

MARKET TRENDS

WEEK ENDING AUGUST 23, 2019



PERFORMANCE
FOODSERVICE



Produce

Market Overview

We are currently going through a bit of a heat wave in Salinas area. It is currently 90 degrees in parts of Salinas with the south valley in the 100's. The morning fog and humidity along with the hot weather has caused mildew to show up in fields very aggressively. We are seeing mildew in iceberg, romaine and green leaf in all growing areas of the Salinas Valley. A field will be fine today and the mildew will be in 80% of the field tomorrow. With that said we will continue to be in and out of Peak brand for the next several days as we try to find clean product.

We are expecting celery to become a bit leggy and some brown bead in broccoli. Strawberries will end up with some bruising and bleeders. Keep inventories tight.

Lettuce, cauliflower, and broccoli continue to be steady but as mentioned above a heat wave is making its way throughout the Salinas area so be on the lookout for failing quality. Asparagus is EXTREME and smaller-sized lemons are still very EXTREME. Cantaloupe is a good buy.

MARKET ALERT

- **Asparagus - EXTREME**
- **Avocados - ESCALATED**
- **English Cucumbers -- ESCALATED**
- **Grape Tomatoes -- ESCALATED**
- **Lemons (small sizes) -- EXTREME**
- **Potatoes -- ESCALATED**

WATCH LIST

- **Sweet Potatoes and Yams**
- **Pineapples**
- **Bell Pepper - Red and Yellow**

GOOD BUYS

Each week, we want to spotlight commodities based on how favorable prices, quality, and supply are in the market. Stay ahead of the trends and look to these good buys for their stellar performance in the fields!

Commodity	Market Update	Produce Expert Tip
Cantaloupe	Heat has hit the growing region which has accelerated some cantaloupe fields a little earlier than anticipated. The small gap experienced the past few weeks due to delays in planting back in the Spring will cause some fields to double up on growers as the harvest schedule bunches up some. This will cause more fruit to hit the market at once, which will apply some pressure to the market.	We CAN'T get enough of this week's good buy.... CANTALOUPE! It may not be the first item on your grocery list, but here's why it should definitely start making its way to the top. Cantaloupe contains more beta carotene than apricots, grapefruit, oranges, nectarines, mangoes, and peaches. Beta carotene is a type of carotenoid that is either converted into vitamin A or converted into an antioxidant, after consumed. This fruit also contains a large amount of Vitamin C, fiber, and potassium. Make the summer last a little longer and pick up some sweet, refreshing cantaloupe!

SALINAS FORECAST

Thu 8/15	Fri 8/16	Sat 8/17	Sun 8/18	Mon 8/19	Tue 8/20	Wed 8/21
78° 55° F	73° 56° F	69° 58° F	69° 58° F	70° 56° F	72° 57° F	77° 58° F
Sunny	Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Sunny

MARKET TRENDS

WEEK ENDING AUGUST 23, 2019



PERFORMANCE
FOODSERVICE



Produce *(continued)*

Apples & Pears

C/A apples are winding down. We will experience some gaps on select varieties, depending on shipper. Reds should go the distance.

New crop Galas have started, peaking on premiums and wash Exfcy #1. Golds & Grannies should start after Labor Day and other varieties later in the month.

Pears: Just started packing new crop Bartletts. So far peaking on 90/100s us #1, very few smaller. Few if any fancy grade.

Artichokes

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

Arugula

Supply and quality are good.

Asparagus

EXTREME We expect supply issues and increased freight costs for the next three weeks. Due to the colder-than-normal weather in Peru, we have seen shorter supply of larger sizes, and now it is affecting smaller sizes. In Mexico, where typically they would have product through September, most growers have completely stopped harvesting, so there is no longer volume coming from the region.

Avocados

Mexican avocado markets have become stronger over the last week. Rain and low demand for the last week or so has allowed the current inventories to get cleaned up. Mexico will be limited over the next 4-6 weeks until the new crop starts in September at some point. 40's and larger continue to be a smaller percentage of the crop size for now, but reports are that the new crop will have better size in it. Peru will be winding down over the next few weeks, stretching into September. California is basically finished, with most growers done until next year.

