FARMER'S REPORT
MARKET TRENDS | 10.27.2017
Cattle remained steady last week, with most of the sales in the $111 range. So far this week there has been a wide range of trades ranging $110 to $113 for auction cattle. There is sentiment in the market that cross country cattle could trade as low as $109 by late in the month, before rebounding seasonally as we move into winter.

Packers processed 631,000 head, which was steady compared to the previous week. Carcass weights actually dropped two weeks in a row, which is a testament that cattle supplies, although ample, are still very current.

Grading continues to range above the 5-year average, with prime production up 10% for the year, or 82 million lbs.

**GRINDS**

**81/19 FINE GRIND:** Grinds finished the week slightly higher, supported by good demand from both retail and foodservice. Grinds are expected to show some strength seasonally as we move into November and through the early part of the holiday season.

**ROUNDS**

**PEELED KNUCKLES:** Knuckles were slightly lower for the week, as the market is starting to weaken, and it is expected to drift lower into early December.

**INSIDE ROUNDS:** Insides were slightly lower again this week, as early season demand faded. The market continues to weaken, and is expected to ease lower into early December.

**BOTTOM ROUND FLATS:** Bottom flats fell modestly, as expected. Near-term strength is not out of the question, as a result of higher cattle costs, but they are vulnerable to retracement into mid-December.

**EYES OF ROUND:** Eyes reported modest declines for the week, and the market remains vulnerable to declines into mid-December.

**LOINS**

**STRIPS:** Striploins rebounded with modest increases. Near-term strength is not out of the question, but this would be a response to higher cattle costs, and not demand. Further weakening is expected into November.

**TOP BUTTS:** Top butts have rebounded with modest increases. As with the other loins, any near-term strength is in response to higher live and lower production levels. They are expected to drift lower into November.

**TENDERLOINS:** Tenders rebounded from the previous week, while Select tenders ended the week substantially lower. Seasonal increases are expected into November, but tenders are expected to peak below last year’s levels.

**RIBS**

**RIBEYES:** Light ribs were slightly higher, except modestly higher for Select. The Choice market is soft, but the Select market is firm, as it is responding to historical spreads between the grades. There remains a slight downside risk into November, with seasonal increases anticipated from there. Choice heavy ribs were modestly higher, but this may be a case of too high, too fast. There is a slight downside risk as we move into November, where seasonal advances will usher in the holiday season.

**CHUCKS**

**CHUCK ROLLS:** Demand for chuck rolls is considerably lower across all sales categories, with pricing following suit. We expect them to retrace modestly till mid-December, before seasonal increases.

**TERES MAJORS:** All grades of teres majors were modestly higher, following the chuck market. As with the chucks, the market is starting to weaken, and is expected to ease lower into mid-December.

**BRISKETS:** Choice briskets continue to outperform expectations, as packers’ inventories remain aligned to demand supporting the market. The market is expected to ease to more seasonal values as we get closer to the holidays.

**THIN MEATS**

**BALL TIPS:** Ball tips were modestly lower, and the market remains soft. They are expected to ease lower into mid-December.

**FLAP MEAT:** Flap moved moderately higher, and the market remains firm on good demand. The market is expected to seasonally ease lower into December.

**FLANK:** Flank is modestly lower with lack of demand, but it is expected to regain value. The market is vulnerable to a setback into late November, before seasonal winter gains begin.

**SKIRT STEAK:** Outside skirt was down slightly, with average demand. The market will remain unstable with highs and lows into late fall.
Federally inspected slaughter numbers reported a kill of approximately 2.485 MM hogs last week, about 1.5% less than a year ago, and lower than the week prior. One packer experienced extended downtime last week. This week slaughter numbers are back up, and expected to come in around 4% above a year ago. Both of the new pork plants continue to ramp up their production schedules, with the largest (record) slaughter numbers coming in around the mid-November timeframe. Weekly slaughter numbers are expected to remain about 4% above a year ago for the balance of this year.

On the demand side, commodity pork demand continues to improve, as retailers feature pork items late this month, and export demand steps back into the market. Demand for commodity cuts is expected to continue improving over the next two weeks, but should weaken in early November, as the focus turns to turkey and Thanksgiving items. Commodity pork prices are expected to move lower starting in November through year’s end. Export demand will remain a key component for price support during the November/December timeframe.

**LOINS**

In a counter-seasonal move, bone-in and boneless loin prices turned slightly higher last week. An increase in retail interest for late-month promotions supported higher price levels for both cuts. Both bone-in and boneless loins are expected to move lower during November, as retailers promote seasonal Thanksgiving items. Strong export demand may prevent steep price declines during November.

