The market on russets is steady this week, supply is very short in both Eastern and Western markets out of both Florida and California. Cherry tomatoes are flat this week, as both East and

**KEY**

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

**VEGETABLES**

**POTATOES**

- **Russets**: The market on russets is steady this week, including product out of Idaho, Washington/Oregon and Colorado. 6 oz. minimum size out of Idaho is also steady on Norkotahs and Burbanks. There are moderate supplies and good demand going into the holiday.

- **Reds**: The red potato market is steady this week. Product out of both Minnesota and Wisconsin is steady, with moderate supply and demand.

- **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, with supplies close to normal. Demand is steady, and quality is good.

**LEAF LETTUCE**

- **Green Leaf**: The green leaf market is expected to increase substantially, due to the recent romaine CDC advisory. Demand will increase, and supplies are expected to decline as demand shifts to non-romaine leafy items. We expect to see demand that exceeds supplies.

- **Romaine**: The CDC has issued an announcement stating that the CDC and the FDA are investigating a multistate outbreak of Shiga toxin-producing Escherichia coli 0157:H7 (E. coli 0157:H7) infections linked to romaine lettuce. The CDC is advising that U.S. consumers not eat any romaine lettuce, and retailers and restaurants not serve or sell any, until they learn more about the outbreak.

**ICEBERG LETTUCE**

The iceberg lettuce market is up, and is expected to see extreme price increases due to the recent romaine CDC advisory. Demand is expected to increase and supplies are expected to decline, as demand shifts away from romaine to iceberg. We expect to see demand that exceeds supplies on this item.

**GARLIC**

No changes in the California garlic market, as there are good supplies, and vendors can take on additional business.

**ONIONS**

The jumbo yellow onion market is steady this week out of Washington/Oregon and Idaho. Good supplies, demand, and sizing are being reported out of both growing regions.

**CILANTRO**

The cilantro market is mixed this week. Product out of Oxnard is down on 30’s and on 60’s. Product out of Central Coast California is up on 30’s and down on 60’s. Supplies are moderate, with good demand. Quality varies out of both growing regions.

**CUCUMBERS**

- Supply is good in the East and steady in the West. Quality is excellent out in the East and good in the West.

**SQUASH AND ZUCCHINI**

- **Squash and Zucchini**: Supply is readily available for zucchini in both the East and West. Eastern supply is tight on yellow squash. Quality is excellent on zucchini, and fair for the yellow straight neck squash.

**GREEN BEANS**

- The green bean market is mixed this week. Machine-picked product out of Florida is down with better supplies and good demand. Imported haricot verts are down also, with moderate supplies and good demand. Hand-picked product out of Coachella Valley California and Mexico is up.

**BELL PEPPERS**

- **Green**: Supply is still a bit tight in the East and West, however, due to weak demand, prices are only up slightly this week. Quality is fair to good in both areas.

- **Red**: Supply is still a bit tight in the West; but with moderate demand, this market is steady. Quality is good.

**TOMATOES**

- **Rounds**: Supply is very short in both Eastern and Western growing regions. Demand is also very strong. Prices are up, and quality is excellent when available.

- **Cherry**: Cherry tomatoes are flat this week, as both East and West region supplies remain steady. Quality is fair.

- **Grape**: Supply is very tight in both Eastern and Western growing regions. Demand is strong and prices are high. Quality is fair.

- **Romas**: Supply is very short in both Eastern and Western growing regions. Demand is also very strong. Prices are up, and quality is excellent when available.

**CARROTS**

The jumbo carrot market is steady this week, including product out of California and Mexico. There are moderate supplies and demand out of both growing regions. There are reports of a wide range in quality out of Mexico.

**CELERY**

The celery market is flat this week. There is good movement and demand. Volume out of California is decreasing, and will become more limited. However, supplies out of Mexico are slowly increasing.

**GREEN ONIONS**

- The green onion market is mixed this week. Product out of Mexico is down on medium size. Supplies are looking better going into the holiday, as more product is making its way across the border. There are reports of a wide range in quality. Product out of South Carolina is steady, with lighter supplies and good demand.

