

Weekly Market Review

October 4, 2019

Overview

As we approach the end of the Salinas / Watsonville / Santa Maria season, supply on many crops is beginning to tighten; expect prices to continue to rise as demand strengthens. Artichokes and celery are good buys.

Market Alert

- English Cucumbers - **ESCALATED**
- Limes (Large) - **ESCALATED**

Watch List

- Tomatoes – Rounds and Romas (East Coast)
- Sweet Potatoes and Yams

Transportation

Freight rates continue to remain stable due to slower demand. Gas prices are mixed; the East Coast is averaging \$3.07/gallon, while California's average for diesel was the highest--at \$3.97/gallon--to close out October.

Weather

BAKERSFIELD, CA:

Thu 10/3	Fri 10/4	Sat 10/5	Sun 10/6	Mon 10/7	Tue 10/8	Wed 10/9
83° 51°F	76° 51°F	82° 55°F	91° 58°F	93° 60°F	91° 60°F	87° 58°F
 Sunny	 Sunny	 Sunny	 Sunny	 Sunny	 Sunny	 Sunny

ASHVILLE, NC:

Thu 10/3	Fri 10/4	Sat 10/5	Sun 10/6	Mon 10/7	Tue 10/8	Wed 10/9
91° 61°F	86° 58°F	69° 57°F	73° 61°F	71° 51°F	70° 46°F	70° 44°F
 Sunny	 Partly Cloudy	 Partly Cloudy	 Mostly Cloudy	 Showers	 Partly Cloudy	 Mostly Sunny

SALINAS, CA:

Thu 10/3	Fri 10/4	Sat 10/5	Sun 10/6	Mon 10/7	Tue 10/8	Wed 10/9
67° 44°F	71° 46°F	80° 53°F	85° 55°F	85° 54°F	78° 53°F	73° 51°F
 Sunny	 Sunny	 Sunny	 Sunny	 Sunny	 Partly Cloudy	 Sunny

JALISCO, MX:

Thu 10/3	Fri 10/4	Sat 10/5	Sun 10/6	Mon 10/7	Tue 10/8	Wed 10/9
77° 60°F  Isolated	78° 61°F  Partly Cloudy	79° 62°F  Partly Cloudy	81° 60°F  Partly Cloudy	80° 58°F  Partly Cloudy	80° 59°F  Partly Cloudy	81° 60°F  Partly Cloudy

Good Buys

Commodity	Market Update	Produce Expert Tip
Celery	Plenty of supply is available. Quality is excellent.	Although juicing this veggie might be on trend, the real way to eat celery this fall is by braising it. It is quite simple actually! Celery, butter, salt, pepper & vegetable stock. This application mellows the celery but keeps the crunch and texture intact.

Fruits & Vegetables

Avocados: As Mexico continues to transition to the new crop, we have seen a shift in the size curve to smaller fruit. As a result, the industry has experienced a subsequent strengthening of big fruit and weakening of small fruit. As of now, the expectation is for fruit to flow normally and field prices to stabilize. Chilean arrivals will decline over the coming weeks and will remain slotted for programs.

Bananas: Bananas are in good supply. Quality is good with no issues to be expected in the near future.

Pineapples: Good availability and good quality. Sizing will be trending large for the next 4-8 weeks.

Grapes: Red Seedless---Krissy is finishing up and Scarlet Royal are going strong; the market remains stable. Allisons will begin in about 2 weeks, and the market should remain steady deep into October. Green Seedless—Autumn Kings are the main green variety that will take the industry to the finish; a few specialty varieties are being harvested with higher FOB's on them. The Autumn King Green market should continue to rise through October. Black Seedless is switching over to Autumn Royals as Summer Royals clean up.

Berries

Blueberries: The PNW season is coming to an end, with low volumes forecasted for the next two weeks.

Blackberries: Supply will be tight as the next two weeks will be a transition period.

Raspberries: Overall volume is ramping up and going into peak next week.

Strawberries: Volumes should remain steady for the next few weeks. Volumes are continuing to drop out of the North; Oxnard and Santa Maria should offset the reduction.

California / Arizona Citrus

Valencias: Good supply available through October on larger sizes. Small sizes are tight.

Lemons: Production is winding down in Oxnard/Ventura and increasing weekly in Coachella/Yuma. Larger choice fruits remain tight.

Limes: (**Large ESCALATED**) The market remains escalated on big-sized fruit (110ct-150ct). We should

continue to see this for the next several weeks due to the past drought issues that have caused stress on the trees and lack of growth. There was some ease in the market with more availability of small fruit; however, overall volume is still down.

Grapefruit: Good supply available.

Imports/Specialties available:

- Blood Oranges
- Cara Cara
- Offshore Delites

West Coast Lettuce

Butter: There continues to be occasional irregular sizing. Demand is steady.

