Dairy | Cheese

The CME Block and Barrel market is still bearish in the current environment. Speculators feel this will continue into the next month as forecast dont see major changes.

**Last week:**

Block- Up  
Barrel-Up

**This Week:**

Block- Down  
Barrel-Down

Dairy | Eggs

Retail demand fair to fairly good. Supplies increasingly available. Market adjusting.
**Last week:**

Large - Up

Medium - Down

Small - No Change

**This Week:**

Large - Down

Medium - Down

Small - Down

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**Dairy | Butter**

Butter production is active throughout the country to meet the immediate needs as well as build for Spring Holiday demands. Inventory reports that are due out on Friday should be the indication of a bull or bear market for the first quarter of 2019. Futures are at or just below spot pricing in the short term, but futures for the back half of 2019 are elevated.

**Last week:**

Butter - Down

**This Week:**

Butter - Up

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**Grocery & Bakery | Wheat**

Prices are trending lower again as exports fail to materialize.
**Grocery & Bakery | Soybean Oil**

Soybean oil prices dipped below the low end of the USDA's $0.28-$0.32/lb range. There is plenty of vegetable oil available worldwide.

**Grocery & Bakery | Sugar**

Now that most processors have forward sold a significant part of their output, they have tightened up the lower end of their offers. Cane remains at a 2-3% premium to beet sugar.

**Meat | Beef**

Cattle prices have edged higher with limited offerings during the holiday week. Packers have been able to pass higher costs by raising prices on several items.

**Ground Beef:**

Ground beef prices are up and could remain high due to abbreviated holiday production schedules.

**Ribs:**

Ribeye prices are trading lower now that holiday pulls are over. Packers are forward selling at a discount to current prices.

**Briskets:**

Prices keep ratcheting higher with additional support from tight holiday supply.

**Rounds:**

Round prices are firm as retailers load up for January features.

**Strips:**
Both spot and forward strip prices are steady.

Tenders:

Tender prices have peaked and prices are adjusting lower. Forward sales are still being made at 10% discounts.

Thin Meats:

Prices for most thin meats are rising as production shrinks.

**Meat | Pork**

Last week's pork production eclipsed the previous all-time record by 4%. Even with abbreviated holiday production schedules the pipelines are pretty full.

Butts:

Butt prices are low enough to move extra production into freezer programs or exports. Reduced production should allow prices to firm a little for the next two weeks.

Hams:

Ham prices have dropped and could begin to find support from freezer and deep-chill programs.

Bacon/Bellies:

Belly prices are lower as holiday shopping and retail features wind down.

Ribs:

Backrib prices are above last year; St Louis spareribs are cheaper. Right now St Louis spareribs offer considerable savings.

Loins:

Loin prices bounced off of 5-year low as buyers stepped in to take advantage of fire sale cost levels. Prices could continue higher as the holidays temporarily shrink
Poultry | Chicken

Abbreviated plant schedules have reduced supply. Cut-up and whole chickens are snug with premiums required to secure supply.

Breast and Tenders:

Most breast meat items are trending higher; medium sizes are in the best position. Jumbo breast meat price has jumped 16% since mid-December, which sound impressive until you realize it is only back to the lowest price we ever saw before 2018. Food service demand for tenders used in boneless wings is good and prices are headed higher.

Wings:

A rising tide floats all boats higher, including wings which have seen price strength across the board.

Dark Meat:

Strong export demand for leg quarters is creating a good option to deboning. Leg meat and thigh meat prices are steady.

Poultry | Turkey

Recent cold storage inventories show a healthy holiday pull with December 1 whole turkey inventories down 15% from last year. Price negotiations for 2019 are starting at steady money.

Seafood | Finfish

Cod, Alaskan 1x:
Supply remains tight and costs are firm as we head into the first of the year. The Alaskan cod quota has been reduced by 18,000 tons and with reductions in quota on other white fish species as well. Poor environmental conditions, lack of incoming recruitment are just two of the reasons for the lowered quota. The end result will be increased costs on cod overall.

Cod, Atlantic 1x:

The 1x frozen Atl. cod loins are firm on cost and could increase further. Recent adverse weather and reduced quota have resulted in limited catches for the fishermen at this time. The smaller 4 oz size has been the most effected as the current harvest has yielded larger fish and therefore larger loins. We hope to minimize any out of stocks on this item but it could be hit or miss. Expect this trend to continue at least through Lent and possibly through June.

Cod, Atlantic 2x:

2019 Total Allowable Catch is announced at 6.5% lower than 2018. Prices will remain firm.

Cod, Pacific 2x:

Due to lower catch announced from Atlantic cod. Pacific cod raw material price remains high.

Pollock, Atlantic 1x:

The overall Pollock quota has remained fairly stable. Reduction in quota out of the Gulf of Alaska has been offset by increases out of the Eastern Bering Sea for the most part. However it has also been noted that there are limited holdover inventories for the start of 2019 that could push up costs pre-lent.

Pollock, Pacific 2x:

Firming of pricing as expectation of drop in pollock biomass. Starting to see substitution demand from cod and haddock users.

Haddock:

15% decrease of Total Allowable Catch announced for haddock. Price is still cheaper
than cod. Expectation of cod substitution to continue.

Domestic Lake Fish:

Supply of Yellow Lake Perch, Walleye, Whitefish and Smelt has been plentiful on all sizes and is expected to remain so through Lent. Costs have stabilized as of late. Canadian bluegill continues to be a problem as the resource has experienced limited catches and is awaiting the start of the new season after the first of the year. The sub for this item is the Chinese offering of bluegill. This is the same species as the Canadian just grown out in Asia and is a great option to the former.

