

Weekly Market Review

May 22, 2020

Overview

Navels, garlic, and ginger remain **EXTREME**. Value added carrots also continue to remain **EXTREME** due to the social distancing regulations from the Coronavirus. Blueberries are a good buy.

Market Alert

- Carrots (value added) - **EXTREME**
- Garlic – **EXTREME**
- Ginger- **EXTREME**
- Navels – **EXTREME**
- Grape & Round Tomatoes (Florida) – **ESCALATED**

WATCH LIST

- **Asparagus**
- **Bell Peppers (Green, Red and Yellow)**
- **Melons (Cantaloupe, Honeydew and Watermelon)**
- **Mushrooms**
- **Tomatoes:** 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

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 begins to ramp up.

Weather

PALMETTO, FL:

Thu 5/21	Fri 5/22	Sat 5/23	Sun 5/24	Mon 5/25	Tue 5/26	Wed 5/27
87° 72°F	89° 73°F	89° 73°F	89° 72°F	88° 72°F	89° 72°F	87° 72°F
						
Partly Cloudy	PM	PM	PM	Isolated	PM	Thunderstorms

OXNARD, CA:

Thu 5/21 72° 55°F  Sunny	Fri 5/22 68° 54°F  Sunny	Sat 5/23 66° 54°F  Sunny	Sun 5/24 68° 56°F  Sunny	Mon 5/25 71° 58°F  Sunny	Tue 5/26 73° 58°F  Mostly Sunny	Wed 5/27 71° 57°F  Partly Cloudy
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COACHELLA, CA:

Thu 5/21 98° 67°F  Sunny	Fri 5/22 99° 65°F  Mostly Sunny	Sat 5/23 97° 69°F  Sunny	Sun 5/24 102° 73°F  Sunny	Mon 5/25 106° 75°F  Sunny	Tue 5/26 108° 77°F  Sunny	Wed 5/27 110° 76°F  Mostly Sunny
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SALINAS, CA

Thu 5/21 70° 51°F  Partly Cloudy	Fri 5/22 67° 50°F  Mostly Sunny	Sat 5/23 73° 50°F  Sunny	Sun 5/24 76° 55°F  Mostly Sunny	Mon 5/25 82° 60°F  Sunny	Tue 5/26 82° 60°F  Mostly Sunny	Wed 5/27 81° 58°F  Sunny
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HERMOSILLO, MX:

Thu 5/21 98° 64°F  Sunny	Fri 5/22 99° 65°F  Sunny	Sat 5/23 99° 64°F  Sunny	Sun 5/24 99° 65°F  Sunny	Mon 5/25 103° 69°F  Partly Cloudy	Tue 5/26 105° 71°F  Sunny	Wed 5/27 108° 73°F  Mostly Sunny
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CULIACAN, MX:

Thu 5/21 99° 64°F  Sunny	Fri 5/22 98° 63°F  Sunny	Sat 5/23 98° 62°F  Sunny	Sun 5/24 97° 63°F  Mostly Sunny	Mon 5/25 96° 65°F  Mostly Sunny	Tue 5/26 95° 66°F  Sunny	Wed 5/27 96° 67°F  Sunny
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Good Buys

Commodity	Market Update	Produce Expert Tip
Blueberries	Watsonville and SJV volumes are increasing each week. Oxnard and Baja volumes are decreasing.	There is nothing better than a handful of blueberries! This pop-able fruit is a great addition to salads, baked into a pie, or cooked down to make a delicious syrup. With summer approaching (fingers crossed), one of the best ways to keeps your drinks fresh is to freeze blueberries and treat them like ice cubes. When you use frozen fruit, your drink does not water down on those hot summer days. Freeze some berries and try it out!

Fruits & Vegetables

Avocados: Mexican supply of avocados is improving, and markets are easing back slowly as growers try to keep filed prices higher. We continue to see good harvest number this week as crews continue following distancing measures and wearing PPE. We are seeing a good mix in sizing available and peaking on 48's, 60's and 70's. 80% of the Mexican crop has been harvested to date. We are anticipating promotable supply through summer. California's harvest has come back in with good volume, and this will continue to increase

weekly through May. Quality is very good, and sizing has been consistent and peaking on 48's, 60's and 40's. 20% of California's crop has been harvested to date. Promotable supply expected through August. Peru has updated their shipping schedules and are on the way with expected arrivals Mid-June. Quality out of Mexico is good however due to the higher oil content in the fruit, we are seeing depleted shelf life and more internal spotting. Please manage your inventories on Mexican fruit for the next several weeks as it can turn quickly.

Bananas: Supply and quality are good.

Pineapples: Volume has stabilized and will continue to be good moving into July. Quality is good as we move into the summer months.

Grapes: Lots of inventory on Red Seedless Grapes. This supply should last through May. Green Seedless Grapes should be available for 1 more week.

Berries

Blueberries: Watsonville and SJV volumes are increasing each week. Oxnard and Baja volumes are decreasing.

