The market on russets is mixed this week. Supply is light out of the East and West. Demand is Mexican romas are down on average on all sizes. The markets out of both Florida and California are with rain damage. Week. Quality out West is mostly good, but there are some blocks East is good. Western supply is improving, and prices are down this week. Quality out West is mostly good, but there are some blocks with rain damage.

<table>
<thead>
<tr>
<th>KEY</th>
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<tbody>
<tr>
<td>↑ Anticipating an up market</td>
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<tr>
<td>➡️ Anticipating a steady market</td>
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<tr>
<td>↓ Anticipating a down market</td>
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**VEGETABLES**

**POTATOES**

- **Russets**: The market on russets is mixed this week. Norkotahs out of Idaho are steady, and Burbanks are up. Norkotahs out of Washington/Oregon are up, while product out of Colorado is down. 6 oz. minimum size out of Idaho is steady on Norkotahs and Burbanks. There are moderate supplies and good demand.
- **Reds**: The red potato market is mixed this week. Product out of Minnesota is up, while product out of Wisconsin is steady.
- **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 up this week, with supplies slightly below normal, but demand is good. Quality has been good too, with some lighter weights.
- **Romaine**: The romaine lettuce market is up this week, with supplies slightly below normal. Demand is good, and quality is clean, with some minimal fringe burn, cupping and lighter weights. The market is higher due to the seasonal transition.

**ICEBERG LETTUCE**

The iceberg lettuce market is up this week, with supplies continuing to be severely below budget, due to the transition to Yuma. Quality has been good. The market has been active, due to light supplies and increased demand.

**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 both Washington/Oregon and Idaho. Moderate supplies and good demand are being reported out of both growing regions.

**CILANTRO**

The cilantro market is mixed this week. Product out of Oxnard is steady on 30’s and down on 60’s. Product out of Central Coast California is down on 30’s and up on 60’s. Supply and demand are moderate. Quality varies by growing region.

**CUCUMBERS**

Eastern supply is still tight, but steady from last week. Quality in the East is good. Western supply is improving, and prices are down this week. Quality out West is mostly good, but there are some blocks with rain damage.

**SQUASH AND ZUCCHINI**

- **Zucchini**: Zucchini is down in all growing regions, as supply levels out from last week. Western zucchini is down.

**GREEN BEANS**

- **Imported haricot verts are up, with moderate supplies and demand. Machine-picked product out of south Georgia is steady, while handpicked product out of Coachella Valley California is up. Supplies continue to be very tight this week, but are looking better for next week, as suppliers begin harvesting in Florida.**

**BELL PEPPERS**

- **Green**: Green bells are down out of the West. Eastern bells are down slightly as supply improves.
- **Red**: Red bells are up out of Mexico due to a tighter supply. 1 1/9 bushels are steady, but 1/2 bushels are increasing.

**TOMATOES**

- **Rounds**: Mexican rounds are down on average on all sizes. Eastern rounds are still very tight, and all markets are pulling from the West.
- **Cherry**: Supply is light out of the East and West. Demand is strong, but pricing remains steady. Quality is fair at best.
- **Grape**: Florida grape tomatoes are up this week from last. Mexican grapes are down significantly from last week.
- **Romas**: Mexican romas are down on average on all sizes. Eastern rounds are still very tight, and all markets are pulling from the West.

**CARROTS**

The jumbo carrot market is down this week. Product out of California and Mexico is down. There are moderate supplies and demand out of both growing regions. There are reports out of Mexico of better quality.

**CELERY**

The celery market is up this week. Supplies are lower this week; however, markets are much better. Quality is good in Salinas. Sizing is expected to be heavier for the larger sizes all week in Salinas. There are celery quality issues in the Oxnard region. Supplies for the Thanksgiving pull and in early December might be short.

**GREEN ONIONS**

The green onion market is up this week. Product out of Mexico and South Carolina is up on medium size. The industry-wide shortage continues as demand exceeds supply, which is expected to continue for another week. Second-tier triggers are still in place. All suppliers are holding to averages or shorting product.

**CAULIFLOWER**

The cauliflower market is flat, with supplies expected to be around normal this week. Quality is nice, with bright white color. Demand and markets are steady.

