

Weekly Market Review

October 11, 2018

Overview

Valencias and lemons are still showing higher prices than normal for this time of the year, but they continue to improve weekly. Due to Hurricane Michael, several commodities will become very short this week and could potentially remain in **EXTREME** markets for several weeks. We are also closely watching Tropical Storm Sergio as it is expected to make landfall off the coast of the Baja Peninsula this evening. Please see below for more information regarding these two storms.

Market Alert

- Cabbage (Green and Red) – **EXTREME**
- Cilantro – **EXTREME**
- Corn – **EXTREME**
- Green Onions - **EXTREME**
- Lemons – **EXTREME**
- Mushrooms – **ESCALATED**
- Oranges (Valencias) – **EXTREME**
- Sugar Snap Peas - **EXTREME**

Watch List

- Mixed Chili Pepper (Jalapeno, Anaheim, Poblano, Serrano)
- Sweet Potatoes and Yams
- Roma, Grape, and Cherry Tomatoes (East, West, and Mexico)
- **Items affected by Hurricane Michael:** Cucumber, Corn, Beans, Green Bell Pepper, Eggplant, Italian Squash, Yellow Squash

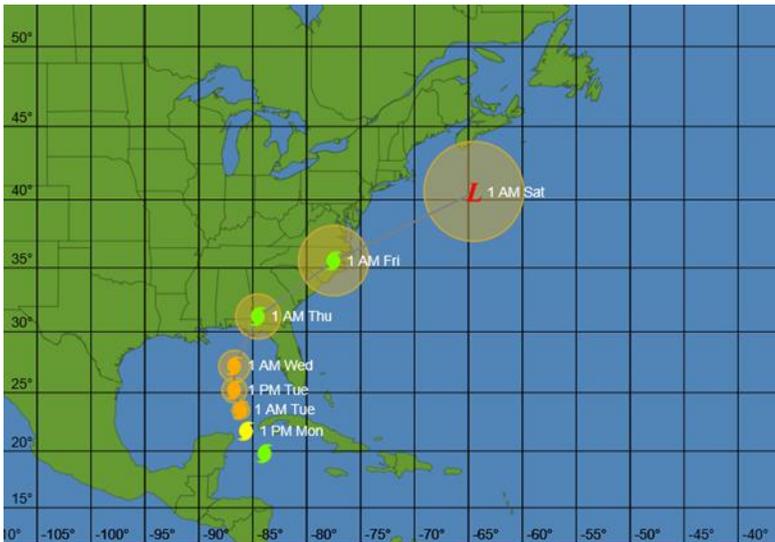
We will continue to keep you updated as we receive crop reports from our Georgia and Florida Panhandle growers.

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

Hurricane Updates



Hurricane Michael

Hurricane Michael barreled through the Florida Panhandle as well as South Georgia with sustained winds in excess of 140 miles per hour. Fortunately, it was a fast-moving storm and is already departed Georgia, but quite a bit of damage was left behind to the following crops: **Cucumber, Corn, Beans, Green Bell Pepper, Eggplant, Italian Squash, Yellow Squash** (at the very least in Georgia). It will also affect all tomato product out of Quincy, Florida. It is too soon to completely evaluate the damage as some growers are not able to reach their land due to downed trees and powerlines. However, we will update you as soon as possible. Please expect the markets on the items listed above will become very short this week and could potentially remain in **EXTREME** markets for several weeks.



Tropical Storm Sergio

In addition to dealing with the effects of Hurricane Michael in the East, we are closely tracking the Tropical Storm Sergio's status off the coast of the Baja Peninsula. This storm has been churning in the Pacific now for

Good Buys

Pumpkins!

Now what kind of produce experts would we be if we didn't praise one of autumn's greatest bounties! The pumpkin surplus has begun bringing pumpkin spice and everything nice (the joke was there, sorry we had to!).

From classic Jack-O-Lanterns to sugary sweet "pies," Reports from the fields luckily show a strong start for pumpkin crops and forecast a long and happy season.

Like any other hard-skinned squash, pumpkins are talented in the kitchen. PA's very own Chef Steph explains that though they can withstand roasting, baking, or frying, they are typically at their best when allowed to completely break down into sauces, purees, and soups. Pumpkin puree freezes very well, so consider keeping your freezer stocked with small portions of it. Adding it later to curries and other dishes gives instant body and sweetness.

Stay tuned for more pumpkin praise in the Q4 Produce Alliance Cutting Board! Coming to your email inbox very soon. 😊

Fruits & Vegetables

Avocados: There is still sufficient supply in the pipeline and availability from all origins. Despite low demand, the market remains stable. By mid-October, Mexico will be the dominant source of supply, as both the California and Peru seasons are coming to an end. As long as harvest flow from Mexico is consistent, the market is expected to remain stable.

