

Weekly Market Review

December 17, 2020

Overview

The drop in demand has increased overall availability in some markets and supply is generally good. Although the tomato market is improving and expected to continue to for the next couple of weeks, we are seeing production slow down a bit due to cooler temperatures which could turn the markets around once again. Corn out of the southeast is extremely short and expected to remain tight for several weeks until the Homestead crop ramps up the second week of January. Green bean and French bean supply are expected to remain very short through the holidays. Unfortunately, between the rain damage in the southeast, combined with Hurricane Eta and Iota causing major supply issues in Central America, we expect very active markets through the December. Banana markets have firmed up due to the force majeure being declared by the major global banana suppliers. Growers have suffered major damage to crops and infrastructure causing a major ripple in the supply chain. We do expect an escalated banana market through the first quarter of 2021.

Market Alert

- Apples - **EXTREME**
- Bananas – **ACT OF GOD/FORCE MAJEURE**
- Broccoli - **ESCALATED**
- Cauliflower – **ESCALATED**
- Corn - **EXTREME**
- Garlic - **EXTREME**
- Ginger – **EXTREME**
- Green Beans
 - Round – **ESCALATED**
 - French Beans - **EXTREME**
- Tomatoes -West Coast and East Coast (Rounds, Romas, and Grapes) – **ESCALATED**

WATCH LIST

- Freight Rates
- Melons (Cantaloupe, Honeydew, Watermelon)
- Mushrooms

Transportation

Freight rates are at record highs due to high demand for trucks nationwide; equipment remains extremely short further adding to the issue; LTL Trucks being particularly difficult to source. National fuel prices are steady and east coast is averaging \$2.48/gallon, while California's average for diesel remains the highest at just under \$3.25/gallon.

Weather

OXNARD, CA:

Thu 12/17	Fri 12/18	Sat 12/19	Sun 12/20	Mon 12/21	Tue 12/22	Wed 12/23
65° 44°F	66° 47°F	66° 48°F	70° 50°F	70° 47°F	64° 46°F	64° 48°F
 Partly Cloudy/Wind	 Sunny	 Sunny	 Sunny	 Partly Cloudy	 Mostly Sunny	 Partly Cloudy

MOULTRIE, GA:

Thu 12/17	Fri 12/18	Sat 12/19	Sun 12/20	Mon 12/21	Tue 12/22	Wed 12/23
49° 30°F	53° 31°F	58° 44°F	65° 54°F	64° 45°F	64° 40°F	66° 52°F
 AM Clouds/PM Sun	 Sunny	 Mostly Sunny	 Cloudy	 AM Showers	 Mostly Sunny	 Partly Cloudy

IMMOKALEE, FL

Thu 12/17	Fri 12/18	Sat 12/19	Sun 12/20	Mon 12/21	Tue 12/22	Wed 12/23
75° 45°F	68° 48°F	77° 52°F	81° 60°F	80° 57°F	77° 56°F	81° 61°F
 Cloudy	 Sunny	 Mostly Sunny	 Mostly Sunny	 Isolated Thunderstorms	 Partly Cloudy	 Mostly Sunny

HERMOSILLO, MX

Thu 12/17	Fri 12/18	Sat 12/19	Sun 12/20	Mon 12/21	Tue 12/22	Wed 12/23
79° 47°F	73° 45°F	79° 45°F	82° 47°F	83° 45°F	81° 46°F	79° 49°F
 Mostly Sunny	 Partly Cloudy	 Sunny	 Mostly Sunny	 Partly Cloudy	 Sunny	 Partly Cloudy

CULIACAN, MX:

Thu 12/17	Fri 12/18	Sat 12/19	Sun 12/20	Mon 12/21	Tue 12/22	Wed 12/23
86° 52°F	85° 52°F	88° 52°F	89° 53°F	89° 51°F	88° 50°F	88° 50°F
 Sunny	 Sunny	 Mostly Sunny	 Partly Cloudy	 Partly Cloudy	 Partly Cloudy	 Mostly Sunny

Good Buys

Commodity	Market Update	Produce Expert Tip
Romaine & Romaine Hearts	Romaine and romaine heart supply in the desert is better this week, than what we have been experiencing, and will continue for the next 2 weeks. Weights are improving and quality is excellent.	Store romaine lettuce unwashed in a loosely closed plastic bag in the refrigerator, or wash the leaves, dry them thoroughly, and refrigerate in a tightly sealed plastic bag. Romaine should last for up to a week!

