

Weekly Market Review

December 12, 2019

Overview

Strawberries are still in an **EXTREME** market. Tomatoes are now in an **EXTREME** market due to weather conditions out West and in Florida. Broccoli is a good buy.

Market Alert

- Berries (Strawberries/Blackberries) – **EXTREME**
- Carrots (Jumbo) – **ESCALATED**
- Corn- **EXTREME**
- Garlic - **EXTREME**
- Peppers (Anaheim/Poblano) - **ESCALATED**
- Potatoes – **EXTREME**
- Tomatoes (Rounds, Romas, Grapes & Cherries) - **EXTREME**

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 wellbeing 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.

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 12/12	Fri 12/13	Sat 12/14	Sun 12/15	Mon 12/16	Tue 12/17	Wed 12/18
81° 67°F 	79° 69°F 	76° 57°F  AM Thunderstorms	76° 60°F 	82° 66°F 	81° 59°F  Scattered Thunderstorms	65° 49°F 
Mostly Cloudy	Cloudy		Sunny	Sunny		Partly Cloudy

OXNARD, CA:

Thu 12/12	Fri 12/13	Sat 12/14	Sun 12/15	Mon 12/16	Tue 12/17	Wed 12/18
68° 52°F	64° 53°F	65° 48°F	60° 46°F	65° 50°F	64° 50°F	62° 49°F
Mostly Sunny	Sunny	Mostly Sunny/Wind	Sunny	Mostly Sunny	Partly Cloudy/Wind	Partly Cloudy

YUMA, AZ:

Thu 12/12	Fri 12/13	Sat 12/14	Sun 12/15	Mon 12/16	Tue 12/17	Wed 12/18
72° 51°F	74° 50°F	76° 52°F	70° 47°F	66° 44°F	65° 45°F	65° 46°F
Mostly Sunny	Sunny	Sunny	Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy

HERMOSILLO, MX:

Thu 12/12	Fri 12/13	Sat 12/14	Sun 12/15	Mon 12/16	Tue 12/17	Wed 12/18
77° 49°F	80° 50°F	82° 50°F	78° 47°F	74° 46°F	76° 50°F	73° 53°F
Sunny	Sunny	Sunny	Mostly Sunny	Sunny	Sunny	Partly Cloudy

MICHOACAN, MX:

Thu 12/12	Fri 12/13	Sat 12/14	Sun 12/15	Mon 12/16	Tue 12/17	Wed 12/18
73° 47°F	75° 49°F	79° 48°F	71° 45°F	67° 42°F	65° 43°F	65° 44°F
Mostly Sunny	Sunny	Sunny	Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy

Good Buys

Commodity	Market Update	Produce Expert Tip
Broccoli	Supply and quality are good.	Let's be honest, broccoli is not the most exciting item to bring to a holiday party. Not to fear, we have the perfect treat for you! Try your hand at a holiday broccoli salad. This is like a traditional cold broccoli salad with dressing, but this time... add pomegranate seeds!

Fruits & Vegetables

Avocados: Large fruit (48s and larger) remain on the tight side with the crop currently being harvested. There is plenty of fruit; mainly #2s and small-sized fruit (60s and smaller). This will continue through December. The sizes available will shift late January and trend heavier on larger fruit (48s and larger).

Bananas: Banana supply is beginning to fall, which will affect the open market banana pricing. This situation may remain until week 6-7 of 2020.

Pineapples: We are expecting volumes to remain healthy until the end of the year, with the fruit trending large. Quality is no issue.

Grapes: Peruvian Green Seedless—the green grape market will be crazy for December, and the big retailers have not really switched over to imports yet. There will not be enough green grapes this month for the industry. Southern Peru—Ica (the next growing region to start harvesting) is delayed, with low sugars for green grapes. This should last for most likely 7-10 days, which will not help the situation although we are

starting to see very light supply coming into Miami. Peruvian Red Seedless—A few crimsons have arrived. Newer varieties will begin to show up and will command a few dollars higher. Most of the reds will not arrive until the holidays; that will be too late as retailers will want to switch on both colors in another week or two. Chilean Green Seedless will give some relief to the market but not until mid-January. Sugraones will be the first variety to arrive, followed by Thompsons. Chile will be short on red grapes in January since pulling out a lot of flames out of the north.

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 the 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: Recent rains in the central valley have hindered harvesting. Sizing is still peaking 113/138/88. Good quality.

Lemons: Good supply of desert crop. Quality has been good with 165/140/200.

Limes: This week we are starting to see an uptick in the market, which is normal this time of year as the holiday is approaching and less supply is out on the market. Growers in Mexico are not picking as much of the smaller fruit and withholding it from the market. Overall sourcing becomes light, plus growers take off and close down during the holidays. Currently, there is also some wet and cooler weather across the lime regions; as a result, there is less fruit able to be picked. We should continue to see instability in the lime market through the New Year and into the first part of next year.

Grapefruit: TX and CA grapefruit is available.

Imports/Specialties available:

CA Specialty: Cara Caras and few Bloods are available--113/138/88--good quality.

CA Clementines (Halos, Cuties, Delights) and Satsumas are available, mostly smaller sizes, good quality.

CA Pummelos 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. Demand is steady.

Red Leaf: Red leaf production volumes are on budget this week. Demand has continued to increase.

Iceberg Lettuce: Supply is right on budget and fields are on schedule. We are still experiencing some harvesting issues due to recent rain. There is a lot of mud in the fields, but quality has been very strong. Markets are steady and forecasted to remain close to current levels.