#2 fruit continues to be a very small percentage of the crop.

Bananas

Bananas are in a good rhythm as we approach the fall. Supplies and quality are good.

Beans

EAST: Several Eastern regions are producing enough volume to meet demand, but not enough to run ads. Quality is just so-so.

WEST: The Watsonville/Salinas area is the go-to area for volume for the next several weeks. There are a few other regional programs going, including WA state. Quality is good with FOBs steady.

Berries:

Blackberries

The market has stabilized. The Pacific Northwest seasons have started. Quality is very good: berries are deeply colored, juicy, and sweet. Sugar levels range from 12 to 13 Brix.

Blueberries

Prices are elevated. Seasonal production in California and Mexico is over. Supplies have become more abundant as harvest has begun in the Pacific Northwest regions. Quality is very good: berries are plump, deep blue/black, and juicy. Sugar levels range from 12 to 16 Brix.

Raspberries

Prices are stable. California stocks are abundant. Quality is very good: berries are plump and juicy with mildly sweet flavor. Sugar levels range from 13 to 14 Brix.

Strawberries

Strawberry volumes are improving slowly. We are seeing some quality issues.

Bok Choy

50# are in short supply and prices are steady. Supplies are coming from San Juan Bautista, CA.



MARKET TRENDS

WEEK ENDING AUGUST 23, 2019



PERFORMANCE
FOODSERVICE



Produce *(continued)*

Broccoli

The market is up; summer stocks remain limited. Quality is very good: yellow discoloration and mildew are minor issues, but harvesting crews are sorting for best quality.

Brussels Sprouts

Another strong week of production is expected, and the market should continue to remain active.

Cantaloupe

We are going here on the Westside with good volume, peaking on 9's and 12's now so smaller fruit a bit tighter. The overall quality is very good with a nice clean net and good internal color and a tight cavity. Sugars are as high as 13-14 which is excellent. We will be going through Mid-October.

Carrots

Supply and quality are good.

Cauliflower

Supply is expected to be plentiful this week. Demand and quality are good.

Celery

Plenty of supply is available. Quality is excellent. But look for the quality to start failing just a bit as the Salinas heat will take its toll on it.

Cilantro

Supplies are tight this week.

Corn

Markets are getting active due to lighter supply in Michigan and supply gaps in the San Joaquin Valley.

Cucumbers

EAST: The east is seeing great numbers from MI, but quality is hit and miss. The crops have seen a decent amount of rainfall which can impact the quality during the growth cycle. There are some local deals around the east coast that are keeping volumes rolling well. Eastern NC will be back in fall production later this month. FOBs are low for now, but with the west being short we could see some upward pressure on the eastern FOBs towards the back half of August. WEST: MX's production has decreased significantly as growers' transition to new shade houses. Volumes are expected to be very low for the remainder on the month with puts high pressure on WA state & the east. Baja's quality has been hit and miss. FOBs are up and are expected to remain so for some time.

Eggplant

EAST: Eastern local programs are trucking along nicely with plenty of fruit available.

WEST: Eggs are readily available in Fresno & WA state. Quality is good, but Fresno's sizing has scaled down.

English Cucumbers

ESCALATED The market will continue to be firm through the end of the month as production GAPS are expected in Canada. We see lower numbers in the west as well due to heat-related issues.

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.



MARKET TRENDS

WEEK ENDING AUGUST 23, 2019



PERFORMANCE
FOODSERVICE



Produce *(continued)*

Grapes

We are going full speed here in the Central Valley and will continue with good volume through December, the overall crop looks good, and hopefully quality continues to stay good barring any crazy weather. The Mexico region is also still harvesting but they are running out of steam and should be done in the next 10 days or so. The Coachella fruit is also getting tired due to temperature as high as 120 degrees which not even grapes like that weather but will have fruit for another week or so as well and then done.

Green Cabbage

50# are in short supply. Prices are steady and quality is good.

Red Cabbage

Supplies are steady this week.

