The market on russets is mixed this week. Norkotahs out of Washington/Oregon and Colorado are steady. Burbanks and Norkotahs out of Idaho are down. Lighter supplies are being reported on 50-80 cts. out of Washington/Oregon. Lighter supplies and moderate demand are being reported out of Idaho.

Roms: The red potato market is mixed this week. Product out of Minnesota is steady, while product of Florida is down. Guidance reflects product out of Minnesota.

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. Due to the cold weather, there will be lighter supplies for the next two weeks.

LEAF LETTUCE

Green Leaf: The green leaf market is up this week. The cold weather this weekend will continue to delay harvesting times and impact quality. 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. Supplies are expected to be light this week. Quality remains strong. Demand has been strong over the last week. Cold weather is predicted in the desert again this week, causing potential ice in the fields and delaying harvesting times. In addition, you can expect to see some peel and blister.

ICEBERG LETTUCE

The iceberg market is up this week. Weather is going to be a big factor this week for harvesters. Ice and rain are predicted this week, in addition to another cold spell. Supplies were already lighter than normal, and with the cold weather we are expecting, this could end up being a tough week. Anticipate some freeze damage and an active market. To improve quality, additional cleaning and heavy peeling of the outer leaves will be done to promote shelf life longevity.

Product out of California is steady, but supplies have tightened, and quality issues are being reported as we near the end of the 2018 crop season. This is expected to continue for another 1-2 weeks.

The jumbo yellow onion market is mixed this week. Product out of Washington/Oregon is down while 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 up on 30’s and 60’s. Product out of Imperial/Coachella Valley California and Arizona is down on 30 and 60’s. Product out of Texas is steady on 60’s. There is moderate supply and good demand out of all growing regions. Quality is fair, with some reports of yellowing.

Cucumbers: Cucumber prices are mixed this week. Florida is seeing an increase in pricing due to the lack of imports arriving from Honduras. Mexico, however, is pushing out good volumes, allowing prices to be flat this week. Quality is fair from Honduras and good out of Mexico.

Celery: Celery is slightly down this week, but prices remain well above normal levels. Celery supplies are expected to be short this week and next week, due to the cold, wet weather. Because the weather has been cold, sizing is a little smaller. Colder weather is expected this week, too, which won’t help. Volumes are still below average.

Squash and Zucchini

Yellow Squash: Squash prices are up this week. Florida looks to be reporting steady prices, while Mexico is seeing a price increase due to tightened supply. The prices are close to balancing out in both regions. Quality continues to be a challenge for yellow squash, with heavy scarring and discoloration being reported.

Zucchini: Zucchini prices are now on the rise, due to a 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. Supply and demand are moderate, with fair quality. Handpicked product out of Mexico is down, with moderate supply and demand and a wide range in quality.

Bell peppers: Green bell peppers continue to drop in price this week as supplies improve. Mexico and Florida have started to balance out price-wise. Quality is mixed between fair and good right now.

Red: Red bell peppers continue to go up in price. Red bell quality looks to be good, especially out of the hothouses.

Tomatoes

Rounds: Round tomatoes are down this week in pricing. Both Florida and Mexico are dropping slightly this week on some sizes and grades. Quality, however, is mixed, with reports of stem decay and yellow coloring.

Romas: Roma prices are down this week. Florida and Mexico are reporting lower prices on a couple grades/sizes. Supplies continue to be good, but quality remains a challenge. Roma tomatoes are a mix of fair to good, due to the sporadic weather conditions in the field.

Cherry: Cherry tomato prices look to be flat this week again. Demand is sluggish, post-Valentine’s Day. Quality is a mix of fair and good from either Florida or Mexico.

Grape: Grape tomato prices are flat again this week. Demand remains sluggish, and supply is meeting demand in both regions. Quality is trending between fair and good in both growing regions for the week.

Carrots

The jumbo carrot market is steady this week, including product out of California, Mexico and south Georgia. 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, but overall, it remains strong. Product out of Mexico is down on medium size. There are lighter supplies, good demand, and a wide range in quality out of Mexico. Most suppliers are holding to averages.
PRODUCE

**CAULIFLOWER**
The cauliflower market is up significantly. Cauliflower supplies are expected to be light this week. Slight discoloration and/or cream color in low percentages continue to be the norm. With the recent showers, we may experience an uptick in ricey texture and/or uneven growth to some extent. All other cosmetic defects are expected to remain low.

