

Weekly Market Review

March 20, 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**. Iceberg, cauliflower and broccoli are **ESCALATED**.

Market Alert

- Avocados -- **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cucumber - **ESCALATED**
- Broccoli - **ESCALATED**
- Cauliflower - **ESCALATED**
- Garlic – **EXTREME**
- Iceberg - **ESCALATED**
- Navels – **EXTREME**
- Pepper (Anaheim Tomatillo AND Bell Pepper) - **ESCALATED**
- Potatoes – **EXTREME**
- Squash (Yellow and Zucchini) – **EXTREME**
- Tomato Roma & Rounds (Florida and Mexico) - **ESCALATED**

WATCH LIST

- Ginger
- Lettuce (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 been extremely difficult to find due to the massive increase in retail demand. Fuel prices are mostly unchanged and expected to ease back as the economy dramatically slows to a halt; the East Coast is averaging \$2.78/gallon, while California's average for diesel remains the highest at just under \$3.62/gallon. We could see a nationwide shortage on truck once the recovery from the slowdown takes place.

Weather

PALMETTO, FL:

Thu 3/19	Fri 3/20	Sat 3/21	Sun 3/22	Mon 3/23	Tue 3/24	Wed 3/25
86° 66°F	85° 66°F	84° 67°F	84° 67°F	83° 67°F	83° 67°F	84° 68°F
						
Mostly Sunny	Sunny	Partly Cloudy	Partly Cloudy	Mostly Sunny	Partly Cloudy	Sunny

OXNARD, CA:

Thu 3/19	Fri 3/20	Sat 3/21	Sun 3/22	Mon 3/23	Tue 3/24	Wed 3/25
59° 47°F	61° 49°F	62° 48°F	63° 52°F	61° 49°F	60° 47°F	58° 45°F
						
Partly Cloudy	Mostly Cloudy	Mostly Sunny	PM Showers	Showers	AM Showers	Partly Cloudy

YUMA, AZ:

Thu 3/19	Fri 3/20	Sat 3/21	Sun 3/22	Mon 3/23	Tue 3/24	Wed 3/25
65° 48°F	68° 51°F	73° 51°F	77° 57°F	78° 56°F	76° 55°F	73° 53°F
						
Mostly Sunny	Mostly Cloudy	Sunny	Partly Cloudy	Partly Cloudy	Mostly Sunny	Partly Cloudy

HERMOSILLO, MX:

Thu 3/19	Fri 3/20	Sat 3/21	Sun 3/22	Mon 3/23	Tue 3/24	Wed 3/25
69° 47°F	76° 51°F	81° 52°F	86° 56°F	85° 58°F	83° 56°F	83° 57°F
						
Mostly Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy	Mostly Cloudy	Partly Cloudy	Mostly Cloudy

MICHOACAN, MX:

Thu 3/19	Fri 3/20	Sat 3/21	Sun 3/22	Mon 3/23	Tue 3/24	Wed 3/25
69° 46°F	70° 49°F	75° 51°F	79° 55°F	80° 53°F	79° 53°F	76° 52°F
						
Mostly Sunny	Mostly Cloudy	Sunny	Partly Cloudy	Mostly Sunny	Partly Cloudy	Partly Cloudy

Good Buys

Commodity	Market Update	Produce Expert Tip
Grape & Cherry Tomatoes	<p>MEXICO:</p> <ul style="list-style-type: none">• Grapes: Grapes have experienced steady volumes in the West. Due to the high demand in the retail market exceeding production levels, Grapes are experiencing a tighter than usual market.• Cherries: There is little demand to cherry tomatoes due to the lack of retail demand. Expect to see a steady market with some decreasing volumes as we transition into new crop. <p>EAST COAST:</p> <ul style="list-style-type: none">• Grapes: In the East, Grape demand is exceeding normal production levels. Expect an upward trend in FOBs during this time as retail is running over the production due to the unprecedented demand. Quality is good.• Cherries: Cherry production is steady in the East holding a steady FOB price and good quality.	Grape and cherry tomatoes are fantastic snacks with any sort of dip, hummus, or just by themselves. However, one of our most favorite applications is roasting grape and cherry tomatoes. Preheat the oven to 400 degrees F. In the meantime, place the tomatoes in a bowl and drizzle a couple of tablespoons of olive oil on them along with some salt and pepper. Next, spread them on a baking dish with some fresh garlic cloves. Roast them in the oven for about 20 minutes. If they seem to dry out too much, add a few tablespoons of water and cook them until they begin to shrivel and the liquid in the dish begins to thicken. You will not regret making this dish!

