



# FARMER'S REPORT

MARKET TRENDS | 3.1.2019

**US.**  
**FOODS®**

# PRODUCE

## KEY

- ↑ - Anticipating an up market
- - Anticipating a steady market
- ↓ - Anticipating a down market

## VEGETABLES

### POTATOES



↑ **Russets:** The market on russets is mixed this week. Norkotahs out of Washington/Oregon are up, while Norkotahs out of Colorado are steady. Burbanks and Norkotahs out of Idaho are up. 6 oz. minimum size out of Idaho are steady on Norkotahs and down on Burbanks. Lighter supplies are reported on 50-80 cts. out of Washington/Oregon. Lighter supplies and moderate demand are being reported out of Idaho. Suppliers will start to transition to only the Burbank variety in the coming weeks.

→ **Reds:** The red potato market is steady this week, including product out of both Minnesota and Florida.

→ **Yellows:** The markets out of both Florida and California are steady. Quality is good with moderate supply and demand.



### CABBAGE ↑

**Round Green:** The cabbage market is up this week. Due to the cold weather, there will be lighter supplies for the next two weeks.



### LEAF LETTUCE

↑ **Green Leaf:** The green leaf market is up this week. We are having issues with slight yellowing, blister, peel and lighter weights. Yields continue to take a hit, which will create lighter supplies this week.

↑ **Romaine:** The romaine market is up this week. The romaine supplies are expected to be light this week. With the recent cold weather, lingering signs of frost damage and clear blister will continue to be the norm. Other notable defects include yellowing of the leaves, epidermal peel, and occasional mildew. To improve quality, there will be a focus to trim all the affected leaves. Demand has been strong.



### ICEBERG LETTUCE ↑

The iceberg market is up this week. Iceberg supplies are expected to be light this week. Mildew and blister remain as common defects across the board in all available crops. Additional cleaning and heavy peeling of the outer leaves will remain a top priority to improve quality.



### GARLIC →

The garlic market is steady, but supply has tightened a bit as suppliers move towards the end of the 2018 crop. There were no quality issues last week, and all orders were filled, with no problems foreseen.



### ONIONS →

The jumbo yellow onion market is mixed this week. Product out of Washington/Oregon and Idaho is steady. Product out of Mexico is down. There is moderate supply and demand out of both growing regions. Good quality is being reported.



### MUSHROOMS →

Mushroom supply and quality continue to be an issue on the West Coast. No issues to report on the East Coast.



### CILANTRO ↑

The cilantro market is mixed this week. Product out of Oxnard is down on 30's and on 60's. Product out of Imperial/Coachella Valley California and Arizona is up on 30's and on 60's. Product out of Texas is down on 60's. Cilantro supplies are improving, but will remain light for next week.



### CUCUMBERS →

Cucumber prices are steady to down this week. Florida continues to get product from Honduras, and supply has improved, allowing a slight price drop on some sizes. Mexico looks to be mainly flat after talking about potential increases due to cooler weather. Quality is fair from Honduras and good out of Mexico.



### CELERY →

Celery is flat this week. Celery supplies are expected to be short this week and next week due to the cold, wet weather. Because of the cold weather, sizing is a little smaller. Prices remain well above normal levels.



### SQUASH AND ZUCCHINI

↑ **Yellow Squash:** Squash prices are up this week. Mexico prices look to be flat to up, while Florida is seeing a slight increase for the week. Quality continues to be a challenge for yellow squash, with heavy scarring and discoloration being reported.



↑ **Zucchini:** Zucchini prices are now on the rise due to tight supply. Both Florida and Mexico are showing a price increase. Quality is mixed between fair and good for zucchini.



### GREEN BEANS ↓

The green bean market is mixed this week. Imported haricot verts are down, with moderate supplies and demand. Machine-picked product out of Florida is down. Supply and demand are light, with fair quality. Hand-picked product out of Mexico is up, with moderate supply and demand and a wide range in quality.



### BELL PEPPERS

↑ **Green:** Green bell peppers are seeing a price increase this week.

