

Weekly Market Review

April 9, 2021

Overview

Supply is good on most items. Quality is good, although there are weather-related issues such as epidermal peel, tip burn, rib discoloration and mildew. We are in the middle of transition and there are shippers that have moved to Salinas (and Huron), but many shippers are still shipping from Yuma. Full transition will not be complete until the week of April 25th. 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 3 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, particularly in the larger sizes, we will remain 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

- Avocados – **ESCALATED**
- Bananas – **ACT OF GOD/FORCE MAJEURE**
- Berries (Blackberries and Strawberries) - **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Limes – **ACT OF GOD/FORCE MAJEURE**

WATCH LIST

- Corn
- Cucumbers
- Eggplant
- Green Bell Pepper
- Cherry Tomatoes (Mexico)
- Mushrooms
- Watermelon
- Transportation

Transportation

Freight rates are at record highs due to record demand for trucks and drivers as the Nation emerges from the COVID 19 Pandemic. Programs such as The USDA Box Program, vaccine distribution and FEMA jumping in to provide emergency supplies to those in need have all had impacts on the market averages using all available capacity and driving costs up. Unfortunately, we do not see any relief on the horizon as our industry is set to transition from Yuma to Salinas which is expected to drive rates even higher. National fuel prices have been jumping daily since January 4th; the national average price per gallon for fuel has increase over 20% from \$2.64

per gallon to over \$3.16 per gallon with the east coast averaging \$3.13/gallon and California averaging \$3.98/gallon. Produce Alliance and its Members are working to negotiate the best freight rates with the most reliable freight companies. We thank you for your partnership as we work through this extremely challenging period facing our industry.

Weather

OXNARD, CA:

Wed 4/7 64° 49°F Mostly Sunny	Thu 4/8 67° 48°F Mostly Sunny	Fri 4/9 67° 49°F Partly Cloudy	Sat 4/10 69° 50°F Mostly Sunny	Sun 4/11 66° 50°F Partly Cloudy	Mon 4/12 63° 50°F Partly Cloudy	Tue 4/13 62° 49°F Partly Cloudy	Wed 4/14 63° 50°F Partly Cloudy	Thu 4/15 66° 50°F Partly Cloudy	Fri 4/16 66° 51°F Mostly Sunny
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YUMA, AZ:

Wed 4/7 97° 65°F Sunny	Thu 4/8 97° 64°F Mostly Sunny	Fri 4/9 96° 62°F Sunny	Sat 4/10 96° 61°F Mostly Sunny	Sun 4/11 92° 60°F Partly Cloudy	Mon 4/12 92° 59°F Sunny	Tue 4/13 91° 59°F Mostly Sunny	Wed 4/14 90° 59°F Mostly Sunny	Thu 4/15 89° 59°F Partly Cloudy	Fri 4/16 89° 60°F Sunny
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IMMOKALEE, FL

Wed 4/7 86° 55°F Partly Cloudy	Thu 4/8 89° 57°F Sunny	Fri 4/9 91° 61°F Sunny	Sat 4/10 92° 66°F Sunny	Sun 4/11 89° 67°F Scattered Thunderstorms	Mon 4/12 89° 65°F Partly Cloudy	Tue 4/13 89° 64°F Partly Cloudy	Wed 4/14 90° 64°F Mostly Sunny	Thu 4/15 91° 65°F Partly Cloudy	Fri 4/16 90° 64°F Partly Cloudy
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VIZCAINO, BAJA SUR

Wed 4/7 101° 57°F Partly Cloudy	Thu 4/8 103° 58°F Partly Cloudy	Fri 4/9 94° 55°F Sunny/Wind	Sat 4/10 83° 53°F Partly Cloudy	Sun 4/11 81° 53°F Partly Cloudy	Mon 4/12 83° 53°F Mostly Sunny	Tue 4/13 83° 53°F Partly Cloudy	Wed 4/14 82° 54°F Partly Cloudy	Thu 4/15 78° 53°F Partly Cloudy	Fri 4/16 80° 53°F Mostly Sunny
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CULIACAN, MX:

Wed 4/7 92° 59°F Partly Cloudy	Thu 4/8 92° 59°F Mostly Sunny	Fri 4/9 93° 59°F Sunny	Sat 4/10 93° 59°F Mostly Sunny	Sun 4/11 92° 58°F Mostly Cloudy	Mon 4/12 93° 56°F Mostly Sunny	Tue 4/13 93° 56°F Partly Cloudy	Wed 4/14 94° 56°F Mostly Sunny	Thu 4/15 94° 57°F Partly Cloudy	Fri 4/16 93° 55°F Partly Cloudy
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Good Buys

