

Weekly Market Review

April 15, 2021

Overview

Supply and quality are good on most items. With Taylor moving to Salinas this weekend, and shipping from Salinas next week (shipping from Salinas starting April 18th), the transition from Yuma to Salinas is almost complete. The only shipper left to make the move is Green Gate and they will be transitioning next week to start shipping in Salinas the week of April 25th. The pole cucumber market has turned as we transition growing regions while dealing with existing crops that were affected by cooler weather. We should see tighter markets for the next 2 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, and we will remain in a Force Majeure with our supplier. Expect a very active lime markets through the middle of April. Avocados are becoming extremely tight due to higher demand, and lower volume estimates 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, Raspberries and Strawberries) - **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cucumbers - **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Limes – **ACT OF GOD/FORCE MAJEURE**

WATCH LIST

- Berries (Blackberries and Raspberries)
- Corn
- 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:

Thu 4/15	Fri 4/16	Sat 4/17	Sun 4/18	Mon 4/19	Tue 4/20	Wed 4/21
61° 47°F	64° 49°F	66° 52°F	76° 55°F	73° 54°F	66° 52°F	64° 52°F
						
Partly Cloudy	Partly Cloudy	Sunny	Sunny	Mostly Sunny	Partly Cloudy	Mostly Sunny

YUMA, AZ:

Thu 4/15	Fri 4/16	Sat 4/17	Sun 4/18	Mon 4/19	Tue 4/20	Wed 4/21
84° 58°F	87° 58°F	90° 63°F	89° 61°F	94° 62°F	97° 63°F	91° 59°F
						
Partly Cloudy	Partly Cloudy	Sunny	Sunny	Sunny	Mostly Sunny	Mostly Sunny

IMMOKALEE, FL

Thu 4/15	Fri 4/16	Sat 4/17	Sun 4/18	Mon 4/19	Tue 4/20	Wed 4/21
88° 62°F	88° 63°F	90° 64°F	92° 67°F	88° 67°F	84° 67°F	84° 62°F
						
Sunny	Partly Cloudy	Partly Cloudy	Mostly Sunny	Scattered Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms

VIZCAINO, BAJA SUR

Thu 4/15	Fri 4/16	Sat 4/17	Sun 4/18	Mon 4/19	Tue 4/20	Wed 4/21
81° 65°F	80° 64°F	80° 65°F	81° 64°F	81° 66°F	83° 67°F	84° 65°F
						
Partly Cloudy	Partly Cloudy	Sunny	Sunny	Sunny	Mostly Sunny	Mostly Sunny

CULIACAN, MX:

Thu 4/15	Fri 4/16	Sat 4/17	Sun 4/18	Mon 4/19	Tue 4/20	Wed 4/21
96° 58°F	95° 57°F	95° 57°F	94° 56°F	93° 56°F	95° 57°F	95° 57°F
						
Mostly Sunny	Partly Cloudy	Sunny	Sunny	Sunny	Partly Cloudy	Partly Cloudy

Good Buys

Commodity	Market Update	Produce Expert Tip
Broccoli Crowns	Good supply & excellent quality.	With the plant-based trend still at an all-time high, why not mix up a traditional reuben sandwich with broccoli instead of meat? We know, it may not be the same... but don't knock it until you try it!

		<p>Roast the broccoli with some salt, garlic, pepper and oil, until tender and while that is cooking prepare your other ingredients (dressing, cheese, sauerkraut, and bread). Then the magic happens! Place the bread on a skillet and layer with your ingredients, then remove from the stovetop once your sandwich is beautiful brown on both sides and enjoy!</p>
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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 2nd 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 3rd 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 2nd week of May.

New Crop Rhubarb: Now available out of the Pacific Northwest.

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 We have seen an increase in demand as the weather is getting better in the U.S. We are working to fill our DC pipeline in response. Even though this process takes longer on the specialty bananas we do not anticipate any shortages. We see no issue with supply on 40lb bananas. Supply is still lower due to the hurricanes in 2020. Quality should not be an issue at this time.

