

# Weekly Market Review

October 25, 2018

## Overview

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Due to the aftermath of 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. Please see the general end dates for Salinas and start dates for Yuma.

## Transition Schedule – Fall 2018

**Salinas End:** October 26 - November 17

**Yuma Start:** November 7 - December 3

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 if temperatures are not properly managed. Please actively take the necessary steps to maximize shelf life as 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 Peppers – **EXTREME**
- Green Onions – **EXTREME**
- 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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- 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

### HERMOSILLO:

Thu 10/25	Fri 10/26	Sat 10/27	Sun 10/28	Mon 10/29	Tue 10/30	Wed 10/31
88°   64°	92°   64°	95°   65°	95°   66°	92°   65°	88°   63°	86°   58°
						
Partly Cloudy	Clear	Clear	Clear	Partly Cloudy	Partly Cloudy	Partly Cloudy

### JALISCO:

Thu 10/25	Fri 10/26	Sat 10/27	Sun 10/28	Mon 10/29	Tue 10/30	Wed 10/31
79°   61°	79°   58°	79°   58°	79°   58°	79°   58°	78°   55°	78°   53°
						
Chance of a Thunderstorm	Partly Cloudy	Partly Cloudy	Clear	Clear	Partly Cloudy	Partly Cloudy

### SALINAS:

Thu 10/25	Fri 10/26	Sat 10/27	Sun 10/28	Mon 10/29	Tue 10/30	Wed 10/31
71°   52°	73°   52°	73°   54°	70°   48°	68°   47°	69°   47°	71°   49°
						
Fog	Clear	Partly Cloudy	Fog	Clear	Clear	Clear

### MOULTRIE:

Thu 10/25	Fri 10/26	Sat 10/27	Sun 10/28	Mon 10/29	Tue 10/30	Wed 10/31
72°   64°	78°   54°	69°   49°	74°   54°	70°   45°	70°   49°	75°   56°
						
Chance of Rain	Chance of Rain	Partly Cloudy	Clear	Clear	Clear	Clear

### PALMETTO:

Thu 10/25	Fri 10/26	Sat 10/27	Sun 10/28	Mon 10/29	Tue 10/30	Wed 10/31
85°   73°	84°   73°	79°   64°	78°   63°	81°   61°	79°   62°	83°   66°
						
Partly Cloudy	Chance of a Thunderstorm	Mostly Cloudy	Clear	Clear	Clear	Clear

### SELMA:

Thu 10/25	Fri 10/26	Sat 10/27	Sun 10/28	Mon 10/29	Tue 10/30	Wed 10/31
80°   49°	84°   51°	86°   53°	83°   52°	74°   46°	73°   45°	76°   47°
						
Clear	Partly Cloudy	Clear	Partly Cloudy	Clear	Clear	Clear

## Good Buys

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Commodity	Market Update	Produce Expert Tip
Asparagus	Steady supply and good quality/demand	Amplify asparagus offerings for Thanksgiving by pairing it with a cranberry-base vinaigrette and crunchy almonds.
Avocados	Stable market	Make the perfect autumn avocado toast and combine it with another good buy on this list: pears!
Honeycrisp Apples	Great supply and excellent quality	Use this fan-favorite variety for more than just sweet fall treats. Shake up lunch menus with a savory smoked turkey and bacon sandwich alongside fresh, local Honeycrisp apples.
Pears	New crop available and great supply	Last week's good buy is still a big hit in the market! Start thinking about how Anjous, aka the winter pear, can make an impact on your menu (hint: they're near perfect when poached!).
Pineapples	Good volume and high-quality product	Treat Thanksgiving offerings to a taste of the tropics! Pineapple continues to be strong in the fall season, so might as well experiment with dishes like a pineapple-mustard glazed ham.
Pomegranates	Officially in season with solid quality and a great taste profile	If you're in the midst of winter menu updates, you won't want to forget this produce gem. Feature pomegranates in a sparkling late-fall sangria or toss into a new winter salad with kale and walnuts!
Pumpkins	Good supply available	Not only are we less than a week away from Halloween, but did you know National Pumpkin Day is TOMORROW October 26 <sup>th</sup> ? Take to social media to share and celebrate your top-selling pumpkin offerings!