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 is good.

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: This would be a great time to promote bigger lemons 115s and larger, with limited volume on 140s and smaller. Big fruit is very nice, and we have a lot of it, expect the larger sizes (115s and larger) to hit their bottom. 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: This is the time of year that we see higher pricing on limes. Pricing will continue to get stronger.

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; along with increased retail demand. Market is higher.

Red Leaf: **WATCH LIST** The market is seeing shortages due to rain; along with increased retail demand. Market is higher.

Iceberg Lettuce: **ESCALATED** The market is seeing shortages due to rain; along with increased retail demand. Market is higher.

Romaine/Romaine Hearts: **WATCH LIST** The market is seeing shortages due to rain; along with increased retail demand. Market is higher.

Eastern and Western Vegetables

Green Bell Pepper: **ESCALATED** The Eastern bell pepper market has tightened up. Green bells have been an extremely popular retail item, especially on the larger fruit. FOBs are up this week and quality remains good. As long as demand stays high, FOBs will follow suit. Mexico has been providing steady volumes of bell peppers

with mostly good quality. Larger fruit continues to be sold out daily by Western shippers; however, the smaller sizes are still able to be found.

Red Bell Pepper: Colored pepper market has been staying stagnant. There is limited availability all around along with retail demand going up. Western Mexican deals are winding down transitioning to central Mexico. Canadian deals are starting up and should help out with volumes as well. FOBs are escalated and quality is fair looking to improve once volumes pick back up.

Yellow Pepper: Colored pepper market has been staying stagnant. There is limited availability all around along with retail demand going up. Western Mexican deals are winding down transitioning to central Mexico. Canadian deals are starting up and should help out with volumes as well. FOBs are escalated and quality is fair looking to improve once volumes pick back up.

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) Eastern Chili production is light across the board. Quality is hit or miss and expected to improve to normal soon with normal numbers and better quality. FOBs are escalated due to high demand. Production in Mexico has declined this week and quality is at a low. Demand in the West is high causing FOBs to rise. With high demand and few producers, quality and size are extra challenging. FOBs are escalated.

Eggplant: Growers are working through the end of their crops down in Florida. Quality is fair and demand has increased. FOBs are still slightly elevated and volume remains light. Eggplant production has turned mostly to the West crossing from Mexico. Quality is low to fair and volumes are steady. With steady volumes and high demand expect upward pressure in FOBs.

Cucumbers: ESCALATED The Honduran imported cucumber volumes are low and declining causing the market to tighten up even more. Current crop assessments put Florida's fruit to come online in a couple of weeks or so providing some market relief. FOBs are escalated and quality is fair. Cucumber production in Mexico has seen some less than normal volumes. Cucumbers are selling out daily in the West. Potential increase in volumes once the spring crop gets going. FOBs are escalated and quality is very hit or miss.

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) Zucchini squash supply has improved a bit, but we are still seeing some struggle with yellow squash. Quality remains a challenge out of Homestead which is where the majority of squash is coming from out of Florida. As production transitions North to Plant City and other neighboring areas, look for new crops and stronger volumes in mid to late March. FOBs are escalated. The Western soft squash production is experiencing some lower than usual yields especially on the yellow. Mexican growing areas are ready to transition to Sonora, but is taking the transition slower than usual. Volume and quality are both down and FOBs are escalated until Sonora is able to get into their crop and ease up the squash demand. FOBs are escalated and quality is hit or miss.

