



MARKET OUTLOOK

October 26, 2018

WEATHER UPDATE

Salinas - Sunny for the upcoming week with highs in the low 70s and lows in the 50s. **Oxnard** - Sunny for the upcoming week with highs in the 70s and lows in the 50s. **Mexico (Culiacan)**- Sunny to partly cloudy; highs in the 90s and lows in the 60s. **Florida, Southern**- Sunny to partly cloudy with highs in the 80s and lows in the 60s. **Idaho** - Partly cloudy for the upcoming week with highs ranging from the 40s to the 60s and lows in the 20s.

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TRANSPORTATION

The National Diesel Average has been recorded at \$3.380 down \$0.014 a gal from last week and up **\$0.588** gal from last year. NPC continues to monitor and track diesel fuel averages by state as well as reported truckload freight rates on a weekly basis. **Transportation continues to work through its most significant structural changes in years in regards to new laws and regulations stressing available truck volume and controlling drivers.** Trucks are short in CO & WA and in adequate supply nationally.



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Apples



Washington is down on volumes with Reds, Golds and Fujis and considerably down on Galas (15% down) and an amazing 30% down on gr smiths. Volume will be confirmed as the State continue to harvest in the Month of October. Reds and Golds are down significant due to growers cutting their orchards down to replant Hon- eys, Pinks, Organics, Jazz, Lady Alice, etc. Galas and Gr Smiths - due to such a large crop last season, trees did not respond back - some will say these apples are alternate bearing. Quality of the new Crop is very good with size profile 2 to 3 sizes larger than last year. (small sizes will be limited).

Asparagus



Prices steady, but should increase after next week in preparation for Thanksgiving. (Pricing should rise within couple weeks) Mexico, good volume, and Quality. Peru, is slowing down, volume is light, Quality is good.

Avocados



Markets remain low. There are currently 2 storms in the Pacific which could delay picking this week in MX. There is enough supply currently in inventory to sustain a few days of no picks. Short term this will help clean up the border and some destinations that may have excess fruit. Long term neither storm should cause any damage to the growing area's. One issue that could come up is the lenticel damage that will be caused by the rain. There is still plenty of volume that needs to be picked over the next couple of months.

Bananas



Banana volumes are expected to be sufficient with high quality fruit coming into the market. The conditions should continue to be great as no real issues with production are predicted for the remainder of the year.

Berries



Blueberries: Overall quality is good to very good. Supplies are lighter due to the transitions in growing areas with some later starts. This is effecting some order fills to be 100%. Prices are up, typical for this time of year. Mostly Peruvian. But Uruguay and Argentina starting up soon. Mexico has started in a small way. **Blackber- ries:** Quality being reported fair to good. Markets are extremely active. Mexico ramping up and starts back up in another week or so. **Raspberries:** Quality being reported mostly fair to good. Supplies are peaking out of Central MX and California next week. Prices are steady to higher.



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Broccoli



Supplies are steady to slightly lighter. Demand has increased and the market is trending up.



Brussels Sprouts



Production supplies are light to normal. Quality is still good, expect markets to maintain steady.



Cauliflower



Quality is good right now. Demand is steady and supply is average.



Cantaloupes



Cantaloupe production is quickly coming to a close in California. There will be a small amount of fruit remaining up there through next week. California still has a decent spread of sizing to accommodate all orders and recent harvests have shown improved quality from a few weeks ago on fruit that was rained on. Desert production has been extremely slow to start and what has been harvested has shown effects from the rains over the past several weeks. Sizing has trended to mostly larger fruit. Anticipate a decrease in brix levels to lower double digits which is also an indicator of the elements this fruit has gone through during the growing cycle.



Carrots



Overall market is somewhat limited as California is the only growing region currently. Our yields and quality are solid and should remain that way. Colorado and Canada should be starting soon which will increase the overall supply in the market. Once they will start shipping product we will have a better idea of what their crop looks like and what overall market conditions will be.



Celery



Supplies are steady and normal this week. Markets are still fairly depressed with lack of demand, and it seems like the industry currently has plenty of supplies. Quality is good in Salinas with the Final Pack looking very good. We expect sizing to be heavier and larger sizes in Salinas all week, and there will be steady supplies for the industry on the west coast next week.



Corn



MARKET ALERT
Hurricane Michael has severely impacted the Georgia region where most corn was being harvested, our growers are still assessing the damage to the crop but it is very possible that all corn is done, if there is anything left quality will be very poor. Florida is expected to begin mid-November. Markets are currently very active and supplies are limited.