Euro Lake Fish & Zander:

Supply is good and costs have softened some but are expected to remain stable for Lent. This is a more cost effective substitute for the higher priced domestic lake fish items where applicable. Currently there is stock on all sizes of pikeperch and European perch for Lent.

Mahi Mahi:

Mahi Mahi costs have continued to soften as the season has resumed out of Peru and Ecuador down to 2013 and 2014 levels. Reports indicate there is left over product from the 2018 season both domestically and overseas, leaving the market in flux. Current harvests now have yielded larger fish in the 6 and 8 oz portion levels where there has been limited production of the 4 oz size at this time. Expect the market to be unstable at least through the spring where we can gauge if the excess inventories have been flushed out of the market.

Frozen Tuna, Swordfish:

At the end of the calendar year there is minimal harvest of tuna out of most regions. As we move into the new year Thailand production increases with Vietnam close behind it. For now costs are stable and supply is adequate for a relatively active demand. Costs have firmed on Swordfish from Indonesia, with high demand from the European market and stricter regulations overseas. Demand remains strong from both retail and food service customers.

Swai:
Reports of more consistent swai supply from producing countries.

Tilapia:

The tariff war has increased costs of product by 10%. The potential for another 15% increase has now been delayed until the beginning of March by the Trump administration.

Seafood | Shrimp

Imported Black Tiger:

Black Tiger shrimp prices are stable and supply is good on small and middle sizes. There are shortages of large sizes due to limited production (2-4 through 13-15) and heavy demand.

Imported White:

White shrimp supply is somewhat sporadic with shipments being late due to heavy demand overseas. Market values are good and offer great opportunities to menu shrimp this summer. Expect supply to be better as we roll into the late summer months as production catches up.

Latin White:

Latin White shrimp are firm with replacement prices firming. Supply is good for the time being.

Domestic White & Brown:

Domestic Brown shrimp are steady in price as we roll into the new season for Texas. Larger sizes of white and brown headless shrimp should begin to land over the next few months.

Domestic PUD:

Domestic PUD production has slowed on smaller shrimp. While boats begin to target larger whites and browns where available, we should see better production in larger and middle size peeled shrimp.
Domestic Rock & Pink:

Rock & Pink shrimp are both in good supply.

**Seafood | Lobster**

North Atlantic:

Lobster tail costs have firmed as the landings from Maine were not stellar this summer and the late fall Nova Scotia season has been down between 20-50%. The majority of the larger sizes tails are harvested during this season and to date it has been considered a bust. Weather delays and colder than normal temperatures have impacted this resource. Currently there are limited supplies of the larger 6/7 and 8/10 oz tails and this is expected to be a challenge into the summer season. Meat has been softening over time and has started to level off, supply is good.

Warm Water:

Supply has been short on warm water tails after a late start to the season this summer. Poor catches, increased demand out of Asia and retailers taking a stronger position on the market have resulted in a firm undertone. This trend continued through the holidays and is expected to remain firm until new season supplies start to arrive in July. The WW tails in the 6 and 8 oz sizes might be a viable option to the lack of larger N Atl tails but costs are a trade off as both species report a firm market and overall lack of supply.

**Seafood | Crab**

Snow Crab:

The global shortage of snow crab has continued through the fall. Alaska did announce their recent findings on their biomass survey of the Bering sea and the results are favorable for more quota for this region come this winter. The survey showed a 60 percent boost in market sized males and nearly the same for females. However ..many are predicting a larger reduction in the snow crab quota out of Newfoundland come spring. This will outweigh any increase out of Alaska and in the end, snow crab is still expected to be short. To date prices have leveled off on
Canadian crab on the larger 8 and 10 up products with limited offerings. However the 5/8 size has softened some as processors and brokers look at moving off the balance of their inventory prior to new season.

King Crab:

This market has remained unchanged in regard to supply. All king crab sizes remain tight, especially on 14/17 ct, 16/20 ct and 20/+ ct. These three sizes have seen the biggest issue with availability and as a result costs are firm. We do not expect any relief on supply for months, possibly even through summer 2019 as the recent announcement out of Alaska was not positive. For red king crab at the eastern portion of the Bering Sea more commonly called Bristol Bay, numbers of mature males dropped more than 40 percent from last year and mature females were down 54 percent. Buyers need to consider gold king crab as a viable option for the 2019 season. Note however due to the lack of overall supply for reds the costs of golds are starting to increase as well.

Red Swimming Crab:

A new 10% tariff on all seafood items should go into effect in August. The market is still uncertain however, between high market prices, and limited supply, cost might go up. This coupled with the void in the market on red swimming crab only strengthens this possibility. We are still expected to start receiving shipments on red crab in October. The main crab harvest is October December.

Blue Swimming Crab:

Prices are still high with great inventory. There has been a slight decrease in pricing from Indonesia while Philippines and India move up to be more in line with Indo. For the next 60-90 days prices will stay level to a possible dip however, Q4 is expected to pick back up. With the red swimming still high with limited supply, this too drives the price up. Overall prices will come down a bit.

**Seafood | Scallops**

The scallop market as of late has taken some significant increases on the larger U-10, U-12 and 10-20 ct sizes. Strong demand has impacted cost and these are
expected to remain elevated at least until after Feb as manystartto to move off any 2018 inventory in preparation for the startof the 2019 spring season. For now expect firming prices and adequate supply.

Chinese Flounder and Ocean Perch:

10% tariff duty has been applied. The possible added 15% has now been pushed back to the beginning of March when the Trump administration will decide on a final ruling.