

# Weekly Market Review

August 2, 2018

## Overview

Most commodities are steady. Valencia's are still in an **ACT OF GOD** with higher prices and shortages in supply. Lemons are also in an **ACT OF GOD**. Avocados are currently **EXTREME**, and Romaine commodities are steady.

## Market Alert

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

## Watch List

**Limes:** We are seeing somewhat of an active market on limes. There may be an increase in price and a slightly tighter supply.

## 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 be above normal through the remainder of the summer. We are seeing an average increase of 15 to 20 percent over last year's comps.

## Weather

### ASHVILLE:

Thu 08/02	Fri 08/03	Sat 08/04	Sun 08/05	Mon 08/06	Tue 08/07	Wed 08/08
72°   65°	80°   64°	82°   64°	84°   65°	84°   65°	85°   66°	83°   65°
						
Thunderstorm	Thunderstorm	Chance of a Thunderstorm	Chance of a Thunderstorm	Chance of a Thunderstorm	Chance of a Thunderstorm	Chance of a Thunderstorm

### JALISCO:

Thu 08/02	Fri 08/03	Sat 08/04	Sun 08/05	Mon 08/06	Tue 08/07	Wed 08/08
83°   54°	85°   54°	82°   55°	79°   56°	80°   56°	82°   54°	83°   55°
						
Partly Cloudy	Clear	Clear	Mostly Cloudy	Chance of a Thunderstorm	Partly Cloudy	Clear

### SALINAS:

Thu 08/02	Fri 08/03	Sat 08/04	Sun 08/05	Mon 08/06	Tue 08/07	Wed 08/08
69°   52°	71°   54°	77°   54°	77°   55°	81°   56°	82°   58°	82°   58°
						
Partly Cloudy	Clear	Clear	Clear	Clear	Clear	Clear

### SELMA:

Thu 08/02	Fri 08/03	Sat 08/04	Sun 08/05	Mon 08/06	Tue 08/07	Wed 08/08
102°   62°	102°   63°	99°   64°	97°   65°	97°   66°	101°   69°	105°   71°
						
Partly Cloudy	Clear	Clear	Clear	Clear	Clear	Clear

## HUDSONVILLE:

Thu 08/02	Fri 08/03	Sat 08/04	Sun 08/05	Mon 08/06	Tue 08/07	Wed 08/08
83°   62°	81°   56°	91°   72°	90°   71°	86°   67°	81°   62°	82°   63°
						
Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Chance of a Thunderstorm	Chance of a Thunderstorm	Clear

## Good Buys

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### Pineapple!

Good news, pineapple fans! The sunshine season's sunniest fruit is showing stellar reports in the market with good quality, stable supplies, and steady FOB quotes. All the more reason to keep up with all the tropical trends on your menu for the remainder of the summer!

Pineapple may be praised for its sweet nectar, but your chefs are missing out if they're discounting their sweet-heat capabilities. Salsas, slaws, glazes, barbecue sauce, marinades, caramelized on the grill...savory tastes know no bounds when it comes to this exotic produce.

Did you also know that because its availability was a rarity in American cuisine, pineapples were served only on special occasions and became a symbol of hospitality? Even to this day, this sweet fruit has an exclusive charm that stands out amidst other dishes.

So let pineapple shine on your menu while it's still in its best season and don't say so long to sweet summer just yet!

## Fruits & Vegetables

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**Avocados:** EXTREME Markets have firmed up significantly and open market quotes are increasing daily on fresh avocados. We are seeing lighter inventories from our growers on all sizes and grades. We expect this condition to continue through the first week of October due to a shorter than expected startup of the Flora Loca crop combined with a very short California season. Going into the coming weeks, we are asking to be flexible on sizes and origins where possible and will need to sub to Peruvian fruit as soon as possible to ensure order fulfillment.

**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:** These continue to be a mixed market out of the Central Valley based on sizing. Deals are being made on smaller fruit while larger sizes continuing to draw a premium. We are seeing good volume on the following varieties: Sugraone, Flames, Ivory and Summer Royals.

**Kiwi:** Good supplies available on Chilean product.

## **Berries**

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**Blueberries:** Quality is good, and prices are steady.

