

Weekly Market Review

December 6, 2018

Overview

Market disruptions from the CDC Romaine advisory along with the winter growing season experiencing cooler than normal temperatures have caused many items to be in very **EXTREME** markets. **Broccoli, kale, 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. Overall available volumes/yields are expected to be lower over the next couple of weeks with anticipated higher prices. Strawberries are **EXTREME**, but butternut squash is still a good buy.

We are doing everything we can to get product to market, and we appreciate your patience and understanding.

Market Alert

- Arugula – **EXTREME**
- Broccoli – **EXTREME**
- Brussel Sprouts - **ESCALATED**
- Cauliflower- **EXTREME**
- Celery – **EXTREME**
- Kale - **ESCALATED**
- Lettuce (Iceberg, Butter, Green and Red Leaf) – **EXTREME**
- Lettuce (Romaine) - **ESCALATED**
- Mushrooms – **ESCALATED**
- Red Cabbage – **ESCALATED**
- Red Peppers – **ESCALATED**
- Spinach (Baby & Clip) – **EXTREME**
- Spring Mix – **EXTREME**
- Strawberries - **EXTREME**
- Tomatoes (Rounds and Romas) – **ESCALATED**

Watch List

- Cantaloupes
- Mixed Chili Pepper (Jalapeno, Anaheim, Poblano, Serrano)
- Sweet Potatoes and Yams

Transportation - **EXTREME**

Freight rates are elevated and trucks are still tight. They are expected to remain this way through the end of the year.

Weather

COACHELLA:

Thu 12/06	Fri 12/07	Sat 12/08	Sun 12/09	Mon 12/10	Tue 12/11	Wed 12/12
60° 47°	72° 44°	74° 41°	73° 44°	74° 42°	72° 42°	71° 40°
						
Rain	Partly Cloudy	Clear	Clear	Partly Cloudy	Partly Cloudy	Clear

HERMOSILLO:

Thu 12/06	Fri 12/07	Sat 12/08	Sun 12/09	Mon 12/10	Tue 12/11	Wed 12/12
75° 57°	71° 48°	73° 46°	77° 46°	78° 51°	74° 51°	72° 48°
						
Chance of a Thunderstorm	Clear	Partly Cloudy	Clear	Partly Cloudy	Partly Cloudy	Partly Cloudy

JALISCO:

Thu 12/06	Fri 12/07	Sat 12/08	Sun 12/09	Mon 12/10	Tue 12/11	Wed 12/12
76° 52°	74° 50°	75° 49°	76° 49°	76° 48°	75° 49°	74° 49°
						
Partly Cloudy	Partly Cloudy	Partly Cloudy	Clear	Clear	Clear	Partly Cloudy

TORREON:

Thu 12/06	Fri 12/07	Sat 12/08	Sun 12/09	Mon 12/10	Tue 12/11	Wed 12/12
77° 52°	71° 48°	66° 38°	62° 37°	62° 37°	67° 44°	70° 46°
						
Partly Cloudy	Chance of Rain	Clear	Partly Cloudy	Clear	Clear	Partly Cloudy

CULIACAN:

Thu 12/06	Fri 12/07	Sat 12/08	Sun 12/09	Mon 12/10	Tue 12/11	Wed 12/12
89° 64°	70° 55°	81° 52°	85° 52°	89° 54°	87° 58°	81° 57°
						
Partly Cloudy	Thunderstorm	Clear	Clear	Clear	Partly Cloudy	Partly Cloudy

PALMETTO:

Thu 12/06	Fri 12/07	Sat 12/08	Sun 12/09	Mon 12/10	Tue 12/11	Wed 12/12
69° 53°	76° 59°	80° 67°	76° 64°	67° 53°	60° 47°	70° 57°
						
Clear	Partly Cloudy	Mostly Cloudy	Thunderstorm	Mostly Cloudy	Partly Cloudy	Clear

YUMA:

