

Weekly Market Review

December 6, 2019

Overview

The lettuce markets continue to be **ESCALATED**. All East Coast tomatoes and West Coast round and roma tomatoes are also **ESCALATED**. Strawberries are in a very **EXTREME** market due to the rain. Cauliflower is a good buy.

Market Alert

- Berries (Strawberries/Blackberries) – **EXTREME**
- Carrots (Jumbo) – **ESCALATED**
- Garlic - **EXTREME**
- Green beans – **ESCALATED**
- Iceberg – **ESCALATED**
- Peppers (Anaheim/Poblano) - **ESCALATED**
- Potatoes – **EXTREME**
- Romaine Hearts- **ESCALATED**
- Tomatoes (Rounds and Romas – East & West, Grapes & Cherries – East) - **ESCALATED**

Watch List

- Chinese Ginger
- Sweet Potatoes and Yams
- Peppers (Tomatillo/Serrano)
- Mexican Imports (Tomatoes, Eggplant, Chili Pepper, Green Bell Pepper, and Eggplant) - We could see potential delays at the border crossing ramping up this week due to the discovery of a virus in Mexico potentially affecting tomato, bell pepper, chili pepper, and eggplant production. At this time, we are not seeing any issues with our growers; the additional border inspections being implemented by CBP are strictly precautionary and for the well-being of the dry vegetable industry as a whole. Right now, the main concern is delays crossing the border. If product does fail the inspections at the border, the product affected will be turned back to Mexico and could spike markets or drive a shortage.

A tropical storm is currently making its way across many of the current production areas in Mexico and will impact tomato and vegetable availability for the next several days. As with any weather system, the full impact won't be known until the system passes and growers are able to get back into fields to assess the situation.

Transportation

Freight rates continue to remain stable due to slower demand. Gas prices are mixed; the East Coast is averaging \$3.04/gallon, while California's average for diesel was the highest--at \$4.01/gallon--to roll into November. Note: Trucks will begin getting short as Thanksgiving approaches due to retail and Christmas tree pulls.

Weather

PALMETTO, FL:

Thu 12/5	Fri 12/6	Sat 12/7	Sun 12/8	Mon 12/9	Tue 12/10	Wed 12/11
70° 51°F	75° 55°F	77° 61°F	80° 63°F	81° 63°F	82° 66°F	77° 63°F
						
Mostly Sunny	Partly Cloudy	Mostly Sunny	Mostly Sunny	Sunny	Sunny	Partly Cloudy

OXNARD, CA:

Thu 12/5	Fri 12/6	Sat 12/7	Sun 12/8	Mon 12/9	Tue 12/10	Wed 12/11
64° 53°F	65° 56°F	62° 55°F	61° 49°F	64° 48°F	65° 50°F	64° 49°F
						
Cloudy	Partly Cloudy	Showers	AM Showers	Sunny	Partly Cloudy	Partly Cloudy

YUMA, AZ:

Thu 12/5	Fri 12/6	Sat 12/7	Sun 12/8	Mon 12/9	Tue 12/10	Wed 12/11
70° 53°F	72° 54°F	71° 58°F	70° 53°F	70° 48°F	69° 48°F	67° 49°F
						
Partly Cloudy	Mostly Cloudy	Mostly Cloudy	Cloudy	Mostly Sunny	Sunny	Partly Cloudy

HERMOSILLO, MX:

Thu 12/5	Fri 12/6	Sat 12/7	Sun 12/8	Mon 12/9	Tue 12/10	Wed 12/11
80° 51°F	78° 52°F	80° 55°F	81° 59°F	74° 51°F	76° 51°F	75° 52°F
						
Partly Cloudy	Sunny	Mostly Sunny	Partly Cloudy	AM Clouds/PM	Sunny	Partly Cloudy

MICHOACAN, MX:

Thu 12/5	Fri 12/6	Sat 12/7	Sun 12/8	Mon 12/9	Tue 12/10	Wed 12/11
71° 51°F	72° 52°F	72° 56°F	72° 52°F	72° 46°F	71° 47°F	69° 47°F
						
