

# Weekly Market Review

January 10, 2019

## Overview

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Please be aware that we are experiencing winter weather related issues (snow and ice) in our growing regions, which has caused some quality issues with many commodities. We are keeping a close eye on this and will send out updates accordingly. Jalapenos are still in an **Act of God**.

## Market Alert

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- Asparagus – **EXTREME**
- Broccoli – **ESCALATED**
- Cabbage (Green & Red) – **ESCALATED**
- Cauliflower - **ESCALATED**
- Celery – **EXTREME**
- Green Onions - **ESCALATED**
- Jalapenos – **ACT OF GOD**
- Mushrooms - **ESCALATED**
- Tomatoes (Rounds) – **ESCALATED**
- Yellow Squash - **EXTREME**

## Watch List

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- Carrots
- Limes
- Mixed Chili Pepper (Anaheim, Poblano, Serrano)
- Sweet Potatoes and Yams
- Squash- Zucchini
- Sugar Snap Peas

## Transportation

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Freight rates have improved as overall fuel costs are down, however we are still expecting equipment and driver shortages nationwide.

Mexico is experiencing a national fuel shortage due to alleged corruption. We have not seen this affect supply crossing into the United States quite yet but it could affect imports over the next several weeks. We will keep you informed when we have updates.

## Fruits & Vegetables

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**Avocados:** Harvest in Mexico remains consistent with no expectation for a change leading into the Super Bowl. As a result, markets should remain stable with good promotable volumes for the big game. Trees are starting to produce more #2 fruit and the overall crop size is bigger meaning 70's and smaller fruit remain tight.

**Bananas:** Bananas are showing high quality. Supplies are good and should remain steady.

**Pineapples:** Pineapple supply remains stable and sizes are trending towards the 7/8 sizes. Market pricing is on the rise, especially on the larger sizes.

**Grapes:** Grapes are very tight as California is just about finished with harvesting. Most customers are switching to imports. Peru and Chile are both running late and light. The industry as of right now does not have enough fruit available to cover orders. This should last for about 10-14 days until Chile starts to attain more volume.

## Berries

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**Blueberries:** Blueberry supplies are improving. We will continue to see improvement over the next few weeks.

**Blackberries:** Supplies are steady, and quality is good.

**Raspberries:** Supplies are steady, and prices are good.

**Strawberries:** Supplies have improved, and prices are improving. However, the market remains very active and we are still seeing higher price points. We anticipate further improvement over the next two weeks, then we expect the market to tighten back up due to Valentine's Day pull.

## California / Arizona Citrus

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**Navels:** Navels are great on both color and flavor; however, we are still seeing a lack of large fruit. We will not have 56s and larger in numbers. Great volume on 88s and smaller.

**Lemons:** Lemons from all areas are in steady supply. Most of the fruit is larger and 165s and smaller are limited, especially in Arizona.

**Limes: WATCHLIST** Quality remains good, however, the supply poor. We are seeing lighter numbers crossing through Laredo and FOB prices are up this week. We could be on the front end of the seasonal LOW that would run from now through March.

**Grapefruit:** Texas grapefruit is in peak season, and demand is very strong.

#### **West Coast Lettuce**

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**Butter:** The market has improved and remains steady. Quality is good.

**Green/Red Leaf:** Supplies are fair, due to cold weather impacting our ability to quickly harvest.

**Iceberg Lettuce:** Last week, we experienced seven days of ice in our fields, which is causing epidermal peel. Our harvest crews will do their best to peel any visible cap leaves showing the effects of ice. As a result of this, we are seeing lighter weights and lower yields, especially at our processing plant. There is a chance of a very active market as a result from school starting up again.

**Romaine:** We are seeing some minor epidermal peel and blistering due to the cold weather in the Imperial Valley.

**Romaine Hearts:** Due to past, and continuing episodes of freezing, in the growing areas there could be varying degrees of blister, epidermal peel, and burn.

#### **Eastern and Western Vegetables**

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**Green Bell Pepper: WATCHLIST** Green bell peppers are mixed this week. The East is reporting flat numbers, while the West is showing increased prices. Mexico has been battling cooler weather, which is delaying the growth of peppers and harvesting. Quality is between fair and good.

**Red Bell Pepper: WATCHLIST** Red bell pepper supply is expected to improve over the next couple of weeks. FOB pricing will be down this week and quality is improving with warmer weather in Central Mexico. Quality remains mixed due to weather issues.

**Yellow Pepper:** Supplies are snug and prices have increased due to HH volume out of Canada decreasing daily. Quality is good, and we expect active markets through the middle of the month.

**Mini Sweet Pepper:** Markets have tightened up and supplies are limited. FOB prices have also increased.

**Mixed Chili Pepper (Jalapenos – ACT OF GOD) (Tomatillos, Poblano, Serrano – WATCH LIST):** While Mexico's chili pepper growers wait to recover from prior crop issues, they've been hit with cold and even freezing temperatures in some locations. This is going to keep availability really tight throughout the rest of the month of January. All varieties are snug, but availability of serranos and jalapenos is particularly limited. Quality is still average to good at this point, but we'll likely see cold-weather impacts on the plants and fruit soon. Meanwhile, Florida's chili production is very minimal.

