

# Weekly Market Review

March 27, 2020

## Overview

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Yuma season is coming to an end with the first shippers transitioning to Salinas starting next week. Navels remain **EXTREME**. Cauliflower continues to be **ESCALATED**. Table grapes are a good buy.

## Market Alert

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- Avocados - **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cucumber - **ESCALATED**
- Cauliflower - **ESCALATED**
- Garlic – **EXTREME**
- Green Bell Peppers - **ESCALATED**
- Navels – **EXTREME**
- Potatoes – **EXTREME**

## WATCH LIST

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- Ginger
- 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

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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

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### PALMETTO, FL:

| Thu 3/26  | Fri 3/27  | Sat 3/28  | Sun 3/29  | Mon 3/30  | Tue 3/31  | Wed 4/1   |
|---|---|---|---|---|---|---|
| 85°   69°F  | 86°   68°F  | 87°   68°F  | 86°   69°F  | 86°   69°F  | 85°   73°F  | 79°   65°F  |
|  |  |  |  |  |  |  |
| Sunny   | Sunny   | Partly Cloudy   | Partly Cloudy   | Partly Cloudy   | Mostly Sunny  | Showers   |

**OXNARD, CA:**

|  |   |  |  |  |  |   |
|--|---|--|--|--|--|---|
| Thu 3/26<br>58°   42°F<br><br>Mostly Sunny/Wind | Fri 3/27<br>62°   45°F<br><br>Sunny/Wind | Sat 3/28<br>62°   48°F<br><br>Mostly Cloudy | Sun 3/29<br>62°   47°F<br><br>Mostly Sunny/Wind | Mon 3/30<br>67°   52°F<br><br>Sunny | Tue 3/31<br>72°   55°F<br><br>Partly Cloudy | Wed 4/1<br>73°   54°F<br><br>Partly Cloudy |
|--|---|--|--|--|--|---|

**YUMA, AZ:**

|  |  |  |  |  |  |   |
|--|--|--|--|--|--|---|
| Thu 3/26<br>68°   51°F<br><br>Sunny | Fri 3/27<br>70°   47°F<br><br>Sunny | Sat 3/28<br>74°   52°F<br><br>Partly Cloudy | Sun 3/29<br>76°   55°F<br><br>Sunny | Mon 3/30<br>81°   57°F<br><br>Sunny | Tue 3/31<br>86°   64°F<br><br>Partly Cloudy | Wed 4/1<br>89°   64°F<br><br>Partly Cloudy |
|--|--|--|--|--|--|---|

**HERMOSILLO, MX:**

|   |  |  |  |  |  |   |
|---|--|--|--|--|--|---|
| Thu 3/26<br>82°   55°F<br><br>Cloudy | Fri 3/27<br>73°   50°F<br><br>Partly Cloudy | Sat 3/28<br>83°   50°F<br><br>Sunny | Sun 3/29<br>84°   52°F<br><br>Partly Cloudy | Mon 3/30<br>86°   58°F<br><br>Partly Cloudy | Tue 3/31<br>92°   65°F<br><br>Partly Cloudy | Wed 4/1<br>93°   62°F<br><br>Partly Cloudy |
|---|--|--|--|--|--|---|

**MICHOACAN, MX:**

|  |  |  |  |   |  |   |
|--|--|--|--|---|--|---|
| Thu 3/26<br>71°   47°F<br><br>Sunny | Fri 3/27<br>72°   45°F<br><br>Sunny | Sat 3/28<br>76°   49°F<br><br>Partly Cloudy | Sun 3/29<br>78°   54°F<br><br>Sunny | Mon 3/30<br>81°   56°F<br><br>Mostly Sunny | Tue 3/31<br>87°   62°F<br><br>Partly Cloudy | Wed 4/1<br>90°   62°F<br><br>Partly Cloudy |
|--|--|--|--|---|--|---|

