

January 25, 2018

Overview

Lettuce, romaine and leaf items are steady and quality has improved. Lemons and oranges are in a very **EXTREME** market. Strawberry and raspberry supplies have improved, and the tomato market has recovered.

Market Alert

- Lemons – **EXTREME**
- Mushrooms – **ESCALATED**
- Oranges – **EXTREME**

Watch List

BANANAS AND PINEAPPLES: Several weeks of cooler temperatures have impacted the growing areas in Guatemala and Mexico. In addition, we have seen major flooding in Costa Rica which has not only caused major flooding and delayed harvesting, but has also affected infrastructure delaying shipments. Our growers are seeing lower yields, quality, and volumes. We will be watching day to day as shortages can come along any time.

Transportation – EXTREME








Transportation is extremely tight and rates continue to increase as rollout day for e-log approaches when truck drivers will electronically log their hours of service. We are seeing an extreme shortage of drivers in the west due to federal regulations regarding non-citizen drivers not being permitted to drive loads that originate in the United States. We are seeing rate increase requests across the region.

Weather








SOUTHEAST: The forecast calls for mild temps through next week with a mix of sun and rain.

| Thu 01/25 | Fri 01/26 | Sat 01/27 | Sun 01/28 | Mon 01/29 | Tue 01/30 | Wed 01/31 |
|---|---|---|---|---|---|---|
| 75° 58° | 74° 60° | 78° 64° | 80° 65° | 75° 51° | 69° 46° | 73° 57° |
|  |  |  |  |  |  |  |
| Clear | Partly Cloudy | Overcast | Thunderstorm | Chance of Rain | Clear | Clear |








HERMOSILLO: Mild temperatures will be in the forecast with plenty of sunshine through next week.

| Thu 01/25 | Fri 01/26 | Sat 01/27 | Sun 01/28 | Mon 01/29 | Tue 01/30 | Wed 01/31 |
|---|---|---|---|---|---|---|
| 81° 48° | 81° 46° | 82° 51° | 89° 57° | 92° 56° | 88° 55° | 86° 54° |
|  |  |  |  |  |  |  |
| Clear | Clear | Clear | Clear | Clear | Clear | Partly Cloudy |

CULIACAN: A mix of clouds and sun is expected through next week with very warm daytime highs.

| Thu 01/25 | Fri 01/26 | Sat 01/27 | Sun 01/28 | Mon 01/29 | Tue 01/30 | Wed 01/31 |
|---|---|---|---|---|---|---|
| 89° 58° | 91° 56° | 92° 55° | 96° 61° | 94° 59° | 93° 57° | 88° 57° |
|  |  |  |  |  |  |  |
| Partly Cloudy | Clear | Clear | Clear | Clear | Partly Cloudy | Mostly Cloudy |

YUMA: The forecast calls for plenty of sunshine through next week with highs in the 70's and 80's and lows

| Thu 01/25 | Fri 01/26 | Sat 01/27 | Sun 01/28 | Mon 01/29 | Tue 01/30 | Wed 01/31 |
|---|---|---|---|---|--|---|
| 74° 48° | 71° 48° | 74° 53° | 80° 56° | 85° 56° | 81° 56° | 82° 56° |
|  |  |  |  |  |  |  |
| Clear | Clear | Clear | Clear | Clear | Partly Cloudy | Partly Cloudy |

around 48-56.

Good Buys

AVOCADOS!

The excitement for this creamy versatile fruit (yes, avocados are indeed a fruit) has consistently grown over the last 17 years. Thankfully, volume has remained consistent and production out of California will begin to ramp up.

With the Super Bowl game right around the corner, one might ask, “when do avocados ripen?” and “how will I know when they are ready?” Well, this beautiful fruit does not ripen on the tree, in fact, they ripen or “soften” after they have been harvested.

In order to speed up the avocado ripening process we recommended pre-planning your usage and note the date when you will need the fruit by that way the avocados can be rotated appropriately. In order to start the ripening process, you will want to place the selected amount in a breathable container, such as a brown bag or cardboard box with an apple or banana for two to three days, until they are ripe. Please note: it is best to avoid using plastic materials (plastic bags or boxes) as this type of storage will ripen the outside of the fruit to a well-done state and will not ripen the inside properly.

