



## A&Z Market Report

December 19, 2017

**GENERAL:** A high pressure system over California and Baja, Mexico is diverting incoming storms north to Oregon and Washington. Warm temperatures will continue until Wednesday when a cooldown begins in all California and Baja growing regions. Navel ORANGE groves in Central California will experience temps this weekend as low as **30 degrees**, but growers should be able to negotiate through this cold spell. The positive result of the cold will be improved outside natural orange coloring. The snow and cold temps that we reported last week in McAllen, Texas and the Mexican regions to the south have resulted in significant freeze damage to TOMATO fields, putting more pressure on western

supplies. (Note: All Mexican harvesting will be limited through Christmas and the New Year because workers usually go home to their families for a two week holiday.)

## Tight Items:



**TOMATOES:** All markets continue to rise rapidly, but the ROUND market has skyrocketed!

Overall Mexican imports are down 25% from a year ago due to cold weather in central and eastern growing districts. Volumes for the rest of 2017 are expected to be lower. Set back by Hurricane Irma in September, season-to-date shipments of Florida tomatoes are down 54% from the same time a year ago and down 65% just last week according to the USDA. Baja, Mexico is winding down too. New production in Culiacan will begin in January.



**LEMONS:** Light harvest levels and an early end to the desert crop plus a slow start to the Central Valley, CA district have all made lemon supplies limited for the holidays. **Prices have jumped** as a result! Shippers anticipate a strong market for the near term because of a small, tight crop and very good demand. The huge Thomas Fire in Ventura County is a major concern for growers. About **80%** of California's lemon volume comes from that county. Groves appear to be impacted to a lesser degree than avocados because most trees are planted on flat ground while avocados are typically planted on steeper ground. Also, lemon trees apparently have a natural



**CAULIFLOWER:** **This market has really heated up!** A major gap exists because growers have been at least two weeks ahead of scheduled harvesting and now supplies are very limited at best. Shippers are scrambling to cover orders, often substituting sizes. **Prices have spiked** because this supply shortage is expected to last through the month.

resistance to fire. Ventura  
lemon harvesting usually  
begins in February.



**FANCY BERRIES:** These markets continue to have limited availability again this week. Central Mexico is the main source, and while harvesting is steady and quality is good, demand is better. Delays at the border have made RASPBERRY and BLACKBERRY arrivals uneven. Overall BLUEBERRY imports from South America are slowly increasing now that Chile has come on line. Central Mexico is in production too. Through the holidays, **expect fancy berry prices to be high!**

## Promotional Items:

**BANANAS:** Abundant supplies with attractive pricing should be available through the holidays. Please call in advance to line up your orders so that we have the correct color stage for you.



**APPLES:** The final Washington State apple crop estimate is **up 9%** from the August 1 report, now at **142.3 million boxes** and will come in second to 2014's **143.6 million!** The harvest ran until the end of November due to good weather. The large crop will result in lower prices as shippers strategize to move their huge inventories in 2018. Many varieties are already in promotional

**HONEYDEWS:** While CANTALOUPE and WATERMELON supplies are significantly lower this week, dewes remain plentiful, inexpensive and are the best melon deal this week. Call! (Note: Domestic loupes are ending while pricey new imports from Guatemala are arriving to southeastern ports. Mexican watermelon production is very low while growers transition to new southern fields. Supplies are limited and prices are higher.)

**CUCUMBERS:** Not much changed with this market as plentiful Mexican harvesting continues in multiple growing regions with steady, good quality supplies crossing the border. Please call!

**SQUASHES:** Soft variety (YELLOW & ZUCCHINI) markets will be rising as growing areas in Mexico transition to new southern fields. But for now, in-house supplies are good

position for holiday sales. Please call our sales team for the “hot” deals!

