

MARKET TRENDS

NOVEMBER 10, 2017

PERFORMANCE
FOODSERVICE



Produce

Last week, iceberg lettuce shipment from California rose 5.1% from the previous week and were 6% better than the same week last year. Lettuce supplies should remain adequate in the near term which could keep downward pressure on the markets. Lettuce, romaine and leaf items are steady. Oranges and carrots will remain in short supply. Tomatoes are now in a very **extreme** market. Iceberg, romaine and leaf items will transition in the beginning of November, and broccoli and cauliflower will be closer to December. Avocado prices are on the decline as well as the volumes continue to improve from Mexico. Still, U.S. avocado imports remain below last year which could temper any further downside movement in the markets.

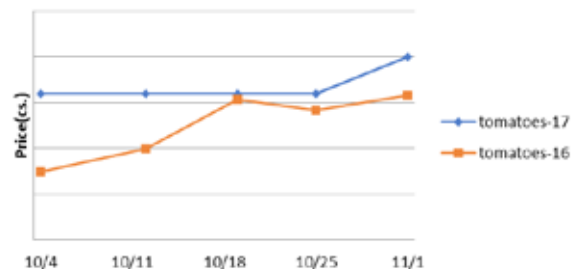
TOMATO WEATHER UPDATE – EAST, WEST AND MEXICO

ACT OF GOD - As we transition into southern Florida for the fall and winter tomato programs, we are witnessing the situation we have all been aware was coming for some time now. On September 10, 2017, Hurricane Irma devastated several growing districts throughout Florida with winds over 100 miles an hour and catastrophic flooding. This weather event is currently impacting harvest of all vegetable items in the Ruskin/Palmetto region resulting in extreme yield deficits coming from the fields. In addition to this event in the east, we are seeing major issues on the horizon in the Baja with grape tomatoes and round tomatoes. In October and September, we saw major swings in temperatures that affected the bloom and pollination process causing very low production numbers. This in addition to a shorter California seasons has caused major shortages across the entire category

MARKET ALERT

- **Broccoli /Broccoli Florets – ESCALATED**
- **Carrots – EXTREME**
- **Cauliflower – ESCALATED**
- **Green Beans – EXTREME**
- **Melons (Honeydew & Cantaloupe) – ESCALATED**
- **Mushrooms – ESCALATED**
- **Oranges – EXTREME**
- **Snow & Sugar Snap Peas – ESCALATED**
- **Tomatoes (Cherries, Grapes & Rounds) – ACT OF GOD**

Tomatoes (Large)



MARKET TRENDS

NOVEMBER 10, 2017



PERFORMANCE
FOODSERVICE



Produce

Apples & Pears

Prices are stable. The California Granny Smith and Fuji apple seasons are over. Washington Fuji, Gala, Golden Delicious, Granny Smith, and Red Delicious Apples are on the market. Packer label Honeycrisp and Braeburn apples are also available. Brix levels range from 14-18. Pear prices are stable; supplies are ample. New crop quality is very good: sugar levels range from 12 to 14 Brix.

Artichokes

Steady market with higher prices. Quality is good.

Arugula

Supplies are low for baby and wild. Quality is fair. Prices are rising.

Asparagus

Good supply, prices are back to normal and quality is good.

Avocados

We are seeing higher volume crossing through Mexico. We expect a stable market through November. Quality is very good and expect a shift over the next several weeks to larger-sized fruit. FOB prices are backing down this week.

Bananas

Demand and quality are good and inventories are unchanged this week.

Green Beans

EXTREME - Supplies have tightened significantly over the past week due to cooler weather. South Georgia is the major growing area in the east currently and quality is just marginal. We will not see any improvement until production in the desert ramps up over the next 7 to 10 days in the west and Florida begins in approximately 3 weeks.

Berries

Blueberries

Blueberry availability will be getting better with imports and other markets starting up.

Blackberries

Blackberries are average in volume. Quality is average due to the heat, but seems to be improving.

Raspberries

Volume is light, quality is average but seems to be improving.

Strawberries

The market is getting very active. We are seeing prices vary due to quality. If we get rain in the next few days in California, we will see a price increase as well as poor quality.

Bok Choy

Quality is good and we are seeing some higher quotes on WGA cartons.

Broccoli / Broccoli Florets

ESCALATED Supplies are average. Quality is average with some heat damage. Prices are still high and expected to get higher.

Brussels Sprouts

Very high prices and tighter supplies remain but are leveling out. Quality is improving. We expect improvement in about 2 to 3 weeks.

