

Weekly Market Review

January 7, 2021

Overview

Lettuce, romaine, leaf items and tender leaf continue to have good supply. We are currently seeing some slight peel in romaine due to the frost over the last few days, but overall quality is good. Celery continues to have low volume, which will continue for a few weeks. There is little to no asparagus supply from Peru due to strikes and shippers' inability to get product onto flights. The tomato market is active and will be improving over the next 10-14 days. This market remains active in Florida as production slows due to cooler temperatures. Corn in the southeast is extremely short and will remain this way for the next several weeks until the homestead crop ramps up in the second week of January. The round bean market is split this week, with light production out of Florida and decent numbers crossing through Nogales. This should level out mid-January. Banana markets have firmed up due to the force majeure declared by major global banana suppliers. Growers have suffered major damage to crops and infrastructure, causing a ripple in the supply chain. We expect an escalated banana market through the first quarter of 2021.

Market Alert

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

Thu 1/7 66° 46°F  Partly Cloudy	Fri 1/8 64° 47°F  Sunny	Sat 1/9 69° 50°F  Sunny	Sun 1/10 67° 48°F  Partly Cloudy	Mon 1/11 67° 49°F  Partly Cloudy	Tue 1/12 69° 51°F  Mostly Sunny	Wed 1/13 73° 55°F  Sunny
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YUMA, AZ:

Thu 1/7 74° 47°F  Mostly Sunny	Fri 1/8 76° 47°F  Sunny	Sat 1/9 73° 49°F  Sunny	Sun 1/10 71° 46°F  Mostly Sunny	Mon 1/11 72° 47°F  Sunny	Tue 1/12 73° 47°F  Sunny	Wed 1/13 76° 51°F  Sunny
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IMMOKALEE, FL

Thu 1/7 79° 63°F  Partly Cloudy	Fri 1/8 74° 52°F  Partly Cloudy	Sat 1/9 68° 43°F  Partly Cloudy	Sun 1/10 68° 47°F  Mostly Sunny	Mon 1/11 75° 55°F  Mostly Cloudy	Tue 1/12 77° 53°F  AM Clouds/PM	Wed 1/13 73° 50°F  Partly Cloudy
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HERMOSILLO, MX

Thu 1/7 80° 47°F  Partly Cloudy	Fri 1/8 81° 45°F  Sunny	Sat 1/9 79° 44°F  Sunny	Sun 1/10 77° 45°F  Sunny	Mon 1/11 76° 46°F  Sunny	Tue 1/12 77° 48°F  Sunny	Wed 1/13 79° 49°F  Sunny
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CULIACAN, MX:

Thu 1/7 89° 53°F  Sunny	Fri 1/8 88° 51°F  Sunny	Sat 1/9 86° 48°F  Sunny	Sun 1/10 85° 46°F  Sunny	Mon 1/11 84° 46°F  Sunny	Tue 1/12 83° 47°F  Mostly Sunny	Wed 1/13 85° 47°F  Sunny
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Good Buys

Commodity	Market Update	Produce Expert Tip
Pineapples	Volumes on 5ct & 6ct pineapples are a little lower. Opportunities on crownless pineapples are available.	Freshly cut pineapple can be frozen in juice or syrup, but it will lose some flavor. Peel, core, and cut into chunks. Place in airtight plastic bags or covered containers with their natural juice and freeze up to 6 months!
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 to push field pricing higher. Quality is outstanding.	Citrus fruits naturally contain strong antioxidants, which work against oxygen to slow down spoiling or browning in certain foods. Simply brush a little lemon or lime juice across the flesh of a sliced avocado, seal it in an airtight container, and it should delay the browning process for about a day.

Carrots	Good quality and availability on jumbo, cellos, and all food service packs.	Fresh, unpeeled carrots need to stay moist, so the best way to store them is to place the carrots with water in the refrigerator. Place carrots in a sealed bag or large container and then cover them completely with water. Close the container with lid or plastic wrap.
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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 major change through January despite growers' efforts to push field pricing higher. Quality is outstanding

Bananas: **ACT OF GOD** Hurricane Eta and Iota has left behind major effects on several growing regions in South America. Our growers have assessed damages that have impacted both crops and infrastructure. The aftermath of this situation will continue to hinder the entire banana industry and cause a Force Majeure to remain in place. Based on forecasts received from our growers, we anticipate active markets and tight supply through Q1 2021. We will anticipate maintaining the supply chain at escalated prices until we are clear of this unfortunate event.

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

Grapes: The import grape market has become weaker. Slow movement on greens have caused the market to come off, which will adjust as the early green arrivals clear out. Quality on green grapes is excellent. Markets will be active this week after the holidays.

