

# Weekly Market Review

September 5, 2019

## Overview

Limes and asparagus are still in an **EXTREME** market. The strawberry market is tightening up. Brussels sprouts are a good buy.

## Market Alert

- Asparagus – **EXTREME**
- Cilantro- **ESCALATED**
- English Cucumbers - **ESCALATED**
- Limes - **EXTREME**
- Potatoes – **ESCALATED**
- Tomatoes (Grapes and Cherries-East Coast) - **ESCALATED**

## Watch List

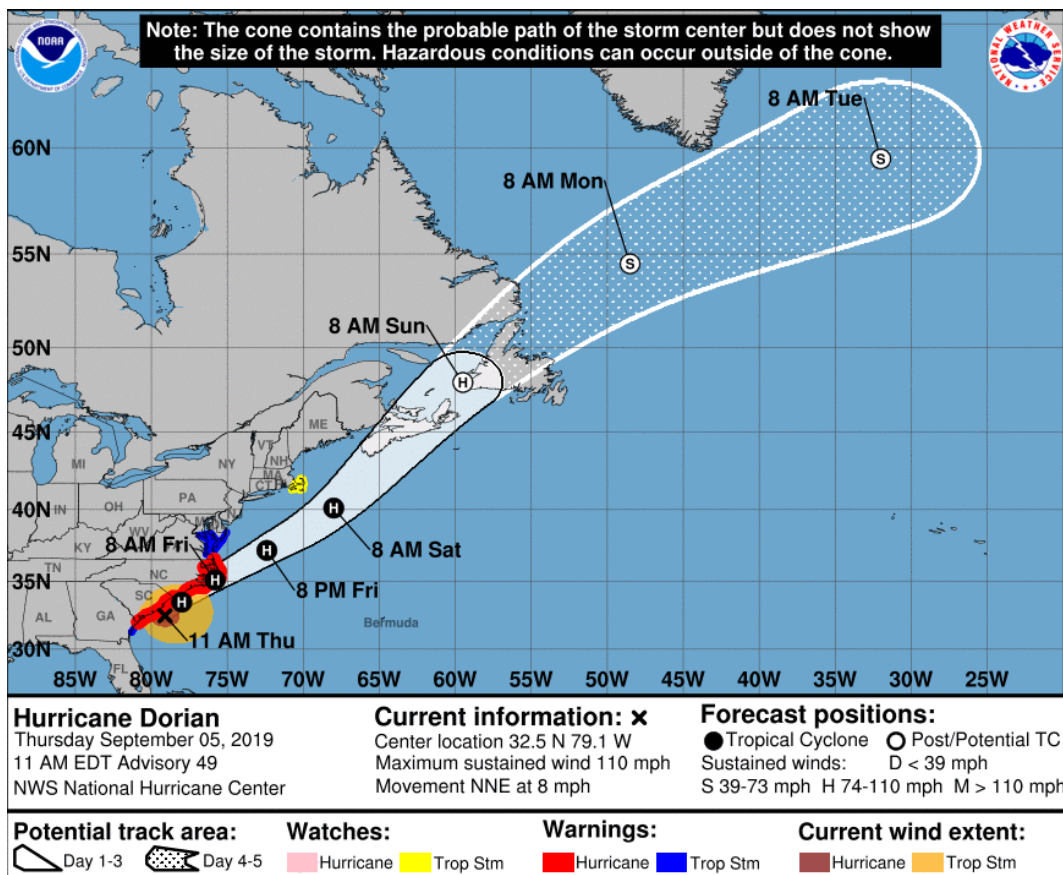
- Bell Peppers- Red and Yellow
- Pineapples
- Tomatoes – Roma (East Coast)
- Strawberries
- Sweet Potatoes and Yams

## Transportation

Freight rates continue to be above average and available trucks are still an issue 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.

## Weather Alert

As Hurricane Dorian slowly moves northwest from Florida and Georgia, it's now impacting the Carolinas as a Category 3 storm with life-threatening storm surge and flooding. The storm is also expected to impact portions of Virginia as it continues its northerly track. We are monitoring the developments frequently and will send additional alerts as needed. **We must anticipate disruption of ALL delivery services until the storm passes.**



## **Fruits & Vegetables**

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**Avocados:** Market conditions remain challenging as trees in Mexico produce too many 48s and larger and a limited amount of 60s and smaller. The size curve is expected to remain this way through the month, meaning conditions should remain strong on small fruit and stable on big fruit. Peru will linger through the month but will make little to no impact on the market; the California season will wrap up early this month. As long as harvest remains normal, there is expected to be a steady flow of fruit as we transition into the main crop.