**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 down, with supplies expected to be light this week. They will continue to remain light with the transition to the desert. The demand is good, and the market continues to be strong.

MUSHROOMS
Mushrooms are showing good supplies and quality coming off the East Coast. The West Coast continues to struggle with disease, which is directly correlated to the lack of labor and pickers to harvest the farms.

TROPICAL

PINEAPPLES
Good volumes and high quality are predicted for November, as sizing has and will continue to improve on larger counts.

BANANAS
Banana volumes are expected to be sufficient, with high-quality fruit coming into the market. The conditions should continue to be great, as no real issues with production are predicted for the remainder of the year.

AVOCADOS
The avocado market is tight this week, as product crossing has halted. Many of our suppliers will be able to provide product still.

MELONS

CANTALOUPE
The cantaloupe market is up this week. The Arizona fall season will be ending next week. Volumes on cantaloupes are lower this week, and will be minimal next week.

HONEYDEW
The honeydew market is down this week. The Arizona fall season will be ending next week. There are plentiful volumes of honeydews, with volumes lessening for week 45.

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 minimal issues. Overall, quality is good.

STRAWBERRIES
The strawberry market is flat this week. The Oxnard berry quality is good, and color is 95-100 percent. Fall plants look healthy and strong. Planting is wrapped up, and winds have slowed down, which has helped with quality.

GRAPEs
The grape market is steady to down this week. Autumn King, Autumn Royal, Red Globe, Red Seedless, and Scarlett Royal out of Kern District and San Joaquin Valley California are all steady. White Seedless out of Kern District is down on L-XL. There is moderate supply and demand for Red Globe, and light demand on the other varieties.

BLUEBEERRIES
Blueberry volume is slowly increasing in South America. Quality looks good-size and flavor is great.

BLACKBEERRIES
Blackberry quality is picking up, and we are seeing less soft fruit.

CITRUS

LEMONS
As supply continues to improve out of California and Arizona, pricing continues to trend down. Mexican product continues to cross as well. Quality is good in both growing regions.

ORANGES
California navel crop is starting and will run through April. Good quality is expected from this crop.

LIMES
Rain damage will cause harvesting delays. This commodity will be tight for the next few days, and sizing profile is very tight on 200’s and smaller. Our growers will be updating us soon about crop damage.
Cattle traded in a range of $114-115/cwt., or $3-4 higher than the previous week. Seasonally tighter front end fed supplies, good beef demand, and a weak basis all contributed to a higher cash price. The sentiment earlier this week was for cattle to exchange hands $1-2 higher, but a lackluster futures board has given inspiration to the bears to call this week mostly steady. Fed cattle prices for the fourth quarter are projected to increase 4-5%, with a repeat of last year’s Q4 high of $124/cwt. not out of the question by quarters end.

Federally inspected slaughter tallied at 633K head, of which fed steers/heifers made up 497K of those head–14K lower than last week, but 13K higher year over year. Slaughter this week is estimated to fall between 535K-642K head, with a range of 630K-640K for the remainder of quarter. Total head count at year’s end is anticipated to be 1.9% larger than 2017, or a total of 32M head.

The cutout advanced last week and is expected to move higher, supported by modestly increasing values on end cuts and additional strength in the rib complex. However, as the prices have risen to offset cattle costs and packers’ desire not to lose their historic margins, the relationship between cattle prices and box values has stretched even further. Box volumes have dropped significantly; in fact, volume is lower than last year at this time. If box volumes do not increase, the potential for the cutout reaching $220 as previously forecasted will not be met.

Carcass weights for the week ending October 13 showed steers and heifers down 4 pounds from last week, but still running above last year at this time.

Grading continues to be excellent. Prime/Choice for the week ending October 19 was 78.71%, barely under the previous week, with Nebraska posting yet another record-high Prime grade of 11.88%.

GROUND BEEF 81/19: Grinds continue to move higher, aided by cooler weather, hurricane recovery efforts, and quick service promotions. The market remains firm, with modest increases expected the next couple of weeks before retracing in time for Thanksgiving, as consumers concentrate on holiday turkeys.

GROUND CHUCK: Ground chuck is following the same market effects as the blends. Modest increases are anticipated the next couple of weeks before retracing seasonally as we approach Thanksgiving.

