

Weekly Market Review

May 30, 2019

Overview

Celery is still in a very **EXTREME** situation. Smaller-sized lemons are also **EXTREME**. Strawberries are improving quickly.

Market Alert

- Avocados - **ESCALATED**
- Brussel Sprouts - **EXTREME**
- Cabbage (Red) – **ESCALATED**
- Celery – **EXTREME**
- Lemons (small sizes) -**EXTREME**

Watch List

- Sweet Potatoes and Yams

Transportation

Freight rates continue to be above average and available trucks are still an issue 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 5/30	Fri 5/31	Sat 6/1	Sun 6/2	Mon 6/3	Tue 6/4	Wed 6/5
100° 71° F	99° 71° F	97° 69° F	98° 71° F	100° 74° F	103° 75° F	105° 76° F
						

CULIACAN:

Thu 5/30	Fri 5/31	Sat 6/1	Sun 6/2	Mon 6/3	Tue 6/4	Wed 6/5
96° 67° F	96° 68° F	95° 69° F	95° 70° F	96° 70° F	93° 71° F	91° 69° F
						

WIMAUMA:

Thu 5/30	Fri 5/31	Sat 6/1	Sun 6/2	Mon 6/3	Tue 6/4	Wed 6/5
96° 73° F	92° 74° F	91° 73° F	91° 74° F	94° 74° F	95° 74° F	93° 74° F
						

SALINAS:

Thu 5/30	Fri 5/31	Sat 6/1	Sun 6/2	Mon 6/3	Tue 6/4	Wed 6/5
63° 54° F  AM Clouds/PM Sun	69° 54° F  Partly Cloudy	68° 56° F  Sunny	67° 56° F  Mostly Sunny	72° 57° F  Sunny	74° 57° F  Sunny	75° 56° F  Sunny

Good Buys

Commodity	Market Update	Produce Expert Tip
Red Bell Pepper	Red bell prices are steady and delayed out in California; we expect a snug market for the remainder of the week. Once Coachella ramps up, we should see markets ease up. Quality continues to look good.	Red bell peppers are incredibly versatile in the kitchen; you can include them in your breakfast, lunch, and dinner recipes. Add chopped red bell pepper to your leafy or grain salads, mix diced red bell pepper into ground meat for burgers or meatballs, stuff whole red bell peppers with seasoned rice, beans, and cooked lean chicken breast then bake for an easy entree, or add red bell pepper and spinach to a quiche for a healthy dinner or brunch. At breakfast, add red bell peppers to your omelets, or create a nutritious and delicious "red" smoothie with red bell pepper, cherries, strawberries, and coconut water.

Fruits & Vegetables

Avocados: **ESCALATED** We are seeing a very active avocado market, but it appears to be leveling off some. We expect markets to remain active for the next several weeks and could see a gradual climb in FOB prices. Our partners are informing PA that the Mexican growers continue to hold back volume, driving the field prices higher. Mexico does hold the majority share of the supply industry-wide, and speculation on the market is being fueled by a lower Negra Crop estimate and an uncertain forecast on the Loca Crop. We do see some relief on the horizon as product from Peru begins to arrive, but this will not impact the market for several weeks due to low volume on the front side of the season. California continues to produce, though they are behind due to the recent rain; they should recoup over the next 5-10 days, but their numbers are on their seasonal decline at this point. We anticipate a very active market for the next 3 to 6 weeks, with no overall shortages despite small fruit being extremely tight; possibilities of subs may be necessary, particularly from 70s to 60s. If pro-rates become necessary, or if there are any issues or concerns, we will keep you posted.

Bananas: Markets remain steady with consistent production and supply. Fruit quality is not an issue at this time.

Pineapples: Pineapple markets are trending toward smaller sizes. We are expecting to see less 5s and more 7s and 8s for the next 2 months. Quality is very good right now; climate in Costa Rica has improved, which is optimal for maintaining good quality.

Grapes: Mexico and Coachella will begin in a small way with reds during the back end of this week with light volumes. Green Seedless are mostly storage Thompsons that are moving well and at good prices.

Berries

Blueberries: We expect to see this market get shorter in supply the first week of June; this is due to a gap in supply. Georgia and the majority of the east coast berries are done. Baja is also done. The Pacific Northwest will start in July, which will create a very short supply on blues for the month of June.

