

A close-up photograph of a large piece of grilled salmon with distinct char marks, resting on a dark grey surface. The salmon is surrounded by fresh vegetables including green lettuce, sliced tomatoes, and sliced onions. The text 'FARMER'S REPORT' is overlaid in large, white, outlined letters across the top half of the image.

FARMER'S REPORT

MARKET TRENDS | 5.24.2019

US.
FOODS®

PRODUCE

KEY

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

VEGETABLES



POTATOES

- ↑ **Russets:** The market on russets is steady to up this week. Burbanks out of Idaho are up. 6 oz. minimum size out of Idaho are steady on Burbanks. Moderate supply and demand are being reported out of Idaho. Good quality is being reported, too.
- ↑ **Reds:** The red potato market is up this week, with product out of Florida up. There is light supply and moderate 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 up this week (as of Tuesday's USDA pricing). An increase in demand is pulling the prices up as well. There is low volume this week out of Mexico.



LEAF LETTUCE

- **Green Leaf:** The green leaf market is flat this week (as of Tuesday's USDA pricing). Green leaf supplies are expected to be good this week. There is some mild cupping. Demand is good.
- **Romaine:** The romaine market is flat this week (as of Tuesday's USDA pricing). Romaine supplies are expected to be good. High volume is influencing steady prices and fair demand. Quality is also good, with only occasional fringe burn, and salt and pepper, most of which is found on the outer leaves.



ICEBERG LETTUCE

The iceberg market is up this week (as of Tuesday's USDA pricing). Iceberg supplies are expected to be good this week. Volume will be up this week out of California.



GARLIC

Domestic garlic is steady, with good supply and quality coming out of California. Suppliers can take on additional business.



ONIONS

The jumbo yellow onion market is steady this week, including product out of Imperial Valley California and Texas. There is moderate supply and good demand. Good quality is being reported.



MUSHROOMS

There are 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 steady on 30s and 60s. Product out of Central Coast California is up on 30s and down on 60s. There is moderate supply and demand. Good quality is being reported.



CUCUMBERS

Cucumbers prices are down for the week, per the USDA as of 5-21. Supplies continue to be good out of Mexico and Florida, along with Georgia, which has started to harvest. Quality remains good in both regions.



CELERY

The celery market is up this week (as of 5-21 USDA pricing) with prices remaining extremely high. Celery supplies continue to be very tight due to the cold, wet weather that hit Oxnard. Supplies are expected to be tight for the foreseeable future. Supplies should get better when the Salinas crop starts in mid-June.



YELLOW SQUASH

Yellow squash prices are steady to down for the week, per the USDA as of 5-21. Florida continues to see good supplies, and the Carolinas have started to harvest as well. Mexico production is declining, but Baja and California have picked up the workload. Quality is still rough, with heavy wind scarring being reported in all regions.



ZUCCHINI

Zucchini prices are steady to down for the week, per the USDA as of 5-21. Supplies continue to improve, with Georgia and the Carolinas starting to harvest. Mainland Mexico is wrapping up, with Baja and East Mexico ramping up their harvest. Quality is fair to good for the time being.



GREEN BEANS

The green bean market is mixed this week. Imported haricots verts are up, with moderate supply and demand. Handpicked product out of Coachella Valley California is up with moderate supply and demand. Product out of south Georgia is down, with moderate supply and demand. Quality will vary depending on the growing region.



BELL PEPPERS

- ↓ **Green:** Green bell pepper prices are down for the week per the USDA as of 5-21. Georgia has started to ramp up in the East, as Florida begins to wrap up their harvests. The west supply is split between California and Mexico, which has started to push out better supplies. Quality is good for the most part, with some minor issues being spotted in the old crop.
- ↓ **Red:** Red bell prices continue to see a price drop for the week per the USDA as of 5-21. Supply continues to improve, with good production from the fields and hothouses. Quality continues to look good for the time being.



