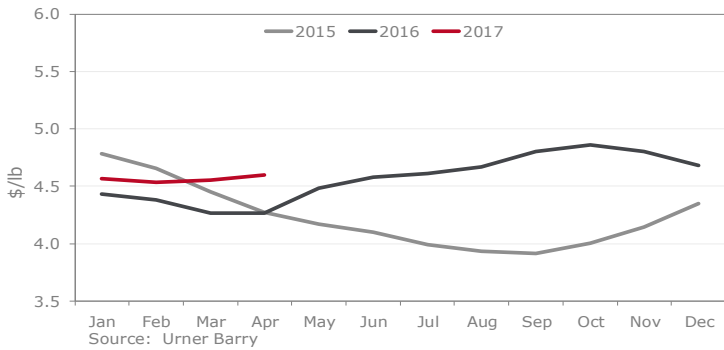
Pork



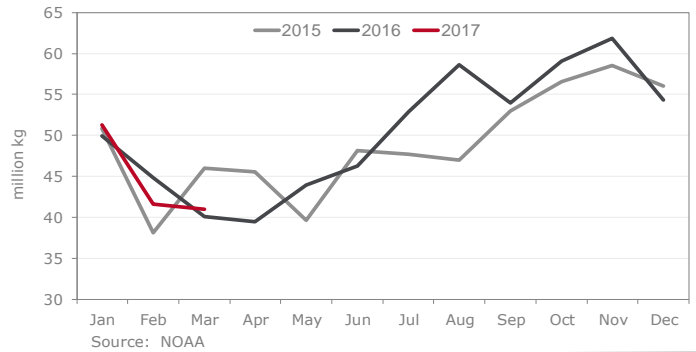
- The April USDA monthly average pork cut-out to live hog ratio of 1.04 decreased -0.10 vs. the prior month and increased +0.05 vs. the prior year period.
- The 10 year average ratio of 1.08 places the Apr17 result in the middle 50% the 2006-2017 monthly results.

Seafood: Shrimp prices are in-line with 2015/16 levels; salmon prices have broken out above 2015/16 levels and pollock prices are at multi-year lows.

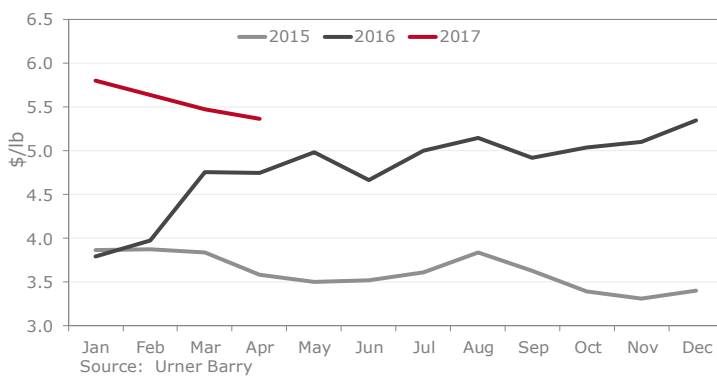
Urner Barry Farm-Raised White Shrimp Index



