

the Forecast

GREETINGS

As days shorten and nighttime temps begin to cool we are fast approaching the end of many local seasons. Speaking of seasons, this year's hurricane season has been one full of activity, and one we'll feel the effects of in the months ahead; think Florida veg and tomatoes. Many people in Florida, Texas and other states will feel the effects for months, if not years to come.

All too often we get wrapped up in the stressful world of produce, and while it's what we do to help nourish the world while providing for our families, it's only produce.



So many lives, including many within our network, have been affected by weather events this year. Give thanks to those that have helped recovery efforts along the way and know that we'll continue to focus on sourcing the safest, freshest fruits and vegetables possible while taking time to reflect on what matters most; our families and friends, many of which make up the PRO*ACT value chain. Be safe this Fall, enjoy time with those most important to you and the coming holiday season.

As always, feedback is encouraged and appreciated.

If information is missing or if there are other topics you would like covered in The Forecast, please email me (jcimino@proactusa.com).

Humbly,

Handwritten signature of Joe Cimino.

Joe Cimino, V.P. of Procurement



Commodity Updates

Transitions & Temperatures

Bell Peppers (Eastern): Mid-October—from the Upper Midwest and Northeast to Georgia. Mid-November—Central Florida comes into play. Late-December—southeast Florida begins.

Bell Peppers (Western): Early/mid-October—Mexico/Nogales. November—Coachella Valley.

Berries (Blackberries): Central California will wind down in late-October. Central Mexico will begin in early-October.

Berries (Blueberries): Mexico and South America begin in mid-October and Chile will be a player come December.

Berries (Raspberries): Mexico comes on in October and should peak in mid/late-November.

Berries (Strawberries): During the month of October, Salinas and Watsonville will tail off, while Santa Maria and Oxnard begin production.

Chili Peppers: California and Baja will end in early-October and mainland Mexico will start.

Citrus (Lemons): The Desert region begins (D3)

Citrus (Limes): New crop has just started. This crop should take us through mid to late December.

Citrus (Oranges): Late-October/early-November—Valencias come to an end and the Navel crop starts.

Cucumbers (Eastern): Georgia starts in late-October/early-November. Mid-November—central Florida starts. Late-November brings Honduras into play. South Florida will begin late this year in mid/late-December.

Grapes (Green): The industry will start transitioning from CA grapes to import grapes in mid-December. The full switch into import grapes will not happen until Q1, 2018. Growers in the domestic growing areas have experienced abnormally high temperatures which has effected some of the supplies for the 4th quarter. Offshore growers have also experienced adverse weather that will affect our supplies for the 4th quarter.

Lettuce: The Salinas Valley tapers off in October/November with Huron bridging lettuce and leaf crops from California to the desert regions. in late-November

Melons: The last week of November the transition will be from Arizona to Guatemala with first arrivals into the ports of Miami. Weather in the domestic desert growing areas has been hotter than years past but growers are not reporting anything adverse regarding supplies. Weather in Guatemala and Honduras has been conducive for growing high quality melons with no production gaps expected unless adverse weather happens.

Onions: Onions will start to transition back to the Northwest as we get to the end of the third quarter.

Squash (Western): Central California will come to an end, but Mexico began in mid-September.

Tomatoes: October—West—California and Baja only. East—North Florida (Quincy) is a loss.

November—West—Baja. East—Central Florida (Palmetto/Ruskin) light to moderate production with delayed start to the season. **December**—West—Baja finishing and mainland Mexico starting mid-month. East—South Florida (Immokalee/Naples).

A Peek at Peak Seasons

Citrus (Limes): Volumes will be limited, but peak sizes will be on smaller sizes (such as the 200/230/250ct limes). As we get into December, even small sizes will get extremely tight due to offshore sales.

Cucumber (Eastern): Mid-October in Georgia and the last week of December in South Florida and mostly Honduran.

Eggplant (Eastern): 2nd and 3rd week of October from Georgia and 3rd week of November from Plant City.

