

Weekly Market Review

May 11, 2017

Overview

Lettuce is stable and we are seeing great prices. Due to a gap in supply, broccoli is now in an EXTREME MARKET. We saw another spike in cauliflower this week. Celery, lemons and oranges are still in very EXTREME MARKETs and we are seeing a shortage in supply. Strawberries are still a good buy.

Market Alert

- Avocados – **EXTREME**
- Asparagus – **LARGER SIZES**
- Blueberries- **EXTREME**
- Broccoli- **EXTREME**
- Cauliflower- **ESCALATED**
- Celery- **EXTREME**
- Cilantro - **ESCALATED**
- Garlic - **EXTREME**
- Lemons- **SIZING**
- Oranges- **EXTREME**

Good Buy

ICEBERG LETTUCE! While iceberg lettuce may not seem like it is packed with nutrients, it is actually a great source of potassium and manganese. Because of its high water content and low calories, iceberg lettuce can be a great addition to your diet if you're looking to lose weight. Most of iceberg lettuces calories come from carbohydrates which help fuel the nervous system. Add shredded lettuce to your favorite lunch sandwich for an added crunch. The most nutritious part of the lettuce are the ribs so don't throw those away. They contain the highest amount of fiber which is great for keeping you feeling fuller, longer. Try mix it with other leafy greens for a quick salad or use iceberg lettuce leaves as a healthy alternative to a tortilla for your homemade tacos.

Transportation

Trucks are in good supply in California, Arizona, Washington and Texas. Freight rates are firm. Availability has tightened in Florida; also Eastern Oregon.

Weather

SOUTHEAST: Mixed sun and clouds with thunderstorms in the forecast for Friday and Saturday.

Thu 05/11	Fri 05/12	Sat 05/13	Sun 05/14	Mon 05/15	Tue 05/16	Wed 05/17
93° 63°	88° 65°	83° 62°	87° 62°	92° 64°	95° 66°	95° 67°
						
Partly Cloudy	Partly Cloudy	Thunderstorm	Clear	Clear	Clear	Clear
0 in	0.14 in	0.15 in	0 in	0 in	0 in	0 in

COACHELLA: Plenty of sunshine and slightly cooler going into next week. Cooler than normal evening lows are expected as well.

Thu 05/11	Fri 05/12	Sat 05/13	Sun 05/14	Mon 05/15	Tue 05/16	Wed 05/17
91° 65°	97° 66°	92° 62°	90° 58°	84° 57°	86° 60°	82° 57°
						
Clear	Clear	Clear	Clear	Clear	Clear	Clear
0 in	0 in					

CENTRAL COAST: Temperatures will be below normal this week with a mix of sun and clouds.

Thu 05/11	Fri 05/12	Sat 05/13	Sun 05/14	Mon 05/15	Tue 05/16	Wed 05/17
65° 51°	63° 47°	64° 48°	60° 48°	60° 50°	60° 48°	63° 49°
						
Partly Cloudy	Clear	Clear	Partly Cloudy	Partly Cloudy	Mostly Cloudy	Clear
0 in	0 in					

Fruits & Vegetables

Avocados: EXTREME - On the immediate horizon, we expect to see an active markets continue. Long term market forecasts are still for the Winter Mexican crop to slow down faster than expected while Peru and California are slow to ramp up making a very active avocado market for the foreseeable future.

Bananas: Demand and quality are good and inventories are lighter this week.

Grapes: Supplies are unchanged and demand is light. Sugraone and Flame pricing are down this week with larger sizes getting a premium. Expect to see the first crossing through Nogales early next week.

Kiwi: Supplies are good. We are still seeing slightly higher prices with quality being average.

Berries

Blueberries: EXTREME - Production is increasing in Baja California and Oxnard; prices have eased. High prices and tight supplies continue for new crop blueberries in Georgia and North Carolina. The season is winding down in Central Mexico.

Blackberries: Blackberries will be in tight supply through this month as late-season production is on the decline in Central Mexico. The blackberry harvest in Salinas-Watsonville will begin in June.

