

# Weekly Market Review

October 19, 2020

## Overview

Supply continues to be very light on many commodities and California quality remains a struggle. Round and grape tomatoes are escalated and in 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. English cucumbers are a good buy.

## Market Alert

- Cabbage (Green) – **ESCALATED**
- Carrots (Jumbo) - **ESCALATED**
- Corn – **ESCALATED**
- Eggplant - **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**
- Tomatoes (ALL) East Coast/West Coast – **EXTREME**
- Tomatoes (Rounds, Romas & Grapes) Mexico - **ESCALATED**
- Valencias - **ACT OF GOD**

## WATCH LIST

- Mixed Chili Pepper
- Mushrooms

## Transportation

Freight rates are at record highs due to high demand and light availability. LTL Trucks are particularly difficult to source, and national fuel prices are steady. East coast is averaging \$2.47/gallon, while California's average for diesel remains the highest at just under \$3.26/gallon.

## Weather

### OXNARD, CA:

Thu 10/15	Fri 10/16	Sat 10/17	Sun 10/18	Mon 10/19	Tue 10/20	Wed 10/21
81°   63°F	83°   60°F	73°   59°F	70°   57°F	69°   55°F	70°   56°F	69°   56°F
 Sunny	 Sunny	 Sunny	 Sunny	 Sunny	 Partly Cloudy	 Partly Cloudy

**SALINAS, CA**

Thu 10/15	Fri 10/16	Sat 10/17	Sun 10/18	Mon 10/19	Tue 10/20	Wed 10/21
88°   60°F	92°   58°F	84°   54°F	74°   51°F	69°   51°F	70°   51°F	70°   52°F
Partly Cloudy						

**MOULTRIE, GA:**

Thu 10/15	Fri 10/16	Sat 10/17	Sun 10/18	Mon 10/19	Tue 10/20	Wed 10/21
84°   65°F	83°   56°F	73°   55°F	80°   63°F	83°   64°F	78°   58°F	81°   61°F
Partly Cloudy	Mostly Sunny	Sunny	Sunny	Partly Cloudy	Isolated	Partly Cloudy

**HERMOSILLO, MX**

Thu 10/15	Fri 10/16	Sat 10/17	Sun 10/18	Mon 10/19	Tue 10/20	Wed 10/21
107°   75°F	110°   73°F	106°   74°F	102°   73°F	105°   72°F	103°   69°F	100°   68°F
Mostly Sunny	Sunny	Sunny	Mostly Sunny	Mostly Sunny	Mostly Sunny	Sunny

**JALISCO, MX:**

Thu 10/15	Fri 10/16	Sat 10/17	Sun 10/18	Mon 10/19	Tue 10/20	Wed 10/21
86°   67°F	90°   66°F	87°   65°F	84°   65°F	88°   65°F	86°   65°F	85°   65°F
Partly Cloudy	Mostly Sunny	Partly Cloudy	Partly Cloudy	Mostly Sunny	Partly Cloudy	Partly Cloudy

**Good Buys**

Commodity	Market Update	Produce Expert Tip
English Cucumbers	Volume is ramping up out of Mexico and fob prices are easing back. Quality is very nice.	Produce Expert Tip: Did you know that English cucumbers have a thin skin that can be eaten more readily than those of other varieties? They also have fewer seeds and are smaller! Whip up a creamy cucumber dip by washing the cucumbers then cutting them in half lengthwise. Remove the seeds, grate the cucumbers, then place them into a strainer and squeeze out as much liquid as you can. Mix in cream cheese, green onions, lemon juice, and salt and pepper to taste. Serve with your favorite crackers or veggies. Enjoy!

## **Fruits & Vegetables**

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

## **Berries**

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**Blueberries:** Blueberry volumes are increasing, and overall quality is good.

**Blackberries:** California volumes are increasing after warmer than normal temperatures. We expect this to continue with good and flavorful fruit through next week. Central Mexico is expected to be the primary supplier next week.