TOMATOES

- **Rounds:** Round tomatoes are steady to down for the week per the USDA as of 5-21. Demand continues to be low, which is helping the supply. Some growing regions out of Florida have started to wind down, with Georgia being about a week away from harvest. Mainland Mexico is slowing down, but Baja and East Mexico have started to harvest. Tomatoes are trending toward larger sizes for now, and quality is varying due to a mixture of old and new crop.
- ↓ **Romas:** Roma prices are down slightly for the week per the USDA as of 5-21. Demand continues to be lackluster for the time being, allowing supplies to improve. Quality is down due to weather and a mixture of old and new crop.
- ↑ **Cherry:** Cherry tomatoes are up in price for the week per the USDA as of 5-21. Supplies have tightened up, with Baja putting out little volume out of the West. This is putting extra stress on East growing regions to supply the country. Quality looks to be fair to good for the time being.
- **Grape:** Grape tomatoes are flat to down for the week per the USDA as of 5-21. Supplies continue to be good out of Florida, but the heavy rain could impact supplies in upcoming weeks. Mexico continues to transition from mainland Mexico to Baja region. Quality is down to fair in both regions, due to transition and rain.



CARROTS

The jumbo carrot market is mixed this week. Product out of California is down while product out of Mexico is up. There is moderate supply and demand. Good quality is being reported out of California. Quality will vary out of Mexico.



GREEN ONIONS

The green onion market is mixed this week. Product out of Mexico is steady on large, and up on medium/small. There is moderate supply and light demand. Product out of South Carolina is down, with lighter supply and good demand.

PRODUCE



CAULIFLOWER ↓

The cauliflower market is down this week (as of 5-21 USDA pricing). Cauliflower supplies are expected to be around normal this week. As far as quality, not much of a change this week, except for some slight discoloration and/or cream color in low percentages. The overall market has shifted downward due to an uptick in volume.



ASPARAGUS ↓

The asparagus market is mixed this week. Product out of Peru is down, with moderate supply and demand. Product out of Washington is steady, with lighter supply and moderate demand. Product out of Mexico is starting to cross the border and is down, with moderate supply and lighter demand.



BROCCOLI ↓

The broccoli market is down (as of Tuesday's USDA pricing). Supplies are expected to be around normal this week. On quality, there is occasional purple color, brown bit and yellowing in low percentages. Broccolini supplies are expected to be better, but still short this week.

HANGING FRUIT



APPLES AND PEARS

➔ **Apples:** All varieties are steady this week, with good supply and quality and moderate demand.

➔ **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 are steady for the week per the USDA as of 5-21. 165s and smaller sized lemons continue to be tight, and are expected to remain tight until imports arrive. Quality continues to be good, and offshore harvest is expected to starting hitting the ports around mid-July.



LIMES ↓

Limes prices continue to drop for the week per the USDA as of 5-21. Supplies continue to improve, as good weather has hit Mexico. Quality is on an upward trend, and is expected to stay this way barring any weather issues.



ORANGES ➔

Orange prices continue to be flat for the week per the USDA as of 5-21. Small navels continue to be in tight supply, and have started to be substituted by small Valencia. Weather has caused some minor delays in harvest, but this should clear up as the rain moves past. Quality continues to be strong.

BERRIES



STRAWBERRIES ↑

The strawberry market is up this week (as of Tuesday's USDA pricing). California strawberry shippers in Watsonville and Salinas picked ahead of the storm last week, in anticipation of heavy precipitation. Overall production in both regions was brought to a standstill starting on Wednesday, leaving Santa Maria to supply the industry through the weekend. Santa Maria did receive light rainfall last week, which moderately affected overall quality and condition.



BLACKBERRIES ➔

Mexican blackberries should continue a few more weeks, as most of the rain that begins in the Mexico regions typically starts in the blackberry districts. Currently, quality remains good, except for high temperatures causing soft fruit and red cell here and there.