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 holding steady from last week with good supply and quality. We are seeing a two-tier market on the West Coast where slow market has caused older inventory to be priced lower, but quality is poor on those. 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, most shippers have finished for the season in Mexico and Florida. Current growing conditions are ideal, and fruit

looks good, but not be ready to harvest. We will see tight supply continue through the week of 4/19, although we should start to see some slow increase in volume over the next couple of weeks although the lower-than-expected volume projections are keeping us in a demand exceeds supply situation with an extremely high market for this time of year. Mother's Day is May 9th, as supply starts to increase, the demand will also increase as we get into the Mother's Day pull the last week of April/First week of May.

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. Some shippers are still in light volume and holding to averages but new growing areas over the next few weeks will continue to increase supply.

Blackberries: **ESCALATED** Available supply varies from shipper to shipper, although volume continues lighter than expected. Expect supply to start increasing through late-April, and peak at the end of April and early May.

Raspberries: **ESCALATED** Raspberry supply, from most shippers, are still light with many shippers still pro-rating. Projections are showing steady increase in volume through the end of the month with good volume early May and 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 still 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. We recommend shifting to the 200ct limes during this shortage and scaling back portions and garnishments or use lemon as a substitute for the larger lime. 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 supply 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: *Yuma is finished for the season (With the exception of Green Gate who will be starting in Salinas 4/26). Everything will now be shipping from Salinas and Huron although next week should be the last week for Huron.*

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

Green Leaf: Good volume and good quality. The market is steady.

Red Leaf: Good volume with good quality. The market is steady.

Romaine & Romaine Hearts: Good volume and quality continue. The market is steady.

Iceberg Lettuce: Steady volume and good quality. The market is steady.

Eastern and Western Vegetables

Green Bell Pepper: Supply will be improving, and overall quality is good, especially in the newer blocks. In the west, we are seeing the gradual decline in the winter crop out of Sinaloa and will begin the transition to Coachella over the next 7-14 days. Quality will be mixed out of Mexico and new crop out of Coachella is looking great!

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: Florida has turned the corner and quality has improved now that we have transitioned 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: **ESCALATED** Florida volume is very short this week as we are seeing a lower production yields resulting from cooler weather that hit the region earlier in the month. We hope to see supply improve over the next two weeks. Mexican crossings are lighter as the season winds down and growers are walking away from older blocks due to quality issues. We are starting to see a few cucumbers crossing through Otay but will not see relief for several weeks. Quality is hit and miss and FOB prices are much higher this week.

English Cucumbers: Markets increased this week as demand increases due to lower supplies on pole cucumbers. Quality remains strong.

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 remains steady, and quality is mixed due to weather pressure. Nogales supply is beginning to wind down. We will start to see transition to the desert over the next few weeks.

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

Most herbs are steady and in good supply and quality.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Steady	USA
Basil	Steady	Fair	MEXICO
Opal Basil	Steady	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	Steady	MEXICO
Lemongrass	Steady	Steady	USA
Marjoram	Good	Good	USA
Mint	Steady	Steady	USA
Oregano	Steady	Steady	USA
Italian Parsley	Good	Good	USA
Rosemary	Good	Good	USA/MEXICO
Sage	Good	Good	USA
Savory	N/A	N/A	N/A
Sorrel	Steady	Steady	USA
Tarragon	Steady	Steady	MEXICO

Thyme	Steady	Steady	USA/MEXICO
Lemon Thyme	N/A	N/A	N/A
Lavender	Steady	Steady	USA
Lime Leaves	Very Limited	N/A	N/A

Melons

Cantaloupe: Peak volumes on cantaloupes continue with primarily larger fruit hitting the market. Strong retail promotions remain in place which has assisted with keeping the market fairly stable. Some independent growers have already completed their seasons as the Zacapa valley has finished production, but Classic Fruit will have production through the week of May 17th arrivals into Florida as we move to our second ranch. Sizing has been mostly 9s and larger the past week compared to peaking on 12s prior to that. Melons have a good shell color with brix levels holding in the 12-14% range.