**TENDERS**

Pork tenderloins continued their downward trend last week; however, prices have firmed and turned higher in early-week trade, supported by renewed retail interest for late-month promotions. Tenderloin prices are expected to move lower during November.

**BUTTS**

Pork butt prices continued their move higher, as strong retail and export demand support higher price points. Retailers are featuring pork butts for late-month promotions, and packers are indicating their supplies are current. Pork butt prices are expected to move higher over the next few weeks; however, November is typically a month of declining prices for pork butts, so price risk remains to the downside. Export demand during the November timeframe may support higher prices.

**RIBS**

The rib complex moved higher last week, supported by some retail promotion and packers setting up freezer programs for their customers. Back ribs typically hit their lows this time of year, and spareribs also reach their seasonal lows during November. Prices for both ribs are expected to trend lower; however, packers are expected to continue putting product in the freezer for the 2018 season. While this could support rib prices late-year the forecast indicates back rib and sparerib prices will be lower than a year ago during November.

**BELLIES/BACON**

Belly prices continued their move higher, supported by strong retail and processor demand. Processors are putting bellies into the freezer for use during peak demand season, and retailers are expected to feature some bacon items during November/December. Prices are expected to continue their gradual move higher now through the end of the year.

**HAMS**

Ham prices continued their move higher, supported by strong export and domestic demand. Retailers are revisiting their holiday ham needs, and export business has picked up over the last few weeks. Ham prices are expected to trade steady to slightly higher through November. Export demand is key to price support at current levels.

**TRIMMINGS**

Trimming prices have started their seasonal decline, as Oktoberfest promotions come to an end, and sausage and hot dog demand wane. Fat and lean pork trimmings continued their seasonal move lower last week, pressured by ample supplies and lack of demand. Lean 72% trimmings may find support in the next few weeks, as bone-in ham demand remains strong (which is reducing supplies of lean trimmings). Seasonally, trimming prices will move lower through mid-to-late December.

**PICNICS**

Boneless picnics turned lower last week, as retail Oktoberfest sausage promotions draw to an end. Boneless picnic prices typically trend lower through late-year, although retail interest for bone-in picnics may support prices during November.
The turkey breast market was flat this week. We should expect this market to trend upward to flat for the near term.

Whole turkeys were flat this week and should remain flat to slightly down for the near term.

Hatcheries in the United States weekly program set 215 million eggs in incubators during the week ending October 21, 2017, up 2% from a year ago. Hatcheries in the 19-State weekly program set 205 million eggs in incubators during the week ending October 21, 2017, up 2% from a year earlier. Average hatchability for chicks hatched during the week in the United States was 83%. Average hatchability is calculated by dividing chicks hatched during the week by eggs set three weeks earlier.

Broiler growers in the United States weekly program placed 172 million chicks for meat production during the week ending October 21, 2017, up 2% from a year ago. Broiler growers in the 19-State weekly program placed 166 million chicks for meat production during the week ending October 21, 2017, up 1% from a year earlier. Cumulative placements from the week ending January 7, 2017 through October 21, 2017 for the United States were 7.59 billion. Cumulative placements were up 2% from the same period a year earlier.

Small bird demand is still very strong, and supply continues to be tight. This trend will continue for the near term, and possibly the remainder of 2017.
SOY, CANOLA & PALM OIL

The soybean complex closed mixed last week as soybean and soybean meal prices sagged, while soybean oil and oil's share of product value posted gains. Harvest pressure was a drag on the soybeans and meal, while soybean oil benefitted from news that the government appears to be committed to leaving current biodiesel policy unchanged. There were several reports this week that the EPA has been instructed to leave the RFS biodiesel mandates unchanged going forward, and that the Department of Commerce is going to proceed with the anti-dumping tariffs on biodiesel imports.

SOY:
- NOPA reported the September domestic soybean crush at 136.42 million bushels, down from 142.42 million bushels the prior month, and slightly below trade expectations. End of September soybean oil stocks were estimated at 1.302 billion lbs., down from 1.417 billion lbs. the prior month, and about 30 million lbs. below the average trade estimate. The focus of the market will now shift towards the demand side of the ledger, biodiesel policy and South American weather.
- Domestic soybean oil demand for biodiesel production remains a moving target going forward, with the next update from the government due in early November on whether mandates and tariffs will be lowered or not.

