

TESTA PRODUCE Market Report

Outlook for the Week of
October 20, 2014



 OBERWEIS.



TESTA SPECIAL

Ok, so I decided to write another Market report but only on Tomatoes and Garlic. Let's start with Garlic; This is how garlic got stupid.

Years ago California growers cut back acres of production, because China was flooding the market at lower prices causing California to lose money. China would send hundreds of thousands of cases so the U.S. government started tariffing the garlic. The Chinese growers were supposed to pay it, and most of them didn't but still kept sending the garlic, there was only one grower who was allowed and so the Government got smart and made everyone pay the tariff first. So if you were not authorized to bring it in your boat, the garlic didn't get unloaded causing supply of garlic to become extremely short.

California doesn't have any extra because it is all spoken for so prices went nuts, hence the current market condition.

Now somewhat good news, more boats were unloaded but we are not sure how that will effect the market. We also have a quality issue where most chefs like California garlic, U.S. vs. Chinese that's a whole other story.

Tomatoes:

We are in what is called a gap or otherwise known as bend over. Prices have shot up on all tomatoes because all current growing areas are all done, and the new ones that were supposed to start are not producing. That leaves us with whoever has product is king and you and I are paying whatever they are asking.

The good news is that this is not supposed to last more than 2 or 3 weeks if that, and usually demand will weaken or customers will move to the cheaper size (although every size is up.) The one thing that we do not want to happen is a early freeze – if that were to happen it will keep the market very high. If any of you remember 7-8 years ago, that happened and prices reached \$60-\$70 for a 25# box of tomatoes. Pray that is doesn't happen again!

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