

Weekly Market Review

January 31, 2019

Overview

We are still experiencing winter weather related issues in our growing regions which has caused some quality issues with commodities. We are keeping a close eye on this and will send out updates accordingly.

Market Alert

- Cabbage (Green & Red) – **ESCALATED**
- Carrots (Jumbo) - **ESCALATED**
- Celery – **EXTREME**
- Green Bell Peppers - **ESCALATED**
- Green Onions - **ESCALATED**
- Jalapenos – **ACT OF GOD**
- Kale - **ESCALATED**
- Mushrooms – **ESCALATED**
- Strawberries - **ESCALATED**

Watch List

- Limes
- Melons (Cantaloupe, Honeydew, Watermelon)
- Mixed Chili Pepper (Anaheim, Poblano, Serrano)
- Sweet Potatoes and Yams

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 1/31	Fri 2/1	Sat 2/2	Sun 2/3	Mon 2/4	Tue 2/5	Wed 2/6
73° 51° F	73° 55° F	64° 49° F	67° 49° F	66° 46° F	64° 43° F	65° 41° F
						
Partly Cloudy	Mostly Cloudy	Rain	Mostly Sunny	Mostly Sunny	Partly Cloudy	Sunny

HERMOSILLO:

Thu 1/31	Fri 2/1	Sat 2/2	Sun 2/3	Mon 2/4	Tue 2/5	Wed 2/6
75° 52° F	71° 57° F	69° 52° F	69° 48° F	68° 48° F	66° 44° F	65° 44° F
AM Clouds/PM Sun	Mostly Sunny	AM Showers	Sunny	Partly Cloudy	Mostly Sunny	Sunny

JALISCO:

Thu 1/31	Fri 2/1	Sat 2/2	Sun 2/3	Mon 2/4	Tue 2/5	Wed 2/6
75° 47° F	76° 49° F	77° 48° F	79° 50° F	81° 50° F	82° 52° F	82° 53° F
AM Clouds/PM Sun	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Mostly Cloudy	Mostly Cloudy

TORREON:

Thu 1/31	Fri 2/1	Sat 2/2	Sun 2/3	Mon 2/4	Tue 2/5	Wed 2/6
73° 40° F	78° 43° F	77° 47° F	84° 51° F	86° 55° F	87° 60° F	86° 56° F
Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Mostly Sunny	Mostly Cloudy	Cloudy

CULIACAN:

Thu 1/31	Fri 2/1	Sat 2/2	Sun 2/3	Mon 2/4	Tue 2/5	Wed 2/6
83° 52° F	84° 54° F	85° 55° F	86° 54° F	89° 56° F	87° 59° F	85° 57° F
Partly Cloudy	Mostly Cloudy	AM Clouds/PM Sun	Cloudy	Mostly Sunny	Cloudy	Cloudy

PALMETTO:

Thu 1/31	Fri 2/1	Sat 2/2	Sun 2/3	Mon 2/4	Tue 2/5	Wed 2/6
64° 56° F	74° 61° F	77° 61° F	75° 60° F	76° 60° F	78° 59° F	80° 60° F
Cloudy	Partly Cloudy	AM Clouds/PM Sun	AM Clouds/PM Sun	Partly Cloudy	Partly Cloudy	Sunny

YUMA:

Thu 1/31	Fri 2/1	Sat 2/2	Sun 2/3	Mon 2/4	Tue 2/5	Wed 2/6
75° 52° F	71° 56° F	68° 52° F	68° 48° F	67° 49° F	65° 45° F	64° 44° F
AM Clouds/PM Sun	Partly Cloudy	AM Showers	Sunny	Partly Cloudy	Mostly Sunny	Sunny

Good Buys

Commodity	Market Update	Produce Expert Tip
Mini Peppers	Better supplies, good volume next several weeks, great promo item.	Stuffed, sliced, or eaten raw, mini peppers compliment any savory dish with a sweet pop of flavor! Stuff these with a fatty cheese and pop them in the oven as a great winter time app, or great addition to any Super Bowl buffet display.
Roma Tomatoes	Quality continues to be in the good range.	Roasted Roma tomatoes are a warm and sweet side dish to any entrée. Cut them in half, sprinkle with some salt, pepper, basil, oregano and a drizzle of oil and put them in the oven to bring out the natural sweetness. Yum!
Romaine Hearts	Demand and supplies are good.	It may not be grilling season nation-wide but bust out a grill pan and drizzle a little oil on romaine hearts! Slice the hearts in half, oil the inside and place them on a grill for a new take on a salad.

Fruits & Vegetables

Avocados: Harvest in Mexico remains consistent with no expectation for a change as we get into February. Trees are starting to produce more #2 fruit and the overall crop size is bigger (70's), smaller remains tight.

