

Weekly Market Review

March 7, 2019

Overview

Weather-related issues continue in our growing regions, causing quality issues with many commodities, especially iceberg, romaine and romaine hearts, broccoli, and cauliflower. We are also seeing shortages in supply. We are quickly approaching the transition of growing regions; most growers will start transition towards the end of March, and we expect to be fully transitioned by the end of April.

Market Alert

- Broccoli - **ESCALATED**
- Cabbage (Red/Green) – **ESCALATED**
- Carrots (Jumbo) - **ESCALATED**
- Cauliflower - **EXTREME**
- Celery – **EXTREME**
- Green leaf - **ESCALATED**
- Kale – **ESCALATED**
- Lettuce (Iceberg, blends) – **ESCALATED**
- Limes -**ESCALATED**
- Strawberries - **EXTREME**

Watch List

- Mushrooms
- Sweet Potatoes and Yams

Transportation

Freight rates continue to be above average and available trucks are limited. 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.

Fruits & Vegetables

Avocados: Markets have ticked up a tad with smaller fruit remaining stronger than larger fruit. 70s are currently the tightest size in the curve, and the market is the same for 70s and 60s. Supply should stay steady.

Bananas: According to our team in the tropics, the issues we have been experiencing are coming to an end. We are expecting good grade, excellent quality, and back-to-normal supplies.

Pineapples: Conditions in Costa Rica are very dry, which has resulted in slightly lower volumes than expected for this time of the year. We do expect the situation to improve within the next couple of weeks. We are preparing for Easter and will have good volumes.

Grapes: Peru is winding down with the majority of the fruit in the market being Chilean. Red Seedless varieties are Perlons and Crimson, with Timco and Allisons arriving in the next two weeks. Green seedless are Sugroanes currently, with Thompsons expected to finish out the remainder of the season.

Berries

Blueberries: Supply is steady. Oxnard production will continue to increase each week and we are already seeing significant volume.

Blackberries: Volume is slightly down on blackberries and is expected to gradually descend. Volumes will remain low until late March.

Raspberries: Supply is steady, and volume is projected to increase.

Strawberries: **EXTREME** Due to severe weather-related issues we will be experiencing shortages and very high prices on strawberries. We predict that this will be ongoing into next week, and through the month of March.

California / Arizona Citrus

Navels: Navels will be available in good volumes for 72s and smaller fancy and choice. We are short on 56s and larger, and it should remain that way for most if not all of the rest of the season. Quality has been very good, and I hope that will continue. Flavor is also very good and gets better as we get farther into the season.

Lemons: We have lots of lemons. We will continue to have a majority of larger sizes as fruit has been growing. 165s and smaller will be tight and will get very limited shortly.

Limes: **ESCALATED** Supply remains tight due to lower volume crossing through the border as a result of weather issues in Mexico.

Grapefruit: Texas grapefruit supply is tight.

West Coast Lettuce

Butter: Supply is fair. Quality is fair due to weather-related issues.

Green Leaf: ESCALATED Supply and quality are fair to poor. The cold weather this weekend will continue to impact quality. We are having issues with slight yellowing and lighter weights. Yields continue to take a hit, which will create lighter supply this week.

Red Leaf: Supply, demand, and quality is fair.

Iceberg Lettuce: ESCALATED Lettuce supplies continue to be lower than anticipated. The Imperial Valley plantings are coming to an end and Yuma is still behind schedule by at least a week. Quality continues to be fair, with frost damage and occasional mildew.

Romaine: Supplies are slightly below normal. Demand has been very strong. Cooler temperatures are predicted for the weekend. We anticipate the market staying fairly steady. Yields on romaine have improved slightly. Epidermal peel and blister are still present.

Romaine Hearts: Supply and quality are fair due to weather-related issues.

Eastern and Western Vegetables

Green Bell Pepper: Green bell peppers are seeing a price increase this week. The West has been hit with cold weather, which has slowed down the harvest and growing cycles of the peppers. The West has started to pull product now from the East due to the delays. This has caused a price increase in both regions. Quality is a mix of fair to good.

Red Bell Pepper: Prices are on the rise this week. The market is extremely tight in both regions after farmers picked heavy the last couple of weeks. Quality is fair at best, with heavy discoloring being seen in the fields.

Yellow Pepper: Supply is tight due to cooler weather. We expect shorter supplies for the next week.

Mini Sweet Pepper: Better supply, good volume next several weeks.

Mixed Chili Pepper— The chili pepper market has eased but remains mixed due to newer fields breaking in central Mexico. Quality and volume continue to improve through McAllen, whereas Nogales is seeing lighter volume and slightly higher prices this week. South Florida shows improving quality and volume as well.

Eggplant: Eggplant harvests are light in Florida, but we should see production begin to ramp up in a few weeks. Mexico's supply and quality continue to improve-- just in time for the Lent season.

