

Weekly Market Review

November 13, 2020

Overview

Tight supply on iceberg, green leaf, broccoli, cauliflower and romaine. Tomatoes will be in an extreme condition for the next several weeks due to the impact of Tropical Storm Eta and the rainfall it has brought to the growing regions in Florida. Tomatoes from Mexico will be on the watchlist as production from the transition growing regions slow down due to cooler than normal temperatures, as well as ongoing pressure from the rugose virus. With holiday demand quickly approaching we could see heavy pro-rates and extreme markets for several weeks on crossings from Mexico.

MARKET ALERT

- Broccoli - **ESCALATED**
- Cauliflower - **ESCALATED**
- Garlic - **EXTREME**
- Ginger – **EXTREME**
- Green Beans - **EXTREME**
- Lettuce (Iceberg) - **ESCALATED**
- Lettuce (Green Leaf & Romaine) – **EXTREME**
- Limes - **ESCALATED**
- Tomatoes - East Coast (Round, Roma, Grape and Cherry) - **EXTREME**

WATCH LIST

- Bell Pepper (Green) -East
- Celery
- Corn - East
- Cucumbers - East
- Eggplant -East
- Mixed Chili Pepper
- Mushrooms
- Squash - East
- Tomatoes (Rounds, Romas, Grapes and Cherries) - 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

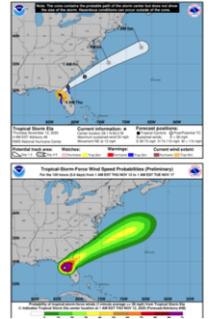
Tropical Storm Eta Update: *We continue to monitor Tropical Storm Eta as it heads Northeast, leaving the state of Florida. At this time, it is still too early to assess damage, but we know that all growing regions within the state were affected by the storm, which brought 7-10 inches of rain and tropical force winds. This will impact the immediate commodities: tomato, pepper, strawberry, and green bean supply out of Florida over the next several weeks. At this time, many fields are inaccessible to truly evaluate the damages; however, growers will evaluate as soon as possible. We are continuing to monitor the situation and are in close contact with all of our growers in the region.*



Key Messages for Tropical Storm Eta
Advisory 48: 4:00 AM EST Thu Nov 12, 2020



1. There remains a danger of life-threatening storm surge along portions of the Florida Gulf Coast from the Middle of Longboat Key to the Suwannee River, including Tampa Bay. Residents in this area should follow any advice given by local officials.
2. Tropical-storm-force winds are expected in the warning area along portions of the Florida Gulf Coast during the next few hours, and in the warning area on the east coast later today.
3. Localized bands of heavy rainfall will continue to impact portions of the Florida Peninsula today, resulting in isolated flash and urban flooding, especially across previously inundated areas. Minor river flooding is expected across portions of west Florida lasting into the weekend.



Weather

OXNARD, CA:

Thu 11/12	Fri 11/13	Sat 11/14	Sun 11/15	Mon 11/16	Tue 11/17	Wed 11/18
61° 46°F	61° 47°F	63° 49°F	69° 55°F	73° 55°F	67° 52°F	63° 52°F
Sunny	Sunny	Sunny	Sunny	Sunny	Partly Cloudy	Partly Cloudy

SALINAS, CA

Thu 11/12	Fri 11/13	Sat 11/14	Sun 11/15	Mon 11/16	Tue 11/17	Wed 11/18
61° 40°F	64° 50°F	63° 43°F	68° 46°F	73° 50°F	65° 49°F	64° 46°F
Mostly Sunny	Mostly Sunny	Partly Cloudy	Sunny	Partly Cloudy	PM Showers	Partly Cloudy

MOULTRIE, GA:

Thu 11/12	Fri 11/13	Sat 11/14	Sun 11/15	Mon 11/16	Tue 11/17	Wed 11/18
81° 62°F	78° 54°F	77° 60°F	79° 61°F	72° 46°F	66° 46°F	66° 45°F
Scattered Thunderstorms	Partly Cloudy	Partly Cloudy	Partly Cloudy	Mostly Sunny	Sunny	Sunny

IMMOKALEE, FL

Thu 11/12	Fri 11/13	Sat 11/14	Sun 11/15	Mon 11/16	Tue 11/17	Wed 11/18
85° 71°F	88° 70°F	88° 70°F	88° 68°F	86° 66°F	79° 61°F	78° 64°F
Scattered Thunderstorms	PM Showers	PM Showers	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy

HERMOSILLO, MX

Thu 11/12	Fri 11/13	Sat 11/14	Sun 11/15	Mon 11/16	Tue 11/17	Wed 11/18
84° 52°F	84° 53°F	89° 55°F	93° 57°F	96° 62°F	96° 64°F	97° 65°F
Mostly Sunny	Mostly Sunny	Sunny	Sunny	Sunny	Sunny	Sunny

CULIACAN, MX:

Thu 11/12	Fri 11/13	Sat 11/14	Sun 11/15	Mon 11/16	Tue 11/17	Wed 11/18
91° 60°F	93° 59°F	93° 61°F	94° 61°F	96° 64°F	98° 65°F	98° 64°F
						
Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny

Good Buys

Commodity	Market Update	Produce Expert Tip
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.	Freshly cut pineapple can be frozen in juice or syrup, but it will lose some flavor. Preserve pineapples to keep them fresh and tasty with this easy method! Peel, core, and cut into chunks. Place into airtight bags or covered containers with their natural juice and freeze up to 6 months!

