

MARKET TRENDS

JANUARY 12, 2018



Produce

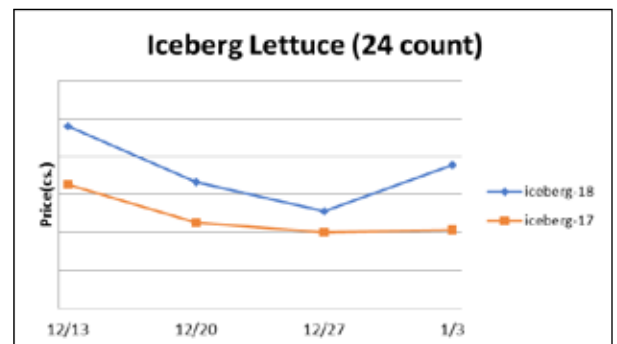
The tomato markets remain historically inflated but well off their highs made last month. Tomato shipments for the week ending December 23rd improved rather nicely from the previous week but were down a whopping 48% from the same week last year. Cold weather this week in Florida could hamper the harvest, but supplies are anticipated to improve as the winter progresses which should weigh on prices. December 1st domestic potato stocks were 3.2% less than the prior year while holdings from Idaho were lower by 6%. Lettuce, romaine and leaf items are steady, but there are quality issues. Lemons and oranges are in a very extreme market. Cilantro, broccoli, tender leaf items (baby spinach, clipped spinach, arugula and baby kale blends), green onions, and cauliflower are escalated and we are seeing shorter supplies. Spinach may hit a gap in supply, while berries are steady and squashes are readily available. Basil and thyme are also limited this week.

The East experienced a cold snap at the end of last week and is expecting another non-freezing cold spell at the end of this week. This could potentially slow down supply & affect quality. We will update you as much as possible.

Please note: Inbound & Outbound freight rates are up significantly throughout the country. This is due to a limited supply of trucks as well as new E-Log regulations.

MARKET ALERT

- **Arugula & Wild Arugula – ESCALATED**
- **Asparagus – ESCALATED**
- **Avocados – ESCALATED**
- **Baby Kale Blends – ESCALATED**
- **Baby Spinach – ESCALATED**
- **Broccoli – ESCALATED**
- **Cauliflower – ESCALATED**
- **Cilantro – ESCALATED**
- **Green Onions – ESCALATED**
- **Lemons – EXTREME**
- **Mushrooms – ESCALATED**
- **Oranges (Small sizes) – EXTREME**
- **Rapini – ESCALATED**
- **Potatoes – ESCALATED**
- **Snow & Sugar Snap Peas – ESCALATED**
- **Tomatoes (Cherry, Grape, Roma, Round) – ESCALATED**



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Apples & Pears

The market is unchanged. The majority of storage supplies are abundant, but 56- thru 88-count Granny Smith apples are scarce. Newer varieties on the market include Autumn Glory, Envy, Jazz, Kanzi, Opal, Pacific Rose, and Smitten. Quality is very good: sugar levels range from 14 to 18 Brix. The Pear market is level; storage volume is high, especially 100- to 120-count sizes. Bartlett supplies will be depleted by the first week of February. Quality is very good: sugar levels range from 12 to 14 Brix.

Artichokes

Steady market with higher prices. Quality is good.

Arugula

ESCALATED - Supplies are limited and we are seeing quality issues due to cooler weather.

Asparagus

Prices are elevated; supplies are expected to increase now that the holiday season has ended. Quality is very good: stalks are straight and firm, tips are tight, and flavor is pleasantly grassy.

Avocados

The market is high; Mexican stocks remain limited, especially 60-count and smaller sizes. Quality ranges from good to very good: oil content is high, texture is creamy, and flavor is subtly nutty.

Beans

East: Very limited supply is available mostly from South FL as the lake-region was severely injured by a freeze a few weeks ago. Volume will continue to be sporadic for another few weeks. FOBs have increased a few dollars once again.

Bananas

Demand remains firm and quality is good, but we are seeing short supplies across the country and expect a shortage to continue through 2018 due to virus impacts.

Beans

East: Very limited supply is available mostly from South FL as the lake-region was severely injured by a freeze a few weeks ago. Volume will continue to be sporadic for another few weeks. FOBs have increase a few dollars once again.

West: Although good volume is coming from MX, some issues with quality & labor force are keeping prices high.

Berries:

Blackberries

Prices are low; Mexican supplies are ample. Quality is very good; berries are plump and juicy with sweet, yet tangy flavor. Sugar levels range from 12 to 13 Brix.

