



FARMER'S REPORT

MARKET TRENDS | 5.31.2019

US.
FOODS®

PRODUCE

KEY

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

VEGETABLES



POTATOES

- ↑ **Russets:** For the week of 5/27/2019, the market on russets is steady to up, depending on the size. Burbanks out of Idaho are up on 70 count, steady on 90 count, and steady on 6 oz. minimum size. Moderate supply and good demand and quality are being reported out of Idaho.
- **Reds:** For the week of 5/27/2019, the red potato market is steady out of Florida. There is moderate supply and good demand.
- **Yellows:** For the week of 5/27/2019, the yellow potato market out of Florida is steady, with moderate supply and good demand. Quality is being reported as good, too.



CABBAGE

Round Green: The cabbage market is up this week per USDA 5/28/19 pricing. Demand and quality are good, while supply is fair.



LEAF LETTUCE

- ↓ **Green Leaf:** The green leaf market is down this week, per USDA 5/28/19 pricing. Leaf supplies are slightly above normal. There will be some mild cupping, and leaf lettuce might develop some mildew and mild fringe burn. Demand is good.
- **Romaine:** The romaine market is flat this week, per USDA 5/28/19 pricing. Romaine supplies are expected to be good this week. Quality is looking good, with occasional fringe and tip burn on the outer leaves.



ICEBERG LETTUCE

The iceberg market is up this week, per USDA 5/28/19 pricing. Iceberg supplies are expected to be below budget due to labor and quality. On quality, there continues to be salt and pepper, mildew pressure and occasional internal burn.



GARLIC

For the week of 5/27/2019, domestic garlic is steady, with good supply and quality coming out of California. Suppliers can take on additional business.



ONIONS

For the week of 5/27/2019, the jumbo yellow onion market is steady to up, depending on the growing region. Product out of Imperial Valley California is up with moderate supply and good demand. Product out of Texas is up with lighter supply and demand. Product out of Georgia is steady with moderate supply and good demand. Quality will vary by growing region.



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

For the week of 5/27/2019, the cilantro market is steady, including product out of Oxnard and Central Coast California on both 30s and 60s. There is moderate supply with good demand and quality being reported, with very little yellowing.



CUCUMBERS

Cucumber prices are steady to up this week per the USDA on 5/28/19. Mexico supplies remain strong, and prices are flat for the week. Georgia is seeing a slight uptick in pricing due to Florida supply winding down. Quality is mostly good, but there is some old crop out there that could be more in the fair range.



CELERY

The celery market is up this week, per USDA 5/28/19 pricing. Celery supplies continue to be tight due to the cold, wet weather that hit Oxnard, California. Supplies are expected to be tight for the foreseeable future. Supplies should get better when the Salinas, California crop starts in mid-June.



YELLOW SQUASH

Yellow squash prices are up for the week, per the USDA on 5/28/19. Florida, Georgia and South Carolina are all harvesting product, but quality continues to be a struggle. Mexico is seeing similar concerns, with good supply but poor quality. Quality is driving the price.



ZUCCHINI

Zucchini prices are up for the week, per the USDA on 5/28/19. Supply is available, but the quality is a struggle right now. The East is being pulled from Florida, South Carolina and Georgia. The West has multiple growing areas, and Baja is on the verge of starting. Zucchini quality is trending better than yellow squash.



GREEN BEANS

For the week of 5/27/2019, the green bean market is mixed. Imported haricot verts are up, with moderate supply and demand. Handpicked product out of Coachella Valley, California is steady, with lighter supply and moderate demand. Machine-picked product out of south Georgia is steady, with moderate supply and demand. Quality will vary depending on the growing region.