PEELED KNUCKLES: Processors interested in early-season features have kept supplies under control at the packer, supporting price increases seen in knuckles. The market remains firm, with retracement expected in November as consumers shift their focus to Thanksgiving.

INSIDE ROUNDS: All grades of inside rounds advanced modestly on the same fundamentals as the rest of the round complex. Increased retail featuring has kept supplies under control, offering price support with packers well-sold. However, retracement is not out of the question as we near Thanksgiving.

BOTTOM ROUND FLATS: All grades of bottom round flats were higher once again. Early-season roast features are helping to keep packer inventories manageable and offering price support. The market remains firm this week. Risk to retracement in November exists as consumers concentrate on holiday fare.

EYES OF ROUND: All grades of eyes of round advanced slightly. The market remains firm, with risk to retracement in November as consumers concentrate on Thanksgiving.

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LOINS

STRIPS: Choice striploins firmed slightly last week, with select discounted to move burdensome supplies. The market is showing signs of softness for Choice this week, with Select rebounding slightly. The market may turn defensive the closer we get to Thanksgiving, when consumers are more interested in turkey and ham than in beef.

TOP BUTTS: Choice top butts bounced back from the previous week on steady volume. Select was slightly discounted to move supplies. The market is viewed with limited downside risk as we move into the fall. Buyers are starting to test the market, as the top butt is perceived as a better value than the other middle meats.

TENDERLOINS: Tenders continue to rise seasonally. The market remains firm, with only a slight downside risk in early November, before peaking in late November/early December.

RIBS

RIBEYES: Choice light ribeyes advanced from the previous week, but on limited volume. Select /Ungraded light ribeyes were discounted to move supplies as Choice buyers chased the market. Price resistance is starting to surface, as ribs are 17% more expensive than last year. Some downside risk in November is associated with the market, with consumers more interested in Thanksgiving fare than in beef. All grades of heavy ribeyes advanced, but the rate of gain week-to-week is slowing, with buyers resisting current price levels. Regardless, the market remains firm, with retracement in November not out of the question, but viewed as limited at this time.

CHUCKS

CHUCK ROLLS: Chuck rolls continue to move higher, aided by processors in the market for early roast features and the export market. Near-term firmness is expected the next couple of weeks before seasonally retracing in mid/late November.

TERES MAJOR MUSCLE: All grades of Teres Major muscle moved modestly higher, supported by lean meat buyers viewing their pricing attractive relative to other cuts. The market remains firm at this time, and should be higher by week’s end. It is anticipated for Teres Major to eventually drift lower into late year.

BRISKETS: Demand for briskets from both packer internal sources and external processors has kept supplies under control, relative to harvest levels offering price support for all grades. There is risk of retracement moving into November as consumers concentrate on holiday fare, but limited, with product being sold at current price levels.

THIN MEATS

BALL TIPS: All grades of ball tips firmed on good demand. Buyers perceive them as a value relative to other cuts, such as middles. The market remains firm with little downside anticipated.

FLAP MEAT: All grades of flap have rebounded, especially Select, but this is considered temporary. Box volume languished as the prices moved higher. The market is expected to drift lower through the better part of late fall, but most of the declines should be behind us.

FLANK: All grades of flank steak declined slightly, and the market remains soft. Modest declines are anticipated into December.

SKIRT STEAK: Outside skirts bounced back slightly from what is viewed as overdone lows from the previous week. The market is rebounding rather substantially, but volume so far this week has been limited. The market is expected to drift lower into mid-December.
PORK

The USDA reported an estimated slaughter last week of 2.57 MM head, about 2% higher than one year ago and slightly lower than the week prior. This week’s harvest numbers are expected to come in about 5% higher than a year ago. Looking ahead, harvest numbers are expected to gradually increase, and may reach record levels over the next 30 to 45 days, as packers begin to slowly work in Saturday kills.

On the demand side, the outlook is bleak as National Pork Month comes to an end, and export demand remains rather stagnant. Retail focus will soon turn to Thanksgiving features, and pork items will take a back seat, as domestic demand continues to taper off. Recent trade agreements with Canada, Mexico and South Korea are expected to support pork prices. Additional confirmed cases of African Swine Fever in China—present the number of cases has risen to over 40—is expected to create opportunities for other pork-producing countries to export product for Chinese consumption. At this time China will not turn to the US for pork, but we may see a redistribution of global demand, which may support higher pork prices. Economists monitoring the situation estimate that the impact of this virus could result in higher-than-expected commodity pork prices through Q2 of 2019.

