

Weekly Market Review

March 5, 2020

Overview

Navels, Zucchini, and Yellow Squash remain **EXTREME**. Mexican Round and Roma Tomato supply and quality have improved. We are seeing tomato volume increase daily. Asparagus is a good buy this week.

Market Alert

- Avocados -- **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Garlic – **EXTREME**
- Navels – **EXTREME**
- Pepper (Anaheim & Tomatillo) -- **ESCALATED**
- Potatoes – **EXTREME**
- Squash (Yellow and Zucchini) – **EXTREME**
- Tomatoes (Rounds and Romas) -- **Mexico and Florida - ESCALATED**

WATCH LIST

- 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 3/5	Fri 3/6	Sat 3/7	Sun 3/8	Mon 3/9	Tue 3/10	Wed 3/11
80° 63°F	69° 49°F	68° 50°F	76° 57°F	79° 61°F	79° 60°F	80° 62°F
						
Mostly Cloudy/Wind	AM Clouds/PM Sun	Sunny	Partly Cloudy	Partly Cloudy	Mostly Cloudy	Mostly Sunny

OXNARD, CA:

Thu 3/5 62° 50°F  AM Clouds/PM Sun	Fri 3/6 62° 50°F  Partly Cloudy	Sat 3/7 60° 48°F  Cloudy	Sun 3/8 61° 50°F  Partly Cloudy	Mon 3/9 65° 53°F  PM Showers	Tue 3/10 63° 52°F  Rain	Wed 3/11 62° 50°F  Showers
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YUMA, AZ:

Thu 3/5 83° 59°F  Partly Cloudy 0 in	Fri 3/6 86° 56°F  Mostly Sunny 0 in	Sat 3/7 80° 56°F  Partly Cloudy 0 in	Sun 3/8 76° 53°F  Sunny 0 in	Mon 3/9 76° 58°F  Partly Cloudy 0 in	Tue 3/10 72° 59°F  Showers 0.13 in	Wed 3/11 77° 57°F  Partly Cloudy 0 in
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HERMOSILLO, MX:

Thu 3/5 88° 55°F  Mostly Sunny 0 in	Fri 3/6 88° 55°F  Partly Cloudy 10 AM	Sat 3/7 86° 59°F  Partly Cloudy 0.08 in	Sun 3/8 69° 55°F  Rain 0.11 in	Mon 3/9 82° 60°F  Mostly Cloudy 0 in	Tue 3/10 83° 63°F  Cloudy 0 in	Wed 3/11 82° 59°F  Cloudy 0 in
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MICHOACAN, MX:

Thu 3/5 82° 56°F  Partly Cloudy	Fri 3/6 87° 54°F  Sunny	Sat 3/7 82° 54°F  Partly Cloudy	Sun 3/8 78° 51°F  Sunny	Mon 3/9 75° 55°F  Partly Cloudy	Tue 3/10 70° 56°F  Showers	Wed 3/11 77° 56°F  Partly Cloudy
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Good Buys

Commodity	Market Update	Produce Expert Tip
Asparagus	Mexico has very good quality and ample supply.	Want to step up your salad? Try a shaved asparagus salad! Simply look to your vegetable peeler to shave the spears into long thin pieces, then add simple ingredients like olive oil, salt, pepper, and grated parmesan, maybe even a squeeze of lemon! Enjoy!

Fruits & Vegetables

Avocados: ESCALATED – As expected, market demand has slowed with higher retails and less ad activity. That, coupled with a big harvest last week, has also seen market conditions soften a little. This has led to a slowdown in harvest this week, and we are starting to see the inventory pipeline decrease. This means we expect the market to stabilize and possibly get stronger on big fruit, as there is no real shift in size and grading coming from Mexico. With recent market conditions, we also saw a spike in California harvest that should slow back down to more expected volume for this time of year.

Bananas: Banana sizing is down due to the weather, but we are through the worst of it. Sizing will improve during the upcoming weeks. The quality will increase and the traditional ripening schedules will slowly adjust back to normal.

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: The Red Seedless Market is steady as Peru begins to exit the marketplace. Chile will begin to bring in multiple varieties. Quality and condition are good. The Green Seedless market is backed up with inventory. Chile is sending a lot of M/L greens with fair quality. Peru has Jumbo Sweet Globes available, but they have been pulled down by this market as well. Peru is finished on black grapes and Chile is filling the pipeline with Black Seedless and Inia One varieties.

Berries

Blueberries: We will continue to see low volumes from Santa Maria for the next two months. Oxnard volume will continue to increase each week with strong volumes. Baja fruit production will continue to increase each week as more varieties start production for the season. Michoacán volume will continue to decrease slowly.

Blackberries: Supply is expected to continue to increase week after week through March. The uptrend will be gradual and then drop sharply.

Raspberries: We are seeing some increase in volume from better weather temperatures. Volume should drop in the next few weeks. Weather is warm and favorable.

Strawberries: Production has declined significantly, with some shippers anticipating a supply gap through the month of March. In addition, rain is likely next week in the western growing areas. Look for a very active market next week.

