

Weekly Market Review

January 31, 2020

Overview

We are seeing better supply for most commodities due to the improved weather in Yuma, though the prior cold weather could still cause problems into February. Arugula, Navels, and Strawberries remain **EXTREME**. We will continue to keep a close eye on this situation and will send out updates accordingly. Fennel is a good buy.

Market Alert

- Arugula – **EXTREME**
- Asparagus – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cauliflower – **ESCALATED**
- Corn - **ESCALATED**
- Garlic – **EXTREME**
- Green Onions – **ESCALATED**
- Honeydew – **ESCALATED**
- Navels – **EXTREME**
- Potatoes – **EXTREME**
- Strawberries - **EXTREME**
- Tomatoes (Cherries) – **ESCALATED**
- Tomatoes (East Coast Romas and Rounds) – **ESCALATED/EXTREME**
- Tomatoes (Mexican Rounds) - **ESCALATED**

Watch List

- Chinese Ginger
- Cucumber
- Pineapples
- Squash (Yellow and Zucchini)
- Tomatillo
- Mexican Imports (Tomatoes, Eggplant, Chili Pepper, and Green Bell Pepper) - 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, LTL trucks remain short. Fuel prices are mixed; the East Coast is averaging \$3.12/gallon, while California's average for diesel was the highest at just under \$3.90 per gallon. We expect to see shortages on trucks through January due to weather, and shortages of drivers/equipment nationwide.

Weather

PALMETTO, FL:

Thu 1/30	Fri 1/31	Sat 2/1	Sun 2/2	Mon 2/3	Tue 2/4	Wed 2/5
72° 59°F	75° 62°F	68° 56°F	66° 49°F	72° 55°F	77° 63°F	78° 63°F
						
Partly Cloudy	PM Showers	AM Showers	Sunny	Partly Cloudy	Mostly Cloudy	Showers

OXNARD, CA:

Thu 1/30	Fri 1/31	Sat 2/1	Sun 2/2	Mon 2/3	Tue 2/4	Wed 2/5
68° 53°F	74° 52°F	73° 52°F	66° 45°F	58° 43°F	59° 45°F	61° 48°F
						
Mostly Sunny	Mostly Sunny	Sunny	Mostly Sunny	Mostly Sunny	Sunny	Mostly Sunny

YUMA, AZ:

Thu 1/30	Fri 1/31	Sat 2/1	Sun 2/2	Mon 2/3	Tue 2/4	Wed 2/5
75° 54°F	76° 49°F	79° 49°F	81° 51°F	66° 44°F	63° 41°F	67° 45°F
						
Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny

HERMOSILLO, MX:

Thu 1/30	Fri 1/31	Sat 2/1	Sun 2/2	Mon 2/3	Tue 2/4	Wed 2/5
75° 44°F	78° 52°F	84° 48°F	80° 53°F	72° 48°F	68° 43°F	70° 44°F
						
Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy	Sunny

MICHOACAN, MX:

Thu 1/30	Fri 1/31	Sat 2/1	Sun 2/2	Mon 2/3	Tue 2/4	Wed 2/5
75° 50°F	76° 46°F	79° 48°F	82° 47°F	66° 43°F	63° 40°F	68° 43°F
						
Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Mostly Sunny

Good Buys

Commodity	Market Update	Produce Expert Tip
Fennel	Good supply this week and next. Overall quality is good.	Did you know that fennel is actually a plant species in the carrot family? You can eat this item raw and cooked but try roasting it! Lightly oil the bottom of a baking dish, sprinkle the fennel with salt and pepper and drizzle oil on top. Bake until tender.

Fruits & Vegetables

Avocados: With retail pulls for the Big Game mostly complete, we have seen a further slowing in harvest from Mexico with the expectation for demand to dip after game day. That being said, the slowing in demand won't be long-term, and we do not expect to see an extended softening in the market. There is also no expected change in the size or grade coming off the trees in February.

Bananas: Quality is very good, but sizing is slightly down due to typical weather patterns in the tropics.

Pineapples: Pineapples are very tight right now with lower imports expected next week vs. this week. Sizing is shifting to the smaller 7s and 8s. Please consider being flexible in your pineapple sizing to protect from incomplete order fulfillments.

Grapes: Red Seedless grapes remain very tight due to weather in Chile. Peru is just shipping Jumbos. Chilean Red volumes should increase in mid-February, but Peru will be finishing up by then, so no real relief is expected. Markets will ease off a little in late February. Peru is still supplying jumbo Green Seedless that are the new varieties. Chile is arriving with Sugs and Thompson, sizing large and M/L. Chile has taken some pressure off the jumbo market as customers have more options available. Black Seedless market is very tight on Blacks as well, with Peru finishing up and Chile not getting going until later in February.

