PRODUCE

**KEY**
- Anticipating an up market
- Anticipating a steady market
- Anticipating a down market

**VEGETABLES**

**POTATOES**
- **Russets:** The market on Russets is steady to down this week. Norkotahs out of Washington/Oregon are steady. Burbanks out of Idaho are steady, while Norkotahs are down. 6 oz. minimum size out of Idaho are steady on Burbanks and Norkotahs. Moderate supply and demand are being reported out of Idaho and Washington/Oregon. Quality will vary as suppliers are deep into their storage crop. Most suppliers are only shipping Burbanks at this time.
- **Reds:** The red potato market is steady this week, including product out of Florida and 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 up this week. There are good supplies, demand, and quality.

**LEAF LETTUCE**
- **Green Leaf:** The green leaf market is up this week. Supplies are expected to be normal this week. There is a little bit of thrip damage and bug pressure in the desert growing region. Demand is good.
- **Romaine:** The romaine market is up this week. Romaine supplies will be around normal. As far as quality goes, insect pressure will continue to be present in low percentages. For the remainder of the season, expect low to moderate signs of tip burn, as it will become common in most available crops, more so on heart varieties and/or mature plantings.

**ICEBERG LETTUCE**
- The iceberg market is up this week. Iceberg supplies will be light this week. The market is on an upward trend, as there is low availability of supplies, with a good demand for the product. Insect pressure will continue to be the focus as we close out the Yuma season. Other notable cosmetic defects are occasional growth crack and mildew in low percentages. Supplies are expected to be below budget this week due to staggered plantings.

**MUSHROOMS**
No issues to report on mushrooms coming off the East Coast, with good supplies, demand, and quality. There continue to be no issues on mushrooms coming from the West Coast regarding supply and quality.

**CILANTRO**
The cilantro market is mixed this week. Product out of Oxnard is up on 30's and steady on 60's with moderate supplies and demand. Good quality is being reported. Product out of Central Coast California is down on 30's and on 60's. Product out of Texas is down on 60's with moderate supplies. Quality will vary by growing region.

**CUCUMBERS**
Cucumbers are seeing a price drop in both regions for the week. Supplies continue to improve as newer fields ramp up their production. Quality is also in the good range.

**CELERY**
The celery market is up. Celery supplies continue to be extremely tight due to the cold, wet weather that hit Oxnard. Supplies are expected to be very tight for the foreseeable future. Prices remain at record levels, with strong demand.

**SQUASH AND ZUCCHINI**
- **Yellow Squash:** Yellow squash is seeing a price increase as supplies tighten up. The fields are battling several quality issues currently. Scarring continues to be the most dominant issue in the crop.
- **Zucchini:** Zucchini prices are on the rise for the week also. Supply has tightened up due to the poor quality of the crop. Zucchini’s quality is better than yellow squash, but it still faces its challenges.

**GREEN BEANS**
The green bean market is mixed this week. Imported haricot verts are steady, with moderate supply and demand. Machine-picked product out of Florida is up with moderate supply and demand. Hand-picked product out of Mexico is up with light supply and moderate demand. Quality will vary depending on the growing region.

**BELL PEPPERS**
- **Green:** Green bell prices are dropping fast this week. The fields in the East have seen a fast ramp-up of harvest, which is helping the supply and price. The West is now seeing production out of California, while Mexico crop continues to produce at a good pace. Quality is improving as the fields ramp up.
- **Red:** Red bell prices are down this week, as supplies begin to improve. Harvest continues to ramp up in Mexico and is expected to get better in upcoming weeks. Quality looks to be good as well.
**PRODUCE**

**TOMATOES**
- Rounds: Round tomatoes are dropping in price for the week. Both the East and West are seeing a price drop as supplies improve. Prices look to be balancing out between both regions. Quality remains a concern, as soft fruit is being reported in the field.
- Romas: Roma prices are down for the week. Both Mexico and Florida are seeing similar price drops. Mexico product continues to have a better price. Quality continues to improve in both regions.
- Cherry: Cherry tomatoes are flat for the week. Supply is meeting the current demand. Quality is good in Florida, but Mexico continues to see issues.
- Grape: Grape tomatoes are mixed this week. Florida is seeing a slight price drop for the week, while Mexico is seeing a slight uptick in pricing. Quality is mixed as well, with good quality out of Florida and fair out of Mexico.

