



# \*\*\* THE A & Z MARKET REPORT \*\*\*

## *A Weekly Produce Report for Our Produce Buyers*

July 31, 2017



**GENERAL OUTLOOK:** The extended strong high pressure system that western growing regions have been experiencing will continue again this week and well into next week too. This high pressure ridge is locked over California, Washington, Oregon and Arizona resulting in near record high temperatures in most inland areas while growing locales along the Pacific Coast will enjoy cooler temps due to the normal marine layer. Baja, Mexico producing regions, **200** miles south of the border, are encountering near ideal weather while other growing areas to the south, especially in mainland Mexico, are facing harsh, seasonal monsoonal conditions. Oregon and Washington continue to have very mild weather. Harvesting in the Golden State (California) continues to be very strong with very little rain expected this week. We anticipate growers to continue reaching out to us to help move excess inventories resulting in continued promotional opportunities. Please contact our sales team for updated promo ideas being offered on a daily basis.

### \*\*\* TIGHT ITEMS \*\*\*



**ASPARAGUS:** All markets are active! Ongoing rains and cooler temps in Central Mexico (see above) have drastically reduced production by up to **75%**. New crop harvesting in Northern Baja, Mexico is slow to start. Peru is in transition between growing districts with only limited volume available to send to the U.S. and most of that is hitting the East Coast. Thus, Supplies are few and prices are much higher as we see pricing hit the \$6.00 per lb mark and higher on standard and larger sizes.

**TOMATOES:** Extreme bloom drop from recent heat has impacted California volume and firmed up ROMA and ROUND markets. With continued inland heat, market pricing is higher due to the reduced yields. GRAPE TOMS prices are higher too. Local production has been slow to start with any volume so there is little relief on pricing. Expect pricing from surrounding growing areas to keep pricing higher over the next couple of weeks. Locally speaking look for your neighbor or grandmother to start dropping sacks of them off at your front door in the coming weeks as local gardens are about ready to 'pop' and start producing in earnest.

**PEPPERS:** New BELL PEPPER production in the Fresno, CA region is light. Supply has yet to catch up with demand so the GREEN market is active and tight. Gilroy, CA is starting this week that will help volumes increase in the near term. REDS, ORANGE and GOLD BELLS are very limited. CHILE PEPPERS are also in transition, moving into new fields that are slowly coming on in Baja and SoCal. We have tried using local jalapeno chilis but find that quality and pricing is better out of California. Overall, supplies and prices are uneven.

**CITRUS:** These markets continue to be active this week! Demand for California **VALENCIA ORANGES** is very strong while supplies of the smaller sized fruit are short due to this year's irregular wet spring and hot summer temps. All sizing is pushing 72's and larger. This scenario of limited supplies and high prices will be the norm for the balance of the season and the upcoming school year will see major issues as all national players scramble to cover small sized orange bids/commitments. Imported **NAVEL ORANGES** have been available from Chile and Australia at much higher pricing. In general, **LEMON** supplies have slightly improved due to increasing imports from Chile landing on the West Coast and Mexico starting. Uneven Mexican supplies and irregular prices will be the norm at least into September. Domestic **GRAPEFRUIT** availability is limited as inventories dwindle. **LIME** harvesting in Eastern Mexico has been slowed by heavy rains 10 days ago and prices have spiked and are starting to taper back down.

### \*\*\* PROMOTIONAL ITEMS \*\*\*

**MANDARIN TANGERINES:** A shipment of new crop Chilean Mandarins have arrived for promotion. Quality is great and pricing is set at promotional levels. This is a great summer time item to promote as a quick 'grab n' go' item in your departments. Please call for details!



**SWEET CORN:** Abundant supplies coming on all at once from multiple growing areas (including Utah, Colorado and California) which have pushed prices way down. Competitive prices are very low while quality is super nice. Please call for details!

**SEEDLESS GRAPES:** New crop RED and GREEN production is ramping up in the San Joaquin Valley as more growers begin harvesting. High temps and low volumes were challenging at first, but production is rapidly increasing week by week. Sizing is larger, quality is excellent and prices are slowly adjusting downward.

**CHERRIES:** As the season comes to the close, this year's Washington crop is expected to be the largest ever. The record set in 2014 was **23.2 million** 20-pound boxes, while this season will top out at close to **27 million!** Only a few dark reds and Rainiers remain.



