

# Weekly Market Review

August 9, 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 also **EXTREME**. Romaine commodities are steady.

## Market Alert

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

## Watch List

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








**Green Beans:** The bean deal out the East remains firm due to weather-related quality issues. West coast supplies are hit or miss as ongoing heat-related issues are impacting production. Some supplies are crossing through McAllen; however, they are hit or miss on the actual arrival dates. Pricing continues to rise while quality remains fair at best. We are not expecting relief until mid-August.

## 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 08/09	Fri 08/10	Sat 08/11	Sun 08/12	Mon 08/13	Tue 08/14	Wed 08/15
84°   66°	81°   65°	81°   63°	83°   63°	80°   61°	81°   61°	84°   63°
						
Partly Cloudy	Chance of a Thunderstorm	Chance of a Thunderstorm	Clear	Chance of a Thunderstorm	Clear	Clear








### JALISCO:

Thu 08/09	Fri 08/10	Sat 08/11	Sun 08/12	Mon 08/13	Tue 08/14	Wed 08/15
78°   59°	78°   59°	78°   59°	77°   59°	76°   58°	75°   57°	77°   58°
						
Chance of a Thunderstorm	Chance of a Thunderstorm	Chance of a Thunderstorm	Chance of a Thunderstorm	Chance of a Thunderstorm	Chance of a Thunderstorm	Chance of a Thunderstorm








### SALINAS:

Thu 08/09	Fri 08/10	Sat 08/11	Sun 08/12	Mon 08/13	Tue 08/14	Wed 08/15
73°   54°	75°   55°	71°   54°	68°   53°	68°   54°	68°   54°	68°   55°
						
Fog	Clear	Partly Cloudy	Partly Cloudy	Clear	Partly Cloudy	Partly Cloudy

## SELMA:

Thu 08/09	Fri 08/10	Sat 08/11	Sun 08/12	Mon 08/13	Tue 08/14	Wed 08/15
104°   66°	103°   67°	99°   68°	99°   68°	99°   68°	98°   67°	97°   67°
						
Partly Cloudy	Clear	Clear	Clear	Clear	Clear	Clear

## HUDSONVILLE:

Thu 08/09	Fri 08/10	Sat 08/11	Sun 08/12	Mon 08/13	Tue 08/14	Wed 08/15
84°   64°	86°   62°	85°   62°	85°   63°	87°   64°	86°   68°	81°   63°
						
Chance of Rain	Partly Cloudy	Partly Cloudy	Clear	Clear	Clear	Chance of a Thunderstorm

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## Good Buys

### Romaine Hearts!

We know what you're thinking; the word "Romaine" has had a tricky amount of pressure added to it this year. However, according to our Procurement team, supplies are on the higher side with good signs coming from both demand and quality!

The beauty of the produce industry is its backbone of hardworking growers and shippers. Getting back to normal routines and erasing stigmas attached to Romaine has been the goal of many, and it's shown in the optimism of industry leaders and quality of the product (as discussed here in a recent article on [The Packer's website](#)).

So eat Romaine! Grill it and top with seasonal sweet corn and avocado salsa. Toss it into fresh summer salads with a bright miso dressing. Get back to prepping it for healthier versions of tacos and wraps. As always, be aware and informed of important FDA updates on fruits and vegetables, but whatever you do, don't count out this trusty leafy green just yet.

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## Fruits & Vegetables

**Avocados:** EXTREME Markets continue to rise 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. This is 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:** Continue to be a mixed market out of the Central Valley based on sizing. Deals are being made on smaller fruit while larger sizes continue 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 supplies are plentiful.

**Blackberries:** Supplies are good; however, the heat in the northern growing area of California is causing the berries to mature faster causing some issues with quality.

**Raspberries:** Supplies are steady; however, the heat in the northern growing area of California is causing the berries to show some quality issues.

**Strawberries:** The heat in the northern growing area of California is causing the berries to mature faster than normal. This also causes a drop in size and soft/bruising berries.

