



FARMER'S REPORT

MARKET TRENDS | 4.5.2019

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 steady while Norkotahs out of Colorado are up. Burbanks out of Idaho are steady, while Norkotahs are down. 6 oz. minimum supply out of Idaho are steady, on Norkotahs and Burbanks. Moderate supply and demand are being reported out of Idaho and Washington/Oregon. Quality will vary as suppliers are deep into their storage crop.

↓ **Reds:** The red potato market is mixed this week. Product out of Florida is steady while product out of Minnesota is down. There is moderate supply and demand.

➔ **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 down this week. There are supplies, demand, and quality.

LEAF LETTUCE



↑ **Green Leaf:** The green leaf market is up this week. Supplies are above budget. There is a little bit of thrip damage and bug pressure in the desert growing region. Demand is good.

↑ **Romaine:** The romaine market is up this week. Romaine (including Value Added) and Romaine Heart supplies are expected to be normal this week. Demand is fair. However, with the recent warm weather in the area, lingering insect pressure and internal burn will continue to be present in low percentages.



ICEBERG LETTUCE ↓

The iceberg market is down this week. Iceberg supplies are expected to be normal this week. Demand is increasing; however, prices have moved lower. Availability of supplies is expected to increase in the coming weeks, as harvesting will occur in California. There has been an improvement in quality, although sporadic signs of occasional old frost damage continue to appear from time to time.



GARLIC ➔

The domestic garlic market is steady. Domestic quality has improved. Supply is moderate with good demand.



ONIONS ↓

The jumbo yellow onion market is down this week. Product out of California is down. There is moderate supply and lighter demand. Quality will vary, as most suppliers are deep into their storage crop.



MUSHROOMS ➔

No issues to report on mushrooms coming off the East Coast with good supplies, demand, and quality. There continue to be issues on mushrooms coming from the West Coast, regarding supply and quality.



CILANTRO ↓

The cilantro market is mixed this week. Product out of Oxnard is down on 30's and on 60's with moderate supplies, light demand and good quality. Product out of Imperial/Coachella Valley California & Arizona is down on 30's and on 60's with moderate supplies and demand. Product out of Texas is steady on 60's with moderate supplies and good quality.



CUCUMBERS ↑

Cucumber prices are bouncing back up. Honduras product is nearly finished, which is causing the market to tighten up a bit in the East. Demand has started to pick up slowly. New fields look to be strong in quality.



CELERY ↓

The celery market is down. Supplies continue to be extremely tight due to the cold, wet weather in Oxnard. Supplies are expected to be very tight for the foreseeable future. Prices continue to be high. This market is expected to remain strong for the next few months. The main variables that are affecting this market are limited supplies out of California and the weather conditions that affected Mexican crops.



SQUASH AND ZUCCHINI

➔ **Yellow Squash:** Squash prices are flat to down this week. Supplies are steady out of Florida and Mexico. Demand remains low and quality is still between fair to poor, with scarring and heavy discoloration being major issues.



↓ **Zucchini:** Zucchini prices are flat to down for the week. Supplies appear to be meeting the low demand. New spring crop is showing improvements when it comes to quality.



GREEN BEANS ➔

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



BELL PEPPERS

↑ **Green:** Green bell peppers have increased in price for the week. Demand is up, causing the supply to tighten back up. New fields still need time to complete harvest ramp-up. Quality is trending up as the new fields get into gear

↑ **Red:** Red bell peppers have also jumped back up in price. Demand has picked up and caused supply to tighten in both regions. New fields are still ramping up their harvests. Quality still looks to be good, barring any weather issues.



TOMATOES

↑ **Rounds:** Round tomatoes are up in price this week. Both the East Coast and West Coast are seeing a slight jump in demand, causing the supply to tighten up a bit. Florida is seeing the largest price increase this week. Quality has struggled on rounds, with soft fruit being reported in the field.

↑ **Romas:** Roma prices are steady to up for the week. Mexico is seeing a slight price increase as demand picks up. Florida, however, appears to be flat for the week. Quality continues to improve in both regions.

