

Weekly Market Review

March 12, 2020

Overview

Harvesting has been impacted by rain in most desert growing areas; we may see shortages on iceberg, romaine, leafy greens, broccoli, cauliflower, and berries. Navels, zucchini, and yellow squash remain **EXTREME**. Cauliflower is **ESCALATED**. Round tomatoes are a good buy.

Market Alert

- Avocados -- **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cauliflower - **ESCALATED**
- Garlic – **EXTREME**
- Navels – **EXTREME**
- Pepper (Anaheim & Tomatillo) -- **ESCALATED**
- Potatoes – **EXTREME**
- Squash (Yellow and Zucchini) – **EXTREME**
- Tomato Roma (Florida) - **ESCALATED**

WATCH LIST

- Chinese Ginger
- Cucumbers
- Lettuce (Iceberg, Romaine, Green and Red Leaf)
- 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.
- Strawberries

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 3/12	Fri 3/13	Sat 3/14	Sun 3/15	Mon 3/16	Tue 3/17	Wed 3/18
82° 61°F	84° 63°F	86° 65°F	85° 66°F	85° 65°F	83° 66°F	85° 67°F
						
Mostly Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy	Mostly Sunny	Partly Cloudy	Mostly Sunny

OXNARD, CA:

Thu 3/12 64° 53°F  Scattered Thunderstorms	Fri 3/13 59° 52°F  AM Showers	Sat 3/14 61° 50°F  AM Showers	Sun 3/15 59° 48°F  Partly Cloudy	Mon 3/16 58° 47°F  Rain	Tue 3/17 55° 43°F  Showers	Wed 3/18 55° 44°F  Showers
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YUMA, AZ:

Thu 3/12 68° 55°F  Thunderstorms	Fri 3/13 70° 54°F  Mostly Sunny	Sat 3/14 73° 54°F  Sunny	Sun 3/15 75° 54°F  Sunny	Mon 3/16 75° 55°F  Partly Cloudy	Tue 3/17 70° 50°F  Partly Cloudy	Wed 3/18 66° 48°F  PM Showers
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HERMOSILLO, MX:

Thu 3/12 73° 57°F  Rain/Thunder	Fri 3/13 73° 50°F  Partly Cloudy	Sat 3/14 77° 51°F  Sunny	Sun 3/15 77° 49°F  Partly Cloudy	Mon 3/16 80° 53°F  Mostly Sunny	Tue 3/17 78° 51°F  Partly Cloudy	Wed 3/18 72° 51°F  Mostly Sunny
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MICHOACAN, MX:

Thu 3/12 67° 55°F  Thunderstorms	Fri 3/13 72° 52°F  Partly Cloudy	Sat 3/14 75° 52°F  Mostly Sunny	Sun 3/15 77° 52°F  Partly Cloudy	Mon 3/16 77° 53°F  Partly Cloudy	Tue 3/17 72° 48°F  Partly Cloudy	Wed 3/18 67° 46°F  PM Showers
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Good Buys

Commodity	Market Update	Produce Expert Tip
Round tomatoes	<p>East Coast Rounds: Florida rounds volume continues to improve this week and demand is unchanged. Weather permitting, production will slowly be making its way back to normal numbers by mid-March. FOBs prices continue to ease back and availability on all sizing is starting to level out. Quality is very nice.</p> <p>Mexico Rounds: 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.</p>	<p>Although round red tomatoes are usually used for slicing and salads, this beautifully juicy fruit is also great in a soup! Who does not love a classic grilled cheese with tomato soup? Better yet, add a thick slice of tomato to the sandwich as well to add a tangy and sweet bite.</p>

Fruits & Vegetables

Avocados: **ESCALATED** The industry will see a slowdown in harvest out of California (weather) and Mexico (holiday) this week. With the lighter harvest, we expect supply to tighten up and pricing to increase in the

fields. We are only three weeks away from Holy Week, which will also present a challenge as shippers start to build inventory before the Cinco de Mayo pulls. With this, we are projecting the market to increase as supply remains tight--but in stock--for the next six weeks.

Bananas: Banana supply and quality are improving; the return of warmer weather in the tropics is helping sizing and overall quality.

Pineapples: **WATCH LIST** Pineapples continue to be very tight. Quality is very good, but overall supply is limited. Please consider being flexible in your pineapple sizing to protect from incomplete order fulfillments.