**Blackberries:** Quality is good, and prices are steady.

**Raspberries:** Quality is good and supply is good.

**Strawberries:** Quality is improving, and supply is good.

## **California / Arizona Citrus**

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The lemon market has become very EXTREME. 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: ACT OF GOD** As stated previously, this is primarily due to the very hot weather which has matured the fruit much faster than normal leaving us with virtually no supply and very standard grade fruit. Please note, prices will be very high, and product will be short until this is resolved. Other contributing factors:

- Arrivals from Argentina into the East Coast are fewer than expected.
- Chile has been sending fruit to locations outside of the US, in expectation of Argentina arrivals into the USA, which as noted above, are not happening at the usual volume.
- Various rain events in Argentina and Chile causing gaps in harvest/packing.
- Uncertain Mexico supply remains in question in terms of total volume for the season due to cold weather which slowed fruit production at the beginning of the year.

Between now and October (when desert production is in full swing), we expect to see severe pro rates. Produce Alliance recommends accepting flexibility in size and grade as a key to mitigating this situation.

**Limes: WATCH LIST** The market is increasing in price due to the new crop being behind. The quality on limes is very poor, and supplies are tight.

**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.
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- New Zealand Meyers are available.
- Halos and Cuties are available.

### **California Lettuce**

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**Butter:** Supplies are lighter than normal. Demand is good, and quality is average.

**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 lighter, and we should see this market get tighter. Quality is good.

**Romaine:** Supplies are slightly above normal. Demand is average, and quality is good with occasional light fringe burn.

**Romaine Hearts:** Supplies are slightly above normal. Demand is average, and quality is good.

### **Eastern and Western Vegetables**

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**Green Bell Pepper:** In the East, the green bell pepper market is higher than usual. There are plenty of local offerings, but no major volume to meet full demand. Once Michigan begins next week we will see FOBs decline. Quality is mixed by region. In the West, with Bakersfield mostly out of the mix, Stockton and Coastal CA are lighter than expected this week firming prices up this week. Quality is good along the coast and the inland areas are seeing some quality issues related to heat.

**Red Bell Pepper:** Production in the West is steady. Quality is excellent.

**Yellow Pepper:** Production has eased bringing the market off with deals being made on choice. 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!

**Mixed Chili Pepper (Jalapeno, Anaheim, Poblano, Serrano):** Supplies remain steady in the East on core pepper varieties while quality in the west is hit or miss as transition on domestic product is slow to start. Baja continues crossing decent quality on the core line of product.

**Eggplant:** Great volume continues from the East with steady FOBs and plenty of local deals available. The hot temperatures in the West are causing a decrease in volume which is driving FOBs upward a few dollars. Quality is fair to good.

**Cucumbers:** Limited availability continues in the East as Michigan gets off to a very slow start. Demand is firm with light supplies. FOBs are high, but fairly steady. Quality has been nice. Demand from the East is still putting pressure on the West, but supplies have been increasing. FOBs are falling, but a little slower than expected due to higher demand. Quality is excellent.

**Green Beans:** The bean deal out the East remains firm due to weather-related quality issues. West coast supplies are hit or miss, but we should see some relief over the next two weeks.

**Zucchini and Yellow Squash:** Although the growing regions are very fragmented in the East, there is still plenty of squash to go around. FOBs are steady. Quality continues to be nice from all regions with the exception of occasional scarring on yellow squash. In the West, Santa Maria is producing great quality with a little movement in pricing by about \$2. This is a result of Baja going through a short gap period with lighter than usual supplies. However, there is still enough product to meet demand.

## Herbs

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Mother Nature has been turning up the heat in almost all of the California growing regions this week. Temps are running about 10+ degrees higher than usual. Listed below are some of the side effects from this:

**MARJORAM, THYME, AND OREGANO** All are flowering due to the heat wave. We are trimming back as much as we can, but you will see some occasional flowers on these items.

**DILL:** In the heat, fresh dill bolts which means that the stems grow faster than normal and are thicker. We will be trimming.

**ROSEMARY:** Product is showing a small amount of tip burn.

**BASIL:** No issues as our growers continue to watch over this crop.

**CHIVES:** There are no issues with chives as they are grown in Mexico year-round. The local chives are having a lot of tip burn.