↓ **Cherry:** Cherry tomatoes are down slightly for the week. Supplies have improved slightly out of Florida, while Mexico continues to battle poor quality. Quality is good in Florida, but Mexico continues to see issues

↓ **Grape:** Grape tomatoes continue to drop in price. Supplies have begun to improve in both Florida and Mexico as new fields ramp up harvests. Quality is also starting to improve with the new fields.



CARROTS ➔

The jumbo carrot market is mixed this week. Product out of California and Georgia is steady, while product out of Mexico is up. There are moderate supplies and demand. There continues to be a wide range in quality coming out of Mexico.



GREEN ONIONS ↓

The green onion market is mixed this week. Product out of Mexico is down on medium size, with moderate supply and demand and a wide range in quality. Product out of South Carolina is up, with light supply and good demand.



CAULIFLOWER ↓

The Cauliflower market is down. Cauliflower supplies are expected to be normal this week, and there is low to fair demand. Consequently, prices are low. On quality, product looks good, with only low percentages of creamy color reported.

PRODUCE

ASPARAGUS ↓

The asparagus market is down this week. Product out of Mexico is down. There are moderate supplies and lighter demand. Quality will vary out of Mexico.

BROCCOLI ↓

The broccoli market is down, with supplies expected to be normal this week. Supplies out of Mexico will slightly decrease this week and next week. Although volume is lower, prices are lower while supplies get cleaned up. Demand is fair.

EGGPLANT →

Eggplant prices look to be steady to down for the week. Florida is seeing a price drop as new fields ramp up from the warmer weather. Mexico prices look to be steady, as they are meeting current demand. Eggplant is improving as warmer weather hits the fields.

HANGING FRUIT

APPLES AND PEARS

→ **Apples:** The apple market is steady this week on all varieties with good supply, demand, and quality. Supplies on Granny Smith continue to be lighter.

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

CITRUS

LEMONS ↑

Lemon prices are steady to up for the week. Lemons are trending toward larger sizes, putting the squeeze on 165 counts and smaller. The smaller sized lemons are seeing slight increases while bigger sizes remain flat. There are currently three growing regions in California. Quality continues to be good.

ORANGES →

Orange prices continue to be flat for another week. Navels continue to trend toward the 88/113/72 size ranges. Cara Cara supplies and blood oranges look to be good as Easter approaches. Caras Cara are trending at 88/113/72 size ranges, while blood oranges are trending toward 138/163/113 size ranges. Quality continues to be good on all orange varieties.

LIMES ↓

Lime prices are down for the week. The supply has improved only slightly, with 175's and larger sizes being on the tight side. Quality is improving slightly as weather improves in Mexico.

BERRIES

STRAWBERRIES ↓

The strawberry market is down this week. California strawberry production has been hampered since the beginning of the season by cool temperatures and sporadic winter showers. As the industry begins to shift into full production, Oxnard will be the primary shipping location, followed by Baja California. Overall pack-outs are down to last year, which has kept FOB pricing significantly higher than we'd normally see during this time period. As the industry prepares for a significant Easter pull, expectations are for growers and shippers to finally hit stride and start shipping meaningful volumes this week.

BLACKBERRIES →

As for blackberries, quality remains consistent and field personnel are doing an excellent job of keeping packs clean. Growers expect volume to increase by April-May.

RASPBERRIES →

Raspberry volume is expected to steadily increase, and quality is looking excellent as field personnel are doing a great job keeping packs clean.

BLUEBERRIES →

Blueberry quality has been good, and berries are firm with a lot of bloom. Some growers are starting to see the size decrease slightly due to the warm weather, but overall quality is looking great.

GRAPES →

The grape market is steady to up this week, depending on the variety and size. Black Seedless out of Chile are up on XL and Large. Crimson Seedless out of Chile are steady on XL, Large and Medium-Large. There is moderate supply and demand, with fair quality. Supplies are expected to be tight towards the end of April into May.