Blueberries

The Mexican market is low; Chilean prices are a bit higher. Overall stocks are sufficient. Quality is very good: berries have deep blue, firm skins and flesh that tastes mildly sweet.

Raspberries

The market is stable. California production has slowed, but Mexican stocks are ample. Quality is very good: color is deep red and flavor is tangy, yet sweet. Sugar levels range from 13 to 14 Brix.

Strawberries

California prices are high; supplies are limited due to challenging weather and harvesting transitions. Overall quality is good, but ordering for quick turns is recommended.

Bok Choy

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

Broccoli

Prices continue to climb. Erratic weather conditions have reduced yields in the Arizona/ California desert region and Mexico. California quality is very good: heads are deep green and compact with earthy flavor.



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Produce *(continued)*

Brussels Sprouts

Markets are improving as additional inventory becomes available. Quality is good.

Cantaloupe

We are seeing decent volumes of offshore fruit arriving on both coasts, with fair demand fruit is on the large side mostly 9's and very few 12's and 15's. The overall quality of the offshore fruit 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

Due to the heat and rain, we are seeing some quality issues and a shortage on jumbo supplies as well as tables and cellos. This market is improving, but prices are still higher.

Cauliflower

The market remains elevated; stocks are tight.

Celery

Prices are stable at low levels. The Florida season has begun, but cold weather is slowing growth.

Cilantro

ESCALATED - Supplies are limited and we are seeing quality issues due to cooler weather.

Corn

Sweet corn supplies are very good out of South Florida; however, we could see this firm up once the assessments come in from the freeze.

Cucumbers

East: Mostly offshore supplies are in the picture now with very limited volume coming from FL. Quality is great on the imports. Pricing is up just a bit due to a little snug supply. However, volume should continue to increase as more growers come on board.

West: Mainland MX continues to press forward with good numbers. Some shady skies and cooler temperatures have slowed down growth which is pushing FOBs up. Quality is good.

English Cucumber

There are excellent supplies crossing through Nogales and McAllen.

Eggplant

East: FL supply has dwindled about after running into a few

quality problems. Many are looking to the west for better results. FOBs are a bit active with prices up.

West: MX has excellent supply & quality. Prices are cheap and steady week over week.

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 are steady. Quality is good.

Grapes

Market steady as we are still shipping some California fruit and should be done by mid-January., There are some Peruvian arriving on the east coast and are starting to see some better volumes arriving from Chile on both coasts. 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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JANUARY 12, 2018



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 Onion

ESCALATED - Iced: We are seeing a shortage in supply due to demand of the holiday pull. Expect higher prices.

Honeydew

We are seeing some off shore and Mexico fruit here on the west and good volumes on the east as well. 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 especially on the 6's and 8's fruit is mostly 5' and 4's. We will also be dependent on the offshore fruit through April, until we start back in the California desert the first of May.

Jicama

Prices are firming up and inventories are lighter. We are seeing some quality and shelf life issues in storage product.

Kale (Green)

Quality is average and supplies are fair.

Baby Kale Blends

ESCALATED - Baby kale blends are extremely tight right now, with increased prices and major quality issues in the fields. This setback is forecasted to last for at least another week or two.

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 3 (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.

Green Leaf/Variety Lettuce

The market is weak. Recent cold weather is causing epidermal blistering and peeling; weights are lower than normal, as crews must trim damaged leaves

Iceberg

The market is weak; volume is high. Recent low temperatures are reducing palletized iceberg lettuce weights.

Romaine

Supplies will be light for the next couple of weeks due to ice in the fields. Quality is average. We are still seeing heavy rib and some twisting. Pricing is a wide range due to the quality issues.

Romaine Hearts

Supplies will be normal for the next few weeks. Quality has improved, as most issues with quality can be peeled off. Pricing is a wide range due to quality.

Limes

Prices are stable; supplies are sufficient. Quality is good: blanching and scarring are minor problems.

Napa

Supplies are steady and quality is good.



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JANUARY 12, 2018



Produce *(continued)*

Onions

All indications are showing that supplies are significantly shorter than previous seasons. It is likely that we will see pricing remain elevated as demand exceeds supplies. Sizing is peaking mostly on mediums and jumbos with fewer big onions, but size overall has become better. Transportation in this region has been the largest factor keeping pricing where it is as trucks have been extremely tight. This is forcing heavier movement from regions outside of the northwest which has forced that area to keep pricing where it is at.

