

Weekly Market Review

August 23, 2019

Overview

Larger-sized limes are in an **EXTREME** market. Asparagus and smaller-sized lemons are still very **EXTREME**. Lettuce and broccoli continue to be steady. Cauliflower is a good buy. The strawberry market continues to be hit and miss. The tomato market remains mixed, and a new suspension agreement has been negotiated.

Market Alert

- Asparagus - **EXTREME**
- English Cucumbers -- **ESCALATED**
- Lemons (small sizes) – **EXTREME**
- Limes (larger sizes) - **EXTREME**
- Potatoes – **ESCALATED**
- Romaine Hearts - **ESCALATED**
- Tomatoes (Grapes) -- **ESCALATED**

Watch List

- Avocados
- Bell Peppers- Red and Yellow
- Pineapples
- Strawberries
- 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

BAKERSFIELD, CA:

Thu 8/22	Fri 8/23	Sat 8/24	Sun 8/25	Mon 8/26	Tue 8/27	Wed 8/28
98° 75° F	103° 74° F	104° 76° F	103° 75° F	103° 76° F	103° 76° F	101° 75° F
						
Partly Cloudy	Sunny	Sunny	Sunny	Partly Cloudy	Sunny	Sunny

ASHVILLE, NC:

Thu 8/22	Fri 8/23	Sat 8/24	Sun 8/25	Mon 8/26	Tue 8/27	Wed 8/28
82° 67° F	80° 67° F	75° 63° F	73° 60° F	76° 61° F	80° 64° F	82° 63° F
						
Scattered Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms	Mostly Cloudy	Mostly Cloudy	AM Showers	Isolated Thunderstorms

SALINAS, CA:

Thu 8/22	Fri 8/23	Sat 8/24	Sun 8/25	Mon 8/26	Tue 8/27	Wed 8/28
73° 57° F	71° 58° F	75° 60° F	82° 61° F	81° 60° F	78° 61° F	75° 62° F
						
AM Fog/PM Sun	Sunny	Sunny	Sunny	Mostly Sunny	Sunny	Partly Cloudy

JALISCO, MX:

Thu 8/22	Fri 8/23	Sat 8/24	Sun 8/25	Mon 8/26	Tue 8/27	Wed 8/28
83° 66° F	83° 66° F	83° 66° F	82° 66° F	81° 66° F	80° 65° F	83° 65° F
						
PM Thunderstorms	PM Thunderstorms	PM Thunderstorms	PM Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms	PM Thunderstorms

Good Buys

Commodity	Market Update	Produce Expert Tip
Cauliflower	Supply is plentiful. Demand and quality are good.	Summer grilling is coming to an end, which means you must try something new, right? Well, we have just the idea for you, Cauliflower Steaks! An awesome veg friendly idea that soaks up all the grill-like flavors and marinated seasonings. Easy, delicious, and a great way to end summer on a high note!

Fruits & Vegetables

Avocados: **WATCH LIST** Markets are fairly steady, with some strength in smaller fruit. The size curve has shifted from the 60s and smaller being heavy to 40s and 48s as the heavy sizes. Demand is steady as promotions begin for Labor Day. Peru will be finishing up over the next couple of weeks; the size curve is still heavy to 48s and larger, and some shippers are finishing early. California is finished picking for the most part, and shippers are cleaning up what they have left. #2 fruit in Mexico is still light, and in some cases #1 fruit is being substituted.

Bananas: Supply and quality are good.

Pineapples: **WATCH LIST** Supply is expected to remain low, at least until the end of August. Sizing trend is moving slowly towards larger sizes, which will help with 5 and 6ct availability. Quality is pretty good and expected to remain good through the end of the year.

Grapes: Flames should be finished in about 10 days. Scarlet Royal, Krissy, and Magenta will be the main varieties for the next month, then it will be Scarlet Royal and Allison the rest of the way.

Berries

Blueberries: Blueberries are improving.

Blackberries: We will continue to see low volumes for the next few weeks. We are seeing some quality issues.

Raspberries: Raspberry volumes are improving.

Strawberries: **WATCH LIST** Strawberry volume continues to be hit and miss due to ongoing issues that stem from the extreme heat we saw earlier in the season. We do not expect strawberry volume to increase until sometime after Labor Day.

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.

Limes: (Larger sizes) EXTREME Due to extreme drought conditions in most of the lime-growing regions over the past several months, we are seeing extreme shortages on sizes 110ct -200ct. Not only has the size been affected, but we are noticing major quality issues as growers are experiencing around a 50% utilization rate when grading out the limes. Most limes crossing are 250ct or smaller this week and not expected to improve. Based on the weather models and reports from the region, we do not anticipate any relief in this situation for the next month to month and a half.

Grapefruit: Good supply available.

Imports/Specialties available:

- Blood Oranges
- Offshore Delites

West Coast Lettuce

Butter: Decent volumes are available. We are still seeing some irregular sizing, and demand is steady.

Green Leaf: Supply is good. There is some irregular sizing and fringe/wind burn. Demand is picking up as market pricing has firmed up.