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

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

Grapes: Grape industry remains very tight on supplies. We are receiving some product out of Peru, but they are ending their seedless harvest and arrivals should conclude in two weeks. Chile is still very light on production and we do not see this volume increasing until mid-February.

Berries

Blueberries: Steady supplies on blueberries.

Blackberries: Volume is slightly down on blackberries and is expected to gradually descend through the month of February due to unfavorable night temperatures.

Raspberries: Supplies are steady, and volume is projected to increase through February.

Strawberries: **ESCALATED** Prices are high, and supplies are low due to current weather.

California / Arizona Citrus

Navels: Navels will be in good supply except for 56s and larger which will continue to be tight. We will see more choices for the next 4 to 6 weeks. Fruit is at peak of the season in flavor.

Lemons: Lemons from all areas are in steady supply. Ample supplies available of the larger sizes with little 165's and smaller.

Limes: WATCHLIST Quality remains good and supplies have caught up dropping FOB prices down. We expect good supply through the middle of next month.

Grapefruit: Texas grapefruit supply is tight.

Imports/Specialties available:

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

West Coast Lettuce

Butter: Supplies and demand are good. Quality is fair.

Green/Red Leaf: Supplies and quality are 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 also took a big hit, which means our supplies are lighter this week. Weights are in the 19-21lbs range.

Iceberg Lettuce: Numbers are steady to high and demand is down, due to cold weather back east. We are seeing signs of frost damage from two weeks ago.

Romaine: Supplies have returned to normal. Demand was very strong last week, but has started to slow down early this week. Product is still recovering from the cold weather that hit a couple of weeks ago. Most of the romaine will continue to show epidermal peel and blistering, while some of the younger crops will have less defects.

Romaine Hearts: Demand and supplies are good.

Eastern and Western Vegetables

Green Bell Pepper: ESCALATED Green bell peppers are steady for the week. Supply remains limited in both the East and West. The West is expecting improvement in the next 10 to 14 days, depending on the weather. Quality has taken a dip from good to only fair. Thin walls and bruising are the most prevalent issues.

Red Bell Pepper: Red bell peppers dropped significantly this week. There are good volumes of red peppers, as hothouses have begun recovering from their weather issues.

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: Better supplies, good volume is project for the next several weeks, great promo item.

Mixed Chili Pepper (Jalapenos – ACT OF GOD) (Tomatillos, Poblano, Serrano – WATCH LIST): Mexico's chili pepper crops continue to struggle as growers and crops seek to rebound from crop loss and serious damage back in the Fall. Cooler temperatures across Sonora and Sinaloa are causing slow growth and defects. Moisture has also contributed to the lack of quality supply, causing dirt film, weaker walls and discolored seed

cavities. With Florida's minimal numbers at this time of year, expect at least the next few weeks to remain very challenging.

Eggplant: Eggplant prices are steady but remain high due to the light supply. The cooler weather has slowed the growth process. Quality is fair to good.

Cucumbers: Cucumber prices are mixed this week. The East is reporting flat prices, as their sole supply is coming from Honduras. The West, however, is seeing a price drop, as supplies out of Mexico begin to recover from past weather issues. Mexico harvests will look to improve even more in the next couple of weeks. Quality is mixed, with reports of fair and good quality among the fields.

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: Florida's green bean crops have hit a snag in production due weather last weekend. Due to continued cooler weather, yields have been impacted this week. Lighter numbers are expected to continue over the next 7-10 days. Quality is still nice, but we could see some weather effects on product over the next week. However, Mexico farms expect a fairly steady path for the next few weeks, as weather and quality have rebounded.

Zucchini / Yellow Squash: Yellow squash is mixed this week. Florida is reporting prices up for the week, due to poor weather and bad harvests. However, the West is seeing a price drop this week. The improved weather has helped growing conditions, allowing a price drop for the week. Quality continues to be poor, with reports of heavy scarring and discoloration. Zucchini prices are dropping this week. Florida is only seeing a slight price drop, while Mexico is seeing a larger price drop. Supplies remain okay in the East and are improving in Mexico. Quality remains poor to fair for zucchini, with scarring and bruising being reported.

Herbs

TARRAGON is currently the only fresh herb that is in short supply. This should be corrected soon, weather permitting.

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 New Costa Rican and Honduran production is hitting with all larger sized melons (heavy to 6/9s) and this trend should continue over the next 10-14 days at least. Guatemalan supply continues to face struggles in the fields which is providing mostly smaller sizing (15/18s). We anticipate a decrease in supply arriving into Florida by the week of Feb 11th which will remain light until the second cycle of Guatemalan fruit which starts later in the month. Honduras and Costa Rica will continue hitting the northeast primarily with the large fruit the first few weeks of February before moving into a skip of their own. Quality of fruit has been very strong with good netting and solid internal quality.

