Beef

Beef output for the last four weeks was up about 30 million pounds from last year -- about the same amount as exports have increased. This leaves per-capita beef supply down 1-2% which explains why beef prices are 4% higher. Packer margins keep improving as feedlot supplies start to build and cattle prices drift lower. At some point packers should ramp up production in response to excellent margins.

Ground Beef: Ground beef prices are pretty flat with some sales slowdowns noted due to snowstorms in the East. Forward sales are strong suggesting more retail features ahead.

Ribs: Prices may have peaked for now as the window for Easter buying closes. It is not likely that prices will drop anywhere near January lows, but they will need to adjust low enough to attract grilling feature interest.

Briskets: Brisket prices are trending lower and may have more downside. Forward sales at 15% below current spot quotes suggest packers are willing to accept lower prices.

Rounds: Forward sales at a dime discount to current pricing indicates the direction market participants are expecting. This is very much in line with usual seasonal trends.

Strips: Prices have been tracking the same upward path we saw in each of the last two years. In both 2016 and 2017 prices peaked in March and adjusted lower in April.

Tenders: Tender prices pushed higher last week only to fade this week. We will probably need to be a week or two closer to Mother’s Day before price strength returns.

Thin Meats: Prices for ball-tips, flanks and skirt meat have spiked to levels which have, historically, shut off demand. As noted earlier, packers have not expanded slaughter yet which is keeping thin meat supplies tight.

Pork

Pork prices remain on the defensive as output cranks along about 4% above last year. Most observers expect a few more weeks of sluggishness until we get closer to grilling season.

Butts: Butts prices have been virtually flat so far this year and would, traditionally, have only a few weeks to go before stronger demand begins to support prices.

Hams: Hams prices have adjusted lower and are now trying to generate new demand. Bone-in hams are starting to move again but boneless is still weak.
**Bacon/Bellies:** Belly prices are mostly flat as buyers patiently accumulate inventory.

**Ribs:** Rib prices are mostly steady lacking any catalyst for big changes. We should see demand pick up as grilling season gets underway in the South and West. Prices are likely to trend higher into Spring.

**Loins:** Both bone-in and boneless loins are about as low as they got in the last few years.
**POULTRY**

**Chicken**

Chicken production has not been running much higher than last year and when retail features shifted to rotisserie chicken, eight-piece deli and whole chicken prices took off. Retail-sized bone-in chicken is tight.

**Breast and Tenders:** Widespread features and truck shortages are helping keep chicken breast supplies tight. Even tenders, which had been sloppy, are in a better position.

**Wings:** Processors have been underwhelmed by March Madness pulls. We will need to see sustained new demand develop to support higher prices.

**Dark Meat:** Strong export competition for leg quarters has raised breakevens for thigh meat. Supplies are well-cleared and prices are trending up.

**Turkey**

Poult (baby turkey) placements have been down 3% for the last three months as the industry tries to bring supply back in line with reduced demand. Turkey prices dropped 20% following disappointing 2017 Thanksgiving sales. With prices now at 10-year lows is it safe to assume that demand will stay depressed? Retailers are steady buyers of whole turkeys.

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**SEAFOOD**

**Finfish**

**Cod, Alaskan 1x:** Alaskan A season opened in January but supply remains tight and costs have firmed, this is partly due to decreased quota in other regions of the world. Expect costs to remain elevated through Lent and beyond as the season has already come to a close.

**Cod, Atlantic 1x:** The 1x frozen cod loins have been firm but steady on cost as that fishery has started to rebound. Supply is adequate for Lent with no anticipated interruptions in supply. New season arrivals come late May / June.

**Cod, Atlantic 2x:** Fishing is poor and prices are expected to firm continuously for all of 2018.

**Cod, Pacific 2x:** Heavy Restrictions on total allowable catch in certain Alaskan fishing grounds. Raw material is more expensive than Atlantic cod and expected to firm continuously for all of 2018.