Grapes: October will be the month with the most red and green grapes available in Q4. These will all be CA grapes. November and December will both be challenging months on grapes, due to CA winding down and limited import grapes being in the market. The import grapes that will be around in November and December will be expensive, especially the green grapes.

Melons (Cantaloupe & Honeydew): December will be the month of volume as Guatemala is at its peak with Honduras just starting up.

Squash (Eastern): 2nd week of October from Georgia and second week of November from Plant City.

Tomatoes: National supply will peak mid to late-December with a majority of overall volume coming from Southern Florida and Mainland Mexico.



Commodity Updates



APPLES

California: The heat-wave that hit the San Joaquin valley this summer stopped growth while it lingered with temps over or around 100 degrees, so expect slightly lower yields and smaller fruit. However the later varieties Pink Lady's, Braeburns, and Fuji's will fair slightly better and they may peak one size larger than the early Galas and Granny-smith. That said, there should still be plenty of 113/125/138's.

Washington: They have also had a long period of hot weather with warm nights so expect lower color than we normally see and smaller fruit. The smaller varieties like Gala's may peak on 100/113/125's while the larger varieties Granny-smith and Fuji's should peak on 88/100's. Yields are normal although the total carton production may be slightly off due to the smaller fruit. Idaho: They will also have small fruit this year with peak sizes ranging from the 100/113/125/138's even some 150/163's depending on the variety. Yields and quality are good with good color and a high percentage of extra-fancy fruit.

Michigan: The quality and color this year are excellent even though some growers lost fruit due to hail back in May/June. Total volume is down 15-20% from normal. The size is slightly larger than normal, and we expect Red Delicious to peak on 80/88's and Golden Delicious to be in the 100/113 range. Galas are smaller than normal with an expected peak on 138's.

Pennsylvania: We expect typical volume and good quality this year with normal sizing. We should see an 80/88 peak on the larger varieties and a 100/113 peak on the smaller varieties.

New York: They have typical volume with good quality and color but the fruit it is larger and more normally sized this year. We can expect a 100/113 peak on the smaller varieties and an 80/88 peak on the larger varieties.



ASPARAGUS

Mexico: The Hermosillo and Obregon regions will have light volumes at the beginning of this quarter. Southern Baja should start up in early to the middle of December depending on the weather.

Peru: Southern Peru (ICA) will be in peak production through the end of November, then we will see volumes decreasing due to normal field transition due to warmer weather. Northern Peru (Trujillo) will be in full production from the beginning of the quarter through the end of December.



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AVOCADOS

Mexico will be the dominant source during this period. Mexico will begin their main crop and will be sending more fruit to market. The overall estimate is up 5 to 10 percent from last season, so growers will need to begin sending as soon as maturity reaches the minimum percentage of dry matter (21.5% avg). This increase will start slowly early in October and build through the month, with good volumes through the balance of the quarter.



BELL PEPPERS

East: We will start off the 4th quarter in Michigan, Ohio and New Jersey for the first or second week of October then transitioning to Georgia by the 10th. The Georgia and north Florida crop will have some reduced yields due to Hurricane Irma, but not near as bad as we expected. Product will show a lot of misshape in the beginning then get better as we get further into production. Georgia growers will traditionally harvest pepper until mid-November but will continue harvesting as long as the weather will permit. We will start to transition to Central Florida in Mid-November. The central Florida pepper crop will show more hurricane-related damage, with reduced yields, misshape, and scared fruit. Generally, when plants are stressed the way these two regions have been, they do not produce as much jumbo sized fruit. We will continue to ship from Central Florida as long as possible, transitioning to southeast Florida the 3rd or 4th week of December. Immokalee and southeast Florida would normally start the first week of December, but Hurricane Irma has delayed planting by 3 to 4 weeks in Immokalee and 2 to 3 weeks in southeast Florida.

West: Green bell pepper volume is down slightly due to heat and rain in California. Supplies may be light out of Hollister, Gilroy, and Oxnard through October, with relief in November when the Coachella Valley will be in production. Quality is mostly good. Nogales should start Green bell peppers from Mexico in early to mid-October, increasing production in November and continued harvest into the late spring.