Fruits & Vegetables

Avocados: We continue to see steadiness and stability in harvest once again this week, and there is good supply in the pipeline. Revolution Day is Monday in Mexico, so there will be no harvest; however, we don't expect to feel an impact. As we further transition into the normal crop, we expect to see promotional volumes for all sizes. There is no reason to expect any real change for the remainder of the year.

Bananas: The overall market will begin to tighten up, as a result of the recent hurricane. Quality of conventional bananas is good. Plenty of volume available as our Costa Rican growing regions were unaffected.

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 California grape season has remained steady, compared to last week on both red and green grapes. California 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 is expected to decrease due to the cold front in California, expected next week, and cooler temperatures in Mexico.

Raspberries: Volume will continue to increase over the next month and will peak in the next few weeks. Overall quality is good.

Strawberries: We expect volumes to decrease starting next week due to cold temperatures expected throughout California. Central Mexico is ramping up, but their volume is not enough to offset shortages out of California.

California / Arizona Citrus

Navels: Market prices are down. 138/113 fruit is peaking, mostly fancy. Few valencias are still available and FL navels have started.

Lemons: Desert lemons are available, good quality, and availability. MX lemons are available out of TX.

Limes: **ESCALATED** Market continues to increase as growing regions affected by Tropical Storm Eta are recovering from the heavy rain and wind that the storm brought to the region last week. This storm caused feet of rain in South America which has hampered harvesting and delayed shipments due to loss of infrastructure or damage to roadways. Supply crossing is very short and expected to be active for several weeks.

Grapefruit: TX and FL grapefruit have started, good supply and quality.

West Coast Lettuce

Butter: Supply is fair to good. Overall demand and markets remain steady.

Green Leaf: **EXTREME** The industry is seeing severe shortages due to weather related and quality issues. In addition, Salinas is almost finished for the season with only about a week of light volume left and Yuma is slow to get started. We expect to be in a very extreme situation until late November.

Red Leaf: Markets continue to be active, although pricing is steady to slightly lower.

Iceberg Lettuce: **ESCALATED** Supply is lower than normal due to cooler ground temperatures and rain in Salinas and Huron along with shorter days and transition to Yuma. Overall quality is good, although weight is lighter in the first fields in Yuma.

Romaine & Romaine Hearts: **EXTREME** We continue to see light supply on romaine and romaine hearts as we transition to Yuma for the winter. Early fields in Yuma are showing heat related issues from the high temperatures just weeks after planting and this looks to continue through November.

Eastern and Western Vegetables

Green Bell Pepper: **WATCH LIST** Overall demand has been good, and volume will be improving in the west with production available out of Coachella, supply is expected to be hit and miss out of Florida for the next week as fields dry out and damages are assessed. South Georgia seems to have escaped major damage and should see normal supply. Markets will firm up this week.

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: Yellow bell market is mixed as volume begins to improve. Quality is outstanding.

Mini Sweet Pepper: Supply remains tight and expected to through the holidays.

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: **WATCH LIST** South Georgia production remains steady, as expected, and Florida will drop significantly because of Eta's effect on the entire state. In the west, supply will be improving with new crop production out of Mexico and Coachella. We do expect a firmer market due to damages done in Florida.

Cucumbers: WATCH LIST Volume is firming up out of Georgia and Florida, and we will see major issues due to Eta. Markets should firm up this week with overall lighter supply out of the southeast. Mexico continues to see good numbers and quality; however, that market will react to lighter production and damages in the southeast.

English Cucumbers: Volume is ramping up out of Mexico and FOB prices continue to ease back. Quality is very nice.

Green Beans: EXTREME Markets have turned quickly because of Eta on the Southeast and as a result, quality is marginal, and supply is extremely light. Bean production in Coachella and Mexico should ramp up over the next 10-12 days. Markets will remain extreme for several weeks.

Zucchini/ Yellow Squash: (South Georgia and Mexico) WATCH LIST Supply has firmed up out of South Georgia pushing markets higher. Crossings through Nogales remain stable but firming up.

Herbs

Growing conditions continue to be favorable for **basil**, as well as **chives** and **tarragon**. These three herbs are currently grown in Mexico for the winter. Warm days and cool nights are perfect for these flavorful herbs.

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
Epazote	Steady	Steady	MEXICO
Lemongrass	Steady	Steady	USA
Marjoram	Steady	Steady	USA
Mint	Good	Good	USA
Oregano	Steady	Steady	USA
Italian Parsley	Good	Good	USA
Rosemary	Good	Good	USA
Sage	Good	Good	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	Steady	Steady	USA

Melons

Cantaloupe: Arizona production continues after dealing with colder temperatures the past few days. Current fields have seen a significant shift in sizing to larger fruit which has had much stronger demand. Smaller fruit, especially 15s, has seen harvests curtailed due to weaker markets where growers weren't covering costs.