The West has been hit with cold weather, which has slowed down the harvest and growing cycles of the peppers. The West has started to pull product now from the East due to the delays. This has caused a price increase in both regions. Quality is a mix of fair to good.

↑ **Red:** Red bell pepper prices are on the rise this week. The market is extremely tight in both regions after farmers picked heavy the last couple of weeks. Quality is fair at best, with heavy discoloring being seen in the fields.



### TOMATOES

↑ **Rounds:** Round tomatoes are up in price this week. Florida is nearing the end of their winter crop, which is causing the prices to jump up a couple of dollars. Mexico's prices look to be up slightly, as their supply tightens up as well. Quality, however, is mixed, with reports of stem decay and yellow coloring.

↑ **Romas:** Roma prices are up this week. Florida is up depending on the size and grade. Mexico is seeing similar reports. Supplies continue to be good, and quality is trending up.

→ **Cherry:** Cherry tomato prices look to be flat this week again. Demand continues to be sluggish as March arrives. Quality is a mix of fair and good from either Florida or Mexico.

→ **Grape:** Grape tomato prices are flat for the week. Demand remains sluggish, and supply is meeting demand in both regions. Quality is trending between fair and good in both growing regions for the week.



### CARROTS →

The jumbo carrot market is steady this week, including product out of California, Mexico and south Georgia. Supplies are moderate, and there continues to be a wide range in quality coming out of Mexico.



### GREEN ONIONS ↓

The green onion market is down this week. Product out of Mexico is down on medium size. Supplies continue to be light, with good demand and a wide range in quality coming out of Mexico. Current supplies are reduced because of cold weather, and many shippers are packing very small green onions.

# PRODUCE



## CAULIFLOWER ↑

The cauliflower market is up. Cauliflower supplies are expected to be light this week. On quality, there are low percentages of creamy color and occasional mildew caused by the recent showers and cold weather.



## ASPARAGUS ↑

The asparagus market is up this week. Product out of Mexico is up, while product out of Peru is insufficient to quote. There is light supply and demand. Quality will vary by growing region.



## BROCCOLI ↑

The broccoli market is up this week, with supplies expected to be light. Demand is good. Sizing, texture, and overall appearance have been consistent, with minimal defects present. No major issues to report.



## EGGPLANT →

Eggplant prices look to be steady for another week. Supply is meeting the current demand in both regions. Quality is fair, due to weather and the lack of heat which helps eggplant thrive.

## HANGING FRUIT

### APPLES AND PEARS

➔ **Apples:** All varieties are steady this week, with moderate supply and good demand and quality, except for Granny Smith, which continues to see light supplies.

➔ **Pears:** The pear market remains stable. Green and red D'Anjou and Bosc are available. The small end of pears remains tight while 90 ct. and larger remain constant.



## CITRUS

### LEMONS →

Lemon prices look to flat for the week. The majority of the product is coming from California, but there is still some product coming from Arizona. The rain has finally left the forecast. Quality is still a mix between fair and good.

### ORANGES →

Navel prices look to be flat this week, with product coming out of Riverside and Central California. Navels are trending toward the 88/113/72 count range. Cara Caras are ranging in the 88/113/72 count range as well. Blood orange supply remains good, and is trending toward a smaller size range in the 138/163/113 counts.

### LIMES →

Lime prices continue to be steady for another week. Demand remains light, but due to light harvests supply continues to meet the weak demand. Quality continues to struggle, with scarring and blanching on the fruit.



## BERRIES



### STRAWBERRIES ↑

The strawberry market is up this week. The spot market has risen, as Mexican production is over 50% off as they slow down for the season. Most pre-commitments this week are out of Florida and Mexico, but demand does exceed supply. Look for California to not have any significant volume at least until the week of March 11 due to all the rain the state has had the past few weeks.



### BLACKBERRIES →

Blackberries have very minor defects from red cell, due to the daytime heat, but nothing significant. Overall, quality is good.



