

Weekly Market Review

January 2, 2020

Overview

Markets are very active out of Yuma due to rain. The tomato market continues to be **EXTREME** due to weather conditions out West and in Florida. Green Onions are also **EXTREME**. Avocados are a good buy.

Market Alert

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

Watch List

- 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.

Transportation

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

PALMETTO, FL:

Thu 1/2	Fri 1/3	Sat 1/4	Sun 1/5	Mon 1/6	Tue 1/7	Wed 1/8
80° 69°F	81° 72°F	75° 52°F	60° 49°F	67° 50°F	72° 57°F	66° 52°F
						
Mostly Sunny	Partly Cloudy	Rain	Sunny	Sunny	Mostly Sunny	Partly Cloudy

OXNARD, CA:

Thu 1/2	Fri 1/3	Sat 1/4	Sun 1/5	Mon 1/6	Tue 1/7	Wed 1/8
66° 51°F	69° 48°F	61° 47°F	64° 48°F	67° 50°F	66° 48°F	62° 45°F
						
Mostly Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy	Sunny	Partly Cloudy	Partly Cloudy

YUMA, AZ:

Thu 1/2	Fri 1/3	Sat 1/4	Sun 1/5	Mon 1/6	Tue 1/7	Wed 1/8
71° 48°F	69° 44°F	71° 45°F	73° 50°F	71° 46°F	70° 45°F	67° 44°F
						
Sunny	Mostly Sunny	Sunny	Mostly Sunny	Sunny	Mostly Sunny	Partly Cloudy

HERMOSILLO, MX:

Thu 1/2	Fri 1/3	Sat 1/4	Sun 1/5	Mon 1/6	Tue 1/7	Wed 1/8
68° 40°F	72° 43°F	78° 45°F	78° 45°F	79° 47°F	80° 47°F	75° 48°F
						
Partly Cloudy	Sunny	Sunny	Mostly Sunny	Sunny	Mostly Sunny	Partly Cloudy

MICHOACAN, MX:

Thu 1/2	Fri 1/3	Sat 1/4	Sun 1/5	Mon 1/6	Tue 1/7	Wed 1/8
72° 43°F	70° 41°F	71° 43°F	74° 48°F	72° 45°F	69° 44°F	68° 43°F
						
Sunny	Mostly Sunny	Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy

Good Buys

Commodity	Market Update	Produce Expert Tip
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 late January and trend heavier on larger fruit (48s and larger).	New year, new me... right? Well, we have the healthy fat for you, AVOCADOS! Now, guacamole is definitely the first thing that comes to mind, but did you know you can use avocado as a substitute for mayo? For example, you can use avocado to make tuna, chicken, or egg salads. It adds a creamy richness, and that healthy fat element you might be looking for!

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 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

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: Florida and Mexico have started although some rain is affecting available supply and quality.

California / Arizona Citrus

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

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

Green Leaf: We are seeing quality issues as well as lighter weights; supply remains steady. Markets seem to be flat but look for a slight increase in prices as we head into next week.

Red Leaf: We are seeing quality issues as well as lighter weights; supply remains steady. Markets seem to be flat. As with Green Leaf, we could possibly see a slight increase in market as we head into next week.

Iceberg Lettuce: Volume is lighter due to cooler temperatures, rain, and lack of labor. Expect lighter weights along with quality issues.

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. Some quality issues.

Eastern and Western Vegetables

Green Bell Pepper: Mexico – WATCH LIST Florida is past its peak on the late fall plantings. More growers came online last week and added volume; however, markets are firming up. Overall, quality has been good--with the occasional hit-or-miss reports of bruising--and we will begin to see fewer green bells in Florida as overall acreage has been reduced. In the West, Mexico producers have been crossing lighter numbers this week, and 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 higher this week.

Red Bell Pepper: Supply is easing up as more product becomes available in Nogales and McAllen. 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 and Nogales production remains light, 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 has very light volumes, and the season is winding down rapidly. Product is starting to be imported out of Honduras in order to cover the gap in production; expect to see full season volume by mid-January. Growers in Mexico are experiencing the impact of the heavy rain and coming up short in production as well as experiencing quality issues. Most growers are looking to be out until as late as February.

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

Weather last week has caused some issues with the following herbs:

Rosemary, Thyme and Sage have had heavy demand since the middle of November and now the plants need some time to catch up. With favorable growing conditions, supply should be steady going forward.

Dill, Mint and Italian Parsley will slowdown in growth due to cooler temps. Look for shorter stems and height in the leaves.

Arugula, Oregano and Chervil will be hit and miss with rain and colder temps. Too much rain causes the leaves to yellow.

Lavender will be out for the next several weeks due to the cold and rain.

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

Cantaloupe: Cantaloupe arrivals remained strong through the holiday weeks. Guatemalan production has been providing more mid-range sizing (12/15s) while Honduran production is leaning more to larger jumbo fruit (6J/9Js). We anticipate a decrease in arrivals from Guatemala starting the week of Jan 6th as that region ends its first cycle production. Quality remains very good with the most recent arrivals; good external color and solid internal quality with brix levels showing mostly 11-14%.

Honeydew: **ESCALATED** Honeydew are still in a demand-exceeds-supply situation. Production from our Guatemalan farm has been providing mostly larger melons, but we should see some smaller sizes finding their way in by the end of the week arrivals. Honeydews have been clean, with brix levels settling in the 10-13% range.

Watermelon: Florida has started on seedless with both cartons and bins; supply should be steady.

Mixed Vegetables

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 issues are due to the recent cold spell, field ice, and rain. Quality is fair.

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: **ESCALATED** Supply is lighter this week.

Brussels Sprouts: Supply of sprouts should be normal for the coming weeks. Some quality issues may impact yields.

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: Cauliflower supply is going to be lighter this week due to cooler growing conditions.

Celery: Overall volume is light for the next three weeks. We have more of the smaller 30s and 36-sized celery. Quality is good.

Corn: **ESCALATED** Markets remain firm as production is slow to ramp back up out of Florida. In the West, we are seeing volume begin to cross through Nogales. We do expect firm markets through the middle of January.

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

Fennel: Fennel will be at budget this week. 24/30/36s are available; 18ct will remain limited. Quality remains 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: **EXTREME** The market has skyrocketed due to lack of labor in Mexico from two holidays back-to-back; it will remain active through this week.

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 from various shippers across the country. Quality is good.

Napa: Supply is steady.

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

Rapini: Volume is steady this week. There are no issues to report on quality at this time.

Red Cabbage: There is heavy supply this week.

Snow Peas: Good supply and quality arriving through Florida. Extremely light supply out of the west.

Sugar Snap Peas: Good supply and quality arriving into Florida through the end of the year. Extremely light supply coming out of the West.

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:

The market has started to move up in a small way on yellow onions in both Idaho and Oregon; while it is typical for the market to start to strengthen this time of year, growers are now realizing the higher shrink levels from the freeze that took place in October. We expect that we will continue to see more damage as onions sit in storage, and the supply situation for the remaining 3-4 months of the storage crop could decrease significantly. As we saw in November's NOA report, Idaho/Oregon are showing they are down approximately six million sacks, and this is prior to the loss from freeze damage. 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

We are still experiencing an escalated pricing situation, and we anticipate this will be the case for much, 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 by the freeze, but it is 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.

TOMATOES

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

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

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