

# Weekly Market Review

July 24, 2020

## Overview

Hotter than normal temperatures, high humidity, and late spring rain have adversely affected many crops and made this growing period very challenging. As a result, we are currently experiencing reduced yields, weights, and supply gaps on several crops. Garlic, ginger, and value-added carrots remain **EXTREME**. Eggplant and grape tomatoes are **ESCALATED** this week, but grape tomato supply is improving. Red bell peppers are a good buy.

## Market Alert

- Carrots (Value Added) – **EXTREME**
- Eggplant - **ESCALATED**
- Garlic – **EXTREME**
- Ginger- **EXTREME**
- Peppers (Yellow) **ESCALATED**
- Romaine Hearts – **ESCALATED**
- Tomato –Grape (East Coast) – **ESCALATED**

## WATCH LIST

- Green Beans
- Mini Sweet Peppers
- Mushrooms
- Strawberries
- Tomatoes-East Coast Rounds
- Watermelon

## Transportation

Freight rates were mixed this week and LTL trucks continue to become extremely difficult to find as businesses open back up across the country. Fuel prices were up slightly; the East Coast is averaging \$2.52/gallon, while California's average for diesel remains the highest at just under \$3.25/gallon.

## Weather

### BAKERSFIELD, CA:

Thu 7/23	Fri 7/24	Sat 7/25	Sun 7/26	Mon 7/27	Tue 7/28	Wed 7/29
96°   69°F	99°   70°F	100°   72°F	102°   73°F	102°   73°F	103°   74°F	103°   74°F
						
Sunny						

### ASHVILLE, NC:

Thu 7/23	Fri 7/24	Sat 7/25	Sun 7/26	Mon 7/27	Tue 7/28	Wed 7/29
85°   67°F	84°   67°F	85°   67°F	87°   67°F	89°   68°F	89°   68°F	86°   67°F
						
Thunderstorms	Scattered Thunderstorms	PM Thunderstorms	Partly Cloudy	Partly Cloudy	PM Thunderstorms	Scattered Thunderstorms

### OXNARD, CA:

Thu 7/23 69°   57°F  Partly Cloudy	Fri 7/24 70°   58°F  Partly Cloudy	Sat 7/25 70°   57°F  Partly Cloudy	Sun 7/26 70°   57°F  Partly Cloudy	Mon 7/27 70°   58°F  Sunny	Tue 7/28 71°   58°F  Partly Cloudy	Wed 7/29 71°   60°F  Partly Cloudy
--	--	--	--	--	--	---

### SALINAS, CA

Thu 7/23 68°   56°F  Partly Cloudy	Fri 7/24 65°   56°F  AM Clouds/PM	Sat 7/25 69°   56°F  Partly Cloudy	Sun 7/26 71°   57°F  Partly Cloudy	Mon 7/27 71°   57°F  Partly Cloudy	Tue 7/28 73°   57°F  Sunny	Wed 7/29 73°   57°F  Partly Cloudy
--	---	--	--	--	--	---

### JALISCO, MX:

Thu 7/23 83°   67°F  PM Thunderstorms	Fri 7/24 79°   67°F  Thunderstorms	Sat 7/25 80°   67°F  Thunderstorms	Sun 7/26 83°   68°F  Thunderstorms	Mon 7/27 82°   68°F  Thunderstorms	Tue 7/28 80°   67°F  Thunderstorms	Wed 7/29 80°   66°F  Thunderstorms
--	--	--	--	--	--	--

### Good Buys

Commodity	Market Update	Produce Expert Tip
<b>Red Bell Pepper</b>	Red bell market has improved thanks to the Central Valley and intercoastal fields breaking. Volume is robust and quality is very nice. This will help supply the demand as volume crossing through Texas remains lighter than expected. Canadian deals remain stressed due to viral issues, and lack of labor due to COVID restrictions. Volume improving on Suntans in the east.	Roasted red peppers are easy to make, and you will truly enjoy the fruits of your labor. Place whole red peppers on a sheet pan and place them in the oven under the broiler until the skin is blackened all over. Then put the peppers in a bowl and cover them with a towel or plastic wrap. Allow them to steam and soften, remove the skin, stem, membranes & seeds. Then slice them a put the slices into a jar. Add extra virgin olive oil and sea salt into the jar, on top of the peppers and store them in the refrigerator for 2-3 weeks.

