

Market Update March 31, 2017

Center of the Plate

Beef

Beef production has been running well ahead of last year and we are now seeing unsold boxed beef starting to back up at the packing plants. Prices have pushed higher than most observers expected this winter, but the rally is now over with discounts showing for strips, tenders and rounds. Prices will continue to adjust lower into April.

Pricing Trend	Ground Beef 81%	Brisket CHC & SEL	Inside Round CHC & SEL	Ribeye CHC & SEL	Strips CHC & SEL	Ball Tips CHC & SEL	Tenders CHC & SEL	Flank Steak CHC & SEL
Current Week	Down	Up	Down	Up	Down	Up	Down	Down
Next Week's Projections	Flat	Flat	Down	Down	Down	Flat	Down	Flat

Pork

Hog supplies have picked up as warm weather has improved rates of gain. Producers have been forced to market hogs early to keep them from getting too heavy. This extra supply has pressured prices lower for most pork cuts. We should see things level out soon.

Pricing Trend	Butts	Hams	Spareribs	Loins	Bacon
Current Week	Down	Down	Flat	Down	Down
Next Week's Projections	Flat	Flat	Flat	Flat	Flat

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Chicken

Jumbo breast meat is at least adequate for current demand; tenders and small breast is well-cleared. Thigh meat and wing prices are steady, but availability is still pretty snug.

Pricing Trend	Jumbo BNLS/SKNLS Breast	Clipped Tenderloins	BNLS/SKNLS Thigh Meat	Jumbo Wings	Medium Wings
Current Week	Flat	Flat	Up	Flat	Flat
Next Week's Projections	Flat	Flat	Flat	Flat	Flat

Turkey

Whole turkey prices are steady as buyers continue to accumulate frozen inventory. Cold storage inventories are about average for this time of year.

Pricing Trend	UB Hens, East, 12 lb. Frozen	UB Toms, East, 22 lb. Frozen	UB Turkey Breast, East, 8-10 lb.
Current Week	Flat	Flat	Flat
Next Week's Projections	Flat	Flat	Flat

Seafood

Cod - Alaskan (1x Fzn)

Increased usage of Canadian cod loins might lead to short supply after Lent. Russian currently in good supply with competitive costs.

Cod - Atlantic (2x Fzn)

Low catches reported. However, since it is the beginning of fishing season, there is raw material supply and may be pockets of price softening.

Cod - Pacific (2x Fzn)

Demand strong as a value alternative for Atlantic cod.

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Crab - King

Adequate supply on most sizes but costs remain elevated.

Crab - Snow

New Canadian season begins the end of March / early April. Big increases in quota in the gulf have been offset by decrease in Newfoundland. Most expect the poundage available to be close to the same as last year. To date costs remain elevated with little to no supply

Crab Meat - Pasteurized

Prices have moved up as supplies have tightened late in 2016. Prices remain firm and supplies limited in the US as production overseas has been slow and demand has been good. Expect supplies to remain tight and prices moving higher early this year on all types.

Euro Lake Fish & Zander

Good supply of all sizes of zander, pike perch and euro perch. Costs have softened.

Flounder & Sole

Raw material drying up and price have increased.

Haddock

Prices have been increasing, but there should be a leveling off soon.

Lobster - North Atlantic

New season for N Atl begins in May. Costs have firmed as of late due to lack of supply. Meat prices have softened as the bulk of the meat is produced in the spring.

Mahi Mahi

Mahi remains very tight due to the lasting effects of the El Nino in S America. Prices are very firm with no relief expected at best til the Taiwanese season on the spring.

Perch & Walleye

New season begins in May. Michigan perch supplies are ample with Ohio's short. Walleye available in all sizes cost remain firm.

Pollock - Atlantic (1x Fzn)

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The A season for Alaska is wrapping up and again the dominant fillet size is in the 2-4 oz range. Very few 4/6 and larger have been produced. The B season begins this summer and there is hope of larger sized fillets in that season. For now prices are steady.

Pollock - Pacific (2x Fzn)

There may be pockets of soft pricing from leftover raw material merchandise in the market.

Salmon-Keta

The significant reduction in pink salmon landings in 2016 (buyers short of pink salmon utilize certain grades of chum) and lower supplies of Atlantic salmon (certain grades of chum salmon are acceptable for smoked and portion programs) increased the demand for chum salmon in 2016. This increased demand, combined with lower than expected landings (16.2 m actual vs 18.7 m forecast) and increased percentages of pale meat color fish have caused the commodity h/g prices to increase.

Salmon-Pink

Alaska Pink salmon landings this year totaled about 40 m fish, less than half the preseason forecast and one of the lowest catches on record. This also is a significant reduction from the 2015 landings of 183.0 m fish. This reduction in volume, combined with the continued strong demand for value priced wild salmon, were the primary reasons commodity h/g prices increased.

Salmon-Sockeye

Salmon Sockeye are short in the market and prices continue to push up since the full effects of the Atlantic market shortage. Since there are not much fish to buy right now and demand is extremely brisk, prices are jumping dramatically in the past month. The processors or anyone company that professes to possess Sockeye have dramatically increased prices to customers that need fish.

The price is split between harvest areas although the difference is getting more even as the shortage and demand situation continues to be out of balance. Bristol Bay Sockeye remain the standard bearer in the market that has risen 30%35% above the historically low prices of 2015. Non-Bristol Bay Sockeye, so called 'Local Sockeye', prices are up 50% from 2015 mainly due to low harvest levels and a brisk fresh market that sold most of the available #1 fish. Only Bristol Bay had a good harvest in 2016.