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Cucumbers



Cucumber production remains light in Baja, but is expected to pick up as the last of the fields come into production this weekend. The hurricane did not affect crops in Mainland Mexico, but did keep them out of the fields for a few days. Growers are catching up on harvesting and there should be an increase in production going into the weekend. We will see light colored cukes due to the rains but condition has not been an issue. In the East, cucumber supply is limited to GA, where there are a few houses working limited volumes post storm, and Plant City, FL, where acreage is light. South Florida will start in a light way after November 1st with volumes gradually building.

Eggplant



California's Fresno area is still going with eggplant harvests and will continue for another 2 weeks, as long as the weather permits. The California Desert is in with good supplies and expects to go through November. Mainland Mexico's first eggplant harvests are on track to get started next week. In the East, eggs are mostly a GA deal, where availability is limited at this time.

Grapes



Markets and movement remain steady. Prices should hold at the current levels until November. Reds will continue at these levels but we may start to see an uptick on the green seedless as the growing season nears the end. Currently Scarlet Royals with Allisons to begin harvest in the next couple weeks for reds. Autumn King variety on greens.

MARKET ALERT

Green Beans



Mainly due to recent weather events green beans are still in a bad spot and will be until about mid-November; time will tell. Quality is still poor, prorates are to be expected, and prices will be higher. Beans are extremely tight in the East. The North Carolina shore deal is finally up and going, but volume is light from this deal. GA also has limited supply. With all the rain these areas have received, bean quality is just okay. Beans look to be extremely short until Florida comes into season in the first part of November. Limited volume continues across all districts of beans in California (Fresno, Watsonville, Stockton, Santa Maria and Fullerton areas). Supplies are anticipated to remain light over the next 1-2 weeks. The CA desert has begun in a limited way and is expecting to increase next week as other growing deals will get underway.

Herbs



Cilantro market is still slightly alerted. Quality and supply are only fair. Looking good otherwise.



Honeydews



Domestic honeydew supply in California is very limited as growers conclude their seasons. Mostly smaller fruit is currently being harvested in CA. AZ production, as with the cantaloupe above, has been battling weather and production has been slow. Mostly larger fruit has been harvested but is also showing signs of the past rains (some discoloration). Mexican supply crossing through Nogales is picking up momentum but they too are struggling with quality (discoloration and spotty brix levels) from rains that went through Mexico.





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Iceberg



Iceberg lettuce supplies continue to be below budget. Quality is average. There are a few issues but the crews are keeping the pack super clean. The market is active due to the transition. Anticipate higher prices for the balance of the week.

Kale



Kale supplies remain abundant with little issues. The market is steady. Quality is good with minimal yellowing, little dehydration, and dark green color.

Leaf



ROMAINE Supplies have returned to normal. Demand is good and quality is clean with some minimal fringe burn. Crop Manager is reporting Romaine weights around 34-36 lbs. ROMAINE HEARTS Supplies have returned to normal and demand is good. Quality is good with hearts almost fully cupped. We are seeing a little more blonde as well. GREEN LEAF: Supplies are slightly below normal, and demand is good. Quality has been good with some lighter weights. RED LEAF: Supplies are normal. Demand is average, quality is good.

Tender Leaf



Arugula: Quality is fair with possible mildew due to recent rain, followed by warm days. Product is available.

Cilantro: Supplies are good and quality is fair. **Kale Blends:** Quality and supplies are fair on kale.

Parsley: Parsley quality and supply are good. **Spinach:** Quality is fair with possible mildew due to recent rain, followed by warm days. Product is readily available. **Spring Mix:** Quality is fair, but supplies are good.

MARKET ALERT



Lemons & Limes



Lemons – High market remains in tact but it has eased up a bit. Prices are seemingly decreasing but not in line with a steady market just yet.

Limes – Supplies have been steady but have become slightly impacted of production difficulties, this can create a more challenging market in the upcoming weeks.





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Onions



The market has been pretty stable over the last week. It is equally as cheap as the previous two weeks. The only thing that's changing is the shift as the retailer's demand comes in for the holidays. I think we're going to see medium yellows continue to bump up; this has started to happen.

Oranges



This market is still very active, demand exceeds supply although it is improving. Quality still remains moderate. Smaller fruit remains the tightest.

Pears



D'anjou pears are peaking on 90's and larger. Moderate supplies on 100/110's has the market steady. 120s and smaller are light with a firm market. Bosc pears have a steady market with supplies winding down for the season. Red pears are tight but should last till May. Quality is good on all pears.

Peppers, Bell



The pepper deal is very snug in the East. GA has a mixed report on the storm - mature pepper was heavily damaged but younger plants may pull through and provide some supply in a few weeks. SC growers continue to have product, but there are quality challenges due to rain that has reduced yields. There's currently a little product in Plant City, but not nearly enough to meet demand. South Florida will start in a light way in 2 weeks, which will hopefully begin to provide some relief. In the West, California's green bell production is transitioning from the Valley to the Desert. With Mainland Mexico not projected to start until mid to end November and increased demand from the East, availability will remain tight.