**Eggplant:** Eggplant pricing is steady this week. Supply remains strong and quality is good out of both the East and West.

**Cucumbers:** Imports from Honduras for the East are flat; however, Mexico is showing increased prices due to cooler weather stunting the growth of cucumbers. Quality of the imports is good, while product out of Mexico is mixed as a result of the weather.

**English Cucumbers:** Good supply is now available from Spain and Holland eliminating pro-rates as well as showing decreases in the market. We should continue to see improvements; new crop from Mexico is ramping up daily and quality is very nice.

**Green Beans:** Green beans are readily available in Florida, with nice quality coming from multiple areas. Mainland Mexico's steady supply of beans encountered a hiccup due to cold weather. With very light post-holiday demand, there seems to be enough product to meet demand.

**Yellow Squash: EXTREME** Yellow squash will be short for the next two to three weeks as our primary grower in Mexico has suffered complete crop loss due to the cold weather that plunged into central Mexico last week. We do expect a new planting to be in 15 to 20 days weather pending and we will keep you posted as we get closer to harvest. We apologize for the inconvenience. Our Florida growers are experiencing very short supply and quality issues; they are seeing heavy scuffing and scarring issues on much of the yellow squash.

**Zucchini: WATCHLIST** Florida's squash supply has improved but quality has not. Wind scars have been a concern on this week; however, look for quality to improve as growers work through these plantings and weather. Mexico's squash volumes have been affected by cold weather. There are reports that some fields were affected by frost which could hamper availability in the coming weeks. Quality has been nice on zucchini but there are scuffing and scarring issues on much of the yellow squash.

#### **Herbs**

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Locally grown **MINT, SAGE and OREGANO** have all been affected by the cold weather of last week. We are currently supplementing from our Mexico suppliers. This could last all the way through April. **BASIL** continues to be in good supply.

HERB	SUPPLIES	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Good	USA
Basil	Steady	Good	USA/MEXICO
Opal Basil	Steady	Good	USA
Thai Basil	Steady	Good	USA
Bay Leaves	Steady	Fair	COLOMBIA/USA
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	Fair	Fair	MEXICO
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	Steady	Good	USA/MEXICO
Thyme	Steady	Good	USA
Lemon Thyme	Steady	Good	USA
Lavender	Steady	Good	USA
Lime Leaves	Steady	Good	USA

## Melons

**Cantaloupe:** Cantaloupe has continued to settle following the holiday period. The first cycle in Guatemala (the growing region affected by the whitefly) has finished. New production has started from secondary regions of Guatemala, Honduras, and Costa Rica. We anticipate a shift in sizing by the end of next week away from the smaller sized cantaloupes (12/15s) and more to 9s and larger. Quality has been very good to date and we anticipate stronger internal quality once we get into the new fields.

**Honeydew: WATCHLIST** Honeydew production has significantly decreased which has again created a demand exceeds supply situation. Honduran honeydew production is late in starting and new Guatemala fields are not yet ready for harvest. We anticipate this shortage to continue another 10-14 days. Sizing is mostly in the 5/6ct range with very few jumbos currently hitting the market.

**Watermelon: WATCHLIST** Seedless watermelons are in a demand exceeds supply situation with Mexican production being very light and some import growers dealing with virus which has adversely affected their crops.

## Mixed Vegetables

**Artichokes:** Supply industry wide is fair. Most of our volume this week is estimated to be 18s, followed by 12s. We're packing Angelina label due to frost damage. Demand is good, especially for 12s, 18s, and 24s. Prices are steady on most sizes.

**Arugula:** Supplies are good. There could be some quality issues, due to cold weather.

**Asparagus: EXTREME** We are experiencing a very extreme market on asparagus. We are currently transitioning from Peru to Mexico, Peru shut down production early due to extremely low demand and in the anticipation that Mexico would be starting. The Mexican market has been hit with very cold weather which has slowed down production, additionally, the warmer weather we saw previously came very early which caused many fields to have premature flowering causing a lower yield than anticipated. Due to these factors we are seeing about a 25% shortage in supply and higher prices. We anticipate this will be in place until the beginning of February.

**Bok Choy:** Supplies and quality are good.

**Broccoli / Broccoli Florets:** **ESCALATED** Supplies are much lighter due to the cold and rainy weather in all areas.

**Brussels Sprouts:** Brussels sprout supplies are good. This market has improved.

**Carrots:** **WATCHLIST** The harvest in our current region is showing lower yields and smaller sizing, we are seeing shorter supplies and prices are higher.

**Cauliflower:** **ESCALATED** Supplies very light due to freezing temperatures last week, which caused fewer harvesting hours. The crop is moving slowly, market is active, and quality is fair.

