

Weekly Market Review

April 26, 2021

Overview

Except for a few shippers still shipping lettuce out of Huron, the summer transition to Salinas will be complete after this weekend. Green Gate is the last shipper to transition, and they will be starting in Salinas on Monday 4/25. Supply and quality are good on most items and 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 suppliers. We do expect a very active lime markets through the end of May. 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 (Raspberries and Strawberries) – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cucumbers - **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Limes – **ACT OF GOD/FORCE MAJEURE**
- Pears (Smaller Sizes) - **EXTREME**

WATCH LIST

- Apples (Small size Granny Smith)
- Berries (Blackberries and Blueberries)
- Corn
- Green Beans
- 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 4/22 61° 50°F  AM Clouds/PM Sun	Fri 4/23 60° 50°F  Partly Cloudy	Sat 4/24 62° 49°F  Partly Cloudy	Sun 4/25 62° 50°F  Mostly Cloudy	Mon 4/26 62° 49°F  Partly Cloudy/Wind	Tue 4/27 64° 51°F  Mostly Sunny	Wed 4/28 71° 56°F  Mostly Sunny
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YUMA, AZ:

Thu 4/22 62° 44°F  Mostly Sunny	Fri 4/23 66° 52°F  Cloudy	Sat 4/24 63° 46°F  Rain	Sun 4/25 73° 47°F  Mostly Sunny	Mon 4/26 80° 56°F  Mostly Sunny	Tue 4/27 82° 62°F  Partly Cloudy	Wed 4/28 74° 54°F  Scattered Thunderstorms
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IMMOKALEE, FL

Thu 4/22 86° 62°F  Mostly Sunny	Fri 4/23 84° 65°F  Mostly Sunny	Sat 4/24 91° 68°F  Partly Cloudy	Sun 4/25 89° 61°F  Mostly Sunny	Mon 4/26 89° 62°F  Sunny	Tue 4/27 87° 62°F  Mostly Sunny	Wed 4/28 88° 65°F  Partly Cloudy
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VIZCAINO, BAJA SUR

Thu 4/22 83° 59°F  Partly Cloudy	Fri 4/23 76° 64°F  Sunny	Sat 4/24 82° 66°F  Mostly Sunny	Sun 4/25 85° 64°F  Mostly Sunny	Mon 4/26 84° 62°F  Mostly Sunny	Tue 4/27 78° 65°F  Sunny	Wed 4/28 83° 69°F  Sunny
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CULIACAN, MX:

Thu 4/22 93° 57°F  Partly Cloudy	Fri 4/23 94° 55°F  Mostly Sunny	Sat 4/24 99° 57°F  Sunny	Sun 4/25 98° 57°F  Partly Cloudy	Mon 4/26 97° 58°F  Partly Cloudy	Tue 4/27 98° 58°F  Sunny	Wed 4/28 100° 60°F  Sunny
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Good Buys

Commodity	Market Update	Produce Expert Tip
Eggplant	Florida supply remains steady, and quality has improved now that we have transitioned to newer blocks. Mexican crossings are expected to remain stable this week as well. We are seeing a few growers scratch	We are almost into grilling weather and that is the perfect time to slice up some eggplant and place it on the grill. Slice them from top to bottom so that you have long slices. Brush oil on both sides and salt and pepper. This

	eggplant in Coachella this week and quality is beautiful!	meaty vegetable is great as a burger replacement, or even as a side dish.
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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 markets continue to be lower than expected. 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 is projected to gradually increase each week going forward, although production volumes are still well below averages for this time of year due to cooler temperatures and previous rain and hail events as we head into the last week of April and first week of May. With below average volume and increased demand for Mother's Day, we anticipate the market to remain strong.

Blueberries: WATCH LIST The Mexican season will continue with gradually decreasing volumes into the spring. Baja volumes will continue with stable and increasing production. The Florida volumes are projected to pick up with strong production in the weeks ahead. Georgia production started this week with light volume.

Blackberries: WATCH LIST For the next 3 weeks we should start seeing better supply. Central Mexico regions will be the main producers through mid-May. Weather is hot in Mexico which is conducive to good fruit. In contrast to other seasons, we expect to have a smooth transition between the Mexico and USA regions due to Oxnard ramping up production in mid-May.

Raspberries: ESCALATED We continue to see very light supply on Raspberries out of all areas. Market is currently demand exceeds supply and looks to continue through next week. As we get into the first weeks of May, we anticipate supply to increase with good quality.

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 May, and we continue to see sizing lean heavy to smaller sized fruit (200 to 230s) We are receiving assessments from the growing regions that this will continue through May and possibly into June. The main issues we are dealing with are cold weather in February which impacted the bloom by approximately 60% as well as in the southern lime region of Tabasco has yet to receive any substantial rainfall over the last 30 days and the lime trees are stressed, yet there is hope, we did get reports of minor precipitation in the region today, obviously any pro-longed precipitation is preferred which will promote bloom as well as growth of the existing fruit. The other factor we are facing is many growers continue to pick ahead of schedule and source limes from all possible regions to try and mitigate the impact of this tight supply which is affecting the size curve because there is no ability for fruit to size up on the trees.

