

# Weekly Market Review

September 3, 2020

## Overview

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Many items are starting to show effects of the heatwave that went through California a couple of weeks ago. We are seeing moderate heat damage and light supply in many items out of the Salinas area. Corn, limes, yellow peppers, and strawberries are **ESCALATED**. Garlic and ginger continue to be **EXTREME** and valencias are still in an **ACT OF GOD**. Celery is a good buy.

## Market Alert

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- Corn - **ESCALATED**
- Garlic – **EXTREME**
- Ginger- **EXTREME**
- Limes – **ESCALATED**
- Peppers (Yellow) – **ESCALATED**
- Strawberries – **ESCALATED**
- Valencias – **ACT OF GOD**

## WATCH LIST

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- Cucumber – Mexico and East Coast
- Green Beans – West Coast
- Mushrooms
- Peppers (Red)
- Squash (Green and Yellow) - East Coast
- Watermelon

## Transportation

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Freight rates are staying firm due to high demand and light availability. LTL Trucks are particularly difficult to source. National 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

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### BAKERSFIELD, CA:

Thu 9/3	Fri 9/4	Sat 9/5	Sun 9/6	Mon 9/7	Tue 9/8	Wed 9/9
99°   70°F	100°   72°F	106°   76°F	108°   79°F	106°   78°F	105°   76°F	104°   76°F
						
Sunny						

### ASHVILLE, NC:

Thu 9/3	Fri 9/4	Sat 9/5	Sun 9/6	Mon 9/7	Tue 9/8	Wed 9/9
88°   68°F	85°   65°F	82°   62°F	81°   62°F	81°   63°F	80°   65°F	77°   62°F
						
Mostly Sunny	Partly Cloudy	Scattered Thunderstorms				

### OXNARD, CA:

Thu 9/3	Fri 9/4	Sat 9/5	Sun 9/6	Mon 9/7	Tue 9/8	Wed 9/9
71°   61°F	74°   63°F	82°   68°F	87°   68°F	81°   67°F	79°   65°F	76°   64°F
						
Sunny						

### SALINAS, CA

Thu 9/3	Fri 9/4	Sat 9/5	Sun 9/6	Mon 9/7	Tue 9/8	Wed 9/9
69°   55°F	73°   57°F	79°   62°F	83°   65°F	81°   61°F	76°   60°F	74°   59°F
						
Partly Cloudy						

### JALISCO, MX:

Thu 9/3	Fri 9/4	Sat 9/5	Sun 9/6	Mon 9/7	Tue 9/8	Wed 9/9
84°   68°F	90°   68°F	89°   68°F	83°   66°F	82°   66°F	82°   65°F	82°   67°F
						
PM Thunderstorms	PM Thunderstorms	PM Thunderstorms	Thunderstorms	Thunderstorms	Thunderstorms	Thunderstorms

### Good Buys

Commodity	Market Update	Produce Expert Tip
<b>Celery</b>	Celery is available in all shapes and sizes. Good quality and good supply for the next 2 to 3 weeks.	The nutritional properties in celery are through the roof, with vitamins and nutrition like b6, calcium, magnesium and phosphorus. It is also a very good source of dietary fiber, vitamin a, vitamin c, vitamin k, folate, potassium and manganese. When you want to get the ultimate crispness out of your celery, soak it in ice water for about 20 minutes before you use it!

### Fruits & Vegetables

**Avocados:** Peruvian fruit volume rains strong and shippers are looking to push volume. Programed fruit remains steady, but we are seeing shorter supply on 48's, and larger pushing prices higher this week. Overall supply remains stable on 60's and smaller.

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

**Pineapples:** Volume continues to be very low which not just an issue with our production, but with all growers. Weather has been the major cause as major rain was then followed with hot high sun which has created very high brix levels and bent crowns.

**Grapes:** Red grape pricing is up slightly, with green pricing remaining steady.

### Berries

**Blueberries:** Blueberry volume is steady, with fruit arriving from the Pacific Northwest and BC. There is a wide range in quality.

**Blackberries:** We are seeing lighter supply of blackberries going into the first few weeks of September. The market is steady to slightly strong and quality is good.

**Raspberries:** Moderate to severe quality issues are showing with the hot weather in California over the last several days. Growers are being very selective with what is being packed but a lot of product is being sent to the freezer or having to be passed over. Expect lighter available supply.

**Strawberries:** **ESCALATED** Looks like we are headed into another short-term heat wave in the growing regions with three days of mid-80s to mid-90s for three days. Fortunately, the nighttime temps are in the high 50s to low 60s and that should help the plants to endure the hot days. New crop fruit quality is very good. Our new crop production is ramping up now and we should see the peak in three to four weeks.