Cantaloupe

Market very strong demand exceeds supply in the desert. The overall quality is very nice, fruit is firm and clean with a nice clean net, and overall just a very nice opening box. We have had some cooler temperatures which has helped to firm up the fruit and fruit is eating excellent we are peaking on 9's getting very few smaller. We will have fruit going forward here through November out of the desert region.

Carrots

EXTREME Due to the heat and rain, we are seeing some quality issues and a shortage on jumbo supplies as well as tables and cellos.



MARKET TRENDS

NOVEMBER 10, 2017



Produce *(continued)*

Cauliflower

ESCALATED - The fields are growing at a very slow rate. We are seeing a shortage in supply and an increase in price.

Celery

We are starting to see prices rise. Supplies are bit lighter. Some slightly dehydrated and occasional flag and pith. Quality is just okay.

Cilantro

Quality is poor; there is still yellowing with some decay. Prices are average.

Corn

Sweet corn is very tight as Hurricane Irma has shown its effect. This shortage should last for at least two weeks with slight relief around the 20th of the month. One larger grower does not anticipate going until December 1st.

Cucumbers

East: With GA going strong and FL just bunting the ball at this point, the market is quickly realizing there is not enough supply to meet demand. Thus, pricing is moving up another few dollars. Unfortunately, when these crops dry up, the east could strike out and see a supply gap until the Irma delayed South Florida region gets fired up. Quality is mostly good.

West: Baja is in the bottom of the 9th as their season comes to a close. Mainland MX is stepping up to the plate with steady supply and fairly good quality. Unfortunately, demand exceeds supply which is driving price up a few more dollars.



Eggplant

East: GA being the only grower in play, supplies are not enough to meet the demand of the fans. FOBs are up significantly, however quality is generally good, but some reports of disease in GA are showing some brown calyx.

West: Fresno continues to taper off while the desert improves their batting average. Quality from the new crop desert is great. Look for more consistent volume from the region in the next 10-14 days.

Fennel

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

Garlic

EXTREME - We just finished our 2017 harvest this week. We have fortunately harvested our most normal crop since 2014. Our yields were pretty much as expected, nothing extraordinary, but a good crop of garlic. Presently, demand for domestic garlic still exceeds supply.

Ginger

Chinese ginger supplies have tightened up putting upward pressure on prices across the country. This is still a better dollar value than ginger from Hawaii, Brazil, Thailand and Costa Rica.

Grapes

We are still harvesting here in the central San Joaquin Valley and we will be harvesting grapes here through November barring any major weather issues. The overall crop looks very good with a nice set and some very nice quality. We are seeing some burn due to the extreme heat we have been experiencing in some vineyards but at this point it looks to be minimal damage. We did also get some sporadic rain last week, we have assessed the damage and there is some fruit in the southern region near Bakersfield that did get up to 2 inches of rain and there are some vineyards that are not going to get harvested due to the damage. Overall it looks like it was just isolated areas that were hurt. We are harvesting a few different varieties (Sugarone, Ivory, Princess, Green Globe, Autumn King) of green grapes now and all look excellent with good sugar and very clean and green, the reds we are harvesting are (Scarlett Royals, Crimson, Timco, Alisons and Magentas).

Green Cabbage

Supply is good on both coasts, quality is good.

Green Onions

Iced Prices are average, quality is poor with heat related damage. Iceless This market is steady and we are seeing heat related quality issues.

MARKET TRENDS

NOVEMBER 10, 2017



Produce *(continued)*

Honeydew

Market is strong and we have finished here on the Westside as demand is excellent, we have started in a light way in the desert and should have better volumes in the coming week, demand has been exceeding supply. The overall quality is fair to good with excellent sugars and a nice clean green to cream cast, with internal color nice and nice tight cavity. We will have fruit out of the desert through November as well.

Jicama

Normal prices and quality is good.

Kale (Green)

Demand is steady and quality is just fair. Supplies are starting to lighten up with product being affected by heat damage.

Kiwi

Shipments are for the most part finished out of Chile. What is in storage will be it for the season. Still looking for California to begin harvesting over the next several weeks. Markets remain very active with limited availability on the horizon. Quality is still very nice.

California Lettuce

Butter

Prices are stable. Quality is average due to the heat.

Green and Red Leaf

Quality is average, we are seeing fringe burn. Demand is steady. Supply is average.