HERB	SUPPLIES	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Good	USA
Basil	Steady	Good	USA
Opal Basil	Steady	Good	USA
Thai Basil	Steady	Good	USA
Bay Leaves	Steady	Good	COLOMBIA
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
Lemon Thyme	Steady	Good	USA
Lavender	Steady	Good	USA
Lime Leaves	Steady	Good	USA

## **Melons**

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**Cantaloupe:** Supplies are plentiful as continued warm weather is pushing the crop forward. Sizing is still leaning heavy to 9's with limited supply on 12's and 15's. Quality on the new crops is outstanding, brix levels are at 13-14% with occasional higher levels, and a good external appearance is showing even netting and full slips. Some deals in the East are being offered on the Athena variety in bins.

**Honeydew:** Supplies are plentiful as continued warm weather is pushing the crop forward. Quality is excellent with sugar levels ranging from 12 to 14. Sizing mix is heavy to 5's with limited supply on 6 and 8's.

**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**

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

**Arugula:** Quality and supplies are fair.

**Asparagus:** The weather in Mexico and Peru continues to affect sizing of jumbo asparagus which has been smaller than normal. We are working with our growers to determine when we can expect sizing to return to normal. We apologize for any inconvenience this may have caused and will continue to monitor the situation and keep you updated.

**Bok Choy:** Quality is average, and demand is fair.

**Broccoli / Broccoli Florets:** The market and supplies are steady. Demand is good.

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

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

**Cauliflower:** Supplies remain steady. Quality is fair.

**Celery:** Supplies are higher than last week. Demand is steady, and quality is fair.

**Corn:** Good volume continues to become available on yellow and white product out of the San Joaquin Valley corn market (yellow, white and bi-color). Good supplies are also available out of Carolinas, Indiana and Illinois. Good time to promote, quality is excellent.

**Cilantro:** Supplies are light due to quality.

**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 continue to improve throughout the Midwest. Sizing is still smaller with larger product availability slowly improving. West coast volume and prices are mostly stable.

**Green Onions: Iced** - The market remains sluggish due to crossings from New Mexico and plenty of local home grown in eastern growing areas. **Iceless** - The market is good and should remain steady.

**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):** Supplies and quality are fair due to wind burn and heat damage.

**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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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 overall are plentiful. Size profiles on yellow onions are now flipping and there will be more mediums than jumbos, colossals and super colossals. Rainy weather has hit the New Mexico valley the last 4 days which has stopped harvest causing a brief shortage in supply, but once they are back into the fields we should see back to normal. 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.

### **Potatoes:**

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The current Burbank storage crop is winding down and the market has leveled off. Some of the larger Carton prices have lowered because many growers are looking to finish their crop. Quality is fair with much pressure bruising and internal issues. Growers are slowing down to grade as hard as possible with lower pack-outs. Supplies are expected to remain short until the new Norkotahs crop becomes available around the beginning of August. Transportation has been challenging and rates have continued to increase.

### **TOMATOES - EAST**

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- **Rounds:** Rain has stalled harvest for the last 3 days; however, it hasn't affected total volume available. FOBs are steady with plenty of fruit available. Prices may increase in the next 7 days if the rain continues. Quality has not been affected. Fruit is excellent from all regions.
- **Romas:** Product is available in many local areas in the East with Tennessee and Alabama being the primary areas. FOBs are mixed this week and quality is excellent from all areas.
- **Grapes:** Supplies are primarily coming from Virginia; continued rain will delay harvesting day to day causing markets to remain firm. Quality is still good despite the rain.
- **Cherries:** Supplies are steady out of Tennessee and Virginia; FOB prices are steady, and quality is still good despite the rain.

### **TOMATOES - WEST AND MEXICO**

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- **Rounds:** Big volume is still coming from the West. Some growers are slowing production due to the abundance of supply and lack of demand. However, this is not having an effect on FOBs. Market prices will remain the same into next week. However, there is a somewhat split market with lower quality fruit

available for a rock bottom price. Temperatures continue to press close to above the 100-degree mark, impacting quality. Most CA tomatoes are soft, full red and have a very short shelf life.

- **Romas:** The market continues to firm up on the West Coast due to lighter supply, Quality is varied farm to farm, but overall it has been decent.
- **Grapes:** Baja & Eastern Mexico are both producing only moderate supply. FOBs prices have eased back this week. Quality remains excellent.
- **Cherries:** Baja's supply has tightened up just enough to push prices upward \$1-2. Good quality is still available.

## **APPLES & PEARS**

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**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**

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- **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.