

Weekly Market Review

December 13, 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 and we have yet to see much relief. **Broccoli, cauliflower, 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**.

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**
- Mixed Chili Pepper (Jalapeno) - **ESCALATED**
- Mushrooms – **ESCALATED**
- Red Peppers – **ESCALATED**
- Red Cabbage – **ESCALATED**
- Spinach (Baby & Clip) – **EXTREME**
- Spring Mix – **EXTREME**
- Strawberries - **EXTREME**
- Tomatoes (Rounds, Romas and Grapes) – **ESCALATED**

Watch List

- Cantaloupes
- Mixed Chili Pepper (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 12/13	Fri 12/14	Sat 12/15	Sun 12/16	Mon 12/17	Tue 12/18	Wed 12/19
72° 40°	69° 42°	75° 46°	74° 47°	71° 47°	75° 47°	78° 48°
						
Clear	Partly Cloudy	Clear	Clear	Partly Cloudy	Clear	Clear

HERMOSILLO:

Thu 12/13	Fri 12/14	Sat 12/15	Sun 12/16	Mon 12/17	Tue 12/18	Wed 12/19
76° 47°	80° 49°	74° 54°	75° 49°	77° 49°	75° 47°	77° 51°
						
Clear	Partly Cloudy	Mostly Cloudy	Partly Cloudy	Clear	Clear	Clear

JALISCO:

Thu 12/13	Fri 12/14	Sat 12/15	Sun 12/16	Mon 12/17	Tue 12/18	Wed 12/19
72° 44°	74° 43°	71° 46°	73° 47°	75° 47°	74° 47°	70° 46°
						
Clear	Partly Cloudy					

TORREON:

Thu 12/13	Fri 12/14	Sat 12/15	Sun 12/16	Mon 12/17	Tue 12/18	Wed 12/19
61° 30°	56° 27°	57° 35°	60° 40°	63° 39°	66° 43°	64° 40°
						
Clear	Clear	Clear	Overcast	Partly Cloudy	Partly Cloudy	Clear

CULIACAN:

Thu 12/13	Fri 12/14	Sat 12/15	Sun 12/16	Mon 12/17	Tue 12/18	Wed 12/19
80° 51°	87° 50°	85° 56°	83° 58°	85° 56°	84° 54°	81° 52°
						
Clear	Clear	Partly Cloudy	Mostly Cloudy	Partly Cloudy	Partly Cloudy	Clear

PALMETTO:

Thu 12/13	Fri 12/14	Sat 12/15	Sun 12/16	Mon 12/17	Tue 12/18	Wed 12/19
77° 66°	79° 67°	74° 61°	70° 52°	67° 51°	69° 53°	73° 60°
						
Mostly Cloudy	Thunderstorm	Mostly Cloudy	Clear	Partly Cloudy	Clear	Clear

YUMA:

Thu 12/13	Fri 12/14	Sat 12/15	Sun 12/16	Mon 12/17	Tue 12/18	Wed 12/19
68° 45°	67° 49°	73° 47°	70° 46°	69° 48°	69° 48°	72° 49°
						
Clear	Partly Cloudy	Partly Cloudy	Partly Cloudy	Clear	Clear	Clear

Good Buys

Commodity	Market Update	Produce Expert Tip
Apples	There is great supply of all apple varieties out of Washington, New York, California, Pennsylvania, and Michigan. We are seeing local product available throughout the US with a full range of sizes. Quality is at its best.	Apples are a commonly known, tasty fruit with over 7,500 varieties. You may have heard that some apples are best for “cooking/baking” and stressed out that you could not find any labeled accordingly. Cooking/baking apples are best for their ability to retain their flavor when heated. Baking apples have the ability to hold their shape and have a less mushy texture than a cooking apple.

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 sizes are trending towards the 7/8 sizes. Market pricing is on the rise, especially on the larger 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: Cold days and nights in CA will slow down production along with the possibility of rain. Supplies are expected to be tight and prices are trending higher.

Raspberries: Raspberry volume will remain stable through the end of the year.

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 are in good supply. Size structure has been 113/138/88, mostly fancy grade. Market prices remain low. New crop lemons are available in the desert region, peaking 200/165, with good quality. Fairchild tangerines, Halos, Cuties, satsuma and Delite mandarins are available. Blood oranges and Cara Caras are available as well.

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 low.

Grapefruit: CA, TX, and FL grapefruit are available.

Imports/Specialties available:

- Domestic satsuma mandarins
- "C1" mandarins
- Chilean clementines
- Halos/Cuties
- Domestic Kiwi
- Domestic Cara Caras are available
- Domestic bloods oranges are available

California Lettuce

Butter: **EXTREME** Quality is good 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, quality is good.

