



# FARMER'S REPORT

MARKET TRENDS | 6.21.2019

**US.**  
**FOODS®**

# PRODUCE

## KEY

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

All produce pricing trends are based on USDA data as of 6/18/2019.

## VEGETABLES



### POTATOES

- **Russets:** The market on russets is steady this week. Burbanks out of Idaho are steady on 70 ct., 90 ct., and 6 oz. minimum size. Moderate supply and good demand and quality are being reported out of Idaho.
- ↑ **Reds:** The red potato market is mixed this week. Product out of Florida is steady, while product out of Kern District, California is up. There is moderate supply and good 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 with good supplies. Demand and quality are good, too.



### LEAF LETTUCE

- ↑ **Green Leaf:** The green leaf market is up a material amount this week. Green leaf yield is slightly down, mainly because of changes in temperature this time of year. There is some irregular sizing, fringe/wind burn and occasional internal burn. Demand is strong, as markets are continuing to advance.
- ↑ **Romaine:** The romaine market is up this week. Romaine supplies are expected to be light. The market is on an upward trend. There are improvements in quality; however, customers should expect to continue to see fringe burn, found on the outer leaves. Demand is strong for romaine.



### ICEBERG LETTUCE ↑

The iceberg market is up substantially this week. Demand continues to be strong. Quality has also been affected by the heat, and there are more cosmetic issues than normal. The market is active, and will continue to be that way, with lighter volumes overall.



### GARLIC →

Domestic garlic is steady this week, with good supply and demand. Good quality is being reported.



### ONIONS ↑

The jumbo yellow onion market is up this week. Product out of San Joaquin Valley, California, Georgia, and Mexico is up, 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 ↑

The cilantro market is up this week. Product out of Oxnard, California is up on 30's and on 60's with moderate supply and demand. Product out of Central Coast California is up on 30's and on 60's with moderate supply and good demand. Good quality is being reported, with little yellowing.



### CUCUMBERS ↑

Eastern supply is tight as growers transition. Western supply is lower than previous weeks, but stronger than Eastern supply. Quality is good to excellent.



### CELERY ↓

The celery market is down this week, although prices remain significantly above historical averages. Celery supplies have returned to normal expectations. Prices have dropped in response to the increased amount of supplies out of California.



### YELLOW SQUASH & ZUCCHINI →

Eastern supply is lighter than last week. Western supply is improving, and pricing is steady. Quality is fair on yellow squash and good for zucchini.



### GREEN BEANS →

The green bean market is mixed this week. Machine-picked product out of south Georgia and North Carolina is up, with lighter supply and good demand. Imported haricot verts are down, with moderate supply and demand. Quality will vary, depending on the growing region.



### BELL PEPPERS

- ↑ **Green:** Eastern supply is very tight, and demand is strong. The market is split between Georgia and North Carolina. Western supply is tight, as growers transition from Coachella to Bakersfield. Quality is fair in the East and good in the West.
- ↑ **Red:** Supply is very tight, and demand is strong. Quality is fair to good.



### TOMATOES

- **Rounds:** Supply is good in both the East and the West. Demand is moderate. Quality is good in the East and fair to good in the West.
- ↓ **Romas:** Supply is light in the East and excellent in the West. Demand is moderate. Eastern quality is good, but there is some fair quality mixed in, from aged lots coming in from the West.
- ↓ **Cherry:** Supply is good, with light to moderate demand. Quality is good to excellent.
- **Grape:** Supply is good, with moderate demand. Pricing is steady, and quality is fair to good.



### CARROTS →

The jumbo carrot market is steady this week, 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 quality continues to vary.



### GREEN ONIONS →

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



# PRODUCE



## CAULIFLOWER ↑

The cauliflower market is up this week. Cauliflower supplies are expected to be around normal this week. The market is on an upward trend. Quality remains steady, with the exception of some slight discoloration and/or cream color in low percentages.



## ASPARAGUS →

The asparagus market is mixed this week. Product out of Peru and Michigan is steady, while product out of Mexico is down. There is moderate supply and light demand.



## BROCCOLI ↑

The broccoli market is up, and supplies will be around normal this week. Demand for product out of California is higher, while prices are mostly stable.

## HANGING FRUIT



### APPLES AND PEARS

- ➔ **Apples:** All varieties are steady this week, with moderate supply and demand. Good quality is being reported.
- ➔ **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 to up for the week. Lemons continue to trend toward larger sizes, leaving smaller-sized lemons in tight supply. Reports indicate that vendors are waiting to see if offshore product can help with the lack of small-sized lemons. Quality still looks to be fair to good for now.



