

# Weekly Market Review

February 21, 2019

## Overview

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We are still experiencing winter weather related issues in our growing regions, which has caused quality issues with many commodities, especially iceberg, romaine, and romaine hearts. This is an industry wide issue related to cold weather, please see below for more information.

## Market Alert

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- Broccoli - **ESCALATED**
- Cabbage (Red) – **ESCALATED**
- Carrots (Jumbo) - **ESCALATED**
- Cauliflower - **ESCALATED**
- Celery – **EXTREME**
- Green Onions - **ESCALATED**
- Kale – **ESCALATED**
- Limes -**ESCALATED**
- Mixed Chili Pepper (Jalapeno and Serrano) - **ESCALATED**

## Watch List

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- Melons (Honeydew)
- Mushrooms
- Sweet Potatoes and Yams

## Transportation

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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

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### COACHELLA:

Thu 2/21	Fri 2/22	Sat 2/23	Sun 2/24	Mon 2/25	Tue 2/26	Wed 2/27
59°   42° F	65°   37° F	65°   41° F	69°   44° F	72°   47° F	76°   52° F	79°   53° F
						
PM Showers	Sunny	Sunny	Sunny	Sunny	Partly Cloudy	Partly Cloudy

**HERMOSILLO:**

Thu 2/21	Fri 2/22	Sat 2/23	Sun 2/24	Mon 2/25	Tue 2/26	Wed 2/27
66°   51° F	56°   36° F	67°   38° F	71°   41° F	73°   45° F	80°   51° F	81°   52° F
 Partly Cloudy	 Rain	 Sunny	 Partly Cloudy	 Mostly Sunny	 Mostly Sunny	 Cloudy

**JALISCO:**

Thu 2/21	Fri 2/22	Sat 2/23	Sun 2/24	Mon 2/25	Tue 2/26	Wed 2/27
69°   51° F	74°   51° F	75°   50° F	81°   53° F	83°   54° F	83°   51° F	83°   51° F
 AM Showers	 Cloudy	 Cloudy	 Mostly Sunny	 AM Clouds/PM Sun	 Sunny	 Mostly Sunny

**TORREON:**

Thu 2/21	Fri 2/22	Sat 2/23	Sun 2/24	Mon 2/25	Tue 2/26	Wed 2/27
82°   51° F	85°   48° F	76°   43° F	78°   44° F	83°   47° F	84°   50° F	84°   53° F
 Partly Cloudy/Wind	 Partly Cloudy	 Cloudy	 Mostly Sunny	 Partly Cloudy	 Sunny	 Mostly Sunny

**CULIACAN:**

Thu 2/21	Fri 2/22	Sat 2/23	Sun 2/24	Mon 2/25	Tue 2/26	Wed 2/27
76°   49° F	79°   48° F	83°   46° F	87°   46° F	87°   49° F	91°   51° F	89°   54° F
 Mostly Sunny	 Mostly Sunny	 Mostly Sunny	 Partly Cloudy	 Partly Cloudy	 Sunny	 Mostly Cloudy

**PALMETTO:**

Thu 2/21	Fri 2/22	Sat 2/23	Sun 2/24	Mon 2/25	Tue 2/26	Wed 2/27
82°   68° F	85°   68° F	85°   70° F	82°   64° F	78°   64° F	79°   65° F	78°   64° F
 Partly Cloudy	 Sunny	 Partly Cloudy	 Partly Cloudy	 Partly Cloudy	 Thunderstorms	 Isolated Thunderstorms

**YUMA:**

Thu 2/21	Fri 2/22	Sat 2/23	Sun 2/24	Mon 2/25	Tue 2/26	Wed 2/27
57°   41° F	62°   37° F	65°   41° F	68°   44° F	72°   47° F	77°   55° F	78°   55° F
 Showers	 Sunny	 Sunny	 Partly Cloudy	 Mostly Sunny	 Partly Cloudy	 AM Clouds/PM Sun

## Good Buys

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Commodity	Market Update	Produce Expert Tip
Squash	Steady Supply. Mexican squash on an increase.	The large seeds in its flesh are edible- try roasting them with spices of your choosing for a delicious and nutritious snack.
Zucchini	Steady Supply. Mexican zucchini on an increase.	Thinly slice and sauté in plenty of olive oil, garlic, sea salt and a flourish of fresh dill. Great on its own, as a side dish, or an omelet filling.

## Fruits & Vegetables

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

**Bananas:** Supply will be tight for the next 3-4 weeks. Difficult growing conditions are affecting the stubbornness of the fruit. Fruit is taking longer than normal to ripen.

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

**Grapes:** Market remains unchanged. Very little Chilean product coming in and currently, it is all jumbo size. Volumes keep getting adjusted lower out of Chile. We are hoping volumes for reds pick up in March, however, greens look like they will remain tight.

