

# Weekly Market Review

October 1, 2020

## Overview

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Hot weather in our growing regions is expected again this weekend. Quality may be affected, and we do expect additional damage. Supply continues to be very light on lettuce, romaine, and broccoli. Round and grape tomatoes are escalated and extremely short supply due to the weather last month damaging transition crops in Bainbridge, GA and Quincy, FL. The tomato markets will remain escalated through October. Spring mix and arugula are good buys.

## MARKET ALERT

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- Berries (All) - **EXTREME**
- Broccoli – **ESCALATED**
- Cabbage (Green) – **ESCALATED**
- Carrots (Jumbo) - **ESCALATED**
- Cilantro - **ESCALATED**
- Corn - **ESCALATED**
- Garlic - **EXTREME**
- Ginger – **EXTREME**
- Green Beans - **ESCALATED**
- Lettuce (Iceberg) - **ESCALATED**
- Lettuce (Butter, Green Leaf & Romaine) - **EXTREME**
- Limes - **ESCALATED**
- Peppers (Yellow & Green) - **ESCALATED**
- Spinach/Baby Spinach – **ESCALATED**
- Squash (Green & Yellow) East Coast - **ESCALATED**
- Tomatoes (Grape & Round) East Coast – **EXTREME**
- Tomatoes (Grapes & Round) Mexico - **ESCALATED**
- Valencias - **ACT OF GOD**

## Watch List

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- Cucumber
- English Cucumber
- Eggplant
- Mushrooms
- Squash (Green and Yellow) - West Coast
- Roma Grape and Cherry Tomatoes

## Transportation

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Freight rates are staying firm due to high demand and light availability. LTL Trucks are particularly difficult to source, and national fuel prices were up slightly. East Coast is averaging \$2.52/gallon, while California's average for diesel remains the highest at just under \$3.27/gallon.

## Weather

### OXNARD, CA:

Thu 10/1	Fri 10/2	Sat 10/3	Sun 10/4	Mon 10/5	Tue 10/6	Wed 10/7
86°   62°F	81°   60°F	78°   59°F	74°   60°F	72°   59°F	71°   58°F	70°   57°F
						
Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy	Sunny	Mostly Sunny

### SALINAS, CA

Thu 10/1	Fri 10/2	Sat 10/3	Sun 10/4	Mon 10/5	Tue 10/6	Wed 10/7
89°   62°F	89°   57°F	74°   55°F	71°   54°F	72°   54°F	73°   54°F	72°   55°F
						
Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Mostly Sunny	Mostly Sunny	Partly Cloudy

### MOULTRIE, GA:

Thu 10/1	Fri 10/2	Sat 10/3	Sun 10/4	Mon 10/5	Tue 10/6	Wed 10/7
80°   56°F	73°   52°F	74°   55°F	74°   59°F	76°   57°F	76°   59°F	79°   62°F
						
Sunny	Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy

### HERMOSILLO, MX

Thu 10/1	Fri 10/2	Sat 10/3	Sun 10/4	Mon 10/5	Tue 10/6	Wed 10/7
106°   74°F	106°   73°F	106°   73°F	105°   75°F	106°   75°F	107°   74°F	107°   72°F
						
Sunny	Sunny	Sunny	Sunny	Sunny	Mostly Sunny	Sunny

### JALISCO, MX:

Thu 10/1	Fri 10/2	Sat 10/3	Sun 10/4	Mon 10/5	Tue 10/6	Wed 10/7
88°   64°F	88°   62°F	87°   61°F	87°   63°F	87°   63°F	87°   63°F	87°   63°F
						
Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy	Mostly Sunny	Mostly Sunny

## Good Buys

Commodity	Market Update	Produce Expert Tip
Spring Mix	Better supply and quality are improving.	Freshen up your palette with an arugula spring mix salad topped with lemon dressing and shaved parmesan. Mix olive oil, lemon juice, and honey for the dressing and drizzle over a bowl of spring mix and arugula. Top with shaved parmesan, apple slices, or whatever strikes your fancy. Yum!
Arugula	Supply is good; quality is fair.	

## **Fruits & Vegetables**

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**Avocados:** We are still seeing solid harvest from Mexico, as there appears to be enough fruit on the trees. The current crop is leaning towards more big fruit and less small fruit, causing the market to come off on big sizes and tighten on small. Peru will mostly be out of the marketplace by the end of month, while California will continue through October on the West Coast.