### LIMES →

Overall, the market is stable. Mexico has had rainy weather, which has caused the fruit to grow larger. Consequently, smaller-sized limes have increased in price, due to limited availability.



### ORANGES ↑

Valencias are seeing strong market increases on 88's and smaller.

## BERRIES



### STRAWBERRIES ↑

The strawberry market is up this week, as the overall availability of California strawberries remains limited. Last week both Watsonville and Santa Maria experienced a 3-day stretch of heat, which severely affected overall quality and condition.



### BLACKBERRIES →

Quality is remaining strong and there are mostly firm berries, some undersized, out of Georgia.



### RASPBERRIES →

Raspberry packs look decent, with primary concerns being overripe, soft tips and some broken fruit due to warm temperatures and moisture out of Mexico.



### BLUEBERRIES →

Mexican blueberries are showing minimal defects, with slightly smaller size profiles.



### GRAPES ↓

The grape market is mixed this week. Black Seedless out of Mexico are steady on Large and Med./Large. Flame Seedless out of Mexico are down on Large and Med./Large. Sugarones out of California are down on Large/XL. There is moderate supply and demand.

## TROPICAL



### PINEAPPLES →

Pineapple markets are trending towards smaller sizes. 5's and 6's are a little tight, but there is stronger supply of 7's and 8's. This is expected to continue for the next two months. Quality is very good.



### BANANAS →

Markets remain steady, with consistent production and supply. Fruit quality is not currently issue.



### AVOCADOS ↑

The avocado market continues to rise rapidly, as supply is tight out of Mexico. Please note that the new Loca crop is trending smaller, and 48's are in the majority. This tight market is expected for the next 4-6 weeks.

## MELONS



### CANTALOUPE AND HONEYDEWS

↓ **Cantaloupes:** The cantaloupe market is down this week. Harvesting for cantaloupes is occurring in Goodyear, Arizona. Quality is good, with sizing trending large due to growing conditions. Small fruit is currently difficult to source.



↓ **Honeydews:** The honeydew market is down this week. Harvesting for melons is in Goodyear, Arizona. Quality is good, with sizing trending large due to growing conditions. Small fruit is currently difficult to source.





# BEEF

All current beef pricing trends are based on USDA data as of June 19th, 2019. Last week's trends refer to the USDA market for the full week of June 10th, 2019.

Cash cattle traded relatively steady compared to the week prior, trading between \$111-116/cwt.. Market analysts are calling for a steady market this week for cattle, in the \$112-114/cwt. range.

Harvest came in at 665K head for the week, which was right on par with the analyst's projections. Of that 665K head, 532K were of the steer/heifer variety. Harvest for the week of June 17, 2019 is expected to remain steady.

77.85% of all steers/heifers graded Choice or Prime for the week ending June 7, 2019, which was up from the week prior. Select grading was down at 18.73% and Ungraded reported up at 3.42%.

## GRINDS

**GROUND CHUCK:** Ground chuck traded down a few cents last week, and is showing a similar pattern midway through this week. These prices are right in line with the seasonal three-year average.

**GROUND BEEF 81/19:** 81/19 ground beef slightly increased last week, and is showing a little bit larger increase going forward. This blend is right in line with its seasonal average price.

**GROUND BEEF 73/27:** 73/27 ground beef also took a slight increase in price, and is currently trading flat.

## ROUNDS

**PEELED KNUCKLES:** Peeled knuckles traded slightly lower across the board. The current market seems to be going in a similar direction. Prices are on par with the three-year seasonal average.

**INSIDE ROUNDS:** Choice inside rounds took a nice increase, Select insides traded flat, and Ungraded product was slightly down last week. Graded inside rounds appears to be slightly declining in the current market. Inside rounds historically see a slight drop in price at this point in the year, before flattening out in the later summer months.

**BOTTOM ROUND FLATS:** Choice flats traded slightly down, and Select flats traded slightly up last week. Currently, they're trading flat to slightly down, respectively. Expect relatively steady trading throughout the summer.

**EYES OF ROUND:** Choice eye of rounds were flat and Select product took a slight increase last week, with both grades currently slightly up. Eye of round prices are right in line with the three-year seasonal average.

## LOINS

**STRIPS:** Last week, Choice strip loins took a small decrease and Select strips took an extreme dip in price. Choice product is currently showing a similar pattern. Select strips are also showing another loss, albeit just a modest one. Strip loins are trading well below the seasonal average for June, and could be considered a good value.