Honeydew

We are going on the Westside as well and peaking on the bigger fruit, smaller sizes on the tight side. The overall quality is very good as well with a green to cream cast and tight cavity with excellent internal color and sugar as well.

Jicama

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

Kale (green)

Supply is plentiful. Quality is fair.

Lemons

We are packing Dist. 2 (Coastal Regions) fruit, just primarily size picking to relieve the trees of some stress. We are peaking on the big sizes due to the size picking, there should be good supplies through the summer and should not run into any shortages. The overall color is good but you will see some green as well due to the time of the year we are gassing to bring on color, but you will still see some green stem end and blossom end, the fruit is on the firm side. The moisture has also been creating spores in the fields as well and we will hope that it is not too extensive on the clear rot, but it is inevitable, and we are doing all we can to help slow the spores down in the field and in the packinghouse. There is also plenty of Imported Lemons on the East coast and also out of Texas. We have fruit from Chile, Mexico, Argentinean and Spanish.

Lettuce:

Butter

Good volumes are available on butter lettuce. 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 continues to be moderate as market pricing is steady.

Red Leaf

Red leaf volumes are strong. Quality is fair to good.

Iceberg Lettuce

Supply is very steady. Demand and quality are good.

Romaine

Demand is fair. Quality and supply are fair to good.

Romaine Hearts

Quality and supply are fair to good. Demand is fair.



MARKET TRENDS

WEEK ENDING AUGUST 23, 2019



PERFORMANCE
FOODSERVICE



Produce *(continued)*

Limes

The market remains firm while demand exceeds supply on 175ct and larger. This is due to fewer crossings and decreased availability for this time of year. Rain in Veracruz and Michoacán this week have put an even greater damper on an already tight market. These trends will remain consistent until late August/early September when the new crop officially begins. With fewer trucks crossing and less product available, layovers and loading delays are to be expected.

Napa

Supplies are steady.

Onions

The market is beginning to stabilize in the Northwest with California and New Mexico still in clean up mode. Large size onions (Colossals and Supers) are at a premium as the early crop in Idaho/Oregon/Washington is all heavy to Mediums and Jumbos. Reds remain plentiful in all regions, and whites are steady. Northwest growers are still anticipating a fairly strong season in comparison to years past, as late plantings, and a cool Summer have drastically affected yields. Generally speaking, when large size onions are short, it is reflective of lower yields.

Oranges

Small oranges getting tight as we move through the season, please expect prices to firm up on 88's and smaller both grades. We will continue through October on Valencia's also some Chilean navels are arriving as well with mostly bigger sizes., the overall crop volume is of normal volume size structure, peaking on 72's , 56's and then 88's The overall quality of the Valencia's looks good now but fruit will have a tinge of green with good internal juice and sugars are 12-13 so eating good, and keep in mind they are a Valencia that has been on the tree for about 15 months.

Parsley(Curly, Italian)

Supply is fair and quality is good.

Green Pepper

EAST: Eastern production has picked up over the last week. The NC mountains, NJ, MI & TN all have good volume available. FOBs are down with good quality available. WEST: Western production has picked up as well with volume increasing from Stockton, Fresno, Gilroy & LeGrand. FOBs are down with good quality available.

Jalapeños (Chiles)

EAST: There are plenty of regional programs available throughout the east coast. FOBs are steady with good quality available.

WEST: Baja & Santa Maria are in full swing. There is no shortage of supply in the west. FOBs are steady with good to excellent quality available.

Mini Sweet Peppers

Mini sweet production has picked back up in Canada this week. With a couple more growers onboard in Baja, Mexico's supply has also strengthened. Fruit quality is good.

Red Bell Pepper

EAST/WEST: Western CAN production is projected to lighten up, but there is still decent volume available. MX's volume is also light, but this is expected to pick back up in the next week or so. FOBs remain firmly high with good quality available.



MARKET TRENDS

WEEK ENDING AUGUST 23, 2019



PERFORMANCE
FOODSERVICE



Produce *(continued)*

Yellow Bell Pepper

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

Pineapple

Pineapple supplies are expected to remain low (but improving) at least until the end of August. Sizing trend is moving slowly towards larger sizes which will help with 5 and 6ct availability. Quality is pretty good and expected to remain good thru the end of the year.

