

Weekly Market Review

July 3, 2019

Overview

Due to the recent rainfall followed by extreme heat in the Salinas growing region, many of the crops have experienced yield loss and quality issues. We are currently experiencing shortages on **iceberg, romaine, spinach, spring mix, and leafy greens**; we expect limited supply well into July. Working with our growers to increase supply and return to normal as soon as possible. We appreciate your patience during this difficult time 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 has stabilized.

Market Alert

- Avocados – **EXTREME**
- Berries (Blueberries, Blackberries, Raspberries, Strawberries) - **EXTREME**
- Cabbage (Red) – **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
- 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:

Wed 7/3	Thu 7/4	Fri 7/5	Sat 7/6	Sun 7/7	Mon 7/8	Tue 7/9	Wed 7/10
107° 74° F	107° 73° F	107° 75° F	109° 76° F	108° 72° F	104° 72° F	106° 77° F	110° 81° F
							
Mostly Sunny	Sunny	Sunny	Sunny	Partly Cloudy	Sunny	Sunny	Sunny

BAKERSFIELD:

Wed 7/3	Thu 7/4	Fri 7/5	Sat 7/6	Sun 7/7	Mon 7/8	Tue 7/9	Wed 7/10
94° 66° F	95° 66° F	98° 69° F	101° 71° F	97° 67° F	92° 66° F	94° 68° F	99° 71° F
							
Partly Cloudy	Sunny	Sunny	Sunny	Mostly Sunny	Sunny	Sunny	Sunny

LAKE PARK:

Wed 7/3	Thu 7/4	Fri 7/5	Sat 7/6	Sun 7/7	Mon 7/8	Tue 7/9	Wed 7/10
98° 75° F	95° 74° F	90° 73° F	89° 73° F	87° 74° F	90° 73° F	90° 73° F	88° 73° F
							
PM Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms

SALINAS:

Wed 7/3	Thu 7/4	Fri 7/5	Sat 7/6	Sun 7/7	Mon 7/8	Tue 7/9	Wed 7/10
67° 56° F	67° 57° F	69° 55° F	71° 56° F	67° 57° F	66° 57° F	70° 58° F	76° 59° F
							
AM Clouds/PM Sun	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Sunny

JALISCO, MX:

Wed 7/3	Thu 7/4	Fri 7/5	Sat 7/6	Sun 7/7	Mon 7/8	Tue 7/9	Wed 7/10
87° 66° F	87° 65° F	85° 65° F	85° 64° F	85° 65° F	84° 65° F	84° 65° F	83° 66° F
							
Mostly Sunny	Mostly Sunny	PM Thunderstorms	Mostly Cloudy	PM Thunderstorms	Thunderstorms	PM Thunderstorms	PM Thunderstorms

Good Buys

Commodity	Market Update	Produce Expert Tip
Brussel Sprouts	Supply is plentiful and quality is good.	Shake and bake (your Brussels sprouts)! Place Brussels sprouts, olive oil, bread crumbs, and a dash of salt and pepper in a large resealable plastic bag and shake to coat. Bake at 400°F for 30-45 minutes or until toasted.
Broccoli	Supply is very good this week and demand is steady.	It's perfect in your stir fry, to add a little crunch to your salad, or for dipping and snacking. But did you know that it's also <i>grate</i> in slaws? Literally--grate your broccoli stalks just as you would cabbage and use it instead of (or in addition to) cabbage in your favorite coleslaw recipe!

Fruits & Vegetables

Avocados: EXTREME – Mexico field prices remain at historic levels as old crop supply and quality dwindles. Flor Loca, which began July 1st, should provide some relief; 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: Conditions are relatively stable with inbound supply as we enter the summer months. Volumes are declining slightly from all importers, but this is normal for the time of year. Fruit quality is very good.

Pineapples: We are hitting some supply gaps as we are into the summer months, which is normal for this time of year. Supply will remain tight through July and will skew to the smaller size profile during this time frame.

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

Valencias: Good supply 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 still light supply due to the previous hot weather. The market has been very active. 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: Nogales is winding down quickly and there are lots of condition issues upon arrival. Baja is still 2-3 weeks away from any volume. Canadian crops have much nicer quality and are expected to have steady to moderate volumes for the immediate future.