**CAULIFLOWER**

The cauliflower market is up this week, with prices much higher, due to a strong demand and lower volume. Supplies will be lighter than normal.
ASPARAGUS
The asparagus market is down this week. Product out of Mexico is down with lighter supplies, while product out of Peru is down with moderate supplies and a wide range in quality.

BROCCOLI
The broccoli market is up, with demand extremely strong; supplies are very limited out of Mexico and California. Last week's weather conditions affected production. However, volume is expected to slowly increase, as rain is not in the forecast, although it will continue to be cold.

MUSHROOMS
Mushrooms are showing good supplies and quality this week.

TROPICAL

PINEAPPLES
Good volumes are predicted for November, as sizing will continue to improve on larger counts. Good volume is expected for the remainder of the year.

BANANAS
Banana issues have been reported lately, due to some recent adverse growing conditions in the tropics. This is expected to improve next week.

AVOCADOS
Avocados are making their way into the markets now; however, it will still be a week or so until the market is fully stabilized. Be flexible where you can on size or ripeness.

MELONS

CANTALOupe
The cantaloupe market is up this week. Cantaloupes are increasingly difficult to come by, due to the poor weather this year, resulting in a shortened season. Fruit will be increasingly difficult to come by until offshore volumes start going up in week 48.

HONEYDEW
The honeydew market is up this week. There are plentiful volumes of honeydews, but with volumes beginning to lessen this week. Fruit will be increasingly difficult to come by until offshore volumes start going up in week 48.

HANGING FRUIT

APPLES & PEARS
➤ Apples: Gala and Golden Delicious markets are steady to slightly down this week, depending on the growing region. All other varieties are stable. Demand is moderate and quality is good.
➤ 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.

BERRIES

RASPBERRIES
Raspberries have downsized a bit, but they still have good quality, and firm and consistent coloring.

STRAWBERRIES
The strawberry market is up this week. Strawberries will soon transition from California to Florida and Mexico. There may be a short gap due to forecasted rain this week in California. Florida has started, but in a very small, inconsistent way, and Mexico is struggling as well. Volumes from Florida and Mexico will slowly increase each week, but may not be running on all cylinders until the second week of December.

GRAPEs
The grape market is steady this week. Autumn King, Autumn Royal, Crimson Seedless, Red Globe, Red Seedless, Scarlett Royal and White Seedless are all steady out of Kern District and San Joaquin Valley California. There are moderate supplies, and quality is fair. Red Globes out of Peru are steady, with light supplies and moderate demand.

BLUEBERRIES
Blueberries, as usual, look great and are showing minimal issues.

BLACKBERRIES
Blackberry quality is good and stable; chilly nights have helped quality.

CITRUS

LEMONs
Mexican lemons are higher in pricing this week, due to weather-related supply issues in Mexico. Central California and Arizona are down across all sizes and grades, due to improved supply. Quality is good.

ORANGES
Valencia harvests are on their final packs, and were all due to be shipped out by November 12. Navel harvest is increasing each mix, with sizing appearing to be on the small end. 113’s, 88’s and 138’s are the dominant size ranges right now. 56 and larger sizes remain limited for the time being. Quality will be mixed, due to the end of Valencia and beginning of navel season. Organic navels are also harvesting out of Central California and Riverside. Transportation could become an issue, due to the wildfires.

LIMES
The lime supply is steady, with good quality.
**BEEF**

Live cattle prices continued to report steady closing last week at $1.14/lb. The live cattle market for this week is projected to be up steady to up a penny.

Last week’s production levels came in at 641,000 head, which was up 1,000 head from the previous week. However, this did not meet the expectations of 647,000 head. With a day out of production this week for Thanksgiving, industry projections are to be only around 570,000 head.

USDA grading continues to be very strong, especially for Prime, which is reporting at 9.81%, Choice at 71.09%, Select at 16.16%, and Ungraded the lowest at 2.94%.

**GRINDS**

**GROUND BEEF 81/19:** Grinds reported steady last week. With low demand in place this week, we are seeing an expected price decline. The market will likely remain soft through mid-December.

