



## A&Z Market Report

February 5, 2018

**GENERAL:** The western heatwave continues—especially throughout California growing regions. The current high pressure system has brought record highs across the west with temperatures **10-15 degrees above normal**. Incoming Pacific storms are being diverted north into Oregon and Washington. The unusual warm weather is advancing plant growth and production rates across the west. Quality is still very high, however growers are worried that insect populations will explode and be a real concern in the near future. Although quality and supply are strong now, shippers fear that there will be supply gaps down the road.

### Tight Items:

**BANANAS:** This market continues to tighten as imports from Latin America are uneven in both quality and quantity. Adverse weather has been the main reason for the disruptions in supply, but there have also been political issues too—especially in Honduras. Guatemala and Mexico have experienced cold weather that has impeded plant growth while Costa Rica has had heavy rains that have caused flooding in the farms and occasional port closures due to high swells. Imports from Ecuador are lower too. There has been very little spot market availability on the West Coast as all major brands report shortages. This pro-rated supply scenario is expected to last into March with delays in harvesting, shipping, port arrivals and port releases. Fruit will also be picked a little immature based on past experience. **Supplies are short and prices are higher!**

**LIMES:** The State of Veracruz, Mexico on the Caribbean Coast, produces about half of the country's citrus and most of the limes that are sent to the U.S. Recent heavy rains brought production to a standstill as growers have had to wait for the rains to end and the orchards to dry out before harvesting could resume. **Prices will be higher in the short term** and supplies will be uneven. Volume and quality will be challenging for the next ten days.



**STRAWBERRIES:** With better weather, supplies in Southern California are improving after a slow start to the season. The market has remained active because of strong demand. Shippers expect to have good quality volume for this week's Valentine's Day pull, but will it match demand? Quality is excellent and sizing is improving. **Prices are expected to remain steady to firm** until next week. The market usually falls back after a holiday. (DID YOU KNOW? The CA Strawberry Commission reports that 2018 acreage continues a recent trend of growth in production on decreasing planted acreage. The last few years have seen a **6% increase in volume on 13% decrease in land** due to growers shifting to higher yielding varieties.)



**SEEDLESS WATERMELONS:** This commodity has been rather tight for two months even though we are in the peak of the Southern Mexico winter growing season. Import supplies are slowly increasing, but demand has also been increasing due to the generally warmer weather across the U.S. Steady supply and steady demand translate into **steady (albeit high) prices.**



## Promotional Items:

**CANTALOUPE:** Abundant off-shore arrivals from the Caribbean (Honduras and Guatemala) have pushed this market down to the point that prices are now very attractive. Supplies and quality are excellent. Loupes are by far the best melon value this week. Please call for details!



**APPLES:** Northwest storage facilities are full and shippers are eager to move product. There are great deals on many varieties. Please call our sales staff for more info! (DID YOU KNOW? Production of the RED DELICIOUS variety, the most widely produced apple in over 70 years, is in rapid decline as aged orchards are replaced. U.S. shoppers are willing to pay more for newer, better tasting varieties like HONEYCRISPS that also bring better returns for farmers. Honeycrisp output increased **275%** and prices rose **41%** from 2010 to 2017. –Bloomberg L.P.)

**TOMATOES:** Large volumes of good quality supplies continue to cross the border from Culiacan, Mexico. ROUNDS, ROMAS & GRAPE TOMATOES are all priced to move this week. Please call!

**ICEBERG & LEAF LETTUCES:** These markets remain flat with supplies far exceeding demand. Markets have been low for many weeks as growers continue to be ahead of scheduled harvesting. Some fields are being bypassed as shippers strive to pack the best quality available. A supply gap will develop soon, but not this week or next. Please call for prices!

**CUCUMBERS:** Good, steady production from several growing regions in the State of Sinaloa, Mexico is keeping this market low. As long as the great weather continues, this steady trend will continue in the near term. With overall light demand, prices are very attractive, please call!



