

Weekly Market Review

October 22, 2020

Overview

Supply remains tight on many commodities in California. At this time, we are keeping a close eye on iceberg, romaine, green leaf, broccoli and cauliflower. 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.

Market Alert

- Carrots (Jumbo) - **ESCALATED**
- Corn – **ESCALATED**
- Eggplant - **ESCALATED**
- Garlic - **EXTREME**
- Ginger – **EXTREME**
- Green Beans - **ESCALATED**
- Lettuce (Iceberg) - **ESCALATED**
- Lettuce (Green Leaf & Romaine) - **EXTREME**
- Peppers (Yellow & Green) - **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 10/22	Fri 10/23	Sat 10/24	Sun 10/25	Mon 10/26	Tue 10/27	Wed 10/28
67° 58°F	68° 58°F	65° 57°F	63° 53°F	67° 48°F	67° 50°F	69° 52°F
						
AM Clouds/PM	Mostly Cloudy	AM Clouds/PM	Partly Cloudy	Sunny	Sunny	Sunny

SALINAS, CA

Thu 10/22	Fri 10/23	Sat 10/24	Sun 10/25	Mon 10/26	Tue 10/27	Wed 10/28
69° 51°F	69° 54°F	66° 54°F	63° 42°F	68° 42°F	70° 45°F	72° 46°F
						
Partly Cloudy	Partly Cloudy	AM Clouds/PM	AM Clouds/PM	Partly Cloudy	Partly Cloudy	Partly Cloudy

MOULTRIE, GA:

Thu 10/22	Fri 10/23	Sat 10/24	Sun 10/25	Mon 10/26	Tue 10/27	Wed 10/28
83° 67°F	83° 66°F	82° 64°F	84° 66°F	85° 66°F	85° 68°F	85° 66°F
						
AM Clouds/PM	PM	Partly Cloudy	Mostly Sunny	Partly Cloudy	Partly Cloudy	Showers

HERMOSILLO, MX

Thu 10/22	Fri 10/23	Sat 10/24	Sun 10/25	Mon 10/26	Tue 10/27	Wed 10/28
98° 70°F	98° 68°F	98° 65°F	94° 66°F	86° 60°F	82° 56°F	86° 59°F
						
Sunny	Mostly Sunny	Sunny	Mostly Sunny	Sunny	Sunny	Sunny

JALISCO, MX:

Thu 10/22	Fri 10/23	Sat 10/24	Sun 10/25	Mon 10/26	Tue 10/27	Wed 10/28
83° 60°F	85° 59°F	89° 61°F	85° 58°F	84° 56°F	84° 53°F	83° 51°F
						
Scattered Thunderstorms	Partly Cloudy	Mostly Sunny	Isolated Thunderstorms	Partly Cloudy	Partly Cloudy	Partly Cloudy

Good Buys

Commodity	Market Update	Produce Expert Tip
Pineapples	Volume is improving. Quality is extremely high. We should see good quality and supply for the remainder of 2020.	Recreate a delicious pineapple dole whip by blending frozen pineapple chunks, almond milk, and honey together. Pour the sorbet mixture into a freezer bag, cut the tip, then pipe into a small bowl. Freeze the rest for smoothies!
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.	Let's make a tasty red bell pepper hummus dip! Remove the pepper cores, then cut into large, flat pieces. Broil them skin-side up for 10 minutes until the skin is charred. Gently peel away the charred skin. Blend tahini and lemon juice for 1 minute in a food processor, then add olive oil, garlic, cumin, and salt and blend for 30 seconds. Lastly, blend in chickpeas for 1-2 minutes, then red bell peppers for 1-2 minutes and enjoy!
Asparagus	Peru: Good production, quality, and demand. Mexico: Expecting Production to start in about 7-10 days.	Create a healthy version of fries by preheating the oven to 425 degrees F. Cover your asparagus with flour, then dip them into a bowl of eggs and dredge them in a panko and parmesan mixture. Place them in a single layer on a lightly oiled baking sheet, then bake for 10-12 minutes until golden-brown. Yum!

Fruits & Vegetables

Avocados: We expect to see the industry supplied with steady volume for the remainder of the year. As we wrap up the Loca crop in the next few weeks, we anticipate seeing a more normalized size curve from the Avenejada crop. Currently, it is still peaking on smaller fruit, with good promotional volume.

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

Pineapples: Volume is improving. Quality is extremely high. 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

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

Blackberries: We expect supply to remain stable for the next 2-3 weeks. Overall good quality.

Raspberries: Volume will continue to increase over the next month and will peak in early November. Good overall quality.

Strawberries: We expect volumes to increase over the next few weeks. Oxnard is increasing each week and we expect volumes to peak in the first week of November. Central Mexico has started and will ramp up each week going forward. We continue to see soft fruit out of Oxnard, but it is expected to improve as the weather cools down. Central Mexico quality is improving every week as volume increases.

California / Arizona Citrus

Valencias: **ACT OF GOD** Valencias are winding down, supply and quality are declining quickly. Navels will start next week. Decent supply on small fruit is expected. TX and FL navels and FL tangerines are available as well.

Lemons: New crop desert lemons are available.

Limes: Market is stable on limes, pretty good availability, and we don't see that changing for next week.