**CARROTS**
The jumbo carrot market is mixed this week. Product out of California is steady. Product out of south Georgia is up, while product out of Mexico is down. There is moderate supply and demand. 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 medium size and on small. There is moderate supply and demand, with a wide range in quality. Product out of South Carolina is down, with lighter supply and good demand.

**CAULIFLOWER**
The cauliflower market is up. Cauliflower supplies out of California are higher this week. Prices are fluctuating and demand is fair. There are only low percentages of creamy color, and no major issues to report.

**ASPARAGUS**
The asparagus market is steady this week out of Mexico. There are moderate supplies and lighter demand. There is a wide range in quality coming out of Mexico.

**BROCCOLI**
The broccoli market is down, with supplies good this week. There was an increase of supplies coming out of California last week. Consequently, prices are down. However, California production will be dropping throughout the week; expect volumes to be low starting next week. We will continue to struggle with sub-par quality, with moderate signs of brown bead and/or yellow discoloration.

**EGGPLANT**
Eggplant prices are down for the week. Supplies continue to improve as warmer weather, hits all the growing regions. Eggplant thrives in warmer weather so as long as the warm weather stays, quality will be good as well.

**ORANGES**
Navel prices continue to be stable for another week. Navels continue to trend toward the 88/113/72 size ranges. Cara Cara supply remains strong, with the predominant size range in the 88/113/72 spectrum. Blood orange supply is also strong, with promotable sizes in the 138/113/163 size ranges. Quality remains good on all varieties of oranges.

**LEMONS**
Lemon prices are on the rise, as several sizes become tight due to the heavy rain in the winter months. Peak sizes right now are 115/95/140s due to the rain. 165s and smaller are in tight supply, which will last through the summer. Quality still looks to be good for the time being.

**LIMES**
Lime prices are on the rise this week. Supply has tightened up on all sizes right now. Crossings will be down, with harvest delays during the Holy Week shutdown in Mexico. Quality remains in the good range.

**HANGING FRUIT**

**APPLES AND Pears**
- Apples: The apple market is mixed this week, depending on the variety. Red Delicious is down, while Golden Delicious and Honeycrisp are up. Supply and demand are moderate, with good 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**

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**LIMES**
- Lime prices are on the rise this week. Supply has tightened up on all sizes right now. Crossings will be down, with harvest delays during the Holy Week shutdown in Mexico. Quality remains in the good range.
The strawberry market is down this week. California strawberry production seems to be hitting stride, with good volumes of berries coming from all three growing regions of the state. Over the past 5-7 days the industry experienced a higher instance of rejections, due to heavy bruising caused by wind damage from the first part of April. Over the weekend, availability varied from shipper to shipper, with many trucks pushed or pro-rated. Oxnard seems to have hit peak production, Santa Maria is steadily increasing, and Watsonville has just begun producing and is also steadily increasing.

Blackberry volume is expected to remain steady for the next few weeks, and quality is good overall, with a few minor defects such as soft and leaky berries due to heat, but nothing significant.

Raspberry quality is good, and field personnel are doing a good job selecting color and keeping defective fruit out of clamshells. In Zamora and Jocotepec (Mexico), volume is expected to increase on a weekly basis, since long harvest fields are increasing in number. In Irapuato, volume should remain steady and increase during the end of May and June. This is similar to Maravatio where volume is also expected to remain steady.

Georgia blueberries are off to a great start with size, quality and volume. The crop is anticipated to peak around the first week of May. Oxnard organic blueberries continue to have good quality, and are expected to peak in volume toward the end of April into the first week of May. Mexico blueberries have passes their peak of production, and volume is slowly beginning to decrease. Despite slowing numbers, quality has been very good, and rejections have been almost non-existent.

The grape market is mixed this week, depending on the variety and size. Black Seedless and Red Globes out of Chile are steady on XL and Large. Crimson seedless out of Chile are down on XL/Large and steady on Medium-Large. White Seedless out of Chile are up on XL/Jumbo and Large. There is moderate supply and demand, with fair quality, especially on product shipping from the East Coast to the West Coast.

Pineapple prices are up slightly for the week, due to production slowing down. There are no shortages expected, as this is a normal time for production to slow. Fruit quality is good, and sizing will be transitioning to larger-sized pineapples soon.

Banana prices are steady for the week. Supplies are currently meeting the demand, and deliveries to the ports have been on time. Fruit quality is good, and production will continue to be steady.

The avocado market continues to see a price drop this week. The market could tighten back up with the fields shut down for Holy Week. After Holy Week, fields are expected to be back to normal production.

