

Weekly Market Review

January 21, 2021

Overview

Celery continues having low volume, which will remain for a few weeks. The tomato market continues to be active but is improving. The Florida market remains active on rounds and grapes as we see very slow production due to cooler temperatures. Corn out of the southeast remains short but seems to be improving. This will remain tight for the next 7 to 10 days until the Homestead crop ramps up and the supply chain begins to recover. Cantaloupe and honeydew remain short due to weather impacts from Hurricane Eta and Iota in Central America. Banana markets remain firm due to the force majeure being declared by major global banana suppliers. Growers have suffered major damage to crops and infrastructure causing a large ripple in the supply chain. We expect an escalated banana market through at least the first quarter of 2021.

In Yuma, a series of storms passed through on Tuesday evening (1/19) and into Wednesday morning (1/20). Up to 1" of rain accumulated, with more in certain areas. Most shippers were not able to harvest Wednesday due to wet, muddy fields and are anticipating a very slow harvest on Thursday.

Market Alert

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

WATCH LIST

- Freight Rates
- Limes
- Mushrooms
- Roma Tomatoes, Round Tomatoes, Squash, Cucumber, Pepper, Eggplant, Green Beans, Corn – Mexico

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 are currently difficult to source. National fuel prices are steady. The 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 1/21	Fri 1/22	Sat 1/23	Sun 1/24	Mon 1/25	Tue 1/26	Wed 1/27
69° 48°F	59° 45°F	57° 41°F	59° 45°F	53° 40°F	53° 43°F	55° 47°F
						
Sunny	Partly Cloudy	Mostly Sunny	Mostly Sunny	Partly	Mostly Sunny	Showers

YUMA, AZ:

Thu 1/21	Fri 1/22	Sat 1/23	Sun 1/24	Mon 1/25	Tue 1/26	Wed 1/27
69° 56°F	67° 53°F	63° 46°F	64° 48°F	58° 44°F	57° 42°F	62° 44°F
						
Mostly Sunny	Partly Cloudy	Partly Cloudy	Sunny	AM Showers	Partly Cloudy	Sunny

IMMOKALEE, FL

Thu 1/21	Fri 1/22	Sat 1/23	Sun 1/24	Mon 1/25	Tue 1/26	Wed 1/27
79° 51°F	80° 56°F	82° 59°F	83° 61°F	86° 64°F	87° 64°F	86° 61°F
						
Partly Cloudy	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Mostly Sunny	Mostly Sunny

HERMOSILLO, MX

Thu 1/21	Fri 1/22	Sat 1/23	Sun 1/24	Mon 1/25	Tue 1/26	Wed 1/27
69° 50°F	72° 48°F	70° 49°F	64° 41°F	65° 40°F	66° 42°F	72° 43°F
						
AM Light Rain	Sunny	Mostly Sunny	Partly Cloudy	Sunny	Mostly Sunny	Mostly Sunny

CULIACAN, MX:

Thu 1/21	Fri 1/22	Sat 1/23	Sun 1/24	Mon 1/25	Tue 1/26	Wed 1/27
84° 58°F	88° 57°F	86° 55°F	79° 48°F	80° 46°F	80° 50°F	84° 53°F
						
Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Mostly Sunny	Partly Cloudy	Partly Cloudy

Good Buys

Commodity	Market Update	Produce Expert Tip
Green Cabbage	Supply is steady with good quality.	What's the best way to preserve green cabbage? After soaking, rinse heads, and remove old or yellow outer leaves. Cut cabbage into quarters or wedges, or separate leaves. You can freeze cabbage without blanching; you'll just need to use it within 4 to 8 weeks. For the longest-lasting frozen cabbage, blanch wedges for 90 seconds.

Fruits & Vegetables

Avocados: We saw an uptick on prices this week, particularly on 48's and 60's, as demand increased and crossings were down due to recovery from the holidays. Pricing remains mixed on all other sizes and uncertainty remains as to when Superbowl demand will start increasing. The market will continue being steady, however there were some areas of Central Mexico that saw freezing temps which may affect spring crops. We will keep a close eye on this through March. 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 low but are improving. This lower than expected supply will continue improving over the next few weeks.

Grapes: Green grapes are stronger while reds are getting tight. The supply on reds out of Peru are short. Chile is delayed on harvesting reds and a tight market is anticipated for at least a month. Greens are available out of Peru while Chile and pricing are on the way up.

Berries

Blueberries: Supply remains steady out of most growing areas though there are still major delays in Long Beach due to port congestion.

Blackberries: Rain has hit hard in some of the growing areas in Mexico, mostly impacting blackberries and raspberries. This rain, along with high winds on the West Coast, have caused demand to exceed supply. We anticipate light supply through mid-February. Market continues to remain strong.

Raspberries: Same as blackberries. Light supply is expected through Mid-February.

Strawberries: Light supply continues in all areas and will remain through at least Valentine's Day. Oxnard and Central Mexico received rain.

