

Weekly Market Review

May 10, 2018

Overview

Most commodities are steady. Oranges have hit an **EXTREME** market with higher prices and shortages in supply as well as lemons. Green leaf, iceberg lettuce, and cauliflower remain tight.

Market Alert

- Cauliflower – **ESCALATED**
- Cucumber – **ESCALATED**
- Green Bell Pepper – **ESCALATED**
- Green Leaf – **ESCALATED**
- Lemons – **ESCALATED**
- Iceberg Lettuce – **ESCALATED**
- Limes – **ESCALATED**
- Mushrooms – **ESCALATED**
- Oranges – **EXTREME**

Watch List

Table Grapes: This is a mixed market at the moment. The Chilean fruit is priced to move as quality begins to diminish while new crop from Nogales calls for a premium. Perlette and flame quality crossing through Nogales is good with the desert to follow. Offshore greens are very limited; flames and globes are all that are available for the offshore deal.

Grape Tomatoes (East): Supplies remain snug as transition continues to central and north Florida. Quality is good; however, some reports are showing hit and miss quality as well due to wind damage.

Transportation

Rates, although higher than expected, have eased as overall demand is lower. However, we do expect to see rates begin to increase as we approach the summer months as there is still an overall shortage of drivers. ELD's will be creating longer transit times which, as demand increases, will force rates to firm.

Weather

SOUTHEAST:

Thu 05/10	Fri 05/11	Sat 05/12	Sun 05/13	Mon 05/14	Tue 05/15	Wed 05/16
91° 65°  Clear	93° 68°  Clear	94° 69°  Mostly Cloudy	92° 68°  Partly Cloudy	86° 67°  Overcast	84° 67°  Thunderstorm	85° 67°  Thunderstorm

HERMOSILLO:

Thu 05/10	Fri 05/11	Sat 05/12	Sun 05/13	Mon 05/14	Tue 05/15	Wed 05/16
100° 63°  Clear	93° 64°  Partly Cloudy	91° 62°  Partly Cloudy	96° 65°  Partly Cloudy	99° 67°  Clear	101° 68°  Clear	102° 68°  Clear

CULIACAN:

Thu 05/10	Fri 05/11	Sat 05/12	Sun 05/13	Mon 05/14	Tue 05/15	Wed 05/16
99° 70°	98° 67°	99° 65°	102° 64°	103° 66°	104° 66°	103° 66°
						
Clear	Clear	Partly Cloudy	Partly Cloudy	Clear	Clear	Clear

SALINAS:

Thu 05/10	Fri 05/11	Sat 05/12	Sun 05/13	Mon 05/14	Tue 05/15	Wed 05/16
65° 51°	70° 52°	72° 52°	70° 54°	66° 52°	64° 51°	66° 50°
						
Clear	Clear	Clear	Clear	Partly Cloudy	Partly Cloudy	Clear

COACHELLA:

Thu 05/10	Fri 05/11	Sat 05/12	Sun 05/13	Mon 05/14	Tue 05/15	Wed 05/16
107° 72°	99° 67°	92° 65°	92° 65°	94° 66°	98° 68°	100° 67°
						
Clear	Partly Cloudy	Clear	Clear	Clear	Clear	Clear

Good Buys

Strawberries!

Among the list of sweet May holidays is one too delightful to celebrate on just one day: aka National Strawberry Month! Plus, these beautiful berries are showing off for their dedicated month exhibiting lower prices, plenty of supply, and good quality.

Kick off May with a fresh culinary challenge and find new and unique ways to add strawberries to your menu. Take the upcoming Mother's Day weekend for example! There's still time to add a few finishing touches to a brunch spread or dessert special. Maybe a strawberry and rhubarb compote topping for hot oatmeal is the answer? With refreshing strawberry-flavored sangria on the side? And a strawberry-pistachio crumble pie for dessert? Shall we go on?

When these berries are at their best, there's truly no overdoing it. Aside from their hefty amount of antioxidants, strawberries can help fight inflammation and they come in clutch as a post-meal, insulin-lowering snack for those with diabetes or pre-diabetes.

All in all, strawberry season, especially National Strawberry Month, is meant to be commemorated! How will you celebrate the occasion?

