The market on russets is mixed this week. Norkotahs out of Washington/Oregon are up while Norkotahs out of Colorado are steady. Burbanks and Norkotahs out of Idaho are up on 6 oz. minimum size out of Idaho are up on Norkotahs and steady on Burbanks. Moderate supplies and demand are being reported out of Idaho and Washington/Oregon. Suppliers will start to transition to only the Burbank variety in the coming weeks. This guidance reflects 70 ct. Norkotahs out of Idaho.

**Reds:** The red potato market is steady this week. Product out of Minnesota and Florida is steady.

**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. Prices are on an upward turn. Demand is stronger. There is steady volume out of Mexico. Due to the cold weather in California, there will be lighter supplies for the next two weeks.

#### Green Leaf

The green leaf market is down this week. There are issues with slight yellowing, blister, peel and lighter weights. Yields continue to take a hit, which will create lighter supplies this week.

#### Romaine

The romaine market is up this week. Romaine supplies are expected to be light this week. The market is slightly fluctuating, and demand is good. There is clear blister, yellowing of the leaves and low percentages of epidermal peel.

### Iceberg Lettuce

The iceberg lettuce market is up this week. Iceberg supplies are expected to be light this week. Prices are expected to increase in response to low volume and questionable quality caused by cold temperatures. Mildew and blister remain as common defects across the board. Firm to hard density has also been reported.

### Garlic

The market is steady, but supply has tightened a bit as suppliers move towards the end of the 2018 crop. Quality will vary.

### Onions

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

### Mushrooms

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

### Cilantro

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

### Tomatoes

#### Rounds

Round tomato prices continue to rise this week. The supply out of Honduras is slowing down, and Florida has not yet started, causing a slight gap in the East. Mexican supply remains steady, but they are picking up the Eastern demand. Quality is fair to good.

#### Cucumbers

Cucumber prices are continuing to rise this week. The supply out of Honduras is slowing down, and Florida has not yet started, causing a slight gap in the East. Mexican supply remains steady, but they are picking up the Eastern demand. Quality is fair to good.

#### Celery

Celery is down this week. Celery supplies are expected to be short this week due to the cold, wet weather. The market is trending higher and very active. There is a good pull for product, as volume is generally low out of Mexico and California.

### Squash and Zucchini

#### Yellow Squash

Squash prices are on the rise this week, with supply tight in both Mexico and Florida. Quality continues to be a challenge, with heavy scarring and discoloration being reported.

#### Zucchini

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

### Green Beans

The green bean market is down this week. Imported haricot verts are down, with moderate supplies and demand. Machine-picked product out of Florida is down. There is moderate supply with lighter demand. Quality is good. Hand-picked product out of Mexico is down, with moderate supply and demand and a wide range in quality.

### Bell Peppers

#### Green

The green bell pepper market is skyrocketing this week. Growers in the East are in between their winter and spring crops. Mexico has been battling cold weather, which is slowing the growth of peppers and causing a slight gap. Supplies are tight, and quality is a mix between fair and good.

#### Red

Red bell peppers are also skyrocketing this week. The market is extremely tight in both regions after farmers picked heavy the last couple of weeks. Quality is fair at best, with heavy discoloring being seen in the fields.

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### Tomatoes

#### Rounds

Round tomato prices continue to rise this week. Florida is nearing the end of their winter crop, with relief not expected until late March/early April, when their spring crop starts. Mexico is seeing the same issues as they start to finish their winter crop. Quality is fair, with some reports of stem decay and yellow coloring.

#### Romas

Romas: Roma prices are up this week, with both Florida and Mexico reporting tight supplies. Relief isn’t expected until late March. Quality is good.

#### Cherry

Cherry tomatoes are steady to up this week. Supplies remain tight, which is causing the slight price increase. Quality is mixed between fair and good in both Eastern and Western growing regions.

#### Grape

Grape tomato prices are steady to up this week. Demand has started to pick up due to the tighter supply. Mexican supply remains steady, but Eastern supply is tight. Quality is trending between fair and good.

### Carrots

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

### Green Onions

The green onion market is down this week. Product out of Mexico is down on small size and medium size. Supplies continue to be light, but the demand has lessened.
PRODUCE

CAULIFLOWER ➡
The cauliflower market is down. Cauliflower supplies are expected to be light this week. The market is much higher, and it is expected to be high until supplies improve. The Mexican quality is good, while the quality out of California is lower due to the weather.