### **California / Arizona Citrus**

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**Valencias:** **ACT OF GOD** Valencia oranges continue to be a challenge, especially on small sizes. Quality on valencias are steadily declining as we near the end of the season. A lot of shippers have had issues with softness and lighter color. We expect this to continue until mid-October when the early Navel season starts.

**Lemons:** California lemons and import lemons are available, good quality and supply.

**Limes:** **ESCALATED** Regardless of some rain this week down in Mexico the market steady. However, we expect over the next couple of days, and going forward, that there will be more supply. Since its new crop the fruit is on the smaller end, but as that market comes off, we should start to see bigger fruit ease in pricing. Currently, the crossings on big fruit are very light and we will do our best to fulfill those sizes.

**Grapefruit:** Starr Ruby grapefruit is available; the volume is limited with a hot market. TX grapefruit will pick back up again soon.

### **West Coast Lettuce**

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**Butter:** Production volumes are below budget this week. The weather we are experiencing has introduced dehydration and sun scald. Overall demand is steady while markets are firming up.

**Green Leaf:** Overall quality is good. Due to heatwave, expect to see fringe burn, tip burn, sun scalding, dehydration, wilt, and weaker texture. The market is slightly stronger.

**Red Leaf:** Lower yields and weights. We are seeing light internal tip burn due to warm weather. Market is slightly stronger.

**Iceberg Lettuce:** Supply is okay, and we expect to see a stronger market for the next couple of weeks. Damage to cap leaves has crews trimming more than normal, resulting in lighter carton weights and poor yields in lettuce.

**Romaine & Romaine Hearts:** Supply is enough for normal business. Quality is okay, but we are still seeing some darker outer leaves and fringe burn (cosmetic only, but noticeable).

### **Eastern and Western Vegetables**

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**Green Bell Pepper:** Steady volume available and quality is very nice from all growing regions.

**Red Bell Pepper:** **WATCH LIST** Red bell market seems to be easing back as production out of Oxnard and Somis are ramping up. Central Valley production is wrapping up for the season and will continue to watch for potential bloom drop in new crops out of Oxnard. Supply crossing through Texas has improved as well. Good volume on Hot House are available this week.

**Yellow Pepper: ESCALATED** Yellow bell market is up, and supply is 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 ramping up and quality is very nice in all regions. Domestic numbers remain light.

**Mini Sweet Pepper:** Steady volume continues, and quality is very nice in the west. Mexican volume is lighter than normal due to excessive heat and drought issues.

**Mixed Chili Pepper:** Supply seems to be improving and demand remains good causing prices to rise, this week, across the entire category. Texas remains light on tomatillo, and anaheim, poblano, jalapeno and caribe are improving. East coast supply is limited in Michigan and tomatillo quality is marginal mostly due to rain.

**Eggplant:** Volume has improved in the east and quality is nice, demand is moderate. In the west, markets are firmer as supply has tightened up due to heat related quality issues.

**Cucumbers: WATCH LIST** Cucumber demand remains the same, and FOB prices are up again this week. Quality is good in the west crossing through Otay Mesa. Volume and quality will be mixed in South Texas crossing through McAllen. East coast volume remains down this week due to quality.

**English Cucumbers:** Volume has improved, and markets are mixed this week.

**Green Beans: WATCH LIST** Markets are mixed as local deals in the east ramp back up and overall quality is fair. West coast prices are higher due to Heat related quality issues.

**Zucchini/ Yellow Squash: WATCH LIST (North Carolina, Michigan, and California)** Soft squash supply in the east has improved this week as fields recover from a very active weather pattern. Quality on zucchini is good and yellow are fair as we are seeing a lot of scarring in the yellow squash this week. In the west...volume and quality continue to improve. Pricing is mixed this week.