RASPBERRIES ➔

Mexican raspberry quality is good overall, with some growers battling overripe and soft fruit, but generally defects are minimal. Volume will start to slow down within the next few weeks.



BLUEBERRIES ➔

Mexican blueberry quality is looking good, with good size, firmness, sweetness and full bloom. Volumes are decreasing for blues.



GRAPES ↓

The grape market is mixed this week, depending on the variety and size. Black Seedless and Crimson Seedless out of Chile are steady on XL and Large. Red Globes out of Chile are down on XL and Large. Supply and demand are moderate, with good quality being reported.

TROPICAL



PINEAPPLES ➔

Pineapple prices are down this week out of Central America per the USDA as of 5-21. Sizing continues to trend toward smaller sizes, with more supply in the 7 to 8 count range. Quality is very good right now, with optimal growing conditions in Costa Rica.



BANANAS ➔

Banana prices remain flat for the week per the USDA as of 5-21. Supply continues to meet the current demand. There are no quality issues being reported.



AVOCADOS ↑

The avocado market continues to go up in price per the USDA as of 5-21. Fruit is very mature at the border and won't hold for too long. California has been battling heavy rains, which is causing harvest delays, pushing the inventory into a tighter spot. Peru fruit has started to arrive, and should ramp up more in upcoming weeks. #2 supply continues to be very tight.

MELONS



CANTALOUPE AND HONEYDEWS

↓ **Cantaloupes:** The cantaloupe market is down this week (as of Tuesday's USDA pricing). The Arizona spring melon season should be in full swing by Week #23 and continue through Week #26. From there, the season will follow through California and back down to Arizona for the fall season. At this point, it's expected that there will be limited availability of the smaller cantaloupes as a result of good growing conditions.

➔ **Honeydews:** The honeydew market is flat this week (as of Tuesday's USDA pricing). The Arizona spring melon season should be in full swing by Week #23 and continue through Week #26. From there, the season will follow through California and back down to Arizona for the fall season. At this point, it's expected that there will be limited availability of the smaller honeydews as a result of good growing conditions.





BEEF

Cash cattle was down \$1-2 last week, with the bulk of cattle trading hands at \$117/cwt. This week's cash asking price from feeders was listed at \$117, with Wednesday's sales occurring between \$114-115/cwt., \$2-3 lower than last week. June futures closed Wednesday up just under \$1 from last Wednesday's close of the market, while the Choice cut-out declined at a slower pace, down just over a half-dollar, while the Select fell just over \$2 again last week.

Last week's harvest came in at 660K head, down 11K from the previous week, and of that, 539K were of the steer/heifer variety, up 10K head week-over-week.

The grade for the week ending May 10th came in with 78.6% of all the steers and heifers grading Choice or higher, which was steady from the week prior. Select product was lower at 17.7% and Ungraded reported up at 3.7%.

GRINDS

GROUND BEEF 81/19: 81/19 ground beef reported up modestly last week, and we have seen this pattern continue in early-week trading this week.

GROUND BEEF 73/27: 73/27 ground beef reported up modestly last week, and here, too, we have seen this pattern continue in early-week trading this week.

GROUND CHUCK: Ground chuck reported up modestly last week on steady volume, and currently this product is trading steady through three days this week.

ROUNDS

PEELED KNUCKLES: Choice knuckles reported down modestly last week, while the Select grade posted a modest gain. Currently we are seeing all grades up modestly so far.

INSIDE ROUNDS: All inside rounds, both graded and ungraded, traded up modestly last week. However, in the current week the Choice grade is off modestly, while the Select product is posting a slight gain.

BOTTOM ROUND FLATS: Bottom round flats reported up slightly across the board last week, and through three days this week we are seeing this pattern continue.

EYES OF ROUND: The eyes of round, too, reported a small gain on all grades last week, and so far this week the Choice product is trading at steady money, while the Select grade is up slightly.

LOINS

STRIPS: Last week we saw the Choice grade continue to decline significantly, while the Select product recovered everything it lost the previous week, and then some. Currently all grades are declining, with the Choice product taking the brunt of it.