Blackberries: We are entering the transition period between Central Mexico and U.S. producing regions. Central Mexico production will begin to decrease, as Santa Maria and Watsonville are expected to increase.

Raspberries: We are falling short on previous estimates as Central Mexico is decreasing faster than expected and CA is increasing slower than expected. We are currently at the lowest point of the Mexico/CA transition.

Strawberries: Oxnard has seen a reduction in fruit size and should be ending production soon as the North picks up.

California / Arizona Citrus

Navels: **EXTREME** The navel market is still going very strong and supply is extremely limited. The remaining balance of navels will all be Late varieties, mainly Lanes. The fruit is running on the bigger side, with very limited 113s and smaller. Navels will be going until June 1st.

Valencias: With the heat blowing through, valencias are here. However, we are still very short on small fruit. Overall, the fruit is very solid and clean with limited choice fruit.

Lemons: The California lemon market is still going strong, inventories are down a little, which will help improve pricing and market. This would be a great time to promote 75s or bags using a 75. Big fruit is very nice and we have a decent amount of it when it comes to 75/95 choice and fancy. Right now, is a good time for promoting larger fruit. 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: Limes are stable right now. No sudden increases for the next coming week.

Grapefruit: Rio Reds and Marsh Ruby grapefruit is what we are running, the volume is limited with a red hot 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.

West Coast Lettuce

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 lower than normal this week and will be for the next couple of weeks. Demand has increased. The market has been active due to the increased demand and lighter supply.

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

Green Bell Pepper: **WATCH LIST**- The bell pepper market remains firm across the country and FOB pricing is up. Mexico demand is up and supply has tightened as supply of winter/ early spring pepper start to slowdown. New crop domestic production is good, and product is beautiful! We expect South Georgia Pepper to start over the next 10 to 14 days.

Red Bell Pepper: **WATCH LIST** Red bell market is up this week as supply winds down out of Central Mexico and Baja. We should start seeing better numbers out of Californian over the next several weeks. Canadian deals are ramping up and quality is very nice on all regions. We expect transition from Coachella to Bakersfield to begin in 4 weeks.

Yellow Pepper: **WATCH LIST** Yellow bell market is up and supply extremely short this week as we see significant shortfalls on supply out of Central Mexico combined with very light numbers out of Baja. Canadian deals are also ramping up and quality is very nice on all regions. Domestic numbers are very light, and we may not see any true relief until the first of July.

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

Mixed Chili Pepper: Supply firming up as demand increases once again 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! Supply good out of Florida on Poblano, Cubanelle and Jalapeno

Eggplant: Quality is good, demand is mixed, and FOBs are higher this week as we begin to transition from Mexico to California. Steady supply on all sizes and grades available. Still seeing light numbers out of Florida and demand is good, South Georgia is still a few weeks out.

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. South Georgia ramping up!

English Cucumbers: Good volume and good quality. Promotions available

Green Beans: Seeing a mixed market, good supply available in the east- Florida and South Georgia while Mexico is finishing up. California has good supply and highest prices of the three regions. Quality is good in all regions.

Zucchini/ Yellow Squash: (Florida, South Georgia, and Mexico) Zucchini squash supply is stable and demand improving this week. Excellent quality out of Florida and South Georgia 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 and expect California to start very soon.

Herbs

Fresh herbs are steady and quality has been very strong.

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: **WATCH LIST** Import melons from Florida will finish up this week creating a transition to the desert fruit in Arizona and southern California. As we conclude the offshore season, we have witnessed a spike in demand for larger cantaloupe which has been the bulk of what we have been receiving. Arizona production has been slow to start but more importantly their sizing remains very small (15/18s). Cooler weather during the growing cycle minimized fruit sets which may continue to provide smaller sizes the next 10-14 days. If sizing does not begin to increase soon you can anticipate a demand exceeds supply situation for the short-term on preferred sizes (9/12s).

Honeydew: **WATCH LIST** We are finishing up honeydews this week in Florida with our final arrivals from Guatemala. Domestic dews are starting slowly with primarily smaller sizes being available. Mexican crossings through Nogales also have the same sizing trend so anticipate markets on larger fruit to remain stronger than smaller sizes over the next few weeks.

Watermelon: **WATCH LIST** Watermelon supply in the east has firmed up due to heavy rain in Florida and Georgia which is limiting the grower's ability to harvest. Quality is also being impacted in the east from the moisture and virus pressure. We expect availability to improve over the next several weeks. Demand is strong for Texas and California fruit and many customers have shifted to western product.

Mixed Vegetables

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

Arugula: Good quality and good supply out of Salinas.

Asparagus: **WATCH LIST** Asparagus supply is increasing, but flight restrictions in place because of Covid-19, availability is limited.

Bok Choy: Supply and quality are good this week.

Broccoli / Broccoli Florets: Supply is lighter this week. Quality is fair.

Brussels Sprouts: Tight supply and fair to poor quality.

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

Cauliflower: Volume expected to remain steady, but the market is inching upward slightly. Quality remains good.

