

MARKET TRENDS

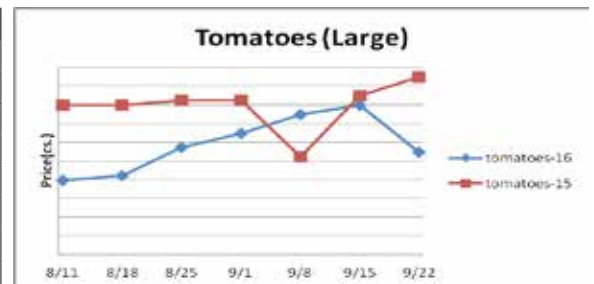
SEPTEMBER 30, 2016



Produce

Avocados, brussels sprouts, garlic, tomatoes, and Napa are all light in supply and high in prices. Lettuce and melons are holding steady. Cauliflower and Romaine are great buys. The lettuce markets continue to trade at relatively engaging levels for buyers. Lettuce demand has been seasonally slack, while production has been more than adequate. The overall iceberg lettuce supply last week was 11.3% better than the same week last year. Fairly attractive lettuce prices could persist in the near term. The Idaho potato markets have been relatively deflated as of late as well. The fall potato harvest is building putting downward pressure on potato prices. As of September 18th, 33% of the Idaho potatoes had been harvested. Seasonal charts indicate that inexpensive potato prices should persist next month.

Description	Market Trend	Supplies	Price vs. Last Year
Limes (150 ct)	Increasing	Good	Higher
Lemons (95 ct)	Steady	Good	Lower
Lemons (200 ct)	Increasing	Short	Higher
Honeydew (6 ct)	Decreasing	Good	Lower
Cantaloupe (15 ct)	Decreasing	Good	Lower
Blueberries (12 ct)	Increasing	Good	Higher
Strawberries (12 pnt)	Steady	Good	Lower
Avocados (Hass 48 ct)	Steady	Good	Higher
Bananas (40 lb) Term	Decreasing	Good	Lower
Pineapple (7 ct) Term	Decreasing	Good	Lower
Idaho Potato (60 ct 50 lb)	Decreasing	Short	Higher
Idaho Potato (70 ct 50 lb)	Decreasing	Short	Same
Idaho Potato (70 ct) Term	Decreasing	Short	Lower
Idaho Potato (90 ct 50 lb)	Decreasing	Short	Lower
Idaho Potato #2 (6 oz 100 lb)	Decreasing	Short	Higher
Processing Potato (cwt)	Steady	Short	Higher
Yellow Onions (50 lb)	Increasing	Good	Higher
Yellow Onions (50 lb) Term	Decreasing	Good	Lower
Red Onions (25 lb) Term	Decreasing	Good	Lower
White Onions (50 lb) Term	Increasing	Good	Lower
Tomatoes (lg case)	Increasing	Good	Lower
Tomatoes (5x6 lb) Term	Decreasing	Good	Higher
Tomatoes (4x5 vine ripe)	Decreasing	Good	Lower
Roma Tomatoes (lg case)	Decreasing	Good	Higher
Roma Tomatoes (xlg case)	Decreasing	Good	Higher
Green Peppers (lg case)	Increasing	Good	Higher
Red Peppers (lg 15 lb case)	Steady	Good	Lower
Iceberg Lettuce (24 ct)	Decreasing	Good	Lower
Iceberg Lettuce (24 ct) Term	Decreasing	Good	Lower
Leaf Lettuce (24 ct)	Increasing	Good	Lower
Romaine Lettuce (24 ct)	Decreasing	Good	Lower
Mesculin Mix (3 lb) Term	Steady	Good	Lower
Broccoli (14 ct)	Increasing	Good	Lower
Squash (1/2 bushel)	Decreasing	Good	Higher
Zucchini (1/2 bushel)	Decreasing	Good	Higher
Green Beans (bushel)	Decreasing	Good	Higher
Spinach (flat 24)	Decreasing	Good	Lower
Mushrooms (10 lb lg) Term	Steady	Good	Higher
Cucumbers (bushel)	Decreasing	Good	Higher
Pickles (200-300 ct) Term	Increasing	Good	Higher
Asparagus (sm)	Decreasing	Good	Higher
Freight (truck CA-Cty Av)	Increasing	Good	Higher



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Produce

Apples & Pears

New crop Washington Gala, Golden Delicious, Granny Smith, and Red Delicious apples are on the market; Fuji Apples are limited, but increasing. Honeycrisp supplies are also available now. Braeburn and Pink Lady stocks will be on the market in early October. New crop quality is excellent. Sugar levels range from 11 to 14 Brix (sugar to acid ratio). New crop Washington Bartlett and D'Anjou stocks are increasing. Quality is excellent: sugar levels average 12 Brix.