**TOP BUTTS:** Top butts were down across all grades last week. Currently, Choice product is slightly up and Select product is trading down again.

**TENDERLOINS:** Choice tenders were down, Select tenders traded flat, and Ungraded product was slightly up. Choice product seems to have reversed course and is currently up a few cents, while Select tenders are starting to show slight declines. Tenderloins are well below the seasonal average in price.

## RIBS

**RIBEYES:** Heavy ribeyes traded down across the board last week. Choice and Ungraded light ribeyes both took healthy increases, but Select lights took a significant decline last week. Select lights and Choice heavies are currently trading up, but Choice lights and Select heavies are both showing rather large declines.

## CHUCKS

**CHUCK ROLLS:** Choice rolls were slightly up, and Select product was slightly down last week. The market appears to be flattening out on all chuck rolls, with possible slight gains for Choice product.

**TERES MAJOR MUSCLE:** Choice Teres Majors took a healthy increase, Select Teres Majors traded slightly down, and Ungraded product took a significant decline last week. Choice product is trading modestly down currently, and Select product is showing a larger decline. Teres Majors are at a good value, as all grades are significantly below seasonal averages.

**BRISKETS:** Briskets were down across the board on all grades last week, and look to be continuing a similar trend midway through this week. Briskets typically soften through the summer months.

## THIN MEATS

**BALL TIPS:** Choice ball tips took a healthy increase, and Select product took a slight gain last week. All grades are currently trading up a few cents.

**FLAP MEAT:** All grades of flap meat took sizable gains last week, and through three days of trading, they appear to be going in a similar direction. Even with the nice gains, flap meat is still well below its three-year average, and is a value buy.

**FLANK:** Choice flanks traded down modestly, and Select product traded flat last week. Choice product is currently showing a nice gain, while Select product is down through three days of trading.

**SKIRT STEAK:** The outside skirt market was up a few cents last week, but is showing declines in the current market. This market historically is relatively flat for the summer before declines in the fall months.





# PORK

All pork market information and pricing trends are based on USDA data as of June 14, 2019.

Last week the USDA estimated hog slaughter was 2.431 MM, a slight increase over previous week, and a 9% increase over one year ago. According to the USDA, weekly harvest numbers have averaged 7% higher than a year ago over the last three weeks, which was higher than analysts' expectations. This implies that pork supplies are trending higher than a year ago.

## LOINS

Prices in the loin complex, both bone-in and boneless, traded lower. The combination of ample fresh loin supplies and fewer retail features on pork loins and pork chops has put pressure on both the bone-in and boneless loin markets. Pricing on loins over the next few weeks will depend on how aggressively the retail channel decides to promote loins for Independence Day ads.

## TENDERS

Pork tenderloin prices traded higher, supported by strong grilling season demand. Ample supplies may pressure this market; however, tenderloin prices typically peak in July.

## BUTTS

Pork butt prices continued their decline for the sixth week in a row. Pork butt prices are expected to find support in the upcoming weeks, as retailers are expected to feature country-style ribs and pork butts for Independence Day promotions.

## RIBS

Trades were reported as mixed in the rib complex. For the first time in 13 weeks, back rib prices showed a slight decline, as packers discounted product late week. On the sparerib side, prices came in slightly higher. Rib prices are expected to find support and move slightly higher, supported by stronger retail demand. Retailers are to feature both back and spareribs, along with a cooked ribs, in their July 4th promotions.

## BELLIES/BACON

The belly market posted additional declines, as ample supplies of fresh product continue to pressure the market. Although later than expected, belly prices are forecast to make their seasonal move higher, as retailers are expected to ramp up their bacon promotions during July and for the summer season. The belly market has been extremely volatile this year.

## HAMS

Ham prices turned lower, as ample supplies started to pressure current price levels. Prices are on the decline this week; however, they remain well above year-ago levels and are forecast to trend lower through late June/early July. In addition, trade talks with Mexico, a large importer of US-produced hams, look to be improving, per news reports. At this time, ham prices are expected to be unsteady through October.

## TRIMMINGS

Trimming prices continued their seasonal move higher. Historically, trimming prices are bullish heading into summer, due to strong processor demand for hot dogs and sausages in lieu of grilling season. These markets historically peak right around Independence Day.

## PICNICS

Prices for both the bone-in and boneless picnics were relatively steady. 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 remain fairly steady and trade in a narrow range through July 4th.





