

Weekly Market Review

January 24, 2019

Overview

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

Market Alert

- Asparagus – **EXTREME**
- Broccoli florets – **ESCALATED**
- Cauliflower florets- **ESCALATED**
- Cabbage (Green & Red) – **ESCALATED**
- Carrots (Jumbo) - **ESCALATED**
- Celery – **EXTREME**
- Cilantro – **ESCALATED**
- Green Bell Peppers - **ESCALATED**
- Green Onions - **ESCALATED**
- Jalapenos – **ACT OF GOD**
- Kale (Green) - **ESCALATED**
- Mushrooms – **ESCALATED**

Watch List

- Limes
- 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 1/24	Fri 1/25	Sat 1/26	Sun 1/27	Mon 1/28	Tue 1/29	Wed 1/30
77° 47° F	78° 47° F	80° 48° F	80° 51° F	82° 51° F	74° 46° F	75° 47° F
						
Sunny	Sunny	Mostly Sunny	Partly Cloudy	Cloudy	Partly Cloudy	Sunny

HERMOSILLO:

Thu 1/24	Fri 1/25	Sat 1/26	Sun 1/27	Mon 1/28	Tue 1/29	Wed 1/30
72° 46° F	72° 49° F	76° 47° F	77° 47° F	78° 54° F	73° 47° F	73° 46° F
 Mostly Sunny	 Sunny	 Sunny	 Partly Cloudy	 Cloudy	 AM Clouds/PM Sun	 Sunny

JALISCO:

Thu 1/24	Fri 1/25	Sat 1/26	Sun 1/27	Mon 1/28	Tue 1/29	Wed 1/30
80° 51° F	80° 50° F	75° 46° F	80° 48° F	78° 48° F	76° 47° F	75° 48° F
 Sunny	 Partly Cloudy	 Partly Cloudy	 Sunny	 Mostly Sunny	 Partly Cloudy	 Mostly Sunny

TORREON:

Thu 1/24	Fri 1/25	Sat 1/26	Sun 1/27	Mon 1/28	Tue 1/29	Wed 1/30
63° 32° F	63° 32° F	61° 28° F	66° 36° F	75° 38° F	52° 33° F	61° 36° F
 Sunny	 Mostly Sunny	 Sunny	 Mostly Sunny	 Mostly Sunny	 Mostly Cloudy	 Mostly Sunny

CULIACAN:

Thu 1/24	Fri 1/25	Sat 1/26	Sun 1/27	Mon 1/28	Tue 1/29	Wed 1/30
88° 51° F	88° 51° F	85° 51° F	89° 49° F	87° 52° F	84° 51° F	83° 52° F
 Sunny	 Partly Cloudy	 Partly Cloudy	 Sunny	 Partly Cloudy	 Partly Cloudy	 Sunny

PALMETTO:

Thu 1/24	Fri 1/25	Sat 1/26	Sun 1/27	Mon 1/28	Tue 1/29	Wed 1/30
69° 49° F	61° 46° F	62° 48° F	59° 45° F	66° 46° F	69° 50° F	61° 44° F
 AM Thunderstorms	 Sunny	 Mostly Cloudy	 AM Showers	 Mostly Sunny	 Mostly Sunny	 Partly Cloudy

YUMA:

Thu 1/24	Fri 1/25	Sat 1/26	Sun 1/27	Mon 1/28	Tue 1/29	Wed 1/30
72° 50° F	71° 52° F	75° 48° F	77° 48° F	78° 54° F	72° 47° F	73° 46° F
 Sunny	 Mostly Sunny	 Sunny	 Partly Cloudy	 Cloudy	 AM Clouds/PM Sun	 Mostly Sunny

Good Buys

Commodity	Market Update	Produce Expert Tip
Bok Choy	Supply and quality are good.	Most commonly known in Asian style dishes, bok choy is typically seen flipping around in a wok. Try blending-up this vitamin packed veg in a green smoothie, mixed with things like spinach, mango, pineapple, and coconut milk. Yum!
Kiwi	We are continuing to see good supply this week!	Underride kiwi got you down? Not to worry! Like avocados, you can place green or gold kiwis in a paper bag with an apple, banana, or pear, and keep them at room temp for a day or two until the ripen to your liking.
Green Beans	Steady production in both Florida and Mexico.	This versatile veg packs a huge amount of nutrients in such a small package. Try quickly cooking and blanching green beans and added them as a great crunch to any pasta or leafy green salad.
Red Bells	Red bell pepper supply is good with promotable volume available.	Red Bells are back on the map! Although a timely process, roasting red bell peppers is totally worth the wait. Place a few whole peppers on a cooking sheet to roast the outside of the skin, then let them sit and peel the skin off to expose the juicy flesh like interior, they are sweet and divine in any salad.

