

# Weekly Market Review

December 26, 2019

## Overview

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Markets are very active out of Yuma; due to rain, available supply looks to be very short through the balance of the week, especially on lettuce, romaine, and leaf items. The tomato market continues to be **EXTREME** due to weather conditions out west and in Florida. Artichokes are also **EXTREME**. Snow and snap peas are good buys.

## Market Alert

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- Artichokes – **EXTREME**
- Asparagus - **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cucumbers - **ESCALATED**
- Corn- **EXTREME**
- Garlic – **EXTREME**
- Green Onions – **ESCALATED**
- Honeydew - **ESCALATED**
- Potatoes – **EXTREME**
- Tomatoes (Rounds, Romas, Grapes & Cherries) - **EXTREME**

## Watch List

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- Chinese Ginger
- Mexican Imports (Tomatoes, Eggplant, Chili Pepper, Green Bell Pepper, and Eggplant) - We could see potential delays at the border crossing ramping up this week due to the discovery of a virus in Mexico potentially affecting tomato, bell pepper, chili pepper, and eggplant production. At this time, we are not seeing any issues with our growers; the additional border inspections being implemented by CBP are strictly precautionary and for the wellbeing of the dry vegetable industry as a whole. Right now, the main concern is delays crossing the border. If product does fail the inspections at the border, the product affected will be turned back to Mexico and could spike markets or drive a shortage.
- Red Cabbage

## Transportation

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Freight rates will continue to remain stable however trucks are short due to the Christmas pull at retail. Fuel prices are mixed; the East Coast is averaging \$3.04/gallon, while California's average for diesel was the highest at just under \$4.00 per gallon. We expect to see shortages on trucks through New Year's.

## Weather

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### PALMETTO, FL:

Thu 12/26	Fri 12/27	Sat 12/28	Sun 12/29	Mon 12/30	Tue 12/31	Wed 1/1
79°   66°F	80°   68°F	79°   68°F	80°   70°F	78°   64°F	74°   61°F	76°   64°F
						
PM Showers	PM Showers	PM Showers	Partly Cloudy	Mostly Cloudy	Partly Cloudy	Mostly Sunny

**OXNARD, CA:**

Thu 12/26 57°   40°F  Partly Cloudy	Fri 12/27 59°   41°F  Sunny	Sat 12/28 59°   43°F  Mostly Sunny	Sun 12/29 59°   45°F  Sunny	Mon 12/30 57°   44°F  Mostly Sunny	Tue 12/31 61°   45°F  Sunny	Wed 1/1 61°   47°F  Sunny
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**YUMA, AZ:**

Thu 12/26 53°   45°F  Rain	Fri 12/27 61°   40°F  Partly Cloudy	Sat 12/28 63°   39°F  Sunny	Sun 12/29 60°   42°F  Sunny	Mon 12/30 54°   45°F  PM Showers	Tue 12/31 59°   43°F  Partly Cloudy	Wed 1/1 61°   43°F  Mostly Sunny
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**HERMOSILLO, MX:**

Thu 12/26 68°   49°F  Sunny	Fri 12/27 63°   40°F  AM Showers	Sat 12/28 62°   38°F  Sunny	Sun 12/29 66°   37°F  Sunny	Mon 12/30 66°   44°F  Sunny	Tue 12/31 63°   42°F  Few Showers	Wed 1/1 64°   42°F  Partly Cloudy
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**MICHOACAN, MX:**

Thu 12/26 54°   44°F  AM Rain	Fri 12/27 63°   40°F  Mostly Sunny	Sat 12/28 64°   38°F  Sunny	Sun 12/29 61°   40°F  Sunny	Mon 12/30 52°   43°F  Showers	Tue 12/31 59°   41°F  Partly Cloudy	Wed 1/1 63°   42°F  Mostly Sunny
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**Good Buys**