Red Leaf: Supply is fair to good. Demand has increased; however, market pricing is steady.

Iceberg Lettuce: Supply is very steady. Demand and quality are good. Pricing is slightly higher.

Romaine: Demand continues to strengthen. Quality is fair to good.

Romaine Hearts: **ESCALATED** Volumes are slightly lower and prices are rising due to quality.

Eastern and Western Vegetables

Green Bell Pepper: Green peppers continue to see a price drop for a second week. Supply continues to improve in all growing regions. Mexico and California are supplying the West. The East is supplied with growing areas from the Carolinas to Michigan during summer harvests. Quality is fair, due to a mix of old and new crop.

Red Bell Pepper: **WATCH LIST** Red bell peppers are steady to up for the week, depending on the size and grade. Supply remains tight, with supply coming from Mexico and hot houses. Quality for now is good, especially out of the hot houses.

Yellow Pepper: **WATCH LIST** The yellow pepper market is also very short, with limited supply out of Mexico and Canada. Quality is very good.

Mini Sweet Pepper: Good supply moving forward. Great time to promote.

Mixed Chili Pepper: Both Santa Maria and Baja have good volumes of chilies available this week. A new grower with good-sized acreage has begun in Baja, which will hopefully help with the occasional quality issues we've been seeing on larger cavity chilies like poblanos and Anaheims. The East is puttering along with small local deals with hit or miss availability.

Eggplant: Eggplant is readily available in Fresno and WA state for the West and in several states in the East. Quality has been good on both sides of the country, but Fresno's fruit has sized down a notch.

Cucumbers: Cucumber prices are mixed for the week. It is reported that supply remains tight in Mexico as they await new fields to start harvesting. The East is seeing price drops in Michigan and New York. Quality is fair to good, depending on the region.

English Cucumbers: **ESCALATED** The market will continue to be firm through the end of the month as production GAPS are expected in Canada. We see lower numbers in the west as well due to heat-related issues.

Green Beans: The green bean market is down this week. Imported haricot verts and machine-picked product out of New York are down, with moderate supply and demand. Good quality is being reported out of both growing regions.

Zucchini/ Yellow Squash: Yellow squash is down for the week. Supply continues to improve in all growing regions. The most significant issue right now continues to be heavy wind scarring, which is prevalent in all growing areas. Zucchini prices are down. Supply continues to improve week after week. The East has started new fields, which are spread across multiple areas. Michigan continues to push out good volumes. The West supply has improved only slightly, and it is reported that price drops in that region are smaller. New crop is expected to start in the next couple of weeks. Quality on zucchini is good.

Herbs

- Fresh **MARJORAM** and **OREGANO** were affected by the heat as this herb will go to flowering when temps are in the 90's. We are handpicking the flowers during our pack outs.
- Fresh **DILL** was also affected by the recent heat, but we should be good going forward. Once again, we are handpicking out any part of the dill that has any heat damage.
- Fresh **BASIL** has also been affected by the heat wave, but we are looking good going forward. We do hand pack the basil every day and we have been able to stay one step ahead of any issues.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Good	USA
Basil	Steady	Good	USA
Opal Basil	Steady	Good	USA
Thai Basil	Steady	Good	USA
Bay Leaves	Steady	Good	USA
Chervil	Limited	Good	USA
Chives	Steady	Good	MEXICO
Cilantro	Steady	Good	USA
Dill	Fair	Good	USA/MEXICO
Epazote	Steady	Good	MEXICO
Lemongrass	Steady	Good	USA
Marjoram	Fair	Flowering	USA
Mint	Steady	Good	USA
Oregano	Fair	Flowering	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	USA
Thyme	Steady	Good	USA
Lemon Thyme	Fair	Good	USA
Lime Leaves	Steady	Good	USA

Melons

Cantaloupe: Increased harvests and lower demand have caused the cantaloupe market to settle over the past week on the larger sizes. Volume is peaking currently on 9/9Js, with a decent percentage of 12ct being harvested daily. As you can see from the picture below, quality is at optimum levels with a beautiful shell color. Internal quality has been running very consistent with mostly 12-15% brix levels, with some even scoring higher.

Honeydew: Honeydew production remains very steady with a nice mix of 5/6s; there are even some 5Js being packed, so the sizing trend is toward the larger sizes. This will leave 8s fetching a slight premium. Production should remain fairly steady as we finish out the month of August. Quality of the honeydews has been very clean, with a consistent brix level range of 11-14%.

Watermelon: Seedless supply is available regionally and quality is good. California fruit is excellent, and flavor is top shelf. Sizing has leaned to the larger side of the scale, with smaller fruit being pretty scarce.

Mixed Vegetables

Artichokes: Lighter supply is forecasted for the coming weeks. Demand is good and prices are steady.

Arugula: Supply and quality are good.

Asparagus: **EXTREME** We expect supply issues and increased freight costs for the next three weeks. Due to the colder-than-normal weather in Peru, we have seen shorter supply of larger sizes, and now it is affecting smaller sizes. In Mexico, where typically they would have product through September, most growers have completely stopped harvesting, so there is no longer volume coming from the region.