TROPICAL

PINEAPPLES ↑

Pineapple prices are up this week as harvests slow down. Weather patterns in the growing regions are culprits for the drop in supply. Volume should be back to normal as Easter approaches. The sizing is in the 6 to 7 count, with quality being good on all sizes.

BANANAS →

Banana prices continue to be steady as crops get back to normal harvest. Vessel arrivals are back on schedule as well, now that the ripening issues are over. Fruit quality remains good, with no expected changes in the upcoming weeks.

AVOCADOS ↑

Avocado prices continue to rise rapidly. Mexico's crop has moved to higher elevations, which allows farmers to be more patient in the harvest. California product has started to harvest, but volume is down from last year. Holy Week is around the corner, which will result in harvest delays.

MELONS

CANTALOUPES AND HONEYDEWS

→ **Cantaloupes:** The cantaloupe market is flat this week. Supplies are decent; however, a turn in the tide has shifted to a greater proportion of smaller fruit than large. It will be short-lived, but 12/15's are more readily available than 9's. Import harvest will continue over the next several week's when we will wrap up and move into domestic Arizona.

→ **Honeydews:** The honeydew market is flat this week. Supplies are decent; however, a turn in the tide has shifted to a greater proportion of smaller fruit than large. It will be short-lived, but 12/15's are more readily available than 9's. The import harvest will continue over the next several weeks when we will wrap up and move into domestic Arizona. Honeydew are available with average markets.





BEEF

Live cattle prices traded down 2 cents last week, closing at \$1.26/lb., compared to the previous week's price of \$1.28/lb.. Live cattle are projected to trade steady to modestly lower over the next few weeks.

Last week's production levels were reported at 614,000 head, which was down by 17,000 from the prior week. Production levels are forecasted to remain steady around the 615,000 head level for the next few weeks. However, it is expected to move higher toward the end of April, which could climb to 650,000 head weekly, based on out-front seasonal demand.

Grading continues to be very strong, especially with Prime, which constitutes 10.1% of the grading. The Choice grade is reporting at 72.9%, while the Select grade is struggling and reporting at only 13.8%, and Ungraded continues to be at all-time lows, reporting at 3.2%

GRINDS

GROUND BEEF 81%: We saw a steady market reported, with normal demand in place. Out front, we are projecting the market to ease back to lower costs, which are expected over the next few weeks.

GROUND BEEF 73%: 73% grinds reported up modestly, as demand reported back to normal. The market trend so far for the week is showing retracement to lower costs. Out front, we are projecting continued pressure to lower costs for April.

GROUND CHUCK: Ground Chuck reported up modestly, with normal demand in place. So far this week, we are seeing retracement to lower costs, based on the chuck roll complex trending down. Further declines are expected in April.

ROUNDS

PEELED KNUCKLES: Choice knuckles reported a modest increase, while the Select knuckles moved down modestly. Knuckles are under pressure with discounting in place, and the market will remain soft through April.

INSIDE ROUNDS: Inside rounds traded steady at best last week. Surprisingly, Choice inside rounds are showing increases so far for the week, while the Select grade continues to remain steady. We do expect a steady to softer market to continue into April.

BOTTOM ROUND FLATS: All grades of flats reported steady to modestly lower last week. Prices so far for the week are showing signs of further weakness, and are expected to continue to move lower.

EYES OF ROUND: All grades of eyes of round reported a modest decrease. So far this week, all grades continues to be under pressure with lower costs.

LOINS

STRIPS: Choice strips remained strong for the eighth week in a row, as they posted further gains last week, while the Select grade rebounded from previous weeks' lows and reported a modest increase. Strips are expected to take a breather from higher prices for the next few weeks, before making a further run-up in price starting in the back half of April.

TOP BUTTS: Choice grades of top butts reported steady money, while the Select grade slipped with a modest decrease. So far this week we are seeing the Choice grade move much higher, while the Select grade is showing signs of a steady market.

