

November 21, 2018

Overview

Market disruptions from CDC Romaine advisory compounded with the winter growing season experiencing cooler than normal temperatures have caused many items to be in very extreme markets. **Broccoli, Cauliflower, Iceberg, Green Leaf, Spring Mix, Arugula, and Spinach** crops have slowed down with higher demand. The fields are experiencing lower yields, lighter weights, and poor quality. We are doing everything we can to get product to market. Overall available volumes/yields are expected to be lower over the next couple of weeks with anticipated higher prices. **Avocados and Tomatoes: rounds, romas, cherries, and grapes** are in an Act of God

Market Alert

- Arugula – **EXTREME**
- Avocados – **ACT OF GOD/FORCE MAJUERE**
- Broccoli – **EXTREME**
- Cauliflower - **EXTREME**
- Corn – **EXTREME**
- Celery - **EXTREME**
- Green Beans – **ACT OF GOD**
- Green Peppers – **ESCALATED**
- Green Onions – **EXTREME**
- Lettuce (Romaine, Iceberg, Butter, Green and Red Leaf) – **EXTREME**
- Mushrooms – **ESCALATED**
- Spinach (Baby & Clip) – **EXTREME**
- Spring Mix– **EXTREME**
- Sugar Snap Peas – **EXTREME**
- Tomatoes (Rounds, Romas, Cherries and Grapes) – **ACT OF GOD/ FORCE MAJUERE**

Watch List








- Cantaloupe
- Honeydew
- Mixed Chili Pepper (Jalapeno, Anaheim, Poblano, Serrano)
- 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




COACHELLA:

| Wed 11/21 | Thu 11/22 | Fri 11/23 | Sat 11/24 | Sun 11/25 | Mon 11/26 | Tue 11/27 |
|---|---|---|---|---|---|---|
| 77° 53° | 76° 47° | 75° 49° | 77° 48° | 77° 45° | 78° 45° | 77° 47° |
|  |  |  |  |  |  |  |
| Clear | Partly Cloudy | Partly Cloudy | Clear | Partly Cloudy | Clear | Clear |

HERMOSILLO:

| Wed 11/21 | Thu 11/22 | Fri 11/23 | Sat 11/24 | Sun 11/25 | Mon 11/26 | Tue 11/27 |
|---|---|---|---|---|---|---|
| 78° 52° | 75° 53° | 79° 49° | 79° 48° | 79° 49° | 79° 50° | 81° 51° |
|  |  |  |  |  |  |  |
| Clear | Mostly Cloudy | Mostly Cloudy | Partly Cloudy | Clear | Clear | Clear |





JALISCO:

| Wed 11/21 | Thu 11/22 | Fri 11/23 | Sat 11/24 | Sun 11/25 | Mon 11/26 | Tue 11/27 |
|---|---|---|---|---|---|---|
| 81° 53° | 82° 51° | 81° 51° | 80° 48° | 79° 50° | 78° 48° | 76° 50° |
|  |  |  |  |  |  |  |
| Clear | Clear | Clear | Clear | Clear | Partly Cloudy | Partly Cloudy |







TORREON:

| Wed 11/21 | Thu 11/22 | Fri 11/23 | Sat 11/24 | Sun 11/25 | Mon 11/26 | Tue 11/27 |
|---|---|---|---|---|---|---|
| 70° 43° | 72° 46° | 74° 49° | 77° 50° | 72° 45° | 66° 43° | 66° 44° |
|  |  |  |  |  |  |  |
| Partly Cloudy | Clear | Partly Cloudy | Partly Cloudy | Mostly Cloudy | Clear | Clear |

PALMETTO:

| Wed 11/21 | Thu 11/22 | Fri 11/23 | Sat 11/24 | Sun 11/25 | Mon 11/26 | Tue 11/27 |
|---|---|---|---|---|---|---|
| 77° 57° | 76° 61° | 79° 64° | 78° 64° | 81° 71° | 77° 60° | 69° 56° |
|  |  |  |  |  |  |  |
| Clear | Partly Cloudy | Partly Cloudy | Thunderstorm | Clear | Chance of Rain | Partly Cloudy |

YUMA:

| Wed 11/21 | Thu 11/22 | Fri 11/23 | Sat 11/24 | Sun 11/25 | Mon 11/26 | Tue 11/27 |
|---|---|---|---|---|---|---|
| 76° 56° | 75° 50° | 73° 50° | 74° 51° | 74° 49° | 74° 48° | 74° 48° |
|  |  |  |  |  |  |  |
| Clear | Partly Cloudy | Partly Cloudy | Clear | Clear | Clear | Clear |

Good Buys

| Commodity | Market Update | Produce Expert Tip |
|-----------|---------------|---|
| | | Winter squash is perfect in soup, as a fry substitute, or roasted and tossed on a warm winter salad. However, this comes with the frustration of cutting these hard, roly-poly vegetables. After peeling, in order to tackle this process, start with a large sturdy knife, trim the ends of the squash first, cut butternut in half starting at the neck (skinny part), and seed it accordingly. For ease of cutting, you can try heating the squash for five minutes to soften the flesh. |

Fruits & Vegetables

Avocados: ACT OF GOD/ FORCE MAJEURE We will remain in a FORCE MAJEURE condition through next week until we feel confident about the arrival schedules and ripening plans are in place throughout the system. Fruit is expected to begin arriving at the border by Friday afternoon and to the DC's by Monday at the latest. We should be back on contract by Monday the 26th should we not experience any events that further delay the process.