Peppers, Jalapenos



Hot peppers are in the same situation as green bells. With Santa Maria slowing down along with Baja, and Mainland slowly starting, the Western chili situation is expected to be snug for the short term. There's a little volume coming out of GA, but not much product to speak of in the East this week.



Pineapples



Good volumes and HIGH quality are predicted for October as sizing has, and will continue to improve on larger counts. We do expect good volumes for the remainder of the year.





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Potatoes



The market remains steady for the most part across all sizes and grades on norkotahs. The US fall potato yield is projected at 445 cwt per acre. That is 7 cwt less than the 20-year trend yield.



Squash



Much of GA's squash crop was in the Lake Park area, where there was some damage but crops were not a total loss. Although there are always challenges with yellow when weather has come through, quality is surprisingly "okay" so far. Plant City is also running product and South Florida will be in business in about 2 weeks. In the West, Santa Maria is on their last hurrah as they finish up for the season. As Mainland Mexico gets past last weekend's rains and things dry out, we are expecting increases over the next couple weeks.



Strawberries



Supplies are on the lighter side, and prices are up. Still seeing some quality issues out of Northern California. Season wrapping up in Salinas/Watsonville. Oxnard and Santa Maria harvesting with better volumes. 16-18ct being reported out of Oxnard. Labor still continues to be an issue with all growers. Florida is beginning strawberry plantings. Expect to have pallet quantities by end of November. Mexico starting up by next week. Seeing smaller count size out of MX so far.



Tomatoes



Round markets have decreased a bit out West. Supplies still remain lite in N. California as they are almost done. They have maybe another week and half left of production. Rounds out East are stable this week with very little production. Supplies out of Baja are pretty lite and with quality issue. Markets out of TX are also stable with OK supplies and some quality issues due to all the rain they have gotten and will continue to get. Roma markets are steady out of all growing regions. Some growers in the Immokalee area have started picking in a very small way so supplies are lite. N. California is done for the season. Supplies coming out of Baja and TX are very little due to the weather issues they have had and OK demand. Grape and Cherry markets are remain unchanged out West but with lite supplies and OK demand. Grape and Cherry markets out East are steady with fairly lite supplies.



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Onions Green - Iced: Steady market demand exceeds supply again this week. Crossings are down over 40% of normal currently, creating an unprecedented market price. We will continue to see very limited supplies for the next 2-3 weeks, as current crop was planted in July when temps were 117 degrees with 75% humidity, consequently damaging current crop yields. **Iceless:** Like iced, there are extremely limited supplies crossing from Mexico due to weather. We will continue to see demand exceed supplies for the next 2-3 weeks. With local production, scheduled to end in the next 10 days, if supplies do not pick up over next 2-3 weeks, demand from eastern customer's, who have been on local programs all summer, will push market prices higher.

Cilantro—With the heavy rains in Baja Mexico and Hurricane Sergio affecting the Desert regions in Mexico, cilantro supplies continue to be impacted. Supplies cannot keep up with the demand. Prices will remain on the high side.

[Idaho growers expect strong quality on spud crop](#)

"The Idaho fresh potato crop features strong quality and a mix of sizes for 2018, with russet norkotahs tending toward larger sizes and russet burbans showing a mix of sizes.

Industry leaders reported increased acreage for processing but reduced acreage for fresh market potatoes.

"I've been all over the state the last few weeks. And I tell you that the quality looks really good this year," said Travis Blacker, industry relations director for the Idaho Potato Commission. The majority of Idaho potatoes have been harvested under ideal conditions, said Steve Elfering, vice president of operations for Potandon Produce LLC, Idaho Falls, Idaho. Rain in mid-October and temperatures forecast as low as 18 degrees on Oct. 14 could pressure late harvested fields. About 10% to 15% of the crop, mainly in the north end of growing regions, remained to be harvested as of Oct. 11, Elfering said.

"Quality seems to be good but there is kind of a mix of sizes," said Joe Esta, vice president of Wada Farms Marketing Group LLC, Idaho Falls. "We've got good size in russet burbans and some lots that are a bit smaller, but I think size is going to be about an average burbank crop," Esta said. "Norkotah seems to be slightly bigger this year, and we had really good growing conditions this summer with the heat." Russet norkotahs are typically marketed in heavier volume than burbans through January, after which time shippers transition to burbans, Elfering said."

If you have any specific questions or concerns on any commodities not mentioned in this report, please feel free to reach out to dforsythe@nproduce.com and we will be happy to give you those current market conditions. Also look for our Spanish version that will be released on Monday and our Midweek Update released every Wednesday. Have a great week!
Keeping You Informed,