

# Weekly Market Review

June 7, 2018

## Overview

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Most commodities are steady. Valencia's are now in an **ACT OF GOD** with higher prices and shortages in supply. Lemons remain higher in prices and tighter in supply. Lettuces and salad blends are steady.

## Market Alert

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- Lemons – **ESCALATED**
- Mushrooms – **ESCALATED**
- Oranges (Valencia's) – **ACT OF GOD**
- Tomatoes (East Coast – Grapes and Cherries) – **ESCALATED**

## Watch List

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**Southeastern Veg:** Cherry tomato and Grape tomato production have been severely impacted by heavy rain over the past several weeks leading up to 5 inches of rain in some isolated areas. Though not damaging to the point of a hurricane, it has caused the tail end to the Florida programs to end prematurely on some commodities while delaying the spring harvest in South Georgia and South Carolina. We do expect the conditions to improve by the first of next month. Our growers are going into fields, harvesting good numbers on squash, cucumber and eggplant with Roma tomato, round tomato and green bell pepper production improving as well. We will keep you posted as we receive crop updates.

## Transportation

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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

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### MOULTRIE:

Thu 06/07	Fri 06/08	Sat 06/09	Sun 06/10	Mon 06/11	Tue 06/12	Wed 06/13
91°   70°	90°   68°	87°   71°	87°   71°	87°   71°	87°   71°	88°   71°
						
Partly Cloudy	Partly Cloudy	Chance of a Thunderstorm	Chance of a Thunderstorm	Thunderstorm	Chance of a Thunderstorm	Chance of a Thunderstorm

### HERMOSILLO:

Thu 06/07	Fri 06/08	Sat 06/09	Sun 06/10	Mon 06/11	Tue 06/12	Wed 06/13
104°   75°	108°   76°	106°   75°	102°   76°	102°   76°	105°   77°	105°   77°
						
Clear	Partly Cloudy	Clear				

### CULIACAN:

Thu 06/07	Fri 06/08	Sat 06/09	Sun 06/10	Mon 06/11	Tue 06/12	Wed 06/13
98°   71°	100°   73°	97°   72°	96°   71°	97°   72°	98°   72°	95°   71°
						
Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Chance of a Thunderstorm	Chance of a Thunderstorm	Chance of a Thunderstorm

## SALINAS:

Thu 06/07	Fri 06/08	Sat 06/09	Sun 06/10	Mon 06/11	Tue 06/12	Wed 06/13
65°   51°	68°   53°	68°   48°	71°   50°	75°   55°	77°   56°	74°   54°
						
Clear	Clear	Clear	Partly Cloudy	Clear	Clear	Clear

## COACHELLA:

Thu 06/07	Fri 06/08	Sat 06/09	Sun 06/10	Mon 06/11	Tue 06/12	Wed 06/13
105°   73°	107°   75°	109°   75°	107°   76°	108°   76°	111°   80°	111°   82°
						
Clear						

## SELMA:

Thu 06/07	Fri 06/08	Sat 06/09	Sun 06/10	Mon 06/11	Tue 06/12	Wed 06/13
89°   53°	92°   58°	88°   53°	85°   57°	93°   63°	100°   67°	104°   68°
						
Clear	Clear	Clear	Partly Cloudy	Clear	Clear	Clear

## Good Buys

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### Peaches!

Stone fruit season has officially arrived! Plenty of new crops are pouring out of the San Joaquin Valley in California, including fresh, juicy, overwhelmingly delectable peaches.

Peaches are one of summer's ultimate pleasures. They smell like sugar and sun, and their soft, milky sweetness keeps us coming back for more. No summer scent calls you closer like a pallet of peaches. But as we know, peaches are sensitive little things. They take much offense when handled harshly and will bruise easily. Just be delicate with these delicacies!

Now, onto the great debate: white or yellow peaches. Some will argue that there's nothing like the golden flesh of a classic yellow peach. They're more on the acidic side with a tartness that mellows out as it ripens. On the flip side, white peaches put up quite the fight for our hearts with a strong sweetness, no matter their age.

Whatever your peach preference, one thing is for sure: it wouldn't be summer without them. When it comes to cooking with peaches, a general rule of thumb is to use the gentle floral notes of white peaches when wanting to add smokiness from the grill, and feature the more intense yellow peaches in baked goods.