### Fruits & Vegetables

**Avocados:** Mexican supply of avocado has firmed up slightly as growers seek higher field bids for the new Loca crop and volume entering the United States was down about 10 million pounds. Good sizing available, pack-outs are leaning heavy to #1 fruit making #2 production limited this week. California's harvest continues to show robust volume and quality is very good. Sizing continues to be consistent on small fruit this week. Estimates are that approximately 50% of California's crop has been harvested to date. Promotable supply expected through August. Peruvian volume continues to rise through the east coast ports.

**Bananas:** Overall quality of conventional bananas is good. Plenty of volume available.

**Pineapples:** Overall industry volume is down. Our volume on large sizes will continue to be tight for the next few weeks. Volumes of 7s/8s will be plentiful during this same timeframe. Quality is high and the taste profile is wonderful.

**Grapes:** California grapes are available on all colors including Red Globes. The market is holding steady on red and black grapes. The green grape market has come down a bit.

## **Berries**

---

**Blueberries:** The large volume that typically comes from British Columbia this time of year will be delayed 1-2 weeks due to cold weather and rain. The Pacific Northwest will see increasing volumes each week for the next few weeks. NJ volumes will stop this week and pick up again in 2 weeks when other varieties begin their season. Baja will continue with low volumes through the summer until the fall when volumes increase again.

**Blackberries:** Low supply will continue for another week or two until we expect volume to ramp up in mid to late July. Pacific Northwest regions will begin production during the next couple of weeks. We anticipate our peak supply period to be in August where we will have the majority of the USA producing regions contributing. Supply will be low for a few weeks then ramp up fast toward the August peak.

**Raspberries:** There is a steep downtrend this week as we surpass the low point of the season and all CA regions are producing lower than expected. We have reduced volume through July and do not expect to ramp back up until mid – August.

**Strawberries:** **WATCH LIST** August will see a rebound production wise, but not strongly. There have been a lot of conversations regarding some fields that have faced disease and had to get pulled. As a result, this is putting more pressure on the overall harvest as less acreage means less production. July has broken records for the lack of shipments out of California. August will continue to have light production for the first two weeks with a little bump in production around the second half (approx. the 13<sup>th</sup>) this may vary as it takes 21-28 days once we see flowers in the field but right now there isn't an abundance out there. The current weather is perfect for the plants and fields have been very healthy. Markets have been high but mid-August we anticipate markets ease as production picks back up.

## **California / Arizona Citrus**

---

**Valencias:** The valencia market is hot and inventory is down. USDA farm to family program is also taking the majority of the valencias. Fruit is mostly fancy grade, peaking 88/72.

**Lemons:** California lemons are recovering as imports begin to arrive (Chilean/Argentine). Quality has been great and the fruit is nice.

**Limes:** Limes are stable right now. No sudden increases for next week coming.

**Grapefruit:** Starr Ruby grapefruit is available; however, the volume is limited with a hot market. Big fruit has been a struggle. The USDA program is also pulling grapefruit, this will definitely keep the market extremely limited and pricing above historical averages. 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:** Production volumes are on budget this week. Overall demand is steady, while markets remain flat.

**Green Leaf:** Production volumes are close to budget for the week. Blocks that are being harvested are nice with good texture, size, and weight. Demand has picked up in some areas and markets are stable.

**Red Leaf:** Good supply and quality.

**Iceberg Lettuce:** Supply is lighter than normal. Quality has been very good; color and texture are rock solid. The market is slightly active.

**Romaine & Romaine Hearts: (Romaine Hearts ESCALATED)** Romaine and romaine heart production supply is a little below normal budget volume. Industry supply is off to a degree as well. We expect reduced supply for at least the next few weeks. Markets are forecasted to maintain elevated levels. Blocks are exhibiting good color, texture, and uniform sizing overall. We expect continual marginal fringe burn.