**ASPARAGUS**
The asparagus market is up this week. Product out of Peru and Mexico is up. There is moderate supply and demand. Quality will vary by growing region.

**BROCCOLI**
The broccoli market is up this week, with supplies expected to be light. Demand is good. Crop quality has shown consistency despite the inclement weather. As far as defects, minimal yellow discoloration and occasional systemic mildew have been observed from time to time, but overall, defect percentages have been relatively low.

**EGGPLANT**
Eggplant prices look to be steady for this 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**
- **Apples:** All varieties are steady this week, with moderate supply and good demand and quality, except for Granny Smith, which continues to see light supplies.
- **Pears:** The pear market remains stable. Green and red D’Anjou and Bosc are available. The small end of pears remains tight while 90 ct. and larger remain constant.

**CITRUS**

**LEMONS**
Lemon prices are steady for the week. The weather remains a concern, with poor weather hitting the growing fields, causing packaging delays. Lemons continue to come from several growing regions in California and in Arizona. Quality could be impacted by the rainstorms in the West.

**ORANGES**
Navel prices are steady for this week. Rain is in the forecast for all next week, which could cause harvest and shipping delays. Navel sizes continue to trend toward 88/113/72 cts. Cara Caras continue to trend toward 88/113/72 cts. as well. Blood oranges are trending toward the 138/163/113 size ranges.

**LIMES**
Lime prices are flat for the week. Supplies remain tight, due to slow harvest and quality issues. Quality continues to be a mix of poor and fair, with discoloration being the main issue.

**BERRIES**

**STRAWBERRIES**
The strawberry market is down this week. There is ample supply coming out of Florida. The Mexican market is still showing good supply, but demand slightly exceeds supply in Mexico, as they are servicing the entire West Coast. Florida is supplying the East Coast, with quite a bit of product. California is forecasted to have more rain, so they’re not supplying much product this week.

**BLACKBERRIES**
Blackberry quality is good overall, with a few minor red cell defects due to the daytime heat, but this should turn around soon, with favorable weather on the horizon.

**RASPBERRIES**
Raspberries are looking excellent in quality overall, and peak production is anticipated for April-May.

**BLUEBERRIES**
Blueberry quality is great, with no issues or rejections at the cooler. Weather has been favorable for blues, with warm temperatures during the day and cool at night making the berries ripen faster, and it’s expected that volume will continue to increase in the weeks ahead.

**GRAPES**
The grape market is steady to down this week. Crimson Seedless and Red Globes out of Peru are steady. Red Seedless out of Peru/Chile are steady on XL/Medium and Large. Sugarones out of Chile are down on XL, Jumbo and Large. Supplies continue to be on the lighter side, especially on the West Coast. This is expected to continue into March.

**TROPICAL**

**PINEAPPLES**
Pineapples look to be flat this week in pricing. Supplies are good and are expected to be healthy for the rest of the month. Pineapples are trending toward a smaller size range right now, but there is still good availability on large fruit.

**BANANAS**
Banana prices look to be flat for the 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 continue to go up this week. Mexico continues to be slow, which is causing supplies to tighten up. The 60 cts. and smaller sizes are the tightest right now. #2 supply is slowly improving, but it also remains tight for the time being.

**MELONS**

**CANTALOUPES AND HONEYDEWS**
- **Cantaloupes:** The cantaloupe market is down this week. Productivity at the farms is up. The weather is ideal for melons at this time, and incidence of white fly pressure is stated to be minimal. Production does not foresee any issue with quality currently.
- **Honeydews:** The honeydew market is up this week; however, volume is set to go up soon. The weather is ideal for melons at this time, and incidence of white fly pressure is stated to be minimal. Production does not foresee any issue with quality currently.
Cash cattle last week traded steady at $125/cwt. in the South, and steady at $200 dressed in the North. Futures pricing is responding to both inclement weather and seasonally smaller fed cattle supplies, setting the overall tone in cash trade to be mostly steady to $2 higher this week.