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

**Pineapples:** Volume continues to be low but improving. Quality is extremely high, and we should see good quality and supply for the remainder of 2020.

**Grapes:** California grape season has remained steady over the last week, but greens grapes will be coming to an end soon. Red grapes will continue a few weeks longer than green.

## **Berries**

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**Blueberries:** **EXTREME** Peru began last month with light volume and will continue to ramp up through year-end. The Mexico season has begun and is ramping up quickly. Baja volumes will continue with light production until the fall. We are post-peak in the Pacific North West, and we will continue to see volume decreasing quickly for the next couple weeks.

**Blackberries:** **EXTREME** We expect supply to remain low through mid-October. Volume will begin to gradually increase when Mexico contribution increases.

**Raspberries:** **EXTREME** The heat in California has severely devastated the crop and so we expect volume to remain tight the next few weeks.

**Strawberries:** **EXTREME** Supply has been short in the last few weeks due to lasting effects from the heat. We expect volumes to slightly increase in the coming weeks. Oxnard and Santa Maria summer plant is expected to start producing strong volume in 2-3 weeks.

## **California / Arizona Citrus**

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**Valencias:** **ACT OF GOD** Summer Valencia oranges, in California, continue to be a challenge as warm weather has caused the crop to peak very early. Navels are tentatively scheduled to start around October 18th and most growers will be done with Valencia's within a week or two, which will cause a gap in supply. Growers are already calling an Act of God as they are done for the season. Expect to see **EXTREME** shortages to virtually no product available for a two-week period. We are doing our best to secure as many oranges as we can to prepare for this situation and expect things to get much better around October 18th.

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

**Limes:** **ESCALATED** We continue to struggle on sizing due to size on this new crop. Markets have eased back on smaller sized fruit and anticipating a level distribution of sizing soon. Currently, the crossings on big fruit is very light, but we continue to 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:** **EXTREME** Supply is below normal due to the very hot weather and virus in our fields.

**Green Leaf:** **EXTREME** Supply is tight, and we are seeing increased occurrences of sun scald, dehydration, and wind/fringe burn. Markets is active and pricing is higher.

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

**Iceberg Lettuce:** **ESCALATED** Supply continues to be lighter than normal due to light yields. Quality is fair and the market is expected to be lower this week.

**Romaine & Romaine Hearts:** **EXTREME** Supply on romaine and romaine hearts will remain tight. We will continue to experience increased fringe/tip burn, sun scald, light weights, and occasional dehydration due to the heat and deceased fields. Reduced supply and elevated markets are expected.

## **Eastern and Western Vegetables**

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**Green Bell Pepper:** **ESCALATED** Overall demand has been good and volume in the west has tightened up due to the heat, while in the east (North Carolina) crop is winding down quickly. We are still seeing some fruit ship out of Michigan, but that will finish this week as cold weather will most likely end the season. We expect the market to remain very active until South Georgia ramps up production over the next ten days. Currently, quality is hit and miss in the east, and fair in the west. We expect markets to ease back over the next 1-2 weeks

**Red Bell Pepper:** Red bell market is steady, and supply is good out of Oxnard and Somis. Supply crossing through Texas has improved as well. Good volume on hot house are available this week.

**Yellow Pepper:** **ESCALATED** Yellow bell market is mixed as volume begins to improve. Canadian deals are ramping up and quality is very nice in all regions.

**Mini Sweet Pepper:** Lighter supply this week and quality is very nice in the west. Mexican volume is lighter than normal due to excessive heat and drought issues.

**Mixed Chili Pepper:** **WATCH LIST** Supply is firming up and prices on all varieties are on the rise due to heavy precipitation in Central Mexico. Texas remains light on tomatillo, Anaheim, poblano, jalapeno and caribe peppers. East coast supply is limited as the local deals wind up.

**Eggplant:** **WATCH LIST** The transition to South Georgia has begun, volume will continue to increase, and demand is moderate. In the west, markets have firmed up as supply has tightened due to heat related quality issues. We may see light numbers cross through Nogales later this week.

**Cucumbers:** **WATCH LIST** Cucumber demand remains the same, and FOB prices ease back as production ramps up out of South Georgia. We are seeing improved volume out of Otay Mesa and South Texas. Local deals are done, and Nogales volume will continue to increase weekly as fall production begins out of Hermosillo.

**English Cucumbers:** **WATCH LIST** Volume seems to be improving and demand seems to be easing back as new crop volume ramps up on pole cucumbers in new growing regions.