Green Leaf Lettuce	Good volume and good quality available. Weights are improving while overall quality is excellent.	To store a full head of green leaf lettuce, wrap in a damp paper towel and put the head inside a plastic bag. Store in the refrigerator. If you're storing individual lettuce leaves, spin them dry after washing and place in a lettuce keeper in the fridge. A container is best to avoid bruising and bacteria buildup.
Avocados	We continue to see steadiness and stability in harvest once again this week, and there is good supply in the pipeline. 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.	For ripe avocados, place them in your refrigerator for 2-3 days to keep them fresh. If your avocado isn't quite ripe, leave it out on your countertop. Over the next 4-5 days, your avocado will ripen and be ready for you to enjoy. Be sure to check for ripeness daily!

Fruits & Vegetables

Avocados: We continue to see steadiness and stability in harvest once again this week, and there is good supply in the pipeline. 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: **ACT OF GOD** Hurricane Eta and Iota has left behind major effects on several growing regions in South America. The result of this situation will hinder the entire banana industry. At this time, in order to maintain supply, we are seeing growers declare Force Majeure. After reviewing some of the forecasts with our growers, we anticipate active markets and tight supply through Q1 2021.

Pineapples: Volumes on 5ct & 6ct pineapples are a little lower. Opportunities on crownless pineapples are available.

Grapes: California green grapes are pretty much done for spot business and red grapes are expected to last into the 1st or 2nd week of January. Regarding imports; we have begun bringing in Sugraones from Peru. The lack of green in CA has not yet sparked interest in import greens but we should see that change soon. Our next Peruvian arrivals come to port today in Philadelphia, one red and one green, we should see those become available to sell by late this week.

Berries

Blueberries: Good volume and quality out of Peru. The Mexican season has begun, and volume will increase through the end of the year. Chile has begun with light volume.

Blackberries: Supply will begin to decrease through the end of the month and into January. Good overall quality and flavor.

Raspberries: Volume is lower than expected for this time of year and is expected to stay low through the end of the year. Production will remain low through January and increase as we approach late February. Good overall quality.

Strawberries: We expect steady volumes for the next four weeks.

California / Arizona Citrus

Navels: Taste is sweet and improving. Taste will continue to get better into January months. Mostly smaller sizes. Large sizes continue to stay tight. Expect a size shift and smaller sizes will tighten up (88 / 113 / 138), through the remaining navel crop.

Lemons: Smaller in volume than expected in the desert. The fruit is also growing at a faster pace. As a result, you will see small choice lemons firm up in availability & price. Crop is peaking on 140 & smaller in the Central Valley. Large fancy is tight, small fancy is abundant. The quality is great.

Limes: Slightly more supply in the market place this week and demand is down. Quality Improving.

Grapefruit: Texas season has started with peaking sizes 40/48/56ct, mostly fancy grade available. Choice grade will be plentiful in Jan/Feb.

Imports/Specialties available:

- California mandarins – fruit taste great and looks good
- Pummelos are available
- Cara Cara's have started
- Blood Oranges are available

West Coast Lettuce

Butter: Supply and markets remain steady.

Green Leaf: Good volume and good quality available. Weights are improving while overall quality is excellent.

Red Leaf: Good supply and quality expected through the end of the month.

Iceberg Lettuce: Supply this week is slightly lower due to cooler weather and some fields have lower yields. Quality has been very good. Demand should be better this week. The market has leveled out and there is a small chance of higher prices if demand increases.

Romaine & Romaine Hearts: Romaine and romaine heart supply in the desert is better this week, than what we have been experiencing, and will continue for the next 2 weeks. Weights are improving and quality is excellent.

Eastern and Western Vegetables

Green Bell Pepper: Demand and supply remain balanced and good quality being reported from all shipping points.

Red Bell Pepper: Red bell market has firmed up this week and volume on choice is tightening up. We are seeing volume continue in Coachella, Otay and McAllen. Transition to Nogales should start in a light way sometime next week.

Yellow Pepper: Yellow bell market is very tight this week. Quality is outstanding.

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

Mixed Chili Pepper: Supply is stable, yet prices are still firm this week. We are starting to see better numbers out of Florida this week on Jalapeno, Long Hot, Cubanelle and Hungarians. Quality is good in all regions.

Eggplant: Good supply out of Florida and Nogales.

Cucumbers Florida is continuing to ramp up production despite setbacks from Eta. We are seeing increases in quality issues such as yellow belly and scarring. Mexico continues to see good numbers and quality. FOB prices are steady this week.

English Cucumbers: Promotable volume out of Mexico and FOB prices continue to ease back. Quality is very nice.

Green Beans: **ESCALATED** Seeing higher demand at retail and below normal production continues to keep upward pressure on the bean prices this week; however, this could turn quickly due to the issues caused by Tropical Storm Eta in South Florida. We are also seeing volume increase crossing through Nogales which will cushion the demand for Christmas pull at retail. We do not expect stability in the bean market for another 10-14 days.