Federally inspected slaughter was reported at 596K head, 24K head lower than the previous week, and 6K head lower than one year ago. Feed steers and heifers made up 472K of those head, 7K head lower than last week, and 17K head lower than one year ago. Expectations this week were revised to 580K-585K head due to inclement weather, mainly in Nebraska and Iowa. Slaughter levels are expected to range in the 590-600K head range over the course of the next couple of weeks, before seasonally increasing into the spring at more than 600K head.

Steer are averaging about 5 lbs. lighter than last year, while heifers are down almost 12 lbs YOY. Weights will seasonally decline until the end of April or early May.

For the week ending February 8th, grading recovered slightly with prime/choice reported at 83%. Prime continues to grade historically high for this time of year.

Total box beef sales increased last week by 933 loads, or 13% larger than the prior year. Spot market volumes showed little change from the week prior, while formula sales declined, but they are still running slightly higher than the previous year. Forward negotiated load counts increased to 5% above year-ago levels, but many of the cuts were discounted below current values to get the trades executed, with the largest declines noted for eyes and bottom flats. Premiums to the current market values on the forward orders were noted for Choice strips, shortloins, flap meat, export ribs, and heavy hips. This is a good indication of expected seasonal increases in late March/early April.

**GRINDS**

**GROUND BEEF 81/19:** Blended grinds fell on fully adequate supplies. They should stay on the defensive the next week or so before rising modestly in early March.

**GROUND CHUCK:** Ground chuck remained steady for the most part last week. They are also expected to remain weak to soft through early March, when modest advances are anticipated.

**ROUNDS**

**PEELED KNUCKLES:** Surprisingly, knuckles remained firm last week, but this is most likely short-lived. There is still a bit of upside potential this week, but retracement is anticipated as we start the next month off.

**INSIDE ROUNDS:** Insides remained mostly flat at the end of the previous week. They have been on the defensive this week, but this could be overdone.

**BOTTOM ROUND FLATS:** Bottom round flats may have retained their value last week, but out of the round complex, they have the most risk to retracement (other than eyes) as we enter March. They are showing signs of weakening as the week progresses.

**EYES OF ROUND:** As with bottom flats, so go the eyes. They should start their seasonal declines as we enter March. Near-term strength is not out of the question, but eyes have the greatest downside risk of all.

**LOINS**

**STRIPS:** Spot volume was just enough for striploins to retain their values—except for Select, which is lower due to buyers’ lack of interest. Choice strips are very firm so far this week. Although there remains limited downside risk, there is plenty of room for this complex to rise seasonally into late spring, with firming tones noted as the weeks progress.

**TOP BUTTS:** Top butts held their value for the most part and remain flat. Once they start seasonally rising in the next couple of weeks, the climb is expected to be shallow until we get further into the year.

**TENDERLOINS:** Discounting on tenders continued last week, and packers are now in a more manageable state as far as inventories are concerned. A few discounts are seen this week as well, but not much downside is left, with advances expected now until April.

**RIBS**

**RIBEYES:** Light ribs continue to hold their value, but the volume has declined. A rebound from here is not out of the question before there is a risk to retracement in late March/early April. As far as the heavies go, they declined slightly last week, but so did the sales volume. This is expected to be short-lived with modest advances anticipated into March.

**CHUCK ROLLS:** Chuck rolls remained mostly steady last week, but they are succumbing to pricing pressure as the peak winter season subsides.

**TERES MAJOR MUSCLE:** Teres Major muscle moved lower, but this is not expected to last long, especially with harvest levels trending lower seasonally. The market is showing signs of firming, with modest increases expected the next couple of weeks.

**BRISKETS:** Briskets continue to hold their value, even though volume declined last week. They continue to show signs of minor weakness this week, but a modest rebound is anticipated leading into March, before retracing once again after St. Patrick’s Day.

**THIN MEATS**

**BALL TIPS:** Ball tips softened a bit last week, but this is expected to be temporary. They are still expected to seasonally advance into mid/late March, which is very typical for that time of year.

**FLAP MEAT:** Flap remained weak for the most part. Buyers continue to be disinterested for the moment. The market is weak for Select product, and Choice is soft, but slightly higher than last week. However, plan on seasonal advances as we approach mid-March, and those gains will likely accelerate moving into April.