Idaho Potatoes

Old crop burbanks are finishing this week, and new crop Norkotahs continue to ramp up. Similar to the onion side, late plantings and a cool Summer is giving lower tuber counts to start the deal off. From now until harvest is finished, heat units are crucial so that this crop can catch up. It is likely that growers will leave potatoes in the ground as long as possible this season to help them size up. We believe the market will remain pretty firm throughout the deal once harvest finishes.

Radishes

Markets are firming up due to heavy precipitation and wind damage to fields.

Salad Blends

Prices are low; iceberg and romaine supplies are ample despite this week's heat. Inspectors are closely monitoring finished cartons for defects, as well as chunks and cores, to achieve the best packs.

Snow Peas and Sugar Snap Peas

Quality and supply are good.

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.

Yellow Squash/Zucchini

EAST: There are a lot of areas in the east in full production. Many growers have moved into new plantings with more yield and better quality. MI is the leader with the most volume available. Pending weather, things should continue to rock and roll for the next few weeks. FOBs remain low and quality is good.

WEST: Santa Maria's supply is a little light as they wrap up their 2nd and 3rd plantings and with cooler temps moving in. Baja is also a little light but is anticipating an increase in the next 10-14 days. Watsonville/Salinas and Fresno are continuing their seasonal crop with limited supply. Despite all areas being light, there is still enough supply to fill demand. FOBs remain fairly low with good quality available.



MARKET TRENDS

WEEK ENDING AUGUST 23, 2019



PERFORMANCE
FOODSERVICE



Produce *(continued)*

TOMATOES

EAST Rounds

Round tomato harvests have been light in the east the last few weeks. VA is in their seasonal gap, leaving them out of the pictures for the next few weeks. TN, NC, MI & NJ will have to handle demand. Small fruit (6x7 & 6x6 bulk sizes) is the shortest. With MX & CA also experiencing supply gaps, FOBs inch up again in the east. Quality is a wide range across the board and extremely fragmented. Overall, quality is fair, and we recommend keeping inventory as tight as possible. Fruit is soft and shelf life is mostly affected.

Romas

Roma tomato harvests continue to be light in the east, as they have been the last few weeks. TN is in the driver seat with volumes remaining mostly steady. FOBs are steady with fair to good quality available.

Grapes

There are grapes coming from many areas, but not any one area has an abundance of supply. FOBs are split between regions & quality is driving the market. Better quality demands a higher price point. We recommend keeping as tight of an inventory as possible due to the short shelf life from heat and rain during the growing cycle.

WEST/MEXICO

Rounds

CA Mature greens are also shipping very light cases this week and will remain light for the next 2-3 weeks until we are in the next crop rotation. When the current fields were planted back in May, there were a number of weather events that negatively affected yields and quality. Additionally, typical heat waves are taking a toll on the already tired plants. MX vine ripers continue to ship in light volume. Small fruit is also short in the west, with 6x7 and 6x6 sizes the most difficult to procure. We highly recommend having a plan B/sub option if called upon. FOBs are up due to the lack of supply. Additionally, quality is very poor. We recommend keeping as light of an inventory as possible. Fruit is soft and shelf life is negatively impacted from the heat and rain.

Romas

Roma volumes are adequate in CA, but quality remains poor. Most demand is leaning on MX to bear the burden where quality is slightly better, but supply is lacking. We expect a little more fruit in a few weeks when Baja starts their new plantings.

Grapes

West markets are also experiencing light supplies. Between cool and rainy weather, planned acreage decreases, and continuous quality concerns, numbers are down across the board. The transition to new crops is coming, but it has been a very slow process. FOBs are steady but feeling pressure. Quality is fair to good. Please keep inventory as tight as possible.

Cherries

Cherry tomato prices look to be flat for the week. Supply looks to be covering the current demand. Quality is good.

Watermelons

Good supply crossing through Nogales and McAllen. New crop is also available out of the desert and South Georgia. Quality is outstanding .