BELL PEPPERS

- ↓ **Green:** Green bell pepper prices are down for the second straight week, per the USDA on 5/28/19. Supplies continue to improve in California and Georgia. Florida is wrapping up their harvest, and Mexico is transitioning to new areas. Quality is mixed due to a mixture of old and new crop.
- **Red:** Red bell prices are flat for the week, per the USDA on 5/28/19. East supplies are light due to Honduras imports slowing down, while Georgia is on the brink of starting their harvest. West supplies continue to be strong. Quality is good on most product with the exception of Honduras, which is poor to fair due to the ending of their harvests.



TOMATOES

- **Rounds:** Round tomatoes are flat for the week, per the USDA on 5/28/19. Florida harvests are ramping down in the East, but Georgia and South Carolina are expected to start soon. In the West, mainland Mexico is wrapping up their harvest, putting the pressure on Baja and Eastern Mexico. California is expected to start harvests in Mid-June. Quality is mixed, with reports of scarring and soft fruit.
- ↑ **Romas:** Roma prices are flat to up for the week, per the USDA on 5/28/19. Some of the farms will be winding down, but due to weak demand supplies are available. The West is split between Baja and Eastern Mexico, with mainland Mexico ramping down. Quality is mixed due to old and new crop being mixed.
- **Cherry:** Cherry tomatoes are flat to down for the week, per the USDA on 5/28/19. East supplies are steady, but there is a slight price drop for the week. Mexico continues to battle light volumes and supply issues. Coloring and split tomatoes continue to be an issue.
- **Grape:** Grape tomatoes are flat to down for the week, per the USDA on 5/28/19. Supplies out of Florida are steady for the week, allowing the price to remain flat. Weather in Florida has been very rainy, which can cause delays in harvests. The West is seeing a slight price drop as the Baja region harvests ramp up.



CARROTS

For the week of 5/27/2019, the jumbo carrot market is steady, including product out of California and Mexico. There is moderate supply and demand out of California, with good quality being reported. There is moderate supply and good demand out of Mexico, but the quality will vary.

PRODUCE



GREEN ONIONS ↓

For the week of 5/27/2019, the green onion market is mixed. Product out of Mexico is steady on large, down on medium and up on small. There is moderate supply and lighter demand. Product out of South Carolina is steady, with lighter supply and good demand. Good quality is being reported.



CAULIFLOWER ↓

The cauliflower market is down this week, per USDA 5/28/19 pricing. Cauliflower supplies are expected to be around normal this week. From a quality standpoint, not much of a change this week, except for some slight discoloration and/or cream color in low percentages. Size and texture are expected to be good.



ASPARAGUS ↓

For the week of 5/27/2019, the asparagus market is down out of all growing regions. Product out of Peru is down, with moderate supply and demand. Product out of Michigan and Mexico is also down, with moderate supply and lighter demand. Quality will vary by growing region.



BROCCOLI ↑

The broccoli market is up per USDA 5/28/19 pricing. Supplies will be around normal this week. On quality, there is occasional purple shade, minimal brown bit and yellowing in low percentages.

HANGING FRUIT



APPLES AND PEARS

- ➔ **Apples:** For the week of 5/27/2019, all apple varieties out of Washington are steady, with moderate supply and demand. Quality is being reported as good.
- ➔ **Pears:** For the week of 5/27/2019, the pear market out of Washington remains stable, with moderate supply and lighter demand. Good quality is being reported.

CITRUS



LEMONS ➔

Lemon prices are steady for the week, per the USDA on 5/28/19. 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 harvests are expected to starting hitting the ports around mid-July.



LIMES ↓

Lime prices continue to drop for the week, per the USDA on 5/28/19. Price changes vary from size to size, with the largest price drops on larger-sized limes. Quality is trending between fair and good due to weather-related struggles.



ORANGES ➔

Orange prices are flat, per the USDA on 5/28/19. Small navels continue to be in tight supply and have started to be substituted by small Valencia. 88 counts and smaller are the most impacted. Weather has caused some minor delays in harvest, but should clear up as the rain moves past. Quality continues to be strong.

