



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

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

August 21, 2017



**GENERAL OUTLOOK:** The continuation of the recent high pressure system over California, Oregon and Washington will keep weather conditions in these regions similar to that seen over the last month. Inland temperatures will be a little cooler this week with highs hovering near triple digits, while the coastal areas of Salinas, Santa Maria, Oxnard, Los Angeles and Carlsbad, California will be in the **70s**. There will be very little chance of rain in major Northern Baja, Mexico growing districts or in any California growing regions. This means that harvesting will continue at full speed, and heavy inventories will continue. Tropical Storm Franklin caused some damage in the LIME growing regions near Veracruz, Mexico—but except for delayed harvesting, other Mexican growing areas dodged a bullet this time. However, monsoonal storms are still expected this week in Central and Southern Mexico, normal for this time of year. We continue to be approached by western shippers seeking help in moving excess inventories. Short term profit deals seem to regularly develop with little notice. Please call!

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



**AVOCADOS:** In general, **prices have spiked (now over \$100) due to strong demand and limited availability!** As California commercial HASS harvesting ends, some of the state's larger shippers have tried to stretch out the crop only to experience quality problems at the end. Mexico's summer crop is small and limited as growers slow harvesting until the new main crop starts in mid-September. Some of these growers will also gamble with quality as they try for season ending high prices. Peru has ended while Chile is just barely starting with volume arriving next month. (Note: Avocados have become so popular worldwide [U.S. consumption is steadily growing by 15% per year] that in Mexico, the world's biggest producer, what used to be a dietary staple is now too expensive for many ordinary consumers. Mexican government statistics show avocado exports now bring more money into the country than do oil exports. Avos are believed to have been first cultivated thousands of years ago in the present Mexican state of Puebla, and have become big business for Mexico, accounting for about half of the world's production. Many growers have become wealthy on this "green gold". ---The Guardian)

**CILANTRO:** This market continues to climb because of steady demand and the shortage of decent quality supplies. Yellowing and decay are the main problems resulting from previous erratic weather. Recent tropical storms across Mexico have only exacerbated the shortages as growers are unable to harvest. **Prices are high while supplies are short and quality is low!**

**PINEAPPLES:** The ongoing shortages of this popular tropical favorite will continue through August and into September. Import volumes are lower than normal for both Mexican and off-shore (Latin America) fruit. Quality is good while markets remain steady at current higher levels due to steady, strong demand.

**CITRUS:** The demand for California VALENCIA ORANGES is strong and getting stronger! Ever increasing school demand combined with steady retail fresh juice demand have pushed smaller size prices even higher. Most packers have slowed harvesting way down to prolong the season as long as possible. But even with these measures, some growers will finish by the end of the month, while others will end in September---weeks earlier than normal. Re-greening and softness continue to be the bane for shippers. Expensive, larger size NAVEL imports from various countries are helping supply the fresh market. **Orange prices continues to climb!** Domestic LEMON supplies continue to be limited. Increasing imports from Chile are helping to satisfy demand. Tropical storms have hurt new crop harvesting in Mexico that will limit crossings in the U.S. for a couple of weeks. Monsoonal rains across most of Mexico have caused problems for Mexico's LIME harvest too. The tropical storm was the culprit bringing **4-8 inches** of rain and high winds to Mexico's citrus orchards which halted harvesting. Growers expect that it will take weeks before volumes return to normal. **Citrus prices are higher!**

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



**SWEET CORN:** Local and regional production is available right now. Quality is good, sugar/starches are high and prices are low and supplies are abundant. We have an excellent top of the week promotion on Olatha Corn out of Colorado. Call our sales staff now for details!

**MELONS:** Some of the best eating quality CANTALOUPEs are now coming out of the Central San Joaquin Valley. The short humidity spell experienced recently seemed to actually help the Harper variety melons mature with great eating quality now. The best pricing is with the jumbo sizes. The HONEYDEW market is trending lower as supply exceeds demand. Eating quality and condition are excellent. High quality, large size SEEDLESS WATERMELONS are regularly arriving from Hermiston, OR. Melon prices are lower, now is the time—call our sales staff!



