

Weekly Market Review

September 27, 2018

Overview

Most commodities are steady. Valencias and lemons are still in an **ACT OF GOD** with higher prices and shortages in supply. Most West Coast vegetable items are steady.

Hurricane Florence has delivered a devastating blow to the agriculture industry throughout the Carolinas. Produce Alliance is doing its best to keep you updated on market conditions throughout the region. Our growers are assessing their damages and will continue to keep our PA team updated. Please continue keep the grower community in your thoughts, and we thank you for your understanding and patience during this time.

Market Alert

- Cilantro – **EXTREME**
 - English Cucumbers – **EXTREME**
 - Green Onions – **ESCALATED**
 - Lemons – **ACT OF GOD**
 - Mushrooms – **ESCALATED**
 - Oranges (Valencias) – **ACT OF GOD**

Watch List

Sweet Potatoes and Yams: This market has spiked due to heavy damage in the Carolinas. Growers are currently assessing the damage, so it is still too soon to react. However, supplies are still good out of Mississippi. We are reviewing daily and will continue to keep you posted.

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

HERMOSILLO:

Thu 09/27	Fri 09/28	Sat 09/29	Sun 09/30	Mon 10/01	Tue 10/02	Wed 10/03
102° 73°  Clear	98° 74°  Clear	96° 75°  Clear	94° 74°  Chance of a Thunderstorm	93° 73°  Partly Cloudy	90° 72°  Chance of a Thunderstorm	90° 71°  Chance of a Thunderstorm

JALISCO:

SALINAS:

Thu 09/27	Fri 09/28	Sat 09/29	Sun 09/30	Mon 10/01	Tue 10/02	Wed 10/03
70° 54°  Fog	65° 55°  Clear	67° 55°  Clear	68° 54°  Partly Cloudy	68° 54°  Mostly Cloudy	66° 54°  Chance of Rain	67° 53°  Chance of Rain

MOULTRIE:

Thu 09/27	Fri 09/28	Sat 09/29	Sun 09/30	Mon 10/01	Tue 10/02	Wed 10/03
89° 71°  Chance of a Thunderstorm	88° 70°  Chance of a Thunderstorm	89° 70°  Chance of a Thunderstorm	86° 70°  Chance of a Thunderstorm	85° 68°  Chance of a Thunderstorm	87° 66°  Partly Cloudy	88° 66°  Clear

PALMETTO:

Thu 09/27	Fri 09/28	Sat 09/29	Sun 09/30	Mon 10/01	Tue 10/02	Wed 10/03
91° 74°  Partly Cloudy	91° 74°  Partly Cloudy	91° 74°  Partly Cloudy	90° 74°  Chance of a Thunderstorm	91° 74°  Clear	90° 73°  Chance of a Thunderstorm	91° 73°  Clear

SELMA:

Thu 09/27	Fri 09/28	Sat 09/29	Sun 09/30	Mon 10/01	Tue 10/02	Wed 10/03
99° 58°  Partly Cloudy	95° 56°  Partly Cloudy	84° 54°  Clear	83° 55°  Partly Cloudy	85° 59°  Partly Cloudy	77° 56°  Chance of Rain	79° 56°  Clear

Good Buys

Persimmons!

When it comes to popular fall produce, we all typically have an idea of who takes the cake (*cough cough* pumpkins). However, there's another bright orange pick here to steal our little hearts this season: persimmons!

Persimmons are among autumn's beautiful unappreciated bounty. Think the texture of a tomato meets the tang of a peach. There are two main players when it comes to persimmons: the Fuyu variety (squat and crunchy) and Hachiyas (darker skin and acorn-shaped).

These two types differ in astringency. Fuyus have a mildly sweet flesh that are delicious raw, baked, or paired with savory ingredients, whereas Hachiyas are on the opposite end. Though they are firm to begin with, it's necessary to wait until Hachiyas soften to cook with in order to reap their greatest benefits. Don't worry, you'll be rewarded with rich, custard-like flavors perfect for baked goods, ice cream, cocktails, and more.

Harvest is just beginning for these festive mini fruits and will last all the way through the New Year, giving your chefs plenty of time to incorporate this seasonal treat into holiday menu line-ups. Once your customers give persimmon-based dishes a try, they won't be able to stop!

Fruits & Vegetables

Avocados: Markets continue to ease back as inventories begin to improve and relieve pressure on the markets. Sizing is still mixed and shorter on the smaller grades. We expect this condition to continue through the first week of October. Due to the lower markets, the growers in Mexico are scaling back production to

stabilize the freefall. Outlook for September remains volatile. October should return to normal supply barring no weather events or unrest.

Bananas: Demand on this item remains firm and supplies are expected to remain good through the rest of the year. Quality is good.

Pineapples: Volumes will remain light through September as strikes in Costa Rica continue. We hope to see this improve over the next two weeks. Quality and sizing are stable; and we do expect good volumes for October through the remainder of the year.