## Herbs

The recent heatwave in California has finally caught up with our local basil supply. Soon, we will be ending our local deal and will start to supply from our winter growers in Mexico (a little earlier than anticipated). We do not see any supply issues currently and quality may not be perfect for the next two weeks, but there should be no concerns or issues.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Good	USA
Basil	Steady	Good	USA
Opal Basil	Steady	Good	USA/MEXICO
Thai Basil	Steady	Steady	USA/MEXICO
Bay Leaves	Steady	Steady	USA
Chervil	Steady	Steady	USA
Chives	Reduced	Steady	USA

Cilantro	Steady	Steady	USA/MEXICO
Dill	Steady	Steady	USA/MEXICO
Epazote	Steady	Steady	MEXICO
Lemongrass	Steady	Steady	USA
Marjoram	Tight Market	Flowering	
Mint	Good	Good	USA
Oregano	Steady	Steady	USA/MEXICO
Italian Parsley	Good	Good	USA
Rosemary	Good	Good	USA
Sage	Good	Good	USA
Savory	Steady	Steady	USA
Sorrel	Steady	Steady	USA
Tarragon	Steady	Steady	USA
Thyme	Steady	Steady	USA
Lemon Thyme	Steady	Steady	USA
Lavender	Steady	Steady	USA
Lime Leaves	Steady	Steady	USA

## Melons

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**Cantaloupe:** Cantaloupe production has started to decrease from its peaks in August as we move into the latter part of the California season. We anticipate having consistent supply in California until at least the third week of October, but weekly numbers will begin to scale back as we move deeper into September. As the fall season approaches, with daylight hours lessening and temperatures cooling, it is common for sizing to shift more to 9/12s with more 15s. Very few 9Js, if any, will be produced during this period. Melons will also begin to show a slightly greener caste rather than the high color fruit seen in July and August. Current melons being harvested continue to show very good quality characteristics. Melons are firm to hard with solid internal quality.

**Honeydew:** Honeydew production has slowed down some which has allowed the market to move off its lows. Sizing has been primarily heavy to 5/5Js, but we expect a more balanced production with 5/6s and hopefully a few 8s showing. Honeydew quality has been clean externally, with brix levels still testing in the 12-14% range.

**Watermelon:** **WATCH LIST** Watermelon prices are stronger this week and supply is limited due to rain and virus pressure in the mid-Atlantic and Michigan. Steady volume in the west out of Texas and California.

## Mixed Vegetables

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**Artichokes:** Light supply of artichokes continue this week and quality is good. We expect light volume to continue through at least the middle of September, possibly longer. Prices are steady.

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

**Asparagus: Peru:** Good volume and quality, market slightly higher. We anticipate steady demand, with no substantial changes until December.

**Bok Choy:** Supply is expected to be at budgeted volumes this week.

**Broccoli / Broccoli Florets:** Supply is extremely tight due to the hot weather a couple weeks ago causing plants to go dormant. Demand exceeds supply.

**Brussels Sprouts:** Supply is good and there should be no interruptions in availability. Quality remains generally good to very good, and some elongated stems are noted.

**Carrots:** Quality is good. We have capacity on all value-added items. We are seeing lower than usual yield on Cellos and Jumbos in our WA plant (weather issues when growing), which is causing us to be a little tight on Cellos and Jumbos in CA.

**Cauliflower:** Currently there is good supply of Cauliflower, but we expect tight supply soon. Quality is good.

**Celery:** Celery is available in all shapes and sizes. Good quality and good supply for the next 2 to 3 weeks.

**Corn: ESCALATED** Demand exceeds supply in many markets in the east and supply will remain short pushing demand to California. Prices are higher this week.

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

**Fennel:** We should have good supply on fennel this week. We will see a majority of 24/30ct this week with extra volume available to sell, while 18ct will be normal with just enough to cover our regular business. Quality remains strong overall.

**Garlic: EXTREME** We are about 65-70% complete with our 2020 late California harvest. To date, the yields are unfortunately around 5-7% less than estimated. However, the quality of the raw material remains a little above average. For the remaining 3 weeks, we're hoping to hold steady. The market for domestic garlic remains strong. Concerning Chinese product, the whole bulb market had decreased considerably, but the Chinese peeled market remained high. In the past few weeks, the Chinese peeled price has also softened.

**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 slightly below budgeted volume and we anticipate normal volume by next week.

**Green Onions:** Supply and quality are good. The market is slightly stronger.

**JICAMA:** Steady supply available crossing through McAllen.

**Kale (Green):** Bunched kale supply is expected to be plentiful for the next few weeks.

**Mushrooms:** **WATCH LIST** Mushrooms markets continue to be extremely active due to the high demand at retail. This will affect availability and quality on foodservice items, particularly whole mushrooms. We are also seeing COVID restrictions that were implemented for safety affecting output at several mushroom facilities.

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

**Parsley (Curly, Italian):** Bunched Parsley supply is steady this week. Continuing to be observant of quality due to recent hot weather in the Salinas Valley.

**Rapini:** We are expected to be well below budget this week. We are running into some brown bead out in the field due to the heatwave we had a couple weeks ago. This has decreased our overall yields and reduced our numbers for the week.