### RASPBERRIES →

Raspberry quality is very good overall, with a lot of green fruit on the way, and excellent quality to come.



### BLUEBERRIES →

Blueberries look good, with very minimal issues or rejections at the cooler.



### GRAPES ↓

The grape market is steady to down this week. Crimson Seedless out of Peru is steady on XL/LG and down on Medium. Red Globe is down on XL, Jumbo and LG. Red Seedless is steady on XL/Medium and down on LG. Red Seedless out of Chile is down on XL and LG. Black Seedless is down on XL and steady on LG. Sugarones out of Chile are down on XL, Jumbo and LG. Supplies continue to be on the lighter side, especially on the West Coast. This is expected to continue into March.

## TROPICAL



### PINEAPPLES →

Pineapple prices look to be flat this week. Supplies have tightened up as arrivals have slowed down. This is a normal dip as Easter approaches. Sizing is continuing to trend towards the 6 to 7 count.



### BANANAS →

Banana prices look to be flat for another week. Supplies continue to be tight going into March. The growing conditions in the tropics have been difficult, and it is taking longer for the bananas to ripen. Vendors continue to open the ports on Sundays to help work through these issues.



### AVOCADOS →

Avocado prices are steady for the week. The 60 counts and smaller sizes are the tightest right now. #2 supply is slowly improving, but it also remains tight for the time being.

## MELONS



### CANTALOUPE AND HONEYDEWS

↑ **Cantaloupes:** The cantaloupe market is up this week. Productivity at the farm is up. The weather is ideal for melons at this time, and incidence of white fly pressure is stated to be minimal.

↓ **Honeydews:** The honeydew market is down this week. Productivity at the farm is up. The volume for all items is set to go up, especially the honeydews. The weather is ideal for melons at this time, and incidence of white fly pressure is stated to be minimal.



# BEEF

Cash cattle traded steady to mostly up \$1 last week with the majority trading hands at \$126/cwt. This week's asking price from feeders is listed at \$130 with no packer bids surfacing as of yet. Near-term futures are currently up just over \$1 from last Wednesday's close of the market.

Last week's harvest came in at 577K head, down 22K from the previous week, and of that, 442K were of the steer/heifer variety.

The grade for the week ending February 15 came in with 82.8% of all the steers and heifers grading Choice or higher, which was down 0.2% from the week prior. Select product was lower, at 14.2%, and Ungraded reported up at 3%.

## GRINDS

**GROUND BEEF 81/19:** Ground beef reported up slightly last week on improved volume, and we have seen modest gains in early-week trading this week.

**GROUND CHUCK:** Ground chuck traded flat last week, and here, too, we are seeing the same pattern in the current week.

## ROUNDS

**PEELED KNUCKLES:** All graded knuckles reported up modestly last week. The close-term market projection out front is that the beef knuckles could get a lift in price—and that is exactly what we are seeing this week.

**INSIDE ROUNDS:** Inside rounds declined modestly across the board last week. Currently they are continuing to struggle, but could have near-term advances, with retail booking over 3M lbs. over the past few weeks.

**BOTTOM ROUND FLATS:** Bottom round flats reported up modestly on the Choice grade last week, while Select product traded flat. Prices continue to be steady to firm so far this week.

**EYES OF ROUND:** Like the flats, the eyes of round reported a modest gain last week. Here, too, the eyes are following the flats lead.

## LOINS

**STRIPS:** Strips are strong and have been for a few weeks now, posting fairly significant gains last week, and again in the current week as well. These are projected to continue to climb throughout the springtime.

**TOP BUTTS:** Choice top sirloins increased moderately last week, while the Select grade took a modest decline. Through early trading this week, all grades of top butts are showing signs of weakness.

**TENDERLOINS:** All graded tenders traded steady last week, while the ungraded product declined moderately. This week we are seeing moderate decreases on all graded product, but increased cost could be on the horizon as we enter March.

## RIBS

**RIBEYES:** Everything in the rib complex except for ungraded heavies took modest to moderate gains last week, while the ungraded product traded steady. Currently everything except the Select light 112A's is continuing to take modest to moderate gains.

