

Weekly Market Review

January 17, 2019

Overview

We are continuing to experience winter weather related issues in our growing regions which has caused quality issues with many of the below commodities. We are keeping a close eye on this and will send out updates accordingly.

Market Alert

- Asparagus – **EXTREME**
- Broccoli – **ESCALATED**
- Cabbage (Green & Red) – **ESCALATED**
- Cauliflower – **ESCALATED**
- Carrots (Jumbo) - **ESCALATED**
- Celery – **EXTREME**
- Cilantro – **ESCALATED**
- Green Bell Peppers - **ESCALATED**
- Green Onions - **ESCALATED**
- Jalapenos – **ACT OF GOD**
- Kale (Green) - **ESCALATED**
- Limes - **ESCALATED**
- Mushrooms – **ESCALATED**
- Squash (Italian and Yellow) - **EXTREME**
- Tomatoes (Rounds) – **ESCALATED**
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Watch List

- Cucumbers
- Melons (Cantaloupe, Honeydew, Watermelon)
- Mixed Chili Pepper (Anaheim, Poblano, Serrano)
- Sweet Potatoes and Yams
- Sugar Snap Peas

Transportation

Freight rates have improved as overall fuel costs are down however still expecting equipment and driver shortages nationwide. Mexico is experiencing a National Fuel Shortage due to alleged corruption. We have not seen this affect supply crossing into the United States quite yet but it could affect imports over the next several weeks. We will keep you informed when we have updates.

Weather

COACHELLA:

Thu 01/17	Fri 01/18	Sat 01/19	Sun 01/20	Mon 01/21	Tue 01/22	Wed 01/23
69° 53°	75° 48°	76° 49°	75° 50°	72° 45°	69° 44°	71° 46°
						
Overcast	Clear	Clear	Overcast	Partly Cloudy	Clear	Clear

HERMOSILLO:

Thu 01/17	Fri 01/18	Sat 01/19	Sun 01/20	Mon 01/21	Tue 01/22	Wed 01/23
79° 48°	80° 48°	83° 46°	83° 47°	81° 45°	75° 46°	76° 45°
						
Partly Cloudy	Clear	Clear	Clear	Partly Cloudy	Clear	Clear

JALISCO:

Thu 01/17	Fri 01/18	Sat 01/19	Sun 01/20	Mon 01/21	Tue 01/22	Wed 01/23
71° 50°	75° 48°	75° 50°	76° 48°	78° 50°	77° 48°	74° 47°
						
Chance of a Thunderstorm	Partly Cloudy	Mostly Cloudy	Mostly Cloudy	Overcast	Clear	Partly Cloudy

TORREON:

Thu 01/17	Fri 01/18	Sat 01/19	Sun 01/20	Mon 01/21	Tue 01/22	Wed 01/23
70° 46°	75° 44°	62° 33°	65° 38°	75° 47°	73° 38°	59° 36°
						
Mostly Cloudy	Partly Cloudy	Clear	Clear	Clear	Clear	Clear

CULIACAN:

Thu 01/17	Fri 01/18	Sat 01/19	Sun 01/20	Mon 01/21	Tue 01/22	Wed 01/23
88° 58°	87° 57°	90° 54°	93° 56°	91° 55°	85° 52°	84° 50°
						
Partly Cloudy	Partly Cloudy	Clear	Clear	Partly Cloudy	Partly Cloudy	Clear

PALMETTO:

Thu 01/17	Fri 01/18	Sat 01/19	Sun 01/20	Mon 01/21	Tue 01/22	Wed 01/23
70° 49°	74° 54°	78° 62°	65° 43°	61° 46°	73° 61°	75° 59°
						
Clear	Clear	Mostly Cloudy	Chance of Rain	Clear	Partly Cloudy	Rain

YUMA:

Thu 01/17	Fri 01/18	Sat 01/19	Sun 01/20	Mon 01/21	Tue 01/22	Wed 01/23
72° 55°	72° 51°	70° 48°	72° 50°	69° 47°	65° 44°	67° 46°
						