LOINS

The loin complex traded lower last week, with bone-in loin prices posting their fifth straight week of declines, and boneless loins showing declines for three straight weeks. November is not the time of year retail focuses on loins, so prices for both bone-in and boneless loins are expected to move lower for the next few weeks. Retailers are expected to feature boneless loins after Thanksgiving during the last week of November, and bone-in loins may be featured during December.

TENDERS

Pork tenderloin prices continued their downward trajectory, as ample supplies and a lack of retail demand continue to pressure this pork cut. Prices have reached record lows for this time of year, and retailers may take notice and feature tenders the last week of November. Expect tenderloins to trade steady to lower during November.

BUTTS

Pork butts posted a fourth straight week of declines last week; however, the rate of decline has slowed, and prices remain steady on early-week trade. The market is expected to reach its seasonal low point in the upcoming weeks. As export buyers wait for low points and step into the market, securing boneless pork butts for New Year’s festivals, prices will find support and move higher late November/early December. Pork butts will be volatile during November.

RIBS

Pricing on the rib complex was mixed last week, with back ribs trading slightly higher and spareribs holding steady. Prices are trading steady to slightly higher in early-week trade for both spareribs and back ribs. Retail orders for St. Louis ribs and back ribs are coming in, and packers are putting up product for next year. As rib booking season nears completion, ample supplies may cause packers to discount product and temporarily create periods of volatile prices.

BELLIES/BACON

After eight weeks of upward movement, belly prices finally turned lower last week. Prices are trading slightly lower in early-week trade, as retail focus turns to Thanksgiving and turkey items. Ample supplies and a lack of retail features is expected to result in a gradual decline in belly prices through December.

HAMS

Ham prices traded slightly higher last week as strong seasonal demand supported current price levels. From a seasonal perspective, ham prices move higher during November, supported by demand for holiday hams; however, ample supplies continue to put downward pressure on prices. Hams are lower in early-week trade, but may find support as export buyers move into the market.

TRIMMINGS

Trimming prices continued their seasonal move lower, as lack of demand and ample supplies continue to pressure prices. The forecast is for pricing to continue trending lower through year’s end. Prices may find some support late-year, as processors negotiate freezer packages with packers. Expect lowest prices during holiday weeks.

PICNICS

The picnic complex was generally softer last week, with bone-in picnics holding steady and the boneless taking some significant declines, due to ample supplies and weaker demand. Both bone-in picnic and boneless picnics are expected to move lower through late November, as retailers focus on Thanksgiving promotions. Retail features for dinner sausage and pork roasts are expected to return late November/early December. Export demand may support higher bone-in picnic prices during November.
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, as we move closer to the holiday season. We expect this market to trend flat to upward in the near term.

Jumbo wings fell this week and are showing signs of being in an oversupply situation. This is mainly attributed to rising live weights, now that we are in prime weather conditions. Small and medium wings remained unchanged for this week. Jumbo tender and boneless breast supply have loosened slightly, with more product showings at discounted pricing. The select/small boneless breast and tender markets remain short of supply and well-supported by the ongoing headcount deficit YTD.

Export demand on items such as boneless breast and leg quarters is at normal seasonal levels. Thigh meat is balanced, but demand is showing a slight 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 are balanced; however, with a decline in demand patterns, we should expect a flat to downward trend for the near term.

BROILER-TYPE EGGS SET IN THE UNITED STATES DOWN SLIGHTLY

Hatcheries in the United States weekly program set 219 million eggs in incubators during the week ending October 27, 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 174 million chicks for meat production during the week ending October 27, 2018, down slightly from a year ago. Cumulative placements from the week ending January 6, 2018 through October 27, 2018, for the United States were 7.85 billion, up 1 percent from the same period a year earlier.

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

WHOLE CHICKEN & CUT-UP PARTS

Small bird demand continues to be strong and supply is still tight. We can expect this trend to continue through 2018 and into 2019.