## CHUCKS

**CHUCK ROLLS:** Chuck rolls traded down modestly on all grades last week. Currently all graded rolls are up slightly so far, and the lack of export sales may be the defining factor holding them down.

**TERES MAJOR MUSCLE:** Choice Teres Majors reported up from moderately to fairly significantly last week. We see all graded product trading up modestly so far this week.

**BRISKETS:** Briskets saw a very slight decrease last week across all grades, and so far this week they appear to be taking it back and then some—especially in the Select grade.

## THIN MEATS

**BALL TIPS:** Ball tips traded up modestly last week across all grades. In the current week, the Choice grade is reporting modestly higher, while the Select product has shown a modest decline.

**FLAP MEAT:** Flap meat reported flat last week on Choice product, while the Select grade declined moderately. Currently the market is showing the Choice grade garnering a modest increase, while the Select grade is down modestly. Don't be fooled; this market is poised to take significant gains as Cinco de Mayo draws nearer.

**FLANK:** Select flank steaks traded steady money last week, while the Choice grade took a modest gain. Currently we see the Choice grade up modestly, and the Select product is down modestly.

**SKIRT STEAK:** Skirt steak, took a modest increase, and looks to be following the same pattern this week as well.





# PORK

Last week the USDA-reported hog slaughter continued to remain very large, at 2.5 MM hogs, up 5% over last year at this time, and roughly on a par with the previous two weeks.

Overall pork supply is mostly plentiful, with seasonally weak demand, despite some spotty winter weather disruptions.

## LOINS

Decreasing prices continue to be the story on the loin complex. Strong packer harvest and the resulting supply levels are overbearing to a market with seasonally weak demand. Loin prices are a considerable value right now, and should be inviting to buyers looking forward to spring promotions. Prices are forecasted steady to higher, but may remain unsettled in the short term.

## TENDERS

Pork tenderloin prices dipped much lower last week due to strong supply. Prices are forecasted steady to slightly lower over the next couple months, until early-summer ads start to pick up.

## BUTTS

Pork butt prices continued to dive deeper, into depths not seen in the past five years. Demand for butts, particularly in the export channel, has been extremely weak. Butts are forecasted to start moving higher any day now, as lower prices are starting to reinvigorate both retail and export demand.

## RIBS

Trades on both backribs and spareribs were choppy, with weaker undertones last week. The larger harvest levels are creating limited spot offers available at discounts. As well, some packers are beginning to meet their forward sales commitments in cold storage, which is creating additional opportunity for spot sales. Supply still remains generally tight for both ribs, and, as weather warms, demand and price should increase through early April.

## BELLIES/BACON

Belly prices slipped lower last week, as increasing supply and decreasing demand push the market lower. Seasonally, the belly market is currently in a timeframe in which steady-to-lower forecasted pricing is expected through April.

## HAMS

The ham market seems to have bottomed out last week, and finally found some demand, as prices held relatively firm. Ham prices are almost 30% below last year and flirting with all-time lows, as recent tariff hikes are pushing trade levels lower. Current price points are considered a value, and should begin to incentivize buyers to step back into the market. In addition, with Easter being closer on the radar, last-minute demand is expected to pick up.

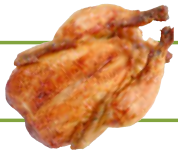
## TRIMMINGS

Pork trimming prices declined last week, as strong supply pressured trade levels lower. Expect prices to remain relatively steady within a few pennies.

## PICNICS

The picnic complex was softer last week, due to continued weakness on the demand front. Boneless picnic prices are also dropping, because packers are boning more picnics. Prices are expected steady over the next few weeks.





## TURKEY

### BONELESS, SKINLESS TURKEY BREASTS

Boneless, skinless turkey breasts were flat this week. In the near term, we should expect this market to trend flat to downward, as seasonal demand is over.



