

# Weekly Market Review

April 30, 2020

## Overview

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Most product is readily available on the grower level. Asparagus, navels, garlic, and ginger remain **EXTREME**. Value added carrots are also **EXTREME** due to the social distancing regulations from the Coronavirus. 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. Romaine is a good buy.

## Market Alert

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- Asparagus – **EXTREME**
- Carrots (Value Added) - **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 downside 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 \$2.54/gallon, while California's average for diesel remains the highest at just under \$3.25/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 4/30	Fri 5/1	Sat 5/2	Sun 5/3	Mon 5/4	Tue 5/5	Wed 5/6
77°   64°F	76°   62°F	82°   64°F	84°   67°F	83°   70°F	83°   71°F	84°   72°F
 AM Thunderstorms	 Sunny	 Sunny	 Sunny	 Sunny	 Sunny	 Sunny

### OXNARD, CA:

Thu 4/30	Fri 5/1	Sat 5/2	Sun 5/3	Mon 5/4	Tue 5/5	Wed 5/6
70°   56°F	71°   57°F	71°   56°F	70°   57°F	75°   56°F	75°   59°F	78°   60°F
Partly Cloudy	Partly Cloudy	Sunny	Sunny	Sunny	Sunny	Mostly Sunny

### COACHELLA, CA:

Thu 4/30	Fri 5/1	Sat 5/2	Sun 5/3	Mon 5/4	Tue 5/5	Wed 5/6
103°   72°F	102°   68°F	100°   68°F	101°   68°F	102°   69°F	104°   71°F	105°   72°F
AM Clouds/PM	Sunny	Sunny	Sunny	Sunny	Sunny	Mostly Sunny

### SALINAS, CA

Thu 4/30	Fri 5/1	Sat 5/2	Sun 5/3	Mon 5/4	Tue 5/5	Wed 5/6
72°   50°F	71°   51°F	68°   54°F	67°   47°F	72°   49°F	71°   50°F	75°   54°F
Sunny	Sunny	Mostly Sunny	Partly Cloudy	Sunny	Mostly Sunny	Mostly Sunny

### HERMOSILLO, MX:

Thu 4/30	Fri 5/1	Sat 5/2	Sun 5/3	Mon 5/4	Tue 5/5	Wed 5/6
107°   70°F	104°   70°F	103°   66°F	104°   67°F	106°   69°F	106°   71°F	106°   71°F
Partly Cloudy	Partly Cloudy	Sunny	Sunny	Sunny	Sunny	Sunny

### CULIACAN, MX:

Thu 4/30	Fri 5/1	Sat 5/2	Sun 5/3	Mon 5/4	Tue 5/5	Wed 5/6
101°   67°F	99°   64°F	99°   63°F	101°   65°F	102°   66°F	100°   67°F	98°   67°F
Sunny	Mostly Sunny	Partly Cloudy	Mostly Sunny	Sunny	Partly Cloudy	Partly Cloudy

### Good Buys

Commodity	Market Update	Produce Expert Tip
Romaine	Romaine and romaine heart production supply is above budget. Quality is good and demand is advancing. Market pricing remains at promotable levels.	Two words, Lettuce – Cups! Romaine is a great lettuce to hold any sort of protein, dice up some chicken and add some taco seasoning, cheese, tomatoes and sour cream for taco lettuce cups or add some sweet chili sauce to chicken with cabbage, carrots, and green onions for an Asian vibe.

### Fruits & Vegetables

**Avocados:** Mexico is doing their best to match harvest with US demand. We are seeing huge pulls for Cinco de Mayo at retail. 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. We are seeing a good mix in sizing available and peaking on 48s, 60s and 70s. 80% of the Mexican crop has been harvested to date and expecting promotable supply through spring and summer. California's harvest has come back in with good volume and we expect volume will continue to increase weekly through May. Quality is very good, and sizing has been consistent and peaking on 48s, 60s and 40s. 20% of California's crop has been

harvested to date. Promotable supply expected through August. Peru will potentially delay harvest volume until later in 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 their season further into September. Promotable volume expected, inquire for program pricing.

**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 going up.

## **Berries**

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**Blueberries:** Watsonville, Baja and Georgia production will begin to increase each week. Santa Maria volume will remain flat for the next 8 weeks. SJV, Oxnard, Jalisco, Michoacán and Florida volumes will decrease over the next few weeks.

**Blackberries:** Conventional supply has increased for next week. Central Mexico should down trend in the coming weeks with only high elevation areas increasing but not enough to offset. California regions are expected to begin their season.

**Raspberries:** Slow volume out of Oxnard and Baja. As Central Mexico volume begins to come down, Oxnard will ramp up.

**Strawberries:** Santa Maria and Oxnard are seeing a delay in fruit maturation. Oxnard should be harvesting stronger volumes the next couple weeks.

Once we see some warmer weather, we should see an increase in volume.

