



MARKET TRENDS

FOR WEEK ENDING FEBRUARY 9, 2018

 **PERFORMANCE**
FOODSERVICE



MARKET TRENDS

FEBRUARY 9, 2018

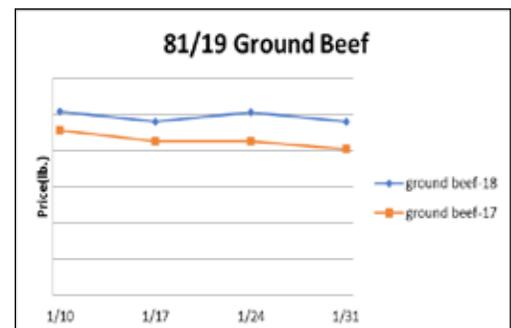
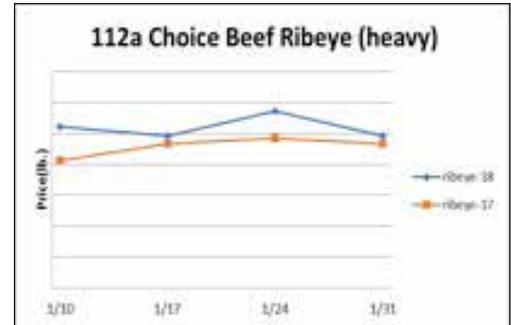
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Beef, Veal & Lamb

Beef production last week fell 4.6% but was 3.3% larger than the same week last year. Spot beef shipments last week were the smallest for any non-holiday week since May. Yet, the four-week total for forward sales of boxed beef and grinds were the biggest since October. Cattle supplies are plentiful and are expected to fuel year-over-year beef output gains in the coming months. The January 1st cattle on feed inventory was 8.3% larger than last year, but cattle placements into feedlots during December were up only .8% from 2016. U.S. boneless beef stocks at the end of 2017 were down 15% from the prior year. Typically, 90% beef trim prices rise from early February through March.

Description	Market Trend	Supplies	Price vs. Last Year
Live Cattle (Steer)	Increasing	Short	Higher
Feeder Cattle Index (CME)	Decreasing	Short	Higher
Ground Beef 81/19	Decreasing	Good	Higher
Ground Chuck	Decreasing	Good	Higher
109 Export Rib (ch)	Decreasing	Good	Higher
109 Export Rib (pr)	Decreasing	Good	Higher
112a Ribeye (ch)	Decreasing	Good	Higher
112a Ribeye (pr)	Decreasing	Good	Lower
114a Chuck , Shlder Cld(ch)	Increasing	Good	Higher
116 Chuck (sel)	Increasing	Good	Higher
116 Chuck (ch)	Increasing	Good	Higher
116b Chuck Tender (ch)	Increasing	Good	Higher
120 Brisket (ch)	Increasing	Good	Higher
120a Brisket (ch)	Increasing	Good	Higher
121c Outside Skirt (ch/sel)	Decreasing	Good	Higher
121d Inside Skirt (ch/sel)	Increasing	Good	Lower
121e Cap & Wedge	Decreasing	Good	Lower
167a Knuckle, Trimmed (ch)	Increasing	Good	Higher
168 Inside Round (ch)	Increasing	Good	Higher
169 Top Round (ch)	Decreasing	Good	Lower
171b Outside Round (ch)	Increasing	Good	Higher
174 Short Loin (ch Ox1)	Decreasing	Good	Higher
174 Short Loin (pr 2x3)	Increasing	Good	Higher
180 Ox1 Strip (ch)	Increasing	Good	Lower
180 Ox1 Strip (pr)	Decreasing	Good	Lower
184 Top Butt, boneless (ch)	Increasing	Good	Higher
184 Top Butt, boneless (pr)	Steady	Good	Higher
184-3 Top Butt, bnls (ch)	Decreasing	Good	Higher
185a Sirloin Flap (ch)	Decreasing	Good	Higher
185c Loin, Tri-Tip (ch)	Increasing	Good	Higher
189a Tender (sel, 5 lb & up)	Decreasing	Good	Lower
189a Tender (ch, 5 lb & up)	Decreasing	Good	Lower
189a Tender (pr, heavy)	Decreasing	Good	Higher
193 Flank Steak (ch)	Increasing	Good	Higher
50% Trimmings	Increasing	Good	Higher
65% Trimmings	Increasing	Good	Higher
75% Trimmings	Steady	Good	Higher
85% Trimmings	Increasing	Short	Higher
90% Trimmings	Increasing	Short	Higher
90% Imported Beef (frz)	Increasing	Good	Higher
95% Imported Beef (frz)	Increasing	Good	Higher
Veal Rack (Hotel 7 rib)	Steady	Good	Higher
Veal Top Round (cap off)	Steady	Good	Higher