**GROUND CHUCK:** Ground chuck reported a modest decrease, based on the lower value within the chuck complex. So far for the week, with one day of trading, we are seeing the ground chuck move up modestly, with excellent demand in place. It is not out of the question that we could see a setback in cost before the end of the week. Look for the ground chuck to follow the same trends as the regular ground beef. We do expect lower costs through mid-December.

**PEELED KNUCKLES:** All grades reported modestly lower, with the same trend from previous week. The focus is now on Thanksgiving, so look for minor setbacks toward the back end of December.

**INSIDE ROUNDS:** All grades saw another setback, with modest decreases reported as all of the focus is now on the Thanksgiving holiday. An unstable market is in place for inside rounds through the middle to end of December, as seasonal demand will be a factor during this time.

**BOTTOM ROUND FLATS:** All grades of bottom round flats reported another retracement to lower costs compared to the previous week. Same as the insides and knuckles, we will continue to see an unstable market, and project a rebound to start around the middle to end of December, as focus will be on the roasting items with winter approaching.

**EYES OF ROUND:** Choice eyes of round ended the week modestly lower; the Select grade also reported moderately lower. The market remains on the defensive, and is expected to be so until seasonally rebounding in December.

**LOINS**

**STRIPS:** All grades rebounded from last week’s lows. The Choice grade reported up modestly, and the Select grade reported up double digits. There is still risk of retracement for both grades, but we should see a rebound as we go into December.

**TOP BUTTS:** All grades of sirloins rebounded from last week’s lows, and reported up modestly across all grades. Projections are for more upside through the first part of December, with a little setback in costs as we approach mid-December. Buyers perceive the top butt a value relative to the other middles. Modest seasonal advances are expected toward the end of December.

**TENDERLOINS:** Choice tenders saw a moderate increase, Select reported a modest increase, and the Ungraded tenders reported a moderate decline. The tenderloin market continues to show strong interest, and market conditions will remain of some interest to buyers before peaking in early December.

**RIBS**

**RIBEYES:** Choice grade light ribs rebounded from last week’s discounting, reporting up modestly, while the Select grade continues to show weakening. The Ungraded light ribs rebounded from their lows last week, with a modest increase reported. For the Choice and Select heavy ribs we saw a setback in costs where we saw modest decreases, while the Ungraded heavy ribs, saw some minor adjustments upward. The market will continue to be unstable, and we do expect that we will see more moderate downside in costs on both light and heavy ribeyes with all grades as we go into December.

**CHUCKS**

**CHUCK ROLLS:** All grades of chuck rolls reported modestly lower, as consumers turned to turkey for their Thanksgiving holiday feast. The market will continue to be soft, and is expected to retreat slightly into late November before seasonally rebounding in mid-December.

**TERES MAJOR MUSCLE:** We saw the Choice grade of Teres Majors report modest declines, while the Select grade took the blunt of lower costs reporting down moderately. The only bright spot to the Teres Majors was the Ungraded product, which reported up modestly. We are seeing Choice and Select rebound so far this week after last week’s sell-off. The market should continue rebounding as slaughter levels decline and demand for raw material seasonally increases.

**BRISKETS:** Demand for briskets continues to be brisk. Packers will either sell it or use it for internal processing. External processors have also kept supplies under control relative to harvest levels, offering price support for all grades. There is risk of retracement as we move into the end of November and the first part of December, as demand is expected to slow down, before it is off to the races with increased demand and cost in preparation for St. Patrick’s Day.

**THIN MEATS**

**BALL TIPS:** All grades of ball tips rebounded from last week’s lows and reported up modestly. There is some risk to retracement moving into late November before seasonally rebounding in December.

**FLAP MEAT:** All grades of flap meat reverted to lower costs, with moderate declines as suppliers pushed to get inventories in check. There is still a risk to retracement as November ticks away, followed by seasonally rebounding in December.

**FLANK:** Choice grades of flank were reported steady at best, while the Select grade moved up modestly. The market is expected to bottom in the next couple of weeks, with modest seasonal advances in December.

