

MARKET TRENDS

NOVEMBER 24, 2017

PERFORMANCE
FOODSERVICE



Produce

The Idaho potato markets have firmed in recent weeks which is along seasonal patterns. The fall potato harvest season is winding down with fairly disappointing results. The USDA is forecasting the 2017 U.S. fall potato harvest at 398.9 million hundredweight which is 1.9% less than the prior crop and the smallest since 2013. This could be supportive of the potato markets during the next several months. The tomato markets remain firm due to shortened Florida supplies. Florida tomato shipments last week were about half of 2016. Lettuce, romaine and leaf items are steady and are still a good buy. Oranges and carrots will remain in short supply. Lemons are also in short supply again. Winter western veg transition is underway to yuma.

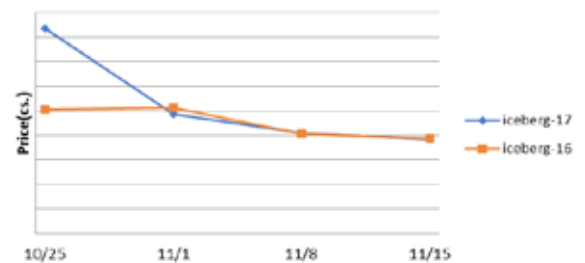
Tomato Weather Update – East, West and Mexico

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 September and October, 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 season, has caused major shortages across the entire category.

MARKET ALERT

- **Carrots – EXTREME**
- **Green Beans – EXTREME**
- **Lemons – ESCALATED**
- **Mushrooms – ESCALATED**
- **Onions – ESCALATED**
- **Potatoes – ESCALATED**
- **SNOW & SUGAR SNAP PEAS – ESCALATED**
- **Tomatoes (Cherry, Grape & Round) – ESCALATED**

Iceberg Lettuce (24 count)



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Produce

Apples & Pears

Prices are steady; new crop Washington stocks are ample. Fuji, Gala, Golden Delicious, Granny Smith, and Red Delicious Apples are on the market. This year's Granny Smith crop is dominated by small sizes. Packer label Braeburn, Envy, Honeycrisp, Opal, and Pacific Rose varieties are also available. Brix levels range from 14 to 18. Pears prices are stable; supplies are abundant, particularly 100- to 120-count sizes. 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 continuing to see higher volume crossing through Mexico which is pushing FOB prices down at the border. We still anticipate a stable market through December. Quality is very good and expect a shift over the next several weeks to larger-sized fruit.

Bananas

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



Beans

East: There is still not enough to supply to meet demand, even though FL has begun. Look for relief after the holiday. Quality so far from FL has been good.

West: Quality continues to be an issue from Nogales. The desert only has light supplies which is keeping FOBs high. Look for pricing to fall slightly in about 7 days.

Berries:

Blueberries

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

Blackberries

Blackberries are average in volume. Quality is average to good.

Raspberries

Volume is light and quality is a little overripe.

Strawberries

The market is getting very active, with much higher prices. Salinas is done and we are now transitioning to Mexican berries and Oxnard. Once again prices are high, and we are seeing a shortage in supply.

Bok Choy

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

Broccoli / Broccoli Floret

Supplies are average. Quality is average with some heat damage. Prices are steady, and we anticipate this market being up and down for the next few weeks.

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

Arizona is anticipated to be in production for only one more week. Cantaloupe sizing is projected to have very heavy to smaller sizes which will leave 9ct lopes in very short supply.

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.

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Produce *(continued)*

Cauliflower

Prices have come down from last week. We are seeing good quality and a steady supply.

Celery

We are starting to see prices rise. Supplies are bit lighter.

Cilantro

Quality is improving. Steady supply and good prices.

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: FL is picking up and GA still has some supplies to move out. Prices are steady and quality is good from all areas.

West: Mainland MX is producing plentiful supplies. Prices are steady and quality remains good.

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: GA being the only grower in play, supplies are not enough to meet the demand of the fans. FOBs are remain high. Some quality issues are being reported from the GA region. FL has not quite begun yet but is expected to start soon and bring some relief to the marketplace.

West: While the desert still has some eggs in play for a cheap price, quality is lacking. Turn to Nogales for better quality, yet note that the price point will be a few dollars higher.



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

Weather has started to cool down, so the days are shorter and volumes are dropping. Quality is good on the Reds. Prices are poised to rise; growers are preparing to ship from storage. Green seedless sugar levels average 18 Brix; red seedless and portion packs vary from 19 to 20 Brix.

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 average, quality has improved with some heat related damage. Iceless This market is steady and we are seeing heat-related quality issues, but they have improved. We always see this commodity get tighter around Thanksgiving.

Honeydews

Arizona is also showing almost exclusively smaller sizes 6/8s for honeydew. These should also be finished right around the Thanksgiving holiday.

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.

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Produce *(continued)*

Lemons

Prices are rising. Stocks will remain tight through November until San Joaquin Valley production ramps up in December; the majority of supplies are being harvested in the Arizona/California desert region.

Lettuce:

Butter

Prices are stable. Quality has improved.

Green and Red Leaf

Quality has improved and prices are stable.

Iceberg Lettuce

Supplies have been up this week. Prices are good. Quality is good.