### Fruits & Vegetables

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**Avocados:** Despite lower harvest volumes out of California due to the Memorial Day holiday, overall supply to the states remained above 50 million pounds and should continue at this level for the remainder of the month as California, Mexico and Peru all are supplying the market.

**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:** 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:** New Crop, Chilean fruit is available. Supply and quality are both good.

## **Berries**

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**Blueberries:** Availability is steady, Georgia blues started last week in a very small way, they are a few weeks behind due to the rain which is causing some shortages in supplies. Prices are higher.

**Blackberries:** The market on blackberries is extremely short in supply. We are seeing very high prices with little fruit available.

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

**Strawberries:** The market is tightening up again because of rain. Supplies are steady, but not as plentiful.

## **California / Arizona Citrus**

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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: ACT OF GOD** Our Valencia growers in the San Joaquin Valley were affected by extreme heat which caused post bloom conditions in our fruit. As a result, this has caused a lighter crop and there is virtually no small fruit available. At this time, our growers suggest moving to a larger size Valencia. We also have one supplier that will not have any small fruit at all and has evoked an **ACT OF GOD**. We apologize for this disruption and recommend that you take oranges off your menu or change to a larger size at this time. We are monitoring this situation closely and will update you with more information regarding Valencia's as the week continues. Thank you again for your support and understanding.

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

**Limes:** The market will be mostly stable for the next few 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**

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**Butter:** Demand is good, and quality is average.

**Green and Red Leaf:** Red leaf quality and demand are average and supplies are normal. Green leaf supplies exceed demand and quality has been good with occasional fringe burn.

**Iceberg Lettuce:** Supplies are lower due to cooler weather. Quality is extremely good.

**Romaine:** Produce Alliance continues to purchase CA product only. Supplies exceed demand and quality is good.

**Romaine Hearts:** Supplies exceed demand and quality is very good.

## **Eastern and Western Vegetables**

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**Green Bell Pepper: WATCH LIST** The Green Bell Pepper market has took a turn and is improving daily thanks to better weather conditions and harvesting has ramped back up in South Georgia. We still expect markets to be hit or miss over the next week, but will certainly see more stability over the next week. In the West, we are seeing good numbers out of the desert; however, markets are still snug in the region as Bakersfield is a little late breaking new fields and production is light. Though quality is very nice in the West, there currently quality issues in the eastern production due to weather.

**Red Bell Pepper:** The market is snug and expected to remain this way for a few days pushing FOB prices up a tad this week on all sizes. Quality is good through Coachella and scratching in Bakersfield. Nogales is just about done for the season and quality is fair out of Nogales

**Yellow Pepper:** Production has tightened up and markets are active. Quality is very nice.

**Mini Sweet Pepper:** Good supplies are available. These are excellent for fajitas and stir fry, call for deals on mini sweet peppers!

**Eggplant:** This market is fair as we transition from winter crops to summer crops. South Georgia quality is very nice and improving daily, we should be in full production by the first of the month from the region. Out west, Nogales is quickly winding down while Coachella is experiencing perfect harvest conditions. The Central Valley is also just days away from scratching. Quality is outstanding in California.

**Cucumbers:** Cucumber markets are mixed in the east as Florida produces firm numbers and South Georgia production slowly ramps up. Quality is good and FOB prices are up slightly. West coast supplies are now stable with nice quality out of Baja.

**Green Beans:** Markets are improving as more green beans are being harvested in Georgia now that the rain has eased. Quality is going to be hit and miss due to the moisture. In contrast, excellent quality and improving supplies are arriving out of the desert and central valley. Markets are mixed based on regions and quality.

**Zucchini and Yellow Squash:** FOB prices are down and production out of South Georgia and North Carolina are beginning to ramp up daily. Florida is still harvesting squash; however, the quality is fair at best. Hermosillo is still in production; however, the quality is hit or miss while production in California has picked up driving markets in the West down. We anticipate this would be the last week for Hermosillo. Quality is very nice in all regions aside from the issues in Florida.

## **Herbs**

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Growing conditions have been favorable this month as we kick off the local growing season. Basil and other summer herbs are looking nice.