**PINEAPPLES:** Imports have risen dramatically this month from Latin America. The USDA is reporting a significant spike for inbounds this week with over **1,100** truck load equivalents expected to arrive from Costa Rica alone. Mexican imports are higher than normal. The high supply will keep prices low even with good demand. Please call for details!

and prices are low for the **40-pound** pack. Hard variety (ACORN BUTTERNUT & SPAGHETTI) supplies coming from Mexico are abundant and prices are very low. Please call for squash prices!

**LEAF LETTUCES:** For now, there are more supplies from multiple growing districts than there is demand. Yuma, AZ, Santa Maria and Oxnard, CA are all producing good quality. Now is the time because shippers expect a production gap soon that may turn these markets around. Call!

## Fresh Fruits and Vegetables:

**AVOCADOS:** Limited harvesting continues in Mexico, our primary source, where many municipalities and growers are reducing volumes in an effort to push the market up. It is working too! In spite of negotiations to resume normal and steady harvesting, supplies are expected to be short through the holiday season with many retail avocado ads in possible jeopardy of inadequate supply. **Markets are unstable.** (Note: Two weeks after the start of the wildfire in Ventura County, the blaze is still active, preventing accurate assessment of damage to avocado groves. About **250,000 acres have burned** with this fire alone with over **1,000 structures destroyed!** Over **4,000 avocado acres have been scorched** because many orchards are planted against hillsides, where fires have been raging the most. Fast moving fires often burn only the green tops, but the trees can survive and

**PEPPERS:** GREEN BELL crossings from Mexico are slowly increasing even after recent cooler weather. However, markets are still firm because of more demand from the East Coast. RED BELLS are really tight with very limited volumes in both Coachella, CA and Mexico. Hot house supplies are very light too. With the exception of Pasilla/Poblanos, all other Mexican CHILE PEPPER supplies are increasing.



**SEEDLESS GRAPES:** The RED market is stronger because there are limited supplies of top

grow. However, if it is a slow moving fire and the lower trunks are girdled, the tree dies. It will be into January before a true damage assessment can be made by growers.)



**STRAWBERRIES:** Even though SoCal production was a bit lower last week, there is some uneven pricing this week. Santa Maria production is steady with the best availability, but there have been quality issues that have caused pickers to spend more time in the fields. Oxnard was hit with strong winds, threats of fires and fire-ash with poor air quality that limited harvesting. Shippers hope for rebounding supplies this week, and prices vary as a result. Mexico and Florida have only fair production because of weather issues.

**ICEBERG LETTUCE:** As expected, this market is becoming firmer because most shippers have been about three weeks ahead of production estimates which means a big supply gap is forming as the weather cools down. Quality is good on what packs that are available.

**CARROTS:** New production is steady, but there isn't a lot of size so far. Jumbo packs are especially tight and prices are reacting upward as a consequence.

quality grapes. As a result, there is two-tier pricing with premium packs commanding top dollar. Many of the cheaper packs are dealing with weaker, lighter colored fruit. New crop reds from Peru are now available on both coasts, but prices are high. Chile will start in early January. Domestic, storage GREEN supplies and overall quality is good. Grape markets are rising.

**OTHER CITRUS:** California NAVEL ORANGES are now peaking on **72s and larger**, while smaller fruit is minimal and will be for the remainder of the season. With the overall crop being lighter this year, shippers don't expect prices to drop much. They want to be able to have supplies into May, and the best way to do that is to keep prices up. Clementine MANDARINS are in good production and movement is excellent. The Mexican LIME market is steady and is expected to stay that way into the new year. In spite of recent cold weather, Texas Ruby Red GRAPEFRUIT harvesting is nearing peak levels. Quality, color and flavor are all excellent. Due to the supply shortage in Florida, movement is brisk and prices are steady. Florida citrus crop estimates continue to plummet in the wake of Hurricane Irma's destruction on September 10 that brought **15 inches of rain and 110 mph winds**.

**POTATOES & DRY ONIONS:** These markets are generally steady and are expected to stay that way through the holidays. Quality is excellent, and we suggest that you stay ahead on supplies.