Blackberries: We are entering the transition period between Mexico and US production. Mexico's supply will end around mid-June. In California, cooler, overcast, and rainy weather continue to delay the fruit maturation and prevent the transition gap from being shorter. North Carolina is expected to begin within the next two weeks with minimal volume, which will minimize supply issues. Overall supply is steady and quality is good.

Raspberries: The majority of volume is coming from CA while Mexico is slowing down. With warmer weather across all CA regions, stronger volume is expected out of CA.

Strawberries: Strawberries are getting better quickly. Although there was more rain than expected in Northern California and Santa Maria last week, many growers have been able to clean up fields quicker than expected. With the weather also cooperating, we are no longer in an extreme market and expect to see strawberries improve daily.

California / Arizona Citrus

Nnavels: Navels are steady with good supply of larger fruit. Small navels are limited.

Lemons: **EXTREME** Due to an increase in demand we are seeing tighter supply and higher prices on smaller sizes (165s/200/235s). This is also impacting the 140s, as customers move up in size. For now, we have a good supply of 115s and larger but as spring turns into summer they will also get tight.

Limes: The market on limes has improved a lot. April and May have been dry, causing a lack of growth of fruit. Growers have already stripped the trees of most medium-sized fruit. The majority of the fruit crossing are small-sized fruit, and that will continue to happen unless they get the rain the fruit needs to grow. If they start to see rain, growers will try to hold back on picks to help fruit hang longer and populate the larger sizes. If there is no rain, then growers will have no choice but to continue to ship the small fruit and we could see the same trend into June. Expect pricing to stay high on large fruit and availability to be tight. Small fruit is plentiful.

Grapefruit: Star Ruby Grapefruit is available. Fruit is excellent.

Imports/Specialties available:

- Blood Oranges
- Cara Caras
- Gold Nugget
- Ojai Pixie

West Coast Lettuce

Butter: Supply is good and quality is fair.

Green Leaf: Supply is slightly above normal. We are seeing mild cupping, but other than that the crop looks beautiful and quality is good. Demand is good.

Red Leaf: Supply is good, quality is fair.

Iceberg Lettuce: Supply is below budget this week. The rain and cold weather seemed to have slowed down the crop. Quality is fair. The market has been very steady and is expected to firm up slightly as volumes industry-wide seem lighter.

Romaine: Supply is slightly above normal and will continue to be for the next two weeks. Quality is average due to the rain in Salinas last week. There is a possibility of mildew. Expect some fringe burn.

Romaine Hearts: Supply for the week are above normal and will continue to be for the next two weeks. More rain is expected and some quality issues may arise. There is a possibility of mildew. Expect some fringe burn.

Eastern and Western Vegetables

Green Bell Pepper: There is still limited volume in Plant City, but they will wind down over the next few weeks. Quality from this area has been questionable, with bruising and scarring from prior weather. Fortunately, Georgia is now going strong on bells with good volumes and quality. The West is also enjoying good supply as the Coachella area peaks with very nice quality, and Mexico continues to cross product. Quality is still fairly good from Mexico, but shelf life will likely become an issue soon as tired plants and heat affect quality.

Red Bell Pepper: Red bell prices are steady and delayed out in California; we expect a snug market for the remainder of the week. Once Coachella ramps up, we should see markets ease up. Quality continues to look good.

Yellow Pepper: The yellow pepper market is mixed with higher prices in Nogales and deals being made crossing through San Diego. Supply is expected to improve over the next several weeks as Baja ramps up production.

Mini Sweet Pepper: Good supply for the next several weeks.

Mixed Chili Pepper: Availability is good on most items this week. Tomatillos have tightened up in the past few days and may become more limited over the next two weeks as Baja growers work through a gap between 1st and 2nd plantings. Although quality is still solid on all items (except poblanos) out of Mainland growing areas, we could see heat-related issues as we move into June. In the East, Plant City has excellent quality but light volumes on their usual assortment of chili peppers. Look for Georgia to start in 2-3 weeks before production moves into regional deals.

Eggplant: There's very little production left in Plant City and quality is fair to poor. Georgia should start in 7-10 days, which will finally close the gap in Eastern supply. The Western transition from Mainland Mexico to the California desert is very slow-going. Supply in Nogales is diminishing daily and will wrap up over the next few days. Cool and rainy weather in Coachella has really slowed new crops and limited volume. Look for this area to come with more volume as the weather improves.