Red bell pepper volume will also be down due to heat and rain. Production in Hollister, Gilroy, and Oxnard should be light to fair until the November transition to Coachella Valley. Quality ranges from fair to good. Heat will also affect colored bells, as they are on the vine longer than green bells. Nogales will have colored peppers from Mexico in October with light volume from greenhouses. Volume out of Mexico will increase in late November / early December.

BERRIES (BLACKBERRIES)

Supplies should remain consistent for quarter 4. Santa Maria, Salinas and Watsonville areas will continue with steady harvest through the beginning of October and gradually wind down later in the month. We will see an overlap in growing regions as Central Mexico is expected to start early October. Production will steadily increase as we move through October and is expected to peak by early November. We will then see a steady volume of blackberries through the end of the year.



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BERRIES (BLUEBERRIES)

Quarter 4 marks the end of domestic production and the start of import season. By the beginning of October, most shippers will be transitioned into 100% import fruit. Supplies may be limited at the beginning but will increase quickly. Mexico, Argentina, Uruguay, and Peru should all be in production by mid-October. Arrivals from South America will predominantly be on the east coast between Philadelphia and Miami. However, fruit will be transferred to west coast locations to meet demand. Mexico is expected to get started mid to late October with fruit crossing in Texas and transferred to other locations to fill orders. Consistent supplies of 6oz blueberries are expected to be available from all areas by late October and reach peak volumes by November. Chile will begin in December and provide consistent supplies through the end of the year.



BERRIES (RASPBERRIES)

Raspberry supplies will continue to be limited for the beginning of quarter 4. Due to the severe heat wave, Salinas and Watsonville experienced at the beginning of September, a large portion of projected volumes were lost. We expect production to decrease rapidly as we start October and finish by the end of the month. Central Mexico production is expected to start in October. If the weather cooperates, we should see Mexican production ramp up in time to bridge any major gaps between transition. However, we expect supplies to be fairly limited until Mexico's production reaches its peak by mid to late November. We should then see consistent supplies through the end of the year.



BERRIES (STRAWBERRIES)

Quarter 4 is the start of the fall crop, and we will see some transition between growing regions. Salinas and Watsonville harvest volumes will gradually decline as we move through the front part of Q4. Shippers are expecting to continue with harvest in these areas through November. However, quality and longevity of harvest will depend on the weather over the next two months. We will see an overlap in growing regions as Santa Maria and Oxnard start production. Both areas should have a consistent harvest by the beginning of October and ramp up production in November. Southern California fall crop is expected to peak by mid to late November and last until the beginning of the year, barring any major weather disruptions. At this time, growers do not foresee any issues with quality as the plants are looking very healthy and are pushing for a nice first set. East coast production is expected to get started in Florida early to mid-November. It's too early to predict quality as some shipper are just starting their plantings, but all reports call for normal production. Finally, Central Mexico will start production in November and will be the main production regions for some shippers. Quality is expected to be strong and Mexican supplies will help supplement our program for the duration of Q4.



CARROTS

The excessive heat in the California growing areas has stunted the growth and yields of the current plantings. Jumbo size carrots are extremely tight and look to stay so until fall plantings begin harvesting in November. Baby peeled, and value-added supplies remain good.



Commodity Updates



CHILI PEPPERS

Chili peppers will continue from Baja into early October. This is an early transition due to storm damage from Tropical Storm Lidia. Santa Maria will also be in production for the next couple weeks, but they have also experienced unusually high temperatures along with some rain which could cause the season to end abruptly as quality as yields decline. Nogales will start shipping hot peppers from Mexico in mid-October and increase in volume in November. We should have hot peppers out of Nogales through May.