French Beans: **EXTREME:** **Guatemala:** The crops and infrastructure has been severely affected by Hurricane Iota and will take several weeks to recover. Air shipments are behind or delayed and the exporters are not expecting to get caught up for several weeks. While we are seeing some improvement in round bean markets, the French bean market will remain extreme for several weeks.

Zucchini/Yellow Squash: Supply continues to improve out of South Florida on zucchini. We continue to see some quality issues on yellow squash with occasional scarring and blemished fruit, but we should see supply improve. Quality and supply good in the west.

Herbs

Herb supply remains steady.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Steady	USA
Basil	Steady	Steady	MEXICO
Opal Basil	Limited	Steady	USA/MEXICO
Thai Basil	Steady	Marginal	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	Steady	Small in size	USA
Oregano	Steady	Steady	USA
Italian Parsley	Steady	Steady	USA
Rosemary	Steady	Minor tip burn	USA
Sage	Stead	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: WATCH LIST Yields on cantaloupe production remain considerably lower than projected due to aftereffects from the back-to-back storms last month. To compound the problem two cold fronts recently went through the growing region which has prevented the melons to size up. This is leaving the bigger fruit (9s and larger) to be in a demand exceeds supply situation and there to be volume on smaller fruit (15s). This situation is being felt by all producers from Guatemala which is currently the only area in production. Secondary areas in other regions of Guatemala and Honduras will start harvesting just after the first of the year but are also expecting to contend with lower yields caused by weather. Realistically, we anticipate melon production may be negatively impacted through mid-February. Quality on the cantaloupe being harvested continues to be very good. Externally the netting has improved each week after contending with the earlier rains and the fruit is beginning to show a little more color. Internally the fruit has been eating very well, with brix levels holding mostly in the 11-14% range with an excellent flavor profile.

Honeydew: WATCH LIST As mentioned last week we did receive a decent amount of honeydews but mostly 5/5Js. The excess inventory of larger dews will begin to dry up by later this week and new arrivals are going to be very limited. We are already seeing very limited smaller sizes (6/8s). The honeydew production decline is also directly related to the storms of last month as some fields were impacted more than others because of drainage. We are anticipating much lower production the next three weeks which could cause the market to push higher as Mexican production eases.

*In reference to **cantaloupe** and **honeydew**: Over the next several weeks we will be watching the conditions that resulted from the hurricane that crossed through Honduras and Guatemala. The rain from this storm was expected to impact most of the region and we will need to assess any potential damages. Severe damage to the crops in the region could cause major market shortages through February 2021.*

Watermelon: WATCH LIST Seedless watermelon will start in early January from Guatemala.

Mixed Vegetables

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

Arugula: Supply and quality are good this week.

Asparagus: Peru: Good volume, low demand, good quality. **Mexico:** Low demand, steady volume, good quality.

Bok Choy: Supply is expected to be plentiful for the next three weeks. Quality is good.

Broccoli / Broccoli Florets: Poor supply due to colder weather causing stunted growth.

Brussels Sprouts: Sprout supply will remain steady. Good availability and strong quality.

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** Stunted growth caused by colder weather. Supply is low and pricing is escalated.

Celery: Quality is good with fair supply. The market is higher this week.

Corn: EXTREME (Florida) Due to weather related pressure in November from Tropical Storm Eta, as well as recent below normal temperatures, the corn crop in Belle Glade has suffered major damage and we expect to see a very active and inconsistent corn market. We will see very low harvest numbers and quality issues and do not expect any major improvements in the market until new crop begins out of Homestead in mid-January. Fortunately, we are seeing some relief to this situation as steady supply is ramping up out of Nogales. Demand is good as demand shifts west for the holiday pull and prices will be firming up over the next few days.

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

Fennel Fennel supplies will be at budget this week, and 18/24ct will remain limited. The colder weather we've been having down south has not allowed fields to size up. We will continue to see a majority of 30/36ct this week. 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: We are seeing good supply and excellent quality. The market should remain steady.

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 expected to be plentiful for the next three weeks. Quality is good.

Parsley (Curly, Italian): Curly parsley supply had decreased considerably due to the cooler weather. The market is much higher out of the desert.

Rapini: Quality is strong with normal supply.

Red Cabbage: Supply is plentiful with consistent sizing and quality.

Snow Peas: Good volume, low demand, and quality is fair.

Sugar Snap Peas: Good volume, low demand, quality is fair.

Spinach (Bunched): Supply and quality are good.

Spinach (Baby): Supply and quality are good.

Spring Mix: Supply and quality are good.