Raspberries: Raspberries are in peak season production in Central Mexico and Southern California with plentiful availability through mid-May. Central California growers are now harvesting as well.

Strawberries: Strawberries from Central and Southern California will be in good supply all month. The size profile has increased with fields now yielding larger-sized berries. Stem strawberries have become available although supplies remain tight. Availability will be plentiful through this month.

California / Arizona Citrus

Navels: EXTREME Navels, 88S and smaller will be very limited and very light in supply until late MAY. Late season variety, 72/56/88 Quality is okay, expect some creasing and puff.

Lemons: EXTREME- Supplies of 140S, 165S and 200S continue to be EXTREMELY tight and prices are very high. Meyer lemons are available. Mostly large fruit available, 75/95/115. South American lemons are expected to start arriving late June and we will not see much improvement with lemons until June.

Limes: Limes are available, packing in Texas. Great quality and color.

Grapefruit: The California grapefruit market is increasing. Texas grapefruit is finishing up. California Star Ruby and White grapefruit is available.

Specialties: Minneola season is winding down with few small sizes available. Blood Oranges are in good supply and great color. Cara Caras will be finishing up first week of May. Ojai Pixie tangerines and Golden Nuggets are available. Halos will be available through May.

PINEAPPLE: Supply continues to be tight. Vessel delays have caused orders to be pushed back.

California Lettuce

Butter: Prices are down and supply is good.

Green and Red Leaf: Quality is improving. Prices are down and supply is much better.

Iceberg Lettuce: Supplies are good. Quality is much better and prices have come down considerably.

Romaine: Good supply. Quality has improved.

Romaine Hearts: Supplies are good, prices are down. Quality is good.

Eastern and Western Vegetables

Green & Red Bell Peppers: Pepper supplies are down in Florida and Georgia, a result of cooler weather slowing overall crop growth. Coachella production is ramping up and markets have been active. Nogales is winding down and FOB process are lower as shippers are trying to finish up the season. Occasional bruising is present in the Florida product. Demand is strong for late-season red bells in Nogales and Coachella; tight availability will continue through mid-May.

Cucumbers: Recent hot weather has resulted in occasional quality issues for late-season cucumbers in Florida. The new crop harvest is well underway in Georgia. Nogales will continue through the third week of May. The harvest in Baja California will be in full swing by mid-May. Prices are generally steady, with cucumbers in the west selling at a premium compared to product in the east.

English Cucumber: Supplies from Eastern Canada are plentiful. Nogales shippers will have English Cucumbers through mid-May.

Green Beans: Supplies are ramping up out of Georgia and are beginning to pressure FOB quotes down slightly compared to last week. Unfortunately, no major relief is expected until the middle of the month when production is expected to begin out of Coachella and the Central Valley.

Zucchini & Yellow Squash: There has been some unexpected pressure on the squash market as Mexican Production has dipped dramatically due to heat related impacts. Domestic supplies are down slightly in the Southeast due to the cooler weather and have driven FOB prices up slightly. Quality remains good on product in the east while in the west we are seeing heat related issues. We expect to see cleanup picks out of Fresno this week.

Herbs

Fresh herbs are very steady. Supplies are looking good on all herbs except **SAVORY** is still limited as it rebounds from the cold and heat we had over the past several weeks.

BASIL continues from our fields in Mexico and our local fields in California. We should be in full local production by the end of the month. The heavy rain this past winter did delay our planting.

HERB	SUPPLIES	QUALITY	COUNTRY OF ORIGIN
Arugula	Good	Good	USA
Basil	Good	Good	USA/MEXICO
Opal Basil	Good	Good	USA/MEXICO
Thai Basil	Good	Good	USA/MEXICO
Bay Leaves	Good	Good	COLUMBIA
Chervil	Good	Good	USA
Chives	Good	Good	USA/MEXICO
Cilantro	Good	Good	USA
Dill	Good	Good	USA/MEXICO
Episode	Good	Good	MEXICO
Lemongrass	Good	Good	USA
Marjoram	Steady	Good	USA
Mint	Good	Good	USA
Oregano	Good	Good	USA
Italian Parsley	Good	Good	USA
Rosemary	Limited	Good	USA
Sage	Good	Good	USA/MEXICO
Savory	Good	Good	USA
Sorrel	Good	Good	USA
Tarragon	Good	Good	MEXICO
Thyme	Good	Good	USA
Lemon Thyme	Good	Good	USA
Lavender	Good	Good	USA
Lime Leaves	Good	Good	USA
Hora Santa	Good	Good	USA

Melons

Import volume has started to decline and we have seen a shift in sizing leaning towards bigger fruit. Final arrivals are expected the week of 5/22. Quality remains at optimal levels with good color and netting. Brix levels are in the 11-14% range.

Honeydew production still leans more to the 5s and larger but enough 6/8s are finding their way in to take care of regular business. Heavier volumes will also begin to taper off beginning next week. Final arrivals are expected the week of 5/22.

Watermelon: Seedless varieties remain steady with regards to supply and pricing. We will begin to see a decline in supply next week as the offshore melon season begins to wind down. We anticipate about three more weeks of arrivals.

Mixed Vegetables

Artichokes: We are seeing very high prices and very short supply. Quality is good.

Arugula: Supplies of both baby and wild arugula are light but increasing.

Asparagus: EXTREME - Peru is currently experiencing rain and unusually high temperatures which have combined to slow the production of large caliber spears. The vast majority of product being harvested is in the STANDARD caliber measurements and production of LARGE, XL, AND JUMBO has declined dramatically. It is expected that this condition will persist at least until May 15th. Due to this unforeseen production problem, we will be forced to REDUCE program shipments of LARGE asparagus by 10% in hopes that this will enable us to cover the majority of program requirements.

Bok Choy: Quality is good and we are seeing some higher quotes on WGA cartons.

Broccoli: EXTREME Due to a gap in supply we are seeing escalated prices and a shortage in supply.

Brussels Sprouts: Higher prices and tighter supplies remain but are leveling out. Quality is improving.

Carrots: There is a good supply with solid quality.

Cauliflower: ESCALATED MARKET we saw some improvement with this market but it spiked back up due to supplies being low. Prices are still somewhat high. Quality is good.

Celery: EXTREME unfortunately, we have not seen much improvement in this market. Prorates have been ranging between 35 %-50% this week. We are done in Yuma and the Oxnard crop is behind schedule. Quality is just fair. There will be issues for another 4-6 weeks.

Corn: Florida Sweet Corn is plentiful with promotional pricing available. Supplies are light out of Coachella on yellow, bi and while. Quality is outstanding and no major changes are expected through Memorial Day.

Cilantro: ESCALATED Quality is variable as there is still yellowing with some decay. Price are high and we are seeing shortages.

Fennel: Supplies for the week will be light.

Garlic: EXTREME MARKET The overall supply of garlic is very, very tight.

Concerning Chinese imports, in February US Customs placed a hefty import duty (\$4.71/Kg) on one of the few Chinese shippers who historically had little to no duty. The 2016 Chinese crop was already less than normal. This additional factor has further lessened the amount of Chinese product available in the US market.

The new 2017 Chinese supply should be available in the US around late June. In regards to our domestic supply, we are certainly tighter than we would like to be. As expected, the peeling recoveries are a percentage or two lower as the crop is getting a little older. We are still a few months off from the new 2017 California crop. Two weeks ago, we did start to see some initial cloves forming in the heads, which is normal. However, in general the crop looks to be a little behind schedule. Yesterday and today the weather in our area (Bakersfield, CA) is around 100°F. If it continues to stay this hot it will help speed up the development of the garlic.

Ginger: Chinese ginger is in good supply. It is being offered at a substantial discount compared to ginger from Brazil.

Green Cabbage: Green cabbage has improved, supplies are good and quality is good in the east as well as the west. Volume incentives are available out of Georgia.

Green Onions:

Iced: This market has leveled off with steady crossings last week. The crossings should remain at current levels with good supplies.

Iceless: This market has leveled off and should remain steady. Contracts and pre-commitments are holding the market firm.

JICAMA: Normal prices and quality is good.

Kale (Green): Demand is steady and quality is average. We are seeing some mildew.

Mache: Availability is adequate.

Napa: Supplies are light but much better than last week. We will continue to see improvement.

Parsley (Curly, Italian): We are seeing prices remain moderate but coming down.

Radishes: Quality is good and supply is slowing down.

Red Cabbage: Quality and sizing have been great, with good color. Overall, the market is strong.

Snow and Sugar Snap Peas: Snow and sugar snap peas are in high demand with good quality.

Spinach (Bunched): Supply is good, quality has improved.

Spinach (Baby): Baby and clipped spinach supplies are good. Quality is good, with good prices. There are some reports of mildew.

Spring Mix: There is plenty of product with good quality.

Onions

Pricing has started to drop on yellow and red onions out of all growing regions. The Imperial Valley growing area in California has continued to increase volume this week and more growers will continue to start next week. Onions remain in Idaho, Washington, and Texas. Texas continues to yield a small size profile heavy to mediums and small jumbos due to diseased fields. White onions have become more available which we anticipate will decrease prices as well.

Potatoes

The demand on larger counts, 40's thru 70's continue to be very good, very tight on those sizes. The demand on the 80's thru 100's is fair. We have seen prices increase on the larger counts and the remaining cartons prices are steady. There are deals to be made on the smaller counts, not large price reductions but some operations have the smaller sizes to move. The growers are continuing to plant, however the weather is slowing this down and the forecast looks like continued rain for the next few days, possible snow, but light. The government indicated that they may have underestimated the yields on last year's crop that we are currently shipping and it appears we have an ample supply of fresh potatoes left to move. No major transportation issues at this time.

TOMATOES

East:

- **Rounds** – Supplies in the east are down, the transition from Southern Florida to the Ruskin/ Palmetto area is now complete. There are no forecasts of supply interruptions however lighter production and a shift to the larger sized fruit are anticipated. Pricing will be up this week. Stronger fruit comes with newer stronger plants so we are also seeing very good quality.
- **Roma** – Harvest forecasts are mostly unchanged and quality is good. Pricing is mostly unchanged.
- **Grapes** – Supplies are improving daily, prices have fallen and quality is excellent.
- **Cherries** – Demand is up as quality product is difficult to find in the west. FOB prices are mostly unchanged, quality is outstanding.

West/Mexico:

- **Rounds** – Vine-ripe production is lighter this week through Nogales as the season is winding down. McAllen and Otay will continue to see improvement in volume. FOB prices are slightly up from last week.
- **Romas** – Supplies and quality are good through McAllen and Otay and are expected to remain unchanged over the next several weeks. Nogales is expected to end soon. We will continue to see aggressive pricing from the growers this week.
- **Grapes** – Crossings are mostly unchanged quality is very inconsistent depending on the growing region. Prices are unchanged across all three points this week.
- **Cherries** – Supplies are moderate and quality is good. We are still seeing FOB prices tick upward this week.

APPLES, PEARS, & TREEFRUIT

Apples: Demand and movement is steady on the larger sized fruit across all grades. Golds and Grannys remain extremely short with the industry still seeing better yields on 100s and smaller for all other varieties. We expect to see this continue through the rest of the season. Offshore deal remains steady; Galas are plentiful and the Granny volume is ramping up.

Pears: Bosc and Anjou are readily available domestically out of Washington. We expect to see California begin in July. Offshore Bosc and Packham supplies are steady.

Stone Fruit: Offshore

Peaches: About done for the season

Nectarines: About done for the season

Plums: About done for the season

Stone Fruit: Domestic

Nectarines: Reports of a few cleanup picks already this season

Plums and Apricots on the horizon