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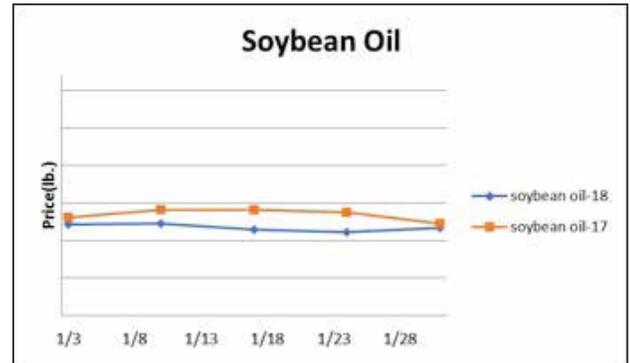
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Grains

The U.S. winter wheat crop is suffering from drought. As of the end of January, just 14% of the crop was rated by the USDA in either good or excellent condition. This compares to 37% in December and 44% in January 2017. Still, ample world supplies could temper the upside in wheat prices.

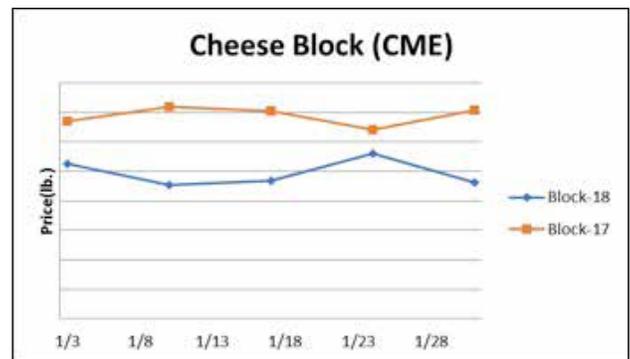
Description	Market Trend	Supplies	Price vs. Last Year
Soybeans, bushel	Increasing	Good	Lower
Crude Soybean Oil, lb	Increasing	Good	Lower
Soybean Meal, ton	Increasing	Good	Higher
Corn, bushel	Increasing	Good	Higher
Crude Corn Oil, lb	Decreasing	Good	Higher
High Fructose Corn Syrup	Increasing	Good	Higher
Distillers Grain, Dry	Increasing	Good	Higher
Crude Palm Oil, lb BMD	Increasing	Good	Lower
HRW Wheat, bushel	Increasing	Good	Higher
DNS Wheat 14%, bushel	Increasing	Good	Higher
Durum Wheat, bushel	Decreasing	Short	Higher
Pinto Beans, lb	Decreasing	Good	Lower
Black Beans, lb	Steady	Good	Lower
Rice, Long Grain, lb	Steady	Good	Higher



Dairy

Declining margins are starting to curb domestic milk production. During December, U.S. milk output was just 1.1% more than the previous year due to a .5% larger milk cow herd and a .6% gain in milk per cow yields. Surprisingly, farmers added a net 3,000 head to the herd during the month. Still, expectations are that the herd will be modestly reduced this winter. Eventually this could be supportive of the dairy markets. Export interest for both cheese and butter is starting to intensify. This suggests the downside price risk in the dairy markets is only moderate.