TENDERLOINS: All grades of tenderloins reported declines last week due to lackluster demand, with Ungraded product taking the brunt of lower costs. This week we are seeing the market on Choice advance upward, while the Select grade continues to find a value at lower cost.

RIBS

RIBEYES: In the rib complex, light Choice and Ungraded reported modest declines, while the Select grade continued to report a small increase. With heavy ribs, we saw the Choice grade report as steady, while the Select grade and Ungraded ribs reported modest to moderate increases. Look for the rib complex to have a possible setback in lower costs through April, but it's not out of the question for higher costs just before Easter.

CHUCKS

CHUCK ROLLS: Chuck rolls again reported a modest decrease last week across all grades. So far for this week, we are seeing the same trend to modest decreases. Expect this trend to continue over the next several weeks.

TERES MAJOR MUSCLE: Teres Majors reported up with another increase last week. So far for the week we continue to see the Choice grade move up, while the Select grade shows a retracement to cost. Availability has become an issue, as the industry is experiencing challenges filling all orders.

BRISKETS: As expected, all grades reported down with modest decreases, and this trend continues to hold true so far this week. Briskets are projected to ease downward through April, but it is not out of the question that we could see a market rebound if demand picks up.

THIN MEATS

BALL TIPS: Ball tips traded down last week on the Choice grade, while the Select grade reported steady money. For the current week, we are seeing a very unstable market, with lower costs being reported. During April we should see the ball tips drift lower.

FLAP MEAT: Flap meat continues to push higher, with heavy demand in place. Currently the market is showing another strong increase to all grades. This market is poised to take significant gains as Cinco de Mayo draws nearer.

FLANK: All grades of flanks posted a small decrease last week. Currently we see all graded products resume their trend higher so far this week.

SKIRT STEAK: Skirt steak took yet another healthy increase last week, and prices are taking a slight break so far this week. This market will also continue to take gains as Cinco de Mayo draws nearer.





PORK

Last week the USDA-reported hog slaughter was over 2.5 MM hogs, slightly higher than the previous week and up over 1'one year ago by almost 6%.

The USDA released its quarterly Hogs and Pigs Report last week, indicating 2.8% more pigs in the December through February pig crop. Producers may be motivated to expand their herds, given strong futures pricing as a result of the African Swine Fever in China, and possible increased global trade.

The lean hog futures saw some increased volatility last week to the down side, erasing some of the exponential gains in the previous weeks.

Recent news of African Swine Fever is creating volatility in the marketplace.

LOINS

Prices in the loin complex continued higher last week, as supply tightens due to packers being forward-sold for upcoming retail ads. Values on both items have surged counter-seasonally stronger, so there is a possibility that loins could correct lower before May.

TENDERS

Pork tenderloin prices held a steady course last week, as supply and demand remained well-balanced. Seasonally, prices begin to move higher at some point in April, as retail demand picks up for summer grilling season, but it's all a matter of when retailers are going to start featuring product.

BUTTS

Pork butt prices surged higher last week, due to increased demand across retail, foodservice and the export channels, both for current and out-front needs. Pork butts are one of the most commonly traded pork cuts, so lots of activity is driving increased pricing. Pork butt prices are expected to continue moving higher into May.

RIBS

Trades on both backribs and spareribs were stronger last week. Some packers are beginning to meet their forward sales commitments in cold storage, which is creating some limited availability of spot sales. Supply remains generally tight for both ribs and, as weather warms, demand and price should increase through early April.

BELLIES/BACON

Belly prices continued to move aggressively higher last week in very counter-seasonal fashion. Concerns of African Swine Fever impacting bacon have various channels on edge. Prices are forecasted to eventually come off at any moment.

