

Weekly Market Review

October 11, 2019

Overview

Adverse weather continues to disrupt supply by reducing yields on various items. Due to the short supply and the market conditions associated with these events, lettuce, romaine, broccoli, and cauliflower are **ESCALATED**. We are also seeing quality issues such as mildew and insect damage. Pumpkins are a good buy.

Transition is just around the corner. Below are some tentative start dates:

Taylor Farms - Starting Yuma the week of November 18th

Church Bros - Starting Yuma the week of November 18th

Mann Packing – Starting Yuma the week of November 18th

Green Gate - Starting Yuma the week of November 11th

Market Alert

- Broccoli – **ESCALATED**
- Cauliflower – **ESCALATED**
- Iceberg - **ESCALATED**
- Limes (Large) – **ESCALATED**
- Romaine - **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 10/10	Fri 10/11	Sat 10/12	Sun 10/13	Mon 10/14	Tue 10/15	Wed 10/16
81° 53°F	84° 49°F	84° 51°F	85° 52°F	82° 52°F	83° 56°F	81° 53°F
 Mostly Sunny	 Sunny	 Sunny	 Partly Cloudy	 Sunny	 Sunny	 Partly Cloudy

ASHVILLE, NC:

Thu 10/10	Fri 10/11	Sat 10/12	Sun 10/13	Mon 10/14	Tue 10/15	Wed 10/16
75° 50°F	77° 55°F	74° 49°F	74° 51°F	76° 51°F	71° 54°F	64° 41°F
 Partly Cloudy	 Mostly Sunny	 PM Showers	 Partly Cloudy	 Mostly Sunny	 Showers	 Showers

SALINAS, CA:

Thu 10/10	Fri 10/11	Sat 10/12	Sun 10/13	Mon 10/14	Tue 10/15	Wed 10/16
78° 49°F	82° 47°F	80° 49°F	74° 46°F	70° 47°F	71° 48°F	70° 51°F
						
Mostly Sunny	Partly Cloudy	Sunny	Partly Cloudy	Partly Cloudy	Sunny	Partly Cloudy

JALISCO, MX:

Thu 10/10	Fri 10/11	Sat 10/12	Sun 10/13	Mon 10/14	Tue 10/15	Wed 10/16
79° 60°F	79° 59°F	76° 58°F	78° 59°F	80° 59°F	81° 58°F	80° 59°F
						
AM Thunderstorms	Partly Cloudy	Partly Cloudy	PM Thunderstorms	Partly Cloudy	Partly Cloudy	Partly Cloudy

Good Buys

Commodity	Produce Expert Tip
Pumpkins	In a pumpkin pie? Yes. In a baked good or soup? Sure! But what else can you do with a pumpkin? Try stuffing and baking the vegetable with bread, cheese, herbs, and garlic as a new spin on a traditional stuffing that is both delicious and beautiful as a centerpiece for any table.

Fruits & Vegetables

Avocados: Steady volume continues on new crop; we have seen a shift in the size curve to smaller fruit. As a result, large-sized fruit is drawing a premium. We expect a slight bump in markets the 3rd week of this month, but they will settle back for the remainder of the year should there be a normal supply crossing from Mexico.

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: Markets should remain steady and continue through October at these levels. Allisons will begin in about 10 days, with a higher FOB to start. Movement has been steady for the last 2-3 weeks. Quality and condition have been good so far. Autumn King is the main variety as most other varieties are either finished or have been put into storage for later sales. Markets will start to go up as individual growers will be in control depending on how long they can hold their fruit.

Berries

Blueberries: This is the final production week from PNW. This will be the peak for Oxnard fall production.

Blackberries: Supply in the US regions will continue to decrease while Mexico will increase weekly.

Raspberries: All California and Baja regions are experiencing lower volumes with the exception of Santa Maria.

Strawberries: Volume out of the North continues to reduce quickly. We will see Mexico fruit in McAllen in the next two weeks.

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) Market is down on small sizes. There is some ease on the 150ct now too. 110ct is still tight and will continue to be that way next week and maybe the week after.

Grapefruit: Good supply available.