### **Eastern and Western Vegetables**

---

**Green Bell Pepper:** We are seeing markets ease back as supply improves out of North Carolina, Michigan, and New Jersey and expect FOB prices to continue to slide. In the west, good volume continues out of the Central Valley and Filmore. Central coast pepper is about three weeks out. Product quality is very nice.

**Red Bell Pepper:** Red bell market has improved thanks to the Central Valley and intercoastal fields breaking. Volume is robust and quality is very nice. This will help supply the demand as volume crossing through Texas remains lighter than expected. Canadian deals remain stressed due to viral issues, and lack of labor due to COVID restrictions. Volume improving on Suntans in the east.

**Yellow Pepper: ESCALATED** 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 end of July.

**Mini Sweet Pepper: WATCH LIST** Overall volume is down and markets are tight due to labor conditions in Canada. Mexican volume is lighter than normal due to excessive heat and drought issues.

**Mixed Chili Pepper:** Supply is good, and demand remains moderate which will keep prices higher this week on the entire category. Quality is good across the entire category. New crop Jalapeno, Caribe, and Anaheim now available in California as well! East coast supply transitioning north Supply good out of South Georgia on Poblano, Cubanelle and Jalapeno

**Eggplant: ESCALATED** Quality is fair out and limited out of Michigan and California. Georgia is wrapping up for the summer. Demand is moderate.

**Cucumbers:** Cucumber demand is good out of Michigan and North Carolina; Georgia is done. Markets are up slightly, and quality remains good. In the west, good supply crossing through Otay Mesa and South Texas.

**English Cucumbers:** Volume has decline and markets are firming up with lighter Canadian volume available.

**Green Beans: WATCH LIST** We continue to see this market ease back as new fields are being harvested out of Virginia. We are still seeing some residual market increases based on demand but expect this market to improve daily. Overall quality is fair and prices for hand-picked beans in the west very active.

**Zucchini/ Yellow Squash: (South Georgia, North Carolina, and California)** Italian squash supply is done out of Georgia, supply continues to ramp up out of North Carolina and Michigan. Quality is very nice on green but continue to see some cosmetic issues on yellow squash. We are seeing better supply this week in the west out of Santa Maria and Central Valley.

## Herbs

---

The good news is that growing conditions remain very steady for our local herb fields. We are expecting average temps for the next two weeks and supply should be steady. We do have some specialty herbs available till the end of August. We have **ORANGE MINT, LAVENDER, CHOCOLATE MINT, LEMON VERBENA and APPLE MINT**. We also offer **ORGANIC HERBS** such as: **BASIL, CHIVES, DILL, LAVENDER, MARJORAM, MINT, OREGANO, ROSEMARY, SAGE, and THYME**.

**LEMONGRASS:** Due to the recent heat waves in the lemongrass growing region, quality and sizing was affected. After cleaning and trimming, the yields are running around 50% which has affected the costs. We anticipate this to last through September.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Good	USA
Basil	Steady	Good	USA
Opal Basil	Steady	Good	USA
Thai Basil	Steady	Steady	USA
Bay Leaves	Steady	Good	USA
Chervil	Steady	Good	USA
Chives	Steady	Very Good	MEXICO
Cilantro	Steady	Good	USA
Dill	Steady	Steady	USA
Epazote	Steady	Good	MEXICO
Lemongrass	Steady	Fair	USA
Marjoram	Flowering	Steady	USA
Mint	Great	Very Good	USA
Oregano	Flowering	Steady	USA
Italian Parsley	Steady	Good	USA
Rosemary	Steady	Very Good	USA
Sage	Steady	Good	USA
Savory	Steady	Good	USA
Sorrel	Steady	Good	USA
Tarragon	Steady	Very Good	USA
Thyme	Steady	Good	MEXICO
Lemon Thyme	Steady	Good	USA