BROCCOLI



BRUSSELS SPROUTS



CAULIFLOWER



CELERY



CILANTRO



LETTUCE ICEBERG



LETTUCE LEAF



GREEN ONIONS



KALE

Santa Maria/Oxnard: Unlike the previous year, water availability is not as big an issue with growers in the southern and central coast districts of California. Understand that it will take some good rainfall in the winter months for the next five years minimum to get back to some normalcy. If another drought was to hit for a few years, we could be dealing with fewer plantings and water rationing all over again. As of now, multiple growers have planted between 10-15 % above the previous year's crop with anticipation of greater sales. Items like kale, cilantro, parsley, green and red cabbage, bok choy and Nappa, just to name a few, have been planted and expectations were good for the fall harvest. Record-breaking high temperatures throughout northern and southern California were highly unexpected in past months, and growers fear now crop damage could be as high as 15-25% loss. If this does occur, gaps in production will be inevitable. Heavier reliance on Mexico will come into play, and this region also has had erratic weather conditions as well. Yuma production for these items usually produces in early December. Contracting on items out of this region would be a prudent move by customers as markets look to be higher than in past years. Labor will continue to be an issue as well. This has not changed. Contracting and housing of workers will be a big cost to shippers but will be necessary to sustain the labor force. The workers go to where the money is at, plain and simple. Bell peppers traditionally do not have as steady a work schedule as other crops and growers of this commodity may have workforces cut back by as much as 40%. Peppers will be an issue in this region come fall time unless crews can be locked in. As far as the celery market, Oxnard will start production late October to early November as planned. Crop damage due to past high temperatures is uncertain at this time. To summarize, expect stronger markets and higher quality issues compared to previous years. Still, this region will be the best area to purchase miscellaneous products mentioned earlier in both price and quality.

Salinas Valley/Huron/Yuma: As we take a snapshot for the next three months, several factors have come into play in the past couple months that have changed the end of the season in the Salinas Valley. The much warmer than normal nighttime temperatures have pushed all commodities 7 to 14 days ahead of normal harvesting schedules. Also, we had extreme heat and humidity in the Salinas Valley and the bulk of California the first week of September. This heat wave was monumental in the State of California with temperatures as high as 100 degrees where this time of year temperature averages is 60-65 degree range. So quality and supplies will suffer on Broccoli, Cauliflower, Celery, Lettuce, Leaf, Cilantro, Kale, Parsley & Italian Parsley, Bok Choy, Napa, and Spinach. The markets will have a roller coaster effect and have serious swings until the middle of December. We foresee a gap in supplies as we finish Salinas in October/November with leaf, lettuce, broccoli, and cauliflower. The good news is that plantings in Huron have not been disrupted by any weather. Hopefully, this will fill the void of an early finish to Salinas. This transition is typically only iceberg lettuce with minimal amounts of leaf. Plantings have started in the Imperial Valley as well as Yuma. The only uncertainty is if and when the Salinas Valley season will finish and will Yuma be ready to take on the business/demand. Another topic to discuss is labor. The labor force is completely different when it comes to the Salinas growing region and Yuma, as not all of the labor force travels to live in Yuma for the season. So this will create some supply gaps with the starting of the Yuma season. As the daylight hours decrease, coupled with cooler temperatures of the fall and winter, we will see the typical transitional swings in supplies and markets.



Commodity Updates



CITRUS (LEMONS)

California Lemons will be coming from both the last of the Ventura crop and the new Desert crop. This year the Desert region is projected as being 10 to 15 percent lighter in volume than last year's crop.



CITRUS (LIMES)

The earthquake, storms, and hurricanes which all recently happened in Mexico have all growers seeing the 4th quarter as being a very difficult one. Even though growers are still assessing the extent of the damage, it is apparent we will see excessive scarring. We will also see continued skin breakdown and stilar. With the expected fair quality, we anticipate it to be extremely tough in November and December. The heavy winds and rains have also caused large amounts of the bloom to fall off which will affect the upcoming supplies. With all of this, prices are expected to climb and be higher historically than they have been during this time frame.



CITRUS (ORANGES)

October is the transition month between Valencia oranges to Navels. Valencia are finishing early this year with many shippers already done and the last look to be by mid-October. What little is left is most the larger sizes of 72's/56s, very little of the 88s and smaller sizes. This years' California Navel crop projection is 15% lighter than last year with larger fruit size. This is the lowest crop forecast since 2009. Growers don't expect to start packing until toward the end of October and some not until November. With Hurricane Irma hitting the Florida crop to the tune of early forecasts of 50 percent losses, the demand for the California Navels will be increased. Expect limited supplies, higher pricing, and a larger size profile.



