

MARKET TRENDS

NOVEMBER 17, 2017

PERFORMANCE
FOODSERVICE



Produce

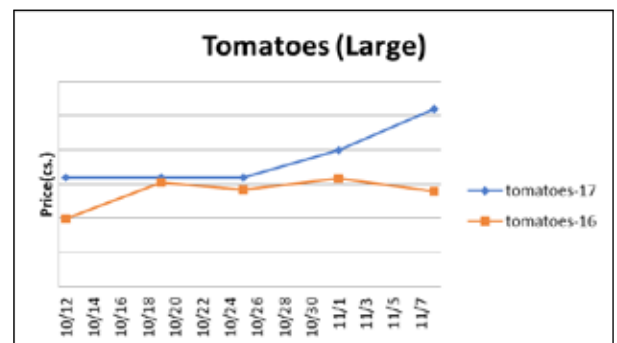
Tomatoes are now under an ACT OF GOD. Hurricane Irma in September caused some damage to young tomato plants which should be producing now. Tomato shipments from Florida last week were just over a third of the shipments for the same week last year. Typically, Florida accounts for roughly 25% of the total supply in early November. Erratic tomato supplies are anticipated to persist into at least next month. The U.S. imported their first shipment of Hass avocados from Columbia this month. However, supplies from Mexico will remain vital. Lettuce, romaine and leaf items are steady and are this week's good buys. Oranges and carrots will remain in short supply. Lemons are also in short supply again. Iceberg, romaine and leaf items will transition in the beginning of November, and broccoli and cauliflower will be closer to December. Oranges will be in short supply all year due to a shortage in our CA crops. Green beans are also a commodity that are currently struggling in the market.

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) – ESCALATED**
- **Mushrooms – ESCALATED**
- **Oranges – EXTREME**
- **Onions – ESCALATED**
- **SNOW & SUGAR SNAP PEAS – ESCALATED**
- **Tomatoes (Cherry, Grape & Round) – ACT OF GOD**



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Apples & Pears

The market is level. The California season has ended. Washington supplies are abundant. Fuji, Gala, Golden Delicious, Granny Smith, and Red Delicious Apples are on the market. Braeburn, Envy, Honeycrisp, Opal, and Pacific Rose varieties are also available. Brix levels range from 14-18. The Pear market is unchanged; stocks are plentiful, especially 100- to 120-count fruit. Quality is very good: sugar levels range from 12 to 14 Brix. Washington Bartlett and D'Anjou Pears are available.

Artichokes

Steady market with higher prices. Quality is good.

Arugula

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

Asparagus

Prices are stable; stocks are ample in both regions. Quality is very good: stalks are straight, tips are tight, and flavor is pleasantly grassy.

Avocados

The market is weak, especially for 60-count and smaller fruit. Mexican stocks are increasing. 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: FL is just barely scraping the surface so look for the bean market to remain high for another 7 days, and then drive downward as more supplies come to light. Quality so far has been good.

West: Quality concerns are driving most shippers out of the bean deal. The desert has very light supplies and Nogales is experiencing major quality concerns. Prices are expected to remain high for another week, potentially two.

Berries:

Blackberries

Prices have stabilized. Mexican supplies are tight, but have begun increasing. Quality is average: soft texture is not as prevalent due to cooler, more ideal fall weather. Sugar levels range from 12 to 13 Brix.

Blueberries

The market is up. Low temperatures are limiting shipments from Chile; stocks will increase later this month as weather warms in that hemisphere. Quality is average: berries are plump, juicy, and sweet.

Raspberries

The market has inched up slightly. Overall stocks are average. Quality is very good: color is deep red and flavor is tangy, yet sweet. Sugar levels range from 13 to 14 Brix.

Strawberries

Prices are rising. This week's California rain is reducing volume and negatively affecting quality. Berry size is below normal, texture is soft, and bruising is a common problem. Growers have started harvesting limited quantities in Mexico; supplies will increase through the month.

Bok Choy

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

Broccoli

Prices are elevated due to low volume in both regions. Erratic weather conditions are reducing supplies. Quality is best in California; pin rot is an issue in Mexico because of recent rain. Good color and occasional brown bead.

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

The market is high. Large sizes continue to dominate fall crops. The domestic season is ending; offshore fruit will hit the market in late November.



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Produce *(continued)*

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 elevated. Due to recent erratic weather conditions, supplies remain below projected numbers.

Celery

The market is climbing. Demand has increased due to upcoming harvesting transitions and the Thanksgiving holiday. Some slightly dehydrated and occasional flag and pith. Quality okay.

Cilantro

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

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: A snug market is evident in the east as GA experienced cooler temps slowing production. FL areas are slowing coming on board but there is not enough supply to cover demand. Prices are steady and quality is mostly good.

West: Baja is still pushing the last of their crop out with good quality. Mainland MX is showing good supply & quality. Thus, FOBs have slightly fallen.

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. Look for FL to start in a small way next week.

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

The market is low, but will inch up when California supplies start shipping 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.



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Honeydew

The market is elevated. Large sizes continue to dominate fall crops. The domestic season will wrap up in two weeks. Offshore fruit will hit the market at that time.

Jicama

Normal prices and quality is good.

Kale (Green)

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

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.