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: Supply will be tight for the next 3-4 weeks. Lower volume should affect only market customers. Contracted customers should see no issues. Quality is good at this time, and 1st semester of the year should be smooth for the program.

Pineapples: Supply is good and is expected to remain healthy thru the month of February. Trending towards smaller sizes but still with good availability of large fruit.

Grapes: Grapes are tight. Chile is running late due to cool weather and a lighter crop overall to start. January will be a day to day fruit availability issue.

Berries

Blueberries: Steady supply on blueberries.

Blackberries: Volume is slightly down on blackberries.

Raspberries: Supply is steady, and prices are good.

Strawberries: We anticipate a reduction in volume for the next few weeks due to current weather conditions.

California / Arizona Citrus

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

Lemons: Lemons from all areas are in steady supply. Ample supply available of all sizes.

Limes: WATCHLIST Quality remains good and supply has have caught up a tad dropping FOB prices down. We expect good supply through the Superbowl weekend.

Grapefruit: Texas grapefruit supply is tight.

Imports/Specialties available:

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

West Coast Lettuce

Butter: Supply and demand is good; Quality is fair.

Green/Red Leaf: Supply and quality is fair. The cold weather a couple of weeks ago really slowed down the crop and also affected quality. Due to the cold weather, we are experiencing slight yellowing and lighter weights. Yields took a big hit, which means supply is lighter this week and weights are in the 19-21lbs range.

Iceberg Lettuce: Quality is fair, with signs of frost damage and occasional epidermal peel. Demand has been very steady. Overall numbers are higher than normal. The market is slightly lower but will settle around current levels.

Romaine: Supply has returned to normal. Demand was very strong last week. Romaine is still trying to recover from the cold snap that happened a couple of weeks ago. Most of the mature romaine will continue to show epidermal peel and blister, while some of the younger crops will have less defects.

Romaine Hearts: Demand and supply is good; Quality is fair.

Eastern and Western Vegetables

Green Bell Pepper: ESCALATED Green bell peppers are up this week. Supply remains tight due to the weather issues, and sizing. The current crop is trending toward larger sizes. Growing areas are expected to see better weather, which should improve supply and quality.

Red Bell Pepper: Red bell pepper supply is good with promotable volume available. Some offshore product is arriving, along with hothouse out of Mexico getting back on track and helping supply.

Yellow Pepper: Supply 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: Supply and pricing is steady.

Mixed Chili Pepper (Jalapenos – ACT OF GOD) (Tomatillos, Poblano, Serrano – WATCH LIST): The chili pepper market is at an all-time high. Weather patterns have rocked Mexico's production since October, in some cases wiping out crops completely. Growers are shipping what they can, but unfortunately, that brings a

lot of quality issues to the table like scarring, mixed sizes, discoloration, shoe polish, etc. There is a possibility that this situation may not repair itself until Spring.

Eggplant: Eggplant continues to go up in price as markets remain tight. Production continues to be light in both markets this week. The cooler weather is playing a major factor in the growth cycles of the eggplants. Quality is fair to good.

Cucumbers: Mexico's cucumber farmers are still trying to catch up after the frost/rain over the last few weeks. Production is picking up slowly and we should begin to see better numbers sometime next week. Fortunately, the weather hasn't affected quality. With Florida crops wrapped up, Eastern markets are looking to Honduras imports for cucumber supply. Most growers are up to speed now, bringing an adequate amount of product to market.

English Cucumbers: Supply has 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: Steady production in both Florida and Mexico. Unless weather becomes a factor, expect steady production and nice quality for the next few weeks from all current harvest areas.

