

# Weekly Market Review

February 19, 2021

## Overview

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Supply in both California and Mexico growing regions are good with no supply issues this week and likely not next week. Overall quality remains very good. Corn in the southeast remains short but seems to be improving as the homestead begins to ramp up production. We will be observing the entire state of Florida over the next several days as frost warnings are being posted for parts of the state. We will monitor and provide updates as we receive them from our growers. 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.

## Market Alert

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- Apples – **EXTREME**
- Bananas – **ACT OF GOD/FORCE MAJEURE**
- Corn – **EXTREME**
- Cucumbers (Honduras and Mexico) – **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Limes – **EXTREME**
- Melon (Cantaloupe & Honeydew) – **EXTREME**
- Pickles – **EXTREME**
- Strawberries – **EXTREME**

## WATCH LIST

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- Cherry Tomatoes (Mexico)
- Green Beans
- Mixed Chili Pepper
- Transportation
- Raspberries & Blackberries in California
- Watermelon

## Transportation

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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 2/18	Fri 2/19	Sat 2/20	Sun 2/21	Mon 2/22	Tue 2/23	Wed 2/24
68°   45°F	63°   45°F	65°   47°F	68°   52°F	71°   52°F	71°   51°F	66°   50°F
						
Sunny	Sunny	Sunny	Sunny	Sunny	Partly Cloudy	Sunny

### YUMA, AZ:

Thu 2/18	Fri 2/19	Sat 2/20	Sun 2/21	Mon 2/22	Tue 2/23	Wed 2/24
30°   12°F	30°   12°F	40°   26°F	48°   36°F	48°   34°F	57°   37°F	56°   39°F
						
Snow Showers	Partly Cloudy	Mostly Sunny	PM Showers	AM Showers	Sunny	Mostly Sunny

### IMMOKALEE, FL

Thu 2/18	Fri 2/19	Sat 2/20	Sun 2/21	Mon 2/22	Tue 2/23	Wed 2/24
88°   69°F	84°   49°F	72°   50°F	78°   58°F	82°   58°F	82°   53°F	81°   54°F
						
Partly Cloudy	Showers	Sunny	Mostly Sunny	Partly Cloudy	Mostly Sunny	Sunny

### HERMOSILLO, MX

Thu 2/18	Fri 2/19	Sat 2/20	Sun 2/21	Mon 2/22	Tue 2/23	Wed 2/24
76°   49°F	85°   48°F	86°   50°F	85°   51°F	89°   52°F	90°   52°F	89°   54°F
						
Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Mostly Sunny

### CULIACAN, MX:

Thu 2/18	Fri 2/19	Sat 2/20	Sun 2/21	Mon 2/22	Tue 2/23	Wed 2/24
83°   49°F	89°   51°F	87°   51°F	89°   52°F	93°   54°F	94°   54°F	93°   55°F
						
Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy	Sunny	Partly Cloudy

## Good Buys

Commodity	Market Update	Produce Expert Tip
<b>Brussel Sprouts</b>	Good supply and very good quality.	Let's make some delicious smashed brussel sprouts! Boil your brussel sprouts until soft, then lay on a baking sheet, sprinkle with salt, pepper, olive oil, and garlic, and smash each one with a cup and bake for 30 min at 425°F. So good!
<b>Asparagus</b>	Good supply is to continue through next week on both 11# and	Prosciutto-wrapped asparagus is a great appetizer before dinner. Simply wrap each asparagus with prosciutto, drizzle with olive oil,

	28#. Market is at promotable levels with very good quality.	then bake for 8-10 min and sprinkle with parmesan cheese. Enjoy!
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## **Fruits & Vegetables**

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**Avocados:** **WATCH LIST** Volume will tighten up, pushing FOB prices higher as we see lighter numbers crossing from Mexico. We will continue to observe the spring crop, which may have some loss due to freezing temps in the region last month. Volume continues to increase out of California. 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 extremely tight at this time with little to no availability. Markets will be on the rise this week and will continue to go up. Due to a large rain event in Chile, the red grape market is also on the way up. There will be a significant increase in pricing over the next few weeks, possibly until the MX season starts.

## **Berries**

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**Strawberries:** **EXTREME** Strawberry supply continues to be lighter. Florida received 2 storms in the growing areas this week with another possibility for rain on Friday, further hampering supply. California growing areas are recovering from the storms 2 weeks ago and have very good quality with slightly irregular sizing. Slightly below normal temperatures are holding back supply and Mexico is over their peak with declining volume. We anticipate steady volume through next week.

**Blueberries:** Delays continue at the Long Beach Port in CA and continue to impact arrivals of offshore product to the west coast. Some charter vessels have begun steady arrivals which is an improvement for west coast quality. Volume from Mexico and Baja continues to increase, and we will see an increase in production through the month of February. The market continues to be active, although we could start seeing a slight decrease next week due to increased supply from Mexico.

**Blackberries:** Supply will continue to be light through the month of February. Market continues to be very active.

**Raspberries:** Volume is steady, but a slow increase in volume is anticipated through the month of February. Market is very active.