BERRIES



STRAWBERRIES ↑

The strawberry market is up this week, as of 5/28/19 USDA pricing. With clear skies and cool weather in the forecast, expectations are to see a return of steady production in all California strawberry growing regions by the end of the week.



BLACKBERRIES ➔

Mexican blackberries should continue through the end of the first week of June. Quality is currently good.



RASPBERRIES ➔

Mexican raspberry packs look clean and quality is holding up well. There will be decent volume all throughout June, mostly from the late planted crop from last year.



BLUEBERRIES ➔

Mexican blueberries are small, but despite the size, there is good quality and flavor.



GRAPES ➔

For the week of 5/27/2019, the grape market is mixed, depending on the variety and growing region. Black and Crimson Seedless and Red Globe out of Chile are steady on both XL and Large. Perlette and Flame Seedless varieties out of Mexico are down, while Black Seedless are up. Supply and demand are moderate, with fair quality being reported.

TROPICAL



PINEAPPLES ➔

Pineapple prices per the USDA on 5/28/19 are flat week-over-week. Pineapples continue to trend toward smaller sizes, mainly the 7 to 8 counts. This is expected to continue for the next 2 months. Quality is good right now, due to optimal growing conditions in Costa Rica.



BANANAS ➔

Banana prices per the USDA on 5/28/19 are flat week-over-week. Supply remains steady with consistent production. Fruit quality is not an issue as of now.



AVOCADOS ↑

The avocado prices are flat to down for the week, per the USDA on 5/28/19. Mexico supply remains steady, with most prices remaining flat. The only sizes seeing a slight price drop are 70s and 84s. California supply remains tight and is not expected to last through July. Peru supply is slowly coming in, but it's not enough to meet the demand. #2 supply continues to be tight due to strong demand.

MELONS



CANTALOUPE AND HONEYDEWS

➔ **Cantaloupes:** The cantaloupe market is up this week (as of 5/28/19 USDA pricing). The growers are projecting cantaloupe sizing to be mostly 9s and 12s, with limited supplies of 15s and smaller. Weather will be good over the next 15 days, with no limitations placed on harvesting.



➔ **Honeydews:** The honeydew market is up this week (as of 5/28/19 USDA pricing). There are expected high volumes of 5 and 6 count honeydews, with limited supplies of smaller fruit. Weather will be very good over the next 15 days, with no limitations placed on harvesting.



BEEF

For the week of 5/20/19, cash cattle were down \$1-3, trading between \$114-116/cwt. Bids have not yet surfaced for the week of 5/27/19 cattle sales, but analysts are calling for the market to be steady. The Choice cut-out stayed steady, while there was still more weakness on the Select side. Cattle weights are slowly moving back up, and are projected to continue that trend as we move into the summer months.

Harvest came in at 641K head for the week of 5/20/19, which was down 19K head from the week of 5/13/19. Of that, 521K were of the steer/heifer variety. Due to Memorial Day, the estimated harvest is expected to be in the 540K range for the week of 5/27/19.

78.82% of all steers/heifers graded Choice or Prime for the week ending 5/17/19, slightly up from the week ending 5/10/19. Select grading was down at 17.85% and Ungraded also reported down at 3.32%.

GRINDS

GROUND BEEF 81/19: 81/19 ground beef reported up slightly for the week of 5/20/19 and has continued to climb a few cents so far for the week of 5/27/19.

GROUND BEEF 73/27: 73/27 ground beef reported up modestly for the week of 5/20/19 and we have seen a declining market as we get further into the week of 5/27/19.

GROUND CHUCK: Ground chuck reported up slightly for the week of 5/20/19 and we have seen this market flatten out so far for the week of May 27.

ROUNDS

PEELED KNUCKLES: All grades of peeled knuckles traded up for the week of 5/20/19 and are continuing the same trend so far for the week of 5/27/19.

INSIDE ROUNDS: Choice inside rounds traded down slightly for the week of 5/20/19, while the Select insides increased slightly, and the Ungraded product traded flat. So far for the week of 5/27/19, all graded inside rounds are trading modestly up.