HAMS

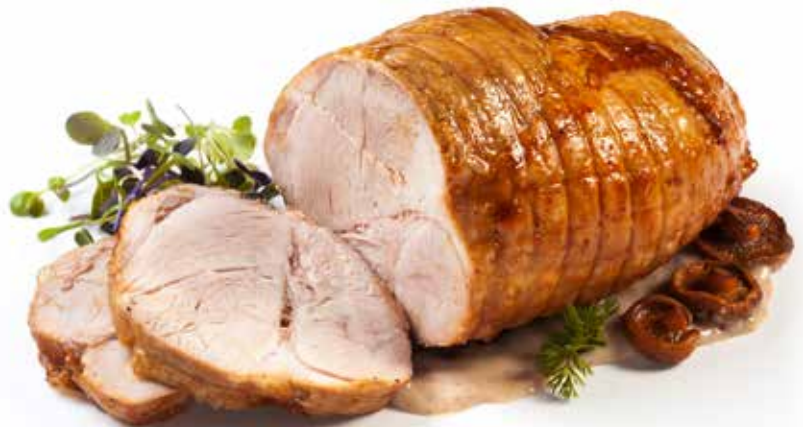
The surging ham market continued to move higher last week, but the rate of increase drastically slowed from the previous weeks, indicating the ham market may be peaking. Export demand has been extremely strong, as the United States backfills other countries who are exporting to China and Mexico.

TRIMMINGS

Pork trimming prices continued stronger last week, but the buying rally is expecting to ease, as processors should have the bulk of their needs covered for spring grilling season demand. Prices are expected to hold relatively steady, and eventually move higher in June.

PICNICS

Trades in the picnic complex continued to be amplified by African Swine Fever concerns. Seasonally, prices move directionally higher in April through summer, as grilling season demand picks up for sausages. In addition, some retailers are promoting bone-in picnics for pulled pork offerings as a cheaper substitute for pork butts. Prices should correct lower in the short term.





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 slightly downward, as demand continues to be lackluster and freezer inventories are high.



CHICKEN

Small, medium and jumbo wings were flat this week, as March Madness demand ends. Spot opportunities have been minimal—but late last week showed an increase in showings, though at premium asking prices. The boneless breast markets were flat this week, as Further Processors have started to pull back slightly on purchases, and spot offerings have been available at competitive prices. We do expect demand from retailers and foodservice to jump back into this market, which will support continued price increases as we go into the summer months. Jumbo tenders were flat this week, as this market is currently in a balanced to tight position, without any spot offerings being discovered. The select/small tender markets were flat this week, following the same trend as the jumbo tenders. This category remains 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 boneless breast and dark meat continues to be at better than normal levels, trending flat to upward. Thigh and leg meat were slightly up this week, with leg quarters remaining unchanged. Going forward, we can expect slight incremental increases in all dark meat categories in the near term. Whole birds/WOG demand has shown a slight increase; we should expect a flat to slightly upward trend for the near term.

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

Hatcheries in the United States weekly program set 230 million eggs in incubators during the week ending March 30, 2019, up 2% from a year ago. Average hatchability for chicks hatched during the week in the United States was 81.6 percent. Average hatchability is calculated by dividing chicks hatched during the week by eggs set three weeks earlier.

The 19-State totals were discontinued in 2018.

BROILER-TYPE CHICKS PLACED IN THE UNITED STATES UP 1%

Broiler growers in the United States weekly program placed 185 million chicks for meat production during the weeks ending March 30, 2019, up 1% from a year ago. Cumulative placements from the week ending January 5, 2019 through March 30, 2019 for the United States were 2.39 billion, up 1% from the same period a year earlier.

The 19-State totals were discontinued in 2018.

WHOLE FROZEN TURKEYS

Whole turkeys were flat this week. Near-term, we expect the market to remain flat to slightly downward, due to heavy inventory being held in cold storages and lack of demand.

WHOLE CHICKEN & CUT-UP PARTS

Small bird supply and demand is still out of balance, pushing pricing higher as demand is hard to fulfill. We can expect this trend to continue through 2019. The demand for medium and jumbo whole birds and WOGS is steady, and beginning to get a slightly increased amount of attention as the weather warms up. We expect a potential slight increase in pricing in the near term.

