

Weekly Market Review

October 8, 2020

Overview

Supply continues to be very light on many commodities and California quality remains a struggle. Round and grape tomatoes are escalated and extremely short supply as a result of the weather last month damaging transition crops in Bainbridge, GA and Quincy, FL. Tomato markets will remain escalated through October.

Market Alert

- Cabbage (Green) – **ESCALATED**
- Carrots (Jumbo) - **ESCALATED**
- Corn – **ESCALATED**
- English Cucumber - **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**
- Strawberries - **ESCALATED**
- Tomatoes (Grape & Round) East Coast – **EXTREME**
- Tomatoes (Grapes & Round) Mexico - **ESCALATED**
- Valencias - **ACT OF GOD**

WATCH LIST








- Eggplant
- Mushrooms
- Roma Grape and Cherry Tomatoes

Transportation








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 10/8	Fri 10/9	Sat 10/10	Sun 10/11	Mon 10/12	Tue 10/13	Wed 10/14
67° 55°F	67° 58°F	67° 56°F	69° 57°F	75° 58°F	78° 61°F	79° 60°F
						
Partly Cloudy	Mostly Sunny	Mostly Sunny	Partly Cloudy	Sunny	Mostly Sunny	Sunny








SALINAS, CA

Thu 10/8 64° 53°F  AM Clouds/PM	Fri 10/9 68° 52°F  AM Clouds/PM	Sat 10/10 68° 54°F  Mostly Cloudy	Sun 10/11 68° 51°F  Partly Cloudy	Mon 10/12 75° 54°F  Partly Cloudy	Tue 10/13 78° 56°F  Partly Cloudy	Wed 10/14 79° 55°F  Mostly Sunny
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MOULTRIE, GA:

Thu 10/8 88° 70°F  Mostly Cloudy	Fri 10/9 84° 71°F  PM	Sat 10/10 83° 69°F  Scattered	Sun 10/11 82° 64°F  Scattered	Mon 10/12 85° 67°F  Mostly Sunny	Tue 10/13 85° 65°F  Partly Cloudy	Wed 10/14 76° 59°F  Partly Cloudy
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HERMOSILLO, MX

Thu 10/8 107° 71°F  Sunny	Fri 10/9 104° 71°F  Sunny	Sat 10/10 100° 72°F  Sunny	Sun 10/11 98° 70°F  Sunny	Mon 10/12 99° 69°F  Sunny	Tue 10/13 102° 70°F  Mostly Sunny	Wed 10/14 104° 69°F  Mostly Sunny
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JALISCO, MX:

Thu 10/8 87° 65°F  Partly Cloudy	Fri 10/9 85° 65°F  Partly Cloudy	Sat 10/10 83° 64°F  PM	Sun 10/11 85° 64°F  Partly Cloudy	Mon 10/12 86° 65°F  Partly Cloudy	Tue 10/13 86° 64°F  Partly Cloudy	Wed 10/14 88° 64°F  Partly Cloudy
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Good Buys

Commodity	Market Update	Produce Expert Tip
Italian Squash	Soft squash supply continues to improve as production in South Georgia ramps up. In the west, overall quality and supply should improve out of California. FOB prices have begun to ease back. and we are seeing volume increase daily out of Nogales.	Stuffed zucchini boats are a fun and easy way for the whole family to get their veggies in! Preheat oven to 450 degrees F. Cut the zucchinis into halves, then scoop out the center and fill with sautéed onions, peppers, and garlic. Top with cooked quinoa and parmesan cheese then bake for 12-15 minutes. Serve warm!
Yellow Squash		For a healthy and delicious alternative to chips, cut your yellow squash into slices no more than ¼-inch thick. Arrange them on a baking sheet, sprinkle with salt and pepper, then top each slice with a teaspoon of parmesan cheese. Bake until the squash is soft, and the cheese is bubbly. Enjoy!

Fruits & Vegetables

Avocados: We still see a healthy supply from Mexico as harvest numbers remain steady with no significant drop in sight. As we continue to harvest what's left of the Loca crop and move into the Aventejada crop, we see two different size curves presented. Loca is producing more large fruit, while the Aventejada crop is peaking on 60's and smaller. The Peruvian season has come to an end, and California will be finishing up the last week of October.

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. Red grapes will continue a few weeks longer than green.

Berries

Blueberries: Blueberry availability will be limited, and pricing will be up.

Blackberries: Increased supply expected in the next 3 weeks out of Watsonville and Mexico production is beginning to cross to the U.S.