TOP BUTTS: Top sirloins declined modestly last week across all grades, and appear to be following this same pattern so far this week as well.

TENDERLOINS: Choice tenderloins were flat last week, while the Select and Ungraded product took modest to moderate declines. This week we are seeing modest declines on all graded product.

RIBS

RIBEYES: In the rib complex, there were healthy declines across all sizes and grades of product last week, and so far we are seeing a similar trend emerge through the first half of the week.

CHUCKS

CHUCK ROLLS: Chuck rolls traded up modestly last week across the board. Currently all the rolls are up modestly so far this week as well.

TERES MAJOR MUSCLE: Teres Majors were down hard again last week; however, this week so far the Choice grade is up moderately, while the Select product continues to decline.

BRISKETS: Briskets were up modestly last week on all grades. Currently this week, all grades of briskets are continuing to follow this pattern, as briskets are at their highest price point in 2019 so far.

THIN MEATS

BALL TIPS: Choice ball tips traded down modestly last week, while the Select product was up modestly. Currently the Choice grade is reporting modestly higher, while the Select product is off just slightly.

FLAP MEAT: Flap meat had modest to moderate gains reported last week, on the Choice and Select product respectively. This week, however, we are seeing prices decline, especially on the Select product.

FLANK: Choice flank steaks were up modestly last week, while the Select grade took a modest decline. Currently we see the same pattern on both grades.

SKIRT STEAK: Outside skirt steak took a modest decline last week, and so far this week we are seeing steady money.





PORK

Last week the USDA-estimated hog slaughter was 2.371 MM, slightly higher than both the previous week and the same week last year.

The United States reached a trade agreement with Canada and Mexico, effectively removing all imposed tariffs against pork, amongst other products. Trade is likely to accelerate as a result of this agreement.

LOINS

The loin complex remained mixed last week. Bone-in loin prices continue to move higher on the prospects of increasing demand for grilling season. Boneless loin prices remain choppy.

TENDERS

Pork tenderloin prices moved higher last week. Prices are poised to begin their seasonal move higher, into warmer weather and grilling season.

BUTTS

Pork butt prices continued to move lower last week. Prices normally reach their seasonal peak around the Memorial Day holiday.

RIBS

Trades were reported as mixed in the rib complex. Backribs continued to gain strength, as they normally do this time of year. A sizable quantity of spareribs was reported sold at a significant discount to the market, which brought the overall average down last week. The rib markets normally peak in summer.

BELLIES/BACON

The belly market rebounded last week, posting a solid gain. The belly markets normally experience a rally into July, due to strong bacon demand.

HAMS

Ham prices continued to move higher last week. Current price points are well above last year, a likely sign of increased demand. With the tariffs being removed between the United States and Mexico, the pipeline is now more favorable for US hams to cross the southern border.

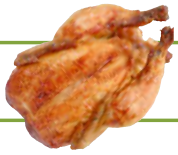
TRIMMINGS

Trimming prices continued to correct lower last week, yet remain significantly higher than the same timeframe last year. Normally, trimming prices are bullish heading into summer, due to strong processor demand for hot dogs and sausages in lieu of grilling season.

PICNICS

Trades within the picnic complex remained mixed last week. Boneless picnics continue to correct lower, coming down from the historic rally just a few short weeks ago. Bone-in picnics traded slightly higher. Boneless picnics follow a similar trend to lean trimmings heading into summer months.





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 high.



