



MARKET TRENDS

FOR WEEK ENDING MAY 18, 2018

 **PERFORMANCE**
FOODSERVICE



MARKET TRENDS

MAY 18, 2018

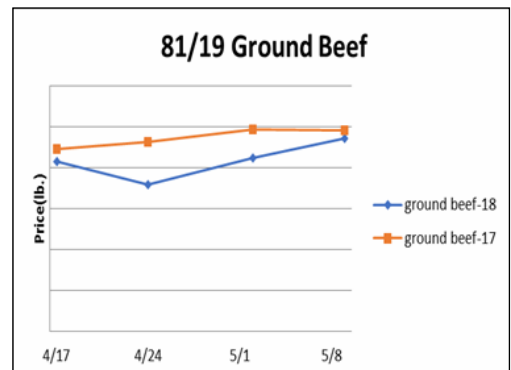
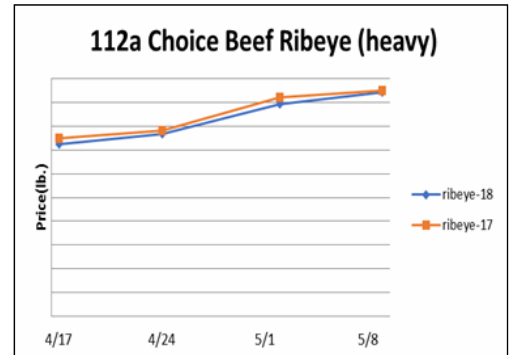
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Beef, Veal & Lamb

Beef production last week rose 3.3% and was 8.3% larger than a year ago. Beef output is forecasted to trend well above 2017 levels for the foreseeable future. Beef prices are increasing with buyers becoming more active. Spot beef shipments during the last four weeks were 14.1% more than last year. Forward beef sales 22-90 days out were 13.8% better than 2017. This suggests that further price gains for steak cuts and ground beef will likely occur. Since 2013, the average move for 81/19 ground beef market over the next three weeks was up 9.6%. Yet, forward ground beef prices are at a 7% discount to the spot market which hints that this year's seasonal appreciation may be tempered.

Description	Market Trend	Supplies	Price vs. Last Year
Live Cattle (Steer)	Increasing	Short	Lower
Feeder Cattle Index (CME)	Decreasing	Short	Lower
Ground Beef 81/19	Increasing	Good	Lower
Ground Chuck	Increasing	Good	Higher
109 Export Rib (ch)	Increasing	Good	Lower
109 Export Rib (pr)	Increasing	Good	Lower
112a Ribeye (ch)	Increasing	Good	Lower
112a Ribeye (pr)	Increasing	Good	Lower
114a Chuck , Shlder Cld(ch)	Decreasing	Good	Lower
116 Chuck (sel)	Increasing	Good	Higher
116 Chuck (ch)	Decreasing	Good	Higher
116b Chuck Tender (ch)	Increasing	Good	Lower
120 Brisket (ch)	Increasing	Good	Higher
120a Brisket (ch)	Decreasing	Good	Higher
121c Outside Skirt (ch/sel)	Decreasing	Good	Higher
121d Inside Skirt (ch/sel)	Decreasing	Good	Higher
121e Cap & Wedge	Increasing	Good	Lower
167a Knuckle, Trimmed (ch)	Increasing	Good	Lower
168 Inside Round (ch)	Increasing	Good	Lower
169 Top Round (ch)	Increasing	Good	Lower
171b Outside Round (ch)	Increasing	Good	Lower
174 Short Loin (ch 0x1)	Increasing	Good	Higher
174 Short Loin (pr 2x3)	Increasing	Good	Lower
180 0x1 Strip (ch)	Increasing	Good	Lower
180 0x1 Strip (pr)	Increasing	Good	Lower
184 Top Butt, boneless (ch)	Decreasing	Good	Lower
184 Top Butt, boneless (pr)	Increasing	Good	Lower
184-3 Top Butt, bnls (ch)	Increasing	Good	Higher
185a Sirloin Flap (ch)	Increasing	Good	Lower
185c Loin, Tri-Tip (ch)	Increasing	Good	Lower
189a Tender (sel, 5 lb & up)	Increasing	Good	Lower
189a Tender (ch, 5 lb & up)	Increasing	Good	Lower
189a Tender (pr, heavy)	Increasing	Good	Lower
193 Flank Steak (ch)	Increasing	Good	Lower
50% Trimmings	Decreasing	Good	Lower
65% Trimmings	Increasing	Good	Lower
75% Trimmings	Increasing	Good	Higher
85% Trimmings	Increasing	Short	Lower
90% Trimmings	Increasing	Short	Lower
90% Imported Beef (frz)	Increasing	Good	Lower
95% Imported Beef (frz)	Increasing	Good	Lower
Veal Rack (Hotel 7 rib)	Steady	Good	Higher
Veal Top Round (cap off)	Steady	Good	Higher



