

MARKET TRENDS

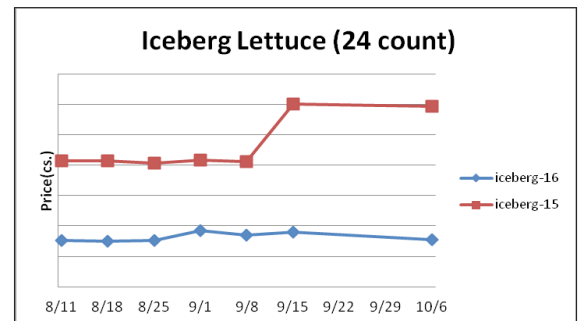
OCTOBER 14, 2016



Produce

Garlic, tomatoes, and grapefruit are all light in supply and high prices. The berry market seems to be back and forth. Lettuce, broccoli, and cauli remain in good supply. Avocados are in another very extreme market. The lettuce markets continue to trade at relatively engaging levels for buyers as supplies remain at least sufficient for today's demand. The chief lettuce production area will begin to transition south to Huron, California in just a few weeks and then on to the Yuma- Imperial Valley area shortly thereafter. No major lettuce supply gaps are anticipated during the output region shift but the move could be accompanied with some market volatility. Heavy precipitation in Florida over the last couple of weeks could shorten the tomato harvest this fall. History suggests that higher tomato prices could be forthcoming. Stay tuned for what impact Hurricane Matthew will have on Florida, Georgia and NC crops.

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



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Produce

Apples & Pears

New crop Washington Braeburn, Fuji, Gala, Golden Delicious, Granny Smith, and Red Delicious Apples are now available. Honeycrisp and Pink Lady stocks are also on the market. New crop quality is excellent. Sugar levels are high, ranging from 14 to 18 Brix (sugar to acid ratio). New crop Washington Bartlett and D'Anjou fruit is available; the crop is dominated by small sizes. Sugar levels range from 12 to 14 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

The market is stable and quality is good.

Avocados

The avocado market has been experiencing extreme shortages and very high prices.

Bananas

A strong demand has developed for growers in Central America, as supply has been disrupted from the Philippines.

Berries:

Blackberries

Blackberry supplies continue to decrease as production transitions from US regions to the regions in Central Mexico. This transition will happen over the next three weeks, with low supplies continuing for that time frame. There was a slight impact to overall blackberry supply due to the mentioned high temperatures, but with the arrival of cooler weather we should see harvest schedules get back to normal. Quality is good to very good.

Blueberries

Blueberry supplies are a little better than they have been the last several weeks. Transfers from Chile and Central Mexico have begun to arrive earlier than expected. Although quantities continue to be low, a light uptrend in supplies is expected in the coming weeks as Chile and Central Mexico become our predominant supply source. Order fill will improve in the coming weeks and that is our overall objective. Chilean blueberry quality is good to very good. Central Mexico blueberry quality is very good.

Raspberries

Raspberry supplies are finally showing an upward trend. The high temperatures held back some fruit but plants are releasing now that temperatures have cooled. The weather forecast for the next two weeks calls for mild temperatures for all California regions. There is light rain forecasting for next week and we will send another update if this materializes. There has been a slight increase in volume from all areas as plant performance improves and production gets back on schedule. Quality continues to be good to very good, with no sign that berries were affected by the warm temperatures.

Strawberries

Strawberry production continues to decline in the northern regions. We are seeing production increase out of Santa Maria and begin out of Oxnard, but volume from these two growing regions will not compensate for the loss of volume from the northern regions; supplies will continue to decline in the coming weeks. Due to the high temperatures in the early part of this week, quality on orders shipped will be marginal.

Bok Choy

Availability is good.

Broccoli

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

Brussels Sprouts

The market is good. Supplies are getting good this week. Quality is good, although there is occasional insect damage and discoloration.

Cantaloupe

Market has strengthened up as we are finishing on the Westside and will transition down to the desert by next week. The overall quality of the Westside fruit is excellent right now with very good sugar and color and nice clean net and tight cavity, and should be finished by the first of next week. The desert fruit will start out with mostly a green to straw cast and sugars look like they will be good to start and hopefully quality stays strong. We will keep you posted as we progress in the desert, and will hopefully have enough fruit to get through November.

