

Weekly Market Review

July 5, 2018

Overview

Most commodities are steady. Valencia's are still in an **ACT OF GOD** with higher prices and shortages in supply. Lemons and green beans remain higher in prices and tighter in supply. Lettuce is steady.

Market Alert

- Avocado – **ESCALATED**
- Green Beans – **ESCALATED**
- Lemons – **EXTREME**
- Mushrooms – **ESCALATED**
- Oranges (Valencia's) – **ACT OF GOD**

Watch List

Avocado: Though July is expected to be somewhat stable, recent above-normal precipitation in Mexico will affect the August supply of avocados harvested in those regions. This will ultimately cause a spike in the market and possible gaps due to both the delays in the Flora Local crop and an early completion of the winter crops that we have been receiving supplies from. Crop forecasts of the Flora Local crop are indicating a sharp skew in the size curve to smaller fruit which is drawing a premium on an already short large-grade avocado. On the domestic harvest, we are seeing an early peak in production that is further adding to the pressure of a short market. We may not see relief until mid-October when we cycle back around to the fall harvest.

Transportation - EXTREME

With full implementation of the ELD now in place as well as a nationwide shortage of available trucks on the market, rates are expected to continue to rise through the summer. Rates could jump as high as 20% over the next several weeks and remain the way until the market settles.

Weather

MOULTRIE:

Thu 07/05	Fri 07/06	Sat 07/07	Sun 07/08	Mon 07/09	Tue 07/10	Wed 07/11
88° 71°	90° 72°	87° 71°	85° 71°	86° 71°	89° 72°	91° 73°
						
Chance of a Thunderstorm	Partly Cloudy	Clear				

JALISCO:

Thu 07/05	Fri 07/06	Sat 07/07	Sun 07/08	Mon 07/09	Tue 07/10	Wed 07/11
81° 56°	79° 55°	80° 56°	79° 58°	76° 56°	79° 55°	80° 55°
						
Clear	Partly Cloudy	Partly Cloudy	Chance of a Thunderstorm	Thunderstorm	Chance of a Thunderstorm	Partly Cloudy

SALINAS:

Thu 07/05	Fri 07/06	Sat 07/07	Sun 07/08	Mon 07/09	Tue 07/10	Wed 07/11
73° 56°	80° 55°	79° 56°	77° 57°	76° 56°	74° 55°	69° 56°
						
Partly Cloudy	Partly Cloudy	Clear	Clear	Clear	Clear	Partly Cloudy

COACHELLA:

Thu 07/05	Fri 07/06	Sat 07/07	Sun 07/08	Mon 07/09	Tue 07/10	Wed 07/11
115° 87°	117° 87°	114° 87°	114° 85°	109° 82°	107° 81°	107° 82°
						
Clear	Clear	Clear	Clear	Partly Cloudy	Clear	Partly Cloudy

SELMA:

Thu 07/05	Fri 07/06	Sat 07/07	Sun 07/08	Mon 07/09	Tue 07/10	Wed 07/11
97° 64°	101° 68°	103° 69°	103° 70°	102° 70°	102° 70°	102° 69°
						
Clear	Partly Cloudy	Clear	Clear	Clear	Clear	Partly Cloudy

Good Buys

Grape tomatoes!

If we were to write a love letter to summer, it would start by thanking the season for its wildly wonderful stock of fresh tomatoes. Heirlooms, Romas, grapes, so many tomatoes, so little time!

This week we're focusing our attention on grape tomatoes. They are currently showing solid supply and primo quality, earning them PA good buy status. Let's inspect how these minis are making menus magnificent this season!

Caprese is quintessential summer. No matter the form, tomatoes, basil, and mozzarella belong together. However, Caprese dishes have recently become quite the intrigue. These days, crafting the perfect Caprese combo is more than just a lightly tossed salad (though we'd never take a classic Caprese salad off the table!).

Grapes have a great shelf life, lasting longer than cherries, and are harder/less fragile to pack and transport. Next time you're looking to experiment with a Caprese presentation, look to these tomatoes! Mini Caprese Sliders with mozzarella, herbs and olive oil/balsamic vinegar, and grape tomatoes slipped on a toothpick make for an easy appetizer. Or offer a new Naan pizza with all the Caprese fixings for a true taste of summer. Any way you serve it, you just can't beat Caprese!

Fruits & Vegetables

Avocados: ESCALATED (60 AND 70CT #1'S) The market has made a turn, particularly on #1 60 and 70 count fruit as supplies have dried up on these sizes and grades. There has also been a major interruption in avocado supply from Mexico through the southern border due to heavy rainfall in the south and central regions. We are expected to receive product; however that could mean pro-rates. In order to keep the supply chain full and flowing, we are asking customers to substitute sizes where necessary and place orders with enough advance notice for ripening purposes as inventories will be very slim. We will keep you posted with any further updates.