## **California / Arizona Citrus**

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**Navels:** Taste and quality are great. Small sizes remain moderately tight.

**Lemons:** Minimal issues with quality. Peak sizes are 140/115/165ct.

**Limes: EXTREME** The lime market has jumped considerably this morning as availability of small fruit has become limited, pushing our growers to secure additional fruit at market. Quality and rain-related issues have impacted the older crops, which is where the current fruit is being harvested. Political issues are also impacting the supply routes through Mexico; we may see this impact for the next several weeks. Should there be any unexpected shorts, some temporary substitutes are limes or lemons.

**Grapefruit:** Texas is in the peak of its season. Peaking size 40/48/56ct. mostly fancy grade available. Good supply of choice grade fruits. Taste is very sweet and aromatic. The flesh is an appealing deep dark red.

**Imports/Specialties available:**

- Cara Caras – Small sizes are very tight. Good supply on larger Sunkist/fancy grade.
- Blood oranges – All sizes available.
- Minneolas – All sizes available.
- Mandarins – All sizes available.

**West Coast Lettuce**

**Butter:** Good supply and very good quality.

**Green Leaf:** Good supply and very good quality.

**Red Leaf:** Good supply and very good quality.

**Iceberg Lettuce:** Good supply and very good quality.

**Romaine & Romaine Hearts:** Good supply and very good quality.

**Eastern and Western Vegetables**

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**Green Bell Pepper:** Normal volume and good quality out of Florida. Good volume continues in the West crossing through Nogales and McAllen. Quality is outstanding.

**Red Bell Pepper:** Promotable volume available out of Central Mexico. Quality is outstanding.

**Yellow Bell Pepper:** Promotable volume available out of Central Mexico. Quality is outstanding.

**Mini Sweet Pepper:** Supply and quality are beginning to improve.

**Mixed Chili Pepper: WATCH LIST** Supply firmed up in the east on Jalapeños, Long Hots, Cubanelles and Hungarians due to recent cool weather and rain. Volume and quality are outstanding from Mexico crossing through McAllen and Nogales.

**Eggplant: WATCH LIST** Below normal supply expected out of Florida as the transition to newer blocks is underway. Mexican crossings are lighter this week due to cooler weather. This should improve over the next week as warmer temps settle back in over the region.

**Cucumbers: WATCH LIST** Lighter volume will continue over the next week from Honduras and loading in Miami. Mexican crossings are tighter due to cooler temps slowing down production. This should improve over the next 7-10 days. Quality is outstanding on both crops.

**English Cucumbers:** Markets remain flat; however, volume has tightened with cooler weather. Quality is great.

**Pickles:** **EXTREME** Market remains extremely light from Mexico due to rain-related bloom drop and will be short for the next several weeks.

**Green Beans:** **WATCH LIST** Volume is steady this week out of Florida. Nogales supply has improved leading to a stable market. Quality is mostly good.

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

**Zucchini/Yellow Squash:** Stable markets in Florida and good volume crossing from Mexico will keep pressure on FOB prices to remain down. Quality is outstanding.

## **Herbs**

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Herb supply remains steady.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Steady	USA
Basil	Steady	Steady	MEXICO
Opal Basil	Limited	Marginal	MEXICO
Thai Basil	Limited	Marginal	USA/MEXICO
Bay Leaves	Steady	Steady	COLOMBIA
Chervil	Steady	Steady	USA
Chives	Steady	Steady	MEXICO
Cilantro	Steady	Steady	USA
Dill	Steady	Steady	USA/MEXICO
Epazote	Steady	Steady	MEXICO
Lemongrass	Steady	Steady	USA
Marjoram	Steady	Steady	USA
Mint	Steady	Steady	USA
Oregano	Steady	Steady	USA/MEXICO
Italian Parsley	Steady	Steady	USA
Rosemary	Steady	Steady	USA/MEXICO
Sage	Steady	Steady	MEXICO
Savory	Steady	Marginal	USA
Sorrel	Steady	Steady	USA

Tarragon	Limited	Steady	MEXICO
Thyme	Limited	Steady	USA/MEXICO
Lemon Thyme	Steady	Steady	USA
Lavender	Steady	Steady	USA
Lime Leaves	Steady	Steady	USA

## Melons

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**Cantaloupe: EXTREME** Cantaloupe supply remains very limited. First cycle production from Honduras is beginning to decline while second cycle production from Guatemala will begin later next week. Volume from Guatemala will gradually increase each week with peak numbers expected in the middle to end of March. Strong retail promotions are in place for March, which could keep cantaloupe in a shorter position during peak volume periods. Current production has mostly been for contractual commitments with sizing being primarily 9/12s. Quality has been strong overall with the shell color improving each week as we move closer to spring. Internal quality has been solid with very consistent brix levels in the 11-14% range.

**Honeydew: EXTREME** Guatemalan honeydew production has peaked in the larger sizes (4Js/5s/5Js). Supply from Guatemala and Honduras will see a quick decline and stay down over the next three weeks. This should cause pricing to increase from season-to-date lows. Classic Fruit has been farming its honeydew and seedless watermelon from a new ranch in the western part of the country, which has been providing optimal quality on both. Our honeydews have had good sizing with very clean external quality. Internal characteristics have been excellent with consistent brix levels of 12-14%.