Carrots

Great quality and good supply!

Cauliflower

Supplies and quality are good. Good weight with white to creamy color.



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Produce *(continued)*

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.

Cilantro

We are seeing much improvement in this market. Prices have come down and quality is good.

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. MI and NJ have finished. FOB prices are currently steady.

West: Supplies have improved with product crossing at Baja and Nogales. Prices are down on all grades and sizes.

English Cucumber

Continued tight availability from eastern Canada. Steady availability from Central California coastal districts; Nogales shippers will not have consistent supply until early November.

Eggplant

East: FOB prices are lower on all sizes. Quality is good.

West: FOB prices have fallen again. 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 very good supplies of fruit going forward that should last us through December.

Green Beans

Georgia growers are now harvesting beans, production is increasing. A wide range in price exists for beans coming from Central & Southern California.

Green Cabbage

Cooler nights and shorter days will have volume down on cabbage. Steady this week. Prices are climbing a bit; quality is good with some reports of insects.

Green Onions

The market is improving. We are still seeing a very high percentage of smalls being packed. Prices are moderate and supplies are getting better.

Honeydew

Market has also strengthened and on the verge of finishing on the Westside, there is some fruit from northern California that has been looking very good with nice green to cream color and excellent sugar content as well. The desert has also started in a light way and volumes will continue to increase next week and should have fruit down there through November.

Kale (Green)

Demand is steady and quality is very good.

Lemons

Market strong to steady as we are still harvesting out of Mexico, and there is still some Chilean arriving on both coasts and will probably continue to arrive for another 2-3 weeks. We have started the D-3 new crop lemons in a light way and will ramp up volume by next week and should be off to the races with new crop California. The overall quality on the new crop looks good, but we are gassing the fruit for 4-5 days to bring on the color so some of the choice will show some spotting and checkerboard color which will continue to get better in the coming weeks. We will also try to start D-1 lemons by the middle of November and we are all looking forward to these new crop lemons.



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California Lettuce: Green and Red Leaf

Supplies on green leaf are normal. We are seeing the occasional fringe burn. Demand is normal for red leaf with good quality.

Iceberg Lettuce

Expected to remain steady due to good weather and lower acres. Overall quality is good. The 100 degree weather could possibly affect the quality.

Romaine

Supplies are great and demand is good. There have been some reports of insects and some fringe burn due to the heat; we are seeing some reports that product is breaking down faster than normal due to the heat.

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

Onions

Most of New Mexico finished up over the weekend with only a select few still producing. As a whole the state should be done in the next 10 days. The San Joaquin Valley in CA is also still in the mix with some limited supplies mostly jumbos yellows and reds. Idaho/Oregon is now in full production will all sizes and varieties available. The skin is a little light right now but that will change as harvest progresses. Prices should remain stable over the next week. The crop as a whole looks pretty good but there are some seed stem being reported, not sure if or how this will affect the market as we move forward.

Oranges

Market is strong with Valencia's winding down, the overall quality is fair with some soft fruit and checkerboard color but juice and sugar content are excellent. The 88's and smaller continue to be very tight and there are some deals

to be made on large fruit, as we will continue to pack Valencia's through the end of October. The navels are coming on better than expected and we will start around the third week of October as our temperatures have started to cool which is helping to break color, and also the fluctuations in the daytime to night temperatures are also helping to bring on sugar content. We will be gassing the fruit for approx. 5-days to bring on the color, so color will be a light orange to yellow color in the beginning and interior color will also be on the lighter side, the juice content will not be anything like the Valencia's. The navel crop is a bit lighter than last year and size structure is a little larger due to the lighter crop, but we should have good volume of all sizes and grades for the first few months and then the smaller fruit could tighten up.

Parsley (Curly, Italian)

Prices are normal and quality is excellent.

Green Bell Pepper

East: Product remains plentiful this week with the southern GA crop started up. FOB prices are steady with continued downward pressures. All eyes are on Hurricane Matthew.