**SKIRT STEAK:** Outside skirt steak continues to show signs of modest increase, as buyers step in to buy for the holidays. The market will remain unstable, which will be focused on weekly demand that will set the market highs and lows.
USDA hog harvest numbers were at a record level of 2.63 MM head last week, as packers worked to get ahead of the holiday harvest. This week’s numbers are expected to come in about 3% above one year ago, as packers hope for strong harvest levels into the Thanksgiving holiday. Packers may add weekend shifts to make up for the short holiday week. Post-Thanksgiving harvest levels are expected to remain near the 2.6 MM head level through mid-December.

On the demand side, retail features are focused on Thanksgiving, and the pork cutout remains well below year-ago levels. The expectation is that overall commodity prices may be reaching their seasonal lows. The hope is that export demand will continue to improve and come in higher than one year ago. This may provide support for pork prices for the balance of 2018. Keep in mind that holiday weeks often result in increased price volatility, as packers work to balance supply and demand.

African Swine Fever Monitor: ASF outbreaks continue to increase and spread throughout China. The latest confirmed case was found in a wild boar, along with another confirmed case in Sichuan Province, China’s largest pig-producing region. Progress on fighting the outbreak seems to be with mixed results. With upcoming holidays in China, particularly the Lunar New Year, pork consumption is expected to be seasonally high. It is still unknown how global trade may be affected, but China is working on covering their needs by aligning with pork suppliers in the EU, Denmark and Brazil.

LOINS
The loin complex took additional declines last week, as retail continued to focus on Thanksgiving promotions. Prices for both bone-in and boneless loins are trending lower in early-week trade, as supplies continue to build and demand levels are at their seasonal lows. Packer commitments for back rib orders are putting additional downward pressure on boneless loin prices. The loin complex is expected to move lower over the next two weeks, with lower prices forecast into early December.

TENDERS
Pork tenderloin prices finally turned higher last week, as retailers appeared to take notice and book product for late November/early December promotions. Prices are higher in early-week trade, and are expected to find support at these levels through early December.

BUTTS
Pork butt prices continued their move downward last week, as ample supplies of fresh product continue to flood the market. Prices are lower in early-week trade, and are expected to trend lower through November, as retail focus turns to Thanksgiving promotions. Export buyers are expected to move back into the market, buying up boneless butts for the Korean New Year. Pork butt prices are reaching their seasonal lows, and are expected to move higher during December. Additionally, concern surrounding the spread of African Swine Fever in China and Eastern Europe may support higher-than-expected prices during Q1/Q2 2019.

RIBS
Pricing on the rib complex was mixed and fairly quiet last week, with backribs holding steady and spareribs trading lower, but still trading within a narrow range. Retail is focused on Thanksgiving, while packers are busy allocating a majority of their production to large frozen rib packages for next spring and summer. Backribs are likely at their seasonal lows, and are expected to gradually move higher during December, as retail features for cooked ribs are expected to increase. Meanwhile, spareribs remain rather volatile, despite being forecasted steady to slightly lower.

BELLIES/BACON
The belly market continued to decline for the fourth week in a row, indicating that the current focus is off bacon and onto Thanksgiving. Prices are lower early-week, but the rate of decline seems a bit more controlled than in the past. Bacon demand is not as strong, but retailers are featuring some product. Belly prices are forecast lower through late December, but as a key commodity, various factors could create volatility.

HAMS
Ham prices held steady last week, as current demand met available supplies. Retailers are promoting spiral hams for Thanksgiving, but movement is not expected to reach year-ago levels. Prices are trading steady to slightly lower early-week but are expected to find support if retailers need to refill their shelves after the Thanksgiving holiday. Ham prices are expected to trade steady to slightly higher through mid-December. Improved export demand will support higher ham prices during December and January.

TRIMMINGS
Trimming prices continued to trade within a narrow range, but are approaching their seasonal low points as demand remains lackluster. From a seasonal perspective, 42% fat trimmings are expected to move slightly higher during December and show additional increases through Q1 2019. Similarly, 72% lean trimmings are near their seasonal low point and are expected to move higher during December through Q1 2019.