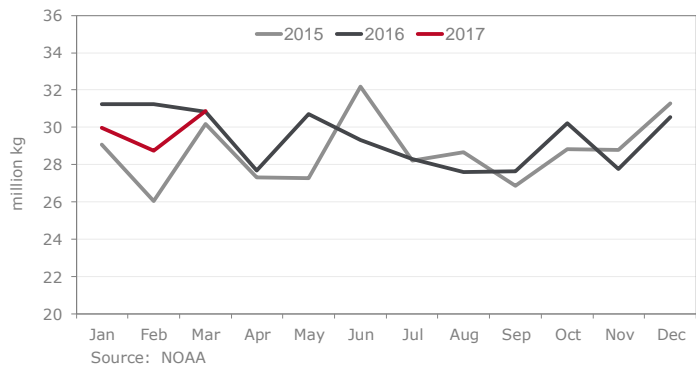
Shrimp Imports – Total Volume



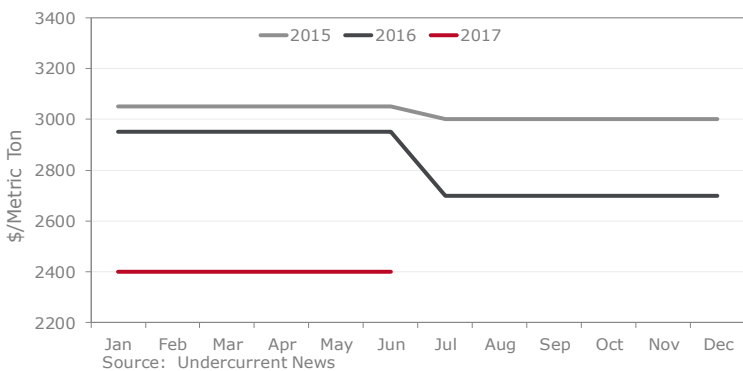
Urner Barry Fresh Farmed Salmon Index



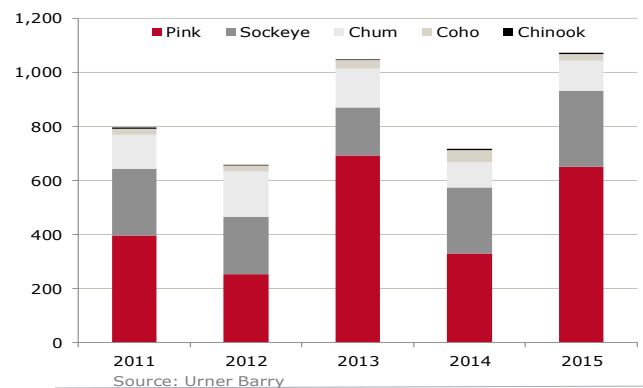
Salmon Imports – Total Volume



Alaskan Pollock



Wild Alaskan Landings by Specie

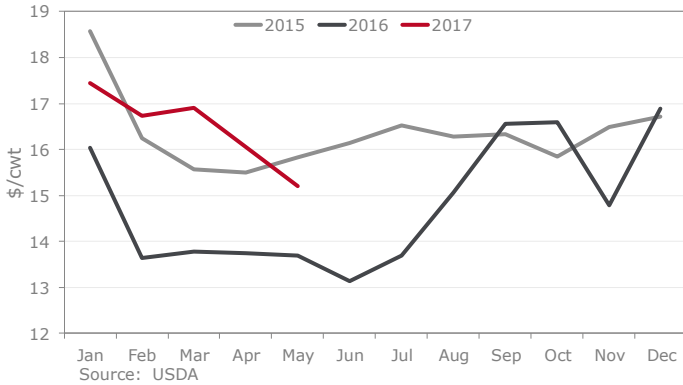


- The April Urner Barry farm-raised white shrimp price of \$4.60/lb increased +1.0% vs. the prior month and increased +7.8% vs. the prior year period.
- The April Urner Barry fresh farmed salmon price of \$5.37/lb decreased -1.9% vs. the prior month and increased +13.0% vs. the prior year period.
- The Undercurrent News 1H17 Alaskan Pollock price of \$2400/metric ton decreased -11.1% vs. the 2H16 price of \$2700/metric ton. 2017 Prices remained under pressure due to increased supply levels from remaining 2016 stock and are the lowest season A price levels on record since 2005.

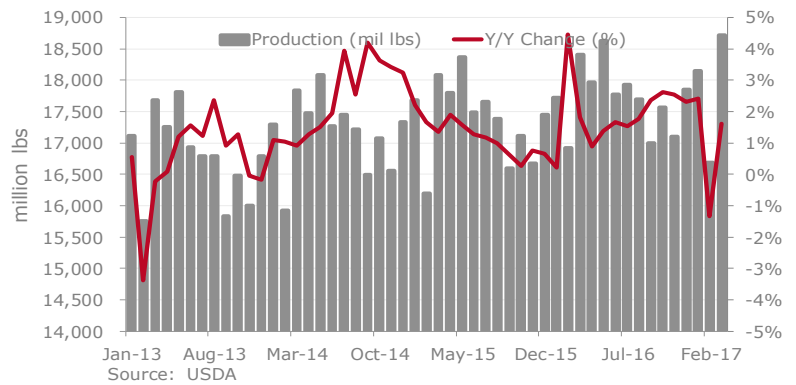
- The March NOAA measure of total US shrimp imports was 41.0mm kg, a decrease of -1.4% vs. the prior month and an increase of +2.4% vs. Mar16.
- The March NOAA measure of total US salmon imports was 30.9mm kg, an increase of +7.3 vs. the prior month and +0.1% vs. Mar16.
- 2015 wild Alaskan landings by specie increased +49.5% vs. 2014 and was slightly above 2013 total landings. The increase in landings was led by a +98% rise in pink salmon.

Dairy: Current prices are moderately above 2016 levels as exports improve, despite ample supplies.

