

MARKET TRENDS

DECEMBER 8, 2017

PERFORMANCE
FOODSERVICE



Produce

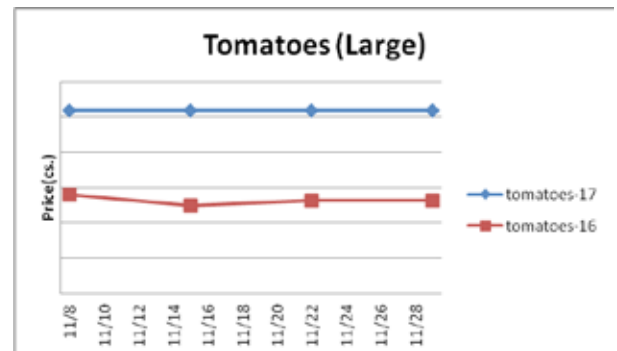
Lettuce, romaine and leaf items are steady and are still a good buy. Carrots will remain in short supply. Tomatoes are now in an escalated market, but they are improving. Lemons and strawberries are in a short supply, and we are seeing high prices.

Tomato Weather Update – East West & Mexico

Escalated - 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

- **Carrots – EXTREME**
- **Lemons – EXTREME**
- **Mushrooms – ESCALATED**
- **Onions – ESCALATED**
- **Potatoes – ESCALATED**
- **Snow & Sugar Snap Peas – ESCALATED**
- **Strawberries – ESCALATED**
- **Tomatoes (Cherry, Grape & Round) – ESCALATED**



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Produce

Apples & Pears

Prices are steady; Washington stocks are plentiful. Fuji, Gala, Golden Delicious, Granny Smith, and Red Delicious Apples are on the market. Large-size Granny Smith supplies are tight. Pear prices are unchanged; supplies are ample, especially 100- to 120-count sizes. The Bartlett variety will be available through January 2018. 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 good. Prices are rising.

Asparagus

The market will ease soon as supplies are increasing in both regions. Quality is best in Peru: stalks are straight and tender, tips are tight, and flavor is pleasantly grassy.

Avocados

Prices are weak, particularly the market for 60-count and smaller sizes. Mexican volume is rising. Quality is best in Mexico: oil content is high, creating creamy texture and nutty flavor.

Bananas

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



Beans

East: Beans are very weak in the east with rock bottom prices, typically seen post Turkey Day. Plenty of supply and great quality is coming from FL.

West: The desert just a few days left before it's wrapped up. Nogales supplies are firing up with good quality. FOBs are down a few dollars.

Berries:

Blackberries

The market is weak. Mexican stocks are abundant. Quality is very good; berries are plump and juicy with sweet, yet tangy flavor. Sugar levels range from 12 to 13 Brix.

Blueberries

Although prices are high, they are forecast to stabilize when recent lower-than-normal temperatures in the Southern Hemisphere increase. Supplies should become more plentiful in early December. Quality is average: berries have firm skins with mildly sweet flavor.

Raspberries

Prices are stable; supplies are sufficient. Quality is very good: color is deep red and flavor is tangy, yet sweet. Sugar levels range from 13 to 14 Brix.

Strawberries

The market is elevated. California quality and supply levels are being affected by wet weather. The Florida season is ramping up. New crop supplies are available in Mexico. California quality is fair: ordering for quick turns is recommended.

Bok Choy

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

Broccoli

Good color and occasional brown bead. Brown bead may be an issue for a few weeks.

The market is forecast to remain low through the month; volume is high in all regions. Quality is best in California: heads are deep green and compact with earthy flavor.

Broccoli Florets

Some light brown bead. Overall quality is ok.

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.

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Produce *(continued)*

Cantaloupe

We are basically finished on the California and Arizona desert fruit for the year and seeing some offshore arrivals here on the west coast, the east coast has better volumes of offshore fruit at this time and we will start seeing better volumes of offshore in the coming weeks. The overall quality of the first off shore looks good with a green to cream cast and very good internal color and descent sugars. We will be in the offshore fruit through April until we start back in the desert around the first of May.

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.

Cauliflower

Prices are weak; supplies are ample. Quality is best in CA.

Celery

The market is low; supplies are abundant. Quality is very good: incidences of pith have fallen.

Cilantro

Still seeing some burn and occasional decay. Overall getting better.

Corn

Sweet corn supplies are improving out of Florida as new crop production begins.

Cucumbers

East: GA still has a few cucumbers, however most is coming from the FL region. FL is picking excellent supplies are we continue to see a weak market. Quality is great.

West: Mainland MX continues to pump good supply and good quality to the marketplace. Baja is expected to wrap up in about 2 weeks. Prices remain weak and steady.

English Cucumber

Supplies are very tight and expected to remain this way until greenhouse production in Mexico ramps up over the next week. Markets will remain firm this week.