**Bananas:** Supply and quality are good.

**Pineapples:** **WATCH LIST** Supply is expected to remain low, at least until mid-September. The sizing trend is moving slowly toward larger sizes, which will help with 5 and 6ct availability. Quality is pretty good and expected to remain good through the end of the year.

**Grapes:** Scarlet Royal, Krissy, and Magenta will be the main varieties for the next month, then it will be Scarlet Royal and Allison the rest of the way.

## **Berries**

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**Blueberries:** Blueberries are improving.

**Blackberries:** Supply is steadily decreasing.

**Raspberries:** Raspberry volumes are steady.

**Strawberries:** **WATCH LIST** The strawberry market is tightening due to quality and volume.

## **California / Arizona Citrus**

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**Valencias:** With schools starting, demand for small fruit will increase.

**Lemons:** Lemons are in steady supply and quality is good. The industry is seeing a better supply on larger sizes than small. Quality continues to improve each week.

**Limes:** **EXTREME** Prices continue to rise. Tropical Storm Fernand hit the region of Mexico--where limes are being harvested right now--which caused a bit of a slowdown in harvest. Long term, this should allow for some improvement in the sizing, assuming the trees haven't lost their bloom already. We are still going to see sizing and quality issues for a while; we are doing our best to obtain product and sizing that everyone wants but will need to make substitutions where necessary based on availability. Product is coming in from Mexico very slowly, causing very long wait times and, as we have seen this week, even holdovers until the next day. We apologize for any inconvenience and will keep you informed as soon as we get notified of any information.

**Grapefruit:** Good supply available.

## **West Coast Lettuce**

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**Butter:** Strong volumes are available. We are still seeing some irregular sizing, and demand is steady.

**Green Leaf:** Supply is good. There is some irregular sizing and fringe/wind burn. Demand and market pricing are steady.

**Red Leaf:** Supply is fair to good. Demand has increased and market pricing is firming up.

**Iceberg Lettuce:** Supply is slightly lower due to weights and occasional mildew. Overall quality is good, but there are some minor defects. There is a chance for higher markets this week.

**Romaine:** Supply is short. Quality is fair to good.

**Romaine Hearts:** Volume is steady. Quality is good.

## **Eastern and Western Vegetables**

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**Green Bell Pepper:** Green peppers are steady to down for the week. California and Mexico appear to be flat in price for the week. The East is seeing price drops out of Michigan and parts of North Carolina. Quality is mixed between fair and good.

**Red Bell Pepper:** **WATCHLIST** Red bell peppers are steady to down for the week. Supply continues to be tight out of Mexico and hothouses. Quality, however, is good for the time being.

**Yellow Pepper:** **WATCHLIST** The yellow pepper market is also very short, with limited supply out of Mexico and Canada. Quality is very good.

**Mini Sweet Pepper:** Although Baja’s numbers are down this week, our Washington State and Canadian programs have steady volumes and overall nice quality available.

**Mixed Chili Pepper:** Both Santa Maria and Baja have good volumes of chilies available this week. A new grower with good-sized acreage has begun in Baja, which will hopefully help with the occasional quality issues we’ve been seeing on larger cavity chilies like poblanos and Anaheims. The East is puttering along with small local deals with hit or miss availability.

**Eggplant:** Eggplant markets remain steady. Quality has been good on both sides of the country, but there are occasional issues on older crops.

**Cucumbers:** Cucumber prices are steady to up for the week. Super cucumbers are more limited than the selects. Quality is good.

**English Cucumbers: ESCALATED** The market will continue to be firm through the end of October as production GAPS are expected in Canada and they are beginning to wind down for the season. Mexico will start light production the third week of October.

**Green Beans:** The green bean market is steady to up this week. Imported haricot verts are up, with moderate supply and demand reported. Domestic green beans are reporting steady pricing, but suppliers are experiencing harvest gaps, which is creating lighter supply and a wide range in quality.