Partly Cloudy	Partly Cloudy	Mostly Cloudy	Cloudy	Mostly Sunny	Sunny	Partly Cloudy

Good Buys

Commodity	Market Update	Produce Expert Tip
Cauliflower	Supply is expected to be plentiful again this week. Quality is good.	We all know by now that cauliflower is a great substitute for rice, pizza crust, and other carb-like items. However, this veg is a star-studded item all by itself too! Try marinating cauliflower with lemon juice, spices and yogurt and pour over the cauliflower. Let sit in the fridge for at least an hour or marinate overnight for maximum taste. Then pop it in the oven for a delicious main entrée!

Fruits & Vegetables

Avocados: Industry harvest remains strong and consistent despite the desire for a more normalized size and grade curve. However, as we get further into the month, we will see breaks in harvest due to holidays in Mexico coupled with Christmas and New Year's. We do expect to see strong harvest on days without holidays, so there is hope that supply will remain consistent. As we get closer to the New Year, we will see demand match supply, which could lead to strengthening on key sizes.

Bananas: Plenty of supply from now until week 50, then after that week we might find us in a situation where supply will be tougher to come by. This situation may remain until week 6-7 of 2020. Good supply on organics, no major issues for the balance of the year.

Pineapples: Volumes are expected to improve along with demand. We are expecting volumes to remain healthy until the end of the year, with the fruit trending large.

Grapes: Peru Greens are arriving, and the market is starting off hot. Sweet Globes are high. We do not see this coming down in the month of December as there will not be enough green when everyone switches over. Reds are still going in California, mostly Allison variety. Shipments should continue into the third week of Dec. Peru Reds are starting to arrive. Mostly some crimsons and a few Allison's will arrive after that. Greens will be very tight and active for the month of Dec. There will be relief in Jan as Chile starts to arrive. Reds should get active in Jan as northern Peru will be finished and there is still a lack of reds out of the north of Chile since most have taken out the flames due to terrible returns 2-3 years ago.

Berries

Blueberries: Watsonville and Santa Maria volume continue to decrease. Oxnard's production remains steady and Mexico will have good supply shipping through McAllen and Laredo. Chile production is beginning to pick up.

Blackberries: **EXTREME** we expect supply to continue to be short.

Raspberries: The North is down to its last few weeks of production, Santa Maria will harvest through mid-to-late-January, and Oxnard will increase over the next few weeks. Good volume coming out of Mexico through McAllen and Laredo.

Strawberries: **EXTREME** Strawberry demand exceeds supply due to recent rains in the California growing regions of Watsonville, Santa Maria, and Oxnard. These areas are forecasted to receive additional rain over the next several days, which will only worsen the situation as well as delay harvest production schedules for up to 3-4 weeks. This last round of storms has caused the season to end abruptly in Watsonville, leaving Santa Maria as the last region until Oxnard ramps up in California. We do not expect sustainable volume to start in Oxnard for 3-4 weeks, and volume is still very light out of Florida and Mexico (but expected to slowly increase). Prorates are to be expected during this shortage. Florida and Mexico production should start to increase in about 10 days.

California / Arizona Citrus

Navels: The fruit is displaying excellent size, peaking on 72/56s. Appearance is good, with high solids-to-acid ratio. The overall crop is expected to be up this season and should run through end of December.

Lemons: Good supply of smaller sizes 140-235.

Limes: We are seeing continued gradual downward trend this week due to a combination of a slow holiday pull and more availability--especially on bigger sizing. This will not last very long; as we approach the holiday weeks (especially Christmas), production will be slow and shut down on some days. As a result, product will become tighter, and prices will start going back up, probably beginning the week after next and into Christmas week. We will keep you updated.

Grapefruit: Internal color and taste are excellent for early in the season; size structure is slightly bigger than last year, peaking 48/40s with a high percent fancy grade. Sweet Scarlett's Red Grapefruit are available.