CUCUMBERS

East: The biggest transition will start at the very end of the 3rd quarter when we transition from the mid-west and northeast to the Carolinas and Georgia. The Carolinas were not hurt from the storm, but they are not a big factor in the fall either. Georgia will start harvesting in late September with peak production starting mid-October. We expect reduced yields for most of October and only fair quality on the early product. Plants were whipped around by the storm, and it's going to cause a lot of misshaping and scaring. Georgia will ship until the second week of November, the last 2 to 3 weeks of the season could be the best quality we see all season and some of the best yields. Even when the peak acreage is in production by mid-October, we do not expect normal yields. By the second week of November, we will transition to central Florida where we will see a similar scenario, fields that were extremely beat up, but not totally destroyed by Irma. We expect early yields and quality to be below normal for this time of year. By the third week of November, Honduran cucumbers will start to arrive in light volume. This is when south Florida would normally start their winter deal, but because of Irma, we expect that region to be about a month late, leaving us with only central Florida and Honduran supply until the 3rd week of December. Central Florida should wind up the first or second week of December about the same time Honduran volume kicks in. Immokalee should begin the third week of December and continue into the first of next year.

West: Cucumbers will continue out of Baja until late October/early November. Quality is good. Cucumbers will also be available out of Nogales from Mexico starting in early October. Demand is very strong. Nogales will increase cucumber volume in November and should have continued supply through late spring.



Commodity Updates



EGGPLANTS

East: We will start the 4th quarter shipping from Michigan and Ohio, quickly transitioning to Georgia the second week of October. Quality on early product will be fair but will probably show some misshape and scaring due to the winds of Irma. By mid-October, Georgia should be in good production and good quality through mid-November or longer depending on the weather. Georgia growers will continue cutting eggplant until they get a hard frost. We will transition to central Florida by mid-November. Central Florida does not traditionally plant an of acreage in the fall, expect quality to be suspect early as these plants were stressed by the storm and fruit will show misshape, scaring and pale color. Central Florida will ship as long as they can, and we will transition to southeast Florida as soon as we can, that will likely happen the third week of December. Immokalee traditionally would be in good production by early December as would southeast Florida, but Hurricane Irma has delayed planting in both regions. We will ship from southeast Florida from December 20th to the end of the year filling in from Immokalee as much as possible but it's likely those shippers will not start until late December.

West: Eggplant supplies remain light out of California. Quality fair to good. Nogales will begin with light volume out of Mexico the third week of September and should continue through late spring with consistent supply.



GRAPES

There should be some CA red grapes available to load until the end of December. There are still plenty of CA red grapes on the vines. Vintage reds, Crimson, and Scarlet Royals. Green grapes will start to become a challenge in mid-November as CA finishes up and the import fruit struggles to get going. Northern Peru is delayed by roughly three weeks compared to last year. The Northern Peru red and green seedless crop is off by 50-60%. Southern Peru is also delayed, and their production is estimated to be down by 10%. Chile is forecasted to start one week earlier than last year. We may see 1-3 vessels of Chilean grapes arrive on the East Coast before the first of the year. We will probably see only one vessel of Chilean grapes on the West Coast before the first of the year. We do not plan on seeing many Peruvian and Chilean grapes in North America until mid-December. This fruit will be expensive, so there will be plenty of incentive for retail and food service buyers to stick with CA grapes through the first of the year, as long as the quality holds up.



MELON (CANTALOUPE)



MELON (HONEYDEW)

The domestic Arizona/Desert melon deal should start ramping up the second week of October with first pickings in a light way in the first week of October. Typically this is the time when we see higher FOBs due to the supply being limited to only a handful of growers out of the desert. If weather cooperates we should see average volume for this time of year. Arizona typically wraps up the end of November just in time for import fruit to hit the ports. Mexico will be shipping lower volumes of honeydews this season due to the low markets last year. Dews are shipping October through early December. Mexican cantaloupes are set to ship in light volumes from the last week of October through November. The offshore melon season from Guatemala and Honduras kicks in during mid to late November which will offer some relief. The bloodbath that happened last year looks to affect the volume on the front end this season as growers planted less acreage. As we enter into December, we will be waiting on Honduran fruit which brings in volume by the end of the month.