**Green Beans: ESCALATED** Markets are extremely active as local deals wrap up and transition to the south are late due to weather. Quality is fair at best. West coast volume is extremely light due to Heat related quality issues.

**Zucchini/ Yellow Squash: WATCH LIST (North Carolina, Michigan, South Georgia, California, and Mexico) ESCALATED - EAST COAST** Soft squash supply will improve as production in South Georgia ramps up. Local deals in Michigan, and North Carolina are done. In the west, overall quality and supply should improve out of California. FOB prices remain firm, and we are seeing volume increase daily out of Nogales.

## Herbs

**BASIL** is looking much better this week as we have moved to another field. The heatwave in early September, along with harvesting earlier than planned in Mexico, caused some issues but that looks to be behind us. All other herbs remain steady.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Steady	USA
Basil	Steady	Steady	MEXICO
Opal Basil	Steady	Steady	USA/MEXICO
Thai Basil	Steady	Steady	USA/MEXICO
Bay Leaves	Steady	Steady	USA
Chervil	Steady	Steady	USA
Chives	Steady	Steady	MEXICO
Cilantro	Steady	Steady	USA
Dill	Steady	Steady	USA/MEXICO
Epazote	Steady	Steady	MEXICO
Lemongrass	Steady	Steady	USA
Marjoram	Limited	Flowered	USA/MEXICO
Mint	Good	Good	USA
Oregano	Limited	Steady	USA/MEXICO
Italian Parsley	Good	Good	USA
Rosemary	Good	Good	USA
Sage	Good	Good	USA
Savory	Limited	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 quality is showing typical characteristics of the fall season. Melons will not be showing as much color and will mostly likely appear lighter green. Internal quality has remained consistent in the 12-13% range which is a positive characteristic of the seed varieties used during this time of year.

**Honeydew:** Honeydew production has been limited as a result of the USDA box program vendors quickly switching over to 8ct honeydews once smaller cantaloupes began to disappear. Current sizing has leaned heavily to larger melons (5s). Expect more external quality defects such as scarring/sugar netting and possibly some discoloration. Each of these defects is caused by either wind, rain, or limited sunlight due to smoke from wildfires. Internal quality has been firm with solid brix levels and flavor.

**Watermelon:** Market will be stable this week and demand flat. We expect North Carolina and Delaware to wrap up this weekend and very limited supply out of Alabama due to damage from Tropical Sally. Steady volume in the west out of Texas, Nogales, and California. We should start to see watermelons out of Florida and offshore should start Mid-November.

## 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 is good and quality is fair.

**Asparagus:** Higher markets with less availability. Expect this trend to continue for the next 10 to 14 days.

**Bok Choy:** Good supply and quality.

**Broccoli / Broccoli Florets:** **ESCALATED** Supply has increased slightly this week, even though it still remains below average. Quality is average as we continue to see some issues from the heat. The market is slightly down from last week although pricing is still escalated.

**Brussels Sprouts:** We are expecting better supply due to improved quality. Prices are higher.

**Carrots (Jumbo):** **ESCALATED** We are currently seeing supply issues with jumbo carrots due to the excessive temperatures this summer.

**Cauliflower:** Cauliflower market has not increased as anticipated and pricing remains steady. Supply is still lighter than normal, but lack of business is holding the market at steady levels.

**Celery:** The market is steady this week and supply is available. Quality is good with occasional heat-related issues due to the recent heatwaves.

**Corn: ESCALATED** Demand exceeds supply in many markets in the east and supply will remain short pushing demand to California. We will see quality issues on corn out of South Georgia due to wind damage from Tropical Storm Sally. Prices remain firm this week.

**Cilantro: ESCALATED** Supply and quality are improving slowly. Market is slightly lower than last week but remains active.

**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: ESCALATED** Pricing is slightly lower, and supply is improving slightly, but still light.

**Green Onions:** Supply has dropped substantially this week. We are seeing quite a bit of dead plants due to extreme heat and heavy winds. We expect the market to see a rise in price.

**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 good, and the market is steady.

**Parsley (Curly, Italian):** Limited supply is expected through next week.

**Rapini:** Supply has improved, although we are still below average volume. Quality is strong.

**Red Cabbage:** Supply is plentiful with great quality.

**Snow Peas: Guatemala:** Low/steady volume due to production, demand is increasing, and quality is fair. **Peru:** Steady / Low volume, good quality, and good demand. Expecting volumes to increase early Oct.