CANOLA
- U.S. imports of Canadian canola oil for the period between October 2016 and August 2017 are reported at just over 4 billion lbs., up 13% from the previous record.

PALM OIL
- India's palm oil imports climbed for an eighth consecutive month in September, as buying expanded ahead of their festival season.

US EXPORTS
- Traders are starting to pay more attention to the current NAFTA talks. While biodiesel has garnered most of the headlines of late, it is important to note that the U.S. imported 4.4 billion lbs. of canola oil this past marketing year and that Mexico typically accounts for 25 to 30% of U.S. soybean oil exports. If NAFTA falls apart, new tariff rates would likely affect the balance of vegetable oil trade between the three countries. Talks have now been extended into 2018.

SEASONALS
- We expect to see a significant jump in harvest progress numbers next week, given last week's weather in the Midwest.

U.S. SOYBEAN CROP RATING

<table>
<thead>
<tr>
<th>CURRENT RATING/PROGRESS</th>
<th>PREVIOUS RATING/PROGRESS</th>
<th>5-YEAR AVERAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOOD - EXCELLENT</td>
<td>THIS WEEK: 61%</td>
<td>LAST WEEK: 74%</td>
</tr>
<tr>
<td>HARVESTED</td>
<td>THIS YEAR: 49%</td>
<td>LAST YEAR: 36%</td>
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DAIRY

BUTTER
Demand is moderate, and some manufacturers have started to see holiday interest increasing. Cream availability is tight to available, and butter is churning at a steady pace due to the holiday push. The market tone is fairly uncertain as the market begins to weaken.

CHEESE
Cheese production in the U.S. is steady, as manufacturers are preparing for the upcoming holiday season. Domestic demand is climbing seasonally, and exports are at the highest level in two years.

SHELL EGGS
Non-California markets are down, while the California markets are up this week. Declining inventories and increased buying are supporting current prices. Baking season is quickly approaching, with locations still focusing on Halloween, but we will have a quick transition to Thanksgiving. Retail demand patterns are improving.

MILK & CREAM
Milk output is steady to lower across most of the country. Cream supplies are steady in the Midwest, while they vary from tight to plentiful in the West, depending on location. For November, FMO markets were mixed between Class I and Class II. Overall pricing softened a bit, and you should see slight decreases to flat pricing. California markets were flat.
**SHRIMP, DOMESTIC**
(Whites and Browns):
The domestic shell-on Brown season is coming to an end. The recent storms have slowed down fishing. Inventory is getting tight, and we are seeing price increases across this category.

The fall domestic White season is now underway. We are waiting for some cooler weather to force the shrimp from the shallow waters to deeper waters. The fishing fleet is still out, but lack of inventory is causing a rise in prices.

**DOMESTIC PUDS:** Inventory positions are now reported tighter than thought from last week. Sales are strong because of the recent storm activity. Prices are on the rise. We hope once boats come back in from the last storms, inventory will level out and price will hopefully follow.

**SHRIMP, IMPORTED**
(Black Tiger and Whites):
Production on tigers continues to be very low. Farmed Asian White shrimp are showing some signs of weakening, but the feeling here is that inventory levels in the US are causing vendors to lower prices. Overseas pricing has not gone lower. Latin American Whites remain steady.

(Mexican Browns and Whites): The new-season production is underway. Prices inched up with recent bad weather. There are still two months of harvest remaining.

**CATFISH, DOMESTIC & IMPORTED**
**DOMESTIC:** Production of farmed domestic catfish has started to pick up, and we are starting to see more inventory and some weakening in prices. This trend should last until the end of the year.

**IMPORTED:** We are seeing stable pricing on imported catfish. New-season fish is starting to hit the US. The long-term outlook is still uncertain.

**SALMON**
**Atlantic Farmed Salmon:** The market is steady week-over-week, with good inventory. The holiday season could put pressure on inventory and cause pricing to get stronger.

**MAHI MAHI**
Fishing has begun in Peru. Most of the fish at this time are smaller, and not large enough yet to cut into frozen portions. Outlook is good for a better season than in 2016 and 2017. We will have a better idea once large offshore boats start to report their catch and land fish.

**SCALLOPS**
**SEA:** Pricing is firming on domestic product. More boats are getting out now, since the North Atlantic storms have cleared out and the water is more manageable. Days fishing at sea per government regulations will be the next issue in regard to rising prices.

**BAY:** Pricing has turned upward on low production and tight inventory. This could last well into the fall.

**TILAPIA**
Inventory in the US seems to be good, with pricing starting to become unstable overseas. There are also reports that further decreases could be on the horizon.

