

Weekly Market Review

November 1, 2018

Overview

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. Cauliflower and Mandarins are both good buys.

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

- Avocados – **ACT OF GOD/FORCE MAJUERE**
- Cilantro – **EXTREME**
- Corn – **EXTREME**
- Green Beans – **ACT OF GOD**
- Green Peppers – **ESCALATED**
- Green Onions – **EXTREME**
- Lettuce (Romaine, Iceberg) – **ESCALATED**
- Mushrooms – **ESCALATED**
- Oranges (Valencias) – **EXTREME**
- Sugar Snap Peas – **EXTREME**
- Tomatoes (Roma, Grapes – East, West, and Mexico) – **ESCALATED**

Watch List

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

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 11/01	Fri 11/02	Sat 11/03	Sun 11/04	Mon 11/05	Tue 11/06	Wed 11/07
83° 57°	88° 58°	88° 57°	88° 58°	87° 59°	88° 59°	88° 59°
						
Clear						

JALISCO:

Thu 11/01	Fri 11/02	Sat 11/03	Sun 11/04	Mon 11/05	Tue 11/06	Wed 11/07
74° 57°	78° 57°	71° 56°	68° 56°	73° 54°	78° 54°	79° 55°
						
Chance of a	Partly Cloudy	Chance of a	Overcast	Overcast	Partly Cloudy	Partly Cloudy

SALINAS:

Thu 11/01	Fri 11/02	Sat 11/03	Sun 11/04	Mon 11/05	Tue 11/06	Wed 11/07
80° 52°	75° 50°	77° 49°	71° 49°	71° 47°	72° 48°	71° 46°
						
Partly Cloudy	Clear	Clear	Partly Cloudy	Clear	Clear	Clear

MOULTRIE:

Thu 11/01	Fri 11/02	Sat 11/03	Sun 11/04	Mon 11/05	Tue 11/06	Wed 11/07
79° 65°	70° 46°	68° 46°	71° 59°	78° 65°	80° 65°	78° 55°
						
Chance of a Thunderstorm	Thunderstorm	Partly Cloudy	Mostly Cloudy	Chance of Rain	Chance of a Thunderstorm	Chance of Rain

PALMETTO:

Thu 11/01	Fri 11/02	Sat 11/03	Sun 11/04	Mon 11/05	Tue 11/06	Wed 11/07
85° 71°	83° 67°	76° 66°	83° 70°	85° 70°	85° 70°	84° 69°
						
Partly Cloudy	Chance of a Thunderstorm	Partly Cloudy	Chance of a Thunderstorm	Partly Cloudy	Partly Cloudy	Partly Cloudy

SELMA:

Thu 11/01	Fri 11/02	Sat 11/03	Sun 11/04	Mon 11/05	Tue 11/06	Wed 11/07
78° 47°	82° 48°	79° 50°	80° 50°	76° 47°	76° 48°	76° 47°
						
Partly Cloudy	Clear	Partly Cloudy	Partly Cloudy	Clear	Clear	Clear

Good Buys

Each week, commodities are spotlighted based on how favorable prices, quality, and supply are in the market. Stay ahead of the trends and look to these good buys for their stellar performance in the fields!

Commodity	Market Update	Produce Expert Tip
Cauliflower	Steady market showing excellent quality with bright white coloring.	It's the thick of soup season so why not use up this commodity as much as you can! Warm up with a vat of classic creamy cauli soup. Technically, you don't even need cream. Just puree the cauliflower enough to maintain its smooth grassy flavor and pair with leeks and onions.
Satsuma mandarins	Readily available with good quality and flavor.	While everyone anxiously awaits Halos and Cuties, Satsuma mandarins are ready to satisfy taste buds in the meantime! They are the first variety of seedless mandarins to become available this season, and will do the job just as well.

Fruits & Vegetables

Avocados: ACT OF GOD/ FORCE MAJEURE There has been an abrupt supply chain disruption as strikes continue in the avocado growing regions throughout Mexico. We will see this interruption continue through next week and prices will escalate to top market-based prices. Peruvian product is still coming through the system; however, there is nowhere near enough volume to cover the needs of the domestic demand. We will keep you posted of any changes.

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: CA red and green grapes are available through December.

Kiwi: Good supplies available on Chilean product.

Berries

Blueberries: Blueberry supplies are down and supplies are tight. Low volumes are expected for the next few weeks.

Blackberries: Blackberry production has slowed down. Hurricane Willa is creating a disturbance and is anticipated to be followed by a tropical storm. Supplies are expected to be tight prices are trending higher through late November.

Raspberries: Raspberry volume will remain stable into November.

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 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: The market is showing improvement with new crop out of CA with very few supplies coming out of Mexico.