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 in the Northwest. Shipments have remained a bit erratic over the last few weeks. Size profiles on all colors continue to lean heavier to larger sizes. White onion supply continues to tighten up more than other colors, and we should anticipate this to remain the case until we see Mexican white onions cross through South Texas in January. The general 'feel' of the market and movement seems to be stagnant overall. There is optimism that with normal movement, growers should see a profitable FOB return. However, with indoor dining remaining limited throughout the country, the outlook on the onion market remains uncertain. Onion shippers are also awaiting clarity on the next round of the USDA Box program, which is expected to be continued into 2021. An announcement is expected to be made in the next coming week and should provide a positive 'uptick' to the market. Truck capacity continues to be tight, and rates have remained elevated in all regions as well. Demand for rail car shipments is exceeding supply, and shippers are having to push back shipments for orders they already have on the books.

Potatoes:

The market remains stagnant on most all sizes and grades of potatoes at the moment. Christmas demand seemed to come a little bit later than usual this year, and certainly did not feel as strong as previous years. We can only assume this is related to fewer gatherings due to COVID. Burbanks, Norkotahs, and White Russets are all shipping full steam ahead at the moment. We saw carton supply tighten up some this past week as many

sheds are not running full production schedules due to decreased demand, and lack of retail demand for consumer bags. All indications are that there will be another round of the Farmers to Families Food Box will continue into 2021, which should help keep supplies moving. This announcement is expected to come in the coming weeks and should provide a nice 'uptick' the outlook of the market. Food service demand remains a question mark, as indoor dining is still largely limited around the country. Truck availability remains tight and continues to exceed supply. We had seen rates come down for approximately ten days after Thanksgiving as demand was light for new shipments. However, we have now seen equipment tighten back up and rates appear to be on the rise again. 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. We anticipate freight will ease up after the holiday season has passed in the next few weeks.

TOMATOES

East Coast

- **Rounds: ESCALATED** Supply out of Florida has firmed up as crop begins its seasonal production dip. We have also seen a weeks' worth of cooler weather and overcast days which have slowed down production for all Florida regions. While demand at foodservice is down, high retail demand for Christmas have put upward pressure on FOB prices this week and most likely through the remainder of December. We do expect markets to improve as we see warmer weather in the forecast and generally more tomatoes available. We continue to assess post Tropical Storm Eta conditions with our growers and will advise should there be any foreseeable issues.
- **Romas: ESCALATED** Supply out of Florida has firmed up as crop begins its seasonal production dip. We have also seen a weeks' worth of cooler weather and overcast days which have slowed down production for all Florida regions. While demand at foodservice is down, high retail demand for Christmas have put upward pressure on FOB prices this week and most likely through the remainder of December. We do expect markets to improve as we see warmer weather in the forecast and generally more tomatoes available. We continue to assess post Tropical Storm Eta conditions with our growers and will advise should there be any foreseeable issues.
- **Grape Tomatoes: ESCALATED** Supply remains light this week and extremely high demand at retail for Christmas continues to push prices higher this week. We are expecting firmer markets for the next two weeks.
- **Cherry Tomatoes:** Supply stable out of Florida and quality very nice
- **Organic Tomatoes:** Lighter supply available and quality is improving.

Mexico

- **Rounds: ESCALATED** Supply crossing through Texas remains lighter than expected and demand at retail will continue driving markets higher this week. With lighter volume in Florida and crossing through Otay, markets should remain firm through the holidays. We should start seeing volume increase daily over the next ten days should there be no weather events.
- **Romas: ESCALATED** Supply crossing through Texas remains lighter than expected and demand at retail will continue driving markets higher this week. With lighter volume in Florida, and crossing through Otay, markets should remain firm through the holidays. We should start seeing volume increase daily over the next ten days should there be no weather events.
- **Grape Tomatoes: ESCALATED** We continue seeing light supply and good quality. Markets should improve late next week crossing through Texas and Nogales.
- **Cherry Tomatoes:** Supply remains light crossing through Texas and Otay.

APPLES & PEARS

Apples: EXTREME: The Washington Apple community is reporting that the 2020-2021 crop is down this year by nearly 30 million cases for several reasons. At this time, we are also seeing deficits in other regions on a national level. This is due to weather related pressure, late summer and early fall in the Pacific Northwest, and unprecedented demand at retail. Please keep in mind, the USDA Food Box program, as well as other government backed programs, have reduced the overall availability on the fruit. This shortage is impacting the Granny Smith and Gala varieties, which are major food service items. Between the production shortages, which are weather related, unprecedented demand, and COVID-19 restrictions and closures, there will be a continued upward pressure on price. Please note that we are expecting pricing to remain higher until new crop begins sometime in August 2021.

Asian Pears: Asian pear supply is available. Chilean & Argentine Bartlett Pears in LA.