Lavender	Steady	Good	USA
Lime Leaves	Limited	Good	USA

## Melons

---

**Cantaloupe:** We continue to see optimal growing conditions in the San Joaquin Valley. The Valley forecast this week calls for temps in the 90s to low 100's; nighttime temps remain below 70 degrees. That being said, Cantaloupe continue to be peaking on large sized fruit. The current Cantaloupe size will be mostly 9s/J9s and Honeydews will be mostly 5s/J5s. Smaller sizes remain challenging, but we do have options out of South Carolina. With the USDA box Program in full speed. The Industry demand shows no signs of slowing down keeping markets active. Current USDA Daily Movement Report indicates cantaloupes are down 29% and honeydews are down 22% this year. The overall quality has been excellent and with great shelf life. Internally, melons are showing very little rind and very little seed cavity. Externally we are seeing great color and solid netting.

**Honeydew:** Honeydew production remains steady with an almost equal percentage of 5s and 6s. No 8s have been harvested in three weeks of production. Quality of the honeydews have shown clean external quality with solid brix levels in the 12-14% range.

**Watermelon:** **WATCH LIST** Watermelon prices will begin to ease back as we see new crop volume tick up out of the Midwest. Indiana and Missouri have seen good numbers this week and will improve weekly barring no weather. There is some availability out of Florida and Georgia but for the most part the south is done for the season. Good supply continues out of California and promotable volume expected late next week.

## Mixed Vegetables

---

**Artichokes:** Good supply available this week. Quality is good. Prices are steady.

**Arugula:** Good supply, quality, and color.

**Asparagus:** Mexican production is steady and should hold thru mid/late August. Volume from Peru is getting lighter due to the cooler weather, expect pricing to increase

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

**Broccoli / Broccoli Florets:** Good supply quality and color remain strong.

**Brussels Sprouts:** Supply is steady to slightly below budget. Quality remains good.

**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:** Good supply, great sizing, quality, and color.

**Celery:** Fairly light supply available in the industry. The market is slightly lower this week.

**Corn:** Supply and quality has improved out of South Georgia. In the west, we continue to see increasing volume out of the Central Valley. Decent numbers are available this week out of the Carolinas. Overall demand remains flat this week.

**Cilantro:** Supply is expected to be plentiful this week.

**Fennel:** We will be well below budget on fennel again this week.

**Garlic: EXTREME:** The garlic market as a whole remains very volatile. The 2019 Garlic crop is finished. Calif Garlic will be running short through the end of the season until new crop Garlic gets started. Had it not been for Covid-19, this would have happened sooner but due to the decreased demand during this time, this allowed the season to be extended before they needed to source product elsewhere. To cover orders, Garlic Co will be sourcing product from Mexico to fill in and orders "MAY" need to be subbed with Product of Mexico until the new season starts. They are estimating orders will be filled with as much as 50% from Mexico and 50% from Calif but please understand, we will do everything we can to not have to sub or at least keep subs to a minimum. Calif Garlic season is estimated to start in 2-3 weeks but orders could still be subbed with product of Mexico longer until they get into full production with Calif Garlic.

**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 and quality are good.

**JICAMA:** Storage product is available; expect to see blemishing as it is 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** Mushrooms continue to be active as shippers are still planting lighter due to the uncertainty of demand. Quality remains good.

**Napa:** Supply and quality are good this week.

**Parsley (Curly, Italian):** Bunched Parsley supply is expected to be plentiful again this week. Quality is good.

**Rapini:** We will have good supply this week. Quality remains strong.

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

**Snow Peas: Guatemala:** Steady volume not much demand quality is Good/Fair. **Peru:** Minimal volume, Good quality, no demand. Expecting volumes to increase mid-August.

