

# Weekly Market Review

April 24, 2020

## Overview

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Most product is readily available on the grower level. Asparagus, navels, garlic, and ginger remain **EXTREME**. Mexican Round and Roma Tomatoes are in an **ACT OF GOD**, as we are seeing some growers having to walk away from product due to the Coronavirus pandemic. We continue to see a huge disruption in our distribution which has caused prices to vary greatly. California mixed chilies are good buys.

## Market Alert

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- Asparagus – **EXTREME**
- Garlic – **EXTREME**
- Ginger- **EXTREME**
- Navels - **EXTREME**
- Round and Roma Tomatoes (Florida) – **ESCALATED**
- Round and Roma Tomatoes (Mexico) – **ACT OF GOD**

## WATCH LIST

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**Tomatoes and Dry Veg:** Conditions over the last few weeks, as a result of government mandates and impact of the pandemic, has led to the loss of entire fields in Mexico and Florida. In Mexico, overall production, which is normally already on the downslide for the season, is further impacted and will be for the next 6 to 8 weeks by more than 50%. On top of this, USDA border inspections started on April 4, 2020 and this new process is affecting overall supply for the entire Mexican tomato industry. The industry in general is adapting to the new inspection standards and is making necessary adjustments to ensure a zero-percentage failure rate. We are confident that growers will adapt to the new standards and align the packing sheds to mirror inspection criteria. Additionally, social distancing measures have been implemented to protect the entire agriculture workforce from COVID-19 thus lowering production numbers by having fewer people working in the fields and packing sheds.

## Transportation

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Freight rates were mixed this week and LTL trucks continue to be extremely difficult to find due to the massive increase in retail demand. Fuel prices are mostly unchanged; the East Coast is averaging \$2.67/gallon, while California's average for diesel remains the highest at just under \$3.40/gallon. We could see a nationwide shortage on trucks once the recovery from the slowdown takes place this month.

## Weather

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### PALMETTO, FL:

Thu 4/23	Fri 4/24	Sat 4/25	Sun 4/26	Mon 4/27	Tue 4/28	Wed 4/29
87°   77°F	83°   74°F	81°   73°F	80°   67°F	80°   63°F	84°   67°F	85°   71°F
						
Partly Cloudy/Wind	Scattered Thunderstorms	Scattered Thunderstorms	AM Thunderstorms	Sunny	Sunny	Mostly Sunny

**OXNARD, CA:**

Thu 4/23 81°   61°F  Sunny	Fri 4/24 84°   62°F  Sunny	Sat 4/25 77°   60°F  Mostly Sunny	Sun 4/26 74°   59°F  Mostly Sunny	Mon 4/27 76°   60°F  Sunny	Tue 4/28 75°   61°F  Sunny	Wed 4/29 74°   59°F  Mostly Sunny
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**COACHELLA, CA:**

Thu 4/23 102°   73°F  Sunny	Fri 4/24 103°   74°F  Sunny	Sat 4/25 103°   73°F  Sunny	Sun 4/26 103°   71°F  Mostly Sunny	Mon 4/27 101°   73°F  Sunny	Tue 4/28 100°   73°F  Sunny	Wed 4/29 101°   73°F  Sunny
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**SALINAS, CA**

Thu 4/23 70°   52°F  Partly Cloudy	Fri 4/24 77°   54°F  Mostly Sunny	Sat 4/25 73°   53°F  Mostly Cloudy	Sun 4/26 72°   51°F  Mostly Sunny	Mon 4/27 73°   53°F  Sunny	Tue 4/28 77°   58°F  Sunny	Wed 4/29 78°   57°F  Partly Cloudy
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**HERMOSILLO, MX:**

Thu 4/23 101°   66°F  Sunny	Fri 4/24 104°   67°F  Sunny	Sat 4/25 105°   68°F  Sunny	Sun 4/26 105°   68°F  Sunny	Mon 4/27 103°   68°F  Sunny	Tue 4/28 103°   68°F  Sunny	Wed 4/29 104°   69°F  Sunny
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**CULIACAN, MX:**

