

Weekly Market Review

December 30, 2020

Overview

Lettuce, romaine, leaf items and tender leaf all continue to have good supply. At this time, we are seeing some slight peel in romaine due to the frost over the last few days, but overall, the quality looks good. Cauliflower and celery continue to stay short in volume, this will remain light volume for a few weeks. Regarding asparagus, there is little to no supply currently coming in from Peru due to strikes and shippers not able to get product onto flights. The tomato market continues to be active but will be improving over the next 10 to 14 days. The market remains active in Florida as we see very slow production due to cooler temperatures. 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. The round bean market is split this week, with production remaining light out of Florida and decent numbers crossing through Nogales...this should start to level out mid-January. French bean supply expected to ease back over the next week. 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 major global banana suppliers. Growers have suffered major damage to crops and infrastructure causing a major ripple in the supply chain and we expect an escalated banana market through the first quarter of 2021.

Market Alert

- Apples – **EXTREME**
- Asparagus - **EXTREME**
- Bananas – **ACT OF GOD/FORCE MAJEURE**
- Cauliflower – **ESCALATED**
- Celery - **ESCALATED**
- Corn - **EXTREME**
- Garlic - **EXTREME**
- Ginger – **EXTREME**
- Green Beans Round and French – **ESCALATED**
- Melon (Cantaloupe & Honeydew) - **EXTREME**
- Round and Roma Tomatoes (Mexico and East Coast) – **ESCALATED**
- Grape Tomatoes (Mexico and East Coast) – **EXTREME**
- Watermelon - **ESCALATED**

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 12/30 62° 43°F  Mostly Sunny	Thu 12/31 63° 45°F  Sunny	Fri 1/1 64° 44°F  Mostly Sunny	Sat 1/2 62° 44°F  Partly Cloudy	Sun 1/3 60° 48°F  Partly Cloudy	Mon 1/4 61° 47°F  Partly Cloudy	Tue 1/5 62° 47°F  Partly Cloudy	Wed 1/6 59° 46°F  Showers	Thu 1/7 60° 44°F  Mostly Sunny	Fri 1/8 57° 45°F  Few Showers
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YUMA, AZ:

Wed 12/30 67° 41°F  Sunny	Thu 12/31 67° 49°F  Sunny	Fri 1/1 67° 40°F  Sunny	Sat 1/2 68° 40°F  Sunny	Sun 1/3 70° 43°F  Sunny	Mon 1/4 70° 46°F  Partly Cloudy	Tue 1/5 72° 45°F  Sunny	Wed 1/6 72° 48°F  Mostly Sunny	Thu 1/7 68° 43°F  Sunny	Fri 1/8 67° 43°F  Mostly Sunny
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IMMOKALEE, FL

Wed 12/30 81° 65°F  Partly Cloudy	Thu 12/31 85° 66°F  Mostly Sunny	Fri 1/1 87° 66°F  Partly Cloudy	Sat 1/2 86° 65°F  Partly Cloudy	Sun 1/3 80° 50°F  AM Showers	Mon 1/4 72° 44°F  Sunny	Tue 1/5 72° 47°F  Sunny	Wed 1/6 76° 52°F  Mostly Sunny	Thu 1/7 78° 55°F  Partly Cloudy	Fri 1/8 78° 57°F  Partly Cloudy
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HERMOSILLO, MX

Wed 12/30 71° 45°F  Sunny	Thu 12/31 69° 44°F  Sunny	Fri 1/1 66° 43°F  Mostly Sunny	Sat 1/2 74° 43°F  Sunny	Sun 1/3 76° 44°F  Sunny	Mon 1/4 77° 45°F  Partly Cloudy	Tue 1/5 78° 46°F  Sunny	Wed 1/6 79° 46°F  Sunny	Thu 1/7 74° 43°F  Sunny	Fri 1/8 73° 44°F  Sunny
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CULIACAN, MX:

Wed 12/30 72° 43°F  Partly Cloudy	Thu 12/31 73° 43°F  Sunny	Fri 1/1 75° 43°F  Sunny	Sat 1/2 79° 43°F  Sunny	Sun 1/3 83° 44°F  Sunny	Mon 1/4 84° 47°F  Partly Cloudy	Tue 1/5 84° 49°F  Mostly Sunny	Wed 1/6 84° 48°F  Sunny	Thu 1/7 84° 48°F  Sunny	Fri 1/8 84° 45°F  Sunny
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Good Buys

