

Weekly Market Review

December 20, 2019

Overview

Tomatoes continue to be in an **EXTREME** market due to weather conditions out West and in Florida. Artichokes are also **extreme**.

Market Alert

- Artichokes - **EXTREME**
- Carrots (Jumbo) – **ESCALATED**
- Corn- **EXTREME**
- Garlic – **EXTREME**
- Green Beans - **ESCALATED**
- Potatoes – **EXTREME**
- Tomatoes (Rounds, Romas, Grapes & Cherries) - **EXTREME**

Watch List

- Asparagus
- Chinese Ginger
- Honeydew
- 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 will continue to remain stable however trucks are short due to the Christmas pull at retail. Fuel prices are mixed; the East Coast is averaging \$3.04/gallon, while California's average for diesel was the highest at just under \$4.00 per gallon. We expect to see shortages on trucks through New Year's.

Weather

PALMETTO, FL:

Thu 12/19	Fri 12/20	Sat 12/21	Sun 12/22	Mon 12/23	Tue 12/24	Wed 12/25
70° 58°F	75° 64°F	78° 67°F	74° 64°F	69° 60°F	70° 60°F	76° 62°F
						
Mostly Sunny	Mostly Cloudy	PM Showers	Thunderstorms	Showers/Wind	Partly Cloudy	Partly Cloudy

OXNARD, CA:

Thu 12/19	Fri 12/20	Sat 12/21	Sun 12/22	Mon 12/23	Tue 12/24	Wed 12/25
64° 49°F	71° 51°F	68° 49°F	61° 50°F	58° 47°F	57° 46°F	56° 46°F
						
Sunny	Partly Cloudy	Mostly Cloudy	Showers	Showers	Partly Cloudy	Showers

YUMA, AZ:

Thu 12/19	Fri 12/20	Sat 12/21	Sun 12/22	Mon 12/23	Tue 12/24	Wed 12/25
66° 45°F	69° 45°F	71° 46°F	70° 47°F	67° 48°F	63° 46°F	64° 46°F
						
Sunny	Sunny	Partly Cloudy	Cloudy	Mostly Cloudy	Partly Cloudy	Partly Cloudy

HERMOSILLO, MX:

Thu 12/19	Fri 12/20	Sat 12/21	Sun 12/22	Mon 12/23	Tue 12/24	Wed 12/25
73° 44°F	80° 51°F	82° 48°F	80° 49°F	76° 53°F	69° 48°F	70° 47°F
						
Partly Cloudy	Sunny	Mostly Sunny	Mostly Cloudy	Cloudy	Showers	Partly Cloudy

MICHOACAN, MX:

Thu 12/19	Fri 12/20	Sat 12/21	Sun 12/22	Mon 12/23	Tue 12/24	Wed 12/25
68° 40°F	69° 41°F	69° 44°F	69° 44°F	67° 46°F	65° 44°F	64° 44°F
						
Sunny	Sunny	Partly Cloudy	Cloudy	AM Clouds/PM	Partly Cloudy	Partly Cloudy

Good Buys

Commodity	Produce Expert Tip
Redcurrant	You can definitely eat these cute little berries raw for a tart bite or try making redcurrant jam. Use redcurrants, water, & sugar, mixing and smushing the berries all together in a pot to get to a bubbly simmer until it thickens (gel-like). Delicious!

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: Argentina and Peru are sending less volumes as their season starts to tail off. Chile volumes will begin to ramp up as we get to the New Year and will be mostly pints going forward. Mexico has begun but there should be more volume avail after Jan 1 as they are increasing volumes and acreage every year.

Berries

Blueberries: Watsonville and Santa Maria volume continue to decrease. Oxnard's production will continue to increase as their season begins. There will be a slight decrease in volume in Mexico the next two weeks due to the holidays.

Blackberries: Supply in CA will continue to be steady for the next couple of weeks.

Raspberries: Santa Maria and Oxnard should remain steady through February.

Strawberries: Steady production is expected for the next 5 weeks. Northern Baja volume are increasing and has favorable fruit size. Rain is in the forecast for Santa Maria, Oxnard and Florida.

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: The Lime market continues to be tighter especially the smaller fruit. As we have said with the Holidays growers in Mexico are not picking as much and some will shut down completely for many days during Christmas. Sourcing is still light and thus there are delays getting fruit crossed. This instability will continue through the first part of next year and we will see prices trend upwards. Below is the loading schedule for Wonderful for the Christmas and New Year's weeks. The Wonderful office will be closing around noon time PST on Tuesday of both weeks.