ASPARAGUS ➡
The asparagus market is down this week. Product out of Mexico is down with lighter supplies and moderate demand. There are reports that quality will vary out of Mexico.

BROCCOLI ➡
The broccoli market is up this week, with supplies expected to be light. Prices and demand are steady; however, they are expected to increase, as availability of supplies have decreased. In California, a short supply of crowns is expected, due to the low temperatures and rain showers that continue to affect the region. In Mexico, there will be lighter volume this week as well. Overall, quality is good out of Mexico.

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

HANGING FRUIT

APPLES AND Pears ➡

Apple: All apple varieties are steady this week out of Washington. There are good supplies, demand, and quality 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 ➡
Rain in the forecast will impact the quality of lemons into next week. Moisture is creating spores on lemons; however, overall quality and supply is expected to remain steady.

ORANGES ➡
Rain in the forecast will impact the quality of oranges next week also. Expect some clear rot and puff due to the excess moisture. The overall color is good, and overall supply is good, too.

LIMES ➡
Lime prices are up this week. Supplies are tight, as production is light this time of year. Supplies are expected to remain tight through the rest of this month. Quality is improving as the cooler weather leaves the growing region in Mexico.

BERRIES

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

BLACKBERRIES ➡
Blackberries look good, with some minor red cell here and there, but nothing significant. It’s anticipated volume will increase by April-May.

RASPBERRIES ➡
Raspberries out of Mexico have similar defects to last week due to warm weather – minor broken fruit, thrip damage and green fruit. Overall, despite minor setbacks, quality is looking very good, with a sweet flavor and large sizes.

BLUEBERRIES ➡
Overall out of Mexico, blueberry quality is looking good, with no problems or rejections at the cooler.

GRAPE ➡
The grape market is steady to down this week. Crimson Seedless out of Peru is steady on XL and Large. Red Globes are steady on XL, Jumbo and Large. Red Seedless out of Peru and Chile is steady on XL, Large and Medium. Black Seedless out of Chile is down on XL and Large. Sugarones are steady on XL, Jumbo and Large. Supplies continue to be on the lighter side, especially product getting to the West Coast. There is moderate demand, and quality will vary out of both growing regions.

TROPICAL

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

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

AVOCADOS ➡
Avocado prices are steady to up, depending on size. 48’s are steady, while smaller-sized avocados will see a slight increase this week. #2 fruit supply is tight.

MELONS

CANTALOUPES AND HONEYDEWS ➡

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

Honeydew: The honeydew market is flat this week. The honeydews from Costa Rica are done. The last arrivals for week 10 are mostly ROSY and FC packs due to scarring. For the remainder of the season, the dews will only be coming from Guatemala. Honeydew sizing is mostly concentrated in the 6 ct. size, but increased 8 cts. are expected.
Cash cattle traded up $2 last week, with the majority exchanging hands at $128.50/cwt. This week’s asking price from feeders is listed at $130, with very scattered sales occurring early this week. Near-term futures are currently down about $1 from last Tuesday’s close of the market.

Last week’s harvest came in at 603K head, up 26k from the previous week, and of that, 477K were of the steer/heifer variety.

The grade for the week ending February 22 came in with 82.2% of all the steers and heifers grading Choice or higher, which was down 0.6% from the week prior. Select product was higher at 14.7% and ungraded reported up at 3.1%.

**GRINDS**

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

**GROUND CHUCK:** Ground chuck too reported up modestly last week, and here, too, we have seen modest gains in early-week trading this week.

**ROUNDS**

**PEELED KNUCKLES:** All graded knuckles reported up slightly last week. The close-term market projection is that the beef knuckles could continue to lift in price at a modest rate and that is exactly what we are seeing this week.

**INSIDE ROUNDS:** Inside rounds traded up modestly last week. Currently they are continuing to see this pattern emerging so far this week also.

**BOTTOM ROUND FLATS:** Bottom round flats reported up modestly on all grades last week. Prices continue to be firm so far this week.

**EYES OF ROUND:** The eyes of round reported down slightly on Choice and Select grade, but they are doing just the opposite so far this week.

**LOINS**

**STRIPS:** Strips remain strong for the fourth week in a row and they posted fairly significant gains last week and the first half of this week. These are projected to continue to climb throughout the springtime.