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

Pineapples: Good volumes and high-quality product are predicted for October as sizing has and will continue to improve on larger counts. We do expect good volumes for the remainder of the year.

Grapes: Red grapes are mostly Scarlet Royal, Allison, and Vintage Reds. Green grapes that are currently being harvested are Autumn King. These are showing great size and flavor. Red Globes are available with good volumes, and Autumn Royals have started being harvested as the Summer Royals finish up.

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 much faster causing some quality issues.

Raspberries: Supplies are average; the heat and rain in the Northern growing area of California is causing the berries to show some quality issues.

Strawberries: The heat and the rain in the Northern growing area of California is causing the berries to show some quality issues. Supply is currently short and prices are rising.

California / Arizona Citrus

The lemon market is **showing some improvement and prices are coming down**. 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: EXTREME However, we are seeing weekly improvement in this market with good quality and better prices.

Lemons: EXTREME However, we are seeing improvement in this market. 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 somewhat higher than normal. We expect weekly improvement until November when we expect stable prices.

- 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: Green leaf supplies are light, but demand and quality are good. Red leaf supplies are normal, demand is average, and quality is good.

Iceberg Lettuce: Supplies are slightly higher than last week, but they still continue to be below budget. Quality has been very good.

Romaine: Supplies are slightly below normal, demand is strong, and quality is clean.

Romaine Hearts: Demand and quality are good, and supplies are slightly below normal.

Eastern and Western Vegetables

Green Bell Pepper: WATCH LIST Supplies will be disrupted out of South Georgia until crop evaluations are made post-Hurricane Michael for all South Georgia production; markets are currently very active and supplies are limited. We are seeing a firmer market in the West as well with cooler rainy days this week and fair quality.

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): WATCH LIST Supplies on the East Coast are tight as local deals wind down and South Georgia and Florida are slow to pick up the slack. Quality is fair and FOB prices are up an average of \$2.00 across the entire category. West Coast markets are very short as California recovers from rain showers. Baja is slow to recover and growers are evaluating the damage left behind by Rosa. Expect markets to jump by 4 to 5 dollars in the West.

Eggplant: WATCH LIST Supplies will be disrupted out of South Georgia until crop evaluations are made post-Hurricane Michael for all South Georgia production; markets are currently very active and supplies are limited. However, some scattered local deals are still available in NJ, SC & NC. Quality has been fair at best recently, but it is expected to improve as growers get into new acreage in the next two weeks. New winter crop will be available out of Nogales the 3rd week of October.

Cucumbers: WATCH LIST Supplies will be disrupted out of South Georgia until crop evaluations are made post-Hurricane Michael for all South Georgia production; markets are currently very active and supplies are limited. West Coast product crossing through Nogales is ramping up, while Baja supplies remain snug. FOB markets are still high and quality is decent.

English Cucumbers: Good supplies are now available from Spain and Holland eliminating pro-rates as well as showing decreases in the market. We should continue to see improvements; new crop from Mexico should ramp up in two weeks.

Green Beans: WATCH LIST Supplies will be disrupted out of South Georgia until crop evaluations are made post-Hurricane Michael for all South Georgia production; markets are currently very active and supplies are limited. We are seeing a firmer market in the West as well with cooler and rainy days this week and fair quality.

Zucchini and Yellow Squash: WATCH LIST Supplies will be disrupted out of South Georgia until crop evaluations are made post-Hurricane Michael for all South Georgia production; markets are currently very active and supplies are limited. The market remains tight on green, and yellow is readily available in the West. Nogales is now crossing and ramping up, while California is winding down.

Pumpkins: Now available out of

Indiana and Michigan.

Herbs

Supplies continue to be steady as we transition into our new fields for the winter in Mexico.

Marjoram and **Tarragon** are the only fresh herbs that are limited in supply. **CHIVES** continue to be in good supply and quality is very good. **BASIL** supplies are steady and quality has been really good for the start of the new winter season.

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	Fair	COLOMBIA/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	Fair	Fair	MEXICO
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: Rain has hit the growing regions last week which curtailed packing for a couple of days. This allowed the market to run up quickly and created a demand exceeds supply situation on 9/12s into the weekend. The weather in California has stabilized and production has resumed, but larger fruit will remain fairly short as they are experiencing cooler temperatures (a typically normal situation for this time of year). Arizona production may be in a heading into another holding pattern as Hurricane Sergio appears heading for this region by the end of the week.