Lemons

The market is climbing; the Mexican and off-shore seasons are ending. California growers are harvesting in the desert region; the San Joaquin Valley region is slowly ramping up. Small sizes are tight.

Lettuce: Butter

Prices are stable. Quality has improved.

Iceberg

Light weights and misshapen. A large amount of mechanical damage from ribby misshapen lettuce. Seeder is also an issue. Huron product is better than Salinas. Salinas is almost completely done. Supplies have been up this week. Prices are good.



Romaine

Some wind burn and occasional fringe burn. Also moderate to heavy cupping and very ribby causing mechanical damage. Quality is fair. Supply is good.

Romaine Hearts

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

Green Leaf

Very few issues. Quality has improved and prices are stable.

Iceberg Blends

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

Chopped Romaine/Romaine Blends

Seeing occasional fringe burn and core. Quality is good.

Harvest Blend

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

Limes

Prices are stable; supplies are adequate. Quality is very good: blanching is an occasional problem.

Napa

Supplies are normal. Quality is good.

Onions

There won't be any movement in either of the red or white varieties. Look for a modest increase on the jumbo and medium yellows with the same type of decrease on colossal. We are not expecting any significant market activity for the next couple weeks.

Oranges

Prices have inched down a bit. The California Navel season is underway, but the overall crop size is expected to be below normal. Texas fruit will be supplemented if necessary. Florida juicing oranges are also on the market.

Parsley (Curly, Italian)

Prices are stable and quality has improved. Steady supply.

Green Bell Pepper

East: GA has had some cooler temps recently, which has slowed production down. However, FL is slowing picking up. A few more peppers are in the marketplace, thus pushing pricing downward just a hair. Quality is good.

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West: Supplies are still slightly limited, however, a few more MX growers are coming on board. The desert is in crown picks with good supply on bigger size pepper. Quality has improved. FOBs have come off slightly, but are still higher than usual.

Jalapeño Peppers

East: GA still has a few peppers trickling out at mostly good quality, but the market is definitely firming up. FL will not start for another few weeks. Look for this market to perk up a bit until the FL market begins.

West: Good supplies from Sonora & Sinaloa, but quality has been up and down due to a heat wave. Thus FOBs are pushed up a few dollars. Look for relief in the next 10-14 days.

Red & Yellow Pepper

The market is expected to remain elevated for at least three weeks. East Coast growers are wrapping up the Georgia season and transitioning to Florida, where volume is low. The coastal California seasons have ended; Coachella stocks are limited. West Coast harvests will move to Mexico later this month. Quality is very good: skins are smooth, color is bright, and flavor is sweet, yet spicy.

Pineapple

Prices are low. Supplies are abundant, especially large sizes. Quality is very good: fruit is juicy and tangy, yet sweet. Sugar levels vary from 13 to 16 Brix.

Idaho Potatoes

The markets on both varieties are holding steady with a few sizes moving up modestly. We are seeing more activity with the market range compared to the mostly. The range increase is a pretty good indicator that this market could move up again, at the very least it should hold at current levels. Most of the activity will come on the middle sizes 60 through 90.

Radishes

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

Salad Blends

The market is steady. Quality is good: core material/seeder and internal burn are minor issues. 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)

Good color and texture. Quality is much better.

Spinach (Baby)

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

Spring Mix

Prices are unchanged; supplies are ample. Quality is good: heat and rain have caused mildew in some fields, which may affect red leaf and red oak. Seeing some decay quality is day to day. Growers are preparing for the harvesting and production transition south to Yuma.

Yellow Squash / Zucchini

East: local deals have concluded. GA experienced some cooler temps which slowed production, but FL is pushing out good supplies and quality. 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

Eastern production is limited mostly to FL as all local deals have wrapped up. Unfortunately, these FL regions took a deep impact from Irma as we have been previously reporting. For what limited volume is harvested, the crop quality looks very nice. FOBs push up again as the supply gap strengthens. Relief is not expected until around the 2nd week of December once Immokalee fires up.

Romas

Eastern production is limited mostly to FL as all local deals have wrapped up. Unfortunately the Palmetto/Ruskin area took a deep impact from Irma as we have been previously reporting. The silver lining is demand has been fairly weak, therefore, romas took an increase moving into next week. Relief is not expected until the South FL crop begins in mid-December. Quality for what is being picked is very nice.

Grapes

There is a significant supply gap nationally. The FL region that typically fills this time frame took a major hit from Irma. FOBs are up another few dollars. Prices remain extremely high and relief is not expected for another 4 weeks. Quality, if you can get your hands on them, is very nice.

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Cherries

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

West/Mexico Rounds

Rounds from CA are officially done as the last grower recently wrapped up. If anything trickles in from the region, quality is extremely suspect. We highly advise to keep a very tight inventory on all CA tomatoes. MX vine ripers are steadily crossing the border. As suspected, prices are quickly rising as demand increase with the FL supply gap. Quality for the vines is good.

Romas

MX supplies are fairly steady at this time, resulting in a minimal increase in prices. Unfortunately this isn't expected to last much longer as the round market strengthens. Quality is good from all areas.

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. However, note that if no grape relief is seen soon, we do anticipate a rise in demand and FOBs. Quality is good.

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.