BOTTOM ROUND FLATS: Bottom round flats reported up across the board for the week of 5/20/19 and currently are reporting slightly up for the week of 5/27/19.

EYES OF ROUND: The eyes of round, too, reported a small gain on all grades for the week of 5/20/19 and currently the Choice product is slightly up and the Select product is slightly down for the week of 5/27/19.

LOINS

STRIPS: We saw the Choice grade continue to decline significantly for the week of 5/20/19 while the Select only declined modestly. Currently, the Choice grade is continuing its downward movement; however, there are only small declines, while the Select grade is recovering nicely.

TOP BUTTS: Top sirloins declined modestly for the week of 5/20/19 on all grades. For the week of 5/27/19, the Choice top butts are up a few cents, while the Select product continues to decline.

TENDERLOINS: All grades of tenderloins declined modestly for the week of 5/20/19. Like we saw with the top butts, Choice product is starting to climb back up slightly, while the Select tenders are still declining for the week of 5/27/19.

RIBS

RIBEYES: Both light and heavy ribeyes saw declines across the board for the week of 5/20/19, except for Ungraded light ribeyes, which were up a few cents. Currently for the week of 5/27/19, Choice light ribeyes and Select heavy ribeyes are reporting moderate declines, while the Choice heavy ribeyes and Select light ribeyes are showing moderate gains.

CHUCKS

CHUCK ROLLS: Chuck rolls traded up a few cents across all grades for the week of 5/20/19 and so far into the week of 5/27/19, they are showing more sizeable gains.

TERES MAJOR MUSCLE: Choice and Ungraded Teres Majors took moderate gains for the week of 5/20/19 while the Select product declined significantly. As we move into the week of 5/27/19, we are seeing the Choice product continue to climb upwards slightly, while the Select Teres Majors are reporting more modest decreases.

BRISKETS: Choice briskets took sizeable gains, while Select Briskets took slight gains for the week of 5/20/19. The pattern is the same on both grades so far for the week of 5/27/19 as brisket is now trading at the highest price in two years.

THIN MEATS

BALL TIPS: Choice ball tips traded up modestly for the week of 5/20/19 while Select Ball tips slightly declined. So far for the week of 5/27/19, the Choice grade is showing a similar pattern, while the Select ball tips are reporting a significant increase.

FLAP MEAT: Flap meat was down across all grades for the week of 5/20/19, especially the Select product, which was down significantly. Currently, all flap meat is showing modest declines.

FLANK: Choice flanks took a nice gain, while the Select product declined at the same rate for the week of 5/20/19. Currently, both grades are reporting small increases for the week of 5/27/19.

SKIRT STEAK: Outside skirts took a small decline for the week of 5/20/19 and so far, they are down modestly after a few days of trading.





PORK

Pork market information is from the week of 5/20/19.

The USDA estimated hog slaughter was 2.32 MM, down slightly from the previous week, but slightly higher than the same week last year.

Cold storage reports were released for the month of April. Total pork in freezers is down 2% from last year.

LOINS

The loin complex remained mixed. Bone-in loin prices continue to move higher on the prospects of increasing demand for grilling season. Boneless loin prices remained steady, but could prove volatile, depending on how retailers decide to promote.

TENDERS

Pork tenderloin prices eased lower. Prices are poised to begin their seasonal move higher into warmer weather and grilling season.

BUTTS

Pork butt prices continued to move lower. Prices normally reach their seasonal peak around the Memorial Day holiday, but that trend appears to have happened a few weeks early this year. Prices may not rally again until mid-June, as Independence Day promotions ramp up.

RIBS

Trades were reported as mixed in the rib complex. Backribs continued to gain strength, as they normally do this time of year. Spareribs continue to prove unsettled, as trade ranges declined significantly. The rib markets normally peak in summer.

BELLIES/BACON

The belly market continued to move modestly higher. The belly markets normally experience a rally leading into July, due to strong summertime bacon demand.