Bananas: Banana issues have been reported with a higher frequency over the last week due to some recent adverse growing conditions in the tropics.

Pineapples: Pineapple supply remains stable and sizing remains strong on the larger 5/6 sizes.

Grapes: Grape supplies expected to be available through January.

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; but quality is good.

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: Supplies are extremely short due to weather and transition, and quality is average. The Oxnard region has been affected by the fires so we are having to pull from Salinas and Santa Maria. Florida strawberries will be starting in the next few weeks.

California / Arizona Citrus

Most shippers in CA have started packing navels. Market price has remained low. New lemons crops are available in the desert region, peaking 200/165, with good quality.

Navels: Domestic navels have started and quality is good, 113/138/88. Full production is expected by 11/19 and FL and Texas navels are available.

Lemons: New crop available in CA. Good quality, 200/165/235. Few MX lemons are available, diminishing quality.

Limes: Quality is good and prices remain fairly low in the market.

Grapefruit: CA grapefruit will get started towards the end of November. TX and FL grapefruit is currently available.

Imports/Specialties available:

- Domestic Satsuma mandarins
- "C1" mandarins
- Chilean clementines
- Halos/Cuties start are available
- Domestic Kiwi
- Domestic Cara Caras starting at the end of this month

California Lettuce

We are aware and are following the multistate E. coli O157:H7 outbreak linked to romaine lettuce. We advise following the CDC and FDA issued advisories summarized here: <https://www.cdc.gov/ecoli/2018/o157h7-11-18/index.html>

Butter: EXTREME Limited supplies. Quality is fair.

Green Leaf: EXTREME Quality is good with limited supplies. Product is small, due to cold weather.

Red Leaf: EXTREME Supplies are tight, demand is good, and quality is fair.

Iceberg Lettuce: EXTREME We are experiencing very high prices and shortages due to demand. This is a result of the Romaine advisory as well as weather related issues.

Romaine: EXTREME Supplies are fair. Demand is good and quality is fair.

Romaine Hearts: EXTREME Supplies are lighter than normal. Quality is fair.

Eastern and Western Vegetables

Green Bell Pepper: ESCALATED Bell peppers are extremely short throughout the country this week. GA is still shipping what they can until frost, but volume and quality were significantly affected by Michael.

Red Bell Pepper: Red peppers out of Fresno's harvest will continue this week in Hollister. Thermal has moderate supplies and going forward supplies will mainly come out of there. If the weather cooperates there should be a steady harvest through November into December. Mexico comes into play later in December. Demand is exceeding supply on a daily basis and market pricing is approaching \$28.

Yellow Pepper: Supplies are snug this week and prices have increased due to HH volume out of Canada decreasing daily. Quality is good and expect active markets through the middle of the month.

Mini Sweet Pepper: All mini peppers will be shipping out of Fresno and is very light at this time. They will pick back up in Mexico after Christmas, closer to New Year.

Mixed Chili Pepper (Jalapeno, Anaheim, Poblano, Serrano): WATCH LIST Chili peppers are tight across the country due to weather-related issues in all growing regions. Expect very high prices and very short supply due to lower yields, poor quality and disease.

Eggplant: Good volume crossing through Nogales and demand is strong. There enough fruit in GA and FL to continue to meet demand. GA's quality is not the best as these crops saw their share of weather during the growing cycle.

Cucumbers: Cucumbers will be in good supply this week and should stay steady through next month. With both south and central FL in production, cucumber supply and quality are a bright spot in the East this week. In the West, Baja is wrapping things up quickly.

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 Green beans will conclude this week and there will be no more until next spring. There are small pockets of bean production remaining in GA and in several areas in FL but not nearly enough to cover holiday demand. Growers are experiencing light yields due to rainy weather in the early part of the growing cycle.

Zucchini and Yellow Squash: Several weeks of super-low market prices caused a number of FL and GA growers to walk away from fields after just one or two picks, which has quickly changed the squash supply situation in the East. Quality is rough on yellow, since most harvests are from older fields now. Zucchini quality is better. Markets are ticking upward as demand moves to the west

Pumpkins: Steady supplies continue.

Herbs

TARRAGON, SAGE and ROSEMARY are the only herbs this week that are having issues. Weather and heavy demand have created a shortage on all three herbs and we are working hard to maintain the quality standards.

BASIL is starting to look strong this week and we confident that this will carry thru over the next several weeks. We'll keep you posted if there are any changes.