Imports/Specialties available:

- Blood Oranges
- Cara Cara
- Offshore Delites

West Coast Lettuce

Butter: There are lighter volumes on butter lettuce. We are continuing to see occasional irregular sizing, with some burn. Demand is advancing along with market pricing.

Green Leaf: Green Leaf volumes are currently on budget. There is occasional irregular sizing and fringe/wind burn. Demand is slowly gaining, along with other leaf items. Market pricing is steadily advancing.

Red Leaf: Red leaf volumes are on budget for the week. Demand has increased and market pricing is firming up.

Iceberg Lettuce: ESCALATED Lettuce supply will be even lower than last week. Many fields are still ahead of schedule by up to two weeks, creating gaps in harvest. Overall quality continues to be steady, with occasional small defects. Seeders are bigger than normal. The market is very active, mainly due to light supply.

Romaine: ESCALATED Romaine is slightly below budget for the next couple of weeks. There is still occasional fringe/wind burn, insect pressure, twist, and seeders in the romaine products. With some recent changes in temperatures, combined with reduced yields, we are seeing less industry supply available. Market prices are rising due to strong demand.

Romaine Hearts: ESCALATED Romaine is slightly below budget for the next couple of weeks. There is still occasional fringe/wind burn, insect pressure, twist, and seeders in the romaine products. With some recent changes in temperatures, combined with reduced yields, we are seeing less industry supply available. Market prices are rising due to strong demand.

Eastern and Western Vegetables

Green Bell Pepper: Green bell pepper prices look to be flat. Supply continues to be strong out of the multiple growing regions. Quality continues to trend toward the good side.

Red Bell Pepper: Red bell peppers continue to drop in price this week. Supply continues to improve out of both hot houses and field-grown harvest. Quality continues to be good.

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

Mini Sweet Pepper: Baja's production remains lighter, but we anticipate an increase sometime this month. Weather in Eastern WA got colder over the weekend and that will end the season sooner than originally thought. CA production has been steady so far this week but will decrease as farms move into 2nd picks.

Mixed Chili Pepper: (Jalapeno, Tomatillo, Serrano, Poblano, and 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. 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 now shipping out of Florida.

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 South Georgia are ramping up with plenty of volume and outstanding quality.

Cucumbers: Cucumber prices are steady to up for the week. Price changes will vary from size and grade. Quality continues to be strong, according to field reports.

English Cucumbers: The market is easing back and expected to stabilize. Mexico will start light production the third week of October.

Green Beans: The green bean market is mixed this week. Machine-picked product out of New York is up, but down out of Eastern Shore, Virginia. There is light supply and demand reported. Imported haricot verts are steady, with lighter supply and moderate demand reported.

Zucchini/ Yellow Squash: Yellow squash prices are steady to up for the week. The East continues to see supply from both Carolinas and Georgia. Quality is fair, with the biggest issue being wind scarring. Zucchini prices are steady to up for the week, and quality is good.

Herbs

Supply of fresh herbs remains steady except the following:

CHERVIL: There is limited supply due to the recent heat wave.

THYME: Starting to rebound from past weather issues and should be steady by next week.

TARRAGON: Slowed in growth the past two weeks, so look for shorter-than-normal length for about 2 weeks.

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	Fair	Colombia
Chervil	Limited	Good	USA
Chives	Steady	Good	MEXICO
Cilantro	Steady	Good	USA
Dill	Steady	Good	USA
Epazote	Steady	Good	MEXICO
Lemongrass	Steady	Good	USA
Marjoram	Steady	Fair	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 production has dropped significantly over the past week. Some growers have either concluded their 2019 season or will be finishing by this week. Cooler temperatures continue to affect the maturation of the melons which has been messing with the daily projection numbers, leaving inventories very thin. Sizing, with the cooler weather, would typically be producing smaller sizes, but with the Caribbean Gold variety being used the melons are still sizing as 9s, which is the predominant size being harvested. Small fruit, especially 12s, could find themselves in a limited position. As you can see from the attached picture, the cantaloupes are still maintaining a very nice shell color with internal quality ranging in 11-13% levels.