HAMS

Ham prices continued to move higher. Current price points are well above last year, a likely sign of increased demand. With the tariffs being removed on U.S. pork products to Mexico, the pipeline is now more favorable for U.S. hams to cross the southern border.

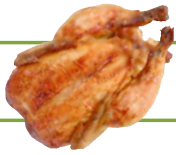
TRIMMINGS

Trimming prices continued to correct lower. Normally trimming prices are bullish heading into summer, due to strong processor demand for hot dogs and sausages in lieu of grilling season.

PICNICS

Prices for both the bone-in and boneless picnics moved lower. Boneless picnic prices are correlated to 72% lean trimming prices as an alternative raw material, and normally peak in late June. Bone-in picnics are expected to be choppy.





TURKEY

BONELESS, SKINLESS TURKEY BREASTS

Boneless, skinless turkey breasts remained unchanged during the week of 5/27/19. In the near term, we should expect this market to trend flat to slightly downward, as demand continues to be flat and freezer inventories high.



CHICKEN

Small, medium and jumbo wings were flat during the week of 5/27/19. The 4-day week, as well as Further Processor and retail demand, and retail demand helped to support this market. Supply has not elevated yet, which has minimized the availability of spot loads, as well as maintain balanced pricing. The small boneless breast markets were flat during the week of 5/27/19, 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 as well, and in a balanced position coming out of the Memorial Day holiday. Jumbo tenders pricing was unchanged, as this market is currently in a balanced-to-tight position, without any spot offerings being discovered. The select/small tender markets were flat, 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. Bone-in thigh markets increased slightly during the week of 5/27/19. 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 234 million eggs in incubators during the week ending 5/25/19, up 1% from a year ago. Average hatchability for chicks hatched during the week in the United States was 82.6%. 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 1%

Broiler growers in the United States weekly program placed 188 million chicks for meat production during the week ending 5/25/19, up 1% from a year ago. Cumulative placements from the weeks ending 1/5/19 through 5/25/19 for the United States were 3.89 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 WOGs 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 slightly up during the week of 5/27/19. Near-term, we expect the market to remain flat to slightly upward as we enter the summer months.

BONELESS, SKINLESS BREASTS & CHICKEN TENDERLOINS

The select/small boneless breast markets were flat during the week of 5/27/19. 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 as well, 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, following the same trend as the small and medium markets, 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 continue a flat to downward movement. The current outlook of oversupply in the jumbo market this summer remains intact.

During the week of 5/27/19, the select/small tenderloin market was flat. 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 as well, with the near-term outlook being balanced to tight. Going forward, we can expect seasonal market increases through the summer.

WINGS

The small wing market was flat the week of 5/27/19, as expectations are that this market will trend flat to downward for the near term. The medium wing market was flat, 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 followed the same pattern, as the small markets remained flat. Processors continue to assess their individual inventories while keeping any heavy discounting at bay. 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 flat during the week of 5/27/19. 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 soybean market traded upwards on 5/29/19 after the corn planting progress update was reported. Record-low corn planting has caused corn pricing to surge, and as a result, with no major reports slated, the soybean complex will look towards the corn market for direction.

SOY OIL:

- On 5/10/19, 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 for an additional \$325 billion worth of Chinese goods going forward.
- Corn planting progress was reported at 58% complete on the 5/26/19 update, which was lower than expected, according to the Reuters survey, which ranged at 59-68%. This is the slowest progress on record since 1995.

- U.S. soybean planting progress is reported at 29% planted as of 5/26/19, versus the 66% average for this timeframe.
- Traders are awaiting further details on the \$16 billion farm aid package announced last Thursday, 5/23/19. It is still not clear exactly how those payments will be made.
- Crude oil prices broke 9% the week of 5/20/19, which helped keep pressure on the soybean oil market. Crude oil prices have fallen back below the \$60 per barrel level in the spot position.

