

# Weekly Market Review

June 27, 2019

## Overview

---

Due to the recent rainfall followed by extreme heat in our Salinas growing region, many of the crops have experienced yield loss and quality issues. **Currently seeing shortages on iceberg, romaine, spinach, spring mix, and leafy greens.** Expecting limited supply well into July. We're working with our growers to increase supply and return to normal as soon as possible. We appreciate your patience during these difficult times and will keep you informed of this situation. We are also seeing a significant drop in yields in our Northern CA strawberry and blackberry production due to the recent rains and high temperatures. Smaller-sized lemons are still very **EXTREME**. Celery is improving quickly.

## Market Alert

---

- Avocados – **EXTREME**
- Berries (Blueberries, Blackberries, Raspberries, Strawberries) - **EXTREME**
- Cabbage (Red) – **ESCALATED**
- Celery – **ESCALATED**
- Green Beans - **ESCALATED**
- Lemons (small sizes) -**EXTREME**
- Lettuce (Iceberg, Romaine, Green/Red Leaf, Butter) – **ESCALATED**
- Parsley: (Curly, Italian) – **ESCALATED**
- Onions (Red, Yellow, and White): **ESCALATED**
- Snow Peas – **ESCALATED**
- Sugar Snap Peas - **ESCALATED**

## Watch List

---

- Baby Squash-East
- Red Bell Pepper
- Spinach
- Spring Mix
- 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 6/27	Fri 6/28	Sat 6/29	Sun 6/30	Mon 7/1	Tue 7/2	Wed 7/3
104°   72° F	107°   75° F	107°   77° F	112°   76° F	112°   75° F	109°   74° F	109°   76° F
						
Sunny	Mostly Sunny	Partly Cloudy	Sunny	Sunny	Sunny	Sunny

**BAKERSFIELD:**

Thu 6/27	Fri 6/28	Sat 6/29	Sun 6/30	Mon 7/1	Tue 7/2	Wed 7/3
88°   63° F	92°   64° F	94°   64° F	96°   65° F	96°   66° F	96°   67° F	97°   68° F
 Mostly Sunny	 Sunny	 Sunny	 Sunny	 Sunny	 Sunny	 Sunny

**LAKE PARK:**

Thu 6/27	Fri 6/28	Sat 6/29	Sun 6/30	Mon 7/1	Tue 7/2	Wed 7/3
92°   70° F	91°   72° F	91°   71° F	90°   72° F	94°   74° F	96°   74° F	96°   74° F
 Mostly Sunny	 PM Thunderstorms	 PM Thunderstorms	 Scattered Thunderstorms	 Mostly Sunny	 Mostly Sunny	 PM Thunderstorms

**SALINAS:**

Thu 6/27	Fri 6/28	Sat 6/29	Sun 6/30	Mon 7/1	Tue 7/2	Wed 7/3
72°   54° F	67°   53° F	70°   54° F	71°   55° F	71°   56° F	72°   56° F	72°   56° F
 Partly Cloudy	 Cloudy	 Partly Cloudy	 Mostly Sunny	 Partly Cloudy	 Partly Cloudy	 Partly Cloudy

**JALISCO, MX:**

Thu 6/27	Fri 6/28	Sat 6/29	Sun 6/30	Mon 7/1	Tue 7/2	Wed 7/3
89°   67° F	91°   68° F	90°   66° F	85°   65° F	81°   64° F	83°   64° F	85°   64° F
 PM Thunderstorms	 Mostly Sunny	 Mostly Sunny	 PM Thunderstorms	 PM Thunderstorms	 PM Thunderstorms	 PM Thunderstorms

**Good Buys**

Commodity	Market Update	Produce Expert Tip
<b>Mexican Grapes</b>	Grape sizing is Large/XL on both Red and Green grapes. Del Monte is shipping US Domestic grapes currently.	It's a GRAPE time to buy some grapes! A perfect low calorie, refreshing, and nutritional snack for any summer day. Grapes are high in Vitamins C and K and are a great source of fiber and potassium

**Fruits & Vegetables**

**Avocados: EXTREME** – Mexico field prices remain at historic levels as old crop supply and quality dwindles. The industry is waiting on the start of Flor Loca for relief, which is expected to begin July 1<sup>st</sup>. However, it will most likely be a slow ramp up as concerns about fruit reaching dry matter still linger. California continues to harvest at a much faster rate than expected and should have consistent production relative to original projections. Peru arrivals have peaked, showing good quality and big sizing. Despite solid flow from California and Peru, it's not nearly enough to offset the decline in Mexico. This means we expect to see very strong market conditions for July, as supply outweighs demand. The strength in

the market could very well continue into August, as expedited harvest from California may strip the state of fruit by the end of July.

**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:** Grape sizing is Large/XL on both Red and Green grapes. Del Monte is shipping US Domestic grapes currently.

### **Berries**

---

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

**Blackberries: EXTREME** Due to the previous rain and 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** We are still experiencing severe shortages and higher prices due to the past rain followed by extreme heat in the berry growing region.

