

MARKET TRENDS

FEBRUARY 2, 2018

PERFORMANCE
FOODSERVICE



Produce

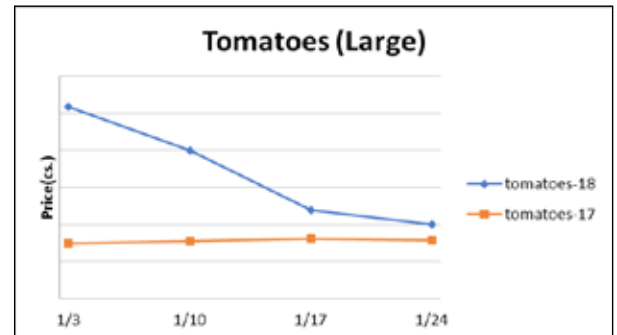
The large tomato market has fallen to its lowest level since July-down 71% from the peak made just last month. Tomato supplies from Florida are improving. Last week tomato shipments from the state jumped 37% and were virtually even with the same week last year. Tomato prices are likely to find support in the coming weeks and haven't been significantly below the existing levels in nine months. U.S. avocado imports from Mexico last week were 14% less than the same week in 2017. Lettuce, romaine and leaf items are steady and quality has improved. Lemons and oranges are in a very extreme market. Strawberry and raspberry supplies have improved.

Watch List

Bananas And Pineapples: Several weeks of cooler temperatures have impacted the growing areas in Guatemala and Mexico. In addition, we have seen major flooding in Costa Rica which has not only caused major flooding and delayed harvesting, but has also affected infrastructure delaying shipments. Our growers are seeing lower yields, quality, and volumes. We will be watching day to day as shortages can come along any time.

MARKET ALERT

- **Lemons – EXTREME**
- **Mushrooms – ESCALATED**
- **Oranges (Small sizes) – EXTREME**



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Apples & Pears

Prices are unchanged. Storage supplies are plentiful. Peak sizes include: Fuji (88- to 100-count), Gala (100- to 133-count), Golden Delicious (100- to 113-count), Granny Smith (113- to 138-count), and Red Delicious (80- to 113-count). Quality is very good: sugar levels range from 14 to 18 Brix. Pear prices are steady; storage supplies are plentiful, especially 100- to 120-count sizes. Bartlett stocks will be depleted by next week; several growers have already ended their seasons. Sugar levels range from 12 to 14 Brix.

Artichokes

Steady market with higher prices. Quality is good.

Arugula

Product is available and quality is good.

Asparagus

Supplies are better and prices have improved. Quality is good.

Avocados

Overall volume will remain consistent; however, smaller sized fruit is still a challenge over the next several weeks. We will also see production out of California begin to ramp up. There is also the potential for a flush of #2 fruit on the horizon just in time for Super Bowl demand.

Beans

East: Little supply is available from FL as the crop tries to recover from recent cold snaps. As weather warms, this is expected to improve over the next few weeks. FOBs are still very high with mostly good quality.

West: Good volume is expected for only another 7-10 days as supply tightens up. FOBs have started increasing already. Quality is great.

Berries:

Blueberries

Availability is good, quality is fair.

Blackberries

Volume is good, quality has improved.

Raspberries

Volume has improved and quality is good.

Strawberries

The market has improved, we are seeing better prices. Quality is good to fair.

Bok Choy

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

Broccoli / Broccoli Florets

Supplies are good, quality is very good, and the market is down.

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

We are seeing both good quality and volume.

Cauliflower

Supplies are great and quality is excellent with a wide range of pricing.

Celery

This market is fair. Due to the recent rains, we are seeing product breakdown quickly creating some quality issues.



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Cilantro

Supplies are good and quality is improving.

Corn

Sweet corn markets are down this week due to lower demand out of South Florida; we are seeing some availability crossing through Nogales. Quality is good.

Cucumbers

East: Import volume from Honduras is increasing putting downward pressure on FOBs. Quality is mostly good, but there have been some containers with noticeable weaker quality.

West: Steady volume and demand for Mexico product is keeping FOBs steady. Quality is mostly good, but there have been scattered reports of shorter than usual shelf life.