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 200-230ct 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 – Winding down.
- Blood oranges – most guys are finishing up, some small fruit still available.
- Minneolas – On final floor counts.
- Mandarins – All sizes available.
- Gold Nuggets – All sizes available.
- Ojai Pixie Tangerines – All sizes available.
- Import clementines/mandarins are available.

West Coast Lettuce

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: Good volume and quality. The market is flat.

Eastern and Western Vegetables

Green Bell Pepper: Supply continues to improve out of South Florida, and overall quality is good on all sizes. 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 supply remains steady, and quality has improved now that we have transitioned to newer blocks. Mexican crossings are expected to remain stable this week as well. We are seeing a few growers scratch eggplant in Coachella this week and quality is beautiful!

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 unchanged this week.

English Cucumbers: Markets increased this week as demand increases due to lower supply 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: **WATCH LIST** Volume has tightened back up and quality is mixed due to recent rain. We should see some relief over the next 10 to 14 days as transition to South Georgia will begin. Nogales supply is beginning to wind down. We will start to see transition to the desert over the next 7 to 10 days.

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. We are seeing light offers of new crop availability out of South Georgia and good volume crossing from Mexico. Quality is outstanding on zucchini, although we are seeing more scarring on the yellow. Central valley shippers are going to scratch in 2 weeks.

Herbs

Local Mint is in full swing. **Chives, Tarragon, Parsley, Rosemary, Thyme** are all in steady and good supply. **Chervil, Savory and Dill** are limited in supply this week but should pick back up later part of next week. All other herbs are steady, and quality is strong.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Steady	USA
Basil	Steady	Steady	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	Steady	Steady	USA
Mint	Good	Good	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	Steady	USA

Melons

Cantaloupe: Cantaloupe production remains strong from both Guatemala and Honduras. The market has maintained steady pricing due to very good demand especially from the retail sector who are running very large promotions as the weather warms in most parts of the country. Sizing has been peaking on larger fruit but there continues to be a good mix with 12/15s accounting for approximately 25% of the overall production. Brix levels have been reaching optimum levels with a range of 11-16% and a very good flavor profile.

Honeydew: Overall honeydew supply continues to decrease over the past week with very good demand from all parts of the country as Mexican supply crossing in Nogales remain limited. Classic Fruit has had a good mix of sizing with the majority of the production being 5/6s but 8s have been extremely limited. Recent honeydew arrivals have shown good quality both externally and internally.

Watermelon: **WATCH LIST** Market seems to be easing back as more volume becomes available out of Florida while crossing from Mexico were lighter this week. Quality is very nice out of Florida.

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:** Good/Steady volume and good quality. **Mexico** Fair quality, low volume. Caborca season expecting to end by 3rd week of April, although the California crop has started with good supply and quality. Market is slightly higher

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 steady, and 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: Lighter than expected supply, market will continue strong into next week as cooler weather has slowed production. Quality is good.

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: Supply is good, quality is fair due to light bacterial spotting in most bunches.

Fennel: Lower volume this week. Quality is strong overall.

Garlic: EXTREME California garlic supply will be very short for the balance of the season until new crop gets started in late June / early July. We will be shipping California garlic for a short while and then will be transitioning to product of Mexico until the new crop California garlic gets going. 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: Quality remains strong and we expect to have good supply for the next couple of weeks.

Red Cabbage: Anticipate limited availability over the next week.

Snow Peas: Good steady 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 remains stagnant on all three colors at the moment. While several sheds have finished in the Northwest, there are still abundant supply in the region that are now at serious risk of sprouting and breakdown. Growers are having no choice but to take lower priced orders to keep the crop moving, or they will risk having to dump voluminous amounts of product. Mexican onions all but finished, we are seeing Texas onions continuing to ramp up their supply in McAllen that is replacing the lost Mexican product. In the Imperial Valley, California, has started shipping yellows this week. They are having to lower FOBs in certain markets to remain competitive and get buyers to start pulling from their region. We will likely see reds and whites starting up on Monday 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 has firmed up this week and FOB prices were higher due to rain delays but expect volume to pick back up this weekend. We may see some minor rain related quality issues short term.
- **Romas:** Florida supply has firmed up this week and FOB prices were higher due to rain delays but expect volume to pick back up this weekend. We may see some minor rain related quality issues short term.

- **Grape Tomatoes:** Florida supply has firmed up this week and FOB prices were higher due to rain delays and quality issues. We should see this turn around over the next week.
- **Cherry Tomatoes:** Florida supply is stable on cherries this 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:** 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: **WATCH LIST** 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: **EXTREME ON SMALL SIZES** 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 Hayward are available.