Berries

Blueberries: Good quality and supplies out of Peru.

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

Raspberries: Volume remains slightly low. Good quality overall.

Strawberries: Cooler temperatures have slowed berry production. Supply is extremely light and will remain this way through the next week. Although quality remains good out of Florida and Central Mexico, light supplies are causing orders to be pro-rated. Raspberries, blueberries and blackberries are in better supply and are possible substitute items.

California / Arizona Citrus

Navels: A shift in size structure of 56/72/88 has hit industry-wide. 113s/138s will remain tight for the remainder of the season.

Lemons: Quality is strong with a good supply of 115/140/165s.

Limes: Market has ticked up this week due to higher demand and lighter supply. Rain in the growing regions has slowed down harvesting. Demand is higher due to playoff and championship sports schedules over the next week. Quality is 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: Taste and appearance are great.
- Pummelos are available.
- Cara Caras are in good supply.
- Blood oranges are in good supply.

West Coast Lettuce

Butter: Supply and markets remain steady.

Green Leaf: Production volumes are currently on budget for the week. Weights are improving and overall quality is excellent, apart from occasional wind burn.

Red Leaf: Supply is fair to good. Quality is excellent. Market pricing is higher than other leafy items.

Iceberg Lettuce: Supply is slightly lower than the budget this week, with lighter weights and lower yields. Overall quality and appearance are good. The market has been a little active with labor issues over the holiday. The forecast predicts steady to higher prices by the weekend.

Romaine & Romaine Hearts: Production and supply are on a budget. Demand is solid starting out the week. Weights are improving and overall quality is excellent. There is currently blister and peel/feathering from recent cool temperatures.

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. Volume rises in Coachella, Nogales and McAllen.

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 slightly higher. Volume continues to increase through the port of Miami originating from Honduras. On the domestic front, product continues to be

harvested daily and quality issues such as yellow belly and scarring have increased. Mexico continues seeing good numbers and quality.

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

Green Beans: Demand has eased back and will be in a split market for several weeks. Supply remains tighter than usual in Florida and volume has improved crossing through Nogales. Volatility is anticipated in the bean market until mid-to-late January.

French Beans: Higher volume and lighter demand drove prices down this week. Despite delayed air shipments, exporters are encouraged by improving supply forecasts over 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	MEXICO
Thai Basil	Steady	Steady	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	Steady	USA
Oregano	Steady	Steady	MEXICO
Italian Parsley	Steady	Steady	USA
Rosemary	Steady	Steady	MEXICO
Sage	Steady	Steady	MEXICO

Savory	Steady	Fair	USA
Sorrel	Steady	Steady	USA
Tarragon	Steady	Steady	MEXICO
Thyme	Steady	Steady	MEXICO
Lemon Thyme	Steady	Steady	USA
Lavender	Steady	Steady	USA
Lime Leaves	Steady	Steady	USA

Melons

Cantaloupe: EXTREME Limited production continues from Guatemala and Honduras. Sizing has planed off back to a better percentage of larger melons rather than the smaller fruit (15s) in the past couple weeks. Consistent supply should continue next week before a significant reduction in production by Week 3 arrivals. Lighter supply for Classic Fruit is anticipated for the next 5-6 weeks due to lower yields from the November storms. Our contracts are being filled with no pro-rates.

Honeydew: EXTREME Production will decrease over the next 5-6 weeks. Cooler weather has affected supply, causing limitations on large fruit and volume currently on smaller sized fruit (8/9s). Our contracts are being filled with no pro-rates.

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 from McAllen and Nogales. Larger sized fruit 36's and larger are peaking. Our contracts are being filled with no pro-rates.

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: Low volume, good demand and quality. Volume will be tight while we transition growing areas. **Mexico:** Expected to start in 2 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: Supply is expected to be strong for the next few weeks. Good availability and strong quality.

Carrots (Jumbo): Good quality and availability on jumbo, cellos, and all food service packs.

Cauliflower: Supply is expected to be plentiful this week.

Celery: **ESCALATED** There is very light supply available in the industry. Quality is good and the market is higher this week.

Corn: **EXTREME (Florida)** Due to weather-related pressure in November from Tropical Storm Eta, as well as below normal temperatures, the corn crop in Belle Glade has suffered major damage. We expect a very active and inconsistent corn market. Extremely low harvest numbers and quality issues in the southeast. Major improvements in the market are not expected until new crop begins out of homestead in mid-to-late January. Light numbers cross through Nogales with nothing to help improve current markets. Broccoli, green beans, and French beans are recommended subs for inconsistencies in supply.