Artichokes

We expect good supplies of Artichokes this week; supplies industry-wide have increased. Better volume is expected in the upcoming weeks. Demand is off a bit, but that is typical for the summer. Prices are steady to lower on some sizes.

Arugula

Supplies of both baby and wild arugula are good. Quality is fair and improving.

Asparagus

Once again, we are seeing the bigger sizes tighten up with prices moving higher. Quality is good.

Avocados

Extreme market: Industry supplies will probably be tight for another week or so. This is a result of the lack of fruit coming out of Mexico and the California season coming to an end sooner than expected. Peru's season will be coming to an end sometime in mid-September. Mexico simply does not have the volume to pick up what we are losing out of California until their normal crop is mature enough for harvesting. Mexico will soon be the only supplier for the US and demand is heavily outpacing supply.

Bananas

There is an unseasonably strong demand that has developed for growers in Central America, as supply has been disrupted from the Philippines.

Berries:

Blueberries

West Coast berries are getting tighter and we are seeing prices start to rise. Florida and Georgia have finished their seasons. Fruit is smaller and we are seeing some mold issues. Volume will drop significantly in September during harvest transition.

Blackberries

We are currently seeing steady supplies with good quality and a great flavor profile. The season in Central Mexico is winding down. Volume will drop significantly in September

during harvest transition. Sugar levels range from 12 to 13 Brix.

Raspberries

Steady volume with consistent quality. Oxnard remains the primary district, with Santa Maria and Watsonville-Salinas volume trending higher. Quality is average: softness is a slight issue. Sugar levels range from 13 to 14 Brix.

Strawberries

The market is holding steady. Prices are better. Quality is average.

Bok Choy

Availability is good.

Broccoli

Supplies are much lower this week. Prices are steady. Good green color and texture.

Brussel Sprouts

The market continues to advance. Supplies are very tight. Quality is good, although there is occasional insect damage and discoloration. Prices are high and escalated.

Cantaloupe

Market is steady and trying to firm up as we have had excellent demand which has helped to clean up any older fruit that some guys had. The overall quality of the fruit is good with a green to straw cast some uneven netting but cuts excellent with very good sugar and tight cavity. We will continue to have good supplies and good quality as the weather looks to be holding to a normal pattern in the low 90's which is ideal for Cantaloupe. We should have good supplies through mid-October here on the Westside and then we will transition to the California desert through November. Quality is excellent: sugar levels range from 11 to 13 Brix.

Carrots

Great quality and supply.

Cauliflower

Supplies are good. Quality is good with good weight and white to creamy color.

Celery

Supplies are plentiful, with many growers in Salinas now. Quality is good and prices are low. Some light insect damage and light dirt in bottom of stalks.



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Produce *(continued)*

Corn

Midwest Sweet is still available but the prices have gone up and stabilized. Quality is still good but production will be finishing up over the next few weeks. New Crop Georgia Sweet Corn will be starting next week, with Florida to follow soon after. Colorado Corn is still available, finishing up in October.

Cucumbers

East: Harvesting has started-up in the south GA fields. FOB prices are down on all grades. Our eastern NC fall crop is beginning to wind down.

West: Supplies are still tight. Prices are down slightly this week but are still strong. More supplies should come on-line toward the end of the month.

English Cucumber

Supply has declined for growers in Eastern Canada and prices have advanced sharply. Moderate production continues for growers in the coastal districts of Central California.

Eggplant

East: FOB prices are higher on all sizes and grades. Quality is good.

West: FOB prices are lower this week. Quality is good.

Fennel

Supplies for the week will be good.

Garlic

California is currently harvesting their crops, however the CA crop is still very tight. We have more demand than we do supply. We expect this market to remain pretty tight, as we are simply not producing as much US garlic as the market demands. This market's future is currently up in the air. We will know more as Chinese garlic comes into play.

Ginger

Chinese ginger is in good supply and being offered at a substantial discount, compared to ginger from Brazil.