Celery: We have finished in Mexico. Oxnard sizing is average with occasional seeders showing up. Volume is very light. The market is slightly better, but could go higher.

Corn: Supply has firmed up and demand is strong for Memorial Day out of Florida, South Georgia, and California. Quality in the east is mixed due to recent rain and outstanding in the west.

Cilantro: Good quality and supply is plentiful.

Fennel: We will be slightly under budget this week on fennel. 18/24ct will remain tight.

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 good this week.

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: **WATCH LIST** Foodservice could see shortages of fresh mushrooms over the next 6 to 10 weeks as retail is expecting the same according to a story released yesterday. The shortages are the fallout of heavy demand brought on by COVID 19 at retail and the uncertainty of demand in the foodservice segment. We are looking at upwards of twelve weeks for the mushroom industry to catch up as a result of the outbreak, growing cycles, and difficulties keeping up with demand at retail, after an extremely poor March. In addition to the immediate demand, adjustments have been made at the farm level to limit the number of workers onsite as part of social distancing practices further limiting productivity.

Napa: Supply and quality are good this week.

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

Rapini: We will continue to have good supply this week. Quality remains very strong.

Red Cabbage: Supply and quality are good this week.

Snow Peas: Limited supply, good quality. Volume is slowly increasing. Due to Covid-19 all farms are working with skeleton crews.

Sugar Snap Peas: Limited supply, good quality. Volume is slowly increasing. Due to Covid-19 all farms are working with skeleton crews.

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:

The onion market has firmed as the northwest is finishing for the season and overall demand has been increasing. California and New Mexico will continue to ramp up with more volume in the coming weeks, which will replace the supply in the Northwest. Texas has transitioned into the northern regions, while Mexican onions are now crossing through Las Cruces, NM and Nogales, AZ. Foodservice demand continues to increase back to where it was prior to the shut-downs, and the USDA box program is creating a high demand on all onions as well. We anticipate each passing week will experience improvement in market conditions as demand will continue to improve.

Potatoes:

The potato market has rebounded on larger size cartons. Foodservice demand continues to rise each week, and the smaller size profile of the Burbank varieties is causing pricing to move up. Additionally, the USDA Produce Box program has resulted in a sudden influx of new demand that is helping growers to keep all sizes cleaned up. We are now beginning to see smaller size potatoes increase in prices as well. 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 continuing to increase as well. We are anticipating a more 'normal' summer in terms of Demand, and we expect FOB pricing to remain firm and continue to increase in small ways until we get to new crop in the Fall. Trucks remain short, and we are continuing to see rates increase with capacity tightening.

TOMATOES

East Coast

- **Rounds: ESCALATED** Florida yields are lighter this week, particularly on large to mid-sized fruit 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 fair and markets are firmer. We expect this to improve over the next three weeks.
- **Romas:** Florida FOB prices are unchanged as yields continue to be decent and demand is down slightly combined with the downward pressure from good crossings out of Mexico. Demand appears to be shifting slightly to romas as buyers move away from high-priced rounds. Quality is excellent.
- **Grapes: ESCALATED** In the East, grape supply has tightened up significantly due to recent heavy rain in the growing districts limiting harvest crews from entering fields and overall lower production yields due to rain damage. We are seeing abnormally high volume of shrivel and splits in the field prior to harvest and we will see depleted shelf life over the next few weeks.
- **Cherries:** Cherry production has also firmed up because of recent rains and FOB prices are higher this week.
- **Organic Tomatoes:** Markets are up this week; very limited supply.

Mexico

- **Rounds:** Markets are easing back as new crop volume improves loading out of McAllen and Baja. However, we are still seeing delays due to the USDA inspections as required by the new suspension agreement causing rejections and delays at the border. We are hoping this will improve as quality improves over the next few weeks. Prices are still slightly higher this week.
- **Romas:** Markets are mixed, and we are anticipating supply to tighten back up as demand shifts away from higher round priced in the east; buyers are seeing a better value in Mexican Vine Ripe Roma. Despite the current relief, we are still vulnerable to higher market prices and short supply as the USDA inspections, as required by the new suspension agreement, continue to strain the market with rejections and delays at the border. Fortunately, we are expecting Baja to scratch anytime and this should add some needed relief to supply. FOB prices are mixed and seeing upward pressure this week. Quality is outstanding
- **Grapes:** **WATCH LIST** Grape volume has dried up as growers are nearing the end of their current harvest cycles in Central Mexico, we are waiting for Baja to ramp up and take over some of this demand. We should see better numbers crossing through McAllen over the next 10 to 14 days as well. Quality is good and we are seeing some shifting demand from the east as supply is limited out of Florida. FOB prices will be higher this week.
- **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: Asian pear supply is available. Chilean & Argentine Bartlett Pears in LA.

STONE FRUIT

Apricots: New crop out of California available

Cherries: New crop cherries are available out of California

Peaches: Good supply available out of California.

Plums: Red and black plums will continue to be available for the next few weeks from Chile; California will start in June

Nectarines: The Chilean season is finishing; California will start in two weeks.