### **California / Arizona Citrus**

---

**Navels/Valencias:** Navels will be winding down this week. The season will end sooner than expected. Valencias are available.

**Lemons: EXTREME** We continue to have tighter supply and higher prices on smaller sizes (165s/200/235s). This is also impacting the 140s as customers move up in size. We still have more 115s and larger, but we are going to get tight on those sizes. Prices are rising.

**Limes:** The market is steady to slightly higher compared to last week. Rain in Mexico reduced the volume of shipments into South Texas. Quality is good with occasional issues of scarring and yellowing.

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

### **Imports/Specialties available:**

- Blood Oranges
- Gold Nugget
- Ojai Pixie

### **West Coast Lettuce**

---

**Butter: ESCALATED** The market is up this week. Supply is tight due to quality issues caused by the previous poor weather.

**Green/Red Leaf: ESCALATED** The market is up this week. Supply is tight due to quality issues caused by the previous poor weather.

**Iceberg Lettuce: ESCALATED** There is extremely light supply this week due to the previous hot weather. Yields have been down 20-25 percent. The market will continue to be very active for the rest of the week. Quality is fair.

**Romaine: ESCALATED** We have shortages in supply and higher prices. Quality is fair with some tip burn and mildew stains.

**Romaine Hearts: ESCALATED** Supply for the week is low. 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 short supply.

### Eastern and Western Vegetables

---

**Green Bell Pepper:** Supply remains steady out of all regions and quality is very nice.

**Red Bell Pepper: WATCH LIST** As we approach the end of the season in Coachella and transition to Bakersfield, we are seeing quality and potential supply challenges on red peppers. Over the last three weeks the desert has experienced a wide spectrum of weather, including record-breaking heat of over 117 degrees and high winds impacting the last of the red pepper crop. We are anticipating quality issues over the next few weeks through mid-July, such as sunburn, blistering, and shrivel. We recommend maintaining tight inventories to ensure product rotation and best quality until transition to Bakersfield is complete. We apologize for the inconvenience and will keep you posted should we have any additional information.

**Yellow Pepper:** The yellow pepper market is tighter this week due to the heat out west earlier in the month. We will see active markets on all color peppers through the middle of July.

**Mini Sweet Pepper:** Lighter volume will continue out of Central Mexico and Baja. Quality will remain good.

**Mixed Chili Pepper:** Hot peppers are winding down out of Nogales and should wind up this week or next. We expected to see nicer fruit arriving from Baja and Nuevo Leon. In the East, GA has a decent amount and variety of items to keep Eastern customers at home.

**Eggplant:** Excellent supply loading in Georgia and quality is excellent. California is ramping up; expect good volume in 7 to 10 days.

**Cucumbers:** Georgia's cucumber crops are beginning to wind down as May's heat took a toll on production and quality of the later plantings. Strong volume has been available in NC where harvests will continue for a few weeks. However, starting next week, numbers will slack up as later plantings were also hurt by weather. Small pockets of local product are popping up in NJ, KY, and VA, which will provide a little help with supply. Quality is varied by area and grower. In the West, Nogales is slowing but expects to have product for another 10-14 days. Baja's volume has been slow to come due to cool weather, but crossings are improving as we move toward the weekend. Quality has been good from both areas.

**English Cucumbers:** There is a steady supply available from Georgia, Texas, and Canada. Markets are stable.

**Green Beans: ESCALATED** Despite various transitions and weather issues, we are seeing tighter markets on beans and expect this to continue through the Middle of July.

**Zucchini / Yellow Squash: Zucchini / Yellow Squash: WATCH LIST (Baby Squash):** Local eastern squash production is now scattered among several states--GA, NC, KY, VA, and NJ. Many growers are seeing quality issues on yellow squash including blemish and scarring. With that said, the yellow squash market has ticked up this week and is expected to maintain higher FOB prices over Italian Squash. We should see this improve over the next few weeks. Supply is good to the west out of Baja, Santa Maria, and Fresno. Quality on zucchini is outstanding.

**Herbs**

---

**EPAZOTE:** Limited due to some rain in the growing region of Mexico. This may last for about two more weeks.

**LEMONGRASS:** Has had some supply issues due to weather in the local growing regions. This may last for most of the summer.

All other herbs are steady in supply.

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/MEXICO
Bay Leaves	Steady	Good	COLOMBIA
Chervil	Tight	Good	USA
Chives	Great	Good	MEXICO
Cilantro	Steady	Good	USA
Dill	Fair	Good	USA
Epazote	Steady	Good	MEXICO
Lemongrass	Steady	Good	USA
Marjoram	Steady	Flowering	USA
Mint	Great	Good	USA
Oregano	Steady	Flowering	USA
Italian Parsley	Steady	Good	USA
Rosemary	Steady	Good	USA
Sage	Steady	Good	USA/MEXICO

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:** Some growers in the Imperial Valley have already started to finish their Spring crop. Classic Fruit will continue shipping out of Maricopa, AZ through next week and will have our deal in Firebaugh, CA starting as well. Cantaloupes in Firebaugh have started. Patterson, CA has also started. Sizing in all regions has seen a slight shift to mid-to-small fruit, with larger melons being somewhat limited. Cantaloupes are primarily 12/15s.