Green Leaf: Green leaf fields are producing strong yields. There is occasional irregular sizing and fringe/wind burn. Demand is constant, while market pricing is steady.

Red Leaf: Red leaf volumes are strong. Quality is good. Demand has increased some as market pricing remains steady.

Iceberg Lettuce: Lettuce supply is below budget. Many fields are ahead of schedule, creating small holes in the production schedule. Huron is scheduled to start the second week of October. Quality has been good, but there are still some signs of seeders. Overall quality depends on variety and growing location. The market is showing signs of strengthening due to lighter supply.

Romaine: The market is strengthening due to lighter supply. Look for a higher market next week.

Romaine Hearts: The market is strengthening due to lighter supply. Look for a higher market next week.

Eastern and Western Vegetables

Green Bell Pepper: Green bell peppers are mixed this week. Prices in the East are steady, with good supply coming out of multiple fields. The West is seeing a slight uptick with crop out of California. Quality is good in both regions for the time being.

Red Bell Pepper: Red bell peppers are steady to down for another week. Supply continues to improve in both field-grown and hothouse-grown harvest. Quality continues to be strong in both the fields and hothouses.

Yellow Pepper: The yellow pepper market is improving, and quality is good out of Mexico and Somis.

Mini Sweet Pepper: Baja remains on the lighter side of production, but new blocks will begin over the next 2 weeks. CA and WA programs continue to offer steady availability and overall nice quality.

Mixed Chili Pepper: (Jalapeno, Tomatillo, Serrano, Poblano, Anaheim) With multiple production areas in play, Mexico continues to have steady volumes on most chili pepper items. Los Mochis is seeing mixed sizing on tomatillos, smaller than normal serranos, and some shelf-life issues on the thinner-walled chilies but should see improvements in 10 days when new blocks get started. CA's Santa Maria area will continue to add to the mix until first frost or quality declines, whichever comes first. The East has a consistent supply out of MI and continues to see fruit from various local deals.

Eggplant: Eggplant is in good supply this week. CA's Central Valley is plugging along as the weather cools down a bit, providing better supply on 24ct than 18ct fruit. We're already seeing Mexican product in Nogales, so the fall transition looks to be a smooth one in the West. Eastern farms in MI, NC, SC, GA, etc. have more than enough product to meet market needs, and quality is good from most areas.

Cucumbers: Cucumber prices are steady to down for the week. Both Mexico and the Eastern growing regions are reporting lower prices, per the USDA. Price changes will vary according to size and grade. Quality continues to be strong, per field reports.

English Cucumbers: **ESCALATED** The market will continue to be firm through the end of October as production GAPS are expected in Canada and they are beginning to wind down for the season. Mexico will start light production the third week of October.

Green Beans: The green bean market is down this week. Machine-picked product out of New York is down, with moderate supply, with lighter demand and varying quality reported. Imported haricot verts are down, with lighter supply and moderate demand reported.

Zucchini/ Yellow Squash: Yellow squash prices are steady to down for the week, depending on the size and grade. The East continues to be supplied by multiple areas as summer crop winds down. Quality is fair, with the biggest issue being wind scarring. Zucchini prices are steady to down for the week. Both growing regions are seeing good harvests, allowing prices to fall a little bit. Quality is good on zucchini.

Herbs

BASIL: We should be in full swing in Mexico in about two weeks. Quality is very good, and supply will increase weekly.

CHERVIL: We continue to have limited supply. Quality has been hit or miss due to weather issues. We should be back to normal by the end of the month. Parsley is a good substitute.

LAVENDER: There is a limited supply of lavender as it recovers from the summer heat wave in September. Supply should be back by the end of the month.

LEMON THYME: Supply is limited as the size is small but clean.

BAY LEAVES: Local supply has heat damage.

TARRAGON: Supply is limited out of USA and Mexico as we transition to Mexico.

All other fresh herbs are in good steady supply.

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

Melons

Cantaloupe: Cantaloupe supply started to steady over the weekend, finally catching up to very good demand the past few weeks. Much cooler temperatures began hitting the California growing area over the weekend, which should prevent the fruit from accelerating as it did last week when temperatures hit the low 90's. Current sizing has been leaning heavier towards larger fruit, with a good percentage of 12ct to satisfy those orders. Recent quality has shown a nice shell color (see attached photo) on the lopes with solid internal quality in the 11-13% range mostly.

Honeydew: Honeydew production remains fairly strong in the region, with mostly mid-to-small sizes being available due to the cooler weather. Melons have been mostly clean externally with consistent brix levels in the 10-12% range.

Watermelon: Supply is limited. Quality is still pretty good overall.