*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: WATCH LIST** Lighter supply this week crossing through Nogales while offshore arrivals were steady. Quality is good.

## Mixed Vegetables

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**Artichokes:** Supply continues to increase, and we will see good volume with the market getting more aggressive through February. Quality is good.

**Arugula:** Supply and quality are good.

**Asparagus:** Good supply will continue through next week on both 11# and 28#. Market is at promotable levels with very good quality.

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

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

**Brussels Sprouts:** Good supply and very good quality.

**Carrots:** Good availability on all FS, baby-peeled, jumbos and cellos. Snack packs remain very limited in availability. Rain in Georgia is affecting supply temporarily until fields dry out.

**Cauliflower:** Supply and quality are good.

**Celery:** Supply and quality are good. Market is steady.

**Corn:** **EXTREME (Florida)** Corn remains very active and unstable in Florida as volume has not improved yet out of Homestead. In Nogales better numbers are crossing on bi, yellow, and white corn. We recommend subbing in broccoli, cauliflower, green beans, or French beans where possible until we see more consistency in the market.

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

**Fennel:** We will continue to have good supply on fennel for the next couple weeks. 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 and quality are good.

**Green Onions:** Supply is increasing with very good quality. Market is a bit off this week.

**JICAMA:** Steady supply available crossing through McAllen.

**Kale (Green):** Bunched kale supply is expected to be plentiful for the next few weeks.

**Mushrooms:** We are seeing a stable market and good supply.

**Napa:** Good quality and supply.

**Parsley (Curly, Italian):** Great quality with good supply.

**Rapini:** Strong quality 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:**

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FOB pricing on all colors and sizes remain stable in the Northwest. Size profiles on all colors lean toward heavier to larger sizes, which will continue as the USDA Farmers to Families program continues for the next two months. White onion supply continues to tighten up in the Northwest, while Mexican white and yellow onions crossing through South Texas ramp up. Demand significantly dropped with the freezing temperatures and heavy snow throughout the country. The big focus is how onions crops will react to the freezing temperatures in McAllen, TX and Uvalde, TX. Texas growers are very concerned as onions can withstand low temperatures for a short period of time, however, any prolonged freeze will negatively impact both the bulb and plant. Northwest growers are facing the same challenges with demand, but they believe that once demand picks up FOBs could quickly increase. Their crop is beginning to wind down, and we will likely start seeing shippers finish up in the coming weeks. Predictions of warmer weather and reduced COVID restrictions could create enough foodservice demand to help FOBs in the Northwest finish strong. With recent events this past week, the market could move fast when demand picks up. The biggest challenge is truck capacity. A driver advisory in 40 states was implemented this past week due to weather. Many carriers are waiting until things clear up, which is allowing the carriers that will run to charge hefty rates. Weather is improving around the country. We anticipate things to loosen up next week.

### **Potatoes:**

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The market remains stagnant on all sizes and grades of potatoes. Burbanks, Norkotahs, and White Russets are shipping full steam ahead. Quality currently remains strong on all varieties. Larger-size cartons have been more plentiful than in recent weeks, as the heightened demand on small potatoes for the Box Program is causing large counts to pile up. There are predictions that the program will continue to help keep small-sized potatoes cleaned up over the next three months, which should help the overall market. While foodservice demand had picked up, inclement weather throughout the country plummeted foodservice demand this past week. The market needs foodservice to increase to normal levels to help it finish strong. We anticipate this as we get into warmer weather in the coming months and see the vaccine continue to circulate. Other russet growing regions will finish shipping in the coming months, so there will be less overall supply in the market. This will help increase FOB pricing as well. The biggest challenge is truck capacity. A driver advisory in 40 states was implemented this past week due to weather. Many carriers are waiting until things clear up, which is allowing the carriers that will run to charge hefty rates. Weather is improving around the country. We anticipate things to loosen up next week.

## **TOMATOES**

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### **East Coast**

- **Rounds:** Florida supply is steady this week. Quality is outstanding.
- **Romas:** Florida supply is steady this week. Quality is outstanding.
- **Grape Tomatoes:** Florida supply is steady this week. Quality is outstanding.
- **Cherry Tomatoes:** Florida supply is steady this week. Quality is outstanding.
- **Organic Tomatoes:** Supply and quality improving.

### **Mexico**

- **Rounds:** Promotable volume crossing through McAllen and Nogales. Quality is outstanding.
- **Romas:** Promotable volume crossing through McAllen and Nogales. Quality is outstanding.
- **Grape Tomatoes:** Excellent volume and good quality available out of McAllen and Nogales.
- **Cherry Tomatoes:** Supply improving out of Mexico and quality is very nice.

## **APPLES & PEARS**

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**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.

**Stone Fruit:** Supply improving on Chilean Peaches, Plums and Nectarines that will load in Philly as well as Los Angeles.

**Cherries:** Limited supply available on red cherries from Chile.

**Kiwi Fruit:** Steady supply available on both coasts. Californian and Italian Haywards are available.