Fruits & Vegetables

Avocados: Volumes are slightly below normal as Mexico begins to slow down. California and Peru are slightly higher offsetting the deficit in Mexico. We are seeing high quality fruit from Peru and California. Mexico's late season fruit quality is rough.

Bananas: Demand on this item remains firm; however, prices will continue to ease. Quality will remain inconsistent due to weather that has impacted the growing regions in Guatemala, Mexico, and Costa Rica. This

only further complicates an already short banana market across the country due to virus impacts. Due to improving inventories, we should no longer see ripening issues.

Pineapples: Demand remains firm, quality is good and supplies are stable. FOB quotes at the port are mostly unchanged.

Grapes: WATCH LIST This is a mixed market at the moment. The Chilean fruit is priced to move as quality begins to diminish while new crop from Nogales calls for a premium. Perlette and flame quality crossing through Nogales is good with the desert to follow. Offshore greens are very limited; flames and globes are all that are available for the offshore deal.

Kiwi: California supplies are very limited; lighter supplies are also expected on Italian fruit coming through the East Coast. Markets continue to firm up.

Berries

Blueberries: Availability is good, Georgia blues will start up soon adding more availability to this commodity.

Blackberries: The market is steady, and quality is good.

Raspberries: We are seeing some shortages in supply in this market, quality is good.

Strawberries: The market is great and we are seeing lower prices, plenty of supply, and good quality.

California / Arizona Citrus

The lemon market is getting tighter. Upcoming issues with weather may potentially create issues with supply and quality. We will keep you posted. The demand for CA navels has far exceeded supply. Markets will remain high until the domestic Valencia market kicks in.

Navels/Valencia's: EXTREME We are still seeing a shortage in supply and higher prices. This market may become even shorter in supply and will last until the domestic Valencia market takes over.

Lemons: ESCALATED This is a very active market. Prices are still higher than normal, but quality is good. Imports start in June.

Limes: ESCALATED Bigger fruit continues to remain tight and we are having to grade the fruit to obtain quality needed for shipping. This has caused some tighter supplies on the 175-200ct and pricing remains elevated (though it has improved). We expect to see prices alleviate more so over the next couple weeks.

Grapefruit: Texas grapefruit is available. Florida Star Ruby/Red is available. California grapefruit has started.

Specialties:

- Pink Lemons are available.
- Gold Nugget mandarins are available.
- Ojai Pixie Tangerines are available.
- Only a few Minneola's are left.
- Domestic Blood oranges and Cara Caras are available showing good quality.
- New Zealand Meyers are available.
- Halos and Cuties are available.

California Lettuce

Butter: Demand is good and quality is average.

Green and Red Leaf: ESCALATED on Green Leaf Quality is good and supplies are very light on red leaf. Green leaf is very active due to the past situation with romaine; reports show that prices are rising, product is in escalation, and there are shortages in supply.

Iceberg Lettuce: ESCALATED This market is active due to cooler weather slowing down supplies.

Romaine: Produce Alliance continues to purchase CA product only. Supplies have returned to normal. Quality is good with occasional fringe burn.

Romaine Hearts: Supplies are normal. Demand and quality are good.

Eastern and Western Vegetables

Green Bell Pepper: ESCALATED Supplies out of Florida are mostly done for the season while South Georgia is still 10 to 14 days out. Expect active markets and very short supplies for at least three weeks. Overall quality in the East is good for what is remaining. In the West, we are seeing a split market with quality weakening on product crossing through Nogales. Coachella is strong, but it's not producing enough volume quite yet to meet increased demand. FOB prices are up over \$5.00 this week and could go higher.

Red Bell Pepper: Supplies are limited and FOBs are higher this week. We should start to see some relief over the next two weeks as Coachella and Thermal ramp up production.

Yellow Pepper: Production is light and is pushing the market higher. Quality is still very nice.

Mini Sweet Pepper: Markets remain mixed by region. Good supplies are available in the East and supplies are winding down through Nogales. We should see new crop crossing through Otay late next week.

Eggplant: Warmer weather continues to improve availability on both coasts; FOB prices are unchanged this week and quality is very nice. Expect to see south Georgia ramp up over the next 10-14 days.

English Cucumber: There are excellent supplies crossing through Nogales and McAllen.