PICNICS
The picnic complex traded lower last week, with trades on both bone-in and boneless moving lower. Both bone-in and boneless picnics are expected to trade slightly higher during December, but further declines are expected during January. Increased export demand may support higher prices during December and Q1 2019.
**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 upward, as seasonal demand increases.

**WHOLE FROZEN TURKEYS**

Whole turkeys were flat this week; however, expectations are that this market will tighten up for the Thanksgiving holiday week. Near-term we expect the market to remain steady to up, as seasonal demand increases.

**CHICKEN**

Jumbo wings declined slightly this week. As processors have taken downtime for the holiday, the market has balanced out this week. The small and medium wing pricing remained unchanged for this week. Jumbo tender and boneless breast supply are still on the incline, thus putting more pressure on these markets. The select/small boneless breast and tender markets remain short of supply, and well-supported by the ongoing lack of supply and the headcount deficit YTD.

Export demand on items such as boneless breast and leg quarters are at better-than-normal levels. Thigh meat is balanced, but demand is showing an increase, which could move the market slightly upward. Leg meat is in a balanced position. Domestic sales of leg quarters are showing signs of slowing, as retail focus changes due to the upcoming holidays. Whole birds/WOG demand has increased; we should expect a flat to upward trend for the near term.

*****PLEASE NOTE THAT DUE TO THE HOLIDAY, THE USDA INFORMATION BELOW HAS NOT CHANGED SINCE LAST WEEK’S REPORT*****

**BROILER-TYPE EGGS SET IN THE UNITED STATES DOWN SLIGHTLY**

Hatcheries in the United States weekly program set 222 million eggs in incubators during the week ending November 10, 2018, down slightly from a year ago. Average hatchability for chicks hatched during the week in the United States was 82.6 percent. Average hatchability is calculated by dividing chicks hatched during the week by eggs set three weeks earlier.

Note: Starting in 2018, the 19-State totals have been discontinued.

**BROILER-TYPE CHICKS PLACED IN THE UNITED STATES DOWN SLIGHTLY**

Broiler growers in the United States weekly program placed 172 million chicks for meat production during the week ending November 10, 2018, down slightly from a year ago. Cumulative placements from the week ending January 6, 2018 through November 10, 2018 for the United States were 8.20 billion, up 1 percent from the same period a year earlier.

Note: Starting in 2018, the 19-State totals have been discontinued.

**WINGS**

The small wing market was flat this week. Recently product has been placed at normal trading levels and supported by the YTD headcount deficit in the category. But with market focus shifting for the upcoming holidays, we could see wavering demand. We should expect this market to trend flat to downward in the near term. The jumbo wing market was slightly down this week and continues to be under pressure, due to oversupply in the jumbo broiler arena. During the holiday week, this market is balanced. The immediate expectation is that after Thanksgiving, we will begin to see this oversupply hit the markets with additional spot load offerings. This is mainly due to seasonal bird weight gains and a slump in bone-in demand. We can expect this market to trend flat to downward in the near term, too.

**BONELESS, SKINLESS THIGHS**

The boneless, skinless thigh market was flat this week, and we can expect this market to trend flat to upward in the near term. As seasonal and export demand ramp up, labor shortages will heavily come into play.
SOY, CANOLA & PALM OIL

The U.S. soybean harvest was reported at 88% complete as of last Sunday, up from 83% the prior week, but still below the five-year average of 93%. The Brazilian soybean planting progress was reported at 71% complete, up from 60% last week, and remained well ahead of the five-year average of 55%. Brazilian plantings are expected to be up 2.3 million acres.

The soybean complex closed mixed last week, as the soybean and soybean meal markets were able to hold on to modest gains, while soybean oil prices stumbled. Board crush margins continued to decline, falling below .90 cents per bushel in the spot position. Crush margins were at $1.80 per bushel at their peak back in July. This margin erosion should begin to support oil share longer-term.