**Pollock, Atlantic 1x:** Costs are stable at this time for Lent as preparation for Lent begins late summer. As the A Alaskan Pollock season has begun costs for new season supply are slightly elevated, demand is adequate.

**Pollock, Pacific 2x:** Typical slight firming of pricing during this time of the year. Starting to see substitution demand from cod users.

**Haddock:** Raw material prices firming due to the cheapest groundfish compared to Pacific and Atlantic cod. Substitutions from consumers driving up demand and cost.

**Whitefish:** Whitefish costs have firmed as of late as the fall fishery wrapped up in November.

**Perch & Walleye:** Supply is adequate and costs have declined on a few items. New season begins in May and the hope is for a favorable exchange that impacts costs positively.

**Euro Lake Fish & Zander:** Supply is good and costs have decreased this week in preparation for Lent. Euro lake perch and zander are good substitutes for the higher priced domestic lake fish.

**Grouper:** Cost and supply has been stable for some time and is expected to remain so through Lent for product out of Asia. Mexican grouper is very short and costs firm almost weekly. Fishermen choose to fish for octopus over grouper as it a more lucrative product therefore product remains in short supply.

**Mahi Mahi:** The S American mahi season began last fall and costs have softened compared to last season. Expect these prices to continue to trend downward and stabilize over the next few weeks. Supply is good.
Seabass: Consistent supply and cost.

Snapper: Consistent supply and cost.

Tuna: Frozen tuna has been very steady on supply and cost out of Vietnam for all cuts and sizes. Expect this to continue to be stable for the next few months.


Tilapia: Low production during this time of the year. Prices recently firm.

Ocean Perch: The Canadian ocean perch remains steady for now on costs but expect this to firm later in Lent.

Orange Roughy: Costs and supply are stable.

Flounder & Sole: Argentinian Flounder is short to non-existent at the moment. With the lack of domestic supply as well there is added stress on the supply. To date there is little to offer.

Cape Haddie/Whiting: Haddie as adequate with limited demand. Costs are stable. Whiting out of Argentina for Lent is in great demand for foreign countries. Expect costs to take an increase if needed domestically at this time.

Shellfish

Shrimp, Imported Black Tiger: Black Tiger shrimp prices are stable and supply is improving on smaller sizes. There are shortages of large sizes due to limited production (2-4 through 8-12).

Shrimp, Imported White: White shrimp prices are at a great value due to their recent declines. Demand has been steady and is expected to increase into the spring. Offers overseas are not fully aligned with US offers, particularly on blocks where an over abundance of US inventory leads to discounting.

Shrimp, Latin White: Latin White shrimp are mostly stable in pricing however buying interest has been high on shrimp smaller than 41/50 HLSO which could lead to markets firming.

Shrimp, Domestic White & Brown: Domestic White & Brown shrimp continue to move upward due to limited availability and good demand. There is a lack of inventory to carry from last season to next, which puts pressure on prices to move up in an attempt to stretch inventory. Boats have also moved off these species where they can to target pink shrimp.

Shrimp, Domestic PUD: Domestic PUD shrimp are following the same trend as White & Brown Headless. Prices will continue to creep upwards until new production due to limited availability.

Shrimp, Domestic Rock & Pink: Rock & Pink shrimp are both in good supply. Pink shrimp in particular have had very good catch rates in the last few weeks as boats have moved away from browns and whites to target them specifically.
Lobster Tails, Brazilian: Replacement cost of goods has increased as of late where the larger sizes are reported to be shorter on the market. Do not expect much relief on supply until the new season arrivals in July.

Lobster Tails, North Atlantic: Tail prices have been firm as there has been a big draw for product in various forms to Asia. (whole cooks, whole raw etc) Product is short overall and expect costs to continue to increase at least until the new season in May.

Lobster Tails, South African: Stable with some slight softening on the smaller H and G tails.

Crab, King: King crab supply is very short to none of the USA production. Most at the moment is being imported from Russia. The live trade from Russia to China is impacting the Russian cost. For now costs remain elevated overall with supply adequate.