Thu 4/23 98°   58°F  Sunny	Fri 4/24 97°   59°F  Mostly Sunny	Sat 4/25 97°   61°F  Partly Cloudy	Sun 4/26 100°   64°F  Sunny	Mon 4/27 99°   64°F  Partly Cloudy	Tue 4/28 99°   64°F  Mostly Sunny	Wed 4/29 101°   66°F  Sunny
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**Good Buys**

Commodity	Market Update	Produce Expert Tip
California mixed chilies	Supply firming up and demand is improving on the entire category firming up market pricing. Quality is good across the entire category. New crop Jalapeno, Caribe, and Anaheim now available in California as well!	Mixed chilies are beautiful, and a great way to use them all summer long is by pickling them! Remove the seeds before slicing, and then combine your peppers with some garlic in a large glass jar. In a saucepan add vinegar, water, honey, and salt, when it is close to a boil, remove from the stove and pour the liquid over the peppers. Once the peppers cool to room temperature, screw on the lid and place it in the refrigerator for a couple of days. Enjoy! <i>Note: Use gloves to prevent your fingers from really feeling the burn!</i>

## **Fruits & Vegetables**

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**Avocados:** Mexico is doing their best to match harvest with U.S. demand. Harvest levels were strong last week and starting off this week with good volume. Harvesting and packing crews were able to continue working while following distancing measures and wearing PPE. Sizing is starting to be much more even with less of the smaller sizes. Peaking on 48's, 60's and 70's. 80% of the crop has been harvested to date. Expect promotable supply through spring and summer. California's harvest has come back in with good volume. Volume will continue to increase weekly through May. Quality is very good, and sizing has been consistent; peaking on 48's, 60's and 40's. Growers will begin to do less size picking and we expect to see more 60's, 70's, and 84's. 20% of California's crop has been harvested to date. Promotable supply expected through August. Peru will potentially delay harvest volume until late May with volume arrivals to the US in mid to late June. They are reported to export 200 million pounds to the U.S. This delay will stretch the season further into September.

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

**Pineapples:** Quality is good, availability is good and the size curve is trending to the 5cts.

**Grapes:** Red Seedless Grapes are seeing fair movement with good supply going into May. Green Seedless market movement is good. Market is trying to go up but the lack of business is keeping it down.

## **Berries**

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**Blueberries:** Good supply and good quality.

**Blackberries:** Supply has increased.

**Raspberries:** Central Mexico volume begins to decrease while Oxnard is ramping up.

**Strawberries:** Lingering rain damage has caused a few shortages this week, but supply will be increasing next week with very good quality and availability.

## **California / Arizona Citrus**

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**Navels:** **EXTREME** The navel market is still going very strong and supply is very limited. We see the market staying red hot. The rain and pack-outs has made inventory building very tough. We are finding ourselves rethinking our pricing every hour. With how bad the citrus season has been, growers will be looking to stand their ground on the returns to them. The domestic market has surpassed the export market and it is in our best interest to keep the fruit in the states. Fruit is eating great and quality is good. We are peaking on 72s and larger, with 88s and 113s still being the hot size. We are harvesting gibbed Washington's right now and the fruit is looking beautiful. Volume is way down and promotions are not recommended at this time.

**Lemons:** The California lemon market is still going strong, but the market is down a little. This would be a great time to promote 140s and larger, with limited volume on 165/200 and some bigger fruit such as 115s being somewhat limited. Big fruit is very nice, but we have a decent amount of it. Right now is a good time for promoting larger fruit. 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. District 1 is on the tail end of their season, but there is still a good supply of fruit coming out of the valley. District 2 fruit is also looking beautiful and going strong. We are having optimal growing weather and the fruit will continue to be exceptional as long as we have this weather.

**Limes:** With some areas of the country poised to open and Cinco de Mayo around the corner, the market could get tighter and we could see an increase throughout next week.

**Grapefruit:** Star Ruby grapefruit is running, the volume is limited with a strong market. The fruit is amazing and supply will continue to go up. The fruit is running very clean with a very limited amount of Choice fruit.

**Imports/Specialties available:**

**Cara Caras:** Cara Cara market is going strong. The fruit is excellent. We have about 2-3 weeks left of caras.

**Minneola Tangelo:** Supply has tightened up, as we are getting close to the end of the season on Minnie's. We have about a week or two left. Choice is going to be short and there is some fancy fruit still around.