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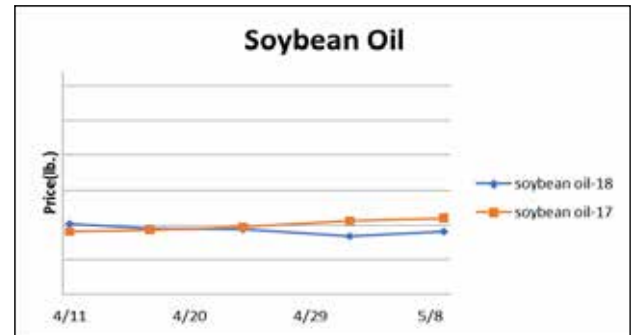
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Grains

The 2018 planting season is gaining steam with 39% of the corn, 30% of the spring wheat and 15% of the soybeans in the ground as of May 6th. Although corn and spring wheat planting remains behind, farmers are expected to recover in the coming weeks. This could weigh on the grain markets.

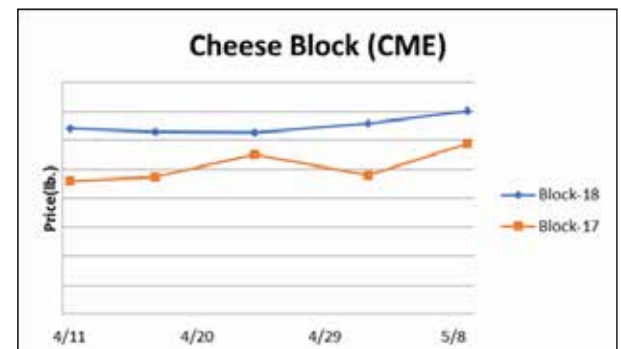
Description	Market Trend	Supplies	Price vs. Last Year
Soybeans, bushel	Decreasing	Good	Higher
Crude Soybean Oil, lb	Increasing	Good	Lower
Soybean Meal, ton	Decreasing	Good	Higher
Corn, bushel	Decreasing	Good	Higher
Crude Corn Oil, lb	Steady	Good	Lower
High Fructose Corn Syrup	Steady	Good	Higher
Distillers Grain, Dry	Increasing	Good	Higher
Crude Palm Oil, lb BMD	Steady	Good	Same
HRW Wheat, bushel	Decreasing	Good	Higher
DNS Wheat 14%, bushel	Decreasing	Good	Higher
Durum Wheat, bushel	Decreasing	Short	Higher
Pinto Beans, lb	Steady	Good	Lower
Black Beans, lb	Steady	Good	Lower
Rice, Long Grain, lb	Increasing	Good	Higher



Dairy

Strong U.S. export demand continues to support butter prices. During March, the U.S. exported 148% more butter than the previous year while imports were down 18%. The export total was the biggest for any month since December 2014. This could support butter prices in the near term. However, improving milk production margins across the globe should encourage milk and dairy product production in the coming months which should limit the upside in butter prices. Cheese price appreciation may be limited as well. U.S. cheese exports in March were 9% more than 2017.