Cucumbers: Georgia is now carrying the East on cucumbers. New crops and an increase in acreage are bringing strong numbers. Quality is pretty good, but there have been a few reports of misshape and scarring to weed through. Nogales production is still going strong and quality is decent. Shippers are projecting harvests through early June so we don't expect a transition gap. Baja's numbers were light this week due to rain. A couple more shippers are expected to start next week, and better weather is on the way, so volume should rebound. Quality has been strong from Baja so far, but the recent rain has potential to bring problems.

English Cucumbers: There is a steady supply available from Florida, Mexico, and Canada. Volume deals are being made.

Green Beans: Despite various transitions and weather issues in the West, there are enough areas in Mexico and California going to meet market demand. In the East, Georgia crops are coming on strong with good volumes and quality. This should carry on for 4-5 weeks unless bad weather plays a part. Eastern NC will begin in the next 2 weeks.

Zucchini / Yellow Squash: There's plenty of squash in the East this week as Plant City is still rolling. Georgia is in full production, and some fruit is now showing up in the Carolinas. Plant City's quality is lesser than other areas, although they do have some new plantings. Georgia's fruit is nice despite some scarring on yellow squash. The West also has multiple areas going (Mainland Mexico and Santa Maria, CA) with ample volume to meet market needs. Baja farms will also get going over the next 7-10 days.

Herbs

CHERVIL Quality and supply issues have increased.

EPAZOTE Quality and supply issues have increased.

BASIL has shown a little wetness due to the rain but we are using extra absorption towels to combat this during this week. There should be no issue due to this.

CHIVES continue to be very strong in quality and shelf life.

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	Good	COLOMBIA
Chervil	Tight	Good	USA
Chives	Great	Good	USA/MEXICO
Cilantro	Steady	Good	USA
Dill	Steady	Good	USA/MEXICO
Epazote	Steady	Good	MEXICO
Lemongrass	Steady	Good	USA
Marjoram	Steady	Good	USA
Mint	Great	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	MEXICO
Thyme	Steady	Good	USA
Lemon Thyme	Steady	Good	USA
Lavender	Steady	Good	USA
Lime Leaves	Steady	Good	USA

Melons

Cantaloupe: Cantaloupes were very short going through the Memorial Day holiday, but production should begin to pick up each day moving forward from Central AZ and the Imperial Valley. Strong demand on the larger fruit has kept the market in the low-mid double digits with the market expected to settle as volume increases. Early quality has been very good with solid external and internal quality with brix levels ranging from 11-14%.

Honeydew: Domestic honeydew production has been slow to start but will also begin to gradually increase over the next 7-10 days. The market continued to be saturated with Mexican supply but those should begin to seasonally decrease making way for the domestic fruit.

Mixed Vegetables

Artichokes: Supply industry-wide is fair. Demand is fair and prices are steady to higher.

Arugula: Supply is good and quality is fair to good.

Asparagus: Supply and quality are good.

Bok Choy: 50# are in short supply and prices are up.

Broccoli / Broccoli Florets: Supply is steady to light this week and should improve next week.

Brussels Sprouts EXTREME: Very light availability. We are seeing EXTREME shortages in supply and the quality from Mexico is extremely challenging.

Carrots: Supply and quality on carrots is good. Supply is now available in Georgia as well.

Cauliflower: Supply is expected to be good this week.

Celery: **EXTREME** This is one of the longest runs of extreme pricing on celery this industry has ever experienced. The Oxnard crop is still experiencing very short supply and very high pricing, and we have just a few weeks left in this region. As we start harvesting the next few weeks in Salinas, we do expect some much-needed relief. We are hoping to start seeing some lower prices by mid-June and for the industry to improve slowly week to week. We also anticipate supply to improve weekly from this point.

Corn: Markets are down with good supply available on yellow, white and bi-color out of Florida and the desert.

Cilantro: Supply is good and quality is fair.

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 smaller fennel this week - 18s and 24s will remain limited.

Garlic: Supply is firming up and markets are active due to trade tariffs being imposed on products from China.

Ginger: Chinese ginger markets are mixed, but quality is good. Also, product is available at higher costs from Brazil, Peru and Thailand.

Green Cabbage: Supply is fair and quality is good.

Green Onions: There is good supply and excellent quality from Mexico. The market is steady and will continue to be a bit sluggish, due to good volume.

JICAMA: Steady supply crossing through Texas.

Kale (Green): Supply and quality are good.

Mache: Availability is adequate.

Mushrooms: Supply is currently stable, and quality is good.

Napa: Quality is good and supply is fair.

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

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 continues to be light.