**TOP BUTTS:** Choice top sirloins decreased moderately last week, while the Select grade took a modest decline. Through early trading this week, Choice top butts are showing signs of rebounding, while the Select grade is still struggling.

**TENDERLOINS:** All grades of tenders traded up modestly last week. This week we are seeing a fairly significant resurgence on early-week trading.

**RIBS**

**RIBEYES:** In the rib complex, everything grading Choice and higher was up modestly last week while the Select and Ungraded product took modest to fairly significant declines, respectively. Currently we are seeing positive numbers across the board on all graded products, with the lighter product leading the way.

**CHUCKS**

**CHUCK ROLLS:** Chuck rolls traded steady last week across all grades. Currently all graded rolls are up modestly so far this week.

**TERES MAJOR MUSCLE:** Teres Majors reported up from modestly to moderately last week. Currently Choice is up modestly, while no trades have been reported at the time of this writing on Select product.

**BRISKETS:** Briskets for the most part were static last week, with only a penny change one way or the other on all graded product. Currently this week, all graded briskets are up modestly, with St. Patrick’s Day around the corner.

**THIN MEATS**

**BALL TIPS:** Ball tips traded flat last week on the Choice grade, while the Select product was down modestly. In the current week, Choice ball tips are up modestly, while the Select product is following the same pattern as last week.

**FLAP MEAT:** Flap meat reported down ever so slightly last week on Choice product, while the Select grade declined moderately. Currently the market is showing modest declines on the Choice grade and a modest increase on Select, but don’t be fooled; this market is poised to take significant gains as Cinco de Mayo draws nearer.

**FLANK:** Choice flank steaks were up just slightly last week, while the Select grade took a modest decline. Currently we see all graded product up modestly so far this week.

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

Last week the USDA-reported hog slaughter was almost 2.5 MM hogs, up 1.3% over last year at this time, and slightly higher than the previous week, despite some isolated winter weather disruptions. This week, harvest levels are on pace to come in around 2.5 MM again, about 3.5% above one year ago. Additionally, a new packer, Prestage Foods of Iowa, opened their doors on Monday, which may result in additional supplies of bone-in commodity products in an already saturated market.

Pork demand struggled to find solid ground last week, but appears to be firming up this week, supported by the expectation of increased retail promotions for mid-to-late March. Commodity pork prices are expected to firm up after Lent, but substantial price increases are not expected during March. On the processed side, belly demand is expected to hold fairly steady, and demand for hams is supported, due to last-minute Easter production.

The December 2018 Cold Storage Report released last week, delayed due to the government shutdown, showed year-end total pork cold storage stocks were up over 2017 by 3%. While this is not a record inventory, it is the highest total stocks in the last three years. Belly stocks were up over 2017 by 6.8%, while pork butt stocks were the lowest for any December in the last three years. Given the recent demand for butts, these levels are on the low side, which probably contributed to the abundance of low-priced pork butts on the fresh market during December and January.

LOINS

The loin complex posted further declines last week, as supplies surpass current demand levels. Price points remain near 5-year lows, but they are expected to firm up through mid-March, as retailers promote pork loins as a “value cut”. Prices for both bone-in and boneless loins are trending higher in early-week trade, but projected supply levels are expected to continue to pressure prices into late March. Loin prices are expected to hold steady to slightly higher during April. Weather and export demand may support higher price levels.

TENDERS

Pork tenderloin prices traded slightly lower last week, reaching 5-year lows and trending well below the 5-year average. Prices are lower in early-week trade but by mid-to-late March, retail features are expected to firm prices and support current price levels. Aggressive retail features may support short-term price increases; however, strong supplies could temper any significant upside.

BUTTS

Pork butt prices traded lower for the ninth week in a row. Ample supplies, along with weaker export and unpredictable domestic demand, continued to put pressure on prices during February. Prices are steady to slightly higher early-week, as packers are indicating forward buys, and retail demand for March features have put them in better inventory positions. Pork butt prices are expected to trend higher during March.

RIBS

The rib complex was mixed last week, with spareribs posting their fourth straight week of declines, and back ribs rebounding and moving higher. Prices for both back and spareribs are expected to trade steady to slightly higher, but within a narrow range during March. As packers examine and rotate their cold storage inventories, more fresh ribs could find their way to market at discounted prices. Sparerib prices are forecasted marginally higher over the next two months, and back rib prices are forecast to show gradual increases through mid-May.