Description	Market Trend	Supplies	Price vs. Last Year
Cheese Barrels (CME)	Increasing	Good	Higher
Cheese Blocks (CME)	Increasing	Good	Higher
American Cheese	Increasing	Good	Higher
Cheddar Cheese (40 lb)	Increasing	Good	Higher
Mozzarella Cheese	Increasing	Good	Higher
Provolone Cheese	Steady	Good	Same
Parmesan Cheese	Increasing	Good	Higher
Butter (CME)	Decreasing	Good	Higher
Nonfat Dry Milk	Increasing	Ample	Lower
Whey, Dry	Increasing	Good	Lower
Class 1 Base	Steady	Good	Lower
Class II Cream, heavy	Increasing	Good	Higher
Class III Milk (CME)	Increasing	Good	Higher
Class IV Milk (CME)	Decreasing	Good	Higher



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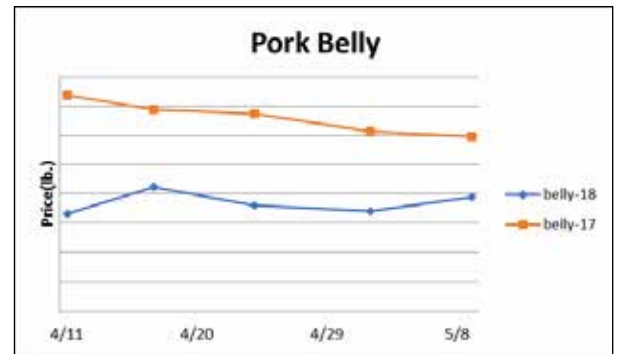
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Pork

Pork output declined 1.2% last week but was 4.2% greater than the same week last year. The USDA is estimating pork production to be notably above year ago levels into the summer which should limit seasonal price appreciation. That said, the pork belly market may be susceptible to an upward correction due in part to wholesale prices being the lowest since September 2016. Further, big retail feature activity for bacon is anticipated. U.S. pork exports during March were 2.9% stronger than the previous year and a record high.

Description	Market Trend	Supplies	Price vs. Last Year
Live Hogs	Increasing	Ample	Lower
Sow	Increasing	Ample	Lower
Belly (bacon)	Increasing	Good	Lower
Sparerib(4.25 lb & down)	Increasing	Good	Higher
Ham (20-23 lb)	Decreasing	Good	Lower
Ham (23-27 lb)	Decreasing	Good	Lower
Loin (bone in)	Increasing	Good	Lower
Babyback Rib (1.75 lb & up)	Increasing	Good	Lower
Tenderloin (1.25 lb)	Decreasing	Good	Lower
Boston Butt, untrmd (4-8 lb)	Increasing	Good	Higher
Picnic, untrmd	Increasing	Good	Lower
SS Picnic, smoker trm box	Increasing	Good	Lower
42% Trimmings	Decreasing	Good	Lower
72% Trimmings	Increasing	Good	Lower



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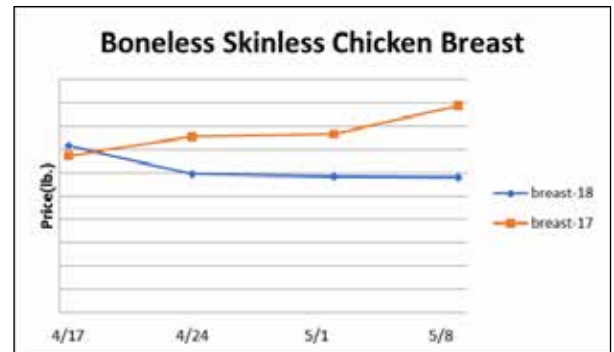
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Poultry

For the week ending April 28th, chicken production fell .2% from the prior week and was down 1.7% from the previous year. The six-week total of chicken output was just .6% better than 2017. Spot feed costs last week for producers were the costliest for the week since June 2014. If this persists, it could hurt profit margins and temper expected year-over-year production gains this fall. U.S. chicken exports during March were .1% less than a year ago and the second smallest for the month since 2012. Higher leg quarter prices played a role in the lower export sales. The chicken wing markets are pricing at the lowest levels for this time of year since 2014. Since 2013, the ARA chicken wing index in May averaged 2.5% lower than it did in June.