Grapes

Market is steady with good to fair demand, we are harvesting all throughout the San Joaquin Valley and will continue to do so through November. The overall quality of the fruit has been very good with excellent color on the reds and nice firm clean fruit on the greens, as well as high sugar content. We have several different red varieties available that have some excellent flavor as well and it looks like we will have very good supplies of fruit going forward, we have seen very little damage from the excessive heat we have been experiencing

which is a testament to the fruit strength. Green seedless sugar levels range from 18 to 20 Brix; red seedless levels are 20 to 22 Brix.

Green Beans

Extremely tight availability continues in Southern, Central, and Baja California. Moderate production in New York and Tennessee.

Green Cabbage

Steady this week. Prices are climbing a bit; quality is good with some reports of insects.

Red Cabbage

Quality and sizing have been great, with good color. Overall, the market is strong.

Green Onions

The market is seeing a lot of quality issues in green onions. We are seeing a very high percentage of smalls being packed. Prices are moderate and supplies are getting tighter.

Honeydew

Market is steady with good supplies across the board peaking on 6's, the overall quality is excellent with nice clean fruit solid and crisp and cuts excellent. We are seeing occasional sunburn but overall some very nice fruit and we will continue to see nice fruit going forward as the future forecast looks to be normal with no extreme heat. We will have good supplies here on the Westside through mid-October and then transition to the desert through October until the offshore starts to show up. Quality is excellent: flavor is sweet. Sugar levels range from 10 to 12 Brix.

Kale (Green)

Demand is steady and quality is very good.

Lemons

Market still demand exceeds supply on 165's and smaller both grades with some better availability on the larger fruit. We have started in a very light way on the California Dist. 3 fruit and will ramp up volume in the coming weeks and hopefully be going strong by the first week of October. The fruit in dist. 3 is on the larger side so smaller fruit will continue to be a battle but we will keep you posted as we get going with better volume and hopefully there is enough smaller fruit to help ease the demand exceeding supply situation. The overall quality out of there will be good, but the first month or so we will be gassing the fruit to bring



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Produce (continued)

on the color and right now we are gassing for 5-days which can cause some spotting and some soft fruit. Our heaviest volume right now is out of Mexico and they are also fighting to get the smaller sizes and peaking on large fruit. The overall quality is fair to good with some of the fruit having some heavy browning which is called Diplodia and it is something that develops 3-5 days after packing and will turn the fruit completely brown. We are trying to keep a very close eye on the quality once we receive here in California.

California Lettuce: Green and Red Leaf

Supplies on green leaf are light and will remain this way for the next two weeks. We are seeing the occasional fringe burn. Demand is normal for red leaf with good quality.

Iceberg Lettuce

We expect it to remain steady due to good weather and lower acres. Overall quality is good.

Romaine

Supplies are great and demand is good. There have been some reports of insects. Quality is good.

Romaine Hearts

Supplies are plentiful!! Demand has slowed with quality remaining good.

Limes (Persian)

Quality is good. Prices are higher. The 110 & 150ct availability remains tighter than other sizes. Color and quality are very good at this time.

Mangos

Supply is abundant, prices are low, and quality is good.

Napa

Supplies are lower. Demand is strong with lower prices. Quality is good with increased reports of internal defects, primarily with seeders. Prices are high.

Onions

The onion market seems to have stabilized on all colors, and is expected to remain steady, as all supplies are coming out of the northwest. The size profiles are getting larger, so we are seeing better availability on all sizes. More growers in the northwest continue to start, but with the other regions finishing, supply and demand have leveled off. Growers will begin to fill their storages over the next several weeks

Oranges

Market is very strong and demand is exceeding supply on

113's and smaller as we are peaking on some bigger fruit, and there are some deals to be made on 72's and 56's. The demand exceeds supply situation and we will be fighting to cover the 113's and 138's until we start California navel around the middle of November, we will keep you posted as we go through these trying times and do all we can to cover the orders. The overall quality of the fruit is fair to good, with some fruit showing heavier green color due to our hot temperatures and the natural reaction of a later season Valencia as well as some heavy scarring. The Valencia we are harvesting is about 16 months old on the tree as the tree is also carrying next year's crop. The fruit has very good sugar and excellent juice content, but it is a Valencia so color is not a beautiful consistent orange color there will be a variance in color from greenish yellow, to orange in the carton. We will start the California navel around the first of November and go through about June. Sugar levels range from 13 to 15 Brix.

Parsley (Curly, Italian)

Prices are normal and quality is excellent.

Green Bell Pepper

East: The FOB market in the east remains active with prices generally steady. The southern GA crop starts up this week. We will keep an eye out for bacterial pressures due to the recent rain and storms.

