

Weekly Market Review

February 21, 2020

Overview

We will continue to see good supply on most commodities for the next few weeks. Navels, Zucchini, and Yellow Squash remain **EXTREME**. Round and Roma Tomatoes are in an **ACT OF GOD** with our growers that were severely affected by weather. Romaine is good buy.

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 (Rounds and Romas) **Mexico and Florida – ACT OF GOD/EXTREME**
- Tomatoes (Cherries and Grapes) **Mexico and Florida –ESCALATED**

WATCH LIST

- Basil
- Chinese Ginger
- Cucumbers
- Pineapples
- 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 have eased up a bit. 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 are hearing trucks will ease up going into spring.

Weather

PALMETTO, FL:

Thu 2/20	Fri 2/21	Sat 2/22	Sun 2/23	Mon 2/24	Tue 2/25	Wed 2/26
80° 58°F	63° 45°F	71° 51°F	77° 58°F	79° 65°F	80° 66°F	73° 57°F
AM Clouds/PM Sun	Mostly Cloudy	Mostly Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy	Showers

OXNARD, CA:

Thu 2/20	Fri 2/21	Sat 2/22	Sun 2/23	Mon 2/24	Tue 2/25	Wed 2/26
69° 52°F	67° 51°F	59° 47°F	61° 47°F	67° 49°F	70° 54°F	70° 52°F
Sunny	Mostly Sunny	AM Showers	Sunny	Sunny	Sunny	Partly Cloudy

YUMA, AZ:

Thu 2/20	Fri 2/21	Sat 2/22	Sun 2/23	Mon 2/24	Tue 2/25	Wed 2/26
82° 60°F	81° 60°F	71° 54°F	74° 51°F	80° 54°F	81° 53°F	78° 53°F
Mostly Sunny	Mostly Cloudy	AM Showers	Sunny	Sunny	Sunny	Sunny

HERMOSILLO, MX:

Thu 2/20	Fri 2/21	Sat 2/22	Sun 2/23	Mon 2/24	Tue 2/25	Wed 2/26
90° 61°F	90° 66°F	82° 54°F	78° 53°F	86° 54°F	89° 55°F	88° 54°F
Mostly Sunny	Cloudy	Cloudy	Partly Cloudy	Sunny	Sunny	Sunny

MICHOACAN, MX:

Thu 2/20	Fri 2/21	Sat 2/22	Sun 2/23	Mon 2/24	Tue 2/25	Wed 2/26
81° 56°F	81° 56°F	74° 48°F	76° 50°F	82° 53°F	82° 51°F	79° 51°F
Mostly Sunny	Mostly Cloudy	Mostly Sunny	Sunny	Sunny	Sunny	Sunny

Good Buys

Commodity	Market Update	Produce Expert Tip
Romaine	Supply is good this week. Quality is good.	Grilled romaine is decision, and chopped up in a salad is always a great choice, but have you tried sautéing romaine lettuce? Although it may not be your first choice, we would highly suggest! Cook it in a pan as you would spinach or leafy green, add oil, salt, pepper, and any other spices to kick it up a notch (red pepper flakes for a kick)!

Fruits & Vegetables

Avocados: **ESCALATED** Strong field prices remain the norm as trees continue to yield too much small and grade #2 fruit. As a result, the industry pipeline is short on 60s and larger and tight on 70s and 84s. We expect to see an increase in California's harvest, but not enough to fill the void; the market will remain

tight. Once retail gets through the remaining ads already on the books, we should see demand slow in 10 to 14 days, which will help stabilize the market. However, we do not expect to see significant downward pressure on market conditions.

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 volume will remain low and steady for the next few weeks. We have reduced Santa Maria volume due to the freeze we saw earlier this week. Oxnard volume will continue to increase each week. Baja production should remain flat as cold temperatures linger for another week. Jalisco and Michoacán estimates are reduced due to weather. Florida volume will slowly pick up over the next month. Chile and Peruvian volumes will continue to decrease.