CHICKEN

Small, medium and jumbo wings were flat this week, with lighter live weights, Further Processor demand and retail demand helping to maintain this trend. Supply has not elevated yet which has minimized the availability of spot loads, as well as supported balanced pricing. The small boneless breast markets were flat this week, as supply is still suppressed in the small bird market. We should see this trend continue in the near term. The medium and jumbo breast markets were flat this week, supporting a balanced position going into Memorial Day. 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. This week, bone-in thighs and boneless thigh meat was up, showing small increases. As export demand gains ground, we can expect slight incremental increases in all dark meat categories in the near term. Whole birds/WOG pricing continues to show 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 1%

Hatcheries in the United States weekly program set 235 million eggs in incubators during the week ending May 18th, 2019, up 1% from a year ago. Average hatchability for chicks hatched during the week in the United States was 82.6 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 235 million chicks for meat production during the week ending May 18th, 2019, up 2% from a year ago. Cumulative placements from the weeks ending January 5, 2019 through May 18th, 2019 for the United States were 3.71 billion, up 1% from the same period a year earlier.

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

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 WOG's is steady, and beginning to get a slightly increased amount of attention as the weather warms up. We expect a continued slight increase in pricing in the near term.

WHOLE FROZEN TURKEYS

Whole turkeys were flat this week. Near-term we expect the market to remain flat to slightly upward as we enter into the summer months.

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 medium boneless breast market was flat this week, and we can expect a flat to tight supply, as some processors transition from a medium to a jumbo size bird. The jumbo boneless breast category was flat this week, with minimal spot product being offered, although deep discounting is not taking place. Looking near-term, we should expect this market to continue a slightly downward move. As bird weights increase, and some processors switch from a medium to a jumbo bird, this market could remain flat to downward. The current outlook of oversupply in the jumbo market this summer remains intact.

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, with a near-term outlook of being balanced to tight. Going forward, we can expect seasonal market increases through the summer. We can expect this market to trend flat to upward in the near term also.

WINGS

The small wing market was flat this week, with expectations are that this market will trend flat to downward for the near term. The medium wing market was flat this week, with spot load offers being consistently harder to uncover. We should expect the medium market to remain flat to upward in the near term. The jumbo wing market was flat this week, and in a balanced position going into the Memorial Day holiday. We can expect the jumbo market to trend flat to downward as we enter a traditional declining June timeframe.

BONELESS, SKINLESS THIGHS

The boneless, skinless thigh meat market was up this week. We expect this market to be fully supported by both increased export and domestic demand. We can expect these markets to trend flat to slightly upward in the near term.



COMMODITY OIL

SOY, CANOLA & PALM OIL

The soy market losses incurred earlier this week have rebounded. It has been reported that media speculation around news that the White House was looking into a farm aid package which would include a \$2/bushel subsidy for beans may have contributed to the loss. This would provide incentivization to farmers to plant beans if they couldn't get corn in the field in time, due to weather.

SOY OIL:

- On May 10th, U.S. tariffs on \$200 billion worth of Chinese goods were moved up to a 25% rate from 10% previously, while the U.S. also stated that they were working on 25% tariffs on an additional \$325 billion worth of Chinese goods going forward.

- U.S. soybean planting progress was estimated at 6% complete on the Monday, May 20th update. This was up from 3% last week, but was still below the five-year average of 14%.
- The USDA reported the March domestic soybean crush at 179.4 million bushels
- A relatively sharp pullback in the crude oil market was considered a negative input for the soybean oil market this week.

CANOLA

- Canola seed prices are trading back down to levels not seen since early 2016 as the political issues between Canada and China are ongoing.

PALM OIL

- Global palm oil prices have come down in recent months [and much of the recent bearish supply related news is likely baked into the market at current prices]. Palm futures have held their recent lows over the past few weeks on improved export business.



DAIRY

BUTTER

Production levels are starting to stagnate, due to the increased cream demand from seasonal Class II manufacturers. Inventories are still considered to be steady to increasing, given the slowing demand from retail and wholesale customers following their holiday stockpiling. Pricing has broken out of the tight range it has traded in for months, and we're seeing CME butter remain above the \$2.30 level.

