



A&Z Market Report

March 1, 2018

GENERAL: Cooler temperatures will continue across all western growing regions this week. Plant growth has slowed in all California growing regions and will continue again this week. While most Pacific rain storms are still being diverted north towards Oregon and Washington, there will be two storm systems that are expected to quickly move across California this week. Scattered rain showers are expected today (Monday) in many northern California regions while a bigger rainstorm is expected Thursday in most California growing locals that will linger through Saturday. In general, production will be lower this week, and prices will strengthen.

Tight Items:



STRAWBERRIES: The best quality fruit is coming from Oxnard, California, and recent cold temperatures has fruit yields below expectations. New fields in Santa Maria are beginning, but it will be several weeks before volume there will be a factor. Mexico and Florida are also producing. Did you know? Over the last three years California Strawberry acreage has decreased 13% while total volume has increased 6%. New varieties are producing more. Total shipments last year hit a record 206 million trays, up from the 2016 record of 197 million trays. The Packer, Feb. 12, 2018.

BANANAS: High prices continue as the market supply and demand have forced prices higher. Ecuador appears to be about the only Latin American producing country that is enjoying relatively smooth producing conditions. Adverse weather has plagued Costa Rica with excessive rainfall that has caused delays in the fields and on the roads to ports. Southern Mexico, Guatemala and Columbia are experiencing cooler weather and have missed shipping deadlines. Chiquita workers in Honduras have had strikes along with political unrest that have hindered steady production. All of this has led to shortages and higher prices by most all importers.

Promotional Items:

LIMES: Lime supplies seem to be coming to a trickle. The weather in Mexico's primary producing area, Veracruz, has been very unfavorable with heavy rains that have hurt yields due to poor blooms caused by last year's hurricanes. Another reason for limited supply is that Mexican growers have organized and are selling their production to counties that will pay the highest price. So far, most supplies are being sent to Europe and Asia leaving the U.S. in a demand exceeds situation. Prices are expected to jump over the next four



weeks.

SEEDLESS WATERMELON: Mexican production is down while quality is good and demand is strong. We do not see any change until a shift in growing regions happens around the end of March. Did you know? Watermelons are most popular with the 59 and older age group and the least popular with those in the 18-39 age range. White/Caucasian consumers are the most likely ethnic group to purchase watermelons. 52% of shoppers say they purchased watermelon in the past 12 months. Fresh Trends 2017



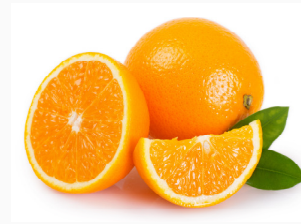
APPLES: HONEYCRISP is the HOT

variety this week. Our apple buyer has secured a great promotional price on the popular 100ct XF pack. Call to set up your promotions on this very popular variety. There are many other varieties that are available and pricing is right on both large and small sizes. On a side note, the U.S. Apple storage holdings are 12% higher compared to one year ago and 17% higher than the 5 year average. The **Honeycrisp** storage supply is 81% higher from last year and 96% higher than two years ago. This variety has become more and more popular across the country. The Packer Feb. 19, 2018.

POTATOES: Demand is lighter on all Idaho RUSSET cartons and poly packs. Storage sheds are full and quality is very good. Now would be a great time for a russet promotion with sized cartons as well as retail poly packs (5# & 10#ers). Call for deal pricing.

DRY ONIONS: Demand is softer out of all shipping points on all sizes and packs of Yellows, Reds and Whites. This would be a great time for an onion promotion. Promotional pricing is available. Call one of our salesmen.

PINEAPPLE: Costa Rica is the country that is shipping heavy volume to the U.S. Our most recent load is the popular 5 size packed under the DOLE label. Pricing is very attractive, and the quality is very nice.



NAVELS: The

Navel crop is peaking on larger sizes. Deal pricing is on the 56 size and larger. Pack outs are clean and pricing is lower on larger sizes. This makes the “by the pound” price very attractive. The pack out is very clean with Sunkist (Fancy) grade comprising nearly 85% of the crop. Smaller sizes are higher priced.

CUCUMBERS: The best quality is coming from Mexican product loading in Nogales, Arizona. Nice quality, heavy volume and soft demand translates into lower pricing.



CELERY: Even

though cooler temps will slow growth and raise prices, for the present time, pricing is still very attractive. The best deals continue to come from the Oxnard-Santa Maria growing regions.

CARROTS: Markets are steady on most commercial mini packs. This is most always a safe promotional item. Jumbo sizes are still



TOMATOES: Ideal growing conditions in the Culiacan region of the state of Sinaloa have resulted in heavy supplies of all varieties and packs. Pricing is near or at the mandated minimums for the foreseeable future. Promotional pricing won't get any better than right now.

ASPARAGUS: Northern Mexico is in peak production and should continue for several more weeks. Quality is excellent. Promotional deals are available.

Fresh Fruits and Vegetables:



AVOCADOS:

California is harvesting limited volume, but most of it is being exported overseas. Mexico is still supplying most of our domestic markets. Lack of rain has resulted in smaller sizes with fewer larger profiles. Quality is very nice.

FANCY BERRIES: Blacks remain limited with marginal quality coming from

limited and higher priced.



BELL

PEPPERS: Colored Bells (11# Gold and Orange) are very promotionally priced. The best valued Green Bell this week is the Jumbo 25# pack. Quality is very nice.



CAULIFLOWER: This market is active due to the cooler weather which is magnifying the growing gap we are in. Fields were ahead of schedule because of the warm temperatures. Pricing will increase over the next several weeks.

Mexico. Suspect quality is because of recent cold, wet weather. Supplies will be limited until domestic fruit from Oxnard and Santa Maria, California comes on line in mid-March. Blues remain consistent this week. We will rely on Mexican product until we transition back to domestic product in April. Raspberries from Mexico will remain fairly limited until Oxnard and Santa Maria start up in mid-March.



BROCCOLI: Supplies will start to decrease over the next few weeks as a result of the cooler temperatures. We are also in a growing gap which will become more apparent as plant growth decreases. Quality remains very nice.

SEEDLESS GRAPES: Supplies coming from Chile have been inconsistent as we transition from south to north. Now that the move is complete, supplies should even out over the remainder of the Chilean deal. Quality from the new northern fields is very nice.



CANTALOUPE

& HONEYDEWS: Steady supplies are arriving to the West Coast from the Caribbean. Quality is good, and sizing is mostly large. Some dews are still coming from Mexico.

ICEBERG/LEAF



LETTUCE:

Most growers/shippers have been saying for weeks that their fields were weeks ahead of schedule and a production gap was right around the corner. All that was needed was cooler temps that would slow growth, and the gap would manifest itself. That is happening right now. Steady demand coupled with lighter supplies are pushing prices higher. You can expect higher prices over the coming weeks.

Did You Know?

More than 100 Billion bananas are eaten every year worldwide! They are full of disease-fighting vitamins and antioxidants and even come in their own wrapper. Amazing other health benefits of the humble fruit are: 1. Bananas can help with digestion; 2. They are an instant energy boost; 3. They keep your heart healthy; 4. They are good for your eyes and 5. They can even help with weight loss. And, bananas are available all year. www.freshplaza.com