**PANGASIUS**
Pricing overseas continues to move up, and we are starting to see higher prices in the US now. The new USDA guidelines are adding to overseas cost. We are now hearing about tight inventory in the US. Inventory now overseas is starting to tighten up, as China has become a bigger buyer.
**SEAFOOD**

**WHITEFISH COMPLEX**

**COD:** The market for Atlantic and Pacific cod continues to see stronger pricing. It is expected that cod pricing will increase in Q4. We also anticipate there will be shortages on Pacific cod, due to poor fishing and quota cuts.

**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 5-8 oz. are very tight.

**HADDOCK:** Pricing on skin-on fillets and skinless loins is starting to see increases. Even with the increases, we are seeing haddock as a great value. 2017 summer fish will start to hit the market, so be sure you compare your pricing and quality! We do expect to see prices move higher into Q4.

**FLounder:** Product from China will remain tight, as the catch has been very slow. The Argentine season will be getting into full swing in the next few months. Argentine product is tight at this time.

**TUNA, YELLOWFIN**

(FROZEN STEAKS & LOINS): Tuna is fairly stable in pricing and inventories are good.

**SWORDFISH**

The catch in Central and South America has been slow, with mostly smaller fish being caught. We could see higher pricing as this fish hits the market. 6-oz. portions are in good supply. Ask your Sales Rep about this size fish, as the yield is better than industry standard.

**KING CRAB**

(RED & GOLDEN): Test pots on red king crab have been very low. The biomass is not at a level where we will see a large amount of product. We feel the quota will be low this year and create higher pricing. We are seeing an increase on 16/20 Russian product now as well.

**CRABMEAT**

(BLUE & RED, PASTEURIZED): Blue swimming crab pricing is flat to lower on some picks of the crab, as inventory builds up in the US. Red swimming crab pricing on the larger meats is seeing increases. We hope this is short-lived as the new season gets underway. Mexico blue crab season is in full production with stable pricing. Inventory positions are very good at this time.

**SNOW CRAB**

ALASKAN: The quota for 2017/2018 was announced recently, and we will see about a 3 million pound reduction in this year’s quota. We are not near a time to start quoting price yet.

CANADIAN: Fishing is now over in Canada. There seems to be good inventory on 5-8s and 8-up clusters. Larger 10-ups and 12-ups are very tight. We are hearing that many of the Gulf State casinos are only serving all-you-can-eat snow crab on weekends, and some are charging a premium. This could put additional crab in the market, but right now it is a wait-and-see game.

**LOBSTER TAILS**

NORTH AMERICAN LOBSTER: The Maine season is coming to an end with poor production. We anticipate there will be shortages on all sizes of tails. We are asking customers to consider warm water tails for the larger sizes, where cold water tails will get hit the most.

LOBSTER TAILS WARM WATER: Supply on warm water Bahama tails is stable, and should improve as we get into the new season. Product out of Brazil is firming, with slight increases coming for next week. Larger sizes seem to be under pressure, due to lack of availability on the cold water side.

LOBSTER MEAT: As the summer season comes to a close, we are seeing this market get sloppy. We will continue to monitor this as we get through the next few weeks. Maine catches have been way off so far, and while summer has ended, this market does look like it will take an upswing.
The markets, quality and supply continue to be affected by the adverse weather that hit the growing regions around the United States and beyond. This continues to be a week-to-week challenge. The goal is to continue to gather the most up-to-date information from suppliers, to make sure customers are taken care of on a day-to-day basis.

Supplies for both iceberg and romaine lettuce have improved this week, which has led to some market relief. Supplies are expected to fluctuate through the end of the Salinas growing region. There is some market relief this week for broccoli, but cauliflower is up again, as supplies for both items continue to be light, and will continue to vary from vendor to vendor, with prorates in place. The Brussels sprout market is slightly down this week, but supplies are still tight. Supplies are expected to get better over the next couple of weeks, which should drive down the high market. The green bean market is up again this week, as supplies continue to be very tight. Tomato markets are up again this week, as cooler temperatures are affecting quality and supply. The avocado market is steady, with larger sized fruit remaining tight while smaller sizes are more abundant.

**KEY**

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

**PRODUCE**

**VEGETABLES**

**POTATOES**

- **Russet**: The market on russets is mixed this week. Product out of Washington/Oregon is steady, while product out of Idaho is up. Most suppliers’ harvests will wrap up in a week or two. The overall size profile is still leaning toward the larger sizes, 70 ct and up.
- **Reds**: The red potato market is down this week. Product out of both Washington and Minnesota is down.
- **Yellows**: The markets out of both Florida and California are steady. Quality is good with moderate supply and demand.