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: Lemon supply is up and quality is excellent. Big fruit has taken a turn for the worst; expect the larger sizes (115s and larger) to hit their bottom here soon. The smaller fruit will be trending the opposite way; 165s and smaller will start to increase in pricing. The quality has been excellent, and the fruit is beautiful. We are having optimal growing weather and the fruit will continue to be exceptional as long as we have this weather.

Limes: Crossing will continue to be low, and each day's orders will be dependent on the daily crossing as there won't be working inventory to stay ahead of them. Normally, when there are 500+ loads a day, there is some working inventory in the coolers to get ahead of orders, run the fruit/QC, and stage for loading. When crossing falls to 500 loads or less, it becomes more of a challenge to keep up daily. As a result of the tight availability, we will continue to see pricing increase. They are predicting that April will be better, as the Pacific side of Mexico will be back harvesting and crossings will increase. During these next weeks, we are requesting that you please give us more lead time on orders so that we can be better prepared to fill them in a timely manner. There may be times where some sizing becomes very short; we will relay that to you with options to sub.

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 fruit is excellent.

Minneola Tangelo: Supply has tightened up.

West Coast Lettuce

Butter: Supply is steady.

Green Leaf: Supply and quality are good.

Red Leaf: Supply is below budget this week.

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.

Yellow Pepper: Supply is good and quality is improving; FOB prices are unchanged.

Mini Sweet Pepper: Baja, Sinaloa, and Sonora production will remain light. 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; weather issues have impacted the maturity of the fruit currently being harvested. Florida supply is lighter 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. 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.

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

THAI BASIL and **OPAL BASIL** continue to improve in supply, but we still need a few weeks till we are back to normal.

LEMON GRASS will be short in supply for at least the month of March; price has increased.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Good	USA
Basil	Mixed	Good	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: Cantaloupe pricing appears to have bottomed out over the past week and is expected to stabilize as we move further into March. Some growers from both Guatemala and Honduras are expecting a significant turn to larger fruit (6Js), which should begin to put a premium on smaller sizes (12/15s). Strong national retail promotions are currently in place on 9ct lopes starting next week, which will help to solidify pricing for that size back to double digits by the end of next week. Current quality is showing positive characteristics of springtime fruit with good sizing, color, and internal quality. Brix levels have been consistently in the 11-13% range with some peaking as high as 15%.

Honeydew: Honeydew volume from Honduras and Costa Rica have started to decrease as they go into a 2-week gap. This should assist in allowing some of the rougher quality fruit that has been coming from these countries to be removed from the market and slightly push the market to higher levels for better quality melons. The sizing profile of new arrivals has been mostly 5/6s with very few 8s--leaving that size in a very limited position for the next week. Flexibility of sizing may be necessary on the smaller fruit.

Watermelon: Current markets remain strong as Mexican supply has been limited or of weak quality. We expect good markets to remain through next week on the cartons and bins we have coming into Florida.

Mixed Vegetables

Artichokes: Remain snug day to day and will be hit and miss on available sizes.

Arugula: Good supply and quality.

Asparagus: Mexico has very good quality and ample supply.

Broccoli / Broccoli Florets: Good supply; we will start to see a reduction in supply as we near transition.

Brussels Sprouts: Supply is steady.

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: Good supply.

Corn: Supply has increased in Florida. The market has adjusted with good quality.

Cilantro: Good supply.

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 supply.

Green Onions: Good supply with very good quality.

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: We have increased supply this week.

Red Cabbage: Supply continues to be tight.

Snow Peas: Good supply and quality.

Sugar Snap Peas: Good supply and quality.

Spinach (Bunched): Good supply and quality.

Spinach (Baby): Good supply and quality.

Spring Mix: Good supply and quality.

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

With demand starting to return, we are beginning to see the market firm back up on all sizes. Large size cartons in Idaho are once again scarce, with very few 40ct and 50ct to speak of. Growers are realizing that later storage cellars are as small as they expected, and quality is going to be a challenge, which will further decrease yield of finished product. 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. As the weather warms up, there is a fear that the potatoes dug during the latter part of the freeze could be a total loss. As that happens, we will continue to see a decrease in supply. It is still 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: 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 by mid-March. FOBs are easing back and availability on all sizing is starting to level out. Quality is very nice.
- **Romas: ESCALATED** Florida romas are still a tad short, however volume will improve. The roma market remains firm in Florida due to decreased acreage planted by Florida growers due to rising costs, etc.
- **Grapes:** Volume is normal, and pricing is down this week. Quality is excellent.
- **Cherries:** Demand is very good. Quality is excellent.
- **Organic Tomatoes:** Markets are up this week; very limited supply.

Mexico

- **Rounds: ESCALATED** We are seeing good volume across the round category this week, and quality is very nice. We are continuing to watch production closely as there are still variables causing delays and potential supply issues over the next several weeks.
- **Romas: ESCALATED** We are seeing good volume across the round category this week, and quality is very nice. We are continuing to watch production closely as there are still variables causing delays and potential supply issues over the next several weeks.
- **Grapes:** Good volume and quality expected 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)