Partly Cloudy	Clear	Clear	Overcast	Partly Cloudy	Clear	Clear

Good Buys

Commodity	Market Update	Produce Expert Tip
Napa Cabbage	Supply is steady and quality is good.	Most commonly used in the Korean fermented dish, Kimchi, this flavorful Chinese cabbage variety can be eaten cooked or raw. Try stir-frying this veg, or even using it in a cozy winter soup this season!
Kiwi	Good supply available	Sliced, scooped, or diced into a fruit salad, this fuzzy exterior fruit can be used in other ways too! Try pureeing kiwi and using it as a meat tenderizer or marinade!

Grape Tomatoes	Supply is steady for the time being. Quality is good.	Outside of using these little gems as a snack, trying mixing up your grape tomato game and roast them! Roasted tomatoes have an amazing natural sweetness, and release an amazing juice that is liquid gold!
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Fruits & Vegetables

Avocados: Harvest in Mexico remains consistent with no expectation for a change leading into the Super Bowl. As a result, market should remain stable with good promotable volumes for the big game. Trees are starting to produce more #2 fruit and the overall crop size is bigger meaning 70's and smaller remain tight.

Bananas: Bananas are showing high quality. Supplies are good and should remain steady.

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: Grapes this week are very tight as California is just about finished. Most customers are switching to imports. Peru and Chile are both running late and light. Industry right now does not have enough fruit available to cover orders. This should last for about 10-14 days until Chile starts to arrive with some decent volume.

Berries

Blueberries: Steady supply.

Blackberries: Volume is slightly down.

Raspberries: Supplies are steady, and prices are good.

Strawberries: The market still remains very active and we continue to see higher price points. We anticipate further improvement over the next two weeks, then we expect the market to tighten back up due to Valentine's Day.

California / Arizona Citrus

Navels: Good availability across all sizes. Quality and flavor are excellent.

Lemons: Lemons from all areas are in steady supply, and there is ample supply available of all sizes.

Limes: **ESCALATED** Quality remains good, however supply is limited. We are seeing lighter numbers crossing through Laredo and FOB prices are up this week.

Grapefruit: Texas grapefruit is in peak season, and demand is very strong.

Imports/Specialties available:

- Blood Oranges
- Cara Caras
- Domestic satsuma mandarins
- Delite mandarins
- Minneolas
- Pummelos

West Coast Lettuce

Butter: Supplies, demand, and quality are good.

Green/Red Leaf: Supplies are fair, due to cold weather impacting our ability to quickly harvest.

Iceberg Lettuce: Quality has been good overall, but there are still signs of frost damage. The market is back to normal after holiday pull. Demand is up, due to business from schools being back in session. We are expecting the market to remain steady.

Romaine: We are seeing some minor epidermal peel and blistering, due to the cold weather in the Imperial Valley. Labor and weather have been an issue.

Romaine Hearts: Due to past and continuing episodes of freezing in the growing areas there could be varying degrees of blister, epidermal peel, and burn.

Eastern and Western Vegetables

Green Bell Pepper: ESCALATED Green bell peppers are up this week, as supply tightens up. Florida supply is low due to lack of acreage for the winter months. Mexico has been battling a cold front, which delays the growth of peppers. Quality is fair for now, and it will take up to a couple of weeks to improve. You can expect to see thin walls and bruising due to the cold weather.

Red Bell Pepper: Red bell pepper supply continue to improve, and prices are dropping with promotable volume available. Quality is looking great on the new crop out of Sinaloa.

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

Mini Sweet Pepper: Supplies and pricing are steady.

Mixed Chili Pepper (Jalapenos – ACT OF GOD) (Tomatillos, Poblano, Serrano – WATCH LIST): Mexico's chili peppers continue to be in a critical supply position with jalapenos and serranos especially tight. Poblano supply is a little better than other varieties, as are tomatillos. However, there are quality concerns on tomatillos, with reports of yellow husks.

