

# Weekly Market Review

February 7, 2020

## Overview

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Temperatures are showing a warming trend; we will see good supply on most commodities for the next few weeks. Navels and Strawberries remain **EXTREME**. Zucchini and Yellow Squash are **EXTREME**, with severe losses in Mexico due to rain and freezing temperatures. Celery is a good buy.

## Market Alert

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- Carrots (Jumbo) – **ESCALATED**
- Cilantro - **ESCALATED**
- Garlic – **EXTREME**
- Honeydew – **ESCALATED**
- Navels – **EXTREME**
- Parsley (Italian)- **ESCALATED**
- Pepper (Anaheim & Tomatillo) - **ESCALATED**
- Potatoes – **EXTREME**
- Strawberries – **EXTREME**
- Squash (Yellow and Zucchini) – **EXTREME/ESCALATED**
- Tomatoes (Cherries) – **ESCALATED**
- Tomatoes (East Coast Romas and Rounds) – **ESCALATED/EXTREME**

## Watch List

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- Chinese Ginger
- Cucumber
- Pineapples
- Bell Peppers (All colors, West Coast)
- Tomatoes- Romas, Grapes, Cherries and Rounds-Mexico
- 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

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Freight rates will continue to remain stable; however, LTL trucks remain short. Fuel prices are mixed; the East Coast is averaging \$2.85/gallon, while California's average for diesel was the highest at just under \$3.85/gallon. We expect to see light availability of trucks to continue due to weather, and shortages of drivers/equipment nationwide.

## Weather

### PALMETTO, FL:

Thu 2/6	Fri 2/7	Sat 2/8	Sun 2/9	Mon 2/10	Tue 2/11	Wed 2/12
78°   62°F	66°   49°F	69°   56°F	76°   60°F	80°   63°F	80°   63°F	81°   65°F
						
Partly Cloudy/Wind	Partly Cloudy	Mostly Sunny	Mostly Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy

### OXNARD, CA:

Thu 2/6	Fri 2/7	Sat 2/8	Sun 2/9	Mon 2/10	Tue 2/11	Wed 2/12
62°   46°F	62°   47°F	65°   49°F	59°   47°F	59°   45°F	61°   45°F	58°   42°F
						
Sunny	Sunny	Sunny	PM Showers	Partly Cloudy	Sunny	Sunny

### YUMA, AZ:

Thu 2/6	Fri 2/7	Sat 2/8	Sun 2/9	Mon 2/10	Tue 2/11	Wed 2/12
72°   44°F	77°   47°F	79°   51°F	76°   51°F	64°   47°F	68°   47°F	69°   46°F
						
Sunny	Sunny	Sunny	Partly Cloudy	PM Showers	Partly Cloudy	Mostly Sunny

### HERMOSILLO, MX:

Thu 2/6	Fri 2/7	Sat 2/8	Sun 2/9	Mon 2/10	Tue 2/11	Wed 2/12
68°   40°F	81°   44°F	82°   50°F	82°   54°F	74°   49°F	68°   44°F	72°   46°F
						
Sunny	Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Sunny

### MICHOACAN, MX:

Thu 2/6	Fri 2/7	Sat 2/8	Sun 2/9	Mon 2/10	Tue 2/11	Wed 2/12
73°   42°F	78°   45°F	81°   49°F	75°   47°F	63°   45°F	70°   44°F	71°   44°F
						
Sunny	Sunny	Sunny	Partly Cloudy	AM Showers	Partly Cloudy	Mostly Sunny

## Good Buys

Commodity	Market Update	Produce Expert Tip
Celery	Supply and quality are good.	The celery juicing craze is absolutely still trending, but let's talk more about cooking this underrated nutrition packed vegetable. Try mixing up your traditional au gratin and use celery instead of potatoes! Do remember, that celery is full of water so you may have to adjust the liquid ingredients.

## Fruits & Vegetables

**Avocados:** Supplies continue to remain stable post-Super Bowl; however, the size curve has shifted: 48s and larger are tighter this week and drawing a premium. We are seeing an abundance of small and #2 fruit. We will see markets tick up due to rain delays in the harvest; California expects to see inventory in March, with decent volume by the first of May. The market may stay firm for the next several weeks.

**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:** The Red Seedless market remains tight as Peru changed their focus to shipping the green grapes and letting the reds wait. Very few reds will continue to arrive over the next couple weeks. Chile has not shipped enough volume to take any pressure off the market; larger Chilean arrivals will begin to hit us the 3rd week of February.

## **Berries**

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**Blueberries:** Watsonville production will remain flat. Santa Maria, Oxnard, and Baja volumes will continue to increase in the coming weeks. We may have reduced volumes from Michoacán for the next month due to the cool weather.

**Blackberries:** Due to cooler-than-expected weather, supply is decreasing.

**Raspberries:** Due to cooler-than-expected weather, supply is decreasing.

**Strawberries:** **EXTREME** We are experiencing extremely challenging weather in Central Mexico, Florida, and West Coast growing regions.

Mexico has cancelled harvests due to heavy rain. The West Coast has been unseasonably cold. Florida has been colder than normal and has experienced heavy rain and wind. As a result of this, please expect to see shortages in product and prices to rise this week and next. The weather is predicted to be better next week, and hopefully we will see better conditions in two weeks. We will keep you as informed as possible as we receive additional information.

## **California / Arizona Citrus**

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**Navels:** **EXTREME** The small fruit supply has taken a turn for the worse, and the market is up on 113s and smaller. 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**

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**Butter:** Good supply this week; overall quality is good.