Berries

Blueberries: Watsonville and Santa Maria volume will remain low. Oxnard, Baja, and Jalisco's volume will continue to increase. We have reduced volumes from Michoacán for the next month due to the cool weather. Light volume expected from Florida for the next few weeks. Chile and Peru will continue to wind down.

Blackberries: Supply has started strong but seems to be slowing down a little. Weather is not favorable, with light rain and cooler temperatures in the blackberry growing regions. We expect supply to decline during the next 2-3 weeks.

Raspberries: Additional volume seen in the CMex regions; this increase will change if weather cools or if we see frost events in the Raspberry growing regions. Oxnard's projections are conservative for the next few weeks.

Strawberries: **EXTREME** Lingering rain damage out of Mexico growing regions and cold temperatures in Central Florida are the main drivers for volume reductions.

California / Arizona Citrus

Navels: **EXTREME** Due to recent rain, temperate days, and cool nights, the orange crop has larger fruit than usual. It has become challenging to fulfill orders for smaller sizes in full. Please know that we will continue to accommodate as best as we can, but flexibility with size and grade will be greatly appreciated. We anticipate this challenge for the next few months and appreciate your patience. We will keep you as informed as possible as we receive additional information.

Lemons: Supply is up right now, with limited volume on 200s and smaller. Bigger sized fruit pricing will be on the decline, and the smaller fruit will be trending the opposite way. 140s and smaller will start to increase in pricing. The quality has been excellent and the fruit is beautiful.

Limes: Good supply of limes crossing.

Grapefruit: Star Ruby grapefruit volume is limited, with a strong market. The fruit is amazing and supply will continue to go up.

Imports/Specialties available:

Cara Caras: The market is strong and supply is good.

Blood Oranges: Bloods are available; good quality.

CA Pummelo are available.

Sweeties are available.

West Coast Lettuce

Butter: Supply is good. Quality is fair to good.

Green Leaf: Green leaf supply and quality are fair to good.

Red Leaf: Red leaf volume is fair; quality is good.

Iceberg Lettuce: Supply is good due to the warmer weather. Quality is fair to good. There is still occasional frost damage. The market has continued to adjust downward, with increased overall volumes. We are expecting pricing to remain steady for the rest of the week.

Romaine/Romaine Hearts: Romaine and romaine heart production supply are slightly above budget. With warmer weather in the forecast, we expect supply to maintain at current levels. Blocks are exhibiting good color, uniform sizing, and strong yields. We are seeing continued light fringe burn, light twisted rib, blister, and peeling. Open-market pricing has come off and are at aggressive levels.

Eastern and Western Vegetables

Green Bell Pepper: Florida volume got snug; however, it's not affecting the market. Last week's cold front pushed volume back and is causing some quality issues in the fields. FOB prices are steady this week. In the West, crossings through Nogales and McAllen have jumped, and supply is plentiful. Quality is very nice on new crop.

Red Bell Pepper: Supply will be snug over the next several weeks and quality could be marginal. A lot of open field and shade house product out of Sinaloa was affected by last month's rain. We do not expect supply interruptions but are seeing consistency in quality issues. FOB prices are higher this week.

Yellow Pepper: Supply will be snug over the next several weeks and quality could be marginal. A lot of open field and shade house product out of Sinaloa was affected by last month's rain. We do not expect supply interruptions but are seeing consistency in quality issues. FOB prices are higher this week.

Mini Sweet Pepper: Baja, Sinaloa and Sonora production will remain light, but we anticipate an increase sometime this month. Decent product expected to begin in the Southeast soon. Market is expected to remain active through the Superbowl.

Mixed Chili Pepper: We are seeing harvest numbers improve on Anaheim peppers out of Northern Sinaloa this week...quality is improving daily. Jalapeno, Poblano, and Carives are in good supply. Tomatillos will remain tight this week.

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

Cucumbers: **WATCH LIST** We are seeing better numbers on Honduran product loading in South Florida this week. Growers in Mexico are seeing better volume this week, and markets are improving.

English Cucumbers: Good volume crossing through Nogales and McAllen.

Green Beans: Florida bean harvests have been sporadic this week due to the last cold front that pushed through the region. We do anticipate that markets will remain stable or just a bit higher over the next few

weeks. Quality is mixed. In the West loading through Nogales, we are seeing major improvements on quality and volume, and FOB prices should remain normal.

Zucchini/ Yellow Squash, Florida and Mexico: **WATCH LIST** Volume is slowly improving every day and should be back to normal over the next week in Mexico. Florida is a bit slower to ramp up, mostly due to the last cold front that pushed through the region. Markets are currently mixed and expect to stabilize over the next 10 days.

Herbs

Basil: Quality is looking very good and supply will pick up going into the weekend. Supply looks to be tight for shipping on Thursday this week; we will keep you posted.

