

Weekly Market Review

February 13, 2020

Overview

We will see good supply on most commodities for the next few weeks. Navels continue to be **EXTREME**. Zucchini and Yellow Squash are **EXTREME** with severe losses in Mexico due to rain and freezing temperatures. The Tomato market has firmed up out of Florida and Mexico. Broccoli and mangoes are good buys.

Market Alert

- Avocados- **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Garlic – **EXTREME**
- Honeydew – **ESCALATED**
- Navels – **EXTREME**
- Parsley (Italian)- **ESCALATED**
- Pepper (Anaheim & Tomatillo) - **ESCALATED**
- Potatoes – **EXTREME**
- Squash (Yellow and Zucchini) – **EXTREME**
- Tomatoes (East Coast) – **ESCALATED**

WATCH LIST

- Chinese Ginger
- Cucumber
- Pineapples
- Tomatoes (Mexican)
- 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 were mixed this week and LTL trucks remain short. Fuel prices ticked up this week as the Nation's economy remains very strong; the East Coast is averaging \$2.96/gallon, while California's average for diesel remains the highest at just under \$3.80/gallon. We expect to see light availability of trucks and drivers to remain short nationwide.

Weather

PALMETTO, FL:

Thu 2/13	Fri 2/14	Sat 2/15	Sun 2/16	Mon 2/17	Tue 2/18	Wed 2/19
80° 68°F	74° 56°F	78° 61°F	79° 63°F	79° 65°F	83° 65°F	82° 64°F
						
Partly Cloudy	AM Showers	Mostly Sunny	Partly Cloudy	Mostly Sunny	Sunny	Mostly Sunny

OXNARD, CA:

Thu 2/13	Fri 2/14	Sat 2/15	Sun 2/16	Mon 2/17	Tue 2/18	Wed 2/19
63° 46°F	61° 46°F	63° 47°F	64° 48°F	65° 49°F	64° 48°F	64° 48°F
						
Mostly Sunny	Sunny	Sunny	Sunny	Partly Cloudy	Mostly Sunny	Sunny

YUMA, AZ:

Thu 2/13	Fri 2/14	Sat 2/15	Sun 2/16	Mon 2/17	Tue 2/18	Wed 2/19
71° 46°F	74° 46°F	77° 48°F	77° 52°F	76° 52°F	71° 50°F	71° 49°F
						
Sunny	Sunny	Sunny	Partly Cloudy	Partly Cloudy	Mostly Sunny	Sunny

HERMOSILLO, MX:

Thu 2/13	Fri 2/14	Sat 2/15	Sun 2/16	Mon 2/17	Tue 2/18	Wed 2/19
76° 44°F	78° 47°F	81° 52°F	85° 52°F	81° 57°F	74° 52°F	80° 51°F
						
Sunny	Mostly Sunny	Partly Cloudy	Mostly Cloudy	Mostly Cloudy	Cloudy	Mostly Sunny

MICHOACAN, MX:

Thu 2/13	Fri 2/14	Sat 2/15	Sun 2/16	Mon 2/17	Tue 2/18	Wed 2/19
70° 44°F	74° 45°F	77° 47°F	78° 50°F	78° 50°F	71° 47°F	72° 46°F
						
Mostly Sunny	Mostly Sunny	Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Sunny

Good Buys

Commodity	Produce Expert Tip
Broccoli	Roasted broccoli is THE BEST it is tender and slightly crispy and delicious. Toss broccoli florets with oil, garlic, salt and pepper and spread them on a baking sheet. Roast them until the edges are crunchy and serve the dish warm. Enjoy!
Mangoes	Although we may not be in grilling season, that does not mean you cannot get a grill top and throw some mangoes on it! Slice mangoes, score them, and place them on the grill top until they start to caramelize. Then, top with your favorite desert!

Fruits & Vegetables

Avocados: **ESCALATED** Markets are starting to escalate resulting from a dip in inventory and harvest volume as a result of weather issues last week in Michoacán. In addition to the dip, we are seeing an unfavorable size curve that is heavily skewed towards small fruit – 60’s and smaller. 48’s and larger are extremely tight and growers in Mexico are holding on to that fruit to draw premiums, and we are already seeing open market quotes in the mid 40’s and going up. Please keep in mind that with everybody shifting down, the market on small fruit will get stronger and supply will tighten up for the next couple of weeks. We are waiting on California to ramp up which should supplement for the loss in Mexican volume. At this time, sustainable volume out of California is still 2-3 weeks out. For the next several weeks we will need to be flexible on size due to the shortage of larger fruit and will keep you informed as the market improves.

Bananas: Banana sizing is down due to typical weather patterns in the tropics. This has also affected the overall quality as is expected during this time of year. The tropics are in the midst of their "Winter" and the cooler temps are causing some issues.

