

# Weekly Market Review

March 18, 2021

## Overview

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Supply is good on most items. Quality is good, though there are weather-related issues such as epidermal peel, tip burn, rib discoloration and mildew. The transition is right around the corner. Florida corn seems to be improving but could get short at the end of the month once the Homestead finishes up. 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. Limes are very short, and we are in a Force Majeure with our supplier. We expect very active lime markets through the middle of April. Avocados are becoming extremely tight due to higher demand, and lower volume estimates are coming out of Mexico due to yield loss. California estimates were also revised down and expect a very active market until Peruvian fruit arrives late May. Freight rates are skyrocketing due to shortages on equipment and rising fuel prices. We will start to see some transition in bell pepper supply from Mexico to Coachella over the next few weeks.

## Market Alert

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- Apples – **EXTREME**
- Avocados – **ESCALATED**
- Bananas – **ACT OF GOD/FORCE MAJEURE**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Limes – **ACT OF GOD/FORCE MAJEURE**
- Grape Tomatoes (Florida and Mexico) – **ESCALATED**
- Cherry Tomatoes (Florida) – **ESCALATED**

## WATCH LIST

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- Raspberries & Blackberries in California
- Eggplant
- Green Bell Pepper
- Cherry Tomatoes (Mexico)
- Watermelon
- Transportation

## 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 jumping daily; the east coast is averaging \$3.15/gallon, while California's average for diesel remains the highest at just under \$3.95/gallon.

## Weather

### OXNARD, CA:

Thu 3/18	Fri 3/19	Sat 3/20	Sun 3/21	Mon 3/22	Tue 3/23	Wed 3/24
61°   47°F	63°   49°F	62°   44°F	62°   44°F	63°   47°F	65°   48°F	67°   50°F
						
Mostly Sunny	Partly Cloudy	Partly Cloudy	Sunny	Mostly Sunny	Sunny	Sunny

### YUMA, AZ:

Thu 3/18	Fri 3/19	Sat 3/20	Sun 3/21	Mon 3/22	Tue 3/23	Wed 3/24
82°   53°F	88°   61°F	84°   53°F	78°   52°F	79°   53°F	75°   53°F	77°   53°F
						
Partly Cloudy	Sunny	Sunny	Partly Cloudy	Sunny	Mostly Sunny	Sunny

### IMMOKALEE, FL

Thu 3/18	Fri 3/19	Sat 3/20	Sun 3/21	Mon 3/22	Tue 3/23	Wed 3/24
90°   66°F	82°   52°F	78°   52°F	78°   53°F	80°   53°F	84°   55°F	87°   60°F
						
Sunny	Partly Cloudy	Partly Cloudy	Mostly Sunny	Partly Cloudy	Mostly Sunny	Mostly Sunny

### HERMOSILLO, MX

Thu 3/18	Fri 3/19	Sat 3/20	Sun 3/21	Mon 3/22	Tue 3/23	Wed 3/24
90°   53°F	94°   55°F	95°   61°F	88°   55°F	80°   47°F	80°   48°F	78°   46°F
						
Sunny	Sunny	Mostly Sunny	Mostly Cloudy	Partly Cloudy	Sunny	Mostly Sunny

### CULIACAN, MX:

Thu 3/18	Fri 3/19	Sat 3/20	Sun 3/21	Mon 3/22	Tue 3/23	Wed 3/24
93°   49°F	93°   51°F	94°   52°F	94°   54°F	91°   53°F	87°   49°F	86°   47°F
						
Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy	Sunny

## Good Buys

Commodity	Market Update	Produce Expert Tip
<b>Red Bell Pepper</b>	Promotable volume available out of Central Mexico. Quality is outstanding.	Have some leftover red bell peppers on hand? Here are some things you can do with them! (1) Blend them into hummus! (2) Slice and stir them into scrambled eggs or a frittata. (3) Load them into tacos or a breakfast burrito. (4) Puree them into Roasted Red Pepper Soup. (5) Stuff them into a sandwich.

<b>Jicama</b>	Steady supply available crossing through McAllen.	Did you know jicama is from the bean family? Try these delicious air-fried jicama fries to enjoy this healthy, low-calorie veggie! In a bowl, combine jicama sticks, garlic powder, paprika, chili powder, olive oil, and salt and pepper to mix. Air fry for 15 min at 400F. Shake every 5 min. Enjoy with your favorite condiment!
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## **Fruits & Vegetables**

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**Avocados: ESCALATED** Volume will continue to tighten up, pushing FOB prices higher as we see lighter numbers crossing from Mexico due to revised volume and higher demand. We continue to observe the spring crop as we see losses due to freezing temps in the region earlier in the year. Revisions to the California avocado estimates have been down. We expect active markets until we see relief from Peru in late May.

**Bananas: ACT OF GOD** Weather is getting better in the topics, which should increase quality. Supply is still lower due to the hurricanes in 2020.

**Pineapples:** Volumes are picking back up but are still lower and will remain so until the Easter pull.

**Grapes:** Green grape availability is still tight from Chile but not as tight as predicted. Plenty of red grapes available.