## 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 improving and prices are coming down. Markets will remain higher than the previous years 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** The market is showing improvement with new crop out of CA, but very few supplies coming out of Mexico. However, quality is good.

**Limes:** Product coming out of Mexico contains some scarring from recent weather in the region. A hurricane will be making landfall this week which is predicted to further damage crops.

**Grapefruit:** CA Star Ruby grapefruit is finishing up with a few left available. TX grapefruit is available. Desert crop grapefruit will be expected to start in November.

#### **Imports/Specialties available:**

- Domestic satsuma mandarins
- Cultivar 10 mandarins
- Chilean clementines
- Halos/Cuties starting in November
- Chilean car acaras, few available
- Domestic Kiwi

### **California Lettuce**

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**Butter:** Supplies are light, 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**

**Green Bell Pepper: EXTREME** Most of the mature pepper was lost in Hurricane Michael; however, surprisingly a lot of the young plants survived. Unfortunately, with the bloom drop, we are feeling the tight market pressure already. Supply is short and prices remain high and firm, yet fairly steady. Quality is mostly good. South FL will start in about 2 weeks, which will be the first opportunity for relief. CA is still transitioning from the valley to the desert area. Mexico is still on schedule but is about 3 weeks out. Because of this, supply will remain snug with light supply available until the end of November. FOBs are up another \$2-4 and quality is fair to mostly good.

**Red Bell Pepper:** Production has been a little light due to shady skies and cooler weather. However, good volume is still available. FOBs are steady with good quality available.

**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 \$3-6 across the entire category. West Coast markets are very short as California recovers from rain showers and Mexico is suffering impacts of three hurricanes in the past 10 days.

**Eggplant:** The Carolinas are seeing some very light supply out of the region and should continue to until first frost. Georgia has decent supply considering Hurricane Michael. FL is looking to start in the next 2-3 weeks. Weather permitting, it should be a smooth transition. FOBs are steady and quality is good. There is no shortage of eggplant out West as the transition starts to wrap up. FOBs are steady with great quality available.

**Cucumbers:** GA is still suffering from Hurricane Michael, but fortunately there is light volume coming from Plant City that is able to help the East. South FL will start in about two weeks with low volume and will slowly build from there. FOBs are steady into next week. Quality has been mostly good, but there are scattered impacts due to rains. The West is still seeing some light volumes. Baja is finally starting to build some decent numbers after all the recent rainfall. Because of this, FOBs are falling around \$3-5. Quality has been mostly good, but there are some scattered impacts due to rains.

**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 is ramping up daily and quality is very nice.

**Green Beans: ACT OF GOD** Supply is still very short, especially with Hurricane Michael's direct impact on GA's new crop. Both Hurricane Florence and Hurricane Michael heavily affected the NC & SC crops as well. FL is still about 2 weeks out. FOBs will remain high until then. Quality continues to be poor, and limited supply from Central Valley & coastal CA are keeping FOBs high but steady. Quality is fair to good.

**Zucchini and Yellow Squash:** Surprisingly, most growers have rebounded rather quickly from Hurricane Michael. FOBs are down about \$2 with relatively good quality available considering the amount of wind the area is receiving. Plant City has light supply, but FL will really ramp up in about 14 days. Supply is readily available out of the West as well. Santa Maria is trying to squeeze what they can out of their fields while Nogales continues to produce good volume with good quality. FOBs are down slightly.

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

## **Herbs**

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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:** Cantaloupe production is quickly ending in CA. There will be a small amount of fruit remaining through next week. CA still has a decent spread of sizing to accommodate all orders and recent harvests has shown improved quality from a few weeks ago on fruit that was rained on. Desert production has been extremely slow to start and what has been harvested has shown effects from the rains over the past several weeks. Sizing has trended to mostly larger fruit. Anticipate a decrease in brix levels to lower double digits. This is also an indicator of the elements that this fruit has gone through during the growing cycle.