Commodity	Market Update	Produce Expert Tip
<b>Snow and Snap Peas</b>	<p><b>Snow Peas:</b> Good supply and quality arriving through Florida.</p> <p><b>Sugar Snap Peas:</b> Good supply and quality arriving into Florida through the end of the year.</p>	<p>The Holidays have come and gone. After filling our bellies with caloric and delicious meals and desserts, it is a time-honored tradition to start the new year by eating as healthy as possible. Luckily, this week's Good Buy, Snow and Snap Peas, are some of the healthiest veggies out there. Snow and snap peas are, in fact, different; however, only in aesthetics. Snap peas have a rounder and crispier pod, while snow peas are flatter. Snap peas also are slightly sweeter, but the differences end there. Both are packed with great vitamins and nutrients such as vitamin C and antioxidants to boost the immune system, vitamin K to assist in blood clotting and bone metabolism, and fiber for digestion. Try snacking on this Good Buy with some hummus for a healthy New Year's snack!</p>

**Fruits & Vegetables**

**Avocados:** Large fruit (48s and larger) remain on the tight side with the crop currently being harvested. There is plenty of fruit; mainly #2s and small-sized fruit (60s and smaller). This will continue through December. The sizes available will shift late January and trend heavier on larger fruit (48s and larger).

**Bananas:** Banana supply is beginning to fall, which will affect the open market banana pricing. This situation may remain until week 6-7 of 2020.

**Pineapples:** We are expecting volumes to remain healthy until the end of the year, with the fruit trending large. Quality is no issue.

**Grapes:** We are 100% into the import Red and Green Seedless Grapes. Very few mediums available as the fruit is trending larger.

## **Berries**

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**Blueberries:** Watsonville and Santa Maria volume continue to decrease. Oxnard's production will continue to increase as their season begins. There will be a slight decrease in volume in Mexico the next two weeks due to the holidays.

**Blackberries:** Supply in CA will continue to be steady for the next couple of weeks.

**Raspberries:** Santa Maria and Oxnard should remain steady through February.

**Strawberries:** Steady production is expected for the next 5 weeks. Northern Baja volume are increasing and has favorable fruit size. Rain is in the forecast for Santa Maria, Oxnard and Florida.

## **California / Arizona Citrus**

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**Navels:** Recent rains in the central valley have hindered harvesting. Sizing is still peaking 113/138/88. Good quality.

**Lemons:** Good supply of desert crop. Quality has been good with 165/140/200.

**Limes:** The market continues to be tighter, especially the smaller fruit. Due to the holidays, growers in Mexico are not picking as much and some will shut down completely for several days. Sourcing is still light, and there are delays getting fruit crossed. This instability will continue through the first part of next year and we will see prices trend upwards.

**Grapefruit:** TX and CA grapefruit is available.

### **Imports/Specialties available:**

CA Specialty: Cara Caras and Bloods are available--113/138/88--good quality.

CA Clementines (Halos, Cuties, Delights) and Satsumas are available, mostly smaller sizes, good quality.

CA Pummelos are available.

## **West Coast Lettuce**

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**Butter:** Production volumes are steady this week in the desert region. Normal volumes are forecasted to continue.

**Green Leaf:** The market is very active out of Yuma; supply looks to be very short through the balance of the week. Blocks are healthy, with good texture and size. Demand is steady.

**Red Leaf:** The market is very active out of Yuma; supply looks to be very short through the balance of the week. Demand has been steady.

**Iceberg Lettuce:** Supply is slightly down, but we will be missing a day of harvest because of the holiday. Weather could be an issue this week; lower temperatures and a small percentage of rain is predicted. The market is very active out of Yuma; supply looks to be very short through the balance of the week. Overall quality is strong.

**Romaine/Romaine Hearts:** Romaine and romaine heart markets are very active out of Yuma, and supply looks to be very short through the balance of the week. Blocks are exhibiting good color, uniform sizing, and strong yields. Recent rain has made field conditions somewhat muddy, and we have had some ice delays in the early mornings. Frost has not been prominent enough to promote quality issues. Weather is forecasted to improve this week.

### **Eastern and Western Vegetables**

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**Green Bell Pepper: Mexico – WATCH LIST** Florida is at its peak of the late Fall plantings. More growers came online last week and added some strong supply. Overall, quality has been good with the occasional hit or miss reports of bruising. We will begin to see fewer green bells in Florida after the 1st of the year as acreage is reduced. FOBs are steady. In the West, Mexico producers have been bringing a steady stream of product to the border. Quality has been an issue in open field products as it was hit hard by the storm. We should be seeing volumes and quality increase as our growers make the transition to shade house crops. FOBs are steady.