CHEESE

Demand appears to be limited. Spot milk availability has helped keep manufacturing rates steady, but the discounts to Class III pricing have not been as prevalent as in previous years. This is helping to keep cheese prices from sinking back to even lower levels, along with the seasonal tendencies for prices to rally into the spring/summer months. Inventories in the West are viewed as long, while the Midwest and East regions are becoming more in balance. Expect prices to maintain their rangebound trade in the near term.

SHELL EGGS

Retail demand improved this week, despite the last part of May typically being a slower time of the year. The cheaper prices have incentivized more promotional activity. This is helping to stabilize prices, as distributors have also shown increased interest levels of adding to their stock's levels at these prices. There is still an abundance of shell egg inventory on the market, but it is not continuing to expand, given the increased demand, flock rotations and some increased Canadian export business. Suppliers are starting to hold inventories with a little more confidence, as it appears prices are trying to carve out a bottom at current levels.

MILK & CREAM

Milk production across the US is seen as stable to increasing, but is considered to be below seasonal levels in the West and Central regions. Cream is still available, but is tightening the further east you go, as ice cream season continues to ramp up.





SEAFOOD

SHRIMP, DOMESTIC

(WHITES AND BROWNS): There was an opening on the 20th in one of the areas in the Gulf, with another opening on the 27th. Production is good, but they just started, and time will tell on pricing.

(DOMESTIC PUDS): There was an opening on the 20th in one of the areas in the Gulf, with another opening on the 27th. Production is good, but they just started, and time will tell on pricing. There is concern that with all the freshwater runoff from the Mississippi, small PUDS 110/130 and smaller could get tight come mid-summer.

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): There is a concern on browns, as well as large size shrimp that are in very tight supply.

CATFISH

DOMESTIC: The warm weather is allowing more feeding of fish. Production still remains slow, and we will continue to struggle with inventory.

IMPORTED: Pricing has remained steady and supply is good.

SALMON

ATLANTIC FARMED SALMON: Pricing is firming on fresh and now also frozen portions. Harbor Banks® product remains in a great place; however, the industry is expecting this higher trend to continue.

MAHI-MAHI

Pricing has turned steady, with fewer offerings. Inventory is in good shape, with sluggish movement.

SCALLOPS

SEA: Pricing has turned lower, as the new-season catch has been very productive. We are hearing about good catches, especially on 10/20 count scallops.

BAY: Pricing is steady, and overall demand is steady too.

TILAPIA

Inventory domestically is very good, and pricing is stable. Demand has been steady, keeping pricing in check.

PANGASIUUS

Pricing is trending downward, as inventory levels in the US are in very good shape.

WHITEFISH COMPLEX

COD: 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. 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: Most vendors are off the market on 5-8 clusters, and there are a few offerings on 8-up and B pack.

CANADIAN: The Canadian fisheries continue to monitor whale activity in the fishing area. As a result, they have closed some zones when whales have arrived. There is also some molting happening that will close zones as well. Pricing is increasing on 5-8's. The market is very sloppy on 8-ups and 10-ups.

LOBSTER

NORTH AMERICAN LOBSTER: Pricing is steady to firm, as there is not supply to support demand. The spring pack has begun, but ice has slowed down fishing efforts. Processing plants are starting to produce. We should see product in the US this week.

LOBSTER TAILS WARM WATER: Supply on warm water tails is under pressure because the lack of cold water product and shortages of warm water tails. We will see much 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.
- 4 rounds of tariffs on Chinese goods have been implemented so far:
 1. March 23rd, 2018 ~\$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 2 stages:
 - July 6th, 2018 ~\$34 billion of imported products (25%).
 - August 23rd, 2018 ~\$16 billion (also 25%).
 3. September 24th, 2018, an additional ~\$200 billion in products from China (10%).
 4. On May 10th, 2019, the US government raised the 10% tariff it had implemented on \$200 billion of Chinese goods to 25%.
 5. 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).
 6. China announced on Monday, May 20th, that it would raise tariffs to 20% or 25 percent, from the already the 10% already in place. Implementation is expected June 1st.
 7. 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.



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.