

Weekly Market Review

October 29, 2020

Overview

Supply remains tight on certain commodities due to disease in the fields. Volume on iceberg, romaine, green leaf and broccoli will continue to be light. Tomato markets are easing back as fall supply finally ramps up out of Central and South Florida. We should see markets continue to improve over the next two weeks. Excellent supply available on New crop cucumber and soft squash.

Market Alert

- Garlic - **EXTREME**
- Ginger – **EXTREME**
- Lettuce (Iceberg) - **ESCALATED**
- Lettuce (Green Leaf & Romaine) - **EXTREME**
- Peppers (Yellow & Green) - **ESCALATED**

WATCH LIST

- Corn
- Green Beans
- Mixed Chili Pepper
- Mushrooms
- Tomatoes (Roma) Mexico

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 10/29	Fri 10/30	Sat 10/31	Sun 11/1	Mon 11/2	Tue 11/3	Wed 11/4
70° 54°F	71° 55°F	73° 60°F	77° 61°F	79° 59°F	75° 58°F	72° 60°F
						
Sunny	Sunny	Sunny	Mostly Sunny	Sunny	Mostly Sunny	Sunny

SALINAS, CA

Thu 10/29	Fri 10/30	Sat 10/31	Sun 11/1	Mon 11/2	Tue 11/3	Wed 11/4
76° 47°F	73° 47°F	79° 51°F	82° 51°F	80° 52°F	75° 52°F	74° 54°F
						
Partly Cloudy	Partly Cloudy	Partly Cloudy	Mostly Sunny	Mostly Sunny	Partly Cloudy	Sunny

MOULTRIE, GA:

Thu 10/29	Fri 10/30	Sat 10/31	Sun 11/1	Mon 11/2	Tue 11/3	Wed 11/4
79° 53°F	70° 54°F	71° 58°F	73° 52°F	66° 46°F	69° 50°F	73° 56°F
						
Thunderstorms	Sunny	Mostly Sunny	Partly Cloudy	Sunny	Sunny	Sunny

HERMOSILLO, MX

Thu 10/29	Fri 10/30	Sat 10/31	Sun 11/1	Mon 11/2	Tue 11/3	Wed 11/4
91° 57°F	94° 59°F	94° 63°F	98° 67°F	100° 65°F	98° 65°F	97° 66°F
						
Partly Cloudy	Mostly Sunny	Mostly Sunny	Mostly Sunny	Sunny	Mostly Sunny	Mostly Sunny

JALISCO, MX:

Thu 10/29	Fri 10/30	Sat 10/31	Sun 11/1	Mon 11/2	Tue 11/3	Wed 11/4
86° 51°F	86° 54°F	85° 53°F	87° 54°F	83° 52°F	82° 51°F	83° 53°F
						
Mostly Sunny	Mostly Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy

Good Buys

Commodity	Market Update	Produce Expert Tip
Cauliflower	Supply is expected to be plentiful and quality is good.	Let's make an easy and delicious dish the whole family will love. Preheat the oven to 450° F and grease a large casserole dish. Place cauliflower, olive oil, and garlic in a large resealable bag and shake. Pour into the casserole dish, then season with salt and pepper. Bake for 25 minutes, stirring halfway through. Top with parmesan cheese and parsley, then broil for 3-5 minutes until golden brown. Yum!
Grape tomatoes	Florida volume is beginning to ramp up and pushing prices down this week. Sizing will be on the larger side during this crown pick but should adjust over the next several days. Other than sizing, the fruit is looking great! Stable supply and quality crossing through Texas and Otay. Quality very nice.	Tomato mozzarella salad is a traditional summer side dish that never goes out of style. Place tomatoes, mozzarella balls, red onion, and herbs into a large bowl. Pour olive oil, red wine vinegar, sugar, oregano, garlic powder, and salt and pepper over it. Gently toss to coat evenly. Enjoy!

Fruits & Vegetables

Avocados: Mexico continues the momentum with substantial harvest numbers. Historically, we have seen lower supply during this time, but with both Loca and Avenejada bearing large crops, we don't foresee any supply interruptions for the remainder of the year. Loca will finish up in the next few weeks, leaving Avenejada to supply the US demand. Both crops present a size curve that is peaking on 48s and smaller, with good promotional volume.

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

Pineapples: Volume and quality on 5ct pineapples are on the uptick! Opportunities on crownless pineapples are available. Pineapple supply will continue to improve for the remainder of 2020.

Grapes: The CA grape season has started to inch upward on reds and greens. CA Red Grapes will hold on a few weeks longer than the greens will.

Berries

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

Blackberries: Supply projections have increased. The increase is mainly from the California regions which are seeing a rise in supply from the heat event. Overall good quality is reported.

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 this week due to Oxnard and Central Mexico ramping up.

California / Arizona Citrus

Navels: Navels have started. Small fruit is plentiful, and prices are falling.

Lemons: New crop desert lemons are available.

Limes: Market is stable on limes, however its Día De Los Muertos this weekend and week could see lighter supply and a slight spike in pricing next week in the market. After that we expect stable supply, barring no weather events, through Thanksgiving.

Grapefruit: Texas Grapefruit is about one week away.

West Coast Lettuce

Butter: Supply is fair to good. Overall demand is steady while markets are slightly better.