**Green Leaf:** Supply and quality are good.

**Red Leaf:** Supply and quality are good.

**Iceberg Lettuce:** Supply is good this week. Size and quality are good.

**Romaine/Romaine Hearts:** Supply is good this week and next. Overall quality is good.

## **Eastern and Western Vegetables**

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**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:** (**Anaheim Tomatillos– ESCALATED**) We are seeing very low harvest numbers on Anaheim pepper and Tomatillo out of Northern Sinaloa this week and anticipate this to be the case for the next 3 to 4 weeks. Rain and cold nights the last 36 hours, in addition to the weather issues last month, have affected the quality and maturity of the fruit currently being harvested. Jalapeno, Poblano, and Caribes are in good supply.

**Eggplant:** Markets are getting snug in Florida as winter crops wind down. We expect improvement in 14-21 days once new crop ramps up out of Central Florida. In the West, production is down due to weather. Quality is marginal; FOB prices remain steady but are expected to rise.

**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—EXTREME)** Volume in the East continues to be a struggle as weather-related issues are affecting quality and volume in current fields as well as causing delays on new crop production. We could see this market stay extremely volatile due to recent weather events in Mexico. In the West, we have had growers declare an Act of God due to a loss of their crop. Freezing temperatures over the last 36 hours have impacted several regions of Northern Sinaloa and Central Sonora while rain has flooded areas of Culiacan. We expect to recover from the loss of this crop sometime in March, and see the Mexican market remaining extremely short for several weeks.

## Herbs

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**Opal Basil:** Very limited due to the cooler weather. Supply will be light for another two weeks.

**Lavender:** Continues to be short in size and light in color due to cooler weather.

**Tarragon:** Supply will remain limited until the end of next week.

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 has started to decrease from its highs during January, which is allowing the market to strengthen, especially on smaller sizes. Very large national retail promotions are in place to begin loading next week, which should create increased demand on the 9ct cantaloupe. The current sizing profile has had a very high percentage of 9s and larger, with 12/15s being limited. Quality has remained consistent with good sizing, netting, and brix levels.

**Honeydew:** **ESCALATED** The honeydew situation has been adjusting the past few weeks, causing lower pricing. Lower-quality fruit (at lower pricing) has been cleaning up, which should assist in the overall market to stabilize, with pricing in the low teens in Florida and higher teens in California. A decent mix of sizing has made up recent arrivals, allowing for all orders to be filled as requested.

**Watermelon:** The seedless watermelon market has also adjusted over the past week, with increased Mexican supply pressuring pricing.

## Mixed Vegetables

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**Artichokes:** Volume is increasing as we head into the early spring plantings. Quality is improving, although we are still seeing some light frost damage from the cool weather in the growing areas. Look for supply to continue to improve.

**Arugula:** Supply is still below normal but is improving. Quality is also improving although there is still some light damage from the cool weather.

**Asparagus:** Mexico is experiencing some cold weather, but volume has not been impacted. Market is steady and quality is good.

**Broccoli / Broccoli Florets:** Good supply and quality.

**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:** Supply is steady this week.

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

**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:** **ESCALATED** Supply is expected to steady this week.

**Fennel:** Good supply this week; 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:** Good quality and supply.

**Green Onions:** Supply continues to improve, and the market continues to trend downward.

**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)** **ESCALATED** Supply is expected to be steady this week.

**Rapini:** Supply is projected to be above budget this week. Quality remains strong overall.

**Red Cabbage:** Supply has decreased this week.

**Snow Peas:** Good volume for the next 2-3 weeks.

**Sugar Snap Peas:** Good volume for the next 2-3 weeks.

**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:**

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The market is experiencing some instability with Mexico beginning to cross heavier volumes. 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. However, depending on the size of the Mexican crop, and the continued presence of offshore onions from Holland, we may not see the spikes this season that many have anticipated. This is a historically slow time of year for onion movement, and as demand picks up, we still certainly could see some upward movement. Many growers in the Northwest are still claiming they will be short this season, so if there will be a dramatic spike in the market it is likely to take place during the second half of March and the month of April.

### **Potatoes: EXTREME**

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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**

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### **East Coast**

- **Rounds: ESCALATED** Florida rounds volume has slightly improved this week. Weather permitting, production will slowly be making its way back to normal numbers mid-February. FOBs will remain mixed until we see consistent volume. Quality remains fair. This market could turn quickly should the Mexican production stop this week due to recent weather issues.
- **Romas: ESCALATED** Florida romas are slowly easing back in price as more volume comes on; however, the quality remains marginal, which is keeping prices higher than expected. We do see quality slowly improving as growers break new fields in South Florida. This market could turn quickly should the Mexican production stop this week due to recent weather issues.
- **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-WATCH LIST:** Just as the Mexican crop improved, we see a weather front go through Mexico with freezing temps and rain. This could further impact the round market by slowing down production and affecting quality. Markets will remain mixed as yields and quality are evaluated.

- **Roma: WATCH LIST** Just as the Mexican crop improved, we see a weather front go through Mexico with freezing temps and rain. This could further impact the roma market by slowing down production and affecting quality. Markets will remain mixed as yields and quality are evaluated.
- **Grapes: WATCH LIST** Mexican grape volume is currently good; however, volume could drop dramatically due to rain and weather impacts. We are not seeing issues yet but may see lighter volume and high market prices early next week.
- **Cherries: WATCH LIST** Mexican grape volume is currently good; however, volume could drop dramatically due to rain and weather impacts. We are not seeing issues yet but may see lighter volume and high market prices early next week.

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