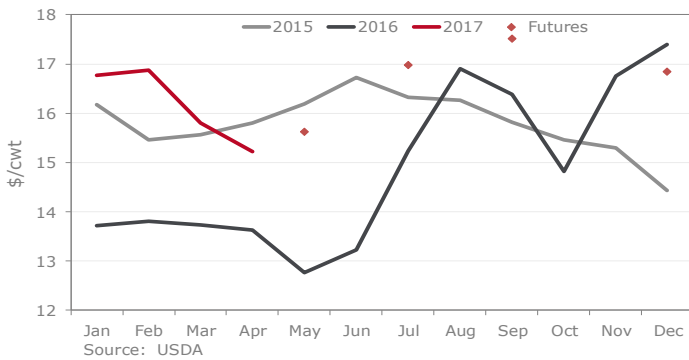
Class I Milk



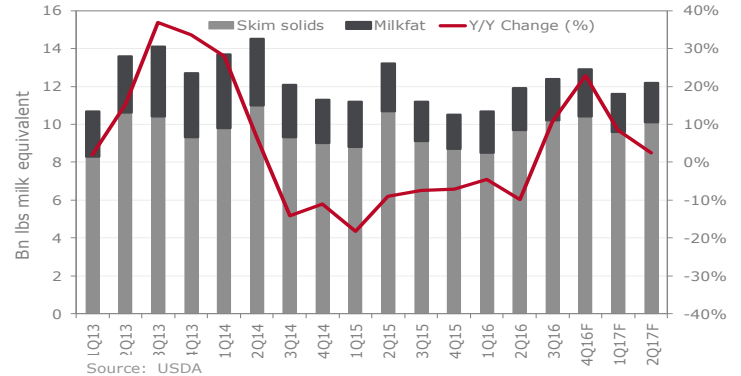
Milk Production



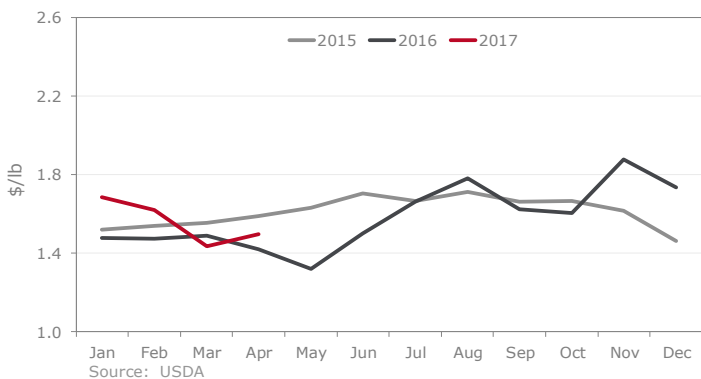
Class III Milk



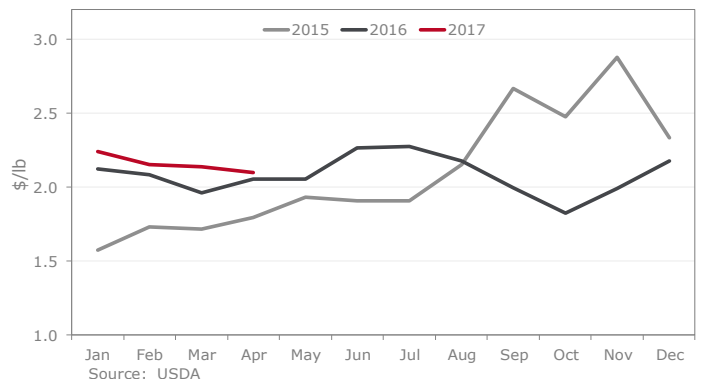
Dairy Exports



Cheddar Cheese, 40lb. block



Butter Prices Grade AA

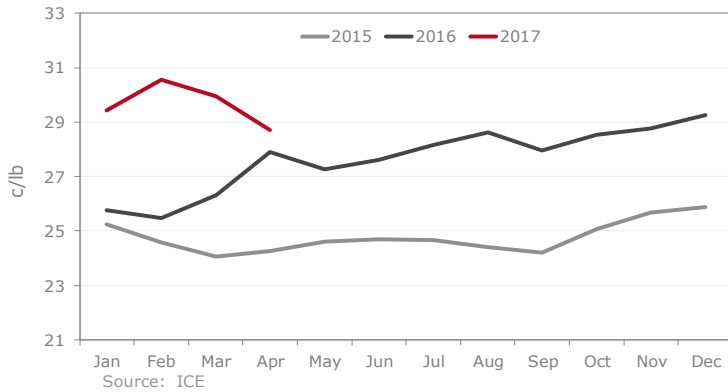


- The May USDA class I milk price of \$15.20/cwt decreased -5.3% vs. the prior month and increased +10.9% vs. May16. The April average class III milk price of \$15.22/cwt decreased -3.7% vs. the prior month and increased +11.7% vs. Apr16.
- The WASDE U.S. median average price forecast for 2017 is \$17.60/cwt, up +8.4% from \$16.24/cwt in 2016. The prior projection for 2017 was \$17.65/cwt. Total 2017 production is estimated to be 216.9 bn lbs., up +2.1% vs. 2016.
- The April USDA average cheese price of \$1.50/lb increased +4.4% vs. the prior month and +5.5% vs. Apr16.

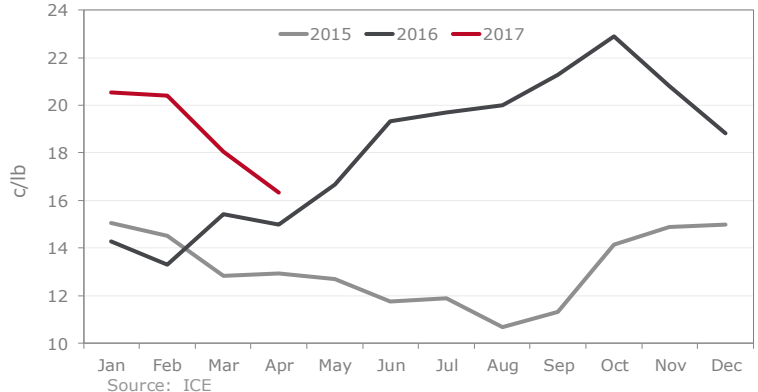
- Fundamentals: Milk production increased +1.6% in March Y/Y, which increased +290bp vs. the prior month. The milk cow herd size was up +50bp vs. the prior year period. Total milkfat and skim solid exports are expected to increase +2.5% in 2Q17 Y/Y, which is down -590bp vs. the prior quarter.
- April average USDA Grade AA butter prices of \$2.10/lb decreased -1.9% vs. the prior month and increased +2.1% vs. Apr16.

Specialty Crops: Current sugar, coffee, cotton and orange juice prices remain inflationary YoY, while cocoa prices have been in decline since June.