Crab, Snow: The global shortage of snow crab is expected to continue in 2018. The anticipated available crab will be down as much as 10% from 2017 from recent reports. The Alaskan quota has already announced a smaller total allowable catch (TAC) as well. Canada will announce its TAC in the spring but the supply outlook is not expected to be much better overall. For now costs remain elevated and supply tight especially on the larger sizes 8 and 10 ups.

Scallops: The scallop season is set to begin one month later this year in April. With increased quotas all expect this market to soften to a more reasonable level come spring. AS of late costs have started to soften with the anticipation of new season supply.

Clams: Stable on cost and supply.

Mussels: Stable on cost and supply.

Oysters: The 2017 Hurricane season in the gulf has affected the production and the seeding of the oysters. The raw material is routinely traded out of the gulf and along the east coast but the volatile seas have resulted in fewer oysters overall. Expect cost to increase over time for the lack of adequate supply.

Specialty Seafood

Frog: Frogs continue to be short and costs have firmed quickly. FDA continues to detain frogs for testing of antibiotics etc and in turn has increased rejections. As a result many exporters from Asia now decline to export. That, and increased Asian domestic consumption have dramatically affected supply and cost.

Gator: Costs have firmed lately for both farmed and wild gator. Many expect product to be short until the new season harvest in September.
Cheese
The CME Block and Barrel markets have been trading in a moderately tight range of values. Speculators feel the market is valued properly against supply and demand. Traders will continue to move the market, as it is their motive. In the short term, any large fluctuations are not being forecasted.

Eggs
Retail price wars continue to drive the market, along with increased Easter sales. Retail demand good to very good. Larger sizes tight to short. Market firm.

Butter
Production remains strong as producers continue to fill holiday orders and build inventory with expectation of continued demand and future growth of consumer usage. Future pricing is only slightly above spot pricing.

<table>
<thead>
<tr>
<th>Pricing Trend</th>
<th>Block Cheese</th>
<th>Barrel Cheese</th>
<th>Butter</th>
<th>Large Eggs</th>
<th>Medium Eggs</th>
<th>Small Eggs</th>
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<tbody>
<tr>
<td>Last Week</td>
<td>Down</td>
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<td>Up</td>
<td>Up</td>
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<td>Current Week</td>
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<td>Up</td>
<td>Down</td>
<td>Up</td>
<td>Up</td>
<td>Up</td>
</tr>
</tbody>
</table>
Wheat
Wheat is emerging from winter dormancy in mostly poor condition due to drought conditions this winter. We finally did see significant rains which relieved stress in about half of the crop. More rains are forecast and futures prices have dropped back to where the weather rally started.

Soybean Oil
U.S. and world vegetable oil supplies are ample which prompted the USDA to adjust soybean oil price projections lower to a $.30-$0.33/lb range. Futures prices are trading in the upper half of that range.

Sugar
The latest USDA forecast showed a small increase in domestic cane production and a more significant increase in raw sugar imports. The combined impact was to increase the projected stocks/usage ratio for this year from 14.6% to 15.5% (compared with 15.1% last year). Prices are a little softer since the report was issued.
Markon First Crop® (MFC) Premium Romaine Lettuce weights are higher on average than the rest of the industry (35 to 37 pounds compared with 33 to 35 pounds). Cooler-than-normal temperatures in Mexico’s primary growing regions for bell peppers, cucumbers, and squash are tightening yields and causing prices to rise. View a Markon Live from the Fields video about strawberries in the Santa Maria, California region.

Cauliflower
Prices are up. Harvesting is nearly over in the Arizona/California desert growing region, while cold, rainy weather is curtailing production in the Salinas Valley.

Limes
The market continues to rise. Stocks are extremely limited in Mexico.

Tomatoes
Round and Roma tomato supplies are tightening due to erratic weather and transitions to new growing regions within Mexico. Prices are expected to climb over the next 10 days to two weeks. A wide range of quality will be seen depending on growing districts.