Honeydew: WATCHLIST Honeydew production remains in a demand exceeds supply situation with new immediate end in sight. Larger fruit is extremely challenging as most arrivals from Guatemala are leaning very heavy toward the smaller fruit (8/9/10s). There is a strong possibility that flexibility in sizing will be required in order to fill orders accurately.

Watermelon: WATCHLIST Seedless watermelon remains very active as Mexican crossings have been slow to start. We anticipate another couple weeks of solid pricing before this market is expected to settle. Quality has been outstanding from both our Guatemala and Honduras farms.

Mixed Vegetables

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

Arugula: Supplies and quality are improving because of warmer temperatures in the desert. We are seeing some yellowing and mildew could become an issue if it rains in the desert this week.

Asparagus: Volume is steadily increasing, things are looking better in the next 2 weeks.

Bok Choy: Supplies and quality are good.

Broccoli / Broccoli Florets: Supplies are steady this week and quality is 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 supplies and prices are higher.

Cauliflower: Supplies are good and quality is excellent.

Celery: EXTREME Mexico will have light product this week. Overall volumes are still light but should get increasingly better. The weather has been warmer, so sizing is a slightly better.

Corn: Steady supply and good quality out of Florida.

Cilantro: Supplies are improving this week and markets have dropped. We expect steady supply over the next week.

Fennel: We will have good supplies 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: Supplies are firming up and markets are active.

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 supplies for the next two weeks.

Green Onions: ESCALATED The market remains very active this week due to extreme weather conditions in the East. Pricing may come down.

JICAMA: Markets remain firm due to ongoing short supplies 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 are good. Demand is fair.

Parsley: (Curly, Italian) Supplies and quality are both good.

Rapini: Supplies have improved, and markets are steady. Quality has improved.

Radishes: Markets are steady.

Red Cabbage: ESCALATED Supplies are lower than normal and prices are rising

Sugar Snap/Snow Peas: Quality is good, and supply is increasing.

Spinach (Bunched): We are seeing some mechanical damage; however, quality is fair. This issue may continue, if it rains this week.

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

Spring Mix: There are possible cold-weather defects causing premature breakdown, but quality will improve as it warms up. If it rains, the quality issues may continue.

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:

Weather across the country has caused a lower demand which has now become equal to supply. This has caused the market to stabilize across the board. 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 prices have dropped this week. Supplies and quality have begun to improve. Price drops will vary between the size and grade.
- **Romas:** Roma prices continue to drop in price. Mexico harvests continue to improve, and quality continues to be in the good range.

- **Grapes:** Grape tomato prices are steady for now. Supply is continuing to meet current demand and quality is good, with only some issues of discoloration being reported.
- **Cherries:** Cherry tomatoes continue to be flat this week. Supply and quality continue to slowly improve.
- **Organic Tomatoes:** Supplies are improving, and markets are easing. Overall quality is good.

TOMATOES - WEST AND MEXICO

- **Rounds:** Round tomatoes prices have dropped this week and supplies have begun to improve. Price drops will vary between the size and grade. Weather in Mexico is improving and therefore quality is better.
- **Romas:** Roma prices continue to drop in price. Mexico harvests continue to improve, and Florida is pulling from Mexico to help with their supply. Quality continues to be in the good range.
- **Grapes:** Grape tomato prices are steady for now and supply is continuing to meet current demand. Quality for the most part is good, with only some issues of discoloration being reported.
- **Cherries:** Cherry tomatoes continue to be flat this week. Supply and quality continue to improve slowly.

APPLES & PEARS

Apples:

- **Granny Smith** holdings in Washington are low as compared to last year's crop. We will have some supply of Grannys through the balance of the season. The best values will be on Exfcy # 1 72's to 88's although the pricing on will continue to increase throughout the balance of the marketing season.
- **Fujis** are peaking on 64's to 88's with most grower lots heavy to Exfcy # 1 grade.
- **Gala** apple quality is very good and most grower lots are peaking on Premium Exfcy 80's to 113's.
- **Honeycrisp** will be packed through the middle of June. The overall pricing on Honeycrisp this season is much less than the past several years due to increased production. Prices will increase over the next couple months.
- **Cripps Pink** apples will be available through the summer months. Most grower lots are peaking on Premium Exfcy 88's to 113's. The pricing is fairly high at this time and should remain fairly steady through the spring months.
- **Braeburn** apples will be available through June. Most grower lots are peaking on Premium Exfcy 80's to 100's.
- **Crimson Delight** is a sweet tart apple with good blush red color. They are very crisp and keep very well. We will have plenty of supply through about the 1st of June.

Pears: Anjou, Bosc, and red pears are available, and we will have good supply of US#1 pears available through about the 1st of June. The pear market has been lower this season due to additional supply, so pears are a great value at this time.