Commodity Updates



MELON (WATERMELON)

Watermelons from California are down in volume and will be done in early-October. Seedless watermelons are now available in Nogales from Mexico. Volume is light, but supplies will increase steadily over the next couple weeks. Nogales should have steady supplies for the fall, light supplies in the winter, and heavy volume once again from mid-March through mid-June.



ONIONS

Washington Onion growers are almost done with harvesting their 2017/2018 onion crop. Quality going into the storages is being reported as good. The late start due to cool and wet weather during planting did not hurt the crop other than a few reports of yields being lower in a few fields. The heat wave that hit the Northwest in late August mainly helped the Yellow Onions cure with a few reports of Red Onion fields being lost. Idaho growers are in the middle of getting their crop into storages. Weather permitting they will finish harvest by the start of November. Quality going into storages is also being reported as good. Sizing is down, and Super Colossal and Colossal Yellow onions will be limited at times throughout the season. This is mainly due to planting being delayed with the wet, cool weather. Red Onions will have adequate supplies out of both growing areas. Sizing is peaking on Jumbos, and quality is good. White onion supplies will start out adequate in both growing areas. Supplies will start to tighten up slightly as we enter the new year. This is mainly due to yields being down during harvest. Quality is being reported as good. Overall the 2017/2018 Northwest Onion crop looks to be slightly smaller than last season; smaller in yield and overall size profile. We don't foresee this leading to exponentially higher markets on Jumbo's and smaller. We do expect Colossal and Super Colossal to bring a premium. There will be storages that have good size and others that have very little. Red and White onions will be fairly steady through December. Transportation is going to be very tight as we hit the holiday season. Look for all colors to be fairly steady through the last Quarter unless mother nature throws us a curveball.



PEARS

Washington: Bartlett sizing is smaller with the Yakima valley peaking on 100/110/120's while the northern Wenatchee district is peaking on 90/100/110's. Bartlett production is 4% down from last year. D'anjou pears are up 15% from last year and are peaking on 90/100's this year although its early and this may change. Bosc pears are 19% down, and they are peaking on 90/100/110's. Red pear production is up by 5%, and they are peaking on half-carton 45/45's.



PINEAPPLES

Pineapple volumes look to be strong during this period, and quality and sizing is expected to be excellent. Volumes will begin to tighten up slightly as we reach the end of December and beginning of January. This is typical of Latin America harvesting, due to the Christmas holiday.



Commodity Updates

POTATOES

Colorado and Wisconsin are just finishing harvest of their 2017/2018 crop. Quality was reported as very nice. Sizing peaked on 70/80 count with limited supplies of 40 count. Washington will finish up by the middle October. Quality was reported as very nice. Sizing peaked on 70 counts with a good mix of smaller and larger potatoes. Idaho will be finishing harvest the end of October/front part of November, weather permitting. The Norkotah growers are just finishing harvest while the Burbank growers are at their peak. Quality of the Norkotah's are reported as good. All eyes are on mother nature, watching for any early freeze that could hurt the late harvest. Sizing of the Burbank's is being reported as slightly smaller and rougher than last year's crop. The Idaho/Washington 2017/2018 potato crop looks to be slightly down in acres and yield compared to last year. Colorado and Wisconsin acres are reported to be close to last year's crop. All areas had a late start during planting due to wet and cool weather. This was followed by perfect growing conditions which helped the crops catch back up. Norkotahs will be the main variety being packed with a few Burbanks. Transportation is going to be very tight as we hit the holiday season.

POTATOES (COLORED)

West: We don't expect anything abnormal during this quarter in Western Washington. The warm weather that hit central Washington didn't affect the west coast. White potato volume is down slightly. The sizing and yields are normal, and the quality is nice—sizing is typically a 5 to 1 ratio of A's to B's in all colors. Number-two product will be limited starting off, and volume will grow as the season goes on.