Cucumbers: ESCALATED The cucumber market has eased back as Florida ramps back up and south Georgia scratches new crop production. Quality is good and FOB prices are down. West coast supplies are now stable and seeing beautiful quality.

Green Beans: Markets are firming in the east as we transition from Florida to Georgia. Excellent supply in the west thanks to supply coming from Mexico, Baja and the desert. Markets are split based on quality.

Zucchini and Yellow Squash: FOB markets are down slightly this week. We are seeing volume gradually improve with Florida stabilizing, and south Georgia ramping up. High winds are still affecting product out of Hermosillo and we will see some relief once California ramps up next week on the coast.

Herbs

LAVENDER: Local frost has affected this crop and we will be out for several weeks.

OPAL BASIL: This commodity is back and there should be a steady supply now as a result.

ROSEMARY: Local supplies are average.

SAVORY: Supplies should improve this week as local supplies ramp up.

OREGANO: This commodity started to flower early this year.

Supplies continue to look steady and quality has been very good. We do not for see any supply issues for the next two weeks.

HERB	SUPPLIES	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Good	USA
Basil	Steady	Good	USA/MEXICO
Opal Basil	Limited	Good	USA
Thai Basil	Limited	Fair	USA/MEXICO
Bay Leaves	Steady	Good	USA
Chervil	Steady	Good	USA
Chives	Steady	Good	MEXICO
Cilantro	Steady	Good	USA
Dill	Steady	Good	USA
Epazote	Steady	Good	MEXICO
Lemongrass	Steady	Good	USA
Marjoram	Steady	Good	USA
Mint	Steady	Good	USA
Oregano	Steady	Good	USA
Italian Parsley	Steady	Good	USA
Rosemary	Steady	Good	USA
Sage	Steady	Good	USA
Savory	Steady	Good	USA
Sorrel	Steady	Good	USA
Tarragon	Limited	Good	MEXICO
Thyme	Steady	Good	USA/MEXICO

Lemon Thyme	Limited	Fair	USA
Lavender	Limited	Good	USA
Lime Leaves	Limited	Good	USA

Melons

Cantaloupe: The cantaloupe market is mostly stable. The last arrivals of offshore fruit will be landing in the next 7 to 10 days and the gradual transition to the desert will begin. Smaller-sized fruit will become short this week while supplies on 9's will be plentiful, driving markets higher on the smaller sizes. Quality remains very nice showing good external appearance with even netting and full slips, and we continue to see brix levels (12-14%) with occasional higher numbers.

Honeydew: Good demand has kept the market steady; expect a steady decline of volume this week and the next as the offshore season concludes for the season. We are beginning to see quality and flavor issues in this last cycle of fruit due to WhiteFly and weather impact issues. Our growers anticipate an active market for the next three weeks until transition to the desert begins.

Watermelon: Seedless watermelons remain steady with a decent demand on larger sizes (4/5s). Movement on smaller sizes has been limited. Growers of seedless melons from Central America are done for the season.

Mixed Vegetables

Artichokes: We are seeing improvement in this market. Quality is better.

Arugula: Quality has improved and supplies are good.

Asparagus: Expect small shortages in the next week due to Mexico finishing up and Peru not harvesting all fields. There are also limited flights due to flowers ta

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

Broccoli / Broccoli Florets: Supplies are very good. Quality is good and demand is steady.

Brussels Sprouts: Supplies are light and quality is average. Prices are higher.

Carrots: We are seeing both good quality and volume.

Cauliflower: **ESCALATED** We are seeing a shortage in supply and prices are escalated.

Celery: Demand is steady and suppliers are lighter than normal. Quality is good.

Corn: Good volume continues on yellow and bi-color. The desert should ramp up in the next 7 to 10 days.

Cilantro: Supplies are average and quality is fair.

Fennel: Supplies for the week will be good and quality is good.

Garlic: EXTREME We are about 50% done with the 2017 crop. Supplies will remain tight between now and July. Prices remain high.

Ginger: Chinese ginger markets are mixed, but quality is good. Also, product is available at higher costs from Brazil, Costa Rica and Honduras and Peru with no major quality issues being reported.

Green Cabbage: Supplies have improved in the southeast as well as in the West. FOB calls are down and quality remains very nice.

Green Onions: Market is firm with good supply, although we are seeing some slight insect damage.