Grapefruit: Texas Grapefruit is about one week away.

West Coast Lettuce

Butter: Production volume is below budget this week. Overall demand is steady while markets are slightly better. Supply is below normal due to the very hot weather and disease in the fields.

Green Leaf: **EXTREME** The industry is seeing severe shortages due to weather related issues and quality issues. We expect to be in a very extreme situation until late November.

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 yield loss from disease. The market has been very active, Huron has started, and we will be seeing a few shippers starting in Yuma the first week of November.

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 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 continue to ease 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. We should finish up out of California later this week or early next, and transition to Nogales. Quality is outstanding and promotable volume available

Herbs

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

Cantaloupe: Cantaloupe production from all areas has seen a nice mix of sizing with very few jumbo cartons being packed. Quality has continued to be very good, which is why the Caribbean Gold seed variety is used during this time of year as it holds up well with shorter daylight hours, cooler temperatures and even more wet conditions. Brix levels out of California continue to maintain 12%, minimum standards.

Honeydew: California honeydew production has quickly declined over the past week while Arizona has had consistent supply. Mexican production has started to increase each day creating a two-tier market for domestic versus imported product. This will assist in keeping stable pricing levels over the next few weeks. Sizing has been primarily 5/6s with a few 8s hitting the market.

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: Supply is good, and quality is fair.

Asparagus: **Peru:** Good production, quality, and demand. **Mexico:** Expecting production to start in about 7-10 days.

Bok Choy: Good supply and quality.

Broccoli / Broccoli Florets: Supply is fair, and quality is improving, although we are still seeing some pin rot.

Brussels Sprouts: Supply and quality are good.

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

Cauliflower: Supply continues to improve, and quality is good. The market has adjusted down, and we look for good supply to continue through next week.

Celery: Steady supply available in the industry. Quality is good with occasional heat-related issues, due to the excessive heat we had in the valley a couple weeks back. 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 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: Supply is improving, and the market is adjusting down.

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 volume due to production, good demand, quality is fair. **Peru:** Steady / Low volume, good quality, high demand.

Sugar Snap Peas: **Guatemala:** Low volume due to production, good demand, quality is fair. **Peru:** Steady / Low volume, good quality, high demand.

Spinach (Bunched): Supply is good, and quality is fair.

Spinach (Baby): Supply is good, and quality is fair.

Spring Mix: Good supply and quality is fair.

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 remains stable for the time being in the Northwest. Onion storage is finished in the Northwest and growers are now packing out of storage. Size profiles are leaning heavier to Jumbo and Colossal sizes on yellows and whites. Reds are also sizing a bit bigger, with jumbos being much more plentiful than mediums. The initial NOA (National Onion Association) reports show that the supply may be short this season. However, 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 orders have essentially come to an end for this period. We are hearing differing reports on whether the program will be extended. At this point, there is nothing concrete to continue the program, so everything remains to be speculation.

Potatoes:

Growers have finished up harvest and are now shipping exclusively out of storage. Early reports are showing a larger size profile on Norkotahs, which is typically indicative of good yields. However, there are still plenty of factors that can alter the overall supply situation significantly. The freeze in Colorado last month is expected to have an effect on their supply, which could lower overall domestic supply available for both process and fresh. 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 1st. Small potatoes and consumer packs remain very tight due to a combination of high demand from the USDA Farmers to Families program, as well as increased retail demand. The industry is awaiting word on whether the program will be extended beyond this current round, 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 supply very short as we complete the transition from the local deals in Tennessee, Alabama, and North Carolina to Florida. We continue to evaluate the situation daily as production begins to ramp up in Palmetto and Ruskin. In California, the pricing trend continues upward as the Mature Green Program is expected to finish this week or next, this continues to drive demand to Mexico. We will see escalated pricing and light supply should see quality start to improve with the new crop from Florida. It remains 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. Local deals are done and full transition to Florida is complete. 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 over the past several weeks. Markets are up slightly this week and expected to stabilize later this week. However, expect to see triggered or escalated pricing as markets could be active through October.
- **Grapes: EXTREME** Volume remains volatile as we transition to Palmetto/Ruskin. Local deals are wrapped up for the season and we expect a very active market for the next two weeks as the crop production ramps up. Sizing will be larger for the crown pick and will be for two weeks. We hope to be back to normal supply in the east in 12-14 days. Other than sizing, the fruit is looking great!
- **Cherries: EXTREME** Cherry production is ramping up out of Florida while the local deals are done. Supply is still stuttering a bit but should improve over the next week. Quality is fair at best and FOB prices are higher this week.
- **Organic Tomatoes: EXTREME** Very little supply available at this time. Cherry and Grape supply lighter out of South Carolina this week.

Mexico

- **Rounds: ESCALATED** Demand for Mexican vine ripe romas from California and the east coast continues but pricing has leveled out this week as a bit more product crossed the border, and the overall demand was down this week. We still anticipate a seasonal increase in production out of Central Mexico over the next two weeks. We should also see Southern Baja production ramp up late next week. We expect very active markets through the month of October.
- **Romas: ESCALATED** Markets remain active and FOB prices have increased due to the overall market demand. 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 romas decreases rapidly. We are still 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 remain firm. Markets should remain active through October.
- **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