Description	Market Trend	Supplies	Price vs. Last Year
Cheese Barrels (CME)	Decreasing	Good	Lower
Cheese Blocks (CME)	Decreasing	Good	Lower
American Cheese	Increasing	Good	Lower
Cheddar Cheese (40 lb)	Decreasing	Good	Lower
Mozzarella Cheese	Decreasing	Good	Lower
Provolone Cheese	Steady	Good	Same
Parmesan Cheese	Decreasing	Good	Lower
Butter (CME)	Increasing	Good	Lower
Nonfat Dry Milk	Increasing	Ample	Lower
Whey, Dry	Decreasing	Good	Lower
Class 1 Base	Steady	Good	Lower
Class II Cream, heavy	Increasing	Good	Higher
Class III Milk (CME)	Decreasing	Good	Lower
Class IV Milk (CME)	Decreasing	Good	Lower



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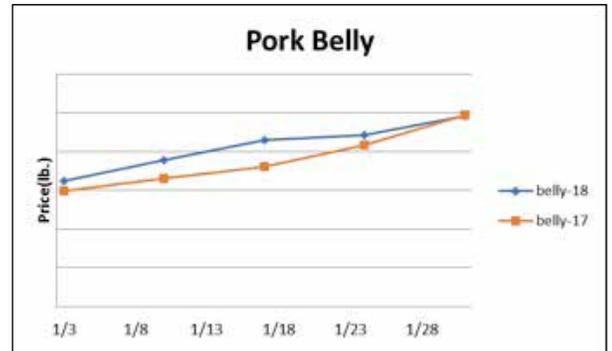
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Pork

Pork output last week increased 1.6% and was only .5% more than the same week in 2017. Hog slaughter is running 1.1% above year ago levels. December 31st pork holdings were 3% larger than the previous year with hams (18%), butts (33%), trim (27%), and bellies (120%) all higher. Yet, belly stocks were still down 5% from the five-year average for the month. Strong year-over-year pork output gains this year should keep any notable pork belly price gains in check.

Description	Market Trend	Supplies	Price vs. Last Year
Live Hogs	Steady	Ample	Higher
Sow	Increasing	Ample	Higher
Belly (bacon)	Increasing	Good	Lower
Sparerib(4.25 lb & down)	Decreasing	Good	Higher
Ham (20-23 lb)	Decreasing	Good	Higher
Ham (23-27 lb)	Decreasing	Good	Higher
Loin (bone in)	Decreasing	Good	Lower
Babyback Rib (1.75 lb & up)	Increasing	Good	Lower
Tenderloin (1.25 lb)	Increasing	Good	Lower
Boston Butt, untrmd (4-8 lb)	Decreasing	Good	Higher
Picnic, untrmd	Decreasing	Good	Higher
SS Picnic, smoker trm box	Decreasing	Good	Lower
42% Trimmings	Increasing	Good	Higher
72% Trimmings	Decreasing	Good	Higher