Grapes: Grape markets out West are up this week as the availability has gone down and demand has increased. Markets out East are steady with good supplies and demand. Cherry markets are unchanged today with adequate supplies and demand. Northern California round markets are weaker on Gas Green product while out East we are showing light demand and adequate supplies. Supplies out of SD are so light that there is no real market for rounds and supplies out of Mexico are steady with moderate demand. Roma markets continue to increase out West as there is very good demand and light supplies. Markets out East are steady with good demand a steady demand.

Kiwi: Good supplies available on Chilean product.

Berries

Blueberries: Quality is good and supplies are plentiful.

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

Raspberries: Supplies are average; 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. Supply is currently short and prices are rising.

California / Arizona Citrus

The lemon market is still in an **ACT OF GOD; however, we are seeing some improvement and prices are coming down slightly.** The Valencia market is improving slightly as well. Markets will remain high all year as the domestic crop has come up extremely short.

Valencia's: ACT OF GOD However, we are seeing improvement. 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 Valencias. We also have one supplier that will not have any small fruit at all and has evoked an **ACT OF GOD. Although we are seeing improvement, we are being told that the orange market will remain high all year.**

Lemons: ACT OF GOD However, we are seeing improvement. As stated previously, this is primarily due to the very hot weather causing the fruit to mature 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: Demand has been steady this past week, though large fruit remained a little bit tighter. New crop will start to appear in a few weeks. Pricing remains steady and we should see a little drop once new crop is in full swing.

Grapefruit: Summer Marsh Ruby variety is available right now in Southern CA. Sizes are peaking for 36/32/27, mostly fancy grade. Desert crop grapefruit will be expected to start in November.

Imports/Specialties available:

- South African/Chilean/Australian navels A
- Australian mandarins
- Chilean clementines
- Uruguayan mandarins
- Cara Caras/Blood Oranges

California Lettuce

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

Green and Red Leaf: Red leaf supplies are light. Demand is good, quality is good. Green leaf supplies are normal quality. Demand is good.

Iceberg Lettuce: Supplies for this week look to be extremely below budget. Quality has been steady, but there have been reports that weights will be below normal. The market is very active and is expected to be higher into the weekend.

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

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

Eastern and Western Vegetables

Green Bell Pepper: Supply is starting to tighten with FOBs moving up about \$2 across the market. Quality continues to be a bit of a challenge due to vicious rain and heat cycles.

Red Bell Pepper: Supplies and quality are excellent; deals are being made on volume.

Yellow Pepper: Supplies and quality are excellent; deals are being made on volume

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 are lighter and FOB prices are up a few dollars across the entire category. West Coast remains consistent on price; however, quality is suffering due to heat-related issues.

Eggplant: Supplies are a little snug with Michigan done and Georgia just beginning. Prices are up with mostly good quality available. New winter crop will be available out of Nogales the 3rd week of October. South Georgia will begin the first week of October.

Cucumbers: There is currently a very active market in the East. Michigan is mostly done with very limited supply coming from the region. Local fall crops will be ramping up after the first week of October. West Coast product crossing through Nogales is expecting to start 3rd week of October. Baja supplies remain snug. FOB markets remain firm and quality is mixed due to current supply being harvested from old and tired plantings. However, the new crop product looks great.

English Cucumbers: EXTREME Supplies are very short due to a GAP in Canadian production combined with a slow start to new greenhouses in the West. In addition to the mainland shortages, import product from Spain has been delayed and expected to arrive this week. This should bring some relief.

Green Beans: Markets are improving, harvest estimates are back on target, and quality is good in the East. On the West Coast, the prices are down a few dollars; however, there are still quality issues with West Coast beans due to the heat. We are seeing a lot of product being transferred from the East to West Coast to compensate for the shortfalls.

Zucchini and Yellow Squash: With Michigan mostly done and the Eastern Carolinas having only light supplies, markets are a little active and moving up. Georgia is just beginning, but the region is not producing enough supply to cover demand. Quality is fair to good. Nogales will start crossing this next week.

Pumpkins: Now available out of Indiana and Michigan.

Herbs

We are still in our transition from California to Mexico for the next two weeks. Because of the transition, supplies may be limited on basil as logistics get settled in for the winter. We will keep you posted on any issues.

MARJORAM, BAY LEAVES and TARRAGON: All of these herbs continue to be limited in supply due to weather (too hot) and some rain (Mexico).

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	Improving	Improving	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

Cantaloupe: Supplies are starting to be affected by the cooler weather in the Central Valley. Smaller-sized fruit is now becoming more available and anticipated to be the norm through October. Quality on the new crops is outstanding, brix levels are at 14 to 16 with occasional higher levels, and fruit is showing a good external appearance with even netting and full slips. Markets will remain stable.

Honeydew: Honeydew supplies are also seeing a shift to smaller sizing due to the cooler weather; however, quality will remain outstanding with sugar levels ranging from 12 to 14. Markets will remain stable.

Watermelon: The seedless watermelon market is mixed due to lighter supply, mostly a result of heavy rain. Demand remains firm due to warm weather and heavy school business. Supplies are loading out of Texas, Michigan, Oklahoma, Indiana and California.