Iceberg Lettuce: **EXTREME** We will continue to struggle with slow harvest, due to the rain from last weekend. Demand continues to be higher than supplies. We have been covering contracts and regular orders, but are struggling to cover any open market. The market will continue to be active this entire week.

Romaine: **ESCALATED** Quality is good and supplies are back to normal this week.

Romaine Hearts: **ESCALATED** Supplies are normal and quality is good.

Eastern and Western Vegetables

Green Bell Pepper: Even though acreage is down significantly this year, we should see more product over the next week as growers on the east coast of FL begin harvesting. Plant City's numbers have slowed due to cool weather and quality has been varied as most growers are harvesting from older plantings. In the West, CA's Coachella farms are winding down and we are beginning to see the effects of tired plants with softer walls, more misshape, and color not holding on the fruit. Mexico's production is trying to gather steam but supply has been slow to come on due to prior weather, late starts, and the current cool and wet weather. However, quality is nice.

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 – ESCALATED) (Anaheim, Poblano, Serrano - WATCHLIST): 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: Florida growers continue to provide good supply and quality on eggplant despite the cooler weather. Expect to see more choice fruit over the next few weeks as farms work older fields. In the West, Mexico's supply is coming on strong while the CA desert is in its last week of production.

Cucumbers: Cool weather has slowed production in Mexico. With rain in the forecast and heavy Eastern demand, supply could come up short over the next week or so. Fortunately, quality is good on Mexican fruit. Florida growers are seeing lighter yields this week due to a shot of cool weather. Quality is okay, but there are a few more off grades in the market as growers work through older fields. Honduran cucumbers are slowly coming, but most growers and volume won't start until after the 1st of the New Year.

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: With demand rebounding after the holiday lull and cooler weather slowing crops, FL's bean supply is now adequate rather than abundant. Quality continues to be nice on the product coming from the lake and south FL areas. Mainland Mexico is slowly increasing in volume, but cool weather and rain possibilities will likely delay the anticipated supply increases.

Zucchini and Yellow Squash: Yellow and zucchini squashes are available in several FL areas this week, but cool weather has slowed down the production cycle. Quality on yellow has become a challenge especially from the older fields in Plant City. Mexico's weather forecast could play havoc with expected production increases from new southern growing areas over the next 7-10 days

Pumpkins: Steady supplies continue.

Herbs

TARRAGON: Continues to remain tight in supply, but quality is very good.

BASIL: Remains in good supply, but quality still needs to be checked closely.

MINT and ROSEMARY: Starting to slowdown in growth due to the cooler days and nights. The length will be shorter for the next couple of weeks due to the heavy Holiday demand.

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: Watchlist Cantaloupe production has picked up this week primarily with 9s but supply will see a drastic decrease after next week. Sizing on lopes has been mostly 9/9Js. Due to the very high market the larger fruit (6Js) has been moving very well. 12ct melons will become limited as we go into next week with 15ct accounting for less than 3% of production which will keep this size extremely limited. Quality so far this season has been exceptional with strong fruit both externally and internally. Brix levels have been a solid 11-14%.

Honeydew: Honeydews will probably end up being the tighter size of the two commodities especially on 6/8s. Current production has been leaning more to the 4/5s which has left smaller fruit in very high demand. Quality on the dewes has also been exceptional with very clean fruit which has been very well received after the late domestic and Mexican deals. Brix levels are mostly 10-13% with very good flavor.

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: Supplies industry-wide are fair. Prices are higher on large artichokes and steady for small sizes.

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

Asparagus: Volume is falling in Peru and prices expected to rise by next week.

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** We are starting to see improved supplies. Demand and quality are good.

Celery: **EXTREME** Both Oxnard and Mexico volumes are very light. The market will continue to remain high.

Corn: Steady supply and good quality out of Florida.

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, demand and quality are good. **Iceless:** Similar to iced, supply, quality and demand are all good.

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 Peas: Product continues to be tight.

Snow Peas: Volume will start falling next week and prices will start rising.

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:

The Carton market continues to rise as demand has increased, especially on the larger sizes. The Burbank crop remains on the smaller side and the holiday push is in full effect. Transportation continues to be a challenge with increasing rates expected through the New Year.

TOMATOES - EAST

- **Rounds: ESCALATED** Tomatoes are getting better and volume should be back to normal by early next week. We are currently seeing lower volume on premium sized fruit, mostly 6X6 available. Quality is good, and color is fair. Make sure you are keeping a tad more on inventory to manage the color where necessary.
- **Romas: ESCALATED** Florida is ramping up yet struggling on size. We should see volume improve this week.
- **Grapes: ESCALATED** Volumes are mostly steady but cooler weather has slowed the turnaround between plantings.
- **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 and VERY SHORT** 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 (bridge between Central Mexico and Western Mexico) was severely damaged by the freeze. 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: ESCALATED** 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.