Sugar Snap Peas: Supply is tight, quality is good, and volume should be coming on next week.

Snow Peas: Supply is increasing, quality is good.

Spinach (Bunched): Supply is good and quality is fair to good.

Spinach (Baby): Supply is good and quality is fair to good.

Spring Mix: Supply is good and quality is fair to good.

Sweet Potatoes and Yams: **WATCH LIST** The sweet potato market continues to be tight after many growers were affected by Hurricane Florence in North Carolina last September. Increasing demand and heavy rains in Mississippi, Louisiana, Arkansas and Alabama also created challenges for the other major growing regions but luckily, quality and size is still good. We will continue to see the price of sweet potatoes rise month by month over the summer until we get to next seasons harvest.

Onions:

While Idaho/Oregon and Washington continue to wind down, there still remains another 1-2 weeks of supply to ship out of this region. Growers are feeling pressure to move product before it sprouts or continues to break down. Because of this, we are seeing some weakness on all sizes out of this region. New Crop onions have firmed in pricing due to the weather in CA and overall demand being strong. South Texas is finishing this week, and we are now seeing North Texas start in a small way. The Imperial Valley, California continues shipping heavy on all sizes and colors, and has about a week left before finishing up. The New Mexico crop has also begun shipping this past week and should continue to pick up in volume next week. The San Joaquin Valley Crop is expected to be affected by the hail and rainstorms in Central California this past week; we do not know the extent of the damage, and the effects are primarily on the later fields. We continue to see a tiered market between old crop prices and new crop prices until the Northwest is fully out of the picture.

Potatoes:

Almost all of the Norkotah crop has concluded for the season, and there will be Burbanks through the end of the season. Due to the lack of size in the Burbank crop, we are seeing elevated prices on all large Cartons. Demand has been strong and there have been no issues with transportation.

TOMATOES - EAST

- **Rounds:** Ruskin/Palmetto growers are winding down. Rain from 7-10 days ago and high heat have caused quality concerns, with scarring, some softness, and less travel legs on the fruit from some farms. South Carolina will start around June 1st, which will help ease the late transition into Quincy, FL/South GA.
- **Romas:** There will be romas out of the Ruskin/Palmetto area for up to 2 more weeks and a few out of Quincy in early-mid June, but numbers won't be significant in the East until regional deals get rolling in July.
- **Grapes:** Grape tomato volumes and quality have been up and down from Ruskin/Palmetto as most growers are nearing the end of the season and are on late picks that have seen rain and heat. South Carolina grapes will start around June 1st and Quincy/ South GA should see a few in 7-10 days.
- **Cherries:** Cherry tomatoes are flat in price for the week. Supply remains steady in the East, with moderate demand. Quality in the East is good.
- **Organic Tomatoes:** Supply is improving, and markets are easing. Overall quality is good.

TOMATOES - WEST AND MEXICO

- **Rounds:** In the West, Mainland Mexico's volume and quality are declining, as they approach the end of the season. New crops in Eastern Mexico and Baja are underway and should begin to bring more volume to the table. These areas will hold down the fort until California's Central Valley gets up and running.
- **Romas:** The Western roma situation is similar to rounds: newer crops in Eastern Mexico and Baja are beginning to come on with more volumes while Mainland farms are winding down. Heat has created puffiness in some harvests, but there is good-quality fruit available.
- **Grapes:** The West has had a tough go with grapes for the last few weeks, but Baja's new crops have come on strong, providing better quality and volume than what's coming from the Mainland.

- **Cherries:** Cherry tomatoes are flat in price for the week. Production in the West remains light due to transition. Quality in the West is fair.

APPLES & PEARS

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 72s to 88s although the pricing on the crop will continue to increase throughout the balance of the marketing season.
- **FUJIS** - Fujis are peaking on 64s to 88s 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 80s to 113s.
- **HONEYCRISP** - We will pack Honeycrisp through about 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 of months.
- **CRIPPS PINK** - We will have Cripps Pink apples through the summer months. Most grower lots are peaking on Premium Exfcy 88s to 113s. 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 80s to 100s.
- **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.

STONE FRUIT

- **Apricots** Domestic apricots are available but could see harvest delays due to rain in the West.
- **Cherries** Domestic cherries are available but have suffered potential damage due to recent rain in the West.
- **Nectarines** Domestic nectarines are available.
- **Peaches** Domestic peaches are available out of South Carolina and Central Georgia.
- **Plums** We are seeing potential harvest delays due to recent rain in the West.