Description	Market Trend	Supplies	Price vs. Last Year
Whole Birds WOG-Nat	Increasing	Good	Higher
Wings (jumbo cut)	Decreasing	Good	Lower
Wing Index (ARA)	Decreasing	Good	Lower
Breast, Bnless Skinless NE	Increasing	Good	Lower
Breast, Bnless Skinless SE	Decreasing	Good	Lower
Breast Boneless Index (ARA)	Decreasing	Good	Lower
Tenderloin Index (ARA)	Increasing	Good	Lower
Legs (whole)	Increasing	Good	Higher
Leg Quarter Index (ARA)	Increasing	Good	Higher
Thighs, Bone In	Increasing	Good	Lower
Thighs, Boneless	Increasing	Good	Lower



Description	Market Trend	Supplies	Price vs. Last Year
Whole Turkey (8-16 lb)	Steady	Good	Lower
Turkey Breast, Bnls/Sknls	Decreasing	Good	Higher



Eggs

Description	Market Trend	Supplies	Price vs. Last Year
Large Eggs (dozen)	Decreasing	Short	Higher
Medium Eggs (dozen)	Decreasing	Short	Higher
Liquid Whole Eggs	Decreasing	Short	Higher
Liquid Egg Whites	Decreasing	Short	Higher
Liquid Egg Yolks	Increasing	Short	Higher
Egg Breaker Stock Central	Decreasing	Short	Higher

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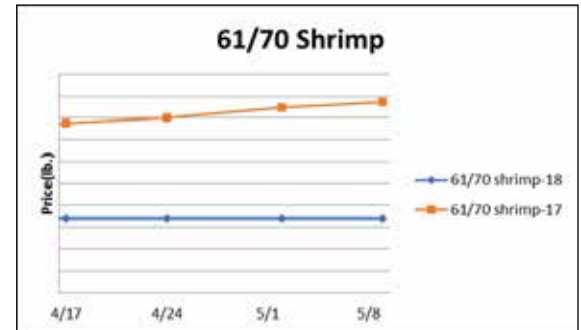
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Seafood

Solid salmon imports continue to weigh on the salmon markets. During March, the U.S. imported 16.5% more salmon than the previous year. Salmon imports from Canada, however, remained subpar down 4.8% from 2017 at an average price 4.2% more expensive. Canadian salmon may continue to carry a premium to other markets during the next several months.

Description	Market Trend	Supplies	Price vs. Last Year
Shrimp (16/20 frz)	Increasing	Good	Lower
Shrimp (61/70 frz)	Decreasing	Good	Lower
Shrimp Tiger (26/30 frz)	Decreasing	Good	Lower
Snow Crab, frz	Decreasing	Good	Lower
Tilapia Filet, frz	Increasing	Good	Higher
Cod Filet, frz	Increasing	Good	Higher
Tuna Yellowfin, frsh	Increasing	Good	Higher
Salmon Atlantic Filet, frsh	Increasing	Good	Lower
Pollock Filet, Alaska, frz	Decreasing	Good	Lower



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Paper and Plastic Products

Description	Market Trend	Supplies	Price vs. Last Year
WOOD PULP (PAPER)			
NBSK- Paper napkin	Increasing	Good	Higher
42 lb. Linerboard-corrugated box	Increasing	Good	Higher
PLASTIC RESINS (PLASTIC, FOAM)			
PS-CHH-utensils, cups, to-go cont.	Steady	Good	Lower
PP-HIGP-heavy grade utensils	Steady	Good	Lower
PE-LLD-can liners, film, bags	Steady	Good	Lower

Retail Price Change from Prior Month

Description	Mar-18	Feb-18	Jan-18
Beef and Veal	Increasing	Increasing	Decreasing
Dairy	Increasing	Decreasing	Decreasing
Pork	Increasing	Decreasing	Increasing
Chicken	Increasing	Increasing	Decreasing
Fresh Fish and Seafood	Increasing	Increasing	Decreasing
Fresh Fruits and Vegetables	Decreasing	Decreasing	Increasing

Various Markets

The cocoa market remains elevated. Cocoa grinding demand remains solid due to the improving world economy. Further, weather in Africa has caused concerns around the crop yields. The cocoa market is likely to remain above 2017 levels into the summer.