BELLIES/BACON

After a week of volatile price swings, belly prices found support and turned higher last week, due to processors rotating out their older inventories and moving new product into the freezer. Prices are trending higher in early-week trade, trade as buyers continue to send bellies to the freezer for use during the summer season. Belly prices are expected to find support at these levels through mid-March, then turn slightly lower in early April, as fresh bellies make their way back into the market.

HAMS

Ham prices turned higher for the second consecutive week, as buyers step into the market to take advantage of price points 30% below one year ago, levels. Prices are moving higher early-week as buyers step back into the market to fill last minute Easter/Mother’s Day orders. While export demand is below year ago, current ham prices represent a value to the retailers, and they will be heavily featured for Easter. Ham prices are forecasted steady to slightly higher through late March.

TRIMMINGS

Fat 42% and lean 72% trimming prices traded counter-seasonally lower last week, as ample supplies and lack of export demand continue to pressure prices and keep them well below year-ago levels. Prices for both are slightly higher early-week, as processors begin their early-season hot dog builds. Expect prices to remain relatively steady within a few pennies.

PICNICS

The picnic complex, both bone-in and boneless, traded lower as ample supplies continue to overwhelm demand. Prices for the picnic complex will be steady to slightly higher during March. Export demand may support higher prices for bone-in picnics during March.
**CHICKEN**

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

**WHOLE FROZEN TURKEYS**
Whole turkeys were flat this week. Near-term, we expect the market to remain steady to upward, as negotiations for fall bookings get underway.

**Small, medium and jumbo wings were down this week, with spot market activity being minimal. March Madness demand is starting to show a slight interest. Once we move into the mid-April timeframe, we can expect seasonal market declines as we go through the summer months. Retailers and Further Processors appear to have stepped back into the boneless breast markets, lending confidence to processors for increased asking prices. Jumbo tenders were slightly up this week, as this market is currently in a balanced to tight situation. The select/small boneless breast and tender markets remain short of supply, and well-supported by the ongoing lack of supply and the YTD headcount deficit in the small bird arena.

Export demand on items such as boneless breast and leg quarters are at better-than-normal levels. This is especially true in the leg quarter arena, where we saw slight market increases this week. Thigh and leg meat is trending flat in the near term. Whole birds/WOG demand has decreased, we should expect a flat to downward trend for the near term here.

**BROILER-TYPE EGGS SET IN THE UNITED STATES UP 2%**
Hatcheries in the United States weekly program set 233 million eggs in incubators during the week ending March 2, 2019, up 2% from a year ago. Average hatchability for chicks hatched during the week in the United States was 82%. 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 184 million chicks for meat production during the week ending March 2, 2019, up 1% from a year ago. Cumulative placements from the week ending January 5, 2019 through March 2, 2019 for the United States were 1.65 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 demand continues to be strong, and supply is still tight. We can expect this trend to continue through 2019. The demand for whole birds and WOGs has weakened, which supports the expectation of decreased pricing in the near term.

**BONELESS, SKINLESS BREASTS & CHICKEN TENDERLOINS**
The select/small boneless breast market was flat this week. This market continues to be supported by the YTD headcount deficit in the small bird category. We can expect the select/small market to trend flat to upward in the near term. The jumbo and medium boneless breast markets were up this week. This week, additional medium and jumbo boneless offerings were at premium asking prices. The forward outlook suggests this market will continue to rise, as retailers and the foodservice segment continue their support going into the spring and summer months.

The select/small tenderloin market was slightly up 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 up this week, with supply and demand fairly balanced. Going forward, we can expect seasonal market increases through the spring and summer. We can expect this market to trend flat to upward in the near term also.

**WINGS**
The small wing market was down this week, with market increases being minimal for the near term. Promotional activity is expected to continue through March Madness on both small and jumbo wings. We should expect this market to trend flat to slightly upward in the near term. The jumbo wing market was down this week; however, any spot loads were quickly absorbed, and pricing has leveled off for now. In the near term, there is a chance of slight market inclines, but for the most part we do expect supply and demand to remain relatively balanced through March Madness. We can expect this market to trend flat to slightly upward (as we get closer to the beginning of March Madness) in the near term, too.

**BONELESS, SKINLESS THIGHS**
The boneless, skinless thigh meat and bone-in thigh markets were flat this week. Exports to Mexico and the Caribbean continue to support the back-half category. We can expect these markets to trend flat to upward in the near term also.
SOY, CANOLA & PALM OIL

The soybean complex closed lower last week, as trader impatience grows regarding a potential Chinese trade deal. Administration officials continue to contradict one another on progress, and concrete details remain elusive. Soybean oil remains the most well-supported member of the complex for now, as stellar demand from biodiesel keeps a bid in the market.