Oranges

Market is very 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 11-13 and acid levels are minimal, so fruit is eating good. We are done gassing fruit as we have had several cold night in the high 20's and a few nights that dipped to 25 but not for a long period of time, we are seeing some damage in the low lying areas but just minimal. The forecast is for mild weather for the next 2-weeks and not any rain at all which is needed in a big way. 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)

Quality and supplies are fair.



Green Bell Pepper

East: The increased supply from all parts of FL is showing signs of great quality and sizing. Look for prices to remain steady for another week until the results of the cooler temps is uncovered.

West: Great supply is still coming from MX. Great quality, thick walls, and good size availability are being reported. FOBs are steady for next week.

Jalapeño Pepper

East: Florida has decent supply still coming out of the region. Quality is good with steady prices.

West: Sonora & Sinaloa are in their peak production time with great quality and heat levels. Prices remain low.

Red & Yellow Bell Pepper

Prices are up. Florida stocks are tight due to low temperatures; demand has shifted to Mexico. Quality is average: discoloration, odd shape, and occasional scarring are slight issues in Florida.

Pineapple

Prices are low; stocks are abundant. Quality is good: fruit is juicy and tangy, yet sweet. Sugar levels range from 13 to 16 Brix.

Idaho Potatoes

Demand in the state is fair and prices are steady. This week is a short production week for all operations and next week will be similar. If tradition holds true, there should be a very good demand for the first two/three weeks of January. Prices should also remain steady. The transportation problems will continue to have adverse effects in this market.

Rapini

ESCALATED - Supplies are very limited and prices are very high. Quality is average.

Radishes

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

Salad Blends

Prices are level; volume is average. Quality is good. Inspectors are vigilantly monitoring core material/seeder and internal burn problems for the best packs.

Snow and Sugar Snap Peas

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

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JANUARY 12, 2018



Produce *(continued)*

Spinach (Bunched)

WATCHLIST - Supplies are limited and prices are rising, so we may see a gap in supply. The colder nights and warm days have prohibited the growth of this item.

Spinach (Baby)

ESCALATED - Baby and clipped spinach supplies are low. We are seeing average to poor quality.

Spring Mix

Prices are steady; supplies are sufficient. Quality is average: early breakdown is an occasional issue.

Yellow Squash / Zucchini

East: FL & Import squashes are both coming steadily into the market place. FOBs are down. Domestic quality is still seeing a bit of scarring but has improved. Offshore looks nice. Pricing could move upward as cold weather slows the growing cycle.

West: Mexico's season has been bountiful the last few weeks with great supplies coming from the area. Prices are flat for next week. However, they have seen some cooler temperatures and overcast skies, which can mean a slower growth rate. Quality is great.

Tomatoes

East

Rounds

Our South Florida crop is still ramping up, however, a previous wave of cooler temperatures just above freezing is slowing down the crop. Another wave of non-freezing temperatures is due in towards the end of the week. Extra-large is a bit snuggier, but no major supply concern. Large and medium sizes are more readily available. We're looking at about 14 days before supplies reach normal levels (pending weather of course). FOBs have dropped once again and will continue to do so as volume increases. The crop is producing excellent quality.

Romas

Romas are still a bit slower to adjust downward versus rounds. Limited trucks from the Nogales region has put pressure on the east to perform. In addition, cooler temperatures have slowed down supply. Thus, resulting in FOBs pushing upward. Quality is still great.

Grapes

Weather is the hot topic in the east this week. The same story applies for grapes. Colder temps settling in have delayed volume. This is putting some pressure on FOBs to go up moving into next week. Look for bulk to increase and pints to go up. Quality is excellent.

Cherries

Supply and demand are both steady, resulting in steady FOBs. Quality is great.

West/Mexico

Rounds

The final volume is trickling in from Eastern MX & Baja while Culiacan continues to build momentum. All sizes are more readily available versus last week. Normal supply levels are expected to be reached around the 2nd-3rd week of January. FOBs have dropped significantly and will continue to do so until the market finally reaches normalcy. Quality is excellent.

Romas

Rebounding nicely, romas fall another few dollars in the west. Culiacan's volume is shaping up nicely with good supply on all sizes. Expect markets to balance around the 3rd week of January. Quality is excellent.

Grapes

Some cooler weather has slowed things down, however, supplies are still readily available. Thus, prices are down considerably. Quality is great.

Cherries

With a healthy supply from Nogales and firm demand, cherry prices are steady for next week. Southern CA still has a few loads trickling out, but at a higher price point. Quality is excellent.

Watermelons

Prices are slightly lower than last week; expect even weaker markets next week. Stocks are sufficient in both areas. Minor problems include under-ripeness, thick green/white rinds, and light-colored flesh.