

Weekly Market Review

July 19, 2019

Overview

We continue to see shortages on **iceberg** due to previous weather in our Salinas growing region. Romaine and leafy greens are improving quickly, and expect lettuce to follow in the next two weeks. We appreciate your patience during this difficult time and will keep you informed of this situation. We also continue to see 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**.

Market Alert

- Asparagus - **ESCALATED**
- Avocados – **ESCALATED**
- Berries (Blueberries, Blackberries, Raspberries, Strawberries) - **EXTREME**
- Cabbage (Red) – **ESCALATED**
- Grape Tomatoes - **ESCALATED**
- Lemons (small sizes) -**EXTREME**
- Lettuce (Iceberg, Romaine, Green/Red Leaf, Butter) – **ESCALATED**
- Parsley: (Curly, Italian) – **ESCALATED**
- Onions (Red, Yellow, and White): **ESCALATED**

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 7/18	Fri 7/19	Sat 7/20	Sun 7/21	Mon 7/22	Tue 7/23	Wed 7/24
111° 78° F	111° 77° F	110° 79° F	111° 81° F	109° 85° F	112° 87° F	111° 87° F
						
Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy

BAKERSFIELD:

Thu 7/18	Fri 7/19	Sat 7/20	Sun 7/21	Mon 7/22	Tue 7/23	Wed 7/24
102° 69° F	98° 68° F	97° 71° F	101° 73° F	104° 75° F	104° 76° F	104° 77° F
						
Sunny	Sunny	Sunny	Mostly Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy

LAKE PARK:

Thu 7/18	Fri 7/19	Sat 7/20	Sun 7/21	Mon 7/22	Tue 7/23	Wed 7/24
92° 73° F	91° 72° F	92° 72° F	92° 73° F	92° 72° F	91° 72° F	88° 71° F
						
Isolated Thunderstorms	PM Thunderstorms	Scattered Thunderstorms	Isolated Thunderstorms	PM Thunderstorms	PM Thunderstorms	Scattered Thunderstorms

SALINAS:

Thu 7/18	Fri 7/19	Sat 7/20	Sun 7/21	Mon 7/22	Tue 7/23	Wed 7/24
70° 57° F	69° 56° F	70° 57° F	72° 57° F	73° 57° F	74° 57° F	75° 58° F
						
AM Clouds/PM Sun	Partly Cloudy	Partly Cloudy	Partly Cloudy	Mostly Sunny	Partly Cloudy	Mostly Sunny

JALISCO, MX:

Thu 7/18	Fri 7/19	Sat 7/20	Sun 7/21	Mon 7/22	Tue 7/23	Wed 7/24
84° 66° F	81° 65° F	80° 64° F	76° 65° F	81° 65° F	80° 65° F	78° 65° F
						
PM Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms	PM Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms

Fruits & Vegetables

Avocados: ESCALATED – We expect to see a softer market as the Loca crop ramps up out of Mexico; this will balance the decline in the Peruvian and California crops. Current projections call for a peak in 60s and smaller. Peru has hit its peak and will see a sharp decline over the next several weeks. We do anticipate this market to turn back around by the end of July and remain volatile through September, when we see the Aventajada crop begin.

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: The market continues to be extremely tight. Very limited sizes are available. This will continue for at least the next two weeks.

Grapes: Flames have been getting packed for two weeks with more growers joining in this week. Flames will go for the next month, with the Krissy variety starting in about 2-3 weeks, as long as they get the color

needed. Sugraones and Ivory are just getting started, as growers have been waiting for sugar so they can harvest.

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: We are seeing a spike in the market before it levels out and comes down a little. With aging fruit and lower-quality left on the trees, there is lower-quality fruit coming into the marketplace. We will also start seeing smaller-sized fruit; this should stabilize as the weather changes and rain comes. We are getting into the rainy and tropical depression season, which can cause a disturbance in the market as well. We will continue to see higher pricing for the next month or a little longer.

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

Imports/Specialties available:

- Blood Oranges
- Gold Nugget
- Ojai Pixie
- Offshore Delites

West Coast Lettuce

Butter: ESCALATED Volume is slightly better this week. We are still seeing some internal burn. Demand is steady.

Green Leaf: ESCALATED Green leaf yield is slightly down; however, there is better supply this week. There is some irregular sizing and fringe/wind burn. Demand is steady as markets are slightly adjusting.

Red Leaf: ESCALATED Red leaf supply and quality are fair to good.

Iceberg Lettuce: **ESCALATED** Supply continues to be tight. The market has been very active. Quality has been good overall.

Romaine: **ESCALATED** Romaine is improving quickly, but we are dealing with many quality issues. Fringe, wind burn, and light twist are present, which are all contributing to the reduction in yields at the field level. The market continues to be a bit elevated but is adjusting slightly.

Romaine Hearts: **ESCALATED** Romaine hearts are improving quickly, but we are dealing with many quality issues. Fringe, wind burn, and light twist are present, which are all contributing to the reduction in yields at the field level. The market continues to be a bit elevated but is adjusting slightly.

Eastern and Western Vegetables

Green Bell Pepper: Green pepper pricing is steady for the week. Current volumes are meeting the current demand and quality is good.

Red Bell Pepper: Red bell pepper supply in the West is excellent, and quality is outstanding. We expect a lower market this week and going through the Arvin crop.

Yellow Pepper: The yellow pepper market has eased slightly and quality is good.