USA (Domestic) demand has risen quickly with many major chain restaurants and large retailers adding Sockeye to the menu or as a special retail item. Interest in

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Sockeye in the Domestic market is at an all-time high which is pushing up the market for premium, wild caught salmon. Expect the market to remain firm as the new forecasts for 2017 come out by region showing reduced harvest estimates. No relief in prices are expected in 2017 as the market seems to be continue to push upward; however, an increase in aquaculture salmon in the 3rd quarter of 2017 might mitigate prices from moving up to historical highs seen in 2014.

Salmon-Coho

The historical low prices for Coho seen in 2014 and 2015 has abated with increased demand, flat to lower landings (depends on the area), and Aquaculture salmon low harvest. The Atlantic 'dieoff' due to the algae bloom coupled with lower planting levels of Smoltz, has pushed new customers to look for premium wild salmon like Coho.

Coho cooks much closer to Atlantics albeit lower oil content and is seen as an adequate substitute. With low to flat landings along with a small harvest fish (3.9 million fish in 2016), prices have sprung up to more historical levels. The market is empty and sellers that profess to have fish pushing prices up above historical levels. Expect this trend to continue until farm salmon prices come down and availability becomes less of an issue.

Scallops

Supply has been available but very costly. With the increase in quota announced for the spring season we hope this will start to adjust the market to more reasonable levels over the next few years.

Sea Bass

Supply is adequate and costs are very firm.

Squid-Loligo

The global production of of Loligo squid species continued to be significantly below normal throughout 2016. Production in major areas such as China and India were most noticeably decreased, with production in some areas lower by up to 70% from 2014 levels.

This decrease in availability has caused a shortage of raw material in areas which typically are major suppliers to the the US cleaned squid market, and prices for imported cleaned loligo products have generally increased on a steady basis since August. The trend of strong prices and limited supply is expected to continue until the next season in south China, starting August 2017.

Squid-Todarodes

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Todarodes squid landings and pricing showed a similar trend in 2016 as Loligo. The catch was reduced and compared to 2015, and prices for raw materials doubled. Similar price increases were seen for finished goods. The next season, and opportunity for prices to return to towards the levels of previous years is June 2017.

Shrimp - Asian Black Tiger

Black Tiger shrimp production is still minimal with a majority being done on sizes 16/20 and larger. Production is expected to ramp up into May, however pricing will rely completely on what raw material becomes available. Japan has been willing to pay high prices, making for a fight for the limited raw material that is produced.

Shrimp - Asian White

Asian White shrimp have firmed up in the last few weeks. Headless blocks which were under priced vs. replacement and also smaller peeled shrimp which have both seen heavy demand. Importer demand has increased indicating most have ran their inventory down leading into spring production. Pricing will rise with this added demand, however good production in the next two months could offset this.

Shrimp - Domestic Peeled (PUD)

Packers have began discounting some of their PUD shrimp in anticipation of new season production on the horizon. This is typical behavior this time of year as they want to clean out the warehouses for new production. There are good deals to be had, however some feel the discounting has started too early given how short raw material has been.

Domestic - Domestic Rock & Pink

Rock shrimp is still unavailable. Any material that is caught is a bycatch of fisherman working other species. Pink shrimp continue to be a great price alternative and shouldn't be overlooked as long term options for end users.

Shrimp - Domestic White & Brown Headless

Domestic white & brown shrimp are steady. There has been some discounting on certain sizes to balance inventories with new season timing. There isn't much being sold, but demand has been down a substantial amount.

Swai

Market continues to firm. Reports of fingerling shortage from farmers.

Tilapia

Low part of the season, prices are firm.

Tuna - Frozen

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Supply and costs remain steady.

Tuna - Canned

Skipjack raw material jumped up to over \$1600/mt but have since softened.

Whitefish

Supply is good for low demand.

Dairy

Dairy Category	Last Week	Current Week
Block Cheese	Up	Up
Barrel Cheese	Up	Up
Butter	Down	Down
Large Eggs	Up	No Change
Medium Eggs	Up	Down
Small Eggs	No Change	No Change

Cheese

The block and barrel markets have had mild movement until today. This drastic movement is expected to be short lived. There is still ample cheese compared to demand.

Eggs

Retail demand fairly good. Supplies well balanced to at times close. Market steady.

Butter

Stocks remain high and production remains steady to build inventory for future needs. Demand domestically is strong and active. Pricing appears to be stalling and future pricing is above spot orders.

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Grocery & Bakery

Wheat

Wheat prices have steadied out after much-needed rain fell in the Southern Plains of the U.S.

Pricing Trend	High-Gluten Flour	Semolina Pasta Flour
Current Week	Flat	Flat
Next Week's Projections	Flat	Flat

Soybean Oil

Soybean oil prices are trading near the middle of the USDA forecast range. The next market mover could come with the March 30th USDA Prospective Planting report, which will provide insight into the potential size of the 2017 crop.

Pricing Trend	Soybean Oil
Current Week	Flat
Next Week's Projections	Flat

Sugar

Sugar prices are steady with most processors well-sold.

Pricing Trend	Sugar
Current Week	Flat
Next Week's Projections	Flat