## Berries

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**Blueberries:** Supply is steady. Oxnard production will continue to increase each week and we are already seeing significant volume.

**Blackberries:** Volume is slightly down on blackberries and is expected to gradually descend through the month of February. Volumes will remain low until late March.

**Raspberries:** Supply is steady and volume is project to increase through February.

**Strawberries:** The strawberry market is improving and quality looks good. We will continue to keep you updated as the market has been up and down.

## California / Arizona Citrus

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**Navels:** Navels are selling well, and flavor is excellent. There is more choice right now and that will continue to be the case for the next month. Large fruit continues to be elusive especially 56's and larger Sunkist grade.

**Lemons:** Lemons are steady; however, sizes are larger, and we are very tight on 165's and smaller. At this time, we are almost finished with the desert crop and are getting more fruit picked in the Central Valley.

**Limes:** **ESCALATED**, Supply remains tight due to lower volume crossing through the border as a result of weather issues in Mexico.

**Grapefruit:** Texas grapefruit supply is tight.

**Imports/Specialties available:**

- Blood Oranges
- Cara Caras
- Sun Delite
- Pummelos
- Gold Nugget coming late February

**West Coast Lettuce**

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**Butter:** Supply and demand are good. Quality is poor due to weather related issues.

**Green Leaf:** Supply and quality are fair to poor. The cold weather this weekend will continue to impact quality. We are having issues with slight yellowing and lighter weights. Yields continue to take a hit, which will create lighter supply this week.

**Red Leaf:** Supply, demand, and quality is fair.

**Iceberg Lettuce:** Supply is lighter than normal due to cold weather. We can anticipate some freeze damage and other quality issues. We expect to see higher prices and slight shortages.

**Romaine:** Supply is below normal. Cold weather is predicted in the desert again this week, causing potential ice in our fields and delaying harvesting times. In addition, expect to see some peel and blister, quality is fair to poor.

**Romaine Hearts:** Demand is good. Supply and quality are fair to poor due to weather related issues.

**Eastern and Western Vegetables**

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**Green Bell Pepper:** Green bell peppers have leveled off and are holding steady this week due to cooler weather in all growing regions. Prices have started to balance out between the regions. Quality remains fair to good.

**Red Bell Pepper:** Supplies tightened back up due to cooler weather. We expect shorter supplies for the next two weeks.

**Yellow Pepper:** Supplies tightened back up due to cooler weather. We expect shorter supplies for the next two weeks.

**Mini Sweet Pepper:** Better supply, good volume next several weeks, great promo item.

**Mixed Chili Pepper: Jalapeno and Serrano – ESCALATED,** Mexico's chili pepper supply is working its way back to normal levels for this time of year. Jalapenos and Serranos are getting there slowly. With better volume expected this week and next, availability should get closer to but not quite reach normal levels. Quality has been all over the place with some misshape, varied sizing, scarring and overall weaker pepper crossing.

**Eggplant:** Florida's eggplant supply remains on the light side, but Mexico farms are picking up the pace. Overall quality is good.

**Cucumbers:** Cucumber prices are up this week, due to tighter supply than expected. Honduras has cut back on imports, putting extra pressure on Mexico. Quality is fair, with skin damage being the most prevalent problem.

**English Cucumbers:** Supply has firmed up due to the last blast of cold weather to hit central Mexico. Very light supply out of the Northern Greenhouses. Markets should be firm for the next 2 to 3 weeks.

**Green Beans:** Mexico's numbers are expected to remain steady for the next few weeks barring any weather issues. Florida yields are down due to past weather, but there's an adequate amount of product available to meet the market's light demand. Quality is good from both areas.

**Zucchini / Yellow Squash:** Mexico's squash supply is on the increase and nicer weather brings better volumes and quality. Florida is providing a reasonably steady supply of both yellow and zucchini.

## Herbs

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**BASIL:** We are looking good so far with supplies out of Mexico. Wednesday may be a little light due to logistics.

**DILL:** The local crop is showing cold damage and supplies will be coming out of Mexico.

**ROSEMARY:** Local supplies were hit hard, and supplies are starting to decrease as heavy demand has hit Mexico.

**ARUGULA AND SAVORY:** Very limited in supplies as the local crop is showing frost damage with spots on the leaves.

**LIME LEAVES:** Very limited as the rain and cold temperatures have caused the leaves to turn yellow.

HERB	SUPPLY	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:** We are projecting a significant decrease in yields throughout the valley. This combined with anticipated large retail promotions for early to mid-March should have a positive effect in helping the market strengthen possibly as early as next week. Projections are showing mostly mid-range sizing (9/12s) rather than the normal jumbo fruit which is typical during the spring cycle. Quality has been very good recently with a higher shell color and solid internal characteristics with brix levels in the 11-14% range.