Zucchini / Yellow Squash: Squash market is improving, and the main contact grower will be back in business this weekend.

Herbs

Mint: Supply has 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: Supply continues to be steady and quality has been very nice. 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 The cantaloupe market has not changed since last week. Sizing continues to trend toward the smaller sized fruit. We are projecting this to continue through the next week before a significant decrease in production resumes again (as we saw in late December). Guatemala is still seeing effects of virus even in new growing areas, which is severely affecting yields and providing much smaller fruit (15/18ct). We had anticipated a decrease in production by late February but it now appears it will start earlier in the month. During this period flexibility of sizing may be imperative.

Honeydew: WATCHLIST Honeydews remain in a demand exceeds supply situation with larger fruit being extremely challenging. Production, due to virus, is heavily leaning to 8/9s and even 10s. We do not predict much change occurring over the next three weeks. The need for flexibility on sizing with the dews will be required over this timeframe due to the reality of what is being harvested.

Watermelon: WATCHLIST Seedless watermelons continues to be in a demand exceeds supply scenario. We are seeing steady production from our growers in Guatemala and Honduras, but Mexican production remains in very short supply putting pressure on melons arriving into the East.

Mixed Vegetables

Artichokes: Light supply of artichokes is expected to continue for several weeks. Supply industry wide is fair, demand is good, and prices are steady on most sizes.

Arugula: Supply and quality is improving as a result of warmer temperatures in the desert.

Asparagus: EXTREME We are slowly starting to see Caborca's production start to pick up on XL-SML sizes. Jumbo asparagus is still limited volume and will be prorated by 15% for next week. We will continue to send updates as we receive them.

Bok Choy: Supply and quality is good.

Broccoli / Broccoli Florets: ESCALATED Supply is steady this week and quality is good. Pricing on broccoli florets is escalated.

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 Supply is starting to increase. Quality is excellent in both growing regions. Pricing on cauliflower florets is escalated.

Celery: EXTREME Total volumes are still extremely light. The weather has been cold and fairly wet, causing sizing to be smaller. We are anticipating smaller sizes for the next two weeks.

Corn: Steady supply and good quality out of Florida.

Cilantro: ESCALATED Supply is 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 seeing light supply crossing through Calexico. We should begin to see harvest crews back in the fields out west early next week. Once conditions improve which should increase availability.

Fennel: We will have good supply on fennel this week and should have extra product to sell each day. We will see a majority of 24ct this week, with good availability on 30ct as well. Quality remains strong overall.

Garlic: Supply is 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 Demand exceeds supply and the market pricing is hitting record level highs. We do not anticipate seeing any changes on high pricing this week.

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: Supply and quality is good; Quality is fair.

Parsley: (Curly, Italian) Supply and quality is both good.

Rapini: Supply has improved, and markets are steady. Quality has improved.

Radishes: Supply is steady, and quality is good shipping through Arizona and Florida.

Red Cabbage: ESCALATED Supply is 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. Supply and market are steady.

Spinach (Bunched): There is a possibility of cold-weather defects, but quality will improve as it warms up.

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

Spring Mix: There is possible cold-weather defects causing premature breakdown, but quality will improve as it warms 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, 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 each week. 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 is readily available.

TOMATOES - EAST

- **Rounds:** Round tomatoes are mixed this week. The East is reporting a price increase due to limited supply, particularly on large sizes. Quality is between fair and good for now.
- **Romas:** Roma prices are down this week. Florida harvest is still limited, but they are getting support from Mexico with supply. Quality looks to be good, barring any issues from Mother Nature.
- **Grapes:** Grape tomato prices continue to drop this week. Supply and quality continue to improve.
- **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:** Supply out of Mexico are good with promotable volume available. Quality is very nice.
- **Romas:** Roma prices are down this week. Mexico is off to the races, and harvest numbers are reflecting that. Quality looks to be good, barring any issues from Mother Nature.
- **Grapes:** Grape tomato prices continue to drop this week. Supply and quality continue to improve.
- **Cherries:** Cherry tomatoes continue to be flat this week. Supply is steady for the time being. Quality is good.

APPLES & PEARS

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

Pears: Asian pears are ending.