Blackberries: The current and upcoming weeks have lower supply; we expect this through the month of February since we will be transitioning from mid to late season. In March, we expect an increase in production that should ascend through April. California is expecting limited supply due to cold weather and frost in Santa Maria.

Raspberries: The volume decrease this week is due to weather. Central Mexico, Baja, and Oxnard had very low temps, and Central Mexico has had rain. We should see more volume in a few weeks; we expect overall volume to be driven by the production peaks of Oxnard and Baja in the coming weeks.

Strawberries: We will continue to see a drop in production due to rain in Central Mexico. We expect the rain to leave lingering fruit damage.

Florida is also expecting rain. Santa Maria will be increasing slowly; they received some frost, which will delay production about 1-2 weeks.

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: As we were seeing at the end of last week and into this week, smaller size limes have increased. Growers in Mexico have not been picking the smaller sizes and not flooding the market with volume in order to get the market up. This happens almost every year at this time, and we will continue to see a rise. Larger fruit 110 and 150ct are old crop with shorter shelf life; shippers can't sit on them, so those are cheaper right now. We will start to see those also increase as repacks on the larger sizes become greater in order to make good grade.

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.

Sun Delite: Good supply available.

Minneola Tangelo: Good supply 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: Supply is steady and quality is good.

Romaine/Romaine Hearts: Supply and quality are good this week.

Eastern and Western Vegetables

Green Bell Pepper: Florida volume is good, and quality is improving daily. FOB prices are down 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 has loosened up this week a tad, but quality remains 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 will continue to struggle with quality. FOB prices are down slightly this week.

Yellow Pepper: Supply is good, and quality is improving; 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 continue to see low harvest numbers on Anaheim pepper and Tomatillo out of Northern Sinaloa this week; weather issues have impacted the maturity of the fruit currently being harvested. Florida supply is lighter this week and markets are higher. We expect a tight market for the next several weeks.

Eggplant: Good supply available out of Florida and Mexico. Quality is good; 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 a dip and volume and markets have ticked upward.

English Cucumbers: Volume has dipped crossing through Nogales and McAllen, and markets have ticked up.

Green Beans: Florida bean production has leveled off; quality is mixed. In the West loading through Nogales, we are seeing major improvements on quality and volume, and FOB prices are unchanged this week.

Zucchini/ Yellow Squash: (**Florida and Mexico—EXTREME**) Volume in the East is slowly improving, but weather-related issues have affected quality and volume. 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

Basil WATCH LIST: We could see basil supply get snug as volume out of Baja has been affected by recent rain and cold overnight temperatures. We should see this improve by the middle of next week.

Opal Basil: Tight supply this week, good quality.

Thai Basil: Tight supply this week, good quality.

Tarragon: Still limited but picking up in supply by the end of the week.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Good	USA
Basil	Mixed	Fair	MEXICO
Opal Basil	Limited	Good	MEXICO
Thai Basil	Limited	Good	MEXICO
Bay Leaves	Steady	Good	Colombia
Chervil	Steady	Good	USA
Chives	Steady	Good	MEXICO
Cilantro	Steady	Good	USA/MEXICO
Dill	Steady	Good	MEXICO
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	MEXICO
Sage	Steady	Good	USA
Savory	Limited	Good	USA
Sorrel	Steady	Good	USA
Tarragon	Very Limited	Good	MEXICO
Thyme	Steady	Good	MEXICO
Lemon Thyme	Steady	Good	USA
Lavender	Limited	Good	USA
Lime Leaves	Limited	Good	USA

Melons

Cantaloupe: As first cycle Honduran production begins to decline, second cycle production from the Zacapa valley in Guatemala will gradually increase. This is expected to provide lower overall production over the next few weeks. Markets are anticipated to remain mostly steady, with the possibility of a slight uptick by later next week as strong retail promotions are currently in place for late February and the first few weeks of March. Sizing should remain fairly consistent--with the bulk of production being in the 9s and larger category--with a healthy percentage of 12/15s still finding their way into the market. As we move into the new Guatemalan crop, historically we begin to see higher shell color on the cantaloupe as daylight hours increase the closer we get to spring.