**Honeydew:** Some growers in the Imperial Valley have already started to finish their Spring crop. Classic Fruit will continue shipping out of Maricopa, AZ through next week and will have our deal in Firebaugh, CA starting as well. Honeydews are projected to begin by this weekend in Firebaugh. Patterson, CA has also started. Sizing in all regions has seen a slight shift to mid-to-small fruit, with larger melons being somewhat limited. Honeydews are mostly 6/8s.

**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 steady.

**Broccoli / Broccoli Florets:** Supply is very good this week and demand is steady.

**Brussels Sprouts:** Supply is plentiful and quality is good.

**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:** **ESCALATED** The market is improving quickly. We can expect to keep seeing improvements weekly.

**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 tight due to quality issues.

**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.

**Green Onions:** The market is slightly better and eastern demand is picking up. Lighter supply is coming from Mexico due to reduced summer plantings.

**JICAMA:** Storage product available--will see blemishing due to the fact it's storage fruit. Good supply available.

**Kale (Green):** Supply and quality are good.

**Mache:** Availability is adequate.

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

**Napa:** Supply is light this week. Quality and supply are good.

**Parsley: (Curly, Italian) ESCALATED** 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 is very tight this week.

**Sugar Snap Peas: ESCALATED** Many areas are still shut down, but we should start to see some product in the next weeks.

**Snow Peas: ESCALATED** Many areas are still shut down, but we should start to see some product in the next weeks.

**Spinach (Bunched): WATCH LIST** Spinach supply and quality are fair due to the recent heat wave.

**Spinach (Baby): WATCH LIST** Supply and quality are fair due to the recent heat wave.

**Spring Mix: WATCH LIST** Supply and quality are fair because of recent rain followed by 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:**

---

**ESCALATED** The onion market has been increasing rapidly due to reduced supply in all three growing regions. The North Texas Uvalde region has had limited supply overall, but weather has further stunted shipments. Additionally, both New Mexico and CA are hitting gap situations between the early plantings and spring seeded onions, which is causing limited supply in these areas as well. CA is expecting this for roughly 10-14 days and New Mexico for 7-10 days. On top of this, the concern remains 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. It is the expectation that the market will 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:**

---

All growers are running Burbanks exclusively through the end of the storage season in August; at that point, there will be Norkotahs out of the field. There has been little size in the Burbank crop and the Carton market is reflecting that. We are seeing strength in recent weeks with very good demand. Transportation has been challenging with increased rates.

### **TOMATOES - EAST**

---

- **Rounds:** Round tomatoes in the East are snug as we transition from Florida to the Carolinas. Markets are higher in the East. Quality is mixed, with reports of scarring and soft fruit.
- **Romas:** Roma markets got snug in the East despite overall demand being flat. FOB pricing is mixed based on quality. We should see this improve over the next 7 to 10 days.
- **Grapes:** Seeing a mixed market as we transition from Jasper to the Carolinas and Virginia. FOB prices will be up this week and quality will vary due to the transition.
- **Cherries:** Seeing a mixed market as we transition from Jasper to the Carolinas and Virginia. FOB prices will be up this week and quality will vary due to the transition.
- **Organic Tomatoes:** Seeing a mixed market as we transition from Jasper to the Carolinas and Virginia. FOB prices will be up this week and quality will vary due to the transition.

### **TOMATOES - WEST AND MEXICO**

---

- **Rounds:** Round tomatoes are up in price. The West is working through transition, leaving the inventory a little light. Quality is mixed, with reports of scarring and soft fruit.
- **Romas:** Roma supply got snug and markets ticked up a tad as we transition between shade houses. We are also seeing a bit more demand from the East due to lighter supply in that region. Outlook going into July should see slightly above normal pricing due to a lighter supply. Quality is outstanding.

- **Grapes:** Mexico grapes got active and this is most likely a reaction to the transition in the East. Quality is very nice on grapes out of Mexico.
- **Cherries:** Cherry tomatoes are steady to up this week. Mexico is flat. We are in the process of transitioning to newer fields, resulting in a tightened-up supply. Quality continues to vary in both 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. Supply mainly consists of 100s and larger, US#1, and very few fancy. Quality remains good.

## **STONE FRUIT**

---

- **Apricots:** Steady supply available out of California.
- **Cherries:** Supply is ramping up out of Yakima and markets are falling. Quality is outstanding. California is done for the season.
- **Nectarines:** Domestic nectarines are available.
- **Peaches:** Domestic peaches are available out of California, South Carolina, and Central Georgia.
- **Plums:** Market seems to be a tad lower today as more inventory becomes available.