



## A&Z Market Report

March 26, 2018

**GENERAL:** The powerful Pacific storm system that rolled through California beginning last Wednesday finally exited the state Sunday. STRAWBERRY fields took a direct hit and damages are still being assessed. Warmer temperatures are expected to return by this Wednesday as a more grower friendly weather pattern returns. Another high pressure system is expected to build off the West Coast and will divert near-future storms into Oregon and Washington. This welcome relief will allow growers to resume harvesting and planting future crops. The transition from the southwestern desert (Coachella, CA and Yuma, AZ districts) to the regions around Huron and Salinas, CA is now taking place. However, new production is light due to recent and earlier harsh weather. Favorable growing conditions continue over Central and Northern Mexico. This week's Easter pull will be challenging, but our sales team will strive to keep you posted.

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## Tight Items:



**STRAWBERRIES:** Heavy rains in California last week have had an immediate impact on this tender commodity impacting both supply, quality and **causing prices to skyrocket!** Last week's "atmospheric river" was the state's strongest storm of 2018. Over five inches of rain hit some growing areas in a short period of time, having both a short and long term impact on berry production and availability—just in time for Easter. It may take 2-3 weeks for growers to recover as harvesting will be delayed and quality will have to rebound. Soft, wet and bruised fruit will be discarded, fields striped and a new growth cycle will have to take place.

**ASPARAGUS:** This market is very active and tight for the holiday pull! Weather in Mexican fields has improved, but the season is way past the peak and volumes are even lower than anticipated. New crop harvesting in Gonzales, CA has been halted by the rains. Peru has started—but imports are few and going to the East Coast. Holiday **prices have jumped!**

**LIMES:** Volume supplies of good quality fruit continue to be a challenge! Eastern Mexico is slowly transitioning into new crop production which will consist of better but smaller size fruit. This shift will take time and will lead to overall better production in the weeks to come. However, not this week or next because harvesting will be minimal due to the extended Easter holiday in Mexico that will keep laborers home. **Prices will remain elevated** until then.

## Promotional Items:



**APPLES:** There are many deals available this week as Northwest shippers clean up regular storage fruit and move into their controlled atmosphere (CA) inventories. Many medium sizes are priced to

**BROCCOLI:** Rain will hinder California markets in the short term while Yuma and Mexico are still producing. With such stiff competition, Santa Maria and Salinas growers will get back into the game as soon as they can. BUNCH and CROWN prices are reasonable. Please call!

move, including HONEYCRISP, BRAEBURN, JONAGOLD, PINK LADY, GALA, FUJI and CAMEO varieties. Even some larger size GRANNY SMITHS, GALAS and BRAEBURNS are cheaper as well. Please call our sales staff for more information and prices!

**BELL PEPPERS:** Large size GREEN, GOLD and ORANGE BELLS coming from Mexico are in promotional position this week. The Greens will transition first to Coachella and Thermal, CA soon followed in late April by the Colored varieties. (Note: RED BELLS are a bit higher in price reflecting recent good demand.)

**DRY ONIONS:** Northwest shippers have abundant supplies of good quality REDS, Medium YELLOWS and SWEETS this week, and prices are very attractive. New crop Imports from Mexico are increasing, and that should help keep onions promotable. Please call for details!

**POTATOES:** Idaho retail poly pack RUSSETS continue to be very promotable this week. Because of the overall smaller size profile, packers have to run more spuds to fill the larger count baker orders and end up with more smaller sizes that go into the **5# & 10# packs**. This scenario will likely continue as growers/shippers transition into the BURBANK variety as the NORKOTAH variety winds up. Bale prices are very attractive especially for pallet sales. Please call for prices!



**PINEAPPLES:** Increasing holiday demand has stiffened this market because import arrivals remain steady. However while supplies last, jumbo size (5ct) Dole label pines are attractive.

**CUCUMBERS:** Steady arrivals from Sonora, Mexico have kept this market stable at current levels. Now, Baja, Mexico has started harvesting their new spring crop adding more competition. Both San Diego and Nogales, AZ are now loading points for cukes. Please call!