Brazilian soybean exports are expected to total as much as 83.0 million metric tons this year, due to the ongoing U.S./China trade war. That number would be up 22% from the 68 MMT that they exported last season. The Brazilian soybean crop was either underreported (likely) in 2018, or things are going to get very tight for them over the next few months ahead of harvest.

While there was some more hopeful rhetoric around the U.S./China trade war last week, the fact remains that the U.S. said it is still planning to raise tariffs from 10 to 25% in January, and the window for any new U.S. soybean export business to China is closing quickly.

The nasty break in the crude oil market exerted a negative influence on the soybean complex early this week, as it had fallen a record 12 consecutive sessions, and was down 29% from its early October highs. Biodiesel margins have contracted on the crude oil move.

SOY:

• The December soybean oil futures made a new low for the move this week, taking out the initial support at the $.2750 level. The next area of technical support comes in near the $.2720 level.

• NOPA reported the October domestic soybean crush at a record 172.3 million bushels, slightly above trade expectations. End-of-October soybean oil stocks were estimated at 1.503 billion pounds, down from 1.531 billion the prior month. Soybean oil yield was pegged at 11.71 pounds per bushel, the largest October number since 2012.

• The U.S. Commerce Department has filed for a changed circumstances review of the AD/CVD (anti-dumping countervailing duty) imposed against Argentine biodiesel imports. The fact that this will be undergoing review was a negative input for soybean oil prices.

CANOLA

• Canola basis offers were finally a bit softer, with offers now at +950 through Q4 and +925 for Q1, 2019.

PALM OIL

• Malaysian palm oil futures fell below the 2000/ringgit level for the first time in three years on Wednesday, as that market continues to struggle to find demand. Soybean oil’s premium to palm is the largest since 2015 on the global market.

US EXPORTS

• Weekly soybean oil export sales for 2018/2019 were reported at 15,000 tons. The number was near the lower end of the range of trade expectations between 15,000 and 25,000 tons.

DAIRY

MILK & CREAM

Milk output has been mixed. The West and Midwest have been steady and are meeting demand, while weather impacts in the East have led to declines. Supplies are plentiful, even with back-to-school seasonal demand. Prices are decreasing slightly for November.

CHEESE

Cheese supplies are still readily available, even with demand remaining firm. Production rates have been firm, as the large milk production has kept loads clearing into plants at favorable levels. We could see some further contraction in the block/barrel spread going forward, but it will again likely be driven by some additional weakness in the block market and stability in barrel pricing.

BUTTER

Cream supplies are still considered tight in the East and Midwest, but production rates have remained strong enough to meet demand. Expectations for less seasonal cream demand should limit price rallies into the end of the year.

SHELL EGGS

Overall demand has been normal to slightly better than average but has not yet moved into the heavy promotional realm that we witnessed last year. Some retailers had promotional campaigns set for the upcoming weeks as consumers looked towards Thanksgiving. While flock sizes have continued to increase, and inventories are adequate, the firm buying interest from export markets, as well as processing channels, have added to the price support seen in the last few weeks. Seasonally, strengthening prices are no new phenomenon during this time period, but we do believe the less aggressive buying and adequate supplies should limit price rallies.
SHRIMP, DOMESTIC (WHITES AND BROWNS):

******The Gulf State boats have re-fitted for the Fall White Shrimp season, and the early signs of fishing have been good. We do expect to see shortages on larger sizes until the offshore boats arrive.

DOMESTIC PUDS: With the weather change, we are seeing a lot of action in the in-shore fishery. This should provide a good amount of smaller shrimp.

SHRIMP, IMPORTED (BLACK TIGERS AND WHITES):

Production of black tigers is still not at the level of the 80's and 90's, but we are seeing product in the country, and some discounting to price due to lack of movement.

Farmed Asian and Latin American white shrimp are unstable, with lack of movement.

(MEXICAN BROWNS AND WHITES):

Production is underway. So far, fishing has been decent, with good catches on large sizes. There is still a concern on browns.

CATFISH

DOMESTIC: Inventory of frozen fillets is in very good shape, as well as fish in the ponds. Supply is good going into the fall season with the exception of 5-7 oz. portions.