We do not suggest putting them all in the kitchen area as it will ripen the fruit too quickly and you could be left with spoiled product. Keep the avocados in a warm dark room as they are a tropical fruit and adapt well to that climate. After ripened, the avocados can hold in the cooler for up to a week.

Fruits & Vegetables

Avocados: Overall volume will remain consistent; however, smaller sized fruit is still a challenge over the next several weeks. We will also see production out of California begin to ramp up. There is also the potential for a flush of #2 fruit on the horizon just in time for Super Bowl demand.

Bananas and Pineapples: WATCHLIST Demand remains firm on both items; quality is going to be inconsistent and supplies could be interrupted as major weather issues have impacted the growing regions in Guatemala, Mexico and Costa Rica. This only further complicates an already short banana market which is short across the country due to virus impacts. We will keep you posted.

Grapes: Good quality continues on the offshore programs, markets are down as demand is lighter than expected. Offshore varieties available out of Chile and Peru, and Sugraone, Falmes, Crimsons and Globes are available through Philadelphia and New York. FOB port prices are \$28.00 to \$34.00.

Kiwi: California crops are now in full swing with ample supply available and showing excellent quality. This new crop will extend all the way through to February. We are now seeing Italian fruit available as well on the east coast. Market remains steady.

Berries

Blueberries: Availability is good, quality is fair.

Blackberries: Volume is good, quality has improved.

Raspberries: Volume has improved and quality is good.

Strawberries: The market has improved, we are seeing better prices. Quality is good to fair.

California / Arizona Citrus

Demand exceeds supply on oranges, The Q1 navel crop is expected to be down 30% on 113S and 50% on 138S compared to this time last year. Lemons remain tight as well.

Navels/Valencia's: EXTREME We are still seeing a shortage in supply as well as very high prices.

Lemons: EXTREME This is a very active market, prices are very high. Quality is good.

Limes: Limes are available and quality is good. Prices are rising.

Grapefruit: Texas grapefruit is available. Florida Star Ruby/Red is available. California Star Ruby are available.

Specialties:

- Fairchild Tangerines, Orlando Tangelos, and Minneola Tangelos have started.
- Domestic Blood oranges and Cara Caras are available.
- New Zealand Meyers are available.
- Sunburst Tangerines are available out of FL.
- Halos and Cuties have started.
- Pummelos are available.

California Lettuce

Butter: Prices are stable. Quality is good.

Green and Red Leaf: Quality is good. Prices are good.

Iceberg Lettuce: Quality is nice and the market is low. Demand is lighter than normal.

Romaine: At this point, supplies exceed demand. Quality is average, and we are still seeing some cupping and occasional blistering.

Romaine Hearts: Supplies are normal and quality is average.

Eastern and Western Vegetables

Green Bell Pepper: Supplies are improving out of South Florida and will continue to do so as the weather cooperates. Sizing will be on the larger sizes for the next 7 to 10 days, smaller sized fruit and choice grades will be limited. Out of the west, supplies and quality are very good.

Red Bell Pepper: Supplies are now shipping primarily through Nogales and markets are down. Quality is outstanding.

Yellow Pepper: Supplies are unchanged loading through Nogales. FOB prices are mostly unchanged as well.

Mini Sweet Pepper: Good supplies are available in the west and crops in the east have been damaged by Irma. Markets are mixed by region.

Eggplant: Supplies are still on the light side this week out of Florida, quality is much better and markets are mostly unchanged. In contrast, excellent supplies are coming out of Nogales and western quotes are down this week.

English Cucumber: There are excellent supplies crossing through Nogales and McAllen.

Cucumbers: Good offshore supplies are available out of Florida; though East Coast domestic supplies are limited. The markets are down slightly. Supplies are unchanged and are plentiful out of Nogales and McAllen. Pole cucumber quality out of the shade houses in Mexico are gorgeous, showing dark green fruit with very little blemish or defect.