**Good Buys**

| Commodity           | Market Update  | Produce Expert Tip   |
|---------------------|--|--|
| <b>Table Grapes</b> | Red Seedless Grape movement has been steady in supply, demand and pricing. Supply should be good into May. No real volume increases are expected which will keep prices steady. Green Seedless Grape volume is down compared to previous years (earlier exit is expected). | Fruit leather snacks have become popular again, and you can typically find them in every grocery store. But... why not make them at home? Put grapes in the food processor, and purée them until juiced, strain the puree and add one tablespoons sugar or honey, and one tablespoon lemon juice to every cup of fruit purée. Preheat oven to 130°F o 140°F and spread purée 1/4 to 1/2in. thick on a lined cookie sheet. Put in the oven and dry until leather is evenly pliable and firm with no soft spots. Peel from liner while still warm, but be careful, and cut or roll into serving pieces. Let it cool and enjoy! |

**Fruits & Vegetables**

**Avocados:** **ESCALATED** The Global Pandemic continues to alter the demand for avocados. Last week, low demand heavily affected foodservice, and this week, we are slowly seeing demand drop at the retail level. There are many reasons for the decrease in retail demand, including the fact that consumers are gradually starting to reprioritize their spend during what will be tougher economic times ahead. While there are a lot of unknowns, efforts need to be made to stabilize avocado demand and keep cost down so consumers continue to purchase avocados.

**Bananas:** Quality is continuing to get better as the weather improves. Supply is good.

**Pineapples:** **WATCH LIST** Pineapples continue to be very tight. Quality is very good, but overall supply is limited. This tight supply will remain the same until Week #14 arrivals when we are expecting an increase back to normal volumes.

**Grapes:** Red Seedless Grape movement has been steady in supply, demand and pricing. Supply should be good into May. No real volume increases are expected which will keep prices steady. Green Seedless Grape volume is down compared to previous years (earlier exit is expected).

## **Berries**

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**Blueberries:** We will continue to see low volumes from Santa Maria for the next two months. Oxnard and Florida volume will continue to increase each week. Baja fruit is expected to increase. Jalisco volumes will remain high for the next couple of weeks.

**Blackberries:** Supply will start to uptrend weekly as we get closer to our peak.

**Raspberries:** Oxnard volume is remaining steady. CMex is continuing to increase.

**Strawberries:** Florida is finishing, and Mexico will be finishing soon but volume is starting to ramp up in California.

## **California / Arizona Citrus**

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**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**

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**Butter:** Supply and quality are good.

**Green Leaf:** Production volumes are above budget. Blocks that we are currently harvesting are healthy, with good texture, size and weights. Demand has tapered off and market prices are at promotable levels. We are anticipating quality and supply to remain good.

**Red Leaf:** Supply and quality are good.

**Iceberg Lettuce:** We will have plenty of supply this week. Quality has been good. A little bit of red rib from last week's rain in a possibility.

**Romaine/Romaine Hearts:** Romaine and romaine heart production supply is above budget. The rain last week reduced harvest capabilities. However, current blocks are exhibiting good color, uniform sizing, and strong yields with some very occasional fringe burn. Market pricing is currently at promotable levels.

### **Eastern and Western Vegetables**

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**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. Green Bells projected to start in Coachella April 15<sup>th</sup>

**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. Color bells are projected to start in Coachella May 10<sup>th</sup>

**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. Color bells are projected to start in Coachella May 10<sup>th</sup>

**Mini Sweet Pepper:** Baja, Sinaloa, and Sonora production will remain light. Decent product expected to begin in the Southeast soon.

**Mixed Chili Pepper:** 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. Beans are projected to start April 20<sup>th</sup>.

**Zucchini/ Yellow Squash:** Zucchini squash supply has improved and demand has eased back. Quality improving daily out of Florida on green while yellow we are still seeing a lot of scarring. In the west, production is ramping up as temperatures continue to rise. FOB prices are still elevated but improving daily. Quality is hit or miss.

## **Herbs**

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**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

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**Cantaloupe:** Strong demand from the retail sector continues to drive this market on larger sizes. New arrivals are more focused on a nice spread between 9/12s with limited 15ct coming in. Springtime melons are not only giving us good sizing but also better color and very good internal quality with brix levels steadily reading 12-14%.