Cantaloupes: The cantaloupe market is flat this week. We are on the downward slide of the import melon program over the next few weeks, and will be transitioning over to the domestic Arizona crop by the last half of May. Fruit quality and supplies have been consistent; however, smaller-sized fruit has been more readily available than typical. Expect more of the same through the end of the import season.

Honeydews: The honeydew market is up this week. We are on the downward slide of the import melon program over the next few weeks, and will be transitioning over to the domestic Arizona crop by the last half of May. Fruit quality and supplies have been consistent; however, smaller-sized fruit has been more readily available than typical. Expect more of the same through the end of the import season.
Live cattle prices traded up between 3 to 4 cents last week, closing at $1.27 to $1.28/lb., compared to the previous week at $1.24. We do believe live cattle cost will trade steady to possibly higher again this week.

Last week’s production levels were reported at 634,000 head, which is up 13,000 head from the previous week. Projections continue to estimate higher production levels, as May is estimated at 640,000 head, and in June it is projected to jump to 650,000 head.

Cattle grading has seen some slippage, with Prime reporting at 9.75%, Choice at 72.25%, and Ungraded reporting at 3.48%, while the Select grade is showing an increase, at 14.52% of the overall grading.

**BEEF**

**Grinds**

**Ground Beef 81%:** We saw the 81% grinds take another price increase, as activity for retail ads is driving costs upward. We do expect a steady to modest increase on 81% grinds through April.

**Ground Beef 73%:** 73% grinds reported steady last week after taking increases for a few weeks. The market trend so far for the week is showing a modest increase, with heavy demand in place. Out front, we are projecting a steady to modest increase on 73% grinds through April.

**Ground Chuck:** Ground chuck rebounded last week with a price increase. So far this week, we continue to see more inflation on ground chuck. Out front, we are projecting a steady to modest increase on ground chuck through April.

**Rounds**

**Peeled Knuckles:** All grades of knuckles continue to be under pressure, with modest discounting in place. So far this week, the market is seeing the same trend play out, and the market will remain soft through April.

**Inside Rounds:** All grades of inside rounds traded lower, with the exception of the Select grade reporting steady. All grades of inside rounds are showing a steady to modest increase so far for this week. We do expect the inside rounds to be an unstable market through the remainder of April.

**Bottom Round Flats:** All grades of flats reported lower again last week. Prices so far this week are showing signs of further weakness, and are expected to continue to move lower.

**Eyes of Round:** All grades of eye of round continues to report modest to moderate declines. So far this week, all grades continues to be under pressure, with lower costs.

**Loins**

**Strips:** Choice strips remained strong for the 10th week in a row, as they posted further gains last week, while the Select grade reported a modest increase. Strips are expected to continue on the path to higher costs, but it is not out of the question that we could see a setback in cost toward the back end of April, as prices have moved up too much.

**Top Butts:** Choice grades of top butts reported a rebound to higher costs last week, while the Select grade slipped with a modest decrease. So far this week, we are seeing the Choice grade being unstable in price, while the Select grade is showing a modest increase to price.

**Tenderloins:** All grades of tenderloins, with the exception of the Select grade, moved slightly lower last week, while the Select grade reported modestly higher. This week, we are seeing all grades of tenderloins edge higher, with heavy demand in place. Tenderloins should move higher as we head towards Mother’s Day.

**Ribs**

**Ribeyes:** In the rib complex, all grades, both heavy and light ribeyes, reported modest to moderate increases, while the light Ungraded ribeye was the only exception, with a decent decline. So far for this week, we are seeing the same trend play out to higher costs, as demand continues to be strong, sending prices higher.

**Chucks**

**Chuck Rolls:** Chuck rolls again reported a modest decrease last week across all grades. So far for this week, we are seeing an unstable market, with possible increases ahead.

**Teres Major Muscle:** All grades of Teres Majors reported a moderate setback to lower cost, based on lack of demand. So far for the week, we are seeing the Choice grade rebound to higher cost, while the Select grade is yet again reporting another modest decline. Look for the Teres Majors to be unstable for the remainder of April.

**Briskets:** All grades rebounded from the previous week’s lows, reporting a modest increase. Briskets are projected to ease downward toward the end of April, but it is not out of the question that we could see a market rebound if demand picks up.

**Thin Meats**

**Ball Tips:** All grades of ball tips continued to report down modestly. For the current week, we are seeing a modest rebound on the Select grade while the Choice grade continues to struggle with continued discounting in place. The ball tip market will be very unstable through April.