Honeydew: **ESCALATED** Honeydew production is also anticipated to decrease over the next 7-10 days with the transition out of Honduras back into Guatemala; markets are expected to remain fairly stable. Sizing is also spread out nicely, allowing for orders to be filled as requested without substitution. New Guatemalan quality has been very good with clean external characteristics, while brix levels have increased to mostly the 12-13% range.

Watermelon: Seedless production was down this week but should return to normal by early next week. Mexican supply has been affected by weather, causing the market to push slightly higher in the East. Classic Fruit is bringing both cartons and bins into Florida.

Mixed Vegetables

Artichokes: Light supply of artichokes continue this week and through at least the month of February. Quality is good although some of the artichokes from Mexico are showing purple color, and some lots in Salinas are showing frost damage. We expect our volume to increase at the middle to end of March. Prices are steady.

Arugula: Good supply, slight yellowing.

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 slightly below budget this week.

Celery: Supply and quality are good.

Corn: Markets remain steady in Florida on Bi-Color, White, and Yellow. Nogales continues to struggle on all three varieties; expect the same for next week.

Cilantro: Good supply.

Fennel: Good supply this week; quality is very strong.

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: We are expected to have normal supply this week. Quality remains strong.

Red Cabbage: Supply continues to be tight.

Snow Peas: Good supply and quality.

Sugar Snap Peas: Good supply and quality.

Spinach (Bunched): Good supply; quality is fair.

Spinach (Baby): Good supply; quality is fair.

Spring Mix: Good supply.

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 continues to experience instability with Mexico beginning to cross heavier volumes. While we continue to hear that Northwest growers are dumping entire lots of onions that will not make grade due to freeze damage, we are still seeing FOBs decrease across the board on all colors and sizes. Similar to waning demand on the potato side, onion movement has hit a wall for much of this month. Northwest growers are feeling pressure to move with Mexican product in the marketplace, as well as decreased shelf life and quality of their own product. Many Northwest growers will have to pull the plug early on shipping if they cannot make grade, but there is believed to be enough Mexican onions, as well as the domestic Texas onion crop to make up for any shortage that may take place.

Potatoes: EXTREME

While the market has reached a plateau for the time being due to recent decrease in demand, we have not seen general pricing follow. In a typical year, we would likely see FOB pricing fall in order to meet the lower demand this month; however, given how short the crop is expected to be, growers have not felt the pressure to move. There have been a few spot deals on small size cartons (90ct and 100ct), but they seem to clean up pretty quickly. Overall, we are still experiencing an escalated pricing situation, and we anticipate this will be the case for much, if not all, of the season. Larger size cartons in the 40ct through 70ct range seem to be in better supply of late as well. The later into the season we get, the more we anticipate that the effects of the freeze will rear themselves and further lessen production numbers. It is believed that during the months of March/April, when other russet growing regions finish shipping their crop, 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 rounds volume is lighter this week and demand is unchanged. Weather permitting, production will slowly be making its way back to normal numbers by mid-March. FOBs have firmed back up. Smaller fruit is short as growers are in their crown picks now. Quality remains fair. This market could worsen quickly should the Mexican production stop this week due to recent weather issues.
- **Romas: EXTREME/ACT OF GOD** Florida romas have become extremely short this week as demand continues to rise. Primary reasons for this are low harvest volume, decreased acreage planted by Florida growers due to rising costs, etc. To further add pressure to Florida, Mexican roma production and quality are at historic lows due to the weather and virus pressure. We expect high markets to continue through February.
- **Grapes: ESCALATED** Volume is normal, and pricing is firmer 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: EXTREME/ACT OF GOD** We are seeing dramatic dips in production and quality on the late-winter plantings. This is a result of weather that went through Central Mexico earlier this month that further damaged the crop and will continue to hamper the recovery of the Mexican round market. We expect this to be a long-term issue; we are seeing some growers continue to have major harvest delays, which are causing some to declare Act of God.
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- **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.

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)