## TURKEY

### BONELESS, SKINLESS TURKEY BREASTS

Boneless, skinless turkey breasts remained unchanged during the week of June 17, 2019. In the near term, market expectations should be flat to slightly upward.



## CHICKEN

Small, medium and jumbo wings were flat during the week of June 17, 2019. Supply has not elevated yet, which has minimized the availability of spot loads, as well as maintained balanced pricing. The small boneless breast markets were flat during the week of June 17, 2019, as supply is still suppressed in the small bird market. This trend should continue in the near term. The jumbo breast market was flat, with the medium market moving down. Jumbo tenders pricing was up slightly, as this market is currently in a balanced to tight position, without any spot offerings being discovered. The select/small tender market was flat. 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 were flat the week of June 17, 2019. As export demand gains ground, slight incremental increases should be expected in all dark meat categories near-term. Whole birds/WOG pricing continues to show a slight increase. The trend for the near term should be flat to slightly upward.

### BROILER-TYPE EGGS SET IN THE UNITED STATES DOWN SLIGHTLY

Hatcheries in the US weekly program set 229 million eggs in incubators during the week ending June 15, 2019, down slightly from a year ago. Average hatchability for chicks hatched during the week in the US was 82.9%. 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 US. weekly program placed 190 million chicks for meat production during the week ending June 15, 2019, up 2% from a year ago. Cumulative placements from the weeks ending January 5, 2019 through June 15, 2019 for the US were 4.46 billion, up 2% 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. This trend should be expected to continue through 2019. The demand for medium and jumbo whole birds and WOG'S is steady, and is beginning to get a slightly increased amount of attention as the weather warms up. Slight increases should be expected in pricing for the near term.

### WHOLE FROZEN TURKEYS

Whole turkeys remained unchanged during the week of June 17, 2019. Near term expectation should be that this market trends 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 June 17, 2019. This market continues to be supported by the YTD headcount deficit in the small bird category. The select/small market should continue to trend flat to upward in the near term. The medium boneless breast market was down, as spot load offerings are easily uncovered, but expected to be short-lived. The jumbo boneless breast category was flat, following the same trend as the small market, with spot product being offered, although deep discounting is not taking place. Looking near-term expect this market to continue a flat to slightly downward trend. As bird weights increase, as well as some processors switching from a medium to a jumbo bird, this market could continue a flat to downward movement.

During the week of June 17, 2019, the select/small tenderloin market was flat. Reports indicate that 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 up, with the near-term outlook being balanced to tight. Seasonal market increases should continue through the summer.

### WINGS

The small wing market was flat the week of June 17, 2019; 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. Expectations should be that the medium market remains flat to upward in the near term. The jumbo wing market followed the same pattern as the small and medium markets, remaining flat. Reports indicate that processors continue to assess their individual inventories while keeping any heavy discounting at bay. The jumbo market is expected to trend flat to upward as we enter into seasonal market increases.

### BONELESS, SKINLESS THIGHS

The boneless, skinless thigh meat market was flat the week of June 17, 2019. This market should be fully supported by both increased export and domestic demand. Expectations should be that this market trends flat to slightly upward in the near term.





# COMMODITY OIL

## SOY, CANOLA & PALM OIL

The soybean complex closed higher the week of June 10th, 2019 as weather continued to impair the 2019 planting cycle. Spot corn futures traded at 5-year high levels, with reports that corn acreage is expected to be down 6 to 8 million acres.

### SOY OIL:

- On May 10, 2019 US tariffs on \$200 billion worth of Chinese goods were moved up to a 25% rate from 10% previously, while the US also stated that they were working on 25% tariffs for an additional \$325 billion worth of Chinese goods going forward.
- The Chinese cancelled 136,000 metric tons of US soybean purchases the week of June 10, 2019, and reports indicate that they are in the process of trying to get another 2 million metric tons rolled forward from July to August shipment.
- Week of June 17, 2019, planting progress update showed 77% of the soybean crop was planted complete, which was down slightly from what reports were expecting (79%). Last year at this time, 96% of the crop was planted complete.
- The USDA's latest crush report put end-of-April soybean oil stocks at 2.258 billion lbs, up 25 million from the 2.233 billion reported in March 2019, but still well below last year's levels.

- Soybean oil use for biodiesel production was in excess of 650 million lbs, a record for the month, and up 20% from a year ago.
- The significant delays in this year's corn crop may lead to higher-than-anticipated soybean acreage.
- Crude oil pricing continued to decline, dropping below \$54.00 per barrel for the first time since March 2019.