Cucumbers: Prices are steady to down this week. Florida continues to get product from Honduras and supply has improved, allowing a slight price drop on some sizes. Mexico looks to be mainly flat after talking about potential increases due to cooler weather. Quality is fair from Honduras and good out of Mexico.

English Cucumbers: Supply has improved.

Green Beans: The green bean market is mixed this week. Imported haricot verts are down, with moderate supply and demand. Machine-picked product out of Florida is down. Supply and demand are light, with fair quality. Hand-picked product out of Mexico is up, with moderate supply and demand and a wide range in quality.

Zucchini / Yellow Squash: Prices are up this week. Quality continues to be a challenge for yellow squash, with heavy scarring and discoloration being reported. Zucchini prices are now on the rise due to tight supply. Both Florida and Mexico are showing a price increase. Quality is mixed between fair and good for zucchini.

Herbs

Fresh herbs continue to be in steady supply. **BASIL, DILL** and **TARRAGON** are really the only fresh herbs with weather concerns. We continue to work diligently to clean up the basil and dill, but the cold wet temps are having some affect. We will keep you posted on any changes. All other herbs are steady as we start off the week.

Lime Leaves continue to be light in color and limited in supply.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Good	USA
Basil	Steady	Fair	MEXICO

Opal Basil	Fair	Good	MEXICO
Thai Basil	Steady	Good	MEXICO
Bay Leaves	Steady	Fair	COLOMBIA
Chervil	Steady	Good	USA
Chives	Steady	Good	MEXICO
Cilantro	Steady	Good	USA
Dill	Steady	Fair	MEXICO
Epazote	Steady	Good	MEXICO
Lemongrass	Steady	Good	USA
Marjoram	Fair	Fair	USA
Mint	Steady	Fair	USA/MEXICO
Oregano	Steady	Good	MEXICO
Italian Parsley	Steady	Good	USA
Rosemary	Steady	Good	MEXICO
Sage	Steady	Good	USA/MEXICO
Savory	Steady	Fair	USA
Sorrel	Steady	Fair	USA
Tarragon	Steady	Fair	MEXICO
Thyme	Steady	Good	USA/MEXICO
Lemon Thyme	Steady	Good	USA
Lavender	Steady	Good	USA
Lime Leaves	Steady	Fair	USA

Melons

Cantaloupe: New Guatemalan production is picking up momentum and filling the void as Honduran and Costa Rican production endures a 2-3 week gap. Even with good volume hitting this week, pricing has strengthened due to strong retail promotions currently in place. Larger fruit (9s and larger) will be in a short position for at least the next 7-10 days. New arrivals have been showing the best quality of the season with good color externally. Brix levels have been in the 10-14% range.

Honeydew: Increased production on honeydews continues from Guatemala with volumes peaking this week before settling back to normal levels next week. Sizing is leaning more to larger fruit (5s and larger) which is putting a slight premium on the smaller sizes. Honeydew quality has been very good with clean external quality with brix levels in the 11-13% range.

Watermelon: Seedless watermelon volume has been a little light the past week with new arrivals expected on Friday. Our Guatemalan grower has approximately two more weeks left of production.

Mixed Vegetables

Artichokes: Supply industry-wide is fair. Demand is fair and prices are steady to higher.

Arugula: Supply is steady-fair and we may start to see some mildew.

Asparagus: Quality is good, and supply has increased.

Bok Choy: Supply 50lb is short, but 30lb is good. Quality is good.

Broccoli / Broccoli Florets: ESCALATED The forecast in the upcoming weeks are for much less product.

Brussels Sprouts: Cool weather in the desert and Mexico is slowing down production, and the market is up. Prices are rising and may continue to rise.

Carrots: ESCALATED Jumbos are still escalated, but we are seeing improvements.

Cauliflower: EXTREME Quality is fair to good. Supply is very tight.

Celery: EXTREME We will continue to have very low volume this week. The weather has warmed up slightly, but sizing is still on the smaller side. This has created huge issues with our stick supply. We are seeing shortages in supply and high prices. We do not anticipate relief until the middle to end of March.

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

Cilantro: Supply is light. Quality is fair.

Fennel: Supply on fennel will be short for the next few weeks due to frost damage and the Yuma season finishing with light supply. We will continue to see a majority of smaller fennel this week - 18s and 24s will remain limited.

Garlic: Supply is firming up and markets are active.

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 supply for the next week.

Green Onions: Supply, quality, and demand are all good.

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

Kale (Green): ESCALATED Supply has dipped.

Mache: Availability is adequate.

Mushrooms: WATCHLIST: Mushroom growers are still recovering from the severe damage in the South and Southeast, as well as in 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: Supply and quality are good. Demand is fair. Sizing is small.

Parsley: (Curly, Italian) Supply and quality are good.