Commodity	Market Update	Produce Expert Tip
Limes	Market remains steady and quality good on all sizes.	Let's make refreshingly tangy limeade! This homemade drink uses less sugar than store-bought and has a more real, sweet tart flavor. Simply juice 9-10 limes, then add 1 cup sugar and 1 cup warm water to a pitcher until the sugar dissolves. Add 6 cups cold water and lime juice. Enjoy!
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 major change through January despite growers' efforts	Try this guacamole with tortilla chips or as a topping on your rice and meat dishes! Peel and mash avocados in a serving bowl. Stir in onion, garlic, diced tomatoes, lime juice, salt, and pepper. Chill for half an hour to blend flavors.

	to push field pricing higher. Quality is outstanding	
Fresh Herbs	Herb supply remains steady.	Homemade basil pesto is a quick and delicious topping on pasta, sandwiches, and protein. In a food processor, blend 2 cups fresh basil leaves, 1/2 cup parmesan cheese, 1/2 cup olive oil, 1/3 cup pine nuts, 3 garlic cloves, and salt and pepper until smooth. Yum!

Fruits & Vegetables

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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: There are a few California storage grapes available and winding down quickly. Supply is steady on the east coast on all import varieties and markets are firm this week.

Berries

Blueberries: Peruvian production is past peak and will start to trend downwards slightly. The Mexican season will continue to ramp up through yearend and into the New Year. Baja volumes will continue with stable volume and start to see volume increase as we move into January. Chile began production this month with light volumes.

Blackberries: Supply will remain steady, although we will start to see a slight downward trend heading into mid-January. Quality remains good.

Raspberries: Volume continues to trend slightly lower, although there are not significant changes currently. Production will remain lower through January and increase as we approach late February. Good overall quality.

Strawberries: Expect volume to start increasing over the next several weeks although current production is falling slightly below expectations due to some weather-related issues. Quality out of Florida and Central Mexico is good.

California / Arizona Citrus

Navel: 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: Market remains steady and quality good on all sizes.

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: We are seeing lighter supply on red leaf, although quality remains good and the market is stronger.

Iceberg Lettuce: Supply and quality are good, and the market is steady. We are seeing some frost damage and epidermal peel from the recent frost, but quality remains good.

Romaine & Romaine Hearts: Romaine and romaine heart supply is down slightly. We are starting to see blister in the romaine from the recent frost but quality overall remains good.

Eastern and Western Vegetables

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

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 Mexico crossing through 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 demand begin to ease back but will be in a split market for several weeks as supply remains tighter than normal in Florida and volume improves crossing through Nogales. We are still anticipating volatility in the bean market until mid to late January.

French Beans: **ESCALATED** The crops and infrastructure have been severely affected by Hurricane Iota and we are slowly turning the corner as volume improves. Despite air shipments being delayed, the exporters are encouraged by the improvement and should see this reflected in the market over the next few weeks.

Zucchini/Yellow Squash: Excellent supply 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 crossing through Nogales.

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 and this 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." Should conditions worsen they may warrant doing so. In the market this week we are seeing 9's and 12's being the peak sizes, the fruit has great flavor, and good brix ranging from 11-13%.

Honeydew: EXTREME Honeydew production had been peaking on larger fruit but 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.

Arugula: Supply and quality are good this week.

Asparagus EXTREME Peru: We are seeing very light availability from Peru due to protesting and strikes (see "Overview" details above). **Mexico:** Very light volume coming out of Mexico currently, but the season should be getting started over the next several weeks.

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. Expect light volume for at least the next 2 weeks.

Celery: **ESCALATED** We continue to experience 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 crossing through 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 higher, 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 remain light this week as cool weather and overcast days continue to slow down production for all Florida regions and fruit is simply not maturing enough to harvest. We do expect markets to improve as we see warmer weather in the forecast and

generally more tomatoes are expected to be 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 remain light this week as cool weather and overcast days continue to slow down production for all Florida regions and fruit is simply not maturing enough to harvest. We do expect markets to improve as we see warmer weather in the forecast and generally more tomatoes are expected to be 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; FOB prices are higher this week. We are expecting firmer markets for the next two weeks.
- **Cherry Tomatoes:** Supply has firmed up as demand shifts from grape tomatoes, quality is very nice and FOB prices are higher this week.
- **Organic Tomatoes:** Extremely light supply available this week and quality is marginal.

Mexico

- **Rounds: ESCALATED** Supply crossing through Texas and Nogales remain extremely light and expected to continue through the second week of January.
- **Romas: ESCALATED** Supply crossing through Texas and Nogales are light this week but expected to begin improving by the first of next week. At the point, we expect a steady improvement of supply barring no weather events.
- **Grape Tomatoes: EXTREME** We continue seeing light supply, lighter color, and fair quality. Markets should improve by the late next week.
- **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.