Honeydew: Honeydew production was also significantly affected by the rains last week, especially larger-sized melons which were short to begin with. Expect California to produce mostly 6/8s over the next few weeks. Mexican supply is scheduled to pick up some momentum later this week and into next week so long as the poor weather avoids their growing region.

The offshore program is slated to begin in about 5 weeks.

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 is fair 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: Supplies continue to be steady, 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: The market is a little active. Demand is up and supplies are slightly down, but quality is good.

Celery: Supplies are normal and quality is good out of Salinas. Michigan celery is close to finished.

Corn: **EXTREME** Supplies will be disrupted out of South Georgia until crop evaluations are made post-Hurricane Michael for all South Georgia production; markets are currently very active and supplies are limited.

Cilantro: **EXTREME** Supplies remain below normal, demand is good, and quality is fair to good.

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: EXTREME The cabbage market has turned back around and have firmed up as supplies have become critically short in the West causing escalation of pricing for the entire category.

Green Onions: EXTREME Iced – Due to the heavy rains last week in the growing regions, production has been very slow to start back up. Supplies will continue to be very light this week. We anticipate this shortage will drive the market up to a new price level not seen before. Coupled with already light supplies due to a very hot and humid summer, and local production winding down in Eastern growing areas, we will see demand exceeding supplies over the next two weeks. **Iceless** – As with the iced market, we also anticipate demand exceeding supplies over the next two weeks.

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. Demand is steady and quality is 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: EXTREME The cabbage market has firmed up as supplies have become critically short in the West causing escalation of pricing for the entire category.

Snow and Sugar Snap Peas: EXTREME Sugar snap peas are currently experiencing a shortage in supply resulting in price increases. This is due to the fact that the Salinas growing region has completed its growing season, and the next seasonal region in Mexico has been negatively impacted by the rains from Hurricane Rosa. This extreme weather has affected the crop resulting in very poor quality and a delay in harvest.

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 good 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:

The Northwest is finishing harvest and starting to ship out of storage. Quality is strong to start, and sizing and yields appear to be very good. Skin is starting to get better as the onions continue to cure down. We are seeing a surplus of Colossal and Super Colossal in better supply, which has resulted in some reduced pricing on these items. 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 reduced size in part to the heat wave that the Northwest has been experiencing over the last several weeks.

Potatoes:

Harvest continues as the state is approximately 80% finished. There has been some rain and cold temperatures, and the farmers are trying to get everything under cover as quickly as possible. Field run will wrap up this week and by next week the majority of sheds will begin to run out of storage. The size profile in Norkotahs remains on the larger side and the Burbanks seem to be smaller than average.

TOMATOES - EAST

- **Rounds:** TN is quickly wrapping things up with only a minuscule amount of harvesting. Quincy is just getting started, but it is about to take a direct hit from Hurricane Michael. Quality from the older local programs can be questionable, ranging from fair to good, and will continue to be touch and go until first frost or the growers call it quits. FOBs are up \$1 today with the assumption Quincy will carry us through the end of October. Bear in mind this could quickly change by next week.
- **Romas: WATCH LIST** as we patiently await Palmetto/Ruskin to begin at the end of October/beginning of November, we will continue to see very light supplies and high FOBs. TN & other various Eastern crops are at the very tail end, with hardly any supply left. We could see supply GAPS due to Hurricane Michael and its impacts on the Florida Panhandle. We could also see a very high market in the near future. Right now, FOBs are up 2 to 3 dollars and quality is fair.
- **Grapes: WATCH LIST** VA will be done by the end of this week, with limited miscellaneous local deals scattered throughout. Ruskin/Palmetto have begun in a light way, and are expected to continue to increase supply over the next few weeks. FOBs are down slightly and quality is good.
- **Cherries: WATCH LIST** Cherries are still a big snug, but FOBs are steady. Quality is fair to good.
- **Organic Tomatoes:** We expect good supplies to ramp up on organic tomatoes from our grower by mid-October.

TOMATOES - WEST AND MEXICO

- **Rounds:** These are not on the watch list because the markets are flat, and supplies are still decent on both coasts.
- **Romas: WATCH LIST** Supplies are snug and prices continue to firm up this week. Supplies are light due to delays between blocks, markets should in approximately two weeks. Quality is fair across the region due to weather-related impacts; we are seeing rain damage out of Mexico and soft fruit in California.

- **Grapes: WATCH LIST** Demand is up and supplies are snug due to production GAPS in Baja. Markets are higher this week. We expect a firm market for the next 2 to 3 weeks. Quality is fair.
- **Cherries: WATCH LIST** Supplies remain snug and FOB prices are up. Quality is mostly good, but some shippers are showing lighter 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.