**Sugar Snap Peas: Guatemala:** Steady volume not much demand quality is Good/Fair. We are expecting market to increase

**Spinach (Bunched):** Good supply, quality, texture, and color.

**Spinach (Baby):** Good supply, quality, texture, and color.

**Spring Mix:** Good supply and overall good 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:**

---

The market has stabilized after seeing a quick uptick in FOB prices last week in both California and New Mexico. White onions and small size onions remain more snug than larger size onions. It seems that both New Mexico and California are peaking on jumbo size red and yellow onions. The USDA Box program is putting pressure on consumer lines to keep up with demand. However, bulk movement appears to have decreased some with demand in certain areas of the country. Washington is expected to start shipping toward the end of next week. We are anticipating the market will continue to stay stable and may decrease in certain areas. Idaho and Oregon will likely start around the first week of August. Demand is still a wild card given the uncertainty of more COVID shutdowns looming around the country. Trucks have remained tight, and rates elevated as well due to DOT inspections taking place this past week. We anticipate that capacity will improve next week and rates should start to come down.

### **Potatoes:**

---

Supply remains very tight throughout the state. While the market typically does react this time of year, as production decreases and supply on hand also decreases, we are beginning to see an extreme situation unfold. In addition to demand being elevated to the USDA Produce Box Program, we are also seeing processors coming back in for supply that many had previously walked away from back in March at the start of the COVID-19 shutdowns. As expected, Washington's increase in market pricing these last few weeks has made its way to Idaho, and we are seeing 40ct through 80ct remain very tight. However, even smaller size count cartons, consumer bags, and number 2 grade product are all becoming scarce. In addition to this current crop winding down, there is concern that next year's crop will be similar to the market we experienced this last year. Growers are citing the decrease of about 8% acreage throughout the state, as well as poor seed potatoes ultimately affecting yields for next season. We expect FOB pricing to remain firm and continue to increase in small ways each week until the end of old crop. New crop potatoes are expected to start shipping around the first or second week of August. We will likely not experience any pricing relief until around the last week in August when harvest is really into full swing. Trucks remain in short supply, and we are continuing to see rates increase with capacity tightening.

**\*\*Please plan to allow extra lead time for placing orders, and remember the pricing is figured off of the weekly pricing on the day the order ships. Straight loads of any size will be tough to come by until we get to new crop as growers are needing to save these to cover mixer orders.**

## **TOMATOES**

---

### **East Coast**

- **Rounds: WATCH LIST** Supply is slow to ramp up out of Alabama, eastern Tennessee and North Carolina keeping markets firm this week and demand is very good. Unfortunately, we continue to experience rain delays and overall production is down. California markets firmed up this week as well due to added demand from the east. Quality out of California is marginal due to the heat.
- **Romas:** Improving harvest numbers continue out of Tennessee and Carolina Mountain deals while Alabama ramps up. Good production continues in California. Quality is very nice.

- **Grapes: ESCALATED** East coast grape supply is finally improving, and pricing has started to ease back. We are still seeing some quality issues, but this will improve as daily harvesting continues barring no further weather.
- **Cherries:** Cherry production has improved out of Tennessee and Virginia. Quality is very nice. FOB prices are down this week.
- **Organic Tomatoes:** Markets mixed this week and quality is fair; limited supply continues.

### Mexico

- **Rounds:** Markets are mixed this week due to an uptick in demand on new crop Mexican vine ripe tomatoes. Volume crossing through McAllen and Baja continues to increase while Nogales is about done for the season. We are still seeing delays due to the USDA inspections as required by the new suspension agreement causing rejections and delays at the border. Quality overall is very nice.
- **Romas:** - Markets are mixed this week due to an uptick in demand on new crop Mexican vine ripe tomatoes. Volume crossing through McAllen and Baja continues to increase while Nogales is about done for the season. We are still seeing delays due to the USDA inspections as required by the new suspension agreement causing rejections and delays at the border. Quality overall is very nice.
- **Grapes:** Grape volume is slowly improving in the west as new crop volume increases crossing through Texas and Otay Mesa. Quality is good and we are seeing some shifting demand from the east as supply is limited out of the Carolinas. FOB prices remain mixed this week.
- **Cherries:** There is little demand in cherry tomatoes due to the lack of retail demand.

### 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 and quality available out of California, Georgia, and South Carolina.

**Plums and Nectarines:** Good supply and quality available out of California.