East: North Dakota red potato volume is up from last year but only because last year they had crop losses, this year is a normal year for production. The sizing is normal with an approximate 5 to 1 A to B ratio. Wisconsin sizing and ratios are also normal as is Canada.

SQUASH

East: We will start the 4th quarter mainly in Georgia, there may be some light volume left in the northeast. We do not expect a banner crop in Georgia and north Florida. Planted acreage is down in the region because of whitefly pressure which has increased over the past five years. Whitefly affects all plants but particularly squash and green beans, reducing yields and creating light color fruit. Growers have tired of fighting the insect and elected to cut back on plantings. Hurricane Irma beat up squash plants, and early production will show poor quality and low yields, but the storm did not do as much damage as was expected. Production will pick up by the second week in October. We will start to transition to central Florida the second week of November. We expect the early production to be low yields and fair quality but picking up by mid-November in both volume and quality. Central Florida will ship squash until early December when the strawberry season gets going; then growers will leave squash for strawberries. We will transition to Homestead, Fl. in early December through the end of the 4th quarter, this time of year would usually see good supply from Immokalee, Florida but with Irma pounding the region with rain and wind, don't expect any big supply from here until late December.

West: Squash will be winding down rapidly in Santa Maria and Fresno. Excessive heat combined with some rain is heavily affecting quality and condition of fruit. Mexico started in mid-September and continues to ship through Nogales. Supplies will increase to peak in early to mid-November for the fall crop. Squash will be available through late spring from Nogales out of Mexico, with a few transitions to different areas of Mexico due to weather.



Commodity Updates

STONE FRUIT

The extreme weather California saw this year had many effects on this year's stone fruit harvest. Heavy rains and lack of bees to pollinate caused the bud set to be much lighter than the previous two seasons which had bumper crops. Several waves of heavy heats resulted in much larger sizes and a lack of smaller sizes. As we approach Q4, the season should have a normal end date. Peaches are expected to last into October with good quality and larger size. Nectarines will be finishing between mid and late September. Plums will remain going well into October. Kiwi supplies will remain limited until California starts in late September and early October.

TOMATOES

Hurricane Irma has left Florida growers to assess crop damage sending markets upward quickly. Michigan, North Carolina, Tennessee, and Virginia are still publishing quotes as farm damages are evaluated, and California works through crops exposed to months of hot weather. Initial reports from Florida have storm damage setting growers back months as fields are evaluated to determine what can be salvaged and replanted, against those that have been wiped out altogether. Instability will continue as supply contracts further in October when California begins to wind down their season, and transitional crops in northern Florida (Quincy) are assessed. Not much if anything is expected to come from this area with growers plagued with white fly from earlier weeks of hot and humid weather before Hurricane Irma wind and rain. November harvests from mid-Florida farms (Palmetto/Ruskin) received substantial wind and rain with the worst of the storm damage in Southern fields (Immokalee, Naples). Fortunately for southern Florida, it is early in the planting cycle, and there is time to replenish what has been lost. However weather over the next four weeks will be the biggest factor in those crops, and it is reasonable to expect a delayed start from this area into December. Meanwhile, in the west, mainland Mexico may not begin shipping until mid-December also, providing a scenario where we could see October tomatoes for the entire country being supplied out of California and Baja only. Some California growers may be finished in early to mid-October causing an even shorter supply proving to be a challenging start to the fourth quarter this year while Baja continues to work through crops affected by tropical storm Lidia. Mainland Mexican product has been damaged by two tropical depressions also contributing to a stronger market in October through November with less Roma, cherry, and grape tomato varieties crossing into the US until their winter crops begin harvests in December. Hurricane Irma was a substantial weather event affecting all eastern growing areas of tomatoes which is the sole source of domestic supply for the end of the year. Due to the short supply caused by Hurricane Irma and demand for imports which have also been hampered by weather events, it is reasonable to expect an active marketplace through November and as late as mid-December pending future weather systems in the Southeast, California, Baja, and Central Mexico.