Soybean prices struggled through the month of February. With half of the 2018/2019 crop year now behind us, many are losing hope that a U.S./China trade deal would be enough to draw down burdensome stocks and improve prices—especially as the Brazilian harvest has just crossed the 50% complete mark, with another ample crop expected. Argentina’s crop looks mostly favorable in the early going, after a wet planting season.

SOY:

• The May soybean oil contract spent much of the week grinding lower on profit taking, as soybean and soybean meal prices remained weak. The $.3000 level is still the line in the sand, with a break under that level likely to prompt a test of the 50% retracement of the 350 point Dec./Feb. rally at $.2957. Speculative funds remain modestly long in the soy oil market.

• The EIA reported last Thursday that the use of soybean oil for biodiesel production reached an all-time monthly high of 768 million pounds in December. The number was 63 million pounds higher than the previous single-month high, and 158 million pounds higher than the previous December record. Soybean oil accounted for 60% of overall feedstock use. 2018/2019 soy oil use for biodiesel production is already up 23% over last year’s record pace.

CANOLA

• Canola seed futures made new contract lows again last week, and have now dropped over $35 per ton since the beginning of February on larger crop ideas. This has helped to keep pressure on canola oil basis levels on improved crush margins.

PALM OIL

• Palm oil prices continued to sag, as Malaysia reported a 15.3% decline in their February exports. Crude palm oil futures have dropped $50 per ton since the beginning of February, as the market continues to struggle with oversupply. Prices did recover some on Friday, on a few lower output projections for March. Palm will likely now watch soy oil for direction for the short-term.

US EXPORTS

• Weekly soybean oil export sales for 2018/2019 were reported at 10,600 tons. Expectations were 5,000 to 15,000 tons.

DAIRY

BUTTER

Butter output is active, as cream supplies are abundantly available for churning and able to meet immediate demand. Butter inventories are increasing, as plant managers are recovering from the 2018 baking season and start to build cold storage stock for the spring holidays. CME markets did see some upward movement this week.

CHEESE

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

SHELL EGGS

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

MILK & CREAM

Milk production was seen as steady to increasing throughout the country this past week, as the seasonal increases continue. Much of the holiday-related cream production has been wrapped up, pointing towards less demand and lower prices in upcoming weeks.
SHRIMP, DOMESTIC
(WHITES AND BROWNS): The winter season is coming to an end. We will be working off inventory that was packed in the fall and winter. Most producers are closing down until new pack. Currently pricing is stable, but we expect higher pricing as inventory gets lower.

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

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

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

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

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

SALMON
ATLANTIC FARMED SALMON: Pricing is now stable on frozen portions. We are seeing a rise in price on fresh fillets as we enter the Lenten season. 4 oz. portions are forecasted to become tight, as farmers are growing out larger fish for the Asian markets.

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

SCALLOPS
SEA: Pricing has turned steady with very little movement.
BAY: Pricing is on the rise due to tariffs. Overall demand is steady.

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

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

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

POLLOCK: The fishery for Pacific pollock has produced only smaller fish, just 2-4 oz. 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 on skin-on fillets and skinless loins is starting to see increases. Q1 brought much higher prices, due to low supply on raw material, in addition to the tariffs. Quota cuts will put additional pressure on supply and pricing.

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

TUNA, YELLOWFIN
FROZEN STEaks & LOINS: Tuna pricing and inventory is stable.

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

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

CRABMEAT
(BLUE & RED, PASTEURIZED): 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 lack of balance in movement and pricing. Inventory seems to be in good shape overall. Mexico Blue Crab season is beginning to slow, as is common this time of year. Pricing is stable and supply is very good.

