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# Food Service Report

September 5<sup>th</sup>, 2019

## Tomato Update

**Southeastern Tomato Supplies** Tennessee and North Carolina are both currently in tomato production. Virginia will come back on towards the end of September. However, wet weather continues to plague the entire East Coast. Supplies are barely adequate, and pricing continues to run in the high teens to low twenties. As we progress farther into September, you might begin to see quality issues associated with the weather.

**California** Western tomato growers are on the downhill side of summer tomato volume. Barring any wet weather, growers should make it until the end of October/early November before closing out the summer season. Markets are in the high teens for the best quality. Excessive heat has showed up in the quality including reduced shelf life in some growing areas.

**Grape & Cherry Tomatoes** The market has slightly improved, though supplies remain limited. It will still be another couple of weeks before harvests are expected to improve. Mexico will begin harvesting in greater volume mid to late September.

## Weather Outlook

**East Coast** An active tropical season persists with all eyes on Hurricane Dorian along the East Coast, potentially making landfall in the Carolinas going into the weekend.

**Mexico/California** Another tropical storm developing in the Gulf of Mexico and Hurricane Juliette off the Baja Coast. Out West a weakening high-pressure system will bring a gradual cooling across California and increasing marine layer influence into next week. Scattered showers and thunderstorms will continue across Central Mexico becoming isolated to the north with seasonably warm temperatures expected.

## Lettuce

**Iceberg Lettuce** Growers are expecting good supplies through the remainder of this week. Weather conditions have been ideal in growing regions which has accelerated growth. Salinas and Santa Maria remain the primary growing areas. Mexico will have light production due to erratic weather. Growers continue to report above-average yields out of California. Minimal defects include misshapen heads, insect damage and mechanical issue. Weights averaging between 41-45 pounds.

**Romaine Lettuce** Some suppliers have much lighter availability compared to others which has created a gap in pricing industry wide. Overall, school business has picked up slightly on value-added items. Expect supplies to be moderate for the remainder of this week as demand has fallen on carton business. Quality is above average, though minor defects reported include mechanical, tip burn, internal burn and slight insect damage. Weights averaging 35-43 pounds per case.





## Hurricane Dorian

As Hurricane Dorian slowly moves northwest from Florida and Georgia, it's now impacting the Carolinas as a Category 3 storm with life threatening storm surge and flooding. This storm is also expected to impact portions of Virginia as it continues its northerly track. Disruption of ALL delivery services within this area is expected until the storm passes.

## Avocados

**California** The California crop is finishing the season strong. Late season fruit that remains available in the market is moving and holding at a premium. Avocado trees go through an "Alternate Bearing Cycle", meaning they produce a heavy amount of fruit one year and generate less the following year. The 2019 season was an off year and anticipating a much larger crop in 2020.

**Mexico** Harvest volumes have ramped up over the past two weeks and with all three origins still in the pipeline, there are high inventories in the U.S. this week. However, we are entering a lower demand period and anticipate market conditions to remain stable and trend lower into the Fall season. Mild to intense rains are projected throughout the Summer for the growing region of Michoacán, Mexico. Fruit has been sizing up on the trees due to the steady rains each week. This has caused the size curve to shift to 48s and larger. Expect a tight market for the next couple of weeks.

## Onions

**Northwest** Onions are in good supply out of Idaho, Oregon and Washington revealing excellent quality. Super colossal and colossal yellow onions are tightest in supply but starting to improve as we move into September. New Mexico has some supplies remaining of red and yellow onions with one supplier looking to move product out in order to finish up for the season. Good supplies and quality expected for the entire month of September.

## Bell Peppers

**Green Bells** We continue to see a price drop for the second week in a row. Supplies are improving in all growing regions. Mexico and California are supplying product for the West Coast. The east is sourcing from the Carolinas to Michigan growing areas during summer harvest. Quality is fair due to a mix of old and new crop.

**Red/Yellow Bells** The market remains elevated on red bells and steady on yellows. Light supplies are being harvested in the Bakersfield and Fresno growing areas. Mostly choice grade is currently being packed from these districts.

## Citrus

**Lemons** Supplies have remained steady for most of summer but more recently there has been a shift in supplies on 140s and larger. Harvest is starting to wind down out of Southern California with the California desert and Arizona regions expected to start by mid-September. Import lemons are available to provide relief from domestic supplies.

**Limes** Markets are rising quickly as supplies continue to get tighter each week. With drought conditions in the growing regions, the industry is receiving light pack outs and minimal crossings. The outlook moving forward is dependent on the weather in Mexico and without any rain we won't see improvement for another 4-6 weeks. Even if conditions do improve, there has already been severe bloom drop over the last several weeks and the new bloom set will take approximately 100 days to harvest. The market is expected to remain extremely active through the end of this year.

## Squash

**Eastern Supply** Local and regional programs remain active in the east with plenty of produce available. Cooler temperatures moving into the region will slow down growth rates. Look for FOB pricing to begin trending upwards as flushes finish out for the late summer plantings.

**Western Supply** Santa Maria continue with steady volume. However, Salinas and Fresno districts are lighter than usual. Baja is on a small gap and will be up and running in the next 10 days. Anticipate FOB pricing to gradually increase due to reduced supplies. Quality is good to excellent, with yellow squash showing some imperfections.