## **California / Arizona Citrus**

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**Navels:** **EXTREME** The navel market is still going very strong and supply is very limited. The navel market should remain red hot until the season is over, which for us will be last week in May. The pack outs are not good, as the fruit is taking a beating from the heat. The choice fruit is very limited as well as 113s and smaller. Majority of the choice fruit is going towards committed bag orders, with limited to sell on the spot market. If there are any sizes of navels that we are plentiful at, that would be 48s/56s fancy, but the pricing is up. We are running mainly gibbed Washington's right now, as well as the late varieties. The Lates will have a premium price on them, as they are a higher cost to grow.

**Lemons:** The California lemon market is still going strong; however, inventories are down a little which will help improve pricing. This would be a great time to promote 140s and 165s choice or bags. Big fruit is very nice, but we have a decent amount of it when it comes to 75/95 fancy. Right now, is a good time for promoting larger fruit. Quality has been excellent and the fruit is beautiful. District 1 is on the tail end of their season with the heat coming on, 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:** The cara cara market is going strong, and the fruit is excellent and eating great. We have about 4 days 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:** Production volumes are above budget. Blocks that we are currently harvesting are healthy with good texture, size, and weight. Demand has picked up some, and market prices continue to remain at promotable levels.

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

**Iceberg Lettuce:** Supply is steady this week. There is a little more mildew than normal, but crews are looking for it and cleaning it up at the field level. Weights are medium. The market has been more active than normal on cartons. Demand has increased some.

**Romaine/Romaine Hearts:** Romaine and romaine heart production supply is above budget. Quality is good and demand is advancing. Market pricing remains at promotable levels.

**Eastern and Western Vegetables**

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**Green Bell Pepper:** The Eastern bell pepper market has firmed and short this week across all sizes and FOB pricing is up. Mexico demand is up, and supplies have tightened, as the crop from 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 and we are seeing light 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>

**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 is firming up as demand increases once again on the entire category which has firmed up market pricing. Quality is good across the entire category. New crop Jalapeno, Caribe, and Anaheim are 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 has started in a light way this 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 and Mexico are mostly flat, while California is 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 Update- California is 4 weeks out and new crop product available out of Georgia.

## 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:** Very good demand on cantaloupe over the past week as retailers have increased promotional opportunities and more foodservice business comes back. The quality of what has been coming in from Classic Guatemala over the past month has been excellent. Melons have had very good color which is a characteristic of spring-time fruit as the extended daylight hours assists this. Internally we have seen very consistent brix levels in the 11-14% range.

**Honeydew:** Honeydew demand has increased as arrivals from Central America has started to decline. Sizing is primarily leaning to larger fruit leaving smaller sizes (6/8s) in a limited position. New arrivals have been very good with fruit showing clean external quality.

**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 12s followed by 18s. Quality is good. We expect fair volume for the balance of this month. Prices are higher.

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

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

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

**Broccoli / Broccoli Florets:** Good quality and very good supply. Demand has gone up.

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

**Carrots (Value Added):** **EXTREME** Many packs sizes, especially hand packed sizes, are in very short supply due to the social distancing regulations from the Coronavirus. Quality remains good.

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

**Celery:** We have good volume available in Mexico. Quality is fair, with occasional seeders showing up. Oxnard sizing is smaller, with occasional seeders as well. The market is slightly better than last week.

**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 continues to improve.

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

**Fennel:** We are below budget on fennel this week. We are experiencing a slight gap because we have reached plantings that were affected by frost at the beginning of the season.

**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 and quality are 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:** We are expected to have good supply this week. Quality remains strong overall.

**Red Cabbage:** Supply is fair, quality is good.

**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. California will continue to ramp up with more volume in the coming weeks, which will replace the dwindling supply in the Northwest. Texas is still shipping all colors, while Mexican onions crossing through South Texas have nearly finished up. We are beginning to see Mexican onions cross through Nogales and Yuma, and New Mexican onions are around the corner as well. Foodservice demand continues to slowly increase back to where it was prior to the shut-downs, however, movement is still approximately 20%-30% off. Even with retail demand staying slightly elevated, the decrease in foodservice is too drastic that FOB pricing will likely remain depressed. We anticipate each passing week will experience improvement in market conditions, as the Northwest will continue to clean up their supply, and demand will continue to improve. We anticipate FOB pricing could escalate substantially around the beginning of June in anticipate of more re-openings throughout the Country, as well as supply being controlled as previous regions finish up and transition to new areas.

### **Potatoes:**

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The potato market continues to remain depressed as demand remains too far off to meet supply on hand. Foodservice demand is beginning to pick back up now that old inventories have been cleaned up around the country. With reports around the country of varying regions starting to open up, we anticipate the demand will continue to 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. Count cartons and foodservice #2 product have seemed to have found their bottom, and small retail bags are now beginning to decrease in price. The slow demand is drastically changing the supply situation in Idaho. Until we are back into a steady demand situation, we will likely continue to see the ordering patters 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.
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- **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