Honeydew: Domestic honeydew production has been limited, allowing them to maintain decent pricing in relation to Mexican fruit which continues to run at lower markets. Sizing has been trending heavier to 6/8s.

Watermelon: Started in a light way out of Florida, Mexican supply crossing but no large volume yet. Markets remain stable this week and demand flat.

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:** Steady volume, low demand, and good quality. **Mexico:** Production is extremely slow and no volume available yet.

Bok Choy: Good supply and quality.

Broccoli / Broccoli Florets: **ESCALATED** Supply is light, and we continue to see pin rot in Salinas.

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: **ESCALATED** Limited supply due to cooler temperatures and holiday demand.

Celery: **WATCH LIST** Quality is good and holiday demand is picking up. The market is higher this week.

Corn: **WATCH LIST** Markets will firm up out of South Georgia and Florida because of Eta. It is too soon to assess any crop loss or damage.

Cilantro: Volume is going to be plentiful this week. Quality is good.

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 and quality are good. Sizing is on the smaller side.

Parsley (Curly, Italian): Limited supply and quality is fair. We are expecting light supply to continue through transition.

Rapini: Supply has improved, and quality is strong.

Red Cabbage: Supply is plentiful with great quality.

Snow Peas: **Guatemala:** **EXTREMELY LIMITED VOLUME** **Peru:** Low volume, good quality, and high demand. The season is coming to an end, and volume will keep dropping.

Sugar Snap Peas: **Guatemala:** **EXTREMELY LIMITED VOLUME** **Peru:** Low volume, good quality, and high demand. The season is coming to an end, and volume will keep dropping.

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 remain stable, for the time being, in the Northwest. Growers continue to pack out of storage, with size profiles continuing to lean heavier to larger size onions, on all colors. We are seeing red and white onion supply tighten up more than they previously had been, and white onion FOB pricing has moved up by a few dollars because of it. In general, movement seems to be lagging this week due to a combination of COVID cases limiting indoor dining and altering consumer behavior, as well as uncertainty regarding the election. The next round of the USDA Box program orders is under way, which is helping to keep growers cleaned up. Truck capacity continues to be tight, and rates have remained elevated in all regions as well. Trucks have remained tight, and rates have remained elevated in all regions. Demand for rail car shipments is also exceeding supply, and shippers are having to push back shipments for orders they already have on the books.

Potatoes:

Shippers continue to pack exclusively out of storage, and all potatoes shipping from this point on should have completed the 'sweat' process of curing down. Reports are showing a larger size profile in the Norkotah variety, which is typically indicative of good yields. However, there are still plenty of factors that can alter the overall supply situation significantly. It remains to be seen how heavy processor demand will be as well, but it is believed that they will be in buying strong which will stress the fresh supply and FOBs. We are seeing more Burbank supply become available, and we will continue to see this increase as we move into next year. White Russets are available to ship as well. 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 as we head into Thanksgiving. Trucks have remained tight, and rates have remained elevated in all shipping regions. Demand for rail car shipments is also exceeding supply, and shippers are having to push back shipments for orders they already have on the books as well.

TOMATOES

East Coast/West Coast - EXTREME

- **Rounds: EXTREME** Supply out of Florida will be interrupted for the next several days as growers assess the damages caused by Tropical Storm Eta. What we know at this time is that all tomato growing regions were affected by upwards of 10 inches of rain and tropical force winds. We will assess this situation closely with our growers and advise as information is communicated to the Produce Alliance Team. The PA Team, along with our growers, are doing everything possible to keep the supply chain filled, we do expect pro-rates and possible shortages over the next several weeks.
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- **Cherries: EXTREME** Cherry supply out of Florida will be interrupted for the next several days as growers assess the damages caused by Tropical Storm Eta. What we know at this time is all tomato growing regions were affected by upwards of 10 inches of rain and tropical force winds. We will assess this situation closely with our growers and advise as information is communicated to the Produce Alliance Team. The PA Team, along with our growers, are doing everything possible to keep the supply chain filled, we do expect pro-rates and possible shortages over the next several weeks.
- **Organic Tomatoes: EXTREME** Very little supply available. Expect to be short until the first of the year.

Mexico

- **Rounds: WATCH LIST** Supply has tightened up considerably due to heavy demand from the east because of Tropical Storm Eta, and lighter overall supply (for the next two weeks) as a cold front has gone through the main growing regions of Jalisco bringing cooler temps and slowing down the maturity of the fruit. In Otay, the volume is dropping as growers continue to deal with challenges of the virus in these last plantings of the season, which will only further affect the Mexican tomato market. We do expect Baja to have very limited supply through the end of the year and overall active markets not to recover until Florida can rebound from Eta.
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- **Grape Tomatoes: WATCH LIST** We are seeing stable supply and quality crossing through Texas and Otay, but this will turn as demand shifts to Mexico from Florida.
- **Cherry Tomatoes: 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.