

Weekly Market Review

June 14, 2019

Overview

Due to the recent erratic weather pattern in Salinas (rain and now warmer weather), our fields are experiencing lower yields. As a result, growers are anticipating a small gap in supply as well as quality issues on both iceberg and romaine products. We are also seeing a significant drop in yields in our Northern CA strawberry and blackberry production due to the recent rains and this weekend's high temperatures. Celery is still in a very **EXTREME** situation. Smaller-sized lemons are also **EXTREME**.

Market Alert

- Avocados – **EXTREME**
- Berries (Blueberries, Blackberries, Raspberries, Strawberries) - **EXTREME**
- Brussel Sprouts - **ESCALATED**
- Cabbage (Red) – **ESCALATED**
- Celery – **EXTREME**
- Lemons (small sizes) -**EXTREME**
- Lettuce (Iceberg, Romaine) - **ESCALATED**

Watch List

- Baby Squash-East
- Snow Peas
- Sugar Snap Peas
- 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 6/13	Fri 6/14	Sat 6/15	Sun 6/16	Mon 6/17	Tue 6/18	Wed 6/19
111° 75° F	106° 74° F	107° 74° F	106° 73° F	105° 75° F	107° 75° F	109° 76° F
						
Partly Cloudy	Sunny/Wind	Sunny	Partly Cloudy	Sunny	Sunny	Sunny

BAKERSFIELD:

Thu 6/13	Fri 6/14	Sat 6/15	Sun 6/16	Mon 6/17	Tue 6/18	Wed 6/19
100° 71° F	99° 68° F	99° 68° F	98° 69° F	102° 73° F	105° 75° F	105° 74° F
						
Sunny	Sunny	Sunny	Sunny	Mostly Sunny	Sunny	Sunny

LAKE PARK:

Thu 6/13	Fri 6/14	Sat 6/15	Sun 6/16	Mon 6/17	Tue 6/18	Wed 6/19
86° 64° F	89° 64° F	91° 69° F	90° 70° F	87° 71° F	85° 71° F	86° 72° F
						
Partly Cloudy	Sunny	Mostly Sunny	Isolated Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms

SALINAS:

Thu 6/13	Fri 6/14	Sat 6/15	Sun 6/16	Mon 6/17	Tue 6/18	Wed 6/19
69° 56° F	67° 55° F	67° 55° F	71° 56° F	75° 58° F	79° 59° F	79° 59° F
						
AM Clouds/PM Sun	AM Clouds/PM Sun	AM Clouds/PM Sun	AM Clouds/PM Sun	Partly Cloudy	Partly Cloudy	Partly Cloudy

JALISCO, MX:

Thu 6/13	Fri 6/14	Sat 6/15	Sun 6/16	Mon 6/17	Tue 6/18	Wed 6/19
87° 66° F	87° 64° F	86° 63° F	85° 62° F	85° 64° F	85° 64° F	86° 63° F
						
Mostly Sunny	Sunny	Sunny	Sunny	Sunny	Mostly Sunny	Sunny

Good Buys

Commodity	Market Update	Produce Expert Tip
Watermelon	Good supply crossing through Nogales and McAllen. New crop is also available out of the desert and South Georgia. Quality is outstanding and promotions are available.	Happy #GoodBuy Friday! Watermelon season is upon us! This juicy fruit is the perfect way to stay hydrated in the summer heat. Watermelon is also extremely low in calories, as one cup contains only 46 calories. Whether it's sliced, diced, or cut into triangles, watermelon is the perfect way to make your summer a little sweeter!

Fruits & Vegetables

Avocados: EXTREME – We are continuing to experience a very active avocado market due to ongoing record-high field prices in Mexico, with no relief in sight. Our partners have informed us that Mexican Loca crop is dangerously below normal harvest, and we may see shortages or pro-rates should this trend continue. There is more volume arriving from Peru, and California continues to produce steady numbers despite their seasonal decline; however, at this time there is not enough supply to make up for the decreased volume in Mexico. In order to avoid shorts, we are asking customers to be flexible on sizing as well as origins; Produce Alliance and its Avocado partners would like to have these options available should there be a need to substitute in order to maintain the integrity of the supply chain.

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 two months. Quality is very good right now; climate in Costa Rica has improved, which is optimal for maintaining good quality.

Grapes: Imports are finished, and we have moved to loading out of Coachella and some of Mexico. Larger sizes of red grapes are still tight due to the later start and cooler weather. For green grapes, Mexico is finishing up with perlettes and Early Sweets. Sugrones are just starting in both Mexico and Coachella. Blacks were delayed with the cooler weather and will begin to increase the next two weeks.

Berries

Blueberries: EXTREME Blueberries are in a harvest gap with the Pacific NW being weeks behind schedule. Blueberries will be our toughest item for June. Prices will remain high and product is still very short in supply.