Eggplant: With cooler temps, Mainland Mexico's eggplant supply has lightened up this week. Quality is fair to good. Florida farms are also seeing lighter production this week as older crops finish up and new plantings have light yields so far.

Cucumbers: WATCHLIST Cucumber prices are up this week due to limited supply. Florida continues to rely on Honduras for supply, while Mexico battles cold, rainy weather. This weather pattern delays the growth cycle, and also delays harvest. Quality is fair to good.

English Cucumbers: Supplies have firmed up due to the last blast of cold weather to hit central Mexico and very light supply out of the northern greenhouses. Markets should be firm for the next 2 to 3 weeks.

Green Beans: Green beans are readily available in both Eastern and Western markets this week and quality is good.

Yellow Squash: EXTREME Yellow squash is up in both the East and West regions. Supply is very tight in the West because of the cold weather. This market will remain tight for the next two weeks. Quality is trending down, with wind scarring being an issue.

Zucchini: EXTREME Zucchini is up in both the East and West regions. Supply is very tight in the West because of the cold weather. This market will remain tight for the next two weeks. Zucchini quality is better than the yellow squash.

Herbs

Mint: Supplies have become very short and demand has increased. Mexico growing regions have also been affected by the weather which is causing this shortage. We are anticipating this shortage to last around 45 days as we wait for warmer weather. Prices will be going up this week.

Dill: The increase in moisture will have some effect on dill but we anticipate this to be a very short supply issue with no price changes.

Basil: Supplies continue to be steady and quality is good. We are seeing some light color in the leaves from time to time but this is normal for this time of year.

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 Recent cantaloupe arrivals remain steady with sizes trending from medium to small fruit (12/15s). Fruit larger than 9ct remains very limited. New production has started in Guatemala, Honduras and Costa Rica. We are keeping an eye on future Guatemalan production. The whitefly/virus issue that significantly affected the first cycle in the Zacapa Valley is expected to seriously affect the second cycle which will begin in late February. It is still early, but we believe the month of March, which relies heavily on fruit from this area, will have very low yields and smaller fruit. We will continue to provide updates every few weeks to be sure everyone remains in the loop of what to expect.

Honeydew: WATCHLIST Honduran production has been hit with some growing issues of their own which has adversely affected quality from specific growers. This market continues to be in a demand exceeds supply situation and we do not foresee any immediate relief in the short-term. Guatemalan production, which is battling weaker fields, will have sizing that is shifting more to very small fruit (8/9s) which will leave 5/6s at a premium.

Watermelon: WATCHLIST seedless watermelon program has gotten off to a very good start with regards to quality. The market has been extremely limited.

Mixed Vegetables

Artichokes: Supplies industry wide are fair. Most of our volume this week is estimated to be 18's, followed by 12's. We're packing Angelina label due to frost damage. Demand is good, especially for 12's, 18's, and 24's. Prices are steady on most sizes.

Arugula: Supplies are good. There could be some quality issues, due to cold weather.

Asparagus: EXTREME We are experiencing a very Extreme market on asparagus. We are currently transitioning from Peru to Mexico, Peru shut down production early due to extremely low demand and in the anticipation that Mexico would be starting. The Mexican market has been hit with very cold weather which has slowed down production, additionally, the warmer weather we saw previously came very early which caused many fields to have premature flowering causing a lower yield than anticipated. Due to these factors we are seeing about a 25% shortage in supply and higher prices. They anticipate this until the beginning of February.

Bok Choy: Supplies and quality are good.

Broccoli / Broccoli Florets: ESCALATED Supplies are much lighter, due to the cold and rainy weather in desert and Santa Maria. The market is higher, with demand remaining good.

Brussels Sprouts: Cool weather in the desert and Mexico is slowing down production and the market is up from last week. Prices are rising and may continue to rise into next week.

Carrots: ESCALATED The harvest in our current region is showing lower yields and smaller sizing, we are seeing shorter supply and prices are higher.

Cauliflower: ESCALATED Supplies remain very tight, as the temperatures the week before last slowed the crop down extremely.