West: FOB prices are lower for all grades and sizes. Quality remains good.

Jalapeño Pepper

East: FOB prices are steady with downward pressure this week. West: FOB price are generally steady this week.

Red & Yellow Pepper

California prices are weak; stocks will remain abundant for another one to two weeks. Domestic quality is excellent.

Pineapple

Demand is good and prices are stable. Market is very active. Please book ahead of time, as product is tight. Due to rain and flooding, pineapple growers were unable to plant on schedule, causing a shortage in supply. We expect this to catch up in about 6 weeks. Sugar levels range from 13 to 16 Brix.

Idaho Potatoes

Growers are still exclusively shipping new crop Norkotahs at the moment. We will start seeing the first Burbanks being shipped next week in very small volumes. By the



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Produce *(continued)*

second week of October, there will be plenty of Burbanks shipping out.

Radishes

Market is slightly below average due to lighter supplies out of Mexico. Quality is average with reports of insect damage.

Salad Blends

Prices are level; supplies are ample. Quality is very good: romaine is displaying slightly more rib pieces in finished product, but color has improved.

Snow and Sugar Snap Peas

Snow and sugar snap peas currently have high demand with good quality.

Spinach (Bunched)

Supply is good and demand is strong. Quality has improved. We are still seeing some sun scalding and tip burn, but this has improved. There have been some reports of insects, but this is getting better.

Spinach (Baby)

Baby Spinach and Clipped Spinach supplies are light. Quality is fair to good with good prices. There are some reports of insects.

Spring mix

Lots of product and quality is good.

Green Squash

East: FOB prices generally steady with downward pressure. Quality continues to improve.

West: FOB prices are lower this week on all grades and sizes. Crossings at Baja and Nogales. Quality is good.

Yellow Squash

East: The West is continuing to determine market FOB prices this week for most dry veg commodities. In the east, there is a wide range of FOB prices which correspond to the quality of the product. Quality in general continues to improve.

West: FOB prices are steady with downward pressure due to increased supplies.

Tomatoes

East

Rounds

Supplies in the east continue to be light and fragmented. The hot and rainy weather has caused volume and quality to remain variable. We predict that we will be able to harvest our NC, TN and VA fields for another 10 days to two weeks. These fields are coming to an earlier-than-normal end due

to the extreme heat and rains we have experienced this summer. The Quincy fields have begun to produce in a very light way. It will not be until sometime during the first week of October before volume reaches full production out of those fields. The first tomatoes out of this crop will show some scarring due to the high winds the fields went through from the tropical storm two weeks ago. The quality of the fruit behind that looks better. FOB prices continue to remain in a narrow range with the price of 5x6s and 6x6s falling slightly. We expect tomato prices to continue to remain within a narrow range for another 1-2 weeks.

Romas

FOB prices are down moderately for all sizes compared to last week with the medium size continuing to be a couple of dollars down from the larger sizes.



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PERFORMANCE
FOODSERVICE



Produce *(continued)*

Grapes

FOB prices are down slightly this week. Quality continues to be variable but is improving.

Cherries

FOB prices have fallen again this week. Quality and shelf-life continue to be variable but is improving.

West/Mexico

Rounds

Vine-ripes continue to cross primarily at Baja. However, Tropical Storm Paine is bringing wind and rains and will keep growers out of the fields for several days. Supplies should continue to cross until mid-November. Few are currently crossing at McAllen and a very limited amount has begun to cross at Nogales. CA mature-green growers continue to harvest. Supplies are generally light with a wide range in quality. FOB prices are down on all sizes.

Romas

Supplies continue to come out of Baja and CA with a wide range in FOB prices which correspond to the quality of the fruit. Few to none are currently crossing at McAllen. Regardless of quality, FOB prices are down again this week on all sizes.

Grapes

Product continues to cross mainly out of Baja. FOB prices are steady from last week.

Cherries

Supplies continue to be light and prices are generally steady from last week. Quality is fair to good.

Tree Fruit

The market is starting to climb; the domestic nectarine and peach seasons will end next week. Plums will be shipped another two weeks. Quality is very good: fruit is juicy and sweet. Sugar levels range from 12 to 14 Brix.

Watermelons

Prices are unchanged. California stocks are ample; growers will continue to harvest in the San Joaquin Valley for another three to four weeks. Quality is very good: softer-than-normal internal texture is a slight problem due to recent heat. Sugar range from 11 to 13 Brix.