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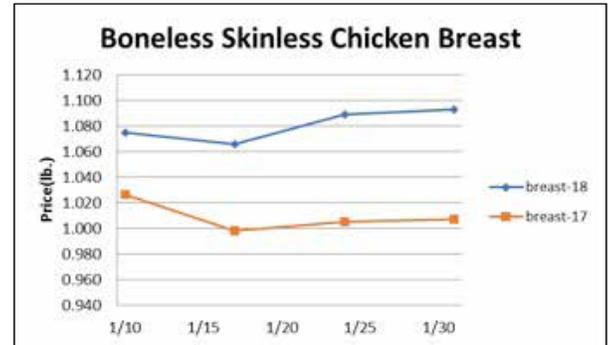
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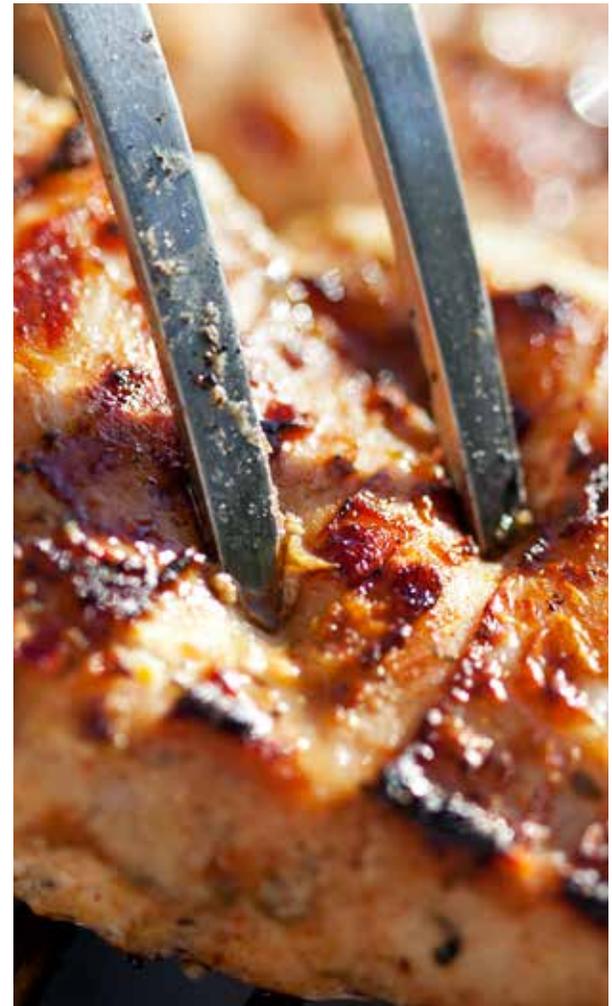
Poultry

For the week ending January 20th, chicken production fell 11.2% from the prior week due partly to the MLK holiday and was 4.6% less than last year. The December broiler type chick hatch was 2% better than 2016 which signals that chicken output growth, compared to the prior year, is likely to occur in February. Furthermore, recent broiler layer flock data suggests that chicken output expansion may be solid in the coming months. The January 1st broiler laying flock was 4.7% bigger than 2016. December 31st cold storage chicken stocks were 10% more than the prior year despite holdings of wings (6%), breasts (1%), thighs (3%), and leg quarters (18%) being all less than 2016. History suggests that chicken wing prices could peak this week.

Description	Market Trend	Supplies	Price vs. Last Year
Whole Birds WOG-Nat	Decreasing	Good	Higher
Wings (jumbo cut)	Increasing	Good	Lower
Wing Index (ARA)	Increasing	Good	Lower
Breast, Bnless Skinless NE	Decreasing	Good	Higher
Breast, Bnless Skinless SE	Increasing	Good	Higher
Breast Boneless Index (ARA)	Increasing	Good	Higher
Tenderloin Index (ARA)	Steady	Good	Higher
Legs (whole)	Increasing	Good	Higher
Leg Quarter Index (ARA)	Increasing	Good	Higher
Thighs, Bone In	Increasing	Good	Higher
Thighs, Boneless	Decreasing	Good	Higher



Description	Market Trend	Supplies	Price vs. Last Year
Whole Turkey (8-16 lb)	Steady	Good	Lower
Turkey Breast, Bnls/Sknls	Steady	Good	Lower



Eggs

Description	Market Trend	Supplies	Price vs. Last Year
Large Eggs (dozen)	Increasing	Short	Higher
Medium Eggs (dozen)	Increasing	Short	Higher
Liquid Whole Eggs	Decreasing	Short	Higher
Liquid Egg Whites	Increasing	Short	Higher
Liquid Egg Yolks	Decreasing	Short	Higher
Egg Breaker Stock Central	Increasing	Short	Higher