CANOLA

- Canola seed futures continue to trade slightly above the recent lows, with no end in sight to China's current ban on Canadian product. Seed planting is moving along quickly in Canada, as they have not seen the same wet weather pattern as the U.S.

PALM OIL

- Palm oil prices have been flat to lower over the last few weeks, as the market continues to struggle with global supplies.



DAIRY

BUTTER

Production is mixed, primarily driven by the strong cream demand from other seasonal producers continuing to pull butterfat, affecting the amount available for spot butter makers. Demand is steady in all regions. We reached a peak price for butter in 2019 last week, and expect an increase in volatility, with prices possibly pushing another \$.10/lb higher by summer.

CHEESE

Overall demand is steady. Spot milk availability continues to keep cheese production at elevated levels, but the discounts to Class III pricing have not been as prevalent as in previous years. Inventories are considered balanced to excessive, and vary greatly by region. April cold storage levels came in above year-ago levels. Expect prices to maintain this range for the near future.

SHELL EGGS

The trade is attempting to weigh the current increase in retail/commercial activity driven by historically cheap egg prices, and the continued large amounts of shell egg inventory coming to market. The upcoming weeks will be crucial in determining if the increased demand story has legs. Overall, shell egg production remains at elevated levels, despite the increased molt and slaughter rates being reported. Until the flock sizes become more in line with current needs, it's hard to get overly excited about a sizeable recovery in price.

MILK & CREAM

Milk production across the U.S. is seen as stable, but is considered to be below seasonal levels in the East and Central regions. Demand has slowed as we enter into summer break.





SEAFOOD

SHRIMP, DOMESTIC

(WHITES AND BROWNS): Another zone in the Gulf of Mexico opened on 5/27/19, as the Memorial Day holiday production was slow in the plants. We are waiting to see how production goes in this new zone. Pricing is steady for the week.

(DOMESTIC PUDS): Another zone in the Gulf of Mexico opened on 5/27/19, as the Memorial Day holiday production was slow in the plants. There is concern that with all the freshwater runoff from the Mississippi, that 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 were higher on larger shell-on after the Memorial Day holiday, with pressure for overseas to raise prices, with strong demand on larger sizes.

(MEXICAN BROWNS AND WHITES): Supply is fair and pricing is steady.

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 weaker on fresh fillets; frozen portions are steady at this time.

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.

TILAPIA

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

PANGASIIUS

Pricing is trending downward, as inventory levels in the U.S. 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 is expected to 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-ups 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 some molting happening that will close zones as well. Pricing is increasing on 5-8s. There are reports that many producers and traders think we are at the bottom on 8-ups and larger, and pricing will head higher by today (5/31/19).

LOBSTER

NORTH AMERICAN LOBSTER: Pricing is steady to firm, as there is not enough supply to support demand. The spring pack has begun. Processing plants are starting to produce. Live demand is strong at this time.

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 can expect to see higher pricing, as there is pressure on inventory. Smaller tails of 4's, 5's and 6's are tight on inventory.

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



US TRADE DISPUTE WITH CHINA UPDATE

- The U.S. announced early in 2018 it would impose tariffs on imports to shrink the trade deficit.
- 4 rounds of tariffs on Chinese products have been implemented so far:
 1. 3/23/18 ~\$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:
 - 7/6/18, ~\$34 billion of imported products (25%).
 - 8/23/18, ~\$16 billion (also 25%).
 3. 9/24/18 an additional ~\$200 billion in products from China (10%).
 4. On 5/10/19, the U.S. government raised the 10% tariff it had implemented on \$200B of Chinese goods to 25%.
- China has retaliated against the U.S. tariffs, initially matching the first \$50 billion, and then an additional \$60 billion against the latest round (\$200 billion).
- China announced on 5/20/19 that it would raise tariffs to 20% or 25%, from the already 10% in place. Implementation is scheduled to take place Saturday (6/1/19).
- 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.