Blackberries: EXTREME Due to the recent rains and this weekend's high temperatures, we are seeing a significant drop in yields in our blackberry production in Northern CA. We expect to see a shortage in supply and rising prices.

Raspberries: EXTREME Raspberries will be the least affected as they are grown under hoops and at elevations where they have not been heavily impacted by heat.

Strawberries: EXTREME Due to the recent rains and this weekend's high temperatures, we are seeing a significant drop in yields in our strawberry production in Northern CA. We expect to see a shortage in supply and rising prices.

California / Arizona Citrus

Navels: We will have fruit through the end of the month unless things change. We should have a good run of smaller sizes that will continue to be tight.

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 good supply of 115s and larger, but as spring turns into summer they will also get tight. Prices are rising.

Limes: The market on limes has improved a lot. April and May have been dry, causing a lack of fruit growth. 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, growers will have no choice but to continue to ship the small fruit. 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. We may start seeing quality issues due to the weather.

Green Leaf: Supply is good. Quality is fair to good. We may start seeing quality issues due to the weather.

Red Leaf: Red leaf supply is on budget. We are battling some mildew and fringe burn issues.

Iceberg Lettuce: **ESCALATED** Supply this week will be below budget. Yields are lower than normal, and fields are off schedule. Weather has had a huge impact on supply. Quality is good and weights are slightly higher than normal; we may start seeing quality issues due to the weather. The market has been very active due to lighter supply. The forecast for the rest of the week is expected to be very active.

Romaine: **ESCALATED** Overall industry volumes are forecasted to be below normal this time of year. Quality is fair with some tip burn and mildew stains.

Romaine Hearts: **ESCALATED** Supply for the week is right on budget. Quality is fair due to some cupping and twisted rib. Overall color and texture are both good. Demand is increasing due to the heat wave coupled with industry supply issues, which are forecasted to be lighter than normal this time of year.

Eastern and Western Vegetables

Green Bell Pepper: Green bell peppers are mixed this week; we are seeing lighter volume in the Southeast due to various weather issues, and in the West transition from the desert to the central valley is now in full swing. East coast prices are up a tad while the west coast remains flat. Quality on the East is mixed due to sunburn and rain damages while pepper in the West is beautiful.

Red Bell Pepper: Red bell prices continue to be flat week after week. The East is still working through Honduras product, with Georgia about to harvest soon. California continues to push out volumes, but not enough to allow for a price drop. Quality is fair to good for the time being.

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: Mexico has experienced some weather conditions (rain then heat) that are affecting quality on some of the varieties. Tomatillos have tightened up and may become more limited over the next two weeks as Baja growers work through a gap between 1st and 2nd plantings. Quality is solid on Jalapenos, tomatillos, and we are seeing some issues on serrano's, Anaheim's, and poblano. 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: Volume is excellent out of S. Georgia in the East and the desert out west. Markets are falling in the East yet still pulling a premium in the West. Quality is outstanding from both regions.

Cucumbers: Georgia still has cucumbers, but quality has started to decline with the recent heat. Fortunately, local deals have started in KY, NJ, and Eastern NC, with more to come over the next few weeks. In the West, Mainland Mexico is likely to wrap things up sooner than expected as quality and volumes decline quickly.

More shippers have started out of Otay, but cool weather has slowed down this week's volume. This area will see volume increases and become a stronger source of supply as weather warms up.

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: Heat has affected Georgia's squash yields and acreage as they move into the last days of their season. Quality has been rough on yellow with lots of scuffing/scarring but okay on zucchini. Squash is transitioning to regional/local deal as NC, NJ, VA, and KY have all started their seasons. Yellow quality has been hit or miss depending on area and grower, but no complaints on zucchini. In the West, Nogales is mostly done for the season, now transitioning to Fresno and Santa Maria areas where production has been steady.

Herbs

Fresh herb supply continues to be steady.

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: Very hot temperatures are hitting the Arizona growing region which should push fruit ahead of their projected harvest dates. High temps will also push the sizing into larger fruit which will leave smaller fruit in limited supply. Quality has been very good so far with solid internal quality as brix levels have been mostly in the 12-14% range.

Honeydew: Domestic honeydew production remains fairly limited overall, but the market has seemed to settle right around the \$8-9 level with an emphasis on the larger sizing being predominantly available. As with the cantaloupe, the smaller fruit will remain in limited supply causing that market to remain stronger. Brix levels have been a solid 11-13% on the dews.

Watermelon: Good supply crossing through Nogales and McAllen. New crop is also available out of the desert and South Georgia. Quality is outstanding and promotions are available.

Mixed Vegetables

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

Arugula: Supply and quality are fair due to the recent heat wave.

Asparagus: Standard has good volume; the larger sizes have limited volume.

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

Broccoli / Broccoli Florets: Supply continues to be very good. Some yields may suffer because of weather. Our supply looks very steady for the next few weeks.

Brussels Sprouts: **ESCALATED** We are still seeing 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 very 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. Promotions available.