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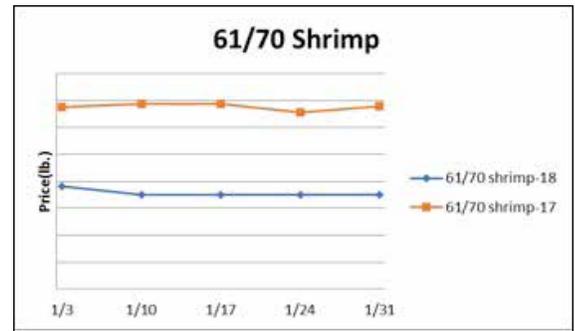
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Seafood

The Alaskan Bering Sea snow crab fishing season is progressing with 27% of the quota landed. However, the 2017-18 quota is down 12% from the previous season and the smallest in over a decade. This factor, and the tight world supply brought on by the lower Canadian quotas, are expected to temper the downside in the snow crab markets during this year.

Description	Market Trend	Supplies	Price vs. Last Year
Shrimp (16/20 frz)	Steady	Good	Higher
Shrimp (61/70 frz)	Steady	Good	Higher
Shrimp Tiger (26/30 frz)	Steady	Good	Lower
Snow Crab, frz	Steady	Good	Higher
Tilapia Filet, frz	Steady	Good	Lower
Cod Filet, frz	Steady	Good	Higher
Tuna Yellowfin, frsh	Steady	Good	Lower
Salmon Atlantic Filet, frsh	Steady	Good	Lower
Pollock Filet, Alaska, frz	Steady	Good	Lower



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Paper and Plastic Products

Description	Market Trend	Supplies	Price vs. Last Year
WOOD PULP (PAPER)			
NBSK- Paper napkin	Steady	Good	Higher
42 lb. Linerboard-corrugated box	Steady	Good	Higher
PLASTIC RESINS (PLASTIC, FOAM)			
PS-CHH-utensils, cups, to-go cont.	Steady	Good	Higher
PP-HIGP-heavy grade utensils	Steady	Good	Higher
PE-LLD-can liners, film, bags	Steady	Good	Higher

Retail Price Change from Prior Month

Description	Dec '17	Nov '17	Oct '17
Beef and Veal	Increasing	Increasing	Decreasing
Dairy	Decreasing	Decreasing	Increasing
Pork	Decreasing	Decreasing	Decreasing
Chicken	Decreasing	Decreasing	Increasing
Fresh Fish and Seafood	Increasing	Increasing	Decreasing
Fresh Fruits and Vegetables	Decreasing	Decreasing	Increasing

Various Markets

A lower value of the U.S. dollar has brought support to orange juice prices during the last few weeks. This factor, and the historically small domestic supply of oranges, could underpin orange juice prices in the near term. The upside potential is likely limited from here, however.

Description	Market Trend	Supplies	Price vs. Last Year
Whole Peeled, Stand (6/10)	Steady	Good	Higher
Tomato Paste-Industrial (lb)	Steady	Good	Higher
Coffee lb ICE	Increasing	Good	Lower
Sugar lb ICE	Decreasing	Ample	Lower
Cocoa mt ICE	Increasing	Short	Lower
Orange Juice lb ICE	Decreasing	Good	Lower
Honey (clover) lb	Steady	Good	Higher



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Produce

The lettuce markets continue to price at engaging levels for buyers. The lettuce harvests have been more than adequate despite shipments last week being 3.9% less than the same week a year ago. History suggests that attractive iceberg lettuce prices could persist this month. The 24-count iceberg lettuce market has averaged lower in February from the prior month in five of the last six years. Super Bowl demand has expanded for the game, but the downside price risk thereafter may only be modest. Strawberry and raspberry supplies are good.