Honeydew: Honeydew supply has quickly moved to an almost demand-exceeds-supply situation. Less overall honeydews were planted this summer in the Westside region, and, combined with a few larger growers from the Sacramento area choosing not to plant honeydews at all this year, this has really shortened the late deal. Honeydew sizing should fall primarily in the mid (6s) to smaller (8s) sizes with large fruit being short in CA.

Watermelon: Seedless supply will be light through the first two weeks of October. Dwindling supply of CA fruit are bridging to increasing supply of MX fruit. Quality is currently pretty good, but we should see an improvement in both quality and availability as we get into the fall MX crop.

Mixed Vegetables

Artichokes: There is a lighter supply of artichokes available. Most of our volume this week is estimated to be 30s and 24s. Quality is excellent. Demand is good; prices are higher.

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: Supply is improving.

Bok Choy: All pack sizes are in short supply.

Broccoli / Broccoli Florets: **ESCALATED** Supply is very light this week and the market is on the rise. We are still seeing some yellow bead and light pin rot.

Brussels Sprouts: Supply and quality are good.

Carrots: Supply and quality are good.

Cauliflower: **ESCALATED** Weather conditions continue to affect plant growth, resulting in limited availability.

Celery: We will have lower volume for celery in Salinas. We still have heavier volume of the larger-sized 24s. The market is better and 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: We will be right at budget this week on fennel. We will see a majority of 24/30ct this week; 18ct will remain limited. Quality remains strong overall.

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 fair and quality is good.

Green Onions: Supply is good.

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

Kale (Green): Supply has decreased this week. We are seeing some yellow leaves.

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: We expect to be at budget this week. Demand will be strong for the front of the week due to Columbus Day but then will drop off as the week goes on. The best availability will be at the end of the week. Quality remains strong overall.

Red Cabbage: Supply 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 taken a small dip in pricing as demand has fallen off some. Growers are focused on finishing harvest and storage and working around the clock to try to get product in before the hard freeze comes in. We are seeing one of the earliest freezes in the Northwest in over 30 years. Onion growers are expressing concern about getting all product harvested and stored prior to any long term freeze damage taking place. Sizing has improved on yellows, and we are seeing Colossals and Super Colossals come down in price and get much closer to Jumbo pricing levels. Mediums still remain plentiful as well. It was initially believed that the Northwest onion crops were down from last year a bit, and were going to experience a much more 'normal' supply situation. Depending on what happens with the freeze, the supply situation could drastically change.

Potatoes:

Supply has further tightened this week across all sizes, as production continues to be limited. Rain and cold temperatures have prevented growers from harvesting and hauling potatoes, which has curtailed the available product to sell. Growers have been harvesting around the clock in an effort to get as many potatoes out of the ground before the hard freeze. There have been freezing temperatures as well as snow, and it is believed that there will be acreage lost to freeze. What was already believed to be a short crop may become shorter. We

will likely not know the effects of the initial freeze until growers can attempt to harvest those potatoes. Assuming they can harvest those fields, there may be further loss as the potatoes sit in storage.

TOMATOES – EAST

- **Rounds:** **WATCH LIST** The overall expectation is for lighter-than-normal volumes from the fall transition underway in the East.
- **Romas:** **WATCH LIST** Roma supply is very limited in the East as most of the local deals in TN and NC are in the final rows and down to pallet quantities. Look to see a few out of Quincy over the next few weeks, but most Quincy acreage is focused on rounds. Ruskin/Palmetto will provide a good shot of product when it gets going toward the end of October.
- **Grapes:** The East is seeing steady-to-down pricing for the week. Quality is good.
- **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:** Western tomato production is in transition. CA crops are beginning to wind down with a few growers finishing up next week. Fruit will be available for another 2-3 weeks, which is when Baja and Eastern Mexico's should be seeing increased volumes from fall acreage.
- **Romas:** Western supply is available out of CA for a few more weeks and in Mexico where more growers will break into fall acreage as we go through the month.
- **Grapes:** The West is seeing prices increase due to a tighter supply. Quality is good.
- **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: Bartletts are in good supply. Bosc are limited. Fair supply of red pears. Asian pears have started.

STONE FRUIT

- **Peaches:** Many shippers are finishing on peaches.
- **Plums:** The plum market is improving.
- **Figs:** Light offerings on Calimyrna, Black Mission, and Brown Turkey are available.