

# Weekly Market Review

October 18, 2018

## Overview

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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 at this time and could potentially remain in **EXTREME** markets for several weeks. The Salinas Valley growing season will be coming to an end soon.

Over the next few months, please keep in mind that optimal temperatures must be maintained as strictly as possible throughout the supply chain. In the past we have found that late season leafy green vegetables will not hold up as well as the mid-season leafy greens. Please actively take the necessary steps to maximize shelf life, this is very important this time of the year.

## Market Alert

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- Cilantro – **EXTREME**
- Corn – **EXTREME**
- Green Beans – **ACT OF GOD**
- Green Onions – **ACT OF GOD**
- Lemons – **EXTREME**
- Mushrooms – **ESCALATED**
- Oranges (Valencias) – **EXTREME**
- Sugar Snap Peas – **EXTREME**
- Tomatoes (Romas, Grapes – East, West, and Mexico) – **ESCALATED**

## Watch List

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- Green Bell Peppers
- Mixed Chili Pepper (Jalapeno, Anaheim, Poblano, Serrano)
- Round and Cherry Tomatoes (East, West, and Mexico)
- Sweet Potatoes and Yams

## Transportation - EXTREME

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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

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### HERMOSILLO:

Thu 10/18	Fri 10/19	Sat 10/20	Sun 10/21	Mon 10/22	Tue 10/23	Wed 10/24
89°   63°	90°   64°	93°   67°	93°   67°	91°   67°	88°   63°	88°   62°
						
Clear	Clear	Clear	Chance of a Thunderstorm	Partly Cloudy	Clear	Clear

## JALISCO:

Thu 10/18	Fri 10/19	Sat 10/20	Sun 10/21	Mon 10/22	Tue 10/23	Wed 10/24
80°   61°	80°   61°	77°   60°	73°   60°	74°   59°	68°   58°	73°   58°
						
Partly Cloudy	Chance of a Thunderstorm	Partly Cloudy	Chance of a Thunderstorm	Chance of a Thunderstorm	Rain	Rain

## SALINAS:

Thu 10/18	Fri 10/19	Sat 10/20	Sun 10/21	Mon 10/22	Tue 10/23	Wed 10/24
73°   52°	81°   52°	78°   50°	72°   49°	66°   50°	67°   51°	70°   52°
						
Partly Cloudy	Clear	Clear	Clear	Clear	Partly Cloudy	Partly Cloudy

## MOULTRIE:

Thu 10/18	Fri 10/19	Sat 10/20	Sun 10/21	Mon 10/22	Tue 10/23	Wed 10/24
83°   63°	82°   65°	84°   55°	69°   47°	74°   57°	74°   58°	75°   56°
						
Clear	Partly Cloudy	Chance of Rain	Clear	Clear	Overcast	Mostly Cloudy

## PALMETTO:

Thu 10/18	Fri 10/19	Sat 10/20	Sun 10/21	Mon 10/22	Tue 10/23	Wed 10/24
92°   73°	90°   72°	88°   73°	85°   67°	84°   69°	85°   71°	86°   71°
						
Partly Cloudy	Clear	Clear	Clear	Clear	Partly Cloudy	Partly Cloudy

## SELMA:

Thu 10/18	Fri 10/19	Sat 10/20	Sun 10/21	Mon 10/22	Tue 10/23	Wed 10/24
84°   48°	85°   49°	86°   52°	86°   51°	82°   50°	79°   52°	78°   52°
						
Clear						

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## Good Buys

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### Pears!

Welcome to prime-time pear season! Sure, autumn's bounty may be known for apples and pumpkins galore, but pears bring just as much local freshness to the table as their seasonal relatives. And good news, pear fans! Currently, new crops of Bartlett pears have started showing good supply available, with new crops of Bosc and D'Anjou pears now appearing in the market as well.

The beautiful thing about pears is that they are just as versatile and just as good in season as their competition (apples). The trick is to know the different type of strengths in each variety.