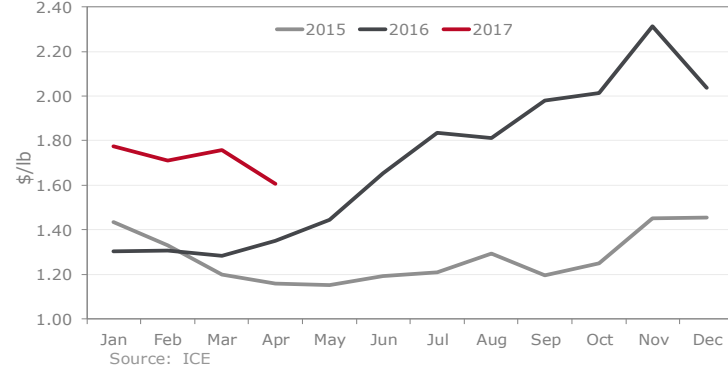
Sugar #16 Prices



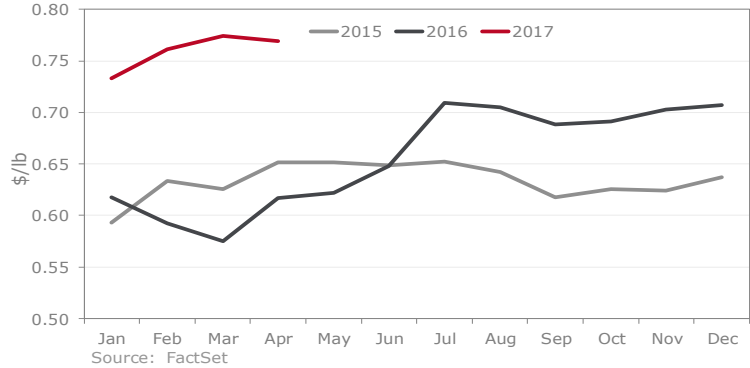
Sugar #11 Prices



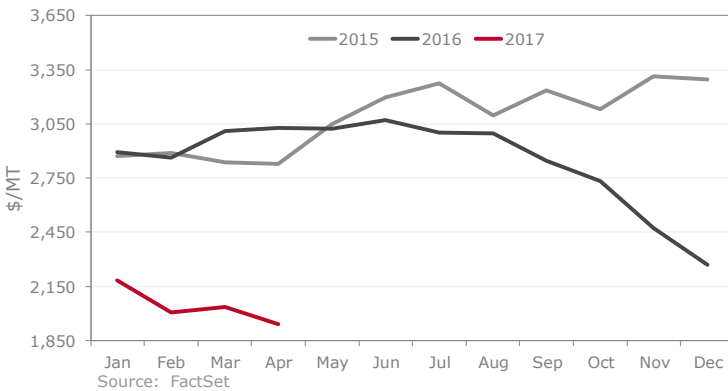
Orange Juice



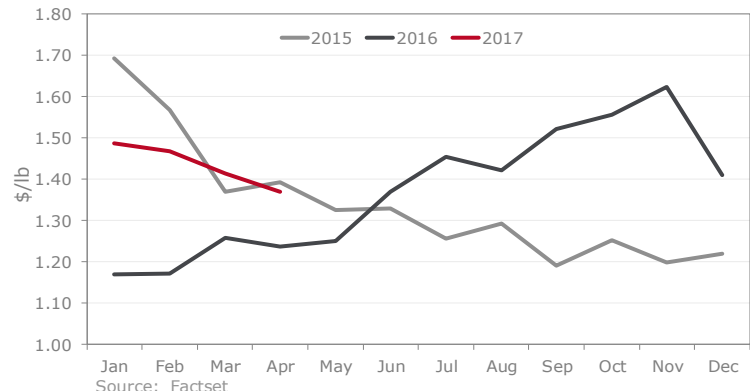
Cotton



Cocoa



Coffee

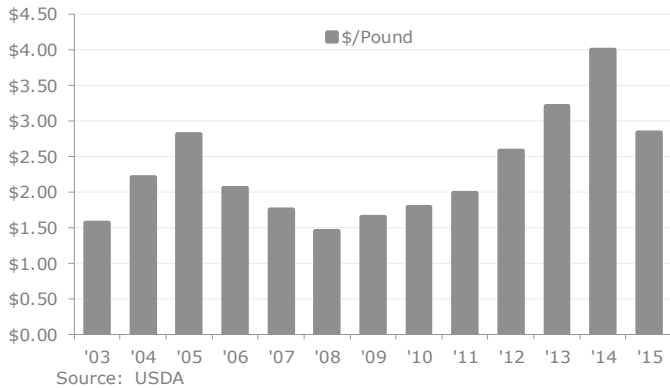


- The April ICE sugar #16 average price of \$0.287/lb decreased -4.2% vs. the prior month and increased +2.9% vs. the prior year period.
- The April ICE orange juice average price of \$1.61/lb decreased -8.6% vs. the prior month and increased +19.0% vs. the prior year period.
- The April cocoa average price of \$1,941/MT decreased -4.7% vs. the prior month and decreased -35.9% vs. the prior year period.

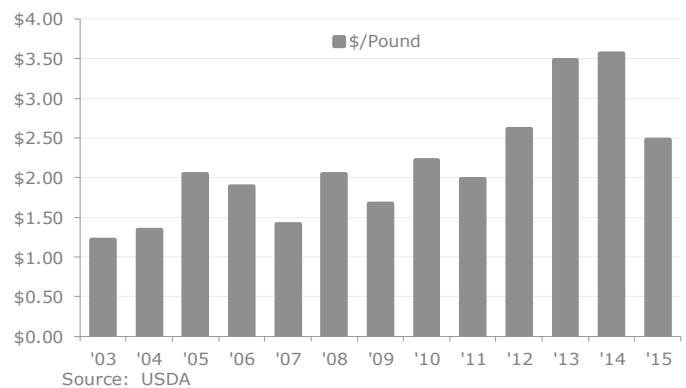
- The April ICE sugar #11 average price of \$0.163/lb decreased -9.6% vs. the prior month and increased +8.8% vs. the prior year period.
- The April average cotton price of \$0.77/lb decreased -0.6% vs. the prior month and increased +24.7% vs. the prior year period
- The April average coffee price of \$1.37/lb decreased -3.1% vs. the prior month and increased +10.8% vs. the prior year period.

Specialty Crops: Growers anticipate improved yields in 2016 while keeping an eye on opportunities to improve both foreign and domestic shipments.