**BROCCOLI:** Little demand and abundant supplies are keeping prices low—especially for CROWN packs. Shippers hope to move more volume as they compete for business. Call!

**CAULIFLOWER:** Some shippers are reporting lighter yields with the possibility of a slight gap in supply soon. However, this week there is sufficient product to keep the market steady. Call!

**SQUASH:** Mexican hard varieties (ACORN, BUTTERNUT & SPAGHETTI) are crossing in good numbers. YELLOW and ZUCCHINI soft varieties are peaking in Sinaloa, Mexico



**PINEAPPLES:** Increasing supplies are arriving from both Costa Rica and Mexico, creating promotional opportunities once more. Medium size (6/7ct.) packs are priced to move. Call!

**ASPARAGUS:** Increased production in Mexico due to ideal growing weather is keeping this popular veggie in promotable position again this week. Shippers report peak season harvesting for the next 2-3 weeks. Prices are low, quality is high and supplies are plentiful. Please call!

too. With perfect growing weather, these markets are expected to be attractive through February. Call!



**DRY ONIONS:** Good quality YELLOW, SWEET and RED storage supplies continue to be available in the Northwest at low prices. Good quality onions should be value priced through March.

## Fresh Fruits and Vegetables:

**CITRUS:** MANDARINS continue to be the citrus frontrunner with excellent movement of the Murcott variety now that Clementines have ended. Supplies are increasing just as flavor is improving. The LEMON market remains active at current high levels. Larger sizes are more prevalent than the smaller ones. Even with two districts producing, overall supplies are light. The Ventura district should start by the end of the February and growers expect the effects of the December Thomas wildfire to be minimal. February always brings better NAVEL ORANGE movement and this year should be no different. Large and XL sizes will be where the best values lie due to recent warm temps that

**SEEDLESS GRAPES:** Imports from Chile arriving to the West Coast have improved recently and become more regular leading to a slight softening to RED and GREEN markets. However, demand continues to be flat. February promotions may help jump start these markets.



**POTATOES:** Steady to slightly higher markets are the Idaho RUSSET story this

have spurred growth. Small sizes will be in short supply for the remainder of the season. The fruit is exceptionally clean with very high Fancy grade pack outs. CARA CARAS and BLOOD ORANGES are moving well too. The Texas Red GRAPEFRUIT season is peaking with excellent quality.



**AVOCADOS:** Mexican HASS imports will continue to be plentiful even after the recent huge pull. Demand will likely be flat this week which may even push the market down. California is just starting. [Note: According to the Hass Avocado Board, **204 million pounds (102,000 tons)** were shipped into the U.S. in the four weeks leading up to Super Bowl weekend with over **93%** coming from Mexico! The total 2018 California crop forecast is **374 million pounds**, double the yield of last year, despite the recent ravages of fire, wind, rain and mudslides.]



**FANCY BERRIES:** Good BLACKBERRY and BLUEBERRY imports continue to keep these markets steady. But, RASPBERRY harvesting in Central Mexico is in the slowest production period of the season and crossings have been light. Fortunately, new production in Baja, Mexico is increasing.

week. Norkotahs are winding down as the Burbank variety takes over. The size profile of the later is a bit smaller than the former making larger count packs less plentiful. Quality is good.



**PEPPERS:** Good BELL volumes are crossing the border from new fields in Mexico. Some hot house packs of COLORED BELLS are in peak production while field pack production is increasing too. Favorable growing conditions have also increased supplies of CHILE PEPPERS.

**GREEN ONIONS:** This market is back to normal and even a bit depressed due to increasing supplies from Mexico with little demand. Quality is good.

**STONE FRUITS:** Chilean PEACH, PLUM and NECTARINE imports have been light this year. Vessel arrivals to the West Coast have been erratic and not at full capacity. Early quality has been good as importers expect better volumes to arrive in February.