English Cucumber

There are excellent supplies crossing through Nogales and McAllen.

Eggplant

East: With temperatures not quite hitting warm enough levels for eggplant to hit their peak growth spurt, supply is still short from Florida. FOBs are still high, but steady. Quality for what is available is very nice.

West: Great supply is coming from MX with great quality reports as well. Prices have slightly fallen as supply improves.

Fennel

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

Garlic

Extreme - We are about 50% done with the 2017 crop. Supplies will remain tight between now and July. Prices remain high.

Ginger

Chinese ginger supplies are steady. Quality is good.

Grapes

There are good volumes of Peruvian arriving on the east coast and good volumes arriving from Chile on both coasts. The Chilean and Peruvian fruit quality is very nice, which is a big change from last year. We are hoping that the imports this year will continue with excellent quality barring any major weather issues. . The Chilean crop is of normal volumes and the weather has been good, so we are expecting a good year.

Green Cabbage

Supplies have tightened and markets have firmed on both coasts, but quality remains good.

Red Cabbage

Quality and sizing have been great with good color. The market is firming.

Green Onions

Prices have come down; quality has improved.

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 improving. Supplies are good.

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. We are now seeing Italian fruit available as well on the east coast. Market remains steady.



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Lemons

Market very strong with excellent demand and some sizes demand exceeds supply. We are done harvesting in Dist 3 (desert) and going in a good way here in dist 1 (Central Valley), we are gassing fruit so you will see some checkerboard color and some spotting, just like the oranges we will hope to see better color break here in Dist. 1 as our nighttime temperatures cool down which will promote better color break and allow for less gassing hours. There has been some clear rot showing up which is caused by the warmer days and moisture in the ground due to the rains and the morning fog. 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 and Red Leaf

Quality is good. Prices are good.

Iceberg Lettuce

Quality is nice and the market is low. Demand is lighter than normal.

Romaine

At this point, supplies exceed demand. Quality is average, and we are still seeing some cupping and occasional blistering.

Romaine Hearts

Supplies are normal and quality is average.



Limes

The market is slightly lower; supplies are ample. Quality is very good: discoloration/yellowing is an occasional issue.

Napa

Supplies are steady and quality is good in the west. Supplies in the east are tighter due to the cooler weather that has hit the growing regions in North Florida and South Georgia this month.

Onions

What was once believed to be a very short crop in the Northwest, has been extended quite a bit due to lack of available trucks and railcars. We are currently seeing supplies meet demand and a steady market on yellow onions. There has been some downward pressure in recent weeks, and Northwest growers seem to have an imbalance of reds to yellows so there are plenty of straight load deals available out of both Idaho/Oregon and Washington. We are beginning to see supplies on Mexican yellow onions trickle in through South Texas as well. We are currently seeing the size profile heavy to mediums right now, with very little volume on Colossal and Supers available. The outlook on the Mexican and Texas crop is that, barring unexpected weather, they had a good growing season with good quality and yields expected. A lot can certainly still change, but as of this writing, we do expect there to be less of a transitional gap than years past which will help keep pricing in check.

Oranges

Market is very strong with excellent demand across the board the 113's and 138's are demand exceeds supply. We are in full swing on our California navels and the overall quality is looking good with sugars are still around 11-15 and acid levels are minimal, so fruit is eating good. We are done gassing fruit as we have had several cold nights in the high 20's which really helped bring on color and firm up the fruit. Our forecast is for rain Thursday and clear for the next 10 days so we should be back in picking by Saturday or Monday we do not anticipate any shortage of fruit to pack only short on the smaller fruit for the rest of the season. The overall crop is about 15-20% lighter than normal, therefore smaller fruit will continue to stay very tight going forward. Most blocks right now are peaking on 72's followed by 56's.

Parsley

(Curly, Italian) Quality is improving and supplies are good.

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Green Bell Pepper

East: Florida is moving into more moderate volumes versus previous light supply. Crops are on the edge of reaching higher production levels once weather warms up. Big sizes are more readily available with choice being a little snug, however, still good supply. Thus, FOBs on Jumbo/XL & LG sizes are down while choice grade remains about steady. Quality is great.