Mini Sweet Pepper: Light volume out of Baja this week; Canadian and domestic crops have much nicer quality and are expected to have steady-to-moderate volumes for the immediate future.

Mixed Chili Pepper: Baja's chili pepper crossings are steady, providing all varieties on a consistent basis. Domestic supply is also available in CA, but it's limited to mostly jalapenos at this point. Overall quality is good, but poblanos have challenges and may not travel well. Eastern chilies are primarily a local deal now, with product available in NC, KY, NJ, PA, and VA. No major volume, but there's enough to make a dent in demand.

Eggplant: GA still has eggplant to offer, but quality is hit or miss; we are starting to see a little bit of product out of Michigan as well as the Carolinas, and markets are easing back. In the West, quality is outstanding, and volume is good.

Cucumbers: Cucumber prices are steady to up for the week. Good supply loading out of Otay, McAllen, and Michigan. In the East we are seeing fair quality, with soft ends being reported in the fields.

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

Green Beans: Both Eastern and Western markets have plenty of green beans available to meet demand. After a recent shortage in the East, there are at least five states coming in with product now. Western volume is concentrated in CA, although there are also beans in WA and more to come from Baja.

Zucchini/ Yellow Squash: Yellow squash and zucchini are following the same trend. The West looks to be flat, while the East is mixed. The Carolinas are showing a price increase, while Michigan is dropping their price. The prices between the regions are almost identical now with these changes. Yellow Squash continues to battle wind scarring while zucchini quality looks to be good for the week.

Herbs

Marjoram and **Oregano** are the only two herbs that have any issues this week. With the summer heat (which is normal), these two herbs love to flower. We are trimming as many as we can, but there will be some that we miss. Please remember that there is nothing wrong with the flower and the herb is still very useable.

All other herbs are 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/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: Normal temperatures of 100+ degrees have consistently hit the growing region, which is causing fruit to size up in new fields. Classic Fruit anticipates smaller lopes starting to become limited as fruit sizes up to mostly 9s and larger, with a decent percentage of 12ct. We are forecasting this sizing trend to continue over the next few weeks. Quality out of California has been strong, with solid brix levels maintaining mostly 12-16%.

Honeydew: Honeydew production overall has been limited but, just as with the cantaloupe, sizing will also begin to trend towards mostly larger fruit. We believe the small fruit will become very limited over the next few days. Supply should be picking up in the next 7-10 days. Honeydews have been clean so far--with possibly minimal scarring showing--but the fruit has been eating very well, with internal quality showing brix levels of 11-14%.

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 good.

Asparagus: **ESCALATED** Quality is good on large, standard, and small. Some light feathering on Jumbo and XL but overall good quality. We are seeing prices rise due to flight issues out of Peru and shortages in our Mexican crop.

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

Broccoli / Broccoli Florets: Supply is light to steady this week. Quality is fair to good.

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 steady this week. Quality is good.

Celery: Plenty of supply is available. Quality is good.

Corn: Markets are down, with good supply available on yellow, white, and bi-color out of San Joaquin Valley. Promotions available.

Cilantro: Supply is tight this week.

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, quality, and demand are fair.

Mache: Availability is adequate.

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

Napa: Supply is tight this week.

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 tight this week.

Sugar Snap / Snow Peas: Quality is good, supply is abundant.

Spinach (Bunched): Supply and quality are good.

Spinach (Baby): Supply and quality are good.

Spring Mix: Supply and quality are 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 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 continue to see strength in recent weeks with very good demand. Transportation has been challenging with increased rates.

TOMATOES - EAST

- **Rounds:** The East has several regions growing product. Quality is fair, with soft fruit being reported in the fields.
- **Romas:** TN and NC growers have started roma harvests, but volume has been a little slow to come on. With more growers adding to the mix later this week and additional acreage planted this year, we look for TN to provide good numbers in the next 7-10 days. Crown picks are yielding healthy jumbo sizing, and quality is very nice so far.
- **Grapes:** **ESCALATED** Grape tomato pricing is higher this week. Supply remains light out of Virginia and Tennessee. Quality is fair to good.
- **Cherries:** Cherry tomato prices look to be flat for the week. Supply looks to be covering the current demand. Quality is good.
- **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 steady to down for the week. Small-sized fruit looks to be steady, while larger sizes are showing a slight price drop. The West is supplied by Mexico and California for now.
- **Romas:** Mexico's roma crossings are lighter this week, particularly out of Baja. Northern CA farms continue to build volume and have consistent availability. Sizing is skewed to J and XL for now, but large and mediums are available as well. There's a little wind scarring at some farms, but it is cleaning up easily in the packinghouses.
- **Grapes:** Grape tomato pricing is higher this week. Supply remains light and quality is fair to good.
- **Cherries:** Cherry tomato prices look to be flat for the week. Supply looks to be covering the current demand. Quality is good.

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 best values and promotional items will be Premium and Exfcy # 1 Red 80s to 113s. The condition and quality are fair. Starting to see more watercore and lower shelf life

on processed products. We do expect to see this be more prominent in all of the red varieties through the end of the storage season.

- **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 and ramping up out of the Pacific Northwest.
- **Cherries:** Excellent supply on Bings out of Yakima and markets are falling. Quality is outstanding. Rainiers now available as well.
- **Nectarines:** Domestic nectarines are available.
- **Peaches:** Domestic peaches are available out of California, South Carolina, and Central Georgia. Light volume is being reported out of New Jersey.
- **Plums:** Market seems to be a tad lower as more inventory becomes available.