**Red Cabbage:** Supply remains steady this week.

**Snow Peas: Guatemala:** Steady volume, no demand, quality is good/fair. **Peru:** Minimal volume, good quality, no demand. Expecting volumes to increase early September.

**Sugar Snap Peas: Guatemala:** Steady volume, no demand, quality is good/fair. **Peru:** Minimal volume, good quality, no demand. Expecting volumes to increase early September.

**Spinach (Bunched):** Quality is marginal, and supply has tightened up considerably due to quality issues from the hot weather in the Salinas Valley a couple of weeks ago. Market is stronger.

**Spinach (Baby):** Continuing to be observant of quality due to recent hot weather in the Salinas Valley. Supply is much lighter.

**Spring Mix:** Current supply is good. Continuing to be observant of quality due to recent hot weather in the Salinas Valley.

**Sweet Potatoes and Yams:** New crop harvest starts as soon as next week for some sweet potato growers. We are looking at new crop shipments starting in about 6 weeks after they cure. Last year's crop is beginning to dwindle, and inventory is getting tight, but supply should hold to avoid a gap.

### **Onions:**

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The FOB pricing on all colors and sizes has stabilized for the time being in Northwest. Supply will continue to ramp up and depending on demand will determine whether pricing remains stable. Both California and New Mexico are essentially done shipping, except for a few sporadic pockets of supply. We should get a good sense of what the supply situation is over the next two months. Growers are optimistic that the early finish in California and New Mexico, coupled with the early volume moving out of the Northwest, should keep supply in line with demand without one region becoming too long. Demand remains erratic and unpredictable given the uncertainty of more COVID shutdowns looming around the country. Depending on what takes place regarding school openings, as well as in-restaurant dining which will largely determine what demand will be from now through the end of the calendar year. Trucks have remained tight, and rates have remained elevated in all regions. The USDA Box program continues to put pressure on consumer lines to keep up with demand. However, bulk movement on small size onions appears to have dropped off some.

## **Potatoes:**

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Supply continues to be plentiful as harvest is in full swing. We are exclusively into new crop Norkotahs. FOB prices on count cartons, as well as consumer potatoes, have all significantly come down and we expect they will continue to until the market reaches a point of stability. While acreage in Idaho is down approximately 6-7%, it remains to be seen how yields will affect the overall supply this season. Early reports are showing a larger size profile on Norkotahs, which is typically indicative of good yields. However, there are still plenty of harvest and storage factors that can alter this supply situation significantly. We did see a spike in consumer volume as the USDA Box Program has been extended for another three weeks before any awards are being issued. This sent buyers into a bit of tailspin as they needed to react fast and load heavy on new inbound shipments. Depending on what takes place regarding school openings, as well as in-restaurant dining, will largely determine what demand will be from now until the end of the calendar year. Trucks have remained tight, and rates have remained elevated in all shipping regions.

## **TOMATOES**

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### **East Coast**

- **Rounds:** Demand has ticked up this week and supply has tightened due to rain and cooler temps in some of the local regions. Good production is expected next week as we are anticipating several days of sun and less rain, particularly in the south. In California, pricing is mixed and moving upward on the Mature Green Program due to higher demand and lighter volume. Quality and supply will be impacted by the heat this week.
- **Romas:** Demand is stable, and markets are normal. Several local deals are seeing good production and very nice quality out of Alabama, Eastern Tennessee, and North Carolina. In California markets remain stable this week but expected to get active as round volume decreases.
- **Grapes:** Good volume in quality continues in the East. Quality is very nice.
- **Cherries:** Cherry production has improved out of Tennessee and Virginia. Quality is very nice and FOB prices are down this week.
- **Organic Tomatoes:** Markets mixed this week and quality is fair; limited supply continues.

### **Mexico**

- **Rounds:** Markets firmed up this week due to lighter crossings through McAllen as well as Otay Mesa resulting in an uptick in pricing due to quality issues and crop transitions. We expect volume to improve over the next several weeks. Fall production is expected to begin in three weeks.
- **Romas:** Markets are stable this week, however volume crossing through Baja continues to be lighter than normal due to quality issues. Good supply crossing through Texas this week. Quality is fair, and we are seeing some puffiness due to heat. Like the round tomatoes, the fall roma production is expected to begin in three weeks.
- **Grapes:** Good supply and quality crossing through Texas and Otay.
- **Cherries:** Good supply and quality crossing through Texas and Otay.

## **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:** Good supply and quality available out of California, New Jersey, and Washington.

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