Iceberg Lettuce

Supplies have been up this week. Prices have come down significantly. Quality is improving. Yuma will start in a few weeks. Light weights and misshapen. A large amount of mechanical damage from ribby misshapen lettuce. Seeder is also an issue.



Romaine

Supply is good. Quality is overall fair, but improving. We are still seeing fringe burn and yellowing on the outer leaves and other heat-related issues. Prices are good. Some wind burn and occasional fringe burn light to moderate cupping. Some fields have seeder.

Romaine Hearts

Supplies are good and prices have improved. Quality has improved. Most issues with quality can be peeled off. Occasional fringe burn and some seeder.

Iceberg Blends

Weak tip and seeder are an issue. Probably will not see relief until Yuma.

Chopped Romaine/Romaine Blends

Fringe burn has lessened. Darker green color which adds to bruising. Quality is good.

Harvest Blend

Seeing some insect damage and occasional burn. Generally good quality.

Lemons

We have finished our Mexico fruit and are done on Chilean and are going with good numbers out of Dist. 3 (Desert) fruit is midsized peaking on 140's, 165's followed by 115's. The overall quality is good and also gassing this fruit 3-5 days which will cause some spotting and some checkerboard color in the box. We have a lighter than normal crop in dist. 3 about 15%-but we are getting a little later start than normal so supplies will be good. We are planning on starting our dist. 1 fruit around mid to late November as well and that will carry us through May.

Limes

The market is level; stocks are sufficient. Quality is very good; blanching is a minor issue

Napa

Supplies are normal. Quality is good.

Onions

Northwest growers have finished harvest for the season this past week. This has been one of the later harvests for growers in the Northwest. We expect there will be some degree of damage due to frost that will result in higher cull rates later in the season. All indications are showing that supplies are significantly shorter than previous seasons. It is likely we will see pricing remain elevated as demand exceeds supplies. While sizing continues to be a challenge, we are

MARKET TRENDS

NOVEMBER 10, 2017



Produce *(continued)*

starting to see some improvement. Sizing is peaking mostly on mediums and jumbos with fewer big onions. We can expect that this will continue to get better as we transition from the harvest onions into storage onions, but even with this, it is likely that we will see pricing on large onions remain elevated this season and supplies to remain tight.

Oranges

We have started navels and are getting into some better volume this week and by next week should be in full swing. This year's crop as we have mentioned in the past is about 20% lighter than last year, therefore we will see larger size fruit through the year. The first of this fruit is peaking on 88's followed by 113's and then 72's on the early Fukomotos, which typically we are peaking on 113's and 138's. The fruit has at least 120 hours of gas on the fruit so you will see green spotting and checkerboard color through the box. The fruit is actually testing 11-12 brix which is very good for this time of the year. Our Temperatures will be cooling down to the low 70's high and 40's at night, with that fluctuation in temperature that will really help the color, but we will be gassing fruit for at least another 4-5 weeks to color up the fruit fully.

Parsley (Curly, Italian)

We are seeing prices that are still higher, the warm temperatures have caused quality issues.

Green Bell Pepper

East: Since first frost, most growers have called their season a wrap. A few peppers from SC will trickle into the market place, weather permitting. This leaves GA up to bat. Unfortunately they have a full count right now as they are on the back end of their crop. They are seeing quality issues from previous weather events. FOBs are up quite a bit on all sizes and grades.

West: The west is turning to the desert as the transition comes to a close. Quality from the older fields is declining rapidly. The desert is off to a slow start with limited supply. Unfortunately relief is not expected for another 2-3 weeks. Look for another significant price increase on all sizes and grades.

Red Bell Pepper

Now shipping through Otay and Nogales, supplies are lighter this week and markets are firming. Quality is good.

Yellow Pepper

Supplies are unchanged loading through Nogales. FOB prices are mostly unchanged.

Jalapeño Pepper

East: Deals are quickly winding down so the east is expecting to move to the west as their winter crop shifts from pre-season to their regular season. FOBs are slightly up and quality overall is good.

West: Although Baja & CA are winding down, Sonora & Sinaloa are warming their pitchers up. Both are looking to improve their supply scoreboard by the end of this week. Quality is excellent.

Pineapples

The market is weak. Stocks are plentiful, especially large sizes. Quality is very good: fruit is juicy and tangy, yet sweet. Sugar levels vary from 13 to 16 Brix.