**BANANAS:** There is nothing wrong with banana promotions in the summer, especially when prices are so low. Dole continues to ask A&Z to move extra inventory. Call! (DID YOU KNOW? U.S. researchers recommend eating **two bananas a day** to greatly improve overall health. "Bananas are rich in fiber and vitamins, particularly vitamin B6 which regulates the levels of glucose in the blood. Also, bananas contain carotene, which positively affects the health of hair, nails and skin."—freshplaza)

**STRAWBERRIES:** California production has peaked in all areas with consistent good weather, this trend will continue in the near term. The coastal marine layer will keep temps ideal for near perfect harvesting forecast. California growers are pulling huge numbers out of the fields and even processors are pushing back on the increased volume as they refuse loads because of the inability to process them. With that said some growers are choosing to continue pack for the fresh market vs. stripping the plants thus flooding all areas with VERY CHEAP, inexpensive fruit. Quality is all over the board as we have seen multiple labels in the SL market the last week. There needs to be an upward shift to push growers out of this slump, but when that will be no one can tell. For now, deal will 'pop' up without warning and when they do PROMOTE, PROMOTE, PROMOTE as they become available.

**CANTALOUPE & HONEYDEWS:** New production in the San Joaquin Valley (California) is increasing and prices are easing. Supplies have been short because of previous heat that brought desert production to an early end. Now, plentiful supplies are again available with Organic 12ct Cant's currently available at promotional levels and 6ct dew's. With local production starting close to home and in Green River Utah and regional production from Hagerman, Idaho and Rocky Ford Colorado there should be plenty of fruit in the coming weeks.

**CAULIFLOWER:** Temperatures in the Salinas Valley have been moderate and several row crops are pushing big numbers. One of those is this very, very popular vegetable. Now would be a great time to promote Cauli for cooking and raw use in veggie trays and family outings/picnics. Some adventurous souls even make pizza crusts and sub this for mashed potato dishes creating a very healthy alternative. Get creative and promote today!

## **\* \* \* FRESH FRUITS & VEGETABLES \* \* \***

**DRY ONIONS:** California is the main source of supply moving into August. Growers are dealing with heat related issues impacting quality and volume. Supplies are light to moderate while demand is moderate to good--keeping markets active. YELLOWS are in better supply than either REDS or WHITES. Excellent quality Walla Walla, WA SWEETS are in stock.

**PEARS:** New crop early California BARTLETTS have arrived while Washington storage D'ANJOUS are winding down.

**STONE FRUITS:** Triple digit heat in California's Central Valley is affecting this year's already light crop. **PEACH, PLUM** and **NECTARINE** sizing is larger than usual because of this winter's heavy rains and recent heat. Demand is high and prices are higher. The Northwest season is just starting and we expect to see Washington and Idaho fruit in the market by the end of the week. Nice Idaho **APRICOTS** are in stock and are value priced this week while supplies last.

**APPLES:** Even though Northwest shippers have been focusing on the cherry harvest, some storage apple varieties are rapidly dwindling including JONAGOLDS, GRANNY SMITHS, HONEYCRISPS and GOLDEN DELICIOUS. Most other apple markets are firming. (Note: Good values are still available on large size BRAEBURNS & CAMEOS.)

**CILANTRO:** Previous heat has affected quality industry wide creating shortages and pushing this market up.

**LEAF & ICEBERG LETTUCES:** Ideal growing conditions in both northern and southern coastal growing regions in California have improved growth and quality. Some shippers expected these markets to tighten, but with steady demand, markets are constant.

**PINEAPPLES:** Even with the lighter summer harvesting period, arrivals from the tropics are fewer than usual. Recent heavy rains have hurt production, and this lighter availability will probably last through August. What is available continues to be priced on the higher side but quality and sugar content continues to be good.



**WATERMELONS:** Excellent quality is available across the country as local / regional / national growers start coming into stride with their 2017 production. We expect to see good supplies for the next eight weeks as we transition from California up to Hermiston, Washington. Local supplies from Green River Utah and across the border in Colorado will also supplement our areas needs.

**POTATOES:** Idaho growers remain bullish on larger size count bakers as the end of the storage season quickly approaches. Demand is steady while prices remain high. Retail poly pack prices are going up as growers find 'hit and miss' sheds as they run their final inventory from last year. Some sheds are pulling out much larger sizing giving little packout to the smaller sized poly bags. Idaho shippers appear to have sufficient supplies to avoid any major supply gaps between storage inventories and new crop harvesting that will begin as early as next week.