Thu 12/06	Fri 12/07	Sat 12/08	Sun 12/09	Mon 12/10	Tue 12/11	Wed 12/12
58° 52°	66° 47°	70° 46°	69° 47°	70° 45°	69° 45°	67° 44°
						
Rain	Partly Cloudy	Clear	Partly Cloudy	Partly Cloudy	Partly Cloudy	Clear

Good Buys

Commodity	Market Update	Produce Expert Tip
Navel Oranges	Domestic product in FL and TX are available showing good quality	Cut down on kitchen waste this winter but using Navel orange rinds and other winter citrus favorites to add more flavor to sautéed dishes, roasted vegetables, or lean proteins.
Grapefruit	CA supplies are ramping up and are currently available out of TX and FL	Grapefruits are an easy way to start mixing up a winter citrus routine. Especially when it comes to holiday sweets! Try lightly cooking grapefruit segments in a skillet with a spoonful of sugar and a few drops of vanilla extract; serve over ice cream or pound cake for a delightful Grapefruit Vanilla Compote.

Fruits & Vegetables

Avocados: The industry has quickly replenished supply with record harvest over the last few weeks. There is an expectation for things to stabilize once appropriate harvest and demand levels align. It is the consensus that Mexico still has a good amount of fruit on the tree and the hope is for a smooth and seamless harvest from this region for the foreseeable future. There should be a growing level of confidence to promote avocados again throughout December and into January.

Bananas: Banana quality has come back in line with quality expectations for this time of year. Supplies are good and should remain steady for the remainder of the year.

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

Grapes: Domestic grape supplies are expected to be available through January. Some offshore grapes are starting to trickle in.

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 currently creating a disturbance and is anticipated to be followed by a tropical storm. Supplies are expected to be tight and prices are trending higher.

Raspberries: Raspberry volume will remain stable.

Strawberries: **EXTREME** Supplies are extremely short due to the rain in CA and the cold weather in Florida. We're seeing GAPS in supplies and extremely high prices.

California / Arizona Citrus

Navels: Domestic navels have started and quality is good. FL and TX navels are available.

Lemons: New crop is available out of CA and product is showing good quality.

Limes: Quality is good and the market remains fairly priced.

Grapefruit: CA grapefruit will ramp up around the beginning of December. TX and FL grapefruit is currently available.

Imports/Specialties available:

- Domestic satsuma mandarins
- "C1" mandarins
- Chilean clementines
- Halos/Cuties starting in November
- Chilean cara acaras, few available
- Domestic Kiwi
- Domestic Cara Caras are available
- Domestic Bloods will start in about 2 weeks

California Lettuce

To receive the most updated information on Romaine lettuce, we advise following the CDC and FDA issued advisories summarized here:

<https://www.cdc.gov/ecoli/2018/o157h7-11-18/index.html>

<https://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm626716.htm>

Butter: EXTREME Quality is fair with limited supplies.

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 Supplies continue to be lower than normal due to cold weather. We have been experiencing some frost in some areas and we expect to see more the remainder of this week with the addition of some rain. However, quality on product is good.

Romaine: ESCALATED Quality and supplies are both fair, but demand is good.

Romaine Hearts: ESCALATED Supplies are lighter than normal and quality is fair, but demand is good.

Eastern and Western Vegetables

Green Bell Pepper: Florida is ramping up and supply is becoming available out of Palmetto and Lake Worth. The market will continue to improve.

The Los Mochis transition is now in full swing and should be in good volume by end of week.

Red Bell Pepper: ESCALATED Red pepper supply is extremely short out of Baja. Oxnard is done and Coachella is in good supply. There is a supply GAP due to Hurricane Willa which hit critical areas of Sinaloa in the fall causing major flooding and crop damage. Harvest areas have been severely damaged by weather and there is very little fruit causing supply issues. We are seeing severe shortages and higher prices. We do not expect conditions to improve until Christmas.

Yellow Pepper: Supplies are snug 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: This market is somewhat active, but there aren't any major supply issues. Quality is outstanding out of Mexico.

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: Green beans in Florida are available in multiple areas this week and quality is very nice.