Eggplant

East: Light volume continues from GA with FL still just scraping the surface. Prices have eased off a few dollars, but still remain somewhat higher than usual. Quality is good.

West: Nogales is the primary supplier in the region with great supply and quality. Prices are steady.

Fennel

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

Garlic

EXTREME - We have now fully transitioned from common storage garlic to cold storage product. Fortunately to date, our recoveries are faring relatively fine through the cracking/peeling process. Concerning the future/2018 crop, we are 85% completed with our planting season. Provided the weather (and that Mother Nature cooperates), we should finish planting within the next two weeks. In the coming months, we'll hope for cold enough weather and decent rainfall (similar to last year) to help facilitate the growth of the bulbs.

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

Market steady as we are still shipping California fruit and will be doing so through December, there is some Peruvian arriving on the east coast and we will see some very light volumes from Chile arriving on the west coast next week and containers will follow butt with light volumes. The first break bulk vessels out of Chile will not be arriving until after the first of the year, so we hope have a smooth transition without any gaps on grapes. The overall quality of the California fruit is good, but this fruit is all storage fruit and on the greens we are repacking some but for the most part fruit is good and eats very well and holding up good. The Chilean crop is of normal volumes and the weather has been good, so we are expecting very nice quality.



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Produce *(continued)*

Green Cabbage

Supply is good on both coasts, quality is good.

Red Cabbage

Quality and sizing have been great with good color. Market is stable.

Green Onions

Iced Prices are good, quality is good.

Honeydew

We are also finished in the California and Arizona desert, and seeing some light offshore volumes coming in and a few Mexico dewes still crossing. The Mexico volumes will be very light until around April, and will be dependent on offshore through April. The first fruit is a bit green but cuts nice and sugars are descent. We will start to see better volumes in the next few weeks, but right now fruit is on the tighter side. We will also be dependent on the offshore fruit through April, until we start back in the California desert the first of May.

Jicama

Normal prices and quality is good.

Kale (Green)

Demand is steady and quality has improved. Supplies are steady.

Kiwi

California crops are now in full swing with ample supply available and showing excellent quality. This new crop will extend all the way through to February.

Lemons

Market very strong with excellent demand and some sizes demand exceeds supply. We are harvesting in Dist 2 (desert) and also going in a light way here in dist 1 (Central Valley), we are gassing fruit in both areas and you will see some checkerboard color but for the most part quality is good, just like the oranges we will hope to see better color break here in Dist. 1 as our temperatures cool down which will promote better color break and allow for less gassing hours. We hope to be done gassing on lemons by the first of the year. The overall crop size out of dist 3 is about 20% lighter than last year and here in Dist. 1 about 15% lighter. We expect the market to stay fairly strong with lighter volumes out of both districts, and with domestic and export demand very good.

Lettuce:

Butter

Prices are stable. Quality is good.

Iceberg

Large size and or firm to hard. Misshapen and ribby, weak tip and tip burn. 1-2 weeks ahead of schedule due to hot temperatures. Poor quality expected for 2-3 weeks. The market is stable. Quality is diminishing.

Romaine

Yuma product is 14-16" heavy cupping, seeder, very ribby with heavy mechanical damage. El Centro and Coachella product seems to be better quality. Poor quality expected out of Yuma area for 2-3 weeks.

Romaine Hearts

Ribby and seeders. Prices are low; supplies are abundant. Growers have fully transitioned south to Yuma. Quality is good, but heat- and rain-related quality defects, such as bottom rot, and mildew are expected to develop.

Green Leaf

Mixed quality. Some not bad other fields very ribby or 12" long.

Prices are level; stocks are adequate. Quality is fair to good, but heat- and rain-related quality defects, such as bottom rot, mildew, and weak tip are expected to develop.

Blends:

Iceberg Blends

Weak tip and seeder are an issue. Probably will not see relief for several weeks.

Chopped Romaine/Romaine Blends

Slightly ribby, seeing some core/seeder.

Harvest Blend

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



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Produce *(continued)*

Limes

The market is steady, but will rise soon. Cool weather will decrease Mexican stocks for the next two weeks, and then labor will tighten due to the holiday season.

Napa

Supplies are normal. Quality is good.

Onions

Prices are expected to remain steady through December, with no weather events forecast during the upcoming weeks. Available supplies are dominated by medium and jumbo sizes; colossals and super colossals will remain limited through the storage crop season.