**Raspberries:** Volume will continue to increase over the next month, however we are keeping our estimates conservative due to cooler forecasted temperatures.

**Strawberries:** Strawberry production continues to downtrend, however at a slower rate than initially expected. Oxnard is increasing each week and we expect volumes to peak in the first week of November. Oxnard has seen good quality overall with good size.

## **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. 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. Navels will be available next week.

**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:** FL and TX grapefruit are available.

## **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 very tight. Quality overall is nice; however, we are still seeing sun scald, dehydration, and wind/fringe burn. The market is high, and we are expected to remain escalated 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. However, overall quality seems to be better than the last few weeks. The markets are expected to be higher this week and first shipments from Huron will be starting next 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 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 stable, yet prices are still firm this week. We expect markets to remain firm through the end of the month and then will transition to our new crop in Sinaloa. Quality will be fair on the last of the fall crop due to a very wet weather pattern during this last part of summer. East coast supply is ramping up out of South Georgia and markets are active.

**Eggplant:** **ESCALATED** South Georgia continues to ramp up, volume increases 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:** Volume continues to improve out of South Georgia, as well Mexico crossing through Nogales. We should see continued stable supply and good quality over the next week.

**English Cucumbers:** Volume is ramping up out of Mexico and FOB prices are easing back. Quality is very nice.

**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)** Excellent supply out of South Georgia as well as Mexico crossing through Nogales. Still seeing good volume out of the Central Coast of California. Quality is outstanding

## **Herbs**

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Fresh herbs remain steady in supply and quality.

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

## Melons

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**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

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

**Arugula:** Supply is good, and quality is fair.

**Asparagus:** Asparagus market is extremely active. Although there are a few shippers with slightly increased volume, Mexico continues with very light supply. Steady supply loading in Miami, but availability is still very light.

**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:** Market is higher. We are expecting lighter supply and a higher market next week.

**Celery:** Market is steady. We are hearing increased inquiries for celery as holiday loading is just around the corner.

**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 escalated this week.

**Cilantro:** Supply is expected to be lighter this week and quality is good.

**Fennel:** We should have good supply on fennel this week and 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 is very volatile due to very inconsistent supply and market is higher. Supply remains tight for the foreseeable future.

**Green Cabbage:** **ESCALATED** Supply is tight due to demand.

**Green Onions:** Quality is good this week with better supply.

**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, and 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 starting to dwindle, and inventory is getting tight, but supply should hold to avoid gap.

#### **Onions:**

FOB pricing on all colors and sizes has stabilized, for the time being in Northwest. Onion storage is finished in the northwest and growers are now packing out of storage. 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, 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.

#### **Potatoes:**

Growers are working on finishing up harvest and storing should be close to wrapped up. Supply has not been as plentiful as in previous weeks, as labor continues to be a challenge in the state, and growers are needing to allocate available resources to finish up harvest and storage. Given 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. It remains to be seen how heavy processor demand will be as well, but it is believed they will be in buying strong which will stress the fresh supply and FOBs. 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>. Small potatoes and consumer packs remain very tight as the USDA Farmers to Families box program continues to ship heavy. The industry is awaiting word on whether the program will be extended beyond this month, and throughout the rest of the calendar year. This decision will have a very large impact on supply and the market overall. There is concern over how the election, as well as COVID numbers will impact the ability to keep schools open, as well as in restaurant dining, as we move into the winter months. 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 this week or next, which will drive demand to Mexico. We will see escalated pricing, light supply, and diminished quality for the next several weeks. Its 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: EXTREME** 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 in 12 to 14 days.
- **Cherries:** **EXTREME** Cherry production is almost non-existent in Tennessee and Virginia. Very little volume coming out of South Georgia however should improve over the next 10 to 12 days. Quality is fair at best and FOB prices are higher this week.
- **Organic Tomatoes:** **EXTREME** Very little supply available at this time.

## 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:** **ESCALATED** 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 rapidly. We still are forecasting Southern Baja roma production to start in approximately 2-3 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:** Limited supply, winding down for the season

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