**Flap Meat:** Flap meat continues to push higher, with heavy demand in place. Currently the market is showing another strong increase to all grades. This market is poised to take significant gains as Cinco de Mayo draws nearer.

**Flank:** All grades of flanks had a setback, with modest declines based on lack of demand. Currently we see the Choice grade rebound with modest increases, while the Select grade is reporting a steady market.

**Skirt Steak:** The skirt steak market continues to drive upward, and reported a modest increase. The skirt steak market will continue to take gains as Cinco de Mayo draws nearer.
Last week the USDA-reported hog slaughter was slightly below 2.4 MM hogs—lower than the previous week, and marginally higher than the same week one year ago. A large, early-spring snowstorm disrupted production numbers in the Midwest last week. In addition, packers are beginning their seasonal pullback by harvesting fewer hogs each progressing week.

The end of April into early May is likely to see some increased market volatility. The Easter holiday usually drives a shift from fresh pork items to hams, especially in the retail channel, so some fresh cuts may experience lower demand. However, domestic and export interest is expected to increase for Cinco de Mayo, Mother’s Day, and then Memorial Day. In addition, reported export sales to Canada and China are strong.

**LOINS**
Prices in the loin complex were mixed last week. Boneless loins continued to experience marginal strength, and the bone-in continued slightly lower. Typically, the loin market experiences pricing softness between spring and summer retail ads, so pricing may not strengthen again until early May.

**TENDERS**
Pork tenderloin prices experienced a slight uptick last week, a likely result of a slight uptick in demand. Seasonally, prices begin to move higher at some point in April, as retail demand picks up for summer grilling season, but it’s all a matter of when retailers are going to start featuring product.

**BUTTS**
Pork butt prices continued their strong momentum higher last week, due to increased demand across retail, foodservice and the export channels, both for current and out-front needs. Pork butts are one of the most commonly traded pork cuts, so lots of activity is driving increased pricing. Seasonally, there is typically some softness in late April, as retailers reset for major summer holidays.

**RIBS**
Trades on both backribs and spareribs continued to surge higher last week. Supply is being reported as tight on most rib items, which is driving price premiums, as buyers seek out last-minute supply heading into the summer months. Demand is solid, as retailers are also beginning to feature ribs in tandem with the warming weather. Rib prices are forecasted higher.

**BELLIES/BACON**
Belly prices continued to surge last week in very counter-seasonal fashion, as demand across most channels is reported as very strong. Exports are expected to be significantly stronger on the horizon, so buyers are loading up sooner rather than later. With the current rally being very counter-seasonal, prices are expected to peak shortly.

**HAMS**
The ham market continues to move lower as last-minute Easter demand tapers off. Prices are finding support on the way down; however, processor and export demand is quickly stepping back into the market. Lean trimming prices are considerably higher right now, so it’s likely that processors are buying hams as a lean meat and trim source.

**TRIMMINGS**
Pork trimming prices continued their strong momentum higher last week. Processors are loading up on raw materials for hot dogs and sausages due to summer grilling demand. In addition, with an increase of exports, there are fewer trimmings available, so buyers are paying premiums to cover their needs.

**PICNICS**
Higher trades in the picnic complex continued to be amplified by growing exports, combined with strong seasonal demand. Seasonally, prices move directionally higher in April through summer, as grilling season demand picks up for sausages and hot dogs. In addition, some retailers are promoting bone-in picnics for pulled pork offerings as a cheaper substitute for pork butts.
**TURKEY**

**BONELESS, SKINLESS TURKEY BREASTS**

Boneless, skinless turkey breasts were flat this week. In the near term, we should expect this market to trend flat to slightly downward, as demand continues to be lackluster and freezer inventories high.

**WHOLE FROZEN TURKEYS**

Whole turkeys were flat this week. Near-term, we expect the market to remain flat to slightly upward, as we are seeing an uptick in demand over the past few days.

**CHICKEN**

Small, medium and jumbo wings were flat this week, with lighter live weights and year-round demand helping to support these markets. The boneless breast markets were flat this week, with late week uncovering an uptick in further processing inquiries. Spot offerings on jumbo boneless continue to take front stage at competitive prices. We do expect demand from retailers and foodservice to jump back into this market, which will support continued price increases as we go into the summer months. Jumbo tenders were flat this week, as this market is currently in a balanced to tight position, without any spot offerings being discovered. The select/small tender markets were flat this week, following the same trend as the jumbo tenders. This category remains short of supply, and well-supported by the ongoing lack of supply and the YTD headcount deficit in the small bird arena.

