



Processed Chicken: National Mechanically Separated Chicken (Fri.)
Agricultural Marketing Service
Poultry Market News & Analysis Branch

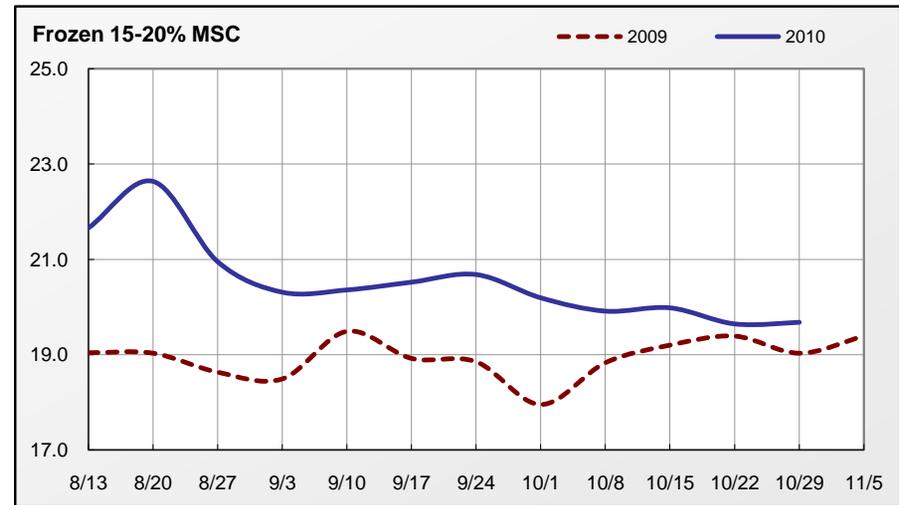
Fri. Oct 29, 2010

(F.O.B. Shipper Dock or equivalent; negotiated prices in trucklot and less-than-trucklot volumes reported in thousand pound quantities, cents/pound; delivery within 2 weeks.)

The price trend was steady to weak on fresh 15-20% with the balance of fat contents steady. Supplies of fresh and frozen 15-20% were moderate to heavy with the remainder moderate. Schedules were seasonally normal. Domestic and export demand on frozen 15-20% was light to moderate with some improved interest noted into export channels with the balance of fat contents light. Market activity was slow to moderate. 2011 negotiations persist with a little bit of action taking place despite the discrepancies in opinion between buyers and sellers. A few contracts have been confirmed on fresh and frozen 15-20% at levels at the low side of 2010 contracts and nearing levels similar to the current spot marketplace. Regarding the current spot marketplace, industry continues to fight an uphill battle moving spot MSC and frames in light of seasonal reductions in demand and push back from buyers with heavy inventories. Many continue to take advantage of their options by rendering or selling off frames to a growingly disinterested audience. Supplies of raw materials remain heavy. Frame values were steady to weak with trading between 4-7 cents FOB.

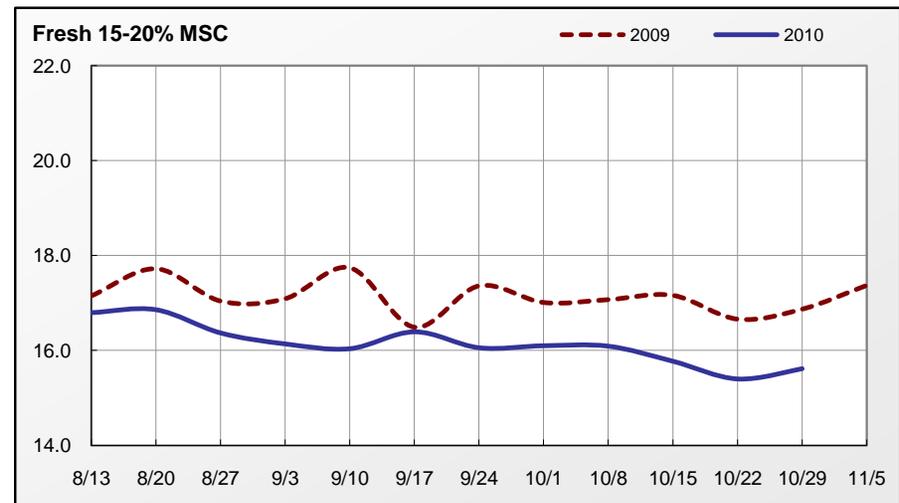
Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

| Fat Content | Frozen | | | Fresh | | |
|--------------------|---------------|---------------|-------------|---------------|---------------|-------------|
| | 29-Oct-10 | Last Week | Last Year | 29-Oct-10 | Last Week | Last Year |
| 15% or Less | | | | | | |
| Price Range | | | - | 18.00 - 19.00 | 18.00 | 18.00-19.00 |
| Wtd Avg Price | | | - | 18.56 | 18.57 | 18.67 |
| Volume Traded | - | - | - | 184 | 143 | 364 |
| Volume Exported | - | - | - | - | - | - |
| 15-20% | | | | | | |
| Price Range | 14.50 - 22.00 | 15.00 - 22.00 | 17.00-22.50 | 13.00 - 18.00 | 13.00 - 20.00 | 15.00-20.50 |
| Wtd Avg Price | 19.68 | 19.64 | 19.03 | 15.61 | 15.40 | 16.87 |
| Volume Traded | 1,326 | 1,837 | 1,072 | 3,203 | 3,154 | 2,736 |
| Volume Exported | 1,126 | 1,557 | 952 | 694 | 898 | 734 |
| 20% or More | | | | | | |
| Price Range | - | - | - | 18.00 | 18.00 | 17.00 |
| Wtd Avg Price | - | - | - | 18.00 | 18.00 | 17.00 |
| Volume Traded | - | - | - | 41 | 41 | 41 |
| Volume Exported | - | - | - | - | - | - |



Monthly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

| Fat Content | Frozen | | | Fresh | | |
|--------------------|----------|----------|----------|----------|----------|----------|
| | Sep 2010 | Aug 2010 | Sep 2009 | Sep 2010 | Aug 2010 | Sep 2009 |
| 15% or Less | | | | | | |
| Wtd Avg Price | - | - | - | 18.80 | 21.51 | 19.07 |
| Volume Traded | - | - | - | 408 | 628 | 1,170 |
| Volume Exported | - | - | - | - | 200 | - |
| 15-20% | | | | | | |
| Wtd Avg Price | 20.43 | 21.80 | 18.86 | 16.14 | 16.91 | 17.21 |
| Volume Traded | 6,576 | 6,995 | 6,748 | 12,811 | 12,159 | 13,327 |
| Volume Exported | 6,336 | 6,067 | 5,848 | 1,999 | 2,122 | 3,773 |
| 20% or More | | | | | | |
| Wtd Avg Price | - | - | - | 17.75 | 18.57 | 17.80 |
| Volume Traded | - | - | - | 163 | 286 | 204 |
| Volume Exported | - | - | - | - | - | - |



Note: Volume exported refers to that portion of the total volume that is destined for export markets.