**Honeydew: WATCH LIST** Honeydew production out of Mexico has increased over the past week which is starting to pressure the eastern markets off of their month-long highs. We are forecasting the market will continue to settle as we move into early March. Steady volumes are projected through the month of March, which should provide consistent pricing levels during this period. Sizing is quickly returning to normal levels with mostly 5/6's projected with a small percentage of 8's added in. Honeydew quality has been very good with clean fruit showing on latest arrivals out of Guatemala and Honduras.

**Watermelon:** The seedless market has been impacted by increased Mexican production. This has caused the market to drop to its lowest levels in five weeks. Quality from both Guatemala and Honduras has been exceptional.

## Mixed Vegetables

**Artichokes:** Supply industry-wide is fair. Demand is fair and prices are lower.

**Arugula:** Supply is steady to fair. We may start to see mildew because of the rain last weekend.

**Asparagus:** Volume is steadily increasing and prices are good.

**Bok Choy:** Supply and quality are good.

**Broccoli / Broccoli Florets: ESCALATED,** Supply is down slightly due to the cold and rainy weather.

**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,** Jumbos are still escalated, but we are seeing improvements.

**Cauliflower: ESCALATED,** Quality is fair to good. Supply is very tight as a result of cooler weather which has slowed production down. We are seeing supply issues.

**Celery: EXTREME,** We will have Mexico product this week but the volume is low, total volumes are still below average. The weather has been cold, making size very small. This has created huge issues with our stick supply s sticks use a much larger stalk before being processed. We are seeing shortages in supply and high prices. We do not anticipate relief until the middle to end of March.

**Corn:** Steady supply and good quality out of Florida and Mexico.

**Cilantro:** Supply is improving. Quality is fair to poor.

**Fennel:** Supply on fennel will be short for the next few weeks due to frost damage and the Yuma season finishing with light supply. We will continue to see a majority of 24/30ct this week – 18's and 36's will remain limited.

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

**Green Onions: ESCALATED,** Due to continued cold temps, the market will remain firm. Current supply is reduced because of cold weather.

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

**Kale (Green): ESCALATED,** Supply is improving.

**Mache:** Availability is adequate.

**Mushrooms: WATCH LIST:** 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)** Supply and quality are good.

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

**Radishes:** Markets are firming up due to heavy precipitation and wind damage to fields. We see FOB pricing ticking up this week.

**Red Cabbage:** **ESCALATED** Supply is fairly tight. We are seeing shortages in supply and higher prices.

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

**Spinach (Bunched):** We are seeing some mechanical damage; however, quality is fair.

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

**Spring Mix:** There are possible cold-weather defects causing premature breakdown. The recent rain could cause this issue to continue.

**Sweet Potatoes and Yams:** **WATCH LIST**, Hurricane Florence damage, coupled with heavy rains over the winter months has driven down supply. Growers can't get into the fields to harvest/move product quick enough to meet demand and therefore market pricing is up. We do not anticipate any change as most all regions and weather have magnified the short year's issues with availability. We anticipate pricing will only rise further come summertime.

#### **Onions:**

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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:**

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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**

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- **Rounds:** Round tomatoes are steady to be down this week. Due to increased supply and pressure from Mexico, Florida is seeing a drop this week. Quality, however, is mixed, with reports of stem decay and yellow coloring.
- **Romas:** Excellent supply and quality available out of Florida and Mexico.
- **Grapes:** Grape tomato prices are seeing a slight price drop. Quality is good.
- **Cherries:** Cherry tomatoes continue to be flat this week. Supply and quality continue to improve slowly.
- **Organic Tomatoes:** Supply is improving, and markets are easing. Overall quality is good.

## **TOMATOES - WEST AND MEXICO**

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- **Rounds:** Round tomatoes are steady to be down this week. Mexico production is in full swing, and prices are near the basement. Quality, however, is mixed, with reports of stem decay and yellow coloring.
- **Romas:** Quality and supply are excellent out of Nogales and McAllen.
- **Grapes:** Grape tomato prices are steady. Quality is good.
- **Cherries:** Cherry tomatoes continue to be flat this week. Supply and quality continue to improve slowly.

## **APPLES & PEARS**

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### **Apples:**

**GRANNY SMITH** - The 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 will continue to increase throughout the balance of the marketing season.

**FUJIS** - Fujis are peaking on 64's to 88's with most grower lots heavy to Exfcy # 1 grade.

**GALAS** - The quality of the Gala apples is very good. Most grower lots are peaking on Premium Exfcy 80's to 113's.

**HONEYCRISP** - We will pack Honeycrisp throughout 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** - We will have Cripps Pink apples throughout 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.

**BRAEBURNS** - We will have Braeburn apples through June. Most grower lots are peaking on Premium Exfcy 80's to 100's.

**CRIMSON DELIGHT** - The 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:** The 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.