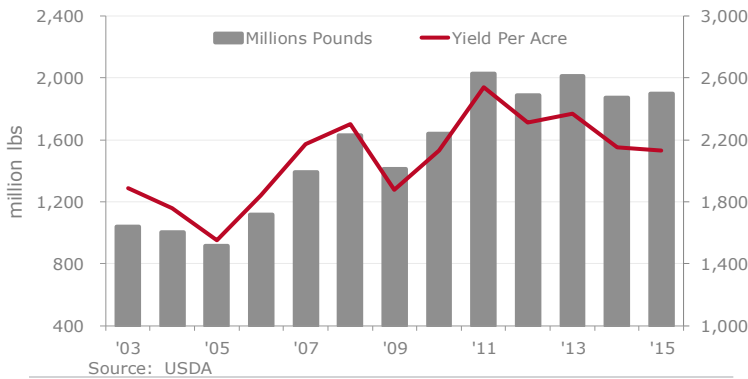
Almond Prices



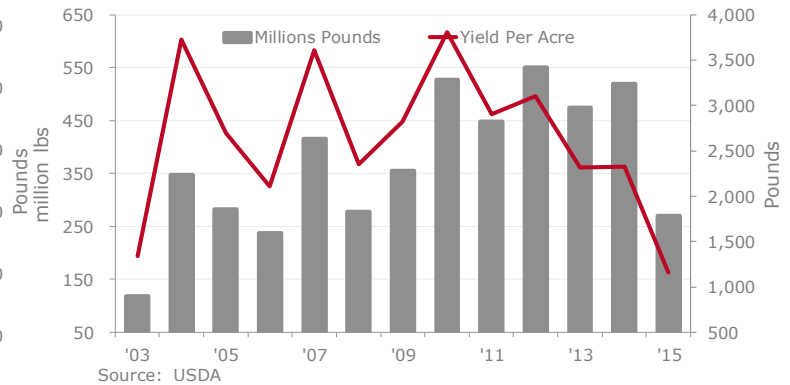
Pistachio Prices



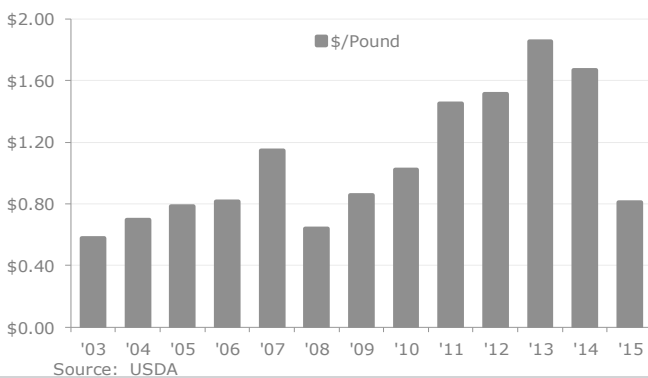
Almond Acres & Yield



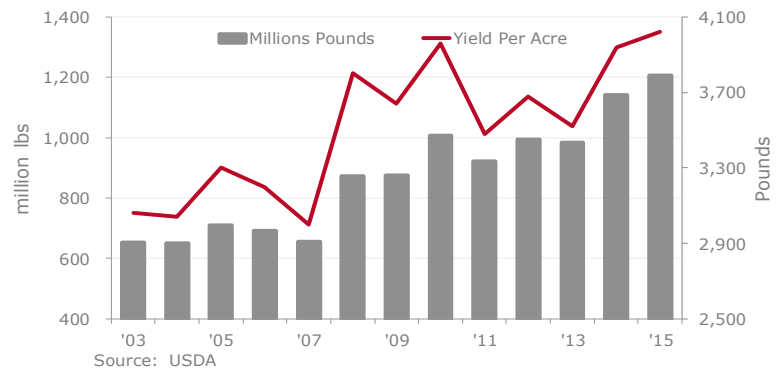
Pistachio Acres & Yield



Walnut Prices



Walnut Acres & Yield

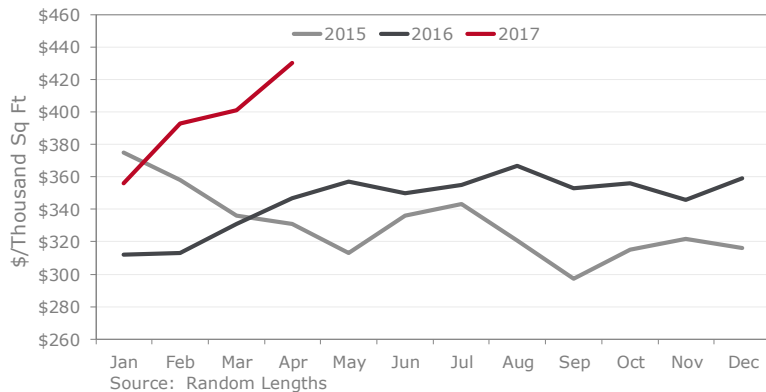


- The 2015 USDA average grower price for almonds of \$2.84/lb decreased -29.0% vs. the 2014 average price of \$4.00/lb.
- The 2015 total annual almond production of 1,900 million pounds increased +1.6% vs. the 2014 annual production of 1,870 million pounds. The 2015 average yield per acre of 2,130 pounds decreased -0.9% vs. the 2014 average of 2,370 pounds.
- The 2015 USDA average grower price for walnuts of \$0.81/lb decreased -51.5% vs. the 2014 average price of \$1.67/lb.

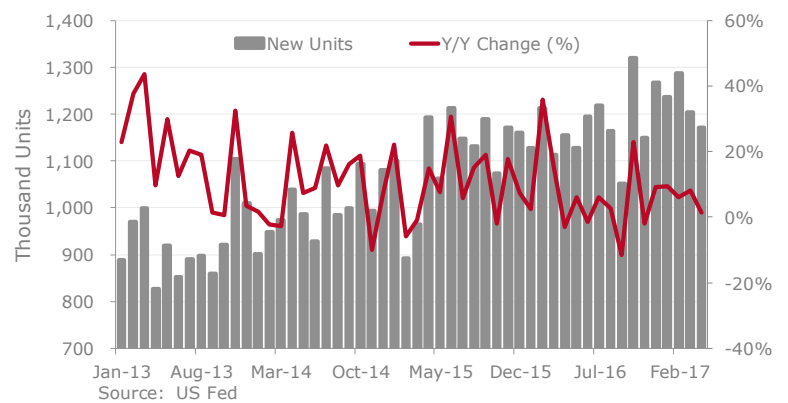
- The 2015 USDA average grower price for pistachios of \$2.48/lb decreased -30.5% vs. the 2014 average price of \$3.57/lb.
- The 2015 total annual pistachio production of 270mm pounds decreased -48.0% vs. the 2014 production of 519mm pounds. The 2015 average yield per acre of 1,600 pounds decreased -50.2% vs. the 2014 average of 2,330 pounds.
- The 2015 total annual walnut production of 1,206mm pounds increased +5.6% vs. the 2014 production of 1142mm pounds. The 2015 average yield per acre of 4,020 pounds increased +2.0% vs. the 2014 average of 3,940 pounds.