Export demand on boneless breast and dark meat continues to be at better-than-normal levels, trending flat to upward. Thigh and leg meat were flat this week, with leg quarters also remaining unchanged. Going forward, we can expect slight incremental increases in all dark meat categories in the near term. Whole birds/WOG demand has shown a slight increase; we should expect a flat to slightly upward trend for the near term.

**WHOLE CHICKEN & CUT-UP PARTS**

Small bird supply and demand is still out of balance, pushing pricing higher, as demand is hard to fulfill. We can expect this trend to continue through 2019. The demand for medium and jumbo whole birds and WOG's is steady, and beginning to get a slightly increased amount of attention as the weather warms up. We expect a potential slight increase in pricing in the near term.

**BONELESS, SKINLESS BREASTS & CHICKEN TENDERLOINS**

The select/small boneless breast markets were flat this week. This market continues to be supported by the YTD headcount deficit in the small bird category. We can expect the select/small market to trend flat to upward in the near term. The jumbo and medium boneless breast markets were flat this week, with fewer spot opportunities showing. The forward outlook suggests this market will continue to rise as retailers, Further Processors 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, with the near-term outlook being balanced to tight. 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 flat this week, as expectations are that this market will trend flat to downward for the near term. The jumbo and medium wing market was flat this week, with spot load offers increasing slightly in number, with attractive pricing. We can expect the jumbo market to trend flat to downward as we enter into the traditional declining market during May and June, following the same path as small wings. However, given developing supply constraints, we should expect the medium market to remain flat to upward in the near term.

**BONELESS, SKINLESS THIGHS**

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

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**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 April 13, 2019, up 2% from a year ago. Average hatchability for chicks hatched during the week in the United States was 82.2%. 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 186 million chicks for meat production during the week ending April 13, 2019, up 2% from a year ago. Cumulative placements from the weeks ending January 5, 2019 through April 13, 2019 for the United States were 2.76 billion, up 1% from the same period a year earlier.

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

SOY, CANOLA & PALM OIL
The soybean complex closed slightly lower last week, as the focus of the trade slowly shifts toward domestic planting progress. The major snowstorm snarled grain movement, and forced some northern tier elevators and processing plants to close down for a few days.

Last week’s monthly USDA supply/demand update held no major surprises for the soybean complex. 2018/2019 soybean ending stocks were lowered by just 5 million bushels, but remain at a record high 895 million. Soybean oil ending stocks were lowered by 150 million pounds, as demand for biodiesel continues to improve. Next month’s report will carry more weight, as we get our first look at the USDA’s take on 2019/2020 balance sheets.

South American soybean production totals continue to move higher as the harvest wraps up in Brazil. The Argentine harvest is now reported at 15% complete, with output expected near 56 million metric tons compared to 37 MMT last year. (There was a major drought in 2018.)

Total Chinese soybean imports were just 4.9 million metric tons in March, down 13% from last year, and the lowest for the month of March since 2015. U.S./China trade talks are ongoing, but we still have no hard date for a signed agreement. Most believe it will come to fruition in May.

SOY:
• The May soybean oil contract continued to consolidate, trading in a narrow 37 point range. Technical indicators remain in neutral territory for now, with first resistance at the $.2950 level, and a close under $.2850 required to turn the trend lower.
• Crude oil prices made new highs last week, trading up near the $65 per barrel level. The market has now rallied nearly 50% from the December 2018 low, helping to add underlying support to the soybean oil market.
• The U.S. Environmental Protection Agency could grant fewer waivers to small refineries exempting them from the country’s biofuel policy, according to the agency’s administrator. He cited lower prices for blending credits that have reduced the cost of compliance.
• Soybean oil basis levels were mostly steady, with offers averaging -0 to -25 in the East and at -50 to -75 in the West through Q2, and at -50 East and -100 West for Q3.

CANOLA
• The strained relations between Canada and China continue to overhang the canola seed futures market. Statistics Canada will release their first planted acreage estimates on April 24 and the trade will be interested to see how much, if any, canola acreage expectations are lowered, based on the mini-trade war. Canola basis offers were steady, posted at +675 for Q2, and +700 for Q3, 2019.

PALM OIL
• The palm oil market reacted negatively to the latest Malaysian Palm Oil Board update that showed end-of-March stocks came in at 2.92 million metric tons, down 4.6% from February, but still higher than trade expectations. Export business does seem to be picking up, however.