**Red Bell Pepper:** Supply is easing up as more product becomes available in Nogales. Quality remains fair, and we should see FOB prices begin to ease back this week.

**Yellow Pepper:** Good volume and steady pricing.

**Mini Sweet Pepper:** Baja's production remains lighter, but we anticipate an increase sometime this month. Decent product expected to begin in the southeast soon.

**Mixed Chili Pepper:** South Florida and Plant City are in the chili game, with most varieties available; however, volume will be light this week due to rain over the weekend. Florida's volume is minimal compared to Mexico's, so we look to the border for much of the supply for the next few months. FOBs are steady. There haven't been a lot of issues with supply in the West, but we're being told to expect some quality challenges due to the rain, particularly on tomatillos and poblanos. FOBs are slightly escalated and quality is hit or miss until supply can ramp back up again.

**Eggplant:** Availability is steady in all markets and supply are readily available. FOB prices remain steady.

**Cucumbers: ESCALATED** Florida volume remains light and quality is marginal; Honduras is ramping up enough to cover the domestic production deficits. We expect to see full offshore production by the first of January. FOBs remain firm but will begin easing back by end of month. Mexico growers are experiencing the impact from the heavy rain and are coming up short in production. We are experiencing quality issues of all sorts where only a couple were able to salvage their crops. Most growers are looking to be out until as late as February. Availability will be limited for the next few weeks and quality will be weak. FOBs are escalated.

**English Cucumbers:** Good volume crossing through Nogales and McAllen.

**Green Beans:** Florida bean harvests have been improving over the past few days, with quality and volume varying by farm/grower. We do anticipate markets will remain on the higher side due to less acreage planted

and lighter yields. In the West, the area of Culiacan was hit hardest by the rainstorms; major growers have crop issues due to rain, losses, and won't be able to plant their next fields, which will affect availability well into January. The Guasave area--also a major bean-growing area--received significant rain, too. We are seeing an overall 60-70% reduction in bean supply compared to a normal year from West Mexico. Baja is done for the most part, with the California desert finishing this week. Rust, loss of bloom, beans dragging on the ground, maturity, and disease are huge issues in some fields.

**Zucchini/ Yellow Squash: Mexico – WATCH LIST** There is good squash volume in the East. We are seeing some quality improvements this week but just had some rain which we may see some affects from next week. Overall, quality is good, and FOBs are steady. In the West, we are seeing quality and production issues from Mainland Mexico on both yellows and zucchinis. Weather permitting, we hope to see a slight increase in in numbers over the next few weeks to alleviate this pressure. FOBs are escalated and quality is hit or miss.

## Herbs

**BASIL** – Supply and quality are back to normal and looking very good.

**THAI BASIL** and **OPAL BASIL** have been having some issues with supply and quality and we anticipate this issue to continue for the next several weeks.

**SAGE** and **THYME** has finished in our local growing regions and our supply will be coming from Mexico.

**TARRAGON** continues to be limited in supply due to weather and Holiday demand.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Good	USA
Basil	Steady	Good	MEXICO
Opal Basil	Steady	Good	MEXICO
Thai Basil	Steady	Good	USA
Bay Leaves	Steady	Good	Colombia
Chervil	Steady	Good	USA
Chives	Steady	Good	MEXICO
Cilantro	Steady	Good	USA
Dill	Steady	Good	USA
Epazote	Steady	Good	MEXICO
Lemongrass	Steady	Good	USA
Marjoram	Steady	Good	USA
Mint	Steady	Good	USA
Oregano	Steady	Good	USA

Italian Parsley	Steady	Good	USA
Rosemary	Steady	Good	USA
Sage	Steady	Good	USA
Savory	Limited	Tip Burn	USA
Sorrel	Steady	Good	USA
Tarragon	Steady	Good	MEXICO
Thyme	Steady	Good	USA
Lemon Thyme	Steady	Good	USA
Lavender	Limited	Dry	USA
Lime Leaves	Steady	Good	USA

## Melons

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**Cantaloupe:** Cantaloupe production remains strong from Guatemala as we move into the holidays. We are anticipating a decrease in this Guatemalan production starting with arrivals after the New Year; we should remain limited throughout the second cycle as whitefly has returned, which will affect the overall supply from this country through March. Honduran supply is set to begin in January. Current sizing has been leaning more to the mid-to-small sizing (12/15s).