Commodity	Market Update	Produce Expert Tip
Green Beans	Volume domestically has improved. Nogales supply has improved leading to a stable market. Quality is mostly good.	Grape tomatoes BURST with flavor when they are roasted, and green bean become slightly crispy, and sweet all at the same time. Add both of these items to a single sheet pan and roast them with olive oil, lemon zest, and a pinch of salt and pepper. Once the veggies are done, add some grated romano or parmesan cheese on top and you have a delicious side dish!!
Grape Tomatoes	<p><u>East Coast</u></p> <ul style="list-style-type: none"> Grape Tomatoes: Florida supply continues to improve, and quality is outstanding. <p><u>Mexico</u></p>	

	<ul style="list-style-type: none"> • Grape Tomatoes: We are seeing increased numbers crossing and overall improved quality. FOB prices are down this week. 	Side note: Roasting vegetables in a single sheet pan is also great for easy clean-up!
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On the Horizon - NEW!!	
New Crop Stone Fruit out of California:	We expect to see the first picks of Apricots by the first week of May followed by peaches and nectarines the 2 nd week of May.
Move to Coachella:	We will begin the transition to the desert over the next several weeks as winter veg out of Mexico begins to wind down. First to scratch will be eggplant, by the end of next week, followed by green bells and mixed chilies by the 3 rd week of April. New crop desert corn is schedule to scratch the last week of April. Red bells and seedless watermelons will scratch first week of May.
Red Pepper out of Baja:	We are scratching in Southern Baja!
Southeastern Veg:	New crop broccoli will begin in the next 10-14 days and Georgia corn should ramp up by May 1.
Southeastern Fruit:	New crop watermelons out of Florida are slowly ramping up and expect volume by the middle of the month, Florida blueberries are also expected to see good volume and quality by mid-April. Stone fruit out of Georgia and South Carolina are about 4-5 weeks away, the bloom is tremendous and expecting a good crop.
New Crop Mexican Grapes:	Projected to start later this season than normal, but scheduled to begin harvesting the 2 nd week of May.

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 topics, which should increase quality. Supply is still lower due to the hurricanes in 2020.

Pineapples: Volumes on smaller sizes are available while the larger size pineapples are still below normal volumes although they are picking back up some.

Grapes: Red grape market hold steady from last week with good supply and quality. New, Good Quality grapes, have a higher price attached.

Berries

Strawberries: ESCALATED Volume continues to fall short of expectations, pushing FOB prices higher as Northern California is slow to get started from the rain and hail events a few weeks ago. In addition, many shippers have finished for the season in Mexico and Florida is having some condition challenges. Current growing conditions are ideal, and fruit looks good, but not be ready to harvest. We will see tight supplies continue through the week of 4/12 but should start to see a slow increase in supplies starting end of next week and into the following week

Blueberries: The Mexican season will continue with stable volume into the spring. Baja volumes will continue with stable and increasing production and the Florida season is starting with low volumes and will increase in mid-April. Georgia is on track to start production within the next 2 weeks

Blackberries: **ESCALATED** Volume continues with lighter than expected volume. Expect supply to start increasing through mid-April, and peak at the end of April and early May. Supply will start coming down gradually through mid-May.

Raspberries: Raspberries are showing steady volume with some shippers having slight increases. Quality is good.

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** Limes continue to struggle as we approach April, this past week we were down 250+ loads from the normal 750-800 loads per week. Unfortunately, we are starting to see a shift in sizing, leaning heavy to smaller sized fruit (200 to 230s) and expect to see this through most of April. We are anticipating a premium on larger sized fruit (175s and larger) to continue while we expect markets on smaller sized fruit to fluctuate throughout the month of April, then turn around once again in May.

The reports from Mexico are claiming this size issue is a result of two primary factors, the first being growers cutting ahead of schedule to keep markets stable through March and now will be harvesting from trees that will have less tonnage from picking ahead, and also trees suffering from damage due to the cold weather earlier in the year.

With 110-175ct limes expected to be extremely short, our contracts are being filled to their best ability however to ensure fill rates, we need to be flexible on sizing to maintain supply during this escalated and volatile lime market. In addition, we recommend scaling back portions and garnishments or use lemon as a substitute. We will continue to monitor this weekly and keep you informed of any changes.