**FLANK:** Flank firmed slightly last week, but the volume was not impressive. There is not much downside risk from here. The trajectory of the seasonal increases is expected to be more gradual in the coming weeks, and then will accelerate as we approach April.

**SKIRT STEAK:** Outside skirt continues to follow the path of up one week, down another. The market was showing firmer tones, but now the export and domestic market demand is not supporting the movement of the product, and the market is showing signs of weakness this week. The market continues to have downside risk, but the closer we get to mid-March, the more limited the possibility of declines.
The USDA estimated hog harvest numbers came in at 2.5MM head, up 5% over one year ago. This week’s harvest started strong, and is on pace to surpass the 2.5MM head level, which is around 4% over a year ago. Hog supplies remain ample during February, and weights are heavier than average for this time of year. Be aware that during the winter season, adverse weather conditions may create short-term supply disruptions.

Overall pork demand appears to be overwhelmed by the current supply situation. Retail promotions are supporting prices for some pork items, but the overall number of features are below one year ago. Competition from other proteins continues to pressure pork demand. In addition, a lack of export demand has resulted in a number of packers discounting product to clear their inventories.

The most recent Cold Storage Report states overall pork held in cold storage is down 2.2% from the previous month, but 1.3% higher than one year ago. Ham stocks were below a year ago, and belly stocks were over 20% higher than a year ago.

African Swine Fever Monitor: China has confirmed additional outbreaks in two new provinces, and Vietnam, new to ASF outbreaks, has reported three cases. As the disease spreads throughout the region, China continues to secure their needs by aligning with pork suppliers in the EU, Denmark, Canada and Brazil. The consensus is that China will require additional pork supplies from exports, and the US may be a candidate. US-China trade talks continue, with some favorable progress reported. Once an agreement is reached, US pork products could be “on the water,” and pork prices will firm.

**LOINS**
The loin complex turned lower last week, as ample supplies continue to pressure current demand levels. Retailers are featuring both bone-in chops and boneless loins at attractive prices; however, packers still find themselves out of inventory position and discounting cuts. Both bone-in and boneless loins are trending lower in early-week trade. Prices for bone-in loins are expected to trade steady through mid-March, while boneless loins should see some strength during March, as retailers continue to promote loins as a “value cut”.

**TENDERS**
Tenderloin prices moved slightly higher last week, supported by heavy retail promotions for fresh and dry rub. Prices are much lower in early-week trade, but should find some support in early March with additional retail promotions. The forecast is for tenderloin prices to trade within a narrow range through early March, then move lower as the Lenten season begins.

**BUTTS**
Pork butt prices continued their slow decline, moving lower for the seventh week in a row. Despite some retail features, ample supplies, along with lower than expected export demand, continue to pressure current price levels. Low price points seem to garner some interest from domestic and export buyers. This has prevented significant price declines and increased volatility. Prices are slightly lower early-week, and are expected to firm up in early March. As export buyers begin to fill their post-holiday needs, prices will firm and trend higher.

**RIBS**
Backribs prices held steady last week, as supplies met current demand levels. Prices are trending lower early-week as packers are discounting fresh backribs to clear out inventories. From a seasonal perspective, backrib prices continue their gradual move higher now through mid-May.

Sparerib prices traded slightly lower last week, as packers offered product at lower prices to clear out fresh inventory. Packers are still dedicating the majority of their rib production to the freezers for out-front negotiated sales. Sparerib prices are forecasted marginally higher over the next several months, but the possibility remains for a few dips lower along the way.

**BELLIES/BACON**
Belly prices continued their move lower last week, as ample supplies continue to squash current demand levels and push prices lower. It is worth noting that retail bacon promotions for spring and summer have already been negotiated, and there are 20% more bellies in cold storage than last year; thus, belly demand has weakened for the time being. Prices are in decline early-week, and expected to remain on this path through April.

**HAMS**
Ham prices continued their decline last week, pressured by ample supplies and a lack of domestic and export demand. Processors have secured their hams for the Easter season, and export buyers have stepped out of the market, waiting for prices to move lower. At present, prices are trading about 30% lower than one year ago, and export buyers are expected to build their inventories for the Easter season. Prices are forecast to rebound and trade steady to slightly higher in the coming weeks.