Forestry Products: Strength in housing starts and remodel activity continues to support demand for framing lumber and structural panel prices.

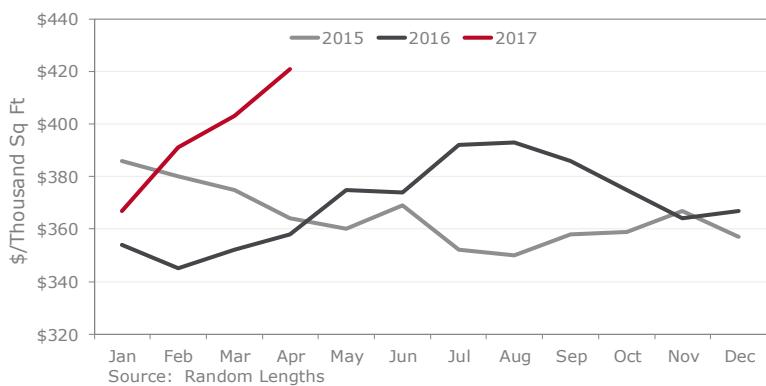
Framing Lumber Index



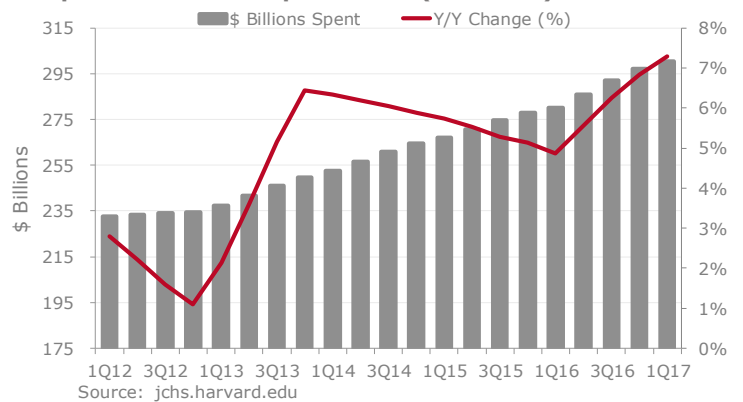
U.S. Housing Starts



Structural Panel Index



Repair & Remodel Expenditures (LTM total)

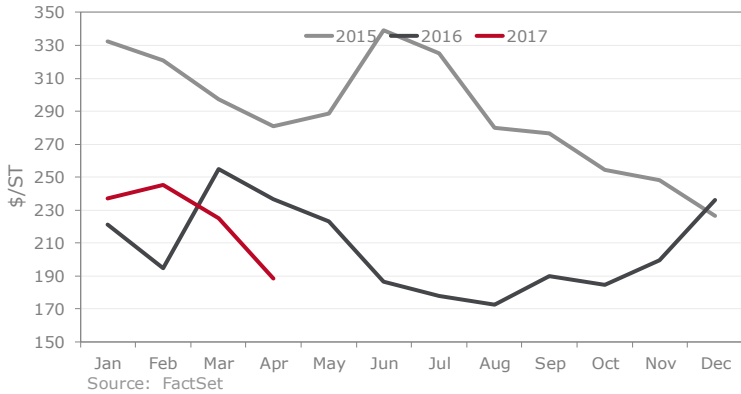


- The April Framing Lumber Composite Index of \$430/thousand sq ft increased +7.2% vs. the month prior and increased +23.9% vs. the prior year period.
- The April Structural Panel Composite Index of \$421/thousand sq ft increased +4.5% vs. the prior month and increased +17.6% vs. the prior year period.

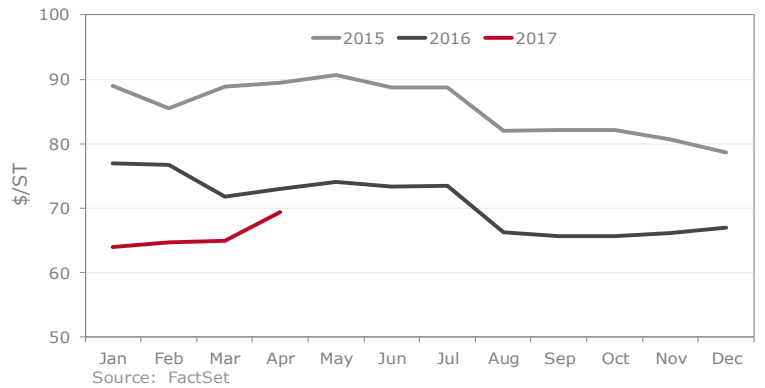
- The April U.S. Housing Starts of 1.17 million units decreased -2.6% vs. the prior month and increased +1.5% vs. the prior year period.
- The 1Q17 LTM repair and remodel total expenditure of \$300.4Bn increased +1.1% vs. the prior quarter and +7.3% vs. the prior year period.

Crop Inputs: Fertilizer prices remain under pressure with higher than expected imports; recent increases in DAP and Ammonia above 2016 levels.