**Honeydew:** **ESCALATED** Honeydew production remains in a demand-exceeds-supply situation on all sizes, with some temporary relief anticipated after the holidays. The sizing profile will shift heavier to the larger sizes, leaving smaller fruit very limited.

**Watermelon:** Supply of seedless are readily available; quality is mixed. Pricing is fairly stable.

## Mixed Vegetables

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**Artichokes:** **EXTREME** Light supply is forecasted for several more weeks. Extremely limited volume on 30 and 36ct. In Salinas, supply will be in and out until the end of January. Quality could be affected by cold weather; artichokes could become frosted. Demand for artichokes exceeds supply, prices continue to climb higher.

**Arugula:** Supply and quality are good.

**Asparagus:** **ESCALATED** Mixed Market. Light supply in the east due to limited space available on airplanes, while the west coast is seeing extreme shortages due to freezing temperatures in Caborca.

**Bok Choy:** Supply and quality are good.

**Broccoli / Broccoli Florets:** Supply and quality are good.

**Brussels Sprouts:** Good quality and supply.

**Carrots:** **ESCALATED** Jumbo carrot market is getting active as sizing is becoming a challenge. Supply is also getting tighter across the entire category due to weather.

**Cauliflower:** Good supply and quality loading out of the desert growing regions.

**Celery:** Volume is picking up and the market is adjusting downward. There are still some minor quality issues out of the Oxnard growing regions, but overall quality and supply are improving.

**Corn:** **EXTREME** Markets are very limited in Florida and the west coast as a result of harvest GAPS and poor quality due to weather. We expect strong markets through the end of the month.

**Cilantro:** Supply is expected to be plentiful this week. Quality is good.

**Fennel:** Fennel will be at budget this week. Sizing is still on the smaller side, and we anticipate having a majority of 30/36s available. Quality is strong overall.

**Garlic:** **EXTREME** Domestic garlic yields are drastically down due to a percentage of plants that did not develop. We are also seeing quality issues due to weather. Chinese garlic is becoming very short in supply due to a US custom fee that will need to be paid, higher tariffs, and lower yields in their crop. The Chinese supply we are seeing has great quality; however, it is expensive. Please be aware that you may see a shortage in supply in our domestic crop as well as increases in prices. Please understand that quality of domestic product is average.

**Ginger:** **WATCH LIST** Chinese ginger markets are mixed, but quality is good. Also, product is available at higher costs from Brazil, Peru and Thailand. We could see Chinese Ginger prices tick upward should tariffs remain in place.

**Green Cabbage:** There is heavy supply this week. Quality is good.

**Green Onions:** **ESCALATED** Supply is dropping due to labor issues; crews have lower turnout because of the holiday and cold mornings. The market is currently active due to light supply and heavy demand from the holiday. Products will remain snug until after the New Year.

**JICAMA:** Storage product is available; expect to see blemishing as it's storage fruit. Availability is lighter this week.

**Kale (Green):** Supply is steady this week.

**Mache:** Availability is adequate.

**Mushrooms:** Typical holiday price increases form various shippers across the country. Quality is good.

**Napa:** Supply is steady.

**Parsley: (Curly, Italian)** Prices are dropping. Supply is fair.

**Rapini:** With an abbreviated harvest week due to the holiday, combined with fields slowing down due to the colder weather, supply is expected to be below budget this week. There are no issues to report on quality at this time.

**Red Cabbage:** **WATCH LIST** The red cabbage market is getting active.

**Snow Peas:** Good supply and quality arriving through Florida.

**Sugar Snap Peas:** Good supply and quality arriving into Florida through the end of the year.

**Spinach (Bunched):** Supply has improved and product is readily available.

**Spinach (Baby):** Supply has improved and product is readily available.

**Spring Mix:** Supply and quality are good.

**Sweet Potatoes and Yams:** Demand for sweet potatoes continues to be high after Thanksgiving leading up to Christmas. We will see the market remain steady up until January before things start to slow down. FOB's out of all growing regions remain above average but we should not expect a spike like last year.