## CHICKEN

Small, medium and jumbo wings were down this week, with spot market activity leveling off. We are starting to see a slight uptick in demand as we approach the beginning of March Madness. Once we move into the mid-April timeframe, we can expect market declines as we go through the summer months. Retailers and Further Processors have backed off the boneless breast markets, leaving these markets with a chance of declines for the near term. Jumbo tenders were slightly down this week, but like wings, demand has decreased, putting this market in a balanced situation. The select/small boneless breast and tender markets remain short of supply and well-supported by the ongoing lack of supply and the YTD headcount deficit in the small bird arena.

Export demand on items such as boneless breast and leg quarters are at better than normal levels. Thigh and leg meat is trending flat in the near term. Whole birds/WOG demand has decreased, and we should expect a flat to downward trend for the near term.

### BROILER-TYPE EGGS SET IN THE UNITED STATES UP 2%

Hatcheries in the United States weekly program set 232 million eggs in incubators during the week ending February 23, 2019, up 2% from a year ago. Average hatchability for chicks hatched during the week in the United States was 81.8 percent. Average hatchability is calculated by dividing chicks hatched during the week by eggs set three weeks earlier.

\*\* Starting in 2018, the 19-State totals have been discontinued. \*\*

### BROILER-TYPE CHICKS PLACED IN THE UNITED STATES UP 2%

Broiler growers in the United States weekly program placed 184 million chicks for meat production during the week ending February 23, 2019, up 2% from a year ago. Cumulative placements from the week ending January 5, 2019 through February 23, 2019 for the United States were 1.47 billion, up 1 percent from the same period a year earlier.

\*\* Starting in 2018, the 19-State totals have been discontinued. \*\*

### WHOLE FROZEN TURKEYS

Whole turkeys were up slightly this week. Near term, we expect the market to remain steady to upward, as negotiations for fall bookings get underway.

### WHOLE CHICKEN & CUT-UP PARTS

Small bird demand continues to be strong, and supply is still tight. We can expect this trend to continue through 2019. The demand for whole birds and WOGs has weakened which supports the expectation of decreased pricing in the near term.

### BONELESS, SKINLESS BREASTS & CHICKEN TENDERLOINS

The select/small boneless breast market was flat this week. This market continues to be supported by the YTD headcount deficit in the small bird category. We can expect the select/small market to trend flat to upward in the near term. The jumbo and medium boneless breast markets were down this week. This week, additional medium and jumbo boneless made an appearance, leaving these markets with a chance of continued declines for the near term. The forward outlook suggests this market will continue to rise, as retailers and the foodservice segment continue their support going into the spring and summer months.

The select/small tenderloin market was down slightly this week. Further Processors and retailers in the small poultry category continue to support this market, with expectations of a flat to upward movement in the near term. The jumbo tenderloin market was down slightly this week, with supply and demand balanced. Going forward, we can expect seasonal market increases through the spring and summer. We can expect this market to trend flat to upward in the near term also.

### WINGS

The small wing market was down this week, with market increases at a standstill for the near term. Promotional activity is expected to continue through March Madness on both small and jumbo wings. We should expect this market to trend flat to upward in the near term. The jumbo wing market was down this week, with excess fresh product still plentiful. In the near term, there is a chance of slight market declines, but for the most part we do expect supply and demand to remain relatively balanced through March Madness. We can expect this market to trend flat to slightly upward (as we get closer to the beginning of March Madness) in the near term.

### BONELESS, SKINLESS THIGHS

The boneless, skinless thigh meat was flat this week, while bone-in thighs were up. We can expect these markets to trend flat to upward in the near term, too.



# COMMODITY OIL

## SOY, CANOLA & PALM OIL

The soybean complex closed mixed again last week, with the soybean oil gaining on the soybean meal, while soybeans held mostly steady. It was a heavy news week, with ongoing U.S./China trade war talks and the USDA's annual Outlook Forum taking place simultaneously.

Optimism regarding U.S./China trade negotiations was a supportive feature for the soybean complex throughout the week. While the details remain sketchy, China stated that they would buy an additional \$30 billion per year worth of U.S. agricultural products if a trade deal with the U.S. was finalized. President Trump has said he will push back the March 1 deadline for tariff increases, due to the positive direction the talks are taking.