West: All growers in Sinaloa & Sonora are pumping great volume to the market. All sizes are readily available with excellent quality reports.

Jalapeño Peppers

East: supply is still very minuscule from FL with Plant City's crop wiped out due to the freeze. FOBs are relatively steady. The bright side is quality is great.

West: The two heavy hitters, Sonora & Sinaloa, are both pumping great supplies and quality out. Prices remain low with promotable volume available.

Red & Yellow Bell Pepper

The Mexican market has dipped; prices in Florida are a bit higher due to cold weather. Quality ranges from good to very good: discoloration, odd shape, and scarring are occasional problems.

Pineapples

The market is stable; stocks are ample. Quality is good: fruit is juicy and tangy, yet sweet. Sugar levels vary from 13 to 16 Brix.

Idaho Potatoes

Both planting acreage and yields were off in Idaho this past growing season, and we still expect a strong finish as growers finish shipping their Norkotah storages in the next few months, and we are exclusively into Burbanks. The season started off with profiles heavy to large size count cartons, and 80ct and smaller were very tight. As of late, we are beginning to see the size profile turn a bit and larger size cartons are beginning to command a premium, while the smaller size potatoes are coming off in price. Similar to the onions, lack of railcars and trucks should help to extend supplies on hand and keep a ceiling on pricing. Growers will begin planting in April for next season's crop.

Rapini

Supplies have improved and markets are down. Quality has improved.

Radishes

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

Salad Blends

The market is unchanged; supplies are abundant. Quality is good. Inspectors are monitoring core material/seeder and internal burn problems in order to pack the finest product on the market.

Snow and Sugar Snap Peas

Snow and sugar snap peas supplies are improving through Miami.

Spinach (Bunched):

Supplies are available and quality has improved.

Spinach (Baby)

Baby and clipped spinach supplies are good. We are seeing improvement in quality.

Spring Mix

Supplies and quality are good.

Yellow Squash / Zucchini

East: Production is still light but improving. Demand has been fairly light which has helped keep an acceptable level of supply in the marketplace. FOBs are falling quickly as supply improves. However, quality is still only fair to good. Yellow is still showing heavy scarring while green is showing light scarring.

West: Great volume is available with increasing supply as more growers come on board. However, there are still major



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quality issues, especially on yellow. Therefore, there is still a spread on pricing. Better quality is demanding a much higher price point.

Tomatoes

East

Rounds

Strong production levels continue to pump from our Florida farms. Sizing is shaping up nicely across the board. FOBs have fallen once again as volume increases. Quality is excellent and expected to remain in great condition with ideal growing conditions.

Romas

While romas still trail behind rounds in terms of volume harvested, there is still ample supply available from our Florida farms. Growing conditions have been excellent, helping increase supply and putting further downward pressure on pricing. FOBs falling across the board with superb availability on all sizes. Quality is excellent.

Grapes

Plentiful supply levels are available from South Florida and are forecasting strong levels moving into next week. FOBs are down on both bulk and pints. Quality is excellent.

Cherries

Supply has leveled out with steady demand. FOBs are stagnant with excellent quality available for purchase.

West/Mexico

Rounds

Western MX is the primary player, moving strong supply out of their fields. Crops are reaching peak production levels with excellent size options available. Baja & Eastern MX are still harvesting a limited amount of volume as their season winds down. Good growing conditions have helped them stick around longer, however, their crop will come to a close in the next few weeks. FOBs have fallen to almost the minimum trading value. Quality from all areas is great.

Romas

Great volume is moving across the borders from Western

MX as growers and crops reach their peak production levels. Baja & Eastern MX have limited supply as well. FOBs are mostly trading at or around the minimum suspension agreement with excellent quality.

Grapes

Plentiful supply levels are available from MX and expected to remain in great volumes so long as growing conditions remain optimal. FOBs are trading at or close to the minimum suspension agreement with excellent quality.

Cherries

Similar to all other tomatoes, superb growing conditions are keeping supply plentiful. Balanced with a healthy demand, FOBs remain low with excellent quality.

Watermelons

The market is steady; volume is average. Quality is good: slight issues include under-ripeness, thick green/white rinds, and light-colored flesh. Sugar levels range from 7 to 12 Brix.