BONELESS, SKINLESS BREASTS & CHICKEN TENDERLOINS

The select/small boneless breast market was flat this week. This market continues to be supported by the YTD headcount deficit in the small bird category. We can expect the select/small market to trend flat to upward in the near term. The jumbo boneless breast market was flat this week. We can expect this market to trend flat to downward in the near term. The medium boneless breast market was flat this week, and we can expect this market to trend flat to downward in the near term also, following the same direction as the jumbo product. Long-term expectations are still calling for an oversupply situation in the jumbo and medium boneless breast category through the end of 2018.

The select/small tenderloin market was flat this week. However, with renewed interest from further processors in the small poultry category, we expect this market may trend flat to upward in the near term. The jumbo tenderloin market was flat this week, but late-week activity shows processors’ needs on the decline, so we can expect this market to trend flat to downward in the near term.

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. Market focus will be shifting for the upcoming holidays, and we could see waverings demand. We should expect this market to trend flat to downward in the near term.

The jumbo wing market was down this week, with production in an oversupply situation, caused by 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

**SOY:**
- The December soybean oil futures contract lost ground, following the lead of the weaker soybean and soybean meal markets. Short-term technicals have turned lower, with the next area of support coming in at $0.2785.
- The spot crude oil futures had dropped 12% from the October high as larger-than-expected supplies brought selling into the market. This helped to pressure soybean oil prices lower.

**CANOLA**
- The canola harvest has picked up after recent weather-related delays and seed prices are now well off their highs (down $40 per ton since June), making current canola oil basis offers look overvalued at current levels.

**PALM OIL**
- Spot palm oil futures traded down to new contract lows last Friday, as cumbersome supplies and slow export business continue to weigh on the market. October 1–25 Malaysian palm oil exports were down 20.2% from the prior month.

**US EXPORTS**
- Weekly soybean oil export sales for 2018/2019 were reported at 26,300 tons. The number was slightly above the higher end of the range of trade expectations between 15,000 and 25,000 tons.

MIK & 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

The block/barrel spread maintained its historically wide gap. While some contacts reported a tighter offering of milk supplies, demand was on the decline last week. The large price declines over the past month have put buyers in a wait-and-see mode as stocks are seen building across the country. The block market should come down some to help narrow the block/barrel spread, and the barrel market appears to be increasing this week to help narrow the spread.

BUTTER

Cream availability is mixed, with some regions having limited supplies for butter production. Demand rates across the U.S. remain steady, and are increasing heading into baking season.

SHELL EGGS

A continued improvement in retail demand and promotional activity has pushed shell egg prices to their highest levels since August. Seasonally, this is nothing new to the trade, which typically sees increased demand and prices in Q4. Food service demand has also been firm. At least one major QSR is again highlighting breakfast offerings, which could lead to some additional demand as well. Flock sizes and overall production levels are still adequate given current needs, but demand will dictate prices for the next few months. Additional declines below nearby lows will likely be hard to come by into the end of the year, with risk skewed to the upside.
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. 150/200 ct. PUD’s are short at this time.

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 getting underway. As we go further into the season, we will be able to report on the catch.

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.

PANGASIUS

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 fillets 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 potential 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.

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.

SNOW CRAB

ALASKAN: All vendors are currently off the market. The 2018/2019 quota was announced last week. There will be a 50% increase in the quota. The outlook for the future also looks good, as the biomass for younger crab looks very positive.

CANADIAN: Inventory on 5-8 clusters seems to be plentiful. Pricing is very unstable. However, larger-sized 10-up and 12-up clusters are tight in supply.

LOBSTER TAILS

NORTH AMERICAN LOBSTER: Overall, the catch in the North Atlantic is a bust. We are seeing very little production, and we expect to see shortages during the holiday season.

LOBSTER TAILS WARM WATER: Supply on warm water tails is in a decent place. The new fishing season is underway, and there is a solid expectation for the fishery to produce this year. Due to high demand, pricing is firming. We now have MSC product in our Harbor Banks brand.

LOBSTER MEAT: We are seeing some poor-quality meat on the market. Markets are still uncertain. Buyer beware on something that seems “too good to be true.”
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 $60 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, Food 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 Candiments</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>Fish &amp; Shellfish</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>Mandarin, Nuts, Other Fruits &amp; Veg.</td>
</tr>
</tbody>
</table>