

LRMI 4th Quarter 2026

All Comments

1 Transportation Disruption Risk Comments

Steamship lines pulling capacity

Terrorism at the Suez gateway

Drought at the Panama Canal

Tariff exposure - bunching of shipments to game inbound timing.

I chose to remain the same however with the world stage the impact to fuel prices could change this dramatically on any given day. Also, the impact of federal driver regulations may impact the movement of freight and thereby freight costs. But neither of these appear predictable.

US Driver shortages and fuel price fluctuations is driving this response.

Truckload capacity tightening as government cracks down on illegal drivers and related sham companies. LTL very stable.

Iran impacting global shipping and fuel prices for months to come.

remain the same which isn't good.

The likelihood of additional transport disruption due to the removal of tax-discounting measures that alleviated fuel shortages and price increases experienced in Q2 2026 may give rise to renewed protests.

All four factors listed above, to a greater or lesser degree, are increasing transportation risk.

Fuel prices will challenge providers to service shippers

Expect higher transportation costs

Fuel price volatility is likely to continue into the next quarter

Drivers and fuel driving risk

The end of the USA/Iran Deal MOU without any progress adds to transportation risk for volatile and higher oil, natural gas, and logistics.

Still high prices projected from Q3 to Q4

Iran war

Spillover effect on volumes shifting away from the Strait of Hormuz.

Fuel prices uncertain

Q4 capacity constraints, seasonal freight surcharges, and weather-related delays significantly elevate transit risks!

Growing exposure to disruptions from suppliers and trade routes

Fuel prices and driver availability are going to remain long-term trends and very unpredictable.

I do not expect a peace with Iran anytime soon.

Middle east conflict continuing to provide energy disruption

Fuel remains volatile, but we have planned for that

No clear end to Iran conflict

Straight of Hormuz is just the start. More to follow.

2 Economic Risk Comments

I expect the Iran conflict to wind down and we have a much clearer and cleaner situation with petroleum availability globally at suppliers and for transport.

Energy costs are a big concern.

The Trump-Netanyahu War against Iran could exacerbate the problems of oil supply.

The war in Iran makes energy prices an unknown

Expect increasing energy related costs. May have some labor shortages due to cancelled TPS ending for several groups.

rising energy cost are likely to continue into the next quarter and may spike even higher as we enter into the winter season across North America and Europe

Labor shortages will get worse as long as the present unemployment system is in place.

Further increase very possible with no end in sight for war with Iran, high inflation, etc.

Energy and metal costs will continue to increase.

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Stagflation concerns.
Inflation and cost of capital are not going away as challenges.
Wars, tariffs, and other idiocy continue.
US debt is out of control and needs to be reined in and gradually eliminated.
Energy cost issues
Energy cost related to Iran conflict
Energy is fine as long as you don't buy into the hype.
3 Cybersecurity and Data Risk Comments
I saw a report my company had over 124 attack attempts last week. It seems like this is a headache which will never go away.
Definitely more activity happening
AI being leveraged for more cyber attacks.
Public school districts are considered targets due to the student data being an interest for identity theft
The "unknown" regarding the new GPTs (General-Purpose Technologies) is creating significant uncertainty.
Continued to be an issue with all the technology enhancements.
Global unrest is likely to create an uptick in cyber-attacks across industries
No action is being taken against china for hacking and data theft.
International bad actors coupled with AI
Remains high
State actors increasing risks.
AI security risks increasing with llm improvements
Increased digital transactions, seasonal phishing campaigns, and third-party vendor integrations during Q4 heighten cyber threat exposure
The use of AI will accelerate this
The ability of the attackers and the attack surface continues to grow at a faster rate than the defensive measures.
Cybercriminals continue to refine their approach, Alis helping, and even helping some of the breaking.
AI enhanced cyber attacks getting more sophisticated
AI capability
The cyber criminals are getting more advanced in their approach and talent to attack. Still a big threat from AI, not only are the bad guys using it to improve, but occasionally AI gets into the action
Cyber and related cognitive warfare if front and center.
4 Government Intervention Risk Comments
Trump and MAGA are "wild men." They have no idea as to what they are doing.
It is the uncertainty and the illogical nature of tariffs -
Our governmental reach into the supply chain and the impacts of their decisions, lack of decisions or just simple tweets/posts create a turbulence and chaos on a regular basis.
Must plan for US government political party control mid-term election impact.
Less regulation overall but tariffs and international conflicts causing governmental supply uncertainties
Nobody knows what this administration will do in an hour never mind over 2 years.
The recent shift toward more populist policies has led the government to relax regulations to help indigenous industry remain competitive.
Especially now, the dis/mis information is just plain crazy.
AI regulation is an unknown
Expect more tariffs in the future
Tariffs may be reengaged at any time and severely impact the landed costs of supplies
If Democrats get the majority
Especially in "Blue States" and sanctuary cities.