### CANOLA

- The Canadian Prairies are still much drier than average at this time, which could lead to yield impact. However, reports indicate that with the China trade circumstances, crop surplus will still be extremely high, with plenty of seed to crush.

### PALM OIL

- Malaysian palm oil stocks fell over 10% during the month of May, but are still well above last year's level. Palm oil prices were mostly steady, and continue to follow the lead of the soybean oil market.



# DAIRY

All dairy pricing trends are based on USDA and CME data as of June 19, 2019.

## 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

The large difference between the block and barrel is causing instability in the market, and reports indicate that traders are attempting to figure out if blocks will decline to close the gap, or barrels will rally further, or some combination of the two. Nearby availability of milk has kept production active this past week. Milk prices are still trading at a discount to the Class III price but are even more firm than they have been in prior weeks. Cheese demand reportedly took a hit on the recent price rally to calendar year highs, but is still supportive to prices as we head into the summer months.

## SHELL EGGS

The lower shell egg price jump started promotional activity, and the everyday low-price offerings that have helped to clear up the abundant shell egg supply. Reports indicate that the increased molt and slaughter activity by producers has led to fewer laying hens in the flocks, and that is starting to reduce the amount of eggs coming to market. Reports also indicate that flock size reductions, in tandem with the increased purchases, have put the market back into a more aligned position. The market expectation is that this should be supportive to prices over the next few weeks, with margins still not favorable to producers.

## MILK & CREAM

Milk production across the U.S. appears 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):** The current catch is producing larger shrimp in the 16/20, 21/25 and 26/30 range. This goes along with the reports that all the fresh water coming out of the Mississippi has pushed the smaller shrimp further out into the Gulf of Mexico. Smaller shrimp will have a lot of pressure on availability and price.

**(DOMESTIC PUDS):** Smaller PUD's are becoming tight as they have been pushed further out into the Gulf of Mexico with the influx of fresh water coming out of the Mississippi River. There will be a lot of pressure on this category. Urner Barry is reporting higher pricing across the category.

## SHRIMP, IMPORTED

**(BLACK TIGERS AND WHITES):** The seafood industry is seeing pressure on inventory, and higher pricing on both white shrimp and black tigers.

**(MEXICAN BROWNS AND WHITES):** Suppliers have expressed a concern that browns, as well as large-size shrimp are in very tight supply.

## CATFISH

**DOMESTIC:** The warm weather is allowing more feeding of fish. Production still remains slow, but after talking to multiple packer, they believe inventory will improve by the end of Q2/beginning of Q3.

**IMPORTED:** Industry data is reporting rising prices. Import pricing is following the domestic market on pricing.

## SALMON

**ATLANTIC FARMED SALMON:** Pricing is mixed on fresh product. Product from Chile is seeing a slight decline, while product from Europe is seeing pressure to move up. Frozen portions have remained steady at this time. Reports indicate that there is still a concern that 4 oz. portions will get tight, as the size of fish needed to produce that size is in short supply.

## MAHI-MAHI

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

## SCALLOPS

**SEA:** Pricing has turned steady. The catch is going well for the new season.

**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 is being finalized for Q3, as the market is firming, and increases are expected. Pacific cod will be mostly stable to start, but could also firm as we go forward.

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

**HADDOCK:** Pricing is stable at the moment, but with the new increase in tariffs from China we could see higher pricing in the near future, according to suppliers.

**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 and will be tight ongoing. Some spot opportunity exists.

## CRABMEAT

**(BLUE & RED, PASTEURIZED):** The market is showing 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, this should stabilize the market.

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's and 8's. The market is very unsettled on 8-ups and 10-ups.

## LOBSTER

**NORTH AMERICAN LOBSTER:** Pricing is steady to firm, as suppliers indicate there is not enough supply to support demand, due to exports being higher than last year and the live market driving demand through the first half of the season.

**LOBSTER TAILS WARM WATER:** The industry as a whole is extremely tight, with no new production set until the season starts in August. Very little product will be available as a whole.

**LOBSTER MEAT:** Pricing and demand are steady. The market is firming up.



# US TRADE DISPUTE WITH CHINA UPDATE

- The US announced early in 2018 they would impose tariffs on imports to shrink the trade deficit.
- Four rounds of tariffs 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 two 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. 5/10/19, the US government raised the 10% tariff it had implemented on \$200B of Chinese goods to 25%.
- China has initially matched 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%, up from the 10% already in place. Implementation was on 6/1/19.

## 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.