Raspberries: Overall the raspberry crops in California have rebounded very nicely. Mexico production is now crossing to the U.S. and we will see a steady increase in production across both regions for the next month

Strawberries: **EXTREME** Strawberry supply will continue to be short this week. Some of the issues we are seeing in the fields has been soft/overripe and decay. California production will start falling off very quickly and we'll be moving to Mexico production in late October/early November and Florida production in late November.

California / Arizona Citrus

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

Butter: **EXTREME** Supply is below normal due to the very hot weather and virus in our fields.

Green Leaf: **EXTREME** Supply has decreased, and we are still seeing moderate to heavy occurrences of sun scald, dehydration, and wind/fringe burn in most fields. Market is up again this week and is expected to remain escalated potentially through the end of the Salinas season.

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

Iceberg Lettuce: **ESCALATED** Supply continues to be lighter than normal due to light yield and disease. Quality is fair and the market is expected to be higher 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

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 the local deals are done, and we have transitioned to South Georgia. Markets in the east will remain active over the next several days but should retreat next week. Good quality in the east and out west.

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 stable this week. Quality is hit and miss due to heavy precipitation in Central Mexico. Texas crossings will remain lighter than normal on tomatillo, Anaheim, poblano, jalapeno and caribe peppers. East coast supply is ramping up out of South Georgia and markets are active.

Eggplant: WATCH LIST South Georgia continues to ramp up, volume will continue to increase daily, 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 next week.

Cucumbers: 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: ESCALATED 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: (South Georgia, California, and Mexico) Soft squash supply continues to improve as production in South Georgia ramps up. In the west, overall quality and supply should improve out of California. FOB prices have begun to ease back 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

Cantaloupe: California cantaloupe production remains limited but capable for covering regular weekly business. As new fields break, sizing is showing more of 9/12s as compared to primarily jumbo fruit. Yields continue to be approximately 40-50% of what they should be for various factors and this is putting less overall supply into the market which is assisting to keep pricing strong. External quality will start to show more of a green caste as we lose daylight hours and weather starts to cool. Internal quality, because of seed varieties used, will still be showing brix levels of 12% or above. Arizona cantaloupe production is working in a small way. They also were dealing with larger fruit (6J/9Js) but have leveled off to mostly 9s with some 12s.

Honeydew: Honeydew supply from all areas (CA/AZ/MX) has been limited overall but heavier to bigger fruit (5s and larger). This has started to put pressure on pricing for the 6/8s. Honeydew quality will continue to show some scarring (sugar netting) with brix levels being solid in the 12+ range.

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

Artichokes: Light supply of artichokes continue this week and quality is good. Prices are steady.

Arugula: We are still seeing good supply. Quality is generally good, although we continue to see a few quality issues from the heat.

Asparagus: Asparagus market is extremely active. Mexico coming up with light supply. In addition, several containers are being delayed due to weather and rough seas. The market is higher and will continue through next week.

Bok Choy: Good supply and quality.

Broccoli / Broccoli Florets: Supply is better this week and quality is improving although we are still seeing some issues from the excessive heat.

Brussels Sprouts: Supply remains steady. The market is still higher. Quality is excellent with some elongated seed stem/core detected.

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

Cauliflower: Lighter supply is expected this week and quality is good.

Celery: Steady supply is available. Quality is good with occasional heat-related issues due to the recent heatwaves. The market is lower.

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: 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: ESCALATED Supply is tight due to the extreme heat in September. Overall reduced yields due to defects and disease.

Green Onions: As the days are getting shorter, the color is getting darker and quality is improving. Market is steady for now but look for an increase in the market after the first of November as we start heading into the holidays.

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 plentiful this week and quality is good.

Parsley (Curly, Italian): Lighter supply and quality issues due to recent heat.

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:

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:

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 1st. 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

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 anytime shifting demand to the south where Tennessee is starting to wind down. Alabama production expected to continue for another week at the most while Tennessee should start to wrap up late next week. 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. It's critical to keep inventories closer than normal to avoid spoilage or increased shrink as the fruit is simply not strong and could see more quality issues post-harvest.
- **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. We are seeing light production ramp up out of South Georgia and Quincy which could bring the market back to a normal supply in the east by next week.
- **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. We should see production start in South Georgia and Quincy later 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 expect volume to improve over the next three weeks, as we see Southern Baja production scratch, but it is critical that volume increases out of Central Mexico to absorb the bulk of the demand from the east. We 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: WATCH LIST** 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

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

Peaches: Limited supply, winding down for the season

Plums and Nectarines: Limited supply, winding down for the season