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: Eastern eggplant is in an oversupply situation this week. Unfortunately, quality is just fair. We're looking for better quality to come out of Eastern NC, which has started. Other local deals are expected to come online over the next 7-14 days. The Western deal has fully transitioned from the CA desert to the Central Valley, where supply has started out light due to cool weather.

Cucumbers: Although there's some fruit left in GA, cucumber quality and sizing options aren't great. Most of the East is looking to NJ and VA crops for better quality now. These areas and other local deals should carry the load until MI gets up and running in the July 4th-8th range. With the last of Mainland shippers finishing up over the next week, the West will be looking to Baja and Eastern WA for product. Baja's numbers have been on the low side due to cooler weather, but we expect more supply next week. Eastern WA will start local crops this weekend and should be into good volumes in the next 7-10 days.

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

Green Beans: Green bean production and availability have improved. There's product available in VA, TN, NC, IN, and DE with no real quality issues. Western supply has also improved this week, as stronger volumes are coming out of CA and Eastern WA is underway. We also expect to see numbers out of Baja over the next 2-3 weeks.

Zucchini / Yellow Squash: **Zucchini / Yellow Squash: WATCH LIST (Baby Squash):** Squash continues to be spread out over several states in the East. Overall there's a little more volume, but we should see stronger availability next week on new crops from OH and MI. Quality has been an issue on yellow, as most of the current production areas have experienced weather. Western markets have plenty of squash; Santa Maria, Salinas, and Fresno are all seeing increases in production. As in the East, there are quality concerns on yellow but no issues with zucchini.

Herbs

LEMON GRASS The cost has almost doubled, and we will be going up the week of July 15th. This price should stay firm 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: Early cantaloupe fields provided mainly smaller sizes, but new fields scheduled to break this week are showing signs of larger fruit. Early fruit has been strong with excellent internal quality as brix levels have been in the 11-16% range

Honeydew: Honeydew production will continue to be primarily 6/8s early on. Larger-sized melons will remain limited until the next fields are ready next week. Early melons have been very clean externally with only minimal scarring compared to what the desert was producing. Brix levels were mostly in the 12-16% range, dependent upon size.

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: Supply and quality are good.

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 is good. Supply is now available in Georgia.

Cauliflower: Supply is expected to be very good this week.

Celery: The market has finally stabilized. Plenty of supply available.

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: Supply, quality, and demand are good.

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

Kale (Green): Supply and quality are fair.

Mache: Availability is adequate.

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

Napa: Supply, quality, and demand are fair.

Parsley: (Curly, Italian) ESCALATED Supply is fair due to recent 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 Supply is increasing. We should start to see more volume in the coming weeks.

Snow Peas: ESCALATED Supply is increasing. We should start to see more volume in the coming weeks.

Spinach (Bunched): Supply and quality are fair due to the recent heat wave. We are expecting to see improvements this week.

Spinach (Baby): Supply and quality are fair due to the recent heat wave. We are expecting to see improvements this week.

Spring Mix: Supply is good and quality is improving.

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 stabilized because supply and demand have balanced. All regions are into supply again, but there is not an abundance of supply anywhere. 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:** Overall volume is a bit lighter in the East this week as the summer transition begins. Quincy/South GA still has fruit, but quality, size, and volume declined quickly this week. They look to wrap it up next week. SC farms will finish crown picks over the weekend, leaving only 2nd's as we move into next week. This area will continue for another 5-7 days depending on markets, weather, etc. Quality is a little less than it has been, but the final pack-outs produce a nice box of fruit. TN farms expect to start harvesting next week, and will be joined by VA, AL, and the mountains of NC shortly thereafter.
- **Romas:** With the few growers in the Quincy/South GA area wrapping up, roma volume has been extremely light in the East this week. TN and NC growers are just getting started and should bring light to moderate volumes over the next week or so.
- **Grapes:** Eastern grape tomato production is transitioning from Quincy/South GA and SC to VA and other regional areas. Volume has been lighter than usual but is expected to pick back up next week
- **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:** In the West, supply is solid. Baja and Eastern Mexico are churning out a steady supply of vine-ripes while northern CA is up and running with mature greens. Look for volume to become stronger as more growers come online next week and farms get deeper into new crops. Initial reports indicate that quality is nice.
- **Romas:** With Baja, Eastern Mexico, and CA all in the roma business now, Western supply looks to remain strong for the near future.
- **Grapes:** Baja's steady production and good quality continue to provide the West with adequate supply.

- **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.