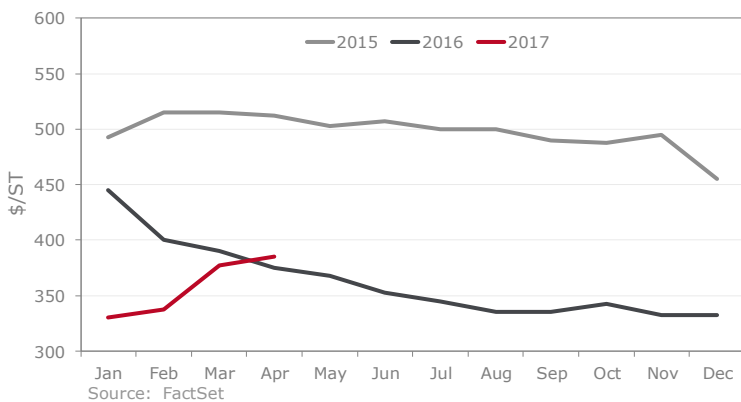
Urea



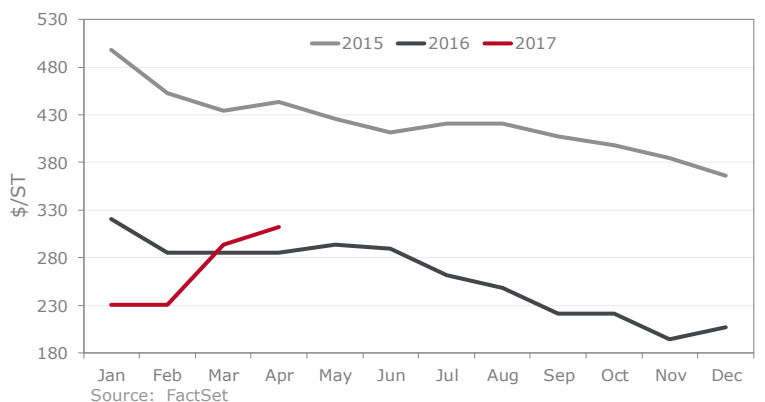
Potash and Phosphate



DAP



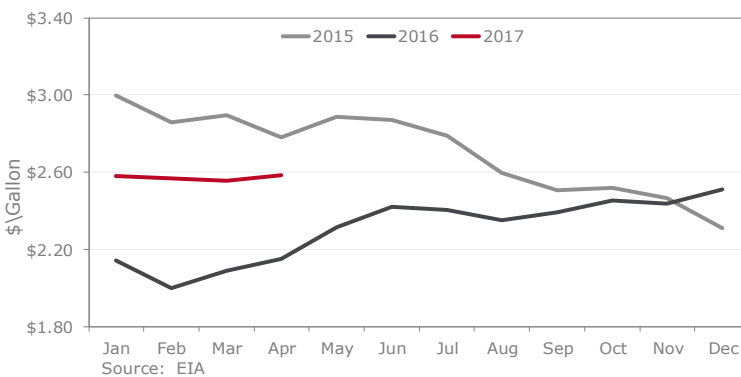
Ammonia



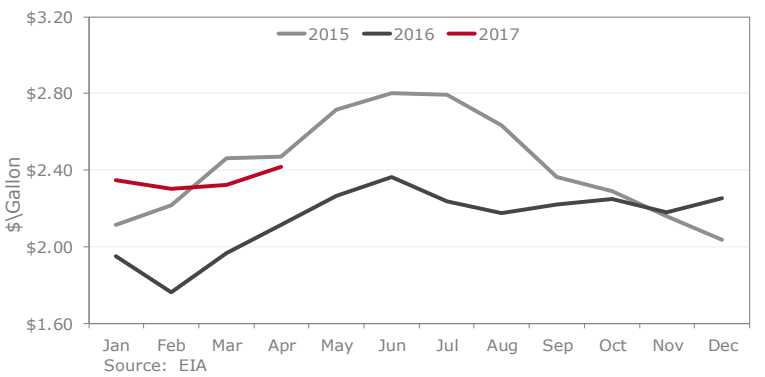
- The April average urea index price of \$188.5/ST decreased -16.2% vs. the prior month and -20.3% vs. the prior year period.
- The April average DAP index price of \$385.0/ST increased +2.1% vs. the prior month and +2.7% vs. the prior year period.

- The April average potash and phosphate index price of \$69.4/ST increased +6.9% vs. the prior month and decreased -4.9% vs. the prior year period.
- The April average ammonia index price of \$312.0/ST increased +6.1 vs. the prior month and +9.5 vs. the prior year period.

Diesel Fuel Prices



Gasoline Prices

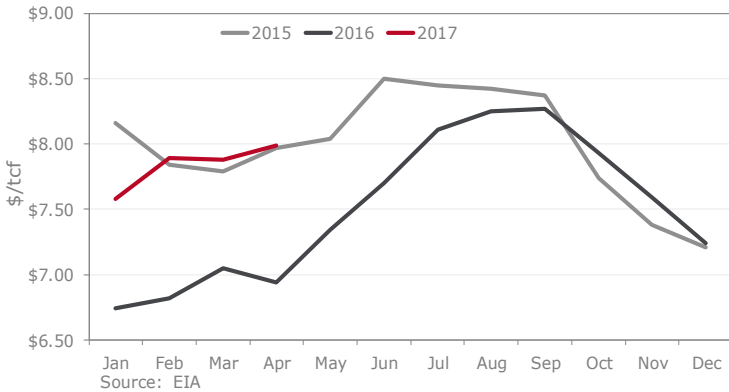


- The April average diesel fuel price of \$2.58/gal increased +1.1% vs. the prior month and increased +20.0% vs. the prior year period.