**West Coast Lettuce**

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**Butter:** Overall demand is steady, while markets remain flat.

**Green Leaf:** Good quality and good supply out of Salinas.

**Red Leaf:** Good quality and good supply out of Salinas.

**Iceberg Lettuce:** Good quality and good supply out of Salinas. Huron still has supply with good quality but will be finishing soon.

**Romaine/Romaine Hearts:** Good quality and good supply out of Salinas. Huron still has supply with good quality but will be finishing soon

**Eastern and Western Vegetables**

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**Green Bell Pepper:** The Eastern bell pepper market has firmed up slightly, particularly on premium sized fruit due to demand for larger sizes at retail. FOB pricing is mixed based on size and shipping locations. Mexico demand is up and supplies have tightened as supply of winter/ early spring pepper start to slowdown. New crop domestic production is beginning to ramp up in Coachella and product is beautiful!

**Red Bell Pepper:** Red Bell market is up this week as supply winds down out of Central Mexico, however we are seeing light numbers on new crop crossing from Baja which will help the supply chain. Canadian deals are ramping up and quality is very nice in all regions. Domestic colored bell production is expected to begin in Coachella May 10<sup>th</sup>

**Yellow Pepper:** Yellow Bell market is mixed this week Central Mexico numbers are beginning to drop off, but we are seeing better numbers on new crop crossing from Baja. Canadian deals are also ramping up and quality is very nice on all regions. Domestic colored bell production is expected to begin 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:** Supply firming up and demand is improving on the entire category firming up market pricing. Quality is good across the entire category. New crop Jalapeno, Caribe, and Anaheim now available in California as well!

**Eggplant:** Quality is good, demand is mixed, and FOBs are still slightly elevated depending on sizes and grade. Eggplant production has turned mostly to the West crossing from Mexico. California Eggplant starts early next week.

**Cucumbers:** Good supply out of South Florida Deals are being made on selects and super selects. Cucumber production in Mexico has increased dramatically and deals are being made to move volume. Quality is outstanding.

**English Cucumbers:** Good volume and good quality. Promotions available

**Green Beans:** Seeing a mixed market; east coast is mostly flat while Nogales and California are active. Quality is fair in the east and good out west.

**Zucchini/ Yellow Squash: (Florida and Mexico)** Zucchini squash supply is stable and demand improving this week. Excellent quality out of Florida on green while yellow we are still seeing a lot of scarring. In the west, production is stable and good supply continues. Markets are up slightly in the west. Domestic Squash (California is 4 weeks out)

## Herbs

**Basil:** We have started the local harvest of fresh basil this week as we wind down on the Mexico crops. Quality is looking really good but we do have some high temps in the forecast which we will be keeping an eye on.

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:** Demand has increased on all sizes this week across all categories. We are seeing good availability on all sizes. Offshore fruit is still holding steady brix levels reading 12-14%. Some extremely light numbers continue to cross out of Mexico as well.

**Honeydew:** Demand increases on Honeydew as well this week. We are seeing good availability 5/6's and limited on 8's We are seeing more production ramping up out of Mexico as well. We should see some domestic fruit starting in approximately 4 weeks.

**Watermelon:** Good quality and volume being seen out of Florida, California, and Mexico. We expect this to continue through May.

## Mixed Vegetables

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**Artichokes:** Light supply of artichokes continue this week. Most of the volume is on large sizes 12's followed by 18's. Quality is good. We expect light volume for the balance of this month. Prices are steady.

**Arugula:** Good quality and good supply out of Salinas.

**Asparagus:** **EXTREME:** Due to Coronavirus Peru has shut down and flights and are extremely delayed causing massive shortages in products. Also, Mexico has not started and is projected to start in three weeks. Please be aware that prices will rise day to day and product is very short.

