

Weekly Market Review

December 23, 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 MAEJURE**
- Cantaloupe - **EXTREME**
- Cauliflower – **ESCALATED**
- Celery - **ESCALATED**
- Corn - **EXTREME**
- Garlic - **EXTREME**
- Ginger – **EXTREME**
- Green Beans
 - Round – **ESCALATED**
 - French Beans – **EXTREME**
- Melons (Honeydew, Watermelon) - **ESCALATED**
- Tomatoes - Mexico and East Coast (Rounds and Romas) – **ESCALATED**
- Tomatoes - Mexico and East Coast (Grape Tomatoes) – **EXTREME**

WATCH LIST








- Freight Rates
- 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:

Wed 12/23 70° 55°F  Partly	Thu 12/24 68° 48°F  Cloudy/Wind	Fri 12/25 66° 50°F  Partly Cloudy	Sat 12/26 62° 47°F  Partly Cloudy	Sun 12/27 61° 48°F  Partly Cloudy	Mon 12/28 57° 45°F  Showers	Tue 12/29 59° 45°F  Mostly Sunny
--	---	---	---	---	---	--








YUMA, AZ

Wed 12/23 68° 47°F  Partly Cloudy/Wind	Thu 12/24 63° 48°F  Cloudy	Fri 12/25 71° 44°F  Sunny	Sat 12/26 73° 45°F  Sunny	Sun 12/27 70° 46°F  Partly Cloudy	Mon 12/28 67° 45°F  Partly Cloudy	Tue 12/29 66° 42°F  Sunny
---	--	---	---	---	---	---








MOULTRIE, GA:

Wed 12/23 68° 51°F  Mostly Sunny	Thu 12/24 65° 29°F  Rain	Fri 12/25 41° 25°F  Sunny	Sat 12/26 46° 29°F  Mostly Sunny	Sun 12/27 55° 37°F  Sunny	Mon 12/28 61° 40°F  AM Showers	Tue 12/29 55° 39°F  Sunny
--	--	---	--	---	--	---








IMMOKALEE, FL

Wed 12/23 80° 61°F  Mostly Sunny	Thu 12/24 82° 48°F  Scattered Thunderstorms	Fri 12/25 59° 36°F  Mostly Sunny	Sat 12/26 60° 42°F  Mostly Sunny	Sun 12/27 73° 49°F  Partly Cloudy	Mon 12/28 77° 53°F  Sunny	Tue 12/29 74° 48°F  Sunny
--	--	--	--	---	---	---

HERMOSILLO, MX

Wed 12/23 80° 53°F  Partly Cloudy	Thu 12/24 78° 50°F  Mostly Cloudy	Fri 12/25 79° 47°F  Partly Cloudy	Sat 12/26 80° 48°F  Sunny	Sun 12/27 82° 51°F  Sunny	Mon 12/28 78° 47°F  Partly Cloudy	Tue 12/29 71° 45°F  Mostly Sunny
---	---	---	---	---	---	--

CULIACAN, MX:

Wed 12/23 89° 52°F  Mostly Sunny	Thu 12/24 91° 52°F  Partly Cloudy	Fri 12/25 89° 51°F  Partly Cloudy	Sat 12/26 87° 50°F  Sunny	Sun 12/27 88° 51°F  Sunny	Mon 12/28 87° 50°F  Mostly Sunny	Tue 12/29 84° 48°F  Mostly Sunny
--	---	---	---	---	--	--

Good Buys

Commodity	Market Update	Produce Expert Tip
Avocado	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	Creamy avocado smoothies are an easy and refreshing way to start your day. Simply blend one ripe avocado, one cup of ice, and 1/2 cup of condensed milk until smooth and enjoy.

	promotional volumes for all sizes. There is no reason to expect any real change for the remainder of the year.	
Pineapple	Volumes on 5ct & 6ct pineapples are a little lower. Opportunities on crownless pineapples are available.	This mouthwatering ombre cocktail turns a basic brunch into a tropical party! In a blender, puree chopped pineapple with salt. Fill a pint glass with ice. Pour in guava or passion fruit juice and lime juice. Add grenadine syrup; let settle (don't stir). Gently spoon 1/2 cup puree on top.
Romaine/Romaine Hearts	Romaine and romaine heart supply are on budget. Weights are improving and quality is excellent.	Let's make a delicious Italian leafy green salad! In a large bowl, combine 1 cup each of romaine, green leaf, and iceberg lettuce, then add escarole, radicchio, red-leaf, scallions, red pepper, green pepper and cherry tomatoes. Drizzle oil, vinegar, basil, lemon juice, and salt and pepper on top and mix. Enjoy!
Green Leaf	Good volume and good quality available. Weights are improving while overall quality is excellent.	
Iceberg	Supply and quality are good. The market is steady.	