## **Berries**

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**Strawberries:** We expect a slight reduction in overall volume. California has been receiving rain and some hail throughout our production areas which has slightly affected our production volumes. CMEX volumes continue to decrease at a gradual rate. Florida continues to decrease with potential for their season to conclude in the next 3-4 weeks.

**Blueberries:** The Mexican season will continue with stable volume into spring. Baja volumes will continue with stable and increasing production. The Florida season is starting with low volumes and will increase late March.

**Blackberries: WATCH LIST** Supply will continue on the low end for 2 more weeks. After the third week, we will see supply jump in leaps and bounds into the spring peak. Central Mexico will pave the way and will continue being the main supplier through April and May. The California regions will dwindle down in supply due to the cold and rainy weather.

**Raspberries: WATCH LIST** Short to forecast due to cold and rainy conditions in Oxnard and Baja, and mild conditions in Mexico. We expect a big jump in production out of Central Mexico in a week. We are headed towards an April/May peak.

## **California / Arizona Citrus**

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**Navels:** Quality is great. Peaking on 72/88 for both grades.

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

**Limes: ACT OF GOD/FORCE MAJEURE** The lime market continues to rise as fruit becomes limited and demand increases as businesses reopen. This is pushing our growers to secure additional fruit, when available, 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 and we expect very active markets for the next several weeks. Should these conditions worsen, we could face pro-rates and force majeure pricing. Lemon substitutions may be necessary over the next several weeks. We recommend scaling back the usage of limes as a garnish and using thinner slices for beverages.

**Grapefruit:** California grapefruit is available in Riverside while small sizes are available in the Central Valley. This is a very early start for some California grapefruit growers. Fruit is peaking on the smaller sizes – 40/48/56s (mostly Sunkist/Fancy Grade).

**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.
- Gold Nuggets – Loading this week.

**West Coast Lettuce**

**Butter:** Steady volume and good quality. The market is increasing.

**Green Leaf:** Volumes are on budget for the week. Overall quality is consistent. We are experiencing some fringe burn due to windy conditions.

**Red Leaf:** Good volume and excellent quality.

**Romaine & Romaine Hearts:** Good supply and quality continue, although we are seeing blister and peel in some lots due to recent cool weather. Market is slightly stronger.

**Iceberg Lettuce:** Supply continues to be lower than expected. Uneven fields, small sizes, and low yields will be reported for the next few weeks. We continue focusing on quality to keep everything as fresh as possible. There has been increased demand the last two weeks due to COVID restrictions being lifted and some schools opening back up. Increased demand has also increased prices due to lighter supply.

**Eastern and Western Vegetables**

**Green Bell Pepper:** **WATCH LIST** Supply tightened up this week as the transition to new blocks ramps up out of Florida. In the west, we are seeing the gradual decline in the winter crop out of Sinaloa and will begin the transition to Coachella in the next few weeks. Quality will be mixed for the next few weeks.

**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:** Excellent supply and quality crossing through Nogales.

**Mixed Chili Pepper:** Supply remains firm in the east on Jalapeños, Long Hots, Cubanelles and Hungarians while volume and quality are outstanding from Mexico crossing through McAllen and Nogales on key items: Jalapeno, Tomatillo, Anaheim, Serrano and Poblano. Red Fresno supply remains limited.

**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. We will see higher demand for Eggplant as lent approaches.

**Cucumbers:** Improving volume from Honduras, loading in Miami, and local crops ramping up have brought FOB prices down this week. Mexican crossings have improved. Quality overall is outstanding.

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

**Pickles:** Market remains firm as supply begins to improve out of Mexico. We are seeing improving supply and good quality out of Canada.

**Green Beans:** Volume domestically has improved. 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:** Markets in Florida have firmed up a bit as supply as tightened. Good volume crossing from Mexico. Quality is outstanding on zucchini however we are seeing more scarring on the yellow.

## Herbs

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**Basil:** Basil may be delayed a week so we are pulling from Mexico. Quality will be steady.

**Parsley, Mint and Rosemary:** Good supply.

All other herbs remain steady.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Steady	USA
Basil	Steady	Fair	MEXICO
Opal Basil	Limited	Steady	MEXICO
Thai Basil	Steady	Steady	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	Fair	MEXICO
Lemongrass	Steady	Steady	USA

Marjoram	Steady	Steady	USA
Mint	Steady	Steady	USA
Oregano	Steady	Steady	USA
Italian Parsley	Steady	Steady	USA
Rosemary	Steady	Steady	USA/MEXICO
Sage	Steady	Steady	USA/MEXICO
Savory	Tight	Steady	MEXICO
Sorrel	Steady	Steady	USA
Tarragon	Steady	Steady	MEXICO
Thyme	Steady	N/A	USA/MEXICO
Lemon Thyme	N/A	N/A	N/A
Lavender	Steady	Steady	USA
Lime Leaves	Tight	N/A	N/A

## Melons

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**Cantaloupe:** Cantaloupe volume has been peaking over the past week with a two-tiered market being created as some producers have been sending in non-bagged cartons. The lack of bagging is due to the product not being properly pre-cooled, which results in a shorter shelf life. We expect strong volumes to continue over the next few weeks from Guatemala. Production from Honduras has been mostly delayed with fruit expected to begin hitting by early April, which avoids an overlap with the peak of Guatemalan fruit. Strong retail promotions are currently in place and will peak over the next few weeks as we approach Easter. Cantaloupe quality moves closer to optimal springtime quality. Melons have had excellent shell color and very good internal color of the flesh. Brix levels remain strong in the 12-15% range.