Celery: EXTREME Volumes are still extremely light. The market will stay high due to weather related issues and slow starts in the Mexican region.

Corn: Steady supply and good quality out of Florida.

Cilantro: ESCALATED Supplies are snug this week and conditions are expected to remain this way through next week at the earliest. We are seeing supply and harvest interruptions due to the heavy rain that is falling in Southern California. We are also experiencing light supply crossing through Calexico. We should begin to see harvest crews back in the fields out west early next week. Ice conditions improve this will increase availability.

Fennel: We continue to see larger sizing out in the field. Quality remains strong overall.

Garlic: 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: ESCALATED Due to the cold weather, there will be lighter supply for the next two weeks.

Green Onions: ESCALATED Iced and iceless supply remain extremely short this week. Rain, cold temps and the holidays, have significantly reduced labor output. Volume should slowly start to pick up.

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

Kale (Green): ESALATED Quality is fair. The market is active and prices are increasing.

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) Supplies and quality are both 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: ESCALATED Supplies are lower than normal and prices are rising.

Sugar Snap Peas: WATCHLIST Expect industry wide quality/availability issue due to freezing temps.

Snow Peas: Quality is excellent. Supplies and market are steady.

Spinach (Bunched): Supplies are good. There could be some quality issues, due to cold weather.

Spinach (Baby): Supplies are good. There could be some quality issues, due to cold weather.

Spring Mix: Supplies are good. There could be some quality issues, due to cold weather.

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, supply is still good out of Mississippi. We are reviewing daily and will continue to keep you posted.

Onions:

Demand has continued to exceed supply, which is causing all sizes and colors to increase in price. Size profiles remain heavy to Jumbos and Colossals, with Medium onions remaining on the tighter side. White onions have become extreme in price, with very little supply available and this will likely continue through the remainder of storage season as the Northwest has a short supply. Reds remain more plentiful than other colors, and straight load deals exist out of both Idaho/Oregon and Washington. Typically during this time, we begin to see Mexican product crossing, which usually creates downward pressure on pricing. However, because Mexico is keeping their supply for their local market, we are not seeing any increase in supply. We will likely not see Mexican onions cross through South Texas until the second week of February. Until this occurs, we will likely see incremental increases in price on all colors and sizes.

Potatoes:

The Potato market continues to rise as demand and pricing have increased. Large cartons are extremely limited as more growers are moving to Burbanks. There is very little size in the Burbank crop which has put tremendous pressure on the Norkotah crop. Transportation has not been as challenging as more equipment becomes available.

TOMATOES - EAST

- **Rounds: ESCALATED** Round tomatoes are up this week, due to a limited supply of tomatoes. Florida is producing low volumes as they enter this part of the winter season. Quality looks to be good still.
- **Romas:** Roma prices are down as supply ramps up. Quality is good.
- **Grapes:** Grape tomato prices remain steady and supply is very good out of all growing regions. Quality is good
- **Cherries:** Cherry tomatoes continue to be flat this week. Supply is steady for the time being. Quality is good.

- **Organic Tomatoes:** Supply is improving, and markets are easing. Overall quality is good.

TOMATOES - WEST AND MEXICO

- **Rounds: ESCALATED** Round tomatoes out of Mexico are starting to loosen up however still struggling a tad on color. We anticipate this to improve over the next 10 to 14 days as the harvest ramps up daily and routine production begins out of Central Mexico. Despite seeing some lingering color issues, overall new crop quality is very nice. Markets are still firm but we expect to see this change over the next 10 days.
- **Romas:** Roma prices are down this week as supply loosen up in the west as new crop production finally begins in Culiacan!
- **Grapes:** Grape tomato prices remain steady and supply is very good out of all growing regions. Quality is good.
- **Cherries:** Cherry tomatoes continue to be flat this week. Supply is steady for the time being. Quality is good.

APPLES & PEARS

Apples: There are great supply on all apple varieties. Smaller sizes are tighter now that school is in session.

Pears: Asian pears are ending.