Future of the California Orange Situation: The 2017/2018 California orange crop was estimated @ 68,000,000 40 lb. carton equivalents, which is about 10% less than last year's crop, but as we progress through the season we are going to see less than projected due to our unseasonably warmer and dryer conditions than we would like to see. We are projecting it to be at least 15% lighter than last year's crop and size structure is on the larger side peaking on 72's/56's now. The next 2 weeks we are projected for dry weather and daytime temperatures in the 70's which is going to cause fruit drop, we are already seeing some of the weaker groves dropping fruit and it will only get worse with these warm temperatures. Also with the warm weather we will see some internal separation and puff and crease which will continue to get worse as we warm up. The size structure will also continue to size up creating a very tight demand exceeding supply on 113's and smaller and 88's will be very tight as well. The export market is very strong now as well which will also put pressure on the supply side, overall it is going to be a tough year for supplies due to the decreased volume. As we look further in the year we will probably have to start Valencia's sooner than normal, but that will only cause a shortage into the summer months on California Valencia's which are already on the short supply side as over 8,000 acres have been pulled out over the past few years.

Watch List:

Pineapples

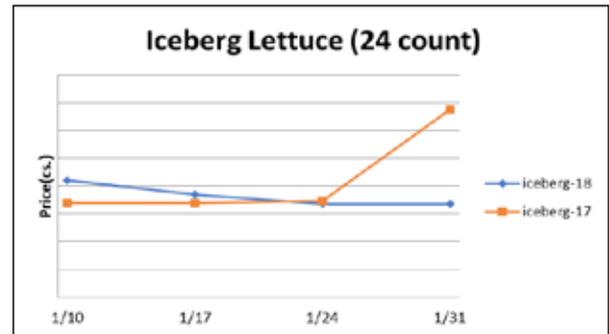
Several weeks of cooler temperatures have impacted the growing areas in Guatemala and Mexico. In addition, we have seen major flooding in Costa Rica which has not only caused major flooding and delayed harvesting, but has also affected infrastructure, delaying shipments. Our growers are seeing lower yields, quality, and volumes. We will be watching day to day as shortages can come along any time.

Bananas

Demand remains firm; quality is going to be inconsistent and supplies could be interrupted as major weather issues have impacted the growing regions in Guatemala, Mexico and Costa Rica. This only further complicates an already short banana market which is short across the country due to virus impacts. We will keep you posted.

MARKET ALERT

- Bananas – ESCALATED
- Lemons – EXTREME
- Mushrooms – ESCALATED
- Oranges – EXTREME



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Produce

Apples & Pears

The market is stable. Storage stocks are readily available. Peak sizes include: Fuji (88- to 100-count), Gala (100- to 133-count), Golden Delicious (100- to 113-count), Granny Smith (113- to 138-count), and Red Delicious (80- to 113-count). Quality is very good: sugar levels range from 14 to 18 Brix. The Pear market is starting to inch up. Bartlett stocks will be depleted soon. Sugar levels range from 12 to 14 Brix.

Artichokes

Steady market with higher prices. Quality is good.

Arugula

Product is available and quality is good.

Asparagus

Supplies are good and prices have improved. Quality is good.

Avocados

Overall volume should remain consistent and smaller sized fruit supplies have improved as well. As we see production ramping up out of California, this will only add to the stable volume crossing from Mexico. Markets are expected to remain stable through the second week February. Promotional volume is still available on #2 fruit.

Green Beans

Supplies will remain firm loading through Florida due to quality issues from the recent cold weather. Supplies crossing through Nogales are going to be short-lived and prices will be firming up by mid-week due to lighter supply in the west.

Berries:

Blueberries

Availability is good, quality is fair.

Blackberries

Volume is good, quality has improved.

Raspberries

Volume has improved and quality is good.

Strawberries

The market is good, we are seeing better prices. Quality is good to fair.

Bok Choy

Quality is average and we are seeing some higher quotes on WGA cartons.

Broccoli / Broccoli Florets

Supplies are good, quality is very good, and the market is down.

