

Weekly Market Review

April 11, 2019

Overview

Crop transition continues on the West Coast. We are seeing some quality issues with product out of the desert region mainly due to insects; we will begin to see improvement now and into the next weeks as we transition fully into Salinas. Celery is still in a very **EXTREME** situation. See below for more details.

Market Alert

- Avocados - **ESCALATED**
- Bell Pepper (Green) - **EXTREME**
- Cabbage (Red) – **ESCALATED**
- Celery – **EXTREME**
- Limes -**ESCALATED**
- Onions (White) – **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. We will keep you informed when we have updates.

Fruits & Vegetables

Avocados: ESCALATED This particular week could see a small decline in markets. At some point fruit will be needed for Cinco de Mayo, and it will be harder to find in 10 days or so. Mexico will pick heavy this week, possibly to try to cover what won't be picked next week. Once they stop picking for Holy Week, they won't return to pick until Apr 22nd. Fruit won't start crossing again until the 24th or 25th, and possibly as late as the 29th, which would make it too late to have in position to cover Cinco de Mayo.

Bananas: Banana supplies have transitioned back to "normal", with on-time vessels and arrivals from the tropics. Fruit quality remains good with no real changes in the short term.

Pineapples: Pineapple volumes have slowed as yields are lower coming off a strong Q1. At this point most of the incoming volume has been spoken for with Easter loading happening within the next few days. Availability should pick back up after Easter.

Grapes: Crimson prices are starting to tick up as movement has been good, and supply coming to the market continues to shrink. Movement should stay good as greens are very tight and very high-priced.

Berries

Blueberries: Supply will be low for the next three weeks and then begin to increase.

Blackberries: We anticipate blackberries will continue trending up week after week.

Raspberries: Raspberries are lower than forecasted last week; volume is really tight and expected to be throughout the week. Pricing will increase for the next few weeks.

Strawberries: The strawberry market has improved, and we hope to see continuous improvement. Rain is phasing out and the weather in California is favorable.

California / Arizona Citrus

Navels: Navels are steady with good supply of fruit. We are going to be tight again this week on some 88s and 113s Sunkist grade as we continue to supply large volumes to the marketplace.

Lemons: Lemon business is really starting to pick up. This is normal for spring, and we have seen the start of the weekly increases in orders and demand. We have corrected the scale to show that we have more large fruit available now and less 165s and smaller going forward.

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

Grapefruit: Star Ruby Grapefruit is available. Fruit is excellent.

West Coast Lettuce

Butter: Supply is poor and quality is fair.

Green/Red Leaf: Supply is slightly above normal. We are seeing a little bit of thrip damage and bug pressure in our desert growing region. As of right now, we are split 70/30 between growing regions. Salinas Valley crop is clean; the desert will stop Wednesday, 4/10. Demand is good, and weights are in the 18-20lbs range.

Red Leaf: Supply is fair to poor and quality is fair.

Iceberg Lettuce: Yuma is officially finished, and we will be in Huron only for this week. Please load all orders over four pallets in Huron. Quality in Huron is very good, showing strong texture with good weights and color. The market seems to be steady, with the potential to get active over the weekend due to increased Easter demand.

Romaine: Supply is right on budget. Quality is good and is clean, with very good texture. Fields in the Salinas Valley are aren't quite full, but we have fully transitioned from the desert. Weights are hovering around 34-36lbs.

Romaine Hearts: Supply this week is normal. Quality is great and is clean. All romaine hearts have officially transitioned from the desert. Weights on the 12x3's have been in the 21-23lb range, with the 48ct weighing 27-31lbs.

Eastern and Western Vegetables

Green Bell Pepper: **EXTREME** The green bell pepper market turned back around; we are seeing supply GAPS in Florida and projections falling short from our contract programs in Mexico.

Red Bell Pepper: The red bell pepper market has turned back around as numbers are falling short crossing through Nogales. We expect a three-week active market and should see relief once Baja and Coachella ramp up.

Yellow Pepper: The yellow pepper market has turned back around as numbers are falling short crossing through Nogales. We expect a three-week active market and should see relief once Baja ramps up.

Mini Sweet Pepper: With increased demand and overall lighter supplies of mini sweets, farms are reaching to meet orders. The situation could remain tight until after the Easter holiday.

Mixed Chili Pepper: Mexico's chili pepper crops are enjoying good growing weather. Steady supply and good quality are available on all varieties this week. In the East, a few farms in southern Florida are shipping light volumes on select chilies. Eastern supply will remain limited until Plant City comes online in a few weeks.

Eggplant: Eggplant volume has picked up a bit in Florida as new fields are finally into production; however, there is a mix of product quality. Fruit from some of the older fields have scarring and discoloration, but newer crops have nicer product. Look for more volume in a few weeks when Plant City is up and running. Mexico's eggplant supply (out of Sinaloa) is expected to remain steady for the next 10-14 days. Quality is mostly good, but there are some occasional lots with challenges.

Cucumbers: Demand has perked up for Eastern cucumbers, but supply is holding steady. Newer crops have average yields and good quality. There have been a few issues on fruit from the older plantings, mostly with scarring. In Mexico, Sinaloa's crops are winding down, but Sonora's numbers are picking up as growers move further into crops. However, there are some quality issues--mostly soft cukes with limited shelf life. Fortunately, Baja has already started in a light way with strong quality. Look for Baja's volume to pick up over the next two weeks as more growers add to the mix.