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.

Romaine Hearts

Supplies are good and prices have improved. Quality has improved. Most issues with quality can be peeled off.

Limes

The market is rising. Industry volume will decline over the next few weeks due to challenging growing conditions. Scarring and discoloration are decreasing yields.

Napa

Supplies are normal. Quality is good.

Idaho/Oregon Onions

Supplies are ample right now on all sizes and varieties. Demand has been steady and we expect FOB prices to remain mostly unchanged.

Oranges

The market is steady. The California Navel season is underway, but the overall crop size is below normal. Texas fruit is being supplemented as necessary. Florida juicing oranges are also available.

Parsley (Curly, Italian)

Prices are stable and quality has improved. Steady supply.

Green Bell Pepper

East: A very quick moving and active market is occurring. GA is projecting a freeze in the region and supplies are already limited. Our S. FL crop is not expected to begin until the end

of next week, with supplies not expected to increase until after Thanksgiving. Quality can be questionable for the next few weeks until new crop begins.

West: Although quality is still good, supplies have tightened up as growers move into their second picks. FOBs are back up a few dollars and expected to remain high through Thanksgiving. Quality has dropped to fair to good.

Jalapeño Pepper

East: GA is quickly wrapping up while we wait for FL to begin, which should be in about 7-10 days. Quality is mostly good from what is left from GA.

West: FOBs are perking up a bit as chiles transition in the west. New crop is expected to begin later this week which should bring some relief.

Red Bell Pepper

West: Supplies are extremely limited. Most are turning to hot house red pepper to fill the void. Relief is not expected until early December. Prices are up a few dollars into next week. Overall quality is good.

Pineapple

The market is weak; volume is high, especially large fruit. Quality is very good: fruit is juicy and tangy, yet sweet. Sugar levels vary from 13 to 16 Brix.

Idaho Potatoes

This week has been extremely busy at all the sheds in the state. We are in the middle of our largest retail promotion of the year in Thanksgiving. Unlike recent years it appears potato prices in Idaho are holding strong and will continue to do so for the balance of November. There could be some more market activity next week with the abbreviated work week in Idaho and the loss of two days of production due to the holiday.



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Produce *(continued)*

Radishes

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

Salad Blends

Prices are unchanged; growers are making the move south to Yuma. Quality is very good: core material/seeder and internal burn issues are improving. As always, shelf-life is being monitored closely by Inspectors for best quality.

Snow and Sugar Snap Peas

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

Spinach (Bunched)

Supply is good and quality has improved.

Spinach (Baby)

Baby and clipped spinach supplies are good. Quality has improved.

Spring Mix

Supplies are good and quality has improved.

Yellow Squash / Zucchini

East: GA has slow supplies coming, but FL is picking up with good quality. Yellow prices are a bit more depressed than green, with green perking up about \$1-2.

West: While green remains plentiful and inexpensive, yellow squash is between fields. Therefore FOBs are up a few dollars. Quality still remains good from the Nogales region despite the brief heat wave they previously experienced.

Tomatoes

East

Rounds

Most are passed their crown picks and moving onto second pickings in Palmetto/Ruskin, FL. Supplies will continue to be very slim as the area wraps up from the already light supplies due to Irma. However, demand has been sluggish therefore FOBs remain steady. Quality is excellent. Our Immokalee farms are expected to be in mid-late December, a few weeks behind schedule also due to Irma.

Romas

Eastern production is limited to the Palmetto/Ruskin area. Although this region took a large hit from Irma, roma supplies have been more available than rounds. Combined with sluggish demand, FOBs have fallen ever so slightly. Quality from the area is great. Further relief is not expected until our Immokalee, FL crop begins in mid-December.

Grapes

There is a significant supply gap nationally. The FL region that typically fills this time frame took a major hit from Irma. Prices remain extremely high, yet steady into next week, and relief is not expected for another 3 weeks. Quality, if you can get your hands on them, is very nice.

Cherries

Steady demand and supply is keeping the cherry market steady into next week. Quality is looking great from the FL region. Supply relief is expected in about 3 weeks which should then put downward pressure on the market.

West/Mexico

Rounds

With round production wrapped up in CA and the east being so limited in supply, the west is turning to MX vine ripers to fill the supply gap. This is putting upward pressure on FOB prices as supplies are steadily crossing, but due to increased demand they are still somewhat limited. Quality for vine ripers is good. There could still be a few CA tomatoes lingering in the marketplace. Quality is very poor for what is available.

Romas

MX supplies are steady at this time. Because demand has been so lazy, FOBs remain steady for next week. Quality is looking great.

Grapes

We have reached a very tight market and extreme supply gap as Eastern MX & Baja produce very light supplies. No relief is expected until the first week of December until Nogales can give some supply to the marketplace. Quality is fair as best from the west.

Cherries

Demand and supply remain in equilibrium which is resulting in a steady cherry market. Relief is not expected until after the Thanksgiving holiday. Quality is good at this time.

Watermelons

The market is level; Mexican supplies are expected to remain plentiful for several weeks. Quality ranges from good to very good: fruit is deep red and juicy. Sugar levels range from 10 to 11 Brix.