Brussels Sprouts

Supplies are good and prices are down. Quality is good.

Cantaloupe

We are seeing decent volumes of offshore fruit arriving on both coasts, with fair demand fruit is on the large side mostly 9's and very few 12's and 15's. The overall quality of the offshore fruit looks good with a green to cream cast and very good internal color and descent sugars. We will be in the offshore fruit through April until we start back in the desert around the first of May.

Carrots

We are seeing both good quality and volume.

Cauliflower

Supplies are great and quality is excellent with a wide range of pricing.

Celery

This market is fair. Due to the recent rains, we are seeing product breakdown quickly creating some quality issues.

Cilantro

Supplies are good and quality is improving.

Corn

Sweet corn markets are down this week due to lower demand out of South Florida; we are seeing moderate crossing through Nogales. Quality is good.



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Produce (continued)

Cucumbers

Good offshore supplies are available out of Florida; though East Coast domestic supplies are limited. The markets are mostly unchanged. Supplies are unchanged and are plentiful out of Nogales and McAllen. Pole cucumber quality out of the shade houses in Mexico are gorgeous, showing dark green fruit with very little blemish or defect.

English Cucumber

There are excellent supplies crossing through Nogales and McAllen.

Eggplant

Supplies are still on the light side this week out of Florida, quality is much better and markets are mostly unchanged. In contrast, excellent supplies are coming out of Nogales and western quotes are unchanged this week.

Fennel

Supplies for the week will be good and quality is good.

Garlic

Extreme - We are about 50% done with the 2017 crop. Supplies will remain tight between now and July. Prices remain high.

Ginger

Chinese ginger supplies are steady. Quality is good.



Grapes

There is good volumes of Peruvian arriving on the east coast and good volumes arriving from Chile on both coasts. The Chilean and Peruvian fruit quality is very nice, which is a big change from last year. We are hoping that the imports this year will continue with excellent quality barring any major weather issues. . The Chilean crop is of normal volumes and the weather has been good, so we are expecting a good year.

Green Cabbage

Supplies have tightened and markets have firmed on both coasts, but quality remains good.

Red Cabbage

Quality and sizing have been great with good color. The market is firming.

Green Onions

Prices have come down; quality has improved.

Honeydew

We are seeing some off shore and Mexico fruit here on the west and good volumes on the east as well. The Mexico volumes will be very light until around April, and will be dependent on offshore through April. The first fruit is a bit green but cuts nice and sugars are descent, We will start to see better volumes in the next few weeks, but right now fruit is on the tighter side especially on the 6's and 8's fruit is mostly 5' and 4's. We will also be dependent on the offshore fruit through April, until we start back in the California desert the first of May.

Jicama

Prices are firming up and inventories are lighter. We are seeing some quality and shelf life issues in storage product.

Kale (Green)

Quality is improving. Supplies are good.

Kiwi

California crops are now in full swing with ample supply available and showing excellent quality. This new crop will extend all the way through to February. We are now seeing Italian fruit available as well on the east coast. Market remains steady.

Lemons

Market very strong with excellent demand and some sizes demand exceeds supply. We are done harvesting in Dist 3 (desert) and going in a good way here in dist 1 (Central Valley), we are gassing fruit so you will see some checker-board color and some spotting , just like the oranges we will

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Produce *(continued)*

hope to see better color break here in Dist. 1 as our nighttime temperatures have been cool. There has been some clear rot showing up which is caused by the warmer days and moisture in the ground due to the rains and the morning fog. The overall crop size out of dist 3 is about 20% lighter than last year and here in Dist. 1 about 15% lighter. We expect the market to stay fairly strong with lighter volumes out of both districts, and with domestic and export demand very good.

Lettuce:

Butter

Prices are stable. Quality is good.

Green and Red Leaf

Quality is good. Prices are good.

Iceberg Lettuce

Quality is nice and the market is low. Demand is lighter than normal.