California / Arizona Citrus

Navels: Peaking on 72/88 for both grades. November rain is having an effect on fruit growth. Small-sized fruit (113/138) are becoming tight.

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

Limes: **WATCH LIST** Market remains firm 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 will be affected by rain for the next several weeks.

Grapefruit: Texas season has started with peaking sizes 40/48/56ct – mostly fancy grade available.

Imports/Specialties available:

- Cara Caras are in good supply.
- Blood oranges are in good supply.
- Minneolas are available.
- Mandarins are available.

West Coast Lettuce

Rain and wet fields over the last 24 to 36 hours has prevented growers from harvesting. Conditions should go back to normal by this weekend, although Thursday and Friday's harvests could be impacted by the wet fields. Anticipate some mud on the cartons on all field-packed items packed from today through the weekend out of the desert growing regions.



Butter: Supply remains steady. Quality is good. Market is flat.

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: Lighter than normal supply. Quality is excellent. Market is slightly lower than last week.

Iceberg Lettuce: Supply and quality are good. The market is steady.

Romaine & Romaine Hearts: Production and supply are on a budget. Demand on hearts remains strong, while carton romaine movement remains steady. Weights are improving and quality is excellent. There is occasional blister and peel/feathering from recent cooling trends in the growing region.

Eastern and Western Vegetables

Green Bell Pepper: Demand and supply remain balanced with good quality being reported from all shipping points. FOB prices were mixed this week. We will watch this closely over the next few days as Central Mexico will have intermittent showers for the next 36 hours. This will delay harvesting and border crossings.

Red Bell Pepper: **WATCH LIST** Market remains firm as volume has not increased yet from Central Mexico. Wide variances in high and overnight low temps have slowed maturity of fruit. Expect current conditions to

remain over the next 5-7 days. We will watch this closely over the next few days as Central Mexico will have intermittent showers for the next 36 hours. This will delay harvesting and border crossings.

Yellow Pepper: Market is very tight this week. Quality is outstanding. FOB prices are higher this week due to cool weather. We will watch this closely over the next few days as Central Mexico will have intermittent showers for the next 36 hours. This will delay harvesting and border crossings.

Mini Sweet Pepper: **WATCH LIST** Supply remains extremely tight and is expected to through the next several weeks due to cool weather in Central Mexico. We will watch this closely over the next few days as Central Mexico will have intermittent showers for the next 36 hours. This will delay harvesting and border crossings.

Mixed Chili Pepper: **WATCH LIST** Supply firmed up a bit due to rain in Central Mexico and pricing is up slightly this week. We are seeing a tighter market in Florida on Jalapeños, Long Hots, Cubanelles and Hungarians due to cooler weather and rain. Quality is fair in all shipping points. We will watch this closely over the next few days as Central Mexico will have intermittent showers for the next 36 hours. This will delay harvesting and border crossings.

Eggplant: **WATCH LIST** Good supply out of Florida and Mexico crossing through Nogales. We will watch this closely over the next few days as Central Mexico will have intermittent showers for the next 36 hours. This will delay harvesting and border crossings.

Cucumbers: **WATCH LIST** Florida is done and good supply available from Honduras lading in Miami. Mexico continues to see good numbers and quality. We will watch this closely over the next few days as Central Mexico will have intermittent showers for the next 36 hours. This will delay harvesting and border crossings.

English Cucumbers: Markets remain flat; however, volume has tightened with cooler weather. Quality is great, but similar to several other items in the region, we may see delays crossing product due to rain in Central Mexico.

Green Beans: **WATCH LIST** Demand remains unchanged and markets are still light and will remain for at least another two weeks in Florida. In Nogales, we are seeing lighter supply due to cool weather and rain. We are anticipating volatility in the bean market until mid to late January. We will watch this closely over the next few days as Central Mexico will have intermittent showers for the next 36 hours. This will delay harvesting and border crossings.

French Beans: Good volume and light demand has increased downward pressure on pricing this week. Quality is excellent.

Zucchini/Yellow Squash: **WATCH LIST** Supply firmed up this week out of Florida on zucchini with good supply available for yellow squash. Volume is off in Mexico as growers walk away from fields due to poor holiday demand and cooler weather slowing production in newer blocks. We could see a firmer market this week due to the rain delaying harvests and border crossings.

Herbs

All herbs are steady in quality and supply.

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	USA/MEXICO
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: EXTREME Florida arrivals have been steady with a good mix of 9/12s primarily. Overall quality has been good with a slight green caste, consistent netting, and good internal flavor. Volumes going west to California have been challenged with vessel and port delays. Availability is expected to be tight for the next 10-14 days out of Los Angeles. Back-ups in LA have not helped the fresh produce industry so far this year.

Honeydew: **EXTREME** Volume from Guatemala will remain on the shorter side, but we expect an increase from Honduran production in the short-term. This will assist in keeping the market stable in Florida while possibly creating a little pressure on pricing. Sizing has had a nice spread of 5/6/8s, allowing all requested orders to be covered. Quality has been good to fair with some growers showing some external scarring (sugar netting) with very good brix levels at 11-14%.