Grapes: The Red Seedless market is steady; quality and condition are good. The Green Seedless market is backed up with inventory, and few green promotions are in place. Chile is sending a lot of M/L greens with fair quality.

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. Baja fruit production is expected to be flat for the next two weeks due to delayed maturation. Jalisco volumes will remain high for the next month. Michoacán volume will continue to decrease slowly.

Blackberries: We are in a transitional period between mid and late season varieties. We are falling short of the expected volume in the current week; we do not expect an increase until the spring peak in April, and it will be gradual.

Raspberries: The estimate is lower than we expected; we should see an increase in production in a couple weeks as weather improves in CA.

Strawberries: **WATCH LIST** We are experiencing rain in all strawberry growing areas in California; as a result, we are seeing supply shortages with increasing prices, and shippers are anticipating lighter-than-normal supply through the month of March.

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: Supply will be tight and consumption will increase; this is driven by Lent and a warm end of Winter/early Spring. Typically, this time of year is the beginning of export season to the EU and normally puts pressure on the market, driving prices up. However, it is yet to be determined if it will be as severe as in the past. There is more large and medium-sized fruit dominating the market (110/150/175ct); much of this fruit is ripe, which means yellowing with thin rinds. During these next weeks, we are requesting that you please give

us more lead time on orders so that we all can be better prepared to fill them in a timely manner. There may be times where some sizing becomes very short, and 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; the market could firm up due to rain.

Green Leaf: **WATCH LIST** The market is seeing shortages due to rain; prices will rise.

Red Leaf: **WATCH LIST** The market is seeing shortages due to rain; prices will rise.

Iceberg Lettuce: **WATCH LIST** The market is seeing shortages due to rain; prices will rise.

Romaine/Romaine Hearts: **WATCH LIST** The market is seeing shortages due to rain; prices will rise.

Eastern and Western Vegetables

Green Bell Pepper: Florida volume is good, and quality is improving daily. FOB prices are unchanged 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: Good volume and good quality.

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 be limited due to quality.

SAVORY Limited due to quality issues.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Good	USA
Basil	Steady	Good	MEXICO
Opal Basil	Limited	Fair	MEXICO
Thai Basil	Limited	Good	USA/MEXICO
Bay Leaves	Steady	Good	Colombia
Chervil	Steady	Good	USA
Chives	Steady	Good	MEXICO
Cilantro	Steady	Good	USA/MEXICO
Dill	Steady	Good	USA/MEXICO
Epazote	Steady	Good	MEXICO
Lemongrass	Limited	Fair	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	Fair	USA

Sorrel	Steady	Good	USA
Tarragon	Limited	Good	MEXICO
Thyme	Steady	Good	MEXICO
Lemon Thyme	Steady	Good	USA
Lavender	Steady	Good	USA
Lime Leaves	Limited	Good	USA

Melons

Cantaloupe: The cantaloupe market finally reacted in a positive way this week as Honduran supply started a two-week gap. Major retail promotions are moving fruit in volume, which is leaving less availability for the daily spot market. Some growers are currently experiencing a significant shift to larger fruit (6Js) while Classic Fruit's program will have a very good mix of 9/12/15s to satisfy all needs. Quality continues to show spring-like characteristics, with good color and solid internal quality, as the cantaloupe has had excellent flavor.

Honeydew: We anticipate the honeydew market to slightly increase with Honduras supply gapping. This has been the source of some of the quality issues seen over the past few months, which has assisted in suppressing the market. Similar to the cantaloupes, Guatemalan honeydews have provided a nice mix of sizing allowing for everyone to be covered. Fruit has been mostly clean with good internal quality as brix levels sit in the 11-13% range.

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: Supply is much better with Salinas production.

Arugula: Good supply and quality.

Asparagus: Mexico has very good quality and ample supply.

Broccoli / Broccoli Florets: The market is higher for the week; quality remains steady with little yellowing or decay.

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: **ESCALATED** The market continues to be active; supply is limited this week.

Celery: We continue to have steady supply.

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

Cilantro: Good supply.

Fennel: Fennel is on budget this week.

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: Supply has decreased this week.

Red Cabbage: Supply continues to be light.

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

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: Florida rounds volume continues to improve this week and demand is unchanged. Weather permitting, production will slowly be making its way back to normal numbers by mid-March. FOBs prices continue to ease 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: 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: We are seeing good volume across the roma 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)