Romaine/Romaine Hearts: Fields are exhibiting good color, uniform sizing, and strong yields. Recent rain has made field conditions somewhat muddy, but we haven't had enough moisture to see quality issues. The market has come off slightly and there is a range in spot pricing, depending on shipper and location.

Eastern and Western Vegetables

Green Bell Pepper: Mexico – WATCH LIST Green bells are steady to down for the week. The East supply has improved after the recent cold weather, and the West continues to push out good volumes. Quality in both regions is good.

Red Bell Pepper: Red bell pepper supply is still a bit snug and keeping markets firm this week. Supply continues to be limited in the East, with fair supply in the West. Demand continues to be strong for red bells. Quality continues to be good in both 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 Markets are easing back as supply becomes available out of Mexico and Florida.

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: The green bean market is down this week. Machine-picked product from South Florida is down, but the market continues to be high, with lighter supply and demand exceeding supply reported. Imported

Haricot verts are down, with moderate supply and demand reported. Handpicked product from Mexico is down, with moderate supply and demand reported.

Zucchini/ Yellow Squash: Mexico – WATCH LIST Yellow squash is down in both the East and the West for the week. Supply has improved in the East, but quality is poor. The West supply is still light due to rain, but prices are dropping slightly, and quality is fair. Florida is seeing a larger price drop than Mexico for the week. Zucchini market prices continue to be mixed for another week. Florida is reporting lower prices, with their supply improving each week. The West has seen lighter harvests due to rain, so their price is increasing for the week. Quality is fair in the East and poor in the West.

Herbs

BASIL -- Supply has been reduced due to rain over the weekend in the growing regions. Supply will be tight this week but should pick up by the end of the week.

OPAL BASIL has also been affected due to the moist weather.

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: Strong supply of cantaloupe the past few weeks has caused that market to settle, with sizing mostly being 9s and 12s. As we approach the Christmas holiday, large retail promotions are expected to solidify markets with stronger demand. Fruit has been solid, with good netting and strong flavor profiles. Brix levels have consistently been in the 12-15% range.

Honeydew: Honeydew production is going but remains extremely limited. Demand continues to exceed supply, with markets holding firm at higher levels. Sizing from Guatemala had been seeing a nice mix of 5/6/8s, but cooler weather in Guatemala is projecting mostly smaller sizes (8/9s) for next week. External quality has been very clean while internal quality has shown solid readings of 11-14% brix.

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

Mixed Vegetables

Artichokes: Very light supply of artichokes continues this week and is forecasted for several more weeks. Most of our volume this week is estimated to be 24ct, followed by 18ct. Demand for artichokes is good; prices continue to climb higher.

Arugula: Supply and quality are good.

Asparagus: Good supply, but limited air space. Freight costs will cause the market to increase.

Bok Choy: Supply and quality are good.

Broccoli / Broccoli Florets: Supply and quality are good.

Brussels Sprouts: Steady supply; quality is good.

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: Cauliflower volume should remain strong, and the market shows signs of advancing.

Celery: Mexico is in full swing, and quality is good. Overall volume is very light; we now have heavier volume of smaller 30s.

Corn: **EXTREME** Markets are very limited in Florida and the west coast as a result of harvest GAPS and poor quality due to weather. We expect strong markets through the end of the month.

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

Fennel: We will be well below budget on fennel for the next two weeks. Overall yields in Yuma are not as high as forecasted, and fields have been slow to come in. Sizing will continue to be on the smaller side, and we will see a majority of 24/30ct this week – 18ct will remain limited. Quality is strong overall.

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 form various shippers across the country.

Napa: Supply and quality are good.

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

Rapini: Good supply this week. Quality remains strong overall.

Red Cabbage: Supply is steady this week.

Snow Peas: Low demand and good volume expected through the end of the year.

Sugar Snap Peas: Steady supply and high demand. Will be tight through the end of the year.

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 of, 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 to from the freeze, but it 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

The Dry Vegetable crops in Mexico have been impacted with severe weather in the states of Chihuahua, Sinaloa, Sonora, and Baja California, and the governor of Sinaloa has declared a state of emergency in many regions due to flooding and damage. At this point, it's still early to assess the total loss because damages are hit and miss depending on the region.

In addition to the Mexican rain issue, Florida experienced abnormally hot weather in October, affecting harvest yields by 25-50%. This will affect supply and markets through the month of December; supply will be short, and quality will be affected. We advise holding lighter inventories and have the ability to sub sizes and varieties when needed.

East Coast

- **Rounds:** EXTREME Round tomato prices are up significantly. Supply is light and quality is fair.
- **Romas** EXTREME Roma tomato prices are up significantly for the week due to light supply. Quality is fair in the East.

- **Grapes:** **EXTREME** Grape tomatoes are up in price for another week. Supply continues to be fair. Quality is fair.
- **Cherries:** **EXTREME** Cherry tomatoes are up in price for the week due to lighter harvest. Quality is fair.
- **Organic Tomatoes:** **EXTREME** Markets are up this week; very limited supply.

Mexico

- **Rounds:** **EXTREME** Round tomato prices are up significantly. Supply is light and quality is poor.
- **Romas:** **EXTREME** Roma tomato prices are up significantly for the week due to light supply. Quality is poor in the West.
- **Grapes:** **EXTREME** Supply will be extremely tight for the next few weeks until weather improves, and availability increases in the West.
- **Cherries:** **EXTREME** Cherry tomatoes are up in price for the week due to lighter harvest. Quality is fair.

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