Pineapples: **WATCH LIST** Pineapples are very tight right now with lower imports. Smaller sizes are becoming less available due to the lower numbers on the 5s & 6s. Please consider being flexible in your pineapple sizing.

Grapes: Red seedless Grapes remain in short supply but will begin to loosen up next week. Movement in the domestic market has slowed due to the drop in green seedless pricing. Chile is sending some red grapes but most are on the smaller side due to the effects of the extensive drought experienced. The Green Seedless market has adjusted due to Peru sending more Jumbo Sweet Globes and Ivorys. The Jumbo market has adjusted. Chile is sending Thompsons and Sugraones with a higher % of M/L which has pulled the market down.

Berries

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: 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

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

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: Available supply has decreased slightly due to the rain in the desert on Monday. Market is up slightly.

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

Eastern and Western Vegetables

Green Bell Pepper: Florida volume is gradually improving despite hit and miss quality due to weather pressure earlier this month. 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 unchanged 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 unchanged 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.

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. Florida supply is lighter this week and markets are higher.

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, volume out of both regions is mixed putting upward pressure on the markets

English Cucumbers: Good volume crossing through Nogales and McAllen.

Green Beans: Florida bean production has leveled off quality is good. Quality is mixed. In the West loading through Nogales, we are seeing major improvements on quality and volume, and FOB up this week causing a mixed market.

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 earlier this month 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 with hit and miss quality.

Herbs

Savory: Showing some burnt ends still and should be back within the month.

Tarragon: Supply continues to be limited.

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 supply has slightly picked up with some additional smaller sizing finding their way in. Markets remain steady currently with no changes anticipated over the next 7-10 days. Strong retail promotions are currently in place on larger fruit which should assist in keeping pricing consistent. Second cycle production from the Zacapa valley of Guatemala will begin arriving the last week of February. There is concern of increased whitefly population in this region similar to the Spring of 2019 which negatively affected volumes due to lower yields. We are closely monitoring the situation this year and will share if we believe March/April production will be impacted.

Honeydew: **ESCALATED** Honeydew production has been consistent with lower quality fruit from Honduras finally cleaning up and being removed from the market. A slight decrease in supply is anticipated over the next few weeks before Guatemalan production begins to increase later this month.

Watermelon: The seedless watermelon market is seeing good quality. Sizing is peaking on larger fruit (4ct) as well as 60ct bins.

Mixed Vegetables

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: 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; overall quality is good.

Garlic: **EXTREME** The garlic market as a whole remains very volatile, largely due to inconsistent, unstable supply of Chinese garlic. From mid Nov to mid Jan, the market did settle some as a few more Chinese lbs. became available. However, in the past month, supply has dwindled. The market for Chinese peeled 4/5lb. cases is increasing. Factoring in the Chinese New Year holiday and coronavirus concerns, Chinese supply is forecasted to remain tight for the foreseeable future.

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, market is steady.

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 supply and quality.

Sugar Snap Peas: Good supply and quality.

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. FOB's out of all growing regions remain above average, but we should not expect a spike.

Onions:

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

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** Florida rounds volume is lighter this week and demand is unchanged. Weather permitting, production will slowly be making its way back to normal numbers mid-February. FOBs have firmed back up. Smaller fruit is short as growers are in their crown picks now. Quality remains fair. This market could turn quickly should the Mexican production stop this week due to recent weather issues.
- **Romas ESCALATED** Florida romas turned back around and are very active once again. This is an effect of high demand, low volume on what was plants, and overall lower than normal acreage planted by the Florida growers. To further add pressure to Florida...Mexican roma production and quality are at historic lows due the weather and virus pressure. We expect high markets to continue through February.
- **Grapes: ESCALATED** Volume is normal and pricing is FIRMER e 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 will further hamper the recovery of the Mexican round market by slowing down production and affecting quality. We expect this to be a long term issue and seeing some growers having major harvest delays and causing them to declare Act of God.
- **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 and volume by weather and virus pressure. Markets firmed back up and expected to be this way for some time. Open market supply is extremely tight.
- **Grapes: WATCH LIST:** Mexican grape volume is down this week, we could see this continue and volume could drop dramatically due to rain and weather impacts. We are not seeing issues yet but markets have certainly reacted and firmed up this week.

- **Cherries- WATCH LIST:** Mexican cherry volume had dipped this week and could drop dramatically due to rain and weather impacts. Markets remain unchanged from last week.

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.

STONE FRUIT

Peaches- Good supply available out of Chile (Yellow Varieties)

Plums- Good supply of Chilean fruit (Red and Black varieties)

Nectarines - Good supply available out of Chile (Yellow Varieties)