CHIVES are back to normal after the rains a few weeks back. Supplies look very steady as we head into December.

| 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: WATCH LIST Demand exceeds supply. Offshore cantaloupes are being impacted by cooler temperatures that hit AZ and Mexico pushed south into Guatemala. As a result there have been multiple days last week of no packing as fruit did not mature and achieve desired brix levels. Production will begin to pick up with next week's arrivals. Anticipate an increase of mid-range sizing (12/15s) and limited on 9s and larger. Larger fruit is expected to be predominant on the next block of fields to be harvested which we should see in Florida starting late next week. Initial quality has been solid fruit with consistent brix levels in the 11-15% range.

Honeydew: WATCH LIST The honeydews are also in a demand exceeds supply situation with offshore dewes slow to start and Mexican dewes crossing through Nogales coming to a halt due to weather. Guatemalan production will not start to arrive until approximately 11/29 and picking up by 12/3. Honeydews will be very short over the next few weeks so it is recommended to advise customers of the severity of this situation so

arrangements can be made to assist in getting through this challenging period.

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: EXTREME Quality is fair due to cold weather preventing the product from sizing up.

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: EXTREME Supplies are very light this week and will be in the upcoming weeks. Quality is good.

Brussels Sprouts: Brussels sprout supplies are plentiful and quality is great. Use this opportunity to add more Brussels sprout sides to your Thanksgiving menu!

Carrots: We are seeing both good quality and volume.

Cauliflower: EXTREME Demand exceeds supplies. Weather has caused cauliflower growth to slow down. Quality is good.

Celery: EXTREME Salinas will finish this week. Oxnard supplies are very light. Supplies are expected to be very light for December. Florida celery will be late this year, we are expecting Christmas to be very active.

Corn: EXTREME Corn is still very tight across the country.

Cilantro: Supplies are fair and quality is improving.

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: Better yields from the Northern Mexico growing areas have increased supply. As a result, we will see market pricing ease down by weeks end. **Iceless:** Similar to iced, better yields from Northern Mexico have increased supply. Pre-commitments and contracts will keep pressure on the

market. With increased volume, there is a possibility we will see market pricing slightly decrease this week.

JICAMA: Markets remain firm due to ongoing short supplies and will continue to see some quality and shelf life issues.

Kale (Green): Quality is fair due to cold weather preventing the product from sizing up.

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: Demand, supply and quality are good.

Parsley: (Curly, Italian) Quality is fair, due to cold weather preventing the product from sizing up.

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): EXTREME Very limited supply and quality is fair, due to cold weather preventing the product from sizing up.

Spinach (Baby): EXTREME Very limited supply and quality is fair.

Spring Mix: EXTREME Very limited supply and quality is fair, due to cold weather preventing the product from sizing up.

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:

Demand has continued to be strong through the holidays with limited availability for consumers. 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. Quality has been excellent and transportation has been a challenge.

TOMATOES - EAST

- **Rounds: ACT OF GOD/ FORCE MAJUERE** Lighter volume and skyrocketing prices due to the increased demand of Romas and grapes.
- **Romas: ACT OF GOD/ FORCE MAJUERE** Very limited supply and an ACT OF GOD being enforced.
- **Grapes: ACT OF GOD/ FORCE MAJUERE** Major production GAP, expect this to improve for next week.
- **Cherries: ACT OF GOD/ FORCE MAJUERE** Supplies are tight and demand exceeds supply due to the overall condition on the tomato category. We expect conditions to improve by the second week of December
- **Organic Tomatoes: ACT OF GOD/ FORCE MAJUERE** Supplies are tight and demand exceeds supply due to the overall condition on the tomato category. We expect conditions to improve by the second week of December.

TOMATOES - WEST AND MEXICO

The Torreon region is experiencing freezing overnight temperatures which will drastically affect production across the entire category. We anticipate very short supplies on Round, Roma, Cherry and Grape markets this week. To further complicate the situation, Culiacan experienced flooding earlier last month which has delayed early production on most vegetables grown in the region. We do anticipate some relief by December 15 on the Round, Roma and Cherry markets and Grapes possibly by end of month.

- **Rounds: ACT OF GOD/ FORCE MAJUERE** There is very limited supply and an ACT OF GOD being enforced due to lower yields as a result of a deep freeze and other weather-related impacts that have killed off several fields and affected shade house production. We expect firm markets through the third week of December where we expect to see volume tick up as newer fields and shade house production ramp up out of Sinaloa.
- **Romas: ACT OF GOD/ FORCE MAJUERE** There is very limited supply and an ACT OF GOD being enforced due to lower yields as a result of a deep freeze and other weather-related impacts that have killed off several fields and affected shade house production. We expect firm markets through the third week of December where we expect to see volume tick up as newer fields and shade house production ramp up out of Sinaloa.
- **Grapes: ACT OF GOD/ FORCE MAJUERE** Major production GAP and expect this to improve late next week.
- **Cherries: ACT OF GOD/ FORCE MAJUERE** Supply is hit and miss; demand exceeds supply. 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, 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