**Honeydew:** Honeydew production has been good with strong demand from the west as Mexican production has become non-existent. Many loads have been moved from Florida to California to ensure west coast orders are covered. We are seeing some of our best honeydew quality this year with nice clean fruit coming in. Classic Fruit's volume has been peaking to 5s followed by 6s with 8s being very limited. Internal quality has been very consistent with brix levels of 12-14%.

**Watermelon:** **WATCH LIST** Market became tighter this week and pricing ticked up on bins and cartons. Personal watermelons are in a demand exceeds supply condition, driving consumers to buy standard seedless. Quality is good.

## Mixed Vegetables

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**Artichokes:** We expect fair volume to continue through the month of March. Prices are steady. Quality is excellent.

**Arugula:** Supply and quality are good. We may see some discoloration due to weather.

**Asparagus:** Good supply continues with very good quality. Market slightly higher due to increased demand.

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

**Broccoli/Broccoli Florets:** Supply is lighter this week and quality is fair.

**Brussels Sprouts:** Quality is expected to improve in the coming weeks, but supply remains tight.

**Carrots:** We are seeing limited sizing in California fields so Jumbo supply is light. Carrot sticks come from Jumbos, so supply is light on sticks also. All other items have good capacity.

**Cauliflower:** Better supply is expected next week as we head into the transition. Quality is good and the market is slightly lower.

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

**Corn:** Corn prices have lowered with decent supply available. This is expected to turn by the end of the month as Homestead finishes up for the season. We will be transitioning to new growing regions that were affected by cold weather earlier in the year. Yields are yet to be determined however we expect supply to tighten back up. In Nogales, better numbers are crossing on bi, yellow, and white corn.

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

**Fennel:** Good supply will continue for the next couple weeks. Quality and sizing are nice.

**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 and quality are good. Market is steady.

**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:** Supply continues to be plentiful. Quality is good.

**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. We may see some discoloration due to weather.

**Spinach (Baby):** Supply and quality are good. We may see some discoloration due to weather.

**Spring Mix:** Supply and quality are good. We may see some discoloration due to weather.

**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 begins to increase 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. Mediums and prepacks in the Northwest have significantly tightened up. White onion supply continues to tighten up in the Northwest, while Mexican white and yellow onions crossing through South Texas are plentiful. Damage from the Texas freeze continues to be assessed. Texas-grown yellows are being shipped in both 40# cartons for retail and bulk packs for foodservice. This is a positive development for their crop, and hopefully these onions will have enough shelf life to make arrival and continue shipments. There is still concern regarding long-term health and the presence of bacteria/disease, and we will likely not see the effects on the crop for several weeks. If the crop experiences a drastic level of shrink, we will very likely see the market spike around the beginning of April. The Northwest crop is beginning to wind down, and shippers should finish up in the coming weeks. Lower supply in the Northwest will continue to help the market strengthen and increase FOB prices. Truck capacity remains the biggest challenge, which the industry anticipates to improve. A small supply of equipment is available in the Northwest. Road closures throughout Wyoming and Nebraska this past week further delayed any relief on freight rates that may be coming down the pipeline.

### **Potatoes:**

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The potato market appears to move upward due to increased demand for foodservice. Burbanks, Norkotahs, and White Russets continue to ship all at once. Quality remains strong on all varieties. While larger-size cartons were recently plentiful throughout the state, they are beginning to tighten up. Demand for small potatoes remains strong due to the USDA Farmers to Families Box Program. However, since growers remain in smaller lots, the strong demand on small potatoes has not been enough to keep sheds cleaned up. Inventory of 90ct and smaller has been building in Idaho. Demand is picking up, and we anticipate this to continue in the coming week. Warmer temperatures to come will also help demand increase as we move toward spring and summer. 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. Truck capacity remains the biggest challenge, which the entire industry anticipates to improve. We are seeing a small supply of available equipment in the Northwest. Road closures throughout Wyoming and Nebraska this past week further delayed any relief on freight rates that may be coming down the pipeline.

## **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:** **ESCALATED** Florida supply is tight this week, which will remain over the next several weeks due to bloom drop and the transition from older fields to newer blocks. We expect this market to remain active for the next few weeks.
- **Cherry Tomatoes:** **ESCALATED** Florida supply is tight this week, which will remain over the next several weeks due to bloom drop and the transition from older fields to newer blocks. We expect this market to remain active for the next few weeks.
- **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:** **ESCALATED** Volume has tightened up as demand shifts from Florida due to lighter volume in the region. The seasonal transition between older and newer sets has begun in Culiacan. We expect improved crossings over the next two weeks.
- **Cherry Tomatoes:** **WATCH LIST** Supply is lighter this week out of Mexico and quality is mixed.

## **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.