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The USA drives unprecedented global Intervention Risk through tactical, unpredictable actions with not only the USA's enemies, but with many of our closest allies time and time again. The USA was ranked as a respected world leader two year ago, but is now ranked below China
Larger dysfunctions are being felt in US Government regulatory entities. Mainly HHS & FDA
Geopolitical trade tensions, ongoing tariff uncertainties, and evolving environmental regulations maintain a persistent compliance burden.
Overall, I think it will remain the same. However, I think there will be areas where more regulation comes into play and other areas where the regulation will decrease.
Tariff and war situation will not improve.
Tariff situation in Canada
Tariff uncertainty
The ongoing tariff saga is hurting business. Margins have taken a significant hit.
Global conflict will continue for years. We continue to position ourselves for the long term. The mouth-breathers who bought into DEI and opened themselves to other warfare tactics will continue to lose... and rightfully so.
5 Supplier Risk Comments
We have a strong internal focus on our Global Supply Chain risk mitigation.
Beyond global material and supply changes there continues to be a generational ownership transition. Owners are well into retirement age and selling out to competitors, PE, overseas, etc. and they are changing their business model go forward. Less are transitioning to ESOP or family members that we run the business as usual.
Disruptions in the Gulf may make access to materials more difficult.
Tariffs will still be a hangover as firms adjust supply chains
Supplier risk is already high and expect it to remain so
Price volatility due to increased costs of raw materials and fuel costs for our vendors
USA/Iran war adds to global Supplier Risk
Risks increasing for Eastern European, Indian, and Asian suppliers.
Raw material price volatility and upstream capacity crunches create delivery schedule inconsistencies during peak quarter demand.
Growing exposure to disruptions from suppliers and trade routes
Supply base going through significant changes in ownership and struggling with labor retention.
If you are still collaborating with adversary nations, then you are behind.
6 Technological or Competitive Risk Comments
Uncertainty drives risk
The burden of cost from Technology is ever increasing while it is diminishing returns. And it taking staff increases to manage the increased technology. (DATA OVERLOAD)
Unclear if AI will make real changes in our industry.
Similar to #4 above, the role played by new GPTs creates significant uncertainty.
Need to stay competitive
AI could help or hurt competitive risk
AI to continue driving technological and competitive risk, accelerating more new entrants/potential competitors
Several new market entrants
Competitive pressure remains steady, though rapid AI and automation adoption across the industry requires ongoing tech alignment.
AI continues to shape the new landscape.
7 Customer Risk Comments

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Margin pressure for customers - I refer to it as a 'friskiness' to try more private label or require margin support. They are under pressure because household budgets are stretched and consumption is delayed or decreased. And they are paying tariffs on their store brands.
the financial squeeze on consumers directly impacts their budgetary spend
When will the consumer stop buying is the big question.
Pricing is key to maintain consumer
Customer preferences changing due to differing quality demands.
Heightened demand volatility, tighter fulfillment expectations, and brand sensitivity to lead times increase customer churn risk.
Uncertainty and delayed decisions remain an overriding trend with both consumers and corporate customers.
Affordability affecting and increasing number of consumers, consumer debt very high.
A further increase in worried consumers come Christmas time.
We have taken price increases on some of our legacy brands and are waiting to see how the market reacts
Affordability is affecting an ever increasing number of consumers. Consumer debt continues to grow.
Inflation and other economic stress has customers focused on price.
8 Operational Risk Comments
Staffing, Equipment & repair parts, are things discussed regularly.
Continued US truck driver shortages will place more stress on available trucking assets.
Site building work should be completed, but fitting out with equipment could pose additional risks.
Risk is unchanged. Companies we work with feel their current business models are working ok.
Adoption of AI is both a risk and opportunity.
Driven by a measles outbreak
Being told to brace for El Nino Rains here
Q4 operational risks are expected to increase driven by peak seasonal order volumes, tighter delivery windows, and heightened strain on material handling equipment and site maintenance schedules
Growing exposure to disruptions from suppliers and trade routes
The current heat wave we are experiencing in Houston is straining mechanical (HVAC) systems and disrupting operations. We are expecting relief in the 4th Quarter.
Workforce worries. Turnover searching higher salaries
Always growing in business size
Machine reliability during a planned shutdown to replace other equipment is adding risk to our business
Steady right now. Projects in the pipeline
Wars greatly affect our risk.
9 Environmental Risk Comments
If the summer was bad, the winter will be bad also!
Global warming continues to drive volatile weather and the USA is eliminating or gutting funding for government organizations tasked with protecting the environment
Heatwave and impending Super El Nino.
Extreme weather situations appear to be increasing
Entering peak hurricane season - so far so good
Hurricane season
If your company hasn't subscribed to the new normal of major power competition and buys into narratives to make you fear non-existent risks beyond your control, then you deserve to go out of business. The world doesn't need companies guided by propaganda.
10 Quality Risk Comments
With FSMA 204, mandatory product ingredient elimination, and other regulatory requirements coming into place there will be an increased attention to detail required in the foreseeable future.

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This grading is based on our internal focus on quality and quality related issues.
Difficulty in recruiting sufficiently qualified personnel is complicating our quality initiatives.
The pace of technology changes will stress process control
Some clients are actually angling for less quality.
Supply chain disruptions or delays forcing us to make new supplier decisions.
High production speeds and peak throughput in Q4 heighten the risk of process deviations and outgoing defects
The turnover of experienced resources, the disruption of processes through a rush for digital transformation and AI, combined with supply chain changes, results in more opportunities for misses in quality.
We are moving past a period of poor food supply.
Increasing confidence in existing suppliers, onboarding new
We are transitioning to natural colors/flavors
Ethanol operations changes are impacting CO2 waste gas that is used as feedstock. We are seeing increasing frequency of feedstock purity issues.