**CABBAGE**

The cabbage market is up this week, with light supply and moderate demand. The Michigan growing season has come to an end. The Texas and Carolina regions are ramping up.

**LEAF LETTUCE**

- **Green Leaf**: The green leaf market is down this week, with moderate supply and light demand. Growers have started their move to the winter growing region. Full transition is expected by early to mid-November.
- **Romaine**: The romaine market is down this week, with supplies that are improving and light demand. Supplies are expected to vary week to week and vendor to vendor. Growers have started their move to the winter growing region. Full transition is expected by early to mid-November.

**ICEBERG LETTUCE**

The iceberg market is down this week, with supplies that are improving and light demand. Supplies are expected to vary week to week and vendor to vendor. Growers have started their move to the winter growing region. Full transition is expected by early to mid-November.

**GARLIC**

Chinese peeled garlic pricing is holding steady. There is high demand for domestic, while it is steady for Chinese peeled garlic. Christopher Ranch can fill all orders and can handle most increases in business. Quality has been good, and suppliers don’t see any supply or quality issues moving into Thanksgiving.

**ONIONS**

The jumbo yellow onion market is mixed this week. Product out of Washington and Oregon is steady, while product out of Idaho is down.

**CHILE PEPPERS**

The chile pepper market is steady this week. Supplies continue to be on the lighter side for jalapeños and poblanos. Quality is being reported as good.

**CILANTRO**

The cilantro market is down this week out of both the Oxnard District and Central Coast. Supplies are steady with good demand. Quality has been improving.

**CUCUMBERS**

Cucumbers are up in both growing regions this week. Michigan and other northern fields have closed. The Carolinas and Virginia are under frost warnings, which could shut down the fields. Quality remains a concern in all growing regions. Some of the quality issues seen are decay, wind scarring and shorter-than-normal shelf life. As the northern fields close, supplies will be tight until crops in the South are up and running at 100%.

**SQUASH**

- **Yellow Squash**: Squash is mixed this week. Eastern product is up, due to the rain and harvest delays. The Carolinas are under a frost warning, which could cause issues in upcoming weeks. Mexico is flat for the week, and quality remains good. If a frost does hit the Carolinas, there could be another price jump on the East Coast.
- **Zucchini**: Zucchinis are up this week, as supplies have tightened. The frost warning seen for other commodities could impact zucchini as well. The rain has also caused some harvest delays in the East, which hasn’t helped. The West is moving through transition, still causing some small gaps in product availability.

**GREEN BEANS**

The green bean market is mixed this week. Imported haricot verts are steady, while machine-picked green beans out of Eastern Shore are way up. Supplies are tight due to weather conditions in the domestic growing regions.

**Eggplant**

Eggplant is up for this week. Georgia is seeing a shorter supply than expected, due to some disease hitting the crop. Western supplies are improving as transition occurs. Except for the that are hit with disease, the rest of the quality looks to be very good.
**BELL PEPPERS**

**Green**: Green peppers are up this week as supplies tighten. Southeast farms are under a frost warning, which could create more issues in the upcoming weeks. Weather in the East has caused delays in harvesting, which is pushing up FOB prices. The West, is pushing through transition, which is causing the pricing to slightly increase. Quality remains a subject of concern, so be diligent in your checks.

**Red**: Red bell peppers are up this week, due to tight supplies. Fields have been hit with rain, causing some harvest delays. Quality remains fair to good, but please keep an eye out.

**TOMATOES**

**Rounds**: Round tomatoes continue to go up as supplies have tightened. The California season will be ending in the next week, and the West will rely on Mexico or Florida for crop. There could be a potential gap between pre-planted crops in Florida planted pre-Irma and post-Irma. Quality in all regions is subpar due to the rain.

**Cherry**: Cherries are flat this week. The production remains light, and so is demand. Quality looks better than in previous weeks.

**Grape**: The grape tomato market continues to rise. The majority of fall fields are finished, and the new fields have yet to catch up to the demand. Fields in all regions are still producing light supplies. Quality has been fair, but that could change quickly, as the weather has been sporadic.

**Romas**: Romas are up this week. Light supplies are being reported in all growing regions. The East Coast fields are reporting low yields on their harvests. The West Coast fields are now relying mainly on Baja and Eastern Mexico for product. Quality looks to improve as we move away from the northern fields.