Anjou's have a sweetly smooth and juicy texture that can do it all, but typically shine when served or eaten raw. Bartlett's are canned, pureed, or baked recipes' best friend; they offer that quintessential pear flavor providing subtle citrusy notes. Bosc pears are firmer and for that reason, are an easy favorite for baking and poaching. Asian pears have special crunchy quality that tends to make the most delicious tarts and crisps. And the list goes on...

So next time you start to reach for an apple, consider testing the waters with a freshly picked pear! You won't regret it. 😊

## Fruits & Vegetables

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**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**

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**Blueberries:** Quality is good and supplies are short. We expect to see some improvement next week.

**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**

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The lemon market is **showing some improvement and prices are coming down**. Markets will remain high all year as the domestic crop has come up extremely short.

**Valencia's: EXTREME** This market will tighten back up until the navel crop starts.

**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**

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**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 below budget, and quality is medium.

**Romaine:** Supplies have returned to normal. Demand is good and quality is decent with some minimal fringe burn.

**Romaine Hearts:** Supplies have returned to normal and demand is good. Quality is good.

**Eastern and Western Vegetables**

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**Green Bell Pepper: WATCH LIST** After Hurricane Michael, some growers were able to get into fields and harvest what they could. Due to bloom drop and sun scald, we anticipate shortages over the next several weeks. FL is on schedule to start in a few weeks, but acreage is down. FOBs are up significantly. Product is snug out of the West and late to start out of the desert. Nogales is about 10 days away from starting which is causing a firm market in the West. Quality is mixed and will be affected over the next several weeks due to weather-related impacts. FOB prices are up over four dollars this week.

**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. South Georgia product is lighter than expected due to Hurricane Michael, and Florida crops are slow to ramp up. 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.

**Eggplant:** The Carolinas are seeing some very light supply trickle out of the region and should continue that trend until first frost. GA's reports aren't 100% in yet, but some fields are still harvesting. FL is looking to start in the next 3-4 weeks. FOBs are steady and quality is fair to good.

**Cucumbers:** Just as GA was ramping up, they took a direct hit from Hurricane Michael. Fortunately, cukes have a fairly short growth cycle, so things should rebound over the next couple of weeks. Until then, supply will be tight and FOBs will be high. Look for pricing to increase around \$8+ for next week. Florida is scheduled to start around the first week of November.

**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: ACT OF GOD** Quality on what is being harvested in the South is marginal at best and very short due to the damages done by Hurricane Michael. Do not expect conditions to improve until the second week of November. At that point, we will see another major challenge in retail pulls for Thanksgiving ads.

**Zucchini and Yellow Squash:** GA took a hard hit with many growers affected. Fortunately, squash has a fairly short growth cycle and should rebound quickly. Plant City has just begun in a light way, FOBs are up moderate, and quality is fair to good.

**Pumpkins:** Now available out of Indiana and Michigan.

## Herbs

October is the month where local basil finishes and we start the winter program for the next 5 months in Mexico. Supplies have been a little on the inconsistent side but we are looking good moving forward.

**TARRAGON** is the only fresh herb that is short in supply and will be for the next two weeks.

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	Fair	Fair	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

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**Cantaloupe:** Harvesting continues in the Westside district of California but will begin to steadily decline over the next 7-10 days as growers finish their season. Sizing will lean more towards 12/15s with some 9s being available. Anticipate fair to good quality as this deal finishes due to the rain and colder temperatures. Arizona, plagued by rains the past two weeks, has finally been able to get into fields to begin harvesting. Sizing in this area has been leaning mostly to larger melons (including jumbos). It is still too early to know how much effect the rains will have on quality but we anticipate fair to good quality to continue out of this area.

**Honeydew:** Honeydew production is almost mirroring the cantaloupe. Mostly smaller sizing out of California and larger fruit out of Arizona. The California deal should be completed within the next ten days or so. Mexican production crossing in Nogales is also picking up momentum with larger-sizing being predominant.