**Sugar Snap Peas: Guatemala:** Low/steady volume due to production, demand is increasing, and quality is fair. **Peru:** Steady / Low volume, good quality, and good demand. Expecting volumes to increase early Oct.

**Spinach (Bunched):** **ESCALATED** Better supply and quality is improving.

**Spinach (Baby):** **ESCALATED** Better supply and quality is improving.

**Spring Mix:** Better supply and quality is improving.

**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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Growers are working on storing while simultaneously finishing up with harvest. Supply has not been as plentiful as in previous weeks, as growers are allocating available labor to work on harvest and storing. Give that many of the current FOBs are below production cost, slowing down production is not necessarily a bad thing until demand can catch up. 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 will begin to see Burbanks trickle in over the next several weeks, and the White Russet variety is expected to start November 1<sup>st</sup>. With the next round of the USDA Farmers to Families food boxes roll in, we will continue to see consumer potatoes remain very tight. We anticipate this will continue for as long as the Box Program is in existence. Depending on what takes place regarding school openings, as well as in-restaurant dining as we move to colder weather months, 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/West Coast**

- **Rounds:** **EXTREME** Markets are extremely active in the east and demand exceeds supply in many regions. Mid-Atlantic and Michigan production will most likely finish up this week quickly shifting demand to the south where Tennessee is starting to wind down. Alabama production expected to continue for another 2 weeks. Tropical Storm Sally has affected all regions including the new crops in Bainbridge, GA and Quincy, FL and could cause a supply GAP until a full transition to Ruskin/ Palmetto production begins. We will see some fruit out of the South Georgia and Quincy region in 2-3 weeks, but quality will be hit and miss due to rain and virus pressure in the fields. We are watching this closely and will continue to evaluate the situation as the fields dry out this week. In California, the pricing

trend continues upward as the Mature Green Program is expected to finish up weeks early, which will drive demand to Mexico. We will see escalated pricing, light supply, and diminished quality for the next several weeks.

- **Romas: WATCH LIST** Higher demand due to lower round volume is driving FOB prices up. Quality is good out of Alabama, Eastern Tennessee, and North Carolina, but expected to wind down rapidly due to quality and weather pressure. We expect the transition to South Georgia and Florida over the next three weeks. In California, the market will be active as production is winding down rapidly due to the ongoing pressure on the crop from the excessive heat. Markets are up slightly this week and expected to continue rising the rest of the week. We should see triggered or escalated pricing as markets could be active through October.
- **Grapes: EXTREME** Volume and quality have dropped significantly as crops finish up early in New Jersey and Virginia. We expect a very active market for the next two weeks until we see new crop production out of South Georgia. Tropical Storm Sally may delay the transition driving prices even higher next week. We expect escalated markets through October.
- **Cherries: WATCH LIST** Cherry production will wind down rapidly due to weather pressure which may end production prematurely out of Tennessee and Virginia. Quality is mixed and FOB prices are higher this week.
- **Organic Tomatoes: EXTREME** There is a very limited supply and we expect this to remain until we transition to Florida next month.

#### Mexico

- **Rounds: ESCALATED** Demand from California and the east coast continues to drive prices higher this week on an already short Mexican round tomato market. We continue to see significantly lighter crossings as summer regions wind down and transition to fall production begins in Central Mexico. We do expect volume to improve over the next three weeks, as we see Southern Baja production scratch, but its critical volume increases out of Central Mexico to absorb the bulk of the demand from the east. We do expect very active markets through the month of October until Florida and South Georgia production ramps up and supply stabilizes taking pressure off the Mexican supply chain.
- **Romas: WATCH LIST** Markets ticked up this week as we see increased demand from the east. Quality remains very nice but expect to see issues on the horizon as the older shade house production slows down and transition to the fall crop begins in two weeks. We expect the markets to continue firming up as supply in the east on rounds, romas decrease, and the local deals wrap up. We still are forecasting Southern Baja roma production to start in approximately three weeks. Markets will remain firm until that transition is complete.
- **Grapes: ESCALATED** Fair supply and quality crossing through Texas and Otay. However, we expect supply to firm up as demand from the east moves to Mexico and local deals wrap up. Markets should be very active through October as demand shifts from the east to Mexico due to low production.
- **Cherries: WATCH LIST** Supply is firming up this week, quality remains decent this week 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 and Washington.

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