**Zucchini/ Yellow Squash:** Yellow squash is up in price for the week. Supply has tightened up, with fair quality, as wind scarring is the main issue. Zucchini prices are up for the week. Supplies have tightened up slightly, causing the uptick in pricing, according to analysts. Quality, however, remains strong.

**Herbs**

**CHERVIL** is starting to come back in very limited supply. The heat wave of the past several weeks is what caused the shortage, but cooler weather is entering the growing region for this very sensitive herb.

**MARJORAM** and **OREGANO** are both over their flowering issues and supply is back to normal.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Good	USA
Basil	Steady	Good	USA
Opal Basil	Steady	Good	USA
Thai Basil	Steady	Good	USA
Bay Leaves	Steady	Good	USA
Chervil	Limited	Good	USA
Chives	Steady	Good	MEXICO
Cilantro	Steady	Good	USA
Dill	Fair	Good	USA/MEXICO
Epazote	Steady	Good	MEXICO
Lemongrass	Steady	Good	USA
Marjoram	Fair	Flowering	USA
Mint	Steady	Good	USA
Oregano	Fair	Flowering	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
Thyme	Steady	Good	USA

Lemon Thyme	Fair	Good	USA
Lime Leaves	Steady	Good	USA

## Melons

**Cantaloupe:** Cantaloupe production has dropped off significantly throughout the valley. Slightly cooler weather and strong demand heading into the holiday weekend has left scarce supply this week. Simultaneous delays in planting has caused a slight skip for the current week as new fields are scheduled to be broken by early next week with most growers. As we enter the fall period you can anticipate less overall weekly volume hitting the market, which should keep pricing mostly stabilized in the higher single digits. Sizing of what is being harvested is heavily slanted to the larger fruit, leaving 12/15s in a limited availability situation.

**Honeydew:** Honeydew production remains fairly consistent. Sizing remains mostly evenly split between 5/6s, which is optimal except for limited 8ct. We do not anticipate much of a change on the honeydew production for the next 7-10 days.

**Watermelon:** Shorter supply in the West has created a bit of a supply challenge as we work into September. Quality is still pretty good, but availability is definitely off and has firmed up markets. Expect to see supply remain on the lighter side and markets to stay firm through the remainder of the season.

## Mixed Vegetables **We will update any conditions should Hurricane Dorian affect Southeastern Veg Markets**

**Artichokes:** Lighter supply is forecasted for the coming weeks. Demand is good and prices are steady.

**Arugula:** Supply is light this week due to the recent heatwave.

**Asparagus:** **EXTREME** Lack of flights is adding to the already aggressive weather issues we are experiencing with the asparagus from Peru. All sizes are tight, but the larger presentations are almost non-existent. We expect this to last for at least the next three weeks.

**Bok Choy:** All pack sizes are in short supply.

**Broccoli / Broccoli Florets:** Supply is much lighter this week and the market is higher.

**Brussels Sprouts:** We are expecting volume and supply to improve over the next 7-14 days.

**Carrots:** Supply and quality are good.

**Cauliflower:** Supply is lighter than normal this week. Demand and quality are good.

**Celery:** Plenty of supply is available. Quality is excellent.

**Corn:** Markets are getting active due to lighter supply out of Indiana, Southern Illinois, and Iowa; New York and Michigan are ramping up. We are seeing active markets in the west.

**Cilantro:** **ESCALATED** Supply is steady this week.

**Fennel:** Volume is projected to be lower this week and potentially the next few weeks. Quality remains strong overall.

**Garlic:** Supply is firming up and markets are active due to trade tariffs being imposed on products from China.

**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 steady; demand is fair and quality is good.

**Green Onions:** There is good volume and movement. Pricing is fair.

**JICAMA:** Storage product available--will see blemishing due to the fact it's storage fruit. Good supply available.

**Kale (Green):** Plenty of kale is available. Quality is fair.

**Mache:** Availability is adequate.

**Mushrooms:** Supply is currently stable, and quality is good.

**Napa:** Supply is steady. Quality is fair.

**Parsley: (Curly, Italian)** Supply is fair and quality is good.

**Rapini:** Supply is projected to be lower this week. Quality still remains strong.

**Red Cabbage:** Supply is steady this week.

**Sugar Snap / Snow Peas:** Sugar snap and snow peas are affected by the recent flooding. Quality is fair.

**Spinach (Bunched):** Supply and quality are good.

**Spinach (Baby):** Supply and quality are good.

**Spring Mix:** Supply and quality are good.

**Sweet Potatoes and Yams: WATCH LIST** Growers are just now beginning to dig their new crop of sweet potatoes for the upcoming season. This past year was a very volatile one for sweet potatoes due to hurricanes on the east coast affecting much of the crop; we saw prices on #1 sweets rise to almost \$30 FOB. Growers are hoping the weather this year is much more favorable to avoid another year of tight supply and high prices.