**Bok Choy:** Supply and quality are looking good this week.

**Broccoli / Broccoli Florets:** Good quality and good supply.

**Brussels Sprouts:** Supply and quality are fair.

**Carrots:** Good Supply and Good quality shipping from California.

**Cauliflower:** We are expecting excellent volume all week. Quality is good.

**Celery:** Good quality with ample supply out of Oxnard.

**Corn:** Supply has increased in Florida on all three colors, seeing good numbers crossing though Nogales as well. Demand is light and deals are being made. Quality is outstanding at both shipping points. Production in Coachella and Imperial Valley ramping up this week.

**Cilantro:** Good quality and supply is plentiful.

**Fennel:** We will be right at budget this week on fennel.

**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:** **EXTREME:** Ginger remains very volatile also due to very inconsistent supply and market is higher. Supply to remain tight for the foreseeable future.

**Green Cabbage:** Supply is good this week, while quality continues to be fair.

**Green Onions:** Supply is plentiful with excellent 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 plentiful for the next few weeks. Quality is good.

**Mushrooms:** Markets and supply are steady. Quality is good.

**Napa:** Supply is good this week, while quality is fair.

**Parsley (Curly, Italian):** Good quality and supply is plentiful.

**Rapini:** Quality remains strong overall. We expect to have good supply for the next couple weeks.

**Red Cabbage:** Supply and quality are good this week.

**Snow Peas:** Good supply and quality.

**Sugar Snap Peas:** Good supply and quality.

**Spinach (Bunched):** Supply and quality are good.

**Spinach (Baby):** Supply and quality are good.

**Spring Mix:** Supply and quality are great.

**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 remains stagnant as supply continues to exceed demand. While the market did see an uptick on medium yellows and white onions, we expect this to be short term as the Southern California started shipping this week, and will ramp up with more volume in the coming weeks. The Northwest still has heavy supply of red and yellow onions and are now being forced to dump millions of pounds of product. Foodservice demand remains significantly down with all of the COVID-19 shutdowns in effect throughout the country, although we are beginning to see this volume increase. We expect retail demand will stay elevated 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 continue to sell off 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 winding down, and Texas onions are now in their peak shipping season. 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:**

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The potato market continues to decrease as supply continues to outweigh demand. Foodservice demand is beginning to pick back up now that old inventories have been cleaned up around the country. The volume is slowly beginning to inch back up, and with reports around the country of varying regions starting to open up, we think we will continue to see it rise. We are still seeing plenty of LTL shipments and shared trucks to avoid getting too far out on inventory, but full load volume trucks are beginning to increase as well. While retail demand has certainly decreased from the panic buying levels it was at, we still expect it will stay elevated for as long as the crisis is forcing consumers to stay home. The slow demand is drastically changing the supply situation in Idaho. Processors are also becoming backed up with product, which is putting further pressure on growers. 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: ESCALATED** Florida yields are lighter this week, particularly on smaller sized fruit. A lot of this is due to Florida growers walking away from fields due to no demand over the past few weeks. Quality is excellent and markets are firmer. We expect this to improve over the next three weeks.
- **Romas: ESCALATED** Florida yields are very light this week and demand is up. FOB prices are higher, and quality is excellent.
- **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: Act of God**- Markets have firmed up due to stronger demand and overall lighter supply as growers had to walk away from shade-houses and fields due to no demand over the past several weeks. Additionally, the USDA inspections as required by the new suspension agreement have ramped up as well causing rejections and delays at the border. Lighter harvest numbers are also being forecasted as the spring crop winds down this week. FOB prices are up, and quality is mixed, we expect markets to improve over the next 3 weeks.
- **Romas: Act of God** -Markets have firmed up due to stronger demand and overall lighter supply as growers had to walk away from shade-houses and fields due to no demand over the past several weeks. Additionally, the USDA inspections as required by the new suspension agreement have ramped up as well causing rejections and delays at the border. Lighter harvest numbers are also being forecasted as the spring crop winds down this week. FOB prices are up, and quality is mixed.
- **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:** Asian pear supply is available. Chilean & Argentine Bartlett Pears in LA.

## STONE FRUIT

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**Peaches:** The Chilean season has finished Calif will be starting towards the end of April. There is light supply from Mexico shipping through Nogales

**Plums:** Red and black plums will continue to be available for the next few weeks from Chile

**Nectarines:** The Chilean season is finishing. Calif will be starting towards the end of April