Green Beans: Supplies will remain firm loading through Florida due to quality issues from the recent cold weather. Supplies crossing through Nogales are going to be short-lived and prices will be firming up by mid-week due to lighter supply in the west.

Zucchini and Yellow Squash: Supplies in the east are slowly improving, demand is down and quality is good. Import volume out of Mexico is very good; however, we are seeing ongoing quality issues with yellow squash due to heavy scarring. Good supplies and good quality available on zucchini. Markets are down slightly this week and good quality is drawing a premium.

Herbs

Supplies of fresh herbs are improving.

OPAL BASIL, LAVANDER and SAVORY: These will remain very limited or not available for the next several weeks.

TARRAGON: Supplies have tightened a little but supply remains steady.

BASIL: Produce is starting to recover. Look for quality to be very good and steady. The outside freezing temperatures during transit may cause some issues, but we are doing our best at increasing the packaging to meet the extremes.

MINT: Product is starting to recover and supplies are starting to pick up.

| HERB | SUPPLIES | QUALITY | COUNTRY OF ORIGIN |
|------------|-----------|---------|-------------------|
| Arugula | Light | Fair | USA |
| Basil | Improving | Good | USA/MEXICO |
| Opal Basil | Limited | Good | USA/MEXICO |
| Thai Basil | Good | Good | USA/MEXICO |
| Bay Leaves | Good | Good | COLUMBIA |
| Chervil | Good | Good | USA |
| Chives | Good | Good | USA/MEXICO |
| Cilantro | Light | Good | USA |
| Dill | Good | Good | USA/MEXICO |

| | | | |
|-----------------|----------------|-------------|-------------------|
| Episode | Good | Good | MEXICO |
| Lemongrass | Good | Good | USA |
| Marjoram | Limited | Good | USA |
| Mint | Limited | Good | USA |
| Oregano | Good | Good | USA |
| Italian Parsley | Good | Good | USA |
| Rosemary | Limited | Good | USA |
| Sage | Limited | Good | USA/MEXICO |
| Savory | Limited | Good | USA |
| Sorrel | Good | Good | USA |
| Tarragon | Good | Good | MEXICO |
| Thyme | Limited | Good | USA |
| Lemon Thyme | Good | Good | USA |
| Lavender | Limited | Good | USA |
| Lime Leaves | Good | Good | USA |
| Hora Santa | Good | Good | USA |

Melons

Cantaloupe: Honduras cantaloupe production is well underway and continues to yield smaller-sized fruit which has caused the market to settle on the 12/15s. Supply from Guatemala will also ramp back up, and we will see the first arrivals heavier on larger fruit. We expect Guatemalan supply to be short during Week 4 in the west due to logistics. Quality remains strong with brix levels in the 10-13% range.

Honeydew: The honeydew market has remained very steady as we transition from Guatemala to Honduras. Mexican supply crossing through Nogales is winding down quickly on better quality fruit. We anticipate the market to remain steady over the next 7-10 days. Quality of the fruit has been clean and sizing has been primarily 5/6s.

Watermelon: Seedless watermelon supplies are ramping up daily and quality is very good.

Mixed Vegetables

Artichokes: Steady market with higher prices. Quality is good.

Arugula: Product is available and quality is good.

Asparagus: Supplies are better and prices have improved. Quality is good.

Bok Choy: Quality is average and we are seeing some higher quotes on WGA cartons.

Broccoli / Broccoli Florets: Supplies are good, quality is very good, and the market is down.

Brussels Sprouts: Markets are improving as additional inventory becomes available. Quality is good.

Carrots: We are seeing both good quality and volume.

Cauliflower: Supplies are great and quality is excellent with a wide range of pricing.

Celery: This market is fair. Due to the recent rains, we are seeing product breakdown quickly creating some quality issues.

Corn: Sweet corn markets are down this week due to lower demand out of South Florida; we are seeing some availability crossing through Nogales. Quality is good.

Cilantro: Supplies are good and quality is improving.

