

CAPE SPAN NORTH AMERICA

MARKET REPORT

Vol.: 2016 Week 48

Friday, 02 December, 2016

\$1 U.S. Dollar Equal To:	
1.3307	Canadian Dollars
0.9394	Euros
0.7918	British Pounds
14.0821	South African Rands
674.33	Chilean Pesos
3.4160	Peruvian Nuevo Sols
3.4730	Brazilian Reals



WEATHER		
Philadelphia	Montréal	Bakersfield
		
Low 3° C	Low 1° C	Low 5° C
High 9° C	High 6° C	High 13° C

Grapes:

The California table grape season is winding down with only a week or two of white seedless grapes left to move. Red seedless will continue to be available through Christmas. At the end of Week 48, California white seedless grapes are selling in the range of US\$ 28.00 - 32.00, size depending, on sluggish post-Thanksgiving movement.

Red seedless selling prices are all over the map with variable quality and condition being observed. Good quality and condition product is selling at US\$ 24 - 26. Lots with impaired condition are moving lower, in some cases, substantially lower.

The first Peruvian grapes have been available on the USEC in modest volume since the first week of November with larger volumes expected to arrive next week and onward. Through Week 49, Peru will have landed 1 200 metric tonnes of red seedless and 1 100 tonnes of white seedless grapes on the USEC. The earliest arrivals have been held or sold through alternative channels as retailers have generally continued to rely on domestic sources for all of their table grape needs.

Through Week 47, Chile had loaded 170 tonnes of Flames and a light volume of various white seedless varieties, all of which should start to arrive late in Week 49. But the harvest is well underway and the first Chilean bulk vessel for the USEC will arrive in Week 50. Reports from Chile suggest that we can expect a strong early start from the IV and V Regions. Indeed, some growers are reporting a Flame crop that is ten days earlier than "normal".

At the end of Week 48, Peruvian Sugarones are selling off the USEC at US\$ 34 - 36 with upward pressure mounting as we move deeper into December. Indeed, we expect to see the Sugarone market move to US\$ 36 - 38 in Week 49. With most retailers switching to imported white seedless by Week 50 and with limited arrivals from Peru, we can expect strong white seedless pricing through December.

Continued...

Peruvian red seedless (mostly Crimson) are selling off the USEC at US\$ 20-24. We do not expect to see quite the same upward price movement as we expect in white seedless due mostly to the continued availability of California red seedless as well as an expected strong early Flame showing from Chile. That said, we do think the Chilean Flame and Peruvian Crimson price on the USEC should rise to the US\$ 26-30 range as we approach Christmas and as confidence in the condition of the California offering declines.

The weather in Chile has been favorable to grape producers and there is a hopeful expectation that the El Niño weather pattern that characterized the 2016 grape season will be replaced by a more normal, and gentle, climate. That said, Chilean table grape producers are predicting a shortfall in white seedless production this season. This is widely presumed to be related to a generally poor fruit set, perhaps the last lingering effect of last year's El Niño.

This expected light Chilean white seedless table grape crop has created high expectations among growers. But it is not yet clear how this will actually affect the volume that is ultimately shipped to the market. Growers will expect sellers to maintain a high price level for what may or may not actually be a short supplied market. But, in the end, the forces of offer and demand will dictate the prevailing week to week price.

While there is no suggestion of a short red seedless table grape crop we could see a gap in supply of Chilean red seedless grapes if the harvest is accelerated in the earliest growing regions but proceeds on schedule in the Central Valley (Aconcagua, Metropolitan Santiago and the South). That scenario will start to play itself out in early January.

California Citrus:

The domestic citrus season is under way with the navel harvest getting into stride. Rain during the early part of Week 48 hampered picking, but by mid-week, crews were back in the fields.

Early season navel orange sizing has tended toward small calibers (88's, 113's and 138's) which are selling today at \$11.55 - 12.55. The more scarce large fruit (40's, 48's and 56's) are selling at US\$ 17.55 - 18.55. With more large product likely to become available in Weeks 49 and onward, we will expect the large fruit price to come off a few dollars as we move deeper into December. Bagged navels in a 10x4 lbs configuration (Choice) are selling at US\$ 15-16 and 6 x 8 lbs bags are selling at US\$ 16.50 - 18.50, fruit size depending.

Clementines in 10 x 3 lbs bags are moving steadily at US\$ 28 - 32 for larger calibers (32's and larger) and US\$ 26 - 28 for smaller sizes (36's, 40's and 44's).

The lemon market is steady. Large size conventional lemons are moving well at US\$ 32-34 for 95's and US\$ 30-32 for 115's. Smaller fruit is moving slower at US\$ 22-24 for 140's and 165's and US\$ 20-22 for 200's.