Imports/Specialties available: Satsumas, Pummelos, and Sweeties are available.

West Coast Lettuce

Butter: Production volumes are steady this week in the desert region. Normal volumes are forecasted to continue.

Green Leaf: We have strong green leaf production volume this week as we break into our desert growing region. Blocks are healthy, with good texture and size.

Red Leaf: Red leaf production volumes are on budget this week. We are growing and harvesting all red leaf in our desert growing region. We continue to see good demand, with steady market pricing.

Iceberg Lettuce: **ESCALATED** Lettuce supply for the week looks good. Weather for the week looks bad, with a possibility of rain. If it does rain, that will be three weeks in a row. Overall quality is very strong. We will keep holdover to a minimum to avoid red ribs from the rain. The market is steady and should stay steady all week.

Romaine/Romaine Hearts: (Romaine Hearts) - ESCALATED All romaine and romaine heart production is now being grown and harvested from the desert regions. Blocks are exhibiting good color, uniform sizing, and strong yields. There is a slight range in open-market prices.

Eastern and Western Vegetables

Green Bell Pepper: Mexico – WATCH LIST Green bell peppers are up for the week. Supply has tightened up in both the East and West growing regions. Some of the fields have been battling cooler weather, which has slowed the harvest. Quality continues to be good.

Red Bell Pepper: Red bell pepper prices continue to be strong. Supply has tightened up a bit, causing a few sizes to increase in price. Quality continues to be strong out of hothouses and field-grown product.

Yellow Pepper: Good supply out of Baja; quality is outstanding. Good volume on 11# packs out of Nogales.

Mini Sweet Pepper: Baja's production remains lighter, but we anticipate an increase sometime this month. Decent product expected to begin in the southeast soon.

Mixed Chili Pepper: Mexico – ESCALATED (Anaheim & Poblano) WATCH LIST (Tomatillo/Serrano) 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. Anaheim and Poblano quality are fair and supply is short due to Guanajuato finishing early. In California, Coachella is now ramping up and production is excellent on jalapeno, with good quality. The East has a consistent supply now shipping out of Florida and South Georgia.

Eggplant: Mexico – WATCH LIST There just doesn't seem to be as much eggplant in the ground this year, particularly in the Plant City area, which is usually the standby source for this time period. South FL eggs have been slow to get going as some have planted a little later than usual and cooler weather has held crops back. Current quality out of FL has not been stellar. The main concerns have been sunken areas, but the scarring has also presented challenges.

Cucumbers: Cucumber prices are up for the week. Supply in both the East and West have tightened up, causing a price increase. Quality is fair in the East and good in the West.

English Cucumbers: Good volume crossing through Nogales.

Green Beans: **ESCALATED** As we move past the critical holiday period for green beans, demand will definitely lighten up, providing a little more wiggle room for sourcing beans in the East. Current production in Central and South FL is still light as many fields are running behind schedule due to cool weather and rain. We should see yields and production pick up as soon as next week. Western production in both CA and Mexico had been coming up very short going into the holiday. While we'd expected to see supply improve in Nogales next week, the storm system may have an impact.

Zucchini/ Yellow Squash: Mexico – WATCH LIST Yellow squash prices are up for the week. Mexico is showing a price increase out of both crossing points. Florida is the only market reporting in the East. Quality continues to be good, with wind scarring being the main issue. Zucchini prices are up for the week. Supply continues to be good, but there has been an uptick in demand, causing supply to tighten up a bit. Quality looks to be good in all regions.