**TRIMMINGS**
Lean trimmings continued their steady seasonal move higher last week, as processors put product into cold storage. Larger than expected slaughter numbers created ample supplies of fat trimmings, which may put some pressure on the market in the short term; however, trimming prices are forecasted to gradually increase week over week through April.

**PICNICS**
The picnic complex was softer last week, due to weaker demand. Prices are expected steady over the next few weeks. Increased demand from export buyers could support higher prices.
CHICKEN

Small, medium and jumbo wings were down this week, with spot market activity increasing near-term. We expect wing demand to pick up as we approach the beginning of March Madness, and then start the downward trend into the summer months. Retailers and Further Processors have backed off the boneless breast markets, leaving these markets with a chance of declines for the near term. Jumbo tenders were flat this week; but like wings, demand has decreased, putting this market in a balanced 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 is at better than normal levels. Thigh and leg meat is trending flat in the near-term. Whole birds/WDG demand has decreased; we should expect a flat to downward trend for the near term.

BROILER-TYPE EGGS SET IN THE UNITED STATES UP 1%

Hatcheries in the United States weekly program set 230 million eggs in incubators during the week ending February 16, 2019, up 1% from a year ago. Average hatchability for chicks hatched during the week in the United States was 81.6 percent. Average hatchability is calculated by dividing chicks hatched during the week by eggs set three weeks earlier.

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

BROILER-TYPE CHICKS PLACED IN THE UNITED STATES UP 2%

Broiler growers in the United States weekly program placed 184 million chicks for meat production during the week ending February 16, 2019, up 2% from a year ago. Cumulative placements from the week ending January 5, 2019 through February 16, 2019 for the United States were 1.28 billion, up 1 percent 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 WDGs has weakened, which supports the expectation of decreased pricing in the near term.

TURKEY

BONELESS, SKINLESS TURKEY BREASTS

Boneless, skinless turkey breasts were flat this week. In the near-term, we should expect this market to trend flat to 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.

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 down this week. This week, additional medium and jumbo boneless supply made an appearance, leaving these markets with a chance of continued declines for the near term. However, 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 flat this week. Further Processors and retailers in the small poultry category continue to support this market, with expectations of a flat to upward movement in the near term. The jumbo tenderloin market was flat this week, as supply and demand appear to be 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, too.

WINGS

The small wing market was down slightly this week, with market increases at a standstill 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 upward in the near term. The jumbo wing market was down this week, with excess fresh product still plentiful. In the near term, there is a chance of further market declines, 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 upward (as we get closer to the beginning of March Madness) in the near term, also.

BONELESS, SKINLESS THIGHS

The boneless skinless and bone-in thigh markets were flat this week. We can expect these markets to trend flat to upward in the near term.
SOY, CANOLA & PALM OIL

The soybean complex closed slightly down last week, as buyers traded oil and beans for meal. CONAB lowered their 2019 Brazilian soybean production estimate to 115.3 million metric tons, down from 118.8 MMT in January and down from the record 119.3 MMT harvested last year. Even at 115.3 MMT, this would still be the third largest Brazilian soybean crop on record. The Rosario Grains Exchange increased their estimate for 2019 Argentine soybean production by 2 million metric tons to 52.0 MMT. No matter how you slice it, South America’s total 2019 soybean production will be higher than last year’s.

U.S./China trade talks seemed to portend that the March 1st deadline could be pushed back, indicating that there is still plenty of work to do—not a good sign for the U.S. soybean export market, as the Brazilian harvest is currently in full swing. In addition, the Chinese cancelled a large amount of previously purchased U.S. soybeans, per USDA export sales reporting this week. Chinese January soybean imports were down 13.8% from last year, while their edible oil imports were up 51%. African Swine Fever is having a significant impact on soybean meal demand there.

The latest version of the Congressional spending bill did not include the renewal of expired tax extenders, which would include the $1 per gallon biodiesel blender’s tax credit. The news was disappointing for the small bio producers and the soybean oil bulls.

SOY:

• The March soybean oil contract traded back below the $.3000 level, as an overdue correction from the recent 350 point rally finally took place. Technical indicators would now put a 50% retracement of the Jan./Feb. rally at $.2930 as the initial support on this pullback. Oil’s share of product value has slipped back below 33% in the spot position. While the bull soybean oil market took a breather this week, it is too early to call the market over. A move back below $.2880 would have to occur to change that.