Description	Market Trend	Supplies	Price vs. Last Year
Whole Peeled, Stand (6/10)	Increasing	Good	Higher
Tomato Paste-Industrial (lb)	Increasing	Good	Higher
Coffee lb ICE	Decreasing	Good	Lower
Sugar lb ICE	Decreasing	Ample	Lower
Cocoa mt ICE	Decreasing	Short	Higher
Orange Juice lb ICE	Increasing	Good	Higher
Honey (clover) lb	Steady	Good	Higher



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Produce

Market Overview

Most commodities are steady. Oranges have hit an EXTREME market with higher prices and shortages in supply as well as lemons. Green leaf, iceberg lettuce, and cauliflower remain tight.

NOTE: Spring Market freight rates have taken a drastic increase over the last week and have continued to increase. Although the FOB markets may read as steady, or only slightly changed, note that inbound freight rates have increased significantly.

Apples & Pears

Prices are level. Fuji, Gala, Golden Delicious, Granny Smith, and Red Delicious Apples are available; large Granny Smith volume is low, but all other varieties are abundant. Quality is very good: sugar levels range from 14 to 18 Brix.

Pear prices are stable. Washington D'Anjou Pears are on the market. Red D'Anjous are also available. New crop California Bartletts will enter the market in late June. Sugar levels range from 12 to 14 Brix.

Artichokes

We are seeing improvement in this market. Quality is better.

Arugula

Quality has improved, and supplies are good.

Asparagus

Prices are up; Mexican stocks are tightening. Quality is best in Mexico: spears are straight and flavor is pleasantly grassy.

Avocados

Markets are slightly lower than last week. Smaller sizes are struggling and have come off the most, with larger fruit staying the same or coming down one or two dollars. Mexico is trying to take the price back up and has started harvesting less than they have been the last few weeks. Cinco promotions were successful and many retailers and food service will start to reload during the week. California continues to harvest and keep western business.

Bananas

Conventional supplies are strong along with rebounded supplies for organics and plantains. This strong supply should continue well into June. Quality is expected to be excellent.

Beans

EAST: Beans have quickly started their transition from South FL to Plant City & GA. Plant City is slowing increasing their numbers, but have been slow. GA is just barely scratching the surface. FOBs are up but quality is still good.

WEST: Beans have quickly started their transition from South FL to Plant City & GA. Plant City is slowing increasing their numbers, but have been slow. GA is just barely scratching the surface. FOBs are up but quality is still good.

MARKET ALERT

- Cauliflower – ESCALATED
- Cucumber – ESCALATED
- Green Bell Pepper – ESCALATED
- Green Leaf – ESCALATED
- Lemons – ESCALATED
- Iceberg Lettuce – ESCALATED
- Limes – ESCALATED
- Mushrooms – ESCALATED
- Oranges – EXTREME



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Produce (continued)

Berries:

Blackberries

The market is steady, and quality is good.

Blueberries

Availability is good. Georgia blues will start up soon adding more availability to this commodity.

Raspberries

We are seeing some shortages in supply in this market, quality is good.

Strawberries

The market is great and we are seeing lower prices, plenty of supply, and good quality.

Bok Choy

Quality is average and we are seeing some higher quotes on WGA cartons.

Broccoli

The market will increase steadily this week. Stocks are tightening; erratic weather patterns are stunting growth and reducing supplies. Once weather warms, supplies will increase to normal levels (approximately next week). Quality is excellent: hollow core and yellow beading are sporadic issues.

Brussels Sprouts

Supplies are light and quality is average. Prices are higher.

Cantaloupe

The cantaloupe market is mostly stable. The last arrivals of offshore fruit will be landing in the next 7 to 10 days and the gradual transition to the desert will begin. Smaller-sized fruit will become short this week while supplies on 9's will be plentiful, driving markets higher on the smaller sizes. Quality remains very nice showing good external appearance with even netting and full slips, and we continue to see brix levels (12-14%) with occasional higher numbers.

Carrots

We are seeing both good quality and volume.

Cauliflower

ESCALATED We are seeing a shortage in supply and prices are escalated.

Celery

Demand is steady and suppliers are lighter than normal. Quality is good.

Cilantro

Supplies are average and quality is fair.