Grapefruit: California grapefruit is available in Riverside and in the Central Valley. Fruit is peaking on the smaller sizes – 40/48/56s (mostly Fancy Grade).

Imports/Specialties available:

- Cara Caras – Good supplies available.
- Blood oranges – most guys are finishing up, some small fruit still available.
- Minneolas – on final floor counts, call for availability.
- Mandarins – All sizes available.
- Gold Nuggets – All sizes available.
- Ojai Pixie Tangerines – All sizes available.
- Import clementines/mandarins are available.

West Coast Lettuce

NOTE: Many shippers have transitioned to Salinas for the summer season but there is still good volume available out of Yuma

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

Green Leaf: Good volume with very good quality.

Red Leaf: Good volume with good quality.

Romaine & Romaine Hearts: Good supply and quality continue

Iceberg Lettuce: Supply and quality are good. The market has been steady to lower.

Eastern and Western Vegetables

Green Bell Pepper: **WATCH LIST** Supply remains tight 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, Baja and Canada. Quality is outstanding.

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

Mini Sweet Pepper: Excellent supply and quality crossing through Nogales.

Mixed Chili Pepper: Supply remains firm in the east on Jalapeño. Good volume on Long Hots, cubanelles and poblano. In Mexico volume and quality are outstanding 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 expected to remain light through the rest of the season but do not expect any shortages. Transition to Coachella should begin in 2 to 3 weeks.

Cucumbers: **WATCH LIST** Florida volume remains steady. FOB prices are down this week. Mexican crossings are lighter as the season winds down. Quality overall remains good, and we expect Coachella to ramp up by the last week of April.

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 continues to harvest stronger numbers and markets are down. 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: We are seeing lighter volume, as expected, as we pass the peak of the Spring crop. Sizing has been primarily regular 9s and 12s. Strong retail promotions have been running mostly on the 9/9Js with some

Canadian retailers now reacting on the lower price point 12s. There should be very good movement over the next week which could assist in strengthening the market some. We do anticipate a decrease in overall production for the next week before one last spike in the middle of April before supplies begin to taper off as the season concludes around May 21st.

Honeydew: Honeydew production has started to turn down and put upward pressure on the FOB Market and Mexican production remains very light. Sizing has been primarily 5/6s with a decent number of 8s coming in to ensure those orders are covered. We expect transition to the desert in late May.

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. We are starting to see some light numbers out of Florida and expect volume by Mid-April.

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 fair this week. We are still seeing 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 supplies with very good quality.

Brussels Sprouts: Availability will be improving as we transition but expect markets to remain active due to increased demand. Quality is good.

Carrots: **ESCALATED** 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: Good supplies and quality.

Celery: Good supply and quality. The market is steady.

Corn: **WATCH LIST** Corn prices remain high 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 continue to see lighter crossings and firmer FOB prices on bi-color, yellow, and white corn. We expect Coachella to ramp up the last week of April.

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** California garlic supplies will be very short for the balance of the season until new crop gets started in Late June / Early July. For the next 2 weeks, we will be shipping Argentina product, then back to

California garlic for a short period. After that, we will be into garlic from Mexico for the remainder of the season until new crop gets started. Market remains extreme.

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: Quality is good with good supplies

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 We are seeing an overall stable market however there going to be potential shortages of button sized mushrooms as labor costs and a shortage of labor continue to impact the mushroom industry nationwide. These shortages are forcing growers to make economic decisions that produce the best yield per man hour, the smaller mushrooms tend to produce the lowest yields per man-hour.

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:** Florida supply continues to improve, and quality is outstanding.
- **Cherry Tomatoes:** Florida supply continues to improve, and 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:** We are seeing increased numbers crossing and overall improved quality. FOB prices are down this week.
- **Cherry Tomatoes:** **WATCH LIST** Supply remains light this this week out of Mexico and quality is mixed.

APPLES & PEARS

Apples: **EXTREME** Granny smith apples remain tight, especially on the smaller sizes. East coast growers will have minimal availability through May. Import apples will start arriving at the end of this month on the east coast.

Pears: Small pears will remain tight through August. Imports are available on the east coast.

Stone Fruit: Good supply and flat demand on Chilean peaches, plums, and nectarines which will load in Philly and Los Angeles. We will start to see Domestic fruit available out of California over the next 4 to 6 weeks.

Cherries: Limited supply available.

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