Grapefruit: TX and CA grapefruit is available.

Imports/Specialties available:

CA Specialty: Cara Caras and 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 for the week will be plentiful. With the holiday coming, the forecast is for markets to be steady, to slightly lower. Quality has been strong.

Romaine/Romaine Hearts: Good volume and availability. Anticipate some light peeling due to a few days of below freezing temps in the morning earlier in the week but overall quality is good.

Eastern and Western Vegetables

Green Bell Pepper: Mexico – WATCH LIST Florida is at its peak of the late Fall plantings. More growers came online last week and added some strong supply. Overall, quality has been good with the occasional hit or miss reports of bruising. We will begin to see fewer green bells in Florida after the 1st of the year as acreage is reduced. FOBs are steady. In the West, Mexico producers have been bringing a steady stream of product to the border. Quality has been an issue in open field products as it was hit hard by the storm. We should be seeing volumes and quality increase as our growers make the transition to shade house crops. FOBs are steady.

Red Bell Pepper: Supply is light, we are seeing some lesser quality on crossings. We look for supply to improve at the end of the month which should alleviate some market pressure. FOBs are escalated on red pepper.

Yellow Pepper: Good volume and steady pricing.

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: South Florida and Plant City are in the chili game with most varieties available. Volume has been steady and quality has been nice, especially on the newer crops in South Florida. Florida's volume is minimal compared to Mexico's, so we look to the border for much of the supply for the next few months. FOBs are steady. There haven't been a lot of issues with supply in the West but we're being told to also expect some quality challenges due to the rain, particularly on tomatillos and poblanos. FOBs are slightly escalated and quality is hit or miss until supply can ramp back up again.

Eggplant: Mexico – Availability and quality have improved for the East. The fruit harvested from the older fields is the only issues we're seeing as of now. FOBs are steady. In the West, eggplants did not seem to suffer any major negative consequences from Mexico's weather and there is good supply coming into Nogales. FOBs and volumes are steady.

Cucumbers: Florida has very light volumes and the season is winding down quickly. Honduras product is beginning to be imported to cover the production gap. We expect to begin to see full season volume in January. FOBs are escalated. Mexico growers are experiencing the impact from the heavy rain and are coming up short in production. We are experiencing quality issues of all sorts where only a couple were able to salvage their crops. Most growers are looking to be out until as late as February. Availability will be limited for the next few weeks and quality will be weak. FOBs are escalated.

English Cucumbers: Good volume crossing through Nogales.

Green Beans: ESCALATED Florida bean harvests have been up and down over the past few weeks with quality and volume varying by farm/grower. There's product coming from the usual areas- the Lake, South Florida and Plant City but harvests have been down. With less acreage planted and lighter yields, FL beans will likely stay snug through January. In the West, the area of Culiacan was hit hardest by the rainstorms. Major growers have crop issues due to rain, with losses, and not being able to plant their next fields that will have an effect on availability well into January. The Guasave area that is also a major bean growing area received significant rain too. We are seeing an overall 60-70% reduction in bean supply over a normal year from West Mexico. Baja is done for the most part, with the California desert finishing this week. Rust, loss of bloom, beans dragging on the ground and maturity as well as disease are huge issues in some fields.

Zucchini/ Yellow Squash: Mexico – WATCH LIST There is good squash volume in the East. We are seeing some quality improvements this week but just had some rain which we may see some affects from next week. Overall, quality is good, and FOBs are steady. In the West, we are seeing quality and production issues from Mainland Mexico on both yellows and zucchinis. Weather permitting, we hope to see a slight increase in in numbers over the next few weeks to alleviate this pressure. FOBs are escalated and quality is hit or miss.

Herbs

BASIL – Supply and quality are back to normal and looking very good going forward into Christmas.

THAI BASIL and **OPAL BASIL** have been having some issues with supply and quality and we anticipate this issue to continue for the next several weeks.

SAGE and **THYME** has finished in our local growing regions and our supply will be coming from Mexico.

TARRAGON continues to be limited in supply due to weather and Holiday demand.