Corn

Good volume continues on yellow and bi-color. The desert should ramp up in the next 7 to 10 days.

Cucumbers

EAST: FOBs are mostly steady as S. FL and Plant City work through their acreage. GA should come on board in about a week with N. CA following behind around June 1. Quality is mostly good.

WEST: Baja supplies are yielding good numbers keeping FOBs steady. Quality has been great.



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Produce (continued)

English Cucumber

There are excellent supplies crossing through Nogales and McAllen.

Eggplant

EAST: South FL will be completing their season in the next 10-14 days. Plant City will continue to have light supplies, so look for eggs to start creeping upwards until GA digs into their fields in early June. Quality is good.

WEST: Transition is moving along great, with MX winding down and CA starting up. FOBs are steady and quality is excellent.

Fennel

Supplies for the week will be good and quality is good.

Garlic

EXTREME We are about 50% done with the 2017 crop. Supplies will remain tight between now and July. Prices remain high.



Ginger

Chinese ginger markets are mixed, but quality is good. Also, product is available at higher costs from Brazil, Costa Rica and Honduras and Peru with no major quality issues being reported.

Grapes

WATCH LIST This is a mixed market at the moment. The Chilean fruit is priced to move as quality begins to diminish while new crop from Nogales calls for a premium. Perlette and flame quality crossing through Nogales is good with the desert to follow. Offshore greens are very limited; flames and globes are all that are available for the offshore deal.

Green Cabbage

Supplies have improved in the southeast as well as in the West. FOB calls are down and quality remains very nice.

Red Cabbage

Quality has been hit and miss while sizing remains good. We are seeing some external quality and color issues causing markets to remain firm in the East as well as Texas. West Coast volume is improving.

Green Onions

Market is firm with good supply, although we are seeing some slight insect damage.

Honeydew

Good demand has kept the market steady; expect a steady decline of volume this week and the next as the offshore season concludes for the season. We are beginning to see quality and flavor issues in this last cycle of fruit due to WhiteFly and weather impact issues. Many growers anticipate an active market for the next three weeks until transition to the desert begins.

JICAMA

Markets remain firm due to ongoing short supplies and will continue to see some quality and shelf life issues.

Kale (Green)

Quality and supplies are good.

Kiwi

California supplies are very limited; lighter supplies are also expected on Italian fruit coming through the East Coast. Markets continue to firm up.

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Produce (continued)

Lemons

ESCALATED This is a very active market. Prices are still higher than normal, but quality is good. Imports start in June.

Lettuce:

Butter

Demand is good and quality is average.

Green and Red Leaf

ESCALATED on Green Leaf Quality is good and supplies are very light on red leaf. Green leaf is very active due to the past situation with romaine; reports show that prices are rising, product is in escalation, and there are shortages in supply.

Iceberg Lettuce

ESCALATED This market is active due to cooler weather slowing down supplies.

Romaine

Supplies have returned to normal. Quality is good with occasional fringe burn.

Romaine Hearts

Supplies are normal. Demand and quality are good.

Limes

ESCALATED Bigger fruit continues to remain tight and shippers are having to grade the fruit to obtain quality needed for shipping. This has caused some tighter supplies on the 175-200ct and pricing remains elevated (though it has improved). We expect to see prices alleviate more so over the next couple weeks.

Napa

Supplies are lower and demand is steady.

Onions

Plenty of supply in CA, TX and the remaining storage in WA and as a result fobs are pretty weak right now. Quality has been very good from both new crop locations.

Oranges Navels/Valencias

EXTREME We are still seeing a shortage in supply and higher prices. This market may become even shorter in supply and will last until the domestic Valencia market takes over.

Parsley(Curly, Italian)

Quality is fair and supplies are good.

Green Bell Pepper

EAST: It's a hot bell pepper market! FOBs are pushing up very fast and expected to rise again by the weekend. South Florida's crop is mostly wrapped up with only choice grades available. Plant City is producing #1 product, however, it is in short supply. Georgia is still about 3 weeks away from first harvest. Quality is improving, but still varies from field to field. WEST: There is a split market between Nogales and California. Quality from MX is slipping so most demand is moving to the CA crop. CA is pushing good numbers out, but not enough to meet demand. FOBs are up huge.