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

Fennel: Fennel supply 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 is very active, with demand exceeding supply. Supply is extremely low. We should see more volume by week's end.

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, quality and demand.

Sugar Snap Peas: Good volume, quality and demand.

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 been erratic over the last few weeks mainly due to abbreviated holiday shipping schedules and inconsistent demand. Size profiles on all colors continue to lean toward heavier to larger sizes. White onion supply continues to tighten up, while red onions begin to tighten in Idaho/Oregon. Few shippers experience higher than normal shrink levels as they move toward the final months of the storage crop. Mexico has been crossing white onions through South Texas, while yellows should begin to cross by the end of the month. The market and movement appear stagnant overall, however growers are very optimistic that the announcement of the next \$1.5B spend for the USDA Box Program will provide much-needed relief. Many believe the market will finish strong due to the Box Program, warmer weather, and an increase in food service demand, which should also provide higher FOBs. Truck capacity has been the biggest challenge in all onion shipping regions. Capacity continues to be tight in an unprecedented fashion for Q1, and rates have remained elevated. Demand for rail car shipments exceeds supply, causing shippers to push back shipments for orders they already have on the books.

Potatoes:

The market remains stagnant on all sizes and grades of potatoes due to abbreviated holiday shipping schedules the last several weeks, and inconsistent demand throughout the country. Burbanks, Norkotahs, and White Russets are shipping full steam ahead, and quality remains strong. Larger size cartons have tightened this past week as most growers are in smaller size profiles. This is due to lower demand for consumer packs as retailers continue to clean up leftover inventory from the holidays. There is plenty of optimism circulating throughout the potato industry with the latest announcement of the \$1.5B spend for the USDA Box Program this past week. This should help the overall market and will likely lead to higher FOBs across the board. While food service demand remains erratic, many believe the market will finish strong as weather improves and COVID cases wane due to the vaccine. The biggest challenge has been truck capacity in all potato shipping regions. Truck capacity continues to be tight in an unprecedented fashion for Q1, and rates have remained elevated. Demand for rail car shipments exceeds supply, causing shippers to push back shipments for orders they already have on the books.

TOMATOES

East Coast

- **Rounds: ESCALATED** Supply out of Florida remains light this week as cool weather and overcast days slow production for all Florida regions; fruit is not maturing enough to harvest. Markets are expected to improve, and tomato availability will increase with warmer weather in the forecast. We continue to assess post-Tropical Storm Eta conditions with our growers and will advise should there be any foreseeable issues. Our contracts are being filled, however we are struggling on color due to the cooler weather and recommend keeping a tad more inventory on hand to ensure proper color and ripeness are available for your needs.

- **Romas:** **ESCALATED** Supply out of Florida remains light this week as cool weather and overcast days slow production for all Florida regions; fruit is not maturing enough to harvest. Markets are expected to improve, and tomato availability will increase with warmer weather in the forecast. We continue to assess post-Tropical Storm Eta conditions with our growers and will advise should there be any foreseeable issues. Our contracts are being filled, however we are struggling on color due to the cooler weather and recommend keeping a tad more inventory on hand to ensure proper color and ripeness are available for your needs.
- **Grape Tomatoes:** **ESCALATED** Supply remains extremely short through the third week of January; FOB prices are higher this week. Firmer markets are expected for the next two weeks. Our contracts are being filled, however we are struggling on color due to the cooler weather and recommend keeping a tad more inventory on hand to ensure proper color and ripeness are available for your needs. If you need a good substitute, we recommend a temporary switch to cherry tomatoes.
- **Cherry Tomatoes:** Supply has firmed up as demand shifts from grape tomatoes. Quality is great 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 is expected to continue through the second week of January. Light color has been crossing this week due to cooler weather. Color should improve as supply increases. Quality is great. Our contracts are being filled, however we are struggling on color due to the cooler weather and recommend keeping a tad more inventory on hand to ensure proper color and ripeness are available for your needs.
- **Romas:** Supply crossing through Texas and Nogales have improved and are expected to continue. However, color is lighter than expected on the first major picks of the new crop. This is mainly a byproduct of cooler weather slowing the fruit from ripening. Steady improvement of supply is expected barring no weather events.
- **Grape Tomatoes:** **ESCALATED** We continue seeing light supply, lighter color, and fair quality. Markets should improve by late next week. Our contracts are being filled, however we are struggling on color due to the cooler weather and recommend keeping a tad more inventory on hand to ensure proper color and ripeness are available for your needs. If you need a good substitute, we recommend a temporary switch to cherry tomatoes.
- **Cherry Tomatoes:** Supply remains lighter than normal crossing through Texas and Nogales, but improvement is expected next week.

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. 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.