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: Peruvian production will continue with volumes though yearend. The Mexican season will continue to ramp up through year end and into the new year. Baja volumes will continue with stable volumes though year end and will increase in January. Chile began production this month with light volumes.

Blackberries: Supply will remain steady for the next couple of weeks.

Raspberries: Quality remains good overall, although supplies will continue to trend downward through early January. Mid-January supplies will start to increase as central Mexico and Oxnard supplies start to improve.

Strawberries: Volume is expected to remain stable the next few weeks. Quality out of Florida and Central Mexico is good.

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 and quality are good. The market is steady.

Romaine & Romaine Hearts: Romaine and romaine heart supply is on budget. Weights are improving and quality is excellent.

Eastern and Western Vegetables

Green Bell Pepper: Demand and supply remain balanced and good quality is being reported from all shipping points. FOB prices are higher this week.

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 and FOB Prices are higher this week also. 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 volume is lighter this week and FOB prices are a tad higher. We are seeing increases in quality issues such as yellow belly and scarring. Mexico continues to see good numbers and quality.

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

Green Beans: **ESCALATED** We are seeing higher demand at retail and below normal production continues to keep pressure on the bean prices this week. That being said, this could turn quickly due to issues caused by Tropical Storm Eta in South Florida. We are 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 until mid to late January.

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	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/MEXICO
Mint	Good	Good	USA
Oregano	Steady	Steady	USA
Italian Parsley	Good	Good	USA
Rosemary	Good	Good	MEXICO
Sage	Good	Good	MEXICO
Savory	Fair	Limited	USA
Sorrel	Steady	Steady	USA
Tarragon	Steady	Steady	MEXICO
Thyme	Steady	Steady	MEXICO
Lemon Thyme	Steady	Steady	USA
Lavender	Fair	Limited	USA
Lime Leaves	Steady	Steady	USA

Melons

Cantaloupe: EXTREME Cantaloupe availability is currently running very short which is a result of damage caused by the two hurricanes (Eta and Iota) in Central America early November. We are expecting to be in a demand exceeds supply situation, industry-wide, through the middle of February on cantaloupe and potentially honeydew. At this time, our grower has not declared "Act of God." That being said, should conditions worsen they may warrant doing so.

Honeydew: ESCALATED Honeydew production has been peaking on larger fruit; However, with overall supply falling, availability on all sizes will begin to shorten. Fields in new growing areas were also severely impacted so a combination of this, as well as decreasing Mexican supply, could make the honeydews very short in the month of January.

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: ESCALATED Lighter supply crossing through McAllen and Nogales. Peaking on larger sized fruit 36's and larger.

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: Supply is good this week.

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: **ESCALATED** We are experiencing very light supply this week on conventional celery and organic celery. This is typical for this time of the year, as we transition over to more regions. However, we are seeing more impact this year because suppliers harvested early to accommodate for the Thanksgiving pull. Our contracts are covering product and we shouldn't see issues in supply this week. We do expect to see prices rise by next week and supply to be shorter for the next several weeks.

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.

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: The market will remain steady to high, with lighter volume due to the holidays.

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): There is good quality with supply improving over the next few weeks.

Rapini: Quality is strong with normal supply.

Red Cabbage: Supply is good 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 is good, 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 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 continues to firm up as crops begin their seasonal production dip. We have also seen a weeks' worth of cooler weather and overcast days which has slowed down production for all Florida regions. At this time, fruit is simply not maturing enough to harvest. While demand at foodservice is down, high retail demand for Christmas continues to put unexpected and severe 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 continues to firm up as crops begin their 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. At this time, fruit is simply not maturing enough to harvest. While demand at foodservice is down, high retail demand for Christmas continues to put unexpected and severe 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: EXTREME** Supply remains extremely short through the first week of January. High demand for Christmas and New Year's continues to push FOB prices higher this week. We are expecting firmer markets for the next two weeks.
- **Cherry Tomatoes:** Supply is stable out of Florida and quality very nice and FOB prices are higher.
- **Organic Tomatoes:** Extremely light supply available this week and quality is marginal.

Mexico

- **Rounds: ESCALATED** Supply crossing through Texas is extremely light and expected to continue through the first of the year. New Years and Christmas demand will continue driving markets higher this week. We should start seeing volume increase daily over the next ten days should there be no weather events.
- **Romas: ESCALATED** Supply crossing through Texas is extremely light and expected to continue through the first of the year. New Years and Christmas demand will continue driving markets higher this week. We should start seeing volume increase daily over the next ten days should there be no weather events.
- **Grape Tomatoes: EXTREME** We continue seeing light supply, lighter color, and fair quality. Markets should improve by the first week of January.
- **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.