Herbs

Savory was hit pretty hard with some tip burn due to the cold. Quality is okay, but length will be on the shorter side for about two weeks.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Good	USA
Basil	Steady	Good	MEXICO
Opal Basil	Steady	Good	MEXICO
Thai Basil	Steady	Good	USA
Bay Leaves	Steady	Good	Colombia
Chervil	Steady	Good	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	Limited	Tip Burn	USA
Sorrel	Steady	Good	USA
Tarragon	Steady	Good	MEXICO
Thyme	Steady	Good	USA
Lemon Thyme	Steady	Good	USA
Lavender	Limited	Dry	USA
Lime Leaves	Steady	Good	USA

Melons

Cantaloupe: Cantaloupe supply has started to build up on the east coast following the holiday week, which has allowed the market to settle. We anticipate increased demand in the early part of December, which should allow for the market to remain stable. Sizing has been primarily in the 9/12 range, with some jumbo fruit being available. Quality remains very consistent with brix levels holding steady in the 11-14% range.

Honeydew: Honeydew availability will finally begin to step up by the end of this week as we await container arrivals into Florida. We appreciate everyone's understanding over the past seven weeks during which a lot of flexibility was needed. Sizing will be primarily 5/5Js, with some 6s and few 8s coming in from Guatemala. QC reports are showing clean fruit with solid brix levels in the 11-15% range.

Watermelon: Supply of seedless are readily available; quality is mixed. Pricing is fairly stable.

Mixed Vegetables

Artichokes: Very light supply of artichokes continue this week, especially on small sizes. Light supply is forecasted for several more weeks. Most of our volume this week is estimated to be 12ct, followed by 18ct. Quality is excellent. Demand for artichokes is good; prices continue to climb higher.

Arugula: Supply and quality are good.

Asparagus: Air freight continues to climb due to limited flights, but volume is steady.

Bok Choy: Supply and quality are good.

Broccoli / Broccoli Florets: Supply and quality are good.

Brussels Sprouts: Supply should improve slightly, although recent heavy rain has impacted some harvesting operations. Quality remains good; Christmas holiday pre-booking is recommended.

Carrots: **ESCALATED** Jumbo carrot market is getting active as sizing is becoming a challenge. Supply is also getting tighter across the entire category due to weather.

Cauliflower: Supply is expected to be plentiful again this week. Quality is good.

Celery: Mexico and Oxnard are in full swing. Market is off slightly, but we anticipate a slight change toward the end of December.

Corn: Markets are firming up as Coachella winds down while supply is good in Florida. Steady East coast supply expected through the end of the year. Mexico will be late to ramp up due to the weather this week.

Cilantro: Supply is heavy this week. Quality is fair.

Fennel: We will be well below budget on fennel this week. The Salinas season has come to an end, and fields in Yuma are slow to start. Product is on the younger side and we are seeing a majority of 30ct this week. We expect to see light supply on fennel for the next couple of weeks.

Garlic: **EXTREME** Domestic garlic yields are drastically down due to a percentage of plants that did not develop. We are also seeing quality issues due to weather. Chinese garlic is becoming very short in supply due to a US custom fee that will need to be paid, higher tariffs, and lower yields in their crop. The Chinese supply we are seeing has great quality; however, it is expensive. Please be aware that you may see a shortage in supply in our domestic crop as well as increases in prices. Please understand that quality of domestic product is average.

Ginger: **WATCH LIST** Chinese ginger markets are mixed, but quality is good. Also, product is available at higher costs from Brazil, Peru and Thailand. We could see Chinese Ginger prices tick upward should tariffs remain in place.

Green Cabbage: There is heavy supply this week. Quality is good.

Green Onions: Green Onion pricing is firm. There has been good movement and light supply crossing the border this past week due to the rain and the holiday. We will continue to see good demand, with the Christmas pull starting next week.

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

Kale (Green): Supply is steady this week.

Mache: Availability is adequate.

Mushrooms: Supply is stable, and quality remains good; however, we are starting to see the typical holiday price increases from various shippers across the country.

Napa: Supply and quality are good.

Parsley: (Curly, Italian) Prices are dropping. Supply is fair.

Rapini: Normal supply this week. Salinas is done for the season and all production will be coming out of Brawley going forward. We are harvesting every day this week, with a majority of our harvest coming at the front of the week. We will likely have product available to sell at the front end of the week and tighten up as the week goes on.

Red Cabbage: Supply is steady this week.