**CARROTS**

The carrot market is down this week out of both the Mexico and California growing regions. Jumbo supplies continue to be a struggle because of the heat.

**CELERY**

The celery market is up this week. The Michigan growing season has come to an end. Celery out of Michigan is flat; out of Salinas and Santa Maria (California), it is down.

**GREEN ONIONS**

The green onion market is down this week out of both South Carolina and Mexico. Supplies are better as more product has made its way across the border from Mexico.

**CAULIFLOWER**

The cauliflower market is up this week, with light supply and good demand. Supplies will vary vendor to vendor, with some holding to averages.

**ASPARAGUS**

The asparagus market is up this week. Some growing regions are coming to an end; the industry is seeing lighter yields and only fair quality. The overall market and supplies are expected to be better next week.

**BROCCOLI**

The broccoli market is down this week, with moderate supply and moderate demand. Supplies will vary vendor to vendor, with some holding to averages. Quality remains a challenge.

**TROPICAL**

**PINEAPPLES**

Pineapple supplies will remain good through the end of the year. Fruit continues to trend on the larger side. Volumes on 5/6 cts. are high, while there are lesser volumes available on 7/8 cts. Overall quality in the marketplace is good.

**BANANAS**

Bananas are remaining flat for the week. Conventional banana demand is still good, and supplies will start declining by the first week of November. Organic supplies are still good, and demand is steady. Plantain supplies are still tight, but they will start to improve by next week. Weather conditions in the tropics are better now. Temperatures will start to cool off a little, which is always good in terms of quality.

**AVOCADOS**

Avocados are mixed this week, with larger-size fruit remaining flat and smaller fruit dropping in price. The closed fields from last week have reopened, which is causing a drop on the smaller-size product. Quality has improved as the weather improves in the growing regions. #2 Avocados are less than 10% of the current crop, causing supplies to be tight.

**MELONS**

**CANTALOUPE**

The cantaloupe market is up this week, with light supply and very good demand. The winter growing region is in full production. Small-size fruit (15s/18s) is virtually unavailable. 9s and 12s are in light supply.

**HONEYDEW**

The honeydew market is up this week, with light supply and good demand. The winter growing region is in full production.
**PRODUCE**

**BERRIES**

**RASPBERRIES**
Raspberries look good in size, and are being picked in perfect timing for exports. Defects are minimal.

**STRAWBERRIES**
The strawberry market is mixed by region. Strawberries out of Oxnard (medium) are down, while strawberries out of Santa Maria and Salinas (both small-to-medium) are flat.

**GRAPE**
The grape market is steady this week out of California. There are good supplies and great quality with moderate demand.

**BLUEBERRIES**
Blueberries are excellent in size, quality and taste. The export season is ramping up fast, and the quality is looking excellent.

**BLACKBERRIES**
Blackberries look great! They are firm, and growers are being active in delivering heavy volume.

**CITRUS**

**LEMONS**
Lemons are down this week out of California. The coastal crop is still producing some product while the desert crop ramps up. Product out of Mexico is still cheaper than California, but there could be quality issues. Coastal crops are producing smaller product, while the desert crop is peaking on larger sizes.

**ORANGES**
Navel season has finally started, but ramp-up is off to a slow start. Navel quantities are limited for the next week or two, while the harvest gets into full gear. Valencia season is finished, so any product left on the market is leftovers from the harvest. Navel is trending towards larger sizes, so there could be issues on smaller product as the season ramps up. Quality from the new harvest looks to be good.

**LIMES**
Limes are down for the week. The Veracruz harvest is ramping down. Fields will start to see harvest delays as workers prepare for the Day of the Dead holiday (at the start of November). Quality has started to improve as the weather improves.

**HANGING FRUIT**

**APLLES & PEARS**

**Apples**: The apple market is steady this week. New varieties continue to become available as they are harvested. The harvest goes all the way into November on some varieties, so there is a chance for a few varieties to recover from the smaller sizing being seen. Demand is moderate.

**Pears**: The Northwest continues to harvest and pack new pear crops. California and imported bartlett, red bosc, butter pears and Korean Asian pears are available. The market is steady and quality is good.

**GROCERY**

**FRENCH FRIES**
Global demand for frozen potatoes has continued to outpace supply, which has led to capacity constraints and price increases from all major suppliers. The growth is specifically driven by QSR and fast food chain expansion in Asia, which is causing an increase in exports. Although manufacturers are adding capacity, it is not enough to offset the demand, and pricing is anticipated to remain at the increased levels for the foreseeable future.