### **Onions:**

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The market has remained relatively flat; supply is meeting demand at the moment. To this point, the market has not reacted to the freeze in Idaho. Growers are maintaining that there will be some lost, but just how much is currently in question. We will have a better idea of damage as onions sit in storage. We may see a spike in the market later into the season if long-term supply is affected. The NOA report, showing stocks on hand in all regions, shows the national supply number down eighteen million sacks. The Idaho/Oregon region, which is generally the best indicator of a strong finish to the market, is showing down over six million sacks. The market generally gets a spike around the end of the year/beginning of the New Year and we anticipate that will happen still. We are hearing that Holland and Mexican crops may be on the larger side, which could put a cap on the strength of the domestic onion market as well.

### **Potatoes:** **EXTREME**

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We are still experiencing an escalated pricing situation, and we anticipate this will be the case for much of, if not all, of the season. We continue to see large size cartons in the 40ct through 70ct range remain limited, which is an indication of shorter yields and supply. Growers are still assessing how much damage was done to from the freeze, but it estimated that 20%-30% of the entire Idaho crop was impacted by freezing temperatures. We will continue to see the effects as product sits in storage, and internal issues begin to rear themselves. Potato processors are also short, which is creating added competition for the fresh market to secure supply, as these companies are offering higher dollar amounts than the fresh market is currently garnering. Sheds are facing pressure to raise prices and increase returns to growers in order to fend off these purchase offers from processors. It is believed that during the months of March/April when other russet growing regions finish shipping their crop that the market may become very short as customers will look to Idaho to fill their supply gaps left by these other regions. With limited packing and supply hours over the next few weeks, we anticipate product being very limited until after the holiday.

## **TOMATOES**

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### **East Coast**

- **Rounds:** **EXTREME** Florida's tomato volume will remain down this week. Yields remain down significantly due to previous weather, and there are some growers that have a gap as they transition from Ruskin/Palmetto to South Florida. Palmetto/Ruskin farms are mostly harvesting 2nds and 3rds and thus have smaller fruit. This week has been our lightest of the season as the variety we're moving into is slow to

come on, but the numbers will improve at our farms next week. Quality has been very nice on most crown fruit, but there are issues from later picks.

- **Romas EXTREME** Romas are very similar to the round deal except there's significantly less romas planted in FL. We'll see a bit more volume in January, but it will not be significant enough to meet Eastern demand.
- **Grapes: EXTREME** Grapes react to cooler weather quickly and the few passes of colder air through FL has slowed things down this week. We look for a few more to come next week, but volume won't increase in a big way until after the 1st of the year.
- **Cherries: EXTREME** Cherry tomatoes are up in price for the week due to lighter harvest. Quality is fair.
- **Organic Tomatoes: EXTREME** Markets are up this week; very limited supply.

### Mexico

- **Rounds: EXTREME and Seeing a Supply Exceeds demand market.** Western supply is critically light as Mexico's weather event affected the tail end of Baja crops and has delayed the start of tomatoes crossing at Nogales. Expect quality from most production areas to be on the rough side and volume to be very limited until the 2nd week of January.
- **Romas: EXTREME** Roma quality has been nice in the Sunshine State. Mexico's roma situation is similar to rounds...extremely short. Quality has also been affected significantly by rains.
- **Grapes: EXTREME** Mexico still has grapes coming out of Baja but late-season volumes have been affected by the storm. Growers in Mainland areas will also be slow to get rolling for the same reason.
- **Cherries: EXTREME** Cherry tomatoes are up in price for the week due to lighter harvest. Quality is fair.

### APPLES & PEARS

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**Apples:** There is good supply on new crop fruit out of all major domestic growing areas. The Granny Smith market for foodservice will remain tight due to a shift in sizes; there is lighter than normal crop on 100s. Quality is very nice across all varieties.

**Pears:** Very good supply of Bartlett and D'Anjou; quality is excellent. Bosc and Red pears also have excellent supply and quality.

**Asian Pears:** Lighter supply out of Chile on the Hosui Variety.

### SPECIALTY AND STONE FRUIT

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- **Kiwi:** California has good volume available. Fruit is hard.
- **Persimmons:** Available
- **Pomegranates:** Available
- **Quince:** Available