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: We continue to see lower yields and weights with light internal tip burn, due to warm weather. Markets continue to be active and pricing is slightly higher.

Iceberg Lettuce: **ESCALATED** The end of the Salinas season is near and the market continues to be active at higher levels.

Romaine & Romaine Hearts: **EXTREME** Supply on romaine and romaine hearts continue to drop. We are still seeing increased fringe/tip burn, sun scald, light weights, and occasional dehydration due to the heat and deceased fields. We expect reduced supply to continue with potential for reduced fill rates.

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 are still active but should begin to retreat this week. Good quality in the east and 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: 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: **WATCH LIST** Markets have eased back as South Georgia production ramps back up after a very rough start. Quality is improving daily. In the west, bean production in Coachella and Mexico should ramp up over the next 10-12 days. Markets in the west remain firm

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	Very Good	MEXICO
Opal Basil	Steady	Steady	USA/MEXICO
Thai Basil	Steady	Steady	USA/MEXICO
Bay Leaves	Steady	Steady	USA
Chervil	Limited	Marginal	USA
Chives	Steady	Limited	MEXICO
Cilantro	Steady	Steady	USA
Dill	Steady	Steady	USA
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
Lemon Thyme	Steady	Steady	USA
Lavender	Steady	Steady	USA
Lime Leaves	Limited	Steady	USA

Melons

Cantaloupe: Historically, as we move from October to November during the domestic melon season, we will see a significant shift of sizing to smaller fruit. This year is lining up to be no different as colder temperatures have slowed down the maturation of the fruit providing heavier volume of 12/15s. Current pricing on 15ct are below the cost of growing/cartons/pick/pack so many growers are leaving those melons behind and out of the market. There is still approximately one week of production remaining in California for Classic Fruit. Arizona

production is mirroring California as their sizing profile is small as well. Quality remains solid from each location both externally and internally. Anticipate a greener caste on cantaloupes for the balance of the domestic season but brix levels will continue to be 12+%.

Honeydew: Domestic honeydews are not overly plentiful but Mexican production has been strong creating a two-tier market. Sizing from both has primarily been more 6/8s with few 5s. Honeydews from California and Arizona have had some external scarring mostly caused by wind or higher sugar but have been firm to hard. Brix levels have consistently been 11+%. Mexican quality has battled more external issues with some discoloration showing on the fruit. This difference in quality has directly contributed to the lower asking price from Nogales.

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:** Supply is starting to trickle in. Quality is good and the market is active.

Bok Choy: Good supply and quality.

Broccoli / Broccoli Florets: Supply continues to be light and we are still seeing some pin rot.

Brussels Sprouts: Supply and quality are good.

Carrots (Jumbo): Quality is good. Availability on snack pack carrots is light due to demand from schools but supply on Jumbo and Cello are good.

Cauliflower: Supply is expected to be plentiful and quality is good.

Celery: Steady supply available in the industry. Quality is good and the market is steady, but the holiday demand will be picking up soon. Look for market to get very active within the next 10 days.

Corn: **WATCH LIST** Supply improving out of South Georgia and Florida expected to ramp up out of Florida within the next few weeks. Demand is fair in the west and supply is stable. FOB prices are lower this week.

Cilantro: Supply and quality are good this week.

Fennel: We should have good supply on fennel this week and quality remains strong overall.

Garlic: **EXTREME** The market for domestic garlic remains high with good quality.

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 steady with good quality.

Green Onions: Quality is good this week with better supply. The green onion market always gets very active during the holidays due to lack of labor in Mexico. Look for the market to increase as we get closer to Thanksgiving.

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 fair, and quality is good.

Parsley (Curly, Italian): We are expecting light volume until transition.

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: ESCALATED** Markets are easing back as we begin to turn the corner on a very rough start to the fall Florida tomato season as supply slowly improves as does quality. We continue to evaluate the situation daily as production begins to ramp up. We are seeing pricing on larger sized fruit several dollars higher than small fruit this week but do expect improvement over the next 2 weeks.
- **Romas:** Quality and supply are improving out of Florida and pricing is easing back while California is about done for the season. We expect good supply out of Florida this week as well as crossing through Mexico which will help lower the entire tomato market.
- **Grapes:** Florida volume is beginning to ramp up and pushing prices down this week. Sizing will be on the larger side during this crown pick but should adjust over the next several days. Other than sizing, the fruit is looking great!
- **Cherries: ESCALATED** 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:** Very little supply available at this time. Cherry and grape supply lighter out of South Carolina this week.

Mexico

- **Rounds: ESCALATED** Demand seems to be easing back on vine ripe rounds crossing through McAllen and Otay. Quality is very nice as we begin to hit a decent production window as weather improves in Central Mexico and Baja. Markets will remain slightly escalated over the next week.
- **Romas: WATCH LIST** Markets are easing back as supply improves. Quality is improving as newer shade house production ramps comes to market. We should see supply out of Southern Baja begin over the next week as well. Steady volume anticipated the second week of November

- **Grapes:** Stable supply and quality crossing through Texas and Otay. Quality very nice.
- **Cherries:** **WATCH LIST** Supply remains light 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 fruit available in some markets but mostly done until offshore arrivals begin.

Plums and Nectarines: Limited fruit available in some markets but mostly done until offshore arrivals begin.