Jalapenos (Chiles)

EAST: Decent volume is available from the east. Prices are mostly steady but feeling some downward pressures. Quality is improving in comparison to last week. WEST: Two major areas are pushing great volume out, however, quality is split. Baja product is strong, but a bit pricier. Mainland MX's chiles are feeling the heat and showing signs of weakening. Prices are split between the two markets.



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Produce *(continued)*

Red and Yellow Bell Pepper

WEST: MX's season is wrapping up with Canadian distribution filling some of the supply gap. FOBs are mostly steady week over week. Quality is great.

Pineapple

Demand remains firm, quality is good and supplies are stable.

Idaho Potatoes

Fobs inched up moderately on 70cts and larger for this week. Demand has been steady and supplies are meeting that demand. Opportunities continue on 100cts and 2's.

Radishes

Supplies are steady and quality is good shipping through Arizona and Florida.

Salad Blends

The market is unchanged; supplies are adequate. Quality is average: inspectors are selecting the best fields for harvesting.

Snow and Sugar Snap Peas

Snow and sugar snap peas supplies are steady through Miami.

Spinach (Bunched)

Baby and clipped spinach supplies are good and quality has improved.

Spinach (Baby)

Baby and clipped spinach supplies are good and quality has improved.

Spring Mix

Supplies and quality are good.

Yellow Squash / Zucchini

EAST: South FL is still bringing a little supply to market, but most of the volume is coming from North FL & GA. However, there is still not enough supply to drive FOBs lower than week over week. On a positive note, quality is improving as growers work through new fields.

WEST: the CA crop is still about 10 days out. Until then, we will continue to see higher priced squash and work through the continuous quality issues.

TOMATOES-EAST

Rounds

With all production moved up to the Palmetto/Ruskin area, the spring Florida crop has a healthy 2 weeks remaining. Medium & large sizes are the most available with extra-large being a little light. Current FOBs are moving up across the board, but keep in mind freight rates are soaring. So even through the market only slightly is moving, freight is disrupting delivered costs. As supply continues to tighten over the course of the next 2 weeks, expect to be in a mid-teens market by the 3rd or last week of May. We may experience a slight skip between spring and June summer crops. Quality currently is still looking great.



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Produce (continued)

Romas

As previously reported, romas are a lighter planting crop versus rounds. Palmetto/Ruskin is expected to run another 2 weeks, however, supply is already starting to taper off. FOBs are reflective of this and moving up. Expect this trend to continue over the next 4-5 weeks until summer crop comes on board. Quality currently is great.

Grapes

Volume slips a little more as most of the crop moves north to Palmetto/Ruskin. Thus, FOBs moved up. In addition, grapes were affected by the high winds resulting in some wind scar, but overall quality is still good.

Cherries

Supply is still snug, but FOBs remain fairly steady. Steady volume is expected for another 2 weeks as we come to the close of the crop. Quality continues to be excellent.

TOMATOES-WEST/MEXICO

Rounds

Western Mexico is still in their seasonal decline through the month of May with only about 2 weeks left. Baja and Eastern MX are seeing good supplies, however, big fruit has become somewhat scarce. FOBs are steady, except on the big fruit. Look for these FOBs to rise. California will start in a light way next week, but the volume will not start coming on until around mid-June. Temperatures are already over 100 degrees (108 reported this week already!). We are quickly approaching the dog days of the summer season. See weather report below.

Romas

Great supply and quality is coming from multiple regions, Western MX, Northern MX, and Baja. FOBs hover at the minimum for yet another week. Great supply is expected to last through May (weather permitting) and quality is excellent.

Grapes

Despite being on the downhill slide of supply, markets are mostly stable from the west. Some scattered pricing reports are available mostly due to quality inconsistencies.

Cherries

Nogales product continues to show major quality issues. Baja's quality is showing to be better which is where most of the demand is headed. Due to the higher demand for the better quality, prices moved up.

Watermelons

Seedless watermelons remain steady with a decent demand on larger sizes (4/5s). Movement on smaller sizes has been limited. Growers of seedless melons from Central America are done for the season.