Romaine

At this point, supplies exceed demand. Quality is average, and we are still seeing some cupping and occasional blistering.

Romaine Hearts

Supplies are normal and quality is average.

Limes

This market is getting active and will continue to rise. Typically, this time of year we start seeing the market tightening up and pricing climb. Much colder weather and rain has also contributed to seasonality this year. Expect supplies to get tighter through April.

Napa

Supplies are steady and quality is good in the west. Supplies in the east are tighter due to the cooler weather that has hit the growing regions in North Florida and South Georgia this month.

Onions

The market is unchanged; storage supplies are sufficient. Mexican packer label red and yellow onions are now available (into South Texas); whites will be on the market next week.

Oranges

Market is very strong with excellent demand across the board the 113's and 138's are demand exceeds supply. We are in full swing on our California navels and the overall quality is looking good with sugars are still around 12-15 and acid levels are minimal, so fruit is eating excellent. We are forecasted for warm dry weather for the next few weeks which

is going to cause fruit drop. We are already seeing fruit drop in some of the weaker orchards and it is only going to get worse. Along with fruit drop we will see fruit that will start to puff and crease and could start to see internal separation which is extremely early for us. The 88's and smaller are extremely limited and will continue to be a struggle through the season as we are peaking on 56's and 72's now. The overall crop is about 15-20% lighter than normal, therefore smaller fruit will continue to stay very tight going forward. Most blocks right now are peaking on 72's followed by 56's.

Parsley

(Curly, Italian) Quality is improving and supplies are good.

Green Bell Pepper

Supplies are improving out of South Florida and will continue to do so as the weather cooperates. Sizing will be on the larger sizes for the next 7 to 10 days, smaller sized fruit and choice grades will be limited. Out of the west, supplies and quality are very good.

Red & Yellow Bell Pepper

Florida prices have inched up a bit since last week; production is slowing due to recent low temperatures. The Mexican market is near the bottom. Quality ranges from good to very good: discoloration, odd shape, and scarring are minor issues.

Pineapples

Several weeks of cooler temperatures have impacted the growing areas in Guatemala and Mexico. In addition, we have seen major flooding in Costa Rica which has not only caused major flooding and delayed harvesting, but has also affected infrastructure, delaying shipments. Our growers are seeing lower yields, quality, and volumes. We will be watching day to day as shortages can come along any time.



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Produce *(continued)*

Idaho Potatoes

The market is slightly higher than last week. Although transportation problems are beginning to stabilize, demand is stronger as February is Potato Lover's month.

Rapini

Supplies have improved and markets are down. Quality has improved.

Radishes

Quality is good and supply is slowing down. Expect to see stronger markets through the summer.

Salad Blends

Prices are level; iceberg and romaine supplies are ample. Quality is average: Inspectors are monitoring core material/ seeder and internal burn issues in order to pack the finest product available in the industry.

Snow and Sugar Snap Peas

Snow and sugar snap peas supplies are improving through Miami.

Spinach (Bunched)

Supplies are available and quality has improved.

Spinach (Baby)

Baby and clipped spinach supplies are good. We are seeing improvement in quality.

Spring Mix

Supplies and quality are good.

Zucchini and Yellow Squash

Supplies in the east are slowly improving, demand is down and quality is good. Import volume out of Mexico is very good; however, we are seeing ongoing quality issues with yellow squash due to heavy scarring. Good supplies and good quality available on zucchini. Markets are unchanged this week and good quality is drawing a premium.

Tomatoes - East

Rounds, Romas, Grapes, Cherries

Quality is outstanding and production is excellent out of South Florida.

Tomatoes - West and Mexico

Rounds, Romas, Grapes, Cherries

Excellent volume out of Culiacán crossing through Nogales and McAllen. Quality is outstanding.

Watermelons

Prices are unchanged; supplies are sufficient. Quality is average: minor problems include odd shape, thick green/ white rinds, and under-ripeness. Sugar levels range from 10 to 11 Brix.