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: We are now seeing the growth of fish in Chile becoming too large for small-size portions. This could have a direct impact on 4 oz. portions through the end of the year. Reports are now starting to come out that we could see record high prices in 2019. In the short term, fresh sides out of Chile are flat to slightly down. Fresh whole fish have really firmed behind strong demand coming out of China.

MAHI-Mahi

Pricing continues to trend lower, as inventory levels are in very good shape.

SCALLOPS

SEA: Pricing has turned upward, as is the norm for this time of the year. They have caught about 75% of the quota for the year. We continue to see higher pricing on all natural non-processed product.

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

TILAPIA

Inventory domestically is starting to catch up to the impact of tariffs, as many packers are now having to pass those increases along. Demand continues to be strong, as tilapia is a lower-cost option to other species such as cod, haddock, flounder and pangasius, all of which continue to move up.

PANGASIAS

Pricing remains firm. Inventory is starting to shift to where 3-5’s have dried up with inventory, and the shift to more inventory on 5-7’s and 7-9’s has happened.

WHITEFISH COMPLEX

COD: We expect the overall market to remain very firm, with short inventory and high prices. Q4 will bring much higher prices, due to low supply on raw material, in addition to the potential tariffs. Quota cuts will put additional pressure on supply and pricing.

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: Pricing on skin-on filets and skinless loins is starting to see increases. Q4 will bring much higher prices, due to low supply on raw material, in addition to the tariffs. Quota cuts will put additional pressure on supply and pricing.

FLOUNDER: Inventory domestically is starting to catch up to the impact of tariffs, as many packers are now having to pass those increases along.

TUNA, YELLOWFIN (FROZEN STEAKS & LOINS): Tuna pricing is starting to firm up, and we anticipate increases in the near future.

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. Gold king crab to this point had been the best alternative, but pricing there is now starting to firm up as we approach the holiday season.

CRABMEAT

(BLUE & RED, PASTEURIZED): Demand is slowing on the larger sizes, and as a result, we are seeing a slight decrease in price.

Red swimming crab pricing will be moving up for next week. Inventory is becoming nonexistent, and we expect to see this continue for the rest of the year. Tariffs will cause higher pricing.

Mexico blue crab season is in full production, and pricing is starting to weaken, as production is very good.

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Inventory domestically is starting to catch up to the impact of tariffs, as many packers are now having to pass those increases along. Demand continues to be strong, as tilapia is a lower-cost option to other species such as cod, haddock, flounder and pangasius, all of which continue to move up.

PANGASIAS

Pricing remains firm. Inventory is starting to shift to where 3-5’s have dried up with inventory, and the shift to more inventory on 5-7’s and 7-9’s has happened.

WHITEFISH COMPLEX

COD: We expect the overall market to remain very firm, with short inventory and high prices. Q4 will bring much higher prices, due to low supply on raw material, in addition to the potential tariffs. Quota cuts will put additional pressure on supply and pricing.

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.
President Donald Trump announced early this year he would impose tariffs on imports to shrink the trade deficit.

Three rounds of tariffs on Chinese products have been implemented so far:

1. March 23, ~$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 6, ~$34 billion of imported products (25%).
   - August 23, ~$16 billion (also 25%).
3. September 24, an additional ~$200 billion in products from China (10%).

The administration plans to increase the tariffs to 25% on January 1, 2019 if no agreement is met.

China has retaliated against the US tariffs, initially matching the first ~$50 billion, and now an additional ~$50 billion against the latest round (~$200 billion).

With China’s retaliation, President Trump announced the possibility of tariffs on an additional ~$267 billion of imported products from China.

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.

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

Below is the up-to-date list of products experiencing price increases by category.

### Products with Price Increases Through 11/15/18

<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</td>
</tr>
<tr>
<td>Metals - Iron, Steel, Aluminum</td>
<td>Grocery</td>
<td>Beverage</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</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>Disposables</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>Mandarinies, Nuts, Other Fruits &amp; Veg.</td>
</tr>
</tbody>
</table>