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: Larger fruit has quickly moved into a demand exceeds supply situation with very limited supply available for open market business. It is impossible at this time to predict future market trends but we believe movement will remain strong in the short term.

Honeydew: Honeydew production remains steady with good demand also on the retail sizes (5/6s). Honduran production has decreased which is allowing for the market to push slightly higher levels.

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 of artichokes are slowly increasing now. Most of the volume is on large sizes. 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 more this month. Prices are steady. Demand is expected to improve as we get closer to Easter.

Arugula: Good supply and quality.

Asparagus: Mexico has very good quality and ample supply.

Broccoli / Broccoli Florets: **ESCALATED** Quality remains steady with little yellowing or decay as we begin the transition to Salinas. Market is higher.

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 as we begin the transition to Salinas.

Celery: We continue to have steady supply. Market is active due to increased retail demand. The market is higher.

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

Cilantro: Good supply.

Fennel: We will be above budget on fennel this week and we will continue to see larger sizing – we will have a majority of 18ct and 24ct available. The harvesting is out of Salinas and Yuma. Quality is strong overall.

Garlic: **EXTREME** The garlic market as a whole remains very volatile, largely due to inconsistent, unstable supply. Supply is forecasted to remain tight for the foreseeable future.

Ginger: **WATCH LIST** Ginger markets are mixed, but quality is good. Product is available at higher costs from Brazil, Peru and Thailand.

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 expect to have slightly above budgeted numbers this week. The best availability will be at the front of the week. Harvest is expected to taper off towards the end of the week. Quality is strong overall.

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. Prices are up slightly.

Spinach (Baby): Good supply and quality. Prices are up slightly.

Spring Mix: Good supply and quality. Prices are up slightly.

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 onion market has increased rapidly as retail demand has escalated due to the COVID19 virus. While foodservice demand has decreased significantly, retail demand has far outweighed the loss in business from foodservice operators. Mexico is hitting a small supply gap and Texas is still about 7-10 days away from ramping up in volume. We are seeing Northwest supply beginning to dwindle for some growers, which is further stressing the supply and causing the market to react that much more. California got hit with rain and cold temperatures last week as well. They were originally expected to start early (about mid-April), but this appears to be delayed until the first week in May now. It is likely that until the virus effect is over and we are back into steady supply we will see this market continue to change regularly.

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: ESCALATED** Florida yields are steady this week as production has gone up during this transitioning period; however, the increased volume coming out of Mexico has helped out the market as a whole. With the precautions being taken for the COVID- 19, demand has gone down across the board and our farmers are delaying pickings. FOBs are to be determined on a day to day basis through the remainder of this pandemic.
- **Romas: ESCALATED** Roma production has minimal volume, but we should see a bit more in a couple of weeks. The product coming out of Mexico has relieved the pressure on our Florida roma deal. FOBs are expected to escalate due to the extremely high retail demand. Quality is very nice.
- **Grapes:** In the East, grape demand is exceeding normal production levels. Expect an upward trend in FOBs during this time as retail is running over the production due to the unprecedented demand. Quality is good.
- **Cherries:** Cherry production is steady in the East holding a steady FOB price and good quality.
- **Organic Tomatoes:** Markets are up this week; very limited supply.

Mexico

- **Rounds: ESCALATED** Rounds coming out of Mexico have been able to stabilize however retail demand has driven prices up and inventories are extremely light. Quality is fair.
- **Romas: ESCALATED** Romas coming out of Mexico have been able to stabilize; however, retail demand has driven prices up and inventories are extremely light. Quality is fair.
- **Grapes:** Grapes have experienced steady volumes in the West. Due to the high demand in the retail market exceeding production levels, Grapes are experiencing a tighter than usual market.
- **Cherries:** There is little demand in cherry tomatoes due to the lack of retail demand. Expect to see a steady market with some decreasing volumes as we transition into new crop.

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)