**Honeydew:** Honeydew demand has been limited compared to the cantaloupe. Sizing is leaning more to larger fruit (4/5s) but there is still a decent percentage of 6/8s coming in to satisfy all needs.

**Watermelon:** Quality remains strong both internally and externally.

## Mixed Vegetables

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**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:** Supply is good and quality is fair.

**Asparagus:** Mexico has very good quality and ample supply.

**Bok Choy:** Supply is good and quality is fair.

**Broccoli / Broccoli Florets:** Supply is steady. Quality is good.

**Brussels Sprouts:** Supply is fair due to quality and supply issues.

**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** This week's volume will be very light, due to weather conditions.

**Celery:** Quality and volume are great. Oxnard sizing is good this week, but volume is still light.

**Corn:** Supply has increased in Florida. The market has adjusted with good quality. Corn is the Coachella expected to start April 2<sup>ND</sup>.

**Cilantro:** Good supply and quality.

**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:** Supply is steady, demand is good and quality is fair.

**Green Onions:** Supply is plentiful with excellent quality. Harvest will be curtailed, due to a decline in demand.

**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 poor and quality is fair.

**Parsley (Curly, Italian):** Supply is expected to be plentiful 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 is steady, demand and quality are good.

**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:**

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The onion market is fairly unpredictable at the moment, as white onions and medium yellows remain tight, but all other size yellows and reds are now plentiful in the Northwest again. Record retail demand last week forced the market up fairly quickly, but oversupply at retailers and wholesalers around the country is now causing a lull in movement. Foodservice demand is significantly down with all of the COVID-19 shutdowns in effect throughout the country. We expect retail demand will stay elevated during this time, however, there is

not enough movement alone in that sector to meet the supply of the onion crop. We are seeing foodservice distributors around the country attempting to clean up on-hand inventory to those that have any kind of outlets at the moment. This is also causing a stall in new shipments out of both the Northwest as well as South Texas. Mexican onions are beginning to wind down, and we are seeing Texas grown product beginning to ramp up. We still expect Southern California to start shipping around the first week of May. The COVID-19 crisis has the ability to change both supply and demand in an unprecedented fashion, so the situation will remain fluid in the coming weeks. Until we are back into a steady supply, we will likely continue to see the ordering patterns remain very erratic.

## **Potatoes: EXTREME**

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The potato market has experienced the same lull in movement that we are seeing on a variety of other produce items. While consumer bagged potatoes remain tight, No. 2 grade potatoes and count cartons are now plentiful in Idaho. Record retail demand last week forced the market up fairly quickly, but oversupply at retailers and wholesalers around the country is now causing an interruption in new orders. Foodservice demand is significantly down with all of the COVID-19 shutdowns in effect throughout the country. We expect retail demand will stay elevated during this time, however, there is not enough movement alone in that sector to meet the supply to continue to move cartons. We are seeing foodservice distributors around the country attempting to clean up on-hand inventory to those that have any kind of outlets at the moment. The challenge at the shipping level is that potato sheds cannot just pack consumer bagged potatoes to meet retail demand without generating a large inventory of count cartons. The situation is becoming a concern, and sheds are going to be at risk of shutting down if they cannot find outlets for the cartons. The COVID-19 crisis has the ability to change both supply and demand in an unprecedented fashion, so the situation will remain fluid in the coming weeks. Until we are back into a steady demand situation, we will likely continue to see the ordering patterns remain very erratic.

## **TOMATOES**

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### **East Coast**

- **Rounds:** 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 on market buys
- **Romas:** Roma production has leveled out and 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 has eased back and 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:** Rounds coming out of Mexico have been able to stabilize and retail demand has eased back. Quality is good.
- **Romas:** Romas coming out of Mexico have been able to stabilize as retail demand has eased back. Quality is good
- **Grapes:** Grapes have experienced steady volumes in the West; demand is down and quality is good.
- **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**

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**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**

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**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)