**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

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**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 active. Demand is up and supplies are slightly down, but quality is good.

**Celery:** Supplies are steady and normal. Markets are still fairly depressed with the lack of demand, but quality is good in Salinas.

**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 and quality are fair.

**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:** Supplies are improving and priced are trending downward.

**Green Onions: ACT OF GOD Iced** - Demand exceeds supply again this week. Crossings are down over 40% than normal currently and is creating an unprecedented market price. We will continue to see very limited supplies for the next 2-3 weeks. **Iceless** – Like iced, there are extremely limited supplies crossing from Mexico due to weather. We will continue to see demand exceed supplies for the next 2-3 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 continue to be 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:** Supplies are improving and prices are trending downward.

**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:**

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The Northwest is about 90% done with harvest, and will finish up this weekend. From here on out, we will be shipping exclusively out of storage. Quality is strong, and sizing and yields are very good. The onions have full skin and will have good shelf life. We are seeing a surplus of Colossal and Super Colossal in better supply, which has resulted in some reduced pricing on these items. Medium onions are on the tighter side due to the profile being heavy to larger onions. White onions have decreased in price as well with better supplies available. Reds remain very plentiful, and we have seen those markets settle out. There are straight load red deals available in Washington below USDA market price. 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:**

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Harvest is concluding, and it is expected that most growers will be coming out of storage next week. There has been Burbank and Norkotah availability and the exact size profile remains uncertain. While the Norkotah crop has been on the larger side, the Burbanks has been on showing smaller sizes. Demand has increased significantly, and pricing has reflected this. Quality has been excellent.

#### **TOMATOES - EAST**

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- **Rounds: WATCH LIST** TN is done for any volume and is very light on supply coming from AL. GA also has very light supply. Quincy took a direct hit from Hurricane Michael and because these growers experiencing serious damages, most crops were unable to be harvested leaving a very short supply. Between GA & AL's volume, there is certainly not enough supply in the East to meet demand. Thus, most demand is moving west and pulling CA crop. We are anxiously awaiting Palmetto/Ruskin to begin in the next 10 days. Sustainable volume is not expected to resume until mid-November. Expect to see prices rise at least \$4-5 for next week. For what quality we can report on, it is fair to good.
- **Romas: ESCALATED** There are almost no Romas in the East. Romas are about 3 weeks away from Palmetto/Ruskin, and sustainable volume is not expected to return to the East until at least mid-late November. Demand is forced to move west to meet demand. Look for prices to rise at least \$4-5.

- **Grapes: ESCALATED** Fortunately, Quincy is not a major supplier of grapes in the East. Palmetto/Ruskin have decent numbers coming from fields and will continue to build over the upcoming weeks. FOBs are down about \$2 and quality is nice.
- **Cherries: WATCH LIST** Fortunately, Quincy is not a major supplier of cherries in the East. Palmetto/Ruskin has steady numbers. Thus, FOBs are steady with good quality available.
- **Organic Tomatoes:** We expect good supplies to ramp up on organic tomatoes from our grower by mid-October.

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

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- **Rounds: WATCH LIST** The round market in the West has reacted to the short markets in the East in addition to a quick decline of tomato available out of California. With these markets winding down, the volume is redirecting to the vine ripe product from Mexico. Expect markets to increase three to four dollars this week and expect active markets through the second week of November.
- **Romas: ESCALATED** Supplies are snug and prices continue to firm up this week. Supplies are light due to delays between blocks, markets should improve 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: ESCALATED** 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**

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**Apples:** There are great supplies of all apple varieties out of Washington, New York, California, Pennsylvania, and Michigan. We are also seeing local product available throughout the US with a full range of sizes as well. Quality is at its best.

**Pears:** New crop Bartlett pears have started with good supply available especially on the larger (70's to 100's) sizes. New crops of Bosc and D 'Anjou pears are also now available.

### **STONE FRUIT AND CHERRIES**

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- **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.