• NOPA reported the January domestic soybean crush at 171.630 million bushels, above trade expectations—and another new monthly record. End of January soybean oil stocks were estimated at 1.549 billion pounds, up 50 million pounds from December, but pretty much in line with trade expectations. Oil yield was down slightly to 11.61 pounds per bushel crushed.

• Soybean oil basis levels were steady to lower this week, with offers averaging +0 to -25 in the East and at -25 to -50 in the West through the balance of Q1, 2019. Offers for Q2 remained 25 points higher than Q1 on average.

CANOLA

• Statistics Canada reported December 31, 2018 canola stocks at a record high 14.553 million metric tons, up from 13.869 MMT last year. This and the current political dispute between Canada and China (the Huawei executive’s arrest) are helping to keep canola oil basis levels in check for now.

PALM OIL

• Malaysia plans to raise the biodiesel content requirement for their transportation sector to 20% in calendar year 2020, up from 10% this year. Once in place, an estimated 1.3 million metric tons of palm oil will be used to meet the new mandate. Palm oil prices pulled back this week, however, as the market had become overbought when posting seven-month highs earlier this month.

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 starting to build cold storage stock for the spring holidays.

CHEESE

The higher prices have brought some questions on demand—with suppliers noting good Q4 demand, while Q1 has been a little more variable. The current price rally looks to be somewhat overdone, as ending stocks remain plentiful, and abundant milk supplies remain available at discounts to class pricing. If processors remain active, we would expect prices to settle back into the latter part of Q1.

SHELL EGGS

Cheaper egg prices have started to generate some increased interest at the retail level, with the spring holidays coming up. These lower values should also perk up the promotional campaigns, as schedulers take note of prices near their lowest levels since May 2018. Given strong inventories and unchanged input costs, we believe production remains at excessive levels.

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. Pricing will be moving up as inventory becomes tighter.

**DOMESTIC PUDS:** The winter season is coming to an end. As with whites and browns, we will be working off inventory that was packed in the fall and winter. Most producers are closing down until new pack. Pricing will be moving up as inventory becomes tighter.

**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.

*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 fresh and frozen portions. We could see a rise in price with Lent coming, but current weather patterns have caused a surplus of inventory on fresh fillets, and there could be discounting if product starts to back up. 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. The new season will begin on or about March 1.

*BAY:* Pricing is on the rise due to tariffs. Overall demand is steady.

**TILAPIA**
Inventory domestically is very good; pricing, has been stable 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.

**PANGASIUS**
Pricing remains firm. Inventory is starting to shift to where 3-5’s have dried up with inventory, and the shift to more inventory on 5-7’s and 7-9’s has happened. We are starting to see discounting of larger sizes. Buyer beware of moisture content.

**WHITEFISH COMPLEX**
**COD:** We expect the overall market to remain very firm, with short inventory and high prices. Q1 is seeing firmer prices due to low supply on raw material, in addition to the tariffs. 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 oz. and 6-8 oz. are very tight.

**HADDOCK:** Pricing on skin-on fillets and skinless loins are starting to see increases. Q1 will bring 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):* Demand is slowing on the larger sizes, and as a result we are seeing a slight decrease in price. Small pick inventory is firm. Claw meat is stable to higher.

Inventory is becoming nonexistent, and we expect to see this continue for the rest of the year.

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 in a decent place. Due to high demand, pricing is firming. We now have MSC product in our Harbor Banks® brand.

*LOBSTER MEAT:* Compared to cold water lobster tails, meat is in fairly good supply. Pricing is steady, and demand is steady also.
• 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.
     • Talks have continued with the Chinese, but no agreement has been made.
     • Trump has said that if a deal is not made, the additional tariffs will go into effect March 1.

• China has retaliated against the US tariffs, initially matching the first $50 billion, and then an additional $60 billion against the latest round ($200 billion).

• Price increases on affected products are industry-wide, and vendors will see the impacts of these tariffs on raw materials at different stages depending on multiple factors.

• There are no 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, Food 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>Fish &amp; Shellfish</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>Mandarins, Nuts, Cauliflower, Other Fruits &amp; Veg.</td>
</tr>
</tbody>
</table>