US EXPORTS
• Weekly soybean oil export sales came in at 33,800 metric tons, above the higher end of the range of trade expectations between 10,000 and 30,000 metric tons.

DAIRY

BUTTER
Incremental cream demand from seasonal Class 2 producers has slowed run rates in certain areas, but overall cream availability is decent. Butter demand has improved ahead of the spring baking season as foodservice, retailers and wholesalers stock up on inventory. Prices remain very stable.

CHEESE
Production rates are still going strong in the U.S. due to the good amount of liquid milk still available for processing. While current cheese prices are still incentivizing strong production, some manufacturers are starting to curb their outputs, mindful of potential oversupply in the market.

SHELL EGGS
The seasonal demand has been underwhelming to the trade after the rapid pace experienced in 2018 from all the promotional activity. With Easter now upon us, we have started to see some pick-up in purchases, which should help to stabilize or boost prices off these lows. Seasonally, the few weeks following the spring holidays are the slowest time of year for demand.

MILK & CREAM
Milk volumes are adequate to meet processing needs in all regions of the U.S. We are seeing steady to slightly increased production, with manufacturers at or near production capacity. Cream supplies are plentiful, but expected to tighten as seasonal ice cream demand increases.
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. Brown inventory will be firm through August.

(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): 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 will 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, and we do expect a flat to slightly down market for Q2. We saw a slight increase on fresh fillets due to Lent demand. 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. There is talk of supply issues, due to just a fair catch this season. The summer season could put some pressure on portions.

SCALLOPS
SEA: Pricing has turned steady, with very little movement. Fresh product is seeing some weakness, as the new season is here!

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

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

PANGASIUS
Pricing is trending downward, as inventory levels in the US are in very good shape. We will see lower pricing in May.

WHITEFISH COMPLEX
COD: The overall market was expected to stabilize due to Lenten sales, and tariffs being delayed further. Atlantic cod pricing will be mostly stable for Q2. Pacific cod will be in the boat; however, however select items could see a decline while we see a slight increase in the chem-free category.

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

HADDOCK: Prices were expected to stabilize due to Lenten sales, and tariffs being delayed further. Q2 pricing will be mostly stable.

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

TUNA, YELLOWFIN
(FROZEN STEAKS & LOINS): Tuna pricing and inventory is stable.

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

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

CRABMEAT
(BLUE & RED, PASTEURIZED): All in all, this is a very sloppy market. We are seeing deals from certain suppliers to move off inventory. There seems to be an imbalance in movement and pricing. Inventory seems to be in good shape overall. As the summer demand starts to kick in over the coming weeks, we do think things will stabilize.

Mexico Blue Crab season is beginning to slow, as is common this time of year. Pricing is stable and supply is very good.

SNOW CRAB
ALASKAN: The season was a fair catch this year, but Japan took a larger percentage of product, because they had fear of a reduced quota in Canada. The catch was mostly 5-8 oz. clusters. We expect to see what is left in the next week.

CANADIAN: Fishing has started. Pricing out of the gate is high compared to last year, but we expect to see pricing drop as the pipeline fills up. There is a large concern that large sizes will remain in tight supply.

LOBSTER
NORTH AMERICAN LOBSTER: Pricing is steady to firm, as there is not supply to support demand. The spring pack will begin on May 1st.

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

LOBSTER MEAT: Pricing and demand are steady. We are seeing this market firm up.
The US announced early in 2018 they would impose tariffs on imports to shrink the trade deficit.

Three rounds of tariffs have been implemented so far:

1. March 23rd, 2018 ~$3 billion of products: imported Steel (25%) and Aluminum (10%).

2. The next round of ~$50 billion in products from China - mostly machinery and parts - was put on in two stages:
   - July 6th, 2018 ~$34 billion of imported products (25%).
   - August 23rd, 2018 ~$16 billion (also 25%).

3. September 24th, 2018 an additional ~$200 billion in products from China (10%).
   - The administration planned to increase them to 25% on January 1, 2019, if no agreement was met.
   - It was announced December 2nd, 2018 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.
   - News reports said that talks were progressing and therefore the March 1st deadline was suspended to give time to finalize the deal.
   - Reports also stated that there is potential for the current tariffs to remain in place even after an agreement is reached, in order to keep pressure on China to keep to their commitments.

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 increases at this time.

As vendors increase their prices due to tariffs, we pass them on to customers.

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### 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, Headware (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</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>