**CAULIFLOWER:** Coastal production has picked up while demand hasn't. Prices are down, nice quality supplies are plentiful and deals are available. Please call for more info!

**LEAF & ICEBERG LETTUCES:** Flat markets (good supplies with light demand) continue to be the story with these commodities. Even with increasing school demand, production is more than adequate. Overall quality has improved with only occasional, slight tip or fringe burn. Competitive prices and supplies are expected for the near term with a possible production gap probable in September according to various shippers. But for now, prices are low—please call!

**RASPBERRIES:** Every summer we wait for the perfect times to promote cases of premium quality berries. The summer seasonal harvest comes in two cycles, and we just passed through the second cycle. High quality California raspberries are still available at attractive pricing. Call now!

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

**SEEDLESS GRAPES:** California's San Joaquin Valley is the source, and supplies are increasing as production nears the peak. There are many varieties of both GREENS and REDS available. Pricing is generally a factor of size, color and firmness. Some promotional deals are available, but overall sizing is larger than normal because of this season's heat. Markets remain steady.

**OTHER FANCY BERRIES:** The recent hot weather in the inland Pacific Northwest BLUEBERRY growing regions is slowly being replaced by cooler, normal temps. Quality is improving and harvesting is slowly increasing even as marketplace prices are moving forward. Late season BLACKBERRY production in California is peaking, moving prices lower. Availability should be good through September until the transition to new fields in Central Mexico.

**STRAWBERRIES:** This market has remained steady recently, but weekend demand increased—especially in the northern district of Salinas/Watsonville where the fruit is superior. This firmer trend should carry into this week. Weather is always an issue for berries and cooler temps help improve quality. However, a slight warming is expected again this weekend. As shippers strive to keep their inventories current on a daily basis, they often ask A&Z to move extra fruit with little advance notice. Please keep in touch with our sales team for promotional opportunities!

**ASPARAGUS:** Pacific Storm FRANKLIN raged across much of Central and Southern Mexico raising havoc with many ground vegetables—including ASPARAGUS. It is feared that rain damage will effect much of the current mainland crop, but Ensenada in Northern Baja was spared and still has good volume. Prices are higher due to the lower overall crossings.

**TOMATOES:** Western supplies were improving after several weeks of light production. However, the recent tropical storm in Mexico brought as much as **15 inches of rain** to some growing regions that has reduced shippable product (especially ROMAS) to the U.S. California Roma production is steady, however overall supply is lower with plantings around **25%** of their ROUND counterpart. As Mexico recovers from recent rains and quality improves, markets should begin adjusting downward and supply, demand and price will come into balance.

**DRY ONIONS:** Markets are steady on all sizes of YELLOWS and REDS from all shipping points. Idaho and Western Oregon have started and are now major players in the Dry Onion market.

**POTATOES:** Many Idaho growers have begun new crop harvesting. There will not be a gap this year from old to new crops. So far, growers are seeing large size profiles and nice skin sets. Thanks to the recent ideal weather, growers have been able to jump start harvesting.

**KIWI FRUIT:** Good quality numbers are arriving regularly from Chile. With increasing school demand, this market is rising.

**GARLIC:** California harvesting will continue into September. Domestic and import markets are strong and are expected to stay that way with no letup in sight due to steady, good demand.

**BROCCOLI:** Good production from multiple growing regions has kept this market reasonable. The combination of local grown crops and summer fruit deals have slowed promotional demand for California veggies, keeping many of these markets depressed recently.



**STONE FRUITS:** Northwest harvesting is in full swing with excellent quality PEACHES and NECTARINES. These markets remain firm, mainly because of the low volume season in California and crop failures in the Southeast. Red and black PLUMS are abundant while PLUOTS are now available too. CHERRY and APRICOT seasons have ended. California POMEGRANATES have started. New crop Washington Bartlett PEARS arrive today.