Fennel: Supplies for the week will be good and quality is good.

Garlic: EXTREME We are about 50% done with the 2017 crop. Supplies will remain tight between now and July. Prices remain high.

Ginger: Chinese ginger supplies are steady. Quality is good.

Green Cabbage: Supplies have tightened and markets have firmed on both coasts, but quality remains good.

Green Onions: Prices have come down; quality has improved.

JICAMA: Prices are firming up and inventories are lighter. We are seeing some quality and shelf life issues in storage product.

Kale (Green): Quality is improving. Supplies are good.

Mache: Availability is adequate.

Mushrooms: ESCALATED Mushroom growers have suffered 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 said it expects supply to be affected for several months.

Napa: Supplies are steady and quality is good in the west. Supplies in the east are tighter due to the cooler weather that has hit the growing regions in North Florida and South Georgia this month.

Parsley: (Curly, Italian) Quality is improving and supplies are good.

Rapini: Supplies have improved and markets are down. Quality has improved.

Radishes: Quality is good and supply is slowing down. Expect to see stronger markets through the summer.

Red Cabbage: Quality and sizing have been great with good color. The market is firming.

Snow and Sugar Snap Peas: Snow and sugar snap peas supplies are improving through Miami.

Spinach (Bunched): Supplies are available and quality has improved.

Spinach (Baby): Baby and clipped spinach supplies are good. We are seeing improvement in quality.

Spring Mix: Supplies and quality are good.

Onions:

What started as a short supply season is becoming a normal finish due to the fact that transportation has stunted shipments significantly out of the Idaho/Oregon region. Washington reported shipping over 1800 more loads year over year, but Idaho has significantly less shipments. Mexico is crossing yellows and whites and they will continue to ramp up their volume and then Texas is about 6-7 weeks away. It is likely we will see this market on yellows stay stagnant until Mexico really ramps up in volume. Due to excess red onion volume compared to yellow onion volume remaining in storages, we will likely see downward movement on red onions.

Potatoes:

New year, old problems. It's difficult at best to determine if demand on product in the state is due to "real" demand or the severe transportation issues facing the entire industry. If you look at the business in a traditional sense, carton demand will be very good for the first two weeks of the year and consumer demand will be fair. We then will go into the 6 to 8 week period of poor demand on all items. The transportation issues facing the industry will definitely play into this year's market. We have all seen much higher than average FOB pricing and we can expect this to continue. Supplies are trending below both last year's numbers and "normal" supply levels. Both rail and truck transportation will continue to be problematic for some time to come.

TOMATOES - EAST

- **Rounds:** Quality and production are excellent out of South Florida. FOB prices are down this week.
- **Romas:** Quality and production are excellent out of South Florida. FOB prices are down this week.
- **Grapes:** Quality and production are excellent out of South Florida. FOB prices are down this week.
- **Cherries:** Quality and production are excellent out of South Florida. FOB prices are down this week.

TOMATOES - WEST AND MEXICO

- **Rounds:** Excellent volume out of Culiacan crossing through Nogales and McAllen. FOB prices are down and quality is outstanding.
- **Romas:** Excellent volume out of Culiacan crossing through Nogales and McAllen. FOB prices are down and quality is outstanding.
- **Grapes:** Excellent volume out of Culiacan crossing through Nogales and McAllen. FOB prices are down and quality is outstanding.
- **Cherries:** Excellent volume out of Culiacan crossing through Nogales and McAllen. FOB prices are down and quality is outstanding.

APPLES & PEARS

Apples: PROMOTIONAL VOLUME AVAILABLE ON FOOD SERVICE/SMALL SIZED FRUIT New crop now available we are seeing the pressure on the market decrease and shortages diminish. Excellent quality available on all varieties; however, we are seeing less production of Golden Delicious as the trees are being pulled and replaced with more favorable varieties. Please make note that volume orders on food service grade apples must be pre-booked to ensure they are not packed with PLU stickers.

Pears: Bosc, Bartlett and D'Anjou are available out of Yakima and Wenatchee Districts.