*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 volume will continue through February. Quality is good. Prices are higher.

Arugula: Supply and quality are good this week.

Asparagus: **Peru:** Good volume. Good/fair quality. **Mexico:** Good quality. Low volume.

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

Broccoli/Broccoli Florets: Supply is good this week. Quality is very good.

Brussels Sprouts: Supply is expected to be plentiful for the next few weeks. Excellent supply and quality.

Carrots: Good availability on all FS, baby-peeled and jumbos. Limited supply on cellos. Snack packs remain very limited in availability.

Cauliflower: Supply is expected to be plentiful this week.

Celery: **EXTREME** Extremely light supply. Quality is good and the market is high, though we anticipate a slight increase in supply towards the end of January.

Corn: **EXTREME (Florida)** Corn in Belle Glade has suffered major damage due to November's weather-related pressure from Tropical Storm Eta, as well as recent below-normal temperatures. We expect a very active and inconsistent corn market. Low harvest numbers continue but improving conditions are expected over the next 10 to 14 days as new crop begins out of Homestead. There are light numbers crossing through Nogales but nothing that will help improve markets at this time. We recommended subbing in broccoli, cauliflower, green beans, or French beans for inconsistencies in supply.

Cilantro: Volume will be plentiful this week. Quality is good.

Fennel: Fennel supply will be at budget this week. Sizing will be good this week. Quality remains strong.

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: Supply has slightly increased as labor improves, although rain is slowing production for the remainder of this week. Market remains strong.

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): Great quality with supply increasing over the next few weeks.

Rapini: Quality is strong with good supply.

Red Cabbage: Supply is lighter. Quality remains consistent.

Snow Peas: Steady volume. Good quality.

Sugar Snap Peas: Steady volume. Good quality.

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 been erratic over the last few weeks due to abbreviated holiday shipping schedules and inconsistent demand. Size profiles on all colors continue leaning 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 continues to cross white onions through South Texas, and

yellows are not far behind. We anticipate seeing them crossing as early as next week. The market and movement appear stagnant overall. With the awards for the USDA Farmers to Families Box Program being announced yesterday, people are buying heavy volume and need it fast. We anticipate products and trucks to be limited until those packing the boxes can build up inventory. This should help both markets to finish strong, as the increased demand will line up well with warmer weather and better food service demand towards spring. Truck capacity continues to be tighter than usual for this period of time, however we are beginning to see relief. We are hopeful rates will continue coming down, but this is largely predicated on the box program demand and food service demand.

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. Burbanks, Norkotahs, and White Russets are shipping full steam ahead and quality remains strong. Larger-size cartons remain less plentiful than smaller sizes, as profiles remain mixed and heavy. Since the USDA Farmers to Families Box Program awards were announced yesterday, we anticipate smaller potato demand to increase fast for consumer-size bags to be used as a box component. This should help the overall market and lead to higher FOBs across the board. This should also help the market finish strong, as the increased demand from this program should be synonymous with warmer weather and increased food service demand. As other growing regions finish shipping, there should be less supply on the market, which will also help increase FOB pricing due to higher pressure on the remaining shipping regions. Truck capacity continues to be tight in an unprecedented fashion for Q1, and rates remain elevated. Demand for rail car shipments exceeds supply, causing shippers to push back shipments for orders they already have on the books. While capacity has slightly improved, we will see how the box program and food service demand will affect the market.

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. Our contracts are being filled; however, we are struggling on color due to cooler weather and recommend keeping a tad more inventory on hand to ensure proper color and ripeness are available for your needs.
- **Romas:** Supply out of Florida is improving and should have good volume over the next week. The Florida market is seeing downward pressure on price as buyers move to Mexican product. Good numbers are crossing through McAllen and Nogales.
- **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 few 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 substitute, we recommend a temporary switch to roma tomatoes or cherry tomatoes.
- **Cherry Tomatoes: ESCALATED** Supply has firmed up as demand shifts from grape tomatoes. FOB prices are higher this week.
- **Organic Tomatoes:** Extremely light supply available this week and quality is marginal.

Mexico

- **Rounds: WATCH LIST** Supply crossing through Texas and Nogales are better this week and FOBs are down. We hope to see a steady market for the next few weeks. 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. We could see a firmer market this week due to the rain delaying harvests and border crossings.

- **Romas: WATCH LIST** Supply crossing through Texas and Nogales has improved and is 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 however we could see a firmer market this week due to the rain delaying harvests and border crossings.
- **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 or roma tomatoes. We could see a firmer market this week due to the rain delaying harvests and border crossings.
- **Cherry Tomatoes: WATCH LIST** Supply remains lighter than normal crossing through Texas and Nogales, but improvement is expected next week. We could see a firmer market this week due to the rain delaying harvests and border crossings.

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.