#### **Onions:**

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The onion market is beginning to settle out as New Mexico and California are essentially finished and we are exclusively into shipping out of the Northwest. While we continue to see an abundance of supply, demand is getting better and growers are no longer long on any particular size and color. The majority of growers in Idaho/Oregon have now started, and we are seeing sizing peak on mediums and Jumbos. With this, we have seen pricing here really decline. Large onions are expected to remain higher priced as the northwest crop is not producing enough to keep up with demand. Overall, The Idaho/Oregon crop appears to be mostly normal, with some regions down in yields a bit more than others. We believe there will be strong supply and quality throughout the season, but not a surplus of supply at any point.

#### **Potatoes: ESCALATED**

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We are now exclusively into new crop Norkotahs; they continue to be harvested and shipped fresh out of the field while simultaneously being stored. While it is believed that size profile will still lean heavier to a smaller-size profile to start, we are starting to see some larger size count availability in the crop. Warm temperatures in Idaho may help the Norkotahs and Burbanks still left in the ground size up better, but we will have a better outlook once harvest is complete around the second week of October. While large carton pricing remains elevated, we are beginning to see relief on 60ct and smaller product. 40ct and 50ct remain in tight supply. #2 grade potatoes remain very tight, as the new crop is still not generating very many of them. Growers are having to substitute #1 quality product into the #2 boxes in order to fill orders. We do not anticipate seeing new crop Burbanks until around the first or second week of October.

#### **TOMATOES - EAST We will update any conditions should Hurricane Dorian affect Southeastern Veg Markets**

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- **Rounds:** The East is seeing a price increase as they battle weather issues across multiple growing areas. Quality is poor, with soft fruit being reported.
- **Romas: WATCHLIST** Eastern roma supply is really limited this week with just a few here and there in the TN and NC mountains, NJ, and MI.
- **Grapes: ESCALATED** Grape tomatoes remain firm and expected as transition will begin from the Virginia and the mountain regions of Tennessee to down to South Georgia. Markets will remain firm this week; we should start seeing some relief by the third week of September. Quality is fair.
- **Cherries: ESCALATED** Cherry tomatoes remain firm and expected as transition will begin from the Virginia and the mountain regions of Tennessee to down to South Georgia. Markets will remain firm this week; we should start seeing some relief by the third week of September. Quality is fair.
- **Organic Tomatoes:** Seeing a mixed market as we transition from Jasper to the Carolinas and Virginia. FOB prices will be up this week and quality will vary due to the transition.

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

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- **Rounds:** Mexico and California are steady to down pricing, with supply meeting current demand.
- **Romas:** Northern CA and Mexico are carrying the load but are not without concern. East Mexico farms are shipping steadily, but Baja growers remain in limited supply until fall plantings come on in mid-to-late September. The CA deal is also a little on the short side this week as many growers are waiting for fall crops, and some have mild-to-significant quality challenges.
- **Grapes:** Mexico's production has improved slightly but will continue to be light until farms get into better volumes in September.
- **Cherries:** Cherry tomatoes are steady for the week. Farms continue to see light harvests. Current supply is meeting the current demand. Quality is fair.

#### **APPLES & PEARS**

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**Apples:** Fair supply of Galas and Granny Smiths have started.

**Pears:** Bartletts are in good supply. Bosc are limited. Fair supply of red pears. Asian pears have started.

## STONE FRUIT

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- **Apricots:** Apricots are winding down.
- **Cherries:** Excellent supply on Bings out of Yakima and markets are falling. Quality is outstanding. Rainiers now available as well.
- **Nectarines:** Domestic nectarines are available through September. Quality is very good.
- **Peaches:** Domestic peaches are available out of California, South Carolina, and Central Georgia through September. Light volume is being reported out of New Jersey. Quality is very good.
- **Plums:** Fruit is steady with plenty of supply. Plums will go into November.