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 production remains strong with 12/15s having a more significant presence on new arrivals. The market continued to settle over the past week as first cycle volumes peaked and we approach Christmas week. Guatemalan supply, from the primary growing area of Zacapa, will trend down over the next two weeks before transitioning to alternate areas. The sizing profile is projected to swing back more to larger fruit on arrivals after Christmas. Quality on new arrivals remains strong with solid netting and internal quality. The cantaloupe this year have had a strong flavor profile with brix readings consistently in the 12-15% range.

Honeydew: Honeydew production remains in a demand exceeds supply scenario. Supply has been extremely limited from all growing regions up to this point with current sizing being very small (8/9s) primarily. We are optimistic that the current situation should begin to resolve itself by the end of next week as production from new areas begin but the pipeline is completely empty so any new arrivals will move quickly. Flexibility of sizing still may be required over the next 7-10 days but should return to normal soon.

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

Mixed Vegetables

Artichokes: **EXTREME** Light supply is forecasted for several more weeks. Extremely limited volume on 30 and 36ct. In Salinas, supply will be in and out until the end of January. Quality could be affected by cold weather; artichokes could become frosted. Demand for artichokes exceeds supply, prices continue to climb higher.

Arugula: Supply and quality are good.

Asparagus: **WATCH LIST** Mixed Market. Light supply in the east due to limited space available on airplanes while the west coast is seeing extreme shortages due to freezing temperatures in Coborca.

Bok Choy: Supply and quality are good.

Broccoli / Broccoli Florets: Supply and quality are good.

Brussels Sprouts: Good supply of sprouts will be available for the remainder of the week. Quality is generally very good, but some insect damage is present.

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 supply is expected to be plentiful again this week.

Celery: Mexico is in full swing, and quality is good. Overall volume is better this week.

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 expect to be slightly under budget on fennel this week. Harvest numbers will be very light to start the week, and will be closer to normal as the week goes on. Sizing is still on the smaller side – we will see a majority of 24ct/30ct/36ct this week.

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 holiday. We will continue to see good demand.

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: Typical holiday price increases from various shippers across the country. Quality is good.

Napa: Supply is steady.

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

Rapini: We are expected to have normal supply this week. Harvest numbers are lighter at the front of the week, with bigger numbers coming at the end of the week – the best availability on rabe will be towards the end of the week. Please prebook any Christmas needs as soon as possible. Quality is expected to remain strong.

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: Demand for sweet potatoes continues to be high after Thanksgiving leading up to Christmas. We will see the market remain steady up until January before things start to slow down. FOB's out of all growing regions remain above average but we should not expect a spike like last year.

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/beginning of the new year and we anticipate that will happen still. We are hearing that Holland and Mexican crops may be on the larger side, which could put a cap on the strength of the domestic onion market as well.

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 continue to see large size cartons in the 40ct through 70ct range remain 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. With limited packing and supply hours over the next few weeks, we anticipate product being very limited until after the holiday.

TOMATOES

East Coast

- **Rounds: EXTREME** Florida's tomato volume is down this week- about ½ of the volume as last week. Yields are down significantly due to previous weather and there are some growers that have a gap as they transition from Ruskin/ Palmetto to South Florida. Palmetto/ Ruskin farms are mostly harvesting 2nds and 3rds and hence, have smaller fruit. This week has been our lightest of the season, as the variety we're moving into is slow to come on but the numbers will improve at our farms next week. Quality has been very nice on most crown fruit but there are issues from later picks.
- **Romas EXTREME** Romas are very similar to the round deal except there's significantly less romas planted in FL. We'll see a bit more volume in January, but it will not be significant enough to meet Eastern demand.
- **Grapes: EXTREME** Grapes react to cooler weather quickly and the few passes of colder air through FL has slowed things down this week. We look for a few more to come next week, but volume won't increase in a big way until after the 1st of the year.
- **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 and Seeing a Supply Exceeds demand market.** Western supply is critically light as Mexico's weather event affected the tail end of Baja crops and has delayed the start of tomatoes crossing at Nogales. Expect quality from most production areas to be on the rough side and volume to be very limited until the 2nd week of January.
- **Romas: EXTREME** Roma quality has been nice in the Sunshine State. Mexico's roma situation is similar to rounds...extremely short. Quality has also been affected significantly by rains.
- **Grapes: EXTREME** Mexico still has grapes coming out of Baja but late-season volumes have been affected by the storm. Growers in Mainland areas will also be slow to get rolling for the same reason.
- **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