Cilantro: Supply is tightening up due to recent quality.

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 and quality are good in the West; we are seeing the impact of rain, which is causing post-harvest issues, in the South. We are also seeing lighter volumes than expected due to rain delays and flooding.

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 is good and quality is fair.

Mache: Availability is adequate.

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

Napa: Supply is tight this week. Quality and supply are fair.

Parsley: (Curly, Italian) Supply is tight due to recent quality and weather-related issues.

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.

Red Cabbage: **ESCALATED** Supply continues to be light.

Sugar Snap Peas: WATCH LIST We are seeing potential shortages on the horizon due to major flooding in Guatemala; volume is extremely limited.

Snow Peas: WATCH LIST We are seeing potential shortages on the horizon due to major flooding in Guatemala; volume is extremely limited.

Spinach (Bunched): Supply and quality are good.

Spinach (Baby): Supply and quality are good.

Spring Mix: Supply is readily available, but quality has been fair due to recent rain and hot weather.

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 season's harvest.

Onions:

The onion market has experienced recent strength due to reduced supply with South Texas and Brawley both finishing up. The North Texas Uvalde region does not have big supply this year, so we are seeing just the San Joaquin Valley and New Mexico as the only places that are shipping. Additionally, New Mexico got heavy rain to start the week and they have not been able to ship. There is still concern that the cooler temperatures and rain that California experienced a few weeks ago are going to lead to higher levels of shrink and a stronger market for the tail-end of their shipping season. The market should stay pretty firm throughout the summer due to planting delays as well as cooler weather and storms. Typically the Northwest begins shipping around the first or second week of August, and has an overlap with what remains in New Mexico and California; however, due to 2-4 week planting delays, we expect them to be later than normal this year.

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:** Round tomatoes are up for the week. Florida harvests are ramping down in the East, but Georgia and South Carolina continue to work towards starting.
- **Romas:** Roma prices are up for the week. Supply has begun to tighten up in the East. Quality has started to go down, with soft fruit and scarring being reported. Good quality product is drawing higher prices in the fields.
- **Grapes:** Grape tomatoes are showing mixed pricing. Florida is seeing a slight uptick in pricing as supply has tightened up. South Carolina and other regions are starting to report, which will help supply in upcoming weeks.
- **Cherries:** Cherry tomatoes are down for the week. Demand remains light, which is allowing the price to drop. Quality is a mix of fair to good due to the warm weather in the growing regions.
- **Organic Tomatoes:** Supply is improving, and markets are easing. Overall quality is good.

TOMATOES - WEST AND MEXICO

- **Rounds:** In the West, mainland Mexico is wrapping up their harvest, putting the pressure on Baja and Eastern Mexico, which are still trying to ramp up. California is expected to start harvests in mid-June. Quality is mixed, with reports of scarring and soft fruit.
- **Romas:** Roma prices are up for the week. Supply has begun to tighten up in the West. Quality has started to go down, with soft fruit and scarring being reported. Good quality product is drawing higher prices in the fields.
- **Grapes:** Mexico prices are mainly flat for the week. Quality is mixed, as fields are battling heat, which is causing some quality issues.
- **Cherries:** Cherry tomatoes are down for the week. Demand remains light, which is allowing the price to drop. Quality is a mix of fair to good due to the warm weather in the growing regions.

APPLES & PEARS

Apples:

- **RED DELICIOUS:** We will have good supply of Red Delicious apples through the rest of the season. Most grower lots are peaking on 72s to 100s. The condition and quality are excellent at this time. The best values and promotional items will be Premium and Exfcy # 1 Red 80s to 113s.
- **GOLDEN DELICIOUS:** Golden delicious supply in Washington is very tight and will continue to be tight through the balance of the season. There will be little supply through the end of the season, with some growers finishing up in early August.
- **GRANNY SMITH:** 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 Grannys will continue to increase throughout the balance of the marketing season.
- **FUJIS:** The Fujis remain steady and are peaking on 64s to 88s with most grower lots heavy to Exfcy # 1 grade. Expect some shippers to finish up within the next few weeks, leaving a short supply to the end.
- **GALAS:** The quality of the Gala apples is very good. Most grower lots are peaking on Premium Exfcy 80s to 113s. Again, some shippers will be finishing in a few weeks while others will have product until new crop begins.
- **HONEYCRISP:** Demand and movement have been excellent. Prices have increased considerably over the past several weeks with overall pricing between \$5 to \$70 per carton on Premiums. Several shippers are finishing up this month.
- **CRIPPS PINK:** There will be pinks available through the summer months; however, some shippers will be finishing in the next few weeks. Most grower lots are peaking on Premium Exfcy 88s to 113s.

Pears: The Anjou, bosc, and red pears are all winding down and may be finished by the end June depending on demand. Supply mainly consists of 100s and larger, US#1, and very few fancy. Quality remains good.

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.