At their annual Outlook Forum, the USDA lowered their 2019 soybean acreage estimate by 4.2 million. The number was a bit more aggressive than most of the pre-report trade guesses. The soybean ending stocks number for 2019/2020 was pegged at 845 million bushel—down from 910 million for the 2018/2019 crop season, but still a huge carryout nonetheless.

### SOY:

- After a brief corrective dip down towards \$.2950 level to last week, the March soybean oil contract was able to recover Thursday/Friday, and close well back above the \$.3000 mark. It has corrected since, and now is trading just below \$.3000. The technical trend remains higher, but a test of the long-term upside objective of the May 2018 high at \$.3338 will likely require some help from the soybean market. Soybean oil's share of product value should remain firm through the first half of the year.

- The USDA released their December domestic soybean crush estimate last Friday. It was another record month. The January update is slated to be released on March 1.
- The USDA caught up on export sales data on Friday, putting six weeks of soybean oil sales at 92.2K tons. The number was the second lowest for the same period in the last six years. Total soybean oil commitments are now essentially unchanged from last year, after being up 26% just six weeks ago.
- Crude oil prices surged to another new high for the move, approaching the \$58 per barrel level, and offering underlying support to the soybean oil market.
- Soybean oil basis levels were steady to lower this week, with offers averaging +0 to -25 in the East and at -50 to -75 in the West through the balance of Q1, 2019. Offers for Q2 remained 25 points higher than Q1 on average.

### CANOLA

- Statistics Canada reported December 31, 2018 canola stocks at a record high 14.553 million metric tons, up from 13.869 MMT last year. This and the current political dispute between Canada and China (the Huawei executive's arrest) are helping to keep canola oil basis levels in check for now.

### PALM OIL

- Malaysia plans to raise the biodiesel content requirement for their transportation sector to 20% in calendar year 2020, up from 10% this year. Once in place, an estimated 1.3 million metric tons of palm oil will be used to meet the new mandate. Palm oil prices pulled back this week, however, as the market had become overbought when posting seven-month highs earlier this month.



# DAIRY

## BUTTER

Butter output is active, as cream supplies are abundantly available for churning and able to meet immediate demand. Butter inventories are increasing as plant managers are recovering from the 2018 baking season, and start to build cold storage stock for the Spring holidays.

## CHEESE

The abundant milk supplies have kept production rates at elevated levels, despite the continued oversupply on the market. Demand is varied across regions, but generally considered to be healthy. After the last two weeks of price strength, buyers have taken a pause, with the expectations for some slippage from current prices. Expect a more sideways trade into the end of Q1.

## SHELL EGGS

With cheap feed prices and reasonably firm producer margins, plenty of eggs are being produced given the less aggressive promotional campaigns this season. However, the cheaper prices have started to generate some increased interest at the retail level and should provide some attractive price points for consumers. These lower values should also add to the promotional campaigns as schedulers take note of prices near their lowest levels since mid-2017.

## MILK & CREAM

Milk production was seen as steady to increasing throughout the country this past week as the seasonal increases continue. Much of the holiday related cream production has been wrapped up, pointing towards less demand and lower prices in upcoming weeks.



# SEAFOOD

## SHRIMP, DOMESTIC

**(WHITES AND BROWNS):** The winter season is coming to an end. We will be working off inventory that was packed in the fall and winter. Most producers are closing down until new pack. Currently pricing is stable, but we expect higher pricing as inventory gets lower.

**DOMESTIC PUDS:** The winter season is coming to an end. We will be working off inventory that was packed in the fall and winter. Most producers are closing down until new pack. Currently pricing is stable, but we expect higher pricing as inventory gets lower.

## SHRIMP, IMPORTED

**BLACK TIGERS AND WHITES:** Both whites and black tigers are in fair to good supply. Markets are stable, and seem to want to stay at these levels for the next few weeks. Overseas pricing is showing some pressure, but with current levels in the US pricing is stable.

