

Weekly Market Review

March 26, 2021

Overview

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's corn market is becoming active as we harvest in blocks that were affected by cold weather earlier in the year. We should see firmer markets in the southeast until we move to Florida and South Georgia over the next 4 weeks. 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 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

- 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**

WATCH LIST

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

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 jumping daily; the east coast is averaging \$3.15/gallon, while California's average for diesel remains the highest at just under \$3.98/gallon.

Weather

OXNARD, CA:

Thu 3/25	Fri 3/26	Sat 3/27	Sun 3/28	Mon 3/29	Tue 3/30	Wed 3/31
60° 45°F	60° 45°F	70° 50°F	70° 50°F	67° 49°F	66° 51°F	71° 52°F
						
Partly Cloudy/Wind	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny

YUMA, AZ:

Thu 3/25	Fri 3/26	Sat 3/27	Sun 3/28	Mon 3/29	Tue 3/30	Wed 3/31
75° 51°F	71° 51°F	81° 58°F	88° 58°F	91° 58°F	85° 58°F	85° 59°F
						
Partly Cloudy/Wind	Mostly Sunny	Sunny	Sunny	Mostly Sunny	Mostly Sunny	Sunny

IMMOKALEE, FL

Thu 3/25	Fri 3/26	Sat 3/27	Sun 3/28	Mon 3/29	Tue 3/30	Wed 3/31
92° 66°F	93° 64°F	93° 64°F	92° 64°F	90° 65°F	90° 64°F	90° 63°F
						
Mostly Sunny	Partly Cloudy	Partly Cloudy				

HERMOSILLO, MX

Thu 3/25	Fri 3/26	Sat 3/27	Sun 3/28	Mon 3/29	Tue 3/30	Wed 3/31
80° 49°F	79° 48°F	83° 53°F	92° 56°F	95° 59°F	92° 58°F	93° 57°F
						
Sunny	Sunny	Sunny	Sunny	Partly Cloudy	Partly Cloudy	Sunny

CULIACAN, MX:

Thu 3/25	Fri 3/26	Sat 3/27	Sun 3/28	Mon 3/29	Tue 3/30	Wed 3/31
88° 47°F	90° 50°F	92° 54°F	96° 57°F	95° 58°F	95° 57°F	98° 58°F
						
Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy

Good Buys

Commodity	Market Update	Produce Expert Tip
Yellow Squash	Florida markets have eased back with good volume available. Good volume crossing from Mexico. Quality is outstanding on zucchini though we are seeing more scarring on yellow squash.	To store yellow squash in the fridge, keep them whole, dry, and unwashed. Store them in a plastic or paper bag with one end open to encourage air circulation, and pop them in the refrigerator crisper drawer. They'll keep there for 1 to 2 weeks, though you'll probably see the skin start to shrivel over time.

Honeydew	Honeydew supply has been consistent for Classic Fruit with good demand on all sizes. Sizing has been peaking on larger melons. Overall quality continues to be mostly clean fruit except for the occasional scarring. Brix levels have been in the 12-14% range.	Honeydew should be stored at room temperature when whole to soften and become juicier. If it's already quite ripe once cut, store it in the refrigerator for up to 3 days in an airtight container.
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Fruits & Vegetables

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 tropics, 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

Strawberries: Due to last week's rain and hail events, we will see a reduction in volumes out of California. Cool temperatures have slowed down fruit maturation. Central Mexico volumes continue to decrease due to small fruit size and quality management efforts resulting in removal of acres. Last week's warm weather in Florida accelerated fruit production, but we expect lower volumes as growers are doing a good job culling out lower quality fruit.

Blueberries: The Mexican season will continue with stable volume into the 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** We expect to see an increase in supply and then off to the races to reach the spring peak. Weather will be favorable which will aid in faster ripening.

Raspberries: **WATCH LIST** Production volume is much lower than expected due to less producing acres, delays in trending applications due to mild weather, and yield loss from previous frost in Central Mexico. We will be severely short through the next two weeks, but as volume is pushed later peak production continues to grow. The peak is now forecasted to fall between the last week of April and the first two weeks of May.

California / Arizona Citrus

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 – Most sizes available.
- Mandarins – All sizes available.
- Gold Nuggets – Available.
- Ojai Pixie Tangerines – All sizes available.

West Coast Lettuce

Butter: Steady volume and fair quality. The market is steady.

Green Leaf: Good volume continues with overall good quality, though 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.

Iceberg Lettuce: Good quality continues, although we are seeing blister and peel in some lots due to recent cool weather. We have lower than normal volumes in all areas due to cool weather and lighter yields. The market is slightly stronger and with Easter approaching, we expect an increase in demand. Look for the market to continue being active.

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: Volume will begin to wind down from Honduras, loading in Miami, and local crops continue to ramp up. FOB prices were mixed 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 should see new crop volume out of Florida over the next 10-14 days.

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: Florida markets have eased back with good volume available. Good volume crossing from Mexico. Quality is outstanding on zucchini though we are seeing more scarring on the yellow.

Herbs

Basil: We are looking forward to getting into our local fields for basil in about 2-3 weeks.

Lavender: Lavender is on the short side due to last week's weather.

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

Cantaloupe: Cantaloupe volumes are currently peaking from Guatemala with the market adjusting downward. Larger cantaloupes continue to see very good demand from the retail sector with the approaching Easter holiday. Increased numbers on smaller melons (12/15s) is causing the market to settle to its lowest point of the season. We expect very good supply to continue for the next couple weeks.

Honeydew: Honeydew supply has been consistent for Classic Fruit with good demand on all sizes. Sizing has been peaking on larger melons. Overall quality continues to be mostly clean fruit except for the occasional scarring. Brix levels have been in the 12-14% range.

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

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: Peru: Low volume and good quality. Mexican volume is affecting Peruvian demand. **Mexico:** Good quality and high volume.

Bok Choy: Good supply and quality continue.

Broccoli/Broccoli Florets: Good supply continues. We are seeing some shippers finishing in the desert and transition, so loading areas are changing to Salinas with supply available out of Santa Maria as well. Market remains steady to slightly stronger.

Brussels Sprouts: Market remains steady to slightly stronger with steady supply.

Carrots: We continue to see limited sizing on Jumbos in California fields, so supply is light. Carrot sticks come from Jumbos, so supply is light on sticks also. All other items have good supply.

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

Celery: Supply far exceeds demand with very good quality.

Corn: Corn prices have increased as Homestead finishes up for the season and as we transition to new growing regions affected by cold weather earlier in the year. We expect a firm market until we transition back to Georgia in May. In Nogales, we are seeing lighter numbers 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 remain 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: Good supply and quality remain consistent.

Snow Peas: Tight volume and good quality.

Sugar Snap Peas: Tight volume and 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:

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 improving. 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:

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 improving. 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

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 has improved this week as we transition from older fields to newer blocks. We hope to see steady volume and improving conditions over the next week.
- **Cherry Tomatoes:** Florida supply has improved this week and we hope to see steady availability over the next week.
- **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 is low but improving as demand from the east moves back to Florida. In full transition, we expect improved crossings over the next week.
- **Cherry Tomatoes:** **WATCH LIST** Supply is lighter this week out of Mexico and quality is mixed.

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.

Stone Fruit: Good supply and flat demand on Chilean peaches, plums and nectarines which will load in Philly and Los Angeles.

Cherries: Limited supply available.

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