Opal Basil: Quality coming out of Mexico has been on the poor side, with the herb not holding up. This herb will be in short supply for the month of February.

Lavender: Local supply will start in March and supply from Mexico are limited due to quality.

Savory: Quality is poor due to weather, with tip burn on the leaves.

Tarragon: Supply will be picking up next week, and price will remain high for at least the month of February. Local tarragon will start the first part of March.

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 production from both Guatemala and Honduras will see a slight decrease in overall volume over the next few weeks. Sizing is projected to remain heavily tilted to the larger fruit (9s and larger), which will leave 12/15s in a shorter position with 15s being extremely limited. Quality has been very consistent, with brix levels hanging in the 10-13% range.

Honeydew: **ESCALATED** The honeydew market has adjusted downward from its highs primarily due to lower quality fruit from Honduras hitting the market. External issues with this fruit have pressured the overall honeydew market lower and created a two-tier market between good and off-grade fruit. Better quality fruit has been providing solid internal numbers of 11-15% brix ranges.

Watermelon: Mexican production has picked up slightly recently, causing the offshore market to settle a little.

Mixed Vegetables

Artichokes: Artichokes remain very light this week and next. We will be hit or miss on availability and available sizes. We are getting some artichokes out of Mexico, though not enough to cover overall demand. We will continue to see gaps in supply over the next few weeks.

Arugula: **EXTREME** 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. We are starting to see some slightly warmer weather in the growing areas, so look for volume to start increasing going into early-to-mid-February. Supply from Mexico is increasing, and we have started to see a downward trend in the market. Barring any unforeseen weather, look for good quality with increasing supply going forward out of the West.

Bok Choy: Supply is normal this week.

Broccoli / Broccoli Florets: Supply is steady. Quality is good.

Brussels Sprouts: Supply and quality are good.

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: **ESCALATED** Cauliflower numbers are below budget and cold weather has slowed production over the next few weeks.

Celery: Mexico and Oxnard are in full swing and quality is good. Overall volume is light.

Corn: **ESCALATED** Markets remain firm although pricing is slightly lower than last week. Production is still slow to ramp back up out of Florida. In the West, we are seeing volume begin to cross through Nogales. We do expect markets to remain firm this week.

Cilantro: Supply is expected to steady this week.

Fennel: Good supply this week and next. Overall quality is good.

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: Supply has decreased this week.

Green Onions: **ESCALATED** With the warmer weather, we are seeing increasing supply. Market is starting to trend downward although prices are still escalated.

JICAMA: Storage product is available; expect to see blemishing as it's storage fruit. Supply stable.

Kale (Green): Bunched kale supply is expected to be steady this week.

Mushrooms: Markets and supply are steady. Quality is good.

Napa: Supply is steady.

Parsley: (Curly, Italian) Supply is expected to be steady this week.

Rapini: Supply is just under budget this week.

Red Cabbage: Supply has decreased this week.

Snow Peas: Supply is increasing out of the West.

Sugar Snap Peas: Supply is increasing out of the West.

Spinach (Bunched): Supply is improving with the warmer weather.

Spinach (Baby): Supply is improving with the warmer weather.

Spring Mix: Supply is improving with the warmer weather.

Sweet Potatoes and Yams: Demand for sweet potatoes continues to be high. We will see the market remain steady but start to slow down in January. FOB's out of all growing regions remain above average, but we should not expect a spike.

Onions:

The market remains stable on yellows, reds, and whites. As noted previously, the onions in storage have been mediocre because of the weather issues during both planting and harvest. 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. Typically, these two weeks in January are a little slower for national movement on onions. The market is expected to get another spike once demand comes back in heavy.

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: ESCALATED/EXTREME** Florida rounds volume remains extremely light this week. Weather permitting, production will slowly be making its way back to normal numbers mid-February. FOBs are escalated until we see upward pressure on volumes. Quality remains fair.
- **Romas ESCALATED/EXTREME** Florida romas are slowly easing back in price as more volume comes on. We are also seeing stronger demand today for Superbowl adds, which will keep roma prices higher than expected. Quality will be improving as growers break new fields in South Florida.
- **Grapes:** Volume is normal and pricing is stable this week. Quality is excellent.
- **Cherries: ESCALATED** Demand is very good. Quality is excellent.

- **Organic Tomatoes:** **EXTREME** Markets are up this week; very limited supply.

Mexico

- **Rounds:** **ESCALATED:** Mexico volume and quality are anticipated to improve daily. We expect the market to stabilize through the week; volume should be back to normal next week.
- **Roma:** Mexican roma volume continues to improve; quality and volume are excellent
- **Grapes:** Mexican grape volume continues to improve; quality and volume are excellent.
- **Cherries:** Demand is very good. Quality is excellent.

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. The market is strong and rising.
- **Persimmons:** Available
- **Pomegranates:** Available
- **Quince:** Available