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

Broccoli / Broccoli Florets: Supply will be steady for the next few weeks. Demand is good and the market is steady.

Brussels Sprouts: Lighter volume is expected for the upcoming week. The market should remain active, and quality is good.

Carrots: Supply and quality are good.

Cauliflower: Supply is plentiful. Demand and quality are good.

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

Corn: Markets are getting active due to lighter supply out of Indiana, Southern Illinois, and Iowa; New York and Michigan are ramping up. We are seeing active markets in the west.

Cilantro: Supply is tight.

Fennel: Volume is projected to be lower this week and potentially the next few weeks. Quality remains strong overall.

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 steady; demand and quality are good.

Green Onions: There is good volume and light demand.

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

Kale (Green): Supply has slightly declined. Quality is fair.

Mache: Availability is adequate.

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

Napa: Supply is steady. Quality is fair.

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

Rapini: Supply is projected to be lower this week. Quality still remains strong.

Red Cabbage: Supply is steady this week.

Sugar Snap / Snow Peas: Quality and supply are good.

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 Growers are just now beginning to dig their new crop of sweet potatoes for the upcoming season. This past year was a very volatile one for sweet potatoes due to hurricanes on the east coast affecting much of the crop; we saw prices on #1 sweets rise to almost \$30 FOB. Growers are hoping the weather this year is much more favorable to avoid another year of tight supply and high prices.

Onions:

The onion market has declined as supply on both red and yellow onions exceeds demand. Growers in New Mexico and CA are trying to finish while Washington, Idaho, and Oregon new crop are starting to ramp up volume. The majority of growers in Idaho/Oregon have now started, and we are seeing sizing peak on mediums and Jumbos. With this, we have seen pricing here really decline. Large onions are expected to remain higher priced as the northwest crop is not producing enough to keep up with demand.

Potatoes: ESCALATED

Burbank supply continues to dwindle and should be entirely finished by week's end. New crop Norkotahs are being harvested and shipped fresh out of the field while simultaneously being stored. Early size profile reports indicate that product is heavier to a smaller-size profile to start. Warm temperatures in Idaho may help the Norkotahs and Burbanks still left in the ground size up better, but we will have a better outlook once harvest is complete around the second week of October. Carton pricing remains elevated, but we will likely see relief in the coming weeks as production significantly increases. Because the new crop is running clean, #2 grade potatoes are very tight. Growers are having to substitute #1 quality product into the #2 boxes in order to fill orders. We do not anticipate seeing new crop Burbanks until around the first or second week of October.

TOMATOES - EAST

- **Rounds:** Round tomatoes are up. Supply is tight. Quality is fair to poor, with soft fruit reported as a big concern. It is expected that price changes will vary from size and grade.
- **Romas:** Roma tomato prices continue to go up. Supply is tight and quality is fair to poor due to the high temperatures and rain.
- **Grapes:** **ESCALATED** Grape tomatoes are up in price for the week. Supply continues to tighten up as farms battle high temperatures. Quality is poor across the country due to the hot temperatures.
- **Cherries:** Cherry tomatoes pricing has continued to rise this week. Supply has tightened up, with limited supply coming out of the East. The West continues to send product east to help cover the demand. Quality is poor to fair, due to the high heat and recent rainstorms.
- **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. Supply is tight. Quality is fair to poor, with soft fruit reported as a big concern. It is expected that price changes will vary from size and grade.
- **Romas:** Supply is improving crossing through Texas, and markets are easing back slightly this week; however, since the roma market in California continues to be a struggle, fob prices continue to rise. Quality in the west continues to be an issue due to the high temperatures and rain earlier in the season.
- **Grapes:** **ESCALATED** Supply is improving crossing through Texas, and markets are easing back slightly this week; however, since the grape market in California continues to be a struggle, fob prices continue to rise. Quality in the west continues to be an issue due to the high temperatures and rain earlier in the season.
- **Cherries:** Cherry tomatoes pricing has continued to rise this week. Supply has tightened up, with limited supply coming out of the East. The West continues to send product east to help cover the demand. Quality is poor to fair, due to the high heat and recent rainstorms.

APPLES & PEARS

Apples: C/A apples are winding down. We will experience some gaps on select varieties, depending on shipper. Reds should go the distance.

New crop Galas have started, peaking on premiums and wash Exfcy #1. Golds & grannies should start after Labor Day and other varieties later in the month.

Pears: Just started packing new crop Bartletts. So far peaking on 90/100s us #1, very few smaller. Few if any fancy grade.

STONE FRUIT

1. **Apricots:** Apricots are winding down.
2. **Cherries:** Excellent supply on Bings out of Yakima and markets are falling. Quality is outstanding. Rainiers now available as well.
3. **Nectarines:** Domestic nectarines are available through September. Quality is very good.
4. **Peaches:** Domestic peaches are available out of California, South Carolina, and Central Georgia through September. Light volume is being reported out of New Jersey. Quality is very good.
5. **Plums:** Fruit is steady with plenty of supply. Plums will go into November.