## **California / Arizona Citrus**

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The lemon market is in an **ACT OF GOD**. We are seeing extreme shortages in supply as well as much higher prices. The demand for Valencia's has far exceeded supply as well. 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.
- New Zealand Meyers are available.
- Halos and Cuties are available.

**California Lettuce**

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**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 continue to be lighter. Demand is up slightly and quality has been very 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 and quality are both 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. With Michigan ramping up we are finally seeing some relief in the East and a slight decline in FOB prices. Quality is mixed by region. In the West, supplies are ramping up in Stockton and Coastal CA bringing prices down 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, and 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: WATCH LIST** The bean deal out the East remains firm due to weather-related quality issues. West coast supplies are hit or miss as ongoing heat-related issues are impacting production. Some supplies are crossing through McAllen; however, they are hit or miss on the actual arrival dates. Pricing continues to rise while quality remains fair at best. We are not expecting relief until mid-August.

**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 continues to be in the news this week as the US seems to be under a heat advisory. In Southern California, our growers have been doing a great job maintaining the quality of the product and our shipping department has been great at shipping the fresh herbs.

**MARJORAM, THYME, AND OREGANO:** Supplies remain steady with some occasional flowering.

HERB	SUPPLIES	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Good	USA
Basil	Steady	Good	USA/MEXICO
Opal Basil	Steady	Good	USA
Thai Basil	Steady	Good	USA
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	Limited	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	USA/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, and brix levels are at 13-14% with occasional higher levels, and a good external appearance 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:** Supplies are lighter due to heat and demand is very 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 normal, the market is steady with very light demand, and quality is good in Salinas and fair in Michigan.

**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 are light and quality is fair due to the heat wave.

### **Onions:**

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The summer onion season is winding down and the Northwest is in the beginning stages. Quality is strong out of all regions, and yellow supplies overall are plentiful. Red onion supply has increased which has allowed for pricing to come off. Yellow onion pricing has remained relatively steady, but we can expect the market to be volatile as the Northwest begins to increase volume while the several other regions overlap. The Northwest crop is looking good, but they do have 5 days of high heat which they believe will stunt growth cycles and bring the tops down early.

### **Potatoes:**

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Harvest is finally underway, and many growers have started packing fresh crop Norkotahs out of the field. There will still be some storage crop Burbanks available until the end of the month. The market seems to be all over the place as there is a bit of an overlap and everyone is trying to get a sense of the market and forecast. Quality appears to be excellent on the fresh crop as there were optimal growing conditions. The sizing is expected to be on the larger side and harvest will continue through the end of September.

### **TOMATOES - EAST**

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- **Rounds:** Rain has stalled harvest for the last 3 days; however, it hasn't affected total available volume. FOBs are steady with plenty of fruit accessible. Prices have ticked upward this week due to rain-related supply and quality issues. Fruit quality will vary by region. Fortunately, the forecast this week calls for less precipitation which will allow a ramp up in production and fewer rain delays.
- **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. However, do expect a tick upward on pricing next week with a stranger demand on the horizon.
- **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 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 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 storage supply of the major varieties of apples through the remainder of summer, and we have finished packing all varieties. The quality, condition, and color on almost all varieties looks very good. New crop gold varieties and galas are starting up this week, followed by Fuji in two weeks. Granny and Red Varieties are projected to ramp up the first week of September followed by pinks in October.

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

**Pears:** New crop Bartlett pears have started with good supply available especially on the larger (70's to 100's) sizes. Expect to see new crop Bosc and D 'Anjou start first week of September.

## **STONE FRUIT AND CHERRIES**

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- **Plums:** Moderate supply and steady demand has kept a firm FOB market in the high teens to mid-20's 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. We expect the summer harvest to finish up mid-September.
- **Nectarines:** Supplies are good on yellow and white tray packs as well as volume fill out of the San Joaquin Valley. Volumes will begin a slow decline this week with the end of season expected sometime mid to late September.
- **Cherries:** This market is officially done for the season.
- **Italian Plums:** Production is starting up out of the Northwest. The first sign fall is near!
- **Northwest Yellow/White Peach and Nectarines:** These are now available out of the Northwest as well as California.