BONELESS, SKINLESS BREASTS & CHICKEN TENDERLOINS

The select/small boneless breast markets were 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 flat this week, with increasing spot opportunities starting to surface. The forward outlook suggests this market will continue to rise as retailers, Further Processors and the foodservice segment continue their support going into spring and summer.

The select/small tenderloin market was flat 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 flat this week also, with a near-term outlook being balanced to tight. Going forward, we can expect seasonal market increases through the spring and summer. We can expect this market to also trend flat to upward in the near term.

WINGS

The small wing market was flat this week, with expectations after March Madness to trend flat to downward for the near term. The jumbo and medium wing market was flat this week with spot load offers increasing slightly in number. We can expect the jumbo market to trend flat to downward as we enter into the traditional declining market during May and June, following the same path as small wings. However, given developing supply constraints, we should expect the medium market to remain flat to upward in the near term.

BONELESS, SKINLESS THIGHS

The boneless, skinless thigh meat market was up slightly this week. Exports to Mexico and the Caribbean, as well as renewed domestic interest, continue to support the back half category. We can expect these markets to trend flat to upward in the near term.



COMMODITY OIL

SOY, CANOLA & PALM OIL

The soybean complex closed lower last week, with soybeans and soybean meal taking the brunt of the selling pressure, while soybean oil was able to regain some share of product value, after being beat down on oil/meal spread unwinding. Logistical issues seem to be clearing for now, prompting an opposite move in that spread this week. Spot soybean futures traded down to their lowest level since last October.

Brazilian soybean harvest (80% complete) selling ramped up, as their currency continued to falter. Meanwhile, Argentine soybean yield prospects are improving, based on early harvest results there. Argentina's peso is currently at a record low against the U.S. dollar.

China was thought to have bought 1.5 to 2 million metric tons of U.S. soybeans for July/August shipment on Thursday, but only 816,000 were reported on Friday. This would leave about 7 MMT open on the total of the 10 MMT promised several weeks back, as traders continue to wait for an official trade agreement.

Friday's USDA reports were a wash for the soybean market, as March 1st stocks came in a bit higher than expected, but the soybean acreage number was well below the average trade estimate.

SOY:

- The May soybean oil contract made a new low, penetrating the initial support level at \$.2850 in the process. Technical indicators continue to point lower, with the November 2018 low at \$.2770 coming in as the next major support level. The

market is oversold now for the short term, however, having broken nearly 300 points (10%) from the February high of \$.3132 and with a Relative Strength Index now back under 30.

- Updated Census Bureau data for the period October 2018 through January 2019 shows total U.S. canola oil imports down 18.5% and palm oil imports down 6% from the same period a year ago. Soybean oil continues to displace canola oil in biodiesel production.
- The EPA is set to release its decisions on applications for small refinery waivers from the U.S. biofuel laws for 2018 sometime in April. The impact should be minimal, as overall soy oil use for biodiesel demand remains strong among the larger producers.
- Soybean oil basis levels were mostly steady this week, with offers averaging -25 to -50 in the East and at -75 to -100 in the West through Q2.

CANOLA

- The canola seed futures market continued to struggle this week, with no end in sight to the Chinese ban on imports. Seed futures are down nearly \$50 per ton since early February, helping to keep pressure on the nearby canola oil basis. Canola basis offers were steady, posted at +675 for Q2, 2019.

PALM OIL

- Palm oil prices have been down for five of the last six sessions, and 3% for the week, as that market continues to struggle with ample global inventories and sagging soybean oil prices. Malaysian and Indonesian palm oil production trends seasonally higher now through mid-fall.

US EXPORTS

- Weekly soybean oil export sales came in at 11,700 tons, near the higher end of the range of trade expectations between 5,000 and 15,000 tons.



DAIRY

BUTTER

Butter output is active, as cream supplies are abundantly available for churning and able to meet immediate demand. Butter production is ongoing, with inventories continuing to build for future use, particularly to fulfill the anticipated strong demand during the upcoming spring holidays. CME markets remain very tightly range-bound.