Oranges

Market is strong with excellent demand across the board. We are in full swing on our California navels and the overall quality is looking good with sugars are still around 11-12 and acid levels are minimal, so fruit is eating well for this time of the year. We are still gassing fruit 3-4 days to bring on color so you will see some checkerboard color with slight green and some spotting which is all due to gassing. We are forecasted for cooler temperatures as we have been unseasonably warmer than normal but it looks like we are finally going to get some normal weather for this time of the year. With the cooler temperatures and the fluctuation of day to night temperatures we will see the better color each week and hopefully we will be finished gassing by the second week of December. The overall crop is about 15-20% lighter than normal, therefore smaller fruit will become very tight by the first of the year and it will be a battle through the year on 88's and smaller as most blocks right now are peaking on 72's followed by 88's. We will keep you posted going forward.



Parsley (Curly, Italian)

Prices are stable and quality has improved. Steady supply.

Green Bell Pepper

East: FL pepper is still only minimal and is not able to cover all demand. FOBs still remain high. Quality is good. There is still a little supply trickling in from GA, however, good have come quality concerns. Expect relief within the next 7 days.

West: Snug supplies in the west as mainland MX tries to ramp up their season. FOBs are steady, but relief is expected within about 7 days. Quality is good.

Jalapeño Peppers

East: Prices are still a bit firm from the area as FL scratches the surface. However, supply relief is expected as growers dig into fields. Quality is good.

West: The market has eased off a few dollars as Mainland MX continues to push out good supply. Quality is great.

Red Bell Pepper

West: Both the desert & Nogales do have light yet steady supplies. Overall quality is good from both areas, but note that the desert is reporting undersized pepper. Prices are steady with relief not expected until early December.

Yellow Pepper

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

Pineapple

The market is weak; supplies are abundant. Quality is good: pineapples are juicy and tangy, yet sweet. Sugar levels vary from 13 to 16 Brix.

Idaho Potatoes

The market should stay steady through the holiday season, depending on demand; supplies are sufficient. Quality is very good in all areas.

Radishes

Quality is good and supply is slowing down. Expect to see stronger markets through the summer.

Snow and Sugar Snap Peas

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

Spinach (Bunched)

Large size. Large amount of yellow leaves. Brittle texture causing mechanical damage.

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Produce *(continued)*

Spinach (Baby)

Baby and clipped spinach supplies are good, showing good quality.

Spring Mix

Seeing some burn and dehydration quality is day to day. The market is level; growers will harvest in Yuma through the winter season. Quality has decreased a bit due to heat, followed by rain.

Yellow Squash / Zucchini

East: There is ample supply of both yellow and green squash coming from primarily FL and some GA. Quality is generally good, however, yellow squash is seeing some very heavy scarring and even some decay, mostly from the GA region. FOBs are low and steady.

West: Yellow supplies have improved and green continues to be plentiful. Quality overall is good, however, some issues can be relevant mostly on yellow in the form of scarring.

Tomatoes

East Rounds

We are approaching the remainder of the Palmetto/Ruskin season and continue to see light supplies. Farms are expecting to have about 10 days left of harvest. Unfortunately the outlook is very bleak since there is no crop coming behind this. Typically we have Immokalee, FL beginning, but due to Irma, there are no tomatoes coming from the region until mid. We are rapidly approaching a critical point in the winter tomato season. Prices are steady into next week as demand still remains gloom. Quality is excellent for what limited volume is coming from Florida.



Romas

As the Palmetto/Ruskin crop winds down, supplies are becoming more limited. This is driving prices up a few dollars. Volume for specific sizes is hard to come by so expect to potentially have to sub sizes. Quality is nice from the area. Expect supplies to improve in mid-late December.

Grapes

Supplies are picking up in both the east and west, however, still remain somewhat limited. Prices have dropped another large amount, but most contracts are still in trigger situations. We expect this market to continue to unravel and balance out around the 1st or 2nd week of December. Quality is for the most part has been good.

Cherries

Demand is still a little stronger than usual; therefore, prices still remain firm and high. Supply relief is expected in about 2 weeks which should put some downward pressure on market prices. Quality has been good.

West/Mexico

Rounds

As the east hits its critical point, supply from Eastern MX & Baja regions is tightening and demand is firming up. Growers are selling out daily and prices are increasing. Quality is nice from the region. Supplies are expected to loosen back to normal once Florida snaps out of the post-Irma events.

Romas

Most shippers are cleaning up older supplies as FL hits their supply gap. Demand is slightly strengthening, thus resulting in some upward pressure on FOBs by a few dollars. As cooler temperatures settle in, supply is expected to decline as well. Quality is good.

Grapes

Supply is improving from Eastern MX & Baja and is expected to continue to improve in the upcoming weeks. Quality is improving as well. FOBs are down another jump, however, most contracts are still in an active trigger situation.

Cherries

Demand remains steady as light supplies trickle out. Thus, FOBs remain firm moving into next week. Relief is not expected for another 10 days. Quality is good.

Watermelon

The market is low; Mexican supplies will remain ample for several more weeks. Quality ranges from good to very good: fruit is deep red and juicy. Sugar levels range from 10 to 11 Brix.