**BANANAS:** Import supplies are becoming more normal after three months of problems in Latin America growing countries. Everything from weather damage to farms and infrastructure, cool temps, dock and farm strikes, politics and shipping issues have limited the steady flow of fruit. A&Z is often asked to move extra product at a discount. Check with our sales team for details.

## Fresh Fruits and Vegetables:



**ICEBERG**

**LETTUCE:** Rain market conditions in the Golden State continue to hamper supply and quality just as holiday demand is increasing. Salinas and Huron will have better production with drier, warmer weather. Yuma will continue for another two weeks or so. Defects range from light frost damage, puffiness and discoloration. So-so supplies will keep this market active. (Note: While current supplies last, 30-count Cello packs are cheaper!)

**LEAF LETTUCES:** Supplies are light as the season transitions between growing regions. In California, the Imperial Valley has all but finished and current inclement weather has delayed early new crop harvesting in Huron and Salinas. Santa Maria and Oxnard districts have been hit with hard rains too. Even with multiple districts, adverse weather has kept supplies (especially ROMAINE) light and quality compromised with peel, blister and discoloration in many lots.



**FANCY**

**BERRIES:** Chilean BLUEBERRIES are just about at the end of their season while Central Mexico is past its peak too. Fortunately, new production in Baja, Mexico and soon (after the



**MELONS:** HONEYDEWS are the best melon value this week with good quality, steady supplies coming from Mexico. CANTALOUPEs are not too far behind in value, quality and price due to high quality imports from Caribbean countries that have been steady. But, WATERMELON crossings from Mexico are still light, just as they have been for most of the winter. The new spring crop will start in April and shippers expect higher volumes later in the month.



**SEEDLESS**

**GRAPES:** Good Chilean imports continue to regularly arrive to the West Coast. RED Crimsons are replacing the Flame variety. Thompsons are the predominant GREEN variety, with over **one million cases** scheduled to arrive to East Coast ports each of the next three weeks. West Coast arrivals are plentiful too. Overall, Chile is about **20% behind** last year's numbers.

rains) in SoCal will be able to fill in nicely. Mexico will be the main source for BLACKBERRIES and RASPBERRIES until mid-April when good California production should be up and running.

**CAULIFLOWER:** The California rain market will create a short harvesting gap in Salinas and Santa Maria, but shippers expect (or rather hope for) a quick recovery. Yuma still has supplies.

**SOFT SQUASHES:** Previous cold temperatures had limited production. But now, new spring crop harvesting is increasing in Mexico and ZUCCHINI and YELLOW supplies are again becoming plentiful. Look for promotable volumes to become available in April.



**CITRUS:** California rains are making it very difficult for all citrus growers, disrupting both harvesting and packing. Growers have to wait until the groves dry out before picking can resume. Only about one-third of the NAVEL ORANGE season remains as growers move into the late varieties. Sizing is still running large with excellent quality, condition and flavor, the best of the season. LEMON supplies had improved before last week's rains with both the Central Valley and Ventura County in full production. Murcott MANDARINS are nearing the end with just a few weeks left of full



**TOMATOES:** Recent saturation of U.S. markets by Mexican growers has kept markets at low, stagnant levels. Now, farmers are skipping over old fields to clear out inventories meaning that there is less product in the supply pipeline. This has caused markets to trend a little higher. ROUND, ROMA and GRAPE TOMATO prices and supplies will be somewhat erratic this week.



**AVOCADOS:** Even with the California HASS season well under way, Mexico continues to be the main supplier to U.S. market (**88%+**). About **1120 truckloads** crossed the border last week alone. The supply picture looks good for April/May. Mexican growers keep trying to push prices up due to "extra field costs" they incur at their higher altitude orchards.

**MUSHROOMS:** National producers are scrambling to keep up with growing demand according to the American Mushroom Institute. January sales were up **9.7%** from 2017, and that jump follows an increase of **5.7%** over the year before. Although production is a year-round process, the industry is still subject to demand gaps and seasonal supply. Labor

production. Citrus markets will likely rise with higher demand.

shortages and weather woes are factors often limiting quick increases in supply. Sustained cold and inclement weather affect the composting process by which the substrate in which the 'shrooms grow is produced.

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