**Celery:** **EXTREME** Oxnard is finished. We will have a little Mexico product next week, but total volumes are still very light. The market will stay high due to weather related issues and slow starts in the Mexican region.

**Corn:** Steady supply and good quality out of Florida.

**Cilantro:** Supplies and quality are both good.

**Fennel:** Quality is good with great availability.

**Garlic:** Supplies are steady and prices remain high on domestic product.

**Ginger:** Chinese ginger markets are mixed, but quality is good. Also, product is available at higher costs from Brazil, Costa Rica and Honduras and Peru with no major quality issues being reported.

**Green Cabbage:** **ESCALATED** Due to the cold weather, there will be lighter supplies for the next two weeks.

**Green Onions:** **ESCALATED** The market remains extremely active due to lack of volume crossing from Mexico over the last two weeks. Holidays and cold weather have reduced total volume by over 50%. This week, the market will remain snug. Although, we should see normal volume late this week or early next week.

**JICAMA:** Markets remain firm due to ongoing short supplies and will continue to see some quality and shelf life issues.

**Kale (Green):** Quality is fair. Supply and demand are good.

**Mache:** Availability is adequate.

**Mushrooms:** **ESCALATED** Mushroom growers are still recovering from the severe damage in the South and Southeast, as well as Puerto Rico. Hurricane Harvey and Irma have resulted in a tightening market, and the American Mushroom Institute has said it expects supply to be affected for several months. We are starting to see some improvement of supply and will keep you informed of any changes.

**Napa:** Demand, supply, and quality are all good.

**Parsley: (Curly, Italian)** Supplies and quality are both good.

**Rapini:** Supplies have improved, and markets are steady. Quality has improved.

**Radishes:** Supplies are steady, and quality is good shipping through Arizona and Florida.

**Red Cabbage:** **ESCALATED** Supplies are lower than normal and prices are rising.

**Sugar Snap Peas:** **WATCHLIST** Expect industry wide quality and availability issues due to freezing temps.

**Snow Peas:** Quality is excellent. Supplies and market are steady.

**Spinach (Bunched):** Supplies are good. There could be some quality issues, due to cold weather.

**Spinach (Baby):** Supplies are good. There could be some quality issues, due to cold weather.

**Spring Mix:** Supplies are good. There could be some quality issues, due to cold weather.

**Sweet Potatoes and Yams: WATCH LIST** This market has spiked due to heavy damage in the Carolinas. Growers are currently assessing the damage, so it is still too soon to react. However, supplies are still good out of Mississippi. We are reviewing daily and will continue to keep you posted.

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#### **Onions:**

Quality is strong, and sizing remains heavy with jumbos and larger. Holiday demand has led to higher than normal shipments over the last few weeks, which has caused growers to firm up on price on all sizes of yellow onions. Medium onions remain on the tighter side due to the profile being heavy to larger onions. White onions have strengthened and will likely continue through the remainder of storage season as the Northwest has a shorter supply. Reds remain very plentiful, and straight load deals exist out of both Idaho/Oregon and Washington. As is typical for this time of year, we expect to see some incremental price increases on all size colors in the coming weeks as storage supplies begin to dwindle.

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#### **Potatoes:**

The Potato market continues to rise as demand has increased. Large cartons are extremely limited as more growers are moving to Burbanks. There is very little size in the Burbank crop which has put tremendous pressure on the Norkotah crop. Transportation continues to be challenging with increased rates.

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#### **TOMATOES - EAST**

- **Rounds: ESCALATED** Round tomatoes are down in price this week. Volumes are getting better as new farms open. Quality is mixed between old and new fields. Price decreases could vary between sizes.
- **Romas:** Roma prices are down this week. Florida is showing a large price drop as new fields ramp up in southern Florida. Quality is good on the new fields and fair on older fields.
- **Grapes:** Grape tomato prices continue to drop, as supply continues to improve across the country. Good quality is being reported.
- **Cherries:** Cherry tomatoes continue to be flat this week. Supply is beginning to improve, along with quality.
- **Organic Tomatoes:** Supplies are tight and demand exceeds supply due to the overall condition on the tomato category. We expect conditions to improve in 7 to 10 days.

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#### **TOMATOES - WEST AND MEXICO**

- **Rounds: ESCALATED** Round tomatoes are down in price this week. Volumes are getting better as new farms open. Quality is mixed between old and new fields. Price decreases could vary between sizes.
- **Romas:** Roma prices are down this week. Mexico is showing a slight decrease this week. Quality is good on the new fields and fair on older fields.
- **Grapes:** Grape tomato prices continue to drop, as supplies continue to improve across the country. Good quality is being reported.
- **Cherries:** Cherry tomatoes continue to be flat this week. Supply is beginning to improve, along with quality.

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#### **APPLES & PEARS**

**Apples:** There are great supplies of all apple varieties. Smaller sizes are tighter now that school is back in session.

**Pears:** Asian pears are ending.