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. Mexican volume is down because of low yields and ongoing quality issues due to weather impacts. Coachella production has been steady, but lighter than expected with some quality issues being reported on the Sugraone variety. Premium sizes are drawing premiums on all varieties. Arvin is expected to start soon.

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

Berries

Blueberries: Availability is steady. Georgia blues are here, but not as plentiful due to the rain 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: Supplies are very tight. This market is experiencing shortages as well as increased prices.

California / Arizona Citrus

The lemon market has become very tight. We are seeing a shortage in supply as well as much higher prices. The demand for Valencia's has far exceeded supply. Markets will remain high as the domestic crop has come up extremely short this year.

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: EXTREME We wanted to alert you to some issues affecting the current lemon supply. Due to an extremely hot spring, the majority of the fruit crop matured much earlier and we are now experiencing shortages across all lemon varieties. We expect to see availability issues from now through October. At this time we are also seeing severe pro rates, very standard grade fruit, and higher prices than would be customary at this time of the season.

We are monitoring this situation closely and will update you with more information regarding lemons as the week continues; as noted above we do not anticipate these conditions will abate until October. Thank you again for your support and understanding.

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

Butter: Supplies are normal, and demand and quality are both good.

Green and Red Leaf: Red leaf quality is good. Demand is average and supplies are normal. Green leaf supplies are normal showing good demand and quality.

Iceberg Lettuce: Supplies are on target. Quality is very nice and short, and markets should remain steady at current levels.

Romaine: Supplies have returned to normal and demand is getting better. Quality is good with occasional fringe burn and mildew.

Romaine Hearts: Supplies have returned to normal. Demand and quality are good.

Eastern and Western Vegetables

Green Bell Pepper: The green bell pepper market continues to improve as South Georgia will have impressive harvest numbers for approximately two more weeks whereas the Carolinas will ramp up over the next week or so. In the West, we are seeing good numbers out of the desert, while finishing up the transition to the Central Valley has begun. Quality in the West is very nice while East Coast product is a hit or miss.

Red Bell Pepper: The market has eased with increased volume available through Otay, Oxnard and Coachella and will look good for the next few weeks on all sizes. Quality is very nice. Hot House product is still crossing through McAllen.

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 good through South Georgia; quality is very nice and improving daily. We should be in full production by the first of the month from that region. Nogales and the Desert are done for the most part while the Central Valley production ramps up daily. Quality is outstanding in California.

Cucumbers: Cucumber prices are up slightly with increased demand through South Georgia and Michigan. West coast demand is also up with lighter supply crossing through Otay, pushing FOB prices higher this week. Quality in the West is good. The lighter numbers out of New Jersey should continue to improve next week.

Green Beans: **ESCALATED** Markets in the East are tight as Georgia production finishes up and the Tennessee

program is slower than expected to start. FOB prices in the East are increasing, and quality is also an ongoing issue due to the continuous rainfall in that region. In the West, good supply and lower prices are being driven up as demand increases from the East. Quality is very nice out of the West.

Zucchini and Yellow Squash: FOB prices are mostly unchanged this week as supplies remain stable out of South Georgia, the Carolinas, Michigan and light out of Jersey. In the West, good supply is available out of Santa Maria, Selma and finally Baja. Quality is good in all western regions.

Herbs

We usually have what we call “JUNE GLOOM” weather patterns this time of year with early morning fog followed by afternoon sunshine. This year, June is starting off with warm mornings and hot afternoons. This affected the **DILL** crop a few weeks ago and this week the heat is affecting the **CHERVIL** crop. Dill is starting to recover, but there will be limited supplies on chervil this week and next.

So far, **BASIL, MINT AND PARSELY** have not been affected, but we will keep you posted if there are any changes. These three fresh herbs usually do well with the warmth.

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

Cantaloupe: The cantaloupe market has eased with excellent supply available out of the valley thanks to the near-perfect weather conditions. Sizing is still leaning on the larger side, quality on the new crops is outstanding, and brix levels are at 12-14% with occasional higher levels with a good external appearance showing even netting and full slips.

Honeydew: The honeydew market is improving with increased numbers in the desert over the past weeks. Our growers are also currently breaking fields in the Valley. Quality remains favorable, the sizing mix is heavy with a 5 and 6 count, and the sugar is outstanding.

Watermelon: Seedless watermelon market has eased back to normal. Supplies are available in Georgia and Missouri with other local regions expected to start soon. There is also a steady supply available out of California.

Mixed Vegetables

Artichokes: Quality is excellent, and demand is good.

Arugula: Quality and size are fair due to recent wind damage.