Mixed Vegetables

Artichokes: Quality is excellent, and demand is good.

Arugula: Quality and supplies have improved and product is available.

Asparagus: Supplies are steady, and prices and quality are good.

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

Broccoli / Broccoli Florets: The market is active. Prices are higher this week than last.

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

Carrots: We are seeing both good quality and volume.

Cauliflower: Quality is good and supplies are plentiful.

Celery: Supplies are normal and quality is good out of Salinas. Michigan celery is small with some quality issues.

Corn: Good quality is mixed out of Michigan and New York. South Georgia will be ramping up soon.

Cilantro: EXTREME Supplies and quality are improving, but we are still seeing higher prices and slight shortages.

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

Garlic: The market is about 50% done with the 2017 crop. Supplies are steady and prices remain high on domestic product.

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: The cabbage market is easing in the Midwest (Wisconsin) as well as the West Coast. Markets are still firm.

Green Onions: ESCALATED Iced –The market is active due to lighter supplies. **Iceless** - Like the iced market, the iceless market is active due to lighter supplies.

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 below normal this week, but demand and quality are both good.

Parsley: (Curly, Italian) Quality 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 remain firm despite decent supplies out of the Midwest. 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 and product is available.

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

Spring Mix: Supplies are improving and quality is fair.

Sweet Potatoes and Yams: WATCHLIST This market has spiked due to heavy damage in the Carolinas. Growers are currently assessing the damage, so it is still too soon to react. However, supplies are still good out of Mississippi. We are reviewing daily and will continue to keep you posted.

Onions:

Idaho/Oregon and Washington are now shipping all three colors fresh out of the field. Quality is strong to start, and harvest is running smoothly with minimal interruption or weather concerns. Skin is starting to get better as the onions continue to cure down. While sizing on yellows is still peaking to jumbos, the availability of larger-sized onions is improving. We are seeing Colossal and Super Colossal in better supply, which has resulted in some reduced pricing on these items. We are seeing white onions are still in short supply and remain elevated in price. Reds are much more plentiful as well, and those prices have also been reduced. Overall, the season appears to be leaning toward a more 'normal' year in terms of size, yield and quality. What was once expected to be a very large crop, has been reduced size in part to the heat wave the Northwest has been experiencing over the last several weeks.

Potatoes:

Harvest season continues and all growers are shipping Norkotahs out of the field. Quality and availability have been very strong across the board on most sizes. There is an abundance of large potatoes with somewhat unstable pricing. We do not anticipate the new crop Burbanks becoming available until around the middle of October. By that time, all potatoes will be coming exclusively out of storage and should be through the sweat and curing process. Transportation has been challenging and we are seeing rates increase.

TOMATOES - EAST

- **Rounds:** With only a few weeks left in the late summer crop, Alabama and Tennessee are still harvesting light, but steady supplies. Fall crop out of South Carolina has been damaged by Hurricane Florence, and we expect new crop to begin out of South Georgia and Florida over the next 2 weeks. Overall demand remains

very weak. FOBs are down about \$2, but we do not expect this to hold into the following week. Quality has been various from all regions and field by field, but overall, it has been good.

- **Romas:** Light supplies are still coming from mostly the Tennessee region. Demand has spiked this week driving prices up 1-2 dollars. Quality has been various from all regions and field by field, but overall, it has been good.
- **Grapes:** With Virginia and Carolinas being hit by Hurricane Florence, we are seeing a steep dip in supply on the East Coast. Expect markets to be firm over the next 2 weeks. Currently FOB prices are up by 2-3 dollars with a mixed bag of quality by region.
- **Cherries:** These are experiencing lackluster demand as well, and will move into next week unchanged. Quality is mostly good, but they occasionally will show signs of rain and heat stress concerns.
- **Organic Tomatoes:** We expect good supplies to ramp up on organic tomatoes from our grower by mid-October.

TOMATOES - WEST AND MEXICO

- **Rounds:** Demand is flat but markets remain firm due to lighter supply and lack luster quality. Prepare to see shorter than expected supply due to the heat-related issues.
- **Romas:** Supplies are snug keeping firm pressure on FOBs. Prices are unchanged this week, but expect them to begin falling as newer blocks come online. Quality is improving out of California and Mexico.
- **Grapes:** Demand & supply has been mostly steady. FOBs are expected to remain the same. Quality is good to excellent.
- **Cherries:** Supplies remain snug, yet steady. FOBs will remain unchanged. Quality is mostly good, but some shippers are showing light color.

APPLES & PEARS

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

- **Plums:** Markets continue to get snug on black and red varieties. The season will be winding down over the next few weeks.
- **Peaches:** Supplies are winding down rapidly out of California and should clean up by the end of the month. Yellow and white flesh varieties are available out of the PNW loading in Yakima.
- **Nectarines:** Supplies are winding down rapidly out of California and should clean up by the end of the month. Yellow and white flesh varieties are available out of the PNW loading in Yakima.
- **Italian Plums:** Steady production and good quality continue to come out of the PNW.