**MEXICAN BROWNS AND WHITES:** The last shrimping trips are finishing up. There is a concern on browns, as well as large-size shrimp that are in very tight supply.

## CATFISH

**DOMESTIC:** Current weather patterns are causing fish not to feed; this will put pressure on growth, and we may see shortages in April and May.

**IMPORTED:** We are seeing stable pricing on imported catfish. 3-5 oz. filets are tight, but there is plenty of supply of larger filets.

## SALMON

**ATLANTIC FARMED SALMON:** Pricing is now stable on frozen portions. We are seeing a rise in price with Lent coming, but current weather patterns have caused a surplus of inventory on fresh filets and there could be discounting if product starts to back up. 4 oz. portions are forecasted to become tight, as farmers are growing out larger fish for the Asian markets.

## MAHI-MAHI

Pricing continues to trend lower, as inventory levels are in very good shape.

## SCALLOPS

**SEA:** Pricing has turned steady with very little movement. The new season was to begin on or about today (March 1).

**BAY:** Pricing is on the rise due to tariffs. Overall demand is steady.

## TILAPIA

Inventory domestically is very good; pricing has been stable now for some time, after the tariff lift in late 2018. We don't expect to see much change in this market for the next few weeks. There is talk, however, that pricing could inch up in April.

## PANGASIUUS

Pricing remains steady on 3-5's, but we have seen discounting on 5-7's and 7-9's as those sizes are plentiful in the marketplace. Outlook is for a steady to lower market.

## WHITEFISH COMPLEX

**COD:** We expect the overall market to remain very firm, with short inventory and high prices. Quota cuts will put additional pressure on supply and pricing.

**POLLOCK:** The fishery for Pacific pollock has produced only smaller fish, just 2-4 oz. filets. This could cause an inventory issue for frozen loins if they don't start catching larger fish. Larger filets 4-6 and 6-8 oz. are very tight.

**HADDOCK:** Pricing on skin-on filets and skinless loins is starting to see increases. Q1 will bring much higher prices, due to low supply on raw material, in addition to the tariffs. Quota cuts will put additional pressure on supply and pricing.

**FLOUNDER:** Inventory levels are in good shape. Pricing is steady and quality is good. Fish from Argentina should start to firm up as the season changes.

## TUNA, YELLOWFIN

**FROZEN STEAKS & LOINS:** Tuna pricing and inventory is stable.

## SWORDFISH

Swordfish pricing is very stable. Inventory levels are in very good shape.

## KING CRAB

**(RED & GOLDEN):** Product is very short in the marketplace across all sizes, as the quota was cut again. Golden King Crab is a good alternative, as the meat is fairly sweet with good flavor.

## CRABMEAT

**(BLUE & RED, PASTEURIZED):** Demand is slowing on the larger sizes, and as a result we are seeing a slight decrease in price. Small pick inventory is firm. Claw meat is stable to higher.

Inventory is becoming nonexistent, and we expect to see this continue for the rest of the year.

Mexico Blue Crab season is beginning to slow, as is common this time of year. Pricing is stable and supply is very good.

## SNOW CRAB

**ALASKAN:** All vendors are currently out as new production has not made it down to the Lower 48. The outlook for the future looks good, as the biomass for younger crab looks very positive. The entire fleet is now out fishing.

**CANADIAN:** Inventory on 5-8 clusters seems to be plentiful. Pricing is very unstable. However larger sizes, 8-up, 10-up and 12-up clusters are tight in supply.

## LOBSTER

**NORTH AMERICAN LOBSTER:** Overall the catch in the North Atlantic was a bust. We are seeing very little production. Pricing is steady to firm, as there is not supply to support demand.

**LOBSTER TAILS WARM WATER:** Supply on warm water tails is in a decent place. Due to high demand, pricing is firming. We now have MSC product in our Harbor Banks® brand.

**LOBSTER MEAT:** Compared to cold water lobster tails, meat is in fairly good supply. Pricing and demand are both steady.