Mixed Vegetables

Artichokes: There is a lighter supply of artichokes available this week. Most of our volume this week is estimated to be 12s and 18s. Quality is excellent. Demand is good; prices are steady-to-higher depending on size.

Arugula: Supply is tight due to the recent heatwave. There's good demand, but the industry overall seems to be in light supply, with quality-related issues.

Asparagus: Volume is tight due to flight issues out of Peru.

Bok Choy: All pack sizes are in short supply.

Broccoli / Broccoli Florets: Broccoli supply has increased although some of the quality issues we have been experiencing are still present; good quality is still a premium.

Brussels Sprouts: The market has improved with better demand; availability remains excellent. Expect good supply for the month of October.

Carrots: Supply and quality are good.

Cauliflower: Quality and availability are expected to be good this week.

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

Corn: Markets are stable despite lighter supply out of New York and Michigan; we will see Georgia and Florida ramp up any time this week or next. Out west, California will be ramping up for the fall crop, and Colorado will continue bringing market prices down in the west.

Cilantro: Supply is below normal this week. Quality is fair.

Fennel: Supply is slightly below budget this week and demand will be very strong.

Garlic: Supply is fairly tight, and the overall market remains volatile. The market is higher.

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 is fair, and quality is good.

Green Onions: Supply in Northern Mexico is down, due to heat and humidity over the past 6 weeks. We are seeing higher pricing. Demand will be picking up within the next 10 days, due to local production in eastern growing areas winding down for the season.

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

Kale (Green): Supply is plentiful, and quality is fair.

Mache: Availability is adequate.

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

Napa: Supply is steady, and quality is fair.

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

Rapini: Slightly under budget on this week, and demand will be very strong due to Columbus Day pull. Supply will remain very tight.

Red Cabbage: Supply is steady, demand is fair, and quality is good.

Sugar Snap: Volume is tight due to weather issues in Guatemala.

Snow Peas: Volume is good, weather could become an issue.

Spinach (Bunched): Supply has improved, and quality is fair to good.

Spinach (Baby): Supply has improved, and quality is fair to 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 settled out as we are exclusively shipping out of the Northwest. Intermittent rain has interrupted harvest this past week and has helped control supply that growers are able to run. Demand has improved and growers are no longer long on any particular size or color. We are continuing to see sizing peak on mediums and Jumbos, with volume on colossal and supers being limited. Straight load red deals are available out of both Washington and Idaho/Oregon. Overall, The Idaho/Oregon and Washington crops appear to be mostly normal, with some regions down in yields a bit more than others. We believe there will be strong supply and quality throughout the season, but not a surplus of supply at any point. Available transportation has started to tighten up, and railcar availability is expected to be limited once the onions are through the sweat.

Potatoes:

Supply has tightened this week across all sizes, as production has been limited. Rain and cold temperatures have prevented growers from harvesting and hauling potatoes, which has curtailed the available product to

sell. Despite the limited production, there have still been some occasional straight load deals on 40-70. Because of the tight supply, we have seen prices rebound a bit and stabilize some on all sizes and grades. Next week is expected to be much warmer with less rain, so we anticipate that production will pick back up. While it is believed that size profile will still lean heavier to a smaller-size profile to start, we are starting to see better availability on the mid-to-large sizes, with consumer small bags being in short supply. We do not anticipate seeing new crop Burbanks until around the first or second week of October.

TOMATOES - EAST

- **Rounds:** **WATCH LIST** Overall Eastern availability remains light, but there has been a little more product around this week. Recent quality has been excellent.
- **Romas:** **WATCH LIST** There aren't many romas in the East. The GA/Quincy area should get started around the 10th of October.
- **Grapes:** Grape volume will continue to decline.
- **Cherries:** Cherry tomatoes are steady to up for the week. Quality looks to be strong.
- **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:** On the West Coast, overall volume is mostly steady; however, some growers have had issues with softness, spotted wilt, and some occasional decay. There's a good mix of sizing available.
- **Romas:** Roma volume is mostly steady, with pretty good quality despite some occasional rot issues.
- **Grapes:** Western grape deal is a Baja one. Availability is steady now but will increase as we move into October.
- **Cherries:** Prices are increasing out of Mexico for the week, per the USDA. Quality looks to be strong.

APPLES & PEARS

Apples: Gala apples are done. Granny Smiths are available.

Pears: Bartlett's are in good supply. Bosc are limited. Fair supply of red pears. Asian pears have started.

STONE FRUIT

- **Cherries:** Limited supply out of Canada and Washington; almost done for the season.
- **Peaches:** Supply is light and almost done for the season.
- **Plums:** Splendors are still available out of California. Quality is fair.
- **Figs:** Light offerings on Calimyrna, Black Mission, and Brown Turkey are available.