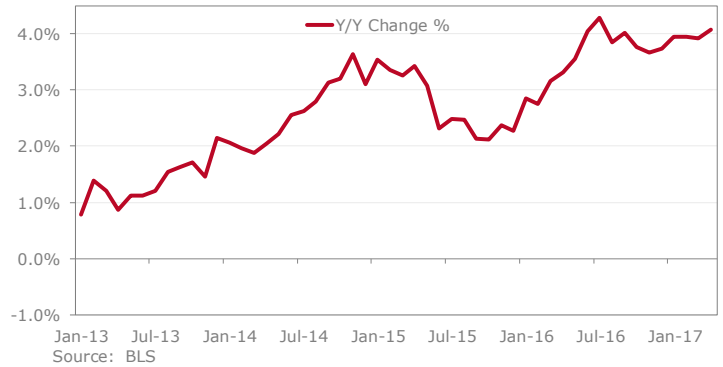
- The April average regular grade gasoline price of \$2.42/gal increased +4.0% vs. the prior month and increased +14.4% vs. the prior year period.

Energy and Labor: Global oil prices have kept energy prices in check, while we observe wage inflation gains in restaurants and food manufacturing.

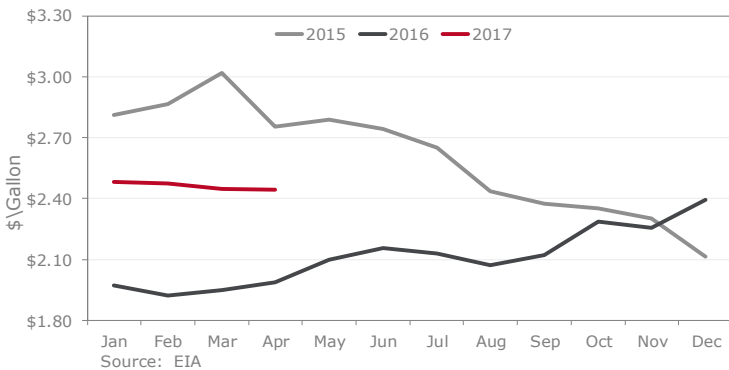
Natural Gas Retail Prices



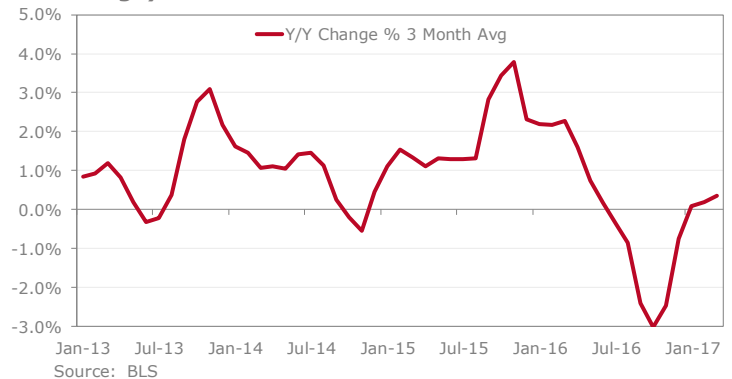
Restaurant Hourly Earnings



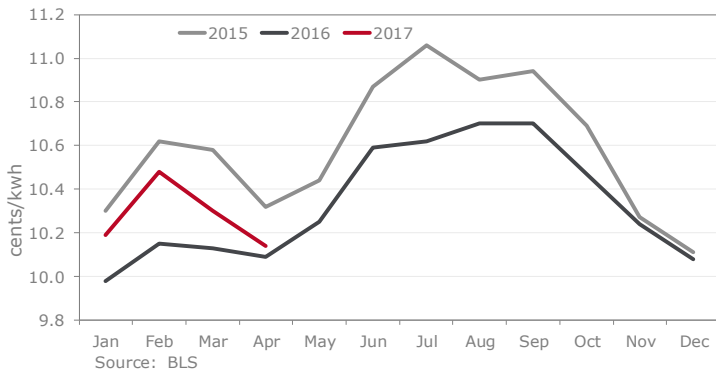
Heating Oil Retail Prices



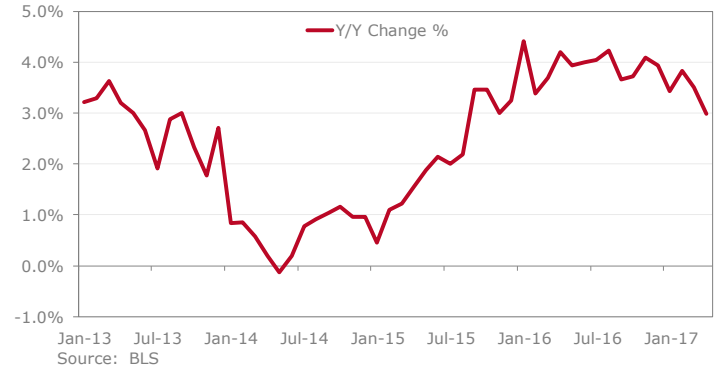
Supermarket Hourly Earnings (3 Month Rolling Average)



Commercial Electricity Prices



Food Manufacturing Hourly Earnings



- The April average natural gas price of \$7.990/Mcf increased +1.4% vs. the prior month and increased +15.1% vs. the prior year period.
- The April average heating oil price of \$2.44/gal decreased -0.2% vs. the prior month and increased +22.8% vs. the prior year period.
- The April average electricity price of \$0.1014/kWh decreased -1.6% vs. the prior month and increased +0.5% vs. the prior year period.

- The restaurant labor index increased +4.1% Y/Y in April, which up +20bp vs. the prior month and up +80bp vs. the prior year period.
- The supermarket labor index increased +0.4% Y/Y in March, which was up +20bp vs. the prior month and down -190bp vs. the prior year period.
- The food manufacturing labor index increased +3.0% Y/Y in April, which was down -50bp vs. the prior month and down -120bp vs. the prior year period.

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