Snow Peas: Good volume expected through the end of December.

Sugar Snap Peas: Limited supply, steady demand.

Spinach (Bunched): Supply has improved, and product is readily available.

Spinach (Baby): Supply has improved, and product is readily available.

Spring Mix: Supply and quality are good.

Sweet Potatoes and Yams: **WATCH LIST** Growers are building their storage crop for the year and shipping is in full swing. There is good availability on #1 sizes, while jumbo availability is a bit tighter out of North Carolina. Recent cold weather and rain in Mississippi will likely affect a percentage of the crop that was still in the ground.

Onions:

The market has remained relatively flat; supply is meeting demand at the moment. To this point, the market has not reacted to the freeze in Idaho. Growers are maintaining that there will be some lost, but just how much is currently in question. We will have a better idea of damage as onions sit in storage. We may see a spike in the market later into the season if long-term supply is affected. The NOA report, showing stocks on hand in all regions, shows the national supply number down eighteen million sacks. The Idaho/Oregon region, which is generally the best indicator of a strong finish to the market, is showing down over six million sacks. The market generally gets a spike around the end of the year, and we do expect that will take place.

Potatoes: EXTREME

We are still experiencing an escalated pricing situation, and we anticipate this will be the case for much, if not all, of the season. We are starting to see large-size cartons in the 40ct through 70ct-range become limited, which is an indication of shorter yields and supply. Growers are still assessing how much damage was done by the freeze, but it's estimated that 20%-30% of the entire Idaho crop was impacted by freezing temperatures. We will continue to see the effects as product sits in storage and internal issues begin to rear themselves. Potato processors are also short, which is creating added competition for the fresh market to secure supply, as these companies are offering higher dollar amounts than the fresh market is currently garnering. Sheds are facing pressure to raise prices and increase returns to growers in order to fend off these purchase offers from processors. It is believed that during the months of March/April, when other russet growing regions finish shipping their crop, that the market may become very short as customers will look to Idaho to fill their supply gaps left by these other regions.

TOMATOES - EAST

- **Rounds: ESCALATED** Florida is seeing a price increase as they battle cooler weather. Quality continues to be good despite cooler weather.

- **Romas ESCALATED** Harvest in Florida continues to be light but is improving slowly. Quality continues to be good.
- **Grapes: ESCALATED** East Coast supply has tightened up, which is reportedly putting pressure on Mexico to help with demand. Quality continues to look good.
- **Cherries: ESCALATED** Florida is seeing a slight price increase for the week. Quality continues to be 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: ESCALATED** Mexico's production continues to transition from Baja into Sinaloa, where prior and current rains are slowing new growers from coming online. Volume has been a little on the light side, but steady. We expect to see more volume over the next few weeks, depending on the weather's effects on new and current crops. Quality is all over the board as a mix of old and new crops make crossing points.
- **Romas: ESCALATED** Harvest in Mexico continues to be light but is improving slowly. Quality continues to be good.
- **Grapes: WATCH LIST** There is pressure on Mexico to help with demand due to East Coast supply tightening up. Quality continues to look good.
- **Cherries: WATCH LIST** Mexico is seeing a slight price increase for the week. Quality continues to be good.

All Mexican tomatoes could experience a major slow down due to the unseasonable weather in Central Mexico. We could see harvest and shipping delays due to rain. Color and quality could be an issue through mid-December.

APPLES & PEARS

Apples: There is good supply on new crop fruit out of all major domestic growing areas. The Granny Smith market for foodservice will remain tight due to a shift in sizes; there is lighter than normal crop on 100s. Quality is very nice across all varieties.

Pears: Very good supply of Bartlett and D'Anjou; quality is excellent. Bosc and Red pears also have excellent supply and quality.

Asian Pears: Lighter supply out of Chile on the Hosui Variety.

SPECIALTY AND STONE FRUIT

- **Kiwi:** California has good volume available. Fruit is hard.
- **Persimmons:** Available
- **Pomegranates:** Available
- **Quince:** Available