Asparagus: The market on standard and jumbo size has tightened up due to the heavy rains in Mexico. We are seeing some relief this week and expect to be back to normal next week.

Bok Choy: Quality is average and demand is fair.

Broccoli / Broccoli Florets: The demand is steady and the market is a bit weaker with better supplies.

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

Carrots: We are seeing both good quality and volume.

Cauliflower: Supplies are heavy and demand is weak; however, quality is very good.

Celery: Supplies are steady and the market is better. Quality is good and continues to improve.

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

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 are improving with supplies ramping up throughout the Midwest (Georgia is now done). Sizing is still smaller with larger product availability slowly improving. West coast volume and prices are mostly stable.

Green Onions: Iced - The market remains firm due to good crossings from Mexico. **Iceless** - The market is good with good movement due to contracts and pre-commitments. The market should remain firm with steady supplies forecasted.

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: Markets are a bit tighter as lighter numbers are still coming out of Ohio. Quality has been hit or miss while sizing remains good. Central coast production is good; however, with lighter volume in the East, the market has firmed up in the West.

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

Spinach (Bunched): Quality is fair due to sizing issues with recent warm weather and high winds.

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

Spring Mix: Supplies and quality are good.

Onions:

Onions are now in full steam out of both the San Joaquin Valley as well as New Mexico. Quality is strong at this point, and yellow supplies are in abundance. Size profiles on yellow onions have been heavy to larger sizes (Jumbos, Colossals, and Super Colossals). Mediums have commanded a premium at times as they are shorter in supply and retail outlets are stressing the market. Barring any unexpected weather, yellow onions should remain plentiful throughout the span of both California and New Mexico. Red onions in both areas have been very short, and we have seen a swift increase in price. In a typical season, California red supplies can make up for shortages in New Mexico, but due to planting delays, there have been gaps in supply out of California. Reds will likely remain elevated for much of the summer, but as California re-enters the market with good supplies in the coming weeks, things will start to level off. Washington winter onions are around in small supply at the moment, and their direct seed crop will start in the next 4-5 weeks. Transportation out of both California and New Mexico has been a major challenge and is limiting movement. High temperatures are deterring both shippers and trucking companies from carrying onions in non-refrigerated vans.

Potatoes:

The potato market remains strong throughout most of the size profile, especially on the larger sizes. Quality is fair with some pressure bruising and internal issues. This is largely due to the cold temperatures during the harvest of the Burbank crop. Production has also slowed as dwindling storage supplies and high cull rates are causing growers to take significantly longer to make grade. Supplies are expected to remain short until new crop Norkotahs become available around the beginning of August. Transportation has also been challenging and rates have continued to increase.

TOMATOES

- **Rounds:** Steady and improving supplies are coming out of Tennessee and the Carolinas with Alabama expected to ramp up soon. Quality has made a turn and beginning to improve as well. In general, markets are down this week.
- **Romas:** Roma prices are mixed, but the overall market is short pushing demand to the West. This item will remain volatile for the next 1-2 weeks.
- **Grapes:** Supplies are good out of Virginia, South Carolina and Florida are all good. Demand has been very light pushing markets down this week. Quality is very nice in Virginia and South Carolina, while Florida is hit or miss.
- **Cherries:** Supply is marginal, FOB prices are mixed, and quality will be hit or miss due to the recent rain.

TOMATOES - WEST AND MEXICO

- **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 rapidly out of Sinaloa as the season ends. Please make sure to manage inventory levels properly. Baja quality is outstanding. The green program out of the Central Valley is now underway; however, it will still need to ripen causing increased pressure on all other shipping points of fresh tomato. Markets are in general down this week due to increased production and flat post-holiday demand.
- **Romas:** Volume and quality are outstanding from all regions and expected to remain steady through mid-July; however, prices are moving upwards as demand from the East increases.

- **Grapes:** Supply is good; however, there is still seeing mixed quality. Central Mexico continues to produce decent numbers while the summer program out of the Baja is steady. Overall FOB prices remain down due to a flat market.
- **Cherries:** Mainland production continues to show quality issues while new crop out of Baja is outstanding.

APPLES & PEARS

Apples – Northwest: 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.

Apples – Northeast: There is light volume on reds out of New York and Chilean Granny Smith through the port of Philadelphia.

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 AND CHERRIES

- **Plums:** Moderate supply and steady demand has kept a firm FOB market on the red and black varieties out of the San Joaquin Valley.
- **Peaches:** Supplies are good on yellow and white tray pack as well as volume fill out of the San Joaquin Valley. In the Southeast, ½ Bu's are available on yellow flesh varieties.
- **Nectarines:** Supplies are good on yellow and white tray pack as well as volume fill out of the San Joaquin Valley
- **Cherries:** This is a mixed market based on sizing out of Yakima and Wenatchee. Quality is very nice.