Potatoes

Consumer demand in the state is in a stage of demand exceeds, with higher prices and a range in those prices. Demand on 40 counts through 70 counts is very good with pricing at lower numbers than 80 counts through 120 counts. We have not seen this in a number of years. We also have not seen consumer pricing as high as it currently is going into a major holiday season. Most shippers are experiencing a difficult time in securing rail cars to ship for the upcoming Thanksgiving holiday. This is causing problems on the shipping community being able to fulfill orders in a timely manner. We can see that the state should have a good holiday shipping season in front of them, and it appears that the pricing structure will hold with a possibility of a small increase in prices.

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. Market is stable.



MARKET TRENDS

NOVEMBER 10, 2017



Produce *(continued)*

Snow and Sugar Snap Peas

ESCALATED - Snow and sugar snap peas are in high demand and markets are extremely tight.

Spinach (Bunched)

Supply is average and quality is poor due to heat-related issues. Prices are better.

Spinach (Baby)

Baby and clipped spinach supplies are average. Quality is poor due to heat-related issues and occasional reports of mildew. Prices are somewhat up.

Spring Mix

Supplies are average with fair quality.

Yellow Squash / Zucchini

East: Very light volumes trickle in from various local deals, yet most are wrapped up. GA & FL are the major players putting in their pinch hitters to keep the ball in play. FOBs are steady and quality overall is good, but some scarring could be present in yellow squash.

West: Although FOBs are fairly steady, Nogales is expecting lighter supplies for about two weeks. This is mostly due to continuous depressed markets, a brief heat wave, and transition to other growing regions. Quality is good.



Tomatoes

East

Rounds

The first frost settling in, all local fall tomato deals are done. Quincy is usually running full steam at this transitional time, however due to Irma and various disease pressure, volume is extremely light (if any). A few farms in Ruskin/Palmetto have begun in light ways with a few more set to come on board later this week. Yields are much lower than normal due to Irma. FOBs are significantly up as there is not enough supply to cover demand. Despite these setbacks, quality is actually good for what is trickling out of the region. Look for relief around the first week of December once South Florida begins.

Romas

Local deals are tapped out at this point and most of the east is attempting to turn to Quincy to fill the void. However, disease pressure and Irma destruction caused much lighter yields. Therefore, many are turning to the west to fill the supply gap. Palmetto/Ruskin has just scratched the surface, with a few farms expecting to come on board in about a week. FOBs are up across the board. Quality for what is available is solid. Look for relief around the first week of December once South Florida begins.

Grapes

There is a significant supply gap nationally. With very little product harvesting in the country, most are turning to the miniscule supply the west has to offer. FOBs are up drastically and it's been a while since we have seen an extreme grape market like this. Prices are moving up almost daily at this rate and have easily surpassed \$50. Quality overall is good if you can get your hands on them.

Cherries

With grapes skyrocketing, demand for cherries has improved, thus pushing the market upwards. Supplies overall are decent and quality has been good. We anticipate this market to continue upwards if no grape relief is brought to the table soon.

West/Mexico

Rounds

CA is down to only 2 growers and they are anticipating to wrap up rather quickly. These tomatoes have been through quite a bit of weather pressure, but are actually looking good in quality. Unfortunately, there is not enough volume to cover demand. Thus, most in the west are being forced to move to MX/Baja vine ripe 2 layers. The good news is growers are working through fields steadily. The bad news is there is no increase in volume on the horizon. Therefore, as demand increases for these, supplies will remain limited and prices will

MARKET TRENDS

NOVEMBER 10, 2017

PERFORMANCE
FOODSERVICE



Produce

continue to rise significantly. Look for major price increases next week as we push through week 1 of post-Irma aftermath. Quality from Baja is good.

Romas

Even though CA is done with their roma season, surprisingly supplies still remain steady from Baja, MX crossing through TX & Eastern MX. Quality is nice from all regions. FOBs are only up a few dollars for now, however, note that as FL continues to seek volume, the west will feel this pressure, which is expected to drive pricing up.

Grapes

We have reached a very tight market and extreme supply gap as Eastern MX & Baja produce very light supplies. Florida is turning to the west to provide any volume possible. Thurs, prices are up another drastic amount and have well surpassed the \$50 mark. Quality, for what is available, is good.

Cherries

Similar to the east, expect demand to increase as grapes continue to rise. Light, but steady supplies are harvesting. FOBs have already increased and are expected to rise again. Quality is good.

Tree Fruit

The California tree fruit season has ended. Nectarines, peaches, and plums will not be on the market until the offshore season begins in late December/early January.

Watermelons

Prices are unchanged; Mexican volume is high. Quality ranges from good to very good: fruit is deep red and juicy. Sugar levels average 11 Brix.