Limes: There is a little bit more strength in the smaller fruit as there is more activity on them. However; in a couple weeks we might see a flip in this and larger fruit will begin to be tighter.

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 this month.

Imports/Specialties available:

- Domestic satsuma mandarins
- Halos/Cuties start next week

California Lettuce

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

Green and Red Leaf: Supplies are slightly below normal, but demand is good. Quality has been good with some lighter weights. Red leaf supplies are lighter than normal. Demand is average, and quality is good.

Iceberg Lettuce: ESCALATED Lettuce supplies continue to be severely below budget. Salinas finished last Saturday and we will be in Huron, only this week. Yuma is projected to start sometime next week. When that starts, it will be very light numbers. Quality has been good. The market has been active due to light supplies and increased demand from the Northeast and also from Canada.

Romaine: ESCALATED Supplies are below normal. In order to keep up with the overall demand, we are experiencing shortages and an increase in price. We should see improvement within two weeks after the transition from Salinas, CA and when Yuma, AZ starts producing.

Romaine Hearts: ESCALATED Supplies are lighter than normal and demand is very good. Quality is good with hearts almost fully cupped.

Eastern and Western Vegetables

Green Bell Pepper: ESCALATED 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 Remains short but with Florida production ramping up, we are seeing the market ease back slightly. Quality is mostly good. California transition continues to the desert and markets are down in the west as well Quality in the west is outstanding while Mexico is still two weeks out. Supplies will remain snug through the middle of November.

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: GA has decent supply considering Hurricane Michael. FL is looking to start in the next week. 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. Good supply is available out of Nogales and quality is very nice.

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. FOBs are down going into the week. Quality has been mostly good, but there are scattered impacts due to rains. The West is improving daily as volume ramps up through Nogales and McAllen. 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 done while Nogales continues to produce good volume with good quality. FOBs are down.

Pumpkins: Steady supplies continue.

Herbs

TARRAGON is the only fresh herb that is short in supply for the next week.

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

Cantaloupe: Rains from earlier this month in AZ have really pushed the sizing into larger fruit and have negatively affected yields. 6Js and 9Js are the predominant sizing currently. There is expected to be limited production over the next few weeks from Central AZ and Imperial Valley. Quality out of this region continues to be fair to good due to the poor weather that hit during the growing cycle.

Honeydew: Honeydew production varies in this region as some growers do not even bother growing dews because of the influx of Mexican production this time of year. Good volume is currently crossing through Nogales with mostly big fruit (4/5s) and some 6s. Smaller fruit is very scarce in AZ.

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

Artichokes: Quality is excellent, and demand is good.

Arugula: Quality is fair, with possible mildew due to recent rain followed by warm days. Product is available.

Asparagus: Prices are steady but should increase after next week in preparation for Thanksgiving. Mexico had good volume and quality. Peru is slowing down and volume is light. Quality is good.

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

Broccoli / Broccoli Florets: The broccoli market is slightly higher than usual – most growers don't have extra inventory, but the quality is good.

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

Carrots: We are seeing both good quality and volume.

Cauliflower: Quality is very nice with bright white color. Demand and markets are steady. Supplies are slightly up right now.

Celery: Demand is beginning to improve. Celery in Salinas and Oxnard is ahead of schedule.

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 We are still seeing some higher prices for cilantro because of limited supplies.

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 This market is still extreme, but should see some relief in mid-November once the Mexican crops start producing again. The average yield per acre should be 1,600-1,700, Right now, they are between 1,000 -1,500. Please see the below pictures for reference.

Less than 1,500/acre, probably 1,350.



Approx. 2,000/acre



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.

Sugar Snap Peas: EXTREME Sugar snap peas will be EXTREMELY tight for the next 3+ weeks, this is going to affect the volumes available for Thanksgiving. Pricing will be higher and will be prorated by 50%.

Snow Peas: WATCH LIST Snow peas are coming in steadily, but there is not a lot of volume is available. Our teams are keeping an eye on this as pricing rises.

Spinach (Bunched): Quality is fair with possible mildew. Product is readily 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: WATCH LIST 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 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:

Harvest has concluded, and all growers are coming out of storage. There has been Burbank and Norkotah availability, and the Norkotah profile remains on the larger side. While the Norkotah crop has been on the larger side, the Burbanks have been showing smaller sizes. Demand has increased significantly with the holidays approaching, and pricing has reflected this. Quality has been excellent and transportation has been a challenge.

TOMATOES - EAST

- **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 2nd week of November, or possibly into the 3rd 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:** Good supplies on organic tomatoes have ramped up from our grower.

TOMATOES - WEST AND MEXICO

- **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 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** CA is done for the most part. There are still some growers harvesting. Additionally, Baja also has very light production; however, it is expected to start increasing volume in the next 10-14 days. FOBs are mixed this week, 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

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

- Red and black plums are available.