CHEESE

After significant gains in both the CME block and barrel markets over the past month, the market is finally taking a pause this week. Cheese inventories remain abundant, and this has caused traders to reevaluate the recent spike in prices.

SHELL EGGS

The large shell egg market took a surprising drop this past week. With demand still not living up to expectations, even knowing Easter was late this year, the

market remains oversupplied for the time being. We should start to see some improvement in purchases in mid-April, as stockpiling for promotional campaigns commences. Farmers are maintaining their expanded flocks, but are also keeping older birds in production-which could lead to some flock reductions following the holiday demand period. Either way, the nearby market has plenty of inventory, and is keeping prices subdued, and will likely prevent prices from taking out the recent highs. Changes to feed costs could certainly alter this outlook, but for the time being farmers' margins are still comfortable and continue to incentivize strong production.

MILK & CREAM

Milk volumes are adequate to meet processing needs in all regions of the U.S. We are seeing steady to slightly increased production, with manufactures at or near production capacity. Cream supplies are plentiful, but are expected to tighten as seasonal ice cream demand increases.



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 shutting 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 shutting down until new pack. Currently pricing is stable, but we expect higher pricing as inventory gets lower.

SHRIMP, IMPORTED

(BLACK TIGERS AND WHITES): Both white 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, which will put pressure on growth, and we will see shortages in April and May. Pricing has moved up slightly.

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

SALMON

ATLANTIC FARMED SALMON: Pricing is now stable on frozen portions, and we do expect a flat to slightly down market for Q2. We are seeing a slight decline on fresh fillets after a few weeks of increases as we got into Lent. 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. Fresh product is seeing some weakness, as the new season is here!

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.

PANGASIU

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 stabilize, now that we are well into Lent and tariffs have been delayed further. Atlantic cod pricing will be mostly stable for Q2. Pacific cod will be in the same boat; however, select items could see a decline, while we see a slight increase in the chem-free category.

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

HADDOCK: Pricing is starting to stabilize now that we are well into Lent and tariffs have been delayed further. Q2 pricing will be mostly stable.

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): All in all, this is a very sloppy market. We are seeing deals from certain suppliers to move off inventory. There seems to be an imbalance in movement and pricing. Inventory seems to be in good shape overall. As the summer demand starts to kick in over the coming weeks, we do think things will stabilize.

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 is becoming tighter, as suppliers are trying to sell off inventory getting ready for the new season. Pricing is very unstable. However, larger sizes--8-up, 10-up and 12-up clusters--are tight in supply.

LOBSTER

NORTH AMERICAN LOBSTER: Pricing is steady to firm, as there is not supply to support demand. The spring pack will begin on May 1st.

LOBSTER TAILS WARM WATER: Supply on warm water tails is having pressure because the lack of cold water product. We will see higher pricing, as there is pressure on inventory.

LOBSTER MEAT: Pricing and demand are steady. We are seeing this market firm up.

US TRADE DISPUTE WITH CHINA UPDATE

- The US announced early in 2018 they would impose tariffs on imports to shrink the trade deficit.
- 3 rounds of tariffs have been implemented so far:
 - March 23rd, 2018: ~\$3 billion of products: imported Steel (25%) and Aluminum (10%).
 - The next round of ~\$50 billion in products from China - mostly machinery and parts - was put on in 2 stages:
 - July 6th, 2018: ~\$34 billion of imported products (25%).
 - August 23rd 2018: ~\$16 billion (also 25%).
 - September 24th 2018: an additional ~\$200 billion in products from China (10%).
 - The administration planned to increase these tariffs to 25% on January 1st 2019, if no agreement was met.
 - It was announced December 2nd, 2018, that these additional tariffs would be delayed 90 days in order to give the 2 countries a chance to come to an agreement on trade.
- News reports said that talks were progressing, and therefore the March 1st deadline was suspended to give time to finalize the deal.
- Reports also stated that there is potential for the current tariffs to remain in place even after an agreement is reached, in order to keep pressure on China to keep to their commitments.
- China has 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 increases 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.