Zucchini and Yellow Squash: Out of Mexico, yellow squash is still tight as the fall deal continues to wind down and the winter deal out of Sinaloa is slow to start. The yellow market should improve in approximately 10 days. Green zucchini is stable. There are decent supplies out of Florida and no major supply issues.

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 Offshore cantaloupes remain in a demand exceeds supply situation and are expected to remain very short over the next 2-3 weeks as we approach Christmas. Because some Central American growers are no longer operating and a couple growers are dealing with field issues, there has been a significant decrease in supply than originally anticipated. Classic Guatemala had been seeing a very nice mix of sizing between 9/12/15s over the first three weeks of harvesting, but will start to trend more to larger fruit (9s and bigger) by next week's arrivals. This will leave 15 count in an extremely limited position.

Honeydew: Production has finally started to pick up momentum from Classic Guatemala, but other growers are facing similar field issues to the cantaloupe situation as stated above. Mexican crossings are decreasing daily which is putting more pressure on the offshore fruit to cover more of the country's needs. Sizing is leaning more to the larger fruit (5/5Js) but there is a decent percentage of 6 count coming in to satisfy all orders.

Watermelon: Due to cold weather in Mexico and Florida, watermelon prices have steadily rose over the last

few weeks. Pale flesh is hampering quality out of Florida. Quality wise, the smaller fruit (60/80 count bins) have held up the best and remain available. Large, quality fruit is scarce out of Mexico. Pricing is north of .30 per pound.

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: Mexico has good volume and quality. Peru is slowing down and volume is light, but 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; however, quality is good.

Brussels Sprouts: ESCALATED Brussels sprout supplies are low and prices are higher.

Carrots: We are seeing both good quality and volume.

Cauliflower: EXTREME Supplies are very short in supply; however, we are starting to see slight improvements and quality is good.

Celery: EXTREME Salinas is finished and Oxnard supplies are very light. We will have little product from Mexico next week, but total volumes are very light. The market will continue to stay high.

Corn: Florida corn is getting better with the transition.

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: Iced: Supply and quality are good, and demand is fair. **Iceless:** Similar to iced, supply and quality are both good, and demand is fair.

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

Kale (Green): ESCALATED 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 all 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: ESCALATED Supplies are lower than normal and prices are rising.

Sugar Snap/Snow Peas: Prices are coming down and product is available.

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 increased on all cartons and pricing is starting to reflect that. While the Norkotah crop has been on the larger side, the Burbanks have been showing smaller sizes with very limited availability on large cartons. Quality has been excellent and transportation has been a challenge.

TOMATOES - EAST

- **Rounds: ESCALATED** Tomatoes are getting better and volume should be back to normal by early next week.
- **Romas: ESCALATED** Florida is ramping up yet struggling on size. We should see volume improve this week.
- **Grapes:** We expect to be back to normal on grape tomatoes next week. Full production is now in full swing out of Florida and Mexico
- **Cherries:** This should market should be normal this week.
- **Organic Tomatoes:** Supplies are tight and demand exceeds supply due to the overall condition on the tomato category. We expect conditions to improve in 7 to 10 days.

TOMATOES - WEST AND MEXICO

- **Rounds: ESCALATED** Tomatoes are getting better and volume should be back to normal by early next week.
- **Romas: ESCALATED** Production of Jalisco is still a challenge. There is a heavy damage throughout the region. Several shade house operations were affected by the heavy rains late October which amplified virus and disease impacts. Lastly, the region was severely damaged by the freeze. This region was the bridge between Central Mexico and Western Mexico. This is causing the major supply deficit we are seeing now through McAllen and Nogales. We do expect to see this improve over the next 7 to 10 days as the first open field productions ramp up out of Culiacan. Some growers are already shipping some fruit from the region but are very limited on size this week. We expect this to improve next week and should see steady volume by December 15th.
- **Grapes:** We expect to be back to normal on grape tomatoes next week. Full production is now in full swing out of Florida and Mexico.
- **Cherries:** This should market should be normal this week.

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.