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

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

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

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

LOBSTER MEAT: Compared to cold water lobster tails, meat is in fairly good supply. Pricing and demand are both steady.
US TRADE DISPUTE WITH CHINA UPDATE

- President Donald Trump announced early in 2018 he would impose tariffs on imports to shrink the trade deficit.
- Three rounds of tariffs have been implemented so far:
  1. March 23rd, ~$3 billion of products: imported Steel (25%) and Aluminum (10%).
  2. The next round of ~$50 billion in products from China - mostly machinery and parts - was put on in two stages:
     - July 6th, ~$34 billion of imported products (25%).
     - August 23rd, ~$16 billion (also 25%).
  3. September 24th, an additional ~$200 billion in products from China (10%).
     - The administration planned to increase them to 25% on January 1, 2019, if no agreement was met.
     - Trump announced on December 2 that these additional tariffs would be delayed 90 days in order to give the two countries a chance to come to an agreement on trade.
     - Trump has said that talks are progressing, and that the March 1st deadline will be pushed back to the end of this month, to give them time to finalize the deal.
- China retaliated against the US tariffs, initially matching the first $50 billion, and then an additional $60 billion against the latest round ($200 billion).
- Price increases on affected products are industry-wide, and vendors will see the impacts of these tariffs on raw materials at different stages, depending on multiple factors.
- There are no changes to any implemented price changes at this time.
- As vendors increase their prices due to tariffs, we pass them on to customers.

### Products with Price Increases

<table>
<thead>
<tr>
<th>Tariff Group</th>
<th>USF Product Group Impacted</th>
<th>PIM Categories Impacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metals - Iron, Steel, Aluminum</td>
<td>Disposables</td>
<td>Foil Bags, Foil Carryout Containers, Foil Roll, Trays and Pans, Foil Wraps and Sheets, Basket Liners</td>
</tr>
<tr>
<td>Metals - Iron, Steel, Aluminum</td>
<td>CES</td>
<td>Heavy Equipment, Smallwares, Parts &amp; Supplies</td>
</tr>
<tr>
<td>Metals - Iron, Steel, Aluminum</td>
<td>Grocery</td>
<td>Beverages</td>
</tr>
<tr>
<td>Metals - Iron, Steel, Aluminum</td>
<td>Grocery</td>
<td>PC Savory Condiments</td>
</tr>
<tr>
<td>Metals - Iron, Steel, Aluminum</td>
<td>Canned Goods</td>
<td>Canned Tomatoes, Dry Pack Beans, EB Canned Fruit, Ketchup, Shelf-Stable Entrées, Canned Pasta, Oil, Dessert Toppings, Cocoa</td>
</tr>
<tr>
<td>Metals - Iron, Steel, Aluminum</td>
<td>Value Added Shelf-Stable</td>
<td>Sauces, Shelf-Stable: Gelatin, Pudding &amp; Pie Filling, Shelf-Stable</td>
</tr>
<tr>
<td>Metals - Iron, Steel, Aluminum</td>
<td>Canned Goods</td>
<td>Canned Fruit and Veg., Pudding &amp; Custard, Cheese, Sauces, Beans</td>
</tr>
<tr>
<td>Straws and Stirrers</td>
<td>Disposables</td>
<td>Straws, Drinking, Plastic/PLA - Straws, Stirrer, Plastic/PLA</td>
</tr>
<tr>
<td>Metals - Iron, Steel, Aluminum</td>
<td>Value Added Shelf-Stable</td>
<td>EB Gelatin, Pudding &amp; Pie Filling, Shelf-Stable &amp; EB Sauces, Shelf-Stable</td>
</tr>
<tr>
<td>Plastics</td>
<td>Disposables</td>
<td>Bags, Food Storage (PE) and (PP), Bags T-Shirt, Buckets, Can Liners, Cups, Dust Pans, Food Containers, Lids, Pastry Bags, Urinal Deodorizer, Aprons, Bibs, Headwear (Disposable), Trays &amp; Film</td>
</tr>
<tr>
<td>Fibers / Molded Fiber</td>
<td>Disposables</td>
<td>100% Cotton Fabrics, Cups &amp; Bowls, Food Containers, Plates, Platters, Lids</td>
</tr>
<tr>
<td>Gloves</td>
<td>Disposables</td>
<td>Latex, Nitrile, PE, Vinyl/Synthetic</td>
</tr>
<tr>
<td>Frozen Seafood</td>
<td>Canned Fruit &amp; Veg.</td>
<td>Catfish, Flounder, Haddock, Tilapia, Pasteurized Crabmeat, Scallops, Squid, Crawfish</td>
</tr>
<tr>
<td>Canned Fruit</td>
<td>Canned Fruit &amp; Veg.</td>
<td>Mandarin, Nuts, Cauliflowe, Other Fruits &amp; Veg.</td>
</tr>
</tbody>
</table>