West: FOB prices are lower for all grades and sizes but we are seeing an uptick in demand which may start to put pressure on prices. Quality remains good.

Jalapeño Pepper

East: FOB prices are generally steady again this week.

West: FOB price are steady to slightly lower this week. Quality is good.

Red & Yellow Pepper

Prices are inching up; California growers are moving from the coast to the Coachella region. Domestic quality is excellent.

Pineapple

Demand is good and prices are stable. Market is slowly getting better.

Idaho Potatoes

New crop harvest is now in full production. Fob prices on the Norkotahs have been pretty steady for the past week but most expect some downward movement as supplies build. Quality has been very nice with only some limited skin immaturity. Early sizing reports are showing a nice even distribution of size but it is still very early and current size profiles are not necessarily indicative of what the crop as a whole is going to produce.



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Produce *(continued)*

Radishes

Quality is good! Plentiful supply.

Red Cabbage

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

Salads & Blends

Prices are stable; volume is high. Quality is average: twisted romaine heads are increasing rib material and long core in some finished packs.

Snow and Sugar Snap Peas

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 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 are lower this week as more supplies become available. Quality continues to improve. All eyes on the storm.

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

Yellow Squash

East: FOB prices are down again on all grades and sizes. Quality in general continues to improve but the storm can change conditions quickly.

West: Crossings have begun at Nogales. Supplies are more plentiful causing FOB prices to be lower again this week. Quality is good.

Tomatoes

East

Rounds

As predicted several weeks ago, FOB prices for eastern round tomatoes continue to remain within a narrow range. This week they are generally steady with a little downward pressure. Supplies continue to be light and fragmented. Pricing in the east continues to be dictated by the west. We expect prices to remain within a narrow range for the next

week or so unless the western fields receive rain. If those fields receive rain we expect a sudden and rather large increase in FOB prices. Demand continues to be weak. We continue to be in transition to our southern growing regions. We expect the rains and winds from Hurricane Matthew to put an end to our season in VA and SC. Yields are already extremely light from those fields. We predict that we will be able to harvest our NC, TN and SC fields for another week to 10 days with limited volume and variable quality. These fields are also 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 but it will not be until around the tenth of October before volume reaches full production out of those fields. Latest field reports from Quincy indicate average quality and lower yields for a fall crop. We are keeping a close eye on Hurricane Matthew to see how it will effect crops in FL and GA. We will keep you posted on the effects of the storm.



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Produce *(continued)*

Romas

Like the rounds, quality is extremely variable with a wide range in FOB prices corresponding to the quality. FOB prices are higher for all sizes this week.

Grapes

FOB prices are generally steady this week with slight upward pressure. Quality continues to be variable.

Cherries

Demand is good again this week as the west is extremely short which has caused FOB prices to increase. Quality and shelf-life continue to be variable.

West/Mexico

Rounds

Vine-ripes continue to cross primarily at Baja. Supplies should continue to cross until mid-November. Vine-ripes are also crossing at McAllen and a limited amount continue to cross at Nogales. CA mature-green growers continue to harvest. Both MX and CA fields continue to receive more rain this week. It has rained on these fields much more than is normal. Supplies are generally light with a wide range in quality and FOB prices. Prices for quality product remains generally steady from last week. Prices for the largest sizes crossing from MX are also generally steady from last week.

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. The rains have had a greater impact on romas. A few are currently crossing at McAllen. For quality fruit FOB prices are up substantially on all sizes.

Grapes

FOB prices are up slightly from last week. Quality is variable.

Cherries

Supplies have become extremely tight and prices are up again slightly. Due to the lack of supplies, re-packers are having to go east to meet demand. Quality is fair to good.

Tree Fruit

The domestic nectarine, peach, and plum seasons have officially ended; expect extremely limited stocks until all are depleted (one to two weeks). Quality is very good: fruit is juicy and sweet. Sugar levels range from 12 to 14 Brix.

Watermelons

Expect stable prices for the next two weeks. The California season is ending, but supplies are increasing in the Arizona desert and Mexico. Quality is best in Arizona. Sugar levels range from 11 to 13 Brix.