**Honeydew:** Domestic honeydew supply in CA is very limited as growers conclude their seasons. Mostly smaller fruit is currently being harvested in CA. AZ production, as with the cantaloupe above, has been battling weather and production has been slow. Mostly larger fruit has been harvested but is also showing signs of the past rains (some discoloration). Mexican supply crossing through Nogales is picking up momentum, but they too are struggling with quality (discoloration and spotty brix levels) from rains that went through Mexico.

**Watermelon:** The seedless watermelon market is mixed due to lighter supply, mostly a result of heavy rain in Mexico. Demand remains good and quality is fair. Supplies are loading out of the San Joaquin and Nogales.

## **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 are lighter, demand has increased and the market is trending upward.

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

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

**Cauliflower:** Supplies are normal, demand is steady and 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: EXTREME Iced** - Demand exceeds supply again this week, but we should be better by the end of the week. The market price is still very high. We will slowly see better 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 fair.

**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 close to 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 finished with harvest. 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** Quincy crops are now officially done. GA took some light damage from Hurricane Michael, but growers there have been more successful in finding decent quality to pick. However, supply is very limited from the area. Finally, we are seeing Palmetto/Ruskin getting started in very light way, but by no means do they have any volume. Things are just ramping up there and will take a few weeks to start to fill the pipe line. We are looking at relief coming around the 2<sup>nd</sup> week of November, or possibly into the 3<sup>rd</sup> pending weather conditions. FOBs still remain high, but seem to have stabilized for now with Ruskin coming on board. Quality from Georgia is fair to good while Florida's first picks having been excellent.
- **Romas: ESCALATED** Still, little to no Eastern Romas are available. Demand has shifted West. Palmetto/Ruskin's first harvests are on tap to begin in about 2 weeks. Until then, things will continue to be very snug.
- **Grapes: ESCALATED** Palmetto/Ruskin has been going for a few weeks now, with decent supply available. Things are still a bit on the light side, with not enough volume out there to drive FOBs down. Look for pricing to be steady into next week. Quality has been good to excellent.
- **Cherries: WATCH LIST** Cherry supply has been steady. No change in demand, supply, or FOBs. Good crisp quality is 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 majority of growers have begun their end of season decline. Four major players are wrapping up by the end of this week, and three more are expected to be done by the end of next. With this, volume is dropping rather quickly, however, we still expect to have a decent supply available through October and into the beginning of November despite the escalated markets. Eastern Mexico production will be sporadic as growers work through the fields affected heavily by the rainfall received in the last 3 weeks. FOBs are actually slightly down about \$1-2 with demand weakening. Quality is fair at best. We recommend keeping a very tight inventory as the season comes to a close.
- **Romas: ESCALATED** The CA season is on the downward slide, just like rounds. Growers are starting to drop off with limited availability across the state. Additionally, Baja also has very light production; however, it is

expected to start increasing volume in the next 10-14 days. FOBs are feeling more upward pressure of about \$3, especially with the increased Eastern demand. Quality is mostly good, but some rain affected defects are starting to appear.

- **Grapes: ESCALATED** Finally, there is relief, still limited, but much improved week over week. Mainland Mexico crops are starting in a light way, bringing more supply to the market. FOBs still are a bit high, but have dropped about \$8 to a manageable price range. Quality is fair, but improving.
- **Cherries: WATCH LIST** Supply is still very snug, but steady. Look for FOBs to remain constant for next week. Quality is poor to fair at best.

## **APPLES & PEARS**

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**Apples:** There are great supplies of all apple varieties out of Washington, New York, California, Pennsylvania, 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:** Done for the domestic season.
- **Peaches:** Supplies are winding down rapidly out of CA and should clean up by the end of the month.
- **Nectarines:** Supplies are winding down rapidly out of CA and should clean up by the end of the month.
- **Italian Plums:** Steady production and good quality continue to come out of the PNW.