Rapini: Supply has improved, and markets are steady. Quality has improved.

Radishes: Markets are firming up due to heavy precipitation and wind damage to fields. We see FOB pricing ticking up.

Red Cabbage: ESCALATED Supply remains very short and markets are firming up.

Sugar Snap/Snow Peas: Quality is good, and supply has increased.

Spinach (Bunched): We are seeing some mechanical damage; however, quality is fair.

Spinach (Baby): Supply is good. There could be some quality issues due to cold weather.

Spring Mix: There are possible cold-weather defects causing premature breakdown. The recent rain could cause this issue to continue.

Sweet Potatoes and Yams: WATCH LIST Hurricane Florence damage, coupled with heavy rains over the winter months, has driven down supply. Growers can't get into the fields to harvest/move product quickly enough to meet demand, and therefore market pricing is up. We do not anticipate any change as most regions' weather has magnified the short year's issues with availability. We anticipate pricing will only rise further come summertime.

Onions:

Weather across the country has caused a lower demand, which has now become equal to supply. This has caused the market to stabilize across the board. Size profiles remain heavy to Jumbos and Colossals, with Medium onions remaining on the tighter side. White onions have become extreme in price, with very little supply available, and this will likely continue through the remainder of storage season as the Northwest has a short supply. Reds remain more plentiful than other colors, and straight load deals exist out of both Idaho/Oregon and Washington. Typically, during this time, we begin to see Mexican product crossing, which usually creates downward pressure on pricing. However, because Mexico is keeping their supply for their local market, we are not seeing any increase in supply.

Potatoes:

The Potato market has increased demand with very limited availability on all large cartons. Pricing continues to rise each week on cartons while the consumer market has been steady. The size profile remains on the smaller side. Much of the Norkotah crop is winding down, and many growers are moving to Burbanks with higher pricing.

TOMATOES - EAST

Tomatoes are in a production dip out of Mexico as we are now harvesting the part of the crop that was affected by the deep freeze that sunk into Mexico in January. We do not anticipate any supply interruptions, but please place orders in advance to get them filled with the right quality and color.

- **Rounds:** Round tomatoes are up in price this week. Florida is nearing the end of their winter crop, which is causing the prices to jump up a couple of dollars. Quality is mixed, with reports of stem decay and yellow coloring.
- **Romas:** Roma prices are up this week. Supply continues to be good and quality is trending up.
- **Grapes:** Grape tomato prices are flat. Demand remains sluggish, and supply is meeting demand in both regions.
- **Cherries:** Cherry tomatoes continue to be flat this week. Demand continues to be sluggish. Quality is a mix of fair and good.
- **Organic Tomatoes:** Supply is improving, and markets are easing. Overall quality is good.

TOMATOES - WEST AND MEXICO

Tomatoes are in a production dip out of Mexico as we are now harvesting the part of the crop that was affected by the deep freeze that sunk into Mexico in January. We do not anticipate any supply interruptions, but please place orders in advance to get them filled with the right quality and color.

Rounds: Round tomatoes are up in price this week. Mexico's prices look to be up slightly as their supply tightens up as well. Quality is mixed, with reports of stem decay and yellow coloring.

- **Romas:** Roma prices are up this week. Supply continues to be good and quality is trending up.
- **Grapes:** Grape tomato prices are flat. Demand remains sluggish, and supply is meeting demand in both regions.
- **Cherries:** Cherry tomatoes continue to be flat this week. Demand continues to be sluggish. Quality is a mix of fair and good.

APPLES & PEARS

Apples: GRANNY SMITH - The Granny Smith holdings in Washington are low as compared to last year's crop. We will have some supply of Grannys through the balance of the season. The best values will be on Exfcy # 1 72s to 88s although the pricing will continue to increase throughout the balance of the marketing season. FUJIS - Fujis are peaking on 64s to 88s with most grower lots heavy to Exfcy # 1 grade. GALAS - The quality of the Gala apples is very good. Most grower lots are peaking on Premium Exfcy 80s to 113s. HONEYCRISP - We will pack Honeycrisp through about the middle of June. The overall pricing on Honeycrisp this season is much less than the past several years due to increased production. Prices will increase over the next couple of months. CRIPPS PINK - We will have Cripps Pink apples through the summer months. Most grower lots are peaking on Premium Exfcy 88s to 113s. The pricing is fairly high at this time and should remain fairly steady through the spring months. BRAEBURNS - We will have Braeburn apples through June. Most grower lots are peaking on Premium Exfcy 80s to 100s. CRIMSON DELIGHT - The Crimson Delight is a sweet tart apple with good blush red color. They are very crisp and keep very well. We will have plenty of supply through about the 1st of June.

Pears: The Anjou, Bosc, and red pears are available and we will have good supply of US#1 pears available through about the 1st of June. The pear market has been lower this season due to additional supply, so pears are a great value at this time.