

**From:** Market Reports <Market\_Reports@sshermanassociates.com>

**To:** Market Reports <Market\_Reports@sshermanassociates.com>

**Subject:** Produce Update 1-7-16 IMPORTANT

**Date:** Sat, Jan 9, 2016 9:48 am

**Attachments:** image002.png (822K)

---

Important... Please note the following information

Light showers (approximately .15 inches) fell this morning

The majority of growers have cancelled harvests

Some suppliers packed over the weekend in anticipation of the rain

Quality related defects such as excess mud, increased decay exhibited at the site of epidermal peeling, and premature pinking will be present in the field

More outer leaves will be peeled to remove these defects, resulting in lighter, paler packs

Production crews will cover pallets to minimize mud and water damage during harvests and transfers

Expect loading delays due to poor field conditions

Rain is forecast throughout the West Coast and desert regions over the next several days

---

#### UPDATE SUMMARY: WEEK OF JANUARY 4, 2016

Rain in the Arizona and California growing regions has stalled harvesting crews and diminished citrus, green leaf, iceberg, romaine, and strawberry harvesting. Expect tight stocks and increased prices into next week. Cilantro and green onion supplies are decreasing as cold weather and rain in Northern growing regions of Mexico and Ventura, California have drastically reduced stocks; expect elevated prices and tight supplies over the next several weeks.

#### California Rain Affecting Citrus

- Citrus growers harvested ahead of this week's rain, but supplies have tightened
- Fruit must dry before harvesting can resume
  - Skin break down and brown spotting will occur if fruit is picked while wet
  - Fruit becomes pliable, causing damage during harvesting and packing
  - Wet weather decreases shelf-life
- Prices will rise due to limited stocks
- Expect large sizes to dominate supplies; increased growth is a result of extended periods of rain

#### Cilantro and Green Onions

- Green onion and cilantro supplies are decreasing
- Both markets are escalating
- Large sizes are extremely limited; the majority of onions being harvested are small (in length and diameter)
- Premature yellowing and shortened shelf-life are becoming concerns in cilantro crops

- Expect elevated prices and low volume for the next several weeks

#### Garlic

- Domestic garlic yields remain extremely low; the maturity of many bulbs was compromised by warmer winter weather and unseasonable rains
- Peeled garlic is being processed at a much slower rate in order to cull poor quality cloves  
Defects will vary as growers move through different lots, but issues will be apparent to some degree until new crop stocks are available  
Abnormal rains in June and July added heat and moisture to the garlic, causing some cloves to deteriorate  
Imported garlic is on the market at slightly lower price levels

#### Grapes

- New crop Chilean harvests are behind regular seasonal schedules; vessels that arrived into West Coast ports are experiencing unloading delays due to the rainy weather
- Prices are climbing; stocks are tight
- **Markon First Crop (MFC) Grapes are not available in 21-pound portion packs;** packer label supplies are being substituted
- Expect prices to continue rising as the California season ends

#### Onions

- Excessive heat and rain in the Northwest during the summer growing period decreased the quality of this year's onion crop; this season is forecast to end earlier than normal
- Field volume was low, decreasing storage shelf-life and forcing the growers to sell sooner than expected
- Red and white onions will remain available through early to mid-March; the yellow season will wind down in mid-April  
**MFC Onions will remain available through mid-April**

#### Ready-Set-Serve (RSS) Cauliflower

- Supplies are starting to increase
- Expect markets to continue easing for the next several weeks

#### Strawberries

- Cold weather and rain have put the market into a demand-exceeds-supply situation
- Availability is better in Florida and Mexico (into South Texas); Mexican-sourced strawberries are being shipped into California to help fill orders  
**MFC and Markon Best Available Strawberries are not available; packer label supplies (in one-pound clamshells) are being substituted**
- Expect tight stocks and elevated prices through January

#### Tender Leaf Items

- Freezing temperatures and heavy rain in the Arizona/California desert region is causing

quality problems in tender leaf items such as arugula and cilantro

- Cold temperatures have stunted growth, limiting stocks
- Expect limited supplies and shortened shelf-life over the next several weeks

### Tomatoes

- Supplies are limited in both Florida and Mexico due to erratic weather
- Prices are high; production is limited
- The market will remain elevated through January

### West Coast Prices

- Celery, green leaf, iceberg, and romaine prices are rising; this week's wet conditions in the desert growing region are limiting production and diminishing supplies
  - Frost-related defects are reducing yields and driving up raw-product processor demand
  - Expect elevated prices into next week
  - Domestic broccoli supplies are adequate, but wet weather is limiting production
  - Although broccoli quality is good, rain will cause some pin rot and decay in the field
  - Expect steady broccoli prices through next week
  - Cauliflower supplies are increasing; prices are easing
- 

### UPDATE: ONIONS

The Northwest onion season in Idaho, Oregon, and Washington is forecast to end earlier than normal. Excessive heat and rain during the summer growing period decreased the quality of this year's crop. Field volume was low, decreasing storage shelf-life and forcing the growers to sell sooner than expected. Markon predicts that red and white onions will remain available through early to mid-March. The yellow season will wind down in mid-April.

### Idaho, Oregon, Washington, and Utah

#### **Markon First Crop (MFC) Onions will remain readily available through mid-April**

Current stocks are approximately 15% below last year's Northwest volume

Hot, rainy summer weather during the growing period kept supplies tighter than normal

While a large proportion of the crop continues to be of good quality and adequate size, there are more problems than in years past

Expect steady to slightly higher price levels through the rest of the season

- Red and white onion prices will rise at a much faster rate than the yellow market as volume is lower
- Both export and domestic demand are average

### Mexico

Overall acreage is comparable to recent seasonal norms

- Limited quantities of packer label yellow stocks will become available the week of January 18
- Expect red and white onions to reach the marketplace by mid- to late February
- Stocks will be on the market through March

While early season rain will cause sporadic problems, recent weather has been ideal for growth

### South Texas

Early estimates indicate planted acreage is down approximately 20% compared to last year; this continues to be a year-over-year trend

Pending weather-related issues, MFC Yellow Onions will become available in early April; red and white supplies will hit the market in mid-April and be available through May

### California

Southern California plantings have begun; acreage is comparable to previous years

A strong El Niño effect would increase precipitation and snowpack, creating favorable conditions in the San Joaquin Valley

The larger the water supply, the greater the ability growers have to generate a healthy crop

---

### FROM THE FIELDS: MORE DESERT REGION RAIN

Light rain began falling early this morning in the California/Arizona desert growing region. Showers are expected to continue throughout the morning hours and bring approximately .20"-.25" of rain to the main growing areas. Harvesting crews are currently on stand-by awaiting field assessments to determine if they will be able to harvest today. Many crews struggled in muddy conditions yesterday after a previous storm this week and will continue to be slowed down significantly over the next several days.

In addition to the rain, daytime highs will be cooling to the low 50s-to-low 60s with a chance for light lettuce ice on Friday, January 8, followed by a chance for another .20" of rain between Saturday, January 9 into Sunday, January 10.

Markon inspectors continue to monitor field conditions and quality of commodity and value-added items that are sure to be impacted by the recent combination of rain and cold weather, and will updated further as needed.

cid:image004.png@01D14911.B31BA4A0

1 Attached Images