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	Steady	Good	MEXICO
Thyme	Steady	Good	USA/MEXICO
Lemon Thyme	Steady	Good	USA
Lavender	Steady	Good	USA
Lime Leaves	Steady	Good	USA

## **Melons**

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**Cantaloupe:** The cantaloupe market is easing up as we see volume continue to increase in the West with weather conditions near perfect. Sizing is still leaning to large; quality on the new crops is outstanding and brix levels are at 12-14% with occasional higher levels and a good external appearance showing even netting and full slips.

**Honeydew:** Good demand has kept the market firm despite a slow start in the desert. However, it is expected to ramp up and Mexico is gapping while the offshore season is now done. Our growers anticipate an active market for the next two weeks.

**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**

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**Artichokes:** Quality is excellent, and demand is good.

**Arugula:** Quality is fair due to the recent cold weather.

**Asparagus:** Market is steady, and quality is good. Prices are a bit higher than average.

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

**Broccoli / Broccoli Florets:** Supplies look to be steady for the next few weeks. Demand is good and the market is steady.

**Brussels Sprouts:** Supplies are light and quality is good. Prices are steady.

**Carrots:** We are seeing both good quality and volume.

**Cauliflower:** Supplies are strong and quality is outstanding.

**Celery:** Demand is average, but quality is fair to good.

**Corn:** Good volume continues on yellow and white out of the desert. Georgia sweet corn (yellow, white and bi-color) market is marginal; quality has been hit and miss due to the recent rains.

**Cilantro:** Supplies are good. Quality is fair.

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

**Garlic:** 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:** Good volume crossing from Mexico. Quality should improve with night time harvesting.

**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 and demand are 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 and prices are higher.

**Spinach (Bunched):** Quality is fair with some sizing issues due to recent cold weather.

**Spinach (Baby):** Baby and clipped spinach supplies are good, and quality is fair.

**Spring Mix:** Supplies and quality are good.

**Onions:**

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There are currently 10 regions shipping onions domestically which is causing an overall surplus in supplies. Mexico is also crossing onions through Southern California and Las Cruces, NM. The Northwest is still shipping with storage crop onions, but it is important to note that these onions are susceptible to sprouting and some internal issues shortly after arrival. South Texas and North Texas are both shipping steady, but we will see South Texas wind down in the next 7-10 days. Las Cruces, NM has increased supplies and the size profile has flipped from smaller onions to large onions. They are expecting to see this size steady for the next 2-3 weeks. The Imperial Valley region is still shipping heavily and Central California is now also starting. It is likely that we will see instability in this market until some of the early summer regions wind down.

## **Potatoes:**

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Demand continues to be strong on all cartons and consumer packs. Pricing continues to increase each week and large cartons are sparse. The Burbank crop has much lower pack-outs. Transportation also continues to be challenging and rates have increased significantly.

## **TOMATOES**

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- **Rounds: WATCHLIST** Weather-related impacts will continue to hamper the tail end of the Central Florida programs while North Florida is still at least one week out from casting a major dip in production. We expect markets to remain volatile and quality to be marginal over the next 10 to 14 days. South Carolina and Tennessee expected to start up over the next 2 to 3 weeks.
- **Romas: WATCHLIST** Roma prices are flat due to a soft demand; however, they are still volatile and expected to remain this way for the next 2-3 weeks due to quality issues related to the rain.
- **Grapes: ESCALATED** Supplies remain snug as transition continues to central and north Florida. Quality is questionable due to the rain, and we expect to see heavy discoloration and splitting on the last of the Florida crops. We will continue to see firm markets for another 2 to 3 weeks.
- **Cherries: ESCALATED** Supply is marginal, FOB prices are up, and quality will be hit and miss due to the recent rain.

## **TOMATOES - WEST AND MEXICO**

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- **Rounds:** Sinaloa continues to wind down while Baja is ramping up and 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. Central Valley should ramp up over the next two weeks while the desert might see some issues with daytime temps in the 100s could affect quality.
- **Romas:** Volume and quality are outstanding from all regions and expected to remain steady through Mid-May; however, prices are moving upwards as demand from the East increases.
- **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**

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**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.

## **SUMMER FRUIT**

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- **Plums:** Very light supply because the harvest is late.
- **Peaches:** Supplies are ramping up daily out of the San Joaquin Valley as well as the Southeast. Yellow and white peaches are available today!

- **Nectarines:** Improving supplies are available on white and yellow flesh varieties out of the San Joaquin Valley.
- **Cherries:** Quality is hit or miss and supplies are loading out of the San Joaquin Valley.