English Cucumbers: There are steady supplies available through Nogales. Volume deals are being made.

Green Beans: The East still has an abundance of beans available as yields from current fields are strong. Quality is good from all areas. Mexico has solid volumes and good quality as well. Supply is looking good for the Easter holiday.

Zucchini / Yellow Squash: Squash prices are steady this week as demand is light in the east as well as the west. Quality is good in the west and mixed in the east.

Herbs

BASIL: The local crop is starting off slow but should be in good supply in a few weeks. We will continue to source from Mexico to fill in the short gaps.

TARRAGON: Supply is starting to come in and we should be good to go for the next several months.

MINT: Supply is very good.

HOJA SANTA: Limited supply for the next several weeks due to weather.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Good	USA
Basil	Steady	Fair	MEXICO
Opal Basil	Steady	Fair	USA
Thai Basil	Steady	Good	USA/MEXICO
Bay Leaves	Steady	Good	COLOMBIA
Chervil	Steady	Good	USA
Chives	Steady	Good	MEXICO
Cilantro	Steady	Good	USA
Dill	Steady	Good	USA/MEXICO
Epazote	Steady	Fair	MEXICO
Lemongrass	Steady	Good	USA
Marjoram	Steady	Good	MEXICO
Mint	Steady	Good	USA/MEXICO
Oregano	Steady	Good	USA/MEXICO
Italian Parsley	Steady	Good	USA
Rosemary	Steady	Good	USA/MEXICO
Sage	Steady	Good	USA/MEXICO
Savory	Steady	Fair	USA
Sorrel	Steady	Good	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: Larger sizes and very large retail promotions are driving the cantaloupe market right now. With reduced overall volume directly related to whitefly in Guatemala, what is coming in are mostly 9s and larger, leaving the smaller fruit (12/15s) in an almost demand-exceeds-supply scenario. Strong demand is currently on the larger fruit, with increased pulls continuing through the holiday period. Fruit has been showing higher external color with solid brix levels in the 11-14% range.

Honeydew: Good volume on honeydews will continue for Classic Fruit over the next 2-3 weeks, with sizing leaning heavily to the larger fruit. This will leave the 6/8s in a very limited position. Mexican dewes have also shortened up as the southern region finishes production, which is helping to create increased demand on offshore melons. Honeydew quality continues to be clean, with brix levels mostly in the 10-13% range.

Mixed Vegetables

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

Arugula: Supply is steady to good.

Asparagus: Growers have good supply. Quality is good and steady.

Bok Choy: Supply for 50lb are in short supply and prices are up.

Broccoli / Broccoli Florets: Supply has improved in Salinas and Central Mexico.

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: Carrots are improving.

Cauliflower: Supply is fair to good.

Celery: EXTREME We are still experiencing an ongoing extreme market with celery. We do not expect to see improvement for a few weeks and will continue to see tight supplies and higher prices into August.

Corn: The market ticked up a tad, but there is still good supply and good quality out of Florida and Mexico.

Cilantro: Quality is improving, and supply is good.

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, Peru and Thailand.

Green Cabbage: Supply is good with available loading through Texas.

Green Onions: Demand, supply and quality are good.

JICAMA: Steady supply crossing through Texas.

Kale (Green): Supply is steady.

Mache: Availability is adequate.

Mushrooms: WATCHLIST: 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: Supply and quality are fair.

Parsley: (Curly, Italian) Quality is fair to good. Supply is steady.

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 this week.

Red Cabbage: ESCALATED Supply continues to be light.

Sugar Snap/Snow Peas: Supply is tight, quality is good, demand should be increasing.

Spinach (Bunched): Quality and supply are good.

Spinach (Baby): Supply and quality are good.

Spring Mix: Supply and quality are good.

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 quick enough to meet demand and therefore market pricing is up. We do not anticipate any change as most all regions and weather have magnified the short year's issues with availability. We anticipate pricing will only rise further come summertime.

Onions:

White Onions: EXTREME White onions are extreme as supply is very limited. Idaho/Oregon is finishing up and Mexico is crossing in limited supply. Red and yellow onions have levelled as demand across the country has been low. The Idaho/Oregon region is starting to wind down for the season, but Texas has started with more volume this week and is expected to be steady next week. Mexico has continued with short supply, keeping the majority of their crop within Mexico; however, because of the low demand this is no longer forcing the market to increase.

Potatoes:

The Potato market has been stable with good availability on all sizes. Pricing has leveled off and the consumer market has been on the slower side. The Burbanks remain a smaller profile with limited availability on large cartons. There have been no transportation issues during this time.

TOMATOES - EAST

- **Rounds, Romas & Grapes:** Supplies are improving as transition to spring crops are complete. Expect good volume and quality for the next several weeks.
- **Cherries:** Cherry tomatoes are steady to up. Supplies remain light, which is causing the slight price increase. Quality is mixed between fair and good in both regions.
- **Organic Tomatoes:** Supply is improving, and markets are easing. Overall quality is good.

TOMATOES - WEST AND MEXICO

- **Rounds, Romas & Grapes:** Supplies are improving as transition to spring crops are complete. Expect good volume and quality for the next several weeks.
- **Cherries:** Cherry tomatoes are steady to up. Supplies remain light, which is causing the slight price increase. Quality is mixed between fair and good in both regions.

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 on the crop 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.