Honeydew: Lighter honeydew production has finally started to be realized over the past week with close to a demand exceeds situation in place on the 6/8s. Arrivals on those sizes will be mostly limited with 8s being very short. Flexibility of sizing may be required in some instances. Quality has been consistently good with clean exterior and solid brix levels.

Watermelon: **WATCH LIST** Market remains firm this week but we are starting to turn the corner as we see more volume available out of Florida. In Mexico we are seeing the same, but markets remain strong because demand is so high. Quality is good.

Mixed Vegetables

Artichokes: Quality is excellent although artichokes are showing a little purple color near the base, but are free of any frost damage. We expect good volume to continue on larges sizes through the end of April. Prices are steady.

Arugula: Supply and quality are good.

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

Bok Choy: Supply is expected to be plentiful for the next three weeks. Now is an opportunity for promotion.

Broccoli/Broccoli Florets: Good supply and excellent quality.

Brussels Sprouts: Supply is normal. 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 supply and quality.

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

Corn: **WATCH LIST** We are seeing a split market on corn. In the east prices are down and quality is good as we see more production available. In the west volume is winding down out of Mexico as the season winds down and transition to the Coachella begins. We expect to see prices firm back up as demand will soon begin for Cinco De Mayo and Memorial Day retail ads that are on the horizon.

Cilantro: Volume is expected to be significantly lower due to light bacterial spotting in most bunches.

Fennel: Lower volume this week. Sizing is on the smaller side due to cooler weather.

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 week to 10 days, we will be shipping product of Argentina, then back to California garlic for a short period. Then we will be shipping 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: Anticipate a gap in supply over the next week as Salinas Valley harvest starts late April. Cooler than normal temperatures continue to slow plant growth. Quality is good.

Green Onions: Quality is good with good supply.

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: Anticipate limited availability over the next week.

Snow Peas: Tight volume and good quality.

Sugar Snap Peas: Tight volume and 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 has leveled off on yellows and whites in all shipping regions for the time being. While it appeared, the market was moving up on all colors and sizes in the Northwest, a combination of poor truck supply, as well as a lull in onion demand has put a halt on any movement or increases. Red onions are in short supply as the Northwest continues to wind down, and no new heavy volume of reds expected to enter the market until California comes into play at the end of the month. With Mexican onions all but finished, we are seeing Texas onions continuing to ramp up their supply in McAllen. Early reports show plenty of medium and jumbo yellows, fewer colossal and super colossal, and only mixer volume on red onions. The Imperial Valley, California is expected to begin shipping next week on yellows, and then we will likely see reds and whites the following week (week of 04/26). They are expected to have a strong crop both in terms of quality and yields. There is concern that the challenge of available truck capacity will continue into the summer, and potentially worsen as onion shipments will be forced to compete with higher paying veg/fruit shipments also originating out of California. We are seeing the lowest available equipment that we have in the last eight years. Unfortunately, we do not see the situation improving until demand levels off, and truck supply increases back to a historically normal level.

Potatoes:

The potato market continues to move upward due to increased demand for foodservice. Burbanks, Norkotahs, and White Russets continue to ship all at once, with Norkotahs beginning to wind down for the season. We are seeing Norkotahs shipping in greater volumes at this point in the season than we typically do, mostly due to abbreviated demand resulting from COVID, as well as the shortage of trucks limiting movement. Quality remains strong on all varieties. Larger size cartons continue to tighten up throughout the state on all varieties. 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. Additionally, as more growers transition from Burbanks to Norkotahs, we are seeing heavier inventories of smaller sizes as burbanks do not generate the same level of large size cartons as Norkotahs. We expect this trend to continue as more Norkotah shippers migrate over to Burbanks. Demand continues to increase, and we anticipate this to continue in the coming week. Warmer temperatures will also help demand increase as we move toward spring and summer. Other russet growing regions will finish shipping in the coming weeks, so there will be less overall supply in the market, and this will help increase FOB pricing. Truck capacity remains the biggest challenge. We are seeing the lowest available equipment that we have in the last eight years. Unfortunately, we do not see the situation improving until demand levels off, and truck supply increases back to a historically normal level.

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.