# US TRADE DISPUTE WITH CHINA UPDATE

- President Donald Trump announced early in 2018 he would impose tariffs on imports to shrink the trade deficit.
- Three rounds of tariffs have been implemented so far:
  1. March 23rd, ~\$3 billion of products: imported Steel (25%) and Aluminum (10%).
  2. The next round of ~\$50 billion in products from China - mostly machinery and parts - was put on in two stages:
    - July 6th, ~\$34 billion of imported products (25%).
    - August 23rd, ~\$16 billion (also 25%).
  3. September 24th, an additional ~\$200 billion in products from China (10%).
    - The administration planned to increase them to 25% on January 1, 2019, if no agreement was met.
    - Trump announced on December 2 that these additional tariffs would be delayed 90 days in order to give the two countries a chance to come to an agreement on trade.
    - Talks have continued with the Chinese, but no agreement has been made.
    - Trump had said that if a deal was not made, the additional tariffs would go into effect by today (March 1). See the Commodity Oil page for updated information.
- China retaliated against the US tariffs, initially matching the first \$50 billion, and then an additional \$60 billion against the latest round (\$200 billion).
- Price increases on affected products are industry-wide, and vendors will see the impacts of these tariffs on raw materials at different stages, depending on multiple factors.
- There are no changes to any implemented price changes at this time.
- As vendors increase their prices due to tariffs, we pass them on to customers.

## Products with Price Increases

Tariff Group	USF Product Group Impacted	PIM Categories Impacted
Metals - Iron, Steel, Aluminum	Disposables	Foil Bags, Foil Carryout Containers, Foil Roll, Trays and Pans, Foil Wraps and Sheets, Basket Liners
Metals - Iron, Steel, Aluminum	CES	Heavy Equipment, Smallwares, Parts & Supplies
Metals - Iron, Steel, Aluminum	Grocery	Beverages
Metals - Iron, Steel, Aluminum	Grocery	PC Savory Condiments
Metals - Iron, Steel, Aluminum	Canned Goods	Canned Tomatoes, Dry Pack Beans, EB Canned Fruit, Ketchup, Shelf-Stable Entrées, Canned Pasta, Oil, Dessert Toppings, Cocoa
Metals - Iron, Steel, Aluminum	Value Added Shelf-Stable	Sauces, Shelf-Stable: Gelatin, Pudding & Pie Filling, Shelf-Stable
Metals - Iron, Steel, Aluminum	Canned Goods	Canned Fruit and Veg., Pudding & Custard, Cheese, Sauces, Beans
Straws and Stirrers	Disposables	Straws, Drinking, Plastic/PLA - Straws, Stirrer, Plastic/PLA
Metals - Iron, Steel, Aluminum	Value Added Shelf-Stable	EB Gelatin, Pudding & Pie Filling, Shelf-Stable & EB Sauces, Shelf-Stable
Plastics	Disposables	Bags, Food Storage (PE) and (PP), Bags T-Shirt, Buckets, Can Liners, Cups, Dust Pans, Food Containers, Lids, Pastry Bags, Urinal Deodorizer, Aprons, Bibs, Headware (Disposable), Trays & Film
Paper	Disposables	Bags, Cups, Drinking Straws, Facial Tissue, Food Containers, Lids, Napkins, Paper Towels, Pizza Boxes & Circles, Toilet Seat Covers, Toilet Tissue, Register Tape (Disposable), Labels, Paper Wraps & Boxes
Fibers / Molded Fiber	Disposables	100% Cotton Fabrics, Cups & Bowls, Food Containers, Plates, Platters, Lids
Gloves	Disposables	Latex, Nitrile, PE, Vinyl/Synthetic
Frozen Seafood	Finfish & Shellfish	Catfish, Flounder, Haddock, Tilapia, Pasteurized Crabmeat, Scallops, Squid, Crawfish
Canned Fruit	Canned Fruit & Veg.	Mandarins, Nuts, Cauliflower, Other Fruits & Veg.