JICAMA: Markets remain firm due to ongoing short supplies and will continue to see some quality and shelf life issues.

Kale (Green): Quality and supplies are good.

Mache: Availability is adequate.

Mushrooms: ESCALATED Mushroom growers are still recovering from the severe damage in the South and Southeast, as well as Puerto Rico. Hurricane Harvey and Irma have resulted in a tightening market, and the American Mushroom Institute has said it expects supply to be affected for several months. We are starting to see some improvement of supply and will keep you informed of any changes.

Napa: Supplies are lower and demand is steady.

Parsley: (Curly, Italian) Quality is fair and supplies are good.

Rapini: Supplies have improved and markets are steady. Quality has improved.

Radishes: Supplies are steady and quality is good shipping through Arizona and Florida.

Red Cabbage: Quality has been hit and miss while sizing remains good. We are seeing some external quality and color issues causing markets to remain firm in the East as well as Texas. West Coast volume is improving.

Snow and Sugar Snap Peas: Snow and sugar snap peas supplies are steady through Miami.

Spinach (Bunched): Quality has improved and supplies are steady, but may tighten up.

Spinach (Baby): Baby and clipped spinach supplies are good and quality has improved.

Spring Mix: Supplies and quality are good.

Onions:

Production has significantly increased in the Imperial Valley, California. This increase in volume is making up for Idaho/Oregon finishing up their crop, with much fewer supplies remaining in Washington. Please note, Washington is susceptible to sprouting and some internal issues shortly after arrival. Texas onions remain shipping in heavy volume; however,

they will begin to wind down in the next 7-10 days. The size profile in Texas remains heavier to smaller onions, therefore Colossals and Supers are becoming a bit short as of late, with more availability on Medium Yellows. We are seeing much better availability of Colossal and Super Colossal in California as their onions are running much larger. We are seeing reds that are much heavier than jumbos and mediums being fairly tight in both regions. Yields have been healthy in both Texas, as well as California, and we do not anticipate any major spikes in pricing at this point.

Potatoes:

While the market remains stable on all size cartons and consumer packs, prices have continued to increase. Much of the Burbank crop does have some quality issues due to the cold temperatures during harvest. As a result, many of the growers are grading harder. There is good availability and no transportation issues right now. The Norkotah supply is about finished and most growers will be running exclusively Burbanks over the next few weeks.

TOMATOES - EAST

- **Rounds:** Weather and overall growing conditions have been outstanding keeping quality excellent. Expecting a smooth spring crop for the next 3-4 weeks. FOB prices are up a tad due to increased demand.
- **Romas:** Roma prices are firming up and expected to remain active for the next 2-3 weeks. Quality is very nice.
- **Grapes: WATCH LIST** Supplies remain snug as transition continues to central and north Florida. Quality is good; however, some reports are showing hit and miss quality as well due to wind damage.
- **Cherries:** Supply is steady and volume looks good for the next 3-4 weeks. Quality is excellent.

TOMATOES - WEST AND MEXICO

- **Rounds:** Sinaloa continues to wind down while Baja is ramping up, keeping FOBs stable; however, large sized fruit is short and drawing a premium. Quality is beginning to decline out of Sinaloa as the season ends, so please make sure to manage inventory levels properly. Baja quality is outstanding.
 - **Romas:** Volume and quality are outstanding from all regions and expected to remain steady through Mid-May.
 - **Grapes:** Supply is sharply declining this week from Central Mexico while Baja continues to produce decent numbers causing a split market. FOB prices are firming up and demand is higher due to lighter supplies in the East.
- Cherries:** Mainland production continues to show quality issues while new crop out of Baja is outstanding.

APPLES & PEARS

Apples: We will continue to have good supply of the major varieties of apples through the spring and summer. We have finished packing some varieties of apples for the season so the emphasis for balance during the season will be on the six or seven remaining varieties. The quality, condition, and color on almost all varieties looks very good, and since we normally harvest the late storage apples first in the season I expect the condition on the remaining production to be very good.

Pears: Both Anjou and Gold Bosc pears are available especially on the larger (70's to 100's) sizes, but they are beginning to wind down for the